



JAPFA LTD
Corporate Presentation 2018

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Group Overview



Feeding Emerging Asia



- Established in 1975
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx US\$670 million¹
- FY2017 revenue: US\$3.2 billion



¹ As at 2 January 2018

Leading Pan-Asian Industrialised Agri-Food Company



WHAT WE DO

We produce quality protein staples, dairy, and packaged food that nourish millions of people



WHERE WE ARE

We employ over 34,000 people across Singapore, Indonesia, Vietnam, Myanmar, India and China



WHY WE DO IT

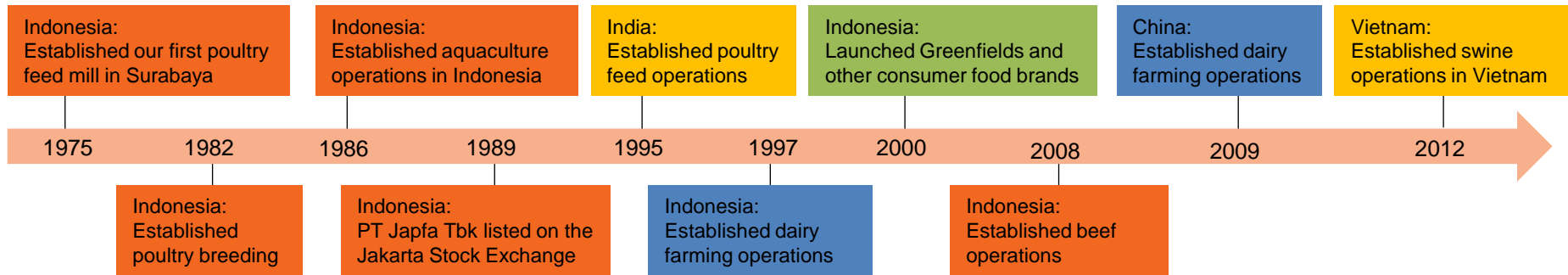
3 billion people living in our target markets
More than 40% of the world's total population

A leading pan-Asian, industrialised agri-food company dedicated to feeding emerging Asia with essential proteins

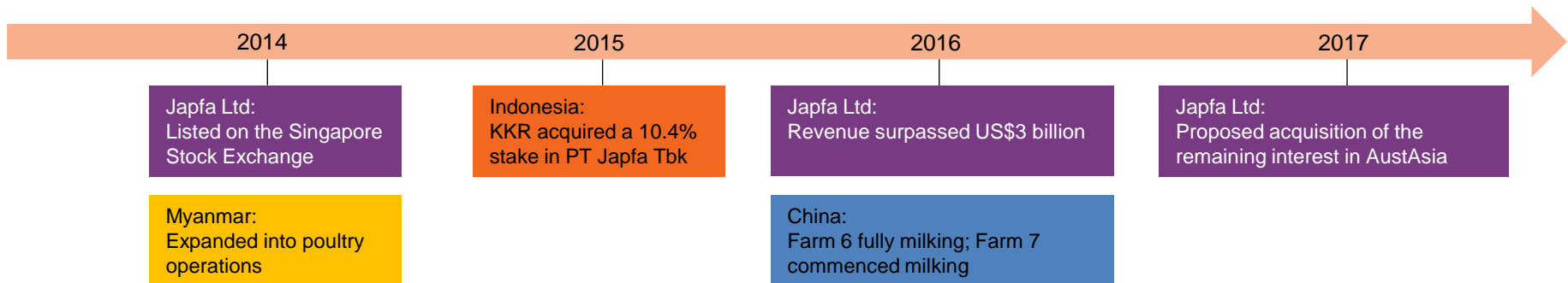
Over 40 Years of Growth

The Group has grown from a single poultry feed mill in Indonesia to a leading pan-Asian agri-food company operating in 5 countries. Its diversification strategy into new geographies and proteins positions the Group to be a long-term industry player.

Track record by PT Japfa Tbk¹ and the Santosa family



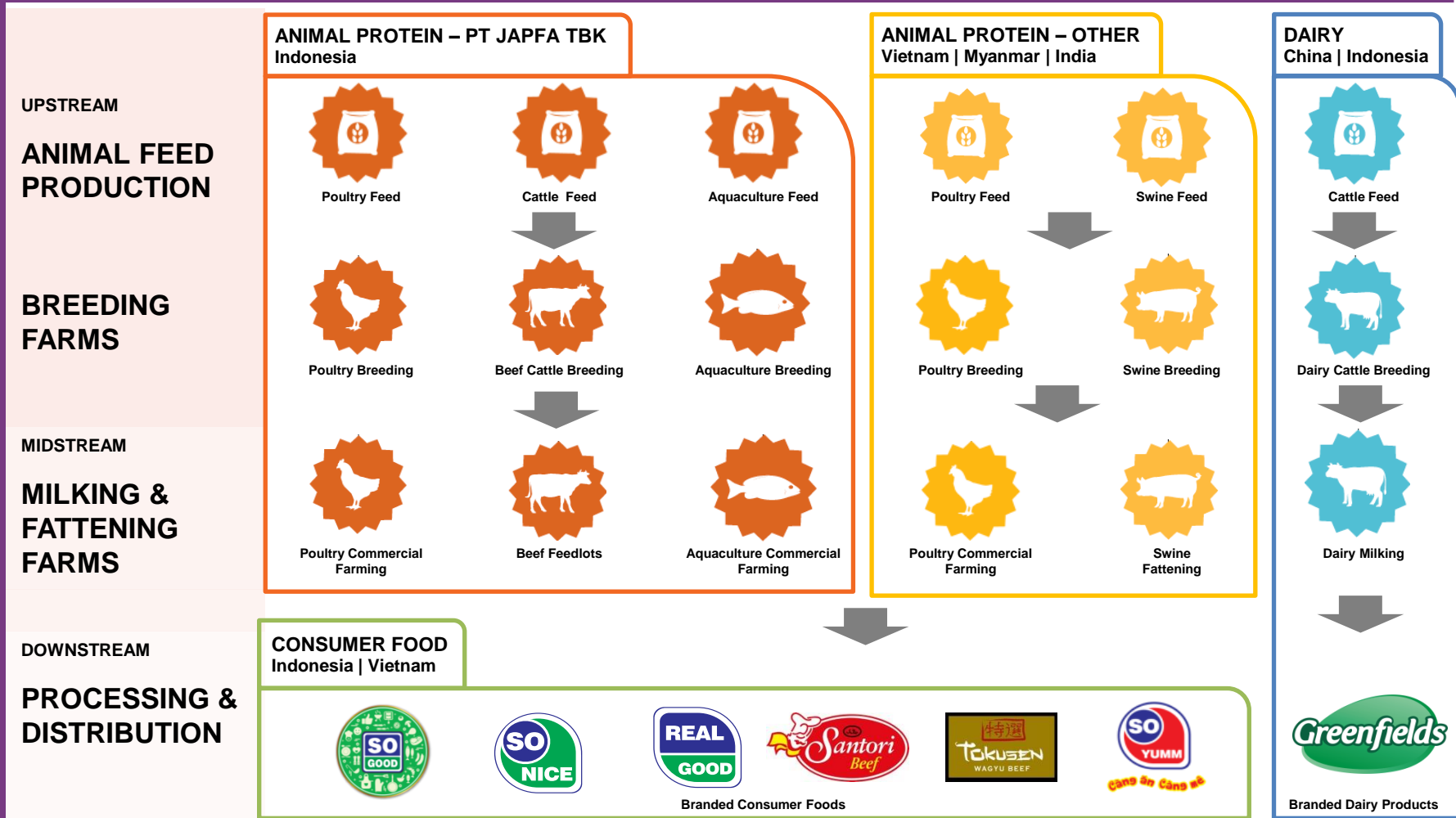
Businesses above are now held under Japfa Ltd



Vertically Integrated Business Across Entire Value Chain

Five Proteins | Five Countries

Vertically Integrated Business Model



Notes:

- Five Proteins refer to Poultry, Beef, Aquaculture, Swine and Dairy.
- Five Countries refer to Indonesia, Vietnam, Myanmar, India and China.

Japfa's Core Competencies

Industrialised approach to farming and food production

Vertically Integrated Business Model

UPSTREAM

ANIMAL FEED PRODUCTION

BREEDING FARMS

MIDSTREAM

MILKING & FATTENING FARMS

DOWNSTREAM

PROCESSING & DISTRIBUTION

FEED

Enjoys economies of scale and an established network

LIVESTOCK FARMING

Strong livestock farming experience and expertise

BRANDED CONSUMER FOODS

Future growth driver

CORE COMPETENCIES

LARGE SCALE

- Ability to manage mega-scale farming operations; over 34,000 employees across five countries
- Scale of the Group's animal feed business provides stability to group revenue and profitability

TECHNOLOGY

- JVs with leading genetics companies (Aviagen and Hypor) for superior breeds and genetics
- Advanced feed technology
- Combined with best farm management practices

ANIMAL HEALTH

- Best in class bio-security using stringent operating procedures
- In-house vaccine production firm PT Vaksindo

STANDARDISATION AND REPLICATION

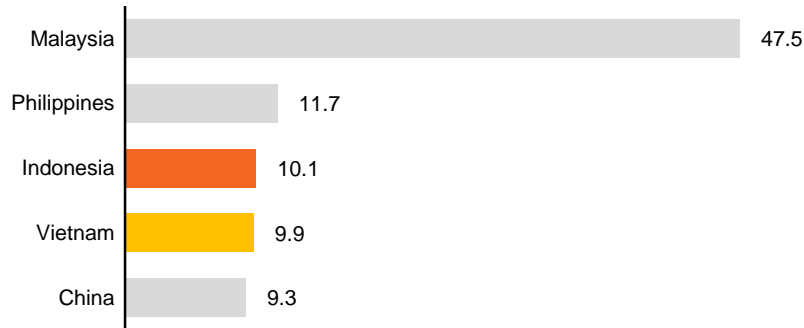
- Replication of best practices and infrastructure design across five protein groups and five countries
- Replication of farm design model in dairy farms, DOC breeding farms, feedmills, etc

The Right Business in the Right Markets

Poultry

Poultry Meat Consumption per capita in Asia

(kg per capita - 2015)

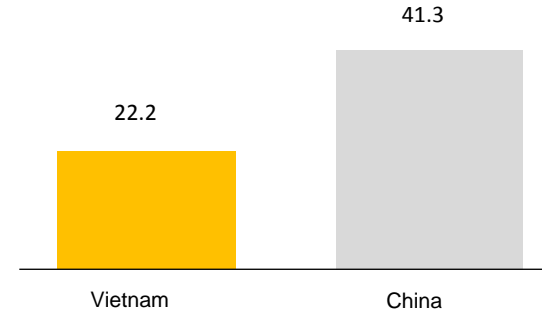


Source: Frost & Sullivan Estimates, 2017

Swine

Per capita consumption

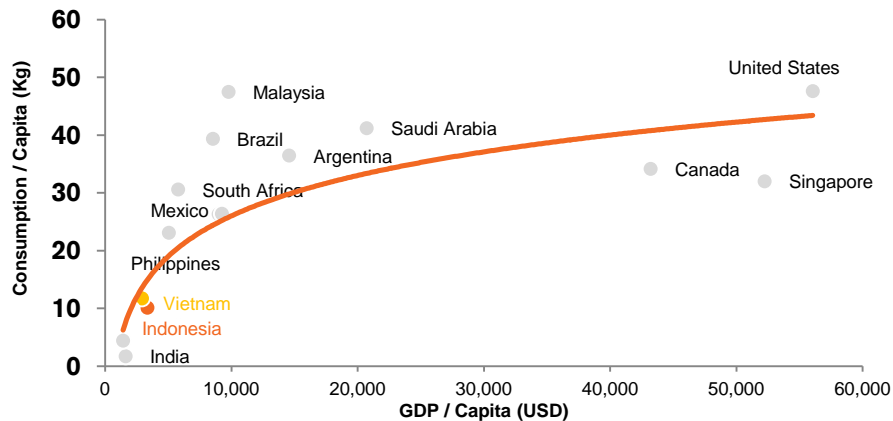
(kg per capita - 2015)



Source: Ipsos, Vietnam Meat Market, 2016¹

Rising consumption in emerging Asian markets

Positive correlation between GDP per capita and Poultry Meat Consumption (2015)



Source: OECD, UN, Frost & Sullivan Estimates, 2017

- Vietnam is one of the world's top pork consumption countries and stands second in Asia, only after China²
- Ample room for sustained growth in business locations with some of the lowest poultry consumption per capita rates in Asia
- Strong projected growth in GDP per capita to underpin growing protein consumption
- "Meat-of-choice" given poultry's relative affordability, religious neutrality, consumer preference and increasing penetration and popularity of quick service restaurants
- Potential upside as diets evolve to include more meat-based protein from the currently carbohydrate-heavy diets

Leading Market Positions in Multiple Protein Staples

Leading upstream regional market positions

Milk Yield ¹	China	37 kg/day	#1
Poultry Feed Production Capacity ²	Indonesia	24%	#2
DOC Production ²	Indonesia	29%	#2
DOC Production ³	Vietnam	20%	#3
Poultry Feed Production Capacity ³	Myanmar	31%	#2
DOC Production Capacity ³	Myanmar	21%	#2



Leading downstream consumers brands that are key drivers for future growth

Dairy

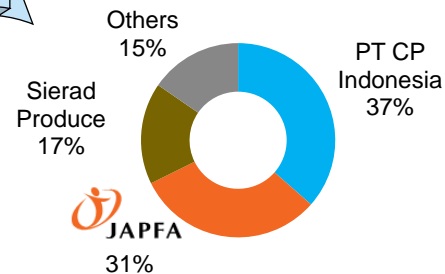
#1



Greenfields, #1 brand of Fresh Pasteurized Milk in Indonesia⁵

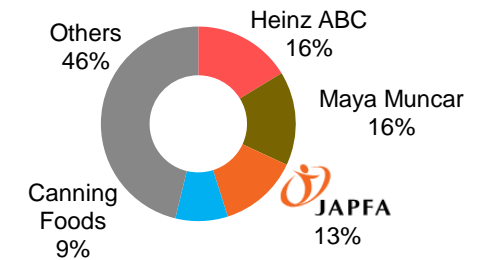
Frozen Consumer Food⁴

#2



Ambient Temperature Consumer Food⁴

#3



1. Sources: Rabobank, IFCN, annual reports 2016 by respective listed corporates
2. Source: Frost & Sullivan Analysis, 2015 data.
3. Source: Company estimates, 2016 data.
4. Source: Frost & Sullivan Analysis, 2013 data.

5. PT Austasia Food calculation and claim based on value and volume sales data provided by Nielsen Scan Track Service for Pasteurized Milk category for the 12 months ending September 2016 for Indonesia market.(Copyright © 2016, Nielsen).

OUR BUSINESS SEGMENTS

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



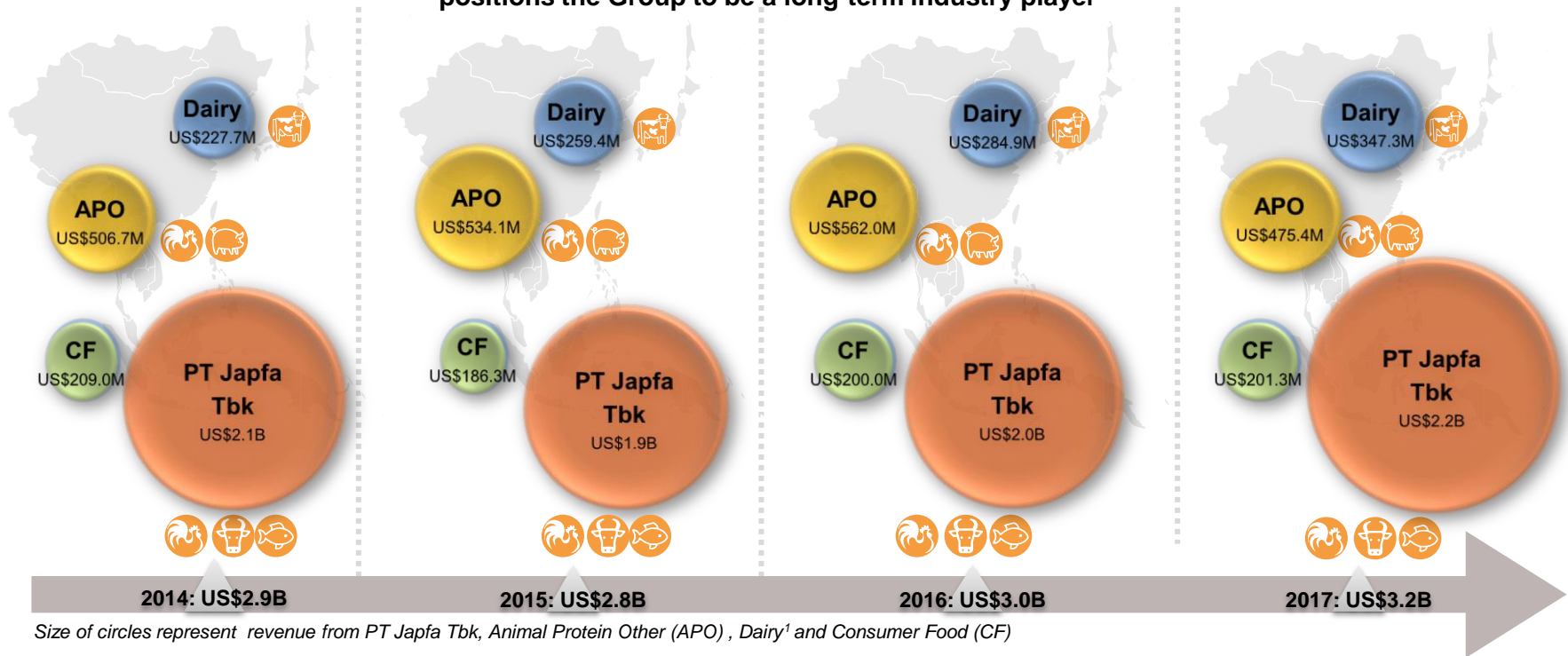
Dairy



Consumer Food

Japfa's Growth Pillars and Diversification Strategy

Diversification across 5 proteins, 5 countries cushions the Group against cyclical fluctuations and positions the Group to be a long-term industry player



- Agri-food business is always subject to cyclicity which directly impacts the core pillars' revenue and profitability. Cyclicity is dependent on a variety of external factors which are beyond the Group's control, including the seasonality of harvest and festivals, as well as macroeconomic factors that affect purchasing power and government policies
- Diversification therefore evens out the impact of cyclicity in any one market or protein group
- Revenue growth of PT Japfa Tbk and APO is expected due to the low animal protein consumption in emerging Asia. Growth will be primarily driven by the increase in per capita GDP of the lower-income population group
- Dairy revenue growth will be driven by production volumes, milk yields and the growing demand for premium milk
- We will continue to invest strategically in emerging markets that have high potential for protein consumption growth

Our Business Segments: PT Japfa Tbk

Poultry Breeding Farm



PT Japfa Tbk

Ownership: 51% Japfa Ltd . 12% KKR . 37% Public

- Vertically integrated animal protein operations, covering the entire value chain of high quality animal protein production (poultry, beef and aquaculture)
- Partner world-leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems



Hatchery



Day-old chicks



Hatchery

Nationwide Footprint With Presence In All Major Islands

Poultry Feedmills And Poultry Breeding Farms



Poultry

- 14** commercial poultry feedmills
- 3** breeder poultry feedmills
- 68** poultry breeding farms
- 25** central hatcheries
- 10** slaughterhouses and primary processing plants
- Over 100** company-owned commercial farms
- Over 9,000** contract farms

Aquaculture

- 5** aqua-feedmills
- 6** hatchery (fry) facilities

Beef

- 2** cattle breeding farms
- 3** cattle fattening farms
- 1** beef processing operation

Poultry business contributes 86% of PT Japfa Tbk's total revenue in FY2017



PT Japfa Tbk: Feed as Stable Pillar of Profitability

Feed

- Economies of scale including geographical reach
- Ability to pass on raw material cost increases
- Consistent quality of feed formulation



Fattening

- Proven farm management and technical know-how
- Poultry commercial farming operations mostly through contract farming, and sold as live birds
- Broilers produced by own farms are mainly used in the Company's own slaughterhouses and further processing

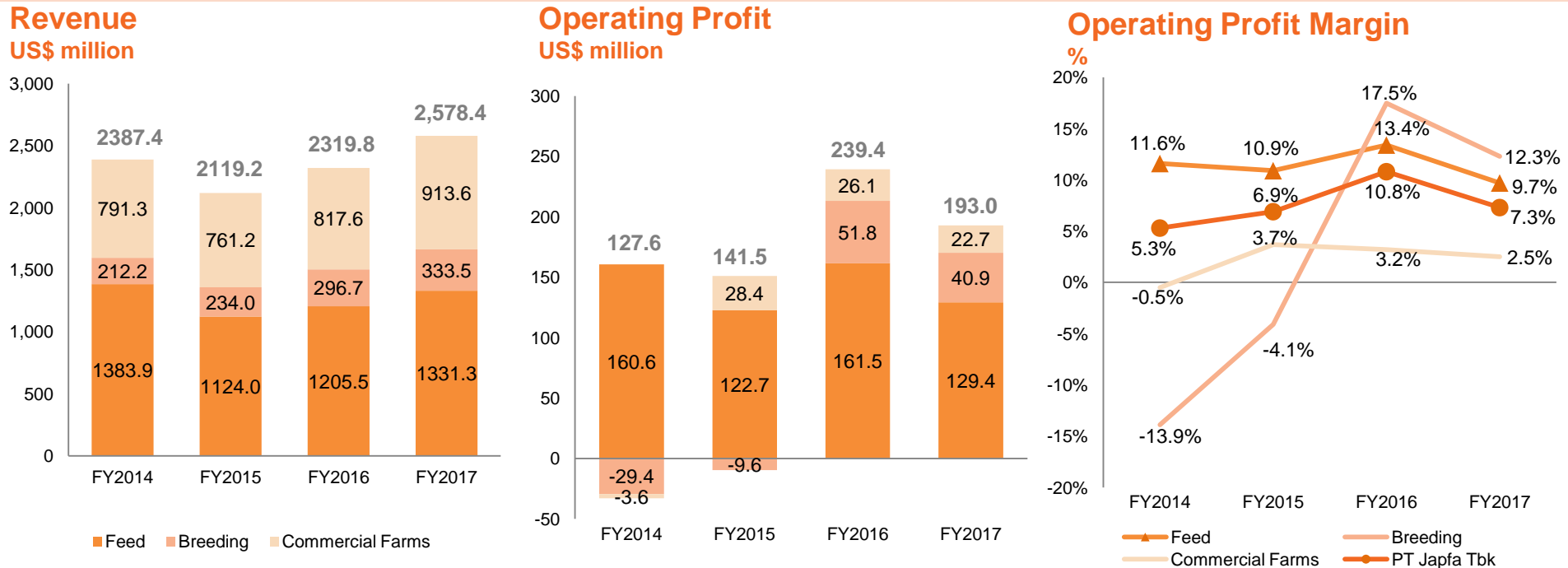
Breeding

- Superior genetics
- Highly efficient breeding process
- Best in-class bio-security with in-house animal vaccine



We strive to be one of the most efficient animal protein producers in Indonesia

Segmental Trends: PT Japfa Tbk (Poultry)



PT Japfa Tbk is one of the core pillars of the Group's business

- The poultry business (feed, breeding and commercial farms) represented the bulk of PT Japfa Tbk's revenue in FY2017
- FY2016 was an exceptional year when particular market conditions gave rise to the exceptionally high poultry feed operating margin of 13.4%. This margin had since returned to more normalised levels of 9.7% in FY2017, which was a creditable level, considering the high domestic corn price environment throughout the year
- Revenue and profitability in FY2014 to FY2015 were affected by the poultry market downturn
- Our ability to generally pass on raw material costs increases in our feed selling prices is reflected in our stable feed operating margins, even during the periods of Rupiah volatility and the poultry market downturn
- Feed business continues to be the stable pillar of our profitability

Our Business Segments: Animal Protein Other

Japfa Vietnam - Feedmill at Long Anh



Animal Protein Other

Ownership: 100% Japfa Ltd

- Successfully replicated our large-scale and industrialised animal protein operations across emerging Asia markets
- Poultry operations in Vietnam, Myanmar and India
- Swine operations in Vietnam
- Beef cattle operations in China



Animal Protein Other

Replicating across New Markets and New Proteins



Poultry



- Poultry operations in Vietnam, Myanmar and India



- Feed contributes to more than 50% of revenues in all three markets
- Ranked number 3 in DOC production¹ in Vietnam and number 2 in poultry feed and DOC production² in Myanmar

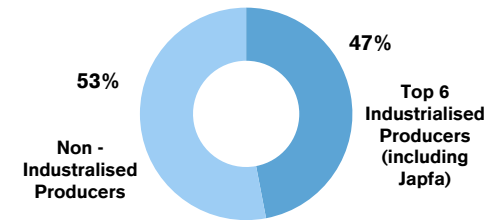
Swine



- Diversified into swine operations in Vietnam in 2012



Swine market share in Vietnam³



Beef



- Replicating our Indonesian beef feedlotting experience in China. This creates synergy with our dairy business

We strive to be one of the most efficient animal protein producers in the countries we operate in

¹ Source: Frost & Sullivan Analysis, 2015 data

² Source: Company estimates, 2016 data

³ Source: Company estimates of the Swine Parent Stock population, 2017 data

Animal Protein Other

Replicating across New Markets and New Proteins

Poultry

Feed contributes to more than 50% of revenues in all three countries

VIETNAM

- 5 poultry/swine feedmills
- 12 poultry breeding farms
- 3 hatcheries
- Over 20 company-owned commercial farms
- Over 280 contract farms



MYANMAR

- 2 poultry feedmills
- 3 poultry breeding farms
- 2 hatcheries
- Over 37 company-owned commercial farms
- Over 50 contract farms



INDIA

- 6 poultry feedmills
- 1 poultry breeding farm
- 2 hatcheries
- Over 400 contract farms



Swine

Diversified into swine breeding and fattening operations in Vietnam

VIETNAM

- 5 poultry/swine feedmills
- 1 Great Grand Parent (“GGP”) breeding swine farm
- 5 Grand Parent (“GP”) breeding swine farms
- 21 Parent Stock (“PS”) breeding swine farms
- 3 nursery farms
- 9 fattening farms
- Over 260 contract fattening farms



Beef

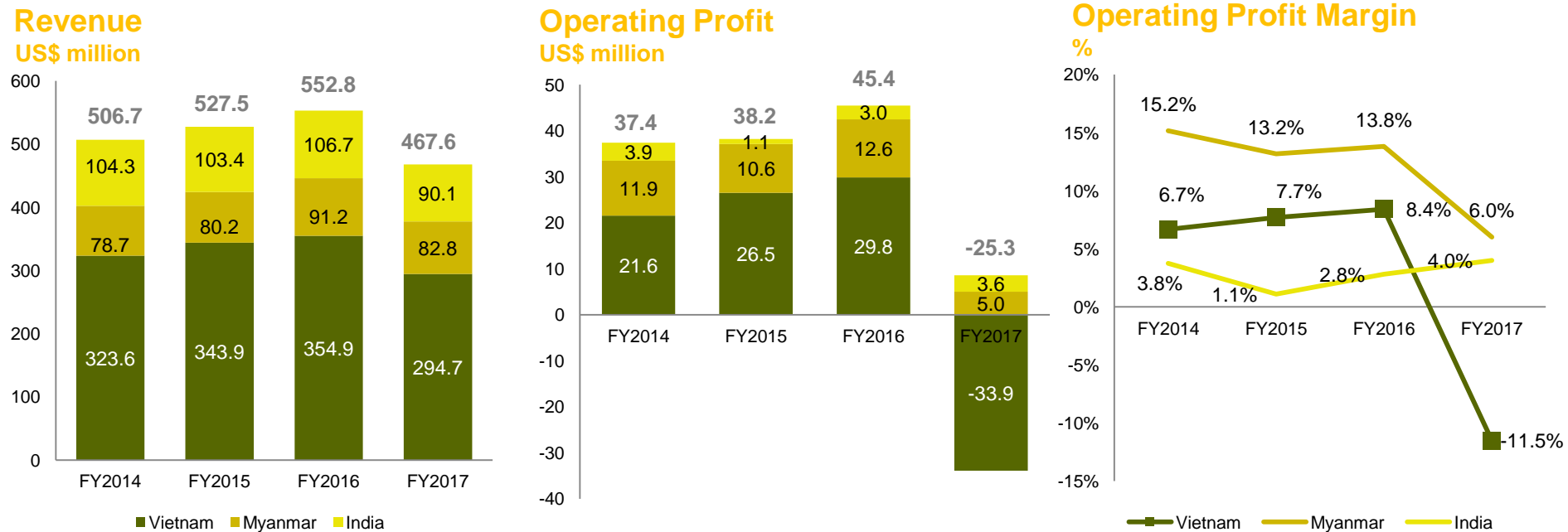
Replicating our Indonesian beef feedlotting experience in China

CHINA

- 1 cattle fattening farm



Segmental Trends: Animal Protein Other



For the first time in 4 years, Vietnam recorded a loss due to the swine market downturn in 2017

- APO-Vietnam has been doing extremely well for the past three years. Performance in 2017 was affected by demand-supply imbalance
- The low swine price environment, which started in 4Q2016, was due to China's import restrictions which significantly reduced demand in the overall Vietnam market. As a result, APO-Vietnam recorded a significant loss in FY2017
- Recovery in swine prices is expected when supply readjusts down to a new level of demand. This process will take time due to the long life cycle of swine livestock
- As one of the most efficient producers in Vietnam, we are better-positioned to navigate headwinds vis a vis the smaller players
- Over time, we expect the industrialised swine producers in Vietnam, including Japfa, to benefit from industry consolidation
- The feed business in Vietnam, Myanmar and India generated continued profits in FY2017

Our Business Segments: Dairy



Rotary Milking Parlour

Dairy (AustAsia)

Ownership*: 62% Japfa Ltd . 38% Black River Funds

* Upon completion of the acquisition of AustAsia, Japfa Ltd will own 100% of Dairy

- Pioneered the first “grass-to-glass” vertically integrated modern dairy in Indonesia in 1998
- 8 world-class dairy farms and one processing plant that are designed, equipped and managed to meet and exceed international standards in productivity and bio-security



Breeding Hutches



Feeding Farms

Hay Barns

Overview of AustAsia

China



480.0

Raw Milk Sales Volume (mil kg)¹

79,289

Total Cattle Population (heads)²

42,564

Milkable cows
(heads)²

38.4

Average Daily Milking
(kg/head/day)¹

Southeast Asia



36.7

SE Asia Branded Milk Sales Volume (mil litres)¹

10,963

Total Cattle Population (heads)²

4,650

Milkable cows
(heads)²

32.7

Average Daily Milking
(kg/head/day)¹

¹ For the year ended 31 December 2017 ("FY2017")

² As at 31 December 2017

AustAsia's Achievements

Indonesia – Downstream

- Launched **Greenfields** brand of milk in 2000
- Successful brand-building



Greenfields, #1 brand of Fresh Pasteurized Milk in Indonesia¹

China – Enjoys Highest Milk Yield

Milk yield

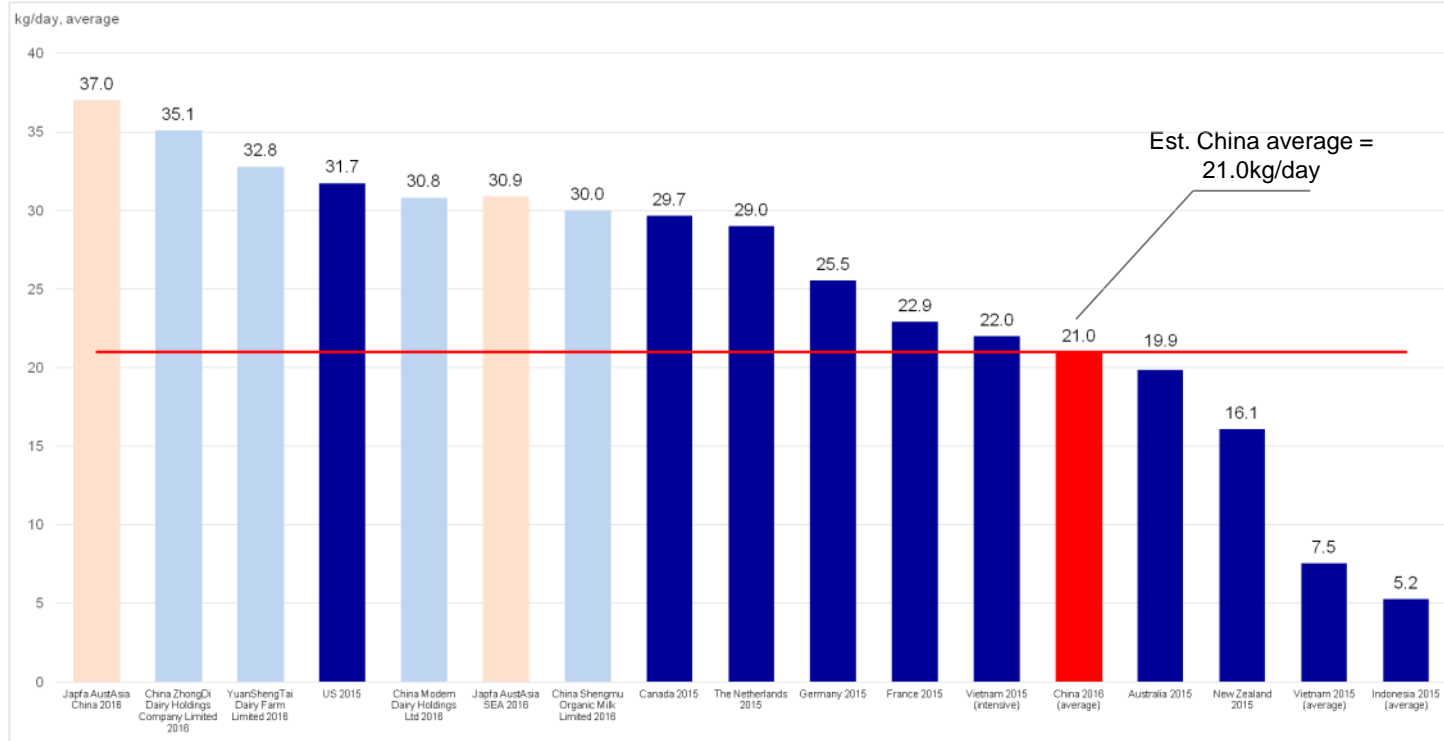
X

Milk price

=

Profitability

Japfa's yield continues to surpass listed China competitors²



1 PT Austasia Food calculation and claim based on value and volume sales data provided by Nielsen Scan Track Service for Pasteurized Milk category for the 12 months ending September 2016 for Indonesia market. (Copyright © 2016, Nielsen)

2 Sources: Rabobank, IFCN, annual reports 2016 by respective listed corporates

Key Milestones

1997

Indonesia – Farm

- Commenced operations at dairy farm in Malang, East Java, Indonesia



2009

China – 5 Farms Hub in Shandong

- Produces superior quality raw milk with a per kg price premium to the industry average
- Best-in-class dairy farm management with higher average yield to the industry

2000

Indonesia – Downstream

- Launched our **Greenfields** brand of milk



Since 2015

New Expansions in China and SE Asia

- Chifeng hub
- Farm 6 fully milking in November 2016
- Farm 7 fully milking in March 2018
- Entered into JV with Food Union to build dairy processing facility in China
- New dairy processing facility in Palaan, East Java, was officially opened on 4 May 2017

2004

China – Joint Venture

- Approached by Mengniu to establish and manage a joint venture 10,000-head dairy farm in Inner Mongolia
- Subsequently sold to joint venture partner

Key Success Factors for our High Milk Yields

Forage

- Understanding and developing localised forage supply in an Asian context
- Scientific development of feed formulation for optimal nutrition for cow health and milk output
- Results in highest quality milk output



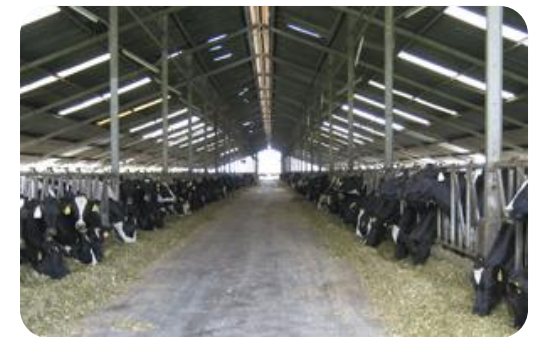
Farm design

- Proven Asian 10,000-head dairy farm blue-print
- Infrastructure and standardised systems, which are designed to maximise cattle welfare, operational efficiency and milk quality
- Farms located in targeted areas within optimal environmental parameters

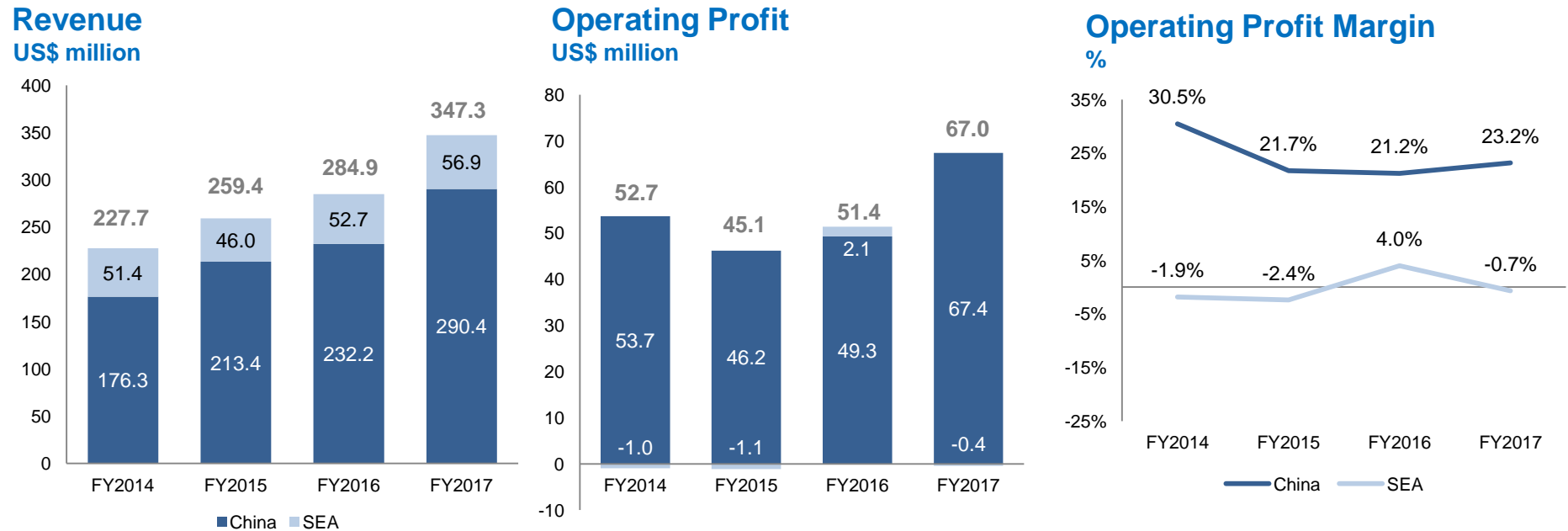


Farm management

- Retention of experienced management over last 20 years
- Continuous recruitment and training of employees to industry best-practices
- Key focus on genetic improvements
- Bio-security
- Best practices in farm management



Segmental Trends: Dairy



Dairy business is poised to be a strong pillar for the Group; generated consistent profitability

- Revenue growth for our dairy business has been largely driven by China
- Our consolidated dairy profit is mainly generated from raw milk sales in China
- The prevailing low raw milk price environment in China presents upside potential
- Our SE Asia business has moved beyond dairy farming to downstream processing and the building of our Greenfields brand
- As part of our long-term brand-building exercise in SE Asia, we reinvest profits into advertising and promotion. Therefore, we expect profits generated by our dairy operations in SE Asia to remain at breakeven levels

Acquisition of Remaining Interest in AustAsia

A 100% ownership in our Dairy business anchors our position in the exciting milk industry

- **Historical profitability of AustAsia**
 - AustAsia has recorded consistent profitability, despite prevailing low raw milk price environment
 - 100% ownership will enable the Group to enjoy full contribution from its strong dairy business
- **Market leadership in milk yields in China and Indonesia**
 - In China, AustAsia commands leadership position in milk yields
 - With its upstream business substantially in place, the Group is now focusing on strengthening its downstream capabilities
- **Prevailing raw milk price environment**
 - The current low raw milk prices present upside potential
- **Intrinsic “Greenfields” brand equity of downstream products in Indonesia**
 - In Indonesia, the Group enjoys strong brand equity where Greenfields is the top fresh milk brand
- **Enhance overall profile**
 - Gaining full control over the business will enable the Group to align AustAsia’s objectives with its long-term strategic goal of becoming a fully integrated milk and food player in emerging markets
- **Tap full potential of the fast growing milk industry in emerging Asia**
 - The Group will continue to invest resources to further solidify its position in the dairy industry



Dairy Business in China: JV with Food Union

Construction of milk processing plant to be completed June 2018

Construction of 300,000 metric tonnes pa milk processing plant underway



- Sits on a 115 mu (77,000 sq m) land, approximately five kilometres from our dairy farms in Dongying city, Shandong Province
- Expected completion date: June 2018
- As part of the JV arrangement, AustAsia will enter into a long term (five-year renewable) off-take contract to supply premium raw milk to the plant
- JV combines Japfa's strength as a producer of premium raw milk in China and Food Union's expertise in milk processing and distribution, together with its track record in building successful dairy products businesses in emerging markets



Forms the first step in our longer term plans to build a branded consumer goods business in China

Capture growth and margins across the dairy value chain, as well as accelerate the development of our Greenfields brand in Asia

Dairy Business in SE Asia



- Continue to improve the cost of production of milk through farm operation improvement
- Greenfields now holds a clear dominant position in strategically important Fresh Milk category in Indonesia, which opens up opportunity for the company to diversify its products range
- Dairy Processing facility in Palaan, East Java, was officially opened in May 2017; our strategy is to enter new dairy product categories such as yogurt in addition to Liquid Milk
- New plant has an infrastructure to cater up to 3 farms output and is expected to run more cost efficiently, thus lowering conversion cost
- Strategy of branded consumer goods business for next 5 years is to focus on Liquid Milk, Yogurt and Fresh Cheeses and capitalise on Greenfields Premium Brand positioning

Dairy Indonesia: Stirred Yogurt

In Indonesia, we successfully launched our yogurt range in November 2017. We see yogurt as a major category in our business and our target is to be the market leader in the B2C channel in 3 years.



Our Business Segments: Consumer Food



Consumer Food

Ownership: 100% Japfa Ltd

Leading “So Good” and “So Nice” Brands in Indonesia

- Recent brand rejuvenation with a clear packaging and brand positioning
- Improved taste and quality of “So Good” products
- Widened the ambient product positioning from the existing “snacks” category to a broader general grocery market



Scaled Consumer Food Production and Distribution Platform in Indonesia; Replicating in Vietnam



Indonesia



6 meat processing plants



5 poultry slaughterhouses



1 UHT milk processing plant



Distribution network of **7** regional sales branches,
58 regional sales depots

Strategic partnership with Cargill in consumer food



- Joint venture brings together two leading industry players to produce tasty, high-quality, and safe chicken products
- Strategic partnership enhances the depth and breadth of Japfa's consumer food processing capabilities, and widen its product range to tap the growing food market in Indonesia
- Partnership further boosts PT So Good Food's capabilities in consumer food processing technologies, product innovation and quality assurance by leveraging Cargill's broad industry expertise
- PT Cahaya Gunung Foods has started supplying to McDonald's Indonesia with chicken products (eg Chicken McNuggets, McChicken, McSpicy etc) across its restaurants in Indonesia



Vietnam



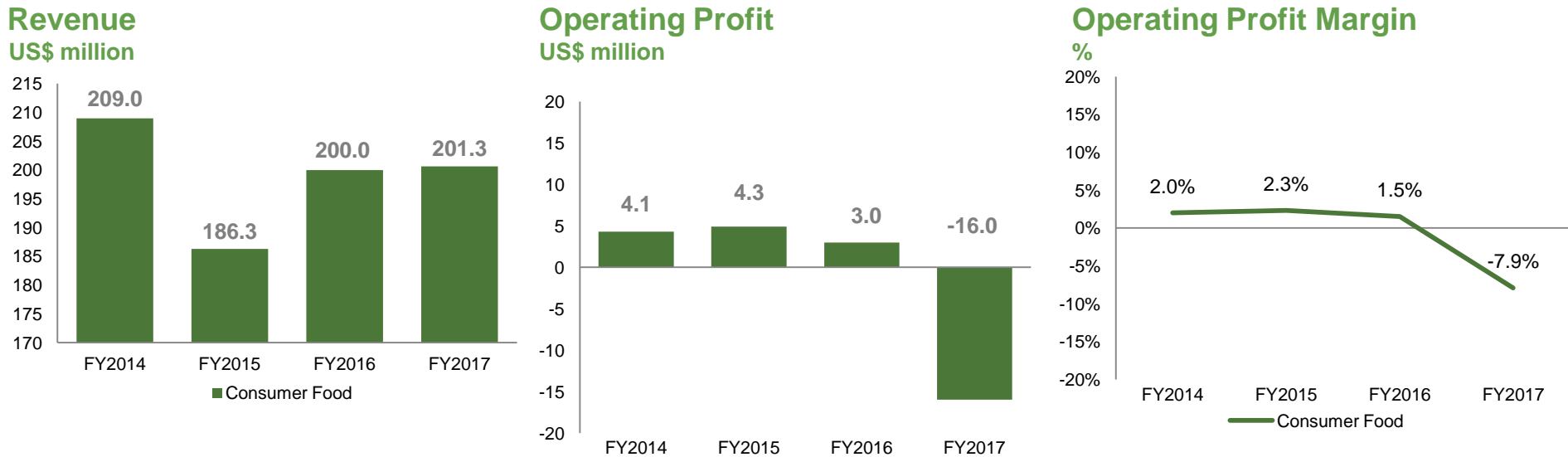
1 meat processing plant
producing ambient temperature sausages



Internal marketing, sales & distribution department that plans new product launches and determines pricing, sales and distribution strategy

- Production facility strategically located near Ho Chi Minh City, Vietnam's largest urban consumer market

Segmental Trends: Consumer Food



Tap the changing consumer dynamics for downstream consumer food products by investing strategically to build brands in Indonesia and Vietnam

- Replicate our proven downstream capabilities in Indonesia to Vietnam
- Today, “So Good” and “So Nice” have achieved household name status in Indonesia, and have won numerous consumer brand awards
- Moving forward, the changing consumption preference in emerging economies will see a shift from wet markets to chilled and frozen distribution channels. This augurs well for the Group’s Consumer Food segment in the long term
- The decline in profitability in FY2017 was primarily due to higher cost of raw materials (chicken) in 4Q2017 and heightened competition in Indonesia’s ambient food sector
- We will continue to reinvest profits into A&P to anchor our brands in Asia’s high-growth consumer markets

LOOKING AHEAD

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



Dairy



Consumer Food

Growth Strategies

In all the markets that we operate in, we strive to be one of the lowest cost industrialised producers as this places us in a stronger position to benefit from industry consolidation opportunities

Focus on Industrialisation and Diversification

Leverage our track record in replicating our industrialized and scalable business, to build our three key business pillars – poultry in Indonesia, poultry and swine in Indochina, and dairy in China

Mitigating Market Challenges

Continue to enhance efficiency and profitability of our operations to counter price fluctuations

Improve milk yields and productivity to mitigate lower average selling prices of raw milk in China

Maximising Returns from Our Assets

Long term fundamentals for the Group remain favorable

Large-scale business enables us to tap on growth opportunities

Strategic investments in selected markets to capture rise in consumer demand

Investment Highlights



1 Attractive industry dynamics driven by strong structural growth in protein consumption

2 Leading integrated platform with growing geographical footprint

3 Core feed business offers stable profitability

4 Clear growth strategy across multiple proteins and markets

5 Experienced and tenured management team

APPENDIX

Feeding

Emerging Asia



PT Japfa Tbk



Animal Protein Other




Dairy



Consumer Food

Segment Information – FY2017

	YTD DEC 2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	2,167.1	475.4	2,642.5	345.2	200.6	1.6	3,189.9
Inter Segment Sales	38.8	0.0	38.8	2.0	0.7	(41.6)	(0.0)
TOTAL REVENUE	2,205.9	475.4	2,681.3	347.3	201.3	(40.0)	3,189.9
OPERATING PROFIT	157.1	(26.9)	130.2	67.0	(16.0)	7.5	188.6
<i>% to sales</i>	<i>7.1%</i>	<i>-5.7%</i>	<i>4.9%</i>	<i>19.3%</i>	<i>-7.9%</i>	<i>-18.7%</i>	<i>5.9%</i>
EBITDA	221.2	(18.7)	202.5	84.5	(8.2)	6.5	285.4
	<i>10.0%</i>	<i>-3.9%</i>	<i>7.5%</i>	<i>24.3%</i>	<i>-4.1%</i>	<i>-16.4%</i>	<i>8.9%</i>
Depreciation & Amortization	(56.5)	(9.2)	(65.8)	(24.3)	(7.2)	(0.3)	(97.5)
Net Interest Expense	(35.2)	(5.2)	(40.4)	(15.6)	(5.7)	(1.4)	(63.2)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT before Forex & BioA Valuation	129.3	(33.1)	96.2	44.6	(21.2)	4.9	124.5
Forex Gain(loss)	(3.7)	0.8	(3.0)	7.5	0.4	0.2	5.1
Fair Value Gain(Loss) Bio A	(0.4)	(4.8)	(5.2)	(16.9)	0.0	0.0	(22.1)
PBT	125.1	(37.1)	88.0	35.2	(20.8)	5.1	107.5
Tax	(47.1)	(0.3)	(47.5)	(1.5)	0.8	(3.1)	(51.3)
PAT	78.0	(37.5)	40.5	33.7	(20.0)	2.0	56.2
PAT w/o Bio A	78.3	(33.6)	44.7	50.7	(20.0)	2.0	77.4
<i>% ownership</i>	<i>51.0%</i>	<i>100.0%</i>		<i>61.9%</i>	<i>100.0%</i>	<i>100.0%</i>	
PATMI	35.6	(37.5)	(1.9)	21.2	(20.0)	2.0	1.3
Core PATMI	33.3	(33.7)	(0.3)	36.8	(20.0)	3.3	19.9
Core PATMI w/o Forex	35.2	(34.4)	0.8	32.1	(20.3)	3.1	15.7

Notes:

- Animal Protein – where PT Japfa Comfeed Indonesia Tbk (TBK) is shown separately from Animal Protein Other (AP Other).
- Animal Protein Other (AP Other) – refers to the animal protein operations in Vietnam, India, Myanmar and China.
- Dairy – includes the operations in China, Indonesia and Southeast Asia.
- Consumer Food – includes the operations in Indonesia and Vietnam.
- Others – include corporate office, central purchasing office in Singapore and consolidation adjustments between segments.
- We define “EBITDA” as profit before tax from continuing operations, excluding interest income, changes in fair value of biological assets and marketable securities, foreign exchange adjustments gains/(losses), finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets.
- We derived “Core PATMI” from “Profit Attributable to Owners of the Parent, Net of Tax” by excluding changes in fair value of biological assets (net of tax) and derivatives and by excluding extraordinary items (namely the gain/loss from the buyback of USD bonds in PT Japfa Tbk), attributable to owners of the parent.
- “Core PATMI w/o Forex” is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses. This is because the majority of the gains/losses are unrealised and arise from the translation of USD bonds in PT Japfa Tbk and USD loans in Dairy, which have no tax implication.
- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.

Segment Information – FY2016



	YTD DEC 2016						TOTAL
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	
	TBK	AP Other	Total				
External Revenue	1,986.6	562.0	2,548.6	282.5	198.7	3.1	3,032.9
Inter Segment Sales	42.0	0.0	42.0	2.3	1.3	(45.7)	0.0
TOTAL REVENUE	2,028.6	562.0	2,590.6	284.9	200.0	(42.6)	3,032.9
OPERATING PROFIT	216.7	42.5	259.1	51.4	3.0	(2.1)	311.4
<i>% to sales</i>	<i>10.7%</i>	<i>7.6%</i>	<i>10.0%</i>	<i>18.0%</i>	<i>1.5%</i>	<i>4.9%</i>	<i>10.3%</i>
EBITDA	288.2	49.8	338.0	74.4	9.4	1.5	423.3
	<i>14.2%</i>	<i>8.9%</i>	<i>13.0%</i>	<i>26.1%</i>	<i>4.7%</i>	<i>-3.5%</i>	<i>14.0%</i>
Depreciation & Amortization	(50.5)	(7.5)	(58.0)	(19.8)	(6.6)	(0.3)	(84.8)
Net Interest Expense	(36.3)	(2.7)	(39.0)	(9.3)	(6.1)	(1.9)	(56.5)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	(0.5)	(0.5)
PBT before Forex & BioA Valuation	201.4	39.5	241.0	45.2	(3.3)	(1.2)	281.6
Forex Gain(loss)	0.8	(1.1)	(0.3)	(7.0)	(0.9)	(0.1)	(8.3)
Fair Value Gain(Loss) Bio A	0.9	1.6	2.4	(21.1)	0.0	(0.0)	(18.7)
PBT	203.1	40.0	243.1	17.1	(4.3)	(1.3)	254.6
Tax	(49.0)	(2.8)	(51.8)	(2.1)	(1.7)	(1.4)	(56.9)
PAT	154.1	37.2	191.3	15.0	(6.0)	(2.7)	197.7
PAT w/o Bio A	153.4	36.0	189.4	35.8	(6.0)	(2.7)	216.5
<i>% ownership</i>	<i>51.0%</i>	<i>100.0%</i>		<i>61.9%</i>	<i>100.0%</i>	<i>100.0%</i>	
PATMI	81.1	36.8	117.9	9.5	(6.0)	(2.7)	118.8
Core PATMI	78.7	35.6	114.3	22.3	(6.0)	(5.6)	125.0
Core PATMI w/o Forex	77.4	36.7	114.2	26.7	(5.0)	(5.6)	130.2

Notes:

- Animal Protein – where PT Japfa Comfeed Indonesia Tbk (TBK) is shown separately from Animal Protein Other (AP Other).
- Animal Protein Other (AP Other) – refers to the animal protein operations in Vietnam, India, Myanmar and China.
- Dairy – includes the operations in China, Indonesia and Southeast Asia.
- Consumer Food – includes the operations in Indonesia and Vietnam.
- Others – include corporate office, central purchasing office in Singapore and consolidation adjustments between segments.
- We define “EBITDA” as profit before tax from continuing operations, excluding interest income, changes in fair value of biological assets and marketable securities, foreign exchange adjustments gains/(losses), finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets.
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THANK YOU

Feeding

Emerging Asia



PT Japfa Tbk



Animal Protein Other



Dairy



Consumer Food