

PT UNILEVER INDONESIA TBK AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006
(UNAUDITED)

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PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2007 AND 2006
(UNAUDITED)

(Expressed in million Rupiah)

	Notes	2007	2006
CURRENT ASSETS			
Cash and cash equivalents	2d, 3	1,030,754	798,227
Trade debtors (Net of allowance for doubtful accounts of Rp 1,327 in 2007 and Rp 2,483 in 2006)			
- Third parties	2g, 4	696,522	619,782
- Related parties	2c, 4	48,760	34,808
Other debtors	5	45,668	21,288
Inventories (Net of provision for obsolete and unused/slow moving stocks of Rp 28,849 in 2007 and Rp 24,004 in 2006)	2h, 6	796,431	742,420
Prepaid taxes	2o, 13c	251,413	188,353
Prepaid expenses	2m, 8	64,687	76,685
Total Current Assets		2,934,235	2,457,094
NON-CURRENT ASSETS			
Amounts due from related parties	2c, 7c	3,102	924
Deferred tax assets, net	2o, 13b	41,308	29,675
Fixed assets (Net of accumulated depreciation of Rp 402,236 in 2007 and Rp 361,484 in 2006)	2i, 9a	1,762,348	1,530,850
Intangible assets (Net of accumulated amortisation of Rp 84,923 in 2007 and Rp 71,225 in 2006)	2k, 10	159,663	169,183
Other assets	2m, 11	61,017	65,243
Prepaid pension expense	2p, 16	35,186	30,425
Total Non-current Assets		2,062,624	1,850,769
TOTAL ASSETS		4,996,859	4,307,863

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2007 AND 2006
(UNAUDITED)

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

	Notes	2007	2006
CURRENT LIABILITIES			
Trade creditors			
- Third parties	12	487,012	577,785
- Related parties	2c, 12	65,694	32,470
Taxes payable	2o, 13d	332,869	237,840
Accrued expenses	14	880,194	586,234
Other liabilities	2f, 15	124,027	75,201
Total Current Liabilities		1,889,796	1,509,530
NON-CURRENT LIABILITIES			
Amounts due to related parties	2c, 7d	85,927	90,438
Employee benefit obligations	2p, 16	112,661	86,032
Total Non-current Liabilities		198,588	176,470
MINORITY INTERESTS	17a	2,646	11,113
EQUITY			
Share capital	2r, 18	76,300	76,300
<i>(Authorised, issued and fully paid-up: 7,630,000,000 common shares at par value of Rp 10 per share for 2007 and 2006)</i>			
Capital paid in excess of par value	2r, 19	15,227	15,227
Fixed assets revaluation reserve	2i, 9b	287,593	287,593
Balance arising from restructuring transactions between entities under common control	2c, 20	80,773	80,773
Appropriated retained earnings	22	15,848	16,440
Unappropriated retained earnings		2,430,088	2,134,417
Total Equity		2,905,829	2,610,750
TOTAL LIABILITIES AND EQUITY		4,996,859	4,307,863

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2007 AND 2006
(UNAUDITED)

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

	Notes	2007	2006
NET SALES	2n, 23	3,174,278	2,783,960
COST OF GOODS SOLD	2n, 24	(1,590,916)	(1,438,814)
GROSS PROFIT		1,583,362	1,345,146
OPERATING EXPENSES		(832,727)	(734,364)
Marketing and selling expenses	2n, 25a	(662,795)	(586,710)
General and administration expenses	2n, 25b	(169,932)	(147,654)
OPERATING INCOME		750,635	610,782
OTHER INCOME/(EXPENSES)		10,398	17,365
Gain on disposals of fixed assets	2i, 9e	447	597
Gain on foreign exchange, net	2e	1,479	12,330
Interest income		8,472	4,438
PROFIT BEFORE INCOME TAX		761,033	628,147
Income tax expense	2o, 13a	(230,663)	(190,242)
INCOME BEFORE MINORITY INTERESTS		530,370	437,905
MINORITY INTERESTS IN NET LOSS/(GAIN) OF SUBSIDIARIES	17b	5,446	(679)
NET INCOME		535,816	437,226
BASIC EARNINGS PER SHARE	2t, 27	70	57

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 PERIODS ENDED MARCH 31, 2007 AND 2006
(UNAUDITED)

(Expressed in million Rupiah)

	<u>Notes</u>	<u>Share capital</u>	<u>Capital paid in excess of par value</u>	<u>Fixed assets revaluation reserve</u>	<u>Balance arising from restructuring transactions between entities under common control</u>	<u>Appropriated retained earnings</u>	<u>Unappropriated retained earnings</u>	<u>Total</u>
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 period		-	-	-	-	-	437,226	437,226
Return of unclaimed dividends	22	-	-	-	-	(2)	-	(2)
Balance at March 31, 2006		<u>76,300</u>	<u>15,227</u>	<u>287,593</u>	<u>80,773</u>	<u>16,440</u>	<u>2,134,417</u>	<u>2,610,750</u>
Balance at December 31, 2006		76,300	15,227	287,593	80,773	15,848	1,892,786	2,368,527
Net income for the period		-	-	-	-	-	535,816	535,816
Elimination of unrealised gain/(loss) of PT AL and PT TL	22	-	-	-	-	-	1,486	1,486
Balance at March 31, 2007		<u><u>76,300</u></u>	<u><u>15,227</u></u>	<u><u>287,593</u></u>	<u><u>80,773</u></u>	<u><u>15,848</u></u>	<u><u>2,430,088</u></u>	<u><u>2,905,829</u></u>

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
MARCH 31, 2007 AND 2006
(UNAUDITED)

(Expressed in million Rupiah)

	Notes	2007	2006
Cash flows from operating activities			
Receipts from customers		3,186,703	2,846,069
Payments to suppliers		(2,725,308)	(2,341,142)
Payments of directors and employees remuneration		(120,577)	(106,253)
Payments of employee benefits	16	4,091	9,647
Payments of service fees		(105,153)	(78,486)
Cash from operations		239,756	329,835
Receipts of interest income		8,472	4,439
Loans to employees		(546)	(1,538)
Payments of corporate income tax		(157,404)	(187,721)
Net cash flows provided from operating activities		90,278	145,015
Cash flows from investing activities			
Acquisition of fixed assets	9a	(75,018)	(55,285)
Proceeds from the sale of fixed assets	9d	3,444	698
Net cash flows used in investing activities		(71,574)	(54,587)
Cash flows from financing activities			
Dividends paid to minority interests		(1,225)	-
Net cash flows used in financing activities		(1,225)	-
Net increase/(decrease) in cash and cash equivalents		17,479	90,428
Effect of exchange rate changes on cash and cash equivalents		(1,104)	2,430
Cash and cash equivalents at the beginning of the year		1,014,379	705,369
Cash and cash equivalents at the end of the year	2d, 3	1,030,754	798,227
Non-cash transaction			
Acquisition of fixed assets through payables (recorded in "Accrued expenses")		4,871	4,295

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

(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 (full amount) per share to Rp 10 (full amount) 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, 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 ("PT TL") 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
MARCH 31, 2007 AND 2006

(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	
			<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
PT Anugrah Lever	Indonesia	2001	65%	65%	59,6	49,2
PT Technopia Lever	Indonesia	2002	51%	51%	23,5	28,3

As at March 31, 2007 and 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
Joseph Bataona
Surya Dharma Mandala
Debora Herawati Sadrach
Andreas Moritz Egon Rompis
Laercio de Holanda Cardoso Junior
Bernadette Mary Wake

The Company's Directors, Desmond Gerard Dempsey and Muhammad Saleh has been pensioned and resigned from board member, as at September 1, 2006 and December 1, 2006, respectively.

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 April 27, 2007.

Presented below are the significant accounting policies adopted in preparing the consolidated financial statements of the The Company and subsidiaries, 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.

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

(Expressed in million Rupiah, unless otherwise stated)

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 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. At the balance sheet date, monetary assets and liabilities in foreign currencies are translated into Indonesian Rupiah at the exchange rates prevailing at that 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 March 31, 2007 were Rp 9,124 (full amount Rupiah) for US Dollar 1 and Rp 12,150 (full amount Rupiah) for Euro 1 (2006: Rp 9,065 (full amount Rupiah) for US Dollar 1 and Rp 11,243 (full amount Rupiah) for Euro 1. As a comparison, the middle rates of Citibank, with whom the Company negotiates most of its foreign currency transaction were Rp 9,133 (full amount Rupiah) for US Dollar 1 and Rp 12,167 (full amount Rupiah) for 1 Euro (2006: Rp 9,135 (full amount Rupiah) for US Dollar 1 and Rp 10,950 (full amount Rupiah) for Euro 1).

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

(Expressed in million Rupiah, unless otherwise stated)

f. Derivative financial instruments

The Company periodically enters into forward foreign currency contracts with external counterparties, in implementing their risk management policies. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under PSAK 55 (Revised 1999) "Accounting for derivative instruments and hedging activities" 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.

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 such date.

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 the Company and subsidiaries. Major renovations are depreciated over the remaining useful life of the related assets.

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

(Expressed in million Rupiah, unless otherwise stated)

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

At balance sheet date, the Company and subsidiaries 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.

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 assess 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 Company and subsidiaries' products, net of returns, trade allowances, sales tax on luxury goods and value-added tax. Revenue from sales of goods are recognised when the significant risk and goods ownership has been transferred to customers, for export sales is recognised upon shipment of the goods to the customers (f.o.b. shipping point) and for domestic sales is recognised when goods are delivered to the distributors/customers.

Expenses are recognised when incurred on 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 amounts in the consolidated financial statement. 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.

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

p. Employee benefits

- Short-term employee benefit

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

- Pension benefit

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.

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.

- Post-employment medical benefit

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

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.

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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.

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. For interim dividend, the Company recognised as liability when the dividend payment was decided by directors.

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 The Company and subsidiaries's performance at the Company level.

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

	2007	2006
3. Cash and cash equivalents	1,030,754	798,227
Cash on hand	367	536
Cash in banks		
Third parties – Rupiah:		
Deutsche Bank AG	66,737	140,600
The Hongkong and Shanghai Banking Corporation Ltd.	30,489	-
PT Bank Mandiri (Persero) Tbk	29,034	24,204
PT Bank Lippo Tbk	23,532	31,748
Citibank N.A.	13,189	15,973
ABN AMRO Bank N.V.	12,904	70,995
PT Bank Central Asia Tbk	11,361	6,458
PT Bank Negara Indonesia (Persero) Tbk	1,367	1,990
Others (respective individual balances less than Rp 1,000)	622	1,213
Third parties – US Dollar:		
Citibank N. A.	44,143	79,108
The Hongkong and Shanghai Banking Corporation Ltd.	914	-
Deutsche Bank AG	111	155
ABN AMRO Bank N. V.	11	897
Third parties – Euro:		
ABN AMRO Bank N.V.	9,101	13,495
Citibank N.A.	1,869	543
Deutsche Bank AG	3	312
Time deposits (maturity within three months):		
Third parties – Rupiah:		
PT ANZ Panin Bank	245,000	230,000
Standard Chartered Bank	-	20,000
ABN AMRO Bank N. V.	240,000	-
PT Bank Lippo Tbk	95,000	-
PT Bank Central Asia Tbk	40,000	100,000
PT Bank Rabobank International Indonesia	-	60,000
Citibank N.A.	165,000	-
The interest rates per annum for the above time deposits during the current year are as follows:		
Rupiah	8,00 - 9,75%	12,00 - 14,50%
US Dollar	4,50 - 5,25%	3,45 - 4,75%
Euro	1,40 - 3,50%	1,25 - 2,32%
4. Trade debtors		
Third parties:	696,522	619,782
Rupiah	635,830	571,407
US Dollar	62,019	50,858
Less: Allowance for doubtful accounts	(1,327)	(2,483)

Third party trade debtors denominated in Rupiah comprise receivables from customers throughout the Indonesian archipelago.

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	2007	2006
Third party trade debtors denominated in US Dollar comprise receivables from foreign customers.		
Related parties:	48,760	34,808
Unilever Australia Ltd.	19,421	5,574
Unilever (Malaysia) Holdings Sdn. Bhd.	12,882	15,676
Unilever Taiwan Ltd.	3,492	2,608
Unilever Singapore Pte. Ltd.	2,839	2,947
Unilever Thai Trading Ltd.	2,218	1,351
PT Diversey Indonesia	2,214	1,423
Unilever Gulf Free Zone Establishment Arabia	1,278	-
Unilever New Zealand Ltd.	1,195	2,150
Others (respective individual balances less than Rp 1,000)	3,221	3,079
Aging analysis of trade debtors is as follows:	745,282	654,590
Current	709,246	612,148
Overdue 1 – 30 days	32,737	39,158
Overdue more than 30 days	3,299	3,284
Movements in the allowance for doubtful accounts are as follows:	(1,327)	(2,483)
Allowance for doubtful accounts – beginning	(1,350)	(4,998)
Reversal of allowance for doubtful accounts	23	2,053
Doubtful debts written off	-	462
Allowance for doubtful accounts – ending	(1,327)	(2,483)
Based on a review of the status of accounts receivable at the end of the year, management believes that the allowance for doubtful accounts is adequate to cover possible losses arising from the non-collection of accounts.		
5. Other debtors	45,668	21,288
Advances	29,485	7,908
Loans to employees (Note 7e)	14,589	12,407
Others (respective individual balances less than Rp 1,000)	1,594	973

Management have not made any provision for doubtful accounts for other debtors as they are of the opinion that these receivables will be collectible in full.

The balance of others (respective individual balances less than Rp 10,000) includes derivative receivables amounting to Rp 1,015. As at March 31, 2007, the Company had forward foreign exchange contracts in US Dollar. The purchases of US Dollar will mature in April, May and June 2007. The notional amount of the contracts as at March 31, 2007 was USD 51,000,000 (2006: USD 33,000,000). The forward rates of the contracts range from Rp 9,078 (full amount Rupiah) to Rp 9,218 (full amount Rupiah) per US Dollar 1.

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The counter parties for the above contracts in 2007 are Citibank N. A. (2006: Citibank N.A., PT Bank Rabobank International Indonesia, ABN AMRO Bank N.V. dan The Hongkong and Shanghai Banking Corporation Ltd).

The Company entered into derivative transactions for the years ended March 31, 2007 and 2006, 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.

6. Inventories

	796,431	742,420
Finished goods	457,185	455,298
Work in process	20,496	21,297
Raw materials	285,312	236,915
Goods in transit		
Finished goods	2,115	5,766
Raw materials	39,767	24,859
Spare parts	20,405	22,289
Provision for obsolete and unused/slow moving inventories	(28,849)	(24,004)
Movements in the provision for obsolete and unused/slow moving inventories are as follows:		
	(28,849)	(24,004)
Beginning balance	(31,662)	(22,468)
Changes during the year:		
Amounts provided	(7,381)	(8,365)
Amounts written off	10,194	6,829
Ending balance	(28,849)	(24,004)
Provision for obsolete and unused/slow moving inventories consist of:		
	(28,849)	(24,004)
Finished goods	(9,156)	(13,216)
Raw material	(17,476)	(7,901)
Spare parts	(2,217)	(2,887)

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

As of March 31, 2007 and 2006 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 617,828 and Rp 478,686, respectively. Management believes the amounts are adequate to cover possible losses arising from such risks.

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7. Related party transactions

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

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

- PT Diversey Indonesia
- Unilever Australia Ltd.
- Unilever Gulf Free Zone Establishment Arabia
- Unilever Hongkong Ltd.
- Unilever (Malaysia) Holdings Sdn. Bhd.
- Unilever New Zealand Ltd.
- Unilever Philippines, Inc.
- Unilever Singapore Pte. Ltd.
- Unilever Taiwan Ltd.
- Unilever Thai Trading Ltd.
- Unilever Tanzania Ltd.

ii. The Company and subsidiaries purchased raw materials, finished goods and others from the following related parties:

- Best Foods Shandong Ltd.
- Hindustan Lever Ltd.
- Lipton Ltd. Mombasa
- Lipton Ltd. UK
- PT Technopia Jakarta
- Unilever Australia Ltd.
- Unilever China Ltd.
- Unilever Deutschland GmbH
- Unilever Foods (Malaysia) Sdn. Bhd.
- Unilever (Malaysia) Holdings Sdn. Bhd.
- Unilever Srilanka Ltd.
- Unilever Thai Holdings Ltd.
- Unilever Vietnam

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 N.V.	Ultimate shareholder of Unilever group	Royalty payments
- Unilever Business Group Services B.V.	Affiliated company	Payments for regional services/reimbursements of regional research costs paid by the Company

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Related parties	Nature of the relationships	Type of transactions
- Unilever United States, Inc.	Affiliated company	Expense reimbursements
- PT Anugrah Setia Lestari	Affiliated company	Manufacturing service
- PT Kimberly Lever Indonesia	Affiliated company	Expense reimbursements
- Unilever Thai Trading Ltd.	Affiliated company	Expense reimbursements
- Unilever Asia Private Ltd.	Affiliated company	Expense reimbursements
- Unilever Head Office Brazil	Affiliated company	Expense reimbursements
- Unilever Foods (Malaysia) Sdn. Bhd.	Affiliated company	Expense reimbursements
- Unilever Philippines, Inc	Affiliated company	Expense reimbursements

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.

The Subsidiaries

- i. On March 1, 2001 PT Anugrah Lever ("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. The term of this agreement is for a period of 5 years and can be extended for further period.
- ii. On July 17, 2002 PT Technopia Lever ("PT TL") entered into a manufacturing agreement with PT Technopia Jakarta ("Technopia"), to appoint Technopia 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.

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- iii. On July 17, 2002 PT TL entered into a technology transfer agreement with Fumakilla Malaysia Berhad ("Fumakilla") and 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.

	2007	2006
Expenses charged by related parties:	112,542	90,772
Service fee to Unilever N. V.	61,273	49,346
Service fee to UBGs	45,444	36,718
Manufacturing and other fees to PT ASL	5,825	4,708
As percentage to total operating expenses and cost of goods sold	4,66%	4,18%
Refer to Notes 23 and 24 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	3,102	924
Unilever Asia Private Ltd.	1,320	-
Others (respective individual balances less than Rp 1,000)	1,782	924
As percentage to non-current assets	0,54%	1,37%

Management have not made a provision for doubtful accounts as they are of the opinion that these receivables will be collectible in full.

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	2007	2006
d. Amounts due to related parties	85,927	90,438
Unilever N. V.	79,309	74,916
Unilever United States, Inc.	4,305	2,185
Unilever Asia Private Ltd.	-	4,736
Unilever Foods (Malaysia) Sdn. Bhd.	52	1,065
Unilever Philippines, Inc.	1,080	1,908
Unilever Thai Trading Ltd.	-	1,133
Unilever Head Office Brazil	674	1,633
Others (respective individual balances less than Rp 1,000)	507	2,862
As percentage to non-current liabilities	43,17%	51,25%
e. Employee loans to key management personnel	7,604	8,220
Loans:		
- Current	14,589	12,407
- Non-current	30,768	32,457
Less: employee loans to non-key management personnel	(45,357)	(44,864)
As percentage to current assets	0,26%	0,33%
The Company provides its personnel with non-interest bearing loans. The loans are repayable by instalments deducted from the employee's monthly salaries.		
f. Salaries and allowances of the Boards of Commissioners and Directors.	5,792	5,962
Included in the Board of Directors remuneration package are housing facilities.		
As a percentage to total employee costs	3,61%	4,17%

g. The share matching plan

A summary of the share matching plan is as follows:

	2007		2006	
	Number of shares matched	Average price per share (full amount Rupiah)	Number of shares matched	Average price per share (full amount Rupiah)
Balance at January 1	1,399,635	-	1,230,255	-
Shares granted:				
- Unilever N. V.	-	-	-	-
- Unilever PLC	-	-	-	-
- PT Unilever Indonesia Tbk	-	-	-	-
Shares cancelled/expired:	(24,745)	4,850	(14,856)	3,675
Balance at March 31	1,374,890		1,215,399	

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	2007	2006
8. Prepaid expenses	64,687	76,685
Rents	24,265	17,675
Advertising expenses	17,100	18,261
Insurance	1,011	1,665
Others (respective individual balances less than Rp 1,000)	22,311	39,084

9. Fixed Assets

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

	Balance December 31, 2006	Additions	Transfers	Disposals/ Write-off	Balance March 31, 2007
<u>Direct ownership</u>					
At cost (inclusive of revaluation increments):					
Land	111,830	-	-	-	111,830
Buildings	368,443	-	5,930	-	374,373
Machinery and equipment	1,422,428	9,643	26,960	(9,431)	1,449,600
Motor vehicles	62,982	29	-	(9,056)	53,955
Construction in progress	142,370	65,346	(32,890)	-	174,826
Total	<u>2,108,053</u>	<u>75,018</u>	<u>-</u>	<u>(18,487)</u>	<u>2,164,584</u>
Accumulated depreciation:					
Buildings	(40,381)	(2,206)	-	-	(42,587)
Machinery and equipment	(322,023)	(24,659)	-	3,812	(342,870)
Motor vehicles	(20,986)	(1,853)	-	6,060	(16,779)
Total	<u>(383,390)</u>	<u>(28,718)</u>	<u>-</u>	<u>9,872</u>	<u>(402,236)</u>
Net book value	<u>1,724,663</u>				<u>1,762,348</u>
	Balance December 31, 2004	Additions	Transfers	Disposals/ Write-off	Balance March 31, 2006
<u>Direct ownership</u>					
At cost (inclusive of revaluation increments):					
Land	108,980	2,850	-	-	111,830
Buildings	300,157	-	-	-	300,157
Machinery and equipment	1,255,847	29,679	41,649	(1,560)	1,325,615
Motor vehicles	49,722	2,085	-	(320)	51,487
Construction in progress	124,223	20,671	(41,649)	-	103,245
Total	<u>1,838,929</u>	<u>55,285</u>	<u>-</u>	<u>(1,880)</u>	<u>1,892,334</u>
Accumulated depreciation:					
Buildings	(33,365)	(6,660)	-	7	(35,109)
Machinery and equipment	(291,337)	(55,879)	-	17,061	(306,950)
Motor vehicles	(18,568)	(5,057)	-	2,489	(19,425)
Total	<u>(343,270)</u>	<u>(67,596)</u>	<u>-</u>	<u>19,557</u>	<u>(361,484)</u>
Net book value	<u>1,495,659</u>				<u>1,530,850</u>

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	2007	2006
<p>b. In 2004, the Company's buildings and machinery were revalued by an independent appraisal, PT Artanila Permai, in accordance with Minister of Finance of Republic of Indonesia Decree No. 486/KMK.03/2002 and the Decree of Director General of Taxes No. KEP-519/PJ/2002 dated December 2, 2002. The revaluation resulting an increment of Rp 291,583 and was been approved by the tax office in its Decision Letter No. KEP-14/WPJ.19/BD.04/2004 dated December 20, 2004. The independent appraisal using 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.</p> <p>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 assets revaluation reserve" account, presented in the equity section of the consolidated balance sheets.</p>		
<p>c. The Company has 35 plots of land with <i>Hak Guna Bangunan</i> ("HGB") titles and 1 plot of land with <i>Hak Pakai</i> title which have remaining useful lives ranging from 3 to 29 years expiring between 2009 until 2035.</p> <p>Management believes that those "HGB" and "Hak Pakai" can be extended when the due date arrived.</p>		
<p>d. The calculation of gain/(loss) on sale of fixed assets write-off and impairment of fixed assets is as follows:</p>		
	(5,172)	(385)
Gain on sale of fixed assets	447	597
Acquisition costs	9,056	355
Accumulated depreciation	(6,060)	(253)
Net book value	2,996	102
Proceeds	3,443	699
Gain on sale of fixed assets	447	597
Loss on fixed assets written off	(5,619)	(982)
Acquisition costs	9,431	1,525
Accumulated depreciation	(3,812)	(543)
Net book value	5,619	982
Loss on fixed assets written off	(5,619)	(982)
<p>e. Gain/(loss) on sale of fixed assets, write-off and impairment of fixed assets was allocated as follows:</p>		
	(5,172)	(385)
Cost of goods sold	(5,619)	(982)
Operating expenses	447	597

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	2007	2006
f. Construction in progress as at March 31:	174,826	122,223
Machinery and equipment	174,826	122,223
The percentage of completion for construction in progress in 2007 is 61% (2006: 56%) of the contract value.		
g. Depreciation expense was allocated as follows:	28,711	19,010
Cost of goods sold	22,103	13,641
Operating expenses	6,608	5,369

h. The Company and subsidiaries' fixed assets have been insured against the risk of loss with total coverage of USD 166 million and Rp 43,134 (2006: USD 174 million and Rp 41,746) 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:

Year ended March 31, 2007

	Insured amounts			Net book value of fixed assets
	USD million	Rp million equivalent	Rp million	Rp million
Buildings, machinery and equipment	166	1,514,164	-	1,450,346
Motor vehicles	-	-	43,134	37,176
	166	1,514,164	43,134	1,487,522

Year ended March 31, 2006

	Insured amounts			Net book value of fixed assets
	USD million	Rp million equivalent	Rp million	Rp million
Buildings, machinery and equipment	174	1,580,048	-	1,283,713
Motor vehicles	-	-	41,746	32,062
	174	1,580,048	41,746	1,315,775

10. Intangible assets

	2007	2006
	159,663	169,183
Cost	244,586	240,408
Less: Accumulated amortisation	(84,923)	(71,225)
Amortisation expense	3,582	3,373

Intangible assets principally comprise operating rights, trademarks and copyrights related to Hazeline product Bango and Taro products which were acquired in 1995, 2000 and 2003 and software licenses.

The software intangible assets were acquired in 2005 and 2004.

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	2007	2006
11. Other assets	61,017	65,243
Loans to employees (Notes 7e)	30,768	32,457
Prepaid rent	18,247	21,613
Refundable deposits	12,002	10,741
Others (respective individual balances less than Rp 1,000)	-	432
<p>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 fully collectible.</p>		
12. Trade creditors		
Third parties:	487,012	577,785
- Rupiah	338,343	486,622
- Foreign currencies	148,669	91,163
Related parties:	65,694	32,470
Unilever Thai Holdings Ltd.	17,368	2,785
Unilever China Ltd.	17,205	19,539
PT Kimberly Lever Indonesia	14,109	-
Lipton Ltd. UK	6,284	1,924
Unilever Vietnam	3,617	-
Hindustan Lever Ltd.	3,041	4,157
Unilever Australia Ltd.	1,531	-
Unilever Foods (Malaysia) Sdn. Bhd.	1,434	-
Unilever Deutschland GmbH	-	1,833
Others (respective individual balances less than Rp 1,000)	1,105	2,232
Aging analysis of trade creditors is as follows:	552,706	610,255
Current	536,209	572,774
Overdue 1 – 30 days	14,006	36,363
Overdue more than 30 days	2,491	1,118
<p>These balances arise from the purchases of raw materials, supplies and finished goods.</p>		
13. Taxation		
a. Income tax expense		
The Group	230,663	190,242
Current	246,753	198,612
Deferred	(16,090)	(8,370)
The Company	235,286	189,116
Current	246,753	197,498
Deferred	(11,467)	(8,382)

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	2007	2006
The Subsidiaries	(4,623)	1,126
Current	-	1,114
Deferred	(4,623)	12
<p>Income tax expense represents the income tax expense of the Company and its subsidiary ("PT AL"). As at March 31, 2007, PT Technopia Lever was still in a commercial and fiscal loss position, hence did not record any income tax expense and liabilities.</p> <p>A reconciliation between profit before income tax as shown in the consolidated financial statements and the Company's estimated taxable income for the years ended March 31, 2007 and 2006 are as follows:</p>		
Consolidated profit before income tax	761,033	628,147
Consolidation elimination	625	-
Net (gain)/loss from subsidiaries before income tax	18,801	(3,300)
Profit before income tax – the Company	780,459	624,847
Temporary differences:		
Provisions	51,164	16,390
Difference between commercial and fiscal depreciation of fixed assets and amortisation of intangible assets	(19,937)	(21,691)
Employee benefit obligations	6,996	33,027
Permanent differences:		
Interest and rental income subject to final tax	(16,106)	(8,423)
Non-deductible expenses	19,992	14,207
Tax penalties	2	28
	822,570	658,385
Taxable income – the Company	822,570	658,385
The Company		
Corporate income tax – current year	246,753	197,498
Less: Prepaid income tax	(159,121)	(182,392)
Income tax payable/(overpayment)	87,632	15,106
The Subsidiaries		
Corporate income tax – current year	-	1,114
Less: Prepaid income tax	(302)	(5,645)
Income tax payable/(overpayment)	(302)	(4,531)
The Group		
Corporate income tax – current year	246,753	198,612
Less: Prepaid income tax	(159,423)	(182,877)
Income tax payable/(overpayment)	87,330	15,735

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	2007	2006
<p>The amount of the Company's taxable income based on the above calculations for the 2007 and 2006 fiscal year was agreed with the estimated taxable income reported in the Company's annual tax return.</p> <p>As at the date of the completion of these consolidated financial statements, the Company has not submitted the 2006 annual tax return. The Company has revised the 2004 annual tax return in December 2006.</p> <p>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:</p>		
Profit before income tax	780,459	624,847
Income tax expense	235,286	189,116
Tax calculated at progressive rates:	234,119	187,437
Interest and rental income subject to final tax	(4,831)	(2,527)
Non-deductible expenses	5,998	4,262
Tax penalties	-	8
Deferred tax – prior year	-	(64)
b. Deferred tax assets	41,308	29,675

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

	December 31, 2006	Previous year deferred tax adjustment	Credited/(charged) to the consolidated statement of income	March 31, 2007
Deferred tax assets - the Group	25,217	-	16,091	41,308
Deferred tax assets - the Company:				
- Provisions	74,352	-	15,348	89,700
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(70,612)	-	(5,981)	(76,593)
- Employee benefit obligations	21,144	-	2,100	23,244
	24,884	-	11,467	36,351
Deferred tax assets - the subsidiary, net	333	-	4,624	4,957

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	December 31, 2005	Previous year deferred tax adjustment	Credited/(charged) to the consolidated statement of income	March 31, 2006
Deferred tax assets - the Group	21,305	-	8,370	29,675
Deferred tax assets - the Company:				
- Provisions	58,511	-	4,774	63,285
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(53,563)	-	(6,300)	(59,863)
- Employee benefit obligations	16,348	-	9,908	26,256
	21,296	-	8,382	29,678
Deferred tax assets - the subsidiary, net	9	-	(12)	(3)

Management believes that the Company's deferred tax assets as at March 31, 2007 will be realised in the foreseeable future.

As at March 31, 2007 deferred tax assets of PT Technopia Lever (the subsidiary) which are mainly derived from carried forward tax losses amounting to Rp 20,214 (2006: Rp 19,834) have not been booked due to the uncertainty of their realisation in the foreseeable future.

	2007	2006
c. Prepaid taxes	251,413	188,353
The Company:	236,754	182,740
Corporate income tax 2004	42,878	-
Corporate income tax 2005	34,159	34,159
Prepaid tax 2003	597	-
Prepaid tax 2007/2006	159,120	148,581
The Subsidiaries:	14,659	5,613
Corporate income tax	5,160	-
Prepaid tax 2007/2006	302	-
Value added tax	9,197	5,613
d. Taxes payable	332,869	237,840
The Company:	331,689	242,030
- Corporate income tax	246,753	197,845
- Income tax Article 21	3,812	6,199
- Value added tax	14,268	31,676
- Income taxes Articles 25	59,047	-
- Income taxes Articles 23/26	7,809	6,310
The Subsidiaries	1,180	(4,190)
- Corporate income tax	-	(4,531)
- Income tax Article 21	1	1
- Income taxes Articles 23/26	1,179	340

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	2007	2006
e. Tax assessments		
<p>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.</p> <p>Management has revised the 2004 annual tax return in March and December 2006, related to correction of the fiscal loss based on the above tax assessment letter and under recorded income tax article 25 instalment, respectively. Based on correction of annual tax return in December 2006, the Company recorded prepaid taxes for 2004 of Rp 42,878. Increase in prepaid taxes for 2005 to adjust annual tax return for 2005.</p> <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, 2003 and 2005 fiscal years.</p>		
f. Administration		
<p>Under the taxation laws of Indonesia, the Company and subsidiaries submit tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within 10 years from the date the tax becomes due.</p>		
14. Accrued expenses	880,194	586,234
Sales and promotion expenses	621,645	337,942
Remuneration expenses	170,149	174,896
Unilever Indonesia Foundation	16,907	13,500
Others (respective individual balances less than Rp 10,000)	71,493	59,896
15. Other liabilities	124,027	75,201
Consultants fees and other services	57,219	34,782
Technical parts	41,217	7,653
Dividend payable	17,808	13,542
Others (respective individual balances less than Rp 10,000)	7,783	19,224

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	2007	2006
16. 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	35,186	30,425
Employee benefit obligations	112,661	86,032
Post-employment medical benefit	50,915	30,246
Other post-employment and long-term benefit	61,746	55,786
The net amounts recognised in the consolidated statements of income are as follows:	19,555	14,548
Pension benefits	7,662	8,385
Post-employment medical benefits	6,961	1,180
Other post-employment and long-term benefits	4,932	4,983
- Pension benefits		
<p>The amounts recognised in the consolidated balance sheets are as follows:</p>		
Present value of funded obligations	475,960	341,200
Fair value of plan assets	(510,367)	(370,320)
	(34,407)	(29,120)
Unrecognised actuarial losses	-	(526)
Unrecognised past service cost	(779)	(779)
Prepaid pension expense	(35,186)	(30,425)

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	2007	2006
Pension benefits expense consist of the following components:	7,662	8,385
Current service cost	9,309	7,317
Interest cost	(2,425)	(238)
Expected return on plan assets	-	-
Actuarial losses recognised during the year	-	528
Past service cost	778	778

Of the total charge, Rp 5,023 (2006: Rp 2,564) and Rp 2,639 (2006: Rp 5,821) were included in cost of goods sold and operating expenses, respectively.

The actual return on plan assets was Rp 20,647 (2006: Rp 13,006).

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

Balance at the beginning of the year	(35,143)	(29,163)
Charged to the consolidated statements of income	7,662	8,385
Contributions paid	(7,705)	(9,647)
Balance at the end of the year	(35,186)	(30,425)

The estimated actuarial liability and fair value of plan assets of the Fund as at March 31, 2007 and 2006 were based on the actuarial calculations performed by PT Watson Wyatt Purbajaga in its report dated February 1, 2007 (2006: dated January 16, 2006) using the principal actuarial assumptions as follows:

	2007	2006
a. Discount rate	10,5% 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	7% per annum	8% per annum
e. Expected return on plan assets	12% per annum	12% per annum
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

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	2007	2006																																	
- Post-employment medical benefits																																			
<p>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.</p> <p>In addition to the assumptions used for the pension schemes, the main actuarial assumption used for 2007 is a long-term increase in medical claim costs of 14% (2006: 20%) in the first year, 12% (2006: 16%) in the second year, 10% in the third year onwards (2006: 12% in the third year, 10% in the fourth year onwards).</p> <p>The Company using assumption that claim of the post-employment medical benefit amounting to Rp 6.65 per employee (2006: equals to ASKES Gold Premium program).</p> <p>The amounts recognised in the consolidated balance sheets are determined as follows:</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 60%;">Present value of unfunded obligations</td> <td style="width: 20%; text-align: center;">50,919</td> <td style="width: 20%; text-align: center;">30,246</td> </tr> <tr> <td>Unrecognised actuarial gains</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Post-employment medical benefits obligation</td> <td style="text-align: center;">50,919</td> <td style="text-align: center;">30,246</td> </tr> </table> <p>The amounts recognised in the consolidated statements of income were as follows:</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 60%;">Current service cost</td> <td style="width: 20%; text-align: center;">6,961</td> <td style="width: 20%; text-align: center;">1,180</td> </tr> <tr> <td>Interest cost</td> <td style="text-align: center;">1,618</td> <td style="text-align: center;">340</td> </tr> <tr> <td>Actuarial loss recognised during the year</td> <td style="text-align: center;">4,187</td> <td style="text-align: center;">840</td> </tr> <tr> <td></td> <td style="text-align: center;">1,156</td> <td style="text-align: center;">-</td> </tr> </table> <p>Of the total charge, Rp 4,563 (2006: Rp 361), and Rp 2,398 (2006: Rp 819) were included in cost of goods sold and operating expenses respectively.</p> <p>The movements in the post-employment medical benefit obligations recognised in the consolidated balance sheets are as follows:</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 60%;">Balance at the beginning of the year</td> <td style="width: 20%; text-align: center;">45,589</td> <td style="width: 20%; text-align: center;">31,076</td> </tr> <tr> <td>Charged to the consolidated statements of income</td> <td style="text-align: center;">6,961</td> <td style="text-align: center;">1,180</td> </tr> <tr> <td>Actual payments</td> <td style="text-align: center;">(1,631)</td> <td style="text-align: center;">(2,010)</td> </tr> <tr> <td>Balance at the end of the year</td> <td style="text-align: center;">50,919</td> <td style="text-align: center;">30,246</td> </tr> </table>			Present value of unfunded obligations	50,919	30,246	Unrecognised actuarial gains	-	-	Post-employment medical benefits obligation	50,919	30,246	Current service cost	6,961	1,180	Interest cost	1,618	340	Actuarial loss recognised during the year	4,187	840		1,156	-	Balance at the beginning of the year	45,589	31,076	Charged to the consolidated statements of income	6,961	1,180	Actual payments	(1,631)	(2,010)	Balance at the end of the year	50,919	30,246
Present value of unfunded obligations	50,919	30,246																																	
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	2007	2006
- Other post-employment and long-term benefits		
<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	61,746	55,786
Unrecognised actuarial losses	-	-
Other post-employment and long-term benefits obligation	61,746	55,786
<p>The amounts recognised in the consolidated statements of income are as follows:</p>		
	4,932	4,983
Current service cost	3,335	3,572
Interest cost	1,551	1,376
Actuarial gains recognised during the year	46	35
<p>Of the total charge, Rp 3,233 (2006: Rp 1,524) and Rp 1,699 (2006: Rp 3,459) were included in cost of goods sold and operating expenses, respectively.</p> <p>The movements in the other post-employment and long-term benefit obligations recognised in the consolidated balance sheet are as follows:</p>		
Balance at the beginning of the year	60,036	52,583
Charged to the consolidated statements of income	4,932	4,982
Actual payments	(3,222)	(1,779)
Balance at the end of the year	61,746	55,786

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	2007	2006
17. Minority interests		
a. Minority interests in the net assets of subsidiaries:	2,646	11,113
PT Anugrah Lever – percentage of ownership 35%	2,618	6,759
Carrying amount – beginning of the year	6,374	5,793
Share of net profit – current year	(3,756)	966
PT Technopia Lever – percentage of ownership 49%	28	4,354
Carrying amount – beginning of the year	1,718	4,641
Share of net loss – current year	(1,690)	(287)
<p>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 and published in the State Gazette No. 18 dated March 3, 2006 in supplement No. 2313.</p> <p>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 of the 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.</p>		
b. Minority interests in the net (loss)/gain of the subsidiaries:	(5.446)	679
PT Anugrah Lever	(3,756)	966
PT Technopia Lever	(1,690)	(287)

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	2007	2006
18. 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, with par value of Rp 10 (full amount Rupiah) per share.	64,849	64,849
Public (listed on the Jakarta Stock Exchange and Surabaya Stock Exchange): 1,145,122,500 shares, with par value of Rp 10 (full amount Rupiah) per share.	11,451	11,451
At March 31, 2007, Mavibel B.V. which held 6,484,877,500 shares or 85% of the total authorised, issued and fully paid-up shares of the Company was 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 March 31, 2007 and 2006, Director who held the Company's public shares is Mr. Joseph Bataona with an ownership not more than 0.001% of the authorised, issued and fully paid-up shares of the Company.		
There were no members of the Board of Commissioners who held the Company's public shares.		
19. Capital paid in excess of par value	15,227	15,227
Capital paid in excess of par value represents the difference between 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.		
20. 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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	2007	2006
21. Dividends		
<p>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.</p> <p>As at March 31, 2007, dividend which has not received by the shareholder amounting to Rp 17,861 (2006: Rp 13,542) recorded as dividend payable.</p>		
22. Appropriated retained earnings	15,848	16,440
<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>Based on the Company Law, return of unclaimed dividends amounting to Rp 594 was reclassified to appropriated retained earnings on 2005. In 2006, this amount has been reclassified and recorded as "Dividend payable".</p>		
23. Net Sales	3,174,278	2,783,960
Domestic	3,064,112	2,658,474
Export	110,166	125,486
<p>No individual customer had total transactions of more than 10% of net sales.</p> <p>The Company's sales to related parties amounted to Rp 91,044 and Rp 83,991 for the years ended March 31, 2007 and 2006, respectively, which represent 2.87% and 3.02% of total net sales respectively.</p> <p>The details of sales to related parties are as follows:</p>		
	91,044	83,991
Unilever Australia Ltd.	26,456	20,672
Unilever (Malaysia) Holdings Sdn. Bhd.	27,501	29,994
Unilever Singapore Pte. Ltd.	8,867	9,680
Unilever Taiwan Ltd.	9,993	9,165
Unilever New Zealand Ltd.	2,807	5,466
Unilever Thai Trading Ltd.	7,777	3,941
Unilever Philippines, Inc.	1,306	583
PT Diversey Indonesia	1,318	1,286
Unilever Hongkong Ltd.	2,193	1,452
Others (respective individual less than Rp 1,000)	2,826	1,752

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	2007	2006
24. Cost of goods sold	1,590,916	1,438,814
The components of cost of goods sold are as follows:		
Raw materials		
- At the beginning of the year	266,526	274,590
- Purchases	1,382,569	1,260,596
	1,649,095	1,535,186
- At the end of the year	(325,079)	(261,377)
Raw materials used	1,324,016	1,273,809
Direct labour	54,896	46,261
Depreciation	21,667	13,641
Manufacturing overheads	86,678	97,590
Total production costs	1,487,257	1,431,301
Work in process		
- At the beginning of the year	21,019	10,985
- At the end of the year	(20,496)	(21,297)
Cost of goods manufactured	1,487,780	1,420,989
Finished goods		
- At the beginning of the year	487,623	478,889
- Purchase	73,327	-
- At the end of the year	(457,814)	(461,064)
No purchases from individual supplier were made in excess of 10% of total the Company and subsidiaries' purchases of raw materials and finished goods.		
The Company and subsidiaries' purchases of raw materials and finished goods from related parties, amounted to Rp 177,057 and Rp 156,521 for the years ended March 31, 2007 and 2006 respectively, which represent 12.81% and 12.41% respectively of the total purchases.		
Purchases of raw materials and finished goods from related parties comprise:		
	177,057	156,521
PT Kimberly Lever Indonesia	43,411	66,087
Unilever China Ltd.	41,437	37,176
PT Technopia Jakarta	29,605	28,735
Unilever Thai Holdings Ltd.	29,704	2,430
Lipton Ltd. UK	1,468	-
Unilever Vietnam	5,946	-
Hindustan Lever Ltd.	7,292	7,152
Unilever Deutschland GmbH	5,956	3,823
Unilever (Malaysia) Holdings Sdn. Bhd.	2,985	1,963
Unilever Srilanka Ltd.	592	2,161
Best Foods Shandong Ltd.	1,019	-
Lipton Ltd. Mombasa	6,926	5,465
Others (respective individual less than Rp 1,000)	716	1,529

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	2007	2006
25. a. Marketing and selling expenses	662,795	586,710
Advertising, promotion and research	385,261	338,003
Distribution costs	155,920	134,417
Remuneration	81,418	75,669
Employee benefits	9,346	4,440
Travelling and representation	8,090	7,621
Rents	4,863	5,843
Telecommunications	4,333	1,558
Depreciation of fixed assets	3,922	2,665
Others (respective individual less than Rp 10,000)	9,642	16,494
b. General and administration expenses	169,932	147,654
Service fees	106,717	86,065
Remuneration	26,834	23,547
Rents	9,419	8,048
Telecommunications	4,376	4,573
Consultants fees	1,404	2,286
Amortisation of intangible asset	3,582	3,373
Employee benefits	3,780	1,381
Travelling and representation	3,636	2,534
Depreciation of fixed assets	2,686	2,704
Education and training	3,054	4,134
Others (respective individual less than Rp 10,000)	4,444	9,009
26. Employee costs	160,622	142,913
<p>The number of permanent employees of the Company as of March 31, 2007 and 2006 were 3,384 and 3,086 respectively.</p> <p>As at March 31, 2007 and 2006, the subsidiaries (PT Anugrah Lever and PT Technopia Lever) had no permanent employees.</p>		
27. Basic earnings per share		
Net income attributable to the shareholders	535,816	437,226
Weighted average number of outstanding shares (in thousands)	7,630,000	7,630,000
Basic earnings per share (full amount Rupiah)	70	57

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

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28. Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in various foreign currencies are as follows:

	2007	
	Foreign currency	Million Rupiah
Assets		
Cash and cash equivalents	USD 4,838,636	44,148
	EUR 903,004	10,971
Trade debtors		
- Third parties	USD 809,148	7,383
- Related parties	USD 5,101,414	46,545
Amounts due from related parties		
	AUD 8,101	60
	GBP 15,904	284
	SGD 219,055	1,318
	USD 153,611	1,402
		112,111
Liabilities		
Trade creditors		
- Third parties	CHF 1,163	9
	EUR 224,633	2,729
	GBP 282,548	5,046
	THB 12,155	3
	USD 8,550,472	78,015
- Related parties		
	AUD 207,670	1,531
	THB 574,426	150
	USD 7,151,069	65,246
Other liabilities		
	EUR 192,904	2,344
	GBP 19,136	342
	JPY 3,965,488	305
	SEK 632,009	822
	SGD 4,749	29
	THB 18,198	5
	USD 6,477,121	59,097
Amounts due to related parties		
	AUD 2,051	15
	EUR 27,952	340
	GBP 9,010	161
	SGD 7,654	46
	USD 11,037,666	100,708
Accrued expenses	EUR 3,274,684	37,593
		354,536
Excess of liabilities over assets denominated in foreign currencies		242,425

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Assets and liabilities denominated in various foreign currencies are as follows:

	2006		
		Foreign currency	Million Rupiah
Assets			
Cash and cash equivalents	USD	8,842,849	80,160
	EUR	1,276,333	14,014
Trade debtors			
- Third parties	USD	1,598,843	14,494
- Related parties	USD	3,682,846	33,385
Amounts due from related parties	USD	849,011	7,696
			<u>149,749</u>
Liabilities			
Trade creditors			
- Third parties	AUD	78,729	509
	EUR	351,709	3,862
	GBP	619,012	9,743
	JPY	8,805,150	679
	USD	7,977,167	72,313
- Related parties	AUD	67,768	438
	EUR	166,977	1,833
	THB	230,217	54
	USD	3,325,435	30,145
Other liabilities	EUR	23,572	259
	SGD	4,327	25
	THB	2,677,522	624
	USD	338,801	3,071
Amounts due to related parties	AUD	2,795	18
	EUR	34,354	377
	GBP	51,151	805
	SGD	933,030	5,226
	THB	4,907,156	1,143
	USD	9,893,229	89,682
			<u>220,806</u>
Excess of liabilities over assets denominated in foreign currencies			<u>(71,057)</u>

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

(Expressed in million Rupiah, unless otherwise stated)

29. Significant commitments and contingent liabilities

- a. The Company had commitments to purchase fixed assets and raw materials amounting to Rp 52,377 and Rp 2,258 respectively as of March 31, 2007 (2006: Rp 43,094 and Rp 2,788 for purchases of fixed assets and raw materials respectively).
- b. Building rental commitments in 2007 and 2006 and computer lease commitments under operating leases in 2007 are as follows:

	2007	2006
	USD (in thousands)	USD (in thousands)
Building rental commitments	1,861	2,877
Payable within		
1 year	1,052	1,016
2 – 4 years	809	1,861
Computer lease commitments		
Payable within		
1 year	9,911	4,753
2 – 4 years	19,922	11,319

- c. The Company had revolving credit facilities at March 31, 2007 from:

	Short term	
	USD (million)	Rp (million)
Citibank N. A	2	-
ABN AMRO Bank N. V.	-	175,000
Deutsche Bank AG	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 AG to USD 15 million (2006: USD 9 million).

On December 7, 2005, ABN AMRO Bank N. V. and the Company agreed to use the facility from ABN AMRO Bank N. V. as a supplier financing facility for certain suppliers of the Company.

As at March 31, 2007 and 2006, the Company did not use the facilities from the above mentioned banks.

- d. The Company and subsidiaries did not have any significant contingent liabilities as at March 31, 2007 and 2006.