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## FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

### 2003 ANNUAL RESULTS OF PT INDOFOOD SUKSES MAKMUR Tbk AND SUBSIDIARIES

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

#### CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2003 AND 2002

(Amounts in Thousands Rupiah, except per Share Data)

	<u>2003</u>	<u>2002</u>
	<i>Rp</i>	<i>Rp</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,529,698,139	1,368,445,833
Short-term investments	537,310,044	383,036,737
Time deposits	–	184,222,500
Accounts receivable		
Trade		
Third parties – net	1,552,503,439	1,234,136,394
Related parties	88,762,830	89,652,554
Non-trade		
Related parties	85,068,581	93,411,196
Others – net	279,853,132	163,269,702
Inventories – net	2,218,209,967	2,743,304,033
Advances and deposits	398,392,197	569,628,039
Prepaid taxes	322,478,839	244,335,050
Prepaid expenses and other current assets	94,213,430	73,561,124
<b>Total Current Assets</b>	<b>7,106,490,598</b>	<b>7,147,003,162</b>

**NON-CURRENT ASSETS**

Currency swap assets – net	<b>1,141,518,102</b>	1,212,515,891
Long-term receivables		
Third parties	<b>361,504,244</b>	345,594,200
Related parties	<b>63,932,000</b>	39,678,000
Deferred tax assets – net	<b>57,904,440</b>	27,998,467
Investments in shares of stock	<b>20,232,941</b>	23,689,241
Plantations		
Matured plantations – net	<b>128,821,029</b>	141,250,957
Immature plantations	<b>43,457,052</b>	29,442,827
Property, plant and equipment – net	<b>5,825,950,827</b>	5,661,423,827
Other non-current assets	<b>559,043,227</b>	622,919,381
Total Non-Current Assets	<b>8,202,363,862</b>	8,104,512,791
<b>TOTAL ASSETS</b>	<b>15,308,854,460</b>	15,251,515,953

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	<b>2003</b>	2002
	<i>Rp</i>	<i>Rp</i>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans and overdraft	<b>513,311,121</b>	624,232,632
Trust receipts payable	<b>274,362,887</b>	662,045,872
Accounts payable		
Trade		
Third parties	<b>1,574,696,223</b>	1,128,490,519
Related parties	<b>25,598,631</b>	33,273,613
Non-trade		
Related parties	<b>4,165,411</b>	882,007
Others	<b>119,255,588</b>	127,394,177
Accrued expenses	<b>341,213,814</b>	341,652,581
Taxes payable	<b>260,598,684</b>	221,102,826
Current maturities of long-term debts		
Loans	<b>529,039,830</b>	1,176,326,651
Obligations under capital leases	<b>21,950,551</b>	25,901,366
Total Current Liabilities	<b>3,664,192,740</b>	4,341,302,244

**NON-CURRENT LIABILITIES**

Long-term debts – net of current maturities		
Loans	<b>1,090,727,250</b>	1,980,791,194
Bonds and guaranteed notes payable – net	<b>5,030,239,696</b>	3,681,507,609
Obligations under capital leases	<b>32,554,241</b>	55,479,695
Sub-total	<b>6,153,521,187</b>	5,717,778,498
Deferred tax liabilities – net	<b>605,553,891</b>	547,628,450
Other non-current liability – net	<b>129,062,523</b>	106,430,813
Total Non-Current Liabilities	<b>6,888,137,601</b>	6,371,837,761

**MINORITY INTERESTS IN NET  
ASSETS OF SUBSIDIARIES**

**662,643,219**                      875,678,446

**SHAREHOLDERS' EQUITY**

Capital stock – Rp100 par value		
Authorized – 30,000,000,000 shares		
Issued and fully paid – 9,443,269,500 shares in 2003 and 9,384,900,000 shares in 2002	<b>944,326,950</b>	938,490,000
Additional paid-in capital	<b>1,181,379,256</b>	1,139,061,368
Treasury stock – 915,600,000 shares	<b>(741,069,341)</b>	(741,069,341)
Differences arising from restructuring transactions among entities under common control	<b>(917,740,765)</b>	(917,740,765)
Unrealized gains (losses) on investments in marketable securities – net	<b>11,058,667</b>	(7,781,337)
Differences arising from foreign currency translation	<b>(899,441)</b>	(381,440)
Retained earnings		
Appropriated	<b>35,000,000</b>	30,000,000
Unappropriated	<b>3,581,825,574</b>	3,222,119,017
Net Shareholders' Equity	<b>4,093,880,900</b>	3,662,697,502

**TOTAL LIABILITIES AND  
SHAREHOLDERS' EQUITY**

**15,308,854,460**                      **15,251,515,953**

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**  
(Amounts in Thousands of Rupiah, except Earnings per Share)

	<u>2003</u>	<u>2002</u>
	<i>Rp</i>	<i>Rp</i>
<b>NET SALES</b>	<b>17,871,425,474</b>	16,466,285,005
<b>COST OF GOODS SOLD</b>	<b>13,405,368,541</b>	12,398,733,770
<b>GROSS PROFIT</b>	<b>4,466,056,933</b>	4,067,551,235
<b>OPERATING EXPENSES</b>		
Selling	1,473,914,495	1,298,122,878
General and administrative	983,347,496	889,292,672
Total Operating Expenses	<b>2,457,261,991</b>	2,187,415,550
<b>INCOME FROM OPERATIONS</b>	<b>2,008,794,942</b>	1,880,135,685
<b>OTHER INCOME (CHARGES)</b>		
Interest income	179,637,334	181,905,685
Interest and other financing charges	(995,622,366)	(816,690,820)
Gains (losses) on foreign exchange – net of losses on changes in fair values of currency swap assets	(102,040,067)	216,168,863
Others – net	(59,634,671)	(43,435,500)
Other Charges – Net	<b>(977,659,770)</b>	(462,051,772)
<b>INCOME BEFORE TAX EXPENSE</b>	<b>1,031,135,172</b>	1,418,083,913
<b>TAX EXPENSE</b>		
Current	(282,183,994)	(228,434,456)
Deferred	(28,019,468)	(267,909,014)
Total	<b>(310,203,462)</b>	(496,343,470)
<b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>	<b>720,931,710</b>	921,740,443
<b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b> – Net	<b>(117,450,407)</b>	(119,107,616)
<b>NET INCOME</b>	<b>603,481,303</b>	802,632,827
<b>EARNINGS PER SHARE</b>		
Income from Operations	<b>236</b>	212
Net Income	<b>71</b>	90

*Notes:*

1. The above financial information for the years ended December 31, 2003 and 2002 are derived from the consolidated financial statements that have been audited by Prasetio, Sarwoko & Sandjaja, Registered Public Accountants, who have rendered an unqualified opinion in its report dated February 20, 2004.
  2. Earnings per share is computed based on the weighted average number of outstanding shares during the years.
  3. The foreign exchange rates used as at December 31, 2003 and 2002 were Rp.8,465 and Rp.8,940 to US\$1, respectively.
- **NET SALES INCREASED 9% TO RP.17.9 TRILLION;**
  - **GROSS PROFIT UP 10% TO RP.4.5 TRILLION;**
  - **EBIT GREW 7% TO RP.2.0 TRILLION**

Indofood announced today its consolidated operating results for the year ended December 31, 2003, with net sales of Rp.17.9 trillion (FY02: Rp.16.5 trillion) an increase of 9% over 2002. Gross profit and operating income (EBIT) grew respectively, 10% and 7% to Rp.4.5 trillion (FY02: Rp.4.1 trillion) and Rp.2.0 trillion (FY02: Rp.1.9 trillion).

Mrs. Eva Riyanti Hutapea, President Director of Indofood highlighted the 2003 financial results, as follows:

1. Sales revenues of Noodles, Flour and Edible Oil & Fats (branded & commodity) contributed 85% of the consolidated net sales, or respectively, 33%, 28% and 24%. Noodles division recorded growth of 4% in sales revenues to Rp.6.0 trillion (FY02: Rp.5.8 trillion), Flour sales improved slightly to Rp.6.1 trillion (FY02: Rp. 5.9 trillion), while Edible Oil & Fats (branded & commodity) recorded sales of Rp.5.4 trillion (FY02: Rp.5.7 trillion);
2. Despite tougher competition in the domestic noodles industry, total sales volume of noodles was maintained at 9.8 billion packs (FY02: 9.8 billion packs). Flour sales volume declined 5% to 2.2 million tons (FY02: 2.3 million tons) in the face of lower industry growth during 2003;
3. Gross profit up 10% to Rp.4.5 trillion (FY02: Rp.4.1 trillion) mainly due to selling price increases, which supported the increase of EBIT by 7% to Rp.2.0 trillion (FY02: Rp.1.9 trillion). While gross margin slightly grew to 25.0% (FY02: 24.7%), increases in fuel, salary costs and selling expenses (particularly advertising and promotion expenses) caused the EBIT margin to decline slightly to 11.2% (FY02: 11.4%). Increased advertising and promotion expenses were mainly due to the brand building programs and other promotions to counter the increasing competition;
4. Net income declined 25% to Rp.603 billion (FY02: Rp.803 billion) due mainly to 22% increases in interest expenses and other financing charges to Rp.996 billion (FY02: Rp.817 billion) and net loss on foreign exchange of Rp.102 billion recorded during 2003 (compared to net foreign exchange gains of Rp.216 billion in 2002), because of the rupiah appreciation of 5.6% from Rp.8,940 per US. Dollar as of December 31, 2002 to Rp.8,465 as of December 31, 2003. The average exchange rate during the year was Rp.8,574 from an average of Rp.9,264 in 2002. The increase in interest expenses during the period was attributable to the replacement of maturing US. Dollar debts (obtained before the monetary crisis in 1997 which carried lower interest rates) with the US. Dollar 280 million Eurobond, bearing a 10.375% coupon rate and additional working capital loans obtained in late September 2002, which had a full year effect in 2003;

5. Export revenues during the year increased 40% to US. Dollar 364 million (FY02: US. Dollar 259 million);
6. As at December 31, 2003, the Company's US. Dollar denominated debts reduced to approximately US. Dollar 400 million (December 31, 2002: US. Dollar: 458 million), of which 77% will mature in 2007. To provide hedging for these loans, as of December 31, 2003, Indofood had Principal Only Swap (POS) contracts of US. Dollar 310 million. The outstanding Rupiah debts as of December 31, 2003 amounted to approximately Rp.4.1 trillion (December 31, 2002: Rp.4.1 trillion);
7. At the end of December 2003, total assets were Rp.15.31 trillion (December 31, 2002: Rp.15.25 trillion), including cash & cash equivalents of Rp.1.5 trillion (December 31, 2002: Rp.1.4 trillion), while shareholders' equity amounted to Rp.4.1 trillion (December 31, 2002: Rp.3.7 trillion);
8. The Debt – Equity ratio as of December 31, 2003 improved to 1.8 times (December 31, 2002: 2.2 times), while Net – Gearing ratio improved to 1.5 times (December 31, 2002: 1.8 times).

The Board of Directors will propose dividend payments which will at least be equal to last year.

As announced on December 16, 2003, Mrs. Eva Riyanti Hutapea has decided to step down as President Director of Indofood with effect from the next Annual General Meeting (AGM) of Indofood. In order to ensure a smooth transition, the Board of Commissioners (BOC) have agreed that during this transitional period, Mr. Anthoni Salim, who is currently Commissioner of Indofood will be delegated by the BOC to provide the Board of Directors (BOD) with all assistance it may require. In connection with this, an Executive Committee (Excom) has been formed, with Mr. Salim as the Chairman.

In his capacity as Excom Chairman, Mr. Salim reiterated that Indofood is strongly committed to remain focused in its efforts to increase assets productivity and efficiency, to improve its leverage position, to enhance its brand equities through constant product innovation, improvement in its overall marketing strategy and effective use of its extensive sales and distribution network. Indofood will also continue and enhance its costs cutting programs. He added: "I am confident that with these initiatives, Indofood will reach a higher level of performance and strengthen its leading position in the processed food industry in the short and medium-term."

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

March 1, 2004

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