

PT MULTIBREEDER ADIRAMA INDONESIA Tbk

ANNUAL REPORT
2002

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FINANCIAL HIGHLIGHTS

(in millions of rupiah)

DESCRIPTION	2002	2001	2000	1999	1998
Operational Activity in One Year					
Net Sales	482,678.4	329,637.7	328,851.0	333,417.8	271,646.6
Gross Profit	150,480.2	110,375.9	97,531.1	93,109.3	(2,925.2)
Operating Profit	77,258.4	49,242.5	50,722.3	54,687.4	(31,168.2)
Foreign Exchange Gain (Loss)	108,186.1	(58,601.6)	(174,202.5)	65,568.5	(170,157.2)
Net Profit before Tax	167,565.0	(51,209.5)	(162,085.6)	64,472.5	(247,392.5)
Net Profit (Loss)	196,344.9	(40,997.4)	(127,934.8)	41,754.9	(174,812.6)
Profit (Loss) / Share (in Rp) (include extraordinary account)	2,618.0	-	-	-	-
Profit (Loss) / Share (in Rp) (exclude extraordinary account)	1,114.0	(547.0)	(1,706.0)	557.0	(2,331.0)
At Year end					
Current Assets	215,558.5	182,091.3	142,070.3	133,275.1	143,618.6
Total Assets	524,949.5	562,974.0	525,558.8	482,347.0	531,291.6
Current Liabilities	36,986.7	792,956.9	313,577.7	234,914.1	301,086.9
Total Equity	(38,359.6)	(234,704.5)	(193,707.1)	(65,772.3)	(107,527.1)
Net Working Capital	178,571.7	(610,865.6)	(171,507.4)	(101,639.0)	(157,468.3)
Total Liabilities	563,299.0	797,668.4	719,621.3	548,109.3	638,724.3
Total Shares	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Financial Ratios					
Net Profit to Total Assets Ratio (%)	37.40%	(7.28%)	(24.34%)	8.66%	(32.90%)
Current Ratio (x)	5.83	0.23	0.45	0.57	0.48
Liabilities to Assets Ratio (x)	1.07	1.42	1.37	1.14	1.20
Exchange rate (Rp per US\$)	8,940	10,400	9,595	7,100	8,025

SHARE TRADING INFORMATION

The Company shares are listed on the Jakarta Stock Exchange and Surabaya Stock Exchange. The share trading Information below is from the Jakarta Stock Exchange.

QUARTER ENDED	2002				2001			
	SHARE PRICE			VOLUME (UNIT)	SHARE PRICE			VOLUME (UNIT)
	HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)		HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)	
MARCH	125	100	120	98,500	150	150	150	5,000
JUNE	120	120	120	105,000	115	105	105	100,000
SEPTEMBER	120	100	100	246,000	120	110	110	151,500
DECEMBER	120	100	100	64,500	135	95	120	9,000

REPORT FROM COMMISSIONERS AND DIRECTORS

The Year 2002 has been a good year for PT Multibreeder Adirama Indonesia Tbk ('Company').

Net Sales increased by 46% while operating income increased by 57% over the previous year. The net income in 2002 of Rp 196.3 billion was indeed a significant improvement over the loss of Rp 41 billion in 2001. This turnaround was largely due to the improvement in operating income, a stronger Rupiah currency and the gain from the debt restructuring.

Notwithstanding the pessimistic backdrop of an uncertain Indonesian and global economy, Day Old Chick ('DOC') prices and demand were relatively robust. These have combined with the Company's focus on quality and cost leading to improvements in sales and operating income.

The completion of the restructuring of Multibreeder's USD denominated loan has also led to a much healthier Balance Sheet and a substantial reduction in its debt obligations into the future. Total gains from restructuring amounted to Rp. 215.7 Billion. However according to prevailing accounting standards, only Rp. 112.8 billion was recognized in 2002. Effectively, Rp 102.9 billion of the gain was not recognized in the year 2002, but has

been deferred and will be amortized and recorded as income over the 9.5 year period of the loan. Therefore the financial statements still show a negative net equity position of Rp. 38.4 billion.

Multibreeder's performance in 2002 would not have been possible without the commitment of its employees. We are indeed thankful to our employees for their undivided focus on quality and cost improvements.

We are also grateful to our Shareholders and Creditors for their understanding since late 1997, when the Monetary Crisis which adversely affected Indonesia and East Asia also negatively impacted our financial health.

WAHONO SOEROSO,
President Directo

RADITYO HATARI,
President Commissioner

KUSWANTO SUKOJO,
Director

TUKUL TRAJAN BOENTORO
Commissioner

YULIUS PUTUT DJAGIRI,
Director

ANTONIUS HARWANTO SS,
Commissioner

OPERATIONAL AND FINANCIAL ANALYSIS

The Year 2002 was marked by relatively stable DOC prices. The successful restructuring of its USD denominated debt in the same year has also led to a healthier balance sheet as well as an extraordinary once-off positive impact on its Profit & Loss statement.

More than 193 million DOC were sold in 2002, an increase of about 16% over 2001's 167 million DOC. The increase in DOC sold, combined with better selling prices, has led to Net Sales increasing from Rp 329.6 billion in 2001 to Rp 482.7 billion in 2002 – an increase of more than 46%. Average selling price of Final Stock Broiler DOC was about Rp 2,014 in 2002, an increase of 9% against 2001's average of Rp. 1,872.

In line with the increase in net sales together with better control on operating expenses, operating profit grew by a healthy 57% in 2002 compared to 2001.

In 2002, the Company was able to achieve the improved operating result due largely to the closed-house system and the single age policy introduced in prior years. These have proven successful in improving bio-security thereby reducing the incidence of disease, increasing output and improving the quality of chicks.

The successful restructuring of the Company USD denominated debt in year 2002 also has a positive impact on the Company's financial performance. The resulting reduction in outstanding principal and interest payable as well as the strengthening of the Rupiah (from 10,400 per USD in 2001 to 8,940 in 2002) have combined to contribute to the Company's financial performance.

This is reflected in a net income of Rp 196.3 billion in 2002. The good results reported are partly due to the culmination of management efforts exerted over a

number of years. These achievements have renewed Company optimism and enthusiasm toward the future.

Human Resource and Community Support

Beyond financials, the Company has continued with its efforts to keep improving its employee training and development. This is consistent with the belief that people are one of its precious resources. In addition to this the Company has also contributed to the welfare of communities where our operations are located, by creating job opportunities and supporting government programs for eradicating poverty.

In the area of community support, the company has continued to support universities and government agricultural programs.

Outlook

Looking forward, the Company does not expect the favorable conditions experienced in 2002 to continue in 2003. DOC prices are expected to be lower and demand is expected to be weak. Business costs is expected to continue to be high, work force unpredictable and competitive pressure heightened.

Notwithstanding this, the Company will continue to focus on product and service quality, while at the same time improving productivity and efficiency. This focus, hopefully, will help maintain Company's position as a leading supplier of quality DOCs in the country.

AUDITED FINANCIAL STATEMENT

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2002 AND 2001

	Notes	2002 Rp	2001 Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d,3	30,730,441,299	19,160,621,482
Trade accounts receivable	2e,4		
Related parties		5,974,903,747	7,670,389,586
Third parties		20,216,912,241	23,385,457,326
Other accounts receivable		1,002,313,792	2,273,862,931
Inventories	2f,5	134,190,221,279	121,747,799,126
Advances		17,852,836,951	4,163,097,831
Prepaid taxes	6	1,553,421,852	2,804,249,987
Prepaid expenses	2g	4,037,394,157	885,827,611
Total Current Assets		215,558,445,318	182,091,305,880
NONCURRENT ASSETS			
Restricted cash in bank	11	-	2,947,822,384
Deferred tax assets	2m,21	9,110,591,414	92,784,256,624
Property, plant and equipment - net of accumulated depreciation of Rp 138,129,426,813 in 2002 and Rp 117,191,852,497 in 2001	2h,7	299,365,368,814	284,384,855,352
Guarantee deposits		846,798,508	481,222,434
Deferred charges for landrights - net	2i	268,250,864	284,500,052
Total Noncurrent Assets		309,391,009,600	380,882,656,846
TOTAL ASSETS		524,949,454,918	562,973,962,726

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2002 AND 2001 (Continued)

	Notes	2002 Rp	2001 Rp
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Trade accounts payable	8		
Related parties		589,208,400	-
Third parties		14,132,810,050	13,295,548,222
Other accounts payable		719,752,857	301,885,901
Taxes payable	2m,9	1,692,675,385	1,637,571,561
Accrued expenses	10	5,054,909,044	47,063,671,166
Customers' deposits		5,857,373,406	3,329,204,098
Current maturities of long-term liabilities			
Bank loan	11	-	142,327,040,544
Notes payable	12	-	585,001,944,593
Restructured debts	2k,13	8,940,000,000	-
Total Current Liabilities		36,986,729,142	792,956,866,085
NONCURRENT LIABILITIES			
Employee benefits obligation	2l,23	7,604,674,000	4,711,566,000
Long-term liabilities - net of current maturities			
Restructured debts	2k,13	518,707,624,107	-
Total Long-term Liabilities		526,312,298,107	4,711,566,000
MINORITY INTEREST IN NET ASSETS OF SUBSIDIARY			
		10,000,000	10,000,000
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		(122,463,652,331)	(318,808,549,359)
Total Capital Deficiency		(38,359,572,331)	(234,704,469,359)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		524,949,454,918	562,973,962,726

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	Notes	2002 Rp	2001 Rp
NET SALES	2j,16,24	482,678,401,757	329,637,663,460
COST OF GOODS SOLD	2j,17,24	332,198,254,156	219,261,744,612
GROSS PROFIT		150,480,147,601	110,375,918,848
OPERATING EXPENSES	2j,18		
Selling		21,283,547,049	14,004,867,188
General and administrative		51,938,167,310	47,128,552,315
Total Operating Expenses		73,221,714,359	61,133,419,503
INCOME FROM OPERATIONS		77,258,433,242	49,242,499,345
OTHER INCOME (CHARGES)			
Gain (loss) on foreign exchange - net	2c	108,186,077,433	(58,601,555,781)
Interest expense and financing charges	19	(21,650,290,632)	(45,485,751,435)
Interest Income	20	1,896,095,694	882,940,820
Others - net		1,874,668,106	2,752,323,609
Other Income (Charges) - Net		90,306,550,601	(100,452,042,787)
INCOME (LOSS) BEFORE TAX		167,564,983,843	(51,209,543,442)
TAX BENEFIT (EXPENSE)	2m,21	(84,045,463,233)	10,212,131,998
INCOME (LOSS) FROM ORDINARY ACTIVITIES		83,519,520,610	(40,997,411,444)
EXTRAORDINARY ITEM	2k,22	112,825,376,418	-
NET INCOME (LOSS)		196,344,897,028	(40,997,411,444)
BASIC EARNINGS (LOSS) PER SHARE	2n		
Including extraordinary item		2,618	-
Excluding extraordinary item		1,114	(547)

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	Paid-up Capital	Additional Paid-in Capital	Deficit	Total Capital Deficiency
	Rp	Rp	Rp	Rp
Balance as of January 1, 2001	75,000,000,000	9,104,080,000	(277,811,137,915)	(193,707,057,915)
Net loss for the year	-	-	(40,997,411,444)	(40,997,411,444)
Balance as of December 31, 2001	75,000,000,000	9,104,080,000	(318,808,549,359)	(234,704,469,359)
Net income for the year	-	-	196,344,897,028	196,344,897,028
Balance as of December 31, 2002	<u>75,000,000,000</u>	<u>9,104,080,000</u>	<u>(122,463,652,331)</u>	<u>(38,359,572,331)</u>

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and others	487,203,521,997	353,236,078,293
Cash paid to suppliers, employees and others	(423,638,507,735)	(312,824,004,477)
Cash generated from operations	63,565,014,262	40,412,073,816
Interest paid	(6,841,258,274)	-
Cash receipts from restitution of income taxes	4,664,381,009	-
Income tax paid	(1,914,678,577)	(642,288,968)
Net Cash Provided by Operating Activities	59,473,458,420	39,769,784,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from related parties	-	36,012,336
Interest received	1,896,095,694	882,940,820
Proceeds from sales of property, plant and equipment	1,209,115,367	3,240,909,034
Acquisitions of property, plant and equipment	(37,407,516,213)	(20,997,543,494)
Guarantee deposits	(165,576,074)	(137,398,328)
Net Cash Used in Investing Activities	(34,467,881,226)	(16,975,079,632)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bank loan	(7,360,629,504)	(5,243,110,750)
Payments of notes payable	(8,621,722,109)	(15,729,332,249)
Cash Used in Financing Activities	(15,982,351,613)	(20,972,442,999)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,023,225,581	1,822,262,217
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,160,621,482	5,985,233,711
Effect of foreign exchange rate changes	(401,228,148)	(20,376,160)
Restricted cash in bank	2,947,822,384	11,373,501,714
CASH AND CASH EQUIVALENTS AT END OF YEAR	30,730,441,299	19,160,621,482

BOARD OF COMMISSIONERS

RADITYO HATARI,

President Commissioner / Independent

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

WAHONO SOEROSO,

President Director

Born in Purwokerto, Indonesia in 1950. Graduated with a Veterinarian degree from the University of Gajah Mada, Yogyakarta. Experienced in the poultry industry before joining PT 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 PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 2000.

YULIUS PUTUT DJAGIRI,

Director

Born in Purwokerto in 1964. Graduated from Institut Pertanian Bogor, Bogor. Experienced in the banking business since 1989. Appointed as Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk in 2001.

Head Office

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 Jakarta 11730
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 Sidoarjo 61252, East Java
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 Fax : (031) 896 4543

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

Jl. Ir. Sutami Km. 9
 Campang Raya
 Kec. Tanjung Karang Timur
 Bandar Lampung 35122
 Ph : (0721) 351 227
 Fax : (0721) 351 228

Grand Parent Stock Farm and Hatchery

MB Gunung Kawi
 Jl. Ngajum – Gendogo.
 Desa Balesari
 Kec. Ngajum, Kab. Malang
 Ph : (082) 310 3948

MB Bojong
 Kp. Cigoel, Desa Sukamanah
 Kec. Bojong, Kab. Purwakarta
 Ph : (0264) 621 480
 Fax : (0264) 621 490

PT Multiphala Adiputra
 Kp. Nenggeng, Desa Neglasari.
 Kec. Darangdan, Kab. Purwakarta
 Ph : (0262) 205 976
 Fax : (0262) 205 976

Parent Stock Farm and Hatchery

MB Dawuhan
 Jl. Raya Purwodadi – Tutur /
 Nongkojajar
 Desa Dawuhan Sengon
 Kec. Purwodadi, Kab. Pasuruan
 Ph : (0343) 499 325
 Fax : (0343) 499 326

MB Sukodermo
 Jl. Raya Bakalan – Sengon Agung
 Desa Sukodermo
 Kec. Purwosari, Kab. Pasuruan
 Ph : (0343) 611 227
 Fax : (0343) 611 128MB

MB Toyomarto
 Jl. Raya Songsong – BIB
 Desa Toyomarto.
 Kec. Singosari, Kab. Malang
 Ph : (0341) 451 857

Fax : (0341) 451 221

MB Sekargadung & Tempuran
 Jl. Raya Pungging – Trawas.
 Desa Sekargadung & Tempuran
 Kec. Pungging, Kab. Mojokerto
 Ph : (0321) 591 836
 Fax : (0321) 591 837

MB Bali
 Jl. Raya Antosari – Sirit.
 Desa Batungsel
 Kec. Pupuan, Kab. Tabanan
 Bali
 Ph : (0362) 71128, 71329
 Fax : (0362) 71127

MB Ujung Pandang*)
 Jl. Raya Macopa – Masale.
 Desa Tompobulu & Damai
 Kec. Tanralili, Kab. Maros
 Ph : (081) 625 1950

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

MB Bogor*)
 Desa Sukamantri.
 Kec. Ciomas, Kab. Bogor
 West Java
 Ph : (0251) 388 084
 Fax : (0251) 386 491

MB Gisting
 Desa Gisting Atas Blok 20
 Kec. Talang Padang, Kab. Tanggamus
 Lampung
 Ph : (0729) 41659
 Fax : (0729) 41659

MB Campang*)
 Desa Campang.
 Kec. Talang Padang, Kab. Tanggamus
 Lampung
 Ph : (0729) 41279, 41379
 Fax : (0729) 41879

Parent Stock Farm

MB Pucangsari
 Jl. Raya Bakalan – Sengon Agung
 Desa Pucangsari & Sengon Agung
 Kec. Purwosari, Kab. Pasuruan
 Ph : (0343) 611 137
 Fax : (0343) 611 138

MB Kaltim
 Desa Tani Bhakti
 Kec. Loa Janan
 Kab. Kutai Kertanegara
 Ph : (0541) 261 031

MB Lebak Rejo
 Jl. Raya Purwodadi – Tutur/Nongkojajar
 Desa Lebak Rejo,
 Kec. Purwodadi, Kab. Pasuruan
 Ph : (0343) 420 777, 422 248

MB Citapen
 Kp. Citapen, Desa Sukajaya
 Kec. Plered, Kab. Purwakarta

West Java
 Ph : (0264) 204 621

MB Kertasari*)
 Desa Kertasari.
 Kec. Bojong, Kab. Purwakarta
 West Java
 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.
 Kec. Cipunagara, Kab. Subang
 West Java
 Ph : (0260) 451 412

MB Subang II
 Desa Tanjung.
 Kec. Cipunagara, Kab. Subang
 West Java
 Ph : (0260) 451 432

Hatchery

MB Tenganan
 Jl. Raya Salatiga – Boyolali.
 Desa Klero
 Kec. Tenganan, Kab. Semarang
 Central Java
 Ph : (0298) 313 519

MB Baturiti
 Desa Mekarsari
 Kec. Baturiti, Kab. Tabanan
 Bali
 Ph : (0823) 610 372

MB Subang Hatchery*)
 Desa Perigi Mulya.
 Kec. Cipunagara, Kab. Subang
 West Java
 Ph : (0260) 451 170
 Fax : (0260) 451566

Note*
Fixed assets at these locations represent more than 5% of the total consolidated fixed assets of the company