

**FIRST PACIFIC COMPANY LIMITED**  
**PRESS RELEASE**

**Friday, 13 August 2004**

**INDOFOOD FINANCIAL RESULTS FIRST SEMESTER 2004**

The attached press release was distributed today by Indofood, in which the First Pacific Group holds an economic interest of 51.5 per cent.

Indofood is the leading processed-foods group in Indonesia. It is based in Jakarta, and is listed on the Jakarta and Surabaya Stock Exchanges. Noodles, Flour and Edible Oils & Fats are the principal businesses of Indofood. It also has interests in Distribution, Food Seasonings, Baby Foods and Snack Foods businesses. Further information on Indofood can be found at [www.indofood.co.id](http://www.indofood.co.id).

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## Press Release

### INDOFOOD FINANCIAL RESULTS FIRST SEMESTER 2004

- **GROSS PROFIT UP 12% TO RP.2.2 TRILLION ;**
- **EBIT INCREASED 16% TO RP.1 TRILLION ;**
- **GROSS AND EBIT MARGINS IMPROVED TO 26.1% AND 11.8%,  
RESPECTIVELY ON NET SALES OF RP.8.6 TRILLION.**

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Indofood announced today its consolidated operating results for the first semester of 2004, with net sales of Rp.8.6 trillion vs last year's Rp.8.4 trillion. Export revenues for the first semester 2004 reached approximately US. Dollars 146 million, 15% of Company's total consolidated net sales.

Noodles, flour as well as edible oil & fats remain the principal contributors with a total contribution of Rp.7.4 trillion or 87% of consolidated sales (1H03 : Rp.7.3 trillion). Despite tougher competition, the noodles division sold 4.83 billion packs vs first semester of 2003 of 4.78 billion packs. Flour division recorded a 12.9% growth in sales volume to 1.2 million tons.

Gross profit grew 12% to Rp.2.2 trillion (1H03 : Rp.2.0 trillion), while operating income increased 16% to Rp.1.0 trillion (1H03 : Rp.867.2 billion).

Gross margin improved to 26.1% vs first semester of 2003 of 23.7%. This is the result of several factors including increases of selling prices of flour, better margins of cooking oils & fats and CPO, and a decline in low margin CPO trading business. Accordingly, operating margin at 11.8% (1H03 : 10.3%) also improved, despite the substantial increase in selling expenses, including A&P expenses due to tougher competition in the market place, which was partly compensated by 10% decline in General and Administrative Expenses, mainly due to cost cutting programs.

Net income declined by 62% to Rp.116.8 billion (1H03 : Rp308.9 billion) mainly due to net foreign exchange losses of Rp.277 billion recorded during the first semester 2004 compared to net foreign exchange gains of Rp.73 billion in 2003. The approximately 10% depreciation of rupiah and losses on unwinding "POS" hedging contract worth US.Dollar 60 million during the first quarter of 2004, are principal reasons for the foreign exchange losses. The Rupiah exchange rate against US. Dollar as of Jun.30, 2004 and Dec.31, 2003 were Rp.9,415 and Rp.8,465, respectively. The average exchange rate during the first semester 2004 and 2003 were Rp. 8,794 and Rp. 8,678, respectively.

Total assets at the end of Jun.2004 were Rp.15.8 trillion (De.31'03 : Rp.15.3 trillion), including Cash & Cash equivalents of Rp.1.8 trillion (Dec.31'03 : Rp 1.5 trillion).

Outstanding debts as at Jun. 30, 2004 decreased to US Dollar 383 million (Dec.31' 03: US.Dollar 400 million), and Rp.3.7 trillion (Dec.31,03 : Rp.4.1 trillion), for a total Rupiah equivalent of Rp.7.3 trillion.

The Company issued in July 2004 its third rupiah bond series of nominal Rp.1.0 trillion with a coupon rate of 12.5% p.a. Most of the net proceeds were utilized to repay US. Dollar bank loans in order to reduce the foreign exchange exposures.

Debt to Equity ratio slightly weakened to 1.9 times (Dec.31'03 : 1.8 times) due to lower equity, whereas the Net - Gearing ratio improved to 1.4 times (Dec.31'03 : 1.5 times).

Anthoni Salim, the new President Director & CEO of Indofood stated that as part of the ongoing debt management program, the Company is continuously seeking for alternative financing sources to lower its interest rates and to minimize its foreign exchange exposures. In addition, the Company also continues to maintain its hedging policy and as at Jun.30, 2004 had Principal Only Swap ("POS") contracts of US. Dollar 250 million.

He added : "In its capacity as a market leader, Indofood will continue to take greater advantage of its economies of scale and exploit opportunities for cost reduction and operational efficiency. Indofood will streamline further its customers supply chain to respond faster to market opportunities and to ensure effective and efficient use of working capital".

Jakarta, August 14, 2004

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

# PT IND<sup>o</sup>FOOD SUKSES MAKMUR Tbk

AND SUBSIDIARIES

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**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2004 AND 2003**  
 ( Amounts in Thousands of Rupiah, except Share Data )  
 (UNAUDITED)

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003**  
 ( Amounts in Thousands of Rupiah, except Earnings per Share )  
 (UNAUDITED)

ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY					
	2004	2003	2004	2003	2004	2003		
	Rp	Rp	Rp	Rp	Rp	Rp		
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	1,820,598,261	1,816,988,079	Short-term bank loans and overdraft	362,685,126	251,034,916	<b>NET SALES</b>	8,560,036,823	8,419,517,767
Short-term investments	113,777,950	446,911,203	Trust receipts payable	117,167,820	681,398,988	<b>COST OF GOODS SOLD</b>	6,323,522,438	6,421,933,988
Accounts receivable			Accounts payable			<b>GROSS PROFIT</b>	2,236,514,385	1,997,583,779
Trade			Trade			<b>OPERATING EXPENSES</b>		
Third parties - net	1,180,145,930	1,129,840,374	Third parties	1,850,185,596	1,077,348,814	Selling	792,541,515	642,430,462
Related parties	89,156,759	74,955,374	Related parties	45,086,461	32,511,817	General and administrative	437,155,119	487,933,131
Non-trade			Non-trade			Total Operating Expenses	1,229,696,634	1,130,363,593
Third parties - net	522,929,920	173,314,746	Third parties	662,095,852	327,382,682	<b>INCOME FROM OPERATIONS</b>	1,006,817,751	867,220,186
Related parties	110,459,897	114,022,732	Related parties	126,309,553	124,559,571	<b>OTHER INCOME (CHARGES)</b>		
Inventories - net	2,392,129,275	2,598,496,771	Accrued expenses	329,414,716	418,766,098	Interest income	83,223,482	83,367,682
Advances and deposits	508,741,758	597,319,969	Taxes payable	199,669,089	200,473,870	Interest expense	(438,600,537)	(461,021,697)
Prepaid taxes	211,344,212	255,199,770	Current maturities of long-term debts	466,749,187	644,788,372	Other financing charges	(30,609,010)	(25,214,482)
Prepaid expenses and other current assets	103,692,160	116,279,975	Bank loans and other borrowing	31,605,915	24,432,217	Gains (losses) on foreign exchange - net of losses (gains) on changes in fair values of net currency swap assets	(277,380,515)	73,237,329
Total Current Assets	7,052,976,122	7,323,328,993	Obligations under capital leases	4,190,969,315	3,782,697,345	Others - net	(45,389,116)	(40,449,599)
			Total Current Liabilities	4,190,969,315	3,782,697,345	Other Charges - Net	(708,755,696)	(370,080,767)
<b>NON-CURRENT ASSETS</b>			<b>NON-CURRENT LIABILITIES</b>			<b>INCOME BEFORE TAX BENEFIT (EXPENSE)</b>	298,062,055	497,139,419
Currency swap assets - net	1,226,871,891	1,114,054,630	Long-term debts - net of current maturities			<b>TAX BENEFIT (EXPENSE)</b>		
Long-term receivables			Bank loans and other borrowing	996,619,704	1,123,377,389	Current	(166,547,700)	(125,459,805)
Third parties	361,504,244	361,504,244	Bonds and guaranteed notes payable - net	5,338,915,740	4,960,263,653	Deferred	57,698,215	(24,266,845)
Related parties	81,192,150	44,782,000	Obligations under capital leases	7,463,210	44,522,611	Tax Expense - Net	(108,849,485)	(149,726,650)
Claims for tax refund	140,639,858	58,867,838	Sub-total	6,342,998,654	6,128,163,653	<b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>	189,212,570	347,412,769
Deferred tax assets - net	46,377,235	36,026,287	Deferred tax liabilities - net	536,328,470	579,923,115	<b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES - Net</b>	(72,420,820)	(38,507,026)
Investments in shares of stock	18,587,216	21,823,831	Estimated employee benefit liability	159,602,029	128,039,838	<b>NET INCOME</b>	116,791,750	308,905,743
Plantations			Total Non-current Liabilities	7,038,929,153	6,836,126,606	<b>EARNINGS PER SHARE</b>		
Mature plantations - net	122,598,817	135,090,711	<b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>	628,275,648	914,462,775	Income from Operations	118	102
Immature plantations	53,669,388	34,695,734	<b>SHAREHOLDERS' EQUITY</b>			Net Income	14	36
Property, plant and equipment - net	5,752,659,160	5,742,336,306	Capital stock - Rp 100 par value					
Deferred charges - net	175,500,407	185,277,696	Authorized - 30,000,000,000 shares					
Other non-current assets	773,922,743	284,569,823	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			
Total Non-current Assets	8,753,523,109	8,019,029,100	Additional paid-in capital	1,182,045,894	1,181,379,256			
<b>TOTAL ASSETS</b>	15,806,499,231	15,342,358,093	Differences arising from restructuring transactions among entities under common control	(917,740,765)	(917,740,765)			
			Unrealized gains (losses) on investments in marketable securities - net	(14,170,858)	21,070,823			
			Differences arising from foreign currency translations	24,453	(1,145,571)			
			Retained earnings					
			Appropriated	40,000,000	35,000,000			
			Unappropriated	3,454,816,832	3,287,250,015			
			Treasury stock - 915,600,000 shares	(741,069,341)	(741,069,341)			
			Net Shareholders' Equity	3,948,325,115	3,809,071,367			
			<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	15,806,499,231	15,342,358,093			

- Notes : 1. Earnings per share is computed based on the weighted average number of outstanding shares during the period.  
 2. The foreign exchange rates used as at June 30, 2004 and 2003 were Rp 9,415 and Rp 8,285 to US\$ 1, respectively.  
 3. For comparative purposes, certain accounts in the 2003 Consolidated Financial Statements had been reclassified to conform with 2004 presentation.  
 4. The above Consolidated Balance Sheets as at June 30, 2004 and 2003, and the related Consolidated Statements of Income for the six-month periods ended June 30, 2004 and 2003 had been reviewed by Prasetyo, Sarwoko & Sandjaja, Registered Public Accountants.

Jakarta, August 14, 2004

The Board of Directors  
**PT IND<sup>o</sup>FOOD SUKSES MAKMUR Tbk**