

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

**Friday, 31 October 2003**

**INDOFOOD THIRD QUARTER FINANCIAL RESULTS ENDED SEPT. 30, 2003**

The attached press release was published today by Indofood.

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).

As at 30 September 2003, First Pacific has 51.6 per cent economic interest in Indofood.

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## Press Release

### **INDOFOOD THIRD QUARTER FINANCIAL RESULTS ENDED SEPT.30, 2003**

- **NET SALES GREW 10% TO RP.13 TRILLION**
- **GROSS PROFIT ROSE 8% TO RP.3.1 TRILLION**

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Eva Riyanti Hutapea, President Director & CEO announced today Indofood's consolidated operating results for the 9 months ended Sept. 30, 2003, which registered net sales of Rp.13 trillion or 10% growth over the same period last year (9M02 : Rp.11.8 trillion).

In connection with the announcement, Hutapea, provided the following comments:

1. The contribution of noodles, flour and edible oils & fats divisions to consolidated net sales amounting to 86%, totaling Rp.11.2 trillion. The respective contribution to consolidated sales of these divisions were 34%, 27% and 25%, compared to 35%, 29% and 22% in 2002.
  - Despite tougher competition in the noodles industry, the noodles division recorded 6.6% increase in sales revenues to Rp.4.5 trillion (9M02: Rp.4.2 trillion) due to higher average selling prices and was able to sustain its sales volume of 7.3 billion packs as achieved in 2002.
  - Sales volume of flour declined 8.3% to 1.6 million tons (9M02: 1.7 million tons), in the face of lower industry growth during the period, however the division recorded a slight growth (under 1%) in sales revenues to Rp.4.3 trillion, mainly due to the 7.0% increase in average selling prices.
2. Gross profit rose 8% to Rp.3.1 trillion compared to 2002 (9M02: Rp.2.9 trillion), whereas year on year operating income grew 3% to a Rp.1.4 trillion (9M02: Rp.1.3 trillion) showing modest recovery relative to declining trend in previous years.
  - Noodles, flour and edible oils & fats divisions contributed 95% of consolidated operating income for the 9 months ended Sept. 30, 2003, or respectively 54%, 19% and 22%, compared to 58%, 19% and 18%, respectively in 2002.
3. Gross and operating margin declined slightly to 24.0% and 10.6%, respectively compared to last year's 24.4% and 11.2% respectively, due mainly to increases in raw material costs, higher selling expenses and employees cost adjustments.
4. Net profit declined 30% to Rp.453 billion mainly due to 34% increase in interest expenses to Rp.747 billion (9M02: Rp.558 billion), and significantly lower gains on foreign exchange of Rp.34.4 billion (9M02: Rp.213.3 billion) or a decline of 84%, caused by a lower rupiah appreciation of 6.5% from a rate of Rp.8,940 as of Dec. 31, 2002 to Rp.8,389 as of Sept. 30, 2003. The average exchange rate during the nine months period was Rp.8,599 from an average of Rp.9,332 in 2002. The significant increase of interest expenses during the period was attributable to the replacement of maturing US Dollar loans (obtained before the monetary crisis in 1997 and which carried lower interest rates) with the US\$.280 million Eurobond, bearing a 10.375% coupon rate and additional rupiah working capital loans obtained in late September 2002, the proceeds of which were used to finance wheat inventories (built up in anticipation of possible conflict in the Gulf as well as wheat price increases);
5. Export revenues up to Sept.30, 2003 amounted to US\$.252 million, which represents 17% of the Company's total consolidated net sales, a growth of 43% over same period in 2002 of US\$.176 million. These exports translated into lower Rupiah revenues with a reduction of approximately Rp.185 billion as a result of the Rupiah appreciation during the reported period.

6. As at Sept. 30, 2003, the Company's US Dollar denominated outstanding debts amounted to approximately US Dollars 418 million (Dec. 31 '02: US Dollars 458 million), of which US Dollars 344 million will mature in 2006 and beyond. To provide hedging for these loans, Indofood, as at September 30, 2003 had "Principal Only Swap" contracts of US Dollars 310 million with corresponding carrying value of Rp.1.2 trillion reflected under currency swap assets;
7. At the end of Sept. 2003, total assets were Rp.15.2 trillion (Dec. 31 '02: Rp.15.3 trillion), including cash and cash equivalents of Rp.1.7 trillion (Dec. 31 '02: Rp.1.4 trillion), while shareholders' equity amounted to Rp.4.0 trillion (Dec. 31 '02: Rp.3.7 trillion) ;
8. Debt to Equity and Net Gearing Ratios as at Sept. 30, 2003 improved to 1.9 times and 1.5 times, respectively, compared to 2.2 times and 1.8 times, respectively as at Dec. 31, 2002, due to a lower debt level as a result of strengthening of the Rupiah and a higher equity.

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 further streamline the supply chain to its customers to ensure effective and efficient use of working capital. Moreover, the Company continued to maintain close cooperation with the Banking sectors to provide working capital requirements to Indofood customers, distributors and supply chain. In connection with this initiative, the Company has recently issued the Bogasari Mitra-Card e-Walet and Indomie Mitra Cards will follow. The Company has also launched the Visa Permata Indofood Card, as a co-branding and loyalty card.

Hutapea stated: "Indofood will apply Mastering The Present, Pre-empting the Future Strategy, which include: (i) focusing its organic growth (ii) utilising competitive advantages through scale, scope, span and speed (iii) cost efficiency and cost cutting programs. Furthermore, Indofood will continue to segmentize its customers and introduce higher price-higher margin products.

Jakarta, October 31, 2003

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

**PT INDOFOOD SUKSES MAKMUR Tbk  
AND SUBSIDIARIES**

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**CONSOLIDATED BALANCE SHEETS  
SEPTEMBER 30, 2003 AND 2002**

( Amounts in Thousands Rupiah, except per Share Data )  
**(UNAUDITED)**

	<b><u>ASSETS</u></b>	
	<b>2003</b>	<b>2002</b>
	<b>Rp</b>	<b>Rp</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,713,011,481	1,368,946,340
Short-term investments	422,843,815	297,503,562
Time deposits	-	331,581,600
Accounts receivable		
Trade		
Third parties - net	1,148,189,251	1,062,905,176
Related parties	83,113,238	69,638,810
Non - trade		
Related parties	116,050,818	113,473,241
Others - net	287,835,223	198,029,842
Inventories - net	2,278,337,033	2,270,958,775
Advances and deposits	528,871,795	370,479,785
Prepaid taxes	267,124,777	370,068,446
Prepaid expenses and other current assets	178,277,369	190,552,455
<b>Total Current Assets</b>	<b>7,023,654,800</b>	<b>6,644,138,032</b>
<b>NON-CURRENT ASSETS</b>		
Currency swap assets - net	1,182,299,716	1,381,614,114
Long - term receivables		
Third parties	361,504,244	363,983,485
Related parties	56,013,800	46,268,000
Deferred tax assets - net	39,287,117	23,903,244
Investments in shares of stock	20,207,955	21,983,586
Plantations		
Matured plantations - net	131,918,156	141,265,913
Immature plantations	38,436,654	27,204,816
Property, plant and equipment - net	5,785,010,421	5,798,336,190
Other non-current assets	559,408,943	329,641,664
<b>Total Non-Current Assets</b>	<b>8,174,087,006</b>	<b>8,134,201,012</b>
<b>TOTAL ASSETS</b>	<b>15,197,741,806</b>	<b>14,778,339,044</b>

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**PT INDOFOOD SUKSES MAKMUR Tbk  
AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS (Con't)  
SEPTEMBER 30, 2003 AND 2002**

( Amounts in Thousands Rupiah, except per Share Data )  
**(UNAUDITED)**

	2003	2002
	Rp	Rp
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Short-term bank loans and overdraft	370,542,719	832,273,963
Trust receipts payable	344,998,759	153,365,761
Accounts payable		
Trade		
Third parties	1,093,064,952	1,276,208,244
Related parties	32,728,518	39,116,919
Non - trade		
Related parties	140,143	782,976
Others	176,714,832	180,903,450
Accrued expenses	594,207,616	373,195,310
Taxes payable	229,099,869	184,910,556
Current maturities of long-term debts		
Loans	529,436,555	865,070,968
Obligations under capital leases	23,715,164	24,792,263
Total Current Liabilities	<u>3,394,649,127</u>	<u>3,930,620,410</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debts - net of current maturities		
Loans	1,154,892,329	2,144,963,648
Bonds and guaranteed notes payable - net	4,999,591,675	3,430,975,000
Obligations under capital leases	39,014,178	62,700,915
Sub-total	<u>6,193,498,182</u>	<u>5,638,639,563</u>
Deferred tax liabilities - net	579,359,647	472,324,166
Other non-current liability - net	131,965,228	103,960,876
Total Non-Current Liabilities	<u>6,904,823,057</u>	<u>6,214,924,605</u>
<b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>	<u>944,624,104</u>	<u>843,939,561</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock - Rp 100 par value		
Authorized - 30,000,000,000 shares		
Issued and fully paid - 9,443,269,500 shares in 2003 and 9,384,900,000 shares in 2002	944,326,950	938,490,000
Additional paid-in capital	1,181,379,256	1,193,457,822
Treasury stock - 915,600,000 shares in 2003 and 580,888,000 shares in 2002	(741,069,341)	(538,295,859)
Differences arising from restructuring transactions among entities under common control	(917,740,765)	(917,740,765)
Unrealized gains on investments in marketable securities - net	20,884,477	9,677,085
Differences arising from foreign currency translation	(983,055)	1,878,789
Retained earnings		
Appropriated	35,000,000	30,000,000
Unappropriated	3,431,847,996	3,071,387,396
Net Shareholders' Equity	<u>3,953,645,518</u>	<u>3,788,854,468</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>15,197,741,806</u>	<u>14,778,339,044</u>

**PT INDOFOOD SUKSES MAKMUR Tbk  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002**  
( Amounts in Thousands Rupiah, except Earnings per Share)  
**(UNAUDITED)**

	2003	2002
	Rp	Rp
<b>NET SALES</b>	12,977,133,564	11,830,427,206
<b>COST OF GOODS SOLD</b>	9,867,327,207	8,940,104,427
<b>GROSS PROFIT</b>	3,109,806,357	2,890,322,779
<b>OPERATING EXPENSES</b>		
Selling	1,034,611,373	964,086,749
General and administrative	705,974,079	598,216,655
Total Operating Expenses	1,740,585,452	1,562,303,404
<b>INCOME FROM OPERATIONS</b>	1,369,220,905	1,328,019,375
<b>OTHER INCOME ( CHARGES )</b>		
Interest income	135,763,246	141,847,490
Interest and other financing charges	(747,169,991)	(558,324,298)
Gains on foreign exchange - net of losses on changes in fair values of currency swap assets	34,388,102	213,321,304
Others - net	(41,997,182)	(25,950,682)
Other Charges - Net	(619,015,825)	(229,106,186)
<b>INCOME BEFORE TAX EXPENSE</b>	750,205,080	1,098,913,189
<b>TAX EXPENSE</b>		
Current	(200,393,933)	(166,341,879)
Deferred	(20,442,547)	(196,700,326)
Total	(220,836,480)	(363,042,205)
<b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>	529,368,600	735,870,984
<b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES - Net</b>	(75,864,876)	(83,969,778)
<b>NET INCOME</b>	453,503,724	651,901,206
<b>EARNINGS PER SHARE</b>		
Income from Operations	161	149
Net Income	53	73

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 September 30, 2003 and 2002 were Rp 8,389 and Rp 9,015 to US\$ 1, respectively.
3. For comparative purposes, certain accounts in the Consolidated Financial Statements of 2002 had been reclassified to conform with 2003 presentation.

Jakarta, October 31, 2003

The Board of Directors  
**PT INDOFOOD SUKSES MAKMUR Tbk**