

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Friday, 29 October 2004

INDOFOOD FINANCIAL RESULTS THIRD QUARTER 2004

The attached press release was released today in Jakarta by Indofood, in which the First Pacific Group holds an economic interest of 51.5 per cent.

Indofood is the leading processed-foods group in Indonesia. It is based in Jakarta, and is listed on the Jakarta and Surabaya Stock Exchanges. Noodles, Flour and Edible Oils & Fats are the principal businesses of Indofood. It also has interests in Distribution, Food Seasonings, Baby Foods and Snack Foods businesses. Further information on Indofood can be found at www.indofood.co.id.

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PT INDOFOOD SUKSES MAKMUR TBK

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Press Release

INDOFOOD FINANCIAL RESULTS 3RD QUARTER 2004

- **Net Sales of Rp 13.1 Trillion**
- **Gross Profit up 11% to Rp 3.5 Trillion**
- **Gross Margin strengthened to 26.4% (9M03: 24%)**
- **Operating Profit increased by 12.9% to Rp 1.5 Trillion**
- **Higher Operating Margin at 11.8% (9M03: 10.6%)**

The BOD of Indofood announced today its consolidated operating results for the 9 months ended September 30, 2004 which reflected the new management's initiatives of defending the company's market leadership in the increasingly competitive packaged food industry, particularly in the instant noodle industry, by pursuing continuous improvements in its brand management and business processes in each operating unit.

Indofood's 3 main divisions – Noodles, Flour, Edible Oil & Fats – continue to be the main revenue drivers, contributing 86% of its consolidated net sales at Rp 13.1 Trillion (9M03: Rp 13.0 Trillion).

The Indofood Board highlighted the company's key performance milestones in its 3 main business segments:

- Despite fierce competition in the instant noodle industry, more effective brand building activities and the streamlining of its supply chain and distribution systems have enable the noodle division to maintain its market dominance with a sales volume at 7.23 billion packs (9M03: 7.28 billion packs).
- The company's Flour business successfully increased its sales volume by 12.3% to 1.8 million tons (9M03: 1.6 million tons) while, at the same time, increasing its selling prices despite competition from lower-priced imports.
- Sales of branded Cooking oil & fats grew by 6.2% to 346.3 thousand tons (9M03: 326 thousand tons), while higher yield per hectare, pushed up Plantation sales volume by 8% to 295 thousand CPO tons (9M03: 273 thousand CPO tons). As part of its business restructuring, the company has scaled down its CPO trading activities.

The above factors, along with the cost improvement/efficiency program currently undergoing at its head office and each of its operating units, combined to improve the company's overall gross profit by 11% to Rp 3.5 Trillion (9M03: Rp 3.1 Trillion) and its operating profit by 12.9% to Rp 1.5 trillion (9M03: Rp 1.4 trillion). Gross margin widened to 26.4% (9M03: 24%) while operating margin increased to 11.8% (9M03:10.6%).

The 37% drop in net profit to Rp 284.6 Billion (9M03: Rp 453.5 Billion) is mainly due to net foreign exchange losses of Rp 264.8 Billion, resulting from the depreciation of the Rupiah exchange rate to the U.S. Dollar from Rp 8,465 at end of December 2003 to Rp 9,170 at end of September 2004.

Total assets amounted to Rp 16.4 Trillion at the end of September 2004 (Dec 31'03: Rp 15.3 Trillion), including cash and cash equivalents of Rp 2 Trillion (Dec 31'03: Rp 1.5 Trillion).

As at September 30, 2004, Rupiah outstanding loans stood at Rp 4.8 Trillion (Dec 31'03: Rp 4.1 Trillion), whereas the company's U.S. Dollar denominated debts declined to U.S. Dollar 342 million (Dec 31'03: U.S. Dollar 400 million), or a total loan equivalent to Rp 7.9 Trillion. To hedge its foreign exchange exposure, the company continues to maintain its Principal Only Swap ("POS") contracts of U.S. Dollar 250 million.

The Indofood Board reiterated its commitment to continuously improve the company's operations by streamlining its supply, value and process chains and to strengthen its distribution reach, as well as, to leverage its strong brands to defend its current market position and to grow in new categories.

Jakarta, October 30, 2004

**PT INDOFOOD SUKSES MAKMUR Tbk
THE BOARD OF DIRECTORS**

**PT INDOFOOD SUKSES MAKMUR Tbk
AND SUBSIDIARIES**

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**CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2004 AND 2003**

(Amounts in Thousands of Rupiah, except Share Data)
(UNAUDITED)

| | <u>2004</u> | <u>2003</u> |
|---|------------------------------|------------------------------|
| | Rp | Rp |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 2,015,255,876 | 1,713,011,481 |
| Short-term investments | 106,442,566 | 422,843,815 |
| Accounts receivable | | |
| Trade | | |
| Third parties - net | 1,104,890,724 | 1,148,189,251 |
| Related parties | 97,494,321 | 83,113,238 |
| Non-trade | | |
| Third parties - net | 485,041,555 | 287,835,223 |
| Related parties | 146,367,297 | 116,050,818 |
| Inventories - net | 2,333,044,520 | 2,278,337,033 |
| Advances and deposits | 779,846,541 | 528,871,795 |
| Prepaid taxes | 279,611,522 | 267,124,777 |
| Prepaid expenses and other current assets | 88,581,633 | 178,277,369 |
| | <u>7,436,576,555</u> | <u>7,023,654,800</u> |
| NON-CURRENT ASSETS | | |
| Currency swap assets - net | 1,213,226,476 | 1,182,299,716 |
| Long-term receivables | | |
| Third parties | 361,504,244 | 361,504,244 |
| Related parties | 76,078,400 | 56,013,800 |
| Claims for tax refund | 142,099,883 | 31,030,475 |
| Deferred tax assets - net | 40,193,203 | 39,287,117 |
| Investments in shares of stock | 17,879,511 | 20,207,955 |
| Plantations | | |
| Mature plantations - net | 119,487,711 | 131,918,156 |
| Immature plantations | 59,094,426 | 38,436,654 |
| Property, plant and equipment - net | 5,918,431,494 | 5,785,010,421 |
| Deferred charges - net | 150,930,122 | 260,457,290 |
| Goodwill - net | 52,071,854 | - |
| Other non-current assets | 837,384,938 | 267,921,178 |
| | <u>8,988,382,262</u> | <u>8,174,087,006</u> |
| TOTAL ASSETS | <u><u>16,424,958,817</u></u> | <u><u>15,197,741,806</u></u> |

PT INDOFOOD SUKSES MAKMUR Tbk
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2004 AND 2003
(Amounts in Thousands of Rupiah, except Share Data)
(UNAUDITED)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 2004 | 2003 |
|--|------------------------------|------------------------------|
| | Rp | Rp |
| CURRENT LIABILITIES | | |
| Short-term bank loans and overdraft | 539,498,600 | 370,542,719 |
| Trust receipts payable | 348,569,686 | 344,998,759 |
| Accounts payable | | |
| Trade | | |
| Third parties | 1,744,206,726 | 1,093,064,952 |
| Related parties | 36,521,994 | 32,728,518 |
| Non-trade | | |
| Third parties | 354,563,252 | 176,714,832 |
| Related parties | 602,098 | 140,143 |
| Accrued expenses | 578,258,876 | 594,207,616 |
| Taxes payable | 224,102,668 | 229,099,869 |
| Current maturities of long-term debts | | |
| Bank loans and other borrowing | 79,534,850 | 529,436,555 |
| Bonds and guaranteed notes payable - net | 995,950,000 | - |
| Obligations under capital leases | 24,572,396 | 23,715,164 |
| Total Current Liabilities | <u>4,926,381,146</u> | <u>3,394,649,127</u> |
| NON-CURRENT LIABILITIES | | |
| Long-term debts - net of current maturities | | |
| Bank loans and other borrowing | 639,866,667 | 1,154,892,329 |
| Bonds and guaranteed notes payable - net | 5,267,377,761 | 4,999,591,675 |
| Obligations under capital leases | - | 39,014,178 |
| Convertible bonds payable | 11,100,000 | - |
| Sub-total | <u>5,918,344,428</u> | <u>6,193,498,182</u> |
| Deferred tax liabilities - net | 537,975,186 | 579,359,647 |
| Estimated employee benefit liability | <u>179,670,993</u> | <u>131,965,228</u> |
| Total Non-current Liabilities | <u>6,635,990,607</u> | <u>6,904,823,057</u> |
| MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES | <u>744,507,640</u> | <u>944,624,104</u> |
| 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 | (12,079,330) | 20,884,477 |
| Differences arising from foreign currency translations | (142,001) | (983,055) |
| Retained earnings | | |
| Appropriated | 40,000,000 | 35,000,000 |
| Unappropriated | 3,622,646,067 | 3,431,847,996 |
| Treasury stock - 915,600,000 shares | <u>(741,069,341)</u> | <u>(741,069,341)</u> |
| Net Shareholders' Equity | <u>4,118,079,424</u> | <u>3,953,645,518</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u><u>16,424,958,817</u></u> | <u><u>15,197,741,806</u></u> |

PT INDOFOOD SUKSES MAKMUR Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in Thousands of Rupiah, except Earnings per Share)
(UNAUDITED)

| | <u>2004</u> | <u>2003</u> |
|---|-----------------------|----------------|
| | Rp | Rp |
| NET SALES | 13,087,084,775 | 12,977,133,564 |
| COST OF GOODS SOLD | 9,625,806,924 | 9,867,327,207 |
| GROSS PROFIT | 3,461,277,851 | 3,109,806,357 |
| OPERATING EXPENSES | | |
| Selling | 1,206,733,369 | 1,034,611,373 |
| General and administrative | 709,371,261 | 705,974,079 |
| Total Operating Expenses | 1,916,104,630 | 1,740,585,452 |
| INCOME FROM OPERATIONS | 1,545,173,221 | 1,369,220,905 |
| OTHER INCOME (CHARGES) | | |
| Interest income | 105,725,503 | 135,763,246 |
| Interest expense | (668,345,387) | (702,243,914) |
| Other financing charges | (49,092,703) | (44,926,077) |
| Gains (losses) on foreign exchange - net of losses (gains) on changes in fair values of net currency swap assets | (264,779,800) | 34,388,102 |
| Others - net | (63,415,968) | (41,997,182) |
| Other Charges - Net | (939,908,355) | (619,015,825) |
| INCOME BEFORE TAX BENEFIT (EXPENSE) | 605,264,866 | 750,205,080 |
| TAX BENEFIT (EXPENSE) | | |
| Current | (245,520,206) | (200,393,933) |
| Deferred | 43,642,321 | (20,442,547) |
| Tax Expense - Net | (201,877,885) | (220,836,480) |
| INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES | 403,386,981 | 529,368,600 |
| MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES - Net | (118,765,997) | (75,864,876) |
| NET INCOME | 284,620,984 | 453,503,724 |
| EARNINGS PER SHARE | | |
| Income from Operations | 181 | 161 |
| Net Income | 33 | 53 |

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 September 30, 2004 and 2003 were Rp 9,170 and Rp 8,389 to US\$1, respectively.

Jakarta, October 30, 2004

The Board of Directors
PT INDOFOOD SUKSES MAKMUR Tbk