

PT MULTIBREEDER ADIRAMA INDONESIA Tbk

ANNUAL REPORT

2000

CONTENT

Financial Highlights

Letter to Shareholders

Financial and Operational Analysis

Audited Financial Statements

Boards of Commissioners and Directors

FINANCIAL HIGHLIGHTS

(in millions of Rupiah)

DESCRIPTION	1996	1997	1998	1999	2000
Net Sales	88,947.80	93,625.11	271,646.63	333,417.78	328,851.00
Gross Profit	22,763.20	(3,681.48)	(2,925.18)	93,109.28	97,531.10
Operating Profit	3,032.10	(29,711.57)	(31,168.19)	54,687.44	50,722.34
Foreign Exchange Gain (Lost)	(746.44)	4,610.92	(170,157.15)	65,568.52	(174,202.47)
Net Profit before Tax	2,263.40	(41,061.72)	(247,392.47)	64,472.45	(162,085.61)
Net Profit	2,166.80	(41,354.67)	(174,812.57)	41,754.88	(127,934.80)
Current Asset	73,898.14	80,256.42	143,618.60	133,275.09	142,070.29
Total Asset	191,270.86	410,092.52	531,291.63	482,347.03	525,558.82
Current Liabilities	43,178.67	128,831.39	301,086.87	234,914.05	313,577.66
Total Equity	112,620.93	69,391.26	(107,527.14)	(65,772.26)	(193,707.06)
FINANCIAL RATIOS					
Net Profit to average Asset Ratio	1.33 %	-13.75 %	-32.90 %	8.66 %	-24.34 %
Net Profit to average Equity Ratio	1.92 %	(0.45)	N/A	N/A	N/A
Liabilities to Equity Ratio	0.70	4.91	N/A	N/A	N/A
Current Ratio	1.71	0.62	0.48	0.57	0.45
LIABILITIES IN US\$ CURRENCY					
Nominal	15,000,000	60,197,792	64,385,695	66,098,649	68,493,589
Exchange rate	2,364.75	5,100.00	8,025.00	7,100.00	9,595.00

LETTER TO SHAREHOLDERS

Following the success of the democratically held election in 1999, Indonesian economy was expected to start its path towards recovery. The improvements to date however have been minimal as was reflected by the unstable Rupiah that has sharply depreciated over the last year. In an environment of economic instability and uncertainty, management has endeavored to operate the business in a prudent and cautious manner.

Multibreeder has, in essence, maintained its performance from the previous year. The sales of Rp. 328.8 billion and operating profit of Rp 50.7 billion basically maintain the levels achieved in 1999. The Company however recorded a net loss of Rp 127.9 billion for the year. This is primarily due to the foreign exchange loss of Rp 174.2 billion arising from the USD denominated debt.

During the previous year, the Company has implemented initiatives to consolidate operations and to improve efficiency. The Company is still actively involved in continuing discussions with its creditors in the restructuring of its US\$ denominated loans. The Company has continued to partially service its debt obligations by monthly payments to its bank.

Ultimately there is a direct correlation between the performance of the Company and the general economic situation. As the slow pace of economic recovery has persisted into 2001 year, the Company's cautious approach is also likely to continue into the near future.

We take this opportunity to thank our Boards of Commissioners and Directors and all our employees for their commitment and dedication over this difficult period. We also thank our customers, suppliers and shareholders for their continuing support of our attempts to build a strong company.

SURYO YUSUF / *President Director*

WAHONO SOEROSO / *Director*

KUSWANTO SUKOJO / *Director*

RADITYO HATARI / *President Commissioner*

TUKUL TRAJAN BOENTORO / *Commissioner*

ANTONIUS HARWANTO / *Commissioner*

FINANCIAL REVIEW

The political and social crises in Indonesia produced a very fragile economic recovery in year 2000. Despite the negative impact this had on the overall business climate, Multibreeder was able to achieve an operating profit of Rp 50.7 billion. This however was overshadowed by a foreign exchange loss of Rp 174.2 billion arising from the decline in the value of the Rupiah. As a result, a net loss for the year of Rp 127.9 billion was recorded.

Key highlights of Multibreeder's performance in the year 2000 are as follows :

- Sales of Rp 328.8 billion, basically maintained the same level of sales achieved in the previous year. Sales volume increased by 3.5 % from 136 million DOCs in 1999 to 141 million DOCs in 2000.
- Gross profit of Rp 97.5 billion for the year compared to Rp 93.1 billion for 1999. The gross profit margin also improved from 27.9 % in 1999 to 29.6 % in 2000.
- The fall in the closing value of the Rupiah from Rp 7,100 per USD in 1999 to Rp 9,595 per USD at the end of 2000 resulted in a foreign exchange loss of Rp 174.2 billion. After taking into account the operating profit of Rp 50.7 billion, the overall result was a net loss for the year of Rp 127.9 billion.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 AND 1999

	Notes	2000 Rp	1999 Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d,3	5,985,233,711	19,332,397,644
Trade accounts receivable	2e,4,12,24		
Related parties		8,328,312,396	6,027,150,569
Third parties		45,830,473,471	22,082,862,122
Other accounts receivable		1,643,021,977	1,009,753,458
Inventories	2f,5,12	75,802,559,192	80,968,329,183
Advances		1,266,311,261	2,046,097,289
Prepaid taxes	6	2,288,873,378	1,185,513,697
Prepaid expenses	2g	925,499,971	622,986,958
Total Current Assets		142,070,285,357	133,275,090,920
NONCURRENT ASSETS			
Restricted cash in bank	12	14,321,324,098	-
Accounts receivable from related parties	7,24	42,444,986	1,213,624
Deferred tax assets	2i,22	82,572,124,626	48,475,560,237
Property, plant and equipment - net of accumulated depreciation of Rp 99,345,344,058 in 2000 and Rp 78,423,699,156 in 1999	2h,8,12	285,921,382,639	299,952,028,212
Guarantee deposits		343,824,106	339,949,106
Deferred charges for landrights - net	2i	287,437,500	303,187,500
Total Noncurrent Assets		383,488,537,955	349,071,938,679
TOTAL ASSETS		525,558,823,312	482,347,029,599

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2000 AND 1999 (Continued)

	Notes	2000 Rp	1999 Rp
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Trade accounts payable	9,24		
Related parties		2,610,924,502	17,959,445,161
Third parties		14,075,265,831	10,861,639,349
Other accounts payable		615,612,240	10,655,206,938
Taxes payable	21,10	2,873,842,394	807,536,090
Accrued expenses	11	31,901,587,427	14,380,254,736
Customers' deposits		9,976,232,127	11,329,029,616
Current maturity of long-term liabilities			
Bank loan	12	135,906,784,730	102,635,697,200
Notes payable	13	115,617,408,820	66,285,237,900
Total Current Liabilities		<u>313,577,658,071</u>	<u>234,914,046,990</u>
NONCURRENT LIABILITIES			
Accounts payable to related parties	7,24	6,432,650	12,761,520,939
Deferred tax liabilities	21, 22	-	54,247,073
Long-term notes payable - net of current maturity	13	<u>405,671,790,506</u>	<u>300,379,470,458</u>
Total Long-term Liabilities		<u>405,678,223,156</u>	<u>313,195,238,470</u>
MINORITY INTEREST IN NET ASSETS OF SUBSIDIARY			
		<u>10,000,000</u>	<u>10,000,000</u>
CAPITAL DEFICIENCY			
Capital stock - Rp 1,000 par value per share			
Authorized - 100,000,000 shares			
Subscribed and paid-up - 75,000,000 shares	14	75,000,000,000	75,000,000,000
Additional paid-in capital	15	9,104,080,000	9,104,080,000
Deficit		<u>(277,811,137,915)</u>	<u>(149,876,335,861)</u>
Total Capital Deficiency		<u>(193,707,057,915)</u>	<u>(65,772,255,861)</u>
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		<u><u>525,558,823,312</u></u>	<u><u>482,347,029,599</u></u>

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	Notes	2000 Rp	1999 Rp
NET SALES	2j,16,24	328,850,998,708	333,417,783,416
COST OF GOODS SOLD	2j,17,24	231,319,898,405	240,308,505,631
GROSS PROFIT		97,531,100,303	93,109,277,785
OPERATING EXPENSES	2j,18		
Selling		10,543,630,814	9,791,094,788
General and administrative		36,265,129,847	28,630,744,065
Total Operating Expenses		46,808,760,661	38,421,838,853
INCOME FROM OPERATIONS		50,722,339,642	54,687,438,932
OTHER INCOME (CHARGES)			
Gain (loss) on foreign exchange - net	2c	(174,202,473,954)	65,568,523,429
Interest expense and financing charges	19	(40,969,327,790)	(55,718,581,575)
Gain on sale of scrap		2,974,212,142	1,466,247,008
Interest expense	20	918,757,940	2,842,976,380
Loss on riot	21	-	(4,901,993,060)
Others - net		(1,529,121,496)	527,834,173
Other Income (Charges) - Net		(212,807,953,158)	9,785,006,355
INCOME (LOSS) BEFORE TAX		(162,085,613,516)	64,472,445,287
TAX BENEFIT (EXPENSE)	2i,22	34,150,811,462	(22,717,563,152)
NET INCOME (LOSS)		(127,934,802,054)	41,754,882,135
EARNINGS (LOSS) PER SHARE			
Basic	2m	(1,706)	557

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	Paid-up Capital Stock	Additional Paid-in Capital	Deficit	Total Capital Deficiency
	Rp	Rp	Rp	Rp
Balance as of January 1, 1999	75,000,000,000	9,104,080,000	(191,631,217,996)	(107,527,137,996)
Net income for the year	-	-	41,754,882,135	41,754,882,135
Balance as of December 31, 1999	75,000,000,000	9,104,080,000	(149,876,335,861)	(65,772,255,861)
Net loss for the year	-	-	(127,934,802,054)	(127,934,802,054)
Balance as of December 31, 2000	75,000,000,000	9,104,080,000	(277,811,137,915)	(193,707,057,915)

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000 Rp	1999 (As restated - Note 2a) Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and others	304,165,668,999	348,245,962,468
Cash paid to suppliers, employees and others	(273,333,879,128)	(255,803,568,779)
Cash generated from operations	30,831,789,871	92,442,393,689
Income tax paid	(1,605,840,088)	(48,249,844)
Interest paid	-	(2,751,335,410)
Net Cash Provided by Operating Activities	29,225,949,783	89,642,808,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to related parties	(12,796,319,651)	(68,385,003,447)
Interest received	918,757,940	3,076,000,546
Proceeds from sale of property, plant and equipment	304,237,566	620,600,001
Acquisitions of property, plant and equipment	(7,297,096,851)	(4,870,907,111)
Guarantee deposits	(3,875,000)	(58,900,866)
Legal processing of landrights	-	(315,000,000)
Net Cash Used in Investing Activities	(18,874,295,996)	(69,933,210,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bank loan	(2,267,016,488)	(4,157,991,878)
Payments of notes payable	(8,102,965,560)	(12,720,460,017)
Cash Used in Financing Activities	(10,369,982,048)	(16,878,451,895)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,328,261)	2,831,145,663
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,332,397,644	16,463,756,181
Effect of foreign exchange rates changes	(52,666,955)	37,495,800
Restricted cash in bank	(13,276,168,717)	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,985,233,711	19,332,397,644

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

BOARD OF COMMISSIONERS

RADITYO HATARI,

President Commissioner

Born in Yogyakarta, Indonesia in 1938. Holds a graduate degree in Biology from the University of Gajah Mada, Yogyakarta. Served as President Director of PT Multibreeder Adirama Indonesia Tbk since 1993, before serving as President Commissioner in 1999.

TUKUL TRAJAN BOENTORO,

Commissioner

Born in Blitar, Indonesia in 1943. Served as Director of PT Multibreeder Adirama Indonesia Tbk since 1991 before serving as Commissioner in 1999.

ANTONIUS HARWANTO SS

Commissioner

Born in Lasem, Indonesia in 1953. Graduated from University Tujuh Belas Agustus, Surabaya. Joined the group since 1979. Served as Commissioner of PT Multibreeder Adirama Indonesia Tbk since 1999.

BOARD OF DIRECTORS

SURYO YUSUF, *President Director*

Born in Wonogiri, Indonesia in 1957. Graduated in Mechanical Engineering from the Institute of Technology 10 Nopember, Surabaya and completed a Business Administrations degree in 1990. Joined the group since 1983. Served as a Commissioner of PT Multibreeder Adirama Indonesia Tbk from 1991 until 1993, before serving as Director since 1999.

WAHONO SOEROSO, *Director*

Born in Purwokerto, Indonesia in 1950. Graduated with a Veterinarian degree from the University of Gajah Mada, Yogyakarta. Experienced in poultry industry before joining PT Multibreeder Adirama Indonesia Tbk in 1996 and has served as Director since 1998.

KUSWANTO SUKOJO,

Director

Born in Pekalongan, Indonesia in 1949. Graduated with a Veterinarian degree from the University of Gajah Mada, Yogyakarta. Experienced in marketing and poultry business since 1979. Served as Director of PT Multibreeder Adirama Indonesia Tbk in 2000.

Head Office

Grha Praba Samanta,
Jl. Daan Mogot Km. 12 No. 9, Cengkareng
Jakarta 11730
Ph : (021) 544 8660
Fax: (021) 544 8661

Branches

Wisma Japfa Comfeed Indonesia 4th fl
Jl. HR Moch Mangundiprojo Km. 3,5
PO BOX 204
Sidoarjo 61252, East Java
Ph : (031) 896 4534
Fax: (031) 896 4543

Jl. Veteran No. 242
Purwakarta, West Java
Ph : (0264) 201 1040
Fax: (0264) 209 360

Jl. Laksamana Malahayati 33
Bandar Lampung 35223
Ph : (0721) 486 067
Fax: (0721) 486 512

Grandparent Farm and Hatchery

MB Gunung Kawi
Jl. Ngajum - Gendogo, Desa Balesari
Kecamatan Ngajum, Kabupaten Malang
Ph : (082) 310 3948

PT Multiphala Adiputra
Kp. Nenggend, Desa Neglasari,
Kecamatan Darangdan,
Kabupaten Purwakarta
Ph : (0262) 205 976
Fax: (0264) 205 976

Parent Stock Farm and Hatchery

MB Dawuhan
Jl. Raya Purwodadi - Tutur/Nongkojajar
Desa Dawuhan Sengon
Kecamatan Purwodadi, Kabupaten Pasuruan
Ph : (0343) 499 325
Fax: (0343) 499 326

MB Pucangsari
Jl. Raya Bakalan - Sengon Agung
Desa Pucangsari & Sengon Agung
Kecamatan Purwosari,
Kabupaten Pasuruan
Ph : (0343) 611 137
Fax: (0343) 611 138

MB Toyomarto
Jl. Raya Songsong - BIB
Desa Toyomarto
Kecamatan Singosari, Kabupaten Malang
Ph : (0341) 451 857
Fax: (0341) 451 221

MB Lebak Rejo
Jl. Raya Purwodadi - Tutur/Nongkojajar
Desa Lebak Rejo
Kecamatan Purwodadi, Kabupaten Pasuruan
Ph : (0343) 420 777

MB Sukodermo
Jl. Raya Bakalan - Sengon Agung
Desa Sukodermo
Kecamatan Purwosari, Kabupaten Pasuruan
Ph : (0343) 611 227
Fax: (0343) 611 128

MB Sekargadung & Tempuran
Jl. Raya Pungging - Trawas
Desa Sekargadung & Tempuran
Kecamatan Pungging, Kabupaten Mojokerto
Ph : (0321)591 836
Fax: (0321) 591 837

MB Grati (Under Construction)
Desa Celeng, Kelurahan Plososari
Kecamatan Grati, Kabupaten Pasuruan

MB Bali
Jl. Raya Antosari - Sriirit, Desa Batungsel
Kecamatan Pupuan,
Kabupaten Tabanan, Bali
Ph : (0362) 71128
Fax: (0362) 71127

MB Ujung Pandang
Jl. Raya Macopa - Masale,
Desa Tompobulu & Damai
Kecamatan Tanralilli, Kabupaten Maros
Ph : (081) 625 1950

MB Citapen
Kp. Citapen, Desa Sukajaya
Kecamatan Plered, Kabupaten Purwakarta
Ph : (0264) 204 621

MB Darangdan
Kp. Sadarkarya, Desa Sadarkarya
Kecamatan Darangdan,
Kabupaten Purwakarta
Ph : (0264) 620 809
Fax: (0264) 620 810

MB Bogor
Desa Sukamantri, Kecamatan Ciomas
Kabupaten Bogor, Jawa Barat
Ph : (0251) 388 084
Fax: (0251) 386 491

MB Kertasari
Desa Kertasari, Kecamatan Bojong
Kabupaten Purwakarta, Jawa Barat
Ph : (0264) 620 044
Fax: (0264) 620 045

MB Pawenang
Desa Pawenang, Kecamatan Bojong
Kabupaten Purwakarta, West Java
Ph : (0264) 620 024
Fax: (0264) 620 025

MB Subang I
Desa Tanjung, Kecamatan Cipunagara
Kabupaten Subang, West Java
Ph : (0260) 451 412

MB Subang II
Desa Tanjung, Kecamatan Cipunagara
Kabupaten Subang, West Java
Ph : (0260) 451 432

MB Gisting
Desa Gisting Atas Blok 20
Talang Padang Tanggamus, Lampung
Ph : (0729) 41557
Fax: (0279) 41879

MB Campang
Desa Campang Talang Padang
Kabupaten Tanggamus, Lampung
Ph : (0279) 41279
Fax: (0279) 41879

Hatchery

MB Tengeran
Jl. Raya Salatiga - Boyolali, Desa Klero
Kecamatan Tengeran, Kabupaten Semarang
Central Java
Ph : (0298) 313 519

MB Serang
Desa Sanding, Kecamatan Petir
Kabupaten Serang, Jawa Barat
Ph : (082) 814 1910

MB Subang Hatchery
Desa Perigi Mulya, Kecamatan Cipunagara
Kabupaten Subang, West Java
Ph : (0260) 451 170
Fax: (0260) 451 566