

24th February 2000

INDOFOOD'S 1999 RESULTS AND BOGASARI DIVESTMENT

Eva Riyanti Hutapea, CEO and President Director, today announced that Indofood reported a net profit of Rp1.395 trillion for 1999, a significant increase over the net profit reported in 1998. Due to the adoption in 1999 of the statements of financial Accounting Standard (SFAS) no. 46 and 50 regarding accounting for income taxes and accounting for certain marketable securities, respectively, the Company's net profit in 1998 was adjusted from Rp150 billion to Rp458 billion.

In 1999, the Company benefited from the strengthening of the Rupiah, with foreign exchange gains of Rp209 billion compared to foreign exchange losses of Rp1.2 trillion in 1998.

Sales increased by 31 per cent to more than Rp11.5 trillion with the three principal divisions, i.e., instant noodles, flour, edible oils and fats contributing 37 per cent, 24 per cent and 24 per cent respectively, or a total of 85 per cent of the group's consolidated sales. The remaining 15 per cent was contributed by the other divisions including snack foods and baby foods which hold strong market positions in their respective product category.

Instant noodles led the group with sales of Rp4.3 trillion, a 45 per cent increase over 1998 and volume reached 8 billion packs in 1999. Flour and edible oils and fats followed with almost identical sales of Rp2.8 trillion. Of the flour sales in 1999, 85 per cent represents flour directly sold by the division. For Edible Oils and Fats, 71 per cent represents sales of manufactured products with the remaining 29 per cent being trading revenues. The division's total sales declined by 16 per cent, largely due to the effect of the declining foreign exchange rates on the export sales revenues.

Earnings before Interest and Taxes (EBIT) for 1999 reached Rp2.29 trillion, a 10 per cent growth as compared to Rp2.08 trillion in 1998. The gross and operating margins for 1999 were 32 per cent and 20 per cent, respectively.

At the end of 1999, the Company's cash position reached close to Rp2.3 trillion out of total assets of Rp10.6 trillion. The outstanding debts in foreign currency, which represents approximately 83 per cent of the bank borrowings at the end of 1999, has been reduced to US\$705 million from US\$910 million at the end of 1998, or a

reduction of approximately 22 per cent. With the debt repayments in 1999, the Company's Debt to Equity and Net Gearing Ratios improved significantly to 3.2 times and 2.2 times, respectively, as compared to 10 times and 8 times of 1998. At the end of 1999, hedging contracts with a total value of US\$368 million represented 52 per cent of the outstanding debts in foreign currency.

On a related note, Hutapea also disclosed that Indofood has decided to discontinue the sale to strategic investors of Indofood's equity stake in the Bogasari flour milling operations. However, the spin-off of the flour milling division into four separate legal entities, as decided in the Extraordinary Meeting of Shareholders held on 6th October 1999, is currently in progress, awaiting approvals from the relevant Government Agencies and the Company's Lenders.

Hutapea emphasized that given this very positive operating results and the strong cash position at the end of 1999, the Board of Directors believe that Indofood can sustain its profitable operations in 2000 and that the Company will be able to meet its loan repayments, a major portion of which will be due in July 2000 of approximately US\$ 400 million. Management has confirmed that Indofood can comfortably service the scheduled loan repayments and interest payments without the necessity of disposing any assets.

Hutapea added: "After the completion of the spin-off of the Bogasari operation, Indofood will look into alternatives to realize the inherent values of Bogasari including a possible Initial Public Offering (IPO). The future prospects of the new subsidiaries remain positive and promising".

Financial data

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AND SUBSIDIARIES

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CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1999 AND 1998
(Amounts in Thousands Rupiah , except per Share Data)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998
(Amounts in Thousands Rupiah , except Income per Share)

	<u>ASSETS</u>		<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>					
	1999 Rp	1998 (As restated) Rp		1999 Rp	1998 (As restated) Rp			
CURRENT ASSETS			CURRENT LIABILITIES					
Cash and cash equivalents	2,291,671,384	2,074,531,912	Short-term bank loans and overdraft	538,125,352	813,805,164	NET SALES	11,548,598,563	8,834,356,126
Accounts receivable			Accounts payable			COST OF GOODS SOLD	7,866,871,793	5,780,358,121
Trade - net			Trade			GROSS PROFIT	3,681,726,770	3,053,998,005
Related parties	55,567,192	38,226,480	Related parties	219,747,785	129,760,465	OPERATING EXPENSES		
Third parties	730,572,885	501,944,634	Third parties	617,193,365	291,734,826	Selling	812,640,442	527,338,752
Non - trade			Non - trade			General and administrative	584,049,691	447,205,069
Related parties	172,195,616	47,480,544	Related parties	4,048,256	4,951,509	Total Operating Expenses	1,396,690,133	974,543,821
Forward exchange contracts - net	0	315,613,342	Others	495,223,241	125,429,352	INCOME FROM OPERATIONS	2,285,036,637	2,079,454,184
Others - net	130,912,950	189,302,845	Accrued expenses	430,032,089	276,315,492	OTHER INCOME (CHARGES)		
Inventories - net	1,348,653,262	1,193,846,203	Taxes payable	185,158,820	300,550,481	Equity in net earnings (losses) of investees - net	9,027,751	(567,445)
Advances and deposits	175,460,402	105,460,536	Current maturities of long-term debts			Interest income	309,347,357	540,047,501
Prepaid taxes	91,515,010	137,757,352	Loans	2,617,992,435	1,934,010,531	Interest and other financing charges	(739,643,502)	(941,058,889)
Prepaid expenses and other current assets	56,134,684	32,470,019	Obligations under capital leases	6,746,004	22,985,747	Gains (losses) on foreign exchange - net	208,813,277	(1,176,413,012)
Total Current Assets	5,052,683,385	4,636,633,867	Total Current Liabilities	5,114,267,347	3,899,543,567	Others - net	28,055,796	76,467,081
DEFERRED TAX ASSETS - Net	27,684,194	403,669,857	DEFERRED TAX LIABILITIES - Net	61,821,057	45,622,679	Other Charges - Net	(184,399,321)	(1,501,524,764)
INVESTMENTS IN SHARES OF STOCKS	25,803,621	16,557,664	LONG-TERM DEBTS - Net of Current Maturities	2,522,373,755	5,730,678,032	INCOME BEFORE PROVISION FOR INCOME TAX	2,100,637,316	577,929,420
PROPERTY, PLANT AND EQUIPMENT			Loans	6,715,980	13,461,984	PROVISION FOR INCOME TAX		
Carrying value	6,196,483,824	6,056,579,329	Obligations under capital leases	2,529,089,735	5,744,140,016	Current	(188,531,757)	(258,532,424)
Accumulated depreciation and amortization	(1,209,141,022)	(932,354,583)	Total Long-Term Debts	2,529,089,735	5,744,140,016	Deffered	(392,184,040)	295,287,436
Net Book Value	4,987,342,802	5,124,224,746	MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES	525,786,905	398,240,772		(580,715,797)	36,755,012
OTHER ASSETS			STOCKHOLDERS' EQUITY			INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES	1,519,921,519	614,684,432
Currency swap assets - net	391,789,152	550,872,768	Capital stock - Rp 500 par value			MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES - Net	(124,522,058)	(157,018,519)
Receivables from related parties	17,957,000	112,108,142	Authorized - 6,000,000,000 shares			NET INCOME	1,395,399,461	457,665,913
Long-term prepayments	16,219,916	18,787,316	Issued and fully paid - 1,831,200,000 shares	915,600,000	915,600,000	INCOME FROM OPERATIONS PER SHARE	1,248	1,136
Deferred charges - net	32,436,879	8,638,108	Additional paid-in capital	963,760,000	963,760,000	NET INCOME PER SHARE	762	250
Others	85,762,996	214,698,125	Differences arising from restructuring transactions among entities under common control	(917,740,765)	(917,740,765)			
Total Other Assets	544,165,943	905,104,459	Unrealized gains (losses) on investments in mutual funds	365,584	(12,306,297)			
TOTAL ASSETS	10,637,679,945	11,086,190,593	Retained earnings					
			Appropriated	15,000,000	10,000,000			
			Unappropriated	1,429,730,082	39,330,621			
			Total Stockholders' Equity	2,406,714,901	998,643,559			
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	10,637,679,945	11,086,190,593			

Notes : 1. The above consolidated financial statements were audited by Prasetyo Utomo & Co whose report thereon dated February 10, 2000 expressed an unqualified opinion.
2. Income per share is computed based on the weighted average number of outstanding shares during the year.
3. Effective January 1, 1999 the Company and its subsidiaries adopted Statements of Financial Accounting Standards (SFAS) No. 46 and No.50 regarding accounting for income taxes and accounting for certain marketable securities, respectively.
4. The 1998 financial statements have been restated to conform with the new SFAS mentioned above an certain accounts have been reclassified to conform with the 1999 presentation.

Jakarta , February 25, 2000

The Board of Directors
PT INDOFOOD SUKSES MAKMUR Tbk