

**FIRST PACIFIC COMPANY LIMITED**  
**PRESS RELEASE**

**Thursday, 27 October 2005**

**INDOFOOD'S NINE MONTHS FINANCIAL RESULTS ENDED SEP. 30, 2005**  
**Net Sales of Rp. 13.5 trillion (9M04 : Rp. 13.1 trillion)**

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 premier processed-foods company in Indonesia, which offers total food solutions to its customers. It is based in Jakarta, and is listed on the Jakarta and Surabaya Stock Exchanges. Through its four major business units, Indofood offers a wide range of food products: Flour (Bogasari), Consumer Branded Products (Noodles, Food Seasonings, Snack Foods, Nutrition and Special Foods, and Packaging), Edible Oils and Fats (Cooking Oils and Fats, and Plantations) and Distribution. Indofood is considered as the world's largest instant noodles manufacturer by volume, and the largest flour miller in Indonesia. Indofood's flourmill in Jakarta is one of the largest in the world in terms of production capacity in one location. It also has an extensive distribution network in the country. Further information on Indofood can be found at [www.indofood.co.id](http://www.indofood.co.id).

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## Press Release

### INDOFOOD'S NINE MONTHS FINANCIAL RESULTS ENDED SEP. 30, 2005

- **Net Sales of Rp. 13.5 trillion (9M04 : Rp. 13.1 trillion)**

The Board of Directors of Indofood announced today its consolidated operating results for the nine months period ended Sep. 30, 2005 with net sales of Rp. 13.5 trillion (including export sales revenues of US Dollar 174.8 million), a slight improvement compared to the same period of last year (9M04 : Rp. 13.1 trillion).

However, the Company registered net profit after tax for the nine months period of Rp. 42.2 billion; after the effects of "one-time" charges and credits; compared to the same period of last year of Rp. 288.6 billion (as restated). HAD THERE BEEN NO "ONE-TIME" CHARGES AND CREDITS, NET PROFIT AFTER TAX FOR THE FIRST NINE MONTHS PERIOD ENDED SEP. 30, 2005 WOULD HAVE BEEN RP. 259.5 BILLION, AS FOLLOWS:

|   |                          |
|---|--------------------------|
| Net profit after tax as reported  | Rp. 42.2 billion         |
| "One-time" charges and credits :  |                          |
| - Losses on unwinding of "Principal-Only-Swap" (POS) hedging contracts of US Dollar 250 million | Rp. 287.4 billion        |
| - Premium paid on Eurobond Redemption and other related charges                                 | Rp. 47.3 billion         |
| - Retirement and severance allowances   | Rp. 128.1 billion        |
| - Goodwill compensation arising from Nestle JV  | Rp. (130.0) billion      |
| - Gain on redemption of IDR Bond II & III (net)   | Rp. (27.0) billion       |
| - Tax effect and others   | Rp. (88.5) billion       |
| "One-time" charges and credits net effect   | Rp. 217.3 billion        |
| Proforma net profit after tax excluding "one-time" charges and credits                          | <u>Rp. 259.5 billion</u> |

For the first nine months period ended Sep. 30, 2005, sales contribution from each operating divisions are as follow : Bogasari 36%, consumer branded products (including noodles) 36%, edible oils & fats 16%, and distribution 12%. The consolidated gross margin declined from 26.5% to 24.4%, while operating margin went down from 11.9% to 9.7%. This is due to a number of factors notably noodles promotional program "buy-5-get-1", higher costs of certain raw & packaging materials, and "one-time" charges related to retirement and severance allowances as mentioned above.

Total assets amounted to Rp. 14.5 trillion at the end of September 2005 (Dec 31 '04 : Rp. 15.7 trillion), including cash and cash equivalents of Rp. 944.1 billion (Dec 31 '04 : Rp. 1.4 trillion).

As at September 30, 2005, Rupiah outstanding debts (including trust receipt payable) declined to Rp. 4.8 trillion (Dec 31 '04: Rp. 4.9 trillion), whereas the Company's US Dollar denominated debts also declined to US Dollar 179.5 million (Dec 31 '04: US Dollar 317.4 million), or total debts of equivalent to Rp. 6.7 trillion (Dec 31 '04: Rp. 7.9 trillion).

Debt to equity ratio and net gearing ratio improved to 1.57 and 1.35 times (Dec 31, 2004: 1.85 and 1.53 times) respectively.

Regarding the status of the Eurobond, the Board of Directors stated that Indofood have received the reasons from UK High Court of their decision to disallow Indofood exercising its legal right to redeem the Eurobond at par value. Therefore the Board is currently considering all of its options available and reviewing the cost & benefit for the possibility of filing an appeal to the UK High Court. As of Sep. 30 2005, Indofood has bought back more than 50% or US Dollar 156.33 million of its Eurobond totaling of US Dollar 310 million.

During September 2005, the Company has bought back part of its IDR Bond II/2003 and IDR Bond III/2004 amounting to Rp. 273.5 billion and Rp. 24 billion, respectively, resulting in a "one-time" gain of Rp. 27 billion.

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 leading current market position.

**Jakarta, October 28, 2005**

**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, 2005 AND 2004  
( Amounts In Thousands of Rupiah, except Share Data )  
(UNAUDITED)**

**CONSOLIDATED STATEMENTS OF INCOME  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004  
( Amounts In Thousands of Rupiah, except Earnings per Share )  
(UNAUDITED)**

| <u>ASSETS</u>                             |                       | <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> |   |                       |                             |
|---|-----------------------|---|---|-----------------------|-----------------------------|
|   | 2005<br>Rp            | 2004<br>(As Restated)<br>Rp                 |   | 2005<br>Rp            | 2004<br>(As Restated)<br>Rp |
| <b>CURRENT ASSETS</b>                     |                       |   | <b>CURRENT LIABILITIES</b>  |                       |                             |
| Cash and cash equivalents                 | 944,109,872           | 2,015,255,876                               | Short-term bank loans and overdraft   | 1,063,891,229         | 539,498,600                 |
| Short-term investments                    | 408,427,553           | 106,442,566                                 | Trust receipts payable  | 513,221,405           | 348,569,686                 |
| Accounts receivable                       |                       |   | Accounts payable  |                       |                             |
| Trade                                     |                       |   | Trade   |                       |                             |
| Third parties - net                       | 1,465,873,779         | 1,104,890,724                               | Third parties   | 1,305,911,958         | 1,744,206,726               |
| Related parties                           | 134,195,622           | 97,494,321                                  | Related parties   | 64,651,944            | 36,521,994                  |
| Non-trade                                 |                       |   | Non-trade   |                       |                             |
| Third parties - net                       | 324,214,451           | 485,041,555                                 | Third parties   | 295,849,949           | 354,563,252                 |
| Related parties                           | 108,843,339           | 146,367,297                                 | Related parties   | 3,949,229             | 602,098                     |
| Inventories - net                         | 2,584,168,828         | 2,333,044,520                               | Accrued expenses  | 532,267,389           | 578,258,876                 |
| Advances and deposits                     | 442,351,993           | 779,846,541                                 | Taxes payable   | 175,631,331           | 224,102,668                 |
| Prepaid taxes                             | 128,205,077           | 279,611,522                                 | Current maturities of long-term debts   |                       |                             |
| Prepaid expenses and other current assets | 77,745,915            | 88,581,633                                  | Bank loans and other borrowings   | 322,811,863           | 79,534,850                  |
| <b>Total Current Assets</b>               | <b>6,618,136,429</b>  | <b>7,436,576,555</b>                        | Obligations under capital leases  | 194,338               | 24,572,396                  |
| <b>NON-CURRENT ASSETS</b>                 |                       |   | Bonds payable - net   | -                     | 995,950,000                 |
| Currency swap assets - net                | -                     | 1,213,226,476                               | <b>Total Current Liabilities</b>  | <b>4,278,380,635</b>  | <b>4,926,381,146</b>        |
| Long-term receivables                     |                       |   | <b>NON-CURRENT LIABILITIES</b>  |                       |                             |
| Third parties                             | -                     | 361,504,244                                 | Long-term debts - net of current maturities   |                       |                             |
| Related parties                           | -                     | 76,078,400                                  | Bonds and guaranteed notes payable - net  | 3,752,289,722         | 5,267,377,761               |
| Claims for tax refund                     | 193,478,234           | 142,099,883                                 | Bank loans and other borrowings   | 995,306,240           | 639,866,667                 |
| Deferred tax assets - net                 | 60,477,763            | 39,849,853                                  | Obligations under capital leases  | 3,018,558             | -                           |
| Investments in shares of stock            | 37,161,278            | 17,879,511                                  | Convertible bonds payable   | -                     | 11,100,000                  |
| Plantations                               |                       |   | Sub-total   | 4,750,614,520         | 5,918,344,428               |
| Mature plantations - net                  | 150,963,077           | 119,487,711                                 | Deferred tax liabilities - net  | 578,806,764           | 533,738,832                 |
| Immature plantations                      | 169,095,826           | 59,094,426                                  | Estimated liabilities for employees' benefit  | 234,979,851           | 192,647,676                 |
| Property, plant and equipment - net       | 6,010,812,052         | 5,918,431,494                               | Goodwill  | 6,371,250             | -                           |
| Deferred charges - net                    | 204,210,326           | 150,930,122                                 | <b>Total Non-current Liabilities</b>  | <b>5,570,772,385</b>  | <b>6,644,730,936</b>        |
| Goodwill - net                            | 212,405,043           | 52,071,854                                  | <b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>                                 | <b>421,988,490</b>    | <b>744,433,613</b>          |
| Other non-current assets                  | 844,058,464           | 837,384,938                                 | <b>SHAREHOLDERS' EQUITY</b>   |                       |                             |
| <b>Total Non-current Assets</b>           | <b>7,882,662,063</b>  | <b>8,988,038,912</b>                        | Capital stock - Rp 100 par value  |                       |                             |
| <b>TOTAL ASSETS</b>                       | <b>14,500,798,492</b> | <b>16,424,615,467</b>                       | Authorized - 30,000,000,000 shares  |                       |                             |
|   |                       |   | Issued and fully paid - 9,444,189,000 shares  | 944,418,900           | 944,418,900                 |
|   |                       |   | Additional paid-in capital  | 1,182,045,894         | 1,182,045,894               |
|   |                       |   | 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                 | 41,591,134            | (13,431,491)                |
|   |                       |   | Difference arising from changes in equities of subsidiaries                             | 72,131,324            | 1,352,161                   |
|   |                       |   | Differences arising from foreign currency translations                                  | 5,444,746             | (142,001)                   |
|   |                       |   | Retained earnings   |                       |                             |
|   |                       |   | Appropriated  | 45,000,000            | 40,000,000                  |
|   |                       |   | Unappropriated  | 3,597,835,090         | 3,613,636,415               |
|   |                       |   | Treasury stock - 915,600,000 shares   | (741,069,341)         | (741,069,341)               |
|   |                       |   | <b>Net Shareholders' Equity</b>   | <b>4,229,656,982</b>  | <b>4,109,069,772</b>        |
|   |                       |   | <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                       | <b>14,500,798,492</b> | <b>16,424,615,467</b>       |

  

|   | 2005<br>Rp            | 2004<br>(As Restated)<br>Rp |
|---|-----------------------|-----------------------------|
| <b>NET SALES</b>  | <b>13,528,959,917</b> | <b>13,087,084,775</b>       |
| <b>COST OF GOODS SOLD</b>   | <b>10,230,965,283</b> | <b>9,622,386,815</b>        |
| <b>GROSS PROFIT</b>   | <b>3,297,994,634</b>  | <b>3,464,697,960</b>        |
| <b>OPERATING EXPENSES</b>   |                       |                             |
| Selling   | 1,245,098,520         | 1,205,987,163               |
| General and administrative  | 737,533,636           | 707,319,196                 |
| Total Operating Expenses  | 1,982,632,156         | 1,913,306,359               |
| <b>INCOME FROM OPERATIONS</b>   | <b>1,315,362,478</b>  | <b>1,551,391,601</b>        |
| <b>OTHER INCOME / (CHARGES)</b>   |                       |                             |
| Interest income   | 35,064,877            | 105,725,503                 |
| Interest expense and other financing charges  | (664,549,292)         | (695,433,314)               |
| Losses on foreign exchange - net of gains on changes in fair values of net currency swap assets | (563,862,126)         | (264,779,800)               |
| Others - net  | 118,696,327           | (85,420,744)                |
| Other Charges - Net   | (1,074,650,214)       | (939,908,355)               |
| <b>INCOME BEFORE TAX BENEFIT / (EXPENSE)</b>  | <b>240,712,264</b>    | <b>611,483,246</b>          |
| <b>TAX BENEFIT / (EXPENSE)</b>  |                       |                             |
| Current   | (217,342,652)         | (245,520,206)               |
| Deferred  | 113,561,796           | 41,776,807                  |
| Tax Expense - Net   | (103,780,856)         | (203,743,399)               |
| <b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>                         | <b>136,931,408</b>    | <b>407,739,847</b>          |
| <b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES - Net</b>                                 | <b>(94,733,112)</b>   | <b>(119,138,927)</b>        |
| <b>NET INCOME</b>   | <b>42,198,296</b>     | <b>288,600,920</b>          |
| <b>EARNINGS PER SHARE</b>   |                       |                             |
| Income from Operations  | 154                   | 182                         |
| Net Income  | 5                     | 34                          |

Notes : 1. Starting January 1, 2005, the Group adopted retrospectively the provisions of the SFAS No. 24 (Revised), "Employee Benefits". Accordingly, the Consolidated Financial Statements as at and for the nine months ended September 30, 2004 have been restated.  
2. Earnings per share is computed based on the weighted average number of outstanding shares during the periods.  
3. The foreign exchange rates used as at September 30, 2005 and 2004 were Rp 10,310 and Rp 9,170 to US\$ 1, respectively.  
4. For comparative purposes, certain accounts in the 2004 Consolidated Financial Statements have been reclassified to conform with 2005 presentation.

Jakarta, October 28, 2005

The Board of Directors  
PT INDOFOOD SUKSES MAKMUR Tbk