

Monday, 12 August 2002

INDOFOOD FIRST SEMESTER 2002 FINANCIAL RESULTS

The attached press release was released today in Jakarta by Indofood.

Indofood is based in Jakarta and is listed on the Jakarta and Surabaya stock exchanges. The principal businesses of Indofood are Instant Noodles, Flour, and Edible Oils and Fats, and it also has interests in Distribution, Food Seasonings, Baby Foods and Snack Foods. Further information on Indofood can be found at www.indofood.co.id.

As at 31 December 2001, First Pacific had a 48.7 per cent economic interest in Indofood. As a consequence of Indofood's share buy back and ESOP programs, First Pacific's economic interest in Indofood is currently 49.8 per cent.

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Press Release

INDOFOOD FIRST SEMESTER 2002 FINANCIAL RESULTS

- **Net income surged by 163% on net sales of Rp. 7.9 trillion**
- **Gross and EBIT margins of 24% and 11%, respectively**
- **Shares buy-back reached 6.1%**

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Indofood announced today its financial results for the first semester ended June 30, 2002 with 11% growth in consolidated net sales over same period of last year to Rp.7.9 trillion (1H01 : Rp.7.2 trillion) and net income of Rp.571.1 billion (1H01 : Rp.217.2 billion). This increased 163% compared with the first semester in 2001 after the adoption effective January 1, 2001 of the new accounting principles relating to “derivative instruments and hedging activities” under SFAS (Statement of Financial Accounting Standard) No. 55. Without this, the increase in net income 2002 would have been 62%.

Further, Eva Riyanti Hutapea, President Director & CEO of Indofood provided the following explanations :

1. For the first semester of 2002, Noodles, Flour and Edible Oils & Fats divisions of Indofood recorded total sales of Rp.6.8 trillion (1H01 : Rp.5.9 trillion) or a growth of 15% over the same period in 2001. This represented 85% of consolidated sales, or respectively, 34%, 29% and 22%. Sales volumes of these divisions recorded growth with noodles growing by 7% to 4.8 billion packs (1H01 : 4.5 billion packs).
2. Export sales during the period grew 47% (in US Dollar term) to US\$.113.7 million (1H01 : US\$.77.4 million) which represents 14% of Indofood’s consolidated sales.
3. The Company’s gross profit slightly increased by 3% to Rp.1,911.3 billion, whereas the gross and operating margins declined to respectively, 24% (1H1 : 26%) and 11% (1H01 : 14%). These declines were due to increases in the cost of raw materials, fuel and wages, higher spending on A&P, selling expenses and salary increase, and due to certain strategy implemented by the Company as explained in the later part of this release.
4. Beside the impact of the retroactive implementation of SFAS No. 55 to the net income as indicated above, the increase in net income during the first semester 2002 was primarily the result of the strengthening of the Rupiah relative to the US Dollar, to an average rate of Rp.9,499 in 2002 from an average of Rp.10,643 in 2001. Net foreign exchange gains in 2002 amounted to Rp.317.4 billion compared to net exchange losses of Rp.366.6 billion recorded in 2001.
5. The Company’s cash position at the end of June 2002 amounted to Rp.934.5 billion, whereas total assets amounting to Rp.13.6 trillion and stockholders’ equity totaled Rp.3.8 trillion.

6. During the first semester 2002, Indofood repaid debts of Rp.676.8 billion and US\$.283 million. Indofood has also obtained a 2-year term loan of US\$.100 million from ING Bank and issued 5-year Eurobond of US\$.280 million. As reported in a previous press release, the issuance of this bond is part of the Company's ongoing debt management program to improve its debt maturity profile to a current level of short-term debt of 20% from 60%. At the end of June 2002, outstanding loans in US dollars amounted to US\$.457 million.
7. The debt to equity and net gearing ratios slightly improved to 1.5 (Dec.31, 2001 : 1.6 times) and 1.2 times, respectively (Dec.31, 2001 : 1.3).
8. With regard to the share buy-back program, Hutapea related that up to August 8, 2002, Indofood has bought back 554.9 million shares which represents 6.1% of the issued and paid-up capital. The remaining balance of 3.9% will be implemented in stages up to November 30, 2002, at the latest.

Hutapea further comments :”Customers relations, loyalty and brand value remain our focus. With the continuous support of R&D initiatives including innovation and the ability to enhance our competitive advantage, and the synergy among its operating divisions, it will facilitate Indofood to continue expanding its market and to response to customer needs, including the penetration to the middle and upper-level customers. For example, the recent launching of 30 regional tastes of Indomie and also “Indomie Selera Indonesia” (Indomie – the taste of Indonesia), basically represents product extensions in the premium price segment and to provide more choices to our customers in order to sustain Indofood's position as a market leader. Opening new branches, direct selling of high-end products, market research & product development, and revitalizing brands, those are responses to achieve Indofood's current and future growth”.

Jakarta, August 12, 2002

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

