PRESS RELEASE

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Japfa's diversification strategy delivers 1Q 2015 operating profit of US$31.5 million, amidst challenging market in Indonesia

- ***PT Japfa Comfeed continues to be impacted by persistent challenges in Indonesia's poultry market, including further depreciation of the Indonesian Rupiah resulting in foreign exchange losses of US$13.7 million***

- ***EBITDA remains stable at about US$50.3 million, supported by the combined strength of other animal protein businesses in Vietnam, Myanmar and India, as well as the dairy business in China***

Singapore, 30 April 2015 – Leveraging its diversified operations across multiple protein segments and geographies, leading agri-food company, **Japfa Ltd** ("Japfa", or together with its subsidiaries, the "Group") has achieved an operating profit of US$31.5 million for the first three months ended 31 March 2015 ("1Q 2015"), amidst challenging market conditions in Indonesia.

The Group's 1Q 2015 financial results were significantly impacted by the performance of 57.5%-owned PT Japfa Comfeed Indonesia Tbk ("PT Japfa Comfeed"), which registered a net loss in 1Q 2015 because of the continuing weakness in the Indonesian poultry market since the third quarter of last year, as well as a 5% depreciation of the Indonesian Rupiah ("IDR") in the first quarter of 2015 that further impacted the purchasing power of low-income consumers in Indonesia.

More significantly, the depreciation of the IDR resulted in unrealised exchange losses on PT Japfa Comfeed's US Dollar-denominated bond, which led to it registering foreign exchange adjustment losses of US$13.7 million in 1Q 2015, as compared to foreign exchange gains of US$9.0 million in 1Q 2014.

Despite the weaker performance of PT Japfa Comfeed, the combined strength of the Group's diversified operations including other animal protein businesses in Vietnam, Myanmar and India, as well as its dairy business in China, led to the Group's EBITDA remaining stable at about US$50.3 million.

As a result of the aforementioned factors, the Group reported a 87% decline in Core PATMI[1] to US$1.6 million for the first three months ended 31 March 2015 ("1Q 2015"), against a 2% dip in Group revenue to US$675.7 million. Excluding the impact of foreign exchange adjustments and changes in fair value of biological assets, the Group would have achieved a profit of US$15.1 million, or 12% lower than the year-ago figure.

"The market challenges in Indonesia have persisted longer than expected. We continue to reduce capital expenditure and scale back on day-old chick production in Indonesia, and focus on improving operational efficiency and profitability. On the whole, the Group's diversified operations across multiple protein segments and geographies have helped to compensate the weak performance in Indonesia and to maintain a stable EBITDA," explained Mr Tan Yong Nang, Chief Executive Officer of Japfa.

SEGMENTAL REVIEW

Animal Protein

In 1Q 2015, sales from PT Japfa Comfeed in IDR terms increased by 5% year-on-year, however in USD terms, sales declined by 6%. Meanwhile, sales from the Group's Animal Protein business outside of Indonesia grew 11% to US$126.8 million, backed mainly by improved sales volumes in Vietnam. As a result, total revenue from the Group's Animal Protein business – which accounted for 85% of Group revenue – decreased by US$10.4 million to US$574.9 million.

While the oversupply situation in Indonesia's poultry industry resulted in operating losses in PT Japfa Comfeed's day-old chicks breeding and commercial broiler farming operations, these losses were offset by the operating profit of US$21.7 million generated from PT Japfa Comfeed's animal feed operations. PT Japfa Comfeed's animal feed business continues to generate healthy cash flow which mitigates the current volatility in its breeding and commercial farming business. Overall, PT Japfa Comfeed delivered an operating profit of US$7.8 million in 1Q 2015.

With compressed margins and foreign exchange losses, PT Japfa Comfeed posted a negative Core PATMI of US$10.3 million. The Group's other Animal Protein business in Vietnam, India, Myanmar and China contributed a Core PATMI of US$7.6 million.

Dairy

Contributing 9% of the Group's total revenue in 1Q 2015, the Group's Dairy business posted an 18% hike in revenue to reach US$60.2 million in the reporting quarter. This was a result of higher milk volumes and improvements in milk yields, which helped to mitigate the lower selling prices of raw milk in 1Q 2015 compared to the same period a year ago when selling prices were exceptionally high. This segment contributed US$6.2 million to the Group Core PATMI.

At the end of 1Q 2015, the number of milkable cows in China and South East Asia stood at 29,457, up from 21,022 at the end of 1Q 2014. In March this year, the Group's fifth farm in Shandong started to generate sales, with significant milk production expected by 2Q 2015 and full milk production by 4Q 2015.

[1] Core PATMI, which excludes the fair value changes of biological assets, is an important measure of performance for the Group. Core PATMI is derived from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets attributable to owners of the parent (net of tax).

Although gross profit margins in the Group's Dairy business have declined because of the reversion of raw milk prices, the Group believes margin levels are still healthy and will continue to invest in increasing its milk capacity and productivity. The Group has also entered into long-term milk contracts for a substantial part of its production.

Consumer Food

The Group's Consumer Food business contributed 6% or US$43.0 million to the Group's total revenue in 1Q 2015. The lower purchasing power of low-income consumers in Indonesia resulted in weaker sales in Indonesia, and a subsequent 12% decline in revenue for this segment. Operating profit remained stable at US$0.7 million.

OUTLOOK

The market challenges in Indonesia are expected to persist in the near term. The Indonesian poultry market continues to see an oversupply of day-old chicks and broiler chickens. The further depreciation of the Indonesian Rupiah in the first quarter of 2015 has also reduced the purchasing power of low-income consumers. Weakness in poultry prices and of the Indonesian Rupiah may continue to affect the Group's animal protein business in Indonesia, and result in further foreign exchange losses as well as continuing pressure on animal feed, breeding and commercial farming margins.

To mitigate some of these challenges, the Group has continued to reduce capital expenditure and scale back on day-old chick production, while focusing on improving operational efficiency and profitability.

On 9 April 2015, Fitch Ratings ("Fitch") revised its outlook for PT Japfa Comfeed from "stable" to "negative". However, Fitch also noted the long term growth potential for the Indonesian poultry industry. On 28 April 2015, Standard & Poor's Ratings Services ("S&P") lowered its long-term corporate credit rating on PT Japfa Comfeed to "B+" from "BB-", with a stable outlook. S&P noted that the operating conditions in Indonesia's downstream poultry segment were expected to remain difficult, but that PT Japfa Comfeed's competitive advantage remained intact despite the tough market conditions.

"We cannot emphasise enough the strength of our diversity. Despite the current headwinds in Indonesia, our 40-year experience, together with our diversified and vertically integrated business, will enable the Group to sustain its long-term growth momentum across all our markets. We continue to be well-positioned to benefit from the animal protein consumption gap in the emerging markets that we operate in," added Mr Tan.

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ABOUT JAPFA LTD

Japfa Ltd is a leading agri-food producer focused on feeding emerging Asian markets. The Group produces protein staples such as chicken, beef and milk, as well as protein-based consumer food products. From its headquarters in Singapore, Japfa operates its businesses in the fast growing economies of Indonesia, China, India and Indo-China. Backed by two generations of farming experience, it operates industrial-scale farms which are vertically integrated with its downstream food processing operations.

This press release is issued on behalf of Japfa Ltd by Kreab Singapore. For media queries, please contact:

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IMPORTANT NOTICE

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