



# **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00142)**

## **2005 FIRST QUARTER 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**

**MARCH 31, 2005 AND 2004**

**(Amounts in Thousands of Rupiah, except Share Data)**

**(UNAUDITED)**

#### **ASSETS**

	<b>2005</b>	<b>2004</b>
	<b>_____</b>	<b>_____</b>
	<i>Rp</i>	<i>Rp</i>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	<b>977,448,028</b>	<b>1,811,615,190</b>

Short-term investments	<b>238,394,200</b>	551,291,625
Accounts receivable		
Trade		
Third parties – net	<b>1,335,273,062</b>	1,330,457,153
Related parties	<b>90,602,238</b>	87,358,096
Non-trade		
Third parties – net	<b>577,281,769</b>	328,370,750
Related parties	<b>69,358,342</b>	94,162,416
Inventories – net	<b>2,407,684,480</b>	2,146,587,792
Advances and deposits	<b>277,813,057</b>	579,964,437
Prepaid taxes	<b>147,404,345</b>	251,079,088
Prepaid expenses and other current assets	<b>81,070,656</b>	84,475,038
<b>Total Current Assets</b>	<b>6,202,330,177</b>	<b>7,265,361,585</b>
<b>NON-CURRENT ASSETS</b>		
Currency swap assets – net	<b>954,341,847</b>	1,032,741,138
Long-term receivables		
Third parties	<b>9,500,000</b>	361,504,244
Related parties	<b>44,050,000</b>	67,078,400
Claims for tax refund	<b>274,209,760</b>	154,779,851
Deferred tax assets – net	<b>52,384,566</b>	63,007,271
Long-term investments in shares of stock and advances for purchases of investments	<b>387,704,303</b>	20,817,320

Plantations		
Mature plantations – net	<b>136,538,464</b>	125,709,923
Immature plantations	<b>45,588,085</b>	47,316,034
Property, plant and equipment – net	<b>5,918,755,529</b>	5,828,146,361
Deferred charges – net	<b>146,616,357</b>	165,130,720
Excess of investment costs over fair values of underlying net assets of subsidiaries – net	<b>177,564,801</b>	–
Other non-current assets	<b>736,302,589</b>	284,947,833
<b>Total Non-current Assets</b>	<b>8,883,556,301</b>	8,151,179,095
<b>TOTAL ASSETS</b>	<b>15,085,886,478</b>	15,416,540,680

### LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>2005</u>	<u>2004</u>
	<i>Rp</i>	<i>Rp</i>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans and overdraft	<b>597,649,226</b>	483,865,031
Trust receipts payable	<b>616,915,356</b>	159,286,720
Accounts payable		
Trade		
Third parties	<b>1,242,714,614</b>	1,425,820,626
Related parties	<b>28,337,433</b>	34,927,358
Non-trade		
Third parties	<b>220,126,491</b>	366,956,449
Related parties	<b>1,873,082</b>	2,198,142
Accrued expenses	<b>425,767,008</b>	444,474,677
Taxes payable	<b>201,022,992</b>	169,313,266

Current maturities of long-term debts		
Bonds payable – net	998,650,000	–
Bank loans and other borrowings	255,436,863	534,467,836
Obligations under capital leases	9,105,194	23,076,646
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<b>Total Current Liabilities</b>	<b>4,597,598,259</b>	<b>3,644,386,751</b>
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<b>NON-CURRENT LIABILITIES</b>		
Long-term debts – net of current maturities		
Bank loans and other borrowings	443,719,771	1,003,863,640
Bonds and guaranteed notes payable		
– net	4,220,318,215	5,075,147,718
Obligations under capital leases	–	26,919,510
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Total long-term debts	4,664,037,986	6,105,930,868
Deferred tax liabilities – net	632,043,311	598,687,562
Estimated liabilities for employees’ benefit	198,131,938	147,140,523
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<b>Total Non-current Liabilities</b>	<b>5,494,213,235</b>	<b>6,851,758,953</b>
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<b>MINORITY INTERESTS IN</b>		
<b>NET ASSETS OF SUBSIDIARIES</b>	<b>569,416,745</b>	<b>701,292,411</b>
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<b>SHAREHOLDERS’ EQUITY</b>		
Capital stock – Rp 100 par value		
Authorized – 30,000,000,000 shares		
Issued and fully paid – 9,444,189,000		
shares in 2005 and 9,443,269,500		
shares in 2004	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	<b>81,707,502</b>	22,666,424
Differences arising from foreign currency translations	<b>1,941,936</b>	(899,056)
Retained earnings		
Appropriated	<b>40,000,000</b>	35,000,000
Unappropriated	<b>3,833,354,113</b>	3,695,439,097
Treasury stock – 915,600,000 shares	<b>(741,069,341)</b>	(741,069,341)
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<b>Net Shareholders' Equity</b>	<b>4,424,658,239</b>	4,219,102,565
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>15,085,886,478</b>	15,416,540,680
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**CONSOLIDATED STATEMENTS OF INCOME  
FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004  
(Amounts in Thousands of Rupiah, except Earnings per Share)  
(UNAUDITED)**

	<b>2005</b>	2004
	<b>Rp</b>	Rp
<b>NET SALES</b>	<b>4,293,955,233</b>	4,232,912,479
<b>COST OF GOODS SOLD</b>	<b>3,209,387,625</b>	3,068,518,806
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<b>GROSS PROFIT</b>	<b>1,084,567,608</b>	1,164,393,673
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<b>OPERATING EXPENSES</b>		
Selling	<b>386,527,168</b>	385,924,137
General and administrative	<b>215,100,235</b>	229,640,634
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Total Operating Expenses	<b>601,627,403</b>	615,564,771
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<b>INCOME FROM OPERATIONS</b>	<b>482,940,205</b>	548,828,902
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<b>OTHER INCOME (CHARGES)</b>		
Interest income	<b>12,230,573</b>	19,170,734
Interest expense and other financing charges	<b>(242,853,235)</b>	(216,237,609)

Losses on foreign exchange – net of gains (losses) on changes in fair values of net currency swap assets	(151,874,775)	(114,929,036)
Others – net	110,506,606	(12,099,782)
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Other Charges – Net	(271,990,831)	(324,095,693)
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<b>INCOME BEFORE TAX BENEFIT (EXPENSE)</b>	<b>210,949,374</b>	<b>224,733,209</b>
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<b>TAX BENEFIT (EXPENSE)</b>		
Current	(70,865,885)	(85,543,407)
Deferred	6,715,810	11,969,159
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Tax Expense – Net	(64,150,075)	(73,574,248)
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<b>INCOME BEFORE MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES</b>	<b>146,799,299</b>	<b>151,158,961</b>
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<b>MINORITY INTERESTS IN NET EARNINGS OF SUBSIDIARIES – Net</b>	<b>(29,526,606)</b>	<b>(37,545,439)</b>
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<b>NET INCOME</b>	<b>117,272,693</b>	<b>113,613,522</b>
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<b>EARNINGS PER SHARE</b>		
Income from Operations	57	64
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Net Income	14	13
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*Notes:*

- Earnings per share is computed based on the weighted average number of outstanding shares during the periods.*
- The foreign exchange rates used as at March 31, 2005 and 2004 were Rp 9,480 and Rp 8,587 to US\$1, respectively.*
- For comparative purposes, certain accounts in the 2004 Consolidated Financial Statements have been reclassified to conform with 2005 presentation.*

- Net sales slightly grew to Rp.4.3 trillion;**
- Gross margin of 25.3%;**
- Operating margin of 11.2%;**
- Net income slightly up to Rp.117.3 billion**

The Board of Directors of Indofood announced its consolidated operating results for the first quarter 2005. Despite the continuing tough competition in several categories of Indofood's products, particularly in the instant noodle industry, Indofood registered a consolidated net sales of Rp.4.3 trillion including export revenues of US\$50.8 million, compared to Rp.4.2 trillion during the first quarter 2004.

Noodles, Flour and Edible Oils & Fats divisions continue to be the main pillars with a total contribution of 85% to consolidated net sales, or respectively 33%, 38% and 14% (1Q04: 34%, 31% and 22% respectively), with the following highlights:

- Sales volumes of noodles reached 2.25 billion packs (1Q04: 2.40 billion packs), a decline of 6% over the same period in 2004, with a flat sales revenues of Rp.1.5 trillion (1Q04: Rp.1.5 trillion);
- Sales volumes of flour was flat at 588 thousand tons (1Q04: 588.6 thousand tons), with a 17% growth in sales revenues to Rp.1.9 trillion (1Q04: Rp.1.6 trillion);
- Sales volumes of branded cooking oils and fats up 11.5% to 117.8 thousand tons (1Q04: 105.7 thousand tons) with a 9.5% increase in sales revenues to Rp.583.6 billion (1Q04: Rp.532.8 billion);

All other smaller operating divisions of Indofood, except Food Seasonings Division recorded year-on-year sales volumes growth ranging from 12% to 15%.

Due to a combination of several factors including the lower production of oil palm plantations and declining of CPO prices, noodles promotional program and higher cost of raw materials, both gross and operating margins declined to 25.3% (1Q04: 27.5%) and 11.2% (1Q04: 13.0%) respectively, despite the 6% reduction in general and administrative expenses brought about by the ongoing cost improvement/efficiency program.

Net profit increased slightly to Rp.117.3 billion, due among others to goodwill compensation received in relation with the new joint venture company offset by loss on unwinding of the Principal Only Swap ("POS") with a contract value of US\$63.75 million and premium paid for the buyback of Eurobond during first quarter 2005.

The Company's total assets as of March 31, 2005 decreased to Rp.15.1 trillion (Dec.31, 2004: Rp.15.7 trillion), mainly due to the redemption of Eurobonds and the partial unwinding of the POS hedging having a contract value of US\$63.75 million during first quarter 2005, as referred to above. Subsequent to March 31, 2005, the Company has decided to unwind further the remaining POS hedging contracts amounting to US\$186.25 million, in line with the Company's ongoing initiative to buy back its Eurobond and increase cost efficiency.

As of March 31, 2005, the outstanding Rupiah debts were Rp.4.9 trillion (Dec.31, 2004: Rp.4.9 trillion), whereas the outstanding U.S. Dollar debts were reduced to US\$241 million (Dec.31, 2004: US\$317 million), and the total shareholders' equity increased to Rp.4.4 trillion (Dec.31, 2004: Rp.4.3 trillion). As a result, Debt to Equity ratio improved to 1.6 times (Dec.31, 2004: 1.9 times), while Net Gearing ratio improved to 1.4 times (Dec.31, 2004: 1.5 times).

Regarding the progress on the planned redemption of its 10.375% Eurobond of US\$280 million, the Company are currently still awaiting for the definitive resolution/declaration from the UK court regarding our legal rights to redeem such bonds due to the revocation of the double taxation agreement between the Governments of Mauritius and Indonesia, effective January 1, 2005. In the mean time, we have bought back to date US\$107.5 million bonds from the market, as well as the US\$30 million, 10.125% Guaranteed Notes Due 2007.

The Board of Directors added: "Our organization still has to undergo further progress to optimize our operational efficiency and prudently manage our level of debts. With extensive production scale, diversified business segment and strong market presence throughout Indonesia, Indofood will continue to be the leader in the food industry.

Indofood's Annual General Meeting will be held no later than June 30, 2005 and it is the intention of the Board of Directors to propose dividend payments from the 2004 net income.

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

May 3, 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.”