

## **INDOFOOD DISCONTINUES PLAN TO ACQUIRE PLANTATIONS COMPANIES UNDER IBRA**

Eva Riyanti Hutapea, President Director & CEO of Indofood announced today that Indofood will not proceed with its planned acquisition of several oil-palm plantations under the supervision of IBRA and therefore will not participate in the final/binding bid. Under IBRA's revised time-table, all participants to the tender including Indofood has to submit their final / binding bid on November 23, 2000.

The background of Indofood's non-participation as a bidder is as follows :

- a. On October 16, 2000 Indofood submitted a non-binding bid to IBRA and was "short-listed" with 6 (six) other bidders. Indofood was the only national strategic investor operating under the Domestic Investment Law (PMDN) and it was prepared to compete fairly with all the other bidders.
- b. There is an objection from the Government which connected Indofood's planned acquisition with the MSAA issues, where in fact there is no apparent connection.
- c. With the very limited time set up by IBRA and as a listed company, Indofood would have difficulties in complying with prevailing Bapepam's rules and regulations related to the planned acquisition, including the need to present the anticipated impact of the planned acquisition to Indofood' financial performance. There were also constraints faced by the professional consultants to issue fair & independent opinions due to the limited data and information provided by IBRA during the due diligence.

Hutapea stated that 52% of Indofood is held by public shareholders, and the remaining 48% is owned by First Pacific (a listed company in Hong Kong, around 53% of which is owned by the public).

Hutapea explained that the principal reason for Indofood's plan to acquire the oil palm plantations was basically to support its future growth, by developing the agribusiness sector including agribusiness industry. It is widely known that Indofood is a national company operating under the Domestic Investment Law (PMDN) with extensive knowledge, qualified human resources, and very broad experiences in the plantations business, not to mention the support of its strong financial and operational capabilities.

Hutapea stated that relative to the strategic position of Indofood as mentioned above, should it be given the opportunity to participate in the final bid, this will provide the opportunity for Indofood to expand and develop its agribusiness operation and provide the opportunity to participate in the development of agribusiness nationally, thereby improving the strategic position of Indonesia, in terms of meeting the national demand and in facing the competition in the international market, particularly in competing with Malaysia. Besides, Indofood will continue growing its core businesses, i.e. branded consumers' products from time to time.

Jakarta, November 23, 2000

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