



INVESTOR PRESENTATION
June 9th, 2014

PT Japfa Comfeed Indonesia Tbk

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Agenda

Company overview

Key investment highlights

Financial highlights

Appendix



Company Overview

Introduction to Japfa



Established vertically integrated agriculture business with 100% focus in Indonesia

- One of the largest poultry players in Indonesia with FY13 net sales of US\$ 2.0 billion⁽¹⁾ and EBITDA of US\$ 206 million⁽¹⁾
- Strategically involved in aquaculture and beef offering diversification of revenues
- Listed on IDX for over 20 years with market cap of US\$ 1.2 billion⁽²⁾ as of June 6, 2014
- 100% focused on Indonesia, an attractive high growth animal protein market

Leading market share and strong growth

- Japfa has maintained high market share over the past 30 years of operations
- Economies of scale providing advantages in terms of raw material purchases and cost efficiencies
- Deep geographical reach to be closer to customer base and raw material suppliers
- Strong historical net sales growth of 18% CAGR from 2007-2013
- As of 2013, Japfa had market share of 21.9% for animal feed and 25.1% for DOC and top 2 market position across key business segments

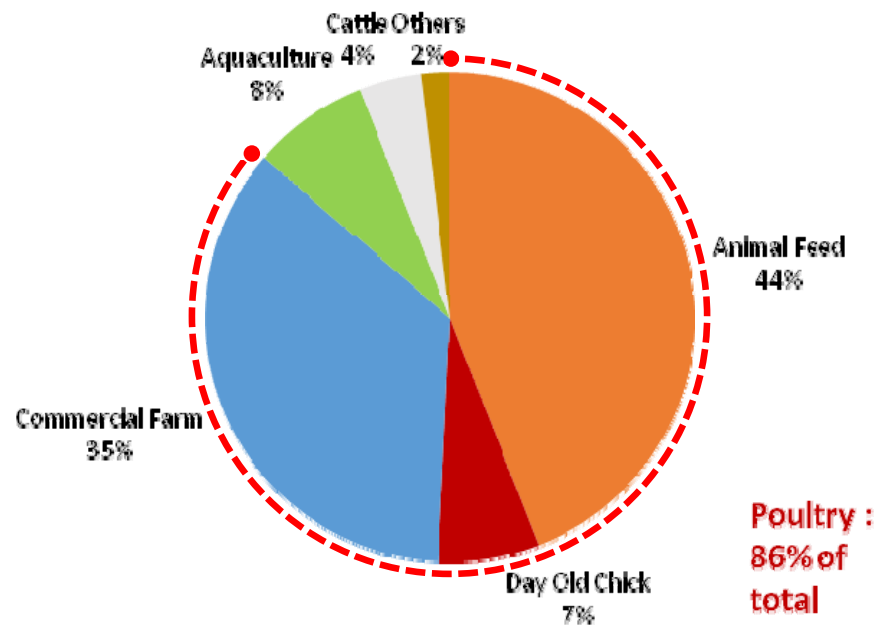
Focused on producing affordable animal protein in Indonesia

Note: (1) Average rate FY 2013 US\$1.00 = IDR10,552

(2) Based on 6 June 2014, share price : IDR1.320/share and exchange rate : IDR.11.790/US\$

Poultry Contributes Bulk of Revenue and Profitability and is the Focus of Future Growth

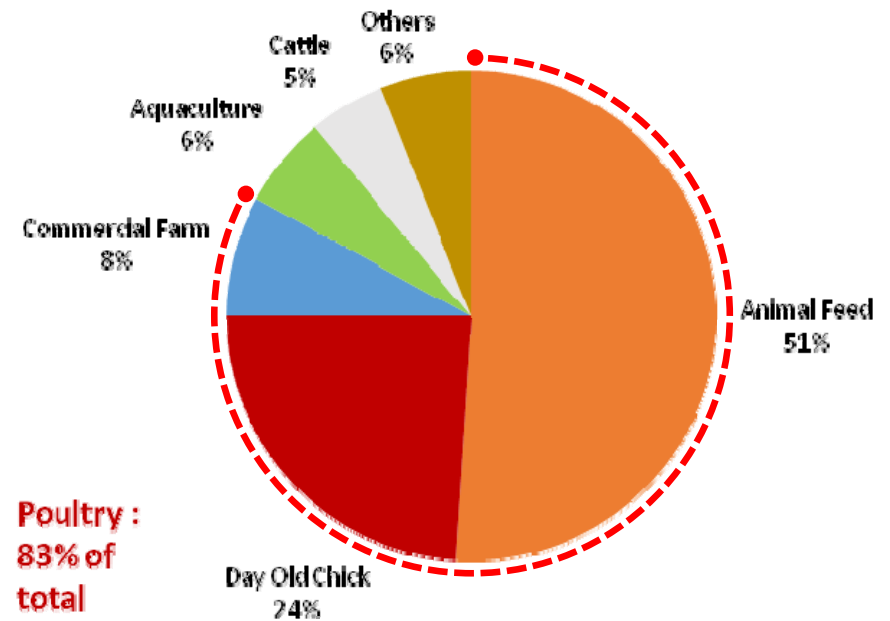
FY13 net sales breakdown



Total FY13 net sales⁽¹⁾: US\$2,030 million

Note: (1) Average rate FY 2013 US\$1.00 = IDR10,552

FY13 gross profit breakdown

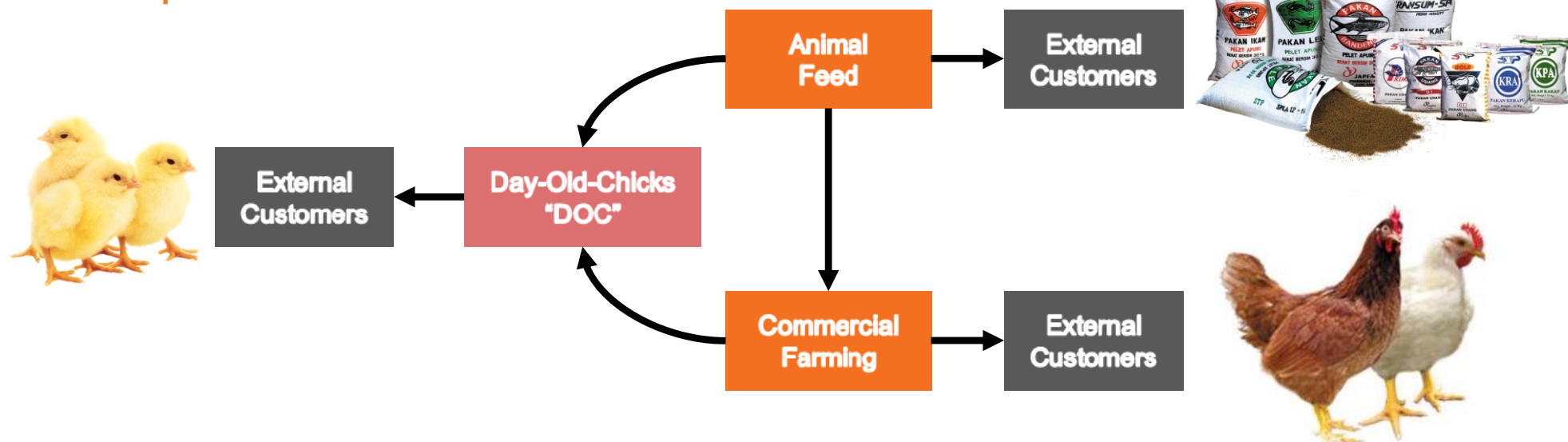


Total FY13 gross profit⁽¹⁾: US\$343 million

Diversified business with a clear focus on the poultry sector given our expertise and favorable industry dynamics

Poultry Operations

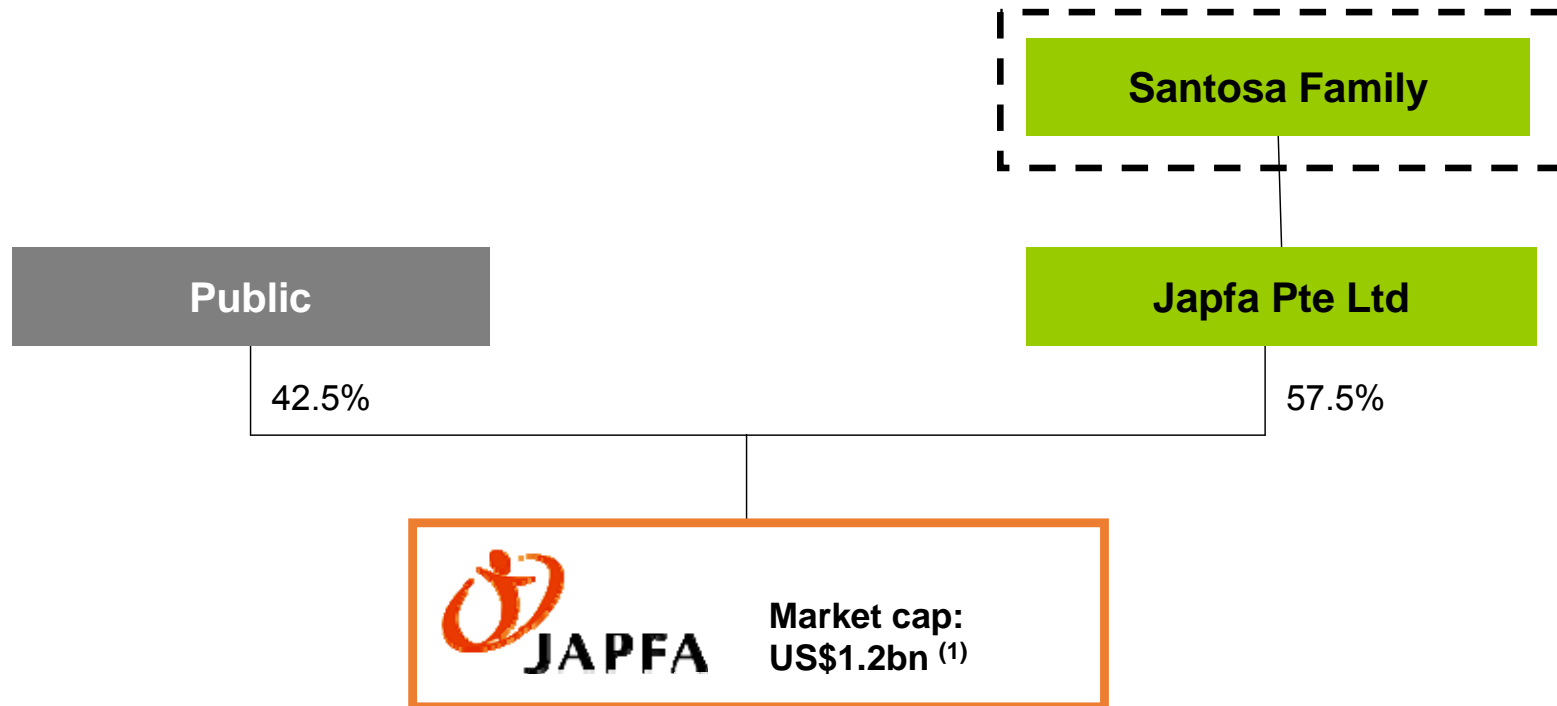
Simplified business model



Principal facilities	Annual capacity	No. of locations	Locations
Poultry feedmills	3,646 m kg	16 feedmills	13 feedmills : Sidoarjo, Cirebon, Lampung, Tangerang, Makassar, Sragen, Medan, Padang, Bati-Bati, Cikande, Gedangan, Surabaya, Grobogan ; and 3 breeder feedmills : Purwakarta, Sidoarjo and Lampung
Breeding farms & hatcheries	630 m DOCs	57 farms, 24 hatcheries	Sumatra, Java, Kalimantan, Sulawesi, Bali
Commercial farm	492 m birds	Thousands	Across Indonesia with more than 9,000 partnership farms
Cattle feedlots & breeding farm	165,000 cows	4 feedlots, 1 abattoir, 2 breeding farms	Feedlots : Central Lampung, East Lampung, East Java; Abattoir : Serang; Breeding farms : East Lampung, North Australia
Fish & shrimp feedmills	318 m kg	5 factories	Gresik, Cirebon, Lampung, Banyuwangi, Medan
Slaughterhouse	47.6 m birds	6 slaughterhouses	Parung, Sadang, Pabelan, Bali, Makassar, Krian

Focused on producing affordable animal protein in Indonesia

Shareholding Structure



- Stable and supportive key shareholder with strong expertise in the agribusiness industry
- Santosa family has no other business in Indonesia that is in direct competition with Japfa

Long term strategic support from the Santosa family



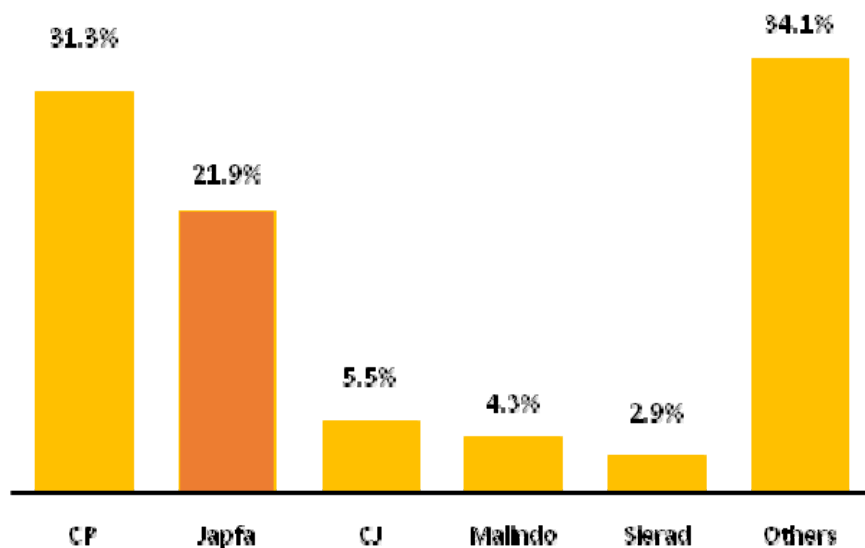
Key Investment Highlights



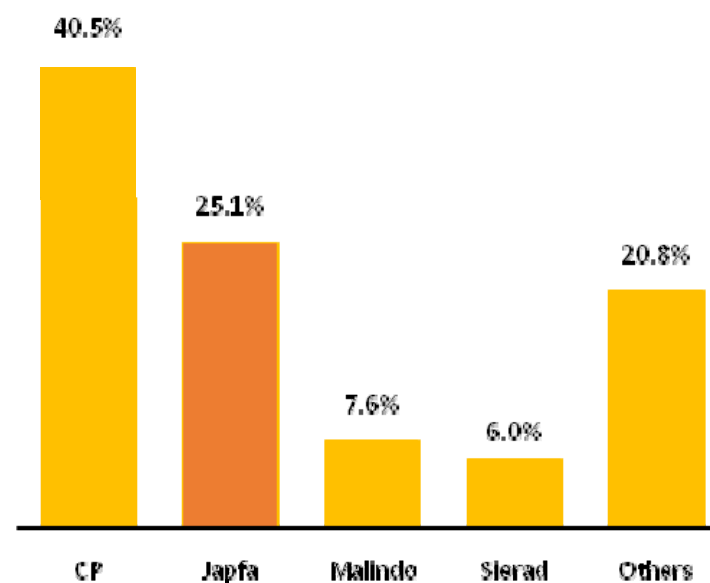
- 1 Established market leader in agribusiness
- 2 Synergy and efficiency achieved through vertically integrated large scale businesses
- 3 Quality operations supported by state-of-the-art bio security measures
- 4 Experienced and professional leadership team
- 5 Steadily growing industry with attractive dynamics

1 Established Market Leader in Poultry

Indonesia animal feed production capacity share ⁽¹⁾



Indonesia DOC production capacity share



Source: Company Annual Reports, Frost & Sullivan (May 2014)

Note: ⁽¹⁾ Market share calculation in the above table excludes aqua feed

- Stable and attractive industry dynamics with top 2 players, Charoen Pokphand (“CP”) and Japfa, controlling more than 50% of the animal feed and DOC breeding market
- Presence of smaller players limited to specific regions compared to Japfa’s national coverage
- Limited poultry imports due to halal considerations in Indonesia and consumers’ preference for live chicken

Japfa commands a strong market position in the animal feed and DOC breeding markets

2 Synergy and efficiency achieved through vertically integrated large scale business

Animal Feed

- ✓ Ability to control feed formulation to suit type of breed which Japfa produces
- ✓ Ability to control timing of delivery and availability of feed for breeding purposes



Day Old Chicks

- ✓ Exclusive rights to superior strain of DOC which is suited to Indonesian climate and consumer tastes
- ✓ Effective control over complete poultry breeding process, commencing from operation of great grandparent farms



Commercial Farming

- ✓ Right feed, superior breed and commercial farming techniques, resulting in robust performance



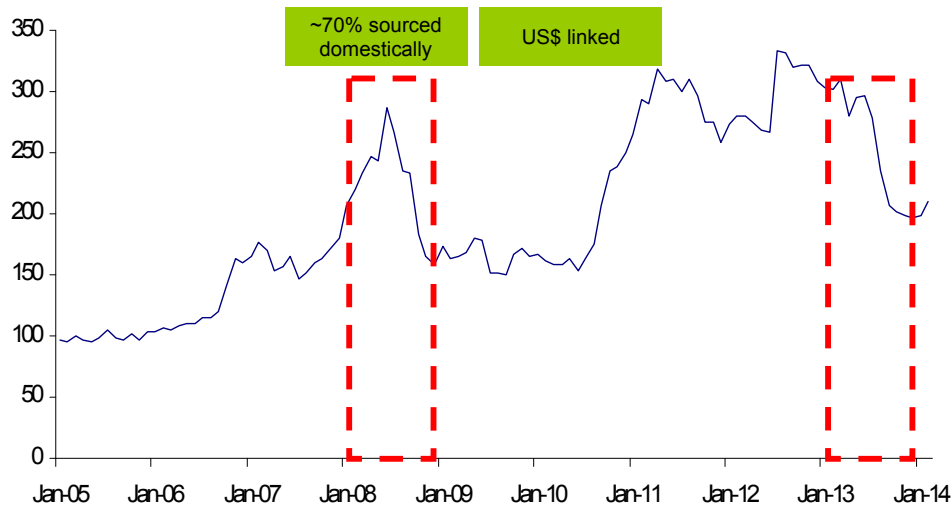
End Product

- ✓ Proximity to end customer market ensures supply of fresh chicken products
- ✓ Integrated chain enhances food safety, hygiene and traceability

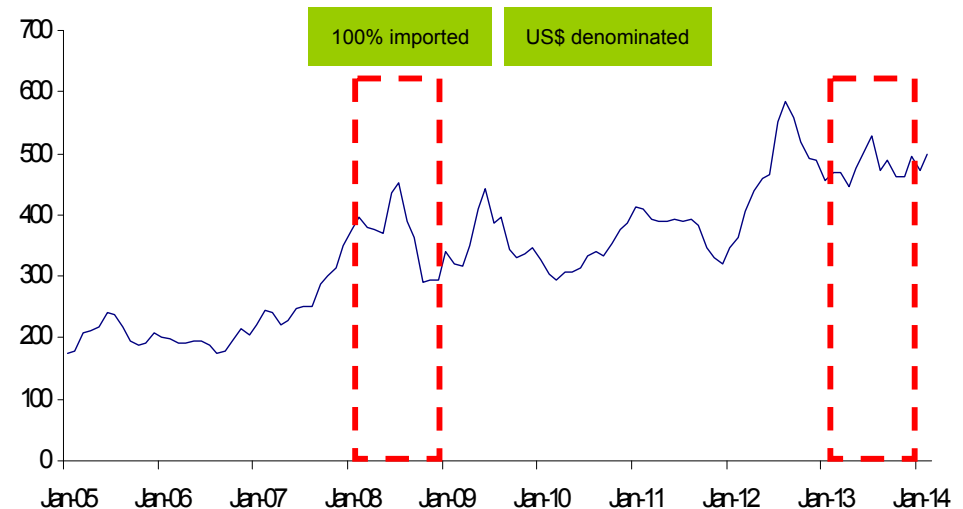


2 Synergy and efficiency achieved through vertically integrated large scale business

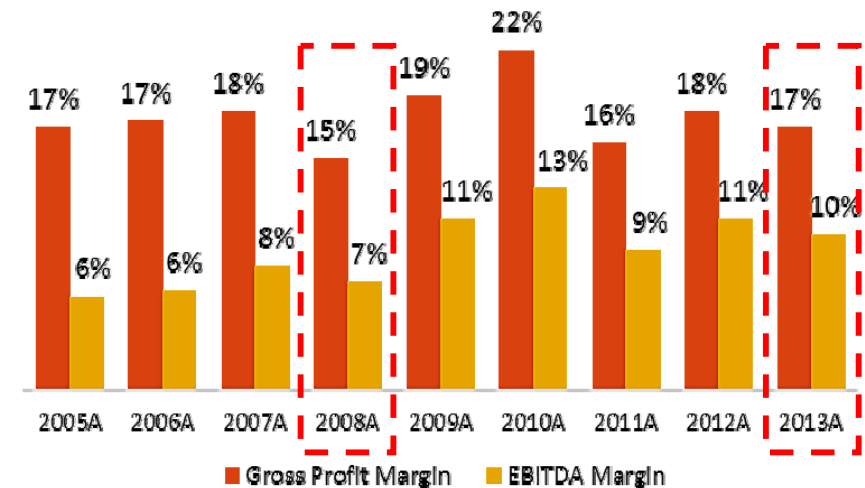
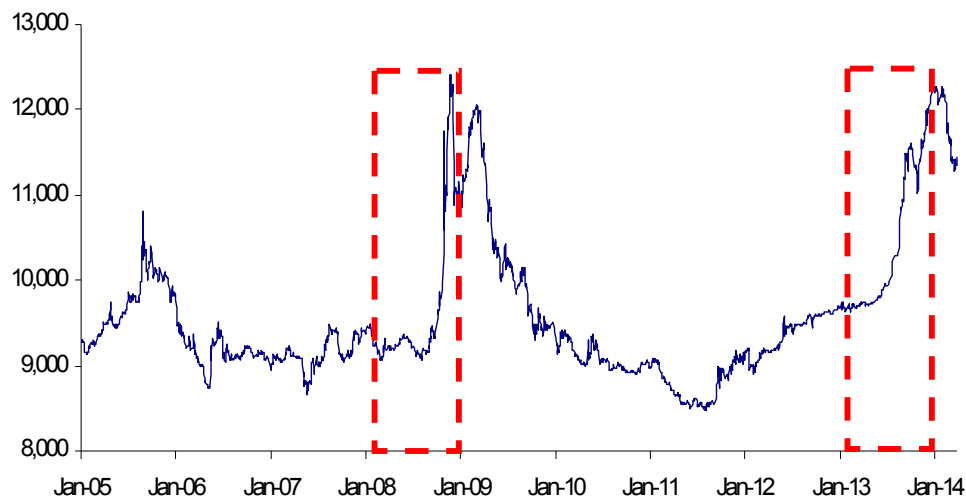
Corn prices (US\$/MT)



Soybean meal prices (US\$/MT)



IDR/US\$ exchange rate






Japfa is able to effectively pass on increases in raw material prices for feed to end consumers

3 Quality Operations Supported by State-Of-The-Art Bio Security Measures

A Minimize exposure from the elements

Isolation <ul style="list-style-type: none"> ▪ Remote location ▪ Geographical spread 	Sanitation and Disinfection	Full body immersion 	Spray and fumigation 	Traffic Control	Monorail 	Conveyor system 
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B Optimizing flock resistance from diseases

Farm Management <ul style="list-style-type: none"> ▪ Sophisticated animal husbandry practice 	Constant Monitoring <ul style="list-style-type: none"> ▪ Vaksindo <ul style="list-style-type: none"> - Animal vaccine research and production company - The only poultry company in Indonesia with the ability and facilities to research viruses (including AI) and produce autogenous vaccines - Constructed a new BSL 3 Animal Trial Facility 	 
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4 Experienced and professional leadership team

Board of Commissioners



Syamsir Siregar
President
Commissioner

Year of agri
experience: 9



Hendrick Kolonas
Vice President
Commissioner

Year of agri
experience: 18



Retno Astuti Wibisono
Independent
Commissioner

Year of agri
experience: 13

Board of Directors



Handojo Santosa
President
Director

Year of agri
experience: 27



**Bambang
Budi Hendarto**
Vice President
Director

Year of agri
experience: 35



**Koesbyanto
Setyadharma**
Director

Year of agri
experience: 25



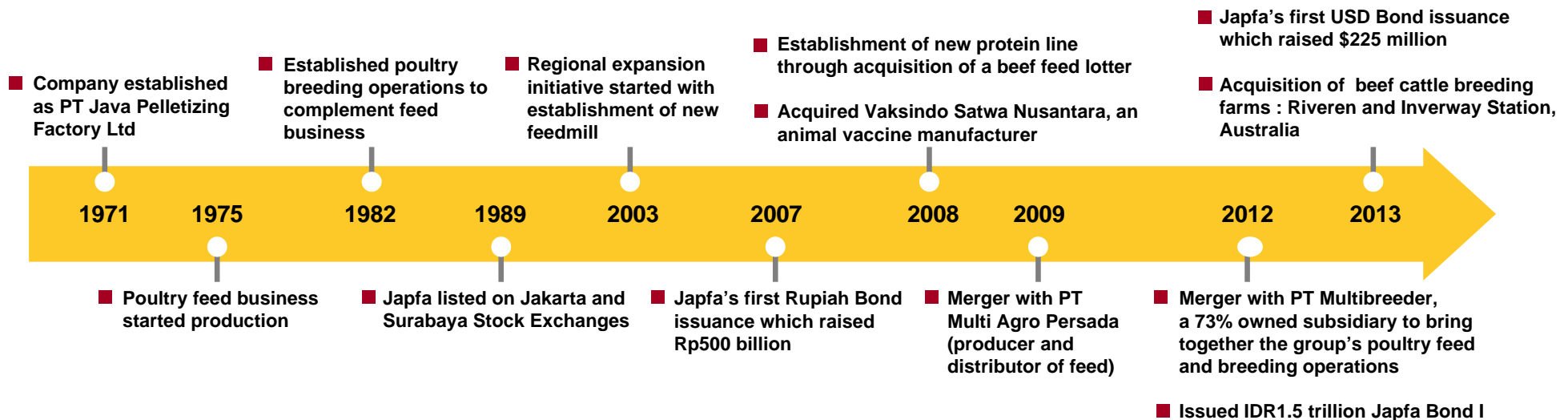
Tan Yong Nang
Director

Year of agri
experience: 6



Rachmat Indrajaya
Independent
Director

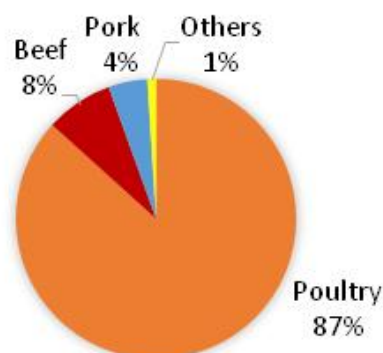
Year of agri
experience: 6



Japfa's management team has significant industry experience and has successfully led the Company through various cycles

5 Steadily Growing Poultry Industry in Indonesia

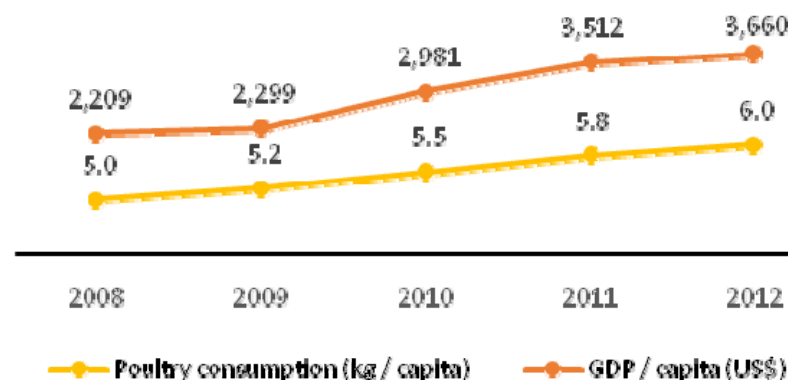
Poultry – largest animal protein source in Indonesia



2012 per capita meat consumption⁽¹⁾: 11.1kg

Source: Ministry of Agriculture Directorate of Livestock, USDA, FAPRI, Rabobank International FAR, 2012
 (1) Excludes seafood and for major meat sources (poultry, beef, pork) only

Indonesia's per capita poultry consumption



2012 per capita poultry consumption

Country	Poultry Consumption (kg / capita / year)	GDP / capita ⁽¹⁾ UD\$
Singapore	36	49,936
Malaysia	34	10,578
Thailand	14	5,848
Philippines	9	2,462
Vietnam	9	1,523
Indonesia	6	3,660
India	3	1,591

Source: IMF, USDA, Rabobank
 Note (1) GDP per capita is at current prices

- Indonesia's per capita consumption of chicken relative to its GDP is one of the lowest in Asia, with chicken meat consumption at a relatively low level of 6kg per person per annum
 - Malaysia, with a similar demographic, has chicken consumption c.6x that of Indonesia, while GDP per capita is c.3x larger
- Predominant Muslim population limits substitutes for chicken consumption
- Poultry meat is the cheapest source of protein

Poultry dominates Indonesia's meat consumption, with strong growth prospects



Financial Highlights

Quarterly performance update

Key financial metrics



(IDR billions, unless stated otherwise)

For the quarter ended	1Q14	4Q13	3Q13	2Q13	1Q13
Income statement					
Net sales	5,675	5,435	5,652	5,361	4,963
Gross profit	745	588	1,186	979	865
% margin	13.1%	10.8%	21.0%	18.3%	17.4%
EBITDA	252	232	851	651	443
% margin	4.4%	4.3%	15.1%	12.1%	8.9%
Net income	68	(178)	299	317	202
% margin	1.2%	(3.3%)	5.3%	5.9%	4.1%
Net income - owners of the company	53	(172)	278	300	190
% margin	0.9%	(3.2%)	4.9%	5.6%	3.8%

Key highlights

- Demand of chicken peaks during Lebaran, which is the Muslim month of fasting and celebrations thereafter. In 2013, the Lebaran peak was spread over 2Q13 and 3Q13. This is reflected by the higher gross profit margins during these two quarters
- The severe drop in the value of Rupiah in the second half of 2013 resulted in generally lower spending power across Indonesia, reduced consumer demand for broilers and delays in passing on raw material cost increases into feed prices. These factors resulted in gross profit margin shrinkage and relatively poor financial performance in 4Q13. When comparing the full year of 2013 to full year of 2012, however, total revenues in 2013 were higher than in 2012
- In 1Q14, due to continuing weak broiler prices, gross profit margin remained low. However, the financial performance in 1Q14 shows improvement over 4Q13. Feed margins stabilized after the effect of the increase in raw material prices due to Rupiah depreciation was fully passed on by the end of 1Q14

Quarterly performance update

Key financial and operational metrics



(IDR billions, unless stated otherwise)

FYE 31 December	FY 2013	1Q 14
Income statement		
Revenue	21,412	5,675
<i>% growth (period-to-period)</i>	20.1%	14.3%
Gross profit	3,618	745
<i>% margin</i>	16.9%	13.1%
EBITDA	2,176	252
<i>% margin</i>	10.2%	4.4%
Net income	641	68
<i>% margin</i>	3.0%	1.2%
Poultry - Volume		
Feed sold (million tons)	2.6	0.7
DOCs sold (millions)	545	130
Broiler sold (thousand tons)	468	136
Poultry - Average selling price		
Feed (IDR / kg)	5,784	6,169
DOCs (IDR / DOC)	4,517	4,659
Broilers (IDR / kg)	14,978	14,507
Beef - Volume		
Cattle (heads in thousands)	47	14
Aqua feed		
Feed sold (thousand tons)	204.8	43.2
Average selling price (IDR / kg)	7,008	8,300

Key highlights

- In 1Q14, revenue and volumes remained stable
- The average selling prices of feed and DOCs increased in 1Q14, while the broiler price dropped
- Feed and DOC are the main cost components in broiler production. As costs increased without an equivalent increase in broiler selling price, this put pressure on commercial farming margins
- The poor commercial farming profitability resulted in the drop in our overall profits as well as lower profit margins in 1Q14 compared to FY 2013

Production capacity and outlook

Existing production capacity

- We operate 16 poultry feedmills in nine locations across Indonesia, of which three feedmills are dedicated to producing only breeder feed. The initiative to isolate breeder feed production is part of our efforts to enhance our bio security
- We operate 57 DOC breeding farms and 24 hatcheries which are spread throughout Indonesia, providing wider geographical coverage (to reach our farmer customers) and geographical separation (for bio security)
- In October 2013, we acquired a cattle breeding station in Australia as part of our vertical integration model for beef. We expect that the breeding operation will produce approximately 12,000 heads of live cattle each year, which will be shipped to our beef feedlots in Indonesia for fattening

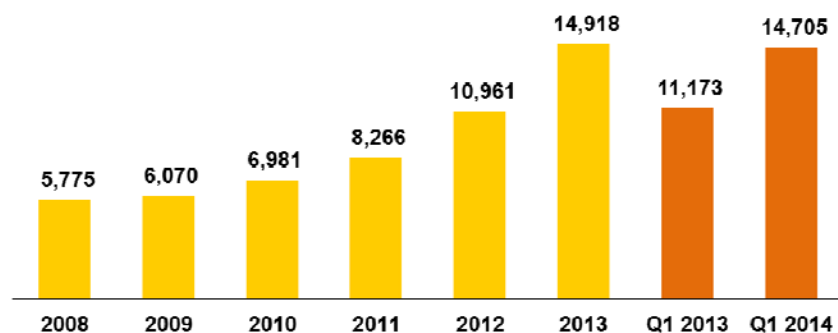
Future plans

- We plan to continue to build breeding farms and expand our DOC production by approximately 30% in the next two years
- In line with our vertical integration model for poultry, we expect to also grow our feed and commercial farming operations to match the growth in DOC production in the two years ahead

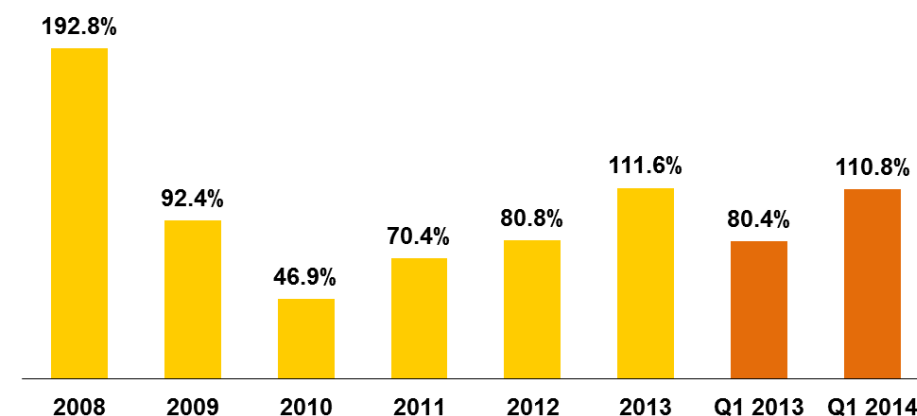
Proven financial track record

Total Assets

(In IDR billion)

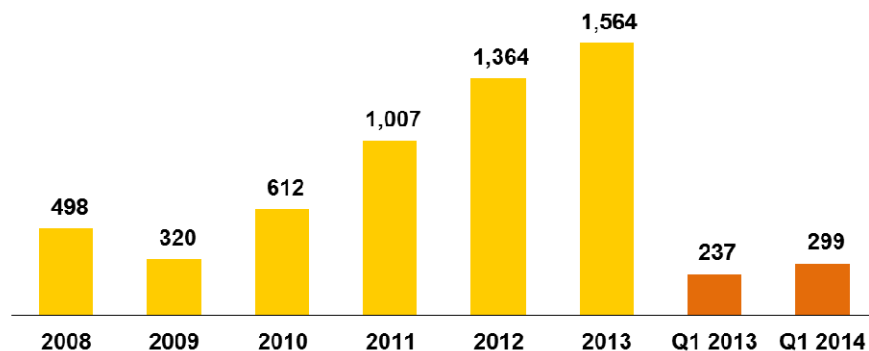


Net Debt / Equity



CAPEX

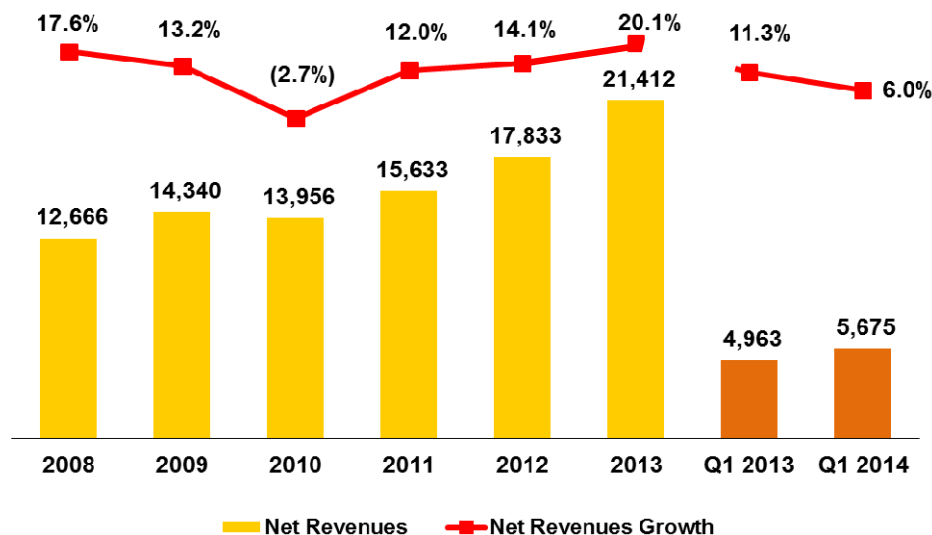
(In IDR billion)



Proven financial track record

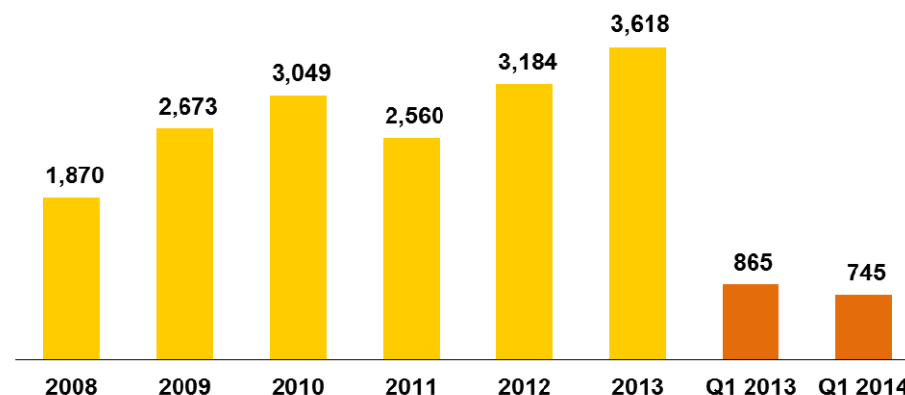
Net Revenues

(In IDR billion)



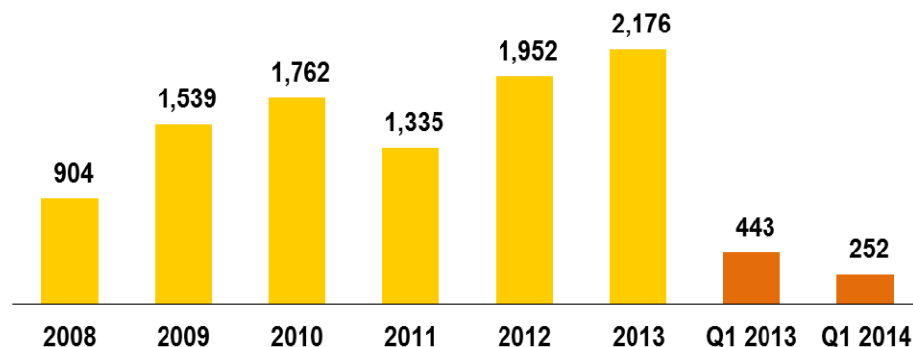
Gross Profit

(In IDR billion)



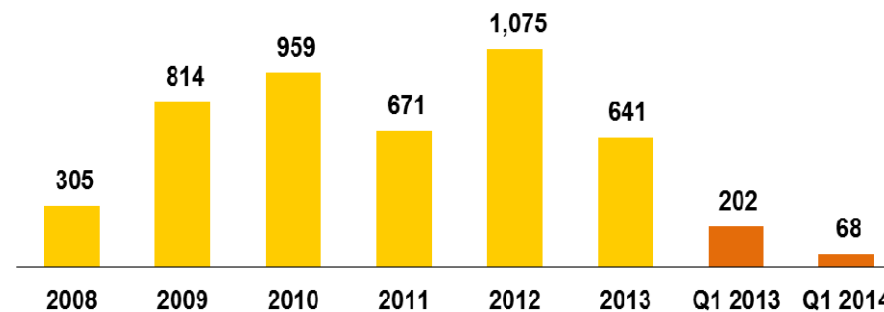
EBITDA

(In IDR billion)



Net Profit

(In IDR billion)

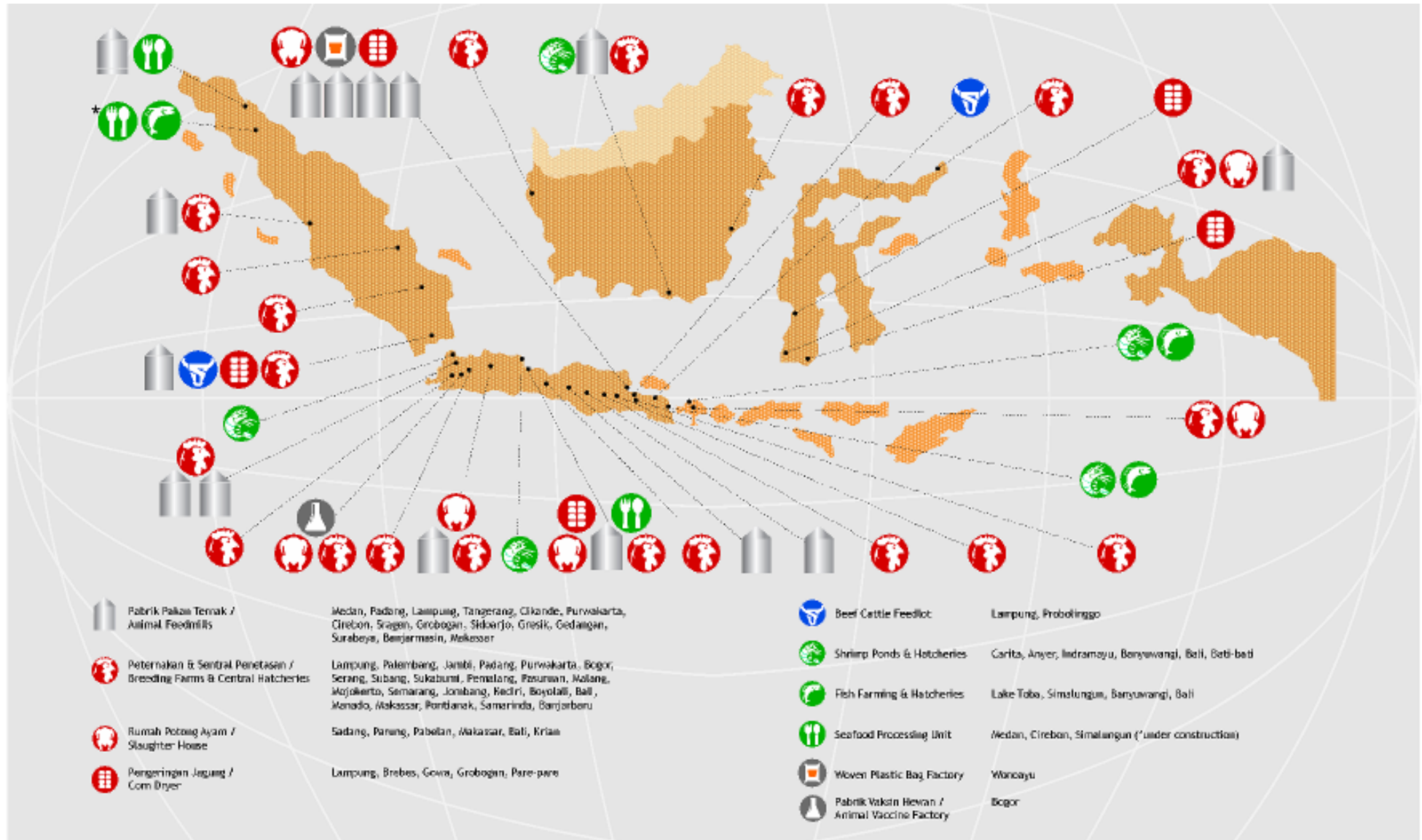




Appendix

Pan-national distribution platform

Deep national coverage with strong local knowledge



Note: (1) Japfa has 57 breeding farms and not all the farms are reflected on the map.