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PRESS RELEASE

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Company Financial and Operational Performance for period

January - August 2007

Financial Performance

In the period of January - August 2007, Company has recorded sales of Rp. 1,026 trillion increased to 34% compared to the same period in 2006. The increased is occurred due to rising in partnership business unit that affected to sales growth in the other supporting business units. Meanwhile, the net profit of company from Rp. 14 billion is increased to 5%. The Company's financial ratio has not significantly changed such as current ratio (2007 = 2.96; 2006 = 2.96), debt ratio to equity (2007 = 0.2; 2006 = 0.16), profit per share (2007 = Rp 1.50; 2006 = Rp 1.42) and book value per share (2007 = Rp 107, 2006 = Rp 102).

Operational Performance

The company has performed the following matters in respect of the operational activity:

1. Cost saving through energy conversion either in *Breeding* division, (day-old chick breeding) convert the using of PLN generator set to minimize solar use, or in *Feedmill*

division, use coal to replace solar as a fuel of boiler machine.

2. Implementing AXAPTA in all over businesses that make company is more efficient and possible in making decision process rapidly, appropriately and accurately.
3. Implementing *Balanced Score Card* to make Company has clear direction to transform its vision, mission and strategy into action that give balance in each indicator including motivating its employees to develop through compensation system of performance based valuation.
4. The increased use of domestic corn by optimizing Corn Drying facility of 60-70% from total needs. Through the increase, the Company has indirectly given contribution to the income growth for local farmers and driven growth to agriculture sector particularly for domestic corn.
5. The launching of a new premium quality *feedmill* with higher margin and lower *price sensitivity customer*.
6. The extension of feedmill sales particularly in Sulawesi to increase volume and sales stability or to expand market scope as well.

Capital Work Credit

Background

Capital Work Credit is required to:

- Increase business in population growth partnership unit for adding profit contribution resulting from sales growth of feedmill and life chicken.
- Maximize feedmill production for reducing cost and making it more efficient as well as improving utilization of feedmill plant facility.
- In Social Aspect - open work field and increase local community income through partnership program.

Acquired from : PT Bank Negara Indonesia (Persero) Tbk

Amount : Rp. 225 Billion

Security : Land, Building, Feedmill Machines in
Sidoardjo and Balaraja

Target : 30% growth in the next year

This credit agreement has been executed on September 25, 2007

Opportunity and Strategy

Opportunity

- Lack of meat and egg consumption in Indonesia compared to the other ASEAN countries.
- The improved Indonesian economics.
- Opportunity for hatchery thanks to the government regulation on poultry distribution particularly in DKI.
- Change of community consumption models that rise demand for a quality, hygiene and practical poultry product.

Strategy

- Forward Integration to food business:
 - To expand business in Breeding and Hatchery unit both internally and acquisition to other companies operated whenever necessary.
 - To expand in Hatchery unit.
- cooperation with partner to improve performance:
 - Training and Disseminating
 - Conversion to closed house
 - Supporting partner to establish close cooperation with Bank in order to improve facility or business expansion to make more improvable for performance and partner's profit.
- To maintain cost saving program
- To open sales depot closer to market.

With the closer access to market, the information is faster and more accurate to be obtained, so it is possible to sell life chicken from partnership more rapidly and with better price.
- To launch the other innovative products.

Conclusion

Company has all the time given its best endeavor to improve company growth and to maximize return for its stakeholder as specified in the vision of company, "to be the leading integrated poultry-based food company in Indonesia that

creates sustainable stakeholder value by exceeding our stakeholders' expectations with excellence". The next steps to be taken are expanding business both internal or acquisition to other companies operated whenever necessary. The expanded business is particularly conducted to the business units that has been operated in full capacity or the other units that can grab the opportunity and response market demand such as hatchery and valued added product. Through the expanded business, company can optimize the low facility use and possibly to re-operate the facility that currently is in suspension such as feedmill plant in Lampung so it has a closer access to the market. Moreover, the company will improve on its business line and optimize of all current resources.

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