

JAPFA

Feeding Emerging Asia

Nurturing a Brighter Future

Japfa Ltd

JAPFA LTD

Investor Presentation

2Q2018 Financial Results

Agenda

1. Key Highlights
2. 2Q2018 Financial and Operational Analysis
3. Other Financial Highlights
4. Appendix: Quarterly Segment Information and Other Information

Group Overview



Feeding Emerging Asia

- Established in 1975
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx US$870 million[1]
- FY2017 revenue: US$3.2 billion





[1] As at 29 June 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



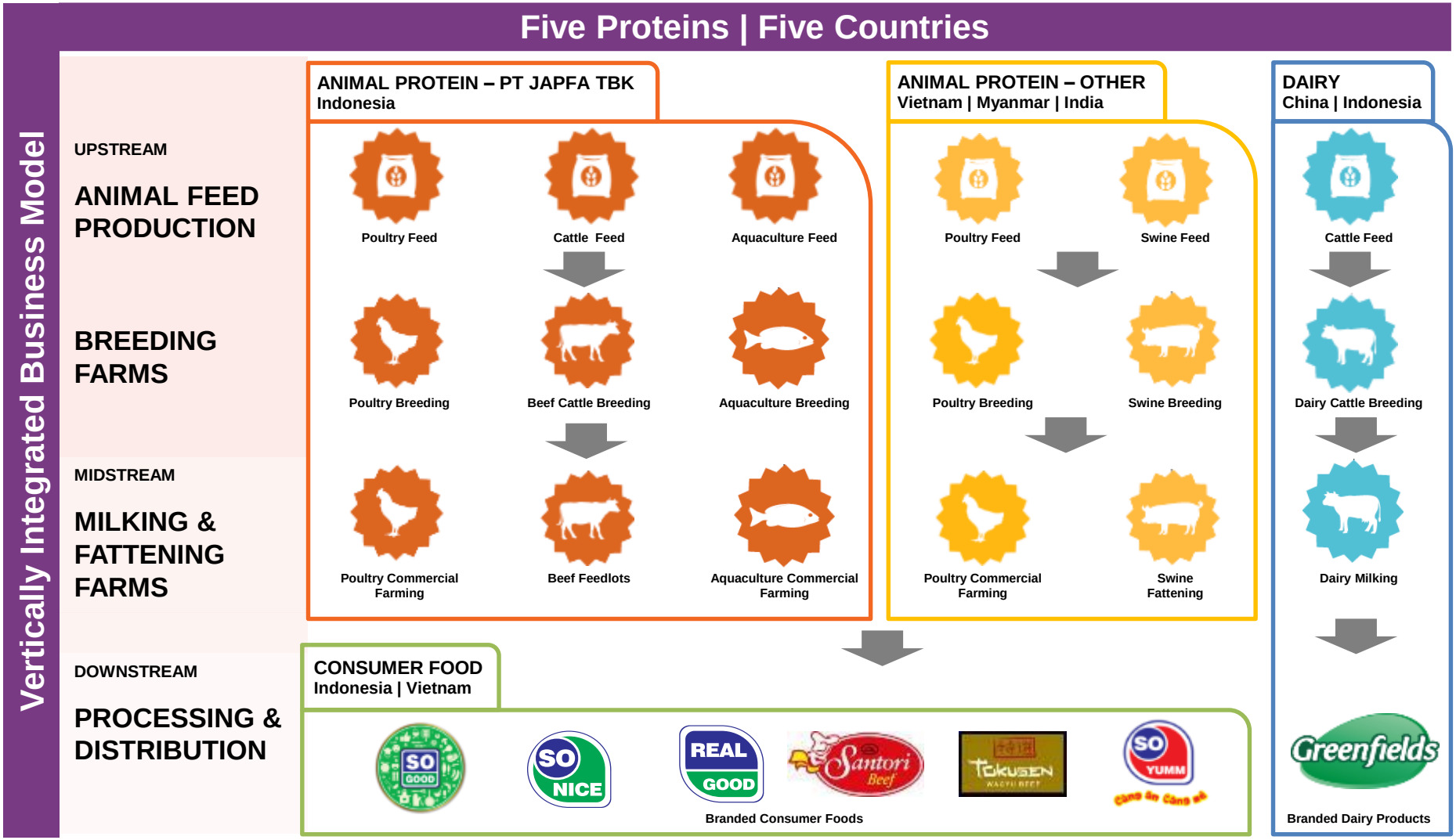
WHY WE DO IT

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

Vertically Integrated Business Across Entire Value Chain



Notes:

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

Japfa's Core Competencies

Industrialized 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

Agri-food Business Cyclicality

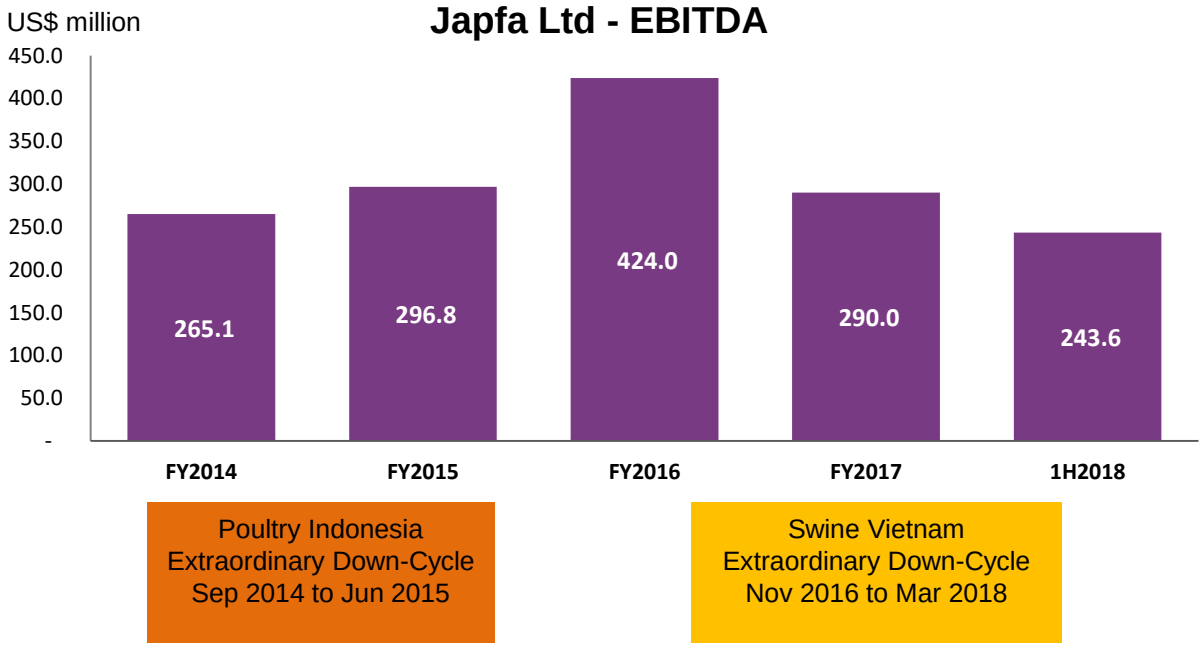
- Agri-food business is always subject to cyclicality which directly impacts revenue and profitability. Cyclicality is dependent on a variety of external factors which are beyond the Group's control including the seasonality of harvests and festivals, as well as macroeconomic factors that affect purchasing power, and government policies
- Japfa focuses on being one of the most efficient animal protein producers in each of the countries in which it operates
  - Efficiency comes from large scale, use of technology, and being one of the lowest cost producers
- Diversification across 5 proteins and 5 countries cushions the Group against cyclicality in any one market or protein group

By being one of the most efficient and lowest cost producers, Japfa is able to ride through agri-business cyclicality

Japfa Ltd has gone through 2 recent major down-cycles:

1. Poultry Indonesia
2. Swine Vietnam

Despite these major down-cycles, Japfa Ltd managed to deliver healthy EBITDA each year



KEY HIGHLIGHTS



Key Highlights for 2Q2018

Japfa delivers strong financials, with momentum driven by :

- **Strong performance from PT Japfa Tbk with continued volume expansion in the poultry business**
- **APO returning to profit as the Group emerges from Vietnam's swine down cycle**

Revenue	Operating Profit	Operating Profit Margin
US$901.0 million	**US$108.1 million**	**12.0%**
+14.0%% y-o-y	+107.6% y-o-y	+5.4ppt y-o-y

EBITDA	PATMI	Core PATMI w/o Forex
US$139.2 million	**US$29.6 million**	**US$38.7 million**
+88.3% y-o-y	+967.7% y-o-y	+1,050.1% y-o-y

Strong fundamentals: Continue to focus on being one of the most efficient animal protein producers



Animal feed business remains one of our core stable strengths and profitability pillars



In Indonesia, the poultry business continues to show strong growth, with volume and margin expansion across all poultry operations



Demand for swine declined following China's import restriction in 4Q16. The recovery of swine prices above cost in 2Q18 reflects the readjustment of supply down to a new level of demand within the local Vietnamese market



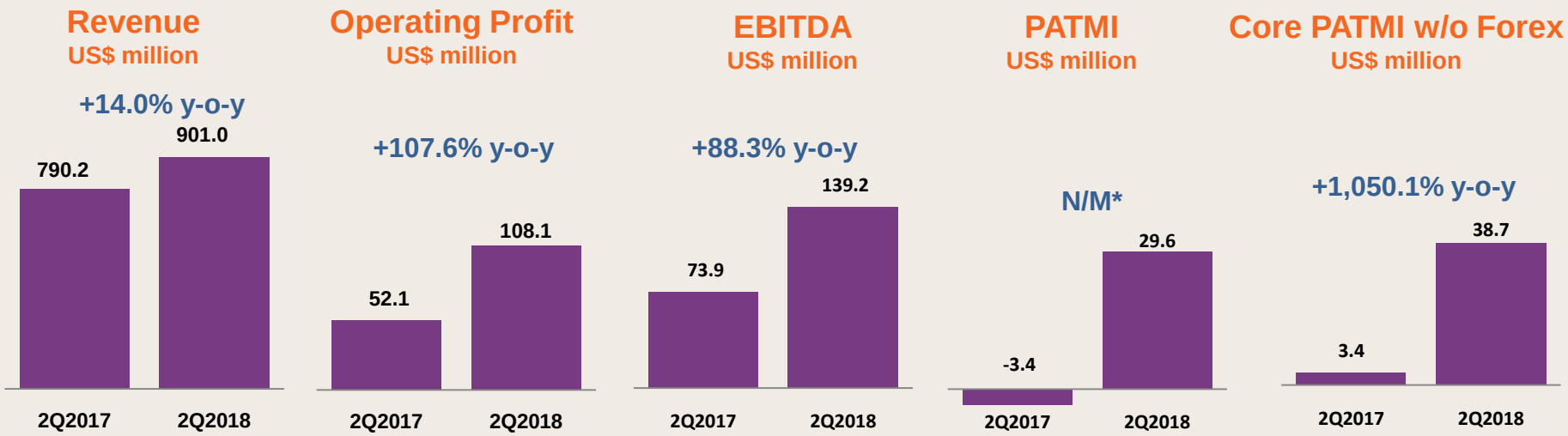
Continued improvement in milk yields and higher sales volume had offset lower raw milk prices and driven operating profit

* We define "**EBITDA**" as profit before tax from continuing operations, excluding interest income, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivative relates to foreign exchange hedging and foreign exchange adjustments gains/(losses).

* 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 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

2Q2018 Group Financials



Higher revenue and profitability were recorded in 2Q2018

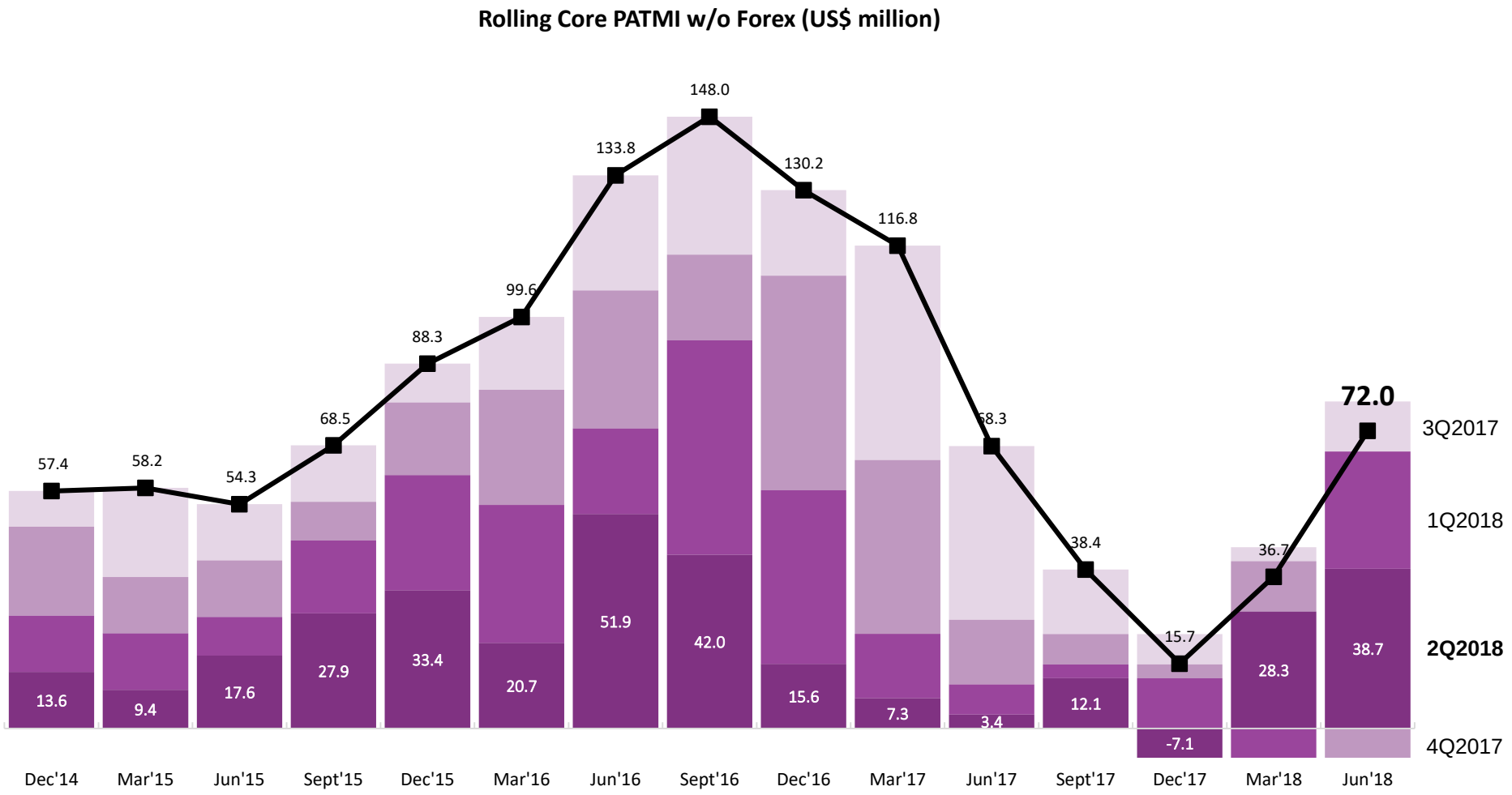
- Continued growth in revenue, driven mainly by higher sales volumes from PT Japfa Tbk and Dairy, and higher ASP for swine fattening in APO-Vietnam
- Operating profit increased by US$56.0 million mainly due to
  - PT Japfa Tbk: US$36.7 million growth improvement in operating profit driven by higher sales volumes and increased margins across feed, DOC and broiler
  - APO: turnaround to operating profit of US$10.1 million in 2Q2018 from operating loss of US$12.8 million in 2Q2017 on the back of higher ASPs for broiler and swine fattening as well as higher sales volume for poultry feed
  - Dairy continues to generate consistent profits despite pressure on raw milk prices due to higher milk yields and volumes
- Consumer Food recorded operating losses as a result of continued investment in A&P to drive higher sales volume amidst tight competition

*N/M: not meaningful

CORE PATMI W/O FOREX ROLLING BASIS



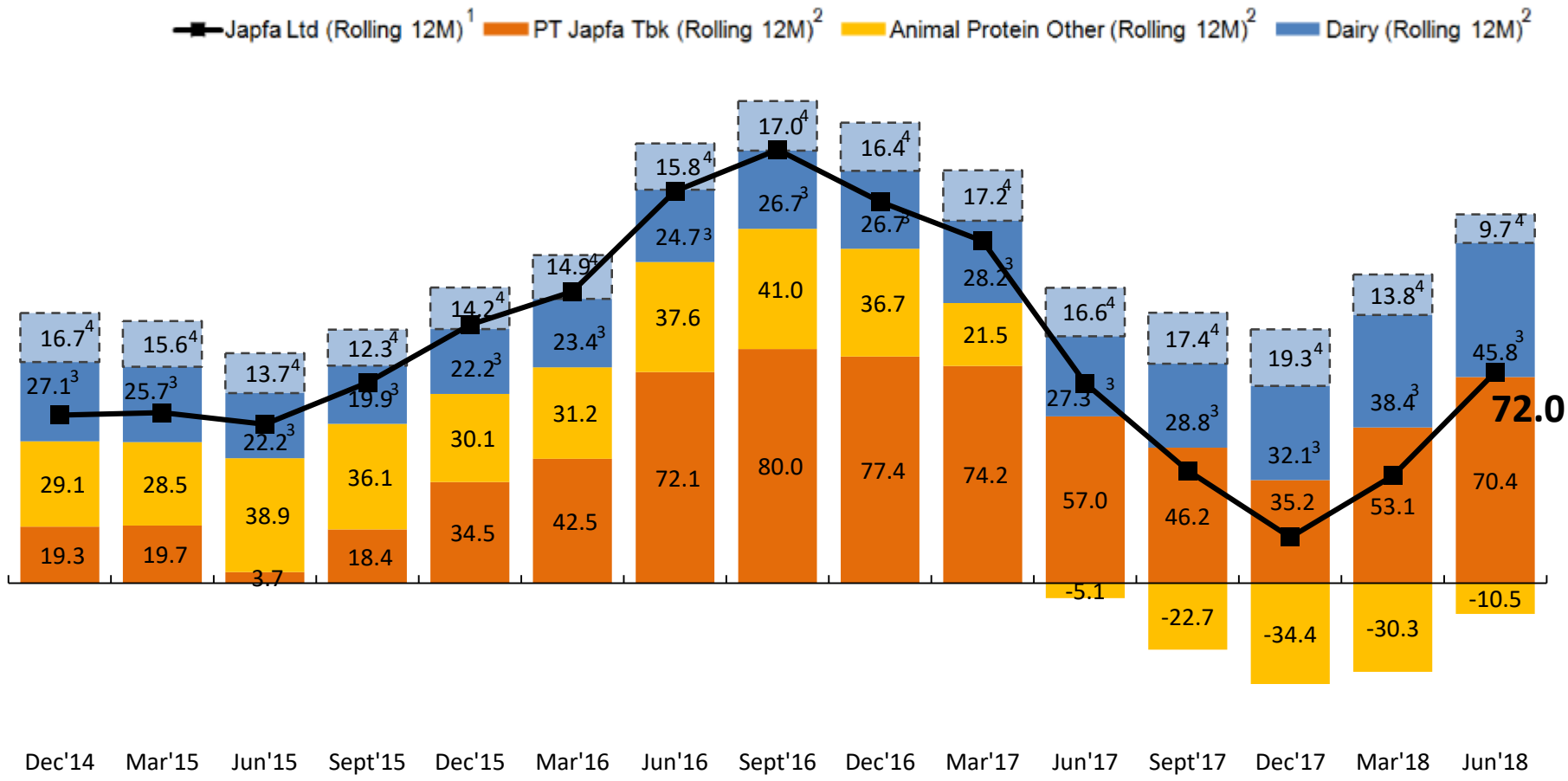
Rolling Core PATMI w/o Forex for the Group



Note: The bar chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, Dairy and Consumer Food) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

Rolling Core PATMI w/o Forex for the core pillars

Rolling Core PATMI w/o Forex (US$ million)



1 **Japfa Ltd (Rolling 12M)** line chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, Dairy and Consumer Food) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

2 The **Three Core Pillars** (PT Japfa Tbk, Animal Protein Other and Dairy) bar chart shown above excludes the Consumer Food segment, the Group's central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

3 Dairy in darker colour represents Core PATMI w/o Forex of 62% attributable to Japfa Ltd. With effect from 1 Jan 2018, Japfa Ltd consolidates100% of Dairy.

4 Dairy as a whole (darker and lighter colour) represents 100% Core PATMI w/o Forex.

2Q2018
FINANCIAL AND OPERATIONAL ANALYSIS



2Q2018 Segmental Overview

GROUP

Japfa Ltd

(US$m)	2Q2017	2Q2018	%change		1H2017	1H2018	%change	
Revenue	790.2	901.0	14.0%	▲	1526.4	1746.6	14.4%	▲
Operating Profit	52.1	108.1	107.6%	▲	88.5	182.0	105.6%	▲
Operating Profit Margin	6.6%	12.0%	5.4 pts	▲	5.8%	10.4%	4.6 pts	▲
EBITDA	73.9	139.2	88.3%	▲	138.8	243.6	75.4%	▲
PAT	15.4	55.0	257.7%	▲	25.4	91.1	258.3%	▲
PATMI	-3.4	29.6	967.7%	▲	-1.3	46.2	3582.5%	▲
Core PATMI w/o Forex	3.4	38.7	1050.1%	▲	10.7	67.0	528.3%	▲

SEGMENTAL

(US$m)								
PT Japfa Tbk								
Revenue	562.9	628.7	11.7%	▲	1058.8	1205.0	13.8%	▲
Operating Profit	52.8	89.5	69.4%	▲	72.4	146.0	101.7%	▲
Operating Profit Margin	9.4%	14.2%	4.9 pts	▲	6.8%	12.1%	5.3 pts	▲
EBITDA	64.0	107.5	67.8%	▲	101.2	181.1	78.9%	▲
PAT	30.3	49.7	64.2%	▲	38.1	87.1	128.9%	▲
PATMI	13.9	24.2	73.8%	▲	16.3	42.2	159.6%	▲
Core PATMI w/o Forex	13.8	31.0	125.5%	▲	15.9	51.1	221.6%	▲
Animal Protein Other								
Revenue	111.5	139.3	24.9%	▲	227.3	264.9	16.5%	▲
Operating Profit	-12.8	10.1	178.8%	▲	-18.7	10.0	153.4%	▲
Operating Profit Margin	-11.5%	7.24%	18.7 pts	▲	-8.2%	3.8%	12.0 pts	▲
EBITDA	-10.4	12.6	221.4%	▲	-14.0	15.3	209.2%	▲
PAT	-15.7	8.5	153.9%	▲	-22.2	6.9	131.0%	▲
PATMI	-15.7	8.5	154.1%	▲	-22.2	6.9	131.2%	▲
Core PATMI w/o Forex	-11.2	8.6	177.2%	▲	-17.6	6.3	135.8%	▲
Dairy								
Revenue	79.6	95.2	19.6%	▲	162.3	194.6	19.9%	▲
Operating Profit	14.7	16.8	14.7%	▲	33.0	36.1	9.3%	▲
Operating Profit Margin	18.5%	17.7%	-0.8 pts	▼	20.3%	18.5%	-1.8 pts	▼
EBITDA	20.7	25.1	21.7%	▲	45.5	53.0	16.4%	▲
PAT	6.8	11.1	63.2%	▲	13.2	15.7	19.4%	▲
PATMI	4.3	11.1	157.1%	▲	8.3	15.7	90.6%	▲
Core PATMI w/o Forex	6.8	14.2	108.6%	▲	16.0	29.6	85.8%	▲
Consumer Food								
Revenue	47.0	50.3	7.2%	▲	98.3	100.1	1.8%	▲
Operating Profit	-4.3	-6.0	-40.1%	▼	-3.3	-7.4	-121.6%	▼
Operating Profit Margin	-9.1%	-11.9%	-2.8 pts	▼	-3.4%	-7.4%	-4.0 pts	▼
EBITDA	-2.1	-3.7	-81.6%	▼	0.7	-3.4	-585.8%	▼
PAT	-4.9	-5.6	-14.6%	▼	-5.8	-8.4	-43.2%	▼
PATMI	-4.9	-5.6	-14.6%	▼	-5.8	-8.4	-43.2%	▼
Core PATMI w/o Forex	-4.9	-6.8	-38.0%	▼	-5.7	-9.9	-75.5%	▼

1 The combined revenue for PT Japfa Tbk and Animal Protein Other includes inter-segment revenue of US$12.6 million in 2Q 2018 (2Q 2017: US$9.9 million) and US$23.9 million in 1H2018 (1H2017: US$20.4 million).
2 The Dairy segment revenue includes inter-segment revenue of US$0.5 million in 2Q 2018 (2Q 2017: US$0.5 million) and US$0.9 million in 1H 2018 (1H 2017 : US$0.5 million).
3 The Consumer Food segment revenue includes inter-segment revenue of US$0.2 million in 2Q 2018 (2Q 2017 : US$0.1 million) and US$0.4 million in 1H 2018 (1H 2017: US$0.3 million).

2Q2018 Segmental Attributable Income

PT JAPFA TBK
- 52% Japfa Ltd
- 12% KKR
- 36% Public

ANIMAL PROTEIN OTHER
- 100% Japfa Ltd

DAIRY
- 100% Japfa Ltd with effect from 1 Jan 2018
- 62% Japfa Ltd up to 31 Dec 2017

CONSUMER FOOD
- 100% Japfa Ltd

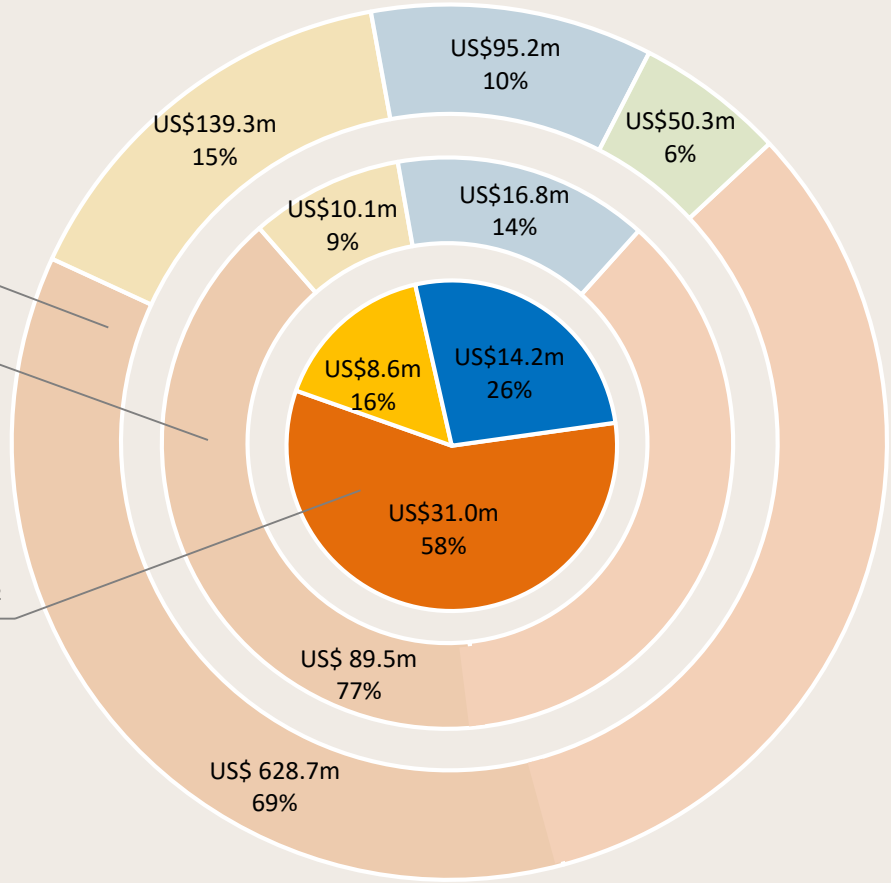
Group financials on consolidated basis

Revenue [1]

Operating Profit [1,2]

Attributable income to Japfa Ltd

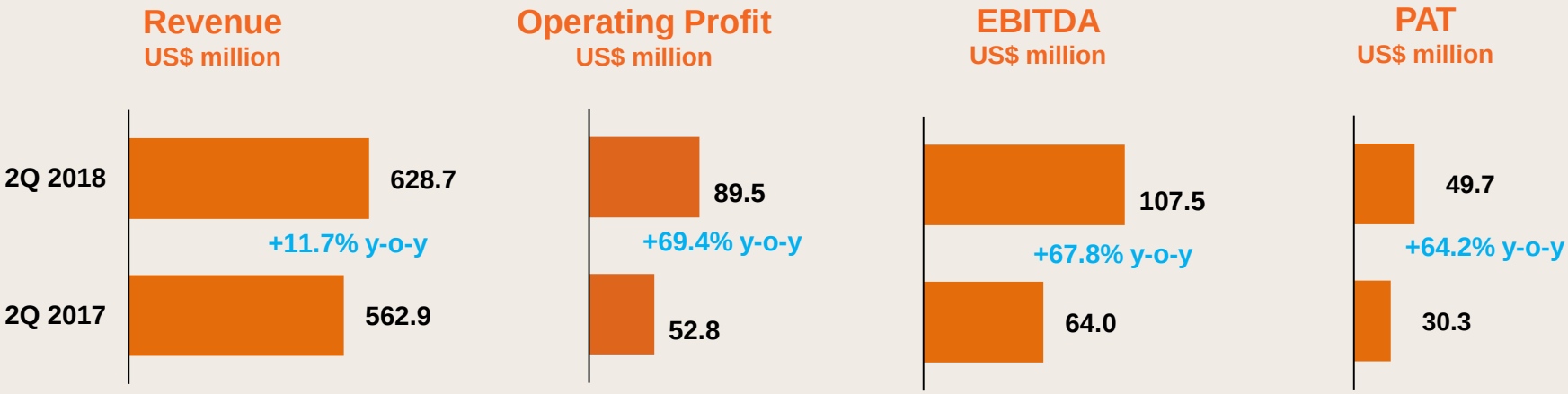
Core PATMI w/o Forex [1, 2]



1 The graphs for Operating Profit and Core PATMI w/o Forex exclude the Group's central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

2 Operating Profit and Core PATMI w/o Forex excludes US$ 6.0million and US$ 6.8million loss, respectively in Consumer Food

PT Japfa Tbk – Financial Performance

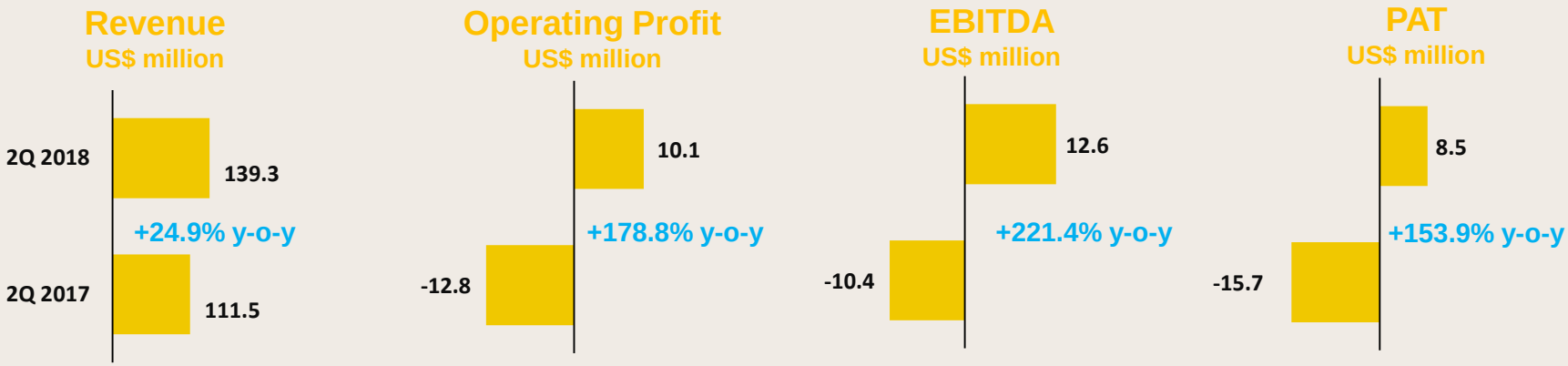


PT Japfa Tbk recorded higher sales volumes and profitability across Feed, DOC and Broilers

- Revenue rose US$65.8 million driven by continued growth in sales volumes across the poultry division; in particular, sales volume for poultry feed increased 8% while aquaculture feed volume rose 15%
- Overall, Operating Profit rose 69.4% due to:
  - Higher feed margins arising from lower price of corn purchased during recent harvest
  - Exceptional high ASPs for DOC and Broilers on the back of a higher demand during Ramadan in 2Q2018
  - Beef business reported an operating loss of US$1.2 million due to sustained government policies and low beef prices
- PAT grew 64.2% despite a foreign exchange loss of US$15.8 million, of which US$11.2 million arising from unrealised forex translation losses on its USD bonds[1] due to the weaker Indonesian Rupiah.

1 The Group has taken up foreign exchange option contracts to hedge against adverse movements of the Indonesian Rupiah in relation to the USD bonds. For the 2Q2018, a fair value gain of US$1.7m was recognized on these hedging instruments. Had the Group exercised these options as at the end of 2Q2018, a total fair value gain of US$13.3m would have been recognized which would have offset the unrealized forex translation losses.

Animal Protein Other – Financial Performance



Animal Protein Other returns to profitability after five consecutive quarters of operating losses

- Due mainly to the recovery of swine prices in Vietnam, coupled with continued profit from the feed business in Vietnam and India

Vietnam

- Recovery of Vietnam swine sector:
  - Swine prices declined to below cost levels since 4Q2016 when China restricted swine imports from Vietnam
  - Swine prices have recovered in 2Q2018 to above cost and above 4Q2016 levels
  - The current recovery in prices reflects the demand-supply rebalancing of the country's swine market in Vietnam, without any exports to China.
- Revenue and profit increased by US$22.4 million and US$22.9 million, respectively driven by higher poultry feed sales volume (~20%), as well as higher ASPs for broiler (~130%) and swine fattening (~90%)
- Reduction in swine fattening cost of about 10%, as a result of improved operational efficiency that also contributed to higher profitability
- Vietnam returns to profitability with US$9.4 million operating profit compared to US$16.2 million operating loss

Myanmar

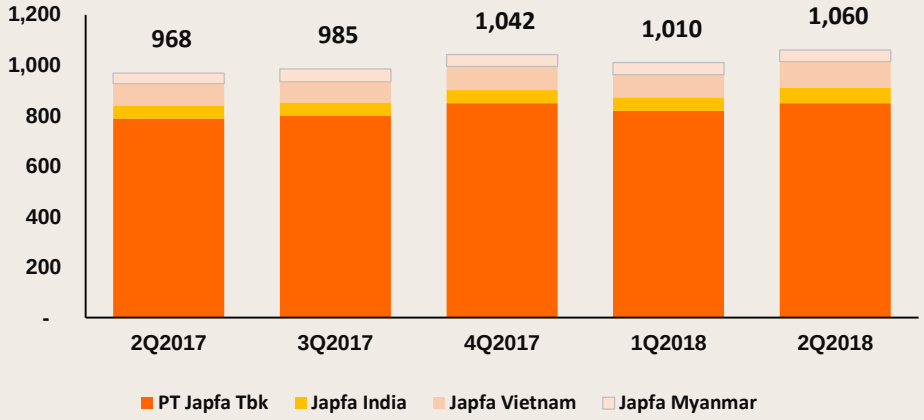
- Myanmar's profitability declined as a result of lower feed margin due to growing competition and lower ASP for poultry
- Feed sales volume improved ~9% despite tight competition

India

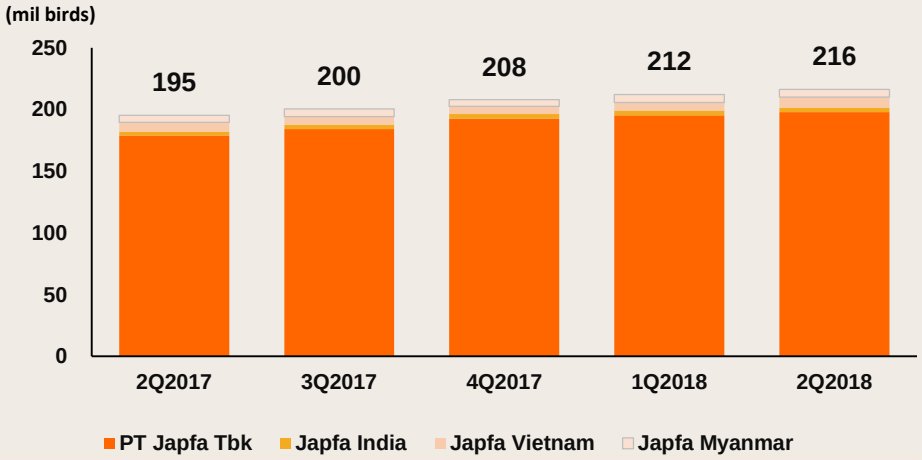
- India remains profitable, driven by its feed business
- Feed volume grew ~10% following five consecutive stagnant quarters

Animal Protein – Operational Performance

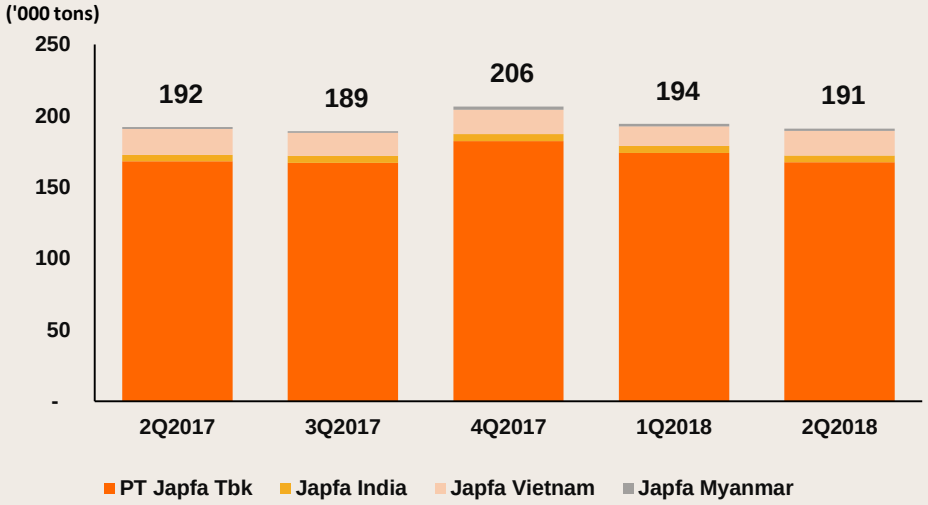
Animal Feed – Poultry: Sales Volume (‘000 tons)



DOC – Broiler: Sales Volume (mil birds)

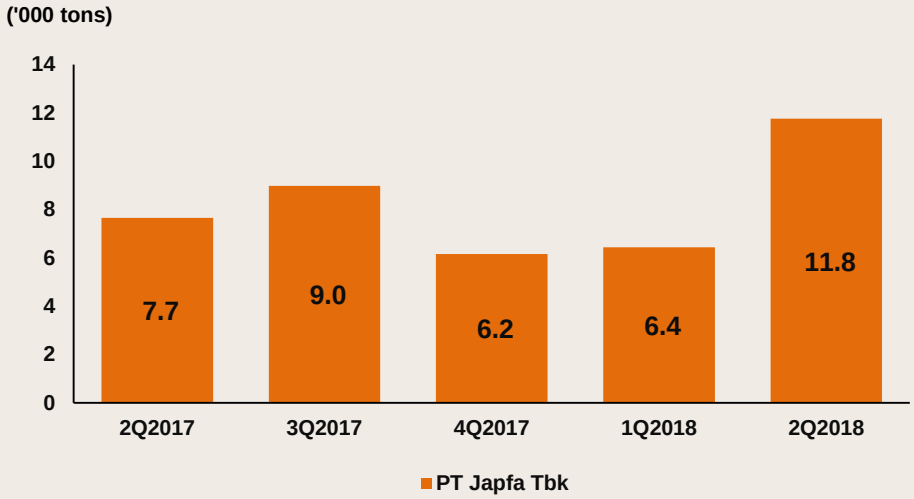


Commercial Farm – Live Birds: Sales Volume (‘000 tons)

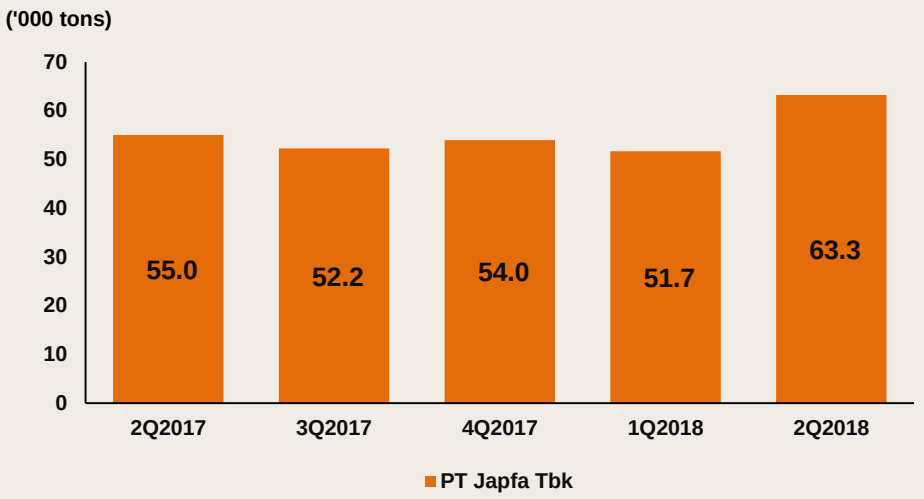


Animal Protein – Operational Performance

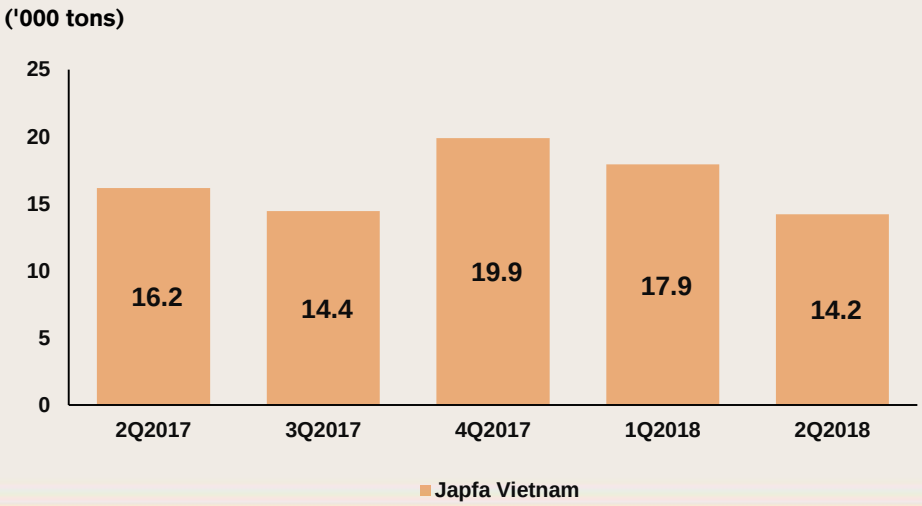
Beef – Live Cattle: Sales Volume (‘000 tons)



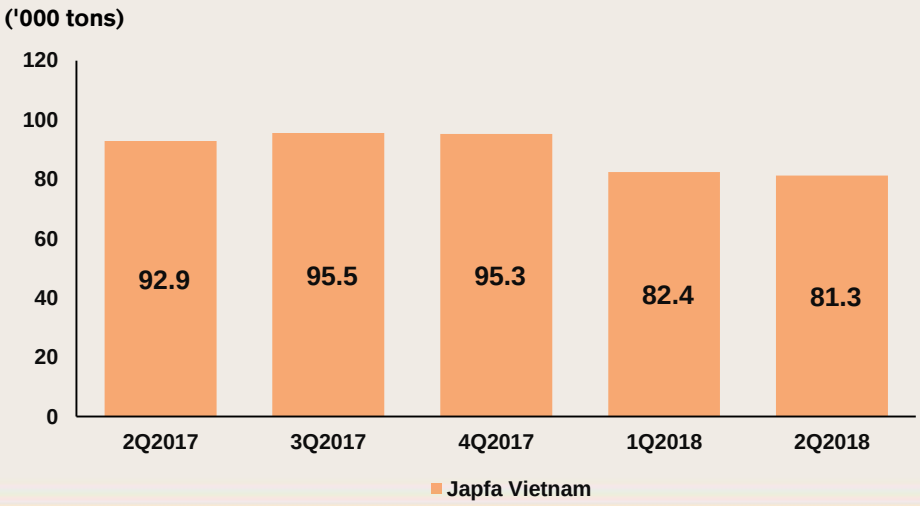
Aquaculture – Aqua-feed: Sales Volume (‘000 tons)



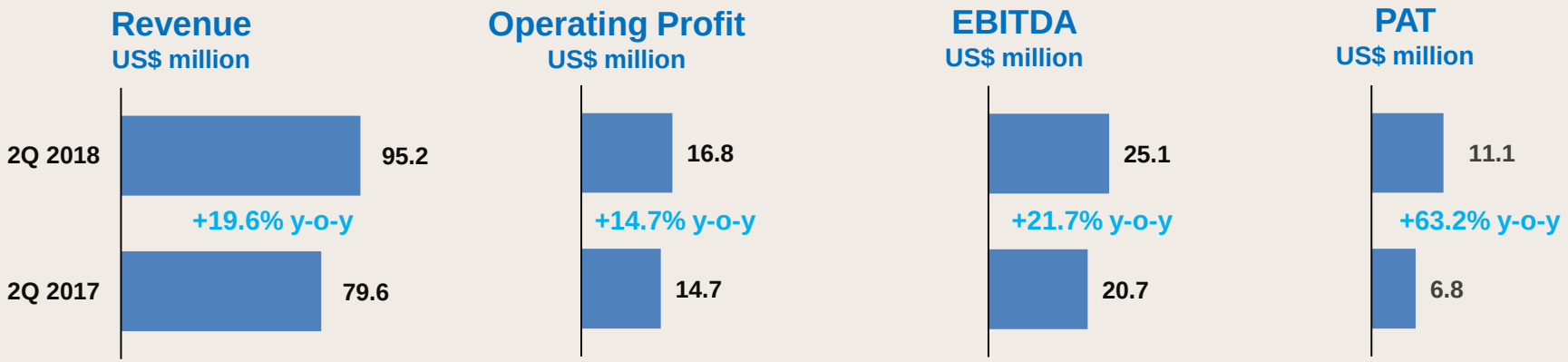
Swine Fattening: Sales Volume (‘000 tons)



Animal Feed – Swine: Sales Volume (‘000 tons)



Dairy – Financial Performance



Generated consistent profits, despite pressure on raw milk prices, driven by higher milk yields and volumes

- Continued focus on improving milk yields and volumes in China to mitigate price fluctuations and improve profitability
- In Indonesia, efforts will also be channeled into brand building and widening our range of Greenfields dairy products to capture a larger target segment

China

- Revenue growth was driven by improvement in raw milk sales volumes in China despite relatively flat raw milk prices
- Milkable cows in China increased by 9.4% to 43,094 heads; Farm 7 started fully milking in March 2018
- Milk yields in China improved from 38.4Kg/head/day to 39.3Kg/head/day

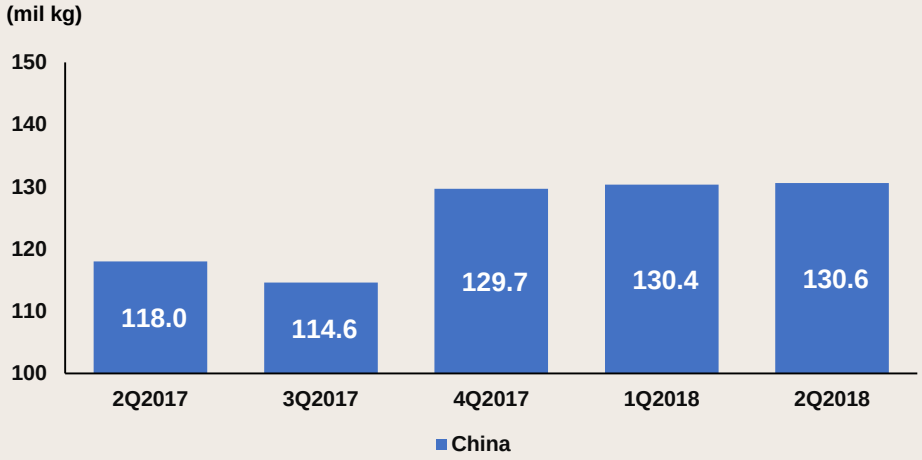
South-East Asia

- ESL[1] sales volumes in South-east Asia increased with higher A&P investments in downstream products to increase brand visibility and enhance market share

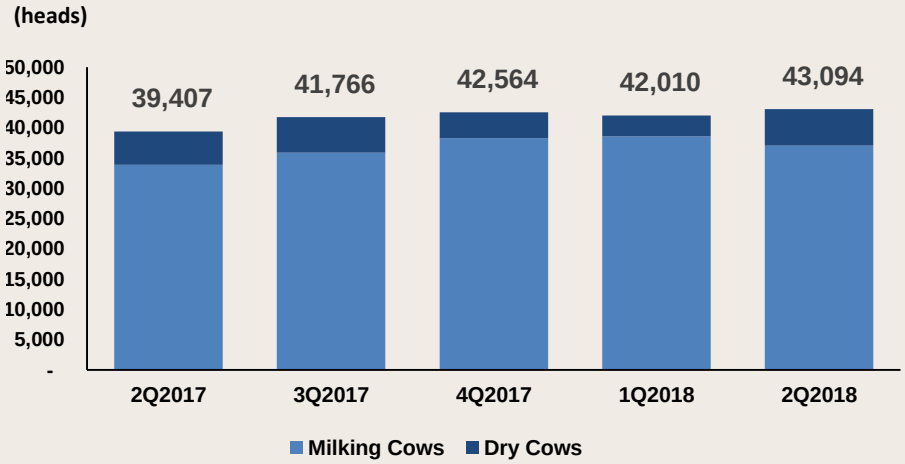
[1] ESL refers to extended shelf life from milk.

Dairy – Operational Performance

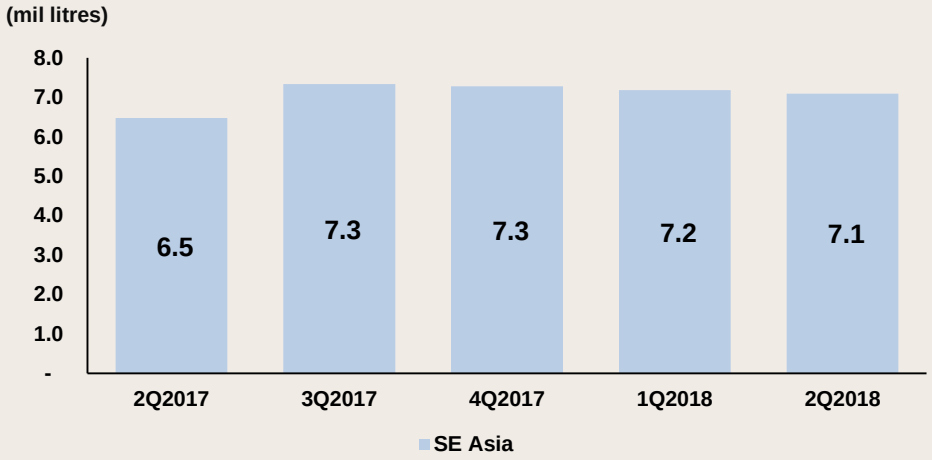
China Raw Milk: Sales Volume (mil kg)



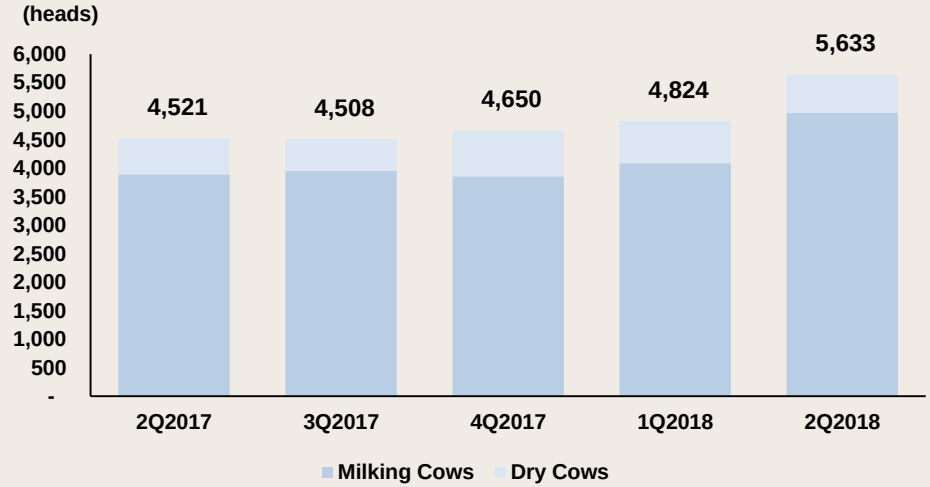
Milkable cows – China (heads)[1]



SE Asia Extended Shelf Life Branded Milk: Sales Volume (mil litres)



Milkable cows – SE Asia (heads)[1]

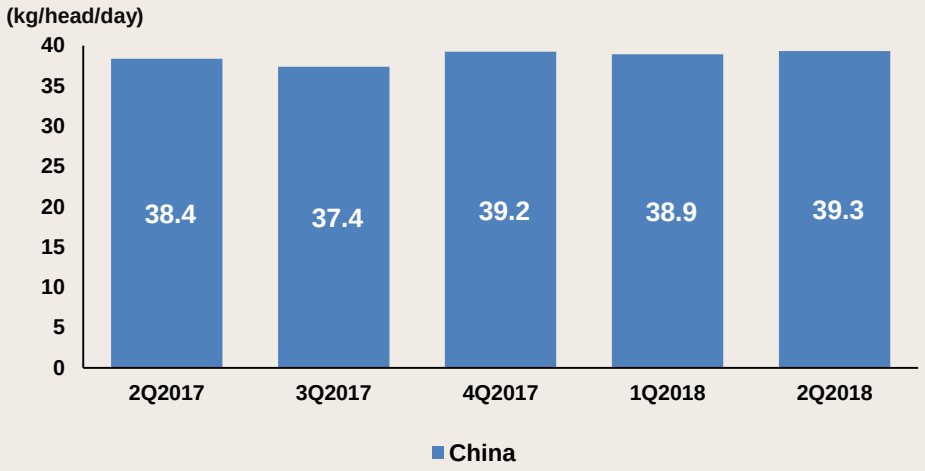


[1] Number of milkable cows as at the end of each quarter in question.

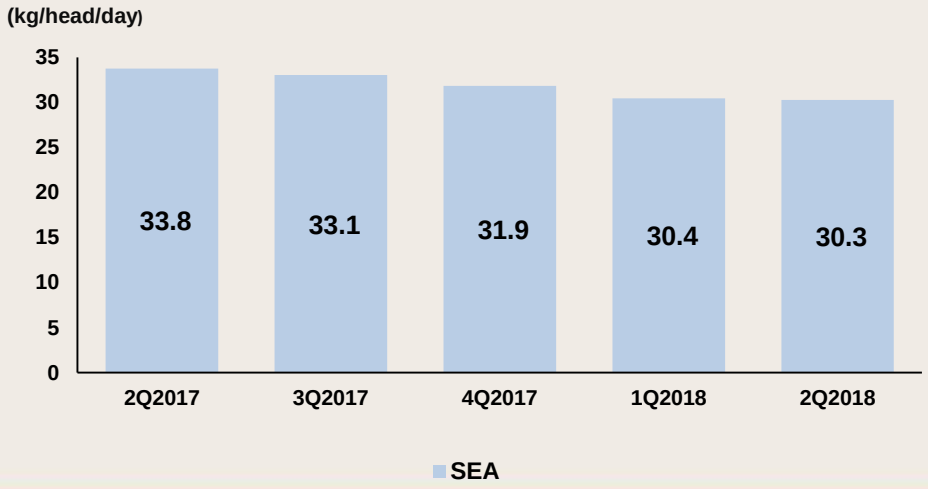
Note: Total dairy herd population (which includes heifers and calves) in China and Indonesia as at end of 2Q2018: 92,605 heads.

Dairy – Operational Performance

Average Daily Milking – China (kg/head/day)



Average Daily Milking – SEA (kg/head/day)



Consumer Food – Financial Performance



Operating landscape in Indonesia and Vietnam remains competitive, especially in the ambient food sector

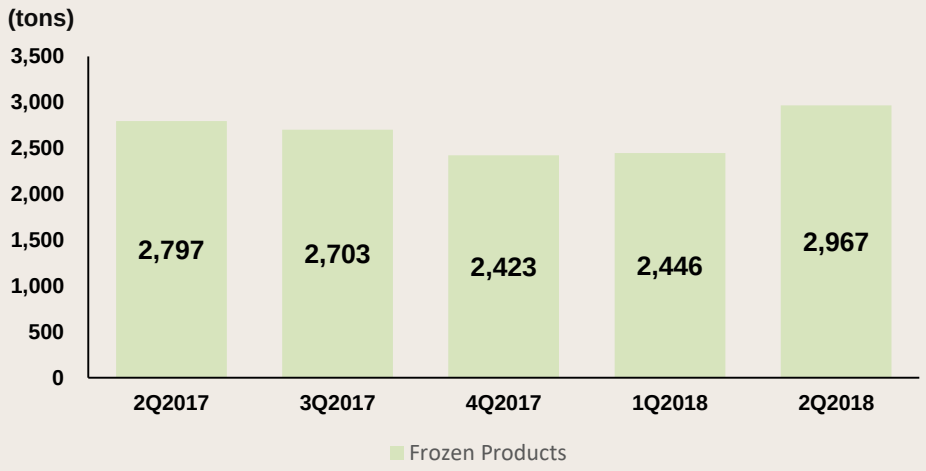
- Consumer Food recorded an operating loss of US$6.0 million in 2Q2018, primarily due to lower contribution from its largest sector (ambient food) despite very healthy growth last year
- Sales volumes improved for Frozen (+6.1%), Ambient (+48.3%) and Real Good UHT (+51.0%) YoY
- As the Group's dominant position in the ambient food in Indonesia continues to be contested
  - it was unable to pass on the increased production costs arising from higher chicken raw material prices and
  - had to continue spending in advertising and promotion

Strategies to lift the performance of Consumer Food:

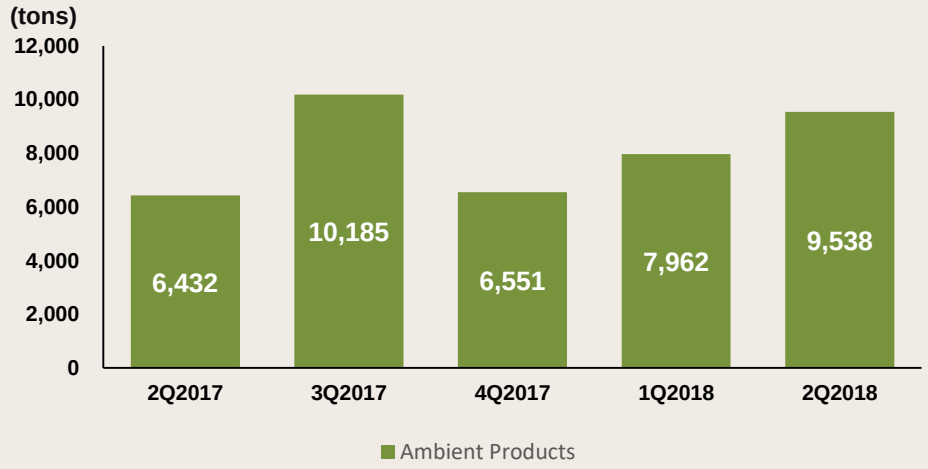
- To sharpen our competitive edge, we have embarked on various long term strategic initiatives including:
  i. brand rejuvenation with clearer packaging and brand positioning
  ii. widen market positioning for our ambient products from existing "snacks" category to broader general grocery market
  iii. improve taste and product quality of our "So Good" products
  iv. improve our logistics and distribution system
- In the near term, management will monitor the situation closely.

Consumer Food – Operational Performance

Frozen products: Sales Volume (tons)



Ambient products: Sales volume (tons)



OTHER FINANCIAL HIGHLIGHTS



Other Financial Highlights

Balance Sheet Highlights (US$m)	As at 30 Jun 18	As at 31 Dec 17	% change
Total Assets	**2,756.7**	**2,743.1**	**0.5%**
Cash and cash equivalent	160.8	234.9	-31.6%
Inventory	701.9	670.6	4.7%
Total Liabilities	**1,686.1**	**1,720.3**	**-2.0%**
Debt*	1,228.1	944.2	30.1%
Total Equity	**1,070.6**	**1,022.8**	**4.7%**
Key Ratios			
Net Debt / Equity Ratio (x)	1.0	0.7	
Inventory Turnover days	92.3	92.3	
NAV per share (US$)	0.40	0.39	
NAV per share (S$)	*0.55*	*0.53*	

Cash Flows (US$m)	6 months YTD 30 Jun 18	6 months YTD 30 Jun 17
Net Cash Flows (Used)/From in Operating Activities	77.5	-61.8
Net Cash Flows Used in Investing Activities	-134.9	-108.7
Net Cash Flows Used in Financing Activities	-12.7	53.5
Net Decrease in Cash and Cash Equivalents	**-70.1**	**-117.0**

*This includes the debt of (i) Annona Pte Ltd (the Group's central purchasing subsidiary) amounting to US$148.8 million for working capital purposes and (ii) Japfa Ltd's acquisition loan of US$252.8 million being the syndicated loan for the acquisition of the remaining interest in its Dairy Segment (AustAsia) and an additional interest in PT Japfa Tbk.

Debt Profile

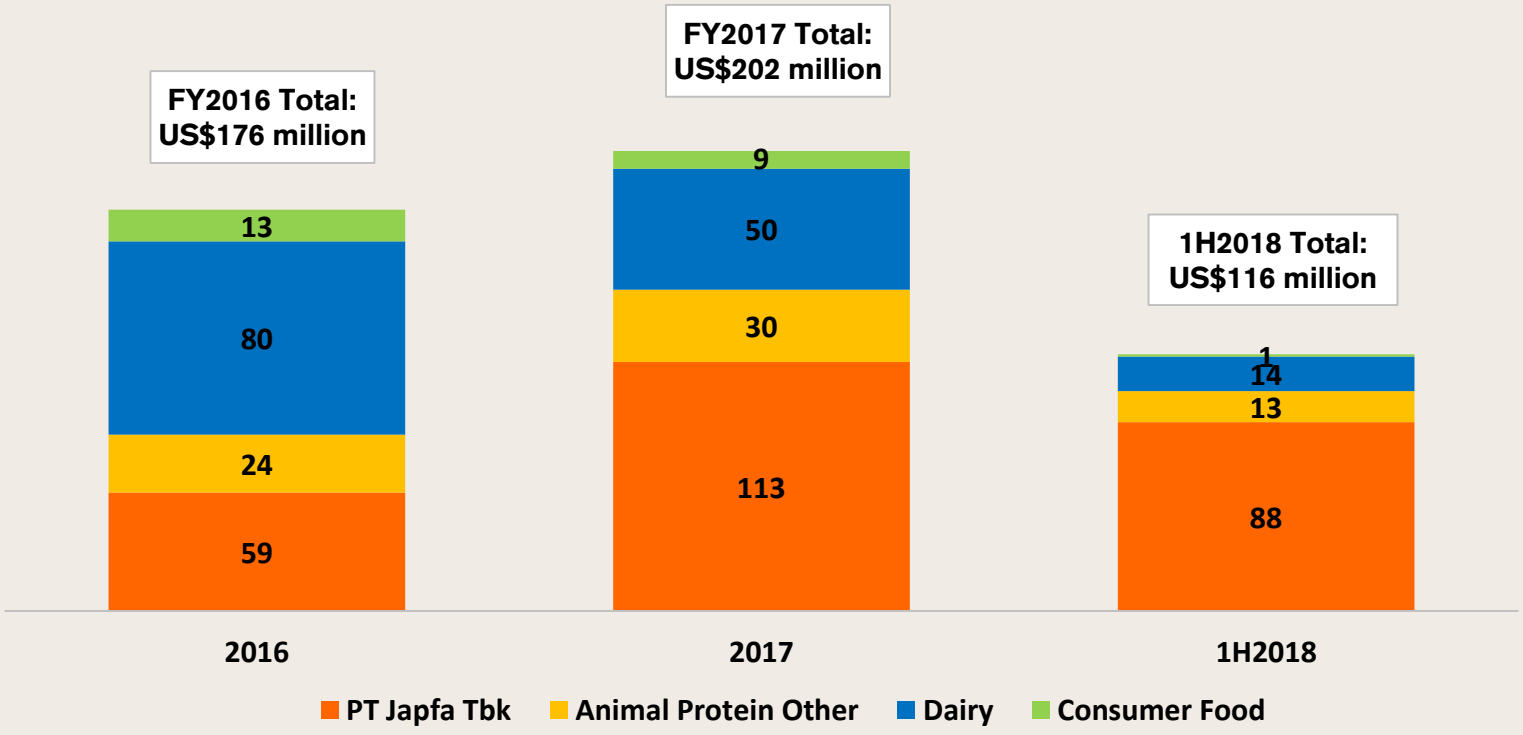
	PT Japfa Tbk	Animal Protein Other	Dairy	Consumer Food	Others	Total
Long Term loans & Bonds	387[1]	23	208[2]	31	-	649
Working capital loans	51	81	15	22	158[3]	326
Cash	103	25	16	5	11	160
Net Debt	**334**	**79**	**207**	**47**	**147**	**815**
Acquisition Loan	-	-	-	-	253[4]	253
Total Net Debt	**334**	**79**	**207**	**47**	**400**	**1,068**

As of 30 June 2018, the net gearing ratio of Japfa stands at 1.0x

Notes

1. This comprises of USD and IDR bonds. The USD bonds of US$250 million are hedged up to all time high of USD/IDR at 16,650
2. This comprises of USD and RMB loans. The USD loans of US$128 million are hedged against RMB and also hedged via interest rate swaps
3. Others refers to the debt and cash of Japfa Ltd and its subsidiary Annona Pte Ltd. The debt of Annona Pte Ltd (the central purchasing subsidiary in Singapore) is for working capital purposes, costs of which are fully charged out to its customers
4. Japfa Ltd's Acquisition Loan refers to the syndicated loan for the acquisition of the remaining interest in its Dairy Segment (AustAsia) and an additional interest in PT Japfa Tbk. As the Acquisition Loan is on a floating interest rate basis, we have hedged US$180 million at a fixed interest rate

Capex 2016 – 1H2018



APPENDIX


PAR-LIILB
COMFEED
PAR-LIILB COARSE CRUMBLE
PAKAN LENGKAP
milk

Quarterly Segment Information – 1H2018

	YTD JUN Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	1,181.2	264.9	1,446.1	193.7	99.7	7.1	**1,746.6**
Inter Segment Sales	23.9	0.0	23.9	0.9	0.4	(25.2)	**(0.0)**
TOTAL REVENUE	**1,205.0**	**264.9**	**1,469.9**	**194.6**	**100.1**	**(18.1)**	**1,746.6**
OPERATING PROFIT	**146.0**	**10.0**	**155.9**	**36.1**	**(7.4)**	**(2.6)**	**182.0**
% to sales	*12.1%*	*3.8%*	*10.6%*	*18.5%*	*-7.4%*	*14.6%*	*10.4%*
EBITDA	**181.1**	**15.3**	**196.4**	**53.0**	**(3.4)**	**(2.4)**	**243.6**
	15.0%	*5.8%*	*13.4%*	*27.2%*	*-3.4%*	*13.1%*	*13.9%*
Depreciation & Amortization	(29.9)	(5.1)	(35.0)	(13.8)	(4.0)	(0.1)	**(52.9)**
Net Interest Expense	(19.4)	(3.4)	(22.8)	(7.9)	(2.7)	(5.0)	**(38.5)**
PBT before Forex & BioA Valuation	**137.0**	**6.8**	**143.8**	**31.8**	**(10.2)**	**(7.2)**	**158.3**
Forex Gain(loss)	(21.2)	(0.7)	(21.9)	(4.4)	1.6	(0.2)	**(24.9)**
Fair Value Gain(Loss) Derivative for forex hedging	5.1	0.0	5.1	0.6	0.0	0.3	**6.0**
Fair Value Gain(Loss) Bio A	(1.8)	1.6	(0.2)	(11.4)	0.0	0.0	**(11.6)**
PBT	**113.9**	**7.8**	**121.7**	**16.1**	**(8.6)**	**(7.4)**	**121.8**
Tax	(26.8)	(0.9)	(27.7)	(0.3)	0.2	(2.9)	**(30.7)**
PAT	87.1	6.9	94.0	15.7	(8.4)	(10.3)	**91.1**
PAT w/o Bio A	88.3	5.6	93.9	27.4	(8.4)	(10.3)	**102.7**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	42.2	6.9	49.1	15.7	(8.4)	(10.3)	**46.2**
Core PATMI	40.1	5.6	45.7	25.3	(8.4)	(10.3)	**52.3**
Core PATMI w/o Forex	51.1	6.3	57.4	29.6	(9.9)	(10.1)	**67.0**

Notes:

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- *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, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivative relates to foreign exchange hedging and foreign exchange adjustments gains/(losses)..*
- *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, 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.*

Quarterly Segment Information – 1H2017

	YTD JUN Y2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	1,038.5	227.3	1,265.7	161.4	98.0	1.2	**1,526.4**
Inter Segment Sales	20.4	0.0	20.4	0.9	0.3	(21.6)	**(0.0)**
TOTAL REVENUE	**1,058.8**	**227.3**	**1,286.1**	**162.3**	**98.3**	**(20.4)**	1,526.4
OPERATING PROFIT	**72.4**	**(18.7)**	**53.7**	**33.0**	**(3.3)**	**5.2**	**88.5**
% to sales	*6.8%*	*-8.2%*	*4.2%*	*20.3%*	*-3.4%*	*-25.4%*	*5.8%*
EBITDA	**101.2**	**(14.0)**	**87.2**	**45.5**	**0.7**	**5.4**	**138.8**
	9.6%	*-6.2%*	*6.8%*	*28.0%*	*0.7%*	*-26.4%*	*9.1%*
Depreciation & Amortization	(29.2)	(4.4)	(33.6)	(11.5)	(3.4)	(0.2)	**(48.7)**
Net Interest Expense	(15.1)	(2.4)	(17.5)	(7.6)	(2.9)	(0.5)	**(28.5)**
PBT before Forex & BioA Valuation	**56.9**	**(20.8)**	**36.1**	**23.7**	**(5.6)**	**4.7**	**58.9**
Forex Gain(loss)	1.9	0.3	2.2	2.8	(0.2)	0.1	**4.9**
Fair Value Gain(Loss) Derivative for forex hedging	0.0	0.0	0.0	(2.7)	0.0	0.0	(2.7)
Fair Value Gain(Loss) Bio A	(1.4)	(6.1)	(7.6)	(12.2)	0.0	0.0	**(19.7)**
PBT	**57.4**	**(26.6)**	**30.8**	**14.3**	**(5.8)**	**4.8**	**44.1**
Tax	(19.3)	4.4	(14.9)	(1.1)	(0.0)	(2.6)	**(18.7)**
PAT	38.1	(22.2)	15.8	13.2	(5.8)	2.2	**25.4**
PAT w/o Bio A	39.2	(17.3)	21.9	25.5	(5.8)	2.2	**43.8**
% ownership	*51.0%*	*100.0%*		*61.9%*	*100.0%*	*100.0%*	
PATMI	16.3	(22.2)	(6.0)	8.3	(5.8)	2.2	**(1.3)**
Core PATMI	16.8	(17.3)	(0.5)	17.7	(5.8)	2.2	**13.6**
Core PATMI w/o Forex	15.9	(17.6)	(1.8)	16.0	(5.7)	2.1	**10.7**

Notes:

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- *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, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivative relates to foreign exchange hedging and foreign exchange adjustments gains/(losses)..*
- *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, 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.*

Quarterly Segment Information – 2Q2018

	2Q Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	616.1	139.3	755.4	94.6	50.1	1.0	**901.0**
Inter Segment Sales	12.6	0.0	12.6	0.5	0.2	(13.4)	**0.0**
TOTAL REVENUE	**628.7**	**139.3**	**768.0**	**95.2**	**50.3**	**(12.3)**	**901.0**
OPERATING PROFIT	**89.53**	**10.08**	**99.62**	**16.83**	**(5.98)**	**(2.38)**	**108.1**
% to sales	*14.2%*	*7.2%*	*13.0%*	*17.7%*	*-11.9%*	*19.3%*	*12.0%*
EBITDA	**107.5**	**12.6**	**120.1**	**25.1**	**(3.7)**	**(2.3)**	**139.2**
	17.1%	*9.1%*	*15.6%*	*26.4%*	*-7.4%*	*18.9%*	*15.4%*
Depreciation & Amortization	(15.5)	(2.6)	(18.1)	(6.8)	(2.0)	(0.0)	**(27.0)**
Net Interest Expense	(10.2)	(1.8)	(12.1)	(3.9)	(1.4)	(3.7)	**(21.1)**
PBT before Forex & BioA Valuation	**83.4**	**8.2**	**91.7**	**19.6**	**(7.1)**	**(5.8)**	**98.4**
Forex Gain(loss)	(15.8)	(1.4)	(17.2)	(8.6)	1.2	(0.2)	**(24.8)**
Fair Value Gain(Loss) Derivative for forex hedging	1.7	0.0	1.7	5.2	0.0	0.3	**7.2**
Fair Value Gain(Loss) Bio A	1.1	1.5	2.6	0.0	0.0	0.0	**2.7**
PBT	**68.7**	**8.4**	**77.1**	**11.0**	**(5.9)**	**(6.0)**	**76.2**
Tax	(19.0)	0.1	(19.0)	0.0	0.3	(2.6)	**(21.2)**
PAT	49.7	8.5	58.2	11.1	(5.6)	(8.6)	**55.0**
PAT w/o Bio A	48.9	7.2	56.1	11.2	(5.6)	(8.6)	**53.1**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	24.2	8.5	32.7	11.1	(5.6)	(8.6)	**29.6**
Core PATMI	22.8	7.3	30.1	5.6	(5.6)	(8.6)	**21.5**
Core PATMI w/o Forex	31.0	8.6	39.7	14.2	(6.8)	(8.4)	**38.7**

Notes:

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Quarterly Segment Information – 1Q2018

JAPFA	1Q Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	565.1	125.6	690.7	99.1	49.6	6.2	**845.5**
Inter Segment Sales	11.3	0.0	11.3	0.4	0.2	(11.9)	**(0.0)**
TOTAL REVENUE	**576.3**	**125.6**	**702.0**	**99.5**	**49.8**	**(5.7)**	**845.5**
OPERATING PROFIT	**56.4**	**(0.1)**	**56.3**	**19.3**	**(1.4)**	**(0.3)**	**73.9**
% to sales	*9.8%*	*-0.1%*	*8.0%*	*19.4%*	*-2.8%*	*4.6%*	*8.7%*
EBITDA	**73.6**	**2.6**	**76.3**	**27.8**	**0.3**	**(0.1)**	**104.4**
	12.8%	*2.1%*	*10.9%*	*28.0%*	*0.6%*	*0.9%*	*12.3%*
Depreciation & Amortization	(14.4)	(2.5)	(16.9)	(7.0)	(2.0)	(0.0)	**(25.9)**
Net Interest Expense	(9.1)	(1.6)	(10.7)	(4.0)	(1.4)	(1.3)	**(17.4)**
PBT before Forex & BioA Valuation	**53.6**	**(1.4)**	**52.1**	**12.2**	**(3.1)**	**(1.4)**	**59.9**
Forex Gain(loss)	(5.4)	0.7	(4.8)	4.2	0.4	0.0	**(0.1)**
Fair Value Gain(Loss) Derivative for forex hedging	3.4	0.0	3.4	(4.6)	0.0	0.0	**(1.2)**
Fair Value Gain(Loss) Bio A	(2.9)	0.1	(2.8)	(11.4)	0.0	0.0	**(14.2)**
PBT	**45.2**	**(0.6)**	**44.5**	**5.0**	**(2.7)**	**(1.4)**	**45.5**
Tax	(7.8)	(0.9)	(8.7)	(0.4)	(0.1)	(0.3)	**(9.4)**
PAT	37.4	(1.6)	35.9	4.7	(2.7)	(1.7)	**36.1**
PAT w/o Bio A	39.5	(1.7)	37.8	16.2	(2.7)	(1.7)	**49.6**
% ownership	*51.0%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	18.0	(1.6)	16.4	4.7	(2.7)	(1.7)	**16.7**
Core PATMI	17.3	(1.6)	15.6	19.7	(2.7)	(1.7)	**30.9**
Core PATMI w/o Forex	20.0	(2.3)	17.7	15.5	(3.1)	(1.7)	**28.3**

Notes:

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Quarterly Segment Information – 4Q2017

JAPFA	4Q Y2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	575.1	129.2	704.3	99.9	44.9	0.2	**849.3**
Inter Segment Sales	8.6	0.0	8.6	0.5	0.2	(9.3)	**(0.0)**
TOTAL REVENUE	**583.7**	**129.2**	**712.9**	**100.4**	**45.1**	**(9.1)**	**849.3**
OPERATING PROFIT	**37.7**	**(1.8)**	**35.9**	**19.1**	**(12.3)**	**1.4**	**44.1**
% to sales	*6.5%*	*-1.4%*	*5.0%*	*19.0%*	*-27.3%*	*-15.1%*	*5.2%*
EBITDA	**53.6**	**(0.0)**	**53.6**	**26.5**	**(10.2)**	**0.1**	**68.5**
	9.2%	*-0.0%*	*7.5%*	*26.4%*	*-22.6%*	*-0.6%*	*8.1%*
Depreciation & Amortization	(13.8)	(2.5)	(16.3)	(6.5)	(2.0)	(0.0)	**(24.9)**
Net Interest Expense	(10.5)	(1.4)	(12.0)	(4.0)	(1.4)	(0.6)	**(18.0)**
PBT before Forex & BioA Valuation	**30.0**	**(4.0)**	**26.0**	**12.7**	**(13.6)**	**(0.6)**	**24.5**
Forex Gain(loss)	(1.3)	0.3	(1.1)	2.2	0.1	0.0	**1.3**
Fair Value Gain(Loss) Derivative for forex hedging	0.7	0.0	2.2	(3.3)	0.0	0.0	**(1.1)**
Fair Value Gain(Loss) Bio A	2.8	(0.6)	2.2	11.6	0.0	0.0	**13.8**
PBT	**31.4**	**(4.3)**	**27.2**	**26.5**	**(13.5)**	**(0.6)**	**39.7**
Tax	(19.5)	(5.4)	(24.9)	(0.1)	0.7	(0.3)	**(24.6)**
PAT	11.9	(9.7)	2.3	26.4	(12.7)	(0.9)	**15.1**
PAT w/o Bio A	9.7	(9.2)	0.5	14.9	(12.7)	(0.9)	**1.8**
% ownership	*51.0%*	*100.0%*		*61.9%*	*100.0%*	*100.0%*	
PATMI	6.3	(9.7)	(3.4)	16.6	(12.7)	(0.9)	**(0.4)**
Core PATMI	4.8	(9.2)	(4.4)	10.7	(12.7)	0.5	**(5.9)**
Core PATMI w/o Forex	5.5	(9.5)	(4.0)	9.3	(12.9)	0.5	**(7.1)**

Notes:

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Quarterly Segment Information – 3Q2017

JAPFA	3Q Y2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	553.6	118.9	672.4	83.9	57.7	0.2	**814.3**
Inter Segment Sales	9.9	0.0	9.9	0.6	0.2	(10.7)	**0.0**
TOTAL REVENUE	**563.5**	**118.9**	**682.3**	**84.5**	**57.9**	**(10.5)**	**814.3**
OPERATING PROFIT	**47.0**	**(6.4)**	**40.6**	**14.9**	**(0.3)**	**0.9**	**56.0**
% to sales	*8.3%*	*-5.4%*	*5.9%*	*17.6%*	*-0.6%*	*-8.8%*	*6.9%*
EBITDA	**61.6**	**(4.7)**	**57.0**	**21.8**	**1.3**	**1.1**	**81.2**
	10.9%	*-3.9%*	*8.3%*	*25.8%*	*2.2%*	*-10.6%*	*10.0%*
Depreciation & Amortization	(13.7)	(2.3)	(16.0)	(6.3)	(1.8)	(0.1)	**(24.1)**
Net Interest Expense	(9.6)	(1.4)	(11.0)	(4.0)	(1.5)	(0.3)	**(16.7)**
PBT before Forex & BioA Valuation	**42.4**	**(8.4)**	**34.0**	**8.2**	**(1.9)**	**0.8**	**41.1**
Forex Gain(loss)	(4.3)	0.2	(4.1)	2.5	0.4	0.1	**(1.1)**
Fair Value Gain(Loss) Derivative for forex hedging	4.0	0.0	4.0	(3.4)	0.0	0.0	**0.6**
Fair Value Gain(Loss) Bio A	(1.8)	1.9	0.1	(16.3)	0.0	0.0	**(16.2)**
PBT	**36.4**	**(6.3)**	**30.1**	**(5.6)**	**(1.5)**	**0.8**	**23.7**
Tax	(8.4)	0.7	(7.6)	(0.3)	0.2	(0.3)	**(8.0)**
PAT	28.0	(5.6)	22.4	(5.9)	(1.4)	0.6	**15.7**
PAT w/o Bio A	29.4	(7.1)	22.3	10.3	(1.4)	0.6	**31.8**
% ownership	*51.0%*	*100.0%*		*61.9%*	*100.0%*	*100.0%*	
PATMI	13.0	(5.6)	7.5	(3.6)	(1.4)	0.6	**3.0**
Core PATMI	11.7	(7.1)	4.6	8.4	(1.4)	0.6	**12.2**
Core PATMI w/o Forex	13.9	(7.3)	6.6	6.8	(1.8)	0.5	**12.1**

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Quarterly Segment Information – 2Q2017

JAPFA	2Q Y2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	553.0	111.5	664.5	79.0	46.8	(0.1)	**790.2**
Inter Segment Sales	9.9	0.0	9.9	0.5	0.1	(10.6)	**(0.0)**
TOTAL REVENUE	**562.9**	**111.5**	**674.4**	**79.6**	**47.0**	**(10.7)**	**790.2**
OPERATING PROFIT	**52.8**	**(12.8)**	**40.0**	**14.7**	**(4.3)**	**1.6**	**52.1**
% to sales	*9.4%*	*-11.5%*	*5.9%*	*18.5%*	*-9.1%*	*-15.0%*	*6.6%*
EBITDA	**64.0**	**(10.4)**	**53.6**	**20.7**	**(2.1)**	**1.7**	**73.9**
	11.4%	*-9.3%*	*8.0%*	*26.0%*	*-4.4%*	*-15.8%*	*9.4%*
Depreciation & Amortization	(15.9)	(2.3)	(18.1)	(5.9)	(1.8)	(0.1)	**(25.9)**
Net Interest Expense	(8.1)	(1.4)	(9.5)	(3.9)	(1.5)	(0.3)	**(15.1)**
PBT before Forex & BioA Valuation	**40.1**	**(14.1)**	**26.0**	**7.8**	**(5.3)**	**1.3**	**29.9**
Forex Gain(loss)	(0.2)	0.2	0.0	2.4	0.0	0.1	**2.4**
Fair Value Gain(Loss) Derivative for forex hedging	0.0	0.0	0.0	(3.0)	0.0	0.0	**(3.0)**
Fair Value Gain(Loss) Bio A	0.5	(5.9)	(5.4)	(2.7)	0.0	0.0	**(8.0)**
PBT	**40.4**	**(19.7)**	**20.7**	**7.5**	**(5.3)**	**1.4**	**24.3**
Tax	(10.2)	4.0	(6.1)	(0.7)	0.4	(2.4)	**(8.9)**
PAT	30.3	(15.7)	14.5	6.8	(4.9)	(1.0)	**15.4**
PAT w/o Bio A	29.9	(11.0)	18.8	9.7	(4.9)	(1.0)	**22.6**
% ownership	*58.7%*	*100.0%*		*61.9%*	*100.0%*	*100.0%*	
PATMI	13.9	(15.7)	(1.8)	4.3	(4.9)	(1.0)	**(3.4)**
Core PATMI	13.7	(11.0)	2.7	8.3	(4.9)	(1.0)	**5.0**
Core PATMI w/o Forex	13.8	(11.2)	2.6	6.8	(4.9)	(1.1)	**3.4**

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Segment Information – FY2017

JAPFA	YTD DEC Y2017						
	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**
% to sales	*7.1%*	*-5.7%*	*4.9%*	*19.3%*	*-7.9%*	*-18.7%*	*5.9%*
EBITDA	**216.5**	**(18.7)**	**197.8**	**93.9**	**(8.2)**	**6.5**	**290.0**
	9.8%	*-3.9%*	*7.4%*	*27.0%*	*-4.1%*	*-16.4%*	*9.1%*
Depreciation & Amortization	(56.7)	(9.2)	(65.9)	(24.3)	(7.2)	(0.3)	**(97.7)**
Net Interest Expense	(35.2)	(5.2)	(40.4)	(15.6)	(5.7)	(1.4)	**(63.2)**
PBT before Forex & BioA Valuation	**124.6**	**(33.1)**	**91.4**	**54.0**	**(21.2)**	**4.9**	**129.2**
Forex Gain(loss)	(3.7)	0.8	(3.0)	7.5	0.4	0.2	**5.1**
Fair Value Gain(Loss) Derivative for forex hedging	4.7	0.0	4.7	(9.4)	0.0	0.0	(4.7)
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	(19.9)	2.0	**56.2**
PAT w/o Bio A	78.3	(33.6)	44.7	50.7	(19.9)	2.0	**77.4**
% ownership	*51.0%*	*100.0%*		*61.9%*	*100.0%*	*100.0%*	
PATMI	35.6	(37.5)	(1.9)	21.2	(19.9)	2.0	**1.3**
Core PATMI	33.3	(33.7)	(0.3)	36.8	(19.9)	3.3	**19.9**
Core PATMI w/o Forex	35.2	(34.4)	0.8	32.1	(20.3)	3.1	**15.7**

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COMPLETED: Acquisition of Remaining Interest in Dairy Business ("AustAsia")

Japfa Ltd has completed the acquisition of AustAsia, and the Dairy business now contributes 100% to the Group's attributable income with effect from 1 January 2018

Aggregate consideration **US$263.1 million** was satisfied in full by:

a) Cash payment of US$223.0 million funded by bank borrowings

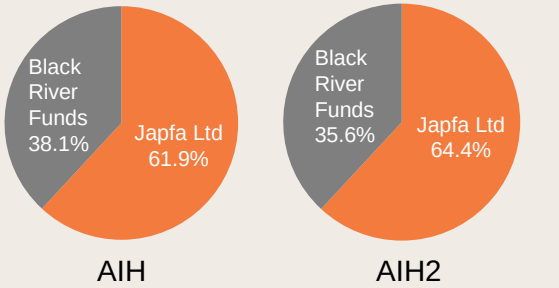
b) Issuance of 90 million ordinary shares in Japfa Ltd at S$0.60 (US$0.45) per share (which is approximately US$40.1 million) (the "Consideration Shares")

Transaction Overview

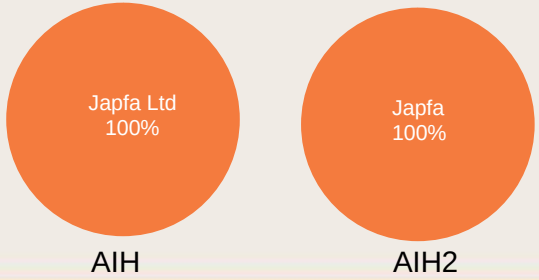
- Entered into a share purchase agreement on 21 December 2017 to acquire the outstanding shares in AustAsia the from Black River Funds, which are managed by Proterra Investment Partners LP ("Proterra")
- AustAsia consists of two main subsidiaries: AIH and AIH2, in which Japfa held a 61.9% and 64.4% stake, respectively up till 31 December 2017
- Shareholders' approval was obtained at the Company's EGM on 12 April 2018 for the following resolutions:

1) The proposed transaction to acquire a 38.1% stake in AIH and a 35.6% stake in AIH2 for US$263.1 million in aggregate, comprising:
   - Call Option Shares of US$19.6 million, based on the cost of investment of Black River Funds
   - Sale Shares for US$243.5 million, arrived at after arm's length negotiations on a "willing-buyer, willing-seller" basis, taking into account AustAsia's earnings and dairy industry earnings multiples
2) The proposed allotment and issuance of the Consideration Shares to the Black River Funds

AustAsia Ownership (Pre Transaction)



AustAsia Ownership (Post Transaction)



THANK YOU

