



# Investor Presentation

## 3Q 2016 Results



# Agenda

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**Key Highlights**

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**3Q 2016 Financial and Operational Analysis**

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**Other Financial Highlights**

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**Looking Ahead**





# Key Highlights



# Consistent Strong Performance

3Q 2016 vs 3Q 2015

## Revenue

**US\$788.0m**

↑ 13.3%

## EBITDA

**US\$130.6m**

↑ 45.5%

## PATMI

**US\$48.0m**

↑ 501.0%

## Operating Profit

**US\$105.4m**

↑ 60.1%

## Operating Profit Margin

**13.4%**

↑ 3.9 ppt

## Core PATMI w/o Forex

**US\$42.0m**

↑ 50.9%

9M 2016 vs 9M 2015

## Revenue

**US\$2.3b**

↑ 10.2%

## EBITDA

**US\$339.8m**

↑ 67.8%

## PATMI

**US\$116.0m**

↑ 546.5%

## Operating Profit

**US\$268.4m**

↑ 89.8%

## Operating Profit Margin

**11.7%**

↑ 4.9 ppt

## Core PATMI w/o Forex

**US\$114.6m**

↑ 109.0%



**JAPFA**

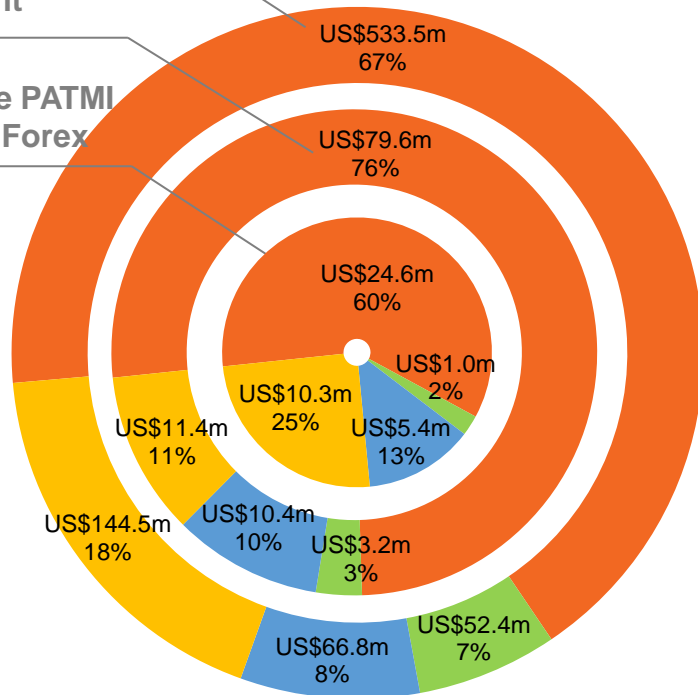
<sup>1</sup> We derived "Core PATMI" from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets and derivatives attributable to owners of the parent (net of tax), and excluded extraordinary items (attributable to owners of the parent, net of tax) namely a gain from the buyback of USD bonds in PT Japfa Tbk and gain on disposal of asset held for sale.

"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. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds in PT Japfa Tbk, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.

# Growth Across All Business Segments in 3Q 2016

Revenue  
Operating Profit  
Core PATMI w/o Forex

Breakdown by Segment (3Q2016)



PT Japfa Tbk



Animal Protein  
Other



Dairy



Consumer Food



## 3Q2016 Revenue

↑ **16.0%**  
YoY

↑ **7.9%**  
YoY

↑ **3.2%**  
YoY

↑ **7.9%**  
YoY

## 3Q2016 Core PATMI w/o Forex

↑ **47.5%**  
YoY

↑ **50.5%**  
YoY

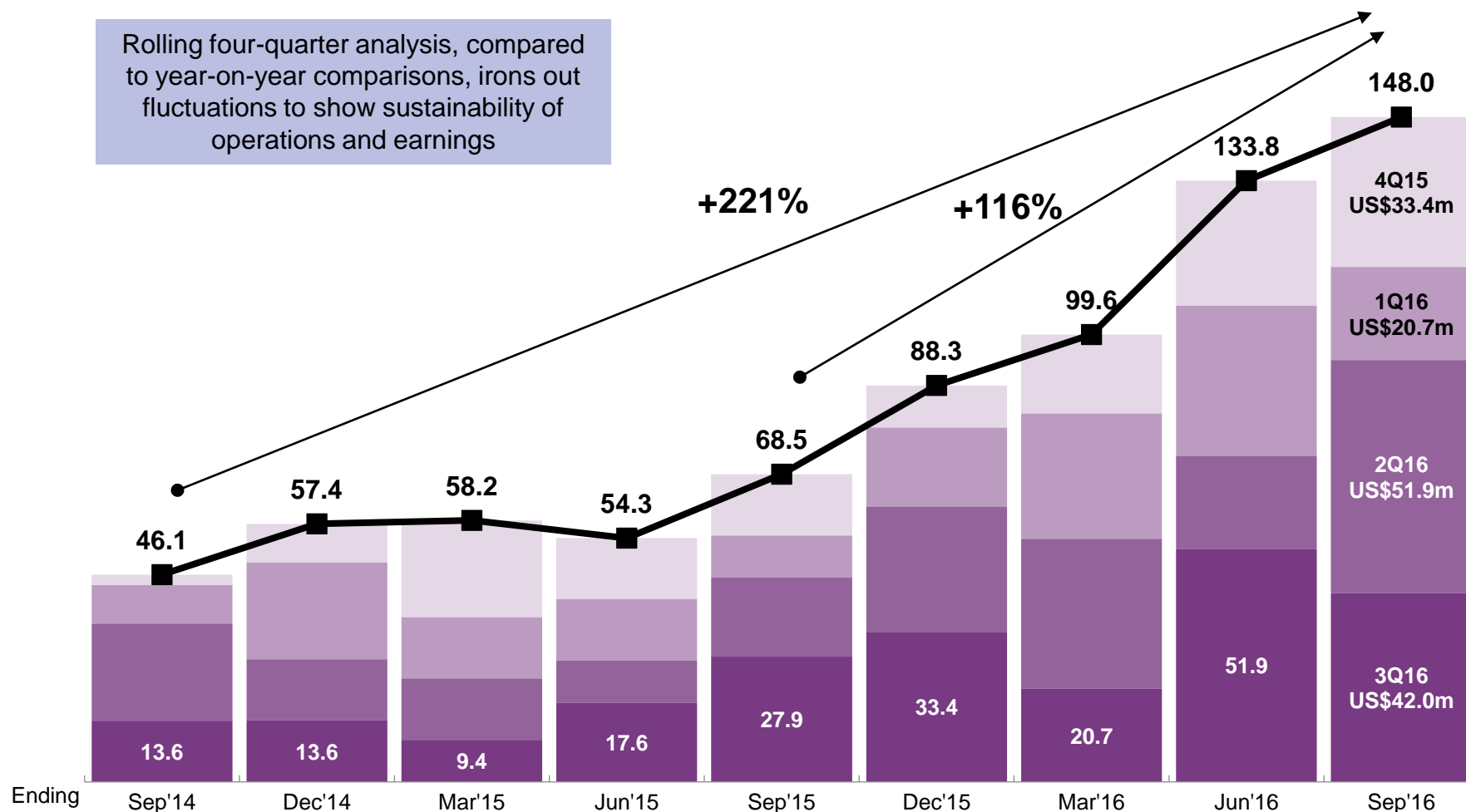
↑ **57.1%**  
YoY

↑ **179.7%**  
YoY

# Healthy Momentum on a Rolling Basis

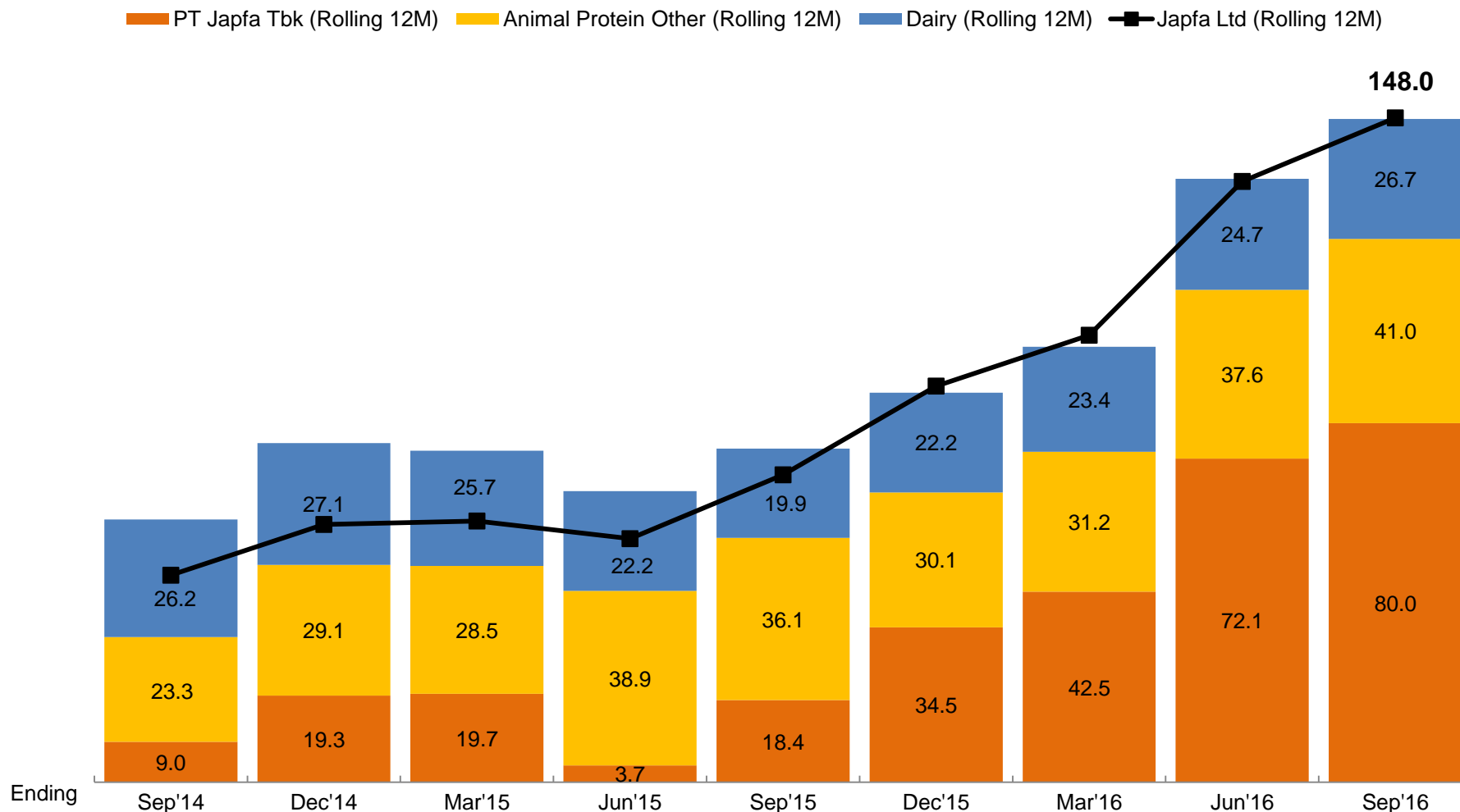
## Core PATMI w/o Forex (US\$ million)

Rolling four-quarter analysis, compared to year-on-year comparisons, irons out fluctuations to show sustainability of operations and earnings



# Healthy Momentum on a Rolling Basis

## Core PATMI w/o Forex (US\$ million)

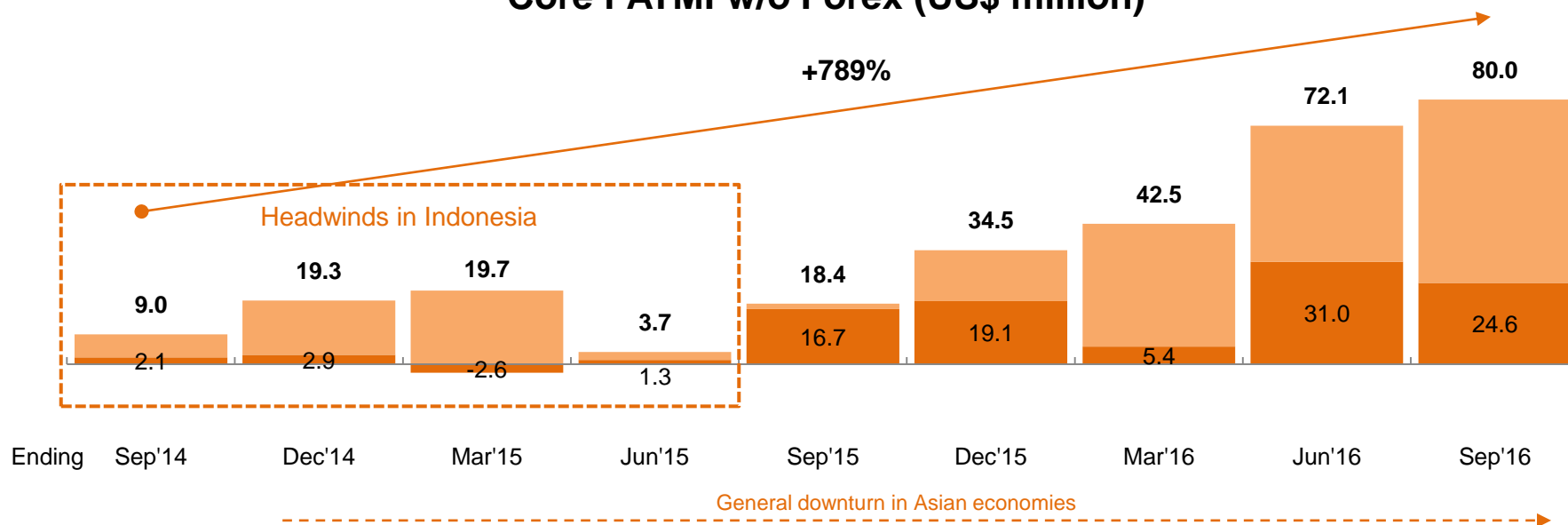


# PT Japfa Tbk – Growth Despite Headwinds



- Poultry industry faced oversupply of day-old chicks (“DOCs”) since 3Q 2014, and turned around in the second half of 2015.
- Comparing Rolling 12 months ended September 2015 and September 2016, operating margins increased from 5.2% to 11.7%, contributed mainly by very healthy margins in 3Q 2016.
- Better margins in 3Q 2016 due to lower costs of feed and better DOC average selling prices (“ASPs”).
- PT Japfa Tbk’s contribution to the Group’s attributable income has reduced from 58% to 51% in 3Q 2016, after KKR’s investment in PT Japfa Tbk.

## Core PATMI w/o Forex (US\$ million)





# Animal Protein Other – A Steady Contributor

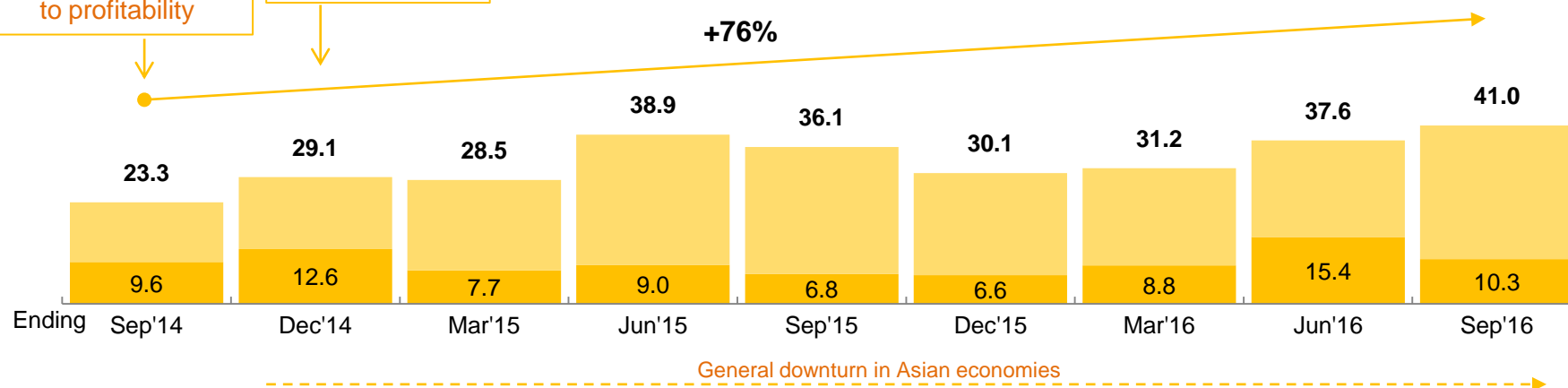


- Growth rate reflects success in replicating our business model with a new protein and a new geographical market.
- Feed remains stable contributor to profitability.
- Vietnam contributes more than half of this segment's profits. Comparing Rolling 12 months ended September 2015 and September 2016, there was strong growth in poultry and swine feed volumes (>10%) and swine fattening volumes (>30%) as well as improvement in productivity. Profits remained stable due to decline in DOC, broiler and swine fattening prices to more realistic levels.
- Myanmar contributed consistently in the last two years to our profits. Comparing Rolling 12 months ended September 2015 and September 2016, there has been strong growth in feed, DOC and broiler volumes (>20%), leading to increase in overall profits. Myanmar still provides medium term growth opportunity.
- On a rolling basis, India remains profitable, despite a very competitive environment, due to our strong emphasis in feed. In the longer term, we see India as another key growth market.

Swine fattening business in Vietnam started to contribute to profitability

Start of full-year contributions from Myanmar

## Core PATMI w/o Forex (US\$ million)

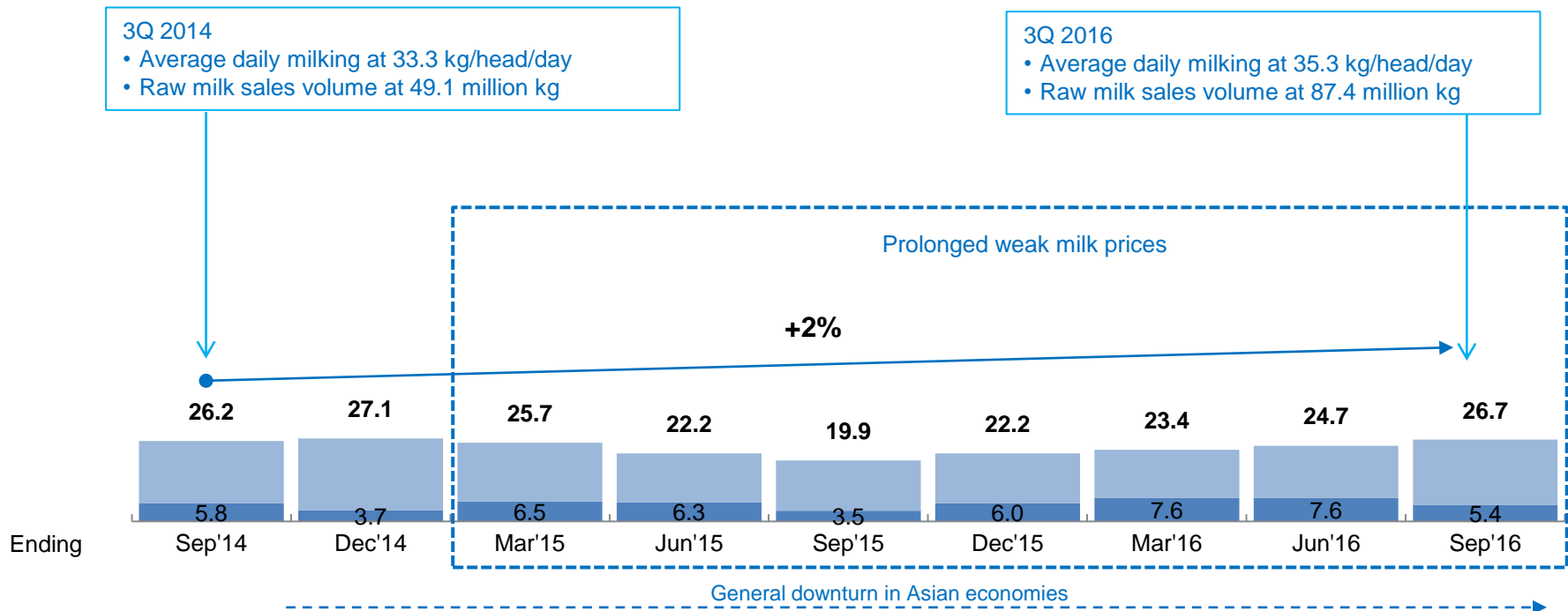


# Dairy – A Stable and Strategic Pillar



- Despite average raw milk prices in China declining by 26% from 3Q 2014 to 3Q 2016, Core PATMI w/o Forex increased by close to 2% over the last two years.
- Continue to hold leadership position in efficiency, with stable profitability in China, even in a competitive operating environment.
- Higher milk volumes and improved milk yields mitigated lower milk prices in China.
- Continue to expand strategically, with Farm 7 under construction.

## Core PATMI w/o Forex (US\$ million)





# 3Q 2016 Financial and Operational Analysis



# 3Q & 9M 2016 Segmental Overview

GROUP	(US\$m)	3Q2016	3Q2015	% change		9M2016	9M2015	% change	
Japfa Ltd	Revenue	788.0	695.3	+13.3%	▲	2,287.7	2,075.3	+10.2%	▲
	Operating profit	105.4	65.8	+60.1%	▲	268.4	141.4	+89.8%	▲
	Operating profit margin	13.4%	9.5%	+3.9ppt	▲	11.7%	6.8%	+4.9ppt	▲
	EBITDA	130.6	89.7	+45.5%	▲	339.8	202.5	+67.8%	▲
	PAT	79.0	10.4	+658.5%	▲	185.7	16.8	+1003.2%	▲
	PATMI	48.0	8.0	+501.0%	▲	116.0	18.0	+546.5%	▲
	Core PATMI w/o Forex	42.0	27.9	+50.9%	▲	114.6	54.8	+109.0%	▲
SEGMENTAL	(US\$m)	3Q2016	3Q2015	% change		9M2016	9M2015	% change	
PT Japfa Tbk	Revenue <sup>1</sup>	533.5	459.7	+16.0%	▲	1,542.2	1,390.4	+10.9%	▲
	Operating profit	79.6	48.8	+63.3%	▲	183.4	74.3	+147.0%	▲
	Operating profit margin	14.9%	10.6%	+4.3ppt	▲	11.9%	5.3%	+6.6ppt	▲
	EBITDA	94.7	65.9	+43.8%	▲	226.8	115.2	+96.9%	▲
	PAT	58.1	12.3	+373.9%	▲	133.7	-9.4	+1522.7%	▲
	PATMI	29.7	6.0	+399.0%	▲	71.1	-7.4	+1060.3%	▲
	Core PATMI w/o Forex	24.6	16.7	+47.5%	▲	61.0	15.5	+294.4%	▲
Animal Protein Other	Revenue <sup>1</sup>	144.5	134.0	+7.9%	▲	421.8	392.4	+7.5%	▲
	Operating profit	11.4	7.9	+43.3%	▲	38.2	28.8	+32.9%	▲
	Operating profit margin	7.9%	5.9%	+2.0ppt	▲	9.1%	7.3%	+1.8ppt	▲
	EBITDA	13.5	9.8	+37.9%	▲	44.0	34.0	+29.6%	▲
	PAT	12.8	6.5	+97.2%	▲	37.9	24.2	+56.7%	▲
	PATMI	12.7	6.4	+97.3%	▲	37.5	23.4	+60.0%	▲
	Core PATMI w/o Forex	10.3	6.8	+50.5%	▲	34.5	23.5	+46.6%	▲
Dairy	Revenue <sup>2</sup>	66.8	64.7	+3.2%	▲	202.7	189.6	+6.9%	▲
	Operating profit	10.4	7.2	+42.9%	▲	39.3	31.9	+23.1%	▲
	Operating profit margin	15.5%	11.2%	+4.3ppt	▲	19.4%	16.8%	+2.6ppt	▲
	EBITDA	16.4	11.3	+44.3%	▲	56.1	43.1	+30.3%	▲
	PAT	6.8	-10.8	+162.3%	▲	17.8	0.0	N/A	▲
	PATMI	4.3	-6.9	+162.4%	▲	11.1	-0.2	+7321.0%	▲
	Core PATMI w/o Forex	5.4	3.5	+57.1%	▲	20.7	16.2	+27.7%	▲
Consumer Food	Revenue <sup>3</sup>	52.4	48.6	+7.9%	▲	151.3	140.0	+8.1%	▲
	Operating profit	3.2	1.0	+226.5%	▲	4.0	4.1	-3.1%	▼
	Operating profit margin	6.1%	2.0%	+4.1ppt	▲	2.6%	2.9%	-0.3ppt	▼
	EBITDA	4.9	1.8	+176.7%	▲	8.8	7.4	+20.2%	▲
	PAT	0.5	0.5	+10.8%	▲	-4.0	-0.2	-1535.2%	▼
	PATMI	0.5	0.5	+10.8%	▲	-4.0	-0.2	-1535.2%	▼
	Core PATMI w/o Forex	1.0	-1.3	+179.7%	▲	-1.9	-3.1	+37.8%	▲



**JAPFA**

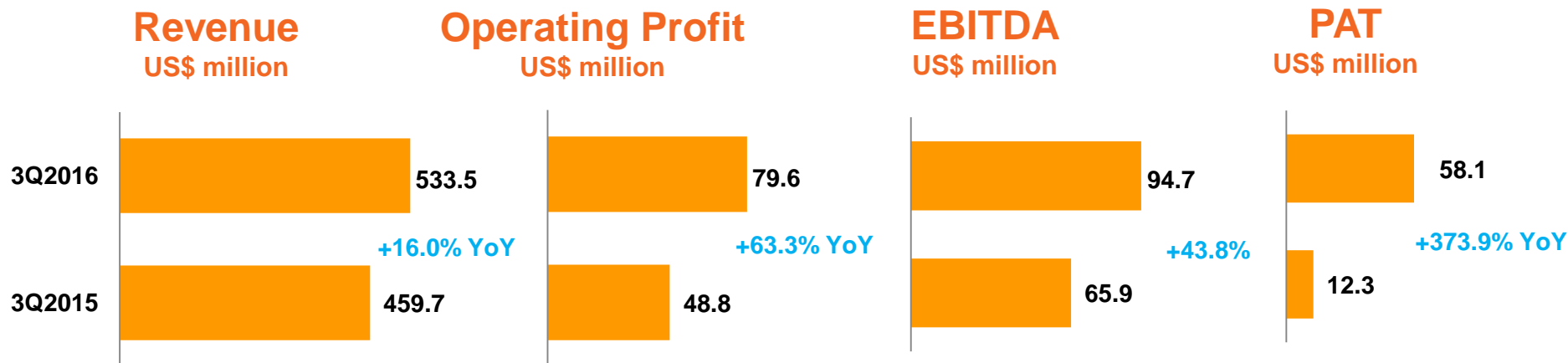
1 The combined revenue for PT Japfa Tbk and Animal Protein Other includes inter-segment revenue of US\$10.1 million in 3Q 2016 (3Q 2015: US\$10.0 million) and US\$29.5 million in 9M2016 (9M2015: US\$30.6 million).

2 The Dairy segment revenue includes inter-segment revenue of US\$0.6 million in 3Q 2016 (3Q 2015: US\$0.5 million) and US\$1.9 million in 9M2016 (9M2015: US\$1.5 million).

3 The Consumer Food segment revenue includes inter-segment revenue of US\$0.2 million in 3Q 2016 (3Q 2015: US\$1.2 million) and US\$0.7 million in 9M2016 (9M2015: US\$5.0 million).



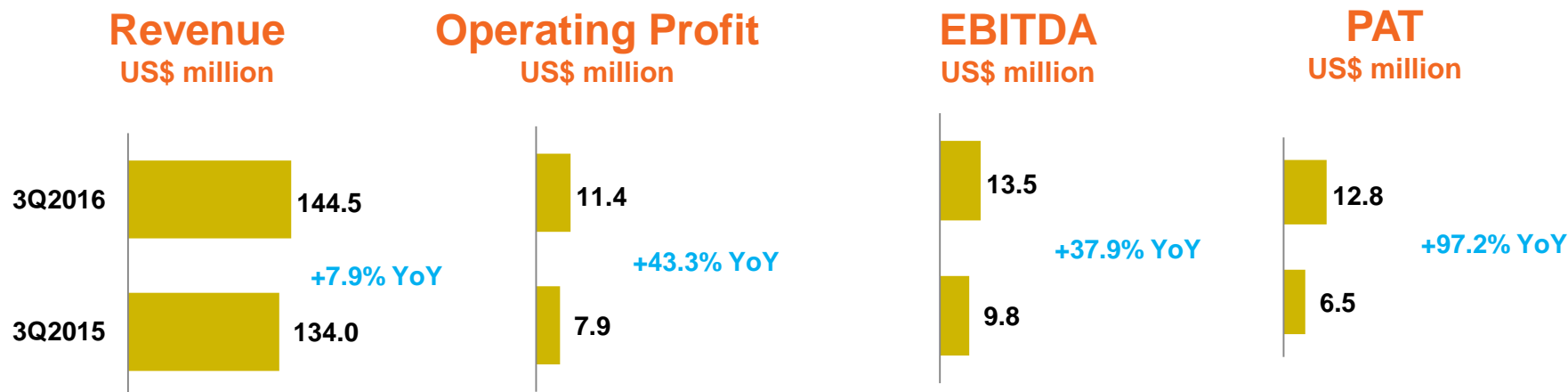
# PT Japfa Tbk – Financial Performance



**3Q 2016 was the most profitable quarter for PT Japfa Tbk since 1Q 2013, partly boosted by US\$13 million gain from sale of beef cattle in Australia**

- Revenue increased by 7.2% in IDR terms, and by 16.0% in USD terms due to the appreciation of Rupiah. The increase was due to (1) the improvement in ASP of DOCs and broiler chickens since the beginning of 2016, and (2) the sale of beef cattle from Riveren and Inverway Stations in Australia which amounted to about US\$24 million.
- Feed operations continued to contribute to the bulk of operating profit. Profitability improved in 3Q 2016 due to the lower cost of raw materials.
- Breeding operations achieved strong profits in 3Q 2016 due to higher ASP of DOCs and lower feed costs.
- Profits from commercial farming were equally strong due to higher ASP of broiler chickens, which rose in tandem to accommodate the increase in ASP of DOCs.

# Animal Protein Other – Financial Performance

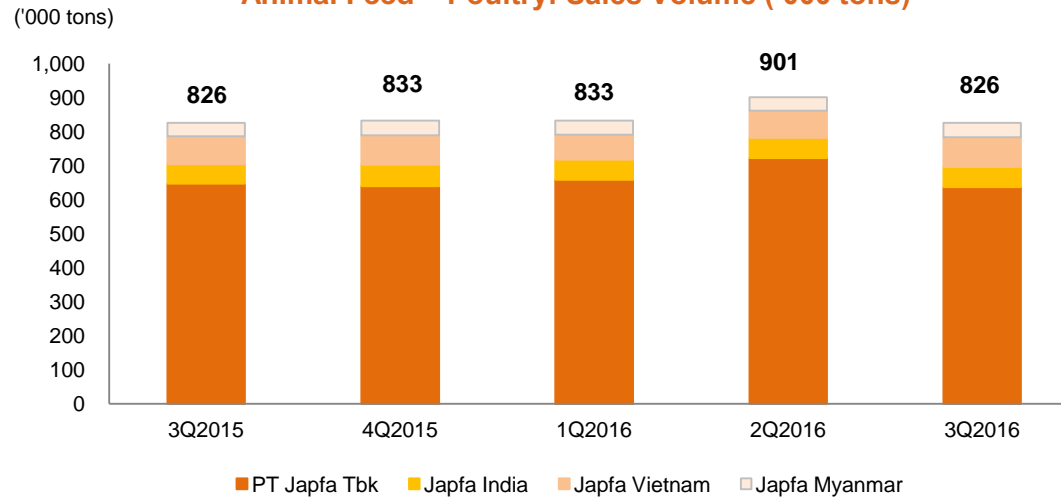


## Overall profitability for Animal Protein Other improved year-on-year

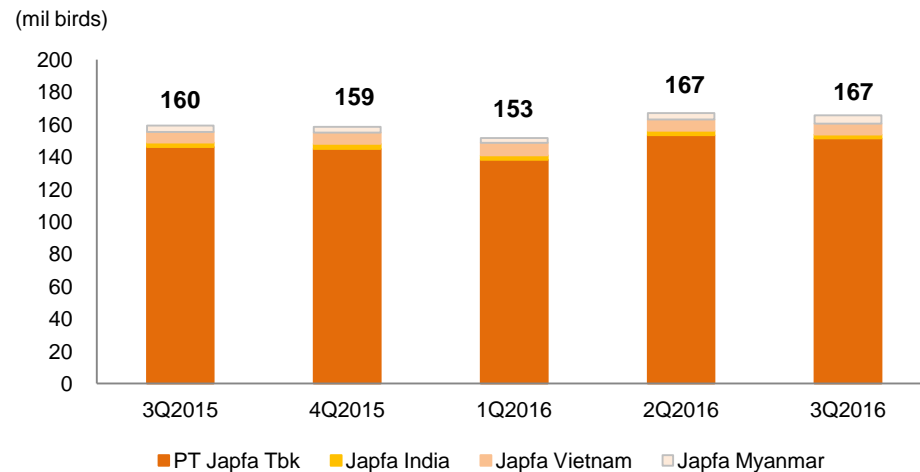
- Revenue grew across all geographies, with Vietnam contributing more than 60% of this segment's revenue.
- Operating profit also grew in all countries, with Vietnam contributing more than 80%.
- Vietnam recorded strong profits due to: (1) 18% growth in swine feed volume and 29% growth in swine fattening volume, (2) higher swine fattening margins due to improved operational efficiency and lower feed costs, and (3) the improvement of DOC business due to higher ASP and lower feed costs.
- Myanmar registered a growth in sales volumes for feed, DOCs and broilers, which were offset by higher costs of goods sold for DOCs and broilers. Feed operations registered higher margins, resulting in better profits in 3Q 2016.
- India's feed operations continued to deliver profits, which were offset by lower ASP for DOCs and broilers.

# Animal Protein – Operational Performance

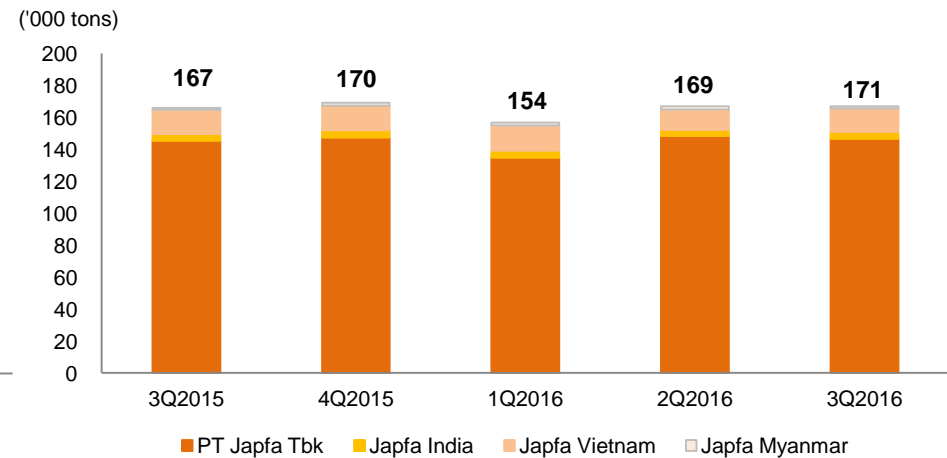
**Animal Feed – Poultry: Sales Volume ('000 tons)**



**DOC - Broiler: Sales Volume (mil birds)**

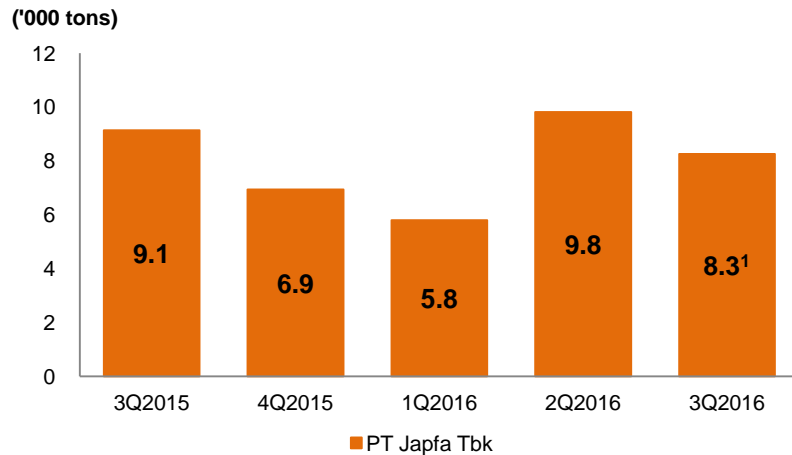


**Commercial Farm – Live Birds: Sales Volume ('000 tons)**

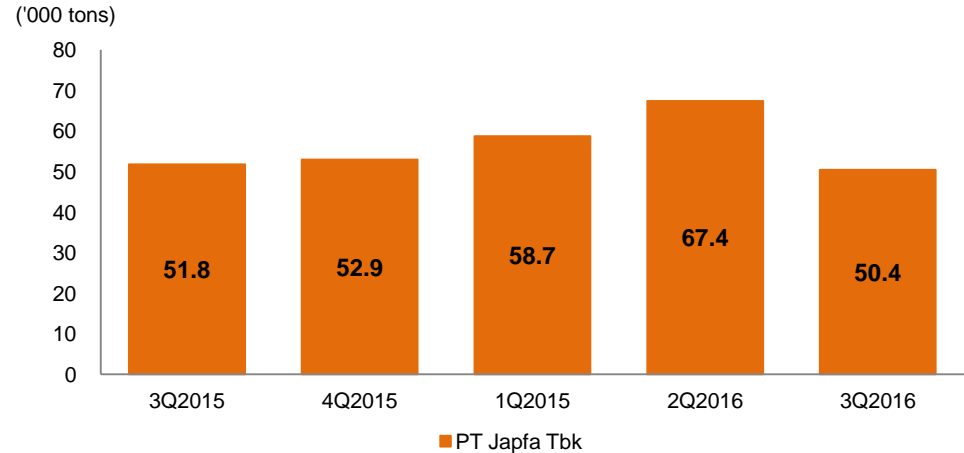


# Animal Protein – Operational Performance

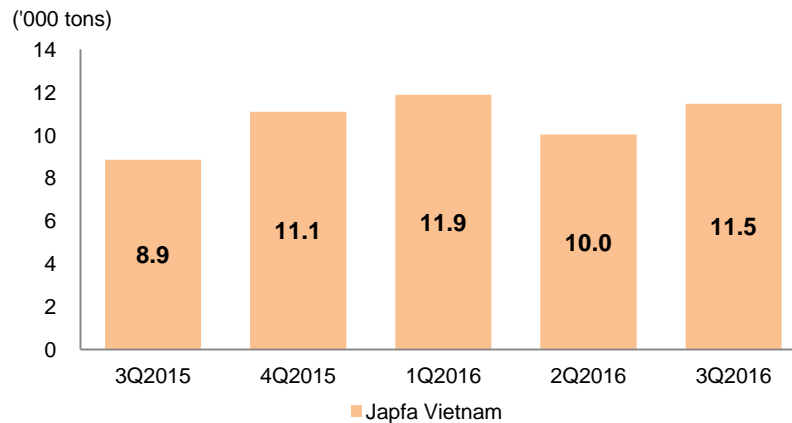
**Beef – Live Cattle: Sales Volume ('000 tons)**



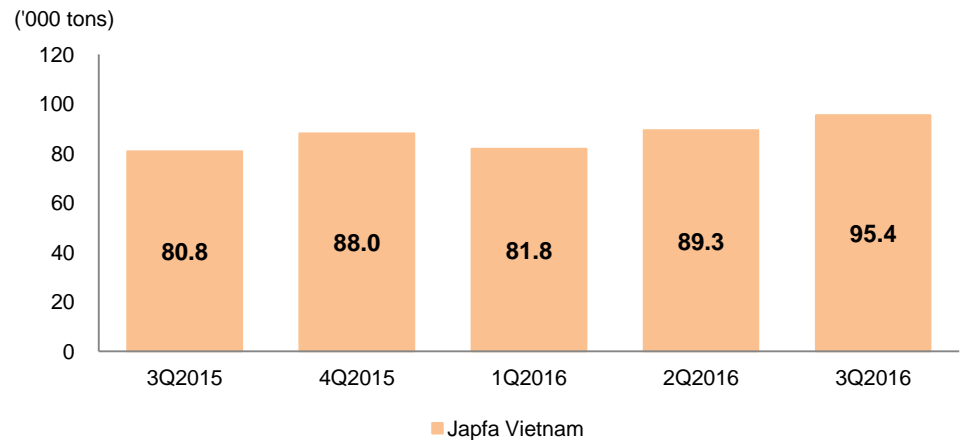
**Aquaculture – Aqua-feed: Sales Volume ('000 tons)**



**Swine Fattening: Sales Volume ('000 tons)**



**Animal Feed – Swine: Sales Volume ('000 tons)**





# Dairy – Financial Performance

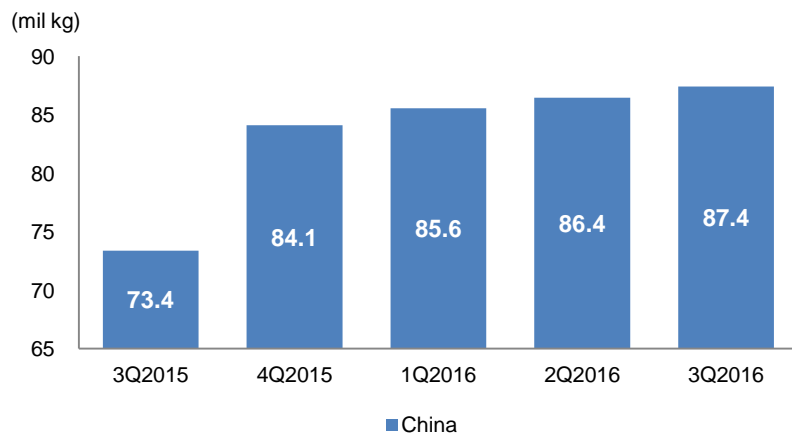


**Improvements in milk yield and growth in sales volume helped to mitigate the downward pressure on raw milk prices in China**

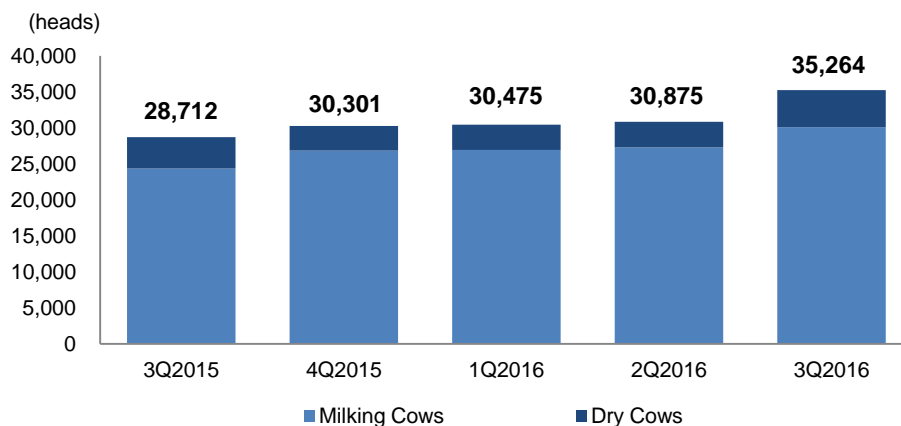
- Revenue and profit generation is driven by China. Our SEA operations continue to show improvement in profitability since 1Q 2016 even as we invest strategically in building the Greenfields brand.
- Revenue was up 3.2% mainly due to increased raw milk volume in China operations. Milkable cows in China grew by 23% year-on-year to 35,264 heads as at 30 September 2016.
- The enhancement of milk volumes and milk yields from 34.7 kg/head/day to 35.3 kg/head/day for China helped to offset the declining average selling price of raw milk in China, which declined by 10% year-on-year in 3Q 2016. Raw milk prices in China are expected to remain sluggish in the near term.
- Operating margin improved from 11.2% to 15.5% year-on-year, because of lower COGS arising from improved operational efficiency and lower feed costs.
- The PAT of US\$6.8m in 3Q 2016 includes a bio-asset fair value loss of US\$1.1m, while in 3Q 2015 there was a bio-asset fair value loss of US\$12.1m.

# Dairy – Operational Performance

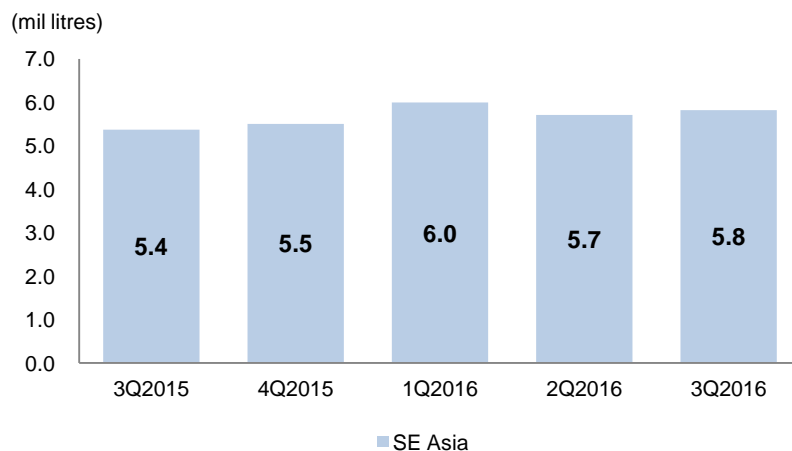
China Raw Milk: Sales Volume (mil kg)



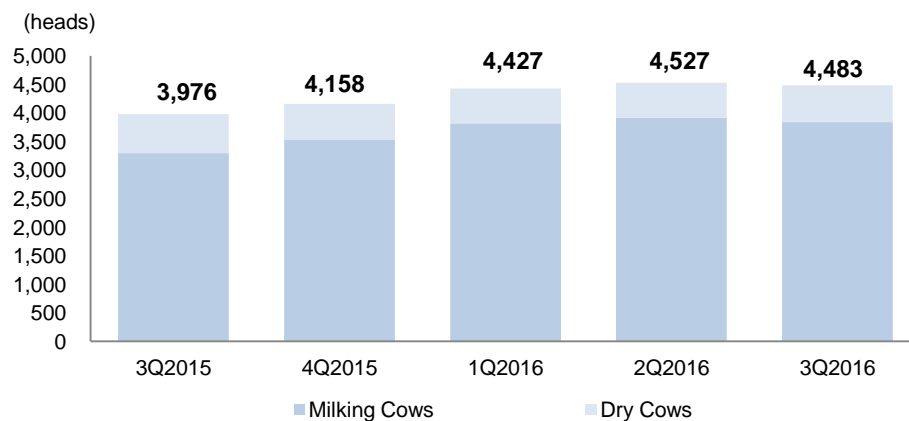
Milkable cows – China (heads)<sup>1</sup>



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

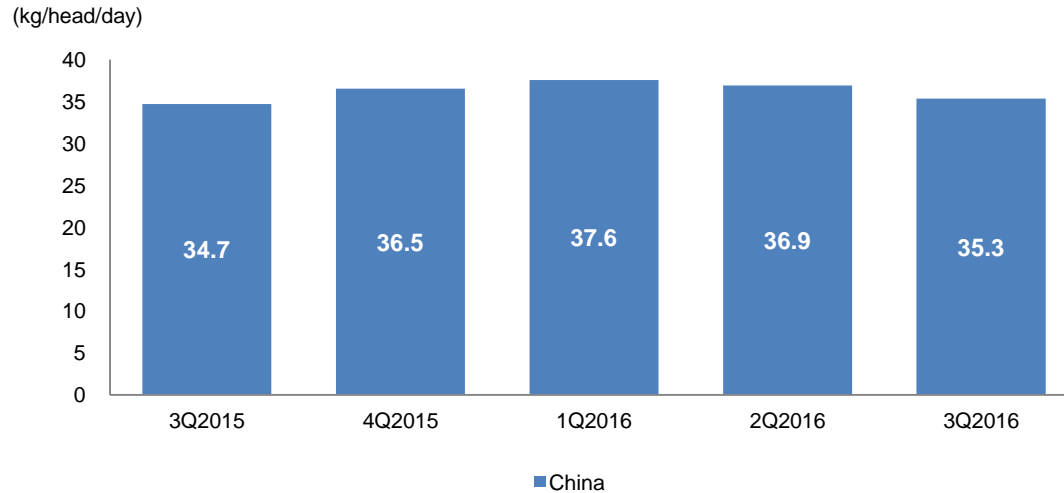


Milkable cows – SE Asia (heads)<sup>1</sup>

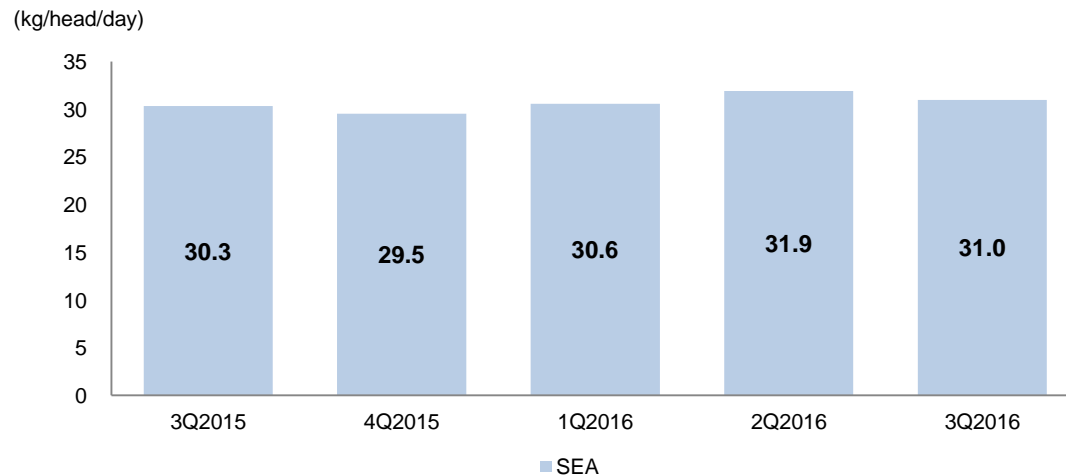


# Dairy – Operational Performance

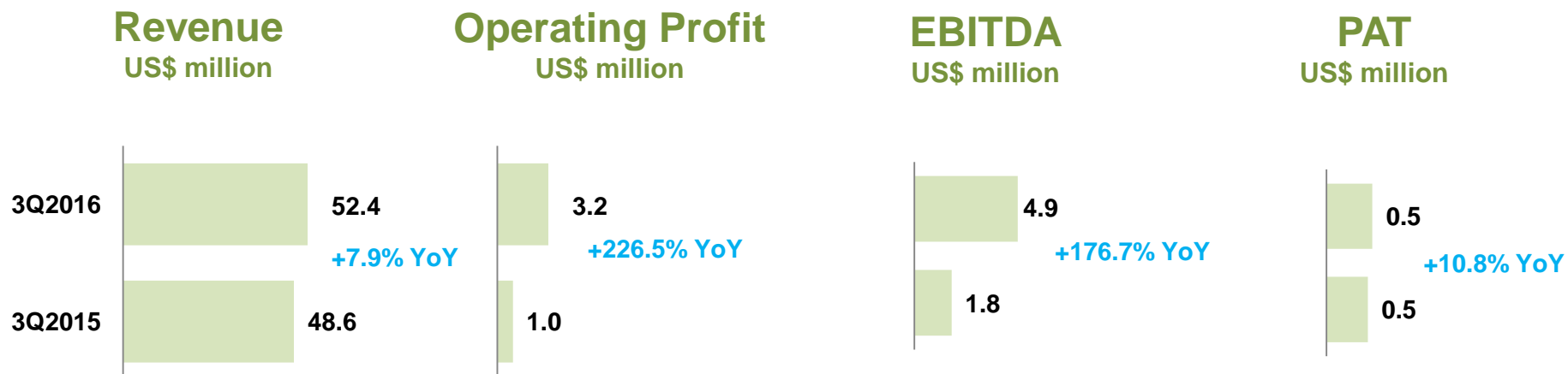
## Average Daily Milking – China (kg/head/day)



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



# Consumer Food – Financial Performance



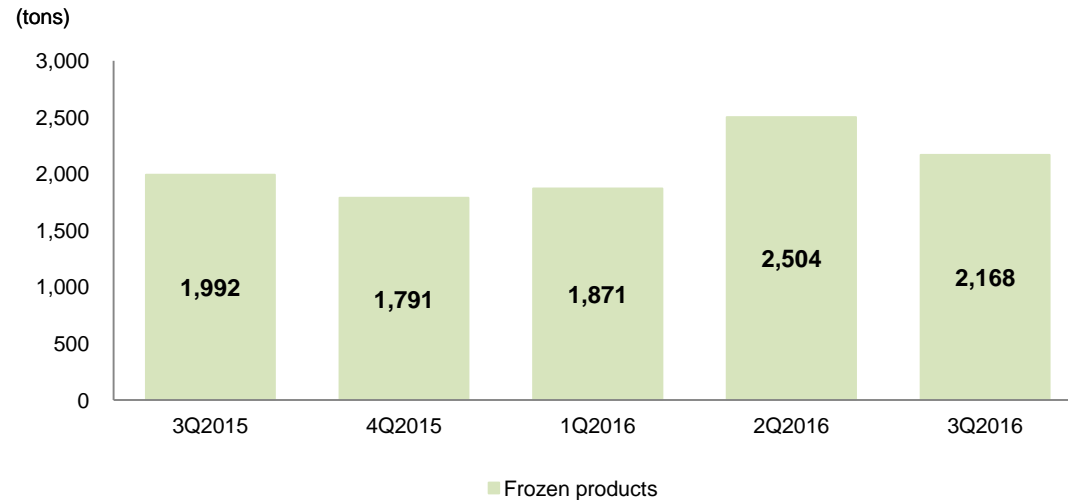
## Performance of Consumer Food segment improved in 3Q2016

- Revenue was up 7.9% due to the increase in sales volumes of frozen products and Real Good milk.
- Operating profit rose due to the higher sales volumes and improved margins.
- Indonesia operations continued to be profitable, while Vietnam incurred start-up losses.
- We continue to invest strategically to build up our consumer brands in Indonesia and Vietnam.

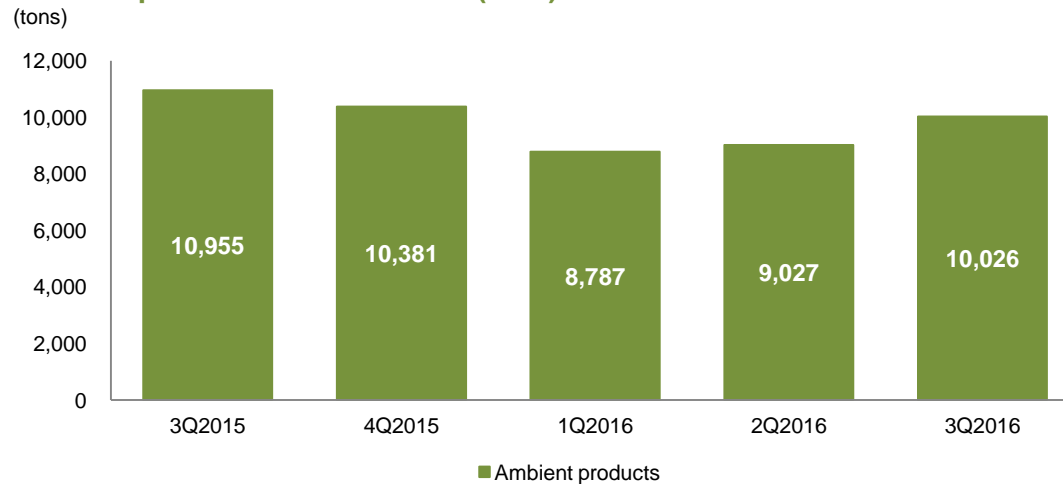


# Consumer Food – Operational Performance

**Frozen products: Sales Volume (tons)**



**Ambient products: Sales volume (tons)**





## Other Financial Highlights



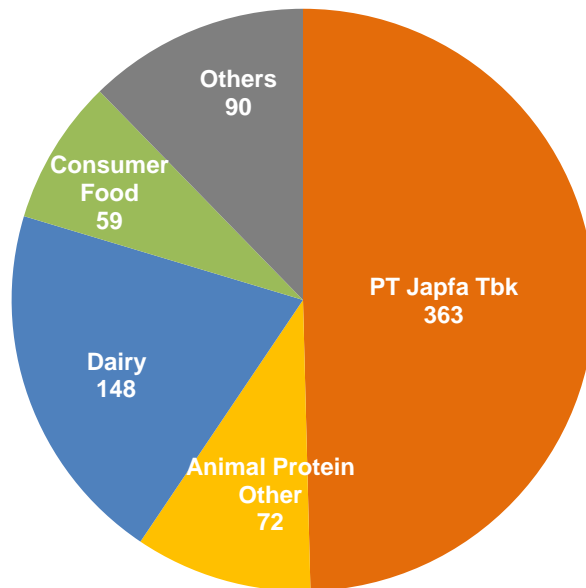
# Other Financial Highlights

<b>Balance Sheet (US\$m)</b>	<b>3Q 2016</b>	<b>FY2015</b>	<b>% change</b>
<b>Total Assets</b>	2,431.5	2,212.6	+9.9%
Cash	184.1	147.9	+24.5%
Inventory	661.5	609.4	+8.5%
<b>Total Liabilities</b>	1,153.6	1,204.0	-4.2%
Financial liabilities	732.0	840.5	-14.8%
<b>Total Equity</b>	1,277.9	1,008.6	+26.7%
Net Debt / Equity Ratio (x)	0.4	0.7	
Inventory Turnover Days	99.1	97.3	
<b>Cash Flows (US\$m)</b>	<b>9M 2016</b>	<b>9M 2015</b>	
Net Cash Flows from Operating Activities	236.9	192.5	
Net Cash Flows used in Investing Activities	(105.2)	(108.6)	
Net Cash Flows used in Financing Activities	(94.7)	(157.0)	
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>36.9</b>	<b>(73.1)</b>	

# Segmental Debt & Cash Profile

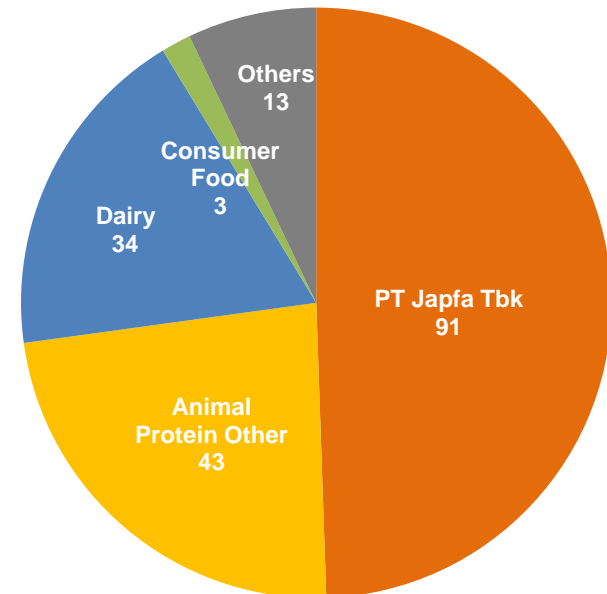
**Total Debt as at 30 September 2016**  
**US\$732m**

US\$ million



**Total Cash as at 30 September 2016**  
**US\$184m**

US\$ million



<sup>1</sup> PT Japfa Tbk's debt is net of USD bond buybacks of US\$26m

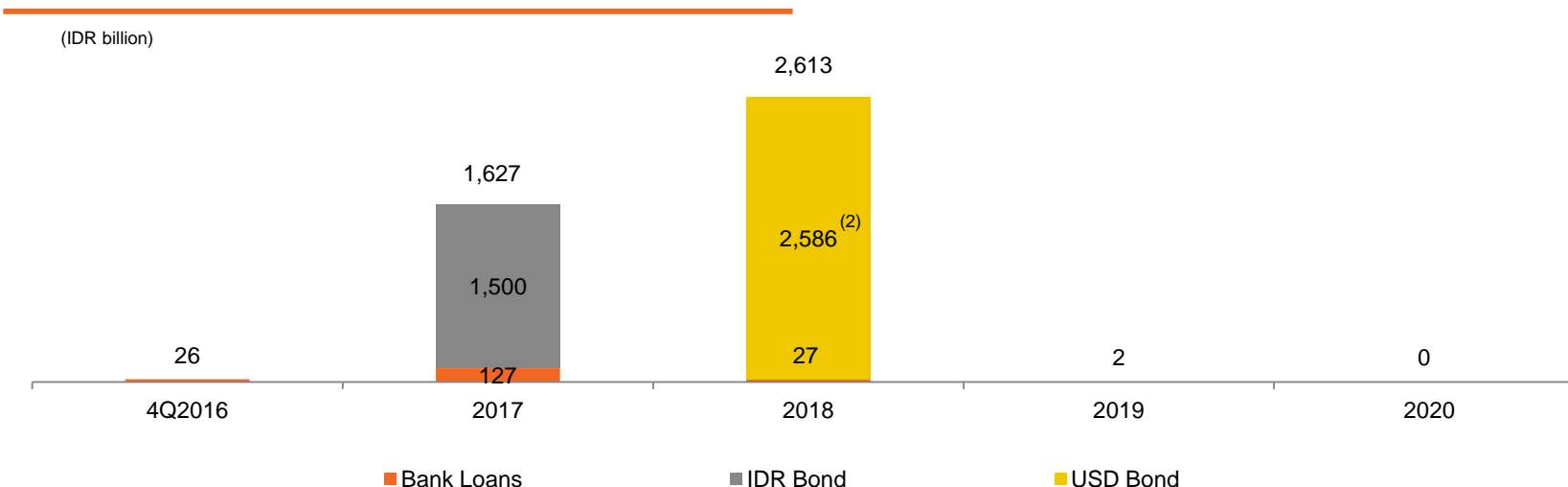
<sup>2</sup> Total Debt – Others refer to the debt of Annona (the central purchasing subsidiary in Singapore) for working capital purposes, costs of which are fully recovered

<sup>3</sup> Total Cash – Others refer mainly to the cash of Japfa Ltd



# PT Japfa Tbk Bond Refinancing Plans

## Debt Maturity Profile of Long Term Debt<sup>(1)</sup>



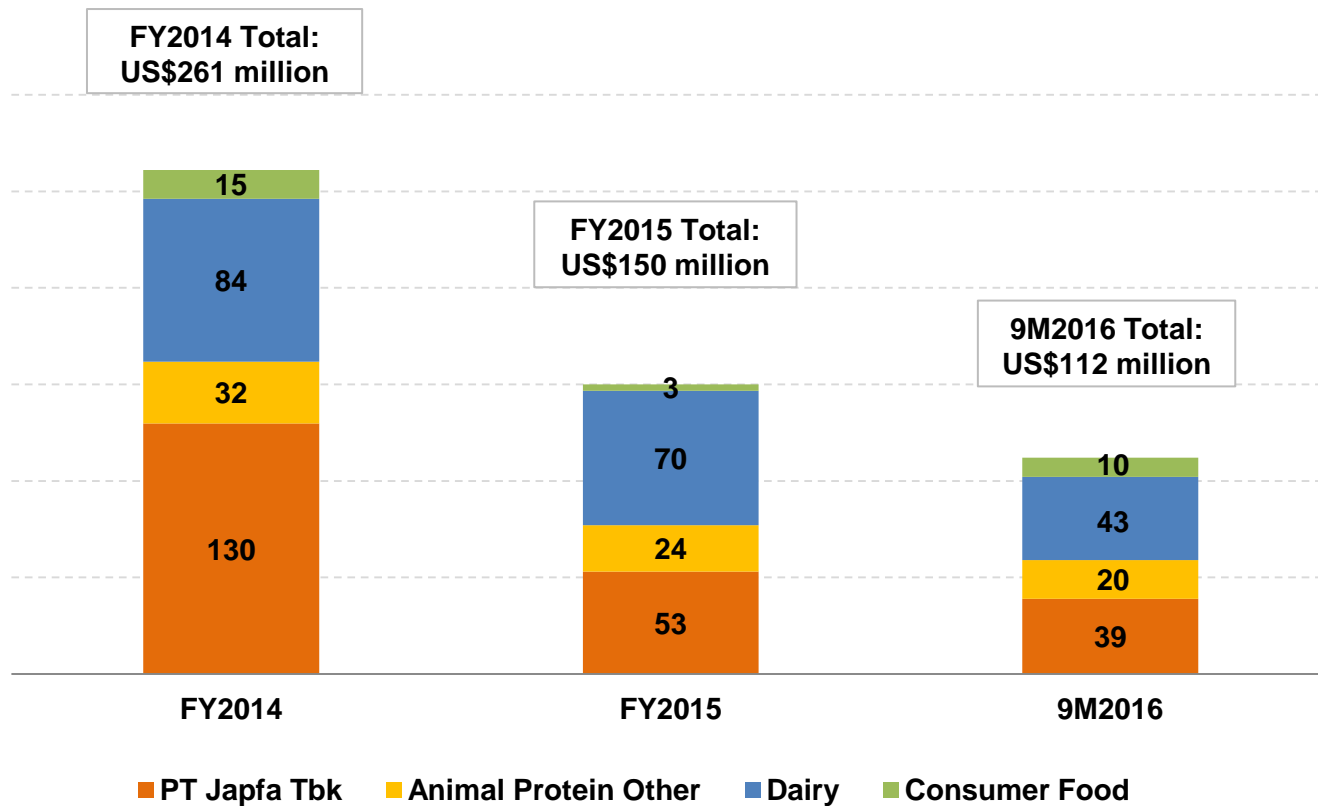
Existing IDR bond of IDR 1.5 trillion due in Jan / Feb 2017 can be refinanced as follows:

- ✓ Equity injection of IDR702 billion in August 2016 by KKR.
- ✓ PT Japfa Tbk has recently launched its proposed bond programme up to a maximum of IDR 3 trillion (approx US\$230 million). The first tap targeted by the end of 2016 is IDR 1 trillion.
- ✓ As a standby alternative, PT Japfa Tbk has signed a IDR 1 trillion facility with DBS in September 2016.

Existing USD bond of US\$225 million due in May 2018 can be refinanced as follows:

- ✓ US\$ 26 million has been repurchased to date, leaving a net balance of US\$199 million
- ✓ Refinancing of the US\$199 million balance could be from the proposed IDR 3 trillion bond programme or a new USD bond programme

# Capex FY2014 – 9M2016





# Looking Ahead





FTSE ST Small Cap Index comprises small capitalised companies which represent approximately 12% of SG market capitalisation.



10 October 2011

30 August 2016

- The 10 biggest SGX-listed F&B plays average a market cap of S\$3.5 billion, and averaged a 23% gain in the 2016 year through to 26 August. Japfa, Thai Beverage PCL and Jumbo Group were the strongest performers of the 10.
- The next 10 biggest SGX-listed F&B plays average a market cap of S\$153 million, and

Just about every type of food you can think of is consumed across all points of the income chain. Hence, Food & Beverage, or F&B, plays a large role in Singapore's economy and stock market.

Singapore lists 10 stocks with market values above S\$1 billion that report more than half of their revenue to South East Asia countries outside of Singapore. There are also another four international companies in this market value threshold that report majority revenue to the South East Asia region. This has been an important segment of the Singapore stock market in the years thus far – in terms of relative capitalisation size, the tempo of economic growth, and importantly, returns to investors in the

30



#	STOCK NAME	SECTOR	MARKET CAP AS OF JUN 30, 2008
1	Sargento Communications	Transport/Storage/Communications	65,847
2	Archer-Daniels-Midland	Food/Agribusiness	51,517
3	Archer-Daniels-Midland	Food/Agribusiness	45,124
4	USG Corporation	Chemicals	42,222
5	Overseer Commercial Holding Corp	Finance	39,252
6	United Overseas Bank (Singapore)	Finance	26,808
7	Post-Net	Telecommunications	25,265
8	Wing-Intelligence	Manufacturing	20,567
9	GrubHub, Inc.	Food/Agribusiness	19,111
10	Homebrew, Inc.	Food/Agribusiness	18,103
11	GrubHub, Inc.	Food/Agribusiness	14,828
12	Cardinal	Transport/Storage/Communications	14,447
13	Sargento Foods	Food/Agribusiness	12,311
14	Cardinal American International Holdings	Transport/Storage/Communications	11,811
15	Superior Industries	Multi-Industry	9,094
16	Sargento Technologies/Engineering	Multi-Industry	8,784
17	Cardinal	Transport/Storage/Communications	7,727
18	GrubHub, Inc.	Food/Agribusiness	9,702
19	Archer-Daniels-Midland	Food/Agribusiness	8,687
20	Sargento's School	Food/Agribusiness	8,782
21	Capital and Mail Trust	Finance	7,445
22	Cardinal	Transport/Storage/Communications	6,402
23	Archer-Daniels-Midland Investment Trust	Multi-Industry	6,413
24	First Resources (Singapore)	Agribusiness/Healthcare/Technology/Telecommunications	2,413
25	SHIPLIF	Multi-Industry	2,413
26	Marathon Chemical	Agribusiness/Healthcare/Technology/Telecommunications	2,413
27	Sargento Corp	Food/Agribusiness	2,413
28	Sargento Corp	Food/Agribusiness	2,413
29	Sargento Corp	Food/Agribusiness	2,413
30	Sargento Corp	Food/Agribusiness	2,413
31	Sargento Corp	Food/Agribusiness	2,413
32	Sargento Corp	Food/Agribusiness	2,413
33	Sargento Corp	Food/Agribusiness	2,413
34	Sargento Corp	Food/Agribusiness	2,413
35	Sargento Corp	Food/Agribusiness	2,413
36	Sargento Corp	Food/Agribusiness	2,413
37	Sargento Corp	Food/Agribusiness	2,413
38	Sargento Corp	Food/Agribusiness	2,413
39	Sargento Corp	Food/Agribusiness	2,413
40	Sargento Corp	Food/Agribusiness	2,413
41	Sargento Corp	Food/Agribusiness	2,413
42	Sargento Corp	Food/Agribusiness	2,413
43	Sargento Corp	Food/Agribusiness	2,413
44	Sargento Corp	Food/Agribusiness	2,413
45	Sargento Corp	Food/Agribusiness	2,413
46	Sargento Corp	Food/Agribusiness	2,413
47	Sargento Corp	Food/Agribusiness	2,413
48	Sargento Corp	Food/Agribusiness	2,413
49	Sargento Corp	Food/Agribusiness	2,413
50	Sargento Corp	Food/Agribusiness	2,413

*The Edge Singapore, 24 October 2016*  
**Japfa is ranked #75 among 101 billion-dollar stocks, with a market cap of S\$1.4 billion as at 30 June 2016**

[illegible]

**1 Companies included in The Edge Singapore Office Index**  
Companies that are listed and have at least 11 employees in Singapore as of June 30, 2016. Data is sourced from Compustat. Companies are ranked by market capitalization. The top 250 companies are ranked by quality based on market capitalization (but are excluded).

**2 Companies excluded from The Edge Singapore Office Index** (List number of companies in brackets)

- 1. Companies involved in Singapore business and/or investment (1)
- 2. Property companies (14)
- 3. Financial companies (1)
- 4. Other (1)

**3 Companies excluded from overall index**  
Companies excluded from The Edge Singapore Office Index are:

- 1. Companies with a market cap of less than \$100 million (1)
- 2. Companies with a market cap of less than \$100 million (1)
- 3. Companies with a market cap of less than \$100 million (1)

**4 How the metrics are calculated**

- 1. The average growth rate of the company's adjusted share price over the last trading day of the year is calculated as the average of the adjusted share price over the last trading day of the year.
- 2. The average growth rate of the company's adjusted share price over the last trading day of the year is calculated as the average of the adjusted share price over the last trading day of the year.

the last trading day of the second quarter three calendar years ago.

Share prices are sourced from Bloomberg and are based on the closing price of the shares, bond prices, distribution of money shares, dividend-to-price and capital expenditure-to-price ratios.

**3. Three-year annualised profit before tax (PBT) growth:** Computed as the compound annual growth rate (CAGR) of the PBT for the 10th, 11th and 12th years of the company's listed life. Data is sourced from the company's annual reports.

**4. Three-year weighted average cost of capital (WACC):** Computed as  $\frac{1}{3} \times \text{WACC}_{10} + \frac{1}{3} \times \text{WACC}_{11} + \frac{1}{3} \times \text{WACC}_{12}$  for the 10th, 11th and 12th years, where  $\text{WACC}_i$  represents the WACC for the company in year  $i$ . Data is sourced from [www.asiatrustdata.com](http://www.asiatrustdata.com).

**5. Overall score:**

Each eligible company in a sector is given a score for each of the three metrics. The maximum score for each sector is the sum of eligible companies in that sector. A 30% weight is assigned to each metric. Three-year annualised PBT growth is given a weight of 30% and 30% for the three-year weighted average WACC. The results are summed to give the overall score. The overall score is then divided by 10 to get a score that is equivalent to the average score.

**6. The Edge Singapore 100: Retail Club members:**

A Based on Sector classification

B Retail Club members: CAGR 10%, 11% and 12th years of the company's listed life and WACC 10th, 11th and 12th years have been considered

C Property sector has been broken down into Property Development and REITs

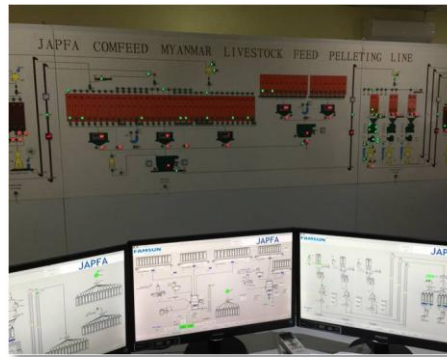


# Growing our Animal Protein Other Segment



## *Japfa's second feedmill in Myanmar officially opened on 16 October 2016*

- Sited in the Mandalay Myotha Industrial Zone, the modern and highly-efficient feedmill produces high quality animal feed for third party poultry farmers in the Mandalay region
- The growing consumption of chicken in Myanmar, on the back of rising household income, augurs well for Japfa Myanmar which holds second largest market share in broiler feed (~31%) and third largest market share in DOC broiler (~21%) in terms of production capacity



### Key Specifications

- Location : Mandalay Myotha Industrial Zone
- Starting operations in October 2016
- Current capacity : 7,000 MT/month (1 line)
- Eventual capacity : 20,000 MT/month (3 lines)
- Total area : 18 acres



# Strategic Expansion of our China Dairy Operations

*Construction of Farm 7 Dairy Farm in Chifeng, Inner Mongolia is well underway*

Hay Barns



Weaner Barn



Heifer Barns



Cow Barns



Lagoon



# Strategic Partnership with Cargill for our Consumer Food Segment



*From left: Hans Kabat - President, Cargill Protein Southeast Asia; Dirk Djatmiko – Senior Vice President, PT So Good Food; Derek Schoonbaert - Managing Director of PT Cahaya Gunung Foods*

## *Recently Announced Partnership with Cargill for Poultry Products in Indonesia*

- 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 (the "JVCo") will commence manufacturing operations in 1Q2017, at the factory leased from PT So Good Food

# Growth Strategies

## 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






# Appendix




# Segment Information – 9M 2016

	YTD JUN Y2016						
	ANIMAL PROTEIN			Dairy	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	1,512.7	421.8	1,934.5	200.8	150.6	1.8	2,287.7
Inter Segment Sales	29.5	0.0	29.5	1.9	0.7	(32.1)	0.0
TOTAL REVENUE	1,542.2	421.8	1,964.0	202.7	151.3	(30.3)	2,287.7
OPERATING PROFIT	183.4	38.2	221.7	39.3	4.0	3.5	268.4
% to sales	11.9%	9.1%	11.3%	19.4%	2.6%	-11.4%	11.7%
EBITDA	226.8	44.0	270.8	56.1	8.8	4.0	339.8
	14.7%	10.4%	13.8%	27.7%	5.8%	-13.2%	14.9%
Depreciation & Amortization	(37.6)	(5.5)	(43.1)	(14.6)	(5.0)	(0.2)	(62.9)
Net Interest Expense	(30.1)	(2.1)	(32.3)	(5.9)	(4.7)	(1.6)	(44.4)
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	159.0	36.4	195.4	35.7	(0.8)	1.7	232.0
Forex Gain(loss)	12.1	(0.4)	11.8	(3.1)	(2.1)	0.0	6.6
Fair Value Gain(Loss) Bio A	2.4	4.4	6.8	(13.5)	0.0	(0.0)	(6.7)
PBT	173.6	40.4	214.0	19.1	(2.9)	1.7	231.9
Tax	(40.0)	(2.5)	(42.4)	(1.3)	(1.1)	(1.3)	(46.2)
PAT	133.7	37.9	171.6	17.8	(4.0)	0.4	185.7
PAT w/o Bio A	131.7	34.5	166.2	31.2	(4.0)	0.4	193.8
% ownership	51.0%	100.0%		61.9%	100.0%	100.0%	
PATMI	71.1	37.5	108.6	11.1	(4.0)	0.4	116.0
Core PATMI	68.0	34.1	102.1	18.8	(4.0)	0.4	117.2
Core PATMI w/o Forex	61.0	34.5	95.4	20.7	(1.9)	0.4	114.6

## 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.
- EBITDA = PBT net of interest income (expense), FV of bio assets and marketable securities, forex gain (loss), depreciation of fixed assets and amortization of intangible assets.
- Core PATMI from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets and derivatives attributable to owners of the parent (net of tax), and excluded extraordinary items (attributable to owners of the parent, net of tax) namely a gain from the buyback of USD bonds in PT Japfa Tbk and gain on disposal of asset held for sale.
- Core PATMI w/o Forex is derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds in PT Japfa Tbk, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.
- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.

# Segment Information – 9M 2015


	YTD JUN Y2015						
	ANIMAL PROTEIN			Dairy	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	1,359.8	392.4	1,752.2	188.1	135.0	0.0	2,075.3
Inter Segment Sales	30.6	0.0	30.6	1.5	5.0	(37.1)	0.0
<b>TOTAL REVENUE</b>	<b>1,390.4</b>	<b>392.4</b>	<b>1,782.8</b>	<b>189.6</b>	<b>140.0</b>	<b>(37.1)</b>	<b>2,075.3</b>
<b>OPERATING PROFIT</b>	<b>74.3</b>	<b>28.8</b>	<b>103.0</b>	<b>31.9</b>	<b>4.1</b>	<b>2.3</b>	<b>141.4</b>
	5.3%	7.3%	5.8%	16.8%	2.9%	-6.3%	6.8%
<b>EBITDA</b>	<b>115.2</b>	<b>34.0</b>	<b>149.1</b>	<b>43.1</b>	<b>7.4</b>	<b>2.9</b>	<b>202.5</b>
	8.3%	8.7%	8.4%	22.7%	5.3%	-7.9%	9.8%
Depreciation & Amortization	(33.9)	(5.2)	(39.1)	(11.4)	(3.6)	(0.5)	(54.6)
Net Interest Expense	(37.8)	(2.0)	(39.8)	(6.7)	(3.8)	(1.8)	(52.1)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	2.6	2.6
<b>PBT before Forex &amp; BioA Valuation</b>	<b>43.5</b>	<b>26.7</b>	<b>70.2</b>	<b>25.0</b>	<b>(0.1)</b>	<b>3.2</b>	<b>98.4</b>
Forex Gain(loss)	(45.8)	(1.3)	(47.2)	(4.0)	2.8	(0.4)	(48.8)
Fair Value Gain(Loss) Bio A	0.8	1.6	2.5	(21.9)	0.0	0.0	(19.4)
<b>PBT</b>	<b>(1.5)</b>	<b>27.0</b>	<b>25.5</b>	<b>(0.9)</b>	<b>2.8</b>	<b>2.8</b>	<b>30.2</b>
Tax	(7.9)	(2.8)	(10.7)	0.9	(3.0)	(0.6)	(13.4)
<b>PAT</b>	<b>(9.4)</b>	<b>24.2</b>	<b>14.8</b>	<b>0.0</b>	<b>(0.2)</b>	<b>2.2</b>	<b>16.8</b>
<b>PAT w/o Bio A</b>	<b>(10.1)</b>	<b>22.9</b>	<b>12.8</b>	<b>21.9</b>	<b>(0.2)</b>	<b>2.2</b>	<b>36.8</b>
% ownership	57.5%	100.0%		61.9%	100.0%	100.0%	
<b>PATMI</b>	<b>(7.4)</b>	<b>23.4</b>	<b>16.0</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>2.3</b>	<b>18.0</b>
<b>Core PATMI</b>	<b>(10.9)</b>	<b>22.2</b>	<b>11.3</b>	<b>13.7</b>	<b>(0.2)</b>	<b>2.3</b>	<b>27.0</b>
<b>Core PATMI w/o Forex</b>	<b>15.5</b>	<b>23.5</b>	<b>39.0</b>	<b>16.2</b>	<b>(3.1)</b>	<b>2.7</b>	<b>54.8</b>

## 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.
- EBITDA = PBT net of interest income (expense), FV of bio assets and marketable securities, forex gain (loss), depreciation of fixed assets and amortization of intangible assets.
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- Core PATMI w/o Forex is derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds in PT Japfa Tbk, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.
- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.




# Quarterly Segment Information – 3Q 2016

	2Q 2016						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	523.3	144.5	667.8	66.2	52.2	1.8	788.0
Inter Segment Sales	10.1	0.0	10.1	0.6	0.2	(11.0)	(0.0)
TOTAL REVENUE	533.5	144.5	678.0	66.8	52.4	(9.2)	788.0
OPERATING PROFIT	79.6	11.4	91.0	10.4	3.2	0.9	105.4
	14.9%	7.9%	13.4%	15.5%	6.1%	-9.4%	13.4%
EBITDA	94.7	13.5	108.2	16.4	4.9	1.2	130.6
	17.7%	9.3%	16.0%	24.5%	9.3%	-12.6%	16.6%
Depreciation & Amortization	(12.4)	(1.9)	(14.3)	(5.0)	(1.7)	(0.1)	(21.1)
Net Interest Expense	(9.2)	(0.8)	(10.0)	(2.0)	(1.5)	(0.4)	(13.9)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	0.2	0.2
PBT before Forex & BioA Valuation	73.1	10.8	83.9	9.4	1.6	0.9	95.8
Forex Gain(loss)	3.4	(0.1)	3.3	(1.2)	(0.5)	0.1	1.6
Fair Value Gain(Loss) Bio A	3.6	3.2	6.8	(1.1)	0.0	(0.0)	5.7
PBT	80.1	13.9	94.0	7.1	1.2	0.9	103.2
Tax	(22.0)	(1.1)	(23.1)	(0.3)	(0.6)	(0.2)	(24.2)
PAT	58.1	12.8	70.9	6.8	0.5	0.8	79.0
PAT w/o Bio A	55.2	10.3	65.5	7.8	0.5	0.8	74.7
% ownership	51.0%	100.0%		61.9%	100.0%	100.0%	
PATMI	29.7	12.7	42.4	4.3	0.5	0.8	48.0
Core PATMI	26.5	10.1	36.6	4.7	0.5	0.8	42.6
Core PATMI w/o Forex	24.6	10.3	34.9	5.4	1.0	0.7	42.0

## Notes:

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- Consumer Food – includes the operations in Indonesia and Vietnam.
- Others - include corporate office, central purchasing office in Singapore and consolidation adjustments between segments.
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- Core PATMI from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets and derivatives attributable to owners of the parent (net of tax), and excluded extraordinary items (attributable to owners of the parent, net of tax) namely a gain from the buyback of USD bonds in PT Japfa Tbk and gain on disposal of asset held for sale.
- Core PATMI w/o Forex is derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds in PT Japfa Tbk, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.
- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.


# Quarterly Segment Information – 2Q 2016

	2Q 2016						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	523.2	140.6	663.8	65.5	52.7	(0.0)	782.1
Inter Segment Sales	9.3	0.0	9.3	0.6	0.2	(10.1)	0.0
TOTAL REVENUE	532.5	140.6	673.1	66.1	52.9	(10.1)	782.1
OPERATING PROFIT	75.8	16.9	92.7	13.9	0.3	0.9	107.8
	14.2%	12.0%	13.8%	21.1%	0.6%	-9.0%	13.8%
EBITDA	88.7	18.8	107.5	21.7	1.9	1.1	132.1
	16.7%	13.4%	16.0%	32.8%	3.6%	-10.7%	16.9%
Depreciation & Amortization	(13.3)	(1.9)	(15.2)	(4.9)	(1.7)	(0.1)	(21.8)
Net Interest Expense	(10.6)	(0.7)	(11.2)	(1.9)	(1.6)	(0.5)	(15.2)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	0.1	0.1
PBT before Forex & BioA Valuation	64.8	16.3	81.1	14.9	(1.4)	0.7	95.3
Forex Gain(loss)	(0.7)	(0.4)	(1.1)	(2.3)	(0.2)	(0.1)	(3.7)
Fair Value Gain(Loss) Bio A	(4.2)	0.9	(3.3)	(7.5)	0.0	(0.0)	(10.8)
PBT	60.0	16.7	76.7	5.1	(1.6)	0.6	80.8
Tax	(8.3)	(0.9)	(9.2)	(0.6)	(0.5)	(0.9)	(11.2)
PAT	51.7	15.8	67.5	4.5	(2.1)	(0.4)	69.6
PAT w/o Bio A	55.0	15.1	70.1	12.0	(2.1)	(0.4)	79.8
% ownership	58.7%	100.0%		61.9%	100.0%	100.0%	
PATMI	28.6	15.7	44.3	2.8	(2.1)	(0.4)	44.6
Core PATMI	30.6	15.0	45.6	6.2	(2.1)	(0.4)	49.3
Core PATMI w/o Forex	31.0	15.4	46.4	7.6	(1.9)	(0.3)	51.9

## Notes:

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- Core PATMI w/o Forex is derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. As the majority of the foreign exchange gains/losses are unrealised and arises from the translation of USD bonds in PT Japfa Tbk, which has no tax implication, we have not made an estimate of the tax impact on foreign exchange gains/losses.
- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.


# Quarterly Segment Information – 1Q 2016

	1Q 2016						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	466.2	136.7	602.9	69.1	45.7	(0.0)	717.7
Inter Segment Sales	10.1	0.0	10.1	0.6	0.3	(11.0)	0.0
<b>TOTAL REVENUE</b>	<b>476.2</b>	<b>136.7</b>	<b>613.0</b>	<b>69.7</b>	<b>46.0</b>	<b>(11.0)</b>	<b>717.7</b>
<b>OPERATING PROFIT</b>	<b>28.0</b>	<b>10.0</b>	<b>38.0</b>	<b>15.0</b>	<b>0.4</b>	<b>1.7</b>	<b>55.1</b>
	5.9%	7.3%	6.2%	21.5%	0.9%	-15.3%	7.7%
<b>EBITDA</b>	<b>43.5</b>	<b>11.7</b>	<b>55.2</b>	<b>18.1</b>	<b>2.1</b>	<b>1.8</b>	<b>77.1</b>
	9.1%	8.6%	9.0%	25.9%	4.6%	-16.0%	10.7%
Depreciation & Amortization	(12.0)	(1.7)	(13.7)	(4.7)	(1.6)	(0.1)	(20.1)
Net Interest Expense	(10.4)	(0.7)	(11.1)	(2.0)	(1.6)	(0.7)	(15.3)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	(0.0)	0.0	(0.8)	(0.8)
<b>PBT before Forex &amp; BioA Valuation</b>	<b>21.1</b>	<b>9.3</b>	<b>30.4</b>	<b>11.4</b>	<b>(1.1)</b>	<b>0.1</b>	<b>40.9</b>
Forex Gain(loss)	9.4	0.1	9.6	0.5	(1.4)	0.0	8.7
Fair Value Gain(Loss) Bio A	3.0	0.3	3.3	(4.9)	0.0	(0.0)	(1.6)
<b>PBT</b>	<b>33.5</b>	<b>9.8</b>	<b>43.3</b>	<b>7.0</b>	<b>(2.5)</b>	<b>0.2</b>	<b>48.0</b>
Tax	(9.7)	(0.5)	(10.2)	(0.5)	0.0	(0.2)	(10.9)
<b>PAT</b>	<b>23.8</b>	<b>9.3</b>	<b>33.1</b>	<b>6.5</b>	<b>(2.5)</b>	<b>(0.0)</b>	<b>37.1</b>
<b>PAT w/o Bio A</b>	<b>21.4</b>	<b>9.1</b>	<b>30.5</b>	<b>11.3</b>	<b>(2.5)</b>	<b>(0.0)</b>	<b>39.3</b>
<i>% ownership</i>	58.7%	100.0%		61.9%	100.0%	100.0%	
<b>PATMI</b>	<b>12.7</b>	<b>9.2</b>	<b>21.9</b>	<b>4.0</b>	<b>(2.5)</b>	<b>(0.0)</b>	<b>23.4</b>
<b>Core PATMI</b>	<b>10.9</b>	<b>9.0</b>	<b>19.9</b>	<b>7.9</b>	<b>(2.5)</b>	<b>(0.0)</b>	<b>25.3</b>
<b>Core PATMI w/o Forex</b>	<b>5.4</b>	<b>8.8</b>	<b>14.2</b>	<b>7.6</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>20.7</b>

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- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.


# Quarterly Segment Information – 4Q 2015

	4Q 2015						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	454.7	141.7	596.3	69.3	46.1	(0.0)	711.8
Inter Segment Sales	9.5	0.0	9.5	0.5	0.2	(10.2)	(0.0)
TOTAL REVENUE	464.2	141.7	605.9	69.8	46.3	(10.2)	711.8
OPERATING PROFIT	52.1	7.0	59.2	13.2	0.2	2.7	75.3
	11.2%	5.0%	9.8%	18.9%	0.5%	-26.3%	10.6%
EBITDA	64.8	8.6	73.3	17.6	1.4	2.7	95.0
	14.0%	6.0%	12.1%	25.2%	3.0%	-26.0%	13.3%
Depreciation & Amortization	(11.4)	(1.6)	(13.0)	(4.4)	(1.2)	(0.1)	(18.7)
Net Interest Expense	(11.3)	(0.5)	(11.8)	(1.5)	(1.3)	(0.6)	(15.2)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	(0.0)	0.0	(0.1)	(0.1)
PBT before Forex & BioA Valuation	42.0	6.5	48.5	11.7	(1.1)	1.9	61.1
Forex Gain(loss)	10.3	(0.0)	10.3	(2.0)	(1.5)	(0.0)	6.9
Fair Value Gain(Loss) Bio A	0.1	0.1	0.1	13.6	0.0	(0.0)	13.8
PBT	52.4	6.5	58.9	23.4	(2.5)	1.9	81.7
Tax	(7.0)	0.1	(6.9)	(0.8)	0.4	0.5	(6.8)
PAT	45.4	6.6	52.1	22.6	(2.1)	2.4	74.9
PAT w/o Bio A	45.4	6.6	52.0	8.2	(2.1)	2.4	60.5
% ownership	58.0%	100.0%		61.9%	100.0%	100.0%	
PATMI	25.8	6.6	32.4	14.1	(2.1)	2.4	46.7
Core PATMI	25.0	6.6	31.6	4.8	(2.1)	2.4	36.6
Core PATMI w/o Forex	19.1	6.6	25.6	6.0	(0.7)	2.4	33.4

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# Quarterly Segment Information – 3Q 2015

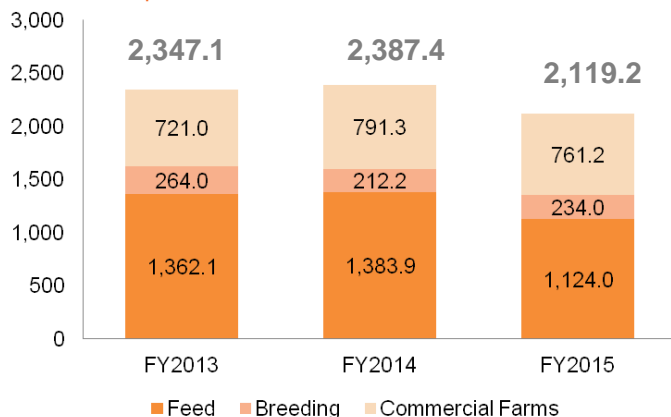
	3Q 2015						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	Others	TOTAL
	TBK	AP Other	Total				
External Revenue	449.7	134.0	583.7	64.3	47.4	0.0	695.3
Inter Segment Sales	10.0	0.0	10.0	0.5	1.2	(11.6)	0.0
<b>TOTAL REVENUE</b>	<b>459.7</b>	<b>134.0</b>	<b>593.7</b>	<b>64.7</b>	<b>48.6</b>	<b>(11.6)</b>	<b>695.4</b>
<b>OPERATING PROFIT</b>	<b>48.8</b>	<b>7.9</b>	<b>56.7</b>	<b>7.2</b>	<b>1.0</b>	<b>0.9</b>	<b>65.8</b>
	10.6%	5.9%	9.6%	11.2%	2.0%	-7.7%	9.5%
<b>EBITDA</b>	<b>65.9</b>	<b>9.8</b>	<b>75.6</b>	<b>11.3</b>	<b>1.8</b>	<b>1.0</b>	<b>89.7</b>
	14.3%	7.3%	12.7%	17.5%	3.6%	-8.5%	12.9%
Depreciation & Amortization	(11.3)	(1.9)	(13.2)	(3.9)	(1.2)	(0.1)	(18.3)
Net Interest Expense	(12.6)	(0.6)	(13.2)	(2.2)	(1.1)	(0.7)	(17.2)
Fair Value Gain(Loss) Marketable Securities	0.0	0.0	0.0	0.0	0.0	2.1	2.1
<b>PBT before Forex &amp; BioA Valuation</b>	<b>42.0</b>	<b>7.3</b>	<b>49.3</b>	<b>5.2</b>	<b>(0.5)</b>	<b>2.3</b>	<b>56.3</b>
Forex Gain(loss)	(25.3)	(1.1)	(26.4)	(4.1)	1.8	(0.1)	(28.9)
Fair Value Gain(Loss) Bio A	1.9	0.8	2.8	(12.1)	0.0	0.0	(9.3)
<b>PBT</b>	<b>18.6</b>	<b>7.1</b>	<b>25.7</b>	<b>(10.9)</b>	<b>1.2</b>	<b>2.2</b>	<b>18.1</b>
Tax	(6.3)	(0.6)	(6.9)	0.1	(0.7)	(0.2)	(7.7)
<b>PAT</b>	<b>12.3</b>	<b>6.5</b>	<b>18.8</b>	<b>(10.8)</b>	<b>0.5</b>	<b>2.0</b>	<b>10.4</b>
<b>PAT w/o Bio A</b>	<b>10.7</b>	<b>5.8</b>	<b>16.6</b>	<b>1.2</b>	<b>0.5</b>	<b>2.0</b>	<b>20.3</b>
% ownership	57.5%	100.0%		61.9%	100.0%	100.0%	
<b>PATMI</b>	<b>6.0</b>	<b>6.4</b>	<b>12.4</b>	<b>(6.9)</b>	<b>0.5</b>	<b>2.1</b>	<b>8.0</b>
<b>Core PATMI</b>	<b>2.1</b>	<b>5.8</b>	<b>7.9</b>	<b>0.9</b>	<b>0.5</b>	<b>2.1</b>	<b>11.3</b>
<b>Core PATMI w/o Forex</b>	<b>16.7</b>	<b>6.8</b>	<b>23.5</b>	<b>3.5</b>	<b>(1.3)</b>	<b>2.2</b>	<b>27.9</b>

## Notes:

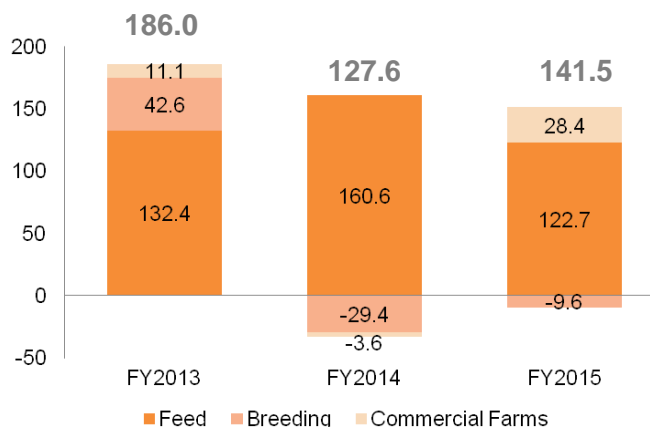
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# 3-Year Segmental Trends: PT Japfa Tbk (Poultry)

**Revenue**  
US\$ million



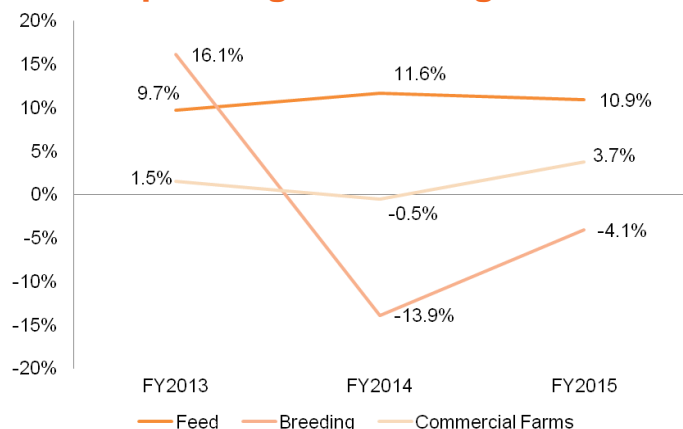
**Operating Profit**  
US\$ million



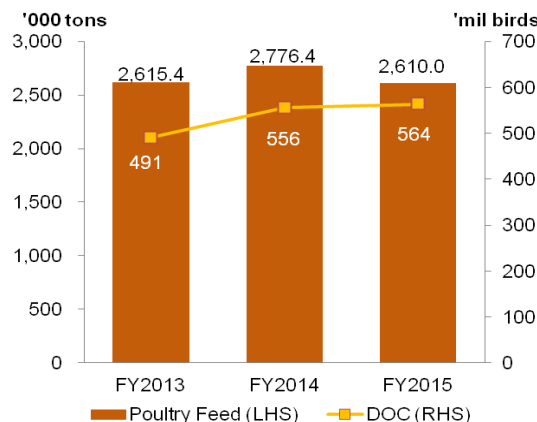
PT Japfa Tbk is one of the core pillars of the Group's business

- Revenue trend was mainly impacted by the weakening of Rupiah and lower volumes
- Profitability in the past two years was affected by the issues in the poultry industry
- Nonetheless, our feed business continues to be the stable pillar of our profitability, even during market downturn
- Our ability to pass on raw material costs increases in our feed selling prices is reflected in our stable feed operating margins, during a period of Rupiah volatility

**Operating Profit Margin**



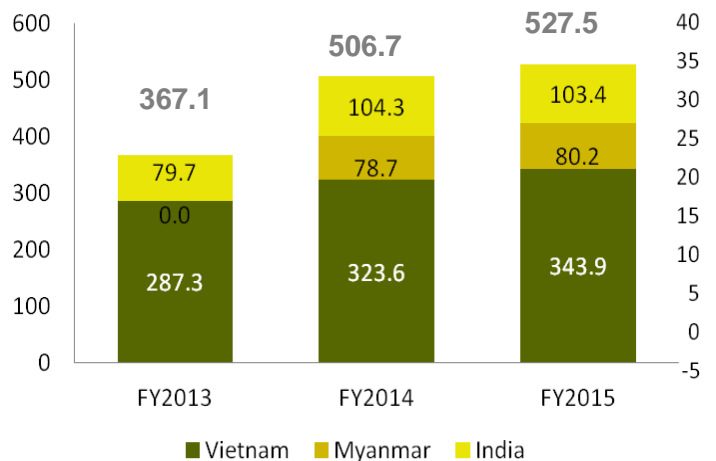
**Poultry Feed and DOC Sales Volume**



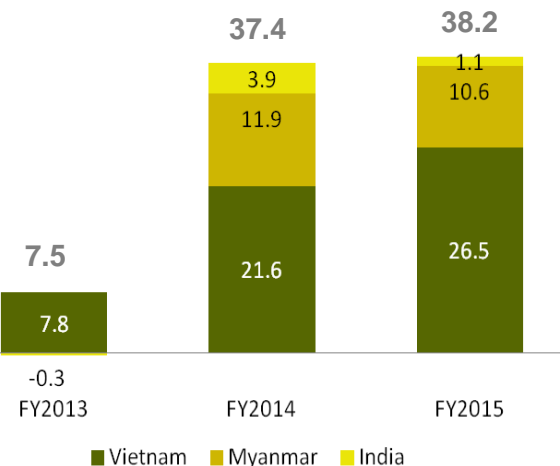


# 3-Year Segmental Trends: Animal Protein Other

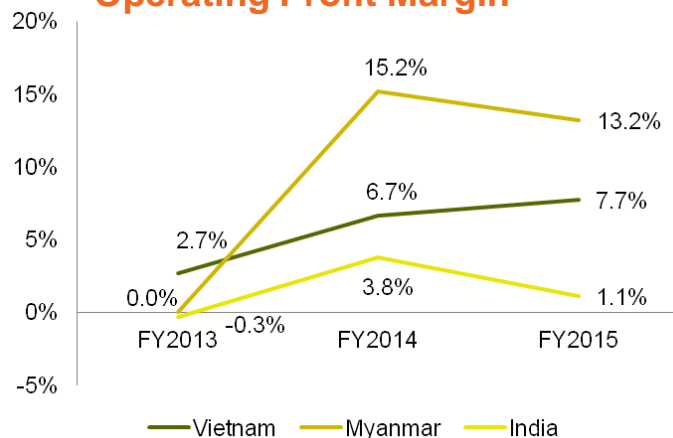
**Revenue**  
US\$ million



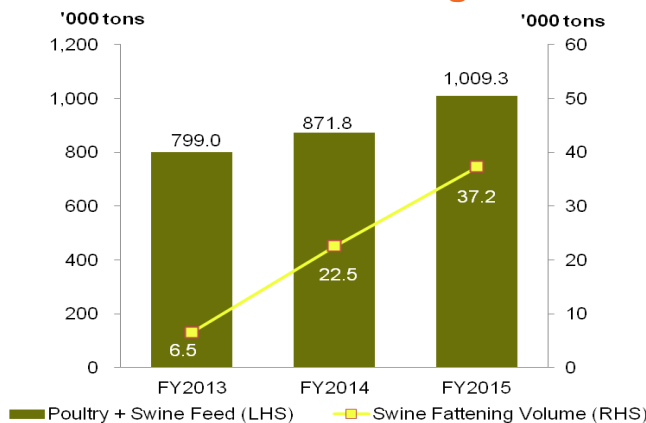
**Operating Profit**  
US\$ million



**Operating Profit Margin**



**Feed and Swine Fattening Volume**

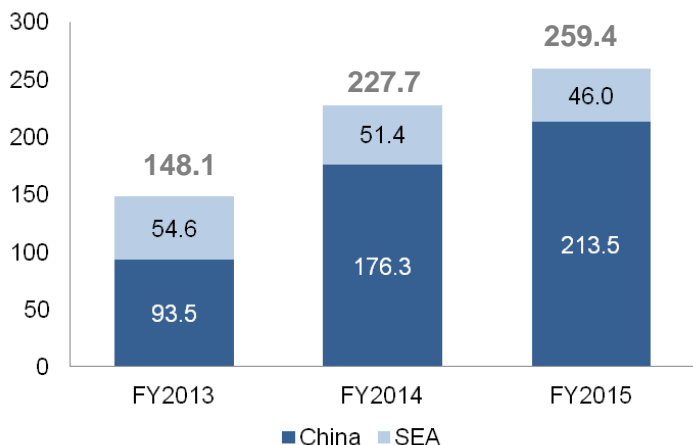


## Diversification strategy is coming through

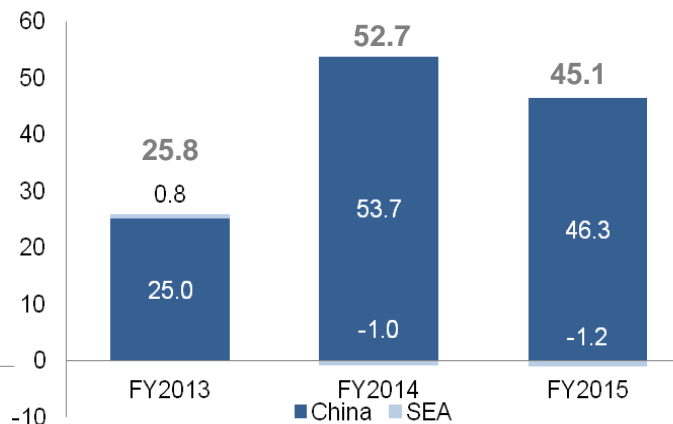
- With our expertise and track record in the poultry business, we are replicating the same success model in Vietnam, Myanmar and India
- Profitability of our Animal Protein Other business has been strengthening over the past three years
- Vietnam's strong growth was in part due to the turnaround of its swine business – it incurred a start-up loss in FY2013, broke even in the following year and turned profitable in FY2015
- Myanmar contributed consistently in the last two years to our revenue and profitability, and provides growth opportunity in the medium term
- In the longer term, we see India as another key growth market; our current focus is on growing our feed business
- Our aim is to grow the Animal Protein Other business to be the next major pillar for the Group

# 3-Year Segmental Trends: Dairy

**Revenue**  
US\$ million



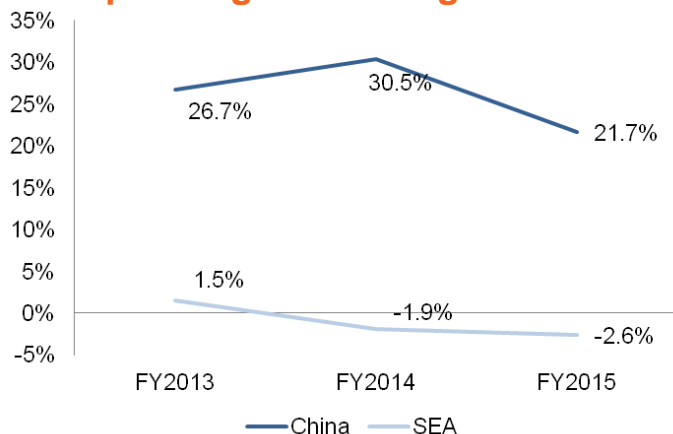
**Operating Profit**  
US\$ million



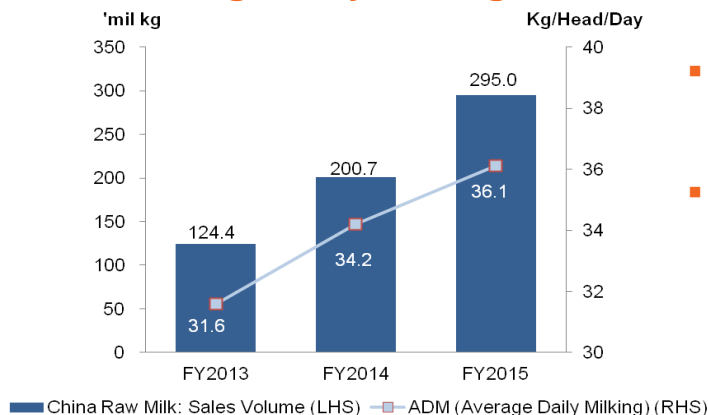
**Dairy business is poised to be a strong third pillar for the Group**

- Revenue growth for our dairy business has been driven by China
- Profit generation is similarly driven by China, while our SEA operations are breaking even
- In China, our current operations are focused on dairy farming, whereas in SEA, our focus has moved beyond dairy farming to downstream processing and branding
- In SEA, we have been investing strategically in building the Greenfields brand
- Profitability in FY2015 was subdued by the low raw milk price environment in China
- We continue to focus on improving our milk yields and volumes in China, to mitigate fluctuations in raw milk prices

**Operating Profit Margin**



**China Raw Milk Sales Volume and Average Daily Milking**





# Thank You

