Monday, 12 August 2002

INDOFOOD FIRST SEMESTER 2002 FINANCIAL RESULTS

The attached press release was released today in Jakarta by Indofood.

Indofood is based in Jakarta and is listed on the Jakarta and Surabaya stock exchanges. The principal businesses of Indofood are Instant Noodles, Flour, and Edible Oils and Fats, and it also has interests in Distribution, Food Seasonings, Baby Foods and Snack Foods. Further information on Indofood can be found at www.indofood.co.id.

As at 31 December 2001, First Pacific had a 48.7 per cent economic interest in Indofood. As a consequence of Indofood's share buy back and ESOP programs, First Pacific's economic interest in Indofood is currently 49.8 per cent.

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Press Release

INDOFOOD FIRST SEMESTER 2002 FINANCIAL RESULTS

- Net income surged by 163% on net sales of Rp. 7.9 trillion
- Gross and EBIT margins of 24% and 11%, respectively
- Shares buy-back reached 6.1%

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Indofood announced today its financial results for the first semester ended June 30, 2002 with 11% growth in consolidated net sales over same period of last year to Rp.7.9 trillion (1H01: Rp.7.2 trillion) and net income of Rp.571.1 billion (1H01: Rp.217.2 billion). This increased 163% compared with the first semester in 2001 after the adoption effective January 1, 2001 of the new accounting principles relating to "derivative instruments and hedging activities" under SFAS (Statement of Financial Accounting Standard) No. 55. Without this, the increase in net income 2002 would have been 62%.

Further, Eva Riyanti Hutapea, President Director & CEO of Indofood provided the following explanations:

- 1. For the first semester of 2002, Noodles, Flour and Edible Oils & Fats divisions of Indofood recorded total sales of Rp.6.8 trillion (1H01: Rp.5.9 trillion) or a growth of 15% over the same period in 2001. This represented 85% of consolidated sales, or respectively, 34%, 29% and 22%. Sales volumes of these divisions recorded growth with noodles growing by 7% to 4.8 billion packs (1H01: 4.5 billion packs).
- 2. Export sales during the period grew 47% (in US Dollar term) to US\$.113.7 million (1H01: US\$.77.4 million) which represents 14% of Indofood's consolidated sales.
- 3. The Company's gross profit slightly increased by 3% to Rp.1,911.3 billion, whereas the gross and operating margins declined to respectively, 24% (1H1 : 26%) and 11% (1H01 : 14%). These declines were due to increases in the cost of raw materials, fuel and wages, higher spending on A&P, selling expenses and salary increase, and due to certain strategy implemented by the Company as explained in the later part of this release.
- 4. Beside the impact of the retroactive implementation of SFAS No. 55 to the net income as indicated above, the increase in net income during the first semester 2002 was primarily the result of the strengthening of the Rupiah relative to the US Dollar, to an average rate of Rp.9,499 in 2002 from an average of Rp.10,643 in 2001. Net foreign exchange gains in 2002 amounted to Rp.317.4 billion compared to net exchange losses of Rp.366.6 billion recorded in 2001.
- 5. The Company's cash position at the end of June 2002 amounted to Rp.934.5 billion, whereas total assets amounting to Rp.13.6 trillion and stockholders' equity totaled Rp.3.8 trillion.

- 6. During the first semester 2002, Indofood repaid debts of Rp.676.8 billion and US\$.283 million. Indofood has also obtained a 2-year term loan of US\$.100 million from ING Bank and issued 5-year Eurobond of US\$.280 million. As reported in a previous press release, the issuance of this bond is part of the Company's ongoing debt management program to improve its debt maturity profile to a current level of short-term debt of 20% from 60%. At the end of June 2002, outstanding loans in US dollars amounted to US\$.457 million.
- 7. The debt to equity and net gearing ratios slightly improved to 1.5 (Dec.31, 2001 : 1.6 times) and 1.2 times, respectively (Dec.31, 2001 : 1.3).
- 8. With regard to the share buy-back program, Hutapea related that up to August 8, 2002, Indofood has bought back 554.9 million shares which represents 6.1% of the issued and paid-up capital. The remaining balance of 3.9% will be implemented in stages up to November 30, 2002, at the latest.

Hutapea further comments: "Customers relations, loyalty and brand value remain our focus. With the continuous support of R&D initiatives including innovation and the ability to enhance our competitive advantage, and the synergy among its operating divisions, it will facilitate Indofood to continue expanding its market and to response to customer needs, including the penetration to the middle and upper-level customers. For example, the recent launching of 30 regional tastes of Indomie and also "Indomie Selera Indonesia" (Indomie – the taste of Indonesia), basically represents product extensions in the premium price segment and to provide more choices to our customers in order to sustain Indofood's position as a market leader. Opening new branches, direct selling of high-end products, market research & product development, and revitalizing brands, those are responses to achieve Indofood's current and future growth".

Jakarta, August 12, 2002

PT INDOFOOD SUKSES MAKMUR Tbk
THE BOARD OF DIRECTORS

PT INDOFOOD SUKSES MAKMUR Tbk

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CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001 (Amounts in Thousands Rupiah , except Income per Share) (UNAUDITED)

JUNE 30, 2002 AND 2001 (Amounts in Thousands Rupiah , except per Share data) (UNAUDITED)

	ASSETS		LIABILITIES AND STOCKI	HOLDERS' EQUITY				
		2001			2001			2001
	2002	(As Restated)	•	2002	(As Restated)		2002	(As Restated)
	Rp	Rp		Rp	Rp		Rp	Rp
CURRENT ASSETS			CURRENT LIABILITIES					
Cash and cash equivalents	934,526,380	1,844,141,212	Short-term bank loans and overdraft	528,563,876	393,104,000	NET SALES	7,949,837,114	7,158,037,335
			Trust receipts payable	194,723,346	123,722,914			
Short-term investments	112,315,959	158,946,874	Accounts payable			COST OF GOODS SOLD	6,038,542,152	5,297,396,197
			Trade					
	336,726,600	456,751,600	Third parties	1,257,780,091	1,559,893,320	GROSS PROFIT	1,911,294,962	1,860,641,138
			Related parties	30,496,999	150,477,998			
Accounts receivable			Non - trade			OPERATING EXPENSES		
Trade - net			Related parties	110,568,687	84,981,774	Selling	667,485,188	486,582,620
Third parties	859,763,669	861,946,191	Others	458,203,325	596,003,618	General and administrative	379,266,801	340,473,080
Related parties	79,337,044	79,696,477	Accrued expenses	413,652,498	387,750,204			
			Taxes payable	134,063,590	197,428,980	Total Operating Expenses	1,046,751,989	827,055,700
Non - trade			Current maturities of long-term debts :				<u> </u>	
Related parties	83,974,677	335,044,365	Loans	581,113,267	3,846,177,772	INCOME FROM OPERATIONS	864,542,973	1,033,585,438
Others - net	197,474,784	386,678,635	Obligations under capital leases	16,693,454	5,997,896			
						OTHER INCOME (CHARGES)		
Inventories - net	2,346,234,896	2,355,982,769	Total Current Liabilities	3,725,859,133	7,345,538,476	Interest income	94,881,456	89,123,716
						Interest and other financing charges	(330,153,849)	(344,895,735)
Advances and deposits	389,369,462	364,972,689	NON - CURRENT LIABILITIES			Gain (loss) on foreign exchange - net of gain (loss) on the		
			Long - term debts (net of current maturities)			changes in fair values of currency swap assets	317,415,158	(366,605,425)
Prepaid taxes	252,118,037	164,349,520	Loans	1,258,831,171	1,910,746,414	Others - net	(18,623,406)	30,043,115
			Bonds payable	3,345,700,000	978,400,000	Other income (charges) - Net	63,519,359	(592,334,329)
Prepaid expenses and other current assets	185,338,845	86,704,623	Obligations under capital leases	37,354,471	5,737,309			
				4,641,885,642	2,894,883,723			
Total Current Assets	5,777,180,353	7,095,214,955	Deferred tax liabilities - net	484,720,148	122,751,035	INCOME BEFORE PROVISION FOR INCOME TAX	928,062,332	441,251,109
			Other non - current liabilities	91,974,582	115,469,039			
					., ,			
			Total Non - Current Liabilities	5,218,580,372	3,133,103,797	PROVISION FOR INCOME TAX		
NON - CURRENT ASSETS						Current	(96,371,612)	(120,577,426)
						Deferred	(212,206,654)	11,119,705
Currency swap assets - net	1,264,584,529	1,651,685,546	MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES	807,921,425	706,174,415		(308,578,266)	(109,457,721)
Long- term receivables			STOCKHOLDERS' EQUITY			INCOME BEFORE MINORITY INTERESTS		
Third party	353,401,180	-	Capital stock - Rp 100 par value			IN NET EARNINGS OF SUBSIDIARIES	619,484,066	331,793,388
Related parties	40,450,400	20,209,200	Authorized - 30,000,000,000 shares					
			Issued and fully paid - 9,384,900,000 shares in 2002			MINORITY INTERESTS IN NET EARNINGS		
Deferred tax assets - net	20,792,482	28,887,232	and 9,156,000,000 shares in 2001	938,490,000	915,600,000	OF SUBSIDIARIES - Net	(48,397,033)	(71,883,758)
			Additional paid-in capital	1,193,457,822	963,760,000			
Investments in shares of stocks	25,435,140	25,136,594	Treasury Stock - 461,489,500 shares	(413,477,366)		INCOME BEFORE TRANSITION ADJUSTMENT		
			Differences arising from restructuring transactions among			ON ADOPTION OF NEW ACCOUNTING PRINCIPLE	571,087,033	259,909,630
Property, plant and equipment - net	5,726,955,315	5,288,276,338	entities under common control	(917,740,765)	(917,740,765)			
			Differences arising from foreign currency translation	2,177,319	-	TRANSITION ADJUSTMENT ON ADOPTION OF		
Deferred charges - net	217,271,743	75,149,827	Unrealized gains on investments in marketable securities - net	5,324,963	6,573,864	NEW ACCOUNTING PRINCIPLE - Net of Tax Effect		(42,698,973)
•			Retained earnings					
Others	155,094,984	111,755,168	Appropriated	30,000,000	25,000,000	NET INCOME	571,087,033	217,210,657
Others	133,034,304	111,733,100	Арргорпасес		7 7	NET INCOME	371,007,033	217,210,037
			Unappropriated	2,990,573,223	2,118,305,073			
Total Non Current Assets	7,803,985,773	7,201,099,905	Total Stockholders' Equity	3,828,805,196	3,111,498,172	INCOME PER SHARE		
	<u> </u>					Income from operations	97	113
TOTAL ASSETS	13,581,166,126	14,296,314,860	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	13,581,166,126	14,296,314,860	Net income	64	24
								

Note: 1. Effective January 1, 2001, the Company adopted, on a prospective basis, Statement of Financial Accounting Standard no. 55, "Accounting for Derivative Instruments and Hedging Activities". The consolidated balance sheet and statement of income as of and for the six months ended June 30, 2001 had been restated to reflect the adoption of new accounting principle, as follow:

> As Previously Reported 14,489,863,497 14,296,314,860 Total Assets Currency swap assets-net 1,845,234,183 1,651,685,546 Net income 352,694,702 217,210,657 Net income per share 39 24

Jakarta , August 12, 2002

The Board of Directors PT INDOFOOD SUKSES MAKMUR

^{2.} In May 2002, the Company has issued additional shares totalling 228,900,000 under its Employee Stock Ownership Program.

Income per share is computed based on the weighted average number of outstanding shares during the period.

^{4.} The foreign exchange rates used as of June 30, 2002 and 2001, were Rp 8,730 and Rp 11,440 to US\$ 1 , respectively.