Unofficial Translation

Jakarta, 24 April 2016

Number : 066/JAPFA-OJK/LD-CS/IV/2016
Attachment : -
Information : Report of Information

To
Chief Executive of the Capital Market Supervisory
Financial Services Authority

in
Jakarta

By this, for and on behalf of the company, we are submitting information as follows:

Name or Public Company	: PT Japfa Comfeed Indonesia Tbk ("Company")
Business Lines	: Industrialised agri-food company, producing feed, and operating breeding farms, and commercial livestock fattening farms, focusing on poultry, beef and aquaculture.
Phone	: (62- 21) 2854 5680
Faximile	: (62- 21)) 8310 309
Electronic mail address (email)	: mayap@japfacomfeed.co.id

1	Event's Date	22 April 2016
2	Type of Information	The decision of the Business Competition Supervisory Commission (KPPU) on allegations of cartel and restriction of the distribution and / or sale of products to the relevant market for PT Santosa Agrindo and PT Austasia Stockfeed (subsidiary of the Company)
3	Information Description	KPPU assign guilt to all 32 companies including both PT Santosa Agrindo (Santori) and PT Austasia Stockfeed (Austasia) for cartel and production arrangement as alleged. Penalty for Santori Rp. 5,454,925,000.- and penalty for Austasia Rp. 8,826,692,000.- Santori and Austasia take the decision of the KPPU very seriously and will appeal to the District Court on the KPPU's decision. As such the decision of the KPPU is non-final and non-binding and the fines imposed on Santori and Austasia are suspended. Santori and Austasia have never been involved and never had intentions to engage in talks and agreement on supply arrangements and price discussion of import beef with other business players. Fattening cattle business, mainly involving cattle import activity, is a "highly regulated industry" and is closely monitored by the government, making it difficult for Santori and Austasia not to open and follow the government regulations. Cartel is unlikely to happen and done in the imported cattle feedlot industry, due to:

		1) The need for imported cattle only meets about 30% of beef demand in Indonesia (with details of 20% import cattle, and 10% beef meat imports). Supply of beef meat was obtained locally. 2) There are almost no *entry barrier* for new business players, making a lot of players in the industry, therefore, it is nearly impossible to do coordination among them. 3) Demand for cattle is a basic requirement set by both supply (through the mechanism of quotas) and price (through the intervention of the Government reference price). The marketing chain involves many parties, starting from cattle ranchers and businessmen, from fattening up until beef retailers. Santori and Austasia just stopped until fattening, and are not integrated with the RPH and Retail. Santori in developing its business is not merely for short-term gains. Santori also do cattle breeding with cows bred in Indonesia to support self-sufficiency, where price affordability of the product by the public can also be maintained. Santori's commitment is realized by developing cattle breeding and fattening business in Jabung, Lampung and cattle fattening in Probolinggo and Bekri, Lampung. The Company believes it has strong grounds to appeal the Commission's decision based on the above.
4	Impact of the event, information or material facts to the activities in operational, legal, financial condition or business continuity of the Public Company	KPPU's decision is not expected to have a material effect on the operations, the state of law, the financial condition and business continuity of the Company.
5	Other Information	The Company also wishes to inform that following the Preliminary Examination by the Commission against the Company and 11 other poultry companies relating to the Alleged Violation of Article 11 of Law No. 5 Year 1999 with respect to the culling of 6 million parent stock DOCs instructed and coordinated by the Director General of Animal Husbandry. The KPPU has decided to progress the case against the Company and the other 11 poultry companies, to the Further Examination stage. The Company will follow this process and provide further update, as necessary."

Best Regards,
PT Japfa Comfeed Indonesia Tbk

Stamp & signed

Maya Pradjono
Corporate Secretary

Copy:
- Directors of the Indonesia Stock Exchange