PT UNILEVER INDONESIA TBK AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005
(UNAUDITED)

Contents

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2006 AND 2005

(UNAUDITED)

(Expressed in million Rupiah)

	Notes	2006	2005
CURRENT ASSETS			
Cash and cash equivalents	2d, 4	1,030,051	560,259
Trade debtors			
(Net of allowance for doubtful accounts of Rp 1,579 in 2006 and Rp 7,808 in 2005)			
- Third parties	2g, 5	808,693	817,644
- Related parties	2c, 5	54,628	54,228
Other debtors	2f, 6	27,893	28,816
Inventories	2h, 7	789,810	693,903
(Net of provision for obsolete and unused/slow moving stocks of Rp 39,371 in 2006 and Rp 26,368 in 2005)			
Prepaid taxes	2o, 14c	46,109	5,536
Prepaid expenses	2m, 9	70,479	37,088
Total Current Assets		2,827,663	2,197,474
NON-CURRENT ASSETS			
Amounts due from related parties	2c, 8c	7,355	19,028
Deferred tax assets, net	2o, 14b	37,142	56,984
Fixed assets	2i, 10a	1,632,907	1,384,600
(Net of accumulated depreciation of Rp 396,767 in 2006 and Rp 338,181 in 2005)			
Intangible assets	2k, 11	162,439	170,729
(Net of accumulated amortisation of Rp 77,969 in 2006 and Rp 63,790 in 2005)			
Other assets	2m, 12	64,953	59,684
Prepaid pension expense	2p, 17	33,529	12,748
Total Non-current Assets		1,938,325	1,703,773
TOTAL ASSETS		4,765,988	3,901,247

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2006 AND 2005

(UNAUDITED)

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

	Notes	2006	2005
CURRENT LIABILITIES			
Trade creditors			
- Third parties	13	824,577	482,714
- Related parties	2c, 13	97,950	56,173
Taxes payable	2o, 14d	202,214	94,699
Dividend payable	22	15,239	13,461
Accrued expenses	15	746,233	659,126
Other payable	2f, 16	69,196	54,273
Total Current Liabilities		1,955,409	1,360,446
NON-CURRENT LIABILITIES			
Amounts due to related parties	2c, 8d	78,326	73,322
Employee benefit obligations	2p, 17	89,020	64,824
Total Non-current Liabilities		167,346	138,146
MINORITY INTERESTS	18	11,405	14,448
EQUITY			
Share capital (Authorised, issued and fully paid-up: 7,630,000,000 common shares at par value of Rp 10 per share for 2006 and 2005)	2r, 19	76,300	76,300
Capital paid in excess of par value	2r, 20	15,227	15,227
Fixed assets revaluation reserve	2i, 10b	287,593	287,593
Balance arising from restructuring transactions between entities under common control	2c, 21	80,773	80,773
Appropriated retained earnings	23	16,929	15,848
Unappropriated retained earnings		2,155,006	1,912,466
Total Equity		2,631,828	2,388,207
TOTAL LIABILITIES AND EQUITY		4,765,988	3,901,247

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

(UNAUDITED)

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

	Notes	2006	2005
NET SALES	2n, 24	8,669,090	7,609,797
COST OF GOODS SOLD	2n, 25	(4,331,082)	(3,871,964)
GROSS PROFIT		4,338,008	3,737,833
OPERATING EXPENSES		(2,390,163)	(2,043,175)
Marketing and selling expenses	2n, 26a	(1,912,719)	(1,608,463)
General and administration expenses	2n, 26b	(477,444)	(434,712)
OPERATING INCOME		1,947,845	1,694,658
OTHER INCOME/(EXPENSES)		20,856	26,310
Loss on disposals of fixed assets	2i, 10d	(1,050)	(1,973)
Gain/(loss) on foreign exchange, net	2e	(2,985)	4,127
Interest income		24,891	24,156
PROFIT BEFORE INCOME TAX		1,968,701	1,720,968
Income tax expense	2o, 14a	(593,755)	(521,771)
INCOME BEFORE MINORITY INTERESTS		1,374,946	1,199,197
MINORITY INTERESTS IN NET (GAIN) OF SUBSIDIARIES	18b	(1,531)	(15)
NET INCOME		1,373,415	1,199,182
BASIC EARNINGS PER SHARE	2t, 28	180	157

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

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

(Expressed in million Rupiah)

	Notes	Share capital	Capital paid in excess of par value	Fixed assets revaluation reserve	Balance arising from restructuring transactions between entities under common control	Appropriated retained earnings	Unappropriated retained earnings	Total
Balance at December, 31 2004		76,300	15,227	287,593	80,773	15,848	1,782,706	2,258,447
Net income for the year		-	-	-	-	-	1,199,182	1,199,182
Actuarial loss		-	-	-	-	-	(1,222)	(1,222)
Dividends	22	-	-	-	-	-	(1,068,200)	(1,068,200)
Balance at September, 30 2005		76,300	15,227	287,593	80,773	15,848	1,912,466	2,388,207
Balance at December, 31 2005		76,300	15,227	287,593	80,773	16,442	1,697,191	2,173,526
Net income for the year		-	-	-	-	-	1,373,415	1,373,415
Return of unclaimed dividends		-	-	-	-	487	-	487
Dividends	22	-	-	-	-	-	(915,600)	(915,600)
Balance at September, 30 2006		76,300	15,227	287,593	80,773	16,929	2,155,006	2,631,828

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

PT UNILEVER INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SEPTEMBER 30, 2006 AND 2005

(UNAUDITED)

(Expressed in million Rupiah)

	Notes	2006	2005
Cash flows from operating activities			
Receipts from customers		8,897,543	7,765,652
Payments to suppliers		(6,279,717)	(5,627,100)
Payments of directors and employees remuneration		(462,834)	(363,754)
Payments of employee benefits	17	(29,521)	(30,577)
Payments of service fees		(264,088)	(209,518)
Cash from operations		1,861,383	1,534,703
Receipts of interest income		24,891	24,156
Payments of loans to employees		(6)	(13,798)
Payments of corporate income tax		(438,459)	(585,512)
Net cash flows provided from operating activities		1,447,809	959,549
Cash flows from investing activities			
Payments for the acquisition of fixed assets	10a	(200,795)	(95,168)
Proceeds from the sale of fixed assets	10d	2,752	1,183
Net cash flows used in investing activities		(198,043)	(93,985)
Cash flows from financing activities			
Dividends paid	22	(916,160)	(1,072,050)
Net cash flows used in financing activities		(916,160)	(1,072,050)
Net decrease in cash and cash equivalents		333,606	(206,486)
Effect of exchange rate changes on cash and cash equivalents		(8,924)	(17,710)
Cash and cash equivalents at the beginning of the year		705,369	784,455
Cash and cash equivalents at the end of the year	2d, 4	1,030,051	560,259

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

(Expressed in million Rupiah, unless otherwise stated)

1. General

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

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

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

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

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

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

The Company commenced commercial operations in 1933.

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

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

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

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

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

	Country of domicile	Year of commercial operation commenced	Percentage of ownership		Total assets in Rp billion	
			2006	2005	2006	2005
PT Anugrah Lever	Indonesia	2001	65%	65%	59,4	69,1
PT Technopia Lever	Indonesia	2002	51%	51%	25,5	51,5

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

Board of Commissioners

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

Board of Directors

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

2. Summary of Significant Accounting Policies

The consolidated financial statements of PT Unilever Indonesia Tbk and subsidiaries (collectively "the Group") were prepared by the Board of Directors and completed on October 30, 2006.

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

a. Basis of preparation of the consolidated financial statements

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

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

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

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires the use of estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

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

b. Principles of consolidation

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

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

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

c. Related party transactions

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

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

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

d. Cash and cash equivalents

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

e. Foreign currencies translation

Transactions denominated in foreign currencies are translated into Indonesian Rupiah at the exchange rates prevailing at the date of the transaction. Year end balances of monetary assets and liabilities in foreign currencies are translated into Indonesian Rupiah at the exchange rates prevailing at the balance sheet date. Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognised in the consolidated statements of income. The balance sheet date rates used to translate foreign currency balances as of September 30, 2006 and 2005 were Rp 9,225 (full amount Rupiah) and Rp 10,290 (full amount Rupiah) for US Dollar 1, respectively. As a comparison, the middle rates of Citibank, with whom the Company negotiates most of its foreign currency transactions were Rp 9,229 (full amount Rupiah) and Rp 10,290 (full amount Rupiah) for US Dollar 1 as at September 30, 2006 and 2005, respectively.

f. Derivative financial instruments

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

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

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 revaluated amount to their residual values over their estimated useful lives as follows:

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

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

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

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

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

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

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

k. Intangible assets

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

l. Research and development

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

m. Prepaid expenses

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

n. Revenue and expenses

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

Expenses are recognised on an accrual basis.

o. Taxation

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

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

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

p. Employee benefits

- ***Short-term employee benefit obligations***

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

- ***Pension benefit obligations***

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

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

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

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

- ***Post-employment medical benefit obligations***

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

- ***Other post-employment and long-term benefit obligations***

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

- ***Bonus scheme***

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

Change in accounting policy

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

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

q. Share matching plan

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

(Expressed in million Rupiah, unless otherwise stated)

r. Share and capital paid in excess of par value

Common shares are classified as equity. Capital paid in excess of par value is the difference betw een 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 w hen the dividend payment w as declared by the shareholders.

t. Basic earnings per share

Basic earnings per share is computed by dividing net income w ith the w eighted average number of outstanding shares. There are no convertible securities, options or w arrants that w ould give rise to a dilution of the earnings per share.

u. Segment information

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

3. Restatements of the consolidated financial statements

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

	Before restatement	After restatement	Adjustment
Consolidated balance sheets			
Deferred tax assets	40,597	56,984	16,387
Prepaid pension expense	19,118	12,748	6,370
Employee benefits obligation	16,570	64,824	48,254
Unappropriated retained earnings	1,950,703	1,912,466	38,237

The impact to the consolidated financial statements for the period end September, 30 2006 is an increase in deffered tax asset by Rp 16,387, a decrease in the prepaid pension expense by Rp 6,370, an increase in employee benefits obligation by Rp 48,254 and a decrease in an unappropriated retained earnings by Rp 38,237, respectively.

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
4. Cash and cash equivalents	1,030,051	560,259
Cash on hand	520	302
Cash in banks		
Third parties – Rupiah:		
Deutsche Bank AG	69,160	62,660
HSBC	58,043	-
ABN AMRO Bank N.V.	34,018	20,915
PT Bank Lippo Tbk	27,224	16,996
PT Bank Mandiri (Persero) Tbk	26,100	15,401
PT Bank Central Asia Tbk	11,585	11,132
PT Bank Negara Indonesia (Persero) Tbk	4,606	4,119
Citibank N.A.	4,555	14,069
Others (respective individual balances less than Rp 1,000)	1,120	1,338
Third parties – US Dollars:		
Citibank N. A.	19,153	47,816
ABN AMRO Bank N. V.	921	169
Deutsche Bank AG	115	291
Third parties – Euro:		
Citibank N.A	14,424	239
ABN AMRO Bank N. V.	4,397	22,761
Deutsche Bank AG	2,985	351
Time deposits (maturity within three months):		
Third parties – Rupiah:		
PT ANZ Panin Bank	215,000	-
Standard Chartered Bank	165,000	-
Citibank N. A	150,000	-
PT Bank Mandiri (Persero) Tbk	90,000	30,000
PT Bank Lippo Tbk	85,000	-
ABN AMRO Bank N. V.	-	20,000
PT Bank Rabobank International Indonesia	-	20,000
Third parties – US Dollars:		
PT ANZ Panin Bank	46,125	123,480
PT Bank Mandiri (Persero) Tbk	-	61,740
Citibank N. A	-	41,160
PT Bank Mizuho Indonesia	-	20,580
Third parties – Euro:		
PT Bank Rabobank International Indonesia	-	24,740

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

	2006	2005
Rupiah	8,8% - 14,50%	7,00% - 10,00%
US Dollars	3,45% - 5,25%	3,30% - 4,00%
Euro	1,25% - 3,00%	1,80% - 1,90%

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

5. Trade debtors

	2006	2005
Third parties:	808,693	817,644
Rupiah	788,633	793,342
US Dollars	21,639	32,110
Less: Allowance for doubtful accounts	(1,579)	(7,808)

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

Third party trade debtors denominated in US Dollars comprise receivables from foreign customers.

	2006	2005
Related parties:	54,628	54,228
Unilever Australia Ltd.	18,777	20,661
Unilever (Malaysia) Holdings Sdn. Bhd.	8,618	14,696
Unilever New Zealand Ltd.	6,662	6,215
Unilever Taiwan Ltd.	5,777	3,960
Unilever Thai Trading Ltd.	3,862	-
Unilever Singapore Pte. Ltd.	3,548	2,754
Unilever Philippines, Inc.	2,974	341
PT Diversey Indonesia	2,214	1,488
Unilever Hongkong	862	-
Unilever Thai Holdings Ltd.	160	1,834
Unilever Market Development South Africa	-	1,321
Others (respective individual balances less than Rp 1,000)	1,174	958

	2006	2005
Aging analysis of trade debtors is as follows:	863,321	871,872
Current	821,314	827,785
Overdue 1 – 30 days	42,007	44,087

	2006	2005
Movements in the allowance for doubtful accounts are as follows:	(1,579)	(7,808)
Allowance for doubtful accounts – beginning	(4,998)	(6,118)
Reversal of/(provision for) allowance for doubtful accounts	2,957	(1,690)
Doubtful debts written off	462	-
Allowance for doubtful accounts – ending	(1,579)	(7,808)

Based on a review of the status of accounts receivable at the end of the year, management believe that the allowance for doubtful accounts is adequate to cover possible losses arising from the non-collection of accounts.

6. Other debtors

	2006	2005
6. Other debtors	27,893	28,816
Loans to employees (Note 8e)	13,069	20,080
Advances	12,278	8,139
Others (respective individual balances less than Rp 1,000)	2,546	597

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.

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

At September, 30 2006, the Company had forward foreign exchange contracts in US Dollars and Euro. The purchases of US Dollars will mature in October and November 2006. The purchases of Euro will mature in October 2006. The notional amount of the contracts as at September, 30 2006 was USD 18,000,000 and EUR 4,000,000 (2005: USD 10,000,000). The forward rates of the contracts range from Rp 9,163 (full amount Rupiah) to Rp 9,275 (full Amount Rupiah) per USD 1 and Rp 11,823 (full amount Rupiah) to Rp 11,805 (full amount) per Euro 1.

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

	2006	2005
7. Inventories	789,810	693,903
Finished goods	479,709	438,666
Work in process	17,840	16,544
Raw materials	216,091	189,069
Goods in transit	95,409	51,686
Spare parts	20,132	24,306
Provision for obsolete and unused/slow moving stocks	(39,371)	(26,368)

	2006	2005
Movements in the provision for obsolete and unused/slow moving stocks are as follows:	(39,371)	(26,368)
Beginning balance	(22,468)	(23,247)
Changes during the year:		
Amounts provided	(39,256)	(25,687)
Amounts written off	22,353	22,566
Ending balance	(39,371)	(26,368)

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

As of September 30, 2006 and 2005 inventories owned by the Company and subsidiaries are insured against the risk of loss due to natural disaster, fire and other risks with a total coverage of Rp 584,776 and Rp 543,373, respectively. Management believe the amounts are adequate to cover possible losses arising from such risks.

(Expressed in million Rupiah, unless otherwise stated)

8. Related party transactions

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

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

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

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

- Bestfoods Shandongs Ltd.
- Hindustan Lever Ltd.
- Lipton Ltd. Kenya
- PT Anugrah Setia Lestari
- PT Kimberly Lever Indonesia
- PT Technopia Jakarta
- Unilever (China) Investing Company Ltd.
- Unilever Deutschland GmbH
- Unilever (Malaysia) Holdings Sdn. Bhd.
- Unilever Philippines, Inc.
- 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 Business Group Services B.V.	Affiliated company	Payments for regional services/reimbursements of regional research costs paid by the Company
- Unilever N.V.	Ultimate shareholder of Unilever group	Royalty payments
- PT. Anugrah Setia Lestari	Affiliated company	Manufacturing fees

· Hindustan Lever Ltd.	Affiliated company	Expense reimbursements
· PT Kimberly Lever Indonesia	Affiliated company	Expense reimbursements
- Unilever India Shared Services	Affiliated company	Expense reimbursements
- Unilever United Kingdom Central Resources	Affiliated company	Expense reimbursements
- Unilever United States, 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') companies which is valid until a date that is yet to be determined, whereby KLI appointed the Company as its exclusive distributor of KLI's products sold in Indonesia.

The Subsidiaries

i. On March 1, 2001 PT AL entered into a manufacturing agreement with PT Anugrah Setia Lestari ("PT ASL"), whereby PT ASL provided assistance in the production, packaging and storing of PT AL's products.

ii. On July 17, 2002 PT Technopia Lever ("PT TL") entered into a manufacturing agreement with PT Technopia Jakarta, to appoint PT Technopia Jakarta to manufacture, pack, store and supply PT TL's products exclusively for PT TL in Indonesia. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.

iii. On July 17, 2002 PT TL entered into a technology transfer agreement with Fumakilla Malaysia Berhad ("Fumakilla") and PT Technopia Jakarta ("Technopia"), in which Fumakilla agreed to grant PT TL and Technopia a license to use technical information and know-how in connection with the manufacturing, development and use of products, on the terms and conditions set forth in this agreement. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.

iv. On July 17, 2002 PT TL entered into a trademark license agreement with Unilever N.V., under which PT TL is entitled to use the "Domestos Nomos" trademark in Indonesia in connection with the manufacturing, packaging, advertising and sales of these products in Indonesia. The initial term of this agreement is for a period of 10 years and can be extended for further period of 5 years.

v. On July 17, 2002 PT TL entered into a management service agreement with Texchem Resources Berhad ("Texchem"). Under this agreement. PT TL agrees to accept Texchem's assistance in managing its business within Indonesia. This agreement covers a period of five years, unless terminated in accordance with the provisions specified in the agreement. PT TL shall pay Texchem a monthly management fee as specified in the agreement.

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
Expenses charged by related parties:	293,114	259,383
Service fee to Unilever N.V.	159,370	143,368
Service fee to UBGS	118,764	106,841
Manufacturing and other fees to PT ASL	14,980	9,174
As percentage to total operating expenses and cost of goods sold	4,35%	4,38%

Refer to Notes 24 and 25 for details of sales and purchases of goods and services to/from related parties.

All transactions with related parties are conducted on the same terms and conditions as those with non-related parties.

	2006	2005
c. Amounts due from related parties	7,355	19,028
PT Kimberly Lever Indonesia	6,897	18,011
Others (respective individual balances less than Rp 1,000)	458	1,017
As percentage to non-current assets	1,51%	1,12%

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

	2006	2005
d. Amounts due to related parties	78,326	73,322
Unilever N.V.	70,311	59,960
Unilever United States, Inc	4,319	2,455
Unilever India Shared Service	1,303	-
Unilever United Kingdom Central Resources	510	6,610
Hindustan Lever Ltd.	-	1,768
Others (respective individual balances less than Rp 1,000)	1,883	2,529
As percentage to non-current liabilities	46,80%	53,08%
e. Employee loans to key management personnel	8,187	6,346
Loans:		
- Current	13,069	20,080
- Non-current	30,263	28,282
	43,332	48,362
Less: employee loans to non-key management personnel	35,145	42,016
As percentage to currents assets	0.29%	0.29%

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
f. Salaries and allowances of the Boards of Commissioners and Directors.	21,693	16,453
Included in the Board of Directors remuneration package are housing and vehicle facilities.		
As a percentage to total employee costs	4,61%	3,73%

g. The share matching plan

A summary of the share matching plan is as follows:

	2006		2005	
	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	1,230,255	-	1,252,638	-
Shares granted:				
- Unilever N.V.	1,183	631,263	223	627,836
- Unilever PLC	8,020	92,984	1,551	90,269
- PT Unilever Indonesia Tbk	200,978	4,850	55,497	3,680
Shares forfeited/expired:	(29,971)	3,675	(35,239)	3,675
Balance at September 30	1,410,465		1,274,670	

	2006	2005
9. Prepaid expenses	70,479	37,088
Rents	24,516	11,467
Advertising expenses	26,081	5,885
IT Consultant	-	5,889
Insurance	4,268	4,422
Others (respective individual balances less than Rp 1,000)	15,614	9,425

(Expressed in million Rupiah, unless otherwise stated)

10. Fixed Assets

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

	Balance December 31, 2005	Additions	Transfers	Disposals	Balance September 30, 2006
Direct ownership					
At cost (inclusive of revaluation increments):					
Land	108,980	2,850	-	-	111,830
Buildings	300,157	76	3,854	-	304,087
Machinery and equipment	1,255,847	33,088	66,066	(5,435)	1,349,566
Motor vehicles	49,722	3,857	-	(4,615)	48,964
Construction in progress	124,223	160,924	(69,920)	-	215,227
Total	1,838,929	200,795	-	(10,050)	2,029,674
Accumulated depreciation:					
Buildings	(33,365)	(5,250)	-	-	(38,615)
Machinery and equipment	(291,337)	(50,236)	-	3,081	(338,492)
Motor vehicles	(18,568)	(4,259)	-	3,167	(19,660)
Total	(343,270)	(59,745)	-	6,248	(396,767)
Net book value	1,495,659				1,632,907

	Balance December 31, 2004	Additions	Transfers	Disposals	Balance September 30, 2005
Direct ownership					
At cost (inclusive of revaluation increments):					
Land	64,945	757	-	-	65,702
Buildings	270,156	282	27,727	(149)	298,016
Machinery and equipment	1,146,330	9,229	85,127	(12,499)	1,228,187
Motor vehicles	41,102	6,637	-	(3,372)	44,367
Construction in progress	121,100	78,263	(112,854)	-	86,509
Total	1,643,633	95,168	-	(16,020)	1,722,781

(Expressed in million Rupiah, unless otherwise stated)

	Balance December 31, 2004	Additions	Transfers	Disposals	Balance September 30, 2005
Accumulated depreciation:					
Buildings	(26,712)	(5,228)	-	7	(31,933)
Machinery and equipment	(252,519)	(46,856)	-	10,544	(288,831)
Motor vehicles	(16,000)	(3,731)	-	2,314	(17,417)
T o t a l	(295,231)	(55,815)	-	12,865	(338,181)
Net book value	1,348,402				1,384,600

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

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

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
d. The calculation of the loss on disposals of fixed assets is as follows:		
Loss on disposal of fixed assets	(1,050)	(1,973)
Gain/(loss) on sale of fixed assets	580	(1,412)
Acquisition costs	6,937	14,242
Accumulated depreciation	(4,765)	(11,647)
Net book value	2,172	2,595
Proceeds	2,752	1,183
Gain/(loss) on sale of fixed assets	580	(1,412)
Loss on fixed assets written off	(1,630)	(561)
Acquisition costs	3,113	1,779
Accumulated depreciation	(1,483)	(1,218)
Net book value	1,630	561
Loss on fixed assets written off	(1,630)	(561)
e. Construction in progress as of September 30:	215,227	86,508
Buildings	49,210	-
Machinery and equipment	166,017	86,508

The percentage of completion for construction in progress in 2006 is 78% (2005: 75%) of the contract value.

	2006	2005
f. Depreciation expense was allocated as follows:	59,745	55,815
Cost of goods manufactured	41,969	42,754
Operating expenses	17,776	13,061

g. The Group's fixed assets have been insured against the risk of loss with total coverage of USD 166 million and Rp 43,141 (2005: USD 174 million and Rp 41,866) which was considered adequate by management to cover possible losses arising from such risks.

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

Period end September, 30 2006:

	Insured amounts			Net book value of fixed assets
	USD million	Rp million equivalent	Rp million	Rp million
Buildings, machinery and equipment	166	1,530,926	-	1,276,546
Motor vehicles	-	-	43,141	29,304
	166	1,530,926	43,141	1,305,850

(Expressed in million Rupiah, unless otherwise stated)

Period end September, 30 2005:

	Insured amounts			Net book value of fixed assets
	USD million	**Rp million equivalent**	**Rp million**	**Rp million**
Buildings, machinery and equipment	174	1,793,568	-	1,205,439
Motor vehicles	-	-	41,866	26,950
	174	1,793,568	41,866	1,232,389

	2006	**2005**
11. Intangible assets	162,439	170,729
Cost	240,408	234,519
Less: Accumulated amortisation	(77,969)	(63,790)
Amortisation expense	10,117	11,880

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

The software intangible assets were acquired in 2005 and 2004.

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

	2006	**2005**
12. Other assets	64,953	59,684
Loans to employees	30,263	28,283
Prepaid rent	22,420	19,797
Refundable deposits	11,174	11,604
Others (respective individual balances less than Rp 1,000)	1,096	-

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
13. Trade creditors		
Third parties:	824,577	482,714
- Rupiah	702,256	390,206
- Foreign currencies	122,321	92,508
Related parties:	97,950	56,173
PT Kimberly Lever Indonesia	27,522	7,654
Unilever (China) Investing Company Ltd.	20,873	23,964
Lipton Ltd. UK	15,358	12,134
Unilever Vietnam	11,722	-
Unilever Thai Holdings Ltd.	6,755	-
Hindustan Lever Ltd.	5,185	2,335
Unilever Deutschland GmbH	4,470	4,769
Unilever Foods (Malaysia) Sdn. Bhd.	3,469	3,211
Others (respective individual balances less than Rp 1,000)	2,596	2,106
Aging analysis of trade payables is as follows:	922,527	538,887
Current	869,912	513,087
Overdue 1 – 30 days	52,615	25,800

These balances arise from the purchases of raw materials, technical materials and supplies.

	2006	2005
14. Taxation		
a. Income tax expense		
The Group	593,755	521,771
Current	609,591	509,618
Deferred	(15,836)	12,153
The Company	587,280	521,371
Current	603,144	509,368
Deferred	(15,864)	12,003
The Subsidiaries	6,475	400
Current	6,447	250
Deferred	28	150

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	**2005**
A reconciliation between profit before income tax as shown in the consolidated financial statements and the Company's estimated taxable income for the Period ended September 30, 2006 and 2005 are as follows:		
Consolidated profit before income tax	1,968,701	1,720,968
Net loss/(gain) from subsidiaries before income tax	(13,873)	(984)
Profit before income tax – the Company	1,954,828	1,719,984
Temporary differences:		
Provisions	84,965	22,335
Difference between commercial and fiscal depreciation of fixed assets' and amortisation of intangible assets	(65,001)	(68,912)
Employee benefit obligations	32,916	15,914
Permanent differences:		
Interest and rental income subject to final tax	(38,314)	(24,156)
Non-deductible expenses	40,909	31,304
Tax assessments on 1999 and 2004 fiscal years	237	(827)
Taxable income – the Company	2,010,540	1,695,642
The Company		
Corporate income tax – current year	603,144	509,368
Less: prepaid income tax	(439,692)	(453,121)
Income tax payable	163,452	56,247
The Subsidiaries		
Corporate income tax – current year	6,447	250
Less: prepaid income tax	-	(3,222)
Income tax (overpayment)/payable	6,447	(2,972)
The Group		
Corporate income tax – current year	609,591	509,618
Less: prepaid income tax	(439,692)	(456,343)
Income tax payable	169,899	53,275

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
The reconciliation between the Company's income tax expense and the theoretical tax amount on the Company's profit before income tax are as follows:		
Profit before income tax	1,954,828	1,719,984
Income tax expense	587,280	521,371
Tax calculated at progressive rates:	586,431	515,979
Interest and rental income subject to final tax	(11,494)	(9,502)
Non-deductible expenses	12,273	11,646
	-	(248)
Deferred tax	-	3,496
Tax assessments on 1999 and 2004 fiscal years	70	-
b. Deferred tax assets	37,142	56,984

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

	December 31, 2005	Credited/(charged) to the consolidated statement of income	September 30, 2006
Deferred tax assets - the Group	21,305	15,837	37,142
Deferred tax assets - the Company:			
- Provisions	58,511	35,064	93,575
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(53,563)	(19,499)	(73,062)
- Employee benefit obligations	16,348	299	16,647
	21,296	15,864	37,160
Deferred tax assets - the subsidiary, net	9	(27)	(18)

	December 31, 2004	Credited/ (charged) to the consolidated statement of income	September 30, 2005
Deferred tax assets - the Group	68,613	(11,629)	56,984
Deferred tax assets - the Company:			
- Provisions	71,083	6,699	77,782
- Difference between commercial and fiscal net book value of fixed assets and intangible assets	(23,203)	(23,477)	(46,680)
- Employee benefit obligations	20,433	5,299	25,732
	68,313	(11,479)	56,834
Deferred tax assets - the subsidiary, net	300	(150)	150

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

Management believes that the Company's deferred tax assets as at September 30, 2006 will be realised in the foreseeable future.

As at September 30, 2006 deferred tax assets of PT Technopia Lever (the subsidiary) which are mainly derived from carried forward tax losses amounting to Rp 19,739 (2005: Rp 19,402) have not been booked due to the uncertainty of their realisation in the foreseeable future.

	2006	2005
c. Prepaid taxes	46,109	5,536
The Company:	34,159	-
Corporate income tax	34,159	-
The Subsidiaries:	11,950	5,536
Corporate income tax	5,160	-
Value added tax	6,790	5,536
d. Taxes payable	202,214	94,699
The Company:	194,533	97,026
- Corporate income tax	163,452	56,247
- Employee income tax Article 21	10,924	8,730
- Value added tax	12,915	26,455
- Withholding taxes Articles 23/26	7,242	5,594
The Subsidiaries	7,681	(2,327)
- Corporate income tax	6,447	(2,972)
- Value added tax	93	-
- Employee income tax Article 21	4	1
- Withholding taxes Articles 23/26	1,137	644

e. Tax assessments

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

As at the date of the completion of these consolidated financial statements, the Company is being audited by the tax authorities for 2000 value added tax and 2001 withholding taxes, and also for all taxes relating to the 2002 and 2003 fiscal years.

f. Administration

Under the taxation laws of Indonesia, the Group submits its tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within ten years from the date the tax becomes due.

	2006	2005
15. Accrued expenses	746,233	659,126
Sales and promotion expenses	517,041	367,481
Employee expenses	148,772	167,255
ULI Peduli Foundation	10,412	14,328
Insurance	8,228	25,611
Others (respective individual balances less than Rp 10,000)	61,780	84,451

	2006	2005
16. Other liabilities	69,196	54,273
Consultants fees and other services	43,075	43,968
Technical parts	19,755	6,279
Others (respective individual balances less than Rp 10,000)	6,366	4,026

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

17. Employee benefit obligations

The Company

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.

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.

Employee benefits recognised in the consolidated balance sheets consist of:

	2006	2005
Prepaid pension expense	33,529	12,748
Employee benefit obligations	89,020	64,824
Post-employment medical benefit obligations	29,291	35,457
Other post-employment and long-term benefit obligations	59,729	29,367

	2006	2005
The net amounts recognised in the consolidated statements of income were as follows:	41,744	20,415
Pension benefits	25,155	16,741
Post-employment medical benefits	3,539	2,476
Other post-employment and long-term benefits	13,050	1,198

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

- Pension benefits

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

	2006	2005
Present value of funded obligations	426,875	347,161
Fair value of plan assets	(455,485)	(355,827)
	(28,610)	(8,666)
Unrecognised actuarial losses	(1,583)	(1,748)
Unrecognised past service cost	(2,336)	(2,334)
Prepaid pension expense	(33,529)	(12,748)

	2006	2005
Pension benefits expense consist of the following components:	25,155	16,741
Current service cost	21,950	17,508
Interest cost	31,080	22,615
Expected return on plan assets	(31,794)	(25,716)
Actuarial losses recognised during the year	1,583	-
Past service cost	2,336	2,334

Of the total charge, Rp 16,223 (2005: Rp 10,958) and Rp 8,932 (2005: Rp 5,783) were included in cost of goods sold and operating expenses respectively.

The actual return on plan assets was Rp 42,869 (2005: Rp 41,237).

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

	2006	2005
Balance at the beginning of the year	(29,163)	(12,117)
Charged to the consolidated statements of income	25,155	29,946
Contributions paid	(29,521)	(30,577)
Balance at the end of the year	(33,529)	(12,748)

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

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

(Expressed in million Rupiah, unless otherwise stated)

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

- Post-employment medical benefits

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

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

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

	2006	**2005**
The amounts recognised in the consolidated balance sheets are determined as follows:		
Present value of unfunded obligations	29,291	35,457
Unrecognised actuarial gains	-	-
Post-employment medical benefits	29,291	35,457
The amounts recognised in the consolidated statements of income were as follows:	3,539	2,476
Current service cost	1,020	392
Interest cost	2,519	2,084

Of the total charge, Rp 2,282 (2005: Rp 1,621), and Rp 1,257 (2005: Rp 855) were included in cost of goods sold and operating expenses respectively.

(Expressed in million Rupiah, unless otherwise stated)

	2006	**2005**

The movements in the post-employment medical benefit obligations recognised in the consolidated balance sheets are as follows:

	2006	2005
Balance at the beginning of the year	31,076	32,981
Charged to the consolidated statements of income	3,539	2,476
Actual payments	(5,324)	-
Balance at the end of the year	29,291	35,457

- Other post-employment and long-term benefits

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.

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

	2006	2005
Present value of unfunded obligations	59,729	29,637
Unrecognised actuarial losses	-	-
Other post-employment and long-term benefits obligation	59,729	29,637

	2006	2005
The amounts recognised in the consolidated statements of income were as follows:	13,050	1,198
Current service cost	8,816	842
Interest cost	4,129	356
Actuarial (gains)/losses recognised during the year	69	2,184

Of the total charge, Rp 8,416 (2005: Rp 784) and Rp 4,634 (2005: Rp 414), were included in cost of goods sold and operating expenses respectively.

The movements in the post-employment and long-term benefit obligations recognised in the consolidated balance sheet are as follows:

	2006	2005
Balance at the beginning of the year	52,583	47,245
Charged to the consolidated statements of income	13,050	1,198
Actual payments	(5,904)	(19,076)
Balance at the end of the year	59,729	29,367

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
18. Minority interests		
a. Minority interests in the net assets of subsidiaries:	11,405	14,448
PT Anugrah Lever – percentage of ownership 35%	10,468	9,387
Carrying amount – beginning of the year	5,793	12,559
2004 interim dividend paid to PT Anugrah Indah Pelangi	(560)	(3,850)
Share of net profit – current year	5,235	678
PT Technopia Lever – percentage of ownership 49%	937	5,061
Carrying amount – beginning of the year	4,641	5,724
Share of net loss – current year	(3,704)	(663)

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

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
b.Minority interests in the net gain/(loss) of the subsidiaries:	1,531	15
PT Anugrah Lever	5,235	678
PT Technopia Lever	(3,704)	(663)
19. Share capital	76,300	76,300
Authorised, issued and fully paid-up by:		
Maatschappij voor Internationale Beleggingen (Mavibel) B.V. Rotterdam, Netherlands: 6,484,877,500 shares, with par value of Rp 10 per share (full amount Rupiah).	64,849	64,849
Public (listed on the Jakarta Stock Exchange and Surabaya Stock Exchange): 1,145,122,500 shares, with par value of Rp 10 per share (full amount Rupiah).	11,451	11,451

At September 30, 2006, 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 September 30, 2006 and 2005, Director who held the Company's public shares is Mr. Josef 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.

	2006	2005
20. 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.

	2006	2005
21. Balance arising from restructuring transactions between entities under common control	80,773	80,773
Total equity excluding accumulated deficit of PT Knorr Indonesia	85,173	85,173
Purchase price of PT Knorr Indonesia's shares	(4,400)	(4,400)

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

22. Dividends

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

	2006	2005
The Group	916,160	1,072,050
The Company	915,600	1,068,200

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

	2006	2005
The Subsidiaries (PT AL)	560	3,850

	Payment dates	Dividend per share (full amount Rupiah)	Payments in 2006	Payments in 2005
Final dividend 2005	July 28 , 2006	160,000	560	-
Final dividend 2004	May 23 , 2005	300,000	-	1,750
Interim dividend 2004	March 15 , 2005	300,000	-	2,100

	2006	2005
Dividend payable	15,239	13,461

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
23. Appropriated retained earnings	16,929	15,848

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").

Return of unclaimed dividends amounting to Rp 487 in 2006 respectively is included in appropriated retained earnings as decided by management in line with the Company Law.

	2006	2005
24. Net Sales	8,669,090	7,609,797
Domestic	8,285,870	7,181,552
Export	383,220	428,245

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

The Group's sales to related parties amounted to Rp 266,761 and Rp 277,342 for the Period ended September 30, 2006 and 2005, respectively, which represent 3.08% and 3.59% of total net sales respectively.

	2006	2005
The details of sales to related parties are as follows:	266,761	273,342
Unilever Australia Ltd.	76,989	78,938
Unilever (Malaysia) Holdings Sdn. Bhd.	71,290	76,048
Unilever Singapore Pte, Ltd.	30,010	22,314
Unilever Taiwan Ltd.	27,047	10,584
Unilever New Zealand Ltd.	19,448	19,307
Unilever Thai Trading Ltd	16,212	-
Unilever Philippines, Inc.	9,323	37,292
Unilever Hongkong Ltd.	3,285	2,991
Unilever Market Development South Africa	2,447	11,672
Unilever Japan Beverage K.K.	2,409	1,811
Unilever Thai Holdings Ltd	1,363	10,808
Others (respective individual balances less than Rp 1,000)	6,938	1,577

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005
25. Cost of goods sold	4,331,082	3,871,964

The components of cost of goods sold are as follows:

	2006	2005
Raw materials		
- At the beginning of the year	274,590	191,872
- Purchases	3,901,390	3,544,170
	4,175,980	3,736,042
- At the end of the year	(308,540)	(238,692)
Raw materials used	3,867,440	3,497,350
Direct labour	139,360	145,696
Depreciation	41,969	42,762
Manufacturing overheads	294,326	205,940
Total production costs	4,343,095	3,891,748
Work in process		
- At the beginning of the year	10,985	8,454
- At the end of the year	(17,840)	(16,545)
Cost of goods manufactured	4,336,240	3,883,657
Finished goods		
- At the beginning of the year	478,889	426,973
- At the end of the year	(484,047)	(438,666)

No purchases from individual supplier were made in excess of 10% of total Group's purchases.

The Group's purchases from related parties, amounted to Rp 246,843 and Rp 172,129 for the Period ended September 30, 2006 and 2005 respectively, which represent 6.32% and 4.86% respectively of the total purchases.

	2006	2005
Purchases of raw materials from related parties comprise:	246,843	172,129
PT Anugrah Setia Lestari	85,499	64,285
PT Kimberly Lever Indonesia	72,814	50,385
Unilever (China) Investing Company Ltd	24,885	22,787
PT Technopia Jakarta	15,275	18,305
Lipton Ltd. Kenya	12,251	7,982
Unilever Thai Holdings Ltd.	7,609	-
Unilever Vietnam	6,317	-
Hindustan Lever Ltd.	6,253	6,367
Unilever Deutschland GmbH.	6,185	-
Unilever (Malaysia) Holdings Sdn. Bhd.	4,870	-
Unilever Srilanka Ltd.	2,537	-
Bestfoods Shandong Ltd.	1,222	-
Unilever Philippines, Inc.	-	1,149
Others (respective individual balances less than Rp 1,000)	1,126	869

	2006	2005
26. a. Marketing and selling expenses	1,912,719	1,608,463
Advertising, promotion and research	1,175,943	986,648
Distribution costs	409,378	295,211
Remuneration	241,473	204,982
Travelling and representation	21,103	18,280
Rents	18,553	14,214
Telecommunications	10,259	11,060
Depreciation of fixed assets	9,091	5,066
Repair & Maintenance	8,845	8,211
Others (respective individual balances less than Rp 10,000)	18,074	64,791
b. General and administration expenses	477,444	434,712
Service fees	278,133	250,209
Remuneration	101,646	89,971
Rents	29,714	27,021
Employee benefits	18,739	16,741
Telecommunications	18,116	14,569
Travelling and representation	9,525	6,855
Depreciation of fixed assets	8,685	7,995
Consultants fees	5,853	8,417
Education and training	4,673	6,576
Repair & Maintenance	1,717	2,603
Others (respective individual balances less than Rp 10,000)	643	3,755
27, Employee costs	482,479	440,649

The number of permanent employees of the Company as of September 30, 2006 and 2005 were 3,127 and 3,010 respectively.

As at September 30, 2006 and 2005, the subsidiaries (PT Anugrah Lever and PT Technopia Lever) had no permanent employees.

28. Basic earnings per share

	2006	2005
Net income attributable to the shareholders	1,373,415	1,199,182
Weighted average number of outstanding shares (in thousands)	7,630,000	7,630,000
Basic earnings per share (full amount Rupiah)	180	157

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

(Expressed in million Rupiah, unless otherwise stated)

29. Assets and liabilities denominated in foreign currencies

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

	2006		
	Foreign currency		Million Rupiah
Assets			
Cash and cash equivalents	USD	7,188,530	66,314
	EUR	1,865,353	21,806
Trade debtors			
- Third parties	USD	2,345,658	21,639
- Related parties	USD	5,681,714	52,414
Amounts due from related parties	USD	31,481	290
			162,463
Liabilities			
Trade creditors			
- Third parties	CAD	1,100	9
	CHF	1,476	11
	EUR	299,407	3,500
	GBP	583,466	10,065
	JPY	8,800,000	688
	THB	70,708	17
	USD	9,709,594	89,571
- Related parties	AUD	137,427	945
	EUR	387,795	4,533
	THB	759,809	187
	USD	7,020,404	64,763
Other liabilities	AUD	424	3
	EUR	125,788	1,470
	GBP	3,694	64
	PHP	40,127	7
	SEK	162,169	204
	SGD	241,190	1,390
	THB	3,535,585	869
	USD	1,566,586	14,452
Amounts due to related parties	AUD	1,364	9
	GBP	29,583	510
	SGD	39,028	227
	THB	11,374	3
	USD	13,006,470	119,985
			313,482
Excess of liabilities over assets denominated in foreign currencies			151,019

(Expressed in million Rupiah, unless otherwise stated)

	2005		
	Foreign currency		Million Rupiah
Assets			
Cash and cash equivalents	USD	28,692,999	295,251
	EUR	3,079,316	38,091
Trade debtors			
- Third parties	USD	3,120,493	32,110
- Related parties	USD	5,125,340	52,740
Amounts due from related parties	USD	98,798	1,017
			419,209
Liabilities			
Trade creditors			
- Third parties	AUD	72,966	571
	EUR	142,398	1,761
	GBP	435,791	7,892
	USD	7,996,474	82,284
- Related parties	AUD	89	1
	EUR	385,536	4,769
	USD	4,251,650	43,750
Other liabilities	CHF	4,282	34
	EUR	4,571	57
	MYR	6,463	18
	THB	4,782,926	1,200
	USD	138,512	1,425
Amounts due to related parties	AUD	4,465	35
	EUR	53,298	659
	GBP	367,830	6,661
	SGD	69,700	424
	THB	8,902	2
	USD	6,369,254	65,541
			217,084
Excess of assets over liabilities denominated in foreign currencies			202,125

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

(Expressed in million Rupiah, unless otherwise stated)

	2006	2005

30. Significant commitments and contingent liabilities

a. The Company had commitments to purchase fixed assets amounting to Rp 52,747 and Rp 43,200 respectively as of September, 30 2006 and 2005 respectively.

b. Building rental and computer lease ("operating lease") commitments in 2006 and 2005 are as follows:

	USD (in thousands)	USD (in thousands)
Rent of office building		
Payable within		
1 year	1,034	998
2 – 4 years	1,340	2,374

	Rupiah (in millions)	Rupiah (in millions)
Lease of computer		
Payable within		
1 year	3,448	-
2 – 4 years	9,995	-

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

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

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

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

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

As at September 30, 2006, the Company did not use the facilities from the above mentioned banks, except that ABN AMRO Bank had paid Rp 28,691 (2005: Rp 15,154) to certain suppliers of the Company. The liabilities arising from this facility was recorded in "Trade creditors".

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

31. Other important agreements

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

32. Reclassification of accounts

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

- Other liabilities – sales and promotion expenses amounting to Rp 271,752 in 2005 was reclassified to Accrued expenses.

- Prepaid pension expense, deferred tax asset and employee benefits obligation amounting to Rp 38,237 in 2005 was reclassified to unappropriated retained earnings.