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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0142)

2004 FIRST SEMESTER RESULTS OF PT INDOFOOD SUKSES MAKMUR Tbk AND SUBSIDIARIES

The following is a reproduction of a press release and financial statements, issued pursuant to Chapter 13.09(2) of the Listing Rules by First Pacific Company Limited for information purpose only, released in Indonesia by PT Indofood Sukses Makmur Tbk (“Indofood” or “the Company”), a subsidiary of First Pacific Company Limited, in accordance with the requirements of the Jakarta and Surabaya stock exchanges.

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2004 AND 2003
(Amounts in Thousands of Rupiah, except Share Data)
(UNAUDITED)

ASSETS

	2004	2003
	<u>Rp.</u>	<u>Rp.</u>
CURRENT ASSETS		
Cash and cash equivalents	1,820,598,261	1,816,988,079
Short-term investments	113,777,950	446,911,203
Accounts receivable		
Trade		
Third parties – net	1,180,145,930	1,129,840,374
Related parties	89,156,759	74,955,374
Non-trade		
Third parties – net	522,929,920	173,314,746
Related parties	110,459,897	114,022,732
Inventories – net	2,392,129,275	2,598,496,771
Advances and deposits	508,741,758	597,319,969
Prepaid taxes	211,344,212	255,199,770
Prepaid expenses and other current assets	103,692,160	116,279,975
Total Current Assets	<u>7,052,976,122</u>	<u>7,323,328,993</u>

NON-CURRENT ASSETS

Currency swap assets – net	1,226,871,891	1,114,054,630
Long-term receivables		
Third parties	361,504,244	361,504,244
Related parties	81,192,150	44,782,000
Claims for tax refund	140,639,858	58,867,838
Deferred tax assets – net	46,377,235	36,026,287
Investments in shares of stock	18,587,216	21,823,831
Plantations		
Mature plantations – net	122,598,817	135,090,711
Immature plantations	53,669,388	34,695,734
Property, plant and equipment – net	5,752,659,160	5,742,336,306
Deferred charges – net	175,500,407	185,277,696
Other non-current assets	773,922,743	284,569,823
Total Non-current Assets	8,753,523,109	8,019,029,100
TOTAL ASSETS	15,806,499,231	15,342,358,093

LIABILITIES AND SHAREHOLDERS' EQUITY

	2004	2003
	<i>Rp.</i>	<i>Rp.</i>
CURRENT LIABILITIES		
Short-term bank loans and overdraft	362,685,126	251,034,916
Trust receipts payable	117,167,820	681,398,988
Accounts payable		
Trade		
Third parties	1,850,185,596	1,077,348,814
Related parties	45,086,461	32,511,817
Non-trade		
Third parties	662,095,852	327,382,682
Related parties	126,309,553	124,559,571
Accrued expenses	329,414,716	418,766,098
Taxes payable	199,669,089	200,473,870
Current maturities of long-term debts		
Bank loans and other borrowing	466,749,187	644,788,372
Obligations under capital leases	31,605,915	24,432,217
	4,190,969,315	3,782,697,345
NON-CURRENT LIABILITIES		
Long-term debts – net of current maturities		
Bank loans and other borrowing	996,619,704	1,123,377,389
Bonds and guaranteed notes payable		
– net	5,338,915,740	4,960,263,653
Obligations under capital leases	7,463,210	44,522,611
	6,342,998,654	6,128,163,653
Sub-total	6,342,998,654	6,128,163,653
Deferred tax liabilities – net	536,328,470	579,923,115
Estimated employee benefit liability	159,602,029	128,039,838
	7,038,929,153	6,836,126,606
Total Non-current Liabilities	7,038,929,153	6,836,126,606

**MINORITY INTERESTS IN NET
ASSETS OF SUBSIDIARIES**

628,275,648

914,462,775

SHAREHOLDERS' EQUITY

Capital stock – Rp.100 par value

Authorized – 30,000,000,000 shares

Issued and fully paid – 9,444,189,000
shares in 2004 and 9,443,269,500
shares in 2003

944,418,900

944,326,950

Additional paid-in capital

1,182,045,894

1,181,379,256

Differences arising from restructuring
transactions among entities under
common control

(917,740,765)

(917,740,765)

Unrealized gains (losses) on investments
in marketable securities – net

(14,170,858)

21,070,823

Differences arising from foreign currency
translations

24,453

(1,145,571)

Retained earnings

Appropriated

40,000,000

35,000,000

Unappropriated

3,454,816,832

3,287,250,015

Treasury stock – 915,600,000 shares

(741,069,341)

(741,069,341)

Net Shareholders' Equity

3,948,325,115

3,809,071,367

**TOTAL LIABILITIES AND
SHAREHOLDERS' EQUITY**

15,806,499,231

15,342,358,093

CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(Amounts in Thousands of Rupiah, except Earnings per Share)
(UNAUDITED)

	<u>2004</u>	<u>2003</u>
	<i>Rp.</i>	<i>Rp.</i>
NET SALES	8,560,036,823	8,419,517,767
COST OF GOODS SOLD	6,323,522,438	6,421,933,988
GROSS PROFIT	2,236,514,385	1,997,583,779
OPERATING EXPENSES		
Selling	792,541,515	642,430,462
General and administrative	437,155,119	487,933,131
Total Operating Expenses	1,229,696,634	1,130,363,593
INCOME FROM OPERATIONS	1,006,817,751	867,220,186
OTHER INCOME (CHARGES)		
Interest income	83,223,482	83,367,682
Interest expense	(438,600,537)	(461,021,697)
Other financing charges	(30,609,010)	(25,214,482)
Gains (losses) on foreign exchange – net of losses (gains) on changes in fair values of net currency swap assets	(277,380,515)	73,237,329
Others – net	(45,389,116)	(40,449,599)
Other Charges – Net	(708,755,696)	(370,080,767)
INCOME BEFORE TAX BENEFIT (EXPENSE)	298,062,055	497,139,419

TAX BENEFIT (EXPENSE)		
Current	(166,547,700)	(125,459,805)
Deferred	<u>57,698,215</u>	<u>(24,266,845)</u>
Tax Expense – Net	<u>(108,849,485)</u>	<u>(149,726,650)</u>
INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES		
	189,212,570	347,412,769
MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES – Net		
	<u>(72,420,820)</u>	<u>(38,507,026)</u>
NET INCOME	<u>116,791,750</u>	<u>308,905,743</u>
EARNINGS PER SHARE		
Income from Operations	<u>118</u>	<u>102</u>
Net Income	<u>14</u>	<u>36</u>

Notes:

- Earnings per share is computed based on the weighted average number of outstanding shares during the period.
 - The foreign exchange rates used as at June 30, 2004 and 2003 were Rp.9,415 and Rp.8,285 to US\$1, respectively.
 - For comparative purposes, certain accounts in the 2003 Consolidated Financial Statements had been reclassified to conform with 2004 presentation.
 - The above Consolidated Balance Sheets as at June 30, 2004 and 2003, and the related Consolidated Statements of Income for the six-months periods ended June 30, 2004 and 2003 had been reviewed by Prasetio, Sarwoko & Sandjaja, Registered Public Accountants.
- Gross profit up 12% to Rp.2.2 trillion;**
 - EBIT increased 16% to Rp.1 trillion;**
 - Gross and EBIT margins improved to 26.1% and 11.8%, respectively on net sales of Rp.8.6 trillion.**

On August 13, 2004, Indofood announced its consolidated operating results for the first semester of 2004, with net sales of Rp.8.6 trillion vs last year's Rp.8.4 trillion. Export revenues for the first semester 2004 reached approximately US. Dollars 146 million, 15% of Company's total consolidated net sales.

Noodles, flour as well as edible oil & fats remain the principal contributors with a total contribution of Rp.7.4 trillion or 87% of consolidated sales (1H03: Rp.7.3 trillion). Despite tougher competition, the noodles division sold 4.83 billion packs vs first semester of 2003 of 4.78 billion packs. Flour division recorded a 12.9% growth in sales volume to 1.2 million tons.

Gross profit grew 12% to Rp.2.2 trillion (1H03: Rp.2.0 trillion), while operating income increased 16% to Rp.1.0 trillion (1H03: Rp.867.2 billion).

Gross margin improved to 26.1% vs first semester of 2003 of 23.7%. This is the result of several factors including increases of selling prices of flour, better margins of cooking oils & fats and CPO, and a decline in low margin CPO trading business. Accordingly, operating margin at 11.8% (1H03: 10.3%) also improved, despite the substantial increase in selling expenses, including A&P expenses due to tougher competition in the market place, which was partly compensated by 10% decline in General and Administrative Expenses, mainly due to cost cutting programs.

Net income declined by 62% to Rp.116.8 billion (1H03: Rp.308.9 billion) mainly due to net foreign exchange losses of Rp.277 billion recorded during the first semester 2004 compared to net foreign exchange gains of Rp.73 billion in 2003. The approximately 10% depreciation of rupiah and losses on unwinding "POS" hedging contract worth US.Dollar 60 million during the first quarter of 2004, are principal reasons for the foreign exchange losses. The Rupiah exchange rate against US. Dollar as of June 30, 2004 and December 31, 2003 was Rp.9,415 and Rp.8,465, respectively. The average exchange rate during the first semester 2004 and 2003 was Rp. 8,794 and Rp. 8,678, respectively.

Total assets at June 30, 2004 were Rp.15.8 trillion (December 31, 2003: Rp.15.3 trillion), including Cash & Cash equivalents of Rp.1.8 trillion (December 31, 2003: Rp 1.5 trillion).

Outstanding debts as at June 30, 2004 decreased to US Dollar 383 million (December 31, 2003: US Dollar 400 million), and Rp.3.7 trillion (December 31, 2003: Rp.4.1 trillion), for a total Rupiah equivalent of Rp.7.3 trillion.

The Company issued in July 2004 its third rupiah bond series of nominal Rp.1.0 trillion with a coupon rate of 12.5% p.a. Most of the net proceeds were utilized to repay US. Dollar bank loans in order to reduce the foreign exchange exposures.

Debt to Equity ratio slightly weakened to 1.9 times (December 31, 2003: 1.8 times) due to lower equity, whereas the Net – Gearing ratio improved to 1.4 times (December 31, 2003: 1.5 times).

Anthoni Salim, the new President Director & CEO of Indofood stated that as part of the ongoing debt management program, the Company is continuously seeking for alternative financing sources to lower its interest rates and to minimize its foreign exchange exposures. In addition, the Company also continues to maintain its hedging policy and as at June 30, 2004 had Principal Only Swap (“POS”) contracts of U.S. Dollar 250 million.

He added: “In its capacity as a market leader, Indofood will continue to take greater advantage of its economies of scale and exploit opportunities for cost reduction and operational efficiency. Indofood will streamline further its customers supply chain to respond faster to market opportunities and to ensure effective and efficient use of working capital”.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and Chief Executive Officer

August 16, 2004

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.