

## DISCLOSURE TO SHAREHOLDERS

IN COMPLYING WITH CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY BOARD REGULATION (BAPEPAM-LK) NO. IX.E.2 ON MATERIAL TRANSACTION AND CHANGE IN MAIN BUSINESS ACTIVITIES AND NO. IX.E.1 ON AFFILIATE TRANSACTION AND CONFLICT-OF-INTEREST TRANSACTION AND FINANCIAL SERVICES AUTHORITY REGULATION NO.32/PFSA.04/2014 ON PLANNING AND CONVENING OF GENERAL MEETING OF SHAREHOLDERS OF PUBLICLY LISTED COMPANY



**PT UNILEVER INDONESIA Tbk**  
**("THE COMPANY")**  
**Having its registered domicile at Tangerang Regency**

**Line of Business:**

The company is engaged in manufacturing and distribution of consumption goods which include soap, detergent, margarine, dairy based products, ice cream, food and beverage products and cosmetic products.

**Head Office:**  
**Grha Unilever**

*Green Office Park Kav. 3*  
*Jalan BSD Boulevard Barat, BSD City*  
*Tangerang*  
15345  
Indonesia  
Telephone: (021) 80827000  
Facsimile: (021) 80827002  
[www.unilever.co.id](http://www.unilever.co.id)

This Disclosure contains information on Proposed Loan Facility to be conducted between the Company and Unilever Finance International AG, Switzerland ("UFI"), as affiliate of the company (hereinafter referred to as "The Proposed Loan Facility")

Board of Directors and Board of Commissioners of the Company declares that the Proposed Loan Facility is an Affiliate Transaction and is not a Conflict of Interest Transaction as set out in the Regulation No. IX.E.1. Since the aggregate funding for

The Proposed Loan Facility may exceed 50% (fifty percent) of the Company's Equity, therefore, subject to the provisions of number 2 letter b Regulation IX.E.2, it is a Material Transaction which requires consent of the shareholders of the Company resolved at the extraordinary general meeting of shareholders ("GMS") of the Company.

Board of Directors and Board of Commissioners of the Company assume full responsibility for the accuracy of the information contained in This Disclosure and if any, additional information to be published no later than 2 (two) business days prior to the date of the GMS Company and further confirms that, after examining the information provided in relation to the Proposed Loan Facility, hereby represents that, to the best of knowledge and belief of the Board of Directors and Board of Commissioners of the Company, no important or other material information pertinent to the Proposed Loan Facility is omitted in This Disclosure which may cause This Disclosure to be inaccurate and or misleading.

This Disclosure is issued in Tangerang Regency on May 8, 2017

### **INTRODUCTION**

This Disclosure is made in relation to the Proposed Loan Facility to be effected by the Company which is a Material Transaction required to be consented to or approved by the General meeting of shareholders ("GMS"), as defined in Regulation No. IX.E.2, and is an Affiliate Transaction as defined in Regulation No. IX.E.1. In connection with the above, the Board of Directors of the Company publishes this Disclosure with the aim to provide information and description in more detail to the shareholders of the Company on the Proposed Loan Facility.

In compliance with Regulation No. IX.E.2, the Board of Directors of the Company is required to publish this Disclosure at least in one daily Indonesian newspapers published nationwide to provide information to the shareholders of the Company on The Proposed Loan Facility to be entered by the Company which requires to be consented to or approved by GMS of the Company. This disclosure forms the basis for the Shareholders of the Company to give its approval in respect of the Proposed Loan Facility to be proposed by the Company at the GMS.

## **I. BRIEF DESCRIPTION OF THE COMPANY**

### **A. Brief History of the Company**

The Company was established on December 5 1933 under the name of Lever's Zeepfabrieken N.V. pursuant to Deed No. 23 Mr. A.H. van Ophuijsen, Notary Public in Batavia, approved by Gouverneur Generaal van Nederlandsch-Indie by letter No.14 dated December 16 1933, registered with Raad van Justitie di Batavia No. 302 on December, 22 1933 and announced in Supplement No.3 to Javasche Courant of January 9, 1934.

The name of the Company was changed to "PT Unilever Indonesia" by Deed No. 171 dated July 22, 1980 by Notary Public Mrs. Kartini Muljadi, S.H. On

November 16 1981 the Company was permitted by the Head of Capital Market Agency (Bapepam) No.SI-009/PM/E/1981 to offer 15% (fifteen percent) shares in the Stock Exchange in Indonesia. The change of name of the Company to "PT Unilever Indonesia Tbk" as approved by Deed No. 92 dated June 30 1997 by Notary Public Mr. Mudofir Hadi, S.H. The said Deed was approved by the Minister of Justice of the Republic of Indonesia by Ministerial Decree No. C2-1.049HT.01.04 TH.98 dated February 23, 1998 and announced in Supplement No. 2620 to Official Gazette No. 39 of May 15, 1998.

The Company's Articles of Association have been amended several times last by Notarial Deed No. 16 dated June 18, 2008 drawn up before Notary Public Haji Syarif Siangan Tanudjaja, S.H., on amendment to Company's Articles of Association as prescribed by Law of the Republic of Indonesia No. 40 of 2007 on Limited Liability Company. This Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by Ministerial Decree No. AHU-51473.AH.01.02.Tahun 2008 dated August 15 2008 and announced in the Supplement No. 18026 to Official Gazette Republic of Indonesia No. 75 of 16 September 2008 and last amended by Deed No. 22 dated June 20, 2016 drawn up before Notary Public Haji Syarif Siangan Tanudjaja, S.H., approved by the Ministry of Law and Human Rights by Ministerial Decree No. AHU-0011673.AH.01.02.Tahun 2016 dated June 21, 2016.

## B. Shareholding

The capital structure of the Company as of the date of this Disclosure is as follows:

Authorized Capital	:	IDR 76.300.000.000,- (seventy six billion three hundred million Rupiah) divided into 7.630.000.000 (seven billion six hundred thirty million) shares, each at nominal value of IDR 10,- (ten Rupiah).
Issued Capital	:	IDR 76.300.000.000,- (seventy six billion three hundred million Rupiah) divided into 7.630.000.000 (seven billion six hundred thirty million) shares.
Paid-Up Capital	:	IDR 76.300.000.000,- (seventy six billion three hundred million Rupiah).

The composition of the shareholders of the Company as per Shareholder Register issued by Stock Administration Bureau of the Company, PT Sharestar Indonesia as of April 30 2017 is as follows:

Shareholders	Number of Shares	Value of Shares (IDR)	%
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Unilever Indonesia Holding BV	6.484.877.500	64.848.775.000,00	85
Public	1.145.122.500	11.451.225.000,00	15
<b>Total</b>	<b>7.630.000.000</b>	<b>76.300.000.000,00</b>	<b>100</b>

**C. Company's Board**

The composition of the current members of the Board of Directors and Board of Commissioners are as follows:

Board of Directors

President Director	: Hemant Bakshi
Director	: Enny Hartati
Director	: Tevilyan Yudhistira Rusli
Director	: Annemarieke de Haan
Director	: Willy Saelan
Director	: Amparo Cheung Aswin
Director	: Vikas Gupta
Director	: Hernie Raharja
Director	: Jochanan Senf; dan
Independent Director	: Sancoyo Antarikso.

Board of Commissioners

President Commissioner	: Maurits Daniel Rudolf Lalisang
Independent Commissioner	: Cyrillus Harinowo
Independent Commissioner	: Erry Firmansyah
Independent Commissioner	: Hikmahanto Juwana
Independent Commissioner	: Mahendra Siregar

**D. Business Activities**

Subject to the Company's Articles of Association, the purpose and objective of the Company shall be to engage in manufacturing and distribution of consumption goods which include soap, detergent, margarine, dairy based products, ice cream, food and beverage products and cosmetic products. The Company may also operate as main distributor for its products and provider of research and marketing services.

**II. DESCRIPTION OF PROPOSED LOAN FACILITY****A. Object**

The object of the Proposed Loan Facility is Uncommitted Loan Facility provided by UFI to the Company to be applied by the Company for funding its capital requirements. The Proposed Loan Facility from UFI to the Company will be provided on and subject to fair and competitive terms and conditions. The Proposed Loan Facility is non-exclusive and optional for both parties, and

will not limit the rights or preclude each of the parties to enter into similar transaction with any third party.

**B. Value of Proposed Loan Facility**

Total Loan Facility offered by UFI to the Company is IDR 3 trillion in multiple draw downs and revolving for the term of Loan Facility for each draw down at minimum of 1 month and at maximum of less than 1 year for the period of 15 June 2017 – 14 June 2022 (availability period).

**C. Parties to the Proposed Loan Facility and Relationship with the Company**

The Proposed Loan Facility will be made by and between the Company and UFI, a company organized and existing under the laws of Switzerland. UFI is an affiliate of the Company, in which the ultimate shareholder of the Company and UFI is Unilever NV (Netherlands). UFI has its registered domicile and Head Office at the address below:

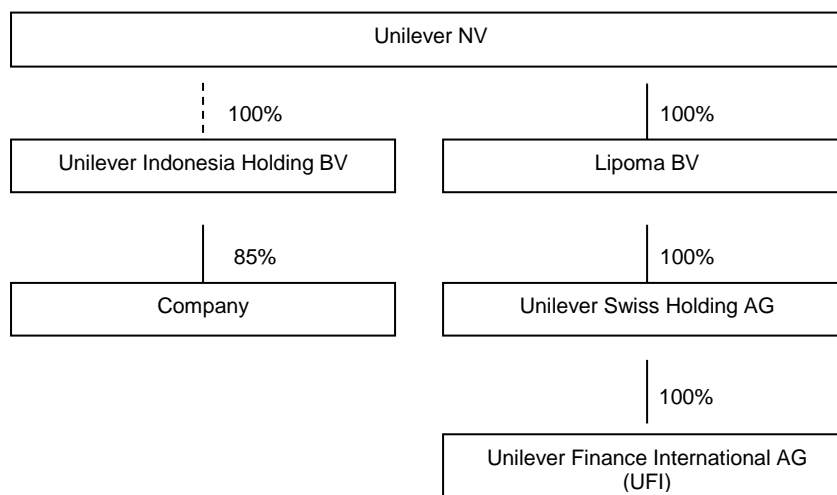
Spitalstrasse 5  
8200 Schaffhausen  
Switzerland

The current members of the Board of UFI are as follows:

Board of Director – President	: Michel Armand Pinto
Board of Director - Vice President	: Alexey Pavlov
Board of Director - Member	: Mark Longmire
Board of Director - Member	: Andreas Reschek
Director	: Annemik Gerarda Bakelaar
Director	: Leslie Manzano

**D. The Nature of Affiliation of the Parties to the Proposed Loan Facility**

The nature of affiliation of the Parties to the Proposed Loan Facility is that UFI is an affiliate of the Company, in which the ultimate shareholder of the Company and UFI is Unilever NV as illustrated below.



----- : Indirect shareholder

## E. Financial Highlights

Below is the financial highlight of the Company as per Consolidated Financial Statement for the period ended 31 December 2016 and 2015 (audited):

(in million Rupiah)

	December 31, 2016	December 31, 2015
Financial Position Statement		
Current Assets	6,588,109	6,623,114
Total Assets	16,745,695	15,729,945
Short-Term Liability	10,878,074	10,127,542
Total Liability	12,041,437	10,902,585
Equity	4,704,258	4,827,360
Profit and Loss Statement		
Net Sales	40,053,732	36,484,030
Gross Profit	20,459,096	18,648,969
Operating Expense	(11,751,435)	(10,709,568)
Operating Profit	8,707,661	7,939,401
Profit	6,390,672	5,851,805

As per GAAP applicable on financial statement.

## F. Important Conditions on Highlighted Conditions Relating to Proposed Loan Facility

Transaction Type: Uncommitted Loan Facility Agreement

Loan Facility: Up to IDR 3 trillion

Purpose of Loan: General Capital Requirements of the Company.

Term of Loan:	Each draw down for a minimum of term of 1 month and up to maximum of less than 1 year from 15 June 2017 - 14 June 2022 (availability period).
Drawdown:	Flexible, commencing from 15 June 2017 in one or multiple terms and revolving through 14 June 2022.
Interest:	At minimum of 0,15% (zero point fifteen percent) below the alternative lowest offered rate existing for the same term. Alternative Offered Rate means loan interest rate offered by up to 5 Banks, in which the Company has Loan Facility available with the bank. N/A
Security/Collateral: Limiting Conditions to the Company:	To the extent the loan is not repaid in full, the Company shall not, without the prior written consent of UFI, hypothecate, encumber, pledge or create as security substantial portion of its assets (including unissued capital), both presently and in the future, create as security financial liability of the Company or other entities (or other security or indemnity relating to the above), except such loan is secured by hypothec, encumbrance, pledge or other security interest of similar nature or as equal in the same and satisfactory manner to UFI.
Governing Law:	Laws of Switzerland

**G. Material Transaction and Affiliate Transaction**

The Proposed Loan Facility to be entered into by the Company is a Material Transaction as defined in Regulation No. IX.E.2 where the total amount of facility may exceed 50% (fifty percent) of the Company's Equity based on latest audited annual financial statement at the relevant time. Therefore, in compliance with Regulation No. IX.E.2, The Proposed Loan Facility shall be first approved by the GMS of the Company.

The Proposed Loan Facility involves affiliates of the Company, therefore the Proposed Loan Facility is considered as Affiliate Transaction as set out in Regulation No. IX.E.1 which is required to be reported to FSA no later than 2 (two) business days after the transaction occurs, however not considered as Conflict of Interest Transaction as defined in Regulation No. IX.E.1. In accordance with Regulation No. IX.E.1, Conflict of Interest Transaction is defined as any transaction with conflicting economic interest between the Company and individual Member of the Board of Directors, Member of the Board of Commissioners or ultimate shareholder which may have adverse effect on the Company.

### III. CONSIDERATIONS FOR PROPOSED LOAN FACILITY

As part of Unilever Group operating worldwide, it is highly possible for the Company to utilize the resources of the group benefiting the Company in a form of affiliate transaction, which includes financial resources of Unilever Group.

The purpose of the Company entering the Loan Facility Agreement is to have additional alternative funding source at competitive interest rate for a minimum term of 1 month and up to maximum of less than 1 year.

The benefits derived from the Proposed Loan Facility compared with the non-affiliate transaction will include saving of interest payment for UFI's lower rate than bank loan interest for equivalent term, which is expected to increase the Company's net profit.

### IV. SUMMARY OF INDEPENDENT APPRAISER'S REPORT AND OPINION

To ensure the fairness of the Proposed Loan Facility, the Company has appointed KJPP Felix Sutandar & Rekan, as the Independent Appraiser to give Fairness Opinion of the Proposed Loan Facility.

The Independent Appraiser above represents that it is affiliated, either directly or indirectly, with the Company as defined by Capital Market Law.

Below is summary of report prepared by KJPP Felix Sutandar & Rekan by letter No. FSR/FO-FS/040256/2017 dated April 27, 2017 on Fairness Opinion of the Proposed Loan Facility:

#### **Identity of Independent Appraiser**

#### **Office of Public Appraiser (KJPP)**

#### **KJPP Felix Sutandar & Rekan**

License by Minister of Finance No. 1314/KM.1/2009 dated November 23, 2009 under Operating License No. 2.09.0072 registered with Bapepam and LK (presently Financial Services Authority, FSA) as per STTD No 08/PM/STTD-P/AB/2006 issued on April 06, 2006

#### **KJPP Felix Sutandar & Rekan**

Qualification : Asset and Business Appraiser

Appraiser License : PB-1.08.00022

STTD : 08/PM/STTD-P/AB/2006

MAPPI : 81-S-00017



### **Appraisal Object**

The object of appraisal is Unsecured Proposed Loan Facility up to maximum of IDR 3 trillion from UFI to the Company.

### **Purpose of Appraisal**

This appraisal is to provide Fairness Opinion of the Proposed Loan Facility as prescribed by Bapepam and LK Regulation (presently Financial Services Authority, FSA) Number IX.E.1 on Affiliate Transaction and Conflict-of-Interest Transaction and Number IX.E.2 on Material Transaction and Change in Main Business Activities.

### **Assumptions and Limiting Conditions**

This appraisal is based on the following Assumptions and Limiting Conditions:

1. Market and economic condition, general business and monetary condition, and other government regulations on this Fairness Opinion.
2. Data and information on parties to the Proposed Loan Facility obtained from examination of relevant documents supplied by the Company.
3. Historical financial data of the Company from audited financial statement by Independent Public Accountant registered with FSA.
4. Financial Projection and assumptions from the Company and adjustments for the purpose of appraisal, as detailed in the Fairness Opinion.
5. Appraisal on the Proposed Loan Facility is not and must not be construed as analysis or audit on the procedures of financial information to disclose weaknesses in the internal control, fault, and discrepancies in the financial statement or tort.
6. Independent Appraiser is under no obligation to give testimonies or appear before any court or officials, unless with prior agreement.
7. Any costs and expenses incurred for proceeding of claims raised against the results of appraisal through no failure or omission by the appraiser shall be borne by the Company. In the case of failure or omission by the Independent Appraiser which results in claim for damages, the liability of the Independent Appraiser shall not exceed the amount of fee received.
8. Independent Appraiser Report shall be invalid if not signed by the person in charge or partner of Independent Appraiser and not affixed with the seal of Independent Appraiser.

### **Approach and Appraisal Method**

In providing the Fairness Opinion of the Proposed Loan Facility, Independent Appraiser has carried out the following analysis procedure:

1. Analysis on parties to the Proposed Loan Facility.
2. Analysis on the terms and conditions of Proposed Loan Facility.
3. Analysis on opportunity and risks relating to Proposed Loan Facility.
4. Analysis on historical financial statement of the Company to identify the financial condition of the Company before and after the Proposed Loan Facility.

5. Analysis on the impact of Proposed Loan Facility on the Financial Position and Profit and Loss of the Company.
6. Analysis on financial performance of the Company for the following 5 years.
7. Analysis on costs and/benefit from the Proposed Loan Facility for shareholders in connection with the Proposed Loan Facility.

### **Conclusion of Value and Fairness Opinion**

Based on the fairness analysis of the Proposed Loan Facility, Independent Appraiser arrives at the opinion that the Proposed Loan Facility up to maximum of IDR 3 trillion by the Company to the UFI is fair and reasonable based on the following reasons:

1. As earlier noted, the Proposed Loan Facility is Unsecured Loan Facility received by the Company from UFI up to maximum of IDR 3 trillion for a maximum term of 1 month and maximum of less than 1 year at minimum interest rate of 0,15% (zero point fifteen percent) lower than the alternative rate offered for equivalent term of loan. Alternative Lower Rate Offered is the interest rate offered by up to 5 banks where the Company has remaining Loan Facility available with the banks. UFI is an affiliate party to ULI under its main parent Unilever NV.
2. The Company receives additional alternative funding source for term of 1 month or more.
3. The Company will reduce interest expense after obtaining the loan from UFI compared with bank loan for equivalent term.
4. Before applying this facility, the Company will make comparison as to the interest of loan available whether the Bank with which the Company has Loan Facility or with UFI.
5. Based on the benefit analysis of the Proposed Loan Facility to the historical performance, the effect of financial position and financial ratio, ability of the Company to generate profit is very good so that the company has big potential to settle all existing liabilities.
6. Based on analysis on the financial projection prepared by the management, the profit generated by the Company will increase from the reduced financial expenses. Therefore, the Proposed Loan Facility is expected to have positive effect on the financial performance of the Company in the future.

### **V. STATEMENT OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS**

1. Board of Directors and Board of Commissioners of the Company represents that the Proposed Loan Facility is a Material Transaction which requires the consent of the GMS as defined in Regulation No. IX.E.1 and is an Affiliate Transaction and not a Conflict of Interest Transaction as defined in Regulation No. IX.E.1.
2. Board of Directors and Board of Commissioners of the Company assume full responsibility for the accuracy of the information contained in This Disclosure and confirms that after thoroughly examining the information available relating to the Proposed Loan Facility, hereby represents that to the knowledge and

belief of the Board of Directors and Board of Commissioners of the Company, no important and material information relating to the Proposed Loan Facility is omitted and which may cause this Disclosure to be inaccurate or misleading.

## **VI. RECOMMENDATION OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY**

After in-depth analysis assisted by the Audit Committee of the Company, Board of Directors and Board of Commissioners of the Company recommend all Shareholders of the Company to approve the Proposed Loan Facility at the GMS to be entered into on Wednesday June 14, 2017 as the Board of Directors and Board of Commissioners believes that the Proposed Loan Facility is for the best interest of the Company and its Shareholders.

## **VII. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

That in complying with Regulation IX.E.2, Affiliate and Material Transaction described above may be effected upon approval of the Shareholders of the Company. For such purpose, the Company will hold GMS on Wednesday June 14, 2017 at the Company's Head Office, Grha Unilever, Green Office Park Kav 3, Jalan BSD Boulevard Barat, BSD City, Tangerang, 15345, Indonesia.

The requirements for attendance and resolution of GMS to be convened relating to the agenda to approve Proposed Loan Facility are as follows:

- a. GMS may be convened if more than 1/2 (half) of all voting shares are present in person by proxy.
- b. GMS resolution as referred to in letter a shall be valid if approved by more than 1/2 (half) of the votes validly cast at the GMS.

## **VIII. ADDITIONAL INFORMATION**

For further information, please contact the company at the following address:

**PT UNILEVER INDONESIA Tbk**  
Grha Unilever  
Green Office Park Kav. 3  
Jalan BSD Boulevard Barat, BSD City  
Tangerang  
15345  
Indonesia  
Telephone: (021) 80827000  
Facsimile: (021) 80827002  
[www.unilever.co.id](http://www.unilever.co.id)

[UNOFFICIAL TRANSLATION]

Attn. Corporate Secretary  
Email : unvr.indonesia@unilever.com

Tangerang, May 8, 2017

**Board of Directors of the Company**