

PT UNILEVER INDONESIA TBK AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

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PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2006 AND 2005

(Expressed in million Rupiah)

	Notes	2006	2005
CURRENT ASSETS			
Cash and cash equivalents	2d, 4	1,336,304	915,364
Trade debtors (Net of allowance for doubtful accounts of Rp 1,757 in 2006 and Rp 5,901 in 2005)			
- Third parties	2g, 5	619,944	578,619
- Related parties	2c, 5	40,598	40,792
Other debtors	2f, 6	17,703	17,547
Inventories (Net of provision for obsolete and unused/slow moving stocks of Rp 28,421 in 2006 and Rp 34,459 in 2005)	2h, 7	738,787	621,385
Prepaid taxes	2o, 14c	44,445	6,057
Prepaid expenses	2m, 9	41,547	31,561
Total Current Assets		2,839,328	2,211,325
NON-CURRENT ASSETS			
Amounts due from related parties	2c, 8c	24,909	24,361
Deferred tax assets, net	2o, 14b	20,868	80,981
Fixed assets (Net of accumulated depreciation of Rp 379,576 in 2006 and Rp 328,055 in 2005)	2i, 10a	1,573,767	1,351,290
Intangible assets (Net of accumulated amortisation of Rp 74,597 in 2006 and Rp 60,607 in 2005)	2k, 11	165,811	179,759
Other assets	2m, 12	83,450	60,494
Prepaid pension expense	2p, 17	31,869	18,416
Total Non-current Assets		1,900,674	1,715,301
TOTAL ASSETS		4,740,002	3,926,626

The accompanying notes form an integral part of these consolidated financial statements

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, except par value per share)

	Notes	2006	2005
CURRENT LIABILITIES			
Trade creditors			
- Third parties	13	674,550	436,807
- Related parties	2c, 13	31,739	36,666
Taxes payable	20, 14d	222,483	83,897
Dividend payable	22	829,670	623,101
Accrued expenses	15	618,033	503,866
Other payable	2f, 16	73,740	61,376
Total Current Liabilities		2,450,215	1,745,713
NON-CURRENT LIABILITIES			
Amounts due to related parties	2c, 8d	53,542	74,970
Employee benefit obligations	2p, 17	87,320	97,021
Total Non-current Liabilities		140,862	171,991
MINORITY INTERESTS	18	13,121	14,147
EQUITY			
Share capital	2r, 19	76,300	76,300
(Authorised, issued and fully paid-up: 7,630,000,000 common shares at par value of Rp 10 per share for 2006 and 2005)			
Capital paid in excess of par value	2r, 20	15,227	15,227
Fixed assets revaluation reserve	2i, 10b	287,593	287,593
Balance arising from restructuring transactions between entities under common control	2c, 21	80,773	80,773
Appropriated retained earnings	23	16,435	15,848
Unappropriated retained earnings		1,659,476	1,519,034
Total Equity		2,135,804	1,994,775
TOTAL LIABILITIES AND EQUITY		4,740,002	3,926,626

The accompanying notes form an integral part of these consolidated financial statements

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, except basic earnings per share)

	Notes	2006	2005
NET SALES	2n, 24	5,537,487	4,894,180
COST OF GOODS SOLD	2n, 25	(2,758,195)	(2,500,724)
GROSS PROFIT		2,779,292	2,393,456
OPERATING EXPENSES		(1,529,606)	(1,252,309)
Marketing and selling expenses	2n, 26a	(1,215,706)	(971,950)
General and administration expenses	2n, 26b	(313,900)	(280,359)
OPERATING INCOME		1,249,686	1,141,147
OTHER INCOME/(EXPENSES)		11,759	12,965
Loss on disposals of fixed assets	2i, 10d	(628)	(750)
Gain/(loss) on foreign exchange, net	2e	(4,445)	1,677
Interest income		16,832	12,038
PROFIT BEFORE INCOME TAX		1,261,445	1,154,112
Income tax expense	2o, 14a	(380,873)	(349,055)
INCOME BEFORE MINORITY INTERESTS		880,572	805,057
MINORITY INTERESTS IN NET (GAIN)/LOSS OF SUBSIDIARIES	18b	(2,687)	286
NET INCOME		877,885	805,343
BASIC EARNINGS PER SHARE	2t, 28	115	106

The accompanying notes form an integral part of these consolidated financial statements

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2006 AND 2005

(Expressed in million Rupiah)

	Notes	Share capital	Capital paid in excess of par value	Fixed assets revaluation reserve	Balance arising from restructuring transactions between entities under common control	Appropriated retained earnings	Unappropriated retained earnings	Total
Balance at December, 31 2004		76,300	15,227	287,593	80,773	15,848	1,782,706	2,258,447
Net income for the year		-	-	-	-	-	805,343	805,343
Actuarial loss		-	-	-	-	-	(815)	(815)
Dividends	22	-	-	-	-	-	(1,068,200)	(1,068,200)
Balance at June, 30 2005		76,300	15,227	287,593	80,773	15,848	1,519,034	1,994,775
Balance at December, 31 2005		76,300	15,227	287,593	80,773	16,442	1,697,191	2,173,526
Net income for the year		-	-	-	-	-	877,885	877,885
Return of unclaimed dividends		-	-	-	-	(7)	-	(7)
Dividends	22	-	-	-	-	-	(915,600)	(915,600)
Balance at June, 30 2006		<u>76,300</u>	<u>15,227</u>	<u>287,593</u>	<u>80,773</u>	<u>16,435</u>	<u>1,659,476</u>	<u>2,135,804</u>

The accompanying notes form an integral part of these consolidated financial statements

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
JUNE 30, 2006 AND 2005

(Expressed in million Rupiah)

	Notes	2006	2005
Cash flows from operating activities			
Receipts from customers		5,769,575	5,188,684
Payments to suppliers		(4,297,834)	(3,745,783)
Payments of directors and employees remuneration		(271,508)	(235,113)
Payments of employee benefits	17	3,662	(21,111)
Payments of service fees		(185,685)	(134,919)
Cash from operations		1,018,210	1,051,758
Receipts of interest income		16,832	12,038
Payments of loans to employees		3,819	(3,420)
Payments of corporate income tax		(291,987)	(427,899)
Net cash flows provided from operating activities		746,874	632,477
Cash flows from investing activities			
Payments for the acquisition of fixed assets	10a	(119,579)	(39,026)
Proceeds from the sale of fixed assets	10d	1,574	1,132
Net cash flows used in investing activities		(118,005)	(37,894)
Cash flows from financing activities			
Dividends paid	22	-	(461,650)
Net cash flows used in financing activities		-	(461,650)
Net decrease in cash and cash equivalents		628,869	132,933
Effect of exchange rate changes on cash and cash equivalents		2,066	(2,024)
Cash and cash equivalents at the beginning of the year		705,369	784,455
Cash and cash equivalents at the end of the year	2d, 4	1,336,304	915,364

The accompanying notes form an integral part of these consolidated financial statements

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, unless otherwise stated)

1. General

PT Unilever Indonesia Tbk (the "Company") was established on December 5, 1933 as Lever's Zeepfabrieken N.V. by deed No. 23 of Mr. A.H. van Ophuijsen, notary in Batavia. This deed was approved by the Gouverneur Generaal van Nederlandsch-Indie under letter No. 14 on December 16, 1933, registered at the Raad van Justitie in Batavia under No. 302 on December 22, 1933 and published in the Javasche Courant on January 9, 1934 Supplement No. 3.

By deed No. 171 dated July 22, 1980 of public notary Mrs. Kartini Muljadi SH, the Company's name was changed to "PT Unilever Indonesia". By deed No. 92 dated June 30, 1997 of public notary Mr. Mudofir Hadi SH, the Company's name was changed to "PT Unilever Indonesia Tbk". This deed was approved by the Minister of Justice under decision letter No.C2-1.049HT.01.04 TH.98 dated February 23, 1998 and published in State Gazette No. 2620 of May 15, 1998 Supplement No. 39.

The Company listed 15% of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange following the approval of the Chairman of Capital Market Supervisory Board (Bapepam) No.SI-009/PM/E/1981 on November 16, 1981.

At the Company's Annual General Meeting of the Shareholders on June 24, 2003, the shareholders agreed to a stock split, reducing the par value per share from Rp 100 per share to Rp 10 per share. This change was notarised by deed No. 46 dated July 10, 2003 of public notary Singgih Susilo SH and was approved by the Minister of Justice and Human Rights of the Republic of Indonesia under decision letter No. C-17533 HT.01.04-TH.2003.

The Company is engaged in the manufacturing, marketing and distributing of consumer goods including soaps, detergents, margarine, dairy based foods, ice cream, tea based beverages and cosmetic products.

As approved at the Company's Annual General Meeting of the Shareholders on June 13, 2000, which was notarised by deed No. 82 dated June 14, 2000 of public notary Singgih Susilo SH, the Company also acts as a main distributor of its products and provides marketing research services. This deed was approved by the Minister of Law and Legislation (formerly Minister of Justice) of the Republic of Indonesia under decision letter No. C-18482 HT.01.04-TH.2000.

The Company commenced commercial operations in 1933.

The Company's office is located at Jalan Jendral Gatot Subroto Kav. 15, Jakarta. The factories are located at Jalan Jababeka 9 Blok D, Jalan Jababeka Raya Blok O, Jababeka Industrial Estate Cikarang, Bekasi, West Java and Jalan Rungkut Industri IV No. 5-11, Rungkut Industrial Estate, Surabaya, East Java.

On November 22, 2000, the Company entered into an agreement with PT Anugrah Indah Pelangi, to establish a new company namely PT Anugrah Lever ("PT AL") which is engaged in manufacturing, developing, marketing and selling soy sauce, chilli sauce and other sauces under the Bango, Parkiet and Sakura trademarks and other brands under license of the Company to PT AL.

On July 3, 2002, the Company entered into an agreement with Texchem Resources Berhad, to establish a new company namely PT Technopia Lever which is engaged in the distribution, export and import of goods under the Domestos Nomos trademark. On November 7, 2003 Texchem Resources Berhad entered into a Share Sale and Purchase Agreement with Technopia Singapore Pte. Ltd, in which Texchem Resources Berhad agreed to sell all of its shares in PT Technopia Lever to Technopia Singapore Pte. Ltd.

At the Company's Extraordinary General Meeting of the Shareholders on December 8, 2003, the Company received approval from its minority shareholders to acquire the shares of PT Knorr Indonesia ('PT KI') from Unilever Overseas Holdings Limited (a related party). This acquisition became effective on the signing date of the share sales and purchase agreement between the Company and Unilever Overseas Holdings Limited on January 21, 2004. On July 30, 2004, the Company merged with PT KI. The merger was accounted for using a method similar to the pooling of interest method. The Company was the surviving company and after the merger PT KI no longer existed as a separate legal entity. This merger was in accordance with the approval of the Investment Co-ordinating Board (BKPM) in letter No. 740/III/PMA/2004 dated July 29, 2004.

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in million Rupiah, unless otherwise stated)

The summary of the Company's direct ownership in subsidiaries and the total assets of subsidiaries was as follows:

	Country of domicile	Year of commercial operation commenced	Percentage of ownership		Total assets in Rp billion	
			2006	2005	2006	2005
PT Anugrah Lever	Indonesia	2001	65%	65%	57,8	48,7
PT Technopia Lever	Indonesia	2002	51%	51%	27,3	26,2

As at June, 30 2006, the Company's Boards of Commissioners and Directors were as follows:

Board of Commissioners

President Commissioner : Louis Willem Gunning
Commissioners : Theodore Permadi Rachmat
Kuntoro Mangkusubroto
Cyrillus Harinowo
Bambang Subianto

Board of Directors

President Director : Maurits Daniel Rudolf Lalisang
Directors : Desmond Gerard Dempsey
Mohammad Effendi Soeparsono
Muhammad Saleh
Josef Bataona
Surya Dharma Mandala
Debora Herawati Sadrach
Andreas Morits Egon Rompis
Laercio de Holanda Cardoso Junior
Bernadette Mary Wake

2. Summary of Significant Accounting Policies

The consolidated financial statements of PT Unilever Indonesia Tbk and subsidiaries (collectively "the Group") were prepared by the Board of Directors and completed on July 28, 2006.

Presented below are the significant accounting policies adopted in preparing the consolidated financial statements of the Group, which are in conformity with accounting principles generally accepted in Indonesia.

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, with the exception that certain fixed assets have been revalued in accordance with the applicable government regulations (refer to Note 2i) and derivative financial instruments which are valued at fair value (refer to Note 2f).

The consolidated financial statements have also been prepared on the basis of the accruals concept except for the consolidated statements of cash flows.

The consolidated statements of cash flows are prepared based on the direct method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and short-term investments with a maturity of three months or less, net of overdrafts, if any.

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires the use of estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, unless otherwise stated)

amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Figures in the consolidated financial statements are rounded to and expressed in millions of Rupiah unless otherwise stated.

b. Principles of consolidation

The consolidated financial statements include the accounts of the Company and the subsidiaries it controls, PT Anugrah Lever and PT Technopia Lever, in which the Company directly has control and ownership of more than 50% of voting rights. The subsidiaries are consolidated from the date on which effective control was transferred to the Company.

The effect of all material transactions and balances between the Company and the subsidiaries has been eliminated in preparing the consolidated financial statements.

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the subsidiaries unless otherwise stated.

c. Related party transactions

The Company and its subsidiaries have transactions with related parties. The definition of related parties used is in accordance with Statement of Financial Accounting Standards ("PSAK") 7 "Related party disclosures".

All material transactions with related parties are disclosed in the notes to the consolidated financial statements.

The restructuring transaction between entities under common control was accounted for using a method similar to the pooling of interest method of accounting. The difference between the acquisition cost and the book value of the net asset acquired, excluding retained earnings/accumulated losses, was recorded in "Balance arising from restructuring transactions between entities under common control" account, which is presented in the equity section of the consolidated balance sheet.

d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash in banks, and short-term investments maturing in three months or less.

e. Foreign currencies translation

Transactions denominated in foreign currencies are translated into Indonesian Rupiah at the exchange rates prevailing at the date of the transaction. Year end balances of monetary assets and liabilities in foreign currencies are translated into Indonesian Rupiah at the exchange rates prevailing at the balance sheet date. Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognised in the consolidated statements of income. The balance sheet date rates used to translate foreign currency balances as of June 30, 2006 and 2005 were Rp 9,265 (full amount Rupiah) and Rp 9,770 (full amount Rupiah) for US Dollar 1, respectively. As a comparison, the middle rates of Citibank, with whom the Company negotiates most of its foreign currency transactions were Rp 9,265 (full amount Rupiah) and Rp 9,565 (full amount Rupiah) for US Dollar 1 as at June 30, 2006 and 2005, respectively.

f. Derivative financial instruments

The Company periodically enters into forward foreign currency contracts with external counterparties, in implementing their risk management policies. Certain derivative transactions, while providing effective economic hedges under the Company's risk management policies, do not qualify for hedge accounting under the specific rules in PSAK 55 (Revised 1999) "Accounting for derivative instruments and hedging activities" ("PSAK 55"). Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under PSAK 55 are recognised immediately in the consolidated statements of income.

Derivative financial instruments are recognised in the balance sheet as assets or liabilities depending on the rights and obligations as governed by the contract, and recorded at their fair value.

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JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, unless otherwise stated)

g. Trade debtors

Trade debtors are recognised net of an allowance for doubtful accounts, based on management's review of the collectability of each account at the end of the year. Uncollectible receivables are written off as bad debts during the period in which they are determined to be not collectible.

h. Inventories

Inventories are valued at the lower of cost and net realisable value. The principal method used to determine cost is the average cost method. Cost of finished goods and work in process comprises materials, labour and an appropriate proportion of directly attributable fixed and variable overheads.

A provision for obsolete and unused/slow moving inventories is determined on the basis of estimated future usage or sale of inventory items.

i. Fixed assets and depreciation

Fixed assets are recorded at cost less accumulated depreciation, except for certain fixed assets which were revalued, in accordance with government regulations, to reflect the fair value of the assets.

Historical cost covers expenditure that is directly attributable to the acquisition of the items.

In a revaluation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The difference resulting from the revaluation of such fixed assets is credited to the "fixed assets revaluation reserve" account presented in the equity section.

Land is not depreciated.

Fixed assets depreciation was calculated using the straight line method to allocate their cost or revalued amount to their residual values over their estimated useful lives as follows:

Buildings	40 years
Machinery and equipment	5-20 years
Motor vehicles	8 years

When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are eliminated from the consolidated financial statements, and the resulting gains and losses on the disposal of fixed assets are recognised in the consolidated statements of income.

The accumulated costs of the construction of buildings and plant and the installation of machinery are capitalised as construction in progress. These costs are reclassified to fixed asset accounts when the construction or installation is complete. Depreciation is charged from the date when assets are brought into use.

Repairs and maintenance expenses are charged to the consolidated statements of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related assets.

j. Impairment of fixed assets and other non-current assets

At balance sheet date, the Group review whether there is any indication of impairment or not.

Fixed assets and other non-current assets, including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

(Expressed in million Rupiah, unless otherwise stated)

k. Intangible assets

The costs of operating rights, trademarks and copyrights acquired are amortised using the straight-line method over their estimated useful lives of 10 – 20 years. Management also assesses the carrying value of intangible assets based on annual review of their remaining useful lives.

l. Research and development

Research and development costs are expensed in the period in which they are incurred, as long as those costs do not meet the requirements for capitalisation.

m. Prepaid expenses

Prepaid expenses are charged against the consolidated statements of income over the period in which the related benefits are derived, using the straight-line method. Prepaid expenses with benefit period of more than 12 months are recorded as non-current assets.

n. Revenue and expenses

Net sales represent revenue earned from the sale of the Group's products, net of returns, trade allowances, sales tax on luxury goods and value-added tax. Revenue from export sales is recognised upon shipment of the goods to the customers (f.o.b. shipping point). Revenue from domestic sales is recognised when goods are delivered to the distributors/customers.

Expenses are recognised on an accrual basis.

o. Taxation

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal are determined.

p. Employee benefits

- Short-term employee benefit obligations

Short-term employee benefits are recognised when they accrue to the employees.

- Pension benefit obligations

The Company has a defined benefit pension plan covering all of its employees who have the right to pension benefits as stipulated in the regulations of Dana Pensiun Unilever Indonesia ("Dana Pensiun"). The plan is generally funded through payments to the Dana Pensiun, which are determined by periodic actuarial calculation. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, year of service and compensation.

The liability recognised in the consolidated balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

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(Expressed in million Rupiah, unless otherwise stated)

Actuarial gains and losses can arise from experience adjustments, changes in actuarial assumptions and changes in pension plan. When the actuarial gains and losses exceed 10% of present value of defined benefit or 10% of program's asset fair value, the exceed amount are charged or credited to expenses or income over the average remaining service lives of the relevant employees.

The Company is required to provide a minimum amount of pension benefit in accordance with Labor Law No. 13/2003 ("Labor Law"). Since the Labor Law sets the formula for determining the minimum amount of benefits, in substance, pension plans under the Labor Law represent defined benefit plans. No revision needs to be made in relation to the benefits under the Company's pension plan as the calculation of the benefit obligation performed by the actuary shows that the expected benefits provided by the Company's pension plan will exceed the minimum requirements of the Labor Law.

- Post-employment medical benefit obligations

The Company provides post-employment medical benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a certain service period. The estimated costs of these benefits are recognised over the period of employment, using an accounting method similar to that for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

- Other post-employment and long-term benefit obligations

The Company provides other post-employment benefits under the Labor Law, jubilee and long leave benefits. The entitlement to these benefits is usually based on the completion of a certain service period by the employee. The estimated costs of these benefits are recognised over the period of employment, using an accounting method similar to that for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

- Bonus scheme

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders and employees' performance after certain adjustments. The Company recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Change in accounting policy

In 2005 the Company adopted PSAK 24 (Revised 2004), "Employee Benefits" ("PSAK 24"). The adoption of this accounting standard is considered as a change in accounting policy. The comparative consolidated financial statements for the period end March, 31 2006 have been restated accordingly as required by PSAK 24 (see Note 3).

Prior to 2005, the Company also used an actuarial calculation for the post-employment medical and pension benefits only.

q. Share matching plan

Since 2002, the Company introduced a Share Matching plan, which is applied to manager level and above. Under this plan, managers can invest up to 25% of their gross annual bonus in Unilever shares ("bonus shares"). Middle and junior managers are entitled to invest in the Company's shares, while senior managers and above are only entitled to invest in the shares of Unilever N.V. and Unilever PLC (the ultimate shareholders). The Company then awards an equivalent number of matching shares. These matching shares vest three years after the grant provided certain conditions are met, including the requirement that the original "bonus shares" shall be retained for the three-year period and the managers are still employed by the Company at the end of the three-year period. The cost of the matching shares is recorded as deferred charges and is charged to the statements of income over a period of three years, using the straight-line method.

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(Expressed in million Rupiah, unless otherwise stated)

r. Share and capital paid in excess of par value

Common shares are classified as equity. Capital paid in excess of par value is the difference between the selling price and nominal value of the share. All expenses directly related to the issuance of share capital or options are recorded as a deduction from capital paid in excess of par value.

s. Dividends

Dividend payments to all shareholders are recognised as a liability in the consolidated financial statements in the period when the dividend payment was declared by the shareholders.

t. Basic earnings per share

Basic earnings per share is computed by dividing net income with the weighted average number of outstanding shares. There are no convertible securities, options or warrants that would give rise to a dilution of the earnings per share.

u. Segment information

The Company manage their business in one integrated segment i.e. manufacturing, marketing and distributing of consumer goods. Management allocates resources and evaluates Group's performance at the Company level.

3. Restatements of the consolidated financial statements

As disclosed in Note 2p, the Company adopted PSAK 24 in 2005. The comparative consolidated financial statements for the period end December, 31 2004 have been restated as follows:

	<u>Before restatement</u>	<u>After restatement</u>	<u>Adjustment</u>
Consolidated balance sheets			
Deferred tax assets	64,594	80,981	16,387
Prepaid pension expense	45,280	18,416	26,864
Employee benefits obligation	69,260	97,021	27,761
Unappropriated retained earnings	1,557,271	1,519,034	38,237
Equity	2,033,012	1,994,775	38,237

The impact to the consolidated financial statements for the period end June, 30 2005 is an increase in deferred tax asset by Rp 16,387, a decrease in the prepaid pension expense by Rp 26,864, an increase in employee benefits obligation by Rp 27,761 and a decrease in an unappropriated retained earnings by Rp 38,237, respectively.

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(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
4. Cash and cash equivalents	1,336,304	915,364
Cash on hand	250	324
Cash in banks		
Third parties – Rupiah:		
Deutsche Bank AG	77,978	67,232
ABN AMRO Bank N. V.	29,707	99,905
PT Bank Mandiri (Persero) Tbk	25,079	20,247
PT Bank Lippo Tbk	22,782	20,917
PT Bank Central Asia Tbk	17,476	4,288
HSBC	13,425	-
Citibank N.A.	12,381	1,050
PT Bank Negara Indonesia (Persero) Tbk	4,993	3,854
PT Bank Niaga Tbk.	295	1,215
Others (respective individual balances less than Rp 1,000)	256	254
Third parties – US Dollars:		
Citibank N. A.	106,986	9,024
Deutsche Bank AG	2,372	307
ABN AMRO Bank N. V.	916	130
Third parties – Euro:		
ABN AMRO Bank N. V.	1,616	6,208
Deutsche Bank AG	336	335
Citibank N.A	131	994
Time deposits (maturity within three months):		
Third parties – Rupiah:		
ABN AMRO Bank N. V.	275,000	60,000
Standard Chartered Bank	269,000	-
PT ANZ Panin Bank	255,000	80,000
Citibank N. A	94,000	250,000
PT Bank Lippo Tbk	80,000	-
PT Bank Rabobank International Indonesia	-	120,000
Deutsche Bank AG	-	110,000
HSBC	-	20,000
Third parties – US Dollars:		
PT Bank Rabobank International Indonesia	46,325	-
HSBC	-	39,080

The interest rates per annum for the above time deposits during the current year are as follows:

Rupiah	10.5% - 14.50%	6.80% - 8.00%
US Dollars	3.45% - 4.75%	2.25% - 2.95%
Euro	1.25% - 2.50%	2.00% - 2.00%

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	2006	2005
5. Trade debtors		
Third parties:	619,944	578,619
Rupiah	566,016	515,891
US Dollars	55,685	68,629
Less: Allow ance for doubtful accounts	(1,757)	(5,901)
<p>Third party trade debtors denominated in Rupiah comprise receivables from customers throughout the Indonesian archipelago.</p> <p>Third party trade debtors denominated in US Dollars comprise receivables from foreign customers.</p>		
Related parties:	40,598	40,792
Unilever Australia Ltd.	12,816	9,644
Unilever (Malaysia) Holdings Sdn. Bhd.	7,899	11,264
Unilever New Zealand Ltd.	4,799	2,279
Unilever Taiw an Ltd.	3,961	1,016
Unilever Singapore Pte. Ltd.	3,704	2,179
PT Diversey Indonesia	2,023	2,535
Unilever Thai Trading Ltd.	1,971	-
Unilever Philippines, Inc.	1,016	3,478
Unilever Market Development South Africa	468	4,147
Unilever Thai Holdings Ltd.	318	1,757
Unilever Hongkong	-	1,170
Others (respective individual balances less than Rp 1,000)	1,623	1,323
Aging analysis of trade debtors is as follow s:	660,542	619,411
Current	606,288	568,137
Overdue 1 – 30 days	54,254	51,274
Movements in the allow ance for doubtful accounts are as follow s:	(1,757)	(5,901)
Allow ance for doubtful accounts – beginning	(4,998)	(6,118)
Reversal of/(provision for) allow ance for doubtful accounts	2,779	217
Doubtful debts w ritten off	462	-
Allow ance for doubtful accounts – ending	(1,757)	(5,901)
<p>Based on a review of the status of accounts receivable at the end of the year, management believe that the allow ance for doubtful accounts is adequate to cover possible losses arising from the non-collection of accounts.</p>		
6. Other debtors		
	17,703	17,547
Loans to employees (Note 8e)	6,795	6,072
Advances	7,740	5,459
Others (respective individual balances less than Rp 1,000)	3,168	6,016
<p>Management have not made any provision for doubtful accounts for other debtors as they are of the opinion that these receivables w ill be collectible in full.</p>		

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(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
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At June, 30 2006, the Company had forward foreign exchange contracts in US Dollars and Euro. The purchases of US Dollars will mature in July, August and September 2006. The purchases of Euro will mature in July 2006. The notional amount of the contracts as at June, 30 2006 was USD 19,000,000 and EUR 2,500,000 (2005: USD 75,263,204 and EUR 2,000,000). The forward rates of the contracts range from Rp 8,820 (full amount Rupiah) to Rp 9,465 (full Amount Rupiah) per USD 1 and Rp 11,823 (full amount Rupiah) per Euro 1.

The counter parties for the above contracts in 2006 are Citibank, Rabo Bank, HSBC and ABN AMRO (2005: Citibank, ABN Amro, ANZ, HSBC, Rabo Bank, dan Standard Chartered Bank).

7. Inventories

	738,787	621,385
Finished goods	444,278	411,939
Work in process	14,798	14,446
Raw materials	201,202	159,414
Goods in transit	84,014	44,617
Spare parts	22,916	25,428
Provision for obsolete and unused/slow moving stocks	(28,421)	(34,459)
Movements in the provision for obsolete and unused/slow moving stocks are as follows:		
	(28,421)	(34,459)
Beginning balance	(22,468)	(23,247)
Changes during the year:		
Amounts provided	(21,386)	(23,609)
Amounts written off	15,433	12,397
Ending balance	(28,421)	(34,459)

Management believes that the provision for obsolete and unused/slow moving stocks is adequate to cover any possible losses arising.

As of June 30, 2006 and 2005 inventories owned by the Company and subsidiaries are insured against the risk of loss due to natural disaster, fire and other risks with a total coverage of Rp 584,554 and Rp 515,915, respectively. Management believe the amounts are adequate to cover possible losses arising from such risks.

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8. Related party transactions

a. The nature of transactions and relationships with related parties are as follows:

i. The Group sold finished goods to the following related parties:

- Unilever Australia Ltd.
- Unilever Hongkong Ltd.
- Unilever Japan Beverage K.K.
- Unilever Market Development Southern Africa
- Unilever (Malaysia) Holdings Sdn. Bhd.
- Unilever New Zealand Ltd.
- Unilever Philippines, Inc.
- Unilever Singapore Pte. Ltd.
- Unilever Taiwan Ltd.
- Unilever Thai Trading Ltd.
- Unilever Thai Holdings Ltd.

ii. The Group purchased raw materials and others from the following related parties:

- Bestfoods Shandongs
- Hindustan Lever Ltd.
- Lipton Ltd. Kenya
- PT Anugrah Setia Lestari
- PT Kimberly Lever Indonesia
- PT Technopia Jakarta
- Unilever (China) Investing Company Ltd.
- Unilever Deutschland GmbH
- Unilever (Malaysia) Holdings Sdn. Bhd.
- Unilever Srilanka Ltd.
- Unilever Thai Holdings Ltd.

iii. Details of the nature and types of transactions with related parties other than those mentioned above are as follows:

Related parties	Nature of the relationships	Type of transactions
- Unilever Business Group Services B.V.	Affiliated company	Payments for regional services/reimbursements of regional research costs paid by the Company
- Unilever N.V.	Ultimate shareholder of Unilever group	Royalty payments
- PT. Anugrah Setia Lestari	Affiliated company	Manufacturing fees

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
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(Expressed in million Rupiah, unless otherwise stated)

<ul style="list-style-type: none"> - Hindustan Lever Ltd. - PT Kimberly Lever Indonesia - Unilever Asia Private Ltd. - Unilever Foods (Malaysia) Sdn. Bhd. - Unilever Head Office Brazil - Unilever Philippines, Inc. - Unilever Thai Trading Ltd. - Unilever United States, Inc. 	<ul style="list-style-type: none"> Affiliated company Affiliated company Affiliated company Affiliated company Affiliated company Affiliated company Affiliated company Affiliated company 	<ul style="list-style-type: none"> Expense reimbursements Expense reimbursements Expense reimbursements Expense reimbursements Expense reimbursements Expense reimbursements Expense reimbursements Expense reimbursements
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b. Significant agreements with related

parties The Company

- i. Under the terms and conditions of an agreement with the Unilever group of companies which is valid until a date that is yet to be determined, certain services are provided by Unilever N.V. to the Company. The Company also has the right to use all Indonesian patents and trade marks owned by Unilever N.V. or any member of the Unilever group of companies. The agreement further provides that the Company shall, in consideration for granting of these rights, pay an annual contribution equal to two percent (including withholding tax Article. 26) of the value of sales made to third parties during the year.
- ii. In 1997, the Company entered into an agreement with Unilever Business Group Services B.V. ("UBGS") which is valid until a date that is yet to be determined. Under this agreement, the Company shall pay an annual fee equal to 1.5% of sales for the regional services provided by UBGS and the Company shall charge UBGS for the costs paid by Company.
- iii. On April 7, 2000 the Company entered into a distribution agreement with PT Kimberly Lever Indonesia ('KLI') companies which is valid until a date that is yet to be determined, whereby KLI appointed the Company as its exclusive distributor of KLI's products sold in Indonesia.

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The Subsidiaries

- i. On March 1, 2001 PT AL entered into a manufacturing agreement with PT Anugrah Setia Lestari ("PT ASL"), whereby PT ASL provided assistance in the production, packaging and storing of PT AL's products.
- ii. On July 17, 2002 PT Technopia Lever ("PT TL") entered into a manufacturing agreement with PT Technopia Jakarta, to appoint PT Technopia Jakarta to manufacture, pack, store and supply PT TL's products exclusively for PT TL in Indonesia. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.
- iii. On July 17, 2002 PT TL entered into a technology transfer agreement with Fumakilla Malaysia Berhad ("Fumakilla") and PT Technopia Jakarta ("Technopia"), in which Fumakilla agreed to grant PT TL and Technopia a license to use technical information and know-how in connection with the manufacturing, development and use of products, on the terms and conditions set forth in this agreement. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.
- iv. On July 17, 2002 PT TL entered into a trademark license agreement with Unilever N.V., under which PT TL is entitled to use the "Domestos Nomos" trademark in Indonesia in connection with the manufacturing, packaging, advertising and sales of these products in Indonesia. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.
- v. On July 17, 2002 PT TL entered into a management service agreement with Texchem Resources Berhad ("Texchem"). Under this agreement, PT TL agrees to accept Texchem's assistance in managing its business within Indonesia. This agreement covers a period of five years, unless terminated in accordance with the provisions specified in the agreement. PT TL shall pay Texchem a monthly management fee as specified in the agreement.

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	2006	2005
Expenses charged by related parties:	180,653	169,213
Service fee to Unilever N.V.	100,818	95,163
Service fee to UBGS	75,115	70,904
Manufacturing and other fees to PT ASL	4,720	3,146
As percentage to total operating expenses and cost of goods sold	4.21%	4.51%
Refer to Notes 24 and 25 for details of sales and purchases of goods and services to/from related parties.		
All transactions with related parties are conducted on the same terms and conditions as those with non-related parties.		
c. Amounts due from related parties	24,909	24,361
PT Kimberly Lever Indonesia	23,740	14,422
Unilever Business Group Services B.V.	-	8,832
Others (respective individual balances less than Rp 1,000)	1,169	1,107
As percentage to non-current assets	1.31%	1.42%
Management have not made a provision for doubtful accounts as they are of the opinion that these receivables will be collectible in full.		
d. Amounts due to related parties	53,542	74,970
Unilever N.V.	46,513	66,679
Unilever United States, Inc	4,338	5,805
Others (respective individual balances less than Rp 1,000)	2,691	2,486
As percentage to non-current liabilities	38.01%	43.59%
e. Employee loans to key management personnel	8,810	6,461
Loans:		
- Current	6,795	6,072
- Non-current	32,713	31,913
Less: employee loans to non-key management personnel	39,508 (30,698)	37,985 (31,524)
As percentage to current assets	0.31%	0.29%

The Company provides its personnel with non-interest bearing loans. The loans are repayable by instalments deducted from the employee's monthly salaries.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in million Rupiah, unless otherwise stated)

	2006	2005																														
f. Salaries and allowances of the Boards of Commissioners and Directors.	15,708	11,344																														
<p>Included in the Board of Directors remuneration package are housing and vehicle facilities.</p> <p>As a percentage to total employee costs</p>																																
	4.97%	4.05%																														
g. The share matching plan																																
A summary of the share matching plan is as follows:																																
	2006	2005																														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number of shares matched</th> <th style="width: 50%; text-align: center;">Average price per share (full amount Rupiah)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Balance at January 1</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="2">Shares granted:</td> </tr> <tr> <td style="text-align: right;">- Unilever N.V.</td> <td style="text-align: right;">631,263</td> </tr> <tr> <td style="text-align: right;">- Unilever PLC</td> <td style="text-align: right;">92,984</td> </tr> <tr> <td style="text-align: right;">- PT Unilever Indonesia Tbk</td> <td style="text-align: right;">4,850</td> </tr> <tr> <td style="text-align: right;">Shares forfeited/expired:</td> <td style="text-align: right;">3,675</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">Balance at June 30</td> <td style="text-align: right; border-top: 1px solid black;">1,425,580</td> </tr> </tbody> </table>	Number of shares matched	Average price per share (full amount Rupiah)	Balance at January 1	-	Shares granted:		- Unilever N.V.	631,263	- Unilever PLC	92,984	- PT Unilever Indonesia Tbk	4,850	Shares forfeited/expired:	3,675	Balance at June 30	1,425,580	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number of shares matched</th> <th style="width: 50%; text-align: center;">Average price per share (full amount Rupiah)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Balance at January 1</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">- Unilever N.V.</td> <td style="text-align: right;">627,836</td> </tr> <tr> <td style="text-align: right;">- Unilever PLC</td> <td style="text-align: right;">90,269</td> </tr> <tr> <td style="text-align: right;">- PT Unilever Indonesia Tbk</td> <td style="text-align: right;">3,680</td> </tr> <tr> <td style="text-align: right;">Shares forfeited/expired:</td> <td style="text-align: right;">3,675</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">Balance at June 30</td> <td style="text-align: right; border-top: 1px solid black;">1,274,670</td> </tr> </tbody> </table>	Number of shares matched	Average price per share (full amount Rupiah)	Balance at January 1	-	- Unilever N.V.	627,836	- Unilever PLC	90,269	- PT Unilever Indonesia Tbk	3,680	Shares forfeited/expired:	3,675	Balance at June 30	1,274,670
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Shares forfeited/expired:	3,675																															
Balance at June 30	1,274,670																															
9. Prepaid expenses	41,547	31,561																														
Rents	14,589	15,938																														
Advertising expenses	20,090	2,884																														
Insurance	1,456	335																														
Others (respective individual balances less than Rp 1,000)	5,412	12,404																														

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10. Fixed Assets

a. Movements by major classifications of fixed assets are as follows:

	Balance December 31, 2005	Additions	Transfers	Disposals	Balance June 30, 2006
<u>Direct ownership</u>					
At cost (inclusive of revaluation increments):					
Land	108,980	2,850	-	-	111,830
Buildings	300,157	-	1,776	-	301,933
Machinery and equipment	1,255,847	30,977	56,028	(4,385)	1,338,467
Motor vehicles	49,722	3,757	-	(780)	52,699
Construction in progress	124,223	81,995	(57,804)	-	148,414
Total	<u>1,838,929</u>	<u>119,579</u>	<u>-</u>	<u>(5,165)</u>	<u>1,953,343</u>
Accumulated depreciation:					
Buildings	(33,365)	(3,507)	-	-	(36,872)
Machinery and equipment	(291,337)	(33,081)	-	2,474	(321,944)
Motor vehicles	(18,568)	(2,681)	-	489	(20,760)
Total	<u>(343,270)</u>	<u>(39,269)</u>	<u>-</u>	<u>2,963</u>	<u>(379,576)</u>
Net book value	<u>1,495,659</u>				<u>1,573,767</u>
	Balance December 31, 2004	Additions	Transfers	Disposals	Balance June 30, 2005
<u>Direct ownership</u>					
At cost (inclusive of revaluation increments):					
Land	64,945	218	-	-	65,163
Buildings	270,156	282	27,727	(149)	298,016
Machinery and equipment	1,146,330	6,230	72,420	(1,571)	1,223,409
Motor vehicles	41,102	4,081	-	(1,594)	43,589
Construction in progress	121,100	28,215	(100,147)	-	49,168
Total	<u>1,643,633</u>	<u>39,026</u>	<u>-</u>	<u>(3,314)</u>	<u>1,679,345</u>

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
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	Balance December 31, 2004	Additions	Transfers	Disposals	Balance June 30, 2005
Accumulated depreciation:					
Buildings	(26,712)	(3,430)	-	7	(30,135)
Machinery and equipment	(252,519)	(28,349)	-	329	(280,539)
Motor vehicles	(16,000)	(2,477)	-	1,096	(17,381)
Total	<u>(295,231)</u>	<u>(34,256)</u>	<u>-</u>	<u>1,432</u>	<u>(328,055)</u>
Net book value	<u>1,348,402</u>				<u>1,351,290</u>

b. In 2004, the Company's buildings and machinery were revalued by an independent appraisal company, PT Artanila Permai, in accordance with Minister of Finance decree No. 486/KMK.03/2002 and the decree of Director General of Tax No. KEP-519/PJ/2002 dated December 2, 2002. The revaluation resulted in an increment of Rp 291,583 and was approved by the tax office in its decision letter No. KEP-14/WPJ.19/BD.04/2004 dated December 20, 2004. The independent appraisal used the cost approach in determining the fair value of those assets. The carrying value of buildings, machinery and equipment before revaluation in August 2004 was Rp 441,411.

The above revaluation increment and the deferred tax effect of Rp 37,522 net of the final tax of Rp 41,666 were credited to the "Fixed asset revaluation reserve" account, presented in the equity section of the consolidated balance sheets.

c. The Company has 35 plots of land with *Hak Guna Bangunan* ("HGB") titles (including 2 new HGB which were acquired in 2005) and 1 plot of land with *Hak Pakai* title which have remaining useful lives ranging from 4 to 30 years expiring between 2009 until 2035.

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	2006	2005
d. The calculation of the loss on disposals of fixed assets is as follows:		
Loss on disposal of fixed assets	(628)	(750)
Gain on sale of fixed assets	561	(679)
Acquisition costs	3,109	3,175
Accumulated depreciation	(2,096)	(1,364)
Net book value	1,013	1,811
Proceeds	(1,574)	(1,132)
Gain/(loss) on sale of fixed assets	561	(679)
Loss on fixed assets written off	(1,189)	(71)
Acquisition costs	2,056	139
Accumulated depreciation	(867)	(68)
Net book value	1,189	71
Loss on fixed assets written off	(1,189)	(71)
e. Construction in progress as of June 30:	148,414	49,168
Buildings	35,348	-
Machinery and equipment	113,066	49,168
The percentage of completion for construction in progress in 2006 is 56% (2005: 26%) of the contract value.		
f. Depreciation expense was allocated as follows:	39,269	34,256
Cost of goods manufactured	27,653	26,094
Operating expenses	11,616	8,162

g. The Group's fixed assets have been insured against the risk of loss with total coverage of USD 166 million and Rp 45,096 (2005: USD 174 million and Rp 40,143) which was considered adequate by management to cover possible losses arising from such risks.

Insurance coverage for each class of fixed assets is as follows:

Period end June, 30 2006:

	Insured amounts			Net book value of fixed assets
	USD million	Rp million equivalent	Rp million	Rp million
Buildings, machinery and equipment	166	1,537,990	-	1,281,583
Motor vehicles	-	-	45,049	31,939
	166	1,537,990	45,049	1,313,522

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Period end June, 30 2005:

	Insured amounts			Net book value of fixed assets
	USD million	Rp million equivalent	Rp million	Rp million
Buildings, machinery and equipment	174	1,702,931	-	1,210,752
Motor vehicles	-	-	40,143	26,208
	174	1,702,931	40,143	1,236,960

	2006	2005
11. Intangible assets	165,811	179,759
Cost	240,408	240,366
Less: Accumulated amortisation	(74,597)	(60,607)
Amortisation expense	6,745	8,697

Intangible assets comprise primarily operating rights, trademarks and copyrights relating to the Hazeline, Bango and Taro products and software licenses.

The software intangible assets were acquired in 2005 and 2004.

The Hazeline intangible asset was acquired in 1995, whereas Bango and Taro were acquired in 2000 and 2003, respectively.

12. Other assets	83,450	60,494
Loans to employees	32,713	31,913
Prepaid rent	39,104	11,175
Refundable deposits	11,201	17,406
Others (respective individual balances less than Rp 1,000)	432	-

Management have not made any provision for doubtful accounts for the loans to employees and the refundable deposits as they are of the opinion that these will be collectible in full.

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	2006	2005
13. Trade creditors		
Third parties:	674,550	436,807
- Rupiah	583,328	358,306
- Foreign currencies	91,222	78,501
Related parties:	31,739	36,666
Unilever (China) Investing Company Ltd.	14,381	19,954
Lipton Ltd. UK	6,061	3,977
Unilever Deutschland GmbH	3,060	3,509
Unilever Foods (Malaysia) Sdn. Bhd.	1,539	3,225
Hindustan Lever Limited	1,388	3,551
Unilever Srilanka Ltd.	1,080	-
Unilever Australia Ltd.	1,056	-
Others (respective individual balances less than Rp 1,000)	3,174	2,450
Aging analysis of trade payables is as follow s:	706,289	473,473
Current	670,385	469,365
Overdue 1 – 30 days	35,904	4,108
These balances arise from the purchases of raw materials, technical materials and supplies.		
	2006	2005

14. Taxation

a. Income tax expense

The Group	380,873	349,055
Current	380,435	361,074
Deferred	438	(12,019)
The Company	376,401	349,702
Current	375,983	361,074
Deferred	418	(11,372)
The Subsidiaries	4,472	(647)
Current	4,452	-
Deferred	20	(647)

Income tax expense represents the income tax expense of the Company and its subsidiary ("PT AL"). As at June, 30 2006, PT Technopia Lever was still in a commercial and fiscal loss position, hence did not record any income tax expense and liabilities.

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A reconciliation between profit before income tax as shown in the consolidated financial statements and the Company's estimated taxable income for the Period ended June 30, 2006 and 2005 are as follows:

	2006	2005
Consolidated profit before income tax	1,261,445	1,154,112
Net loss/(gain) from subsidiaries before income tax	(12,845)	1,438
Profit before income tax – the Company	1,248,600	1,155,550
Temporary differences:		
Provisions	8,159	99,835
Difference between commercial and fiscal depreciation of fixed assets' and amortisation of intangible assets	(42,430)	(54,372)
Employee benefit obligations	32,877	(8,988)
Permanent differences:		
Interest and rental income subject to final tax	(26,182)	(15,565)
Non-deductible expenses	32,154	25,824
Tax assessments on 1999 and 2004 fiscal years	157	(955)
Taxable income – the Company	1,253,335	1,201,329
The Company		
Corporate income tax – current year	375,963	361,074
Less: prepaid income tax	(292,300)	(296,886)
Income tax payable	83,663	64,188
The Subsidiaries		
Corporate income tax – current year	4,452	-
Less: prepaid income tax	(484)	(1,769)
Income tax (overpayment)/payable	3,968	(1,769)
The Group		
Corporate income tax – current year	380,415	361,074
Less: prepaid income tax	(292,784)	(298,655)
Income tax payable	87,631	62,419

The Company planned to revise the 2004 annual tax return in March 2006 in relation to the tax assessments (see Note 14e) and other fiscal corrections which resulted in additional corporate income tax payable amounting to Rp 2,225 and deferred tax assets of Rp 4,477 for the 2004 fiscal year.

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	2006	2005
The reconciliation between the Company's income tax expense and the theoretical tax amount on the Company's profit before income tax are as follows:		
Profit before income tax	1,248,600	1,155,550
Income tax expense	376,401	349,702
Tax calculated at progressive rates:	374,563	346,649
Interest and rental income subject to final tax	(7,855)	(4,670)
Non-deductible expenses	9,646	7,746
Tax assessments on 1999 and 2004 fiscal years	47	(23)
 b. Deferred tax assets	 20,868	 80,981

The effect of the temporary differences was calculated at the maximum tax rate (30%).

	December 31, 2005	Credite d/(c charged) to the consolidated statement of income	June 30, 2006
Deferred tax assets - the Group	21,305	(437)	20,868
Deferred tax assets - the Company:			
- Provisions	58,511	12,023	70,534
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(53,563)	(12,728)	(66,291)
- Employee benefit obligations	16,348	287	16,635
	21,296	(418)	20,878
Deferred tax assets - the subsidiary, net	9	(19)	(10)
	December 31, 2004	Credited/ (charged) to the consolidated statement of income	June 30, 2005
Deferred tax assets - the Group	68,613	12,368	80,981
Deferred tax assets - the Company:			
- Provisions	71,083	29,949	101,032
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(23,203)	(15,881)	(39,084)
- Employee benefit obligations	20,433	(2,347)	18,086
	68,313	11,721	80,034
Deferred tax assets - the subsidiary, net	300	647	947

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	2006	2005
Management believes that the Company's deferred tax assets as at June 30, 2006 will be realised in the foreseeable future.		
As at June 30, 2006 deferred tax assets of PT Technopia Lever (the subsidiary) which are mainly derived from carried forward tax losses amounting to Rp 20,182 (2005: Rp 19,416) have not been booked due to the uncertainty of their realisation in the foreseeable future.		
c. Prepaid taxes	44,445	6,057
The Company:	34,159	-
Corporate income tax	34,159	-
The Subsidiaries:	10,286	6,057
Corporate income tax	5,160	-
Value added tax	5,126	6,057
d. Taxes payable	222,483	83,897
The Company:	217,719	85,149
- Corporate income tax	83,683	64,188
- Employee income tax Article 21	4,721	4,051
- Value added tax	22,825	11,077
- Withholding taxes Articles 23/26	106,490	5,833
The Subsidiaries	4,764	(1,252)
- Corporate income tax	3,968	(1,769)
- Value added tax	410	-
- Employee income tax Article 21	1	1
- Withholding taxes Articles 23/26	385	516

e. Tax assessments

In May 2005, after the merger between PT Knorr Indonesia ("PT KI") and the Company, PT KI received a tax assessment letter for 2003 fiscal year confirming a correction of the fiscal loss of Rp 7,087 as reported in the annual tax return, to be Rp 6,209. In December 2005, PT KI received the 2004 tax assessment, confirming a correction of the fiscal loss of Rp 3,719 to be taxable income of Rp 230. Management agreed with the tax assessments and recorded the corporate income tax payable including the tax penalty amounting to Rp 1,796 in the current year. Management will submit the revised 2005 annual tax return in March 2006 in relation with the fiscal loss correction based on the above tax assessments.

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	2006	2005
<p>As at the date of the completion of these consolidated financial statements, the Company is being audited by the tax authorities for 2000 value added tax and 2001 withholding taxes, and also for all taxes relating to the 2002 and 2003 fiscal years.</p>		
<p>f. Administration</p> <p>Under the taxation laws of Indonesia, the Group submits its tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within ten years from the date the tax becomes due.</p>		
15. Accrued expenses	618,033	503,866
Sales and promotion expenses	384,501	291,844
Employee expenses	150,465	111,780
ULI Peduli Foundation	21,449	24,613
Insurance	8,180	16,537
Others (respective individual balances less than Rp 10,000)	53,438	59,092
16. Other liabilities	73,740	61,376
Consultants fees and other services	55,642	50,212
Technical parts	14,375	10,876
Others (respective individual balances less than Rp 10,000)	3,723	288

The Company entered into derivative transactions for the Period ended June 30, 2006 and 2005, for the purpose of hedging. The changes in the fair values of the derivative financial instruments are recognised in the consolidated statements of income since the supporting documentation does not fulfil the criteria set forth in PSAK 55 to qualify as a hedge.

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	2006	2005
17. Employee benefit obligations		
The Company		
<p>The Company received approval from the Minister of Finance of the Republic of Indonesia on July 3, 2000 to establish a separate trustee-administered pension fund, Dana Pensiun Unilever Indonesia (the "Fund"), for which substantially all employees, after serving a qualifying period, are entitled to defined benefits on retirement, disability or death.</p> <p>The Fund is funded through contributions, made primarily by the Company, and sufficient to meet the minimum requirements set forth in the applicable pension legislation.</p> <p>Employee benefits recognised in the consolidated balance sheets consist of:</p>		
Prepaid pension expense	31,869	18,416
Employee benefit obligations	87,320	97,021
Post-employment medical benefit obligations	29,806	34,633
Other post-employment and long-term benefit obligations	57,514	62,388
The net amounts recognised in the consolidated statements of income were as follows:		
	27,820	31,952
Pension benefits	16,770	13,647
Post-employment medical benefits	2,360	1,651
Other post-employment and long-term benefits	8,690	16,654

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	2006	2005
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- Pension benefits

The amounts recognised in the consolidated balance sheets are determined as follows:

Present value of funded obligations	359,099	320,492
Fair value of plan assets	(388,356)	(336,186)
	(29,257)	(15,694)
Unrecognised actuarial losses	(1,055)	(1,165)
Unrecognised past service cost	(1,557)	(1,557)
Prepaid pension expense	(31,869)	(18,416)

Pension benefits expense consist of the following components:

	16,770	13,647
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Current service cost	14,634	11,671
Interest cost	(476)	15,077
Expected return on plan assets	-	(17,144)
Actuarial losses recognised during the year	1,055	1,165
Past service cost	1,557	2,878

Of the total charge, Rp 10,785 (2005: Rp 9,093) and Rp 5,985 (2005: Rp 4,554) were included in cost of goods sold and operating expenses respectively.

The actual return on plan assets was Rp 28,055 (2005: Rp 27,944).

The movements in the prepaid pension expense recognised in the consolidated balance sheets are as follows:

Balance at the beginning of the year	29,163	12,117
Charged to the consolidated statements of income	(16,770)	(14,812)
Contributions paid	19,476	21,111
Balance at the end of the year	31,869	18,416

The estimated actuarial liability and fair value of plan assets of the Fund as at June 30, 2006 and 2005 were based on the actuarial calculations performed by PT Watson Wyatt Purbajaga in its report dated January 16, 2006 (2004: dated January 5, 2005) using the principal actuarial assumptions as follows:

	2006	2005
a. Discount rate	11% per annum	11% per annum
b. Salary increase rate	10% per annum	10% per annum
c. Pension benefits increase rate	8% per annum	8% per annum
d. Inflation rate	8% per annum	8% per annum
e. Expected return on plan assets	12% per annum	12% per annum

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	2006	2005
f. Mortality rate	Pre retirement: Indonesian Mortality Table 1999 Post retirement: USA General Annuitants Mortality Table 1971	Pre retirement: Indonesian Mortality Table 1999 Post retirement: USA General Annuitants Mortality Table 1971
g. Withdrawal rate	8% at age 20 reducing to 2% at age 45	8% at age 20 reducing to 2% at age 45
h. Early retirement rate	2% per annum for age 45-55 or 60 years	2% per annum for age 45-55 or 60 years

- Post-employment medical benefits

The Company provides a post-employment medical benefits scheme. The accounting method, assumptions and the frequency of valuations are similar to those used for the Company's defined benefit pension scheme. There are no plan assets for the post-employment medical benefits.

In addition to the assumptions used for the pension schemes, the main actuarial assumption used is a long-term increase in medical claim costs of 20% in the first year, 16% in the second year, 12% in the third year, and 10% in the fourth year onwards.

The Company used the assumption that the post-employment medical benefits equals to ASKES Gold Premium program.

The amounts recognised in the consolidated balance sheets are determined as follows:

	2006	2005
Present value of unfunded obligations	29,806	34,633
Unrecognised actuarial gains	-	-
Post-employment medical benefits	29,806	34,633

The amounts recognised in the consolidated statements of income were as follows:

	2006	2005
Current service cost	680	262
Interest cost	1,680	1,389
Actuarial loss recognised during the year	-	-

Of the total charge, Rp 1,518 (2005: Rp 1,100), and Rp 842 (2005: Rp 551) were included in cost of goods sold and operating expenses respectively.

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	2006	2005
<p>The movements in the post-employment medical benefit obligations recognised in the consolidated balance sheets are as follows:</p>		
Balance at the beginning of the year	31,076	32,982
Charged to the consolidated statements of income	2,360	1,651
Actual payments	(3,630)	-
Balance at the end of the year	29,806	34,633
<p>- Other post-employment and long-term benefits</p>		
<p>The Company provides other post-employment benefits based on the Labor Law, jubilee and long leave benefits. The accounting method, assumptions and the frequency of valuations are similar to those used for the Company's defined benefit pension scheme. There are no plan assets for the other post-employment and long-term benefits.</p>		
<p>The amounts recognised in the consolidated balance sheets are determined as follows:</p>		
Present value of unfunded obligations	57,514	62,388
Unrecognised actuarial losses	-	-
Other post-employment and long-term benefits obligation	57,514	62,388
<p>The amounts recognised in the consolidated statements of income were as follows:</p>		
	8,689	16,654
Current service cost	5,867	10,130
Interest cost	2,753	4,340
Past service cost	-	-
Actuarial (gains)/losses recognised during the year	69	2,184
<p>Of the total charge, Rp 5,588 (2005: Rp 11,097) and Rp 3,102 (2005: Rp 5,557), were included in cost of goods sold and operating expenses respectively.</p>		
<p>The movements in the post-employment and long-term benefit obligations recognised in the consolidated balance sheet are as follows:</p>		
Balance at the beginning of the year	52,583	47,245
Charged to the consolidated statements of income	8,689	16,654
Actual payments	(3,758)	(1,511)
Balance at the end of the year	57,514	62,388

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	2006	2005
18. Minority interests		
a. Minority interests in the net assets of subsidiaries:	13,121	14,147
PT Anugrah Lever – percentage of ownership 35%	9,334	8,456
Carrying amount – beginning of the year	5,793	12,559
2004 interim dividend paid to PT Anugrah Indah Pelangi	-	(3,850)
Share of net profit – current year	3,541	(253)
PT Technopia Lever – percentage of ownership 49%	3,787	5,691
Carrying amount – beginning of the year	4,641	5,724
Share of net loss – current year	(854)	(33)

A Circular Resolution of the Shareholders in lieu of a General meeting of the Shareholders of PT Anugrah Lever (“PT AL”) dated September 26, 2005 agreed to the reduction of the authorised share capital of PT AL from 40,000 shares to 10,000 shares and the issued and fully paid capital from 20,000 shares to 10,000 shares. The changes to PT AL’s Articles of Association were notarised by Mrs. Isyana Wisnuwardhani Sadjarwo SH on November 16, 2005 and the changes of the authorised share capital and issued and fully paid-up capital have been approved by the Minister of Justice and Human Rights of the Republic of Indonesia under decision letter No C-32344.HT.01.04.TH.2005 dated December 6, 2005. As at the date of the completion of these consolidated financial statements, the publication of the changes of the Company’s Articles of Association in the State Gazette is still being processed.

A Circular Resolution of the Shareholders in lieu of a General meeting of the Shareholders of PT Technopia Lever (“PT TL”) dated August 4, 2004 agreed to increase the authorised share capital from Rp 50,000 (50,000 shares with the par value of Rp 1 per share) to Rp 75,000 (75,000 shares with the par value of Rp 1 per share). The changes to PT TL’s Articles of Association were notarised by Mrs. Isyana Wisnuwardhani Sadjarwo SH on September 1, 2004 and the change of the authorised share capital has been approved by the Minister of Justice and Human Rights Republic of Indonesia under decision letter No C-26214.HT.01.04. TH.2004 dated October 20, 2004 and published in the State Gazette No. 35 dated May 3, 2005 in Supplement No. 4449.

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	2006	2005
b.Minority interests in the net gain/(loss) of the subsidiaries:	2,687	(286)
PT Anugrah Lever	3,541	(253)
PT Technopia Lever	(854)	(33)
19. Share capital	76,300	76,300
Authorised, issued and fully paid-up by:		
Maatschappij voor Internationale Beleggingen (Mavibel) B.V. Rotterdam, Netherlands: 6,484,877,500 shares, w with par value of Rp 10 per share (full amount Rupiah).	64,849	64,849
Public (listed on the Jakarta Stock Exchange and Surabaya Stock Exchange): 1,145,122,500 shares, w with par value of Rp 10 per share (full amount Rupiah).	11,451	11,451
At June 30, 2006, Mavibel B.V. w hich held 6,484,877,500 shares or 85% of the total authorised, issued and fully paid-up shares of the Company w as the majority shareholder of the Company; no other shareholders held more than 5% of the total authorised, issued and fully paid-up shares of the Company.		
As of June 30, 2006 and 2005, Director w ho held the Company's public shares is Mr. Josef Bataona w ith an ownership not more than 0.001% of the authorised, issued and fully paid-up shares of the Company.		
There w ere no members of the Board of Commissioners w ho held the Company's public shares.		
20. Capital paid in excess of par value	15,227	15,227
Capital paid in excess of par value represents the difference betw een the selling price (Rp 3,175 (full amount Rupiah) per share) and the par value prior to the share splits (Rp 1,000 (full amount Rupiah) per share) of 9,200,000 shares issued on the Indonesian Stock Exchanges in December 1981, net of the distribution of 4,783,333 bonus shares amounting to Rp 4,783,333,000 (full amount Rupiah) in 1993.		
21. Balance arising from restructuring transactions between entities under common control	80,773	80,773
Total equity excluding accumulated deficit of PT Knorr Indonesia	85,173	85,173
Purchase price of PT Knorr Indonesia's shares	(4,400)	(4,400)

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	2006	2005
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22. Dividends

Based on the Company's Articles of Association, interim dividend payments may be decided by a Board of Directors meeting which together with the final dividend payments are authorised by the Annual General Meeting of the Shareholders.

The Group	915,600	1,072,050
The Company	915,600	1,068,200

Payment dates	Dividend per share (full amount Rupiah)	Payments in 2006	Payments in 2005
Final dividend 2005	July 11, 2006	120	915,600
Final dividend 2004	July 27, 2005	80	-
Interim dividend II 2004	March 24, 2005	60	-
			610,400
			457,800

The Subsidiaries (PT AL)	-	3,850
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Payment dates	Dividend per share (full amount Rupiah)	Payments in 2006	Payments in 2005
Final dividend 2004	May 23, 2005	300,000	-
Interim dividend 2004	March 15, 2005	300,000	-
			1,750
			2,100

	2006	2005
Final dividend 2005	915,600	-
Final dividend 2004	-	610,400
Tax payable	(99,272)	-
Final dividend payable 2005	816,328	-
Final dividend payable 2004	-	610,400
Previous dividend payable	13,342	12,701
Total dividend payable	829,670	623,101

Based on of Circular Letter Directorate General Taxation No. SE-12/PJ.43/1993 dated December 7, 1993, public company obligation to withhold the tax article 23/26 arise at the recording date. The recording date for final dividend 2005 was on June 27, 2006 (final dividend 2004 was on July 13, 2005).

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	2006	2005
23. Appropriated retained earnings	16,435	15,848
<p>At the Company's Annual General Meeting of the Shareholders on May 31, 1999, the Company established a statutory reserve amounting to Rp 15,260 from 1998 retained earnings in accordance with Article 61 of the Indonesian Limited Company Law No. 1 of the year 1995 (the "Company Law").</p> <p>Return of unclaimed dividends amounting to Rp 7 in 2006 respectively is included in appropriated retained earnings as decided by management in line with the Company Law.</p>		
24. Net Sales	5,537,487	4,894,180
Domestic	5,291,860	4,620,402
Export	245,627	273,778
<p>No individual customer had total transactions of more than 10% of net sales.</p> <p>The Group's sales to related parties amounted to Rp 167,970 and Rp 174,308 for the Period ended June 30, 2006 and 2005, respectively, which represent 3.03% and 3.56% of total net sales respectively.</p> <p>The details of sales to related parties are as follows:</p>		
	167,970	174,308
Unilever (Malaysia) Holdings Sdn. Bhd.	55,373	45,085
Unilever Australia Ltd.	42,673	43,970
Unilever Singapore Pte, Ltd.	20,998	14,354
Unilever Taiwan Ltd.	15,989	5,656
Unilever New Zealand Ltd.	10,951	10,957
Unilever Thai Trading Ltd	10,043	-
Unilever Philippines Inc.	2,725	34,142
Unilever Hongkong Ltd.	2,405	2,548
Unilever Japan Beverage K.K.	1,685	1,054
Unilever Market Development South Africa	1,480	9,011
Unilever Thai Holdings Ltd	921	6,501
Others (respective individual balances less than Rp 1,000)	2,727	1,030

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	2006	2005
25. Cost of goods sold	2,758,195	2,500,724
The components of cost of goods sold are as follow s:		
Raw materials		
- At the beginning of the year	274,590	191,872
- Purchases	2,500,581	2,257,970
	2,775,171	2,449,842
- At the end of the year	(285,216)	(204,031)
Raw materials used	2,489,955	2,245,811
Direct labour	87,801	94,453
Depreciation	27,653	26,094
Manufacturing overheads	121,987	125,324
Total production costs	2,727,396	2,491,682
Work in process		
- At the beginning of the year	10,985	8,454
- At the end of the year	(14,798)	(14,446)
Cost of goods manufactured	2,723,583	2,485,690
Finished goods		
- At the beginning of the year	478,889	426,973
- At the end of the year	(444,277)	(411,939)
No purchases from individual supplier were made in excess of 10% of total Group's purchases.		
The Group's purchases from related parties, amounted to Rp 444,505 and Rp 327,890 for the Period ended June 30, 2006 and 2005 respectively, w hich represent 17.85% and 14.52% respectively of the total purchases.		
Purchases of raw materials from related parties comprise:	444,505	327,890
PT Anugrah Setia Lestari	131,216	93,961
PT Kimberly Lever Indonesia	130,151	121,168
Unilever (China) Investing Company Ltd	78,550	32,199
PT Technopia Jakarta	58,045	51,356
Lipton Ltd. Kenya	11,176	8,256
Hindustan Lever Ltd	8,416	14,825
Unilever Thai Holdings Ltd	7,882	-
Unilever Deutschland GmbH	7,595	5,808
Unilever (Malaysia) Holdings Sdn. Bhd.	5,105	-
Unilever Srilanka Ltd.	2,609	-
Bestfoods Shandong Ltd	2,015	-
Others (respective individual balances less than Rp 1,000)	1,745	317

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	2006	2005
26. a. Marketing and selling expenses	1,215,706	971,950
Advertising, promotion and research	682,741	598,070
Distribution costs	262,781	170,397
Remuneration	160,168	136,049
Travelling and representation	13,794	11,704
Rents	12,451	9,142
Depreciation of fixed assets	5,916	5,389
Telecommunications	5,674	8,724
Others (respective individual balances less than Rp 10,000)	72,181	32,475
b. General and administration expenses	313,900	280,359
Service fees	175,933	166,067
Remuneration	68,173	49,417
Rents	19,105	17,618
Employee benefits	16,770	13,610
Telecommunications	12,328	8,202
Consultants fees	8,537	6,127
Travelling and representation	5,942	4,396
Depreciation of fixed assets	5,700	2,773
Education and training	1,309	4,999
Others (respective individual balances less than Rp 10,000)	103	7,150
27. Employee costs	316,142	279,919
<p>The number of permanent employees of the Company as of June 30, 2006 and 2005 were 3,112 and 3,019 respectively.</p> <p>As at June 30, 2006 and 2005, the subsidiaries (PT Anugrah Lever and PT Technopia Lever) had no permanent employees.</p>		
28. Basic earnings per share		
Net income attributable to the shareholders	877,885	805,343
Weighted average number of outstanding shares (in thousands)	<u>7,630,000</u>	<u>7,630,000</u>
Basic earnings per share (full amount Rupiah)	<u>115</u>	<u>106</u>

There are no securities which would result in a dilutive impact.

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29. Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in various foreign currencies are as follow s:

	2006	
	Foreign currency	Million Rupiah
Assets		
Cash and cash equivalents	USD 16,661,975	154,373
	EUR 176,869	2,084
Trade debtors		
- Third parties	USD 1,721,076	15,946
- Related parties	USD 4,163,505	38,575
Amounts due from related parties	USD 74,452	690
		211,668
Liabilities		
Trade creditors		
- Third parties	AUD 101,012	696
	CHF 463	3
	EUR 187,688	2,211
	GBP 19,642	334
	JPY 9,975,000	806
	USD 8,634,641	80,000
- Related parties	AUD 153,305	1,056
	EUR 262,721	3,095
	THB 647,804	157
	USD 2,960,717	27,431
Other liabilities	CHF 4,380	33
	EUR 55,283	651
	JPY 141,160	11
	SGD 137,637	804
	THB 565,353	137
	USD 598,160	5,542
Amounts due to related parties	AUD 89	1
	GBP 1,576	27
	SGD 2,700	16
	USD 5,758,954	53,357
		176,368
Excess of assets over liabilities denominated in foreign currencies		35,300

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(Expressed in million Rupiah, unless otherwise stated)

	2005	
	<u>Foreign currency</u>	<u>Million Rupiah</u>
Assets		
Cash and cash equivalents	USD 4,968,291	48,541
	EUR 637,642	7,537
Trade debtors		
- Third parties	USD 7,024,510	68,629
- Related parties	USD 3,915,800	38,257
Amounts due from related parties	USD 1,589,531	15,530
		<u>178,494</u>
Liabilities		
Trade creditors		
- Third parties	AUD 50,688	376
	CHF 66,667	508
	EUR 239,351	2,829
	GBP 291,361	5,078
	JPY 943,950	83,238
	NZD 3,046	20,606
	SGD 162	937
	USD 7,124,345	69,605
- Related parties	EUR 296,885	3,509
	THB 33,755	8
	USD 3,392,852	33,148
Other liabilities	EUR 3,638	43
	SGD 44,563	258
	THB 4,220	1
	USD 556,326	5,435
Amounts due to related parties	EUR 65,397	773
	GBP 15,547	271
	SGD 34,018	197
	THB 212,342	50
	USD 7,541,248	73,678
		<u>300,548</u>
Excess of liabilities over assets denominated in foreign currencies		<u>(122,054)</u>

When it is required in the opinion of management, the Group enters into foreign currency exchange contracts with external counterparts to reduce its exposure to foreign exchange movements affecting existing foreign currency denominated assets and liabilities.

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	2006	2005
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30. Significant commitments and contingent liabilities

- a. The Company had commitments to purchase fixed assets amounting to Rp 49,152 and Rp 30,200 respectively as of June, 30 2006 and 2005 respectively.
- b. Building rental and computer lease (“operating lease”) commitments in 2006 and 2005 are as follows:

	USD (in thousands)	USD (in thousands)
Rent of office building		
Payable within		
1 year	1,025	989
2 – 4 years	1,600	2,625
	Rupiah (in millions)	Rupiah (in millions)
Lease of computer		
Payable within		
1 year	4,753	-
2 – 4 years	10,023	-

- c. The Company had revolving credit facilities at June 30, 2006 from:

	Short term	
	USD (million)	Rp (million)
Citibank	2	-
ABN AMRO Bank	-	175,000
Deutsche Bank	15	-
Total facilities	17	175,000

These facilities are unsecured short-term financing facilities and the interest is paid at prevailing market rates. The facilities are subject to review on annual basis.

On April 4, 2006, the Company agreed to increase the loan facility from Deutsche Bank to USD 15 million.

On December 7, 2004, ABN AMRO Bank and the Company agreed to use the facility from ABN AMRO Bank as a supplier financing facility for certain suppliers of the Company.

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	2006	2005
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As at June 30, 2006, the Company did not use the facilities from the above mentioned banks, except that ABN AMRO Bank had paid Rp 14,872 (2005: Rp 18,589) to certain suppliers of the Company. The liabilities arising from this facility was recorded in "Trade creditors".

- d. The Group did not have any significant contingent liabilities as at June 30, 2006 and 2005.

31. Other important agreements

In August 2005, the Company signed an agreement with Calbee Foods Co., Ltd., Japan ("Calbee") in development, manufacturing and selling of savoury snacks product in Indonesia. The Company has a right to use the Calbee trade mark. Based on that agreement, the Company has to pay 2% royalty (including income tax Article 26) of the sales of Calbee products to third parties during the year, except for the first year which is determined based on a certain amount.

32. Reclassification of accounts

The following reclassifications of accounts of the 2005 consolidated financial statements were made to be consistent with the presentation of the 2006 consolidated financial statements:

- Other liabilities – sales and promotion expenses amounting to Rp 186,667 in 2005 was reclassified to Accrued expenses.
- Prepaid pension expense, deferred tax asset and employee benefits obligation amounting to Rp 38,237 in 2005 was reclassified to unappropriated retained earnings.