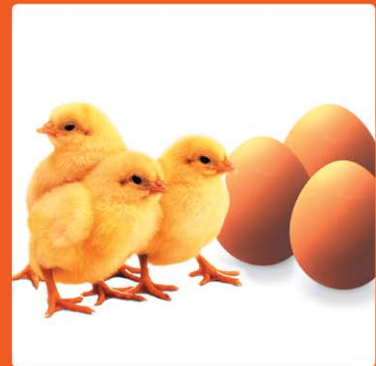




JAPFA

PT JAPFA COMFEED INDONESIA Tbk

ANNUAL REPORT
2004



PT JAPFA COMFEED INDONESIA Tbk

ANNUAL REPORT

2004

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FINANCIAL HIGHLIGHTS

(in millions of Rupiah)

DESCRIPTION	2004	2003 (restated)	2002	2001	2000
Operational Activity in One Year					
Net Sales	4,649,430.9	4,407,906.0	4,006,360.5	3,884,390.8	3,299,453.4
Gross Margin	705,310.6	603,877.8	610,819.1	530,036.7	393,800.9
Income from Operations	141,228.7	37,962.0	136,983.5	30,552.5	5,517.3
Foreign Exchange Gain (Loss)	(121,699.4)	91,782.3	702,897.6	(373,371.4)	(1,109,191.7)
Net Income (Loss)	(166,698.8)	151,099.8	1,087,878.6	(493,696.7)	(969,605.3)
Capital Stock (in millions of shares)	1,489.4	1,489.4	1,489.4	148.9	148.9
Profit (Loss)/ share (in Rp.) (including Extraordinary account)	(112)	101	4,174	(3,315)	(6,510)
Profit (Loss)/ share (in Rp.) (excluding Extraordinary account)	(112)	101	1,360	(3,315)	(6,510)
At Year end					
Total Assets	3,012,536.1	3,120,643.5	2,962,364.4	3,486,314.1	3,460,626.3
Total Liabilities	2,633,949.4	2,596,587.5	2,575,424.6	5,656,395.7	5,140,134.3
Total Equity	322,500.3	485,726.2	355,204.5	(2,183,706.2)	(1,693,091.8)
Financial Ratio					
Gross Margin Ratio (%)	15.2%	13.7%	15.2%	13.6%	11.9%
Return on Total Assets (%)	(5.5%)	4.8%	12.0%	(14.2%)	(28.0%)
Current Ratio (x)	2.7 x	2.7 x	2.8 x	0.3 x	0.3 x
Leverage (x)	8.2 x	5.3 x	7.3 x	NA	NA
Debt Ratio (x)	0.9 x	0.8 x	0.9 x	1.6 x	1.5 x
Exchange rate (Rp. per US\$)	9,290	8,465	8,940	10,400	9,595

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.

	2004				2003			
QUARTER ENDED	SHARE PRICE			VOLUME (Unit)	SHARE PRICE			VOLUME (Unit)
	HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)		HIGHEST (Rp)	LOWEST (Rp)	CLOSING (Rp)	
MARCH	235	160	220	121,500	100	100	100	198,000
JUNE	160	125	150	150,000	305	180	225	2,024,000
SEPTEMBER	205	160	160	334,500	300	265	290	2,210,500
DECEMBER	200	165	200	324,500	325	265	280	21,730,500



The Company started 2004 on a cautious note. The operating plans for 2004 were reflective of a conservative frame of mind. The bird flu outbreak that started in 2003 and continued into 2004 had an adverse impact on the Company. In the first quarter of 2004, the public avoided the consumption of poultry products and prices of day-old-chicks, chicken meat and eggs plummeted.

Various steps were taken to counter the effects of the bird flu outbreak. Internally, additional measures were implemented at all breeding farms to further tighten bio-security so as to minimize the impact of the disease. In an effort to restore consumer demand, the Company, together with the Government and poultry associations, launched a nation-wide public awareness campaign to promote the message that properly cooked chicken meat and eggs are safe to consume.

To alleviate the effects of significant fluctuations in raw material prices, a nimble approach towards raw material procurement was adopted. The policy was also supported by a selling strategy that prioritized profitability.

The combination of these measures has improved the Company's operating results compared to last year. Annual sales increased from Rp 4,408 billion in 2003 to Rp 4,649 billion in 2004. Gross Profit also increased from Rp 37.9 billion in 2003 to Rp 141.2 billion in 2004.

The business challenges faced by the Company in 2004 has dictated that it continues to adopt a cautious approach for the years ahead. It is expected that bird flu could recur in the future thereby dimming the overall prospects of the poultry industry. Even with this negative overhang, the Company is cautiously optimistic about its future, especially with the hope that the new Government will implement policies conducive to business.



We wish to thank everyone who has supported the Company throughout 2004, especially all our employees who have worked as a team to maintain the operating performance of the Company. We also wish to thank our shareholders, suppliers and customers for their continuing understanding and support.

Handojo Santosa,
President Director

Osa Masong,
Vice President Commissioner

Bambang Budi Hendaro,
Vice President Director

Hariono Soemarsono,
Commissioner

Ignatius Herry Wibowo,
Director



Having endured a comparatively difficult year in 2003, the Company commenced 2004 with an operating plan that was both restrained and conservative. The issue of the bird flu virus in the latter half of 2003 continued into the first quarter of 2004.

At the beginning of 2004, the Government announced that Indonesia was affected by the bird flu virus. This announcement, together with the national and international mass media reports on the regional outbreak, had two significant effects. On the positive side, it resulted in vigilant steps being taken to contain and overcome the disease. On the negative side, it resulted in a severe drop in consumer demand for poultry products.

The business performance of the Company was adversely affected in that first quarter of 2004. The Breeding Division and the Commercial Poultry Division were especially badly hit, with a decline in consumer demand for poultry products leading to a steep drop in selling prices of day-old-chicks and live birds. In comparison, the Feed Division was less affected while the Aquaculture and Consumer Products Divisions were basically not affected at all. Indeed the latter divisions actually showed some improvement in their operating results.

A nation-wide public awareness campaign was launched to explain that properly cooked chicken meat and eggs is safe to consume. Consumer confidence progressively returned. The operating performance of the Company, which showed signs of recovery in the second quarter, then continued to improve to the end of 2004.

The steps taken by the Company throughout 2004 yielded results which reflected an improvement over the year before. Net sales increased 5.5% from Rp 4,408 billion in 2003 to Rp 4,649 billion in 2004. Gross Profit increased significantly from Rp 37.9 billion in 2003 to Rp 141.2 billion in 2004.

The net profit of the Company in 2004 however decreased as compared to 2003. This was due to two main reasons. Firstly, a foreign exchange loss of Rp 121.7 billion from the US Dollar denominated loans was recorded. This arises from the fall in the value of the Rupiah, from Rp 8,465 per US Dollar at the end of 2003 to Rp 9,290 per US Dollar at the end of 2004. Secondly, net profit was also reduced by a deferred tax adjustment of Rp 141.3 billion. This arises from the reversal of the accounting entry which recorded a future income tax benefit as income in previous years financial statements.

F e e d D i v i s i o n

In 2004 the Feed Division shifted its focus from increasing sales volumes to enhancing product quality, enforcing higher minimum standards for raw materials received and improving customer relations.

This coordinated approach has proved successful helping the Division achieve better recognition from its customers and hence command better sales prices in comparison with its competitors. Sales value in Rupiah terms increased despite a decrease in sales volumes. Accordingly the Feed Division was able to improve its gross profit margin in 2004 as compared to the previous year.

In addition to initiatives to improve product quality and customer service, the Feed Division also expanded selectively into fast growing regions throughout Indonesia. The investment made in the new feedmill in East Indonesia in mid-2003 has shown healthy returns and has prompted an increase in capacity in early 2004. On a month to month basis, this feedmill has shown progressively higher sales and better operating results.

The Feed Division remains the largest contributor to consolidated sales and profits of the Company.

Breeding Farm Division

The Breeding Farm Division was directly affected by the bird flu outbreak which lasted until the end of the first quarter of 2004. Demand for day-old-chicks collapsed leading to plunging selling prices and reduced margins.

The improvements in bio-security that were implemented by the Breeding Farm Division at the end of 2003 and continued into 2004, proved successful in protecting the Company from the effects of the disease. Operationally, the breeding units were not hampered by the bird flu outbreak. Productivity levels were maintained and from the second quarter onwards, output actually increased.

Overall the Division recorded an improvement in financial performance in 2004 when compared to 2003. Net sales increased from Rp 479.7 billion in 2003 to Rp 546.1 billion in 2004. Gross Profit increased by 15% from Rp 4.6 billion in 2003 to Rp 5.3 billion in 2004.

Expansionary initiatives were also launched on a selective basis into those regions with growth prospects. In 2004, the Division expanded its operations in Samarinda, Palembang and Manado. The expectation is that the increased presence will cement the Division's market position and contribute positively to its financial performance in the foreseeable future.

Commercial Poultry Division

The Commercial Poultry Division was also severely affected by the bird flu outbreak. As a consequence of the drop in sales and the closure of export markets, the Division has had to scale down its operations since 2003. At the end of 2003, the Division closed down one of its three poultry processing plants and in 2004, it reduced production levels in the two remaining plants. Looking to the future, the Commercial Poultry Division will have to adapt its business, including choosing products in line with consumer preferences and improving operating efficiencies in its rearing of chickens.



Aquaculture Division

The improved performance of the Aquaculture Division has contributed to the consolidated financial results of the Company.

This improvement was the result of a new business strategy that focuses on higher margin businesses. Both the Pond and Cold Storage operations have been revamped and operated on a smaller scale, thus allowing for better cost control and end results. The production capacity of the Aquaculture feedmills have been expanded in the light of proven prospects and positive results from the fish feed and shrimp feed operations.

Enhancements to production methodology as well as to the production sites have resulted in better product quality and increased productivity. Distribution channels have been broadened and specific efforts were made to get closer to the customer. This marketing strategy has been successful in progressively improving sales and profitability.

The Aquaculture Division reported an increase in sales of 42.6% from Rp 209 billion in 2003 to Rp 298 billion in 2004. Gross Profit, which was a negative Rp 435 million in 2003, significantly increased to a positive Rp 6.1 billion for 2004.

Other Divisions

The **Consumer Products Division** also improved its operating performance in 2004 as compared to the prior year. This Division successfully increased its sales through the introduction of new products and intensive marketing initiatives.

The Consumer Products Division focused on the production and sales of value-added poultry products. In particular, emphasis was given to quick cooking foods which use chicken meat as a base like chicken nuggets, sausages and “baso” meatballs. Products were launched with a comprehensive marketing campaign to gain consumer acceptance. This has helped to fortify the Division's “SO GOOD” brand as representing quality food products tailored for the consumer palette.



In the **International Division**, the results varied according to location. The poultry operations in India were stable, one reason being because there was no outbreak of bird flu in that country. The poultry operations in Vietnam on the other hand went through a difficult year as the country has been severely afflicted by bird flu since 2003. In the Vietnam breeding operations in particular, extra tight bio-security measures were introduced.

Training and Welfare

The continuous improvement training programs run over the last few years have borne fruit in 2004.

In particular, intensive training programs on bio-security by the Breeding Farm Division produced clear results as the Company had very successfully defended its breeding stock from the widespread bird flu outbreak in 2004. Training programs in production methodology have supported initiatives to improve product quality and operating efficiencies.

The training function is seen as a strategic function for the Company. A number of new programs were introduced in 2004 on technical aspects, management and motivation, all of which are to be developed further in the years ahead

Community Support

The Company actively participated in the program to overcome the effects of the bird flu. The Company, working together with farmers and the Government, launched a national public awareness campaign with the message that “Eating Chicken and Eggs is Healthy”.

In December 2004, Indonesia was hit by a massive earthquake that literally decimated whole communities in Aceh and North Sumatra. The Company immediately responded to a call for emergency humanitarian aid. This was followed up by voluntary donations from employees, part of which has been used for the disaster relief, with the remaining funds being earmarked to reconstruct an educational facility in the affected area. An involvement in the community at large is part of the Company's corporate responsibility to improve living standards in the country.



O u t l o o k

In the light of the difficult conditions and issues faced in 2004, the Company anticipates that the same issues will recur in future. In particular, it is likely that the bird flu outbreaks will continue to occur. It is hoped that the new Government will implement policies that will create a more conducive business environment to promote economic growth.

Although the Company plans to move forward with caution, it remains optimistic of business success into the future. In the poultry business, the Company has emphasized profitability through higher quality products and superior customer service. Due to the encouraging 2004 results of the aquaculture and consumer products businesses, the Company is looking to expand its investment in these sectors.

The Company has been successful in overcoming a variety of challenges in 2004 and is optimistic of the future. The Company remains confident of its ability to maintain its position as a leading agribusiness company in Indonesia.

Audited Financial Statement

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

	2004	2003
	Rp	Restated Rp
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	217,752,822,507	161,845,081,667
Temporary investments	183,780,181,150	185,985,059,828
Trade accounts receivable		
Third parties - net of allowance for doubtful accounts of Rp 26,888,724,777 in 2004 and Rp 22,827,762,645 in 2003	310,338,550,367	310,979,596,358
Other accounts receivable	36,156,060,515	62,582,171,725
Inventories	841,415,105,306	794,126,577,916
Advances	25,604,697,066	45,838,125,118
Prepaid taxes	90,923,545,053	65,718,346,460
Prepaid expenses	14,929,476,965	23,505,787,893
Total Current Assets	<u>1,720,900,438,929</u>	<u>1,650,580,746,965</u>
NONCURRENT ASSETS		
Deferred tax assets	68,655,847,555	208,813,430,657
Investments in shares of stock	-	100,000,000
Plantations - net of accumulated depreciation of Rp 1,283,811,202 in 2004 and Rp 1,130,104,163 in 2003	3,410,830,470	3,544,395,109
Property, plant and equipment - net of accumulated depreciation of Rp 854,004,098,881 in 2004 and Rp 732,021,487,415 in 2003	1,174,352,466,313	1,212,386,063,948
Unused property, plant and equipment - net	15,267,861,983	16,292,663,459
Real estate assets	2,955,831,384	2,948,976,184
Goodwill - net	789,165,271	915,089,930
Intangible assets - net	11,033,464,476	11,904,874,324
Other Assets	15,170,144,338	13,157,267,745
Total Noncurrent Assets	<u>1,291,635,611,790</u>	<u>1,470,062,761,356</u>
TOTAL ASSETS	<u><u>3,012,536,050,719</u></u>	<u><u>3,120,643,508,321</u></u>

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

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2004 AND 200 (Continued)

	2004	2003
	Rp	Restated Rp
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable to third parties	193,978,583,813	178,466,103,490
Other accounts payable to third parties	63,164,604,041	57,818,532,328
Taxes payable	15,279,945,969	13,920,140,062
Accrued expenses	107,283,660,274	112,046,962,699
Advances received	9,274,870,227	23,065,767,998
Unearned revenue	3,421,527,597	5,843,264,574
Bank loans	176,356,058,194	164,705,688,931
Current maturities of long-term liabilities		
Long-term loans	17,132,626,426	4,726,395,202
Liability for the purchase of property, plant and equipment	969,251,899	-
Lease liabilities	129,906,847	9,893,282
Restructured debts	58,062,500,000	58,061,330,724
Total Current Liabilities	645,053,535,287	618,664,079,290
NONCURRENT LIABILITIES		
Deferred tax liabilities	19,402,492,839	18,248,877,665
Post Employment Benefits	105,841,346,000	82,311,963,459
Long-term liabilities - net of current maturities		
Long-term loans	138,895,227,241	127,205,275,720
Liability for the purchase of property, plant and equipment	2,040,179,899	-
Lease liabilities	614,540,291	11,540,504
Restructured debts	1,722,102,120,083	1,750,145,735,220
Total Noncurrent Liabilities	1,988,895,906,353	1,977,923,392,568
MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES	56,086,348,159	38,329,810,380
EQUITY		
Capital stock - Rp 1,000 par value per share		
Authorized - 2,000,000,000 shares		
Subscribed and paid-up - 1,489,414,660 shares	1,489,414,660,000	1,489,414,660,000
Additional paid-in capital	172,918,971,236	172,918,971,236
Translation adjustment	53,852,809,214	48,271,027,312
Difference due to change in equity in subsidiary transactions	1,380,552,616	1,380,552,616
Unrealized loss in value of securities	(8,052,510,162)	(5,943,537,162)
Difference in value of restructuring transactions among entities under common control	5,798,519,720	5,798,519,720
Deficit	(1,392,812,741,704)	(1,226,113,967,639)
Total Equity	322,500,260,920	485,726,226,083
TOTAL LIABILITIES AND EQUITY	3,012,536,050,719	3,120,643,508,321

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

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003 Restated
	Rp	Rp
NET SALES	4,649,430,943,722	4,407,906,038,703
COST OF GOODS SOLD	<u>3,944,120,329,681</u>	<u>3,804,028,256,122</u>
GROSS PROFIT	<u>705,310,614,041</u>	<u>603,877,782,581</u>
OPERATING EXPENSES		
Selling	174,178,112,338	189,178,182,538
General and administrative	<u>389,903,840,304</u>	<u>376,737,615,891</u>
Total Operating Expense:	<u>564,081,952,642</u>	<u>565,915,798,429</u>
INCOME FROM OPERATIONS	<u>141,228,661,399</u>	<u>37,961,984,152</u>
OTHER INCOME (CHARGES)		
Interest income	8,411,506,943	24,992,379,641
Rental income	3,772,426,919	5,108,046,797
Gain from sales of property, plant and equipment	2,072,254,406	11,758,769,820
Gain (loss) on foreign exchange - net	(121,699,404,290)	91,782,263,419
Interest expense	(41,970,930,928)	(31,469,827,921)
Unrealized gain (loss) in value of securities	(8,763,328,585)	4,158,936,539
Unrealized (loss) in value of unused fixed assets	(4,120,351,353)	-
Gain (loss) from sales of raw materials and indirect materials	(364,885,583)	1,088,484,933
Gain (loss) on buyback and payment of loan	-	14,315,631,831
Others - net	<u>10,914,559,351</u>	<u>14,012,920,327</u>
Other Income - Net	<u>(151,748,153,120)</u>	<u>135,747,605,386</u>
Equity in net losses of associated companies	<u>-</u>	<u>(572,944,516)</u>
INCOME BEFORE TAX	<u>(10,519,491,721)</u>	<u>173,136,645,022</u>
TAX EXPENSE		
Current Tax	6,111,546,289	12,578,204,629
Deferred Tax	<u>141,311,198,276</u>	<u>5,136,653,900</u>
Tax Expense	<u>147,422,744,565</u>	<u>17,714,858,529</u>
INCOME (LOSS) BEFORE MINORITY INTERESTS IN NET INCOME (LOSS) OF SUBSIDIARIES	(157,942,236,286)	155,421,786,493
MINORITY INTERESTS IN NET INCOME OF SUBSIDIARIES	<u>(8,756,537,779)</u>	<u>(4,321,948,045)</u>
NET INCOME (LOSS)	<u>(166,698,774,065)</u>	<u>151,099,838,448</u>
BASIC EARNINGS (LOSS) PER SHARE	(112)	101

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

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Paid-up Capital	Additional Paid-in Capital	Translation Adjustment	Difference Due to Change in Equity in Subsidiary Transactions	Unrealized (Loss) in Value of Securities	Difference in Value of Restructuring Transactions Among Entities Under Common Control	Deficit	Total Equity
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of January 1, 2003	1,489,414,660,000	172,918,971,236	57,188,823,858	1,380,552,616	(8,404,005,662)	5,798,519,720	(1,363,092,999,765)	355,204,522,003
Changes in accounting policy on employee benefits	-	-	-	-	-	-	(14,120,806,322)	(14,120,806,322)
Balance after restated	1,489,414,660,000	172,918,971,236	57,188,823,858	1,380,552,616	(8,404,005,662)	5,798,519,720	(1,377,213,806,087)	341,083,715,681
Translation adjustment	-	-	(8,917,796,546)	-	-	-	-	(8,917,796,546)
Unrealized gain in value of securities	-	-	-	-	2,460,468,500	-	-	2,460,468,500
Net income for the year	-	-	-	-	-	-	151,099,838,448	151,099,838,448
Balance as of December 31, 2003	1,489,414,660,000	172,918,971,236	48,271,027,312	1,380,552,616	(5,943,537,162)	5,798,519,720	(1,226,113,967,639)	485,726,226,083
Translation adjustment	-	-	5,581,781,902	-	-	-	-	5,581,781,902
Unrealized (loss) in value of securities	-	-	-	-	(2,108,973,000)	-	-	(2,108,973,000)
Net income for the year	-	-	-	-	-	-	(166,698,774,065)	(166,698,774,065)
Balance as of December 31, 2004	<u>1,489,414,660,000</u>	<u>172,918,971,236</u>	<u>53,852,809,214</u>	<u>1,380,552,616</u>	<u>(8,052,510,162)</u>	<u>5,798,519,720</u>	<u>(1,392,812,741,704)</u>	<u>322,500,260,920</u>

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

P.T. JAPFA COMFEED INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers:	4,605,115,800,552	4,391,085,666,763
Cash paid to suppliers and other:	(4,060,195,454,571)	(4,067,342,403,397)
Cash paid to employees	<u>(238,481,105,247)</u>	<u>(222,536,786,336)</u>
Cash generated from operations	306,439,240,734	101,206,477,030
Interest paid	(80,013,503,922)	(77,222,342,860)
Income tax paid	(51,159,179,024)	(46,608,850,460)
Cash receipts from restitution of income tax	25,218,190,845	-
Net Cash Provided by (Used in) Operating Activities	<u>200,484,748,633</u>	<u>(22,624,716,290)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	8,485,769,386	18,532,394,429
Interest received	8,044,484,903	24,568,234,748
Increase in security deposit:	(766,280,383)	(251,415,542)
Acquisitions of property, plant and equipment	(79,365,804,726)	(138,217,056,084)
Withdrawals (addition) of temporary investment	-	(12,621,586,929)
Increase in investments in shares of stock	-	(2,771,406,146)
Net Cash Used in Investing Activities:	<u>(63,601,830,820)</u>	<u>(110,760,835,524)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of restructured debt:	(57,113,000,000)	(51,535,461,170)
Payments of bank loans:	(37,805,328,348)	138,114,259,083
Payment of liability for purchase of property, plant and equipment:	(400,131,065)	(1,650,000,000)
Buy-back of debt:	-	(32,146,857,245)
Increase in minority interest	9,000,000,000	-
Payments of lease liabilities:	<u>(77,307,189)</u>	<u>(181,313,335)</u>
Net Cash Provided by (Used in) Financing Activities	<u>(86,395,766,602)</u>	<u>52,600,627,333</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,487,151,211	(80,784,924,481)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	161,845,081,667	246,213,865,760
Effect of foreign exchange rate change	<u>5,420,589,629</u>	<u>(3,583,859,612)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>217,752,822,507</u>	<u>161,845,081,667</u>
SUPPLEMENTAL DISCLOSURES		
Noncash financing activities		
Increase in fixed assets through fixed assets liability	3,341,570,978	-
Increase in leased assets through lease liabilities	830,075,700	-
Increase fixed assets by other receivables	3,984,039,750	-
Reclassification of fixed assets to unused fixed assets	2,991,507,966	-

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

BOARD OF DIRECTORS

HANDOJO SANTOSA,
President Director

Born in Surabaya, Indonesia, in 1964. Educated at Pepperdine University, USA. Served as President Director of PT Japfa Comfeed Indonesia Tbk since 1997.

BAMBANG BUDI HENDARTO,
Vice President Director

Born in Bondowoso, Indonesia, in 1945. Graduated from Animal Husbandary from Brawijaya University Malang, Indonesia. Completed overseas training in Holland, Taiwan and USA. Served as Director of PT Japfa Comfeed Indonesia Tbk since 1989 before serving as Vice President Director of PT Japfa Comfeed Indonesia Tbk since 1997.

IGNATIUS HERRY WIBOWO,
Director

Born in Tuban, Indonesia, in 1949. Holds a graduate degree in Economics from University of Diponegoro, Semarang, Indonesia. Experienced in Banking business since 1977, with last position as President Director. Served as Director of PT Japfa Comfeed Indonesia Tbk since 1998.

BOARD OF COMMISSIONERS

OSA MASONG,
Vice President Commissioner

Born in Solo, Indonesia, in 1940. Holds a degree in Accounting from University of Indonesia. Worked as chief accountant for 10 years in PT PNI - a United States, Canada and Holland joint venture company. Completed extensive management training and financial studies in the United States and Canada. Served as Vice President Commissioner of PT Japfa Comfeed Indonesia Tbk since 1998.

HARIONO SOEMARSONO,
Commissioner

Born in Magetan, Indonesia, in 1936. Graduated from Technische Universitaet Dresden, Germany as Diplom Ingenieur in Mechanical Engineering and from the American World University Iowa, USA, as Doctor of Philosophy in Human Resources Management. Previous experiences include Dean of Engineering Faculty from Institut Teknologi Surabaya, Surabaya. Joined Group in 1981.

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Lampung *
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 Tanjung Bintang – Lampung

Makassar
 Jl. Ir. Sutami Km. 17
 Makassar

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 Jl. Raya Serang Km. 14,2
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 Desa Bangunsari
 Deli Serdang, Medan

Sragen
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PT SURI TANI PEMUKA**Head Office**

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 Pune 41 1001, India

JAPFA COMFEED VIETNAM
 Vietnam
 Huong Canh Townlet
 Binh Xuyen Distric
 Vinh Phuc Province, Vietnam

Note *

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