

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Friday, 26 August 2005

INDOFOOD FINANCIAL RESULTS - FIRST SEMESTER 2005

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

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Press Release

INDOFOOD FINANCIAL RESULTS - FIRST SEMESTER 2005

The Board of Directors of PT Indofood Sukses Makmur Tbk announced today its operating results for the first semester of 2005 with net sales showing a slight improvement to Rp.8.6 trillion (including export sales revenues of US\$115.2 million). However, the Company registered net profit after tax for the six months period of Rp.14.5 billion after the effects of "one-time" charges and credits as follows:

- Losses on unwinding of "Principal-Only-Swap" (POS) hedging contracts of US\$250 million	-	Rp.	287.4 billion
- Premium paid on Eurobond redemption and other related charges	-	Rp.	39.2 billion
- Retirement and severance allowances	-	Rp.	63.2 billion
- Goodwill compensation arising from Nestle JV	-	Rp.	(130.0) billion
- Tax effect and others	-	Rp.	<u>(73.5) billion</u>
Net charges		Rp.	<u>186.3 billion</u>

Net profits reported in the same period last year (as restated) was Rp.120.8 billion. HAD THERE BEEN NO CHARGES AND CREDITS, NET PROFITS AFTER TAX FOR THE FIRST SEMESTER 2005 WOULD HAVE BEEN RP.200.7 BILLION.

For the first semester, sales contributed by Bogasari was 36%, consumer branded products (including noodles) 37%, edible oils & fats 15%, distribution 12%. Overall gross margin declined to 24.9% in 2005 from 26.2% in 2004 while operating (EBIT) margin went down to 10.3% in 2005 as compared to 11.8% in 2004. This is the result of a number of factors notably the continuing "buy-5-get-1" noodles promotional program which started in April 2004, the lower than expected volumes especially for noodles, flour, CPO production and food seasonings, higher costs of certain raw and packaging materials and expenses related to retirement and severance allowances, as mentioned above.

Total assets at the end of June 30, 2005 were Rp.14.2 trillion (Dec. 31, 2004 : Rp.15.7 trillion), including cash & cash equivalent of Rp.981.1 billion (Dec. 31, 2004 : Rp.1.4 trillion).

Outstanding debts as at June 30, 2005 were reduced to US\$172.1 million (Dec. 31, 2004 : US\$317.4 million) and Rp.4.8 trillion (Dec. 31, 2004 : Rp.4.9 trillion) for a total Rupiah equivalent of Rp.6.5 trillion (Dec.31, 2004 : Rp.7.9 trillion).

Debt to equity ratio and net gearing ratio improved to 1.5 times and 1.3 times, respectively (Dec. 31, 2004 : 1.9 times and 1.5 times, respectively).

Up to June 30, 2005, the total Eurobonds redeemed was US\$149.3 million out of US\$310 million. An additional US\$5 million was redeemed subsequently. In July 2005, the first series of Rupiah bonds of Rp.1 trillion with a coupon rate of 16% p.a. matured and was repaid timely.

Regarding the decision of the U.K. High Court to disallow Indofood from exercising its legal right to redeem the Eurobonds at par, the Board of Directors will consider all of the options, including the possibility of an appeal after receiving the reasons for the ruling in September 2005.

Regarding the planned spin-off and IPO of Bogasari, the Board stated: "In view of the current less favorable equity market condition, we will closely keep monitoring further market development for this plan".

As a total food solutions company, Indofood will continue its reengineering initiatives covering Indofood Group's business structures, production facilities, organization & human resources, products and services, and business process for better efficiency and productivity, particularly in facing the increased competitive business environments.

Jakarta, August 27, 2005

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

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AND SUBSIDIARIES

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CONSOLIDATED BALANCE SHEETS JUNE 30, 2005 AND 2004 (Amounts in Thousands of Rupiah, except Share Data) (UNAUDITED)

CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004 (Amounts in Thousands of Rupiah, except Earnings per Share) (UNAUDITED)

ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY						
	2005	2004 (As Restated)		2005	2004 (As Restated)		2005	2004 (As Restated)	
	Rp	Rp		Rp	Rp		Rp	Rp	
CURRENT ASSETS			CURRENT LIABILITIES			NET SALES			
Cash and cash equivalents	981,131,112	1,820,598,261	Short-term bank loans and overdraft	220,218,891	362,685,126		8,608,699,072	8,560,036,823	
Short-term investments	411,615,119	113,777,950	Trust receipts payable	516,050,416	117,167,820	COST OF GOODS SOLD	6,469,379,603	6,320,102,330	
Accounts receivable			Accounts payable			GROSS PROFIT	2,139,319,469	2,239,934,493	
Trade			Trade			OPERATING EXPENSES			
Third parties - net	1,351,713,761	1,180,145,930	Third parties	1,231,976,221	1,850,185,596	Selling	790,495,245	791,795,309	
Related parties	118,829,553	89,156,759	Related parties	57,143,477	45,086,461	General and administrative	464,697,600	435,103,054	
Non-trade			Non-trade			Total Operating Expenses	1,255,192,845	1,226,898,363	
Third parties - net	231,336,527	512,900,349	Third parties	292,447,271	662,095,852	INCOME FROM OPERATIONS	884,126,624	1,013,036,130	
Related parties	114,374,445	120,489,468	Related parties	82,898,611	126,309,553	OTHER INCOME / (CHARGES)			
Inventories - net	2,462,290,066	2,392,129,275	Accrued expenses	336,819,958	329,414,716	Interest income	24,814,788	83,223,482	
Advances and deposits	192,193,065	508,741,758	Taxes payable	154,141,532	199,669,089	Interest expense and other financing charges	(452,110,827)	(455,907,966)	
Prepaid taxes	184,022,835	211,344,212	Current maturities of long-term debts			Losses on foreign exchange - net of gains on changes in fair values of net currency swap assets in 2004	(445,081,616)	(277,380,515)	
Prepaid expenses and other current assets	79,200,013	103,692,160	Bonds payable - net	1,000,000,000	-	Others - net	111,595,877	(58,690,697)	
			Bank loans and other borrowings	439,374,363	466,749,187	Other Charges - Net	(760,781,778)	(708,755,696)	
			Obligations under capital leases	7,463,210	31,605,915	INCOME BEFORE TAX BENEFIT / (EXPENSE)	123,344,846	304,280,434	
Total Current Assets	6,126,706,496	7,052,976,122	Total Current Liabilities	4,338,533,950	4,190,969,315	TAX BENEFIT / (EXPENSE)			
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES			Current	(141,736,744)	(166,547,700)	
Currency swap assets - net	-	1,226,871,891	Long-term debts - net of current maturities			Deferred	88,081,120	55,832,701	
Long-term receivables			Bank loans and other borrowings	250,941,806	996,619,704	Tax Expense - Net	(53,655,624)	(110,714,999)	
Third parties	-	361,504,244	Bonds and guaranteed notes payable - net	4,017,982,450	5,338,915,740	INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS / (LOSSES) OF SUBSIDIARIES	69,689,222	193,565,435	
Related parties	-	81,192,150	Obligations under capital leases	-	7,463,210	MINORITY INTERESTS IN NET EARNINGS / (LOSSES) OF SUBSIDIARIES - Net	(55,234,954)	(72,793,750)	
Claims for tax refund	306,622,696	140,639,858	Sub-total	4,268,924,256	6,342,998,654	NET INCOME	14,454,268	120,771,685	
Deferred tax assets - net	44,795,465	46,033,886	Deferred tax liabilities - net	583,022,695	532,092,116	EARNINGS PER SHARE			
Investments in shares of stock and convertible bonds	279,701,966	18,587,216	Estimated liabilities for employees' benefits	227,979,851	172,578,712	Income from Operations	104	119	
Plantations			Total Non-current Liabilities	5,079,926,802	7,047,669,482	Net Income	2	14	
Mature plantations - net	147,955,334	122,598,817	MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES	619,735,513	628,201,621				
Immature plantations	168,255,215	53,669,388	SHAREHOLDERS' EQUITY						
Property, plant and equipment - net	6,005,587,331	5,752,659,160	Capital stock - Rp 100 par value						
Deferred charges - net	185,988,370	175,500,407	Authorized - 30,000,000,000 shares						
Goodwill - net	211,575,591	-	Issued and fully paid - 9,444,189,000 shares	944,418,900	944,418,900				
Other non-current assets	755,796,717	773,922,743	Additional paid-in capital	1,182,045,894	1,182,045,894				
Total Non-current Assets	8,106,278,685	8,753,179,760	Differences arising from restructuring transactions among entities under common control	(917,740,765)	(917,740,765)				
TOTAL ASSETS	14,232,985,181	15,806,155,882	Unrealized gains (losses) on investments in marketable securities - net	31,247,095	(13,556,458)				
			Differences arising from changes in equities of subsidiaries	78,731,138	(614,400)				
			Differences arising from foreign currency translations	2,064,933	24,453				
			Retained earnings						
			Appropriated	45,000,000	40,000,000				
			Unappropriated	3,570,091,062	3,445,807,181				
			Treasury stock - 915,600,000 shares	(741,069,341)	(741,069,341)				
			Net Shareholders' Equity	4,194,788,916	3,939,315,464				
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,232,985,181	15,806,155,882				

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 six months ended June 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 June 30, 2005 and 2004 were Rp 9,713 and Rp 9,415 to US\$ 1, respectively.
4. For comparative purposes, certain accounts in the 2004 Consolidated Financial Statements have been reclassified to conform with the 2005 presentation.
5. The above Consolidated Balance Sheets as at June 30, 2005 and 2004, and the related Consolidated Statements of Income for the six months ended June 30, 2005 and 2004 have been reviewed by Prasetyo, Sarwoko & Sandjaja, Registered Public Accountants.

Jakarta, August 27, 2005

The Board of Directors
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