



INDOCEMENT

ANNUAL

REPORT

1995



Since its founding by the Liem Investors in 1973, Indocement's outstanding performance has enabled it to become one of Indonesia's largest and most profitable corporations.

Today, our company is a multi-business group primarily involved in cement production and food manufacturing. Both PT Indocement Tunggal Prakarsa (Indocement) and PT Indofood Sukses Makmur (Indofood), its 51%-owned subsidiary, are among the largest companies listed on the Jakarta and Surabaya Stock Exchanges.

With an annual production of almost 10 million tons, Indocement is the nation's largest cement producer. The company's high-quality cement products, distributed under its trusted Tiga Roda brandname, account for a 38% share of the national market. Construction of advanced new plants over the next three years will increase capacity by 40% while improving productivity.

Having attained the commanding heights of Indonesia's cement, flour and processed food industries, we will continue to lead in their growth.

Our Food Division, established through acquisitions in 1992, consists of Bogasari, Indonesia's largest flour producer, and Indofood, the country's largest processed food company. In July 1995, Indocement realigned this division, by spinning-off assets and business of Bogasari to Indofood. Over the next two years, Bogasari will add approximately 50% to its current flour production capacity of 2.4 million tons annually, in line with the government's emphasis on increasing consumption of flour-based foods. Indofood's instant noodles, snack foods and baby foods hold very strong market positions in their respective sectors, with a market share of approximately 90% for instant noodles and market shares in excess of 60% for snack foods and close to 60% for baby foods.

The principal asset of our Property Division, also established in 1992, is Wisma Indosemen, the Jakarta office tower in which Indocement has its corporate headquarters. Our 34% equity participation in PT Wisma Nusantara International has brought another strategically located office tower and a hotel into this division's portfolio.

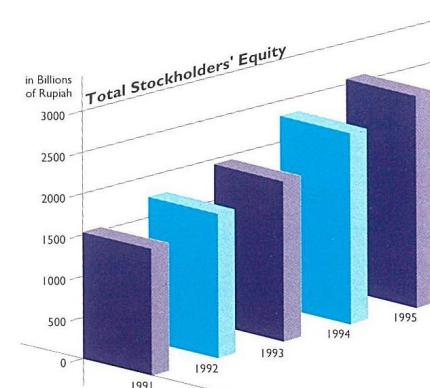
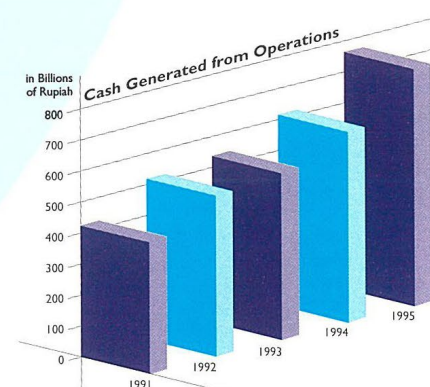
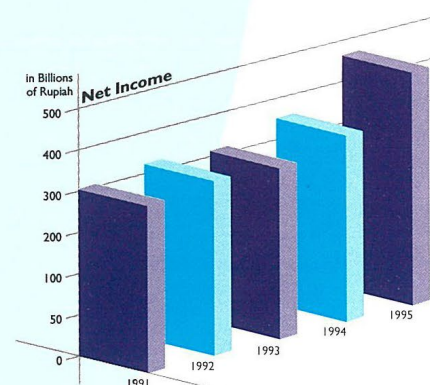
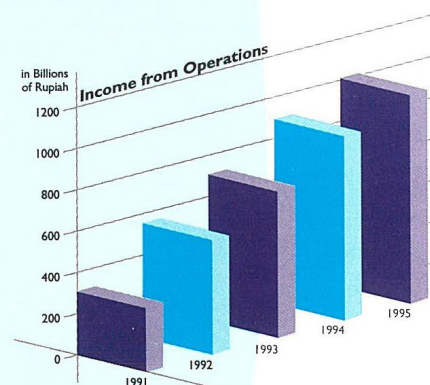
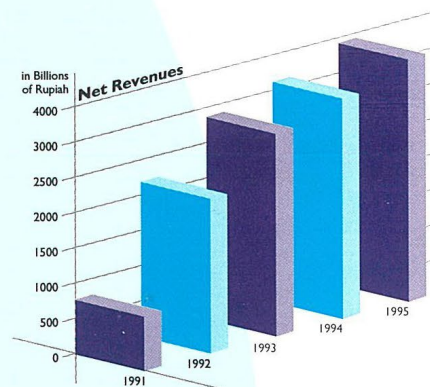
The company has over 27,000 dedicated employees in its employ as of the end of 1995.



Sudwikatmono

Our commitment to meeting the needs of the expanding Indonesian economy has translated into the sustained robust growth of our sales, earnings and stockholders' equity.

Amounts in Billions of Rupiah unless otherwise stated	1995	1994	% change
Net Revenues	3,942.3	3,388.0	16 %
Income from Operations	1,030.2	890.2	16 %
Net Income	475.9	367.8	29 %
Earnings per Share (Rp.)	394.2	306.4	29 %
Cash Generated from Operations	760.3	617.4	23 %
Capital Expenditures	1,156.4	709.7	63 %
Total Assets	8,205.0	5,556.4	48 %
Total Stockholders' Equity	2,561.6	2,278.9	12 %



Cement Division

ISO 9002 certification was formally awarded to Indocement on 29 March by representatives from SGS International Certification Services UK.

On 30 June, the Cement Division completed installation of a computerized on-line cement delivery monitoring and tracking system of 2,000 unit trucks daily for all its plants.

On 1 July, Indocement completed the sale of its Bogasari unit to subsidiary Indofood for a total of Rp. 1,887 billion.

Indocement celebrated its twentieth anniversary on 4 August, 1995.

Food Division

In January, Bogasari started construction of two production lines in Tanjung Priok and one production line in Surabaya.

In June, Indofood signed an agreement with Gerber Foods of the United States for contract manufacturing of baby foods for the Philippine market. The first shipment was made in December.

In July, Indofood's baby food plant in Padalarang was awarded ISO 9002 certification by SGS International Certification Services UK.

Indofood's instant noodle unit commissioned its ninetieth production line in October, bringing overall production capacity to 8.9 billion packs annually.

Indofood's joint venture with Myojo of Japan began production of air-noodles in November.

Indofood's International Operations started exporting its products to Brazil in December.

In 1995, Indofood extended its satellite-linked on-line transaction computer program to all its instant noodle, seasonings and packaging plants.

Property Division

The Property Division marked Wisma Indosemen's tenth anniversary in September.



The Cement Division is in the process of implementing a large-scale expansion program to increase its production capacity from 9.6 million tons to 13.4 million tons by 1998. This represents a 40% increase over three years. Two new plants are being added, one at our Cirebon site with an annual capacity of 1.3 million tons and the other, a greenfield integrated plant in South Kalimantan of 2.5 million tons.

**Our projects will require investment expenditures in excess of
US\$ 1.1 billion over the next three years.**

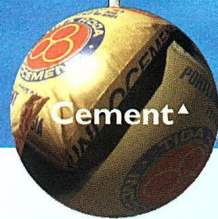
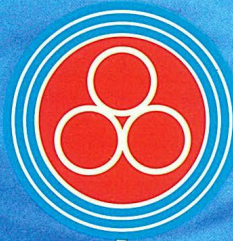
The new Cirebon plant, currently under construction, is a dry-process cement plant using a coal-fired precalciner rotary kiln system. Scheduled for completion by the end of 1996, with commercial production commencing sometime in mid-1997, this new plant costs approximately US\$ 146 million.

The Indo Kodeco Cement Project in South Kalimantan is a US\$ 499 million joint venture with 51% of shares held by PT Indocement Investama (90% owned by Indocement), 46% of shares held by Korea Development Corporation and 3% of shares held by Marubeni Corporation. Construction of this integrated plant, located near sizable deposits of limestone and coal, is expected to be completed by mid-1998, with commercial production starting by the end of 1998. This plant's strategic location will help to achieve the Cement Division's goal of increasing sales to Central and East Java and the eastern part of Indonesia.

In addition to these projects, the Cement Division is currently studying the feasibility of a new plant at its main site in Citeureup. This plant, costing approximately US\$ 200 million, would have an annual capacity of 2.5 million tons.

With the additional production lines, Indofood expects to raise its annual capacity from 8.9 billion packs to approximately 9.4 billion packs by mid-1996.

In line with its expansion program, Bogasari will also add three new flour milling lines at its Tanjung Priok complex and two more at its facilities in Surabaya by early 1997. These additional lines will increase overall production capacity by approximately 50%, from 2.4 million tons of wheat flour to 3 million tons in 1996 and 3.6 million tons by early 1997. This expansion program will have an estimated cost of US\$ 230 million.



Cement[▲]

PT Indomix Perkasa	100.0%
PT Indo Clean Set Cement	47.5%
Indocement (Cayman Island) Limited	100.0%
PT Indocement Investama (Holding Co. for PT Indo Kodeco Cement)	90.2%

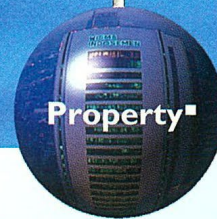
▲ Including Citeureup and Cirebon Cement Plants



Food

PT Indofood Sukses Makmur [●]	51.0%
Indofood USA Co. Inc.	51.0%
Far East Foods Sdn Bhd, Malaysia	51.0%

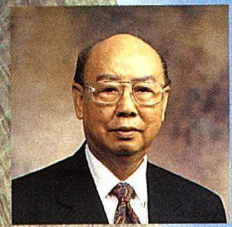
● Including Bogasari Flour Mills



Property[■]

PTCibinong Center Industrial Estate	50.0%
PT Indotek Engico	50.0%
PT Wisma Nusantara International	

■ Including Wisma Indosemen



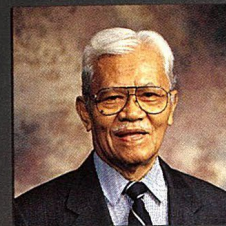
Soedono Salim



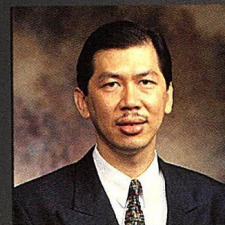
Djuhar Sutanto



The late E. Soekasah Somawidjaja



H. A. Kunaefi



Johny Djuhar



Kuntara



Andree Halim

We are pleased to report the Company's outstanding performance for 1995.

Net revenues for the year amounted to Rp. 3,942 billion, a gain of 16% over net revenues of Rp. 3,388 billion earned in 1994.

Income from operations rose by 16% from Rp. 890 billion in 1994 to Rp. 1,030 billion in 1995.

Net income jumped to Rp. 476 billion for 1995, an increase of 29% from Rp. 368 billion in 1994.

Gratifying results achieved during 1995 clearly demonstrate our ability to generate rising sales and earnings while expanding our core businesses and improving our productivity.

Indonesia's real GDP rose 8.1% in 1995, slightly faster than the 7.5% recorded in 1994. This higher growth was achieved despite the moderately tighter monetary policy imposed to curb inflationary pressures. The resulting trade-off between high economic growth and a restrained inflationary environment was sufficiently attractive to continued to attract foreign investments and contributed to the country's healthy balance of payments and a relatively stable currency.

During 1995, Indocement's major divisions showed encouraging performance. We regard this as evidence of the soundness of management policies emphasizing expansion of our core businesses through prudent capacity growth and gains in efficiency.

Last year, we undertook several key measures to further strengthen our operations and enable expansion at an exceptionally rapid pace over the next few years.

First, in line with the emphasis on growing our core businesses, we have embarked on our plan to expand substantially the production capacities of our Cement and Food Divisions over the next three years.

The Cement Division will add a total of 3.8 million tons of production capacity, an increase of 40%, over three years. At the same time, it will upgrade existing plants.

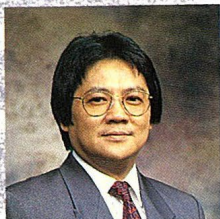
In anticipation of growth of its markets, our Food Division will increase the number of instant noodle production lines from 90 in 1995 to 94 by 1996. Meanwhile, Bogasari will increase its flour production capacity by approximately 50% or about 1.2 million tons of wheat flour within the next two years.

Second, the management teams at Indocement and Indofood have carried out the sale of Bogasari to Indofood for Rp. 1,887 billion. Our realignment of Indocement's





Sudwikatmono



Anthony Salim



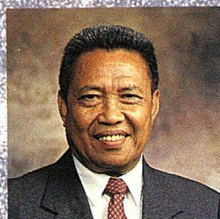
Ibrahim Risjad



Tedy Djuhar



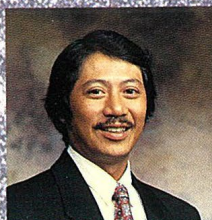
Iwa Kartiwa



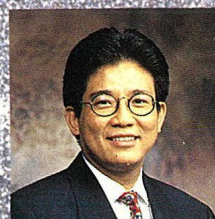
Soepardjo



Daddy Hariadi



Franciscus Welirang



Benny S. Santoso

board of **directors**



Clinker silo

corporate structure has been carefully thought through. Results for the second half of 1995 have confirmed our conviction that this realignment would be beneficial to both entities. We expect that much greater benefits will be generated through this realignment of Bogasari under Indofood once their operations begin to take full advantage of the new relationship. We thank the shareholders of both Indocement and Indofood for endorsing our view that this action will best serve the long-term interests of Indocement and Indofood.

Funds raised by the sale of Bogasari allowed Indocement to hold down net gearing while enabling its Cement Division to undertake its highly capital-intensive investment program. At the same time, the sale of such a profitable enterprise to its subsidiary means that Indocement will continue to share in the expected growth of Bogasari's earnings over the long term.

Indofood's extensive flour-based operations will continue to derive considerable synergistic benefits by integrating Bogasari's activities with its own. In addition, on purely financial grounds, the purchase of Bogasari represents a highly attractive investment by Indofood in one of the fastest growing segments of the food market.

The Cement Division

The Cement Division achieved net revenues of Rp. 1,409 billion, a 14% increase over those for 1994 despite a slight decline in overall sales volume, owing to minor technical problems affecting two of the Division's plants in Citeureup.

Reflecting better prices and a favourable sales mix of its products, the Cement Division's gross profit margin rose to a record of 50% in 1995, compared to the 49% level achieved in 1994. Income from operations, which increased 15% to Rp. 608 billion, benefited from the surge in sales revenues and improvement in gross profit margin, though a 31% rise in operating expenses rolled back some of these gains.

Sales of bulk cement accounted for 22% of total domestic sales revenues, as compared to 18% in 1994.

We are pleased to report that the Cement Division has been awarded ISO 9002 certification, affirming our standards for high-quality products and services.

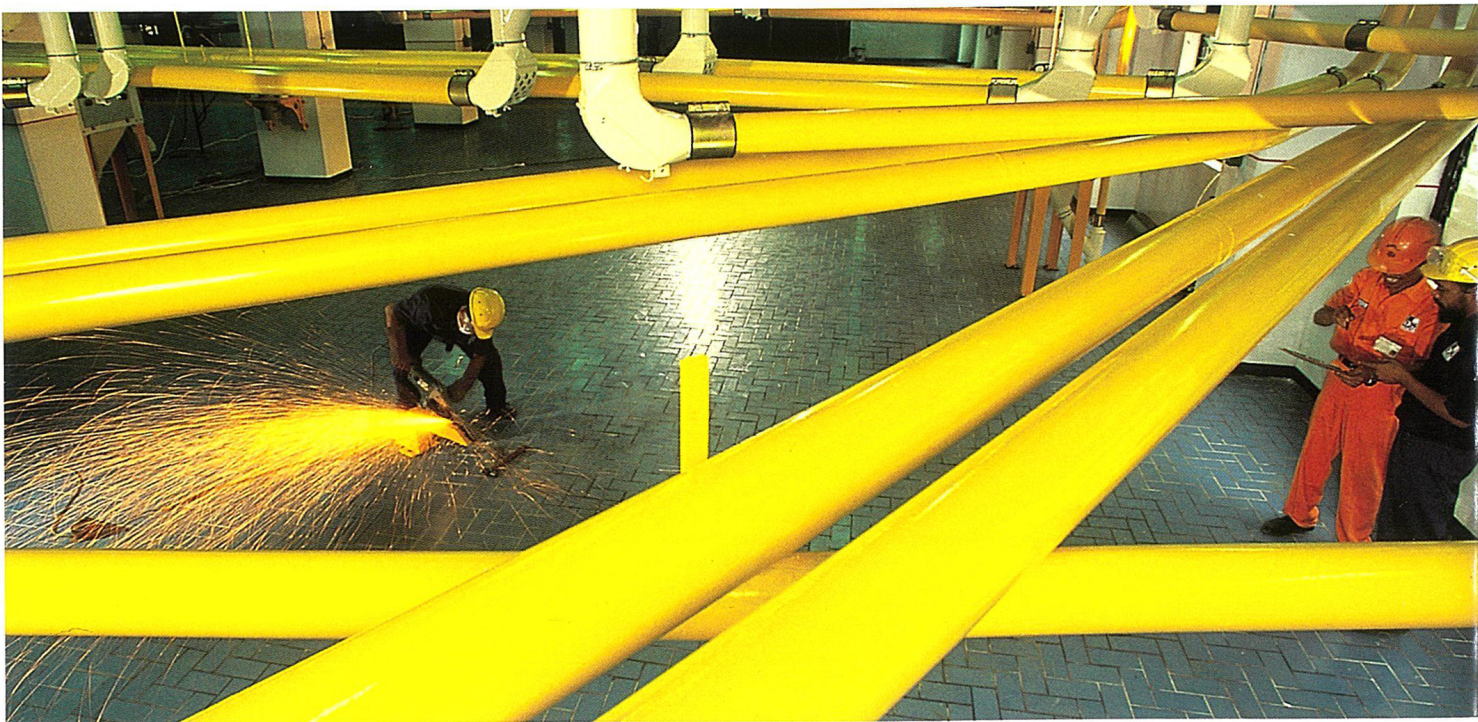
The Food Division

The Food Division's net revenues increased to a record of Rp. 2,527 billion for 1995, about 18% higher than the Rp 2,143 billion achieved in 1994. Indofood's instant noodle operations, the mainstay of the Food Division, realized net revenues of Rp. 1,366 billion, or 54% of the Food Division's total last year. Bogasari accounted for Rp. 947 billion or 38% of the division's total net revenues.

Gross profit margin for the Food Division rose in 1995, owing in part to Bogasari's margin improving to 17% last year from 15% in 1994. The Food Division's income

from operations totaled Rp. 427 billion, 17% above the Rp. 365 billion for 1994. Gains from higher net revenues and better gross profit margins were partly offset by a 22% increase in operating expenses. During 1995, the instant noodle operations and Bogasari accounted for 63% and 33% respectively of the Food Division's income from operations.

Indofood's management also chalked up other achievements in 1995. First, its baby food plant at Padalarang was awarded ISO 9002 certification and began contract manufacturing for Gerber to supply the Philippine market. Second, its snack foods unit was granted "halal" certification for all its products. Third, its seasonings unit made substantial inroads into the national soy sauce market. Fourth, its administrative unit successfully extended a satellite-based on-line transaction program for all its noodle, seasonings and packaging units.



Bogasari Flour Mills expansion project, Jakarta

The Property Division

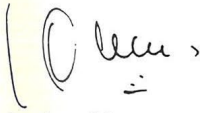
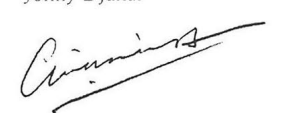
Wisma Indosemen continues to enjoy 100% occupancy. Its rental rates have been consistently above those of several newer buildings in the same vicinity. Total net revenue for the Property Division rose to Rp 6.9 billion from Rp 6.7 billion achieved in 1994.



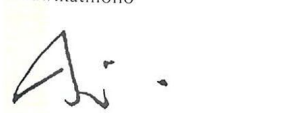
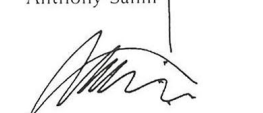
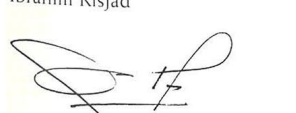
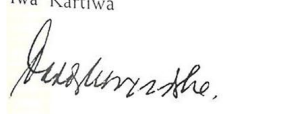
Jakarta, 17 April 1996

PT Indocement Tungal Prakarsa

Board of Commissioners

	
Soedono Salim	Djuhar Sutanto
	
H. Aang Kunaefi	Johny Djuhar
	
Kuntara	Andree Halim

Board of Directors

	
Sudwikatmono	Anthony Salim
	
Ibrahim Risjad	Tedy Djuhar
	
Iwa Kartiwa	Soepardjo
	
Daddy Hariadi	Franciscus Welirang
	
Benny S. Santoso	

The Board of Commissioners has reviewed and concurs with the Company's financial statements for the year ending 31 December 1995 as audited by Prasetyo, Utomo & Co., a member firm of Arthur Andersen & Co. SC. We now present these for your approval and endorsement at the Annual General Meeting, together with a recommendation for payment of final dividends for 1995.

Following the spin-off of Bogasari to Indofood, we have paid a special dividend of Rp. 40 per share to all shareholders in August 1995.

Outlook for the Future

With our ability to increase production capacity and to produce high-quality products economically, the company is in the position to deliver unprecedented gains and growth due to the surge in domestic demand for our products.

Two new cement plants are under construction, while a feasibility study on a third cement plant is being undertaken. The total capital expenditure needed for these new plants is estimated to be in excess of US\$ 800 million.

Indofood expects to increase its instant noodle production lines to 94 in 1996. This capital expenditure will be funded by Indofood's strong cash flow.

Now under Indofood, Bogasari is expected to raise its capacity by nearly 50% with the addition of several new milling lines. These additional lines, which represent approximately 1.1 million tons of flour production capacity, will be completed and fully commissioned by early 1997 at an estimated cost of US\$ 230 million.

Indocement intends to maintain its leading position in the cement, processed food and flour industries. We are confident that our pursuit of this strategy will translate into a steady increase in the value of our Company for Indocement shareholders.

Acknowledgements

We regret to report that Mr. Soekasah Somawidjaja, who served with distinction on the Board of Commissioners for more than a decade, passed away on 24 February 1996. We extend our condolences to his family and hope that the memory of his kindness and patience will fortify them during their period of bereavement.

To all Indocement employees, we express our sincere gratitude for their efforts and dedication. We also thank our customers, suppliers and bankers, as well as the Indonesian government, for their sustaining support.

In conclusion, we voice our deep appreciation to the company's shareholders for their continued confidence in us.



The domestic consumption of cement in Indonesia tends to track construction activity. Cement consumption is also sensitive to high interest rates. During 1995, the authorities adopted a tighter monetary position when it became apparent that an unrestrained growth in aggregate domestic demand would lead to an overheated economy. Interest rates subsequently rose throughout the year and contributed to holding down real GDP growth to 8.1%, which was mildly faster than in 1994. Growth of the construction sector was also restrained below what it would have been had interest rates not risen. As a result of these factors, domestic consumption of cement increased more slowly than had been earlier projected.

We are adding capacity to maintain the momentum of growth in our sales and profitability.

Last year, domestic demand for cement totaled 24 million tons, below projections of 25.8 million tons but still higher than the 1994 figure of 21.5 million tons. Consumption in the two key market regions of Jakarta and West Java generally tends to be far less volatile than that in other market regions. Thus, Indocement's sales, which are concentrated in these two regions, have tended to grow more steadily than overall domestic sales.

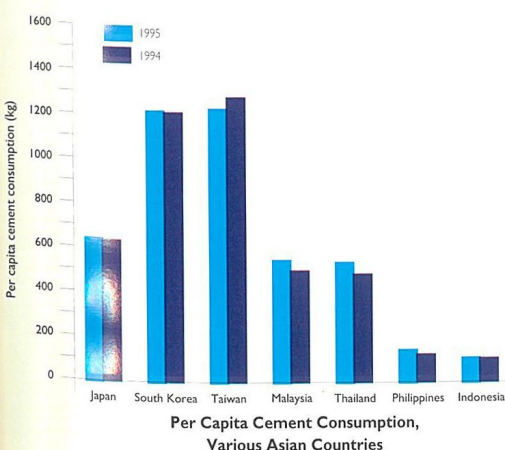
Indonesia's per capita cement consumption still has a substantial way to go before catching up with current levels in several of its neighbors and other Asian countries. Its per capita cement consumption stood at 123 kg. in 1995 (as compared to 112 kg. the previous year), substantially below consumption in the Philippines (164 kg. in 1995), Thailand (560 kg. in 1995) and Malaysia (570 kg. in 1995).

The historical pattern of growth in per capita cement consumption in Indonesia points to the likelihood that there will be continued rapid expansion over the next decade. Per capita cement consumption in Indonesia has already crossed the threshold of merely keeping up with the rise in real per capita GDP. In the last few years, it has entered that phase of development where its growth trajectory is consistently above that of the GDP level.

To meet increased demand last year, the cement industry and Indocement imported cement to supplement domestic production.

Throughout 1995, all of the Cement Division's plants were producing at close to maximum capacity. However, because of minor constraints in production, total sales volume only reached 9.4 million tons, compared to 9.6 million tons in 1994. The division's sales now account for 38% of the national cement market and 72% of the market in Jakarta and West Java.

Amounts in billions of Rupiah unless otherwise stated	1995	1994	% change
Net Revenues	1,408.5	1,238.1	14
Cement	1,376.0	1,220.6	13
Ready-mix concrete	32.5	17.5	86
Income from Operations	607.9	528.8	15
Cement	594.1	520.5	14
Ready-mix concrete	13.8	8.3	66
Cash generated from Operations	459.3	327.4	40
Capital Expenditures	248.7	275.8	(10)
Total Assets	4,401.5	2,768.7	59
Workforce (number of employees)	5,913	5,755	3



Marketing and Distribution

The West Java and Jakarta markets continue to account for 79% of the division's domestic market volume, up from 74% during 1994. The close proximity of the division's production facilities to these key markets provide a strategic advantage over our competitors. With this advantage, we can deliver our product to these markets on a more timely basis and at lower transportation costs. The division also continues to maintain its presence in Central and East Java and beyond. Its penetration of these markets will be further enhanced with the completion in mid-1998 of our joint-venture cement plant in South Kalimantan.

Only 26,375 tons of oil well and white cement, a relatively small amount of the division's total output, were exported last year.

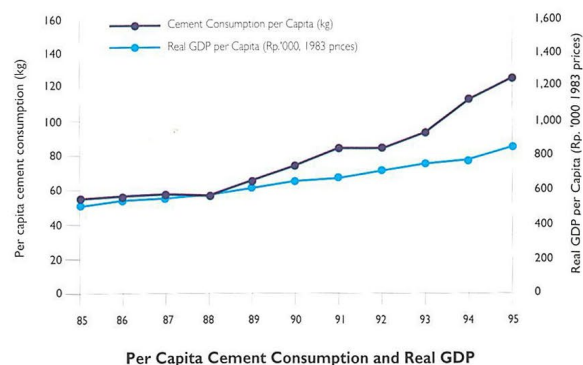
Last year, the increase in costs for materials, packaging and energy were factors in raising the average production cost for cement to Rp. 74,100 per ton, 12% higher than Rp. 65,900 per ton in 1994. This, along with higher external prices for imported cement and clinker, necessitated increases in the government's cement guideline prices in April 1995. Reflecting these factors, the division's average selling prices rose significantly, contributing to a 15% increase in domestic sales revenues to Rp. 1,387 billion for the year. Another factor making for higher average selling prices was the division's decision to improve its sales mix in favour of bulk cement. Its sales which commanded higher prices and margins, grew from 1.6 million tons in 1994 to 2 million tons in 1995.

Production and Capacity

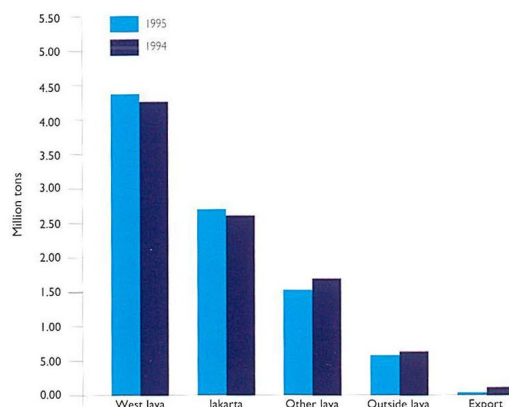
At its Citeureup complex in West Java, the Cement Division currently operates seven coal-fired and one gas-fired dry-process plants with a total annual capacity of approximately 8.3 million tons. A ninth coal-fired plant, located in Cirebon, has a capacity of 1.3 million tons annually. All plants produce Ordinary Portland Cement, except for Plant V, which produces white cement, oil well cement, and other specialty cement products.

The division produced 8.9 million tons of clinker during 1995. Cement production totaled 9.4 million tons, slightly lower than the 1994 figure because of mechanical problems which have now been rectified. Ordinary Portland Cement made up the bulk of this output at 8.9 million tons. The volume of Type II Cement also rose, whereas that of Mixed Cement declined because of low demand.

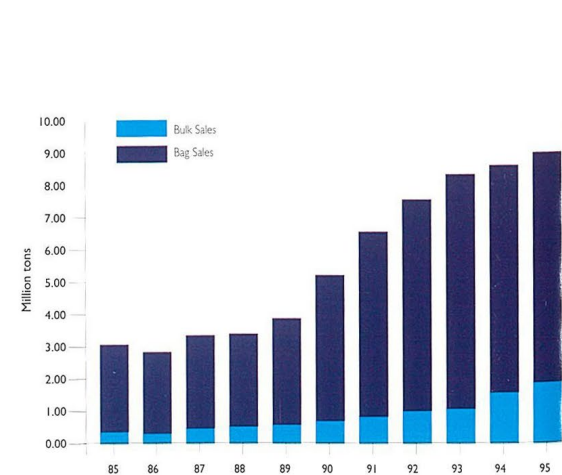
Last year, the division increased the sale of bulk cement by 23% to 2 million tons. This represented a 22% share of total domestic sales volume, compared to a 18% share in 1994. In value terms, bulk cement accounted for 22% of total domestic net revenues. Last year, we added 27 new trucks to our bulk sales delivery fleet. With 149 trucks, it is now one of the largest fleets of its kind in the country. For 1996, we expect a further 11% increase in our sales of bulk cement to 2.2 million tons.



Per Capita Cement Consumption and Real GDP



Distribution of the Cement Division's Market



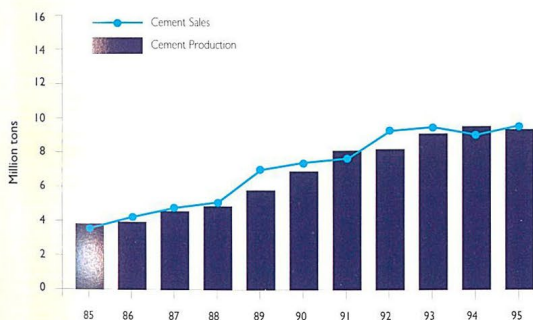
The Cement Division's Bag and Bulk Sales 1985-95



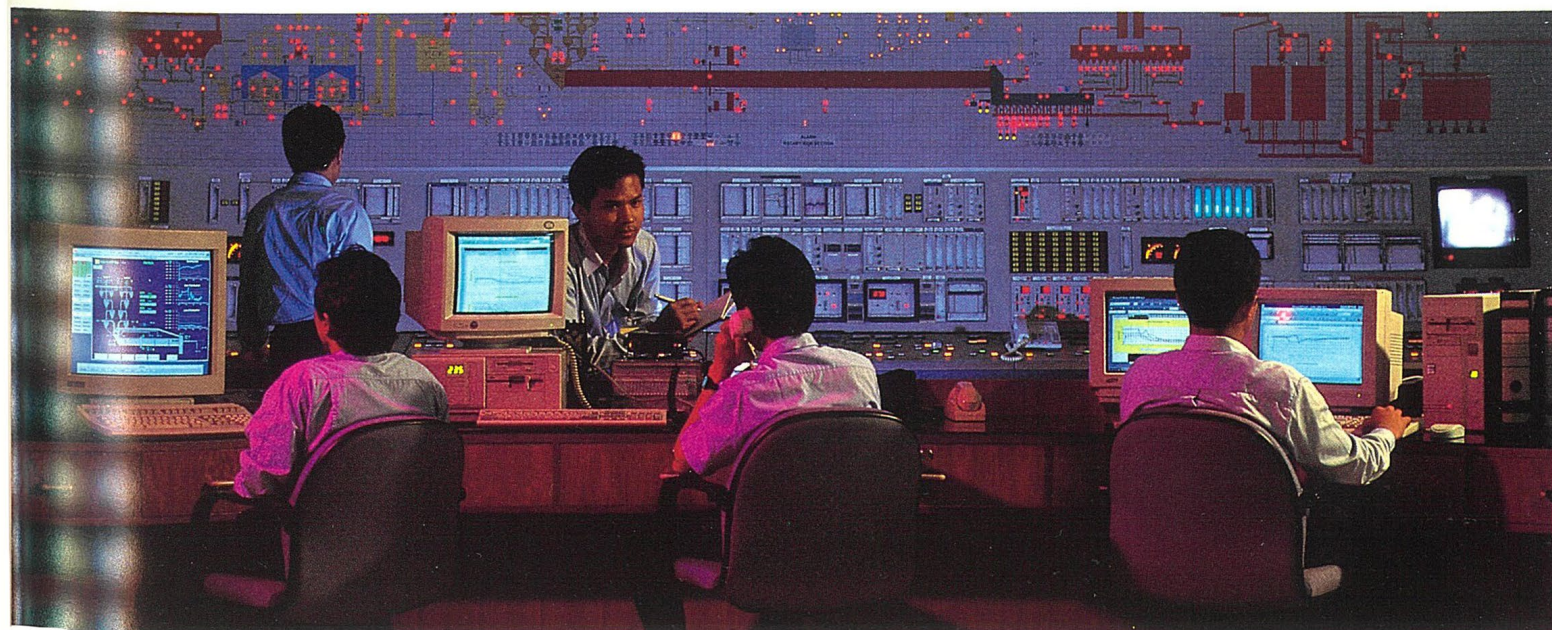
Coal consumption is generally determined by the quality of the coal used and a plant's heat efficiency. All of Indocement's kilns are fitted with pre-heaters and precalciner which utilize rechanneled waste heat. The division also upgraded the power network for all its Citeureup plants. Overhaul of the waste heat recovery system made possible a savings of some Rp. 1.8 million per day through reduced energy consumption.

The division has completed installation of a computerized on-line cement delivery monitoring and tracking system for all its plants. This enables operational staff and management to track and control the status and loading pace of 2,000 unit trucks daily at each plant to a degree not previously possible. We expect that this technical advantage will further improve loading and delivery operations.

One important highlight for the Cement Division last year was the culmination of its efforts to incorporate the International Total Quality Management system into its operations. The division was awarded ISO 9002 certification by SGS International Certification Services of the UK. The process of implementing ISO 9002 has raised awareness among management and employees of the importance of quality control and consistent procedures in daily operations. As a result, we have compiled highly detailed documentation on all functions and activities that can influence quality and customer satisfaction. In order to maintain the current high state of quality awareness, our management will carry out intensive training programs on continued implementation of the ISO 9002 system.



The Cement Division's Sales Volume and Production, 1985-95





Main Markets for:

 Indocement

 Indocement Expansion

Production Facilities of:

 1 Indocement

 2 Indo Kodeco Cement
(Indocement's Subsidiary)



Vertical Integration

Our Cement Division derives substantial advantages from its status as a fully integrated cement producer. Apart from operating nine dry-process cement plants, the division mines its own limestone, silica sand and clay and has quarrying rights over ample limestone deposits on 4,000 hectares near both the Citeureup and Cirebon sites. Quarrying is now being carried out on approximately 420 hectares. The division also produces packaging for its products and operates transport, loading and distribution facilities.

The division operates a 307 MW power generation unit that can provide more than enough electricity to meet its needs in Citeureup. In Cirebon, the division not only buys electricity from the national grid but also has its own back-up power generators.

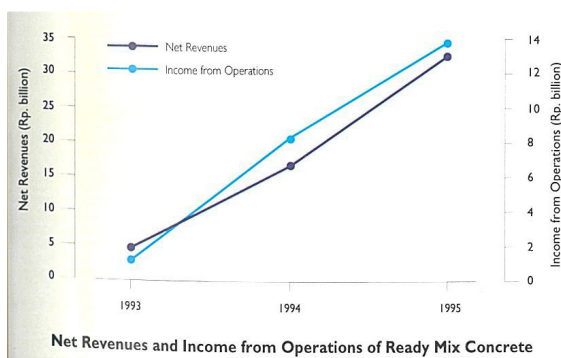
Current needs for coal are being met primarily through local producers complemented by third-party suppliers in China and Australia. In line with its vertical integration strategy, the division has invested in an integrated coal-mining facility on a 25,000 hectare site in Bontang, East Kalimantan. With completion of this facility, which is linked to a bulk-loading terminal, we will be able to meet all of our coal requirements by 1999 at a unit cost lower than prevailing market prices.

Spurred by rising costs for packaging materials, our paper bag production unit implemented several cost-cutting measures during 1995. These included use of more economical paper and an increase in bag size from 40 kilograms to 50 kilograms.

Ready-Mix Concrete

PT Indomix Perkasa, Indocement's ready-mix concrete subsidiary, operates from five locations. During 1995, the company added twelve new trucks, thus increasing the size of its fleet to forty-nine. Total sales volume rose to 218,994 cubic metres, an increase of 42% over the level for 1994. Net revenues rose to Rp. 32.5 billion, up 86% from Rp. 17.5 billion in 1994. As a consequence, the unit generated an income from operations of Rp. 13.8 billion, a 66% jump from Rp. 8.3 billion in the previous year. Net income staged a turnaround from a loss of Rp. 1 billion in 1994 to a gain of Rp. 1 billion in 1995.

A new batching plant in Citeureup was added in mid-December 1995 to meet anticipated increases in demand from surrounding areas. A second plant will cater to demand resulting from the Bogasari plant expansion project. In 1996, Indomix Perkasa will enter four new markets and expects that its production volume will increase by over 50%.



Research and Development

The Cement Division is pursuing several promising research projects related to its products and their uses. These include studies on the properties of Mixed Cement mortar in plastering work; on the use of Mixed Cement in concrete blocks; on high early-strength concrete; on the response of our different types of cements to concrete admixtures such as plasticisers; and on the use of slag additives in cement production.

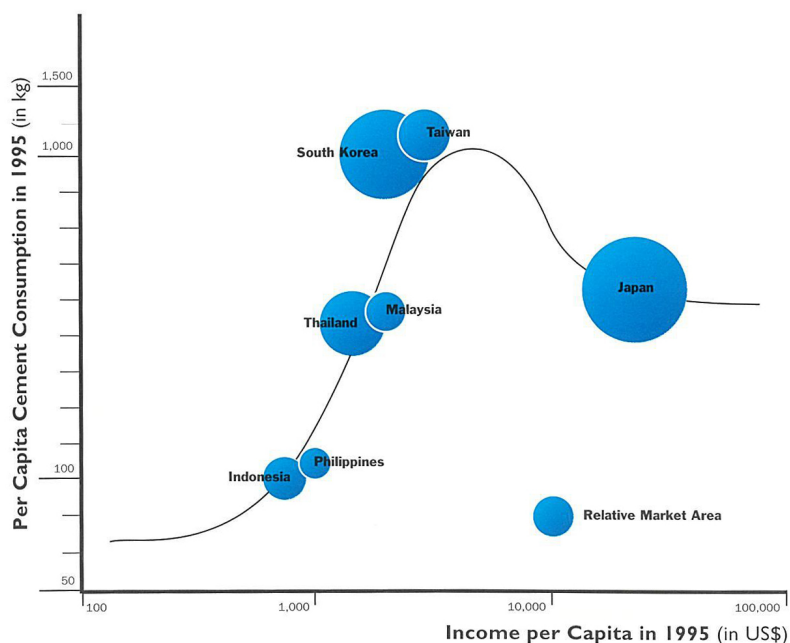
Future Prospects

We expect that the Indonesian economy will expand by 7% in 1996. While there will be some momentum from the surge in aggregate domestic demand seen in previous years, the tighter stance of the monetary authorities will likely hold down expansion in the construction sector to a more sustainable 8-9% annually.

In such an environment, we project an increase in domestic cement consumption of 10-12% per annum, as compared to the restrained 12% annual growth seen during 1995. Because of the time lag that all cement producers experience in carrying out expansion programs, it is probable that overall cement production will rise somewhat more slowly, perhaps around 10% per annum, before increasing to 17% as new plants become operational in 1997.

In response to steadily growing demand both internally and externally, the costs of materials, particularly those for coal and packaging materials, will remain robust throughout 1996. In view of these factors, we expect that domestic retail prices for cement and gross margins for domestic cement producers will remain firm throughout 1996, especially in those categories not covered by government pricing guidelines.

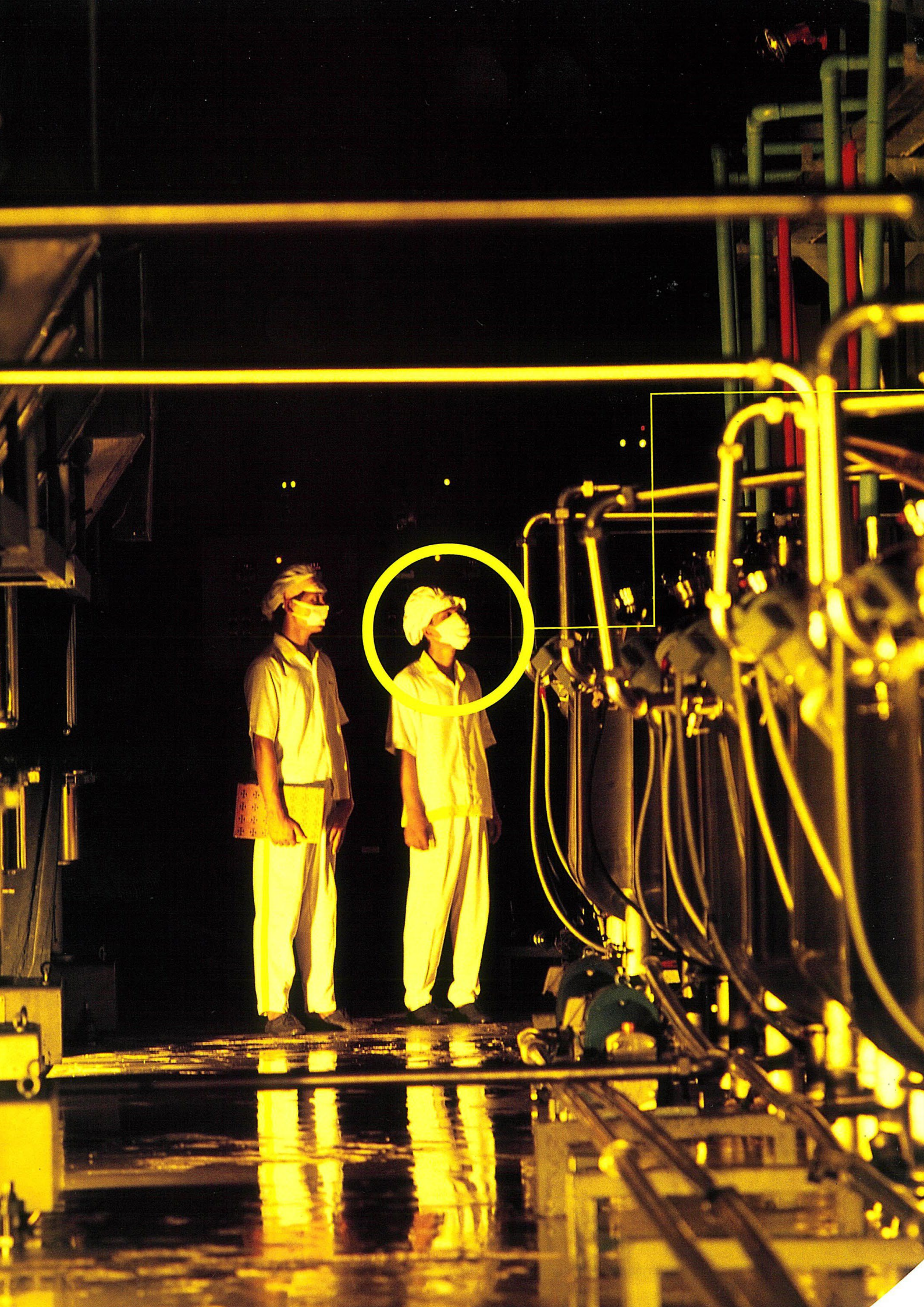
Indonesia's Cement Market Development vs Other Asian Countries





Indocement will maintain its share of the domestic cement market during the year ahead. We expect to realize some gains resulting from our strategy of increasing output, as well as our attention to the markets for bulk cement and specialty cement. We also expect increased efficiency and productivity as a result of our investments in new cement plants.





Indofood's branded packaged food operations and Bogasari's flour-milling operations are the two components making up Indocement's Food Division. As a result of Indocement's sale of Bogasari to Indofood on 1 July 1995, Indofood will account for all of the Food Division in the future.

We continue to dedicate our efforts to finding out what our customers want, then supplying them with products that offer good value for money.

Net revenues for the Food Division increased 18% in 1995 to Rp. 2,527 billion. Bogasari's net revenues rose by 19% to Rp. 947 billion. Excluding Bogasari's contribution, Indofood's net revenues was Rp. 1,580 billion, an increase of 17% over 1994. Its sale of instant noodles increased to about 6.8 billion packs, or 8% over the record level set during 1994. This represents approximately 90% of all instant noodles sold in Indonesia last year. Sales of Indofood's snack foods, baby foods and seasonings were also strong.

The rise in the Food Division's net revenues was in line with increases in costs of its goods. The gross margin of the instant noodle operation was maintained, though those for seasonings and snack foods declined modestly. Bogasari performed better, with a notable rise in its gross profit margins, due to greater efficiency and better prices for its services and products. This helped to lift the division's income from operations by 17% to Rp. 427 billion for 1995.

Indofood Operations

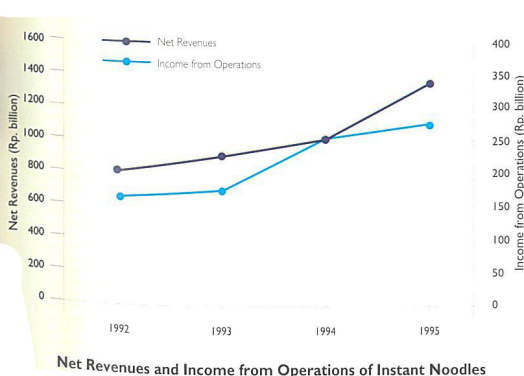
instant noodles

Net revenues of Indofood's instant noodle unit rose to Rp. 1,366 billion, which was 16% higher than the figure for 1994. After the round of price increases in January, Indofood held the line on further increases during the year in order to maintain its market share in the face of increased competition from smaller regional competitors. As part of this strategy, the range of products was increased and, in some instances, product quality was improved. The result was that Indofood was able to maintain its approximately 90% share of the national market for instant noodles last year.

Despite rising costs for materials such as cooking oil and packaging materials, gross margins for instant noodle operations remained firm. Indofood's instant noodle unit bore the brunt of increased operating expenses. As a result, the unit's income from operations rose by only a modest 6% to Rp. 271 billion.

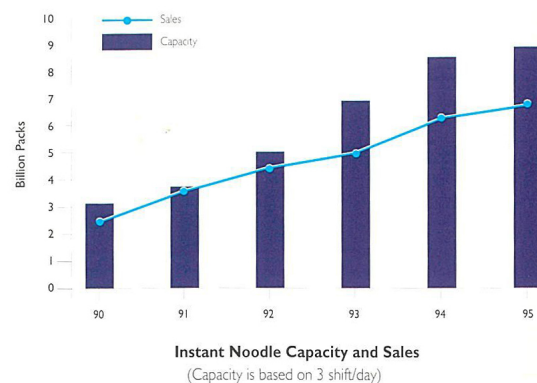
Indofood established four new production lines for noodles during 1995, bringing the total number of lines to 90. The year also saw the start of construction on new plants in Manado and Pontianak. With the additional production lines in 1996, the total capacity of Indofood's instant noodle unit should increase from 8.9 billion packs to 9.4 billion packs annually.

Amounts in billions of Rupiah unless otherwise stated	1995	1994	% change
Net Revenues	2,526.9	2,143.2	18
Indofood (excluding Bogasari)	1,580.3	1,349.3	17
Bogasari	946.6	793.9	19
Income from Operations	426.7	365.8	17
Indofood (excluding Bogasari)	287.1	269.7	6
Bogasari	139.6	96.2	45
Cash Generated from Operations	298.1	287.2	4
Capital Expenditures	907.3	433.7	109
Total Assets	3,704.4	2,685.3	38
Workforce (number of employees)	21,342	21,012	2



snack foods

As Indonesia's market leader in branded packaged snack foods, Indofood expanded its sales of these products by 41% to Rp. 73 billion during 1995. Sales volume was a record 7,461 tons, up 35% from 1994. These results were achieved with the help of the relaunched Chiki Balls and our highly successful Chikitos' promotion program. Indofood's market share for branded snack foods has now climbed from 65% to nearly 70%. Income from operations rose 37% to Rp. 8 billion, primarily as a result of increased revenue. A second line for production of potato chips was added during the year.

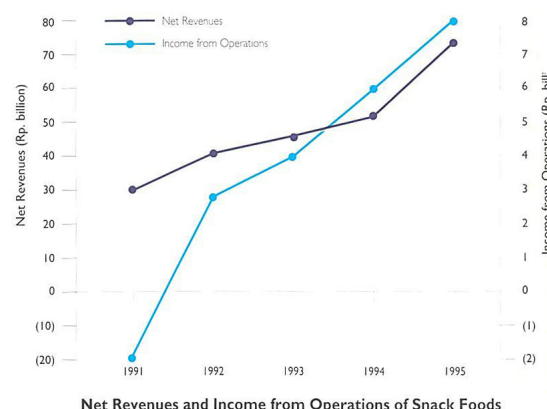


baby foods

Our baby foods unit also had a banner year, with sales revenues rising 22% to Rp. 53 billion. With sales volume growing 5% to 5,540 tons, a large proportion of the increase in net revenues came from higher selling prices. Last year, Indofood accounted for close to 60% of the market for baby foods in Indonesia. Given the improvement in gross profit margins, income from operations rose 17% to Rp. 8 billion.

food seasonings

Driven in part by strong marketing for Indofood's soy sauce brands, the division's sales of food seasonings rose by an exceptional 78% during 1995. This was due in part to 27% growth in the volume of seasonings and sauces sold in 1995, as compared to the level in 1994. In an already mature market with only 5% annual growth, Indofood's sale of soy sauces under its own brandnames rose 18%. Our subsidiary's share of the national market for soy sauce expanded to 6% in 1995, up from 5% the previous year. Since this entailed substantial increases in spending for advertising and marketing campaigns, income from operations for seasonings turned negative to Rp. 3 billion in 1995, compared to a positive Rp. 1 billion in 1994.

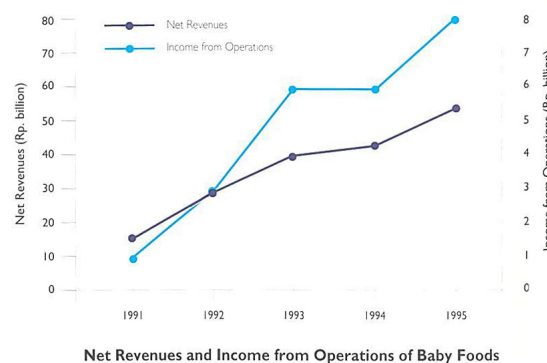


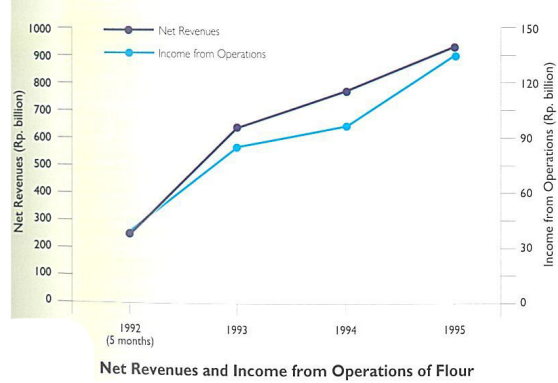
coffee and other operations

Indofood's coffee operations continued to be limited to Central Java, where its products accounted for about half of the local market during 1995. Sales revenues rose to Rp. 7.5 billion, up 42% over 1994, despite a 5% decline in volume sold to 751 tons. Lower costs allowed this unit to record a gross profit of Rp. 1 billion for the year, although net income from operations was still a small negative.

Indofood's packaging, distribution and international operations contributed a total of Rp. 48 billion to net revenues in 1995, up 4% from the previous year. Income from operations totaled Rp. 4.7 billion. To meet increasing demand for its services, the packaging unit added one six-colour printing machine and two extrusion laminating machines in 1995.

A fire at the Cikupa packaging plant in August resulted in damage to some capital equipment. However, we expect that these losses will be fully covered by insurance. Because of our high safety standards, there were no casualties. Although operations were disrupted for three months, no employees were displaced during that interval.





Bogasari Operations

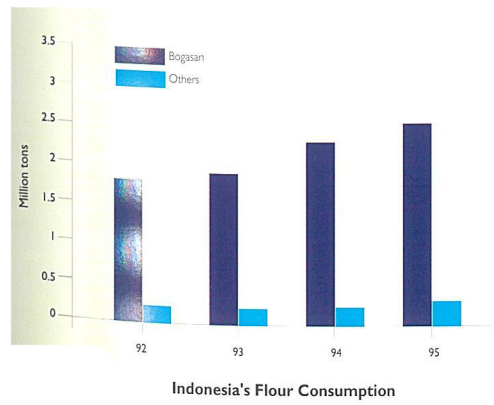
Bogasari, which became a part of Indofood on 1 July 1995, performed exceptionally well during its first year under our subsidiary. The external environment favored greater reliance by consumers on wheat flour-based foods, given strong economic growth and upward pressure on rice prices both in Indonesia and elsewhere in the Asia Pacific region.

Bogasari's net revenues rose by 19% to Rp. 947 billion, fueled by volume growth and healthier prices for the company's products. Due to increased sales, scale economies and improved efficiency, income from operations jumped 45% to Rp. 140 billion.

flour

The volume of flour produced by Bogasari rose 12% to 2.5 million tons during 1995. This was 89% of Indonesia's total market for wheat flour, which increased by 13% in 1995. Volume actually exceeded normal capacity of 2.4 million tons at Bogasari's two complexes, thanks to the commitment of the company's workforce and a substantial increase in the average number of working days per employee.

By-products of the milling process are sold to animal feed producers and other manufacturers. Last year, the volume of Bogasari's bran and pollard sold to these customers rose 7% to 852 thousand tons. Of this total, 51% was exported. By-products contributed a higher percentage to earnings because prices have risen in response to increased domestic and regional demand.





Bogasari ran its two milling complexes at extremely high rates of capacity utilization in 1995. Given projections for growth in domestic demand for wheat flour of approximately 10-13% in 1996, it was opportune for Bogasari to have embarked on its ambitious expansion plan last year. Bogasari expects to commission two new lines at its Tanjung Priok complex and a third new line at its Surabaya facilities in 1996. Once completed, these will increase overall capacity from 2.4 million tons to 3 million tons. In 1997, one more new line in Tanjung Priok and another in Surabaya will be commissioned, raising total capacity to 3.6 million tons. Overall, this expansion program will increase Bogasari's production capacity by approximately 50% at an estimated cost of US\$ 230 million.

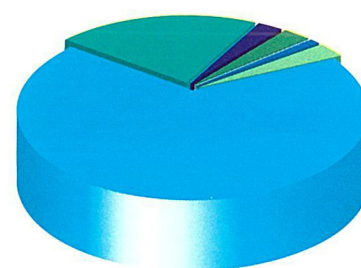
pasta

While pasta manufacturing remains a relatively small part of Bogasari's overall operations, pasta sales jumped 180% in volume to 10,664 tons during the year. This was 20% over projection. There were also significant increases in pasta shipments to Asia Pacific countries and Russia. Given the encouraging gains made during 1995, sales volumes are expected to rise substantially over the next few years.

support units

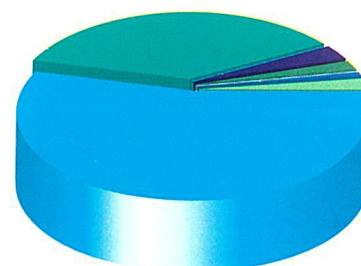
The support operations of Bogasari also performed credibly during 1995. To keep up with the substantial increase in the volume of flour milled last year, the textile unit produced 120 million bags, almost 20% more than in 1994.

The maritime unit handled approximately 25% of total shipments required for Government's import of wheat and its export of by-products. This represented increases of 17% for the Tanjung Priok complex and 7% for the Surabaya complex. The increase in shipments resulted in maximum usage of the jetty at Tanjung Priok during the year. Thus Bogasari's new jetty terminal to serve the Tanjung Priok complex will likely be well utilized after it is commissioned in the second half of 1996.



Net Revenues of Food Division, 1995

Noodles	(54%)
Flour	(38%)
Snack Foods	(3%)
Baby Foods	(2%)
Seasonings	(1%)
Coffee & Others	(2%)



Gross Profit of Food Division, 1995

Noodles	(67%)
Flour	(23%)
Snack Foods	(3%)
Baby Foods	(3%)
Seasonings	(1%)
Coffee & Others	(3%)







WISMA NUBANTA

HOTEL PRESIDENT

Wisma Indosemen

The name of Wisma Indocement, an office tower occupying a preferred mid-city location, has been changed to Wisma Indosemen, in support of the government's campaign to use *Bahasa Indonesia* in signage.

Wisma Indosemen continues to enjoy full occupancy at premium rental rates. More than half of the 19,000 square metres of total available rental space is occupied by Indocement's various units and by Salim Group offices. During the year, road access to Wisma Indosemen improved greatly after the opening of a new underpass at Jalan Jenderal Sudirman.

Revenues from Wisma Indosemen's third-party tenants totaled Rp. 6.9 billion in 1995, up 3% from 1994. Rental income is expected to remain firm for 1996.

The portfolio of the Property Division will be enhanced in the near future by the addition of Wisma Nusantara International.

Other Real Estate

In September 1995, shareholders of PT Wisma Nusantara International approved Indocement's purchase of a 34% share in their company. Wisma Nusantara International owns and operates the four-star 315-room President Hotel in Central Jakarta, as well as an adjacent 30-storey office block. Given the current trend toward rising hotel and office rental rates, the inclusion of Wisma Nusantara International would mean even higher net revenues for the Property Division in 1996.

PT Cibinong Centre Industrial Estate leases area in industrial estates adjacent to Indocement's Citeureup complex. In 1995, it leased a total of 12,640 square meters of land. The company's net income rose to Rp. 8 billion.

During the first quarter of 1996, Indocement acquired a 4.39% share in PT Royal Sentul Highlands, a developer of Royal Sentul Highland Project. Indocement's share participation comes by way of an injection of a low reserve quarry land which is adjacent to the project site. This project is a new township comprising residential and commercial complexes as well as tourist attractions located in a 3,000 hectares site in Sentul, about 50 kilometers south of Jakarta. The project site is surrounded by other major real estate projects and is adjacent to the Sentul Racing Circuit.

Amounts in billions of Rupiah
unless otherwise stated

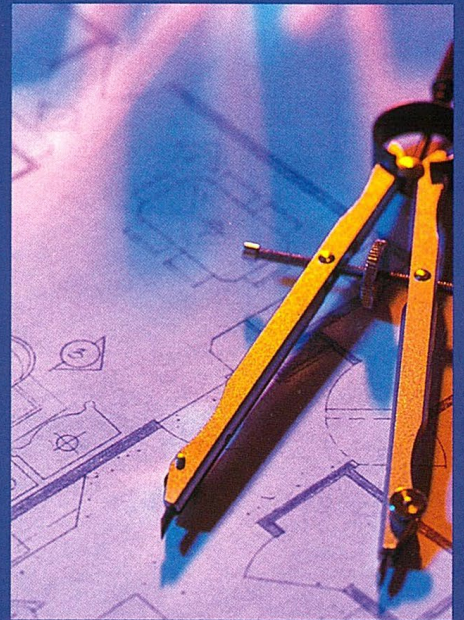
	1995	1994	% change
Net Revenues	6.9	6.7	3
Income from Operations	(4.4)	(4.4)	-
Cash generated from Operations	2.9	2.8	4
Capital Expenditures	0.4	0.2	100
Total Assets Employed	99.1	102.4	(3)
Workforce (number of employees)	184	189	(3)

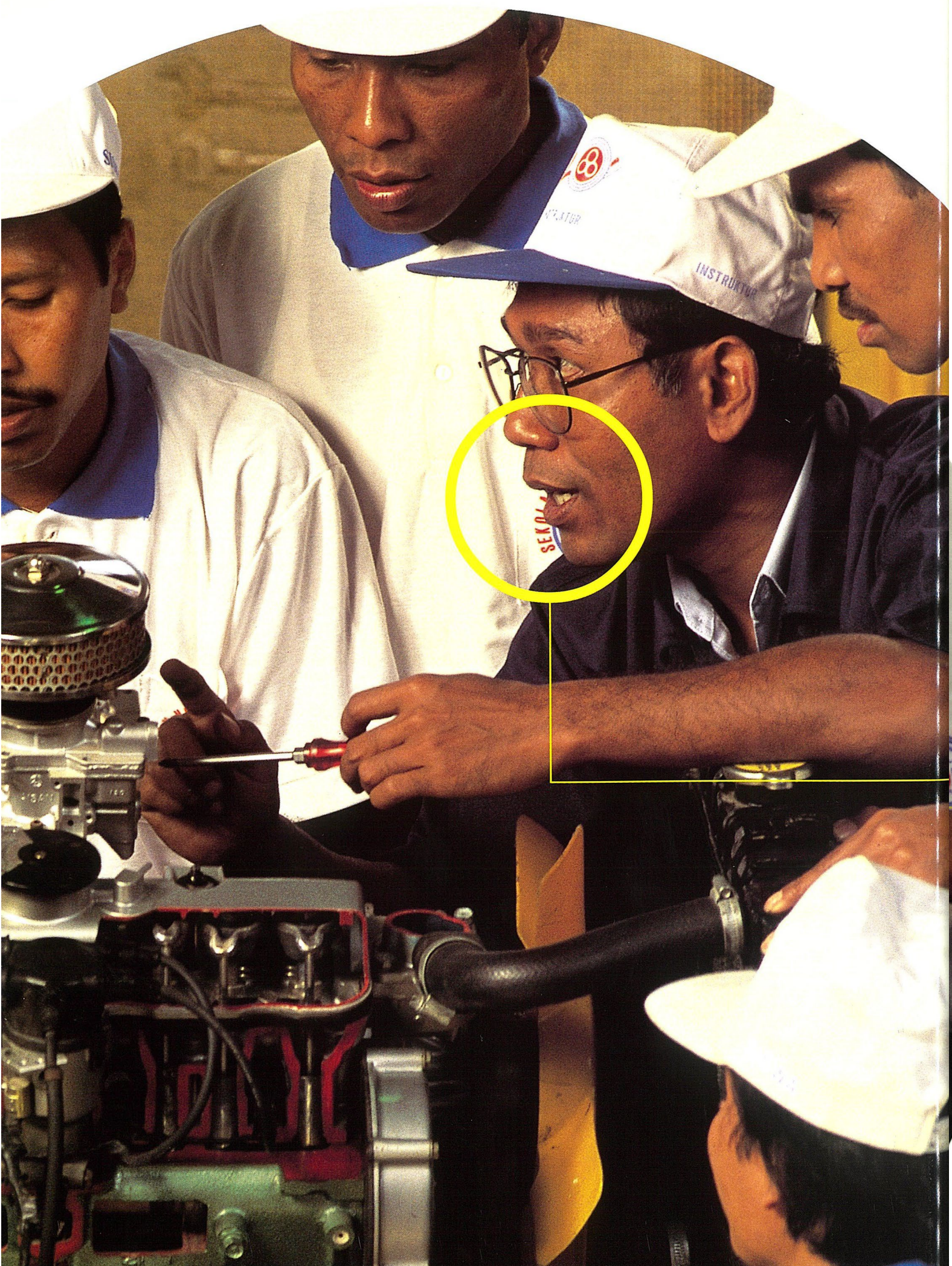
Engineering Services

As a result of rising demand for its specialty engineering design and construction management services, PT Indotek Engico's net revenues rose to Rp. 3 billion last year. This was significantly higher than the Rp. 2 billion attained in 1994. Income from operations also rose to Rp. 229 million, compared to Rp. 87 million in 1994, while net income increased to Rp. 116 million from Rp. 17 million in 1994. The number of employees rose from 78 to 136 persons.

In 1996, Indotek Engico will diversify into construction works. It will undertake construction of a 15-kilometer water pipeline for the Indo Kodeco Cement Project in Batulicin, Kalimantan.







development of **human resources**

At the end of 1995, the Indocement workforce totaled 27,439, an increase of 2% over 1994. This comprised of 5,913 employees in the Cement Division, 21,342 in the Food Division and 184 in the Property Division.

Approximately 90% of our employees are members of the national labour organization. The company has never experienced a work stoppage or industrial action.

The minimum monthly wage paid in the Company was significantly above the minimum wage set by government guidelines. The Company also assures its employees' welfare by enrolling them in the Labor Insurance Program ("Jamsostek") and in a compulsory pension plan managed by Indocement's Pension Plan.

Indocement promotes and encourages home ownership for its employees. During 1995, Indocement provided 845 homes for eligible employees through its home ownership program. In addition, Indofood was proud to turn over 380 homes in Pasuruan, Tangerang, Cibitung and Semarang to employees under its own scheme for the line workers and blue-collar employees.

Human resource development training programs still constitute a vital part of our labour policy. During 1995, the Cement Division spent more than Rp. 1 billion on its employee training programs, including community development initiatives. These involved a total of 7,973 employees for 235,579 employee training hours.

We are committed to ensuring the welfare of all our employees by providing a safe working environment. We are determined to ensure that each employee has a multitude of opportunities for advancement and fulfilment.

The Cement Division received ISO 9002 certification in March 1995. Many of its employees completed intensive training programs related to this effort.

Indofood, too, maintains its commitment to total quality management. During 1995, nearly 1,200 participants graduated from quality education courses. Of this number, nearly 40% received ISO 9002 training during this twelve-month period. In addition, the baby food plant in Padalarang was granted ISO 9002 certification from SGS in July 1995.



Regular safety drills at Citeureup cement plant



Safety is stressed throughout every aspect of Indocement's operations, with regular safety inspections and emergency drills held at all work sites. These and other measures contributed to a 45% decline in work-related accidents during 1995. For example, the Cement Division's paper bag packaging unit achieved 1 million accident-free worker-hours. Indofood's noodle plant in Ancol was presented with a Zero Accidents Awards from the government. The fire safety staff members at two Bogasari milling complexes received the training necessary to operate and maintain two new fire-fighting units from Italy.





At Indocement, we continue to set high standards in terms of environmental awareness and community service. We constantly monitor the impact of our operations on the natural environment and take measures to minimize it. We also work to improve the lives of those living in the communities where we do business.

In 1995, we stepped up the use of electrostatic precipitators to limit dust emission levels in our cement plants. Twenty-two such precipitators are now installed in Citeureup, with four more at our Cirebon complex. They have enabled the Cement Division to meet the 1995 emission standard of 150 mg/Nm³, which is more stringent than the 400 mg/Nm³ permitted in 1994. Installation of more precipitators and other pollution-control equipment will allow us to meet the 80 mg/Nm³ standard mandated by the year 2000. All new plants built by Indocement will meet this new standard.

Indocement continues to maintain a high degree of dust-level monitoring at 55 dust checkpoints outside its factory premises. The standard for dust-fall in residential areas around plant sites is 15 tons per square kilometer monthly.

The tree-planting program initiated by the Cement Division in 1993 has so far resulted in the planting of 361,200 tropical trees on approximately 300 hectares of undeveloped quarry land. Together with another private company, Indocement has developed small industrial parks on depleted quarry sites. Factories manufacturing sport shoes, electric fans and gift items are now operating on 10 hectares in these parks and providing employment for over 7,000 workers.

Our company's range of community service initiatives during 1995 included repair of eleven kilometers of road, construction or repair of twenty-seven schools and renovation of ten mosques in areas near our plants.

Indocement continues to provide 24-hour emergency health services in the local communities where it operates. During 1995, a total of 832 patients were treated free of charge.

Each year, Indocement conducts practical training courses for local school-leavers to increase their chances of finding employment as skilled workers in welding, sewing, basic automotive maintenance and security management. During 1995, such programs involved 46,000 student hours.

We willingly assume the social responsibilities that are essential to good corporate citizenship.

We also continue our efforts to assist small-scale businesses and local entrepreneurs. During 1995, the Cement Division made sixteen awards to small-scale business operators. Indofood's snack-food division more than doubled the number of farmers participating in its innovative potato-growing program to more than 220.



Last year, 62% of the flour bags used by Bogasari were subcontracted for sewing to small entrepreneurs. Bogasari also provided free training to 600 persons at its bakery school during 1995. It plans to open a milling training centre in the near future.

Our Company increased its funding for scholarships during 1995. A total of 273 scholarships were awarded, including needy and deserving students at eight top-ranked universities in Java. In commemoration of its twentieth anniversary, Indocement presented scholarships to nursing students. In addition, the Company has launched a special scholarship program for children of employees. The Cement Division established a new school in Citeureup, near its main production complex. Indofood's own scholarship program continues to grow as well, with the number of beneficiaries close to 2,100 at the end of 1995.

Analysis of Consolidated Statements of Income for the Year Ended 31st December 1995

Amounts in billions of Rupiah	1995	1994	
Net Revenues	3,942.3	3,388.0	The 16% growth in net revenue was balanced, with sales increases by the Cement and Food Divisions.
Income from Operations	1,030.2	890.2	Income from operations rose by Rp. 140 billion, in line with overall sales revenues.
Net Profit	475.9	367.8	Net profit rose by 29% or Rp. 108 billion, primarily on the back of the rise in income from operations.

The Rp. 554.3 billion increase in net revenue in 1995 was balanced, with contributions of Rp. 170 billion and Rp. 384 billion by the Cement and Food Divisions respectively. This gain was achieved with an improvement in gross profit margins, despite rising costs of materials during 1995. As a result, gross profits rose by 18% last year, or Rp. 219 billion, with Rp. 102 billion coming from cement operations and Rp. 117 billion from food operations.

Operating expenses last year rose by 24%, or Rp. 79 billion. Of this, Rp. 22 billion was accounted for by the Cement Division and Rp. 57 billion was accounted for by the Food Division.

Income from operations rose by Rp. 140 billion, in line with overall sales revenues. The Cement Division contributed Rp. 79 billion, accounting for 57% of the increase, and the Food Division Rp. 61 billion or 43%. Both of the major divisions experienced little change in their operating profit margins (43% for the Cement Division and 17% for the Food Division).

Given the increased scale of operations of the divisions, net non-operating charges rose from Rp. 315 billion in 1994 to Rp. 367 billion, a growth of 16%, owing to higher in financing and amortization charges.

After accounting for charges in taxes and minority interest, net profit after taxes increased by Rp. 108 billion in 1995, 29% above that for 1994.

Analysis of Consolidated Cash Flow for the Year Ended 31st December 1995

Amounts in billions of Rupiah	1995	1994	
Net cash provided by Operating Activities	461.8	675.5	Increases in cash from income after adjustments were exceeded by increases in non-cash current assets.
Net cash used in Investing Activities	(1,111.2)	(436.0)	The 155% rise in net cash used in investing activities owed to capital expenditures by the major divisions.
Net cash used in Financing Activities	1,805.4	(62.4)	Increases in long-term and short-term loans accounted for the sharp rise in financing capabilities.
Net Increase in Cash and Cash Equivalents	1,156.0	177.1	Cash and cash equivalents rose in 1995 as financing raised exceeded capital expenditures.

Net cash from operating activities was Rp. 462 billion in 1995, compared with Rp. 676 billion in 1994. The gains in cash flow from net income and depreciation were offset by an increase in non-cash current assets, particularly prepaid and other current assets. The Rp. 675 billion or 155% rise in net cash used in investing activities owed to capital expenditures by Food and Cement Divisions of Rp. 907 billion and Rp. 249 billion, respectively. Of this, Rp. 600 billion spent by Food Division owed to the net effect of the acquisition of Bogasari.

Cash flows from financing activities rose by Rp. 1,868 billion last year, largely from long term and short term debt. This large cash position is expected to be reduced substantially when the expansion projects are fully implemented.

Analysis of Gearing for the Year Ended 31st December 1995

Amounts in billions of Rupiah	1995	1994	% change
Total Borrowings*	4,019.9	2,272.2	77%
Total Cash	1,397.3	233.1	499%
Net Borrowings	2,622.6	2,039.1	29%
Stockholders' Equity	2,561.6	2,278.9	12%
Net gearing	102.0%	89.0%	26%

* including short-term borrowing and the portion of long-term debt currently due

Total long-term borrowings rose by Rp. 1,601 billion last year, substantially in excess of capital expenditures and other investments. This, coupled with the positive cash flow from operating activities, contributed to Rp. 1,164 billion in cash. Some Rp. 584 billion was added to net borrowings and as a result net gearing increased to 102% last year, compared to 89% in 1994.

Amounts in millions of Rupiah,
unless otherwise stated

	1995	1994	1993	1992	1991
NET REVENUES					
Cement Division	1,408,455	1,238,148	1,104,492	968,752	771,319
Food Division	2,526,954	2,143,196	1,779,506	1,234,698	-
Property Division	6,858	6,670	6,386	2,664	-
Total	3,942,267	3,388,014	2,890,384	2,206,114	771,319
Revenue Growth Rate (%)	16%	17%	31%	186%	15%
Gross Profit	1,438,876	1,219,858	1,001,830	796,683	353,046
INCOME FROM OPERATIONS					
Cement Division	607,940	528,774	441,382	361,864	310,181
Food Division	426,674	365,850	265,621	202,081	-
Property Division	(4,447)	(4,387)	(3,661)	(1,787)	-
Total	1,030,167	890,237	703,342	562,158	310,181
Net Income	475,921	367,837	312,388	327,393	308,674
Cash Generated from Operations	760,300	617,377	538,935	521,590	416,245
Total Assets	8,205,010	5,556,406	5,054,028	4,795,191	2,151,192
Total Liabilities	5,643,385	3,277,547	3,151,583	3,055,413	634,033
Stockholders' Equity	2,561,625	2,278,859	1,902,445	1,739,778	1,517,189
Net Borrowings *	2,622,612	2,039,063	2,490,230	2,479,765	162,177
Capital Employed	6,808,309	4,584,276	3,767,175	3,821,401	2,007,054
CAPITAL EXPENDITURES					
Fixed Assets^	1,156,412	709,701	643,188	501,268	61,136
Investments and Acquisitions	33,948	25,252	6,711	2,085,170	545,999
Issued Ordinary Shares ('000)	1,207,227	1,207,227	598,881	598,881	598,881
PER SHARE DATA (Rp.)					
Primary Earnings per Share	394.2	306.4	260.8(*)	273.3(*)	257.7(*)
Dividends per Share	(**)	120	208	250	245
Book Value per Share	2,122	1,888	1,588 (*)	1,453 (*)	1,267 (*)
FINANCIAL RATIOS (%)					
Current Ratio	207%	115%	70%	101%	461%
Net Gearing^	102%	89%	131%	143%	11%
Net Borrowings to Assets	32%	37%	49%	52%	8%
Return on Capital Employed	7%	8%	8%	11%	15%
Return on Stockholders' Equity	19%	16%	16%	20%	22%
Number of Employees	27,439	26,956	25,748	23,650	5,067

(*) Restated - based on the weighted average numbers of shares after bonus shares in 1994

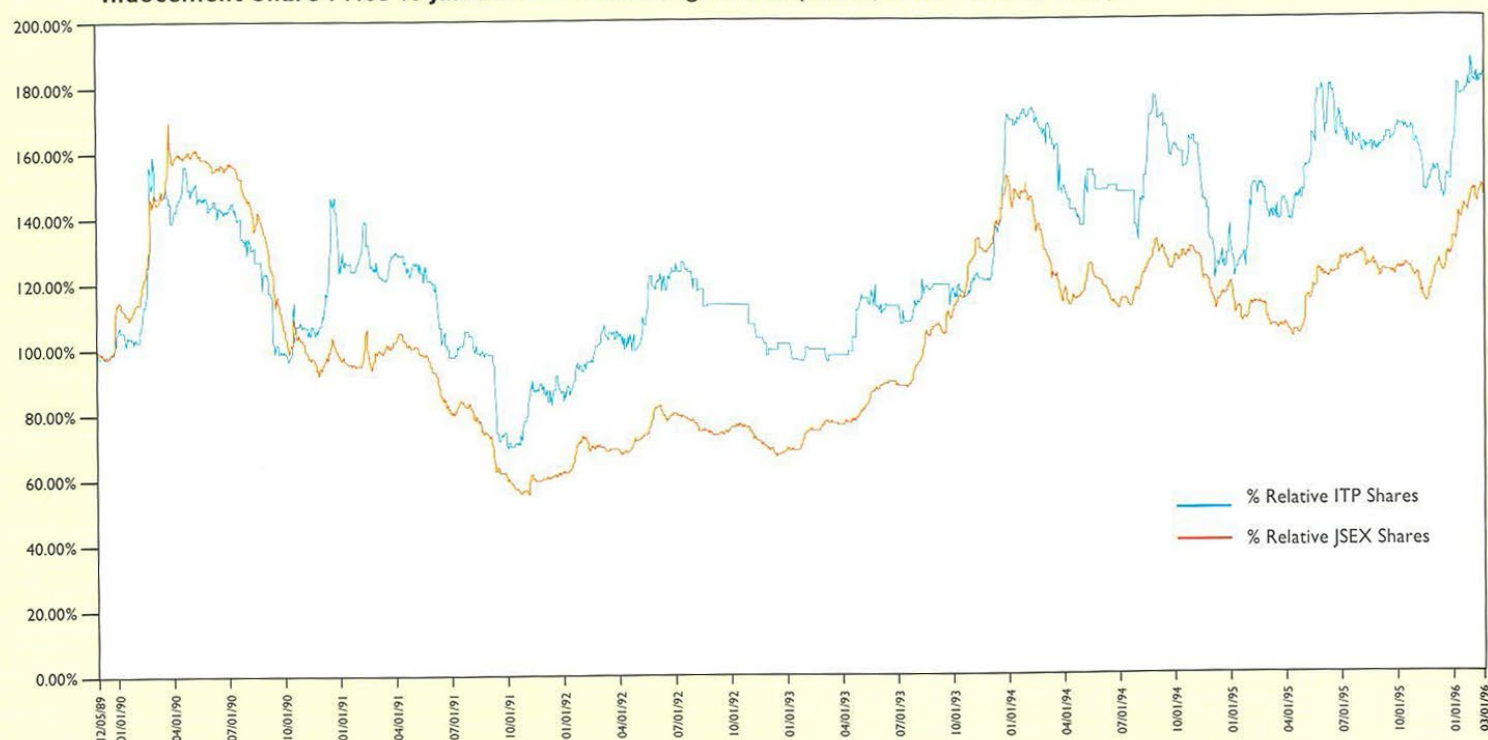
(**) Before dividend declaration for the year 1995

+ Net Borrowings is defined as long-term and short-term borrowings less cash

^ Including Construction in Progress

^^ Net Borrowing as a percentage of Stockholders' Equity

Indocement Share Price vs Jakarta Stock Exchange Index (Dec 5, 1989 - Mar 1, 1996)



Indocement is the fourth largest company in the Indonesian Stock Exchanges and accounts for 6% of the total market capitalization. All of its 1.2 billion common shares with a par value of Rp. 1,000 have been listed on the Exchanges since September 1994, following a bonus issue of shares.

Indocement has outperformed the Indonesian stock market index over 1995.

Indocement's stock performed creditably last year. It rose from Rp. 7,000 at the end of 1994 to Rp. 7,700 at the close of 1995, a gain of 10%. The price ranged between Rp. 6,150 and Rp. 9,125 during the year. In relative terms, Indocement shares also outperformed the Jakarta Stock Exchange Index in 1995.

Prospects

We are happy to note that Indocement shares have steadily appreciated in value by 21% over the first two months of 1996.

Given the strength of Indocement's track record and the potentially large gains from its expansion program, we are confident that shareholders will benefit from the long term appreciation of their shares over 1996 and beyond.

A circular inset showing a stock market ticker board for Bursa Efek Jakarta (BEJ). The board lists various stocks and their prices. The text is rotated 90 degrees clockwise. The visible text includes:

STOCK	BEJ	TTB
Indo Kiat Pulp & P	1825	1825
Indo Aluminium Ind	1975	1975
Adesal	9000	9000
Indocement Tunjail	9000	9000
Indospring	1975	1975
Indofood Sukses Mak	11800	11800
Indo Citra Finance	1100	1100
Indosmita Inti Indu	2200	2200
Indowest Bank	1100	1100
Intan Utama Chemi	1900	1900
Inter Delta	1900	1900
Inter-Pacific Bank	1900	1900
Indinusa Selarwisa	2200	2200
Inti Indorayon Utan	2200	2200
Indo Pinta	675	675
Indo Int'l Hotel	1775	1775
Indo Property	1250	1250

PRASETIO UTOMO

ARTHUR ANDERSEN & CO. SC

INDEPENDENT AUDITORS' REPORT

Prasetio, Utomo & Co.
Registered Public Accountants

Report No. 24552S

Chase Plaza
Jalan Jend. Sudirman Kav. 21
Jakarta 12920
Indonesia

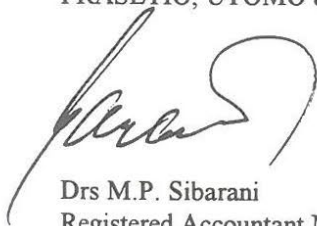
The Stockholders and Board of Directors
P.T. Indocement Tunggol Prakarsa

We have audited the consolidated balance sheets of P.T. Indocement Tunggol Prakarsa and Subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of P.T. Indocement Tunggol Prakarsa and Subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

PRASETIO, UTOMO & CO



Drs M.P. Sibarani
Registered Accountant No. D-514

January 25, 1996

consolidated balance sheets

December 31, 1995 and 1994

ASSETS

	Notes	1995 Rp	1994 Rp
CURRENT ASSETS			
Cash and cash equivalents	2,3,20	1,385,206,730,377	229,250,330,582
Marketable securities	2	12,096,880,612	3,880,332,000
Accounts receivable	2		
Trade	4,10,12,20	272,349,394,458	331,778,766,830
Affiliates		49,994,612,925	16,953,682,655
Officers, employees and others		66,109,392,677	29,165,388,428
Inventories	2,5,10,12	589,157,318,499	356,354,007,738
Advances and deposits	21,24	104,605,231,244	107,594,543,581
Prepaid expenses and other current assets	2,20	418,586,415,631	45,125,142,197
Total Current Assets		2,898,105,976,423	1,120,102,194,011
LONG-TERM INVESTEMENTS			
Investments in and advances to investees	2,6	96,771,763,662	62,823,811,156
Excess of cost over net assets value - net of accumulated amortization	2,7	733,059,237,393	719,295,409,614
Total Long-term Investments		829,831,001,055	782,119,220,770
PROPERTY, PLANT AND EQUIPMENT			
- Net of accumulated depreciation, amortization and depletion	2,8,10,12	3,891,061,199,857	3,282,987,485,573
OTHER ASSETS			
Construction in progress	2,9,21	526,124,260,636	228,803,253,427
Deferred charges	2	17,194,212,281	45,414,583,864
Preoperating expenses	2	3,818,723,694	1,975,188,464
Other noncurrent assets	2	38,874,801,821	95,004,401,392
Total Other Assets		586,011,998,432	371,197,427,147
TOTAL ASSETS		8,205,010,175,767	5,556,406,327,501

See accompanying Notes to Consolidated Financial Statements which are an Integral Part of the Consolidated Financial Statements.

consolidated balance sheets

December 31, 1995 and 1994

LIABILITIES AND STOCKHOLDERS' EQUITY

	Notes	1995 Rp	1994 Rp
CURRENT LIABILITIES			
Short-term loans	2,5,8,10,20,23	496,294,758,855	350,134,520,231
Accounts payable	2,20		
Trade		234,420,706,891	188,200,245,060
Affiliates		2,980,511,680	15,653,868,298
Others		62,743,642,979	32,975,377,196
Accrued expenses	2	112,286,237,221	60,648,107,369
Accrued taxes	2,11	132,344,398,109	81,560,329,951
Unearned income	2	1,146,678,082	1,154,136,923
Portion of long-term debts currently due	2,5,8,12,20,23	354,483,697,579	241,804,241,824
Total Current Liabilities		1,396,700,631,396	972,130,826,852
LONG-TERM DEBTS			
- Net of portion currently due	2,5,8,12,20,23	3,169,136,820,914	1,680,254,829,949
OTHER LIABILITIES AND DEFERRED CREDITS	2,13,19,20	320,625,986,469	69,790,327,333
MINORITY INTEREST IN EQUITY OF CONSOLIDATED SUBSIDIARIES			
	2	756,922,188,398	555,370,908,829
STOCKHOLDERS' EQUITY			
Capital stock - Rp 1,000 par value			
Authorized - 2,000,000,000 shares			
Issued - 1,207,226,660 shares	14	1,207,226,660,000	1,207,226,660,000
Additional paid-in capital	15	172,329,476,497	172,329,476,497
Retained earnings		1,182,068,412,093	899,303,298,041
Total Stockholders' Equity		2,561,624,548,590	2,278,859,434,538
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		8,205,010,175,767	5,556,406,327,501

See accompanying Notes to Consolidated Financial Statements which are an Integral Part of the Consolidated Financial Statements.

consolidated statements of income

for the years ended December 31, 1995 and 1994

	Notes	1995 Rp	1994 Rp
NET REVENUES	2,16,20	3,942,266,705,685	3,388,014,339,466
COST OF REVENUES	2,16,17,20	2,503,390,245,280	2,168,156,098,695
GROSS PROFIT		1,438,876,460,405	1,219,858,240,771
OPERATING EXPENSES	2,18		
Delivery and selling		235,603,163,662	192,696,380,697
General and administrative		173,106,100,189	136,925,317,302
Total Operating Expenses		408,709,263,851	329,621,697,999
INCOME FROM OPERATIONS	16	1,030,167,196,554	890,236,542,772
OTHER INCOME (CHARGES)			
Freight revenues - net	2	15,878,069,940	23,058,346,657
Equity in net earnings of investees	2,6	2,934,511,817	1,557,240,514
Amortization	2,7,8	(60,879,123,738)	(27,541,171,146)
Financing charges - net	2,3,10,12,23	(321,529,817,403)	(306,487,856,854)
Others - net	2,19,21	(3,204,441,312)	(5,615,420,150)
Other Charges - Net		366,800,800,696	315,028,860,979
INCOME BEFORE PROVISION FOR INCOME TAX		663,366,395,858	575,207,681,793
PROVISION FOR INCOME TAX	2,11	36,422,235,985	98,972,375,100
INCOME BEFORE MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES		626,944,159,873	476,235,306,693
MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES	2	(151,022,780,221)	(108,398,657,319)
NET INCOME		475,921,379,652	367,836,649,374
EARNINGS PER SHARE	2	394.23	306.38

See accompanying Notes to Consolidated Financial Statements which are an Integral Part of the Consolidated Financial Statements.

consolidated statements of retained earnings

for the years ended December 31, 1995 and 1994

	Notes	1995 Rp	1994 Rp
RETAINED EARNINGS AT BEGINNING OF YEAR			
As previously reported		899,303,298,041	653,474,034,823
Adjustments due to merger of PT Indofood Sukses Makmur (formerly PT Panganjaya Intikusuma)	2	-	2,704,680,180
As restated		899,303,298,041	656,178,715,003
NET INCOME		475,921,379,652	367,836,649,374
CASH DIVIDENDS	22	(193,156,265,600)	(124,712,066,336)
RETAINED EARNINGS AT END OF YEAR		1,182,068,412,093	899,303,298,041

: accompanying Notes to Consolidated Financial Statements which are an Integral Part of the Consolidated Financial Statements.

consolidated statements of cash flows

for the years ended December 31, 1995 and 1994

	1995 Rp	1994 Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	475,921,379,652	367,836,649,374
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest in equity of consolidated subsidiaries	151,022,780,221	108,398,657,319
Depreciation, amortization and depletion	238,300,417,042	224,930,703,300
Decline in value of marketable securities	1,470,672,000	306,953,833
Equity in net earnings of investees	(2,934,511,817)	(1,557,240,514)
Other non-cash items - net	46,078,319,265	24,609,521,004
Changes in current assets and current liabilities:		
Decrease (increase) in:		
Accounts receivable	(10,555,562,147)	(103,961,110,998)
Inventories	(232,803,310,761)	(26,720,118,945)
Advances and deposits	2,989,312,337	912,804,887
Prepaid expenses and other current assets	(373,461,273,434)	5,232,700,252
Increase (decrease) in:		
Accounts payable	63,315,370,996	50,494,642,434
Accrued expenses	51,638,129,852	348,164,972
Accrued taxes	50,784,068,158	24,828,568,170
Unearned income	(7,458,841)	(131,581,469)
Net Cash Provided by Operating Activities	461,758,332,523	675,529,313,619
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in deferred charges	28,220,371,583	6,101,965,167
Proceeds from disposal of property and equipment	9,951,021,587	380,609,785,605
Proceeds from sale of marketable securities	3,162,317,015	8,015,650,000
Increase in marketable securities	(12,674,850,002)	-
Increase in long-term investments	(88,264,321,694)	(62,114,498,488)
Decrease (increase) in construction in progress	(297,321,007,209)	36,705,855,373
Additions to property, plant and equipment	(859,091,106,577)	(746,407,139,299)
Decrease (increase) in other investing activities - net	104,814,563,689	(58,925,027,472)
Net Cash Used in Investing Activities	(1,111,203,011,608)	(436,013,409,114)

	1995 Rp	1994 Rp
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term debts	1,601,561,446,720	163,501,139,151
Increase (decrease) in other liabilities and deferred credits	250,835,659,136	(178,045,506,281)
Increase (decrease) in short-term loans	146,160,238,624	(285,414,230,080)
Payments of cash dividends	(193,156,265,600)	(124,712,066,336)
Other financing activities mainly due to issuance of shares and merger of subsidiary companies	-	362,294,277,539
Net Cash Used in Financing Activities	1,805,401,078,880	(62,376,386,007)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,155,956,399,795	177,139,518,498
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	229,250,330,582	52,110,812,084
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,385,206,730,377	229,250,330,582
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Payments during the year for :		
Income taxes	86,271,585,435	79,218,790,486
Interest	272,992,243,358	216,086,121,136
Transfer from 6.75% Convertible Bonds to:		
Capital stock	-	8,555,640,000
Additional paid-in capital	-	67,320,100,000

See accompanying Notes to Consolidated Financial Statements which are an Integral Part of the Consolidated Financial Statements.

I. General

PT Indocement Tunggul Prakarsa (the Company) was incorporated on January 16, 1985 and its deed of incorporation was approved by the Ministry of Justice on May 17, 1985. The Articles of Association has been amended from time to time, most recently by notarial deed of Amrul Partomuan Pohan, S.H. No. 129 dated June 28, 1994 regarding the increase in the authorized capital stock from Rp 750 billion to Rp 2,000 billion and Nos. 72 and 73 dated October 20, 1994 regarding the changes in the composition of the Company's Board of Commissioners. The amendment concerning the increase in the authorized capital stock was approved by the Ministry of Justice in its decision letter No. C2-11.432.HT.01.04.TH.94 dated July 26, 1994 and published in the State Gazette of the Republic of Indonesia No. 8209 and Supplement No. 84 dated October 12, 1994.

The Company and its subsidiaries are a multi-business group with three major divisions, namely Cement Division, Food Division and Property Division.

The Cement Division, which is one of the Company's core businesses, manages eight integrated cement plants at its Citeureup - Bogor site and one integrated cement plant at its Palimanan - Cirebon site with a combined annual capacity of 9.6 million tons, consisting of 9.4 million tons of portland cement and 0.2 million tons of speciality (white and oil well) cements.

Effective July 1, 1995, the Company sold the assets, and transferred the liabilities and operations of Bogasari Flour Mills (Bogasari), formerly the Company's directly-owned Food Division, to its subsidiary, PT Indofood Sukses Makmur (ISM), formerly called PT Panganjaya Intikusuma. After the sale, the Food Division consists of ISM and its division, Bogasari, Indofood USA Incorporation, and Far East Food Industries Sendirian Berhad, which are collectively called as Indofood. ISM manages a group of companies engaged in the processing and distribution of instant noodles, snacks, coffee, baby foods and speciality foods, while Bogasari consists of two modern integrated flour milling plants, located in Jakarta and Surabaya, with a combined annual capacity of 2.4 million tons of flour and 60,000 tons of pasta.

The Property Division manages Wisma Indocement, a 23-storey office tower building located in Jakarta's central commercial district with over 19,000 square meters of lettable space and two basement car parks.

2. Summary of Significant Accounting Policies

basis of financial statement presentation

The consolidated financial statements are prepared on the historical cost basis, except for certain property, plant and equipment acquired up to September 12, 1986 which are stated at revalued amounts.

principles of consolidation

The consolidated financial statements include the accounts of the Company and all the subsidiaries in which the Company holds more than 50% share ownership :

Percentage of Ownership

COMPANY	1995	1994
Indocement (Cayman Island) Limited	100.00%	100.00%
PT Indocement Investama	90.20	-
PT Indomix Perkasa	80.00	80.00
Indofood USA Incorporation	51.00	51.00
Far East Food Industries Sendirian Berhad	51.00	51.00
PT Indofood Sukses Makmur	50.94	50.10

Effective January 1, 1994, certain companies within the Indofood Group including PT Sanmaru Manufacturer Company Limited, PT Sarimi Asli Jaya, PT Multi Guna Agung, PT Anekapangan Dwitama, PT Indocipta Pangan Makmur, and PT Indofood Interna Corporation, referred to as "The Merged Companies", were merged into PT Panganjaya Intikusuma. Immediately after the merger, PT Panganjaya Intikusuma, the surviving entity, changed its name to PT Indofood Sukses Makmur (ISM). The merger was documented in the notarial deed of Benny Kristianto, S.H. No. 5 dated March 1, 1994.

The merger was accounted for by using the pooling of interest method. Under this method, the assets and liabilities of the merged companies were transferred to ISM at book values. Based on the notarial deed of the same notary Nos. 5, 7 to 24 dated March 1, 1994, the merged companies were liquidated.

On May 17, 1994, based on notarial deed No. 124 of the same notary, ISM offered 21,000,000 shares to the public. This was approved by the Ministry of Justice in its letter No. C2-8449.HT.01.04.94 dated May 31, 1994.

Investments in companies which are 20% to 50% owned are accounted for under the equity method. Under the equity method, the cost of investment is increased or decreased by the Company and its subsidiaries' equity in net earnings or losses of the investee companies, amortization of goodwill and dividends received.

Investments wherein the Company and its subsidiaries have equity interest of less than 20% are stated at cost.

All significant intercompany account balances and transactions have been eliminated in the consolidation.

cash and cash equivalents

Cash on hand and in banks, time deposits and commercial papers with maturities of three months or less at the time of placement or purchase are classified as "Cash and Cash Equivalents".

marketable securities

Marketable securities are carried at the lower of aggregate cost or market value determined at balance sheet date.

allowance for doubtful accounts

Allowance for doubtful accounts is provided on the basis of a review of the status of the individual receivable accounts at the end of the year.

inventories

Inventories are generally stated at the lower of cost or net realizable value, using either the average or first-in, first-out method. The Company and its subsidiaries provide an allowance for obsolescence on inventories based on a periodic review of the condition of the inventories.

prepaid expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method. Prepayments with benefits extending beyond one year are presented under "Other Noncurrent Assets" in the consolidated balance sheets.

excess of cost/net assets value over net assets value/cost

Excess of cost/net assets value over net assets value/cost, which comprises the excess of the purchase price/net assets value over the net assets value/purchase price of the assets acquired in connection with the acquisitions of subsidiaries, are amortized over a period of 10 to 40 years using the straight-line method. Starting January 1, 1995, the Company changed the amortization period to 20 years in compliance with the new Financial Accounting Standards Statement No. 22 "Accounting for Business Combinations". The effect of this change was a reduction in net income of the current year by about Rp 23.3 billion.

property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation except for certain property, plant and equipment used in operations and acquired up to September 12, 1986 which were revalued in 1987 in accordance with Government Regulation No. 45 dated October 2, 1986.

Landrights are not amortized, while main machinery and equipment related to the production of cement are depreciated using the unit-of-production method. The other property, plant and equipment items are depreciated from the start of commercial production using the straight-line method based on the estimated useful lives of the assets as follows:

Land improvements; quarry; and buildings and structures	20-40 years
Machinery and equipment	5-25 years
Leasehold improvements; furniture, fixtures and office equipment; and tools and other equipment	2-5 years
Transportation equipment	5-20 years

The cost of maintenance and repairs is charged to operations as incurred; significant replacements and betterments are capitalized. When assets are retired or disposed of, their carrying values and related accumulated depreciation, amortization or depletion are removed from the accounts and the resulting gains or losses are credited or charged to current operations.

leases

Leases are accounted for under the capital lease method if these meet all the following criteria:

- a. Lessee has the option to purchase the leased assets at the end of the lease period at a price mutually agreed upon at the commencement of the lease agreement.
- b. Total periodic payments to be paid by the lessee plus residual value shall fully cover the acquisition cost of leased assets plus interest thereon which is the lessor's profit.
- c. Lease period shall be a minimum of two years.

Leases that do not meet all of the abovementioned criteria are accounted for under the operating lease method.

Under the capital lease method, the lease obligations are presented as "Obligations Under Capital Lease" shown under "Long-term Debts", while the related leased assets are presented as "Assets Acquired Under Capital Lease" shown under Property, Plant and Equipment. These assets are depreciated using the straight-line method based on their estimated useful lives. Gains and losses on sale and leaseback of property and equipment are deferred and amortized over the estimated useful lives of the leased assets using the straight-line method.

construction in progress

Construction in progress is stated at cost. The accumulated cost will be reclassified to the appropriate property, plant and equipment accounts upon completion of the project.

capitalization of interest and foreign exchange losses

Prior to 1995, interest and foreign exchange losses incurred on borrowings used to finance specific property developments and manufacturing facilities during the construction period are capitalized to the respective project financed. Starting January 1, 1995, all foreign exchange losses were charged to operations as incurred.

deferred charges

Certain expenditures whose benefits extend over one year were deferred and are being amortized over their estimated useful lives using the straight-line method.

deferred shares issuance costs

Costs incurred in connection with the offering of ISM's shares to the public in 1994 were deferred and are being amortized using the straight-line method over three years.

preoperating expenses

Preoperating expenses were capitalized and are being amortized to operations from the start of commercial production for periods ranging from 3 to 10 years using the straight-line method. Starting January 1, 1995, the Company changed the amortization period of preoperating expenses to 3 years in compliance with the new Financial Accounting Standards Statement No. 6 "Accounting and Reporting for a Development Stage Company". The effect of the change is not material.

franchise

Franchise is stated at cost and being amortized over five years up to 1998 using the straight-line method.

trademarks

Cost incurred relating to the use of trademarks for noodles, snack food products of certain foreign companies, baby foods and coffee products were capitalized and are being amortized over a period of five years up to 1996 using the straight-line method.

revenue and expense recognition

Revenues are recorded as earned when products are delivered to customers or when services are rendered, while freight revenues of Bogasari is generally recognized when the voyage is completed. Expenses are generally charged to operations on the accrual basis.

transactions with affiliates

The Company and its subsidiaries have transactions with entities which are regarded as having special relationships, as defined under the new Financial Accounting Standards Statement No. 7, "Related Party Disclosures", as follows:

- a. Enterprises through one or more intermediaries, control, or are controlled by, or are under the common control with, the reporting enterprise. (This includes holding companies, subsidiaries and fellow subsidiaries);
- b. Associated enterprises;
- c. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them significant influence over the enterprise, and close members of the family of any such individuals (close members of the family of an individual are those that may be expected to influence, or be influenced by, that person in their dealings with the enterprise);
- d. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the reporting enterprise, including directors and officers of companies and close members of the families of such individuals; and
- e. Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises that have a member of key management in common with the reporting enterprise.

All significant transactions with affiliates, whether or not performed under normal prices and conditions similar to those with non-affiliates, are disclosed in the consolidated financial statements.

pension benefits

The Company accrues pension cost under a funded and contributory pension plan covering essentially all full-time employees of the Cement Division and Bogasari under the Food Division.

The costs of providing pension benefits for employees in the other Food and Property Divisions are charged to operations at the time of their retirements, since these Divisions still operate the "pay-as-you-go" retirement benefits scheme. The scheme is neither funded nor contributory.

foreign currency transactions and balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at transaction date. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the approximate exchange rates of Rupiah prevailing at such date. The resulting gains or losses are credited or charged to current operations. Swap cost is amortized over the terms of the swap contracts.

The assets and liabilities of foreign affiliates are translated into Rupiah currency at year-end exchange rates. Profit and loss items are translated at the average exchange rate prevailing during the year. Resulting translation adjustments, being insignificant, are reported under "Other Noncurrent Assets" in the consolidated balance sheets.

provision for income tax

The Company and its subsidiaries follow the taxes payable method in computing their provision for income tax. Under this method, provision for income tax is computed on the basis of estimated taxable income for the year. No deferred tax is provided for the timing difference in the recognition of income and expenses for financial reporting and taxation purposes.

earnings per share

Earnings per share is computed based on the weighted average number of outstanding shares during the year with retroactive adjustment to the bonus shares issued in 1994 (see Note 14).

3. Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

	1995 Rp	1994 Rp
CASH ON HAND AND IN BANKS		
Petty cash funds	1,349,839,843	1,941,409,318
Cash in banks	34,236,454,537	17,538,618,840
	35,586,294,380	19,480,028,158
TIME DEPOSITS		
Rupiah	1,328,730,534,558	177,835,302,424
US Dollar	12,889,901,439	935,000,000
	1,341,620,435,997	178,770,302,424
COMMERCIAL PAPERS	8,000,000,000	31,000,000,000
Total	1,385,206,730,377	229,250,330,582

As of December 31, 1995 and 1994, a portion of the above time deposits were placed with PT Bank Central Asia, an affiliate, which represents 92.45% and 71.89% of the total time deposits, respectively (see Note 20).

Interest rates range from 17% to 18.5% per annum in 1995 and 11.5% to 18% per annum in 1994 for Rupiah time deposits and from 6.75% to 9% per annum in 1995 and 4.5% to 6.75% per annum in 1994 for US dollar time deposits.

Commercial papers were issued at discount rates ranging from 19.25% to 20% per annum in 1995 and from 16% to 17.5% per annum in 1994.

4. Accounts Receivable - Trade

The details of accounts receivable-trade by division are as follows:

	1995 Rp	1994 Rp
Food Division	168,025,855,921	251,210,832,093
Cement Division	103,990,893,872	80,306,776,595
Property Division	332,644,665	261,158,142
Total	272,349,394,458	331,778,766,830

Certain receivables are used as collateral for a portion of the short-term loans and long-term debts (see Notes 10 and 12).

5. Inventories

Inventories consist of:

	1995 Rp	1994 Rp
Finished goods	166,938,844,215	52,532,486,209
Work in process	24,394,383,437	30,673,755,023
Raw materials	106,983,771,249	76,202,397,717
Fuel and lubricants	57,704,196,130	22,708,772,042
Operating supplies	49,178,680,881	43,502,343,736
Spare parts - net	173,755,744,895	122,119,454,207
Materials in transit and others - net	10,201,697,692	8,614,798,804
Total	589,157,318,499	356,354,007,738

Certain inventories are used as collateral for a portion of the short-term loans and long-term debts (see Notes 10 and 12).

6. Investments in and Advances to Investees

These consist of long-term investments, advances to certain investees for working capital requirements and advances to prospective joint operations. The details are as follows:

	Ownership Interest	1995 Rp	Amount 1994 Rp
INVESTMENTS IN SHARES OF STOCK			
Acquisition Cost:			
PT Indotek Engico	50.0%	500,000,000	60,000,000
PT Cibinong Center Industrial Estate	50.0%	60,000,000	60,000,000
PT Indo Clean Set Cement	47.5%	464,787,500	464,787,500
PT Citra Marga Nusaphala Persada	8.8%	22,007,700,000	22,007,700,000
PT Penjamin Kredit Pengusaha Indonesia	8.0%	1,000,000,000	-
Other investee companies	-	2,480,180,684	1,470,000,000
		26,512,668,184	24,062,487,500
CUMULATIVE EQUITY IN NET EARNINGS (LOSSES) - NET OF AMORTIZATION OF GOODWILL AND DIVIDENDS RECEIVED			
		5,780,375,640	3,313,551,153
ADVANCES			
PT Indominco Mandiri		51,577,051,418	17,442,633,997
PT Indo Clean Set Cement		3,793,284,171	2,355,838,955
PT Cibinong Center Industrial Estate		3,346,278,708	9,912,792,935
PT Indotek Engico		103,831,859	436,506,616
Other investee companies		5,658,273,682	5,300,000,000
		64,478,719,838	35,447,772,503
Total		96,771,763,662	62,823,811,156

The Company has a Memorandum of Understanding with PT Indominco Mandiri to form a coal mining joint operation in East Kalimantan. Based on a Transfer (Cessie) Agreement dated December 29, 1995, the Company transferred all of its rights and obligation on the above agreement to its subsidiary, PT Indomix Perkasa, at book value, which then entered into a joint venture agreement for a 35% equity participation in PT Indominco Mandiri. As of December 31, 1995, the project is under the construction phase.

7. Excess of Cost Over Net Assets Value-Net

This account represents the unamortized net excess of cost of acquired companies, mainly ISM, over their net assets value. Amortization expense charged to operations amounted to Rp 43,438,240,556 in 1995 and Rp 19,989,033,298 in 1994 (see Note 2).

8. Property, Plant and Equipment

A summary of property, plant and equipment is presented below:

	1995 Rp	1994 Rp
CARRYING VALUE		
Landrights and land improvements	395,828,177,299	342,502,015,747
Leasehold improvements	1,730,131,861	3,363,422,411
Quarry	24,838,008,807	17,696,104,243
Buildings and structures	902,894,482,938	903,563,005,225
Machinery and equipment	2,729,577,590,271	2,224,680,684,162
Transportation equipment	324,874,258,011	224,275,186,951
Furniture, fixtures and office equipment	94,753,586,068	71,476,988,648
Tools and other equipment	21,957,191,055	16,217,918,558
Assets acquired under capital lease:		
Buildings	141,415,706,879	145,979,726,200
Machinery and equipment	237,508,973,627	235,554,039,136
Total	4,875,378,106,816	4,185,309,091,281
Less accumulated depreciation, amortization, and depletion	984,316,906,959	902,321,605,708
Net	3,891,061,199,857	3,282,987,485,573

Certain property, plant and equipment are used as collateral for the short-term loans and long-term debts (see Notes 10 and 12).

Depreciation, amortization and depletion charges totalled Rp 238,300,417,042 in 1995 and Rp 224,930,703,300 in 1994.

9. Construction in Progress

This account consists of:

	1995 Rp	1994 Rp
Buildings and structures	250,158,461,585	39,421,889,602
Machinery and equipment	245,075,159,050	177,199,887,966
Land improvements	13,991,134,906	2,751,207,569
Others	16,899,505,095	9,430,268,290
Total	526,124,260,636	228,803,253,427

This account mainly represents the construction and installation costs of manufacturing facilities in line with the Company's capacity expansion program (see Note 21).

10. Short-term Loans

Short-term loans consist of the following:

	1995 Rp	1994 Rp
Overdraft	85,191,239,001	92,238,160,658
Commercial Paper	57,699,397,523	-
Usance Letter of Credit	20,440,004,629	5,667,238,976
Other Term Loans	332,964,117,702	252,229,120,597
Total	496,294,758,855	350,134,520,231

As of December 31, 1995 and 1994, a portion of the above loans were obtained from PT Bank Central Asia, an affiliate, which represents 15.85% and 25.34% of the total short-term loans, respectively (see Note 20).

Interest rates range from 6.69% to 10.0% per annum in 1995 and 5.25% to 9.375% per annum in 1994 for foreign currency denominated loans and from 15.75% to 20.5% per annum in 1995 and 13.75% to 19.5% per annum in 1994 for Rupiah denominated loans. Certain loans are collateralized by certain property, plant and equipment, inventories, trade receivables, promissory notes and personal guarantees from certain stockholders.

11. Taxation

The details of accrued taxes are as follows:

	1995 Rp	1994 Rp
Estimated corporate income tax payable	84,572,047,865	33,967,769,065
Other taxes accrued and withheld		
Income tax - Article 21	4,074,051,663	4,003,902,486
Income tax - Article 22	79,256,566	-
Income tax - Article 23	1,229,827,533	613,527,135
Income tax - Article 25	3,539,933,241	4,646,229,891
Income tax - Article 26	1,466,086,367	698,121,467
Value Added Tax - Output	37,383,194,874	37,630,779,907
Total	132,344,398,109	81,560,329,951

The fiscal computation, together with a reconciliation of the Company's income before provision for income tax and estimated taxable income, is shown below:

	1995 Rp	1994 Rp
Income before provision for income tax per consolidated statements of income	663,366,395,858	575,207,681,793
Add (deduct) :		
Income of the subsidiaries before provision for income tax	(318,497,033,424)	(271,593,458,194)
Gain on sale of Bogasari	331,157,772,000	-
Amortization of excess of investment cost over net assets value	40,743,196,209	18,445,468,954
Income before provision for income tax attributable to the Company	716,770,330,643	322,059,692,553
Add (deduct) :		
Timing differences, mainly the excess of tax over book depreciation	(263,547,434,120)	(194,491,705,869)
Non-deductible expenses, mainly employees' benefits and public relations	33,994,198,816	31,022,636,352
Non-taxable income		
Interest - final	(54,415,158,078)	-
Dividends	(2,026,293,800)	(1,483,892,800)
Estimated taxable income before tax losses relief	430,775,643,461	157,106,730,236
Tax losses brought forward at beginning of year	-	(24,036,014,318)
Estimated taxable income	430,775,643,461	133,070,715,918

The provision for income tax and estimated corporate income tax payable are as follows:

	1995 Rp	1994 Rp
PROVISION FOR INCOME TAX		
Estimated taxable income	430,775,643,461	133,070,715,000
Gain on sale of Bogasari	(331,157,772,000)	-
Estimated taxable income - net of gain on sale of Bogasari	99,617,871,461	133,070,715,000
Provision for Income Tax		
Company	29,876,611,438	46,568,750,250
Subsidiaries	6,545,624,547	52,403,624,850
Provision for income tax per consolidated statements of income	36,422,235,985	98,972,375,100
ESTIMATED INCOME TAX PAYABLE		
Provision for income tax - Company	29,876,611,438	46,568,750,250
Income tax on gain on sale of Bogasari	99,347,331,600	-
	129,223,943,038	46,568,750,250
Provision for income tax - Subsidiaries	6,545,624,547	52,403,624,850
	135,769,567,585	98,972,375,100
Prepayments of Income Tax		
Company	(45,441,493,194)	(29,428,164,194)
Subsidiaries	(5,756,026,526)	(35,576,441,841)
Estimated corporate income tax payable	84,572,047,865	33,967,769,065

The gain on sale of Bogasari, net of the corresponding income tax, is deferred and presented under "Other Liabilities and Deferred Credits" (see Note 13). For income tax purposes, the gain is recognized in the current year and taxed accordingly.

12. Long-term Debts

Long-term debts consist of the following:

	Foreign Currency	1995 Rp	1994 Rp
Rupiah Loans		807,285,831,429	240,006,034,890
Foreign Currency Loans	Various	1,601,453,245,744	651,604,980,576
Promissory Notes	US\$60,000,000	138,480,000,000	462,000,000,000
Commercial Papers		850,513,260,760	387,000,000,000
Suppliers' Credit	Various	22,346,050,654	31,995,686,611
Obligations Under Capital Lease		103,542,129,906	149,452,369,696
Total		3,523,620,518,493	1,922,059,071,773
Less Portion Currently Due			
Rupiah loans		57,637,775,454	19,500,000,000
Foreign currency loans	Various	118,017,048,977	31,819,318,366
Promissory notes	US\$60,000,000	138,480,000,000	132,000,000,000
Suppliers' credit	Various	8,892,159,278	10,665,950,010
Obligations under capital lease		31,456,713,870	47,818,973,448
		354,483,697,579	241,804,241,824
Long-term Portion		3,169,136,820,914	1,680,254,829,949

As of December 31, 1995 and 1994, a portion of the above loans including commercial papers were obtained from PT Bank Central Asia, an affiliate, which represents 44.85% and 39.11% of the total long-term loans, respectively (see Note 20).

The promissory notes with a balance of US\$ 60 million issued to PT Bank Ekspor Impor Indonesia are being repaid in quarterly installments up to November 1996.

Suppliers' credits, which are mainly denominated in US Dollars, represent liabilities to foreign suppliers for the purchase of machinery and equipment.

The Company and its subsidiaries have lease commitments covering certain buildings, machinery and equipment expiring at various dates with the option to purchase the leased assets at the end of the lease term. Future minimum lease payments under these leases are Rp 31.5 billion, Rp 40.4 billion, Rp 8.2 billion and Rp 9.7 billion for the years ending December 31, 1996, 1997, 1998 and 1999, respectively; while total lease payment due after the fifth year is Rp 13.5 billion.

The above indebtedness, which bear interest rates ranging from 13.5% to 18.5% per annum in 1995 and 10.34% to 20.0% per annum in 1994 for Rupiah denominated loans and from 7.40% to 9.25% per annum in 1995 and 6.025% to 9.89% per annum in 1994 for foreign currency denominated loans, are collateralized by certain property, plant and equipment, inventories, trade receivables, stand-by letters of credit and personal guarantees from certain stockholders and officers.

Certain loan agreements contain terms and conditions requiring the Company to obtain prior consent from the lenders with regard to taking on additional long-term liabilities, changing the Company's legal status and composition of the board of directors, restructuring the equity capital and incurring significant capital expenditures in excess of a specified amount. In addition, the Company has to maintain certain financial ratios.

13. Other Liabilities and Deferred Credits

Other liabilities and deferred credits consist of the following :

	1995 Rp	1994 Rp
Deferred gain on sale of Bogasari	226,617,886,423	-
Estimated liability for retirement benefits	43,651,493,283	-
Deferred gain on sale and leaseback transactions	41,609,771,758	44,307,956,855
Due to affiliates	8,746,835,005	25,482,370,478
Total	320,625,986,469	69,790,327,333

As discussed in Note 1, the Company sold the assets and transferred the liabilities and operations of Bogasari to its consolidated subsidiary, ISM. The resulting gain on this transaction, net of the corresponding income tax of Rp 99 billion, amounted to Rp 232 billion was deferred in the consolidated financial statements for as long as the assets remain in the consolidated balance sheets. For income tax purposes, the gain of Rp 331 billion is recognized in the current year and taxed accordingly (see Note 11).

In connection with the Bogasari's retirement benefits plans, Bogasari has recognized an estimated liability for retirement benefits amounting to Rp 43,651,493,283 (see Note 19).

14. Capital Stock

In the Extraordinary General Meeting of the Stockholders held on June 15, 1994, the stockholders approved the increase in the authorized capital stock from Rp 750 billion to Rp 2,000 billion (see Note 1) and the issuance of bonus shares of one share for each share owned based on shares outstanding as of August 23, 1994. Further, in 1994, the 6.75% convertible bonds with an aggregate value of US\$ 35,140,000 were converted into 8,555,640 shares. Upon conversion, the Company transferred Rp 8,555,640,000 to capital stock and Rp 67,320,100,000 to additional paid in capital. The Company's stockholders and their respective share ownership as of December 31, 1995 and 1994 are as follows :

	Percentage of Ownership %	Amount Rp
PT Mekar Perkasa	42.06	507,806,000,000
Government of the Republic of Indonesia	25.73	310,564,190,000
PT Citrabuana Dirgapuri	12.65	152,715,652,000
PT Kaolin Indah Utama	4.42	53,300,410,000
Public and Cooperatives	15.14	182,840,408,000
Total	100.00	1,207,226,660,000

15. Additional Paid-In Capital

This account represents the excess of the amounts received or carrying value of convertible debentures and convertible bonds over the par value of the shares issued.

16. Operating Segmental Information

The Company and its subsidiaries classify their manufactured products and services into three business segments; Cement Division, Food Division and Property Division. Information concerning the Company and its subsidiaries' business segments, net of elimination for intercompany transactions and balances, is as follows:

	1995 Rp	1994 Rp
NET REVENUES:		
Cement Division		
Cement	1,375,977,188,442	1,220,583,089,247
Ready mixed concrete	32,477,732,400	17,565,129,825
Food Division		
Bogasari	946,598,399,748	793,867,588,915
Indofood	1,580,355,720,161	1,349,328,758,944
Property Division		
Wisma Indocement	6,857,664,934	6,669,772,535
Total	3,942,266,705,685	3,388,014,339,466
COST OF REVENUES:		
Cement Division		
Cement	688,830,138,524	629,318,638,148
Ready mixed concrete	17,899,041,957	8,660,715,748
Food Division		
Bogasari	780,891,734,317	671,293,342,033
Indofood	1,005,943,466,150	849,096,341,869
Property Division		
Wisma Indocement	9,825,864,332	9,787,060,897
Total	2,503,390,245,280	2,168,156,098,695
INCOME (LOSS) FROM OPERATIONS:		
Cement Division		
Cement	594,098,125,404	520,475,755,071
Ready mixed concrete	13,842,564,070	8,298,445,708
Food Division		
Bogasari	139,557,078,922	96,163,340,841
Indofood	287,116,697,702	269,686,255,854
Property Division		
Wisma Indocement	(4,447,269,544)	(4,387,254,702)
Total	1,030,167,196,554	890,236,542,772
TOTAL ASSETS:		
Cement Division		
Cement	4,378,848,889,510	2,753,018,590,698
Ready mixed concrete	22,677,800,224	15,707,938,216
Food Division		
Bogasari	2,125,556,206,199	1,244,763,663,369
Indofood	1,578,851,815,539	1,440,526,986,598
Property Division		
Wisma Indocement	99,075,464,295	102,389,148,620
Total	8,205,010,175,767	5,556,406,327,501

17. Cost of Revenues

Cost of revenues consists of materials used, direct labor and factory overhead. Factory overhead consists mainly of indirect labor, depreciation and repairs and maintenance, among others.

18. Operating Expenses

Delivery and selling expenses consist mainly of advertising and promotions, delivery, loading and transportation, salaries, wages and employee's benefits.

General and administrative expenses consist mainly of salaries, wages and employee's benefits, depreciation and amortization, fuel and transportation. 1995 operating expenses include anniversary cost.

19. Pension and Retirement Benefits Plan

In December 1994, the Company changed the pension plan program of the Cement Division from the Defined Benefits Plan to a Defined Contribution Plan. The plan covers substantially all full-time employees of the Cement Division. Pension contributions of the Company and the employees of the Cement Division amounted to 10% and 5%, respectively, of the pensionable earnings of the employees. Regular pension costs charged to operations amounted to Rp 3.5 billion in 1995 and Rp 3 billion in 1994.

Upon adoption of the Defined Contribution Plan, the Company has fully funded the past service liability of Rp 14.6 billion which was charged to operations in 1994.

The pension fund is held separately and administered by the Dana Pensiun Karyawan PT Indocement Tunggal Prakarsa (formerly Yayasan Dana Pensiun Karyawan PT Indocement Tunggal Prakarsa), the establishment of which was approved by the Ministry of Finance on November 12, 1991 as amended on December 1, 1994 by the decree No. Kep-332/KM.17/1994.

On February 3, 1995, the Ministry of Finance in its letters No. KEP-027/KM.17/1995 and No. KEP-028/KM.17/1995 has approved Bogasari's Defined Benefits Plan and Defined Contribution Pension Plan, respectively. Relative to this, Bogasari has recognized an estimated liability for retirement benefits amounting to Rp 43,651,493,283, as of December 31, 1995, based on actuarial computation (see Note 13).

The approval from Ministry of Finance for ISM's pension plan is still pending. In connection with the said plan to establish a formal pension, ISM provides for estimated pension liability amounting to Rp 11,886,372,439 in 1995. The estimated pension liability of ISM mentioned above are recorded under "Accrued Expenses" in the consolidated balance sheets.

20. Transactions and Accounts with Affiliates

The significant transactions and related account balances with affiliates are as follows:

- a. The Company sells a substantial portion of its products to PT Semen Tiga Roda Prasetya, one of the Company's main distributors. Sales to this distributor amounted to Rp 882,032,709,091 or 63.35% of its total sales in 1995 and Rp 811,103,354,002 or 65.95% of its total sales in 1994. The outstanding receivables as of December 31, 1995 and 1994 amounted to Rp 32,584,401,017 and Rp 32,882,344,212 respectively.
- b. ISM sells finished goods to certain affiliates. Sales to affiliates represent 68.6% and 60.2% of its total sales in 1995 and 1994, respectively.
- c. ISM purchases finished goods from certain affiliates. Purchases from affiliates represent 7.78% and 11.65% of its total purchases in 1995 and 1994, respectively.
- d. The Company and its subsidiaries obtain loans from, and place their time deposits with PT Bank Central Asia, which bear interest at prevailing commercial rates (see Notes 3, 10 and 12).

- e. The Company insures a portion of its assets with PT Asuransi Central Asia.
- f. The Company has lease transactions with PT Swadharma Indotama Finance and PT Central Sari Metropolitan Leasing Corporation, which acts as the agent of a leasing consortium.
- g. ISM charges interest on long-term loans granted to certain affiliates at normal commercial rates.

Transactions with affiliates other than those pertaining to the main businesses of the Company and its subsidiaries are reported under "Accounts Receivable/ Payable - Affiliates". Those advances received which are not expected to be repaid within twelve months are presented under "Other Liabilities and Deferred Credits" account amounted to Rp 8,746,835,005 and Rp 25,482,370,478 in 1995 and 1994, respectively.

21. Agreements

The Company and its subsidiaries have several technical and licensing agreements with third parties, the more significant of which are as follows:

- a. ISM has a management agreement with PT Putri Daya Usahatama, PT Cereko Reksa Corporation, PT Cemako Mandiri Corporation, PT Semesta Rasa Foods, Pinehill Arabia Food, and Galior International for ISM to provide technical assistance, administration and management service. As compensation thereof, ISM receives management fee which amounted to Rp 2,443,999,336 in 1995 and Rp 1,130,655,960 in 1994.
- b. Bogasari Flour Mills division (Bogasari) has a technical and management agreement with PT Berdikari Sari Utama Flour Mills (Berdikari) whereby Bogasari agreed to provide technical assistance, administration and management services to the latter. As compensation, Bogasari receives from Berdikari technical and management fees determined based on the terms of the agreement.
- c. In 1994, ISM has signed several contracts for the purchase of machinery from Ranton Development Limited. Relative to this, ISM has made advance payments in 1994 totalling Rp 55,647,853,800.
- d. On March 1, 1994, the Company signed a Memorandum of Understanding with Korea Development Company Limited (Kodeco) and Marubeni Corporation (Marubeni), whereby the Company, Kodeco and Marubeni mutually agreed to build a grey portland cement manufacturing plant at Batulicin, South Kalimantan. This plant will have an installed capacity of 2.45 million tons of grey cement per annum and is expected to be in full operation in early 1998 at a total estimated cost of US\$ 495,000,000. The Company and its associates, as local participants, will own 51% of the equity, while Kodeco and Marubeni, as foreign participants, will have 49% of the equity. This was later transferred to the Company's subsidiary, PT Indocement Investama, which subsequently signed a joint venture agreement with Kodeco and Marubeni pursuant to which the joint venture company was established.
- e. In accordance with the Company's plan of expanding the production of its cement plant in Cirebon by 1.3 million tons per annum, the Company signed a contract with Marubeni Corporation for the foreign supply of machinery and equipment amounting to US\$ 85,386,250. In addition, the Company entered into a contract with Kawasaki Heavy Industries Limited for civil works including supervision of the construction of the new cement plant and local supply of machinery and equipment amounting to US\$ 61,138,750

22. Cash Dividends

In the Annual Stockholders' General Meetings held on June 30, 1995 and June 15, 1994, the stockholders approved the distribution of final cash dividends of Rp 120 per share to stockholders of records as of July 28, 1995, and Rp 208 per share to stockholders of record as of July 21, 1994, respectively.

On July 28, 1995, the Board of Directors approved the distribution of extraordinary cash dividends for 1995 amounting to Rp 40 per share to stockholders of record as of September 1, 1995.

23. Commitments

- a. The Company hedges a portion of its US dollar liabilities by entering into straight currency swap contracts totalling US\$ 155,000,000 and interest rate swap contracts for certain foreign currency loans with Bank Indonesia and other financial institutions. The swap cost charged to operations amounted to approximately Rp 59 billion in 1995.
- b. The Company has unused letter of credit facilities amounting to approximately Rp 210 billion as of December 31, 1995.

24. Other Matters

In line with its intention to invest in a prime property in Jakarta, the Company, in 1992, made an advance payment of Rp 77.9 billion for the purchase of the shares of stock of PT Wisma Nusantara International (WNI) representing a 35% ownership interest. The investment was approved by the Capital Investment Coordinating Board (Badan Koordinasi Penanaman Modal) in its letter No. 3113/III/PMA/1993 dated June 25, 1993. However, pending finalization of the terms and conditions of the agreement, WNI, in March 1995, refunded the total amount until a final resolution is reached.

25. Subsequent Event

In January 1996, pursuant to Presidential Decree No. 90 of 1995 dated December 30, 1995, a public foundation was created to which companies and individuals with net income in excess of Rp 100 million per year are advised to contribute up to 2% of after-tax income as reported to tax authorities. Any such payment would be distributed from retained earnings.

26. Reclassification of Accounts

Certain accounts in the 1994 consolidated financial statements have been reclassified to conform with the presentation of accounts in the 1995 consolidated financial statements.

Members of the Board of Directors and the Board of Commissioners of Indocement are elected by the shareholders of Indocement for five-year terms. Indocement's Articles of Association currently provide that Indocement shall have a maximum of nine Directors and a maximum of seven Commissioners, including one President-Director, one President Commissioner and one Vice President Director.

Board of Directors

The Board of Directors is responsible for the day-to-day management of Indocement. The current members of the Board of Directors of Indocement are as follows:

NAME	AGE	POSITION(S)
Sudwikatmono	61	President Director. Mr. Sudwikatmono is one of the founders of Indocement and has been President Director of Indocement since 1985. He is also the President Director of Indofood.
Anthony Salim	46	Vice President Director. Mr. Salim has been Vice President Director of Indocement since 1989. He is the President and Chief Executive Officer of the Salim Group and also serves as Vice President Director of Indofood.
Ibrahim Risjad	61	Director. Mr. Risjad is one of the founders of Indocement and has been a Director of Indocement since 1985. He is also a Commissioner of Indofood.
Tedy Djuhar	44	Director. Mr. Djuhar has been a Director of Indocement since 1985. He is also a Commissioner of Indofood.
Iwa Kartiwa	54	Director. Mr. Kartiwa has been a Director of Indocement since 1985. Before joining Indocement, he also served as Director of PT Semen Baturaja.
Soepardjo	66	Director. Mr. Soepardjo, a government official, has been a Director of Indocement since his appointment in 1985. He is also a Chairman of Indonesian Cement Association.
Daddy Hariadi	49	Director. Mr. Hariadi has been a Director of Indocement since 1985. He was a former Director of PT Semen Padang.
Franciscus Welirang	44	Director. Mr. Welirang has been a Director of Indocement since 1993. He is also a Director of Indofood.
Benny S. Santoso	38	Director. Mr. Santoso has been Indocement's Finance Director since January 1994. He is also a Commissioner of Indofood.

Board of Commissioners

Pursuant to Indocement's Articles of Association and applicable provisions of Indonesian law, Indocement's Board of Commissioners is responsible for overseeing the activities of the Board of Directors. Commissioners may also inspect the buildings and offices of Indocement, examine its books, records and documents and temporarily suspend a Director of Indocement from his responsibilities if such Director acts contrary to Indocement's Articles of Association, neglect his obligations to Indocement or does not act in the best interests of Indocement. The written approval of at least three Commissioners is required for significant actions taken on behalf of Indocement, including borrowing money, granting a guarantee, acquiring or disposing fixed assets, pledging or encumbering any assets of Indocement and establishing subsidiaries.

NAME	AGE	POSITION(S)
Soedono Salim	79	President Commissioner. Mr. Salim has been President Commissioner of Indocement since 1985. Mr. Salim is one of the founders of Indocement and the founder and Chairman of the Salim Group, and also serves as Commissioner in several of the related Group companies.
Djuhar Sutanto	67	Commissioner. Mr. Sutanto has been Commissioner of Indocement since 1985. He is one of Soedono Salim's business partners and one of the founders of Indocement.
E. Soekasah Somawidjaja	74	Commissioner. Mr. Somawidjaja was a former government official with business experience in banking and was a Commissioner of Indocement from 1985 until his death on February 24, 1996.
H. Aang Kunaefi	73	Commissioner. Mr. Kunaefi, a former Governor of West Java province, has been a Commissioner of Indocement since 1985. He is also a Commissioner of Indofood.
Johnny Djuhar	37	Commissioner. Mr. Djuhar has been a Commissioner of Indocement since 1993.
Kuntara	56	Commissioner. Mr. Kuntara has been a Commissioner of Indocement since 1994.
Andree Halim	48	Commissioner. Mr. Halim has been a Commissioner of Indocement since 1995. He is Vice Chairman of the Salim Group and Vice President Director of Bank Central Asia.

Remuneration

The remuneration of the Board of Commissioners and Directors in aggregate amounted to Rp. 6.75 billion in 1995.

Major Shareholders	PT Mekar Perkasa	42.06%
	Government of the Republic of Indonesia	25.73%
	PT Citrabuana Dirgapuri	12.65%
	Share Listing: the whole shares are listed on the Main Board of the Stock Exchange in Indonesia - Reuters INTPJK	
Board of Commissioners	President Commissioner	Soedono Salim
	Commissioner	Djuhar Sutanto
	Commissioner	E. Soekasah Somawidjaja (*)
	Commissioner	H. Aang Kunaefi
	Commissioner	Johny Djuhar
	Commissioner	Kuntara
	Commissioner	Andree Halim
	* Acting as Commissioner until his decease on February 24, 1996.	
Board of Directors	President Director	Sudwikatmono
	Vice-President Director	Anthony Salim
	Director	Ibrahim Risjad
	Director	Tedy Djuhar
	Director	Iwa Kartiwa
	Director	Soepardjo
	Director	Daddy Hariadi
	Director	Franciscus Welirang
	Director	Benny S. Santoso
Corporate Address	8th Floor, Wisma Indosemen Jl. Jend. Sudirman Kav. 70-71 Jakarta 12910, Indonesia Phone: 62-21-2512121	
	P.O. Box: 4018 Jakarta 10040	
	Cable: INDOCEMENT	
	Telex: 65150, 65249, 65731 INCEM IA	
	Facsimile: 62-021-2510066	

**Professionals and Bankers:
Auditors**

Prasetio Utomo & Co.
(A member of Arthur Andersen & Co. SC.)
8th and 11th Floor, Chase Plaza
Jl. Jend. Sudirman Kav. 21
Jakarta 12920, Indonesia

Share Registrar

PT Risjad Salim Registra,
Kompleks Atap Merah,
Blok C No.5-6,
Jl. Pecenongan No. 72,
Jakarta 10120, Indonesia

Major Bankers

Bank Central Asia
Bank Ekspor Impor Indonesia
Bank Negara Indonesia 1946
Bank Pembangunan Indonesia
Mitsubishi Buana Bank
The Asahi Bank, Ltd.
Asean Finance Corporation, Ltd.
Commerzbank Aktiengesellschaft
Bank of America
Banque Paribas
The Chase Manhattan Bank, N.A.
Citibank, N.A.
The Commonwealth Bank of Australia
The Fuji Bank, Ltd.
Long Term Credit Bank of Japan
The Mitsubishi Bank, Ltd.
The Nippon Credit Bank, Ltd.
The Tokai Bank, Ltd.
Union Bank of Switzerland
The Yasuda Trust & Banking Company, Ltd.

Other Shareholder Information

Annual General Meeting

The Annual General Meeting of Shareholders will be held on the 21st Floor, Wisma Indosemen Jl. Jend. Sudirman Kav. 70-71, Jakarta 12910, on 25 June, 1996

For further information, please contact:

Corporate Secretariat
PT Indocement Tunggal Prakarsa
8th Floor, Wisma Indosemen
Jl. Jend. Sudirman, Kav. 70-71
Jakarta 12910, Indonesia
Phone: 62-21-2512121
Facsimile: 62-21-2510066

Investor Inquiries

Investor inquiries may be directed to:

Corporate Finance
PT Indocement Tunggal Prakarsa
9th Floor, Wisma Indosemen
Jl. Jend. Sudirman Kav. 70-71
Jakarta 12910, Indonesia
Phone: 62-21-2512121
Facsimile: 62-21-2510076/2512076
E-mail: corpfin@indo.net.id



PT INDOCEMENT TUNGGAL PRAKARSA