

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2002 and 2001
(In Full Rupiah)



ASSETS	Note	2002 Rp	2001 Rp
CURRENT ASSETS			
Cash and Cash Equivalents	2.c, 2.d, 3	29,093,527,882	28,575,489,075
Trade Receivable - Third Parties (Net of allowance for doubtful accounts as of December 31, 2002 and 2001 of Rp 91,467,489,885 and Rp 92,675,110,823)	2.f, 4	125,280,364,636	156,170,532,044
Others Receivable	5	4,713,240,963	4,012,149,017
Inventories - Net	2.g, 6	166,073,472,902	220,035,907,331
Livestock	2.h, 7	36,144,974,996	32,885,017,169
Prepaid Expenses		9,260,984,784	6,192,887,462
Prepaid Taxes	2.p, 8	23,323,353,356	23,927,549,453
Purchase Advances		47,901,019,317	28,134,677,817
Total Current Assets		<u>441,790,938,836</u>	<u>499,934,209,368</u>
NON CURRENT ASSETS			
Investment in Associate	2.e, 9	1,300,839,000	1,300,839,000
Other Long Term Investments - Net	2.e,10	2,724,251,084	2,489,699,692
Due from Related Parties	32	47,881,366,088	48,828,972,408
Deferred Tax Assets	2.p, 14.b	173,951,186,230	375,850,277,528
Property, Plant and Equipments (Net of accumulated depreciation as of December 31, 2002 and 2001 of Rp 213,040,741,373 and Rp 182,117,136,624)	2.l, 2.m, 11	435,016,866,169	347,435,803,708
Leasehold improvement (Net of accumulated depreciation as of December 31, 2002 and 2001 of Rp 11,321,798,226 and Rp 9,638,248,572)	2.j, 2.m, 12	8,338,690,844	8,445,526,501
Intangible Assets (Net of accumulated amortization as of December 31, 2002 and 2001 of Rp 5,555,116,976 and Rp 4,711,728,250)	2.e, 13	10,196,100,829	11,039,489,555
Unutilized Property and Equipment	2.k, 15	22,566,696,393	14,589,081,833
Deferred Charges - Net	2.n	445,403,841	31,106,230
Refundable Deposits		4,477,481,616	3,856,557,403
Restricted Fund	16	678,084,735	678,084,735
Total Non Current Asset		<u>707,576,966,829</u>	<u>814,545,438,593</u>
TOTAL ASSETS		<u>1,149,367,905,665</u>	<u>1,314,479,647,961</u>

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

As of December 31, 2002 and 2001

(In Full Rupiah)



LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY

	Note	2002	2001
		Rp	Rp
CURRENT LIABILITIES			
Trade Payable	2.c, 17	89,229,028,065	182,595,028,264
Accrued Expenses	18	12,570,135,019	20,287,627,390
Taxes Payable	2.p, 14.c	16,755,643,591	15,313,287,338
Current Maturity of Long Term Liabilities :			
Obligations Under Capital Lease	2.l, 19	375,507,780	--
Other Current Liabilities		11,243,870,048	17,773,432,512
Total Current Liabilities		130,174,184,503	235,969,375,504
NON CURRENT LIABILITIES			
Obligations Under Capital Lease	2.l, 19	148,433,524,471	172,344,868,800
Convertible Bonds	20	783,859,760,000	858,809,920,000
Estimated Liabilities on Employee Benefits	2.r, 21	11,535,936,132	7,553,040,197
Unearned Profit on Sale and Leaseback		219,242,288	656,407,808
Total Non Current Liabilities		944,048,462,891	1,039,364,236,805
MINORITY INTERESTS	2.e	363,779,458	385,772,229
STOCKHOLDERS' EQUITY			
Capital Stock			
Authorized Capital - 730,999,000 series A shares			
with par value of Rp 500 per share and			
28,220,461,339 series B shares with par value of			
Rp 300 per share as of December 31, 2002 and			
2001; Subscribed and fully paid 730,999,000 series			
A shares and 6,506,866,083 series B shares as of			
December 31, 2002 and 2001	1.d, 22	2,317,559,324,900	2,317,559,324,900
Additional Paid in Capital - Net	23	90,130,005,933	90,130,005,933
Difference Resulting from Revaluation of Fixed Assets	11	110,390,461,200	--
Translation Adjustments	2.b, 24	(34,433,888)	(34,433,888)
Deficits		(2,443,263,879,332)	(2,368,894,633,522)
Total Stockholders' Equity		74,781,478,813	38,760,263,423
TOTAL LIABILITIES, MINORITY INTERESTS AND STOCKHOLDER' EQUITY		1,149,367,905,665	1,314,479,647,961

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

As of December 31, 2002 and 2001

(In Full Rupiah)



	Note	2002 Rp	2001 Rp
OPERATING REVENUES	2.o, 25	1,315,701,903,665	1,307,868,371,866
COST OF GOODS SOLD	2.o, 26	1,182,987,742,478	1,194,389,864,145
GROSS PROFIT		132,714,161,187	113,478,507,721
OPERATING EXPENSES			
Selling Expenses	2.o, 27	32,671,293,170	23,578,403,864
General and Administrative Expenses	2.o, 28	78,187,008,649	74,793,847,199
Total Operating Expenses		110,858,301,819	98,372,251,063
INCOME FROM OPERATIONS		21,855,859,368	15,106,256,658
OTHER INCOME (EXPENSES)			
Insurance and Claims Settlement	2.o	139,029,037	3,468,815,986
Interest Income		778,261,551	958,849,022
Gain on Differences in Payment		83,468,934	113,217,325
Gain (Loss) on Foreign Exchange - Net	2.c, 29, 37	99,314,231,969	(43,348,757,167)
Bad Debt Expenses	2.f	(341,367,153)	(2,682,792,009)
Gain on Disposal/Sale of Property and Equipment - Net	2.l	81,919,563	242,739,637
Loss on Stocktaking Difference	2.g, 6	(4,404,391,995)	(3,171,683,275)
Sales of Other Materials	30	2,123,298,946	1,615,768,386
Amortization of Intangible Assets	13	(843,388,726)	(1,240,644,462)
Financial Charges		(124,393,340)	(133,134,634)
Loss on Disposal of Investments			(1,826,826,548)
Restructuring Expenses		(3,225,177,954)	(14,270,543,848)
Other - Net		12,297,835,801	11,405,313,917
Total Other Income (Expenses) Net		105,879,326,633	(48,869,677,670)
INCOME (LOSS) BEFORE INCOME TAX		127,735,186,001	(33,763,421,012)
INCOME TAX BENEFIT (EXPENSE)	2.p, 14.a		
Current Tax		(227,333,284)	(267,170,869)
Deferred Tax		(201,899,091,298)	(251,790,311,829)
Total Income Tax Expense		(202,126,424,582)	(252,057,482,698)

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Continued)
As of December 31, 2002 and 2001
(In Full Rupiah)



	Note	2002 Rp	2001 Rp
LOSS FROM NORMAL ACTIVITIES		(74,391,238,581)	(285,820,903,710)
EXTRAORDINARY ITEMS		--	(14,922,094,385)
LOSS BEFORE MINORITY INTERESTS		(74,391,238,581)	(300,742,998,095)
MINORITY INTERESTS ON NET LOSS (INCOME) OF SUBSIDIARIES		21,992,771	(18,685,022)
NET LOSS		(74,369,245,810)	(300,761,683,117)
BASIC EARNINGS PER SHARE	2.s, 31		
Income from Operation		3.01	3.34
Net Loss		(10.27)	(66.43)
DILUTED EARNINGS PER SHARE	2.s, 31		
Income from Operation		2.81	2.96
Net Loss		(9.58)	(58.97)

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2002 and 2001
(In Full Rupiah)



	Note	Issued and Paid in Capital	Additional paid In Capital	Difference Resulting from Revaluation of Fixed Assets	Translation Adjusments	Deficits	Total Stocholders Equity
		Rp	Rp	Rp	Rp	Rp	Rp
BALANCE AS OF DECEMBER 31, 2002		365,499,500,000	90,130,005,933	--	(34,433,888)	(2,062,511,567,601)	(1,606,916,495,556)
Increase in Paid in Capital		1,952,059,824,900	--	--	--	--	1,952,059,824,900
Adjusments to Beginning Deficit on Past		--	--	--	--	(5,621,382,804)	(5,621,382,804)
Service Cost		--	--	--	--	--	--
Net Loss		--	--	--	--	(300,761,683,117)	(300,761,683,117)
BALANCE AS OF DECEMBER 31, 2001		2,317,559,324,900	90,130,005,933	--	(34,433,888)	(2,368,894,633,522)	38,760,263,423
Revaluation of Fixed Asset	2.I, 11	--	--	110,390,461,200	--	--	110,390,461,200
Net Loss		--	--	--	--	(74,369,245,810)	(74,369,245,810)
BALANCE AS OF DECEMBER 31, 2002		2,317,559,324,900	90,130,005,933	110,390,461,200	(34,433,888)	(2,443,263,879,332)	74,781,478,813

PT SIERAD PRODUCE Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2002 and 2001

(In Full Rupiah)



	Note	2002 Rp	2001 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers		1,646,047,769,265	1,509,395,035,379
Cash Paid to Suppliers and Other Third Parties		(1,554,218,689,717)	(1,510,081,451,438)
Cash Paid to Employees		(80,916,666,413)	(49,218,947,847)
Payment of Taxes		(6,698,037,466)	(12,975,782,726)
Proceeds from Refund of Tax Claims		4,827,280,714	12,352,997,866
Interests Received		778,261,551	815,550,687
Net Cash Flows Provided from			
(Used in) Operating Activities		9,819,917,934	(49,712,598,079)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on Disposal of Investment		--	1,046,321,396
Proceeds on Disposal of Property and Equipment		1,716,778,441	2,473,315,146
Acquisition of Property and Equipment		(11,236,263,888)	(26,500,253,429)
Net Cash Flows Used in Investing Activities		(9,519,485,447)	(22,980,616,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Related parties		217,606,320	65,340,448,037
Net Cash Flows Provided from Financing			
Activities		217,606,320	65,340,448,037
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		518,038,807	(7,352,766,929)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		28,575,489,075	35,928,256,004
CASH AND CASH EQUIVALENTS AT END OF YEAR	2.c, 2.d, 3	29,093,527,882	28,575,489,075
CASH AND CASH EQUIVALENT consist of :			
Cash on Hand		1,454,572,431	2,451,162,045
Cash in Bank		12,407,020,429	18,942,821,315
Time Deposits		15,231,935,022	7,181,505,715
Total		29,093,527,882	28,575,489,075
Non Cash Transactions			
Increase in Paid in Capital from Loan			
Restructuring			
Acquisition of Property and Equipment		--	1,952,059,824,900
Difference Resulting from Revaluation of Fixed		--	18,146,473,822
Assets		110,390,461,200	--