

**PT UNILEVER INDONESIA TBK AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2007 AND 2006**  
**(UNAUDITED)**

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**PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**AS AT JUNE 30, 2007 AND 2006**  
**(UNAUDITED)**

*(Expressed in million Rupiah)*

	Notes	2007	2006
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2d, 3	1,206,623	1,336,304
Trade debtors (Net of allowance for doubtful accounts of Rp 1,146 in 2007 and Rp 1,757 in 2006)			
- Third parties	2g, 4	711,416	619,944
- Related parties	2c, 4	50,574	40,598
Other debtors	5	214,932	17,703
Inventories (Net of provision for obsolete and unused/slow moving stocks of Rp 22,958 in 2007 and Rp 28,421 in 2006)	2h, 6	833,516	738,787
Prepaid taxes	2o, 13c	86,703	87,323
Prepaid expenses	2m, 8	77,545	65,287
<b>Total Current Assets</b>		3,181,309	2,905,946
<b>NON-CURRENT ASSETS</b>			
Amounts due from related parties	2c, 7c	2,461	1,169
Deferred tax assets, net	2o, 13b	20,656	20,868
Fixed assets (Net of accumulated depreciation of Rp 428,389 in 2007 and Rp 379,576 in 2006)	2i, 9a	1,839,879	1,573,767
Intangible assets (Net of accumulated amortisation of Rp 88,720 in 2007 and Rp 74,597 in 2006)	2k, 10	161,714	165,811
Other assets	2m, 11	55,379	83,450
Prepaid pension expense	2p, 16	34,565	31,869
<b>Total Non-current Assets</b>		2,114,654	1,876,934
<b>TOTAL ASSETS</b>		5,295,963	4,782,880

*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, 2007 AND 2006**  
**(UNAUDITED)**

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

	Notes	2007	2006
<b>CURRENT LIABILITIES</b>			
Trade creditors			
- Third parties	12	515,043	674,550
- Related parties	2c, 12	46,628	31,739
Taxes payable	2o, 13d	310,972	265,361
Accrued expenses	14	802,464	618,033
Other liabilities	2f, 15	965,064	903,410
<b>Total Current Liabilities</b>		2,640,171	2,493,093
<b>NON-CURRENT LIABILITIES</b>			
Amounts due to related parties	2c, 7d	63,653	53,542
Employee benefits obligations	2p, 16	118,749	87,320
<b>Total Non-current Liabilities</b>		182,402	140,862
<b>MINORITY INTERESTS</b>	17a	3,403	13,121
<b>EQUITY</b>			
Share capital	2r, 18	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 2007 and 2006)			
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		1,994,246	1,659,476
<b>Total Equity</b>		2,469,987	2,135,804
<b>TOTAL LIABILITIES AND EQUITY</b>		5,295,963	4,782,880

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**PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED JUNE 30, 2007 AND 2006**  
**(UNAUDITED)**

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

	Notes	2007	2006
<b>NET SALES</b>	2n, 23	6,176,661	5,537,487
<b>COST OF GOODS SOLD</b>	2n, 24	(3,063,802)	(2,759,384)
<b>GROSS PROFIT</b>		3,112,859	2,778,103
<b>OPERATING EXPENSES</b>		(1,627,243)	(1,529,606)
Marketing and selling expenses	2n, 25a	(1,274,667)	(1,215,706)
General and administration expenses	2n, 25b	(352,576)	(313,900)
<b>OPERATING INCOME</b>		1,485,616	1,248,497
<b>OTHER INCOME/(EXPENSES)</b>		17,917	12,948
(Loss) on disposals of fixed assets	2i, 9e	920	561
Gain/(loss) on foreign exchange, net	2e	2,947	(4,445)
Interest income		14,050	16,832
<b>PROFIT BEFORE INCOME TAX</b>		1,503,533	1,261,445
Income tax expense	2o, 13a	(454,498)	(380,873)
<b>INCOME BEFORE MINORITY INTERESTS</b>		1,049,035	880,572
<b>MINORITY INTERESTS IN NET LOSS/(GAIN) OF SUBSIDIARIES</b>	17b	4,689	(2,687)
<b>NET INCOME</b>		1,053,724	877,885
<b>BASIC EARNINGS PER SHARE</b>	2t, 27	138	115

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**PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED JUNE 30, 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>
<b>Balance at December 31, 2005</b>		76,300	15,227	287,593	80,773	16,442	1,697,191	2,173,526
Net income for the period		-	-	-	-	-	877,885	877,885
Return of unclaimed dividends	21	-	-	-	-	(7)	-	(7)
Dividend	21						(915,600)	(915,600)
<b>Balance at June 30, 2006</b>		<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>
<b>Balance at December 31, 2006</b>		76,300	15,227	287,593	80,773	15,848	1,892,786	2,368,527
Net income for the period		-	-	-	-	-	1,053,724	1,053,724
Dividend	21	-	-	-	-	-	(953,750)	(953,750)
Elimination of unrealised gain/(loss) of PT AL and PT TL		-	-	-	-	-	1,486	1,486
<b>Balance at June 30, 2007</b>		<u>76,300</u>	<u>15,227</u>	<u>287,593</u>	<u>80,773</u>	<u>15,848</u>	<u>1,994,246</u>	<u>2,469,987</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, 2007 AND 2006**  
**(UNAUDITED)**

*(Expressed in million Rupiah)*

	Notes	2007	2006
<b>Cash flows from operating activities</b>			
Receipts from customers		7,971,714	5,769,575
Payments to suppliers		(6,908,259)	(4,297,834)
Payments of directors and employees remuneration		(321,730)	(271,508)
Payments of employee benefits	16	(1,623)	3,662
Payments of service fees		(227,137)	(185,685)
Cash from operations		512,965	1,018,210
Receipts of interest income		14,050	16,832
Loans to employees		(2,496)	3,819
Payments of corporate income tax		(157,404)	(291,987)
		367,115	746,874
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets	9a	(178,988)	(119,579)
Proceeds from the sale of fixed assets	9d	3,915	1,574
		(175,073)	(118,005)
<b>Cash flows from financing activities</b>			
Dividends paid to minority interests		(1,225)	-
		(1,225)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>			
		190,817	628,869
Effect of exchange rate changes on cash and cash equivalents		1,427	2,066
<b>Cash and cash equivalents at the beginning of the year</b>		1,014,379	705,369
<b>Cash and cash equivalents at the end of the year</b>	2d, 3	1,206,623	1,336,304
<b>Non-cash transaction</b>			
Acquisition of fixed assets through payables (recorded in "Accrued expenses")		3,644	3,049

*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, 2007 AND 2006**

*(Expressed in million Rupiah, unless otherwise stated)*

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**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 Indonesian 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 Grand Meeting on June 13, 2000, the share holders agreed to a stock split, reducing the par value from Rp 1,000 per share to Rp 100 per share. This change was notarized by deed of notary public Singgih Susilo SH No. 19 dated August 4, 2000 and was approved by the Minister of Law and Legislation (formerly Minister of Justice) of the Republic of Indonesia under decree No. C-18481 HT.01.04-TH 2000.

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**  
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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	
			2007	2006	2007	2006
PT Anugrah Lever	Indonesia	2001	65%	65%	74,1	57,8
PT Technopia Lever	Indonesia	2002	51%	51%	21,2	27,3

As at June 30, 2007, 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 : Graeme David Pitkethly  
Mohammad Effendi Soeparsono  
Joseph Bataona  
Surya Dharma Mandala  
Debora Herawati Sadrach  
Andreas Moritz Egon Rompis  
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 30, 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**  
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*(Expressed in million Rupiah, unless otherwise stated)*

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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.

**3. 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.

**3. 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.

**3. 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 June 30, 2007 were Rp 9,043 (full amount Rupiah) for US Dollar 1 and Rp 12,180 (full amount Rupiah) for Euro 1 (2006: Rp 9,265 (full amount Rupiah) for US Dollar 1 and Rp 11,780 (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 9,048 (full amount Rupiah) for US Dollar 1 and Rp 12,173 (full amount Rupiah) for 1 Euro (2006: Rp 9,265 (full amount Rupiah) for US Dollar 1 and Rp 11,772 (full amount Rupiah) for Euro 1).

**PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**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.

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

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**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.

**3. 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.

**3. 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.

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**3. 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.

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	<b>2007</b>	<b>2006</b>
<b>3. Cash and cash equivalents</b>	1,206,623	1,336,304
Cash on hand	596	250
Cash in banks		
Third parties – Rupiah:		
Citibank N.A.	252,919	12,381
Deutsche Bank AG	71,935	77,978
PT Bank Mandiri (Persero) Tbk	31,906	25,079
PT Bank Lippo Tbk	31,758	22,782
PT Bank Central Asia Tbk	16,432	17,476
The Hongkong and Shanghai Banking Corporation Ltd.	8,441	13,425
ABN AMRO Bank N.V.	5,921	29,707
PT Bank Negara Indonesia (Persero) Tbk	1,177	4,993
Others (respective individual balances less than Rp 1,000)	844	551
Third parties – US Dollar:		
Citibank N. A.	60,137	106,986
The Hongkong and Shanghai Banking Corporation Ltd.	879	-
Deutsche Bank AG	3	2,372
ABN AMRO Bank N.V.	4	916
Third parties – Euro:		
ABN AMRO Bank N.V.	19,400	1,616
Citibank N.A.	1,281	131
Deutsche Bank AG	1	336
Time deposits (maturity within three months):		
Third parties – Rupiah:		
PT ANZ Panin Bank	265,000	255,000
Standard Chartered Bank	-	269,000
ABN AMRO Bank N.V.	140,000	275,000
PT Bank Lippo Tbk	90,000	80,000
Citibank N.A.	-	94,000
Third parties – US Dollar:		
PT Bank Rabobank International Indonesia	207,989	46,325
The interest rates per annum for the above time deposits during the current year are as follows:		
Rupiah	8.00 - 9.00%	10.50 – 14.50%
US Dollar	4.00 - 5.25%	3.45 - 4.75%
Euro	1.75 - 3.60%	1.25 - 2.50%

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	<b>2007</b>	<b>2006</b>
<b>4. Trade debtors</b>		
Third parties:	711,416	619,944
Rupiah	652,480	566,016
US Dollar	60,082	55,685
Less: Allowance for doubtful accounts	(1,146)	(1,757)
Third party trade debtors denominated in Rupiah comprise receivables from customers throughout the Indonesian archipelago.		
Third party trade debtors denominated in US Dollar comprise receivables from foreign customers.		
Related parties:	50,574	40,598
Unilever Australia Ltd.	22,866	12,816
Unilever (Malaysia) Holdings Sdn. Bhd.	9,216	7,899
Unilever Singapore Pte. Ltd.	4,137	3,704
Unilever New Zealand Ltd.	3,080	4,799
Unilever Taiwan Ltd.	2,799	3,961
PT Diversey Indonesia	2,214	2,023
Unilever Gulf Free Zone Establishment Arabia	1,942	-
Unilever Hongkong Ltd.	1,535	-
Unilever Thai Trading Ltd.	1,203	1,971
Unilever Philippines, Inc.	583	1,016
Others (respective individual balances less than Rp 1,000)	999	2,409
Aging analysis of trade debtors is as follows:	761,990	660,542
Current	712,305	606,288
Overdue 1 – 30 days	40,697	48,547
Overdue more than 30 days	8,988	5,707
Movements in the allowance for doubtful accounts are as follows:	(1,146)	(1,757)
Allowance for doubtful accounts – beginning	(1,350)	(4,998)
Reversal of allowance for doubtful accounts	204	2,779
Doubtful debts written off	-	462
Allowance for doubtful accounts – ending	(1,146)	(1,757)
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.		
<b>5. Other debtors</b>	214,932	17,703
Other tax receivable	175,047	-
Advances	21,140	7,740
Loans to employees (Note 7e)	16,999	6,795
Others (respective individual balances less than Rp 1,000)	1,746	3,168
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.		

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	2007	2006
<p>The balance of others (respective individual balances less than Rp 10,000) includes derivative receivables amounting to Rp 1,245. As at June 30, 2007, the Company had forward foreign exchange contracts in US Dollar. The purchases of US Dollar will mature in July, August and September 2007. The notional amount of the contracts as at June 30, 2007 was USD 19,000,000 (2006: USD 2,500,000). The forward rates of the contracts range from Rp 8,863 (full amount Rupiah) to Rp 9,151 (full amount Rupiah) per US Dollar 1.</p> <p>The counter parties for the above contracts in 2007 are Citibank N.A. and ABN AMRO Bank N.V. (2006: Citibank N.A., PT Bank Rabobank International Indonesia, ABN AMRO Bank N.V. dan The Hongkong and Shanghai Banking Corporation Ltd).</p> <p>The Company entered into derivative transactions for the years ended June 30, 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.</p>		
<b>6. Inventories</b>	833,516	738,787
Finished goods	510,364	444,278
Work in process	16,866	14,798
Raw materials	250,312	201,202
Goods in transit		
Finished goods	56,796	64,506
Raw materials	1,612	19,508
Spare parts	20,524	22,916
Provision for obsolete and unused/slow moving inventories	(22,958)	(28,421)
Movements in the provision for obsolete and unused/slow moving inventories are as follows:	(22,958)	(28,421)
Beginning balance	(31,662)	(22,468)
Changes during the year:		
Amounts provided	(16,253)	(21,386)
Amounts written off	24,957	15,433
Ending balance	(22,958)	(28,421)
Provision for obsolete and unused/slow moving inventories consist of:	(22,958)	(28,421)
Finished goods	(11,131)	(15,011)
Raw material	(9,986)	(11,334)
Spare parts	(1,841)	(2,076)

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

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As of June 30, 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.

**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 Thai Holding Ltd.
- Unilever Japan Beverage K.K.
- Unilever Taiwan Ltd.
- Unilever Thai Trading Ltd.
- Unilever Market Development South Africa

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

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

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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
- 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.
- iii. On April 7, 2000 the Company entered into a distribution agreement with PT Kimberly Lever Indonesia ("KLI") which is valid until June 30, 2007, whereby KLI appointed the Company its exclusive distributor of KLI's products sold in Indonesia. Since the beginning of 2007, the Company and KLI have been in transition for the KLI's products being distributed by KLI's own distribution channel.

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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.
- 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.

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	<b>2007</b>	<b>2006</b>
Expenses charged by related parties:	218,184	180,653
Service fee to Unilever N.V.	117,477	100,818
Service fee to UBGs	88,111	75,115
Manufacturing and other fees to PT ASL	12,596	4,720
As percentage to total operating expenses and cost of goods sold	4.66%	4.21%
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	2,461	1,169
Unilever Asia Private Ltd.	1,226	-
Others (respective individual balances less than Rp 1,000)	1,235	1,169
As percentage to non-current assets	0.12%	0.06%
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	63,653	53,542
Unilever N. V.	55,979	46,513
Unilever United States, Inc.	4,267	4,338
Others (respective individual balances less than Rp 1,000)	3,407	2,691
As percentage to non-current liabilities	34.90%	38.01%
e. Employee loans to key management personnel	7,302	8,810
Loans:		
- Current	16,999	6,795
- Non-current	30,308	32,713
	47,307	39,508
Less: employee loans to non-key management personnel	(40,005)	(30,698)
As percentage to current assets	0.21%	0.28%

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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	<b>2007</b>	<b>2006</b>
f. Salaries and allowances of the Boards of Commissioners and Directors.	17,557	15,708
Included in the Board of Directors remuneration package are housing facilities.		
As a percentage to total employee costs	5.31%	5.38%
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	-
Shares granted:		
- Unilever N.V.	5,448	259,437
- Unilever PLC	5,286	270,795
- PT Unilever Indonesia Tbk	299,175	5,800
Shares cancelled	(24,745)	(14,856)
Balance at June 30	<u>1,684,799</u>	<u>1,425,580</u>
	<b>2007</b>	<b>2006</b>
<b>8. Prepaid expenses</b>	77,545	65,287
Rents	18,782	14,589
Advertising expenses	22,720	20,090
Insurance	5,379	1,456
Others (respective individual balances less than Rp 1,000)	30,664	29,152

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**9. Fixed Assets**

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

	<b>Balance December 31, 2006</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals/ Write-off</b>	<b>Balance June 30, 2007</b>
<u>Direct ownership</u>					
At cost (inclusive of revaluation increments):					
Land	111,830	-	-	-	111,830
Buildings	368,443	-	8,511	-	376,954
Machinery and equipment	1,422,428	14,132	63,501	(9,717)	1,490,344
Motor vehicles	62,982	29	-	(9,056)	53,955
Construction in progress	142,370	164,827	(72,012)	-	235,185
Total	<u>2,108,053</u>	<u>178,988</u>	<u>-</u>	<u>(18,773)</u>	<u>2,268,268</u>
Accumulated depreciation:					
Buildings	(40,381)	(4,401)	-	-	(44,782)
Machinery and equipment	(322,023)	(47,066)	-	3,911	(365,178)
Motor vehicles	(20,986)	(3,503)	-	6,060	(18,429)
Total	<u>(383,390)</u>	<u>(54,970)</u>	<u>-</u>	<u>9,971</u>	<u>(428,389)</u>
Net book value	<u>1,724,663</u>				<u>1,839,879</u>
	<b>Balance December 31, 2005</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals/ Write-off</b>	<b>Balance June 30, 2006</b>
<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>

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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>		
d. The calculation of (loss) on sale of fixed assets write-off and impairment of fixed assets is as follows:	(4,887)	(628)
Gain on sale of fixed assets	920	561
Acquisition costs	9,055	3,109
Accumulated depreciation	(6,060)	(2,096)
Net book value	2,995	1,013
Proceeds	(3,915)	(1,574)
Gain on sale of fixed assets	920	561
Loss on fixed assets written off	(5,807)	(1,189)
Acquisition costs	9,718	2,056
Accumulated depreciation	(3,911)	(867)
Net book value	5,807	1,189
Loss on fixed assets written off	(5,807)	(1,189)
e. (Loss) on sale of fixed assets, write-off and impairment of fixed assets was allocated as follows:	(4,887)	(628)
Cost of goods sold	(5,807)	(1,189)
Operating expenses	920	561

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	<b>2007</b>	<b>2006</b>
f. Construction in progress as at June 30:	235,184	148,414
Building	9,520	35,348
Machinery and equipment	225,664	113,066
The percentage of completion for construction in progress in 2007 is 64% (2006: 56%) of the contract value.		
g. Depreciation expense was allocated as follows:	54,957	39,269
Cost of goods sold	41,834	27,653
Operating expenses	13,123	11,616

h. The Company and subsidiaries' fixed assets have been insured against the risk of loss with total coverage of USD 188 million and Rp 43,134 (2006: USD 166 million and Rp 45,049) 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 June 30, 2007**

	<b>Insured amounts</b>			<b>Net book value of fixed assets</b>
	<b>USD million</b>	<b>Rp million equivalent</b>	<b>Rp million</b>	<b>Rp million</b>
Buildings, machinery and equipment	188	1,700,084	-	1,457,338
Motor vehicles	-	-	43,134	35,526
	188	1,700,084	43,134	1,492,864

**Year ended June 30, 2006**

	<b>Insured amounts</b>			<b>Net book value of fixed assets</b>
	<b>USD million</b>	<b>Rp million equivalent</b>	<b>Rp million</b>	<b>Rp million</b>
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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	<b>2007</b>	<b>2006</b>
<b>10. Intangible assets</b>	161,714	165,811
Cost	250,434	240,408
Less: Accumulated amortisation	(88,720)	(74,597)
Amortisation expense	7,379	6,745
<p>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.</p> <p>The software intangible assets were acquired in 2005 and 2004.</p>		
<b>11. Other assets</b>	55,379	83,450
Loans to employees (Notes 7e)	30,308	32,713
Prepaid rent	12,168	39,104
Refundable deposits	12,009	11,201
Others (respective individual balances less than Rp 1,000)	894	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>		
<b>12. Trade creditors</b>		
Third parties:	515,043	674,550
- Rupiah	435,261	583,328
- Foreign currencies	79,782	91,222
Related parties:	46,628	31,739
Unilever China Ltd.	19,522	14,381
Lipton Ltd. UK	7,116	6,061
Hindustan Lever Ltd.	5,002	1,388
Unilever Thai Holdings Ltd.	4,368	-
Unilever Foods (Malaysia) Sdn. Bhd.	4,175	1,539
Unilever Vietnam	3,337	-
Unilever Best Foods Shandong	1,196	-
Unilever Srilanka Ltd.	666	1,080
Unilever Deutschland GmbH	343	3,060
Unilever Australia Ltd.	-	1,056
Others (respective individual balances less than Rp 1,000)	903	3,174
Aging analysis of trade creditors is as follows:	561,671	706,289
Current	555,694	670,385
Overdue 1 – 30 days	5,695	32,237
Overdue more than 30 days	282	3,667
<p>These balances arise from the purchases of raw materials, supplies and finished goods.</p>		

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	2007	2006
<b>13. Taxation</b>		
a. Income tax expense		
The Group	454,498	380,873
Current	449,937	380,435
Deferred	4,561	438
The Company	459,019	376,401
Current	449,937	375,983
Deferred	9,082	418
The Subsidiaries	(4,521)	4,472
Current	-	4,452
Deferred	(4,521)	20

Income tax expense represents the income tax expense of the Company and its subsidiary ("PT AL"). As at June 30, 2007, PT Technopia Lever was still in a commercial and fiscal loss position, hence did not record any income tax expense and liabilities.

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 June 30, 2007 and 2006 are as follows:

Consolidated profit before income tax	1,503,534	1,261,445
Net (gain)/loss from subsidiaries before income tax	17,100	(12,845)
Profit before income tax – the Company	1,520,634	1,248,600
Temporary differences:		
Provisions	7,515	8,159
Difference between commercial and fiscal depreciation of fixed assets and amortisation of intangible assets	(51,488)	(42,430)
Employee benefit obligations	13,702	32,877
Permanent differences:		
Interest and rental income subject to final tax	(28,586)	(26,182)
Non-deductible expenses	38,067	32,154
Tax administrative sanctions	6	157
	1,499,850	1,253,335
Taxable income – the Company	1,499,850	1,253,335

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	<b>2007</b>	<b>2006</b>
The Company		
Corporate income tax – current year	449,937	375,963
Less: Prepaid income tax	(345,058)	(292,300)
Income tax payable/(overpayment)	104,879	83,663
The Subsidiaries		
Corporate income tax – current year	-	4,452
Less: Prepaid income tax	(1,207)	(484)
Income tax payable/(overpayment)	(1,207)	3,968
The Group		
Corporate income tax – current year	449,937	380,415
Less: Prepaid income tax	(346,265)	(292,784)
Income tax payable/(overpayment)	103,672	87,631
As at the date of the completion of these consolidated financial statements, the Company has not submitted the 2006 annual tax return.		
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	1,520,634	1,248,600
Income tax expense	459,019	376,401
Tax calculated at progressive rates:	456,173	374,563
Interest and rental income subject to final tax	(8,576)	(7,855)
Non-deductible expenses	11,420	9,646
Tax administrative sanctions	2	47

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	2007	2006
b. Deferred tax assets	20,656	20,868

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	June 30, 2007
Deferred tax assets - the Group	25,217	-	(4,561)	20,656
Deferred tax assets - the Company:				
- Provisions	74,352	-	2,253	76,605
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(70,612)	-	(15,446)	(86,058)
- Employee benefit obligations	21,144	-	4,111	25,255
	24,884	-	(9,082)	15,802
Deferred tax assets - the subsidiary, net	333	-	4,521	4,854
	December 31, 2005	Previous year deferred tax adjustment	Credited/(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)

Management believes that the Company's deferred tax assets as at June 30, 2007 will be realised in the foreseeable future.

As at June 30, 2007 deferred tax assets of PT Technopia Lever (the subsidiary) which are mainly derived from carried forward tax losses amounting to Rp 22,060 (2006: Rp 20,182) have not been booked due to the uncertainty of their realisation in the foreseeable future.

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	<b>2007</b>	<b>2006</b>
c. Prepaid taxes	86,703	87,323
The Company:	77,037	77,037
Corporate income tax 2004 overpayment	42,878	42,878
Corporate income tax 2005 overpayment	34,159	34,159
The Subsidiaries:	9,666	10,286
Corporate income tax	-	5,160
Prepaid tax 2007/2006	1,207	-
Value added tax	8,459	5,126
d. Taxes payable	310,972	265,361
The Company:	310,072	260,597
- Corporate income tax	163,926	126,561
- Income tax Article 21	4,434	4,721
- Value added tax	29,930	22,825
- Income taxes Articles 23/26	111,782	106,490
The Subsidiaries	900	4,764
- Corporate income tax	-	3,968
- Value added tax	-	410
- Income tax Article 21	1	1
- Income taxes Articles 23/26	899	385
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 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.

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	2007	2006
<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, 2004 and 2005 (Objection) fiscal years.</p>		
<p>f. Administration</p> <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>		
<b>14. Accrued expenses</b>	802,464	618,033
Sales and promotion expenses	581,653	384,501
Remuneration expenses	139,104	150,465
Unilever Indonesia Foundation	12,351	21,449
Others (respective individual balances less than Rp 10,000)	69,356	61,618
<b>15. Other liabilities</b>	965,064	903,410
Final dividend 2006 and 2005	868,716	829,670
Consultants fees and other services	58,790	55,642
Technical parts	31,292	14,375
Others (respective individual balances less than Rp 10,000)	6,266	3,723

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	2007	2006
<b>16. Employee benefit obligations</b>		
<b>The Company</b>		
<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	34,565	31,869
Employee benefit obligations	118,749	87,320
Post-employment medical benefit	55,640	29,806
Other post-employment and long-term benefit	63,109	57,514
The net amounts recognised in the consolidated statements of income are as follows:	39,133	27,820
Pension benefits	15,324	16,770
Post-employment medical benefits	13,916	2,360
Other post-employment and long-term benefits	9,893	8,690
<b>- Pension benefits</b>		
<p>The amounts recognised in the consolidated balance sheets are as follows:</p>		
Present value of funded obligations	495,046	359,099
Fair value of plan assets	(528,054)	(388,356)
	(33,008)	(29,257)
Unrecognised actuarial losses	-	(1,055)
Unrecognised past service cost	(1,557)	(1,557)
Prepaid pension expense	(34,565)	(31,869)
Pension benefits expense consist of the following components:	15,324	16,770
Current service cost	18,617	14,634
Interest cost	24,843	(476)
Expected return on plan assets	(29,693)	-
Actuarial losses recognised during the year	-	1,055
Past service cost	1,557	1,557

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	2007	2006
Of the total charge, Rp 9,997 (2006: Rp 2,564) and Rp 5,327 (2006: Rp 5,821) were included in cost of goods sold and operating expenses, respectively.		
The actual return on plan assets was Rp 45,819 (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	(15,324)	(16,770)
Contributions paid	14,746	19,476
Balance at the end of the year	34,565	31,869

The estimated actuarial liability and fair value of plan assets of the Fund as at June 30, 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
<b>- Post-employment medical benefits</b>		
<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>		
Present value of unfunded obligations	55,640	29,806
Unrecognised actuarial gains	-	-
Post-employment medical benefits obligation	55,640	29,806
<p>The amounts recognised in the consolidated statements of income were as follows:</p>		
	13,916	2,360
Current service cost	3,236	680
Interest cost	8,374	1,680
Actuarial loss recognised during the year	2,306	-
<p>Of the total charge, Rp 9,078 (2006: Rp 361), and Rp 4,838 (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>		
Balance at the beginning of the year	45,589	31,076
Charged to the consolidated statements of income	13,916	2,360
Actual payments	(3,865)	(3,630)
Balance at the end of the year	55,640	29,806

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	2007	2006
<b>- Other post-employment and long-term benefits</b>		
<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	63,109	57,514
Unrecognised actuarial losses	-	-
Other post-employment and long-term benefits obligation	63,109	57,514
<p>The amounts recognised in the consolidated statements of income are as follows:</p>		
	9,893	8,689
Current service cost	6,671	5,867
Interest cost	3,101	2,753
Actuarial gains recognised during the year	121	69
<p>Of the total charge, Rp 6,454 (2006: Rp 1,524) and Rp 3,439 (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	6,671	5,867
Charged to the consolidated statements of income	3,101	2,753
Actual payments	121	69
Balance at the end of the year	6,671	5,867
<b>17. Minority interests</b>		
a. Minority interests in the net assets of subsidiaries:	3,403	13,121
PT Anugrah Lever – percentage of ownership 35%	2,685	9,334
Carrying amount – beginning of the year	6,374	5,793
Share of net profit – current year	(3,689)	3,541
PT Technopia Lever – percentage of ownership 49%	718	3,787
Carrying amount – beginning of the year	1,718	4,641
Share of net loss – current year	(1,000)	(854)

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	2007	2006
<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:	(4,689)	2,687
PT Anugrah Lever	(3,689)	3,541
PT Technopia Lever	(1,000)	(854)
<b>18. Share capital</b>	<b>76,300</b>	<b>76,300</b>
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 June 30, 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.		

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	2007	2006																								
As of June 30, 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.																										
<b>19. Capital paid in excess of par value</b>	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.																										
<b>20. Balance arising from restructuring transactions between entities under common control</b>	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)																								
<b>21. Dividends</b>																										
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	953,750	915,600																								
Company	953,750	915,600																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Date of payment</th> <th style="width: 15%;">Dividend per share (full amount Rupiah)</th> <th style="width: 25%;">2007</th> <th style="width: 40%;">2006</th> </tr> </thead> <tbody> <tr> <td>Final dividend 2006</td> <td style="text-align: right;">125</td> <td style="text-align: right;">953,750</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Final dividend 2005</td> <td style="text-align: right;">120</td> <td style="text-align: right;">-</td> <td style="text-align: right;">915,600</td> </tr> </tbody> </table>	Date of payment	Dividend per share (full amount Rupiah)	2007	2006	Final dividend 2006	125	953,750	-	Final dividend 2005	120	-	915,600													
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	2007	2006
<b>22. Appropriated retained earnings</b>	15,848	16,435

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").

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".

<b>23. Net Sales</b>	6,176,661	5,537,487
Domestic	5,952,857	5,291,860
Export	223,804	245,627

No individual customer had total transactions of more than 10% of net sales.

The Company's sales to related parties amounted to Rp 180,645 and Rp 170,773 for the years ended June 30, 2007 and 2006, respectively, which represent 2.92% and 3.08% of total net sales respectively.

The details of sales to related parties are as follows:	180,645	170,773
Unilever Australia Ltd.	66,912	42,673
Unilever (Malaysia) Holdings Sdn. Bhd.	45,447	55,373
Unilever Singapore Pte. Ltd.	17,749	20,998
Unilever Taiwan Ltd.	15,571	15,989
Unilever Thai Trading Ltd.	10,588	10,043
Unilever New Zealand Ltd.	7,235	10,951
Unilever Hongkong Ltd.	4,771	2,405
PT Diversey Indonesia	3,068	2,803
Unilever Philippines, Inc.	2,510	2,725
Unilever Gulf Free Zone Establishment Arabia	2,184	-
Unilever Thai Holding Ltd.	1,004	-
Unilever Japan Beverage K.K.	922	1,685
Unilever Market Development South Africa	504	1,480
Others (respective individual less than Rp 1,000)	2,180	3,648

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	<b>2007</b>	<b>2006</b>
<b>24. Cost of goods sold</b>	3,063,802	2,759,384
The components of cost of goods sold are as follows:		
Raw materials		
- At the beginning of the year	266,526	274,590
- Purchases	2,681,308	2,500,581
	2,947,834	2,775,171
- At the end of the year	(307,108)	(285,216)
Raw materials used	2,640,726	2,489,955
Direct labour	116,024	87,801
Depreciation	42,052	27,653
Manufacturing overheads	178,962	123,176
Total production costs	2,977,764	2,728,585
Work in process		
- At the beginning of the year	21,019	10,985
- At the end of the year	(16,866)	(14,798)
Cost of goods manufactured	2,981,917	2,724,772
Finished goods		
- At the beginning of the year	489,109	478,889
- Purchase	104,753	-
- At the end of the year	(511,977)	(444,277)
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 240,660 and Rp 183,138 for the years ended June 30, 2007 and 2006 respectively, which represent 8.98% and 7.32% respectively of the total purchases.		
Purchases of raw materials and finished goods from related parties comprise:		
	240,660	183,138
Unilever China Ltd.	74,558	78,550
PT Technopia Jakarta	65,669	58,045
Unilever Thai Holdings Ltd.	54,939	7,882
Hindustan Lever Ltd.	17,033	8,416
Lipton Ltd. Kenya	13,698	11,176
Unilever Deutschland GmbH	5,956	7,595
Best Foods Shandong Ltd.	3,115	2,015
Unilever (Malaysia) Holdings Sdn. Bhd.	2,985	5,105
Unilever Srilanka Ltd.	-	2,609
Others (respective individual less than Rp 1,000)	2,707	1,745

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	<b>2007</b>	<b>2006</b>
<b>25. a. Marketing and selling expenses</b>	1,274,667	1,215,706
Advertising, promotion and research	754,630	737,985
Distribution costs	285,906	262,781
Remuneration	152,759	143,128
Employee benefits	18,450	11,763
Travelling and representation	16,659	13,794
Rents	10,450	12,451
Telecommunications	7,727	5,674
Depreciation of fixed assets	7,721	5,916
Others (respective individual less than Rp 10,000)	20,365	22,214
<b>b. General and administration expenses</b>	352,576	313,900
Service fees	205,588	175,933
Remuneration	61,948	60,920
Rents	22,229	19,105
Consultants fees	21,101	8,537
Travelling and representation	8,052	5,942
Employee benefits	7,853	5,007
Telecommunications	7,386	12,328
Amortisation of intangible asset	7,379	6,745
Depreciation of fixed assets	5,402	5,700
Education and training	4,966	1,309
Others (respective individual less than Rp 10,000)	672	12,374
<b>26. Employee costs</b>	330,731	291,849
<p>The number of permanent employees of the Company as of June 30, 2007 and 2006 were 3,416 and 3,346 respectively.</p> <p>As at June 30, 2007 and 2006, the subsidiaries (PT Anugrah Lever and PT Technopia Lever) had no permanent employees.</p>		
<b>27. Basic earnings per share</b>		
Net income attributable to the shareholders	1,053,724	877,885
Weighted average number of outstanding shares (in thousands)	7,630,000	7,630,000
Basic earnings per share (full amount Rupiah)	138	115

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:

	<b>2007</b>	
	Foreign currency	Million Rupiah
<b>Assets</b>		
Cash and cash equivalents	USD 6,748,077	61,023
	EUR 1,698,087	20,683
Trade debtors		
- Third parties	USD 461,056	4,169
- Related parties	USD 5,347,766	48,360
Amounts due from related parties	AUD 5,483	42
	EUR 2,768,795	33,724
	SGD 207,339	1,224
	USD 136,860	1,238
		170,463
<b>Liabilities</b>		
Trade creditors		
- Third parties	AUD 140,933	1,083
	CHF 683	5
	EUR 182,216	2,219
	GBP 460,361	8,337
	JPY 2,453,850	180
	SGD 86,250	509
	THB 461,661	121
	USD 6,999,039	63,292
- Related parties	AUD 76,882	591
	EUR 69,857	851
	THB 9,738,621	2,549
	USD 4,714,931	42,637
Other liabilities	EUR 110,411	1,345
	GBP 3,200	58
	SEK 65,000	86
	SGD 55,327	326
	USD 245,511	2,220
Amounts due to related parties	EUR 18,650	227
	GBP 9,010	163
	SGD 77,020	455
	THB 41,684	11
	USD 6,948,982	62,840
		190,105
Excess of liabilities over assets denominated in foreign currencies		19,642

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

	<b>2006</b>		
	<u>Foreign currency</u>		<u>Million Rupiah</u>
<b>Assets</b>			
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
			<u>211,668</u>
<b>Liabilities</b>			
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
			<u>176,368</u>
Excess of liabilities over assets denominated in foreign currencies			<u>35,300</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.

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**29. Significant commitments and contingent liabilities**

a. The Company had commitments to purchase fixed assets and raw materials amounting to Rp 104,413 and Rp 863,428 respectively as of June 30, 2007 (2006: Rp 49,152 and Rp 634,318 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:

	<b>2007</b>	<b>2006</b>
	USD (in thousands)	USD (in thousands)
Building rental commitments	1,600	2,625
Payable within		
1 year	1,061	1,025
2 – 4 years	539	1,600
Computer lease commitments	29,942	14,776
Payable within		
1 year	9,825	4,753
2 – 4 years	20,117	10,023

c. The Company had revolving credit facilities at June 30, 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 June 30, 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 June 30, 2007 and 2006.

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**30. Reclassification of accounts**

The following reclassification of accounts of the 2006 consolidated financial statements were made to be consistent with the presentation of the 2007 consolidated financial statements:

- Prepaid tax amounting to Rp 42,878 in periode 2006 was reclassified from tax payable to prepaid tax.
- Amount due from related parties amounting to Rp 23,740 in periode 2006 was reclassified to prepaid expense.
- Loss on sale of fixed asset amounting to Rp 1,189 in periode 2006 was reclassified from cost of goods sold.