PETRA FOODS
LIMITED
(Registration no. 198403096C)

Petra Foods Limited
Unaudited Financial Statement and Dividend Announcement
For the 3rd Quarter and Nine Months Ended 30 September 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (1Q, 2Q, 3Q & 4Q), HALF YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		The Group			The Group		
		3Q ended 30 September			9 Months ended 30 September		
		2006	2005	Change	**2006**	2005	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Sales	1	**148,394**	110,240	34.6%	**384,037**	326,812	17.5%
Cost of Sales	2	**(119,988)**	(88,646)	35.4%	**(306,720)**	(266,951)	14.9%
Gross Profit		**28,406**	21,594	31.5%	**77,317**	59,861	29.2%
Other operating income		**575**	252	128.2%	**2,222**	874	154.2%
Selling and Distribution costs		**(12,664)**	(9,420)	34.4%	**(32,245)**	(22,960)	40.4%
Administrative expenses		**(4,573)**	(3,843)	19.0%	**(13,582)**	(11,822)	14.9%
Finance Costs	3	**(2,755)**	(619)	345.1%	**(6,867)**	(3,605)	90.5%
Other operating expenses		**(31)**	(363)	-91.5%	**(350)**	(791)	-55.8%
		8,958	7,601	17.9%	**26,495**	21,557	22.9%
Share of results of associates		**69**	5	N/M	**(50)**	(92)	-45.7%
Profit before tax and exceptional Item		**9,027**	7,606	18.7%	**26,445**	21,465	23.2%
Exceptional Item	4	**744**	-	N/M	**2,260**	-	N/M
Profit before tax		**9,771**	7,606	28.5%	**28,705**	21,465	33.7%
Income tax expense	7	**(2,287)**	(1,523)	50.2%	**(6,337)**	(4,678)	35.5%
Profit after tax		**7,484**	6,083	23.0%	**22,368**	16,787	33.2%
Attributable to:							
Shareholders of the Company		**7,484**	5,947	25.8%	**22,368**	17,112	30.7%
Minority Interest		**-**	136	N/M	**-**	(325)	N/M
Profit attributable to equity holders of the Company		**7,484**	6,083	23.0%	**22,368**	16,787	33.2%
EBITDA		**14,495**	10,552	37.4%	**41,446**	31,207	32.8%
Earnings per Share							
- Before exceptional item (US cents)		**1.38**	1.12	23.2%	**3.89**	3.21	21.2%
- After exceptional item (US cents)		**1.41**	1.12	25.9%	**4.20**	3.21	30.8%
Return on Equity							
- Before exceptional item					**17.5%**	16.4%	1.1% pts
- After exceptional item					**18.8%**	16.4%	2.4% pts

Notes

NM denotes not meaningful

1 EBITDA represents net profit before exceptional item, net interest expense, income tax expense, depreciation and amortization expense.

2 Dilutive earnings per share for 3Q and nine months 2006 is the same as basic earnings per share since there were no dilutive potential ordinary shares as at 30 September 2006.

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Explanatory Notes on Profit and Loss

Note 1 – Breakdown of sales by division

	3Q ended 30 September			9 Months ended 30 September		
	2006	2005	Change	**2006**	2005	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cocoa Ingredients Division	**90,920**	72,228	25.9%	**242,599**	228,380	6.2%
Branded Consumer Division	**57,474**	38,012	51.2%	**141,438**	98,432	43.7%
	148,394	110,240	34.6%	**384,037**	326,812	17.5%

Note 2 – Cost of Sales

Cost of sales consists of cost of goods sold, costs of processing services rendered and net gain or loss on derivatives and hedge adjustment on inventory.

	3Q ended 30 September			9 Months ended 30 September		
	2006	2005	Change	**2006**	2005	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Cost of goods sold	(115,905)	(85,921)	34.9%	(298,737)	(257,364)	16.1%
Cost of services	(3,010)	(2,826)	6.5%	(8,444)	(7,110)	18.8%
	(118,915)	(88,747)	34.0%	(307,181)	(264,474)	16.1%
Adjusted for:						
Fair value hedge gain/(loss) adjustment of inventories	(9,871)	2,369	N/M	(4,401)	1,241	N/M
Fair value gain/(loss) on cocoa bean derivatives	9,169	(686)	N/M	2,705	1,351	N/M
Fair value gain)(loss) on foreign exchange derivatives	(775)	(134)	N/M	1,689	(3,300)	N/M
	(1,477)	1,549	N/M	(7)	(708)	N/M
	(120,392)	(87,198)	38.1%	(307,188)	(265,182)	15.8%
Net foreign exchange gain/(loss)	404	(1,448)	N/M	468	(1,769)	N/M
Cost of Sales	**(119,988)**	**(88,646)**	35.4%	**(306,720)**	**(266,951)**	14.9%

Note 3 - Finance Costs (Net)

	3Q ended 30 September			9 Months ended 30 September		
	2006	2005	Change	**2006**	2005	Change
	US$'000	US$'000	%	**US$'000**	US$'000	%
Interest Expense	**(2,566)**	(1,015)	152.8%	**(7,104)**	(3,529)	101.3%
Fair value Gain/(Loss) on interest rate derivatives	**(254)**	377	N/M	**103**	68	51.5%
Transfer from cash flow hedge	**62**	-	N/M	**56**	-	N/M
Net interest expense	(2,758)	(638)	332.3%	(6,945)	(3,461)	100.7%
Net foreign exchange gain / (loss)	**3**	19	-84.2%	**78**	(144)	N/M
Total finance costs	**(2,755)**	**(619)**	345.1%	**(6,867)**	**(3,605)**	90.5%

Note 4 - Exceptional Gain

A breakdown of the exceptional items is as follows:

	Note	3Q ended 30 September 2006 US$'000	9 months ended 30 September 2006 US$'000
Negative goodwill arising from acquisition of businesses	5	(253)	3,070
One-time restructuring costs for cessation of manufacturing operations in Ceres Sime Confectionery Sdn Bhd (Malaysia)	6	997	(810)
Exceptional Gain		**744**	**2,260**
Income Tax Expense – foreign	7	**(619)**	**(619)**
		125	**1,641**

Note 5

On 8 February 2006, the Group acquired from Hudson Group Limited, the Hudson business and ownership rights to the "Hudson's" trademark in the following countries - Malaysia, Singapore, Philippines and Brunei.

On 1 March 2006, the Group acquired the chocolate confectionery manufacturing plants and sales and distribution assets from Nestle Philippines and its subsidiary, Goya Inc. The acquisition includes the purchase of key brands "Knick Knacks", "Goya" and "Boom Boom" and was done through Delfi Foods Inc, a wholly owned subsidiary of the Group.

The effects of the above acquisitions to the Group's financials are as follows:

Fair value of identifiable net assets of businesses acquired:

	US$'000
Plant and Equipment	6,737
Intangible Assets	3,700
Inventories	2,413
Other payables	(690)
Deferred income tax liabilities	(1,287)
	10,873
Less:	
Total consideration – paid in cash	(7,803)
Negative goodwill recognized in the income statement	3,070

The negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired over the cost of the acquisition.

Note 6

On 4 May 2006, Ceres Sime Confectionery Sdn Bhd ceased manufacturing operations in Malaysia. Its chocolate manufacturing equipment is being re-deployed to the Group's chocolate confectionery manufacturing facilities in Indonesia and the Philippines.

Note 7

Included in the Group's 3Q 2006 income tax expense was a US$619,000 charge of deferred tax assets arising from the cessation of manufacturing operations of Ceres Sime Confectionery Sdn. Bhd. As per Notes 4 and 6 above.

1(a)(ii) The net profit was arrived after (deducting)/crediting the following:

		3Q ended 30 September			9 Months ended 30 September		
		2006	2005	Change	**2006**	2005	Change
	Notes	**US$'000**	US$'000	%	**US$'000**	US$'000	%
Depreciation of property, plant and equipment		**(2,838)**	(2,353)	20.6%	**(8,303)**	(6,379)	30.2%
Amortisation of intangible assets		**(18)**	(11)	63.6%	**(52)**	(23)	126.1%
Net foreign exchange (loss)/ gain		**(127)**	(1,877)	(93.2%)	**1,575**	(2,370)	NM
Under/(Over) provision of tax in prior years		**(118)**	100	NM	**36**	(61)	NM
Gain/(loss) on disposal of property, plant and equipment		**23**	(18)	NM	**70**	(27)	NM
Impairment of property, plant and equipment	8	**(28)**	-	NM	**(853)**	-	NM
Impairment/(writeback) of debtors	8	**11**	-	NM	**(134)**	-	NM
Inventories written off	8	**(253)**	(66)	283.3%	**(449)**	(272)	65.1%
Writeback/(allowance) for inventories obsolescence		**339**	18	NM	**114**	(67)	NM

Note 8

In conjunction with the restructuring exercise as explained in Note 6 above, the following one-time restructuring costs were recognised:

	3Q ended US$'000	9 months US$'000
Impairment of property, plant and equipment	(28)	(853)
Impairment of debtors	60	(85)
Inventories written off	88	(132)

1(b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		The Group		The Company	
		30-Sep-06	31-Dec-05	30-Sep-06	31-Dec-05
	Notes	US$'000	US$'000	US$'000	US$'000
ASSETS					
Current assets					
Cash and cash equivalents		**5,557**	5,374	**489**	584
Trade receivables		**56,612**	45,033	**85,422**	57,736
Inventories		**101,555**	93,809	**5,020**	32,450
Derivative assets		**4,978**	3,423	**1,803**	3,423
Other current assets		**13,438**	10,964	**19,191**	10,851
		182,140	158,603	**111,925**	105,044
Non-current assets					
Investments in subsidiaries	1	**-**	-	**44,352**	45,015
Investments in associated companies		**2,996**	2,864	**3,000**	3,000
Property, plant and equipment	2	**136,841**	112,481	**2,543**	2,586
Intangibles assets		**14,803**	11,036	**1,784**	-
Deferred income tax assets		**953**	1,288	**-**	-
Loans to subsidiaries		**-**	-	**10,000**	17,008
Other non-current assets		**2,696**	522	**4,616**	444
		158,289	128,191	**66,295**	68,053
Total Assets		**340,429**	286,794	**178,220**	173,097
LIABILITIES					
Current liabilities					
Trade payables		**31,428**	22,249	**14,149**	9,262
Other payables		**16,346**	13,283	**4,449**	1,998
Current income tax liabilities		**3,953**	3,323	**1,323**	2,753
Borrowings	3	**90,208**	63,561	**33,071**	21,948
Derivative liabilities		**-**	3,733	**-**	3,733
		141,935	106,149	**52,992**	39,694
Non-current liabilities					
Borrowings	3	**27,357**	24,226	**381**	436
Provisions for other liabilities and charges		**3,657**	2,933	**-**	-
Deferred income tax liabilities		**2,779**	1,297	**194**	331
		33,793	28,456	**575**	767
Total liabilities		**175,728**	134,605	**53,567**	40,461
NET ASSETS		**164,701**	152,189	**124,653**	132,636
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital and share premium	4	**95,767**	95,767	**95,767**	95,767
Foreign currency translation reserve		**(3,334)**	(5,616)	**-**	-
Other reserves	5	**752**	1,854	**(28)**	1,147
Retained earnings		**71,516**	59,781	**28,914**	35,722
Shareholders' equity		**164,701**	151,786	**124,653**	132,636
Minority interests		**-**	403	**-**	-
Total equity		**164,701**	152,189	**124,653**	132,636

Explanatory Notes on Balance Sheet

Note 1 – Investment in Subsidiaries

Details of subsidiaries are as follows:

Name of Subsidiaries	Country	Effective equity interest held by the Group 30-Sep-06	31-Dec-05
		%	%
Held by the Company			
PT Perusahaan Industri Ceres	Indonesia	100	100
PT General Food Industries	Indonesia	100	100
PT Nirwana Lestari	Indonesia	100	100
Delfi Cocoa (Malaysia) Sdn Bhd	Malaysia	100	100
Siam Cocoa Products Co Ltd	Thailand	100	100
Cocoa Specialities, Inc	Philippines	100	100
Delfi Marketing Inc[1]	Philippines	100	-
Delfi Food Inc[2]	Philippines	100	40
Delfi Chocolate Manufacturing S.A.	Switzerland	100	100
Delfi Cocoa USA, Inc	USA	100	100
McKeeson Consultants Pte Ltd	Singapore	100	100
Delfi Singapore Pte Ltd[3]	Singapore	100	100
Petra-SPT Marketing Pte Ltd	Singapore	100	100
Delfi Cocoa Investments 1 Pte Ltd	Singapore	100	100
Delfi Marketing Sdn Bhd[4]	Malaysia	100	70
Ceres Sime Confectionery Sdn Bhd[5]	Malaysia	100	60
Held by other subsidiaries within the Group			
Ceres Sime Marketing Sdn Bhd[5]	Malaysia	100	60
DCMX Cocoa, SA de CV	Mexico	100	100
Petra Management Services, SA de CV	Mexico	100	100
Delfi Cacau Brasil Ltda	Brasil	100	100

[1] On 5 January 2006, the Company formed a wholly owned subsidiary company, Delfi Marketing Inc. ("Delfi Marketing") in the Philippines. Delfi Marketing has been formed for the purpose of distributing, marketing and selling the Group's branded chocolate confectionery products in the Philippines.

[2] On 23 January 2006, the Company increased its shareholding in Delfi Foods Inc, an associate company in the Philippines from 40% to 100%.

[3] On 25 January 2006, the Company increased its paid up capital in Petra Sime Marketing Private Limited, a wholly owned subsidiary in Singapore from S$3 million to S$4.15 million. The consideration of new shares was settled by way of capitalizing the full amount of loan owing by Petra Sime to the Company. On 1 August 2006, Petra Sime Marketing Private Limited changed its name to Delfi Singapore Pte Ltd.

[4] On 14 March 2006, the Company acquired the remaining 30% stake in its joint venture company, Sime Darby Marketing Sdn Bhd from its JV partner, Sime Malaysia Region Berhad, a wholly owned subsidiary of Sime Darby Berhad, one of Malaysia's largest conglomerates. On 30 June 2006, Sime Darby Marketing Sdn Bhd changed its name to Delfi Marketing Sdn Bhd.

[5] On 4 May 2006, the Company acquired the remaining 40% stake in Ceres Sime Confectionery Sdn Bhd from its joint venture partner, Sime Malaysia Region Berhad, a wholly owned subsidiary of Sime Darby Berhad. With the 100% shareholding, the Company was able to re-deploy the assets the chocolate manufacturing equipment to Indonesia and the Philippines and the joint venture ceased manufacturing operations.

Note 2 – Property Plant and Equipment

Total capital expenditure for period under review amounted to US$24 million as follows:

	9-month ended 30 September	
	2006	2005
	US$'000	US$'000
Cocoa Ingredients	**12,711**	11,832
Branded Consumer	**11,455**	18,065
	24,166	29,897

Note 3 - Borrowings

	The Group		The Company	
	30-Sep-06	31-Dec-05	**30-Sep-06**	31-Dec-05
	US$'000	US$'000	**US$'000**	US$'000
(a) Current				
Bank overdraft	**31,735**	27,728	**50**	-
Bank loans	**22,560**	10,793	**-**	-
Lease liabilities	**289**	215	**121**	132
Trade Finance	**35,624**	24,825	**32,900**	21,816
	90,208	63,561	**33,071**	21,948
(b) Non Current				
Bank loans	**26,789**	23,657	**-**	-
Lease Liabilities	**568**	569	**381**	436
	27,357	24,226	**381**	436

Note 4 – Share Capital and Share Premium

With effect from 30 January 2006, the concepts of "par value" and "authorized capital" were abolished under the Companies (Amendment) Act 2005. The amount, reflected as a credit in the Company's share premium account as at 30 January 2006, has become part of the Company's share capital as at that date.

Note 5 – Other Reserves

Cash flow hedge reserve as disclosed in para 1(d)(i) decreased from US$1.1 million to US$45,000 due to a fair value loss of cocoa bean futures of US$1.5 million during the period under review. This was mitigated by a fair value gain on interest rate swap of US$374,000.

The Group enters into a combination of cocoa bean futures and currency futures to lock in the cost of carry and/or market differentials arising from future purchases of cocoa beans and future sales of cocoa products. Interest rate swap is used to hedge its floating rate loan facilities.

Note 6 – Key Ratios

	The Group	
	30-Sep-06	31-Dec-05
Current Ratio (times)	1.28 x	1.49 x
Average Inventory Days	87	100
Average Receivable Days	36	35
Net Debt to Equity (times)	0.68 x	0.54 x
Adjusted Net Debt to Equity (times)*	0.46 x	0.38 x

* Note: The Adjusted Net Debt to Equity Ratio is adjusted for Trade Finance which is used to fund cocoa beans inventory.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

	The Group		The Company	
	30-Sep-06	31-Dec-05	**30-Sep-06**	31-Dec-05
	US$'000	US$'000	US$'000	US$'000
Amount repayable in one year or less, or on demand				
- Secured	**17,420**	63,561	**121**	21,948
- Unsecured	**72,788**	-	**32,950**	-
	90,208	63,561	**33,071**	21,948
Amount repayable after one year				
- Secured	**27,357**	24,226	**381**	436
- Unsecured	**-**	-	**-**	-
	27,357	24,226	**381**	436

Details of collateral

In May 2006, the Company replaced its US$110 million Trade Finance Facilities with bilateral facilities from various bankers amounting to US$147 million on an unsecured basis.

Total bank borrowings of US$44.7 million obtained by subsidiaries in the Group are secured by certain pledged deposits, trade receivables, inventories, property, plant and equipment and legal mortgages of land and properties.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	9 months ended	
		30-Sep-06	30-Sep-05
		US$'000	US$'000
Cash flows from operating activities			
Profit before tax		**28,705**	21,465
Adjustments for:			
Depreciation & amortization		**8,355**	6,402
Loss/(gain) on disposals of property, plant and equipment		**(70)**	27
Interest (income)		**(273)**	(120)
Interest expense		**6,945**	3,461
Impairment loss of intangibles		**-**	328
Restructuring costs		**451**	-
Negative goodwill		**(3,070)**	-
Net foreign exchange (gain)/loss		**(78)**	144
Share of loss from associated companies		**50**	92
Operating cash flow before working capital changes		**41,015**	31,799
Change in operating assets and liabilities, net of effects from purchase of subsidiaries			
Inventories		**(9,864)**	10,976
Trade and other receivables		**(16,352)**	1,072
Change in fair value of inventories		**4,400**	(2,484)
Change in fair value of derivatives		**(6,521)**	(4,737)
Trade and other payables		**12,224**	5,108
Trade finance		**10,800**	(1,588)
Cash generated from operations		**35,702**	40,146
Interest received		**273**	120
Interest paid		**(1,643)**	(1,398)
Income tax paid		**(5,402)**	(5,585)
Net cash provided by operating activities		**28,930**	33,283
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(6,021)**	(899)
Acquisition of additional interests in subsidiaries		**(410)**	-
Purchases of property, plant and equipment		**(24,166)**	(29,897)
Payments for patent & trademark		**(1,853)**	(99)
Proceeds from disposals of property, plant and equipment		**208**	283
Net cash used in investing activities		**(32,242)**	(30,612)
Cash flows from financing activities			
Net Proceeds/(repayment) of bank loan		**15,823**	(4,330)
Repayment of lease liabilities – net		**78**	177
Interest paid		**(5,302)**	(2,063)
Dividend paid to shareholders		**(10,633)**	(7,362)
Decrease/(increase) in fixed deposits held as collateral with financial institutions		**154**	(1,423)
Net cash from financing activities		**120**	(15,001)
Net increase/(decrease) in cash and cash equivalents		**(3,193)**	(12,330)
Cash and cash equivalents at the beginning of the financial year		**(22,961)**	1,244
Net effect of exchange rate changes in consolidating subsidiaries		**(478)**	(849)
Cash and cash equivalents at the end of the financial period		**(26,631)**	(11,935)

Notes to Statement of Cash Flow

(i) Cash and cash equivalents comprise the following Balance Sheets amounts:

	Financial Year ended	
	30-Sep-06	30-Sep-05
	US$'000	US$'000
Cash and bank balances	**5,557**	6,860
Less : Fixed deposits held as collateral with financial institutions	**(453)**	(2,677)
Less: Bank overdrafts	**(31,735)**	(16,118)
	(26,631)	(11,935)

(ii) Cash generated from operations for the period under review was US$28.9 million. This was used to fund part of the cost of business acquisitions (US$8.3 million); and plant and capacity expansion in Malaysia, Indonesia and Latin America (US$24.2 million).

1(d) (i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity
For the period ended 30 September 2006

	Attributable to equity holders of the Company							
	Share capital and share premium	**Foreign Currency translation reserve**	**Retained earnings**	**Cash flow hedge reserve**	**General reserve**	**Total shareholders' equity**	**Minority interest**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1H 2006								
Balance at 1 January 2006	95,767	(5,616)	59,781	1,147	707	151,786	403	152,189
Currency translation differences	-	1,728	-	-	-	1,728	7	1,735
Cash flow hedges	-	-	-	1,430	-	1,430	-	1,430
Tax on fair value gain	-	-	-	(143)	-	(143)	-	(143)
Net gains recognised directly in equity	-	1,728	-	1,287	-	3,015	7	3,022
Net profit for the period	-	-	14,884	-	-	14,884	-	14,884
Total recognised gains/(losses)	-	1,728	14,884	1,287	-	17,899	7	17,906
Purchase of additional equity interests in subsidiary companies	-	-	-	-	-	-	(410)	(410)
Dividend relating to 2005	-	-	(5,257)	-	-	(5,257)	-	(5,257)
Balance at 30 June 2006	95,767	(3,888)	69,408	2,434	707	164,428	-	164,428

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Consolidated Statement of Changes in Equity (cont'd)

	Attributable to equity holders of the Company							
	Share capital and share premium US$'000	Foreign Currency translation reserve US$'000	Retained earnings US$'000	Cash flow hedge reserve US$'000	General reserve US$'000	Total shareholders' equity US$'000	Minority interest US$'000	Total equity US$'000
The Group								
3Q 2006								
Balance at 1 July 2006	95,767	(3,888)	69,408	2,434	707	164,428	-	164,428
Currency translation differences	-	554	-	-	-	554	-	554
Cash flow hedges	-	-	-	(2,658)	-	(2,658)	-	(2,658)
Tax on fair value gain	-	-	-	269	-	269	-	269
Net gains recognised directly in equity	-	554	-	(2,389)	-	(1,835)	-	(1,835)
Net profit for the period	-	-	7,484	-	-	7,484	-	7,484
Total recognised gains/(losses)	-	554	7,484	(2,389)	-	5,649	-	5,649
Purchase of additional equity interests in subsidiary companies	-	-	-	-	-	-	-	-
Dividend relating to 2005	-	-	(5,376)	-	-	(5,376)	-	(5,376)
Balance at 30 September 2006	95,767	(3,334)	71,516	45	707	164,701	-	164,701

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1(d)(i) Consolidated Statement of Changes in Equity
For the period ended 30 September 2005

	Attributable to equity holders of the Company							
	Share capital and share premium	**Foreign Currency translation reserve**	**Retained earnings**	**Cash flow hedge reserve**	**General reserve**	**Total shareholders' equity**	**Minority interest**	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
1H 2005								
Balance as 1 January 2005, as previously reported	95,657	(4,407)	43,737	-	486	135,473	426	135,899
Effect of changes in accounting policies								
- Effect of adopting FRS 39	-	-	(77)	170	-	93	-	93
Balance at 1January 2005, restated	95,657	(4,407)	43,660	170	486	135,566	426	135,992
Currency translation differences	-	(1,206)	-	-	-	(1,206)	(21)	(1,227)
Cash flow hedges	-	-	-	(214)	-	(214)	-	(214)
Net losses recognised directly in equity	-	(1,206)	-	(214)	-	(1,420)	(21)	(1,441)
Net profit for the period	-	-	11,165	-	-	11,165	(461)	10,704
Total recognised gains/(losses)	-	(1,206)	11,165	(214)	-	9,745	(482)	9,263
Minority interest arising from acquisition of a subsidiary	-	-	-	-	-	-	1,019	1,019
Dividend relating to 2004	-	-	(2,986)	-	-	(2,986)	-	(2,986)
Balance at 30 June 2005	95,657	(5,613)	51,839	(44)	486	142,325	963	143,288

Consolidated Statement of Changes in Equity (cont'd)

	Attributable to equity holders of the Company							
	Share capital and share premium	Foreign Currency translation reserve	Retained earnings	Cash flow hedge reserve	General reserve	Total shareholders' equity	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group								
3Q 2005								
Balance as 1 July 2005	95,657	(5,613)	51,839	(44)	486	142,325	963	143,288
Currency translation differences	-	(1,284)	-	-	-	(1,284)	(4)	(1,288)
Cash flow hedges	-	-	-	(9)	-	(9)	-	(9)
Net losses recognised directly in equity	-	(1,284)	-	(9)	-	(1,293)	(4)	(1,297)
Net profit for the period	-	-	5,947	-	-	5,947	136	6,083
Total recognised gains/(losses)	-	(1,284)	5,947	(9)	-	4,654	132	4,786
2005 Interim dividend paid	-	-	(4,376)	-	-	(4,376)	-	(4,376)
Balance at 30 September 2005	95,657	(6,897)	53,410	(53)	486	142,603	1,095	143,698

Statement of Changes in Equity
For the period ended 30 September 2006

	Share capital and share premium	Retained earnings	Cash flow hedge reserve	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
The Company				
1H 2006				
Balance at 1 January 2006	95,767	35,722	1,147	132,636
Cash flow hedges	-	-	1,287	1,287
Net losses recognised directly in equity	-	-	1,287	1,287
Net profit for the period	-	2,799	-	2,799
Total recognised gains/(losses)	-	2,799	1,287	4,086
Dividend relating to 2005	-	(5,257)	-	(5,257)
Balance at 30 June 2006	95,767	33,264	2,434	131,465
3Q 2006				
Balance at 1 July 2006	95,767	33,264	2,434	131,465
Cash flow hedges	-	-	(2,462)	(2,462)
Net losses recognised directly in equity	-	-	(2,462)	(2,462)
Net profit for the period	-	1,026	-	1,026
Total recognised gains/(losses)	-	1,026	(2,462)	(1,436)
Dividend relating to 2005	-	(5,376)	-	(5,376)
Balance at 30 September 2006	95,767	28,914	(28)	124,653

(Registration no. 198403096C)

Statement of Changes in Equity
For period ended 30 September 2005

	Share capital and share premium	Retained earnings	Cash flow hedge reserve	Total shareholders' equity
	US$'000	US$'000	US$'000	US$'000
The Company				
1H 2005				
Balance as 1 January 2005	95,657	25,874	-	121,531
Effect of changes in accounting policies				
- Effect of adopting FRS 39	-	(106)	170	64
Balance at 1January 2005, restated	95,657	25,768	170	121,595
Cash flow hedges	-	-	(214)	(214)
Net losses recognised directly in equity	-	-	(214)	(214)
Net profit for the period	-	7,236	-	7,236
Total recognised gains/(losses)	-	7,236	(214)	7,022
Dividend relating to 2004	-	(2,986)	-	(2,986)
Balance at 30 June 2005	95,657	30,018	(44)	125,631
3Q 2005				
Balance as 1 July 2005	95,657	30,018	(44)	125,631
Effect of changes in accounting policies				
Cash flow hedges	-	-	(9)	(9)
Net losses recognised directly in equity	-	-	(9)	(9)
Net profit for the period	-	3,937	-	3,937
Total recognised gains/(losses)	-	3,937	(9)	3,928
2005 Interim dividend paid	-	(4,376)	-	(4,376)
Balance at 30 September 2005	95,657	29,579	(53)	125,183

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the 9 months ended 30 September 2006, there was no change in the issued and paid up share capital of the Company (2005: S$53,222,700).

There were no options granted or shares issued pursuant to the Petra Foods Share Option Scheme and the Share Incentive Plan.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Whether the figures have been audited or reviewed, the auditors' report (including qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company and the Group have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those for the audited financial statements for the year ended 31 December 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There are no changes in accounting policies.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		3Q ended 30 September		**9 Months ended 30 September**	
		2006	2005	**2006**	2005
(i)	Based on weighted average number of ordinary shares in issue - (US cents)				
	- Before exceptional item	1.38	1.12	3.89	3.21
	- After exceptional item	1.41	1.12	4.20	3.21
(ii)	On a fully diluted basis - (US cents)				
	- Before exceptional item	1.38	1.12	3.89	3.21
	- After exceptional item	1.41	1.12	4.20	3.21

Notes
1. Basic earnings per share for 3Q 2006 is computed based on 532,277,000 shares (3Q 2005: 532,277,000 shares).
2. There were no dilutive potential ordinary shares as at 30 September 2006 and 30 September 2005 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the
(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 Sept 06	31 Dec 05	**30 Sept 06**	31 Dec 05
Net asset value per ordinary share based on issued share capital – (US cents)	**30.9**	28.6	**23.4**	24.9

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. It must include a discussion of the following: -
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Founded in 1984, Petra Foods Limited (the "Group") is one of the world's major manufacturers and suppliers of cocoa ingredients. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products, for which it is the market leader in Indonesia. The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer.**

Cocoa Ingredients division is involved in the manufacture and sale of a wide range of specialty cocoa butters, cocoa liquors and cocoa powders under the Delfi brand to over 30 countries.

The division protects itself against movement in cocoa bean prices through the purchase of futures contracts and/or by purchasing cocoa beans for delivery at a future date. This is because the prices set for sales of cocoa ingredients products generally reflect the prices of cocoa beans at the time the sales are contracted, the prices of cocoa beans have a direct impact on revenue.

Gross operating margin expressed as a percentage of sales may vary depending on cocoa bean prices although gross profit or operating profit may remain the same. As compared to a profitability margin expressed as a percentage of revenue, EBITDA per metric ton is a more appropriate measure of the performance of the Division.

Branded Consumer division manufactures, markets and distributes chocolate confectionery products in over 17 countries, with a portfolio of 10 master brands and 20 key-sub brands and with over 300 stock keeping units. The Group also distributes a wide range of food and other consumer products under a portfolio of well-known third party brands in Indonesia, Singapore, Malaysia and the Philippines.

Key Figures for the Group (unaudited)

	3Q ended 30 September			9 Months ended 30 September		
	2006	2005	Change	**2006**	2005	Change
	US$'000	US$'000		**US$'000**	US$'000	
Income Statement						
Revenue						
Cocoa Ingredients	**90,920**	72,228	25.9%	**242,599**	228,380	6.2%
Branded Consumer	**57,474**	38,012	51.2%	**141,438**	98,432	43.7%
	148,394	110,240	34.6%	**384,037**	326,812	17.5%
EBITDA						
Cocoa Ingredients	**7,220**	6,203	16.4%	**21,478**	18,218	17.9%
Branded Consumer	**7,275**	4,349	67.3%	**19,968**	12,989	53.7%
	14,495	10,552	37.4%	**41,446**	31,207	32.8%
Finance Costs	**(2,755)**	(619)	345.1%	**(6,867)**	(3,605)	90.5%
Profit before tax and exceptional item	**9,027**	7,606	18.7%	**26,445**	21,465	23.2%
Net Profit attributable to shareholders	**7,484**	6,083	23.0%	**22,368**	16,787	33.2%

Key Indicators by Business Segments

	3Q ended 30 September			9 Months ended 30 September		
	2006	2005	Change	**2006**	2005	Change
Branded Consumer						
Gross Profit Margin	**32.1%**	31.5%	0.6% pts	**32.2%**	31.2%	1.0% pts
Cocoa Ingredients						
Sales Volume (MT)	39,490	29,642	33.2%	102,470	82,308	24.5%
Capacity utilization	96%	94%	2% pts	93%	91%	2% pts

	6-month moving average ended 30 September		
	2006	2005	Change
EBITDA per metric ton of sales volume (US$)	**205.0**	220.0	(6.8%)

Balance Sheet As at	**30-Sep-06**	31-Dec-05	Change
	US$'000	US$'000	US$'000
Total Assets	340,429	286,794	53,635
Current Assets	182,140	158,603	23,537
Non current assets	158,289	128,191	30,098
Total Borrowings	117,565	87,787	29,778
Shareholders' Equity	164,701	151,786	12,915
Net Debt to Equity (times)	0.68x	0.54x	0.14x

Review of Group Financial Perfomance

9 months 2006 versus 9 months 2005

The results for the 9M 2006 period reflected good performances from Petra Foods' Branded Consumer and Cocoa Ingredients divisions.

Net profit attributable to shareholders for 9M 2006 grew 33.2% to US$22.4 million over the same period last year driven by strong revenue growth of 17.5% and EBITDA growth of 32.8%. Total EBITDA for the 9M 2006 period was up by US$10.2 million to US$41.5 million contributed by US$7.0 million from the Branded Consumer Division and US$3.2 million from the Cocoa Ingredients Division.

Excluding an exceptional gain of US$1.6 million (net of tax), the Group's 9M 2006 core net profit was US$20.7 million, a 23.5% growth Year-on-Year (YoY).

In terms of performance from the individual units, Branded Consumer's performance outpaced that of Cocoa Ingredients – EBITDA growth of 53.7% YoY achieved vs. 17.9% EBITDA growth achieved by the Cocoa Ingredients Division.

Driving the strong revenue performance (up 43.7% YoY) and EBITDA performance for the Branded Consumer division was:-

1. Its ability to continue driving consumer demand in its core Indonesian market where sales in local currency terms grew 25% YoY;

2. The success of its regional growth strategy. Regional markets for the period under review accounted for 22.3% of the division's revenue, up from 13.8% previously driven mainly by contributions from the newly acquired businesses (ie Goya, Hudson's and Delfi Marketing Malaysia); and

3. A 1% point improvement in Gross Profit Margin to 32.2% which demonstrates the division's ability to pass on the costs increases in its core Indonesian market last year and the higher economies of scale achieved.

For the Cocoa Ingredients Division, sales volume was up 24.5% to 102,470 metric tons from 82,308 tons as demand continued to outpace capacity with strong demand for its products. Expansion in processing capacities also helped fuel growth geographically as seen by increased turnover from Europe and Japan of 29.9% and 15% respectively. Capacity utilization remained high at 93% during the period under review, even after accounting for the capacity increase in its Cocoa Ingredients unit in Malaysia. The softer EBITDA per ton (6-month moving average) of US$205 compared to last year can be attributed to the initial phasing in of the new capacity, product mix and new market development initiatives.

As a result of the strong performance for the Group, Return on Equity (annualized) improved from 16.4% to 17.5% YoY.

3Q 2006 vs 3Q 2005

The Group's 3Q 2006 core net profit (excluding exceptional gain net of taxes) was up by 21% YoY to US$7.4 million, driven by revenue growth of 34.6% and EBITDA growth of 37.4%, contributed mainly by a strong performance from the Branded Consumer Division.

The **Branded Consumer Division** posted a revenue growth of 51.2% or US$19.5 million YoY with the Existing Businesses generating 33.3% growth and 17.9% growth from newly Acquired Businesses (i.e. Hudson's, Goya and Delfi Marketing Malaysia). For the division's core market in Indonesia, 3Q 2006 YoY revenue growth (in local currency terms) of 28.1% was achieved through:-

1. Successful new product launches;

2. Marketing and consumer promotion initiatives to further drive consumer demand; and

3. Extending the distribution pipeline to both the modern trade and traditional sales channels

The contribution to the Division's revenue from Regional sales was up from 16.5% in 3Q 2005 to 23.9% in 3Q 2006.

Branded Consumer achieved a EBITDA growth of 67.3% YoY on the back of a strong sales growth coupled with a Gross Profit Margin improvement of 0.6% point YoY to 32.1%._ The improved margin was attributable to our ability to leverage on our brand equity to pass on cost increases last year and the higher economies of scale and operational efficiency achieved.

Cocoa Ingredients Division registered a sales volume of 39,490 metric ton in 3Q 2006, a 33.2% growth from 29,642 metric tons in 3Q 2005 on the back of higher demand from its customers in the international food and beverage industry supported by added capacity from its Malaysia manufacturing plant in July 2006. The higher sales volume led EBITDA to grow 16.4% to US$7.2 million in 3Q 2006. The consistent EBITDA growth reflected the success of the Group's demand-led capacity expansion strategy.

The YoY increase in Selling & Distribution expense of 34.4% was in line with the sales growth achieved and can be attributed to: (1) higher freight and handling charges due to higher sales volume and higher fuel prices; (2) higher staff costs as the Branded Consumer division scaled up its sales and marketing infrastructure to drive future growth; and (3) higher advertising and promotion expenses.

Finance cost in 3Q 2006 increased by US$2.1 million to US$2.8 million. Of the increase, 37% was attributable to higher quantum of borrowings mainly for working capital for the enlarged business; 37% to higher interest rates and the remaining 26% from FRS 39 fair value adjustments to the interest rate caps and corridors.

Balance Sheet and Financial Position

Total shareholders' equity increased by US$12.9 million to US$164.7 million. Total assets grew by US$53.6 million of which, US$24.2 million can be attributed to the Group's capital expenditure program, US$8.3 million from new businesses acquired and the remainder for working capital.

In line with the business growth and expansion, total borrowings rose to US$117.6 million as at 30 September 2006 from US$87.8 million as at 31 December 2005. The increase came mainly from trade finance facilities, short term bank loans and overdraft which were used to fund the higher levels of inventory and receivables attributable to the enlarged business and recent capacity expansions. Please refer to Para 1(b) (i) Note 3.

The Group's net debt to equity ratio increased from 0.54 times as of 31 December 2005 to 0.68 times as of 30 September 2006.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for 3Q 2006 are in line with the commentary made in paragraph 10 of the Group's Second Quarter unaudited Financial Statement and Dividend Announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With its proven business model, Petra Foods' operation is fundamentally strong. It will continue to grow by building on its key strengths and focusing on the achievement of the Group's strategic objectives which include the strengthening of the Group's core competencies; the extension of its regional and global reach; and the maximization of asset yields over the long term.

For the **Branded Consumer division**, the fast growing South East Asian chocolate confectionery market is the main focus to drive the growth of its branded consumer products. Indonesia remains a key market and a significant contributor to the Group's growth. The intent is to further strengthen "Top-of-Mind" recall for its products amongst its target consumer groups through new product launches and brand building initiatives.

These initiatives, coupled with the distribution infrastructure which the Group has built in Indonesia and the region, are expected to drive strong performance for the division in the near future.

For the **Cocoa Ingredients division**, the strong volume uptake for its products is fuelled by the increasing demand from its international food and beverage customers. The Group's new market development initiatives are also continuing to yield positive results. It has and will continue to expand its geographical reach of its cocoa ingredients products. To fulfill the strong demand for its products, a two pronged strategy will be adopted – firstly, in the form of additional capacity in strategic locations or for niche products and secondly, to maximize asset yields.

For full year FY2006, the good performance expected of the Cocoa Ingredients division is expected to be moderated by a softer EBITDA yield (or EBITDA/MT of sales volume). The softer EBITDA yield in 3Q 2006, which was exacerbated by overall weaker pricing environment in the lower to mid priced cocoa ingredients market segments, will spill over into 4Q 2006 and possibly into 1H 2007. However, this headwind is expected to be temporary as there are market indications of pricing improvements.

Petra Foods has built a resilient business model with two complementary earnings stream which together should generate continued growth. Barring unforeseen circumstances, the Group is on track to deliver good growth for full year FY2006. The Group expects further growth in FY2007.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **No.**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the preceding financial period reported on? **No.**

(c) Date payable

N/A

(d) Books closure date

Not applicable

(e) If no dividend has been declared/recommended, a statement to that effect.

No dividend for 3Q ended 30 September has been declared

12. Segment Information

Primary reporting format – business segments

	Cocoa Ingredients US$'000	Branded Consumer US$'000	Total US$'000
9 months ended 30 September 2006			
Sales:			
- External sales	242,599	141,438	384,037
- Inter-segment sales	9,517	-	9,517
	252,116	141,438	393,554
Elimination			(9,517)
			384,037
Segment result	16,368	16,994	33,362
Finance costs			(6,867)
Share of profit of associated companies			(50)
Profit before tax			26,445
Income tax expense			(6,337)
Exceptional Items			2,260
Minority interests			-
Net profit			22,368
Other segment items			
Segment assets	199,786	136,694	336,480
Associated companies			2,996
Unallocated assets			953
Consolidated total assets			340,429
Segment liabilities	108,588	60,408	168,996
Unallocated liabilities			6,732
Consolidated total liabilities			175,728
Capital expenditure	12,711	11,455	24,166
Depreciation	4,927	3,376	8,303
Amortisation	52	-	52
Other non-cash expenses	129	342	471
EBITDA	21,478	19,968	41,446

Segment Information (continued)

Primary reporting format – business segments (continued)

	Cocoa Ingredients US$'000	Branded Consumer US$'000	Total US$'000
9 months ended 30 September 2005			
Sales:			
- External sales	228,380	98,432	326,812
- Inter-segment sales	9,649	-	9,649
	238,029	98,432	336,461
Elimination			(9,649)
			326,812
Segment result	14,262	10,900	25,162
Finance costs			(3,605)
Share of profit of associated companies			(92)
Profit before tax			21,465
Income tax expense			(4,678)
Minority interests			325
Net profit			17,112
Other segment items			
Segment assets	194,901	78,040	272,941
Associated companies			2,613
Unallocated assets			876
Consolidated total assets			276,430
Segment liabilities	87,983	41,693	129,676
Unallocated liabilities			3,056
Consolidated total liabilities			132,732
Capital expenditure	11,832	18,065	29,897
Depreciation	4,080	2,299	6,379
Amortisation	23	-	23
Other non-cash expenses	84	276	360
EBITDA	18,214	12,993	31,207

Secondary reporting format – geographical segments

For 9 months ended 30 September

	Revenue		Total assets		Capital expenditure	
	2006	2005	**2006**	2005	**2006**	2005
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Indonesia	**120,803**	95,925	**126,013**	110,816	**11,512**	18,756
Singapore	**27,517**	25,723	**198,619**	151,577	**863**	1,301
Philippines	**18,025**	12,005	**30,117**	13,728	**310**	(30)
Thailand	**4,694**	5,139	**14,815**	18,664	**339**	313
Malaysia	**14,642**	10,633	**68,103**	66,754	**2,308**	7,228
Japan	**28,845**	24,812	**-**	-	**-**	-
Middle East	**12,937**	16,713	**-**	-	**-**	-
Other countries in Asia	**17,759**	14,605	**-**	-	**-**	-
Australia	**28,102**	28,969	**-**	-	**-**	-
Europe	**66,163**	50,932	**1,958**	520	**-**	-
North America	**23,851**	26,375	**575**	434	**1**	-
South America	**14,730**	11,731	**35,060**	20,930	**8,833**	2,329
Africa	**5,969**	3,250	**-**	-	**-**	-
	384,037	326,812	**475,260**	383,423	**24,166**	29,897
Elimination	-	-	**(134,831)**	(106,995)	-	-
	384,037	326,812	**340,429**	276,428	**24,166**	29,897

13. Interested Person Transactions

	[1] Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	3Q ended September 2006	9months ended 30 September 2006
	US$'000	US$'000
PT Freyabadi Indotama		
-Sales of goods	**775**	**2,007**
-Purchase of goods	**2,123**	**4,476**
	2,898	**6.483**
PT Tri Keeson Utama		
-Sales of goods	**286**	**932**
PT Fajar Mataram Sedayu		
-Sales of goods	**399**	**1,223**
-Purchase of goods	**61**	**197**
	460	**1,420**
PT Sederhana Djaja		
- Lease of properties	**22**	**64**
	3,666	**8,899**

Note:
[1] Aggregate value of all interested person transactions include transactions less than S$100,000.

BY ORDER OF THE BOARD
Lian Kim Seng/Evelyn Chuang
Secretaries