

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00142)**

### **2004 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 Chapter 13.09(2) of the Listing Rules by First Pacific Company Limited for information purpose only, released in Indonesia by PT Indofood Sukses Makmur Tbk (“Indofood” or “the Company”), a subsidiary of First Pacific Company Limited, in accordance with the requirements of the Jakarta and Surabaya stock exchanges.

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2004 AND 2003**  
(Amounts in Thousands of Rupiah, except Share Data)

	<u>ASSETS</u>	
	<u>2004</u>	<u>2003</u>
	<i>Rp</i>	<i>Rp</i>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,394,074,613	1,529,698,139
Short-term investments	198,775,915	537,310,044
Accounts receivable		
Trade		
Third parties – net	1,223,002,334	1,309,555,604
Related parties	105,970,968	88,762,830
Non-trade		
Third parties – net	850,950,315	522,800,967
Related parties	74,988,993	85,068,581
Inventories – net	2,284,332,399	2,218,209,967
Advances and deposits	153,243,647	398,392,197
Prepaid taxes	59,931,168	210,321,903
Prepaid expenses and other current assets	69,789,530	94,213,430
<b>Total Current Assets</b>	<u>6,415,059,882</u>	<u>6,994,333,662</u>

**NON-CURRENT ASSETS**

Currency swap assets – net	<b>1,208,267,349</b>	1,141,518,102
Long-term receivables		
Third parties	<b>9,500,000</b>	361,504,244
Related parties	<b>43,822,000</b>	63,932,000
Claims for tax refund	<b>318,237,927</b>	217,002,361
Deferred tax assets – net	<b>49,522,399</b>	57,904,440
Long-term investments and advance for purchase of investment in shares of stock	<b>364,002,449</b>	20,232,941
Plantations		
Mature plantations – net	<b>139,945,406</b>	128,821,029
Immature plantations	<b>40,818,682</b>	43,457,052
Property, plant and equipment – net	<b>6,013,390,194</b>	5,825,950,827
Deferred charges – net	<b>145,188,922</b>	182,257,741
Excess of investment costs over fair values of underlying net assets of subsidiaries – net	<b>178,236,729</b>	–
Other non-current assets	<b>743,015,690</b>	271,940,061
<b>Total Non-current Assets</b>	<b>9,253,947,747</b>	8,314,520,798
<b>TOTAL ASSETS</b>	<b>15,669,007,629</b>	15,308,854,460

## LIABILITIES AND SHAREHOLDERS' EQUITY

	2004	2003
	<i>Rp</i>	<i>Rp</i>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans and overdraft	511,585,164	513,311,121
Trust receipts payable	616,381,501	274,362,887
Accounts payable		
Trade		
Third parties	1,166,766,048	1,341,975,814
Related parties	34,339,195	25,598,631
Non-trade		
Third parties	198,537,205	351,975,997
Related parties	11,929,794	4,165,411
Accrued expenses	303,577,113	341,213,814
Taxes payable	239,432,766	260,598,684
Current maturities of long-term debts		
Bank loans and other borrowing	274,296,167	529,039,830
Bonds payable – net	997,300,000	–
Obligations under capital leases	9,956,919	21,950,551
	<b>4,364,101,872</b>	<b>3,664,192,740</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts – net of current maturities		
Bank loans and other borrowing	445,684,000	1,090,727,250
Bonds and guaranteed notes payable		
– net	5,031,969,783	5,030,239,696
Obligations under capital leases	–	32,554,241
	<b>5,477,653,783</b>	<b>6,153,521,187</b>
Sub-total	5,477,653,783	6,153,521,187
Deferred tax liabilities – net	635,671,768	605,553,891
Estimated liabilities for employees' benefit	176,323,333	129,062,523
	<b>6,289,648,884</b>	<b>6,888,137,601</b>

**MINORITY INTERESTS IN  
NET ASSETS OF SUBSIDIARIES**

**759,203,720**

662,643,219

**SHAREHOLDERS' EQUITY**

Capital stock – Rp 100 par value

Authorized – 30,000,000,000 shares

Issued and fully paid – 9,444,189,000  
shares in 2004 and 9,443,269,500  
shares in 2003

**944,418,900**

944,326,950

Additional paid-in capital

**1,182,045,894**

1,181,379,256

Differences arising from restructuring  
transactions among entities under  
common control

**(917,740,765)**

(917,740,765)

Unrealized gains on investments in  
marketable securities – net

**30,911,209**

11,058,667

Differences arising from foreign  
currency translations

**1,405,835**

(899,441)

Retained earnings

Appropriated

**40,000,000**

35,000,000

Unappropriated

**3,716,081,421**

3,581,825,574

Treasury stock – 915,600,000 shares

**(741,069,341)**

(741,069,341)

**Net Shareholders' Equity**

**4,256,053,153**

4,093,880,900

**TOTAL LIABILITIES AND  
SHAREHOLDERS' EQUITY**

**15,669,007,629**

15,308,854,460

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**  
**(Amounts in Thousands of Rupiah, except Earnings per Share)**

	<u>2004</u>	<u>2003</u>
	<i>Rp</i>	<i>Rp</i>
<b>NET SALES</b>	17,918,528,447	17,871,425,474
<b>COST OF GOODS SOLD</b>	13,323,636,791	13,405,368,541
<b>GROSS PROFIT</b>	<u>4,594,891,656</u>	<u>4,466,056,933</u>
<b>OPERATING EXPENSES</b>		
Selling	1,546,073,876	1,473,914,495
General and administrative	961,426,896	983,347,496
Total Operating Expenses	<u>2,507,500,772</u>	<u>2,457,261,991</u>
<b>INCOME FROM OPERATIONS</b>	<u>2,087,390,884</u>	<u>2,008,794,942</u>
<b>OTHER INCOME (CHARGES)</b>		
Interest income	126,255,793	179,637,334
Interest expense and other financing charges	(943,854,878)	(968,232,783)
Losses on foreign exchange		
– net of gains (losses) on changes in fair values of net currency swap assets	(296,936,146)	(102,040,067)
Others – net	(120,475,190)	(87,024,254)
Other Charges – Net	<u>(1,235,010,421)</u>	<u>(977,659,770)</u>
<b>INCOME BEFORE TAX BENEFIT (EXPENSE)</b>	<u>852,380,463</u>	<u>1,031,135,172</u>
<b>TAX BENEFIT (EXPENSE)</b>		
Current	(320,864,571)	(282,183,994)
Deferred	263,787	(28,019,468)
Tax Expense – Net	<u>(320,600,784)</u>	<u>(310,203,462)</u>
<b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>	531,779,679	720,931,710
<b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES – NET</b>	(153,723,341)	(117,450,407)
<b>NET INCOME</b>	<u>378,056,338</u>	<u>603,481,303</u>

## EARNINGS PER SHARE

Income from Operations	245	236
Net Income	44	71

### Notes:

- The above financial information are derived from the consolidated financial statements that have been audited by Prasetio, Sarwoko & Sandjaja, registered public accountants, with an unqualified opinion in its report dated March 1, 2005.*
  - Earnings per share is computed based on the weighted average number of outstanding shares during the years.*
  - The foreign exchange rates used as at December 31, 2004 and 2003 were Rp 9,290 and Rp 8,465 to US\$1, respectively.*
  - For comparative purposes, certain accounts in the 2003 Consolidated Financial Statements have been reclassified to conform with 2004 presentation.*
- Net Sales of Rp 17.9 Trillion;**
  - Higher Gross Profit of Rp 4.6 Trillion (2003: Rp 4.5 Trillion);**
  - Higher Gross Margin of 25.6% (2003: 25.0%);**
  - Higher EBIT of Rp 2.1 Trillion (2003: Rp 2.0 Trillion);**
  - Higher EBIT Margin of 11.6% (2003: 11.2%)**

On behalf of the Board of Directors of Indofood, Anthony Salim, President Director & CEO of Indofood announced Indofood's consolidated financial results for the year ended December 31, 2004. Although facing growing competition in various categories of Indofood's products, Indofood was able to sustain its consolidated sales of Rp 17.9 trillion, inclusive of the export revenues of US\$265 million.

The Indofood Board highlighted the 2004 financial results, as follows:

Noodles, flour and edible oils & fats remain the principal contributors with a total contribution of Rp 15.3 trillion or 85% (2003: 85%) of consolidated sales, with the respective contribution of 33%, 33% and 19% (2003: 33%, 28% and 24%). Despite fierce competition in the domestic market:

- Noodles sales volume recorded slight increase in sales volume to 9.9 billion packs (2003: 9.8 billion packs);
- Flour sales volume up 8% to 2.4 million tons (2003: 2.2 million tons).

- Branded cooking oils sales volume grew 7% to 310,000 tons (2003: 289,600 tons) and sales volumes of plantations up 4% to 312,300 tons (2003: 299,200 tons). As part of its business restructuring, the Company has scaled down significantly the low margin of its CPO trading business to 243,600 tons (2003: 873,100 tons);
- With the exception of Baby Foods division, all other smaller operating divisions of Indofood posted year-on-year sales volume growth ranging from 3% to 8%.

Gross profit up to Rp 4.6 trillion (2003: Rp 4.5 trillion), and gross margin grew to 25.6% (2003: 25.0%). In addition, the Company was able to achieve higher EBIT and EBIT margin of Rp 2.1 trillion (2003: Rp 2.0 trillion) and 11.6% (2003: 11.2%), respectively.

Net income declined 37% to Rp 378.1 billion (FY03: Rp 603.5 billion) due mainly to net losses on foreign exchanges of Rp 296.9 billion (2003: Rp 102.0 billion) recorded during 2004 because of the rupiah depreciation of 8.9% and the loss arising from unwinding of Principal Only Swap (POS) contract during 1st quarter 2004. The exchange rate as of December 31, 2004 and 2003 were Rp 9,290 per U.S. Dollar and Rp 8,465, respectively, whereas the average exchange rate during the year weakened to Rp 8,978 from an average of Rp 8,574 in 2003.

At the end of December 2004, total assets were Rp 15.7 trillion (Dec 31 '03: Rp 15.3 trillion), including cash & cash equivalents of Rp 1.4 trillion (Dec 31 '03: Rp 1.5 trillion), while shareholders' equity amounted to Rp 4.2 trillion (Dec 31 '03: Rp 4.1 trillion).

As of December 31, 2004, the Rupiah equivalent of total Company's outstanding debts amounted to Rp 7.9 trillion (Dec 31 '03: Rp 7.5 trillion), consists of US\$317 million (2003: US\$400 million) and outstanding Rupiah debts of Rp 4.9 trillion (Dec 31 '03: Rp 4.1 trillion). The increase of total debts was mainly due to the depreciation of Rupiah. To provide hedging for the US\$ denominated debts, as of December 31, 2004, Indofood had POS contracts of US\$250 million.

The Debt – Equity ratio as of December 31, 2004 was 1.9 times (Dec 31 '03: 1.8 times), while Net – Gearing ratio remains unchanged at 1.5 times (Dec 31 '03: 1.5 times).

As part of the ongoing debt management program, the Company is continuously seeking opportunities to obtain replacement financing sources with cheaper interest rates, and to minimize the foreign exchange exposures. The Company has successfully bought back to date the amount of US\$85.2 million of the US\$280 million, 10.375%



Eurobond originally issued by Indofood International Finance Limited, a wholly owned subsidiary of Indofood, in addition to the preceding redemption in full of US\$30 million, 10.125% Guaranteed Notes Due 2007 issued by the same Issuer.

Looking at 2005 as another challenging and highly competitive year, the new management continues its initiatives to defend the Company's market leadership, and to take greater advantage of its economies of scale. Besides, several initiatives are being exercised in 2005 which include among others the planned spin-off and IPO of Bogasari, Company's wheat flour division, which is expected to be realized within second to third quarter of 2005, as one of our efforts to enhance shareholders' value.

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

7 March, 2005

As at the date of this announcement, the Board of Directors of First Pacific comprises the following Directors:

Anthoni Salim, *Chairman*  
Manuel V. Pangilinan,  
*Managing Director and CEO*

Edward A. Tortorici  
Robert C. Nicholson  
His Excellency Albert F. del Rosario  
Edward K.Y. Chen\*, *GBS, CBE, JP*

Tedy Djuhar  
Sutanto Djuhar  
Ibrahim Risjad  
Benny S. Santoso  
Graham L. Pickles\*  
David W.C. Tang\*,  
*OBE, Chevallier de L'Ordre  
des Arts et des Lettres*

\* *Independent Non-executive Directors*

“Please also refer to the published version of this announcement in South China Morning Post.”