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PRESS RELEASE

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Review 2009

Achievement of Company performance in year 2009 is better than 2008, in general. A series of activities and corporate action have been carried out in 2009, including:

- As a commitment to quality products, the Company has obtained the certification of Good Breeding Practices from the Minister of Agriculture for the implementation of bio-security in the entire chain of production process.
- In order to extend the chain of business integration, the company has obtained shareholder's approval for acquisition of food companies – PT Belfoods Indonesia.
- The Company has obtained approval from the shareholders on the quasi-reorganization at the end of 2009, which became effective in March 2010, so that the deficit balance in the balance sheet accounts have been eliminated. One of the positive impact to shareholders by the existence of this quasi-reorganization is to allow the Company to distribute dividends in the years subsequent book as regulations.
- In line with changing of consumer's spending patterns for fresh, hygienic, and quality, the Company has entered into new business lines in the field of fresh chicken meat retailers by opening several outlets "Belmart". In year 2009, 3 (three) outlets had been opened and now more than 20 (twenty) outlets have been opened at strategic location within Jabodetabek.
- The Company start the construction of 9 (nine) cages Breeding Farm in the Cigudeg area, Bogor, the projects will be completed in mid 2010. This new enclosure will contribute to increase the production volume by \pm 8%.
- The Company has always held a variety of training for human resources development and recruiting a number of Management Trainee.
- In addition, regular improvements held over the existing information system.

For financial performance, net sales in 2009 increased by IDR 911 billion or 39% from IDR 2.332 billion in 2008 to IDR 3.243 billion in 2009. Increase in sales volumes and prices generate substantial sales increase in 2009. Gross profit of the Company in 2009 reached IDR 231 billion, an increase of IDR 15 billion or 7% compared with the year 2008 which reached IDR 216 billion. Net income of the Company in the year 2009 reached IDR 37 billion with EBITDA of IDR 114 billion, while in 2008 net profit achieved was IDR 27 billion with EBITDA 116 billion. Net income increased because of the contribution of other expenses decreased in 2009. While EBITDA decreased due to lower operating income as a result of the acquisition of a gross margin decrease in 2009.

Plan for 2010

The Company has some fundamental indicators of strength as the basic considerations for planning in the year 2010, including:

- High entry barrier for new industry players.
- Integrated business will be more competitive in the future.
- Strategic and Strong Position: a change in consumption patterns and government regulations that support integrated business.
- Level of leverage (Debt to Equity ratio) is still low ($< 0,5$).
- Quasi-reorganization, which allows the distribution of dividends in the foreseeable future. This dividend is expected to increase the share's price and become more attractive and allow for future equity financing.
- EBITDA is stable and tends to increase.
- Excess capacity in capital intensive facilities, i.e. Feedmill and Slaughterhouse facilities.

In the year 2010, the Company targets the sales of IDR 3.8 trillion, with EBITDA of IDR 50 billion and net income of IDR 50 billion. This target is based on assumptions of growth in various business segments including Feedmill by 20%, live bird by 20%, dressed chicken by 40%.

To achieve the defined targets, the Company has a corporate strategies i.e.:

- Identification of opportunities, i.e. by doing the following initiatives:
 - Business expansion and opens new division.
 - To increase production to meet increasing market demand.
 - To increase market share.
- Increase % of sales margin, i.e. by doing the following initiatives:
 - Good inventory planning to reduce the cost of raw materials.
 - To be more oriented to value added product.
 - To increase the utilization of existing capacity to achieve Economies of scale.
- Develop quality human resources, i.e. by doing the following initiatives:
 - To recruit the best people in their field.
 - Management Trainee program.
 - To conduct training locally and abroad.
 - Total Quality Management through the QCC (Quality Control Circle).
- Cost efficiency, i.e. by doing the following initiatives:
 - To develop facilities closer to suppliers/customers to save on shipping costs.
 - Energy saving program.
 - Other production cost saving.
- Accurate information system, i.e. by doing the following initiatives:
 - To optimize the use of ERP to the speed and accuracy of data.
 - To develop features in the Company's website and internal portal to be more communicative.

The Corporate strategy is later revealed to the business segments strategies as follows:

Feedmill Division:

- To maximize the utilization of existing capacity where the current utilization rate is 50%.
- Feed product innovation to improve the efficiency of the cost of growing chickens.
- Good inventory planning.

Breeding Division

- To build Breeding Farms of 206 Ha at Lebak, Banten that can increase the production of approximately 40% in two years.
- Bio-security tightening.

Farming Division

- Commercial farm development (Company own farm) in line with business growth.
- To improve the existing partnership scheme.

Slaughterhouse Division

- To build a second slaughterhouse in East Java to the market in Central Java and East Java in line with development plans for Belmart in that area and efficiency.
- To increase the slaughter capacity in existing slaughterhouse, i.e. located at Jabon (Parung) to 100.000 birds / day.

Retail Division

- To open 50 outlets in Jabodetabek area.
- Development of products that are marketed so more fully and provide convenience for customers who shop at Belmart.

As the implementation of the strategies that have been submitted earlier, the Company will launch several new projects as follows:

- *Breeding Farm* and *Hatchery* at Lebak, Banten, which may increase the production capacity of \pm 40%, with the total investment cost of \pm Rp 350 billion.
- 50 outlet Belmart at Jabodetabek area, with the total investment cost of \pm Rp 50 billion.
- Slaughterhouse at Mojokerto (the second one) with production capacity of 2.000 birds and investment cost of Rp 55 billion.

The Company expects that the major source of financing for the above projects will come from Bank loan, since its leverage ratio is still low as stated previously (below 0.5). Besides this, currently the Company has obtained financing from several sources as follows:

- Bank Negara Indonesia, in the form of working capital loans worth IDR 300 billion and investment loan with a plafond of IDR 21.5 billion.
- Bank Syariah Mandiri, in the form of working capital loans worth IDR 40 billion.
- Bank Rakyat Indonesia, in the form of working capital loans worth IDR 40 billion.

As a note, financing facility from Bank Syariah Mandiri and Bank Rakyat Indonesia are newly acquired by the Company in year 2010.

Financial Performance January – May 2010.

During the period January – May 2010, the Company booked sales of IDR 1.375 billion, which increased by 12% compared with the same period in 2009 amounting to IDR 1.229 billion. Net income increased by 39%, i.e. IDR 11 billion compared with the same period in 2009 amounting to IDR 8 billion. In line with this, EBITDA also increased by 53%, which amounted to IDR 46 billion, compared with the same period in 2009 amounted to IDR 30 billion.

Financial ratio per May 2010 and 2009 are as follows, the current ratio of 1.79 (2010) and 2.14 (2009), the debt to equity ratio of 0.46 (2010) and 0.38 (2009), the debt to total assets ratio amounted to 0.31 (2010) and 0.28 (2009), book value per share of IDR 126.99 (2010) and IDR 110.58 (2009).

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