

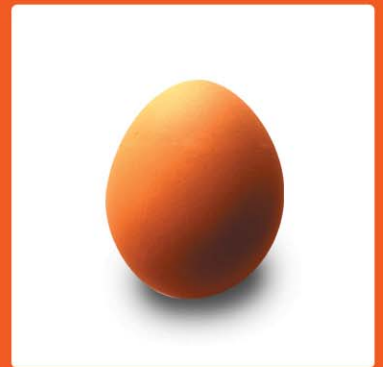


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PT MULTIBREEDER ADIRAMA INDONESIA Tbk

ANNUAL REPORT

2004



PT MULTIBREEDER ADIRAMA INDONESIA Tbk

ANNUAL REPORT

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CONTENT

Financial Highlights / Share Trading Information

Report from Commissioners and Directors

Operational and Financial Analysis

Audited Financial Statements

Boards of Commissioners and Directors

List of Addresses

FINANCIAL HIGHLIGHTS

(in millions of Rupiah)

DESCRIPTION	2004	2003 (restated)	2002	2001	2000
Operational Activity in One Year					
Net Sales	546,135.3	479,713.2	482,678.4	329,637.7	328,851.0
Gross Profit	116,998.2	114,048.5	150,480.2	110,375.9	97,531.1
Operating Profit	5,349.3	4,619.1	77,258.4	49,242.5	50,722.3
Foreign Exchange Gain (Loss)	(32,380.9)	21,767.2	108,186.1	(58,601.6)	(174,202.5)
Net Profit before Tax	(22,414.8)	39,939.5	167,565.0	(51,209.5)	(162,085.6)
Net Profit (Loss)	(22,511.5)	18,995.3	196,344.9	(40,997.4)	(127,934.8)
Profit (Loss) Rp. per share (including Extraordinary account)	(300)	253	2,618	(547)	(1,706)
Profit (Loss) Rp. per share (excluding Extraordinary account)	(300)	253	1,114	(547)	(1,706)
At Year end					
Current Assets	230,415.9	212,605.6	215,558.5	182,091.3	142,070.3
Total Assets	575,666.2	543,557.1	524,949.5	562,974.0	525,558.8
Current Liabilities	125,208.6	92,880.3	36,986.7	792,956.9	313,577.7
Total Equity	(46,418.2)	(23,906.7)	(38,359.6)	(234,704.5)	(193,707.1)
Net Working Capital	105,207.4	119,725.3	178,571.7	(610,865.6)	(171,507.4)
Total Liabilities	587,285.2	538,825.1	563,299.0	797,668.4	719,621.3
Total Shares	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Financial Ratio					
Net Profit to Total Assets Ratio (%)	(3.9%)	3.5%	37.4%	(7.3%)	(24.3%)
Current Ratio (x)	1.8 x	2.3 x	5.8 x	0.2 x	0.5 x
Liabilities to Assets Ratio (x)	1.0 x	1.0 x	1.1 x	1.4 x	1.4 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	0	0	350	0	105	80	105	52,500
JUNE	250	250	250	1,500	150	100	120	473,500
SEPTEMBER	170	120	170	1,333,000	200	150	165	542,500
DECEMBER	155	150	150	212,000	460	290	450	1,666,000



The Company successfully improved its operational performance in 2004 as compared to 2003, even with the dampening effects of bird flu on the poultry industry. One reason for the improved performance was its cautious approach.

Bio-security was tightened even further and this proved successful in protecting its breeding flocks, the Company's key productive asset, from the onslaught of the bird flu virus which affected the Asian region including Indonesia. In addition, careful attention was paid to product quality and improving productivity.

Net sales increased by 14% 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. The Company in 2004 however reported a net loss of Rp 22.5 billion due to the foreign exchange loss from its US Dollar denominated loans. 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.

Although the prospects for the poultry industry in Indonesia remain optimistic for 2005, the Company will proceed cautiously

as long as the threat of bird flu remains.

The Company will continue to emphasize product quality and to search for growth opportunities in prospective regional markets within Indonesia.

The Company wishes to thank all employees, shareholders, suppliers and customers for their continuing commitment, support, teamwork and understanding.

Bambang Priambodo,
President Director

Radityo Hatari,
President Commissioner

Kuswanto Sukojo,
Director

Tukul Trajan Boentoro,
Commissioner

Putut Djagiri
Director

Antonius Harwanto,
Commissioner



In 2004, the Company was able to maintain and even slightly improve upon its operational performance of 2003. This was achieved even with the shadow of bird flu looming over the poultry industry. A major repercussion of the outbreak was the public perception of a health threat from the consumption of chicken and eggs. This had a devastating impact on the demand for day-old-chicks.

Operational initiatives implemented by the Company at the end of 2003 and continuing into 2004, proved successful in protecting the Company from the effects of the disease. A key initiative was the further tightening of already stringent bio-security measures.

Even though this resulted in higher operational expenses, the results were well worth it as the Company was successful in maintaining its market share.

In the second quarter of 2004, the impact of the bird flu outbreak subsided and the prices of day-old-chicks began to improve. The Company was able to quickly restore its production levels as the market situation improved into the third quarter of 2004. The stability in the prices of day-old-chicks however did not last until the fourth quarter of 2004 as more suppliers entered the market.

As a result, for the whole of 2004, day-old-chick sales volumes increased by 4% from 255 million chicks in 2003 to 264 million chicks in 2004.

The average selling price of day-old-chicks increased slightly in comparison to the previous year. Net sales increased by 14% 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.

The Net Profit of the Company in 2004 however decreased as compared to 2003 mainly due to a foreign exchange loss of Rp 32.4 billion. The exchange loss derives from the recording of US Dollar denominated loans in Rupiah, where there was 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.

In 2004, the Company expanded its operations in Samarinda, Palembang and Manado. This is part of an initiative to expand on a selective basis into those regions with growth prospects. It is hoped that this initiative will yield positive results in the years to come.

Human Resources and Community Support

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

In particular, intensive training programs on bio-security produced clear results as the Company had very successfully defended its breeding stock from the widespread bird flu outbreak in 2004.

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.

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.



O u t l o o k

The Company anticipates that some of the difficult conditions and issues faced in 2004 will recur in future. In particular, it is likely that the bird flu outbreaks will continue to occur.

In anticipation, the Company has maintained its precautionary measures at a high level and remains optimistic that it will achieve its operational plan for the year ahead.

In 2004, for the first time in its history, the Indonesian President was directly elected by the people. It is hoped that the new Government will improve all aspects of life in Indonesia, especially in providing economic and political stability so as to promote business growth in Indonesia.

The Company will continue to focus on improving profitability through higher quality products and superior customer service. It will also be seeking to lift productivity and to make selective investments. The Company remains confident of its ability to maintain its position as a leading supplier of quality day-old-chicks in Indonesia.

Audited Financial Statement

P.T. MULTIBREEDER ADIRAMA INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

	Notes	2004 Rp	2003 (As restated - Note 28) Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2e,3	24.042.635.956	20.492.654.287
Trade accounts receivable	2f,4		
Related parties	23	6.548.834.334	5.672.234.074
Third parties		18.671.221.686	24.024.981.730
Other accounts receivable		385.851.193	432.681.386
Inventories	2g,5	172.208.585.554	147.877.392.752
Advances		4.666.849.519	9.187.634.623
Prepaid taxes	6	2.207.375.015	1.892.970.749
Prepaid expenses	2h	1.684.549.404	3.024.998.409
Total Current Assets		230.415.902.661	212.605.548.010
NONCURRENT ASSETS			
Property, plant and equipment - net of accumulated depreciation of Rp 188,225,841,619 in 2004 and Rp 161,330,566,735 in 2003	2i,7,12	344.180.019.760	330.057.162.378
Guarantee deposits		623.468.786	662.191.322
Deferred charges for landrights - net	2j	446.800.938	232.218.480
Total Noncurrent Assets		345.250.289.484	330.951.572.180
TOTAL ASSETS		575.666.192.145	543.557.120.190

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
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Notes	2004 Rp	2003 (As restated - Note 28) Rp
NET SALES	2k,15,23	546.135.310.565	479.713.239.056
COST OF GOODS SOLD	2k,16,23	<u>429.137.128.203</u>	<u>365.664.704.337</u>
GROSS PROFIT		<u>116.998.182.362</u>	<u>114.048.534.719</u>
OPERATING EXPENSES	2k,17		
Selling		29.936.175.462	30.121.884.454
General and administrative		<u>81.712.720.150</u>	<u>79.307.550.778</u>
Total Operating Expenses		<u>111.648.895.612</u>	<u>109.429.435.232</u>
INCOME FROM OPERATIONS		<u>5.349.286.750</u>	<u>4.619.099.487</u>
OTHER INCOME (CHARGES)			
Gain (loss) on foreign exchange - net	2d	(32.380.889.049)	21.767.180.061
Interest expense and financing charges	18	(100.620.529)	(690.406.886)
Sale of scrap materials		1.530.867.188	1.522.178.328
Tax refund (expense)		878.371.104	(1.549.377.407)
Gain on insurance claim		835.611.418	2.942.193.465
Interest income	19	430.472.253	700.796.003
Gain on sale of property, plant and equipment	2i	250.103.712	1.527.520.901
Gain on buy-back of debt	20	-	10.124.989.244
Others - net		<u>791.996.739</u>	<u>(1.024.646.607)</u>
Other Income (Charges) - Net		<u>(27.764.087.164)</u>	<u>35.320.427.102</u>
INCOME (LOSS) BEFORE TAX		(22.414.800.414)	39.939.526.589
TAX EXPENSE	2n,21	<u>(96.714.536)</u>	<u>(20.944.184.222)</u>
NET INCOME (LOSS)		<u>(22.511.514.950)</u>	<u>18.995.342.367</u>
BASIC EARNINGS (LOSS) PER SHARE	2o	(300)	253

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 EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Notes	Paid-up Capital Rp	Additional Paid-in Capital Rp	Deficit Rp	Total Capital Deficiency Rp
Balance as of January 1, 2003		75.000.000.000	9.104.080.000	(122.463.652.331)	(38.359.572.331)
Change in accounting policy on employee benefits	28	-	-	(4.542.497.400)	(4.542.497.400)
Balance as restated		75.000.000.000	9.104.080.000	(127.006.149.731)	(42.902.069.731)
Net income for the year as restated	28	-	-	18.995.342.367	18.995.342.367
Balance as of December 31, 2003 as restated		75.000.000.000	9.104.080.000	(108.010.807.364)	(23.906.727.364)
Net loss for the year		-	-	(22.511.514.950)	(22.511.514.950)
Balance as of December 31, 2004		<u>75.000.000.000</u>	<u>9.104.080.000</u>	<u>(130.522.322.314)</u>	<u>(46.418.242.314)</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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Notes	2004 Rp	2003 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and others		550.347.527.708	480.512.841.526
Cash paid to suppliers, employees and others		<u>(486.214.668.400)</u>	<u>(395.746.842.811)</u>
Cash generated from operations		64.132.859.308	84.765.998.715
Interest paid		<u>(10.916.465.776)</u>	<u>(10.131.652.522)</u>
Cash receipts from restitution of income taxes		878.371.104	396.313.985
Income tax paid		<u>(433.911.701)</u>	<u>(1.286.622.732)</u>
Net Cash Provided by Operating Activities		<u>53.660.852.935</u>	<u>73.744.037.446</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	19	430.472.253	700.796.003
Proceeds from sale of property, plant and equipment		320.858.201	1.574.976.275
Acquisitions of property, plant and equipment	7	<u>(41.645.892.474)</u>	<u>(55.280.046.672)</u>
Increase (decrease) in guarantee deposits		<u>38.722.536</u>	<u>(15.392.814)</u>
Net Cash Used in Investing Activities		<u>(40.855.839.484)</u>	<u>(53.019.667.208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of restructured debts	12	<u>(9.096.250.000)</u>	<u>(8.527.500.000)</u>
Payment of liability for purchase of equipment		<u>(304.536.569)</u>	-
Payment for repurchase of notes payable	12,20	<u>-</u>	<u>(22.021.868.000)</u>
Net Cash Used in Financing Activities		<u>(9.400.786.569)</u>	<u>(30.549.368.000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3.404.226.882	<u>(9.824.997.762)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		20.492.654.287	30.730.441.299
Effect of foreign exchange rate changes		<u>145.754.787</u>	<u>(412.789.250)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>24.042.635.956</u>	<u>20.492.654.287</u>

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

BOARD OF DIRECTORS

BAMBANG PRIAMBODO,
Director

Born in Jakarta, in 1952. Holds a degree in Economics from University of Indonesia, Jakarta. Experienced in banking business and poultry industry. Served as Director of PT MULTIBREEDER ADIRAMA INDONESIA Tbk since 2003.

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.

YULIUS PUTUT DJAGIRI,
Director

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

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.

Head Office

Grha Praba Samanta.
Jl. Daan Mogof Km. 12 No. 9
Jakarta 11730
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Fax : (021) 544 8661

East Region Office

Wisma Japfa Comfeed
Indonesia Lt. 4
Jl. HR Moch Mangundiprojo
Km. 3.5 PO BOX 204
Sidoarjo 61252
East Java

West Region Office

Jl. Veteran No. 242
Purwakarta
West Java

Sumatera Region Office

Jl. Ir. Sutami Km. 9
Cempang Raya
Kec. Tanjung Karang Timur
Bandar Lampung 35122

Farms & Hatcheries

MB Neglasari
Kab. Purwakarta
West Java

MB Gunung Kawi
Kab. Malang
East Java

MB Cempang*)

Kab. Tanggamus
Lampung

MB Darangdan
Kab. Purwakarta
West Java

MB Bogor*)
Kab. Bogor
West Java

MB Pernalang
Kab. Pernalang
Central Java

MB Sukodermo
Kab. Pasuruan
East Java

MB Toyomarto
Kab. Malang
East Java

MB Sekargadung & Tempuran
Kab. Mojokerto
East Java

MB Kaltim
Kab. Kutai Kertanegara
East Kalimantan

Farms

MB Bojong
Kab. Purwakarta
West Java

MB Wanayasa I
Kab. Purwakarta
West Java

MB Wanayasa 2
Kab. Purwakarta
West Java

MB Gisting
Kab. Tanggamus
Lampung

MB Citapen
Kab. Purwakarta
West Java

MB Kertasari*)
Kab. Purwakarta
West Java

MB Pawenang
Kab. Purwakarta.
West Java

MB Subang I
Kab. Subang
West Java

MB Subang II
Kab. Subang
West Java

MB Dawuhan
Kab. Pasuruan
East Java

MB Pucangsari
Kab. Pasuruan
East Java

MB Lebak Rejo
Kab. Pasuruan
East Java

MB Makassar
Kab. Maros
Ujung Pandang

MB Bali
Kab. Tabanan
Bali

Hatcheries

MB Palembang
Kab. Muara Enim
Palembang

MB Wanayasa
Kab. Purwakarta
West Java

MB Makassar
Kab. Maros
Ujung Pandang

MB Baturiti
Kab. Tabanan
Bali

MB Manado
Manado

MB Subang
Kab. Subang
West Java

MB Tenganan
Kab. Semarang
Central Java

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