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PRESS RELEASE

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Review 2010

In general, the achievement of the Company's performance in 2010 was better than 2009. A series of activities have been carried out in 2010 include :

1. Establish cooperation with several banking institutions for financing working capital and investment facilities:
 - PT Bank Negara Indonesia (Persero) Tbk
 - PT Bank Mandiri (Persero) Tbk
 - PT Bank Syariah Mandiri
 - PT Bank Bukopin (Persero) Tbk
 - PT Bank Rakyat Indonesia (Persero) Tbk
 - Raiffeisen Bank International AG, Singapore Branch
 - PT CIMB Niaga Tbk
2. Commemorate the 25th Anniversary of Sierad Produce.
3. Establish Breeding Farm in Lebak and Chicken Slaughterhouse in Mojokerto, finishing target on 2011.
4. Open some new BelMart outlets, for total 50 outlets as of December 2010.
5. HRD development by recruiting some Management Trainee and held some trainings.
6. In addition, improving the available information system regularly.

For financial performance, net sales on 2010 increase as much as IDR 400 billion or 12%, from IDR 3,243 billion in 2009 to IDR 3,643 billion in 2010. Gross profit in 2010 amounted to IDR 351 billion, increase IDR 120 billion or 52% compared to IDR 231 billion in 2009. Net profit in 2010 is IDR 61 billion with EBITDA as much as IDR 189 billion, whereas net profit of 2009 was IDR 37 billion and EBITDA of IDR 114 billion. The achievement of net profit has exceeded the predetermined target that is IDR 50 billion. This was due to the efficiency, production improvement, and good planning of raw materials, also the increase of average product's selling price compared to the previous year.

Planning 2011

The Company are committed to improve its performance continually in the future years. In 2011, the company has established the following targets :

- Net sales in the amount of IDR 4,5 trillion, increase by 25% compared to IDR 3,6 trillion in 2010.
- EBITDA of IDR 250 billion, increase by 32% compared to IDR 189 billion in 2010.
- Net profit as much as IDR 80 billion, increase by 31% compared to IDR 61 billion in 2010.

In order to achieve those targets, the Company has corporate strategies as below :

- To identify existing opportunities, by doing the following initiatives :
 - Perform business expansion.
 - Increase production to meet increased market demand.
 - Increase market share.
- To increase % of sales margin, by performing initiatives as below :
 - Good inventory planning to reduce raw materials costs.
 - More oriented on value added product.
 - Increase capacity utilization to achieve Economies of Scale.
- To develop qualify human resources, by the following initiatives :
 - Recruit the best person in his field.
 - Management Trainee Program.
 - Conduct training both domestically and overseas.
 - Total Quality Management through QCC (Quality Control Circle) program.
- Cost efficiency, by performing initiatives as follow :
 - Establish facilities which closer to the supplier/consumer to save delivery cost.
 - Energy saving program.
 - Save other production cost.
- Accurate information system, by performing initiatives as follow :
 - Optimize the utilization of ERP for data accuracy and speed.
 - Improve website features and corporate's internal portal to be more communicative.

These Corporate Strategies are detailed to be strategy per division as below :

Feedmill Division :

- To maximize the utilization of installed capacity.
- Feed product innovation to improve the efficiency of chickens cultivation costs.
- Good inventory planning.
- Establish a proper additional warehouse such as silo and flat warehouse.

Breeding Division :

- Continue the construction project of farm and hatchery for \pm 206 ha in Lebak Tangerang.
- Acquire and develop Breeding Farm in Nganjuk, East Java.
- Tighten Biosecurity.

Farming Division :

- Develop Commercial Farm (Company Own Farm) in line with business growth.
- Business expansion by operating layer farm.
- New market expansion to outside Java.

Slaughterhouse Division (Chicken Slaughterhouse-RPA) :

- Finishing the construction of Chicken Slaughterhouse (RPA) in Mojokerto, East Java.
- Improve the capacity of Chicken Slaughterhouse in Parung's RPA to 100,000 chickens/day.

Retail Division (BelMart) :

- Open new outlets.
- Open Delibel : BelMart with new concepts that are groceries + dining.
- Improve marketed products to be more complete and convenience for consumers.

As the implementation of strategies as mentioned previously, the Company has/will start some projects as below :

- Establish Breeding Farm and Hatchery in Lebak with production capacity as many as \pm 600,000 DOC/week. This project has been started from Q4-2010. Total investments for this project are \pm IDR 400 billion.

- Develop Breeding Farm in Nganjuk, East Java with production capacity as many as \pm 300,000 DOC/week. This project will be started on Q3-2011 and assumed to be finish on Q2-2012. Total investments for this project are \pm IDR 200 billion.
- Construction of Commercial Farm with production capacity as many as \pm 1,000,000 DOC/week. This project will be started on Q3-2011 and assumed to be finish on Q1-2012. Total investment for this project are \pm IDR 100 billion.
- Construction of RPA in Mojokerto – East Java with production capacity as many as 2,000 chickens/hour. This project has been started on Q4-2010 and currently finished. Total investments for this project are \pm IDR 65 billion.
- Develop some BelMart outlets during 2011 with total investments as much as \pm IDR 50 billion.

Financial performance of Q1 - 2011

The Company has successfully posted sales of IDR 1,003 billion in Q1-2011, which increased by 32% compared to the same period in 2010 amounting to IDR 758 billion. Net income increased by 90% at IDR 15 billion compared to the same period in 2010 amounting to IDR 8 billion. Accordingly, EBITDA also increased by 67%, which amounted to IDR 45 billion, compared to the same period in 2010 as much as IDR 27 billion.

Financial ratios in Q1 - 2011 and 2010 are as follows: Current Ratio of 1.67 (2011) and 1.81 (2010), Debt to Equity Ratio 0.85 (2011) and 0.48 (2010), Debt to Total Assets Ratio 0.46 (2011) and 0.32 (2010), and Book Value per share of IDR132.89 (2011) and IDR 126.40 (2010).

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