PT CHAROEN POKPHAND INDONESIA Tbk.
AND SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2011 (UNAUDITED) AND DECEMBER 31, 2010 (AUDITED) AND THE 3-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010 (UNAUDITED)

PT CHAROEN POKPHAND INDONESIA Tbk. AND SUBSIDIARIES
INTERIM CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2011 (UNAUDITED) AND DECEMBER 31, 2010 (AUDITED)
(Expressed in Millions of Rupiah, Except Par Value Per Share)

	Notes	March 31, 2011	December 31, 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,153,590	1,316,840
Accounts receivable			
Trade	5, 20		
Third parties - net of allowance for impairment of Rp8,467 in 2011 and Rp8,041 in 2010		1,123,505	883,855
Related parties		3,270	6,635
Others			
Third parties		55,069	55,743
Related parties - net of allowance for impairment of Rp206,956 in 2011 and 2010	20	7,310	370
Inventories - net of allowance for decline in value of inventories Rp1,413 in 2011 and Rp1,611 in 2010	6	1,651,061	1,554,780
Breeding flocks - net	7	434,926	395,111
Prepaid expenses and advances		185,866	61,302
Total Current Assets		4,614,597	4,274,636
NON-CURRENT ASSETS			
Deferred tax assets - net		73,511	71,036
Property, plant and equipment - net of accumulated depreciation of Rp1,247,400 in 2011 and Rp1,212,690 in 2010	8	2,144,894	1,931,069
Claims for tax refund		195,171	194,850
Others - net		54,477	46,685
Total Non-Current Assets		2,468,053	2,243,640
TOTAL ASSETS	22	**7,082,650**	**6,518,276**

See accompanying Notes to Consolidated Financial Statements
which are an integral part of these Consolidated Financial Statements

PT CHAROEN POKPHAND INDONESIA Tbk. AND SUBSIDIARIES
INTERIM CONSOLIDATED BALANCE SHEETS (Continued)
AS OF MARCH 31, 2011 (UNAUDITED) AND DECEMBER 31, 2010 (AUDITED)
(Expressed in Millions of Rupiah, Except Par Value Per Share)

	Notes	March 31, 2011	December 31, 2010
LIABILITIES AND EQUITY			
SHORT-TERM LIABILITIES			
Short-term bank loans	9	-	2,080
Accounts payable			
Trade	10, 20		
Third parties		570,714	737,302
Related parties		23,868	17,892
Others			
Third parties		149,953	119,437
Related parties	20	115,194	77,161
Taxes payable	11	285,151	269,492
Accrued expenses		84,603	71,028
Current portion of long-term debts :			
Bank loans	12	177,697	165,994
Finance lease obligations		1,002	955
Total Short-Term Liabilities	22	1,408,182	1,461,341
LONG-TERM LIABILITIES			
Deferred tax liabilities - net		9,714	10,342
Long-term debts - net of current portion			
Bank loans	12	232,041	285,299
Finance lease obligations		-	178
Estimated liability for employees' benefits	19	294,837	279,080
Total Long-Term Liabilities	22	536,592	574,899
EQUITY			
Equity attributable to owners of the Company:			
Share Capital - Rp10 par value			
Authorized - 40,000,000,000 shares			
Issued and fully paid - 16,398,000,000 shares	13	163,980	163,980
Additional paid-in capital	14	147,037	147,037
Other equity		(10,856)	(10,856)
Difference in value of restructuring transactions of entities under common control		(15,006)	(15,006)
Retained earnings			
Appropriated		9,000	9,000
Unappropriated		4,817,539	4,164,277
Sub Total		5,111,694	4,458,432
Non-controlling interests		26,182	23,604
Total Equity		**5,137,876**	**4,482,036**
TOTAL LIABILITIES AND EQUITY		**7,082,650**	**6,518,276**

See accompanying Notes to Consolidated Financial Statements
which are an integral part of these Consolidated Financial Statements

PT CHAROEN POKPHAND INDONESIA Tbk. AND SUBSIDIARIES
INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE 3 MONTH PERIODS ENDED MARCH 31, 2011 AND 2010 (UNAUDITED)
(Expressed in Millions of Rupiah, Except Earnings Per Share)

	Notes	March 31, 2011	March 31, 2010
NET SALES	16, 22	4.380.215	3.457.787
COST OF GOODS SOLD	17	3.374.005	2.748.875
GROSS PROFIT		**1.006.210**	**708.912**
OPERATING EXPENSES	18		
Selling		54.700	47.338
General and administrative		140.425	114.077
Total Operating Expenses		195.125	161.415
INCOME FROM OPERATIONS	22	**811.085**	**547.497**
OTHER INCOME (CHARGES)			
Financing cost		(8.858)	(16.145)
Gain on foreign exchange - net		17.175	24.604
Interest income		14.898	2.080
Miscellaneous - net		12.902	4.700
Other Income - Net		36.117	15.239
PROFIT BEFORE INCOME TAX		**847.202**	**562.736**
INCOME TAX BENEFIT (EXPENSE)			
Current		(193.190)	(121.340)
Deferred		1.828	6.405
Income Tax Expense - Net		(191.362)	(114.935)
NET PROFIT		**655.840**	**447.801**
Other comprehensive income - net of tax		-	-
TOTAL COMPREHENSIVE INCOME		**655.840**	**447.801**
Net profit attributable to:			
Owners of the Company		653.262	447.688
Non-controlling interests		2.578	113
Total		**655.840**	**447.801**
Total comprehensive income attributable to:			
Owners of the Company		653.262	447.688
Non-controlling interests		2.578	113
Total		**655.840**	**447.801**
Basic Earnings per Share		40	27

See accompanying Notes to Consolidated Financial Statements
which are an integral part of these Consolidated Financial Statements

PT CHAROEN POKPHAND INDONESIA Tbk. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS IN CHANGES OF EQUITY
FOR THE 3-MONTH PERIODS ENDED MARCH 31, 2011 AND 2010
(Expressed in Millions of Rupiah)
(UNAUDITED)

	Issued and Fully Paid Share Capital	Additional Paid-in Capital	Other Equity	Differrence in Value of Restructuring Transactions of Entities under Common Control	Retained Earnings		Non-controlling Interest	Total Equity
					Appropriated	Unappropriated		
Balance, January 1, 2010	164.228	147.259	(10.856)	(15.006)	8.000	2.639.395	18.656	2.951.676
Dividends of Subsidiaries	-	-	-	-	-	-	(2.021)	(2.021)
Total comprehensive income	-	-	-	-	-	447.688	113	447.801
Balance, March 31, 2010	**164.228**	**147.259**	**(10.856)**	**(15.006)**	**8.000**	**3.087.083**	**16.748**	**3.397.456**
Balance, January 1, 2011	163.980	147.037	(10.856)	(15.006)	9.000	4.164.277	23.604	4.482.036
Total comprehensive income	-	-	-	-	-	653.262	2.578	655.840
Balance, March 31, 2011	**163.980**	**147.037**	**(10.856)**	**(15.006)**	**9.000**	**4.817.539**	**26.182**	**5.137.876**

See accompanying Notes to Consolidated Financial Statements
which are an integral part of these Consolidated Financial Statements

PT CHAROEN POKPHAND INDONESIA Tbk. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3 MONTH PERIODS MARCH 31, 2011 AND 2010 (UNAUDITED)
(Expressed in Millions of Rupiah)

	Notes	March 31, 2011	March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		4,096,566	3,337,341
Cash paid to suppliers and employees		(3,759,727)	(2,986,180)
Cash provided by operating activities		336,839	351,161
Receipts from (Payments for) :			
Interest income		14,898	1,929
Financing cost		(9,018)	(10,716)
Income taxes		(213,517)	(174,902)
Net Cash Provided by Operating Activities		**129,202**	**167,472**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	8	1,064	760
Acquisitions of property, plant and equipment		(242,500)	(23,555)
Acquisitions of a Subsidiary		(14,810)	-
Net Cash Used in Investing Activities		**(256,246)**	**(22,795)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of :			
Long-term bank loans	12	(33,995)	(172,270)
Financial lease obligations		(131)	(640)
Short-term bank loans		-	(10,000)
Cash dividend attributed to non-controlling interests of Subsidiaries		-	(2,021)
Net Cash Used in Financing Activities		**(34,126)**	**(184,931)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(161,170)**	**(40,254)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,314,760	387,996
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,153,590**	**347,742**

See accompanying Notes to Consolidated Financial Statements
which are an integral part of these Consolidated Financial Statements

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

1. GENERAL

a. Establishment of the Company and General Information

PT Charoen Pokphand Indonesia Tbk. (the "Company") was established in Indonesia within the framework of the Foreign Investment Law No. 1 year 1967 based on Notarial Deed No. 6 dated January 7, 1972 of Drs. Gde Ngurah Rai, S.H. The Deed of Establishment was approved by the Ministry of Justice in its Decision Letter No. YA-5/197/21 dated June 8, 1973, and was published in Supplement No. 573 of State Gazette No. 65 dated August 14, 1973. The Articles of Association has been amended several times, most recently by Notarial Deed No. 43 dated December 20, 2010 of Fathiah Helmi, S.H.,in relation to the redemption of the issued and fully paid up shares through a share buyback. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia as stated in its Decision Letter No. AHU-61146 AH.01.02 dated December 31, 2010.

The Company is engaged in, among others, the manufacture and sale of poultry feed, shrimp feed, fish feed, poultry equipment and processed chicken, and investment in other companies.

The Company's head office is located at Jl. Ancol VIII No. 1, Jakarta, and its branches are located in Sidoarjo, Medan, Tangerang, Balaraja, Serang, Lampung, Denpasar, Surabaya, Semarang, Makassar and Salatiga. The Company started its commercial operations in 1972.

b. Movements of the Company's Shares

Since the Company's initial public offering, the Company has entered into several share capital transactions as summarized below :

Year	Description	Outstanding Shares After the Transaction
1991	Initial public offering of its 2,500,000 shares with par value of Rp1,000 (full amount) per share	52,500,000
1994	Conversion of the Company's convertible bond of Rp25,000 to 3,806,767 shares	56,306,767
1995	Limited public offering II with Pre-emptive Rights	112,613,534
1997	Par value split of the Company's share from Rp1,000 (full amount) to Rp500 (full amount)	225,227,068
1997	Issuance of bonus shares, whereby each shareholder holding four shares was entitled to receive one new share	281,533,835
2000	Par value split of the Company's share from Rp500 (full amount) to Rp100 (full amount)	1,407,669,175
2007	Limited public offering III with Pre-emptive Rights	1,642,280,704
2007	Par value split of the Company's share from Rp100 (full amount) to Rp50 (full amount)	3,284,561,408
2010	Par value split of the Company's share from Rp50 (full amount) to Rp10 (full amount)	16,422,807,040
2010	Redemption of 24,807,040 the issued and fullypaid shares	16,398,000,000

All of the Company's issued and fully paid shares are listed in the Indonesia Stock Exchange.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

c. Employees, Directors, Commissioners and Audit Committee

As of March 31, 2011, the members of the Company's boards of commissioners and directors as appointed in the Annual Shareholders' General Meeting, the minutes of which were notarized under Deed No. 21 dated October 19, 2010 of Fathiah Helmi, S.H..

As of March 31, 2010, the members of the Company's boards of commissioners and directors as appointed in the Annual Shareholders' General Meeting, the minutes of which were notarized under Deed No. 53 dated May 19, 2009 of Fathiah Helmi, S.H..

The Company's boards of commissioners and directors as of March 31, 2011 and 2010 are as follows:

		March 31, 2011	March 31, 2010
Commissioners			
President Commissioner	:	Hadi Gunawan Tjoe	Hadi Gunawan Tjoe
Vice President Commissioners	:	Jiacipto Jiaravanon	Jiacipto Jiaravanon
		Jialipto Jiaravanon	Jialipto Jiaravanon
Commissioner	:	-	Hery Tjusanto
Independent Commissioners	:	Herman Sugianto	Agussalim Nasution
		Suparman S	Herman Sugianto
Directors			
President Director	:	Tjiu Thomas Effendy	Tjiu Thomas Effendy
Vice President Directors	:	Peraphon Prayooravong	Peraphon Prayooravong
		Vinai Rakphongphairoj	Vinai Rakphongphairoj
Directors	:	Ong Mei San	Ong Mei San
		Jemmy	Jemmy
		Eddy Dharmawan	Eddy Dharmawan
		Fiece Kosasih	Fiece Kosasih

As of March 31, 2011 and 2010, the members of the Company's audit committee are as follows:

		March 31, 2011	March 31, 2010
Chairman	:	Herman Sugianto	Agussalim Nasution
Member	:	Suparman S	Herman Sugianto
Member	:	Rudy Dharma Kusuma	Rudy Dharma Kusuma
Member	:	Petrus Julius	Petrus Julius
Member	:	Yustinus Eddy Tiono	-

The establishment of the Company's audit committee complies with BAPEPAM-LK Rule No. IX.1.5.

Salaries and other compensation benefits incurred for the Company's and Subsidiaries' directors and commissioners amounted to Rp4,826 and Rp5,465 for periods ended March 31, 2011 and 2010, respectively.

The Company and Subsidiaries had 4,048 and 4,098 permanent employees as of March 31, 2011 and 2010, respectively.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

d. The Structure of the Company and Subsidiaries

The consolidated financial statements include the accounts of the Company and Subsidiaries, which are more than 50% owned, directly and indirectly, as follows :

Subsidiaries	Principal Activity	Domicile	Start of Commercial Operations	Establishment Year	Percentage of Ownership	Total Assets March 31, 2011	Total Assets Dec31, 2010
Direct ownership							
PT Charoen Pokphand Jaya Farm (CPJF)	Poultry farms	Jakarta	1972	1972	99.99	1,717,126	1,536,864
PT Primafood International (PFI)	Trading of processed chicken	Jakarta	2000	2000	99.96	138,988	121,793
PT Vista Grain (VG)	Production and distribution of poultry feed	Lampung	1982	1980	99.92	173,859	151,792
PT Poly Packaging Industry (Poly)	Production of plastic product	Tangerang	2003	2003	99.99	31,718	32,029
PT Feprotama Pertiwi (Fepro)	Production and distribution of chicken feather meal	Tangerang	1994	1992	99.32	16,923	15,182
PT Agrico International (AI)	Trading	Tangerang	2009	2008	99.90	84,805	75,284
Indirect ownership through CPJF							
PT Centralavian Pertiwi (CAP)	Poultry farming	Jakarta	1991	1991	100.00	267,004	185,140
PT Satwa Utama Raya (SUR)	Poultry farming	Surabaya	1987	1980	99.98	188,938	161,371
PT Vista Agung Kencana (VAK)	Poultry farming	Palembang	1986	1980	99.96	106,553	95,513
PT Istana Satwa Borneo (ISB)	Poultry farming	Balikpapan	1989	1983	99.96	65,694	56,562
PT Cipta Khatulistiwa Mandiri (CKM)	Poultry farming	Pontianak	1989	1983	50.00	64,438	58,638
PT Agrico International (AI)	Trading	Tangerang	2009	2008	0.10	84,805	75,284
PT Cipendawa Agriindustri	Poultry farming	Jakarta	2010	2009	99.99	42,048	-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Measurement and Preparation of the Consolidated Financial Statements

The consolidated financial statements are prepared and consistently applied in accordance with generally accepted accounting principles and practices in Indonesia, which are the Statements of Financial Accounting Standards and the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) regulations.

Interim Consolidated Financial Statement for the 3 month period ended March 31, 2011 prepared based on Statement of Financial Accounting Standards (PSAK) No. 1 (Revised 2009),"Presentations of Financial Statements "and PSAK No. 3 (Revised 2010),"Interim Financial Statements.

The basis of measurement in the preparation of the consolidated financial statements is historical cost, except for inventories that are valued at the lower of cost or net realizable value values and financial instruments which are stated at fair value.

The consolidated financial statements are prepared using the accrual basis, except for the consolidated statements of cash flows.

The consolidated statements of cash flows are presented using the direct method and classified into operating, investing and financing activities.

The reporting currency used in the consolidated financial statements is Indonesian Rupiah.

b. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its Subsidiaries.

All significant intercompany accounts and transactions between companies that consolidated are eliminated.

The minority interest portion of the Subsidiaries' equity is presented in "Non Controlling Interest" in the interim consolidated balance sheets.

The equity transactions of a Subsidiaries arising from restructuring transactions between entities under common control are presented as "Other Equity" in the equity section.

Acquisitions of companies from third parties is accounted for in accordance with PSAK No. 22 "Accounting for Business Combination". Under this standard, the assets and liabilities of the acquired entities are measured at their fair values at the date of acquisition. The result of operations of the Subsidiary which presented in the Consolidated Financial Statements is the result of which counted since the controlling interest is effectively occurred.

Restructuring transactions of entities under common control are accounted for in accordance with PSAK No. 38 (Revised 2004), "Accounting for Restructuring of Entities under Common Control". Under this standard, the restructuring transactions conducted within the framework of reorganization of entities under the same business segment do not constitute a change of ownership within the meaning of economic substance, so that such transactions would not result in a gain or loss to the Company or the individual entity within the same group and should be recorded at book values using the pooling-of-interests method. The difference between the transfer price and net book value of acquired subsidiaries arising from restructuring transactions between entities under common control is presented as "Difference in Value of Restructuring Transactions of Entities under Common Control" account in the equity section.

c. Cash Equivalents

For the purpose of the balance sheet, cash and cash equivalents are cash on hand and in banks, deposits on call and time deposits with maturities of three months or less at the time of placement and not pledged as collateral.

For the purpose of the statements cash flow, cash and cash equivalents comprise cash on hand and in banks, deposits on call and time deposits net of bank overdraft.

d. Allowance for Impairment of Receivable

Before January 1, 2010, allowance for impairment of receivable is determined on the basis of a review of the probability of non- collection of the individual receivable at the end of the year.

Starting January 1, 2010, allowance for impairment is determined as disclosed on Note 2n.vi.

e. Transactions with Related Parties

The Company and Subsidiaries have transactions with certain parties, which have related party relationships as defined in accordance with the Statement of Financial Accounting Standards (PSAK) No. 7, "Related Party Disclosures".

All significant transactions with related parties are disclosed in the notes to the consolidated financial statements.

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. Cost is determined by the weighted-average method. Allowance for any decline in value of inventories, if any, is provided through a review of the condition of the inventories at the end of the period.

g. Breeding Flocks

Breeding flocks are stated at cost less accumulated depletion and culled birds. Costs incurred during the growing period are accumulated and depleted at the start of the producing period. Depletion is computed using the declining balance method based on the estimated productive lives of the producing flocks from the start of the producing period after taking into account their salvage values. The depletion period is normally 42 weeks. The start of the production period is determined on the basis of management's assessment and experience. Breeding flocks can normally start producing after 24 weeks.

h. Prepaid Expenses

Prepaid expenses are charged to operations over the periods benefited. The long-term portion of the prepaid expenses is presented as part of "Non-Current Assets - Others - Net" account.

i. Property, Plant and Equipment

Direct ownership

In accordance with PSAK No. 16 (Revised 2007), the Company and Subsidiary have chosen the cost model for the measurement of their property, plant and equipment.

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation, except for land which are not depreciated, is computed using the straight-line method, after taking into account their salvage values at certain percentage of carrying values, except for land improvements which have no salvage value, over the estimated useful lives of the assets as follows :

	Years
Land Improvements	5
Transportation equipment, office equipment, wells and waterlines, laboratory equipment	4-5
Poultry Equipment	2-5
Buildings	20
Machinery and equipment	12

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Specific costs associated with the acquisition or renewal of legal titles of the land are deferred and amortized over the legal terms of the related landrights or the economic lives of the land, whichever period is shorter. The deferred charge is presented as part of "Non-Current Assets - Others - net" account.

Constructions in progress

Constructions in progress are stated at cost and presented as part of the property, plant and equipment. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed and the asset is ready for its intended use.

j. Leases

In accordance PSAK No 30 (Revised 2007), leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The Company and Subsidiaries, as leases, account their leasing activities under finance and operating leases:

i) Under a finance lease, the Company and Subsidiaries recognize assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are reflected in profit and loss. Capitalized leased assets (presented under the account of property, plant and equipment) are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that the Company and Subsidiaries will obtain ownership by the end of the lease term.

ii) Under an operating lease, the Company and Subsidiaries recognized lease payments as an expense on a straight-line basis over the lease term.

k. Impairment of Non – Financial Assets Value

The Company and Subsidiaries conducts a review to determine whenever there is any indication of asset impairment at year-end. If such indication exists, the Company and Subsidiaries are required to determine the estimated recoverable value of the assets and recognize the impairment in asset value as a loss in the Consolidated Comprehensive Income Statement for the current year.

l. Revenue and Expense Recognition

Revenue from sales is recognized upon delivery of the goods to the customers. Income from sales of culled birds, used sacks, raw materials (except premix) and chicken dung and other by-products is recognized net of the related expenses incurred, and presented as Other Income. Expenses are recognized when incurred.

m. Estimated Liability for Employees' Benefits

The Company and Subsidiaries recognize estimated liability for employee benefits in accordance with Labor Law No. 13/2003 dated March 25, 2003 ("Labor Law No. 13/2003") as accounted for under PSAK No. 24 (Revised 2004), "Employee Benefits". Based on Labor Law No. 13/2003, the Company and Subsidiaries are required to pay the compensation benefits if certain conditions in the Labor Law No. 13/2003 are met.

Under PSAK No. 24 (Revised 2004), the cost of providing employee benefits under UU No. 13/2003 is determined using the "Projected Unit Credit" actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded 10% of the present value of defined benefit obligation at that date. These gains or losses are recognized over the expected average remaining working lives of the employees. Further, past-service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

n. Financial Instruments

Starting January 1, 2010, the Company and Subsidiaries adopted the PSAK No 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures" (PSAK No. 50R), and the PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement" (PSAK No. 55R).

The PSAK No. 50R contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains and the circumstances in which financial assets and financial liabilities should be offset. This PSAK requires the disclosure of, among others, information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments.

The PSAK No. 55R establishes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

Application of PSAK No. 50R and 55R had no significant impact prospectively on the consolidated financial statements as of March 31, 2011.

i. Financial Assets

Initial Recognition

Financial assets within the scope of the PSAK No. 55R are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company and Subsidiaries determine the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the companies commit to purchase or sell the assets.

The Company and Subsidiaries' financial assets include cash and cash equivalents, trade and other receivables and other non-current financial assets.

The Company and Subsidiaries' financial assets classified as financial assets at fair value through profit or loss, loans and receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows :

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

  Financial assets are classified as held for trading if they are acquired for the Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the consolidated balance sheet at fair value with gains or losses recognized in the consolidated statement of income.

  Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required

  The Company and Subsidiaries do not have financial assets at fair value through profit or loss as of March 31, 2011.

- Loans and receivables

  Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  The Company and Subsidiaries' cash and cash equivalents, trade and other receivables, non-current assets - other are included in this category.

ii. Financial Liabilities

Initial Recognition

Financial liabilities within the scope of the PSAK No. 55R are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company and Subsidiaries determine the classification of their financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

The Company and Subsidiaries' financial liabilities include short term bank loans, trade and others payable, accrued expenses, loans and other current and non-current financial liabilities.

All of the Company and Subsidiaries' financial liabilities classified as loans and borrowings.

Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the amortization process.

iii. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's-length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit Risk Adjustment

The Company and Subsidiaries adjust the price in the observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company and Subsidiaries' own credit risk associated with the instrument is taken into account.

v. Amortized Cost of Financial Instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of Financial Assets

The Company and Subsidiaries assess at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables carried at amortized cost, the Company and Subsidiaries first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company and Subsidiaries determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in the consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company and Subsidiaries. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in profit or loss.

vii. Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company and Subsidiaries have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company and Subsidiaries have transferred substantially all the risks and rewards of the asset, or (b) the Company and Subsidiaries have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

viii. Derivative Financial Instruments

The Company and Subsidiaries enter into and engages in cross currency swap, interest rate swap and other permitted instruments, if considered necessary, for the purpose of managing its foreign exchange and interest rate exposures emanating from the Company and Subsidiaries loans payable in foreign currencies.

These derivative financial instruments are not designated in a qualifying hedge relationship and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives during the period that do not qualify for hedge accounting are taken directly to profit or loss.

Derivative assets and liabilities, if any, are presented under current assets and current liabilities, respectively. Embedded derivative is presented with the host contract in the consolidated balance sheet which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole.

o. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded in Rupiah amounts at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah using middle rate of exchange on balance sheet date. The resulting gains or losses are credited or charged to operations of the period.

p. Income Tax

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Changes in the carrying amounts of deferred tax assets and liabilities due to a change in tax rates are charged to current year operations.

For each of the consolidated Subsidiaries, the deferred tax assets and liabilities are presented at net amounts.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company and Subsidiaries, when the result of the appeal is determined.

q. Treasury Stock

Treasury Stock is stated at acquisition cost and shown as deduction from capital stock under the Shareholders' Equity section of the consolidated balance sheets.

When the treasury stock is retired, the difference between the acquisition cost and par value is allocated between the related additional paid-in capital and retained earnings.

r. Segment Information

The Company and Subsidiaries classify their business segment (primary) based on their products sold such as feeds, day-old chicks, processed chicken, poultry equipment and packaging and their geographical segment (secondary) based on location of business, such as in Java Island, Sumatera Island, Bali Island and other islands.

s. The Implementation of New Accounting Standards Effective on January 1, 2011

The Company and Subsidiaries adopted Statement of Financial Accounting Standards (PSAK) No. 1 (Revised 2009),"Presentation of Financial Statements, effectively on January 1, 2011. The effects of these comparative financial statements are as follows:

(a) "Non-controlling interests" is presented as a part of "Equity" in the "Interim Consolidated Balance Sheets"
(b) Non-controlling interests in "Net profit" and "Total comprehensive income" of subsidiaries are presented as part of "Attributable net profit" and "Total attributable comprehensive income", respectively, in the "Interim consolidated comprehensive income statements"
(c) Changes in certain accounting terminologies

The Company and Subsidiaries adopted Statement of Financial Accounting Standards (PSAK) No. 3 (Revised 2010), Interim Financial Reporting, effectively on January 1, 2011. The implementation of this standard are as follow:

(a) Presentation of statement of financial position with a comparative as of the end of immediately preceding financial year,
(b) Comprehensive income statement is presented for the current period and cumulatively for the current financial year to date with the comparable interim period of the immediately preceding financial year.

t. Basic Earnings per Share

Basic earnings per share is computed by dividing the consolidated net income by the weighted-average number of shares outstanding during the year, which is 16,398,000,000 shares for the period ended March 31, 2011 and 16,422,807,040 for the period ended March 31, 2010.

u. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in Indonesia requires the Company and Subsidiaries' management to make estimations and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods might be differ from those estimates.

3. ACQUISITION

On March 28, 2011, PT Charoen Pokphand Jaya Farm (CPJF), a subsidiary, entered into a sale and purchase of shares agreement with PT Cipendawa Agro Lestari, third parties, with notarial deed No 264 of Humberg Lie, SH, SE, Mkn, notary in Jakarta, to purchase 105,866 shares representing 99.99% ownership in PT Cipendawa Agriindustri with a total purchase price of Rp15,372

On March 28, 2011, the Company signed sale and purchase of shares agreement with Taufik, a third party, with notarial deed No 265 of Humberg Lie, SH, SE, Mkn, notary in Jakarta, to purchase 5 shares representing 0.01% ownership in PT Cipendawa Agriindustri with a total purchase price of Rp0.5

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

4. CASH AND CASH EQUIVALENTS

This account consists of :

	March 31, 2011	December 31, 2010
Cash on hand	3,812	3,261
Cash in banks		
Third parties		
Indonesian Rupiah accounts		
PT Bank Central Asia Tbk.	105,740	69,875
PT Bank CIMB NiagaTbk.	25,747	10,131
Citibank N.A.	16,743	8,603
PT Bank Mandiri (Persero) Tbk.	9,585	4,299
PT Bank Negara Indonesia (Persero) Tbk.	3,437	987
PT Bank DBS Indonesia	2,480	4,790
PT Bank Chinatrust Indonesia	2,303	2,849
PT Bank Danamon Indonesia Tbk.	1,667	2,083
PT Bank Rakyat Indonesia (Persero) Tbk.	532	1,253
Others (below Rp1,000 each)	2,220	708
United States Dollar accounts		
PT Bank Central Asia Tbk. (US$1,827,757 in 2011 and US$854,971 in 2010)	15,918	7,687
Citibank N.A. (US$293,510 in 2011 and US$364,167 in 2010)	2,556	3,274
PT Bank DBS Indonesia (US$291,068 in 2011 and and US$122,099 in 2010)	2,535	1,098
PT Bank CIMB Niaga Tbk. (US$261,252 in 2011 and US$23,819 in 2010)	2,275	214
PT Bank Chinatrust Indonesia (US$250,416 in 2011 and US$42,066 in 2010)	2,181	378
Natexis Banques Populaires, Singapura (US$123,443 in 2011 and US$123,472 in 2010)	1,075	1,110
Others (US$124,450 in 2011and US$96,277 in 2010)	1,084	866
European Euro accounts		
Citibank N.A. (EUR63,635 in 2011 and EUR45,853 in 2010)	784	548
Related Party		
Indonesian Rupiah accounts		
PT Bank Agris	4,350	5,571
United States Dollar accounts		
PT Bank Agris (US$215,767 in 2011and US$18,934 in 2010)	1,879	170
Cash equivalents		
Third Parties		
Indonesian Rupiah accounts		
PT Bank CIMB Niaga Tbk.	308,200	213,500
Citibank N.A., Jakarta	159,550	205,250

(forward)

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	March 31, 2011	December 31, 2010
PT Bank Mega Tbk.	60,000	10,000
PT Bank Chinatrust Indonesia	50,000	50,000
PT Bank ICBC Indonesia	50,000	100,000
PT Bank UOB Buana	50,000	25,000
PT Bank Danamon Indonesia Tbk.	43,000	33,000
PT Bank Mandiri (Persero) Tbk.	33,000	288,000
PT Bank International Indonesia Tbk.	10,000	5,000
PT Bank Permata Tbk.	10,000	50,000
PT Bank Central Asia Tbk.	8,000	6,000
PT Bank DBS Indonesia	5,000	100,000
United States Dollar accounts		
Citibank N.A. (US$9,250,819 in 2011 and US$3,600,000 in 2010)	80,565	32,368
European Euro accounts		
Citibank N.A (EUR 192,606 in 2011 and EUR 750,000 in 2010)	2,372	8,967
Related Party		
Indonesian Rupiah accounts		
PT Bank Agris	75,000	60,000
Total	**1,153,590**	**1,316,840**

The cash equivalents earned annual interest as follows:

	March 31, 2011	December 31, 2010
Rupiah	4.00 % - 8.25%	4.00 % - 8.25%
United States Dollar	0.01%	0.01%
European Euro	0.01%	0.01%

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

5. ACCOUNTS RECEIVABLE - TRADE

This account consists of:

	March 31, 2011	December 31, 2010
Third parties:		
PT Tiara Tunggal Mandiri	31,441	13,843
PT Sumber Ternak Pratama	30,664	9,600
PT Cemerlang Unggas Lestari	28,782	16,101
PT Semesta Mitra Sejahtera	27,801	22,935
PT Sinar Sarana Sentosa	20,959	22,590
PT Fast Food Indonesia Tbk.	19,419	18,000
PT Bintang Sejahtera Bersama	17,294	4,912
PT Carrefour Indonesia	17,173	18,719
PT Prospek Mitra Lestari	17,118	14,195
Hamidah	16,611	12,332
PT Sinar Ternak Sejahtera	16,091	10,748
PT Pesona Ternak Gemilang	15,160	9,781
PT Mitra Sinar Jaya	15,105	10,394
Hijau Farm	14,982	13,524
PT Indah Ternak Mandiri	14,969	9,157
PT Multi Sarana Pakanindo	14,618	5,360
PT Tohpati Poultry	12,106	10,329
PD Sinar Usaha Jaya	11,933	10,005
PT Cahaya Mitra Lestari	11,568	9,066
PT Sinar Inti Mustika	9,443	5,603
PT Intertama Trikencana Bersinar	9,333	4,264
PT Sumber Unggas Cemerlang	9,130	5,991
Unggas Jaya Abadi Farm	9,104	6,368
PT Citra Kalimantan Sejahtera	8,769	5,302
PT Hero Supermarket Tbk.	8,420	8,091
SPS Farm	8,329	8,321
PT Cilacap Indah Abadi	8,168	-
PT Prospek Karyatama	8,151	5,468
PT Surya Unggas Mandiri	8,135	4,484
TJM Farm	8,116	2,516
PT Patriot Intan Abadi	7,641	5,633
Tunas Mekar Farm	7,543	5,489
Poniman Wijaya	7,525	4,353
PT Jennio Mandiri	7,386	9,677
Budi Wijaya	7,256	-
PT Nusantara Inti Satwa	7,086	-
Gunung Sago Utama PS	6,854	5,994
PT Cipta Sama Abadi	6,740	5,960
Dedi Ruhimat	6,543	4,479
(forward)		

	March 31, 2011	December 31, 2010
Susiwanto	6,398	-
PT Sukanda Jaya	6,150	4,244
PT Male Karya Bersinar	5,908	3,491
CV Intan Jaya Abadi	5,796	5,518
PT Matahari Putra Prima Tbk.	5,733	7,571
Sia Iwan Gunawan	5,450	4,117
Edi Yanto	5,316	2,811
Perdana Putra Chicken	5,229	4,771
PT Rajawali Feed Center	5,136	5,578
PT Satwa Karya Prima	3,526	5,370
Others (below Rp5,000 each)	563,864	508,841
Total third parties	1,131,972	891,896
Allowance for impairment	(8,467)	(8,041)
Net	**1,123,505**	**883,855**
Related parties (Note 20)	**3,270**	**6,635**

The aging analysis of accounts receivable trade based on invoice date is as follows :

	March 31, 2011	December 31, 2010
Third parties :		
Less than 31 days	940,731	787,719
31 - 60 days	149,274	74,618
61 - 90 days	26,250	14,492
91 - 180 days	6,730	3,463
Over 180 days	8,987	11,604
Total	1,131,972	891,896
Allowance for impairment	(8,467)	(8,041)
Net	**1,123,505**	**883,855**
Related parties:		
Less than 31 days	3,009	6,631
31 - 60 days	261	4
Total	**3,270**	**6,635**

All accounts receivable - trade are in Rupiah currency.

Based on the review of the status of the individual receivable at the end of the year, the Company and Subsidiaries' management believe that the allowance for doubtful accounts is adequate to cover possible losses from non-collection of accounts.

As of March 31, 2011, accounts receivable - trade of the Company and certain Subsidiaries of Rp327,500 are used as collaterals for bank loans obtained by the Company.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

6. INVENTORIES

This account represents inventories based on business segments as follows:

	March 31, 2011	December 31, 2010
Feeds	1,328,844	1,311,118
Day-old chicks *	176,442	141,073
Processed chicken	98,333	81,965
Poultry equipment	18,943	12,303
Packaging	7,074	6,976
Others	22,838	2,956
Total	**1,652,474**	**1,556,391**
Allowance for decline in value of inventories	(1,413)	(1,611)
Net	**1,651,061**	**1,554,780**

* Inventories of Day-old-chicks consist of hatching eggs, feeds, medicines and others.

As of March 31, 2011, inventories (except for certain goods in-transit) and breeding flocks, are covered by insurance against losses from damage, disasters, fire and other risks under blanket policies amounting to Rp927,476 , which in management's opinion is adequate to cover possible losses arising from such risks.

As of March 31, 2011, inventories of the Company and certain Subsidiaries and breeding flocks of Rp645,000 are used as collateral for bank loans obtained by the Company and CPJF.

7. BREEDING FLOCKS

Breeding flocks consist of :

	March 31, 2011	December 31, 2010
Producing flocks :		
Beginning balance	243,508	261,398
Reclassification from growing flocks	166,267	520,701
Accumulated depletion	(99,981)	(397,091)
Culled bird	(37,320)	(141,500)
Ending balance	272,474	243,508
Elimination	(16,874)	(19,644)
Balance after elimination	255,600	223,864

(forward)

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	March 31, 2011	December 31, 2010
Growing flocks		
Beginning balance	190,644	167,701
Cost incurred during growing phase	200,581	543,644
Reclassification to producing flocks	(166,267)	(520,701)
Ending balance	224,958	190,644
Elimination	(45,632)	(19,397)
Balance after elimination	179,326	171,247
Total	**434,926**	**395,111**

Elimination represents unrealized profit on sales of feed and day-old chicks between the Company and certain Subsidiaries that are eliminated for consolidation purposes.

8. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows :

	March 31, 2011					
	Beginning Balance	Additions	Begining Balance PT Cipandewa Agriindustri	Reclassification	Deduction	Ending Balance
Cost						
Direct Ownership						
Land	318,944	11,481	1,823	1,106	-	333,354
Land improvements	70,290	28	-	5,934	97	76,155
Buildings	868,758	906	5,140	21,314	905	895,213
Machinery and equipment	925,455	6,885	3,495	65,932	449	1,001,318
Transportation equipment	69,371	340	766	-	957	69,520
Office equipment	143,452	2,216	268	2,501	229	148,208
Wells and waterlines	53,350	1,004	-	2,185	145	56,394
Poultry equipment	303,400	6,672	1,920	3,742	1,110	314,624
Laboratory equipment	13,864	-	-	-	-	13,864
Total	2,766,884	29,532	13,412	102,714	3,892	2,908,650
Construction in Progress						
Land	23,242	682	-	-	-	23,924
Building and land improvements	166,940	161,394	89	(31,291)	576	296,556
Machinery and equipment	128,239	41,777	-	(70,526)	3,523	95,967
Wells and waterlines	5,277	2,336	-	(244)	-	7,369
Poultry equipment	50,811	11,510	873	(653)	5,079	57,462
Total	374,509	217,699	962	(102,714)	9,178	481,278

(forward)

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	March 31, 2011					
	Beginning Balance	Additions	Begining Balance PT Cipandewa Agriindustri	Reclassification	Deduction	Ending Balance
Leased Assets						
Machinery	374	-	-	(374)		-
Transportation equipment	1,992	-	-	374		2,366
Total	2,366	-	-	-	-	2,366
Total Cost	3,143,759	247,231	14,374	-	13,070	3,392,294
Accumulated Depreciation						
Direct Ownership						
Land improvements	55,473	1,411	-	-	97	56,787
Buildings	315,872	9,492	240	-	840	324,764
Machinery and equipment	429,913	13,651	190	-	410	443,344
Transportation equipment	57,552	739	45	321	837	57,820
Office equipment	112,510	2,087	37	-	216	114,418
Wells and waterlines	36,016	2,249	-	-	137	38,128
Poultry equipment	195,106	7,677	143	-	962	201,964
Laboratory equipment	9,388	208	-	-	-	9,596
Total	1,211,830	37,514	655	321	3,499	1,246,821
Leased Asset						
Transportation equipment	860	40	-	(321)	-	579
Total Acumulated Depreciation	1,212,690	37,554	655	-	3,499	1,247,400
Net Book Value	**1,931,069**					**2,144,894**

	December 31, 2010				
	Beginning Balance	Additions	Reclassification	Deduction	Ending Balance
Cost					
Direct Ownership					
Land	283,759	25,898	9,287	-	318,944
Land improvements	66,948	1,218	2,124	-	70,290
Buildings	778,838	5,732	84,188	-	868,758
Machinery and equipment	802,691	13,311	110,186	733	925,455
Transportation equipment	71,473	690	303	3,095	69,371
Office equipment	148,693	5,166	(8,779)	1,628	143,452
Wells and waterlines	53,712	1,218	(1,502)	78	53,350
Poultry equipment	269,278	20,684	15,795	2,357	303,400
Laboratory equipment	8,664	450	4,750	-	13,864
Total	2,484,056	74,367	216,352	7,891	2,766,884
Construction in Progress					
Land	137	19,857	3,248	-	23,242
Building and land improvements	99,875	141,731	(74,547)	119	166,940
Machinery and equipment	150,475	99,321	(121,511)	46	128,239
Wells and waterlines	198	4,992	87	-	5,277
Poultry equipment	10,378	50,013	(9,580)	-	50,811
Total	261,063	315,914	(202,303)	165	374,509

(forward)

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	December 31, 2010				
	Beginning Balance	Additions	Reclassification	Deduction	Ending Balance
Leased Assets					
Machinery	9,718	374	(9,718)	-	374
Transportation equipment	1,438	-	554	-	1,992
Poultry equipment	4,885	-	(4,885)	-	-
Total	16,041	374	(14,049)	-	2,366
Total Cost	2,761,160	390,655	-	8,056	3,143,759
Accumulated Depreciation					
Direct Ownership					
Land improvements	50,909	4,971	(407)	-	55,473
Buildings	278,702	37,084	86	-	315,872
Machinery and equipment	370,171	57,605	2,602	465	429,913
Transportation equipment	57,574	2,891	(209)	2,704	57,552
Office equipment	109,349	7,280	(2,911)	1,208	112,510
Wells and waterlines	32,862	3,997	(779)	64	36,016
Poultry equipment	168,569	27,222	1,264	1,949	195,106
Laboratory equipment	5,443	1,474	2,471	-	9,388
Total	1,073,579	142,524	2,117	6,390	1,211,830
Leased Assets					
Machinery	237	33	(270)	-	-
Transportation equipment	308	582	(30)	-	860
Poultry equipment	1,666	151	(1,817)	-	-
Total	2,211	766	(2,117)	-	860
Total Accumulated Depreciation	1,075,790	143,290	-	6,390	1,212,690
Net Book Value	**1,685,370**				**1,931,069**

(a) Depreciation is charged as follows :

	March 31, 2011	March 31, 2010
Cost of goods sold and growing flocks	33,926	30,236
General and administrative expenses	2,420	2,906
Selling expenses	1,208	1,373
Total	37,554	34,515

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

(b) The computation of gain on sale of property, plant and equipment is as follows:

	March 31 2011	March 31 2010
Net proceeds	1,064	760
Net book value	595	374
Gain on sale of property, plant and equipment - net	**469**	**386**

Gain on sale of property, plant and equipment is presented in “Miscellaneous - net” account as part of “Other Income (Charges)” account in the consolidated comprehensive income statement.

(c) As of March 31, 2011, property, plant and equipment, excluding land and transportation equipment, are covered by insurance against losses from damage, disasters, fire and other risks under blanket policies for US$297,877,485, which in management’s opinion is adequate to cover possible losses arising from such risks.

(d) Additions in property, plant and equipment represent acquisitions related to expansion and modification of feed manufacturing capacity; additions to poultry feed supporting facilities such as silo, raw materials and finished goods’ to build feedmill in Makassar and additions to breeding farm facilities in Salatiga.

(e) The details of Construction in Progress are as follows :

	March 31, 2011		
	Estimated % of Completion	Carrying Amount	Estimated Year of Completion
Building and land improvements			
Feedmill factories	9% - 95%	157,797	2011
Henhouses	31% - 93%	138,759	2011
Machinery and equipment			
Feedmill factories	65% - 97%	61,612	2011
Henhouses	45% - 98%	34,355	2011
Poultry equipment	20% - 98%	57,462	2011

	December 31, 2010		
	Estimated % of Completion	Carrying Amount	Estimated Year of Completion
Building and land improvements			
Feedmill factories	2% - 80%	100,727	2011
Henhouses	22% - 90%	66,213	2011
Machinery and equipment			
Feedmill factories	50% - 95%	102,814	2011
Henhouses		25,425	2011
Poultry equipment	1% - 90%	50,811	2011

(f) Land under Hak Guna Bangunan is located in certain locations in Indonesia with a total area of 9,749,010 square meters. The related landrights will expire on various dates between 2011 and 2040. Management believes that these rights are renewable upon their expiry.

(g) Based on the condition of the property, plant and equipment and the results of the above appraisals, the management believes that there is no indication of impairment of assets value in the Company and Subsidiaries' property, plant and equipment as of March 31, 2011.

(h) Certain land, land improvement, building, machinery and equipment and construction in progress (building and machinery and equipment) owned by the Company and certain Subsidiaries are used as collateral for short-term and long-term bank loans obtained by the Company and CPJF.

9. SHORT-TERM BANK LOANS

On December 31, 2010, short term bank loans amounting to Rp2,080 represents an overdraft loan to PT Bank Central Asia Tbk.

PT Bank Central Asia Tbk

On September 9, 2002, the Company and CPJF entered into a loan agreement with PT Bank Central Asia Tbk (BCA) to obtain Time Revolving Loan (TRL) facilities with maximum limit of Rp260,000 consisting of the Company's portion of Rp200,000 and CPJF's portion of Rp60,000. These loan facilities have maturity period of one year.

Based on second amendment of the loan agreement with BCA dated April 14, 2003, the TRL facility of Rp20,000 was converted into an overdraft facility.

Based on the letter from BCA dated December 1, 2006, the Company's TRL facility with maximum limit of Rp180,000 has been increased to become Rp230,000.

The above facilities have been extended several times with the last extension until November 12, 2011.

The above loan facilities and the long-term loans facilities obtained by the Company from the same bank are secured by cross collateral of certain trade receivables of the Company, inventories and breeding flocks of CPJF and certain property, plant and equipment of the Company and CPJF. The above collaterals are also used to secure the loan facilities obtained from PT Bank Danamon Indonesia Tbk (Bank Danamon) and PT Bank Ekonomi Raharja Tbk (Bank Ekonomi) based on the Security Sharing Agreement as notarized under Deed No. 45 dated April 14, 2003 of Doktor Fulgensius Jimmy H.L.T., S.H., M.H., M.M. In addition, the Company issued a corporate guarantee on the loans obtained by CPJF from BCA, Bank Danamon and Bank Ekonomi.

The Company and CPJF are required to maintain financial ratios as follows:

- Total debt to tangible net worth ratio shall not exceed 2x
- Current assets to current liabilities ratio shall be at least 1x
- EBITDA to interest payment ratio shall be at least 2x.

The related loan agreement imposes several restrictions to the Company and CPJF, among others, not to enter into the following transactions, without the prior written consent from BCA:

- Make any guarantee to or for other party's loan or assets, except for CPJF's loan in which the guarantee amount should not exceed CPI's percentage of ownership and the guarantee given to CPB

- Obtain new loan facilities from third parties including from related parties, except for operational matters and are not in breach of the financial covenants required by the bank
- Merge or acquire all or a substantial part of the assets or share capital of any other companies, except a merger between CPI and CPJF with a related party company which has at least 50.1 % share ownership by the Charoen Pokphand Group that requires written notification to the creditor
- Declare or pay dividend above the maximum permitted amount representing 40 % of net income after tax and extraordinary items.
- Make any investment, except if it is within the CPI and CPJF's line of business
- Maintain liabilities to EBITDA ratio not in excess of 3.75 times

On March 8, 2010, Company and CPJF sent a written explanation to BCA regarding their acquisition of shares of PT Agrico International.

PT Bank CIMB Niaga Tbk

On April 7, 2004, Company obtained an import loan facility and Letter of Credit (L/C) facility from PT Bank CIMB Niaga Tbk (CIMB Niaga) with the maximum limit of US$5,000,000. These facilities have been amended several times with the latest amendment dated September 20, 2010 concerning the total maximum limit becoming US$4,000,000 and Rp207,434.

The availability of the above loan facilities has been extended until June 21, 2011. The above loan facility together with the long-term loan facility obtained from the same Bank are secured by certain trade receivables and inventories of the Company and certain property, plant and equipment of the Company and CPJF.

Company is required to maintain financial ratios as follows:

- Total debt to tangible net worth ratio shall not exceed two and a half (2.5) times
- EBITDA to interest payment ratio shall be at least two (2) times
- Current assets to current liabilities ratio shall be at least one (1) time.

The related loan agreement also imposes several restrictions on Company, among others, not to enter into the following transactions without prior written consent from CIMB Niaga:

- Provide loans to or obtain loans from other parties, except for daily operating activities
- Change the business type and business activities
- Enter into consolidation, merger, liquidation or acquisition outside the core business
- Change the composition of management, shareholders and the share value of Company, except if Charoen Pokphand Group can sustain the majority ownership in Company in which case, Company has to send a notification letter to the bank regarding the change.

On October 1, 2010, Company obtained written approval from CIMB Niaga regarding the split of the par value of its shares.
On March 8, 2010, CPI sent a written explanation to CIMB Niaga regarding its acquisition of shares in PT Agrico International.

In March 2010, the Company settled all of its outstanding loan

As of March 31, 2011 and 2010, the Company has complied with all the requirements and restrictions in accordance with the bank loan covenants.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

10. ACCOUNTS PAYABLE - TRADE

This account consists of payables to :

	March 31, 2011	December 31, 2010
Third parties:		
Foreign suppliers:		
Cargill International Trading Pte.Ltd., Singapore	106,577	362,451
Chia Thai Feedmill Pte.Ltd., Singapore	20,295	27,542
Sumitomo Chemical Singapore Pte.Ltd., Singapore	23,999	55,172
Evonik Degussa (Sea) Pte.Ltd., Singapore	14,950	14,088
Cobb Vantress Ltd. United Kingdom	5,673	-
Aviagen Ltd., United Kingdom	-	5,216
Others (below Rp5,000 each)	23,038	16,522
Sub-total foreign suppliers	194,532	480,991
Local suppliers:		
PT FKS Multi Agro Tbk.	48,992	23,662
PT Sinar Unigrain Indonesia	35,601	21,254
PT Seger Agro Nusantara	24,930	8,633
CV Subur Makmur	21,743	3,531
PT Cheil Jedang Indonesia	20,988	17,200
Agripo Indonesia	20,479	-
Patrice	11,146	-
PT Global Interinti Industry	6,423	4,110
Lahardja Suparline	6,135	11,723
PT Sutomo Agrindo Mas	5,745	8,267
PT Budi Semesta Satria	5,741	-
PT Mentari Unggas Sejahtera	5,232	-
Echwanto	5,214	-
PT Sumber Jaya Agratama Kencana	4,769	5,850
Santoso Leksono Widodo	-	10,517
PT Surabaya Pelleting Company	-	9,781
Others (below Rp 5,000 each)	153,044	131,783
Sub-total local suppliers	376,182	256,311
Total third parties	**570,714**	**737,302**
Related parties (Note 20)	**23,868**	**17,892**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

11. TAXES PAYABLE

Taxes payable consists of :

	March 31, 2011	December 31, 2010
Estimated income tax payable - net	96,901	-
Income taxes :		
Article 4	921	851
Article 21	2,852	34,950
Article 22	-	248
Article 23	533	301
Article 25	4,817	29,364
Article 26	3,311	19,094
Article 29	163,443	167,960
Value Added Tax	12,373	16,724
Total	**285,151**	**269,492**

On September 23, 2008, Company received a tax assessment on claims for corporate income tax for 2006 as stated in Letter on Tax Underpayment (SKPKB) No. 00016/206/06/092/08 amounting to Rp46,811 from the reported claim of Rp2,789 as submitted by Company to the Tax Office. Company did not agree with the assessment and sent an objection letter against the Rp30,056 with the remaining balance of Rp16,754 being paid by Company to the Tax Office. The payment to the Tax Office and the unacknowledged claim totaling Rp19,543 were recognized as tax expense in 2008. On December 19, 2008, Company sent an objection letter No. 021/CPI/XII/2008 for the Rp30,056 as mentioned above and sent an explanation letter No. 004/CPI-Tax/III/2009 dated March 25, 2009 in relation to the additional tax losses for VAT expense not yet reflected in the 2004 and 2005 corporate income taxes as expenses in the relevant fiscal years.

On December 16, 2009, Company received a Letter No. KEP-206/PJ/2009 from the DGT regarding the DGT's objection to Company's Letter No. 021/CPI/XII/2008 in relation to Company 's objection to the SKPKB on 2006 corporate income tax. As a result of this DGT decision, on February 25, 2010, Company submitted an appeal to the Tax Court through its Letter No. 002/CPI-Tax/II/2010. Based on the tax regulation, Company has to settle in advance the underpayment of tax for 2006 in accordance with the SKPKB, which was done by Company on December 9, 2009 in the amount of Rp6,882 and recognized as "Claims for Tax Refund" year 2006 in the 2009 Consolidated Financial Statements. In addition, Company paid the remaining balance of SKPKB of Rp9,174 and Rp14,000 on January 15, 2010 and February 17, 2010, respectively. As well as Company settling the penalty on above SKPKB in the amount Rp9,159. All payments made were recorded as “Claims for Tax Refund” for 2006. As of the completion of the financial statements, the Company has not yet received any decision from the Tax Court on such appeal.

On June 23, 2010, the Company received the result of an audit of corporate income tax for 2008 as stated in assessment of Tax Overpayment (SKPLB) No. 00042/406/08/092/10 amounting to Rp92,228 from the reported claim of Rp125,043. To this SKPLB, Company submitted an objection through its letter No. 006/CPI-Tax/IX/2010 dated September 20, 2010. The overpayment was used in settlement of a tax collection notice (STP) for 2008 value added tax. As of the completion of the financial statements, Company is still awaiting from the Tax Office a decision on the objection.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

On June 23, 2010, Company received a tax collection notice for 2008 value added tax amounting to Rp113,803, caused by the issuance of simple tax invoices to customers with cumulative sales of over Rp600. Company did not agree with the assessment and requested a cancellation through its letter No. 005/CPI-Tax/VII/2010. Payment of the tax collection notice was through account transfer from SKPLB of 2008 corporate income tax amounting to Rp92,228, while the remaining balance of Rp21,575 was paid by Company on July 23, 2010.

On December 28, 2010, Company received a letter No. KEP-763/WPJ.19/BD.05/2010 from the DGT regarding the DGT's rejection of the Company's Letter No. 005/CPI-Tax/VII/2010 in relation to the request for cancellation of the STP on 2008 value added tax. As a result of this DGT decision, on January 26, 2011, Company filed a suit against the DGT decision with the Tax Court through its Letter No. 002/CPI-Tax/I/2011. As of the completion of the financial statements, Company is still awaiting the hearing process in relation to its suit.

12. LONG-TERM BANK LOANS

This account consists of:

	March 31, 2011	December 31, 2010
United States Dollar loans:		
Syndicated Loan (US$ 25,570,475 in 2011 and US$ 27,331,046 in 2010)	222,693	245,733
Indonesian Rupiah loans:		
Syndicated Loan	187,045	205,560
Total	409,738	451,293
Current Portion	(177,697)	(165,994)
Long-term Portion	**232,041**	**285,299**

Syndicated Loan

On June 21, 2007, the Company obtained a syndicated loan facility with Citicorp International Ltd., Hong Kong acts as the Agent, and PT Rabobank International Indonesia acts as the Security Agent for the purposes of working capital, capital expenditures and loan financing purposes. This loan is collateralized with certain trade receivables, inventories and breeding flocks of CPJF, and certain fixed assets owned by Company and certain subsidiaries. The maximum limits of this loan facility are US$69,350,000 and Rp500,850.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

The details of the loan facility based on the name of facilities as of March 31, 2011 and 2010 are as follows:

Name of facility	Outstanding loan balance as of March 31, 2011		Outstanding loan balance as of December 31, 2010		Due date
A1	US$	11,737,142	US$	13,497,713	2012
A2	Rp	123,428	Rp	141,943	2012
B1	US$	3,833,333	US$	3,833,333	2012
B2	Rp	63,617	Rp	63,617	2012
C	US$	10,000,000	US$	10,000,000	2012
Total	**US$**	**25,570,475**	**US$**	**27,331,046**	
	Rp	**187,045**	**Rp**	**205,560**	

The A1 and A2 loan facilities are payable in 15 quarterly installments, while the B1, B2 and C loan facilities are payable in lump-sum amounts on their respective due dates in 2010, through the creditors agreed to let the due date be extended to 2012. In 2010, the B1 and C facilities were paid at US$2,416,667 and US$15,000,000, respectively. Furthermore, in 2010 Company withdrew a loan from facility C in the amount of US$5,000,000.

In 2009, Company made an early payments of the B1 and B2 loans from the amounts stated in the schedule totaling US$12,500,000 and Rp127,233, respectively.

The related loan agreement requires Company to maintain financial ratios as follows:

- Total debt to tangible net worth ratio shall not exceed two (2) times;
- Total debt to EBITDA ratio shall not exceed three and three quarters (3.75) times;
- EBITDA to interest expense ratio shall be at least two (2) times.

In addition, the loan agreement imposes several restrictions to Company not to enter into the following transactions, among others, without the prior written consent from the lenders:

- Merge or restructure the business, except as included in the category of permitted merger;
- Sale or transfer assets, except as included in the category of permitted transfer assets;
- Change in the Company's core business activities as well as overall group since the date of the agreement;
- Declare or pay dividend equivalent to more than 40% of the consolidated operating income.
- Reduce, return, purchase, repay, cancel or redeem any of its shares

In 2010, Company obtained approval from the creditors to redeem some of the issued and fully paid shares and to split its par value of shares

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

PT Bank Central Asia Tbk

On December 1, 2006, the Company obtained an installment loan facility amounted to Rp150,000. The loan is payable in 20 quarterly installments at Rp1,880 each quarter for the first year, Rp7,500 each quarter for the second year and Rp9,375 each quarter for the remaining years. In 2010 and 2009, the Company made an early repayment on the amounts stated in the schedule totaling Rp18,750. The loan has the same limitation and collateral with short-term loans obtained from the same bank. In 2010, all outstanding loans to BCA were settled by the Company.

As of March 31, 2011 and 2010, the Company has complied with all requirements and restrictions in accordance with the bank loan covenants.

PT Bank CIMB Niaga Tbk

On June 20, 2008, the Company obtained a Pinjaman Transaksi Khusus (PTK) facility with a maximum limit of Rp93,600. This facility was intended to be used to finance the construction of a feedmill in Makassar. The loan is payable in 60 monthly installments at Rp1,733 each month. In 2010 and 2009, the Company made an early repayment of the loan totaling Rp30,532 and Rp20,796 from the stated schedule. The loan has the same limitation and collateral as the short-term loans obtained from the same bank. In 2010, the Company has settled the loan.

As of March 31, 2011 and 2010, the Company has complied with all the requirements and restrictions in accordance with the bank loan convenants.

The above bank loans bear annual interest as follows:

	March 31, 2011	December 31, 2010
Indonesian Rupiah	9.23% - 9.26%	9.20% - 13.50%
United States Dollar	3.16%	3.13% - 8.41%

13. SHARE CAPITAL

The share ownership of the Company as of March 31, 2011 and 31 December 2010 are as follows:

Shareholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount
PT Central Agromina	9,106,385,410	55.53 %	91,064
Public (below 5% ownership each)	7,291,614,590	44.47	72,916
Total	**16,398,000,000**	**100.00** %	**163,980**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Based on the Extraordinary Shareholders' General Meeting held on October 19, 2010, the minutes of which were notarized on the same date through Deed No. 21 of Fathiah Helmi, S.H., the Company's shareholders agreed to:

- split its par value per share from Rp50 (full amount) to Rp10 (full amount).
- change authorized capital from 8,000,000,000 shares to 40,000,000,000 shares, and issued and fully paid up capital from 3,284,561,408 shares to 16,422,807,040 shares.
- reduce issued and paid up capital through redemption of shares up to a maximum amount of 0.21% of total shares issued or a maximum of 7,000,000 shares. The amount of funds set aside to buy back the shares is up to Rp50,000.

The par value split of the Company's shares was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia as stated in its Decision Letter No. AHU-AH.01.10-28639 dated November 9, 2010

The total number of shares redeemed through the share buyback was 24,807,040 shares (4,961,408 shares before the change in par value of share) at a cost of Rp41,078. The difference between par value and purchase price amounting to Rp40,830, in which Rp222 was recorded as a reduction in the balance of additional paid-in capital and Rp40,608, was recorded as a reduction in the balance of retained earnings.

The redemption of the issued and fully paid up shares was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia as stated in its Decision Letter No. AHU-61146.AH.01.02 dated December 31, 2010.

14. ADDITIONAL PAID - IN CAPITAL

The details of the additional paid-in capital balance are as follows :

Excess of proceeds over par value	183,941
Shares issuance cost	(8,529)
Bonus shares	(28,153)
Difference between the total par value of stock that were redeemed and proceeds at original issuance	(222)
Total	**147,037**

15. RETAINED EARNINGS

In the Annual Shareholders' General Meeting held on May 18, 2010, the minutes of which were notarized by Deed No. 24 of Fathiah Helmi, S.H., the Company's shareholders agreed to use 2009 net income as follows:

- appropriate Rp1,000 as a general reserve in compliance with Law No.40 year 2007 on "Limited Liability Company".
- distribute a cash dividend at 40% or amounting to Rp643,774 or Rp196 (full amount) for each share.

In 2010, the retained earnings balance decreased by Rp40,608 as a result of the redemption of issued and fully paid up shares through the share buyback.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

16. NET SALES

The details of net sales based on business segments are as follows:

	March 31, 2011	March 31, 2010
Feeds	3,248,449	2,707,842
Day-old chicks	647,469	433,714
Processed chicken	443,093	304,224
Packaging	7,463	4,471
Poultry equipment	5,531	3,917
Others	28,210	3,619
Total	**4,380,215**	**3,457,787**

There were no sales to customers that exceeded 10% of consolidated net sales.

17. COST OF GOODS SOLD

The details of cost of goods sold are as follows:

	March 31, 2011	March 31, 2010
Raw materials used	2,934,919	2,324,616
Direct labor	25,208	21,367
Factory overhead and depletion	487,020	413,581
Total manufacturing costs	3,447,147	2,759,564
Work-in-process		
Balance at beginning of year	108,820	107,655
Balance at end of period	(140,242)	(107,781)
Cost of goods manufactured	3,415,725	2,759,438
Finished goods		
Balance at beginning of year	177,853	157,030
Purchases	-	41,923
Balance at end of period	(219,573)	(209,516)
Cost of goods sold	**3,374,005**	**2,748,875**

There were no purchases from suppliers that exceeded 10% of consolidated net sales.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

18. OPERATING EXPENSES

The details of operating expenses are as follows:

	March 31, 2011	March 31, 2010
Selling Expenses		
Salaries, wages and employees' welfare	21,439	16,418
Freight-out	10,543	9,388
Promotion and advertising	7,623	8,085
Professional fees	3,109	2,495
Travel and transportation	2,419	2,392
Rent	2,287	2,682
Depreciation	1,208	1,373
Telephone, electricity and water	1,016	1,020
Others (below Rp1,000 each)	5,056	3,485
Total Selling Expenses	54,700	47,338
General and Administrative Expenses		
Salaries, wages and employees' welfare	62,522	50,076
Royalty fee	51,423	39,112
Travel and transportation	3,873	4,140
Meal and transportation allowance	3,467	3,174
Telephone, electricity and water	3,018	3,786
Professional fees	2,905	2,715
Depreciation	2,420	2,906
Taxes	1,974	840
Insurance	1,683	1,415
Training and seminar	1,122	25
Rent	1,005	750
Research and development	366	1,396
Others (below Rp1,000 each)	4,647	3,742
Total General and Administrative Expenses	140,425	114,077
Total	**195,125**	**161,415**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

19. ESTIMATED LIABILITY FOR EMPLOYEE BENEFITS

The Company and Subsidiaries provide employee benefits in accordance with Labor Law No. 13/2003 dated March 25, 2003 ("UU No. 13/2003") for employees with retirement age of 55 years old. These pension benefits are not funded.

The estimated liability for employees' benefits as of March 31, 2011 and 2010 were determined based on the actuarial valuations performed by PT Eldridge Gunaprima Solution, an independent actuary, on their reports dated February 17, 2011 and February 17, 2010, respectively, using the "Projected Unit Credit" method.

The Company and Subsidiaries recorded estimated employee benefit for severance pay, gratuity and compensation to employees amounting to Rp294,837 and Rp279,080 as of March 31, 2011 and December 31, 2010. The cost charged amounted to Rp12,043 and Rp11,833 for the period ended March 31, 2011 and March 31, 2010, respectively, is presented as part of "Operating Expense - Salaries, wages and employees' welfare" account in the consolidated comprehensive income statements.

20. ACCOUNT BALANCES, TRANSACTIONS AND NATURE WITH RELATED PARTIES

In the normal course of business, the Company and Subsidiaries conduct transactions with prices, term and conditions agreed upon with the related parties.

The balances of accounts with related parties are as follows:

	Total		Percentage of Consolidated Total Assets/ Liabilities	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Cash and cash equivalent				
PT Bank Agis	81,229	65,741	1.15	1.01
Accounts receivable - trade (Note 5)				
PT Central Agromina	2,110	6,631	0.03	0.10
PT Centralpertiwi Bahari	1,149	-	0.02	-
Others (below Rp1,000 each)	11	4	-	-
Total	**3,270**	**6,635**	**0.05**	**0.10**
Other receivables				
PT Central Proteinaprima Tbk	151,130	149,627	2.13	2.29
PT Central Panganpertiwi	36,580	36,199	0.52	0.55
PT Centralpertiwi Bahari	18,077	18,076	0.25	0.28
PT Central Agromina	5,344	353	0.08	0.01
PT Centralwindu Sejati	3,054	3,054	0.04	0.05
Others (below Rp1,000 each)	81	17	-	-
Total	214,266	207,326	3.02	3.18
Allowance for impairment	(206,956)	(206,956)	(2.92)	(3.18)
Total	**7,310**	**370**	**0.10**	**-**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Total		Percentage of Consolidated Total Assets/ Liabilities	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Accounts payable - trade (Note 10)				
PT SHS International	16,192	9,194	0.83	0.45
PT Indovetraco Makmur Abadi	6,698	6,028	0.35	0.30
PT Surya Hidup Satwa	-	1,857	-	0.09
Others (below Rp1,000 each)	978	813	0.05	0.04
Total	**23,868**	**17,892**	**1.23**	**0.88**
Other payables				
Charoen Pokphand International Group of Companies Ltd., Republic of Seychelles	113,192	75,102	5.82	3.69
PT Satria Multi Sukses	1,335	1,335	0.07	0.07
Others (below Rp1,000 each)	667	724	0.03	0.03
Total	**115,194**	**77,161**	**5.92**	**3.79**

The Company provides allowance for impairment of other receivables - related parties. The other receivables are derived from sales of raw materials transactions. Allowance for impairment of other receivables are based on the condition that the aging schedules of such receivables have exceeded one year and settlement during the year is not significant.

The Company's management believes that the allowance for impairment is adequate to cover possible losses from the non-collection of accounts.

Presented below are the Company's and Subsidiaries' transactions with related parties with amount of more than Rp1,000:

	Total		Percentage of Consolidated Net Sales	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Net sales				
PT Central Agromina	20,020	18,654	0.46	0.54
PT Centralpertiwi Bahari	1,047	318	0.02	0.01
Total	**21,067**	**18,972**	**0.48**	**0.55**
Purchases of raw materials and others				
PT Central Agromina	62,541	46,654	1.43	1.35
PT SHS International	37,352	28,641	0.85	0.83
PT Indovetraco Makmur Abadi	17,183	14,917	0.39	0.43
PT Centralpertiwi Bahari	134	6,851	0.01	0.20
Total	**117,210**	**97,063**	**2.68**	**2.81**
Sales of eggs				
PT Central Agromina	39,043	41,830	0.89	1.21
Royalty fee				
Charoen Pokphand International Group of Companies Ltd., Republic of Seychelles	51,423	39,112	1.17	1.13

Nature of relationship with related parties

The nature of the relationship of the Company and Subsidiaries with related parties is as follows :

- PT Indovetraco Makmur Abadi, PT SHS International, PT Pentastar Foodprima and PT Reksa Finance are directly or indirectly controlled by PT Central Pertiwi.
- PT Central Agromina is the Company's majority shareholder.
- PT Tanindo Subur Prima is a subsidiary of T BISI International Tbk..
- PT Central Pertiwi, PT Central Agromina and PT BISI International Tbk. are companies under the same control
- PT Centralwindu Sejati, PT Central Panganpertiwi and PT Centralpertiwi Bahari are controlled by PT Central Proteinaprima Tbk., the Subsidiary of PT Surya Hidup Satwa.
- Charoen Pokphand International Group of Companies Ltd., Republic of Seychelles, PT Surya Hidup Satwa, PT Bank Agris and PT Satria Multi Sukses are directly or indirectly controlled by the affiliated parties of the Company and Subsidiaries' ultimate shareholders.

21. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

The significant agreements, commitments and contingencies as of March 31, 2011 are as follows:

a. License Agreements

On December 30, 2005, the Company and CPJF entered into separate license agreement with Charoen Pokphand International Group of Companies Ltd., British Virgin Islands (CPIGCL- BVI), a related party, which further amended the license agreement dated January 1, 1990 including all its amendments. These agreements are for a period of five years and automatically renewable for another five years. Under these agreements, the Company and CPJF were granted licenses to use the Intellectual Proprietary Rights (IPR) and to produce, market, distribute and sell the products which are developed by using of the IPR. Based on the license agreement, the Company and CPJF agreed to pay royalty to CPIGCL- BVI at the following percentages of net sales: 1% for poultry feed, 2% for day-old chicks final. The rate of royalty may be reviewed from time to time with an increase per annum not be exceeded than 1%.

VG, CKM, ISB, SUR, VAK and CAP entered into a separate license agreement with CPIGCL-BVI, with the same terms and conditions above.

In relation to the business restructuring or internal reorganization within Charoen Pokphand Group of Companies, the licensee rights of IPR which were originally granted to the companies in Indonesia have been assigned from CPIGCL-BVI to Charoen Pokphand International Group of Companies Ltd. Republic of Seychelles (CPIGCL-SEY). On August 3, 2009, the Company and CPJF, VG, CKM, ISB, SUR, VAK and CAP, Subsidiaries entered into a new license agreement with CPIGCL-SEY, which was extension of the agreement with CPIGCL-BVI. The license agreement has the same terms and conditions as the license agreement between the Company and CPIGCL-BVI.

Royalty expense charged to operations of Rp51,423 and Rp39,112 for the period ended March 31, 2011 and 2010, respectively, is presented in “General and Administrative Expenses” account. As of March 31, 2011 and December 31, 2010, the royalty payable amounting to Rp113,192 and Rp75,102, respectively, is presented as part of “Accounts payable others - related parties” account.

b. Loan Facility Agreements

PT Bank Central Asia Tbk

The Company obtained bank guarantee facility with a maximum limit of Rp1,102 and US$204,035 available until June 30, 2011 and a forex line facility of US$3,000,000 to be available based on the notification letter for providing credit issued by the bank from time to time. This facility has the same collateral as the loan facility obtained from the same bank.

PT Bank CIMB Niaga Tbk

The Company obtained a fixed loan facility for financing local purchase of raw materials and an overdraft facility with a total maximum limit of Rp40,000 and Rp10,000, respectively available until June 21, 2011. These facilities have the same limitation collateral as the loan facility obtained from the same bank.

PT Bank Ekonomi Raharja Tbk

The Company and CPJF, Subsidiary obtained a revolving facility with a maximum limit of Rp25,000 available until April 8, 2011. This facility has the same collateral as the loan facility obtained from PT Bank Central Asia Tbk.

PT Bank DBS Indonesia

The Company and AI, Subsidiary obtained Letter of Credit (L/C), Trust Receipt, Accounts Payable Financing and Bank Guarantee facilities with a maximum limit of US$30,000,000 or its equivalent in the other currencies as agreed by the bank to be available until July 16, 2011. These facilities are secured by the trade receivables and inventories of the Company.

Citibank NA., Jakarta

The Company obtained a short term loan, Trust Receipt, and overdraft facility with a maximum limit of US$25,000,000 for short term loan and Trust Receipt, and Rp20,000 for overdraft, available until September 12, 2011.

22. BUSINESS SEGMENT INFORMATION

The Company and Subsidiaries classify their segment reporting into business segment and geographical segment. Business segment is determined based on products sold such as feeds, day-old chicks, processed chicken, poultry equipment packaging and others. Geographical segment is determined based on location of business, such as Java Island, Sumatera Island, Bali Island and other Islands.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Information concerning the Company's and Subsidiaries' business segment is as follows :

March 31, 2011	Feeds *	Day-Old Chicks	Processed Chicken	Poultry Equipment	Packaging	Others	Elimination	Consolidated
Business Segment Information								
Segment sales								
External sales	3,248,449	647,469	443,093	5,531	7,463	28,210	-	4,380,215
Inter-segment sales	335,780	-	-	13,403	10,828	107,984	(467,995)	-
Total segment sales	3,584,229	647,469	443,093	18,934	18,291	136,194	(467,995)	4,380,215
Segment results	556,235	183,834	73,885	4,041	(468)	5,433	-	822,960
Unallocated expenses								11,875
Income from operations								**811,085**
Segment assets	4,504,916	1,873,086	503,359	47,480	29,055	80,552	(262,954)	6,775,494
Unallocated assets								307,156
Total assets								**7,082,650**
Segment liabilities	724,804	308,304	152,045	3,937	9,503	13,029	(170,687)	1,040,935
Unallocated liabilities								903,839
Total liabilities								**1,944,774**
Capital expenditures	68,119	138,054	31,574	430	4,311	12	-	242,500
Depreciation	16,131	16,598	4,265	187	53	320	-	37,554
Non-cash expenses other than depreciation								
Depletion of producing flocks	-	105,842	-	-	-	-	-	105,842

March 31, 2010	Feeds *	Day-Old Chicks	Processed Chicken	Poultry Equipment	Packaging	Others	Elimination	Consolidated
Business Segment Information								
Segment sales								
External sales	2,707,842	433,714	304,224	3,917	4,471	3,619	-	3,457,787
Inter-segment sales	240,039	-	-	1,325	10,860	1,765	(253,989)	-
Total segment sales	2,947,881	433,714	304,224	5,242	15,331	5,384	(253,989)	3,457,787
Segment results	494,988	(1,049)	64,112	687	(417)	(502)	-	557,819
Unallocated expenses								10,322
Income from operations								**547,497**
Capital expenditures	9,636	6,091	7,828	-	-	-	-	23,555
Depreciation	14,658	15,390	4,168	172	23	104	-	34,515
Non-cash expenses other than depreciation								
Depletion of producing flocks	-	116,675	-	-	-	-	-	116,675

December 31, 2010	Feeds *	Day-Old Chicks	Processed Chicken	Poultry Equipment	Packaging	Others	Elimination	Consolidated
Segment assets	4,232,116	1,686,028	427,810	36,310	32,029	75,284	(224,069)	6,265,508
Unallocated assets								252,768
Total assets								**6,518,276**
Segment liabilities	1,084,332	364,482	109,665	3,906	9,563	7,479	(169,280)	1,410,147
Unallocated liabilities								626,093
Total liabilities								**2,036,240**

* Consist of poultry, swine and other feed.

Segment results represent allocated revenue less allocated cost of goods sold and operating expenses.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Information concerning the Company's and Subsidiaries' geographical segment is as follows :

	March 31 2011	March 31 2010
External Sales		
Java Island	2,766,410	2,200,246
Sumatera Island	1,004,840	774,471
Bali Island	596,074	468,844
Other Islands	270,636	210,088
Total	4,637,960	3,653,649
Elimination	(257,745)	(195,862)
Total	**4,380,215**	**3,457,787**

	March 31, 2011	December 31, 2010
Segment Assets		
Java Island	4,871,467	5,095,608
Sumatera Island	1,257,707	1,104,811
Bali Island	245,397	221,572
Other Islands	757,748	645,498
Total	7,132,319	7,067,489
Elimination	(49,669)	(549,213)
Total	**7,082,650**	**6,518,276**

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets out the carrying values and estimated fair values of the Company and Subsidiary's financial instruments as of March 31, 2011:

	Carrying Values	Fair Values
Financial Assets		
Loan and receivables		
Cash and cash equivalents	1,153,590	1,153,590
Accounts receivable - trade	1,126,775	1,126,775
Accounts receivable - others	62,379	62,379
Non - Current Assets - other	6,926	6,926
Total	**2,349,670**	**2,349,670**
Financial Liabilities		
Financial Liabilities at amortized cost		
Accounts payable - trade	594,582	594,582
Accounts payable - others	265,147	265,147
Accrued expenses	84,603	84,603
Long-term debt - current portion	178,699	178,699
Long-term debt - long-term portion	232,041	232,041
Total	**1,355,072**	**1,355,072**

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's-length transaction, other than in a forced or liquidation sale. Fair values are obtained from discounted cash flow models.

Financial instruments presented in the consolidated balance sheet are carried at the fair value, otherwise, they are presented at carrying values as either these are reasonable approximation of fair values or their fair values can not be reliably measured. The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a. Financial instruments carried at fair value or amortized cost

   Long-term loans to employees and utilities security deposit are carried at amortized cost using the effective interest rate method and the discount rates used are the current market incremental lending rate for similar types of lending.

b. Financial instruments with carrying amounts that approximate their fair values

   The fair value of cash and cash equivalents, current trade and other receivables, short-term bank loans, current trade and other payables and accrued expenses approximate their carrying values due to their short-term nature. The carrying values of long-term loans with floating interest rates approximate their fair values as they are re-priced frequently.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks from financial instruments of the Company and Subsidiaries are credit risk, liquidity risk, market risk (including foreign exchange rate risk and commodity price risk) and interest rate risk. Review of Directors and the approved policies to manage risks are summarized as follows:

Credit Risk

Credit risk arises as a result of the sale of products to customers. The Company and Subsidiaries manage and control this risk by setting acceptable risk limit and monitoring the exposure related to such limits.

The Company and Subsidiaries have adopted a number of policies prior to providing credit to new customers, such as customer surveys and setting of strict credit limits. The agreement with customers is outlined in a document entitled KUL (Condition for Customer) and in the sales and purchase agreements. The Company and Subsidiaries also set a credit period which is relatively short, that is up to 45 days. Raising of the credit limit and extension of the credit term are only provided after a process of verification. Overdue receivables are monitored continuously and where possible collateral is sought with termination of customer credit and restriction to cash basis transactions being other possible measures.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

Liquidity Risk

Liquidity Risk is the risk that occurs when the cash flow position indicates that short-term revenue is insufficient to cover short-term expenditure.

The liquidity requirements of the Company and Subsidiaries have historically arisen from the need for investment funding and capital expenditure, while operational expenses can be met from the Company and Subsidiaries' cash flows. In the handling of liquidity risk, Management always maintains cash and cash equivalent at levels adequate to finance the operations of the Company and Subsidiaries, while the effects of cash flow fluctuation, can be overcome by the availability of bank loan facilities.

The Company and Subsidiaries evaluate their cash flow projections regularly including the long-term maturity schedule and continuously assess the condition of financial markets for opportunities to pursue fund raising initiatives either through bank loan or the equity market.

The following table represents the maturity schedules of the Company and Subsidiaries' financial liabilities based on contractual payments:

	Expected maturity as of March 31, 2011		
	Up to 1 year	**More than 1 year up to 2 years**	**Total**
Accounts payable - trade	594,582	-	594,582
Accounts payable - others	265,147	-	265,147
Accrued expenses	84,603	-	84,603
Long-term debts	177,697	232,041	409,738
Finance lease obligations	1,002	-	1,002
Total	**1,123,031**	**232,041**	**1,355,072**

Market Risk

Foreign Exchange Rate Risk

The reporting currency of the Company and Subsidiaries the Indonesian Rupiah. The foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company and Subsidiaries' exposure to the fluctuation of exchange rates primarily arises from trade payables due to import of raw materials and bank loans.

In managing the foreign exchange rate risk, the Company and Subsidiaries seek bank loan facility in dual currency giving them flexibility in currency conversion in terms of the currency to be used in light of circumstances. For the foreign exchange rate risk which arises from trade payable, the Company will transfer it to the customer through periodic evaluation of sales prices.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

As of March 31, 2011, the Company and Subsidiaries have monetary assets and liabilities denominated in foreign currencies, as follows:

	Foreign Currency		Rupiah Equivalents
Assets			
Cash and cash equivalents	US$	12,638,482	110,068
	EUR	256,241	3,156
Total			113,224
Liabilities			
Accounts payable - trade	US$	22,336,927	194,532
Long-term bank loans	US$	25,570,475	222,693
Total			417,225
Net Liabilities			**304,001**

Commodity Price Risk

The Company's commodity price risk arises from the fact that most of the raw materials to produce poultry feed are corn and soybean, which are commodity goods. Management's policy to reduce this risk is through use of a formula which makes it possible to use a replacement raw material for commodity goods without reducing the quality of the production goods and through passing on price increases to customers.

Aside from that, the Company continuously monitors the optimal level of inventory by entering into purchase contracts when prices are low, mindful of production plans and raw material requirements.

Interest Rate Risk

Interest rate risk arises from bank loans with floating interest rates.

The Company and Subsidiaries do not have a policy to minimize such interest rate risk.

25. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Statements of Financial Accounting Standards (PSAK) issued by the Indonesian Accounting Standard Board (DSAK) but not yet effective in 2011 are summarized below:

Effective on or after January 1, 2012:

- PSAK 10 (Revised 2010) "The Effects of Changes in Foreign Exchange Rates"
  Prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and translate financial statements into a presentation currency

- PSAK 18 (Revised 2010) "Accounting and Reporting by Retirement Benefit Plans"
  Establish the accounting and reporting by the plan to all participants as a group. This Standards complements PSAK No 24 (Revised 2010), "Employee Benefits"

- PSAK 24 (Revised 2010) “Employee Benefits”
  Establish the accounting and disclosures for employee benefits

- PSAK 34 (Revised 2010) “Accounting for Constructions Contracts”
  Prescribes the accounting treatment of revenue and costs associated with construction contracts.

- PSAK 46 (Revised 2010) “Accounting for Income Taxes”
  Prescribes the accounting treatment for income taxes to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the balances sheets; and transactions and other events of the current period that are recognized in the financial statements.

- PSAK 50 (Revised 2010) “Financial Instruments: Presentation”
  Establish the principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.

- PSAK 53 (Revised 2010) “Share-based Payment”
  Specify the financial reporting by an entity when it undertakes a share-based payment transaction.

- PSAK 60 (Revised 2010) “Financial Instruments: Disclosures”
  Requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for financial position and performance; and the nature and extent of risk arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

- PSAK 61 (Revised 2010) “Accounting for Government Grant and Disclosures of Government Assistance”
  Applies in the accounting for, and in the disclosures of government grants and in the disclosures of the other form of government assistance.

- ISAK 15 “PSAK No.24 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction”
  Provides guidance on how to assess the limit on the amount of surplus in a defined scheme that can be recognized as an assets under PSAK No.24 (Revised 2010), “Employee Benefits”

- ISAK 18 “Government Assistance – No Specific Relation to Operating Activities”
  Prescribes government grants to entities that meet the definition of government grants in PSAK No. 61, “Accounting for Government Grants and Disclosures of Government Assistance”, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sector.

- ISAK 20 “Income Taxes – Changes in the Tax Status of an Entity or its Shareholders”
  Prescribes how an entity should account for the current and deferred tax consequences of a change in tax status of entities or its shareholders.

The Company and Subsidiaries are presently evaluating and have not determined the effects of these revised and new Standards and Interpretation on its consolidated financial statements.