



**FIRST PACIFIC COMPANY LIMITED**

(Incorporated in Bermuda with limited liability)

**GROUP CORPORATE COMMUNICATIONS**

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**Friday, 3 March 2006**

**THE UK COURT OF APPEAL'S RULING IN FAVOR OF INDOFOOD APPEAL FOR AN EARLY REDEMPTION AT PAR OF ITS US\$ 10.375% GUARANTEED NOTES ("EUROBONDS")**

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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**PT INDOFOOD SUKSES MAKMUR TBK**

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## **PRESS RELEASE**

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On March 2, 2006, the UK Court of Appeal officially confirmed that Indofood International Finance Limited, a wholly owned subsidiary of PT Indofood Sukses Makmur Tbk, has allowed Indofood's appeal from the High Court of Justice on the issues relating to the early redemption at par of its US\$280 million, 10.375% Eurobonds due 2007.

As announced previously, Indofood filed proceedings in the UK High Court in February, 2005 for a declaration as to its right to an early redemption at par of the US\$280 million, 10.375% Eurobonds due 2007 in accordance with Condition 6(b) of the Terms and Conditions of the Notes.

As bondholders are aware, the UK High Court proceedings arose following the termination of the Indonesia – Mauritius Tax Treaty effective January 1, 2005, which resulted in an increase in the withholding tax rate in respect of interest payments made on or after January 1, 2005 – an event which under the terms of the Trust Deed signed jointly with the Trustee, JP Morgan Chase Bank NA, London Branch and PT Indofood Sukses Makmur Tbk, justifies an early redemption at par of the Eurobonds, due 2007. As bondholders are also aware, Indofood received two strong legal opinions from eminent Queen's Counsel advising unequivocally that Indofood had a right to redeem, there being no reasonable measures available to avoid the increased withholding tax obligation. In those circumstances, Indofood was perfectly entitled to exercise its right to redeem the bonds. Indeed, the Board of Directors of PT Indofood Sukses Makmur Tbk, being a listed company, were under a fiduciary duty to do so, in the interests of the company and the investing public.

Prior to filing the above proceedings in the UK High Court, and with a view towards an amicable settlement of the issues, Indofood has held meetings with the bondholders in Singapore, i.e. on December 23, 2004 and January 7, 2005, respectively.

Notwithstanding its strict legal rights, Indofood, as a gesture of goodwill, offered to pay a premium of 102% to Indofood's bondholders at a first meeting and a reduced premium of 101% if the meeting were adjourned. The only reason Indofood proposed a reduced premium for the adjourned meeting was in order to encourage bondholders to attend and to vote at the first meeting which was held before end December 2004. Unfortunately, the first meeting was inquorate and had to be adjourned. Indofood however notes that more than 75% of bondholders who attended and voted by proxy at the first meeting, were in favour of redemption at 102%.

As of March 2, 2006, Indofood has concluded transactions for consensual “buy back” of US\$30 million and US\$280 million Eurobonds totalling (in principal amount) US\$158.33 million, thus leaving an outstanding balance of US\$151.67 million.

In view of the positive outcome of Indofood’s appeal and official confirmation received from the UK Court of Appeal, Indofood intends to take steps to exercise its right to redeem at par the remaining Eurobonds.

The Board of Directors wishes to assure investors that as in the past, Indofood values its relationship with its investors and express appreciation for their support, and has every intention of maintaining its positive track record with the creditors.

March 3, 2006

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