

Annual Report 1992



P.T. INDOCEMENT TUNGGAL PRAKARSA

Corporate Vision

- We will actively contribute to Indonesia's economic development.
- We will maintain our leadership in the cement industry and supply products of good quality at reasonable prices to customers throughout the nation.
- We will continue to utilize our financial resources efficiently. And when the right opportunities arise, we will invest in profitable Indonesian businesses with strong market positions and good growth potential.
- We will continue to improve our performance and our products by applying the best management expertise, along with the highest available levels of economically justifiable technology. In the same way, we will minimize our impact on the natural environment.
- We will promote a culture of responsibility and accountability to develop executives capable of leading the growth and diversification of the Company.
- We will maximize stockholder value and provide attractive opportunities for the public to participate in our success.
- We will create the best opportunities for our employees to develop and achieve their full potential.
- We will be good corporate citizens in supporting the development of the community and upholding the public interest.

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Cover :

The cover of Indocement's Annual Report 1992 depicts the businesses of its three major divisions : Cement, Food and Property.

Business Profile



Indocement was established in 1973 by the Liem Investors. Today we are a multi-business group with three major divisions: Cement, Food and Property.

We are Indonesia's leading cement producer with an annual capacity of 9.4 million tons. Our cement products are sold under the Tiga Roda brand and our domestic market share is close to 50%. Our cement is being used each day to build roads, factories, homes and cities throughout the nation.

Our Food Division, established through acquisitions in 1992, consists of Bogasari, Indonesia's largest flour miller, and the IndoFood Group. The IndoFood Group is a major manufacturer and distributor of instant noodles, snacks, baby foods and beverages. Among its nine brands of instant noodles, which account for a combined market share of almost 90%, are Indomie, Sarimi and Supermie.

The principal asset of our Property Division, also established in 1992, is Wisma Indocement, the central Jakarta office tower in which Indocement has its corporate headquarters.

At Indocement, we plan carefully for the future in order to fulfill our role as good corporate citizens. We are committed to contributing to Indonesia's economic development, maintaining leadership in the cement and food industries and building longterm benefits for our shareholders, employees and the communities where we operate.

By the end of 1992, our total workforce including that of the IndoFood Group numbered over 23,000.

Significant Events of the Year



Indocement makes a major strategic move in establishing the Food Division through acquisitions of Bogasari and the IndoFood Group, two leading businesses with strong market positions and good potential for growth.



The Company acquires Wisma Indocement, a 23-storey office building in Jakarta's principal business district in which the Company has its corporate headquarters.



Our Cement Division is moving ahead with exploration for coal in East Kalimantan, in line with its plan to source more than one-million tons of coal domestically each year.



The Cirebon cement plant is being converted from a gas-fired to a coal-fired system in order to minimize fuel costs. This will result in a substantial reduction in production costs.

Significant Events of the Year



The cement distribution terminal in Surabaya is completed, helping to secure an improved market position and resulting in an increase in deliveries of bulk cement in East Java.



The initial export shipments of pasta from Bogasari's new pasta plant in Jakarta are loaded for Japan, Australia and the Middle East.



The IndoFood Group establishes new noodle factories and production lines to meet sharply higher market demand. Production capacity nearly doubles from 360 million to 600 million packs per month.



The Cement Division pays special attention to environmental concerns with the investment of US \$14 million to further reduce dust emissions. At the Citeureup quarry, 800,000 trees are planted in a re-greening project.

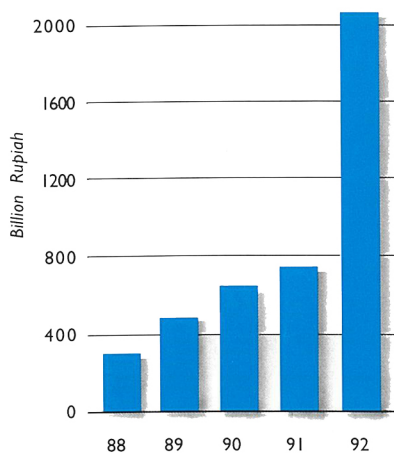
Financial Highlights

(Amounts in Billion Rupiah,
Except Per Share Data)

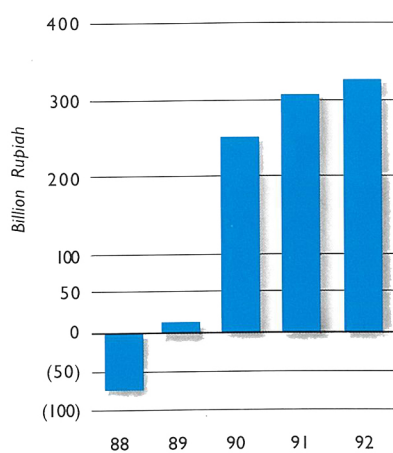
	1992	1991	% Change
Net Revenues			
Cement Division	968.7	771.3	+26%
Food Division	1,165.3	—	—
Property Division	2.7 (*)	—	—
Total	2,136.7	771.3	
Income from Operations			
Cement Division	361.9	310.2	+17%
Food Division	202.1	—	—
Property Division	(1.8) (*)	—	—
Total	562.2	310.2	
Net Income	327.4	308.7	+6%
Cash Generated from Operations	521.6	416.2	+25%
Total Assets	4,795.2	2,151.2	+223%
Total Stockholders' Equity	1,739.8	1,517.2	+15%
Earnings Per Share			
Primary	546.67	515.42	+6%
Anti-Diluted (Fully-Diluted in 1991)	557.10	508.24	+10%

(*) Total includes only rent for space
charged out to third party tenants.

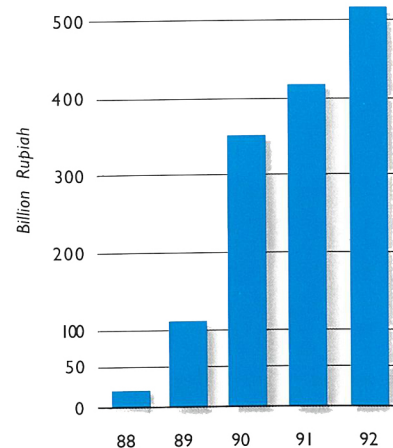
NET REVENUES



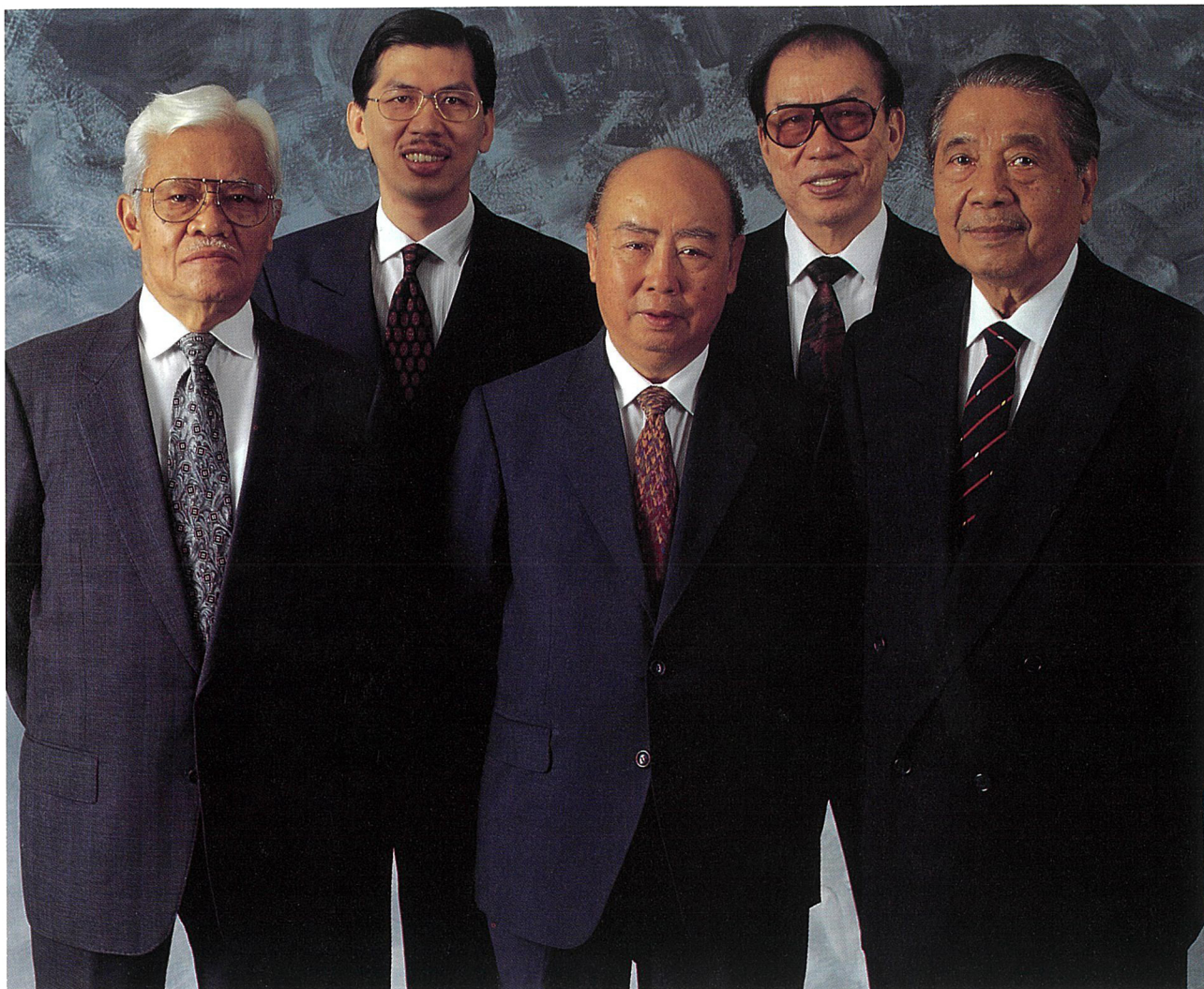
NET INCOME



CASH GENERATED FROM OPERATIONS



Board of Commissioners



Left to right :

H. Aang Kunaefi, John Djuhar, Soedono Salim, Djuhar Sutanto and E. Soekasah Somawidjaja

Report to Stockholders



Report to Stockholders

Another Record-Breaking Year

In our 1991 Annual Report we stated that we were confident of setting new performance records for your Company in the year ahead. We also said that our goal was to diversify Indocement's profit base while applying existing management expertise to industries outside of cement.

We are delighted to report that 1992 has been yet another outstanding year for the Company.

Net revenues rose to Rp. 2.1 trillion

Successes in the Cement Division

With a market share of close to 50%, your Company is the national market leader in cement.

We achieved record sales and earnings in our cement business. Sales volume topped 9.6 million tons, as compared to 7.8 million tons in 1991.

Sales revenue increased by 26% to Rp. 969 billion. Income from operations reached Rp. 362 billion.

We are pleased that our Government



in 1992. Net income increased to Rp. 327 billion, an increase of 6% over 1991 and somewhat higher than our expectations.

This performance was achieved despite the additional financing costs of acquisitions made during the year.

Your Board has reviewed the financial statements of the Company for the year ended December 31, 1992, as audited by Drs Utomo & Co., a member firm of the Arthur Andersen Worldwide Organization.

The Board agrees with the audited financial statements and will present them for your approval and endorsement at the Annual General Meeting, together with a recommendation for payment of dividends for the year 1992.

reinstated a more liberal policy on export sales of cement products. This allowed us to export nearly 1.6 million tons in 1992, an increase of approximately 900 thousand tons over the previous year. Exports during 1992 accounted for 16% of total sales.

Operations at the Cirebon plant were successfully integrated and new synergies have been achieved in purchasing, inventory management and distribution.

Several important investment programs were initiated or continued during the year to further improve operating performance in the Cement Division.

We intend to maintain our national leadership in cement. We will continue

Report to Stockholders

to extend our cement business through vertical integration to mining, shipping, direct bulk distribution and marketing of ready-mixed concrete.

A Strategic Move

At the Extraordinary General Meeting held in July, 1992, our shareholders approved the Company's strategic move into the food business through acquisition of Bogasari and purchase of a 51% interest in the IndoFood Group. Also approved was the acquisition of Wisma Indocement.

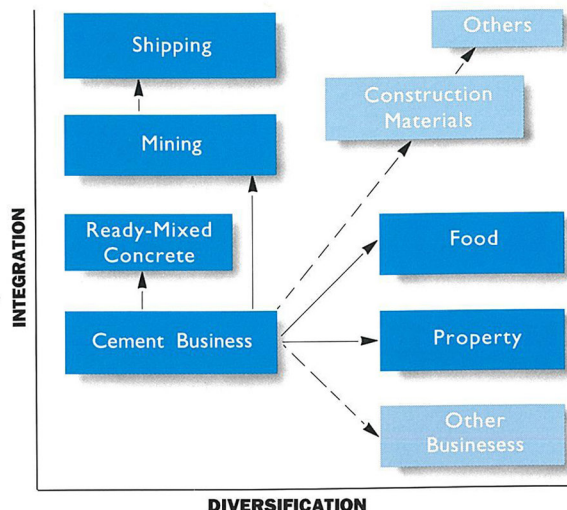
As we entered 1992, our business fundamentals were very strong. These included a dominant market share, a low production cost, a profitable operation, a strong cash flow and a low leverage. Our free cash flow, after considering an estimated dividend pay-out ratio of 40%, was over US \$100 million annually.

In our opinion, the Company's capabilities far exceed the domestic cement market's potential. We believe that our most promising assets are our nationwide market reach, our access to new markets, our proven production discipline and our responsible financial management.

Consistent with the strategic directions Indocement will take, as stated in our 1991 Annual Report, your Board believes that the Company is ready for substantial expansion outside the cement industry in order to broaden its earnings base.

Our chief objective was to identify and invest in a large and profitable business with a strong market position and good prospects for growth. We were looking for companies involved in a basic industry in which we could again be the lowest-cost producer. Thus we would benefit and grow as Indonesia continues to develop. We also wanted

to balance the cyclical nature of the income stream from our cement business while enhancing the Company's earnings capacity.



The Board believes that the purchase of Bogasari and the IndoFood Group will secure for Indocement longterm leadership in the basic food sector through commanding market positions, strong growth potential, economies of scale in production facilities, an impressive portfolio of established brands and an extensive marketing and distributing network.



Bogasari is Indonesia's largest miller of wheat flour. The IndoFood Group is

Report to Stockholders

the nation's leading manufacturer and distributor of packaged food products.



An independent committee without any interest in the acquisitions was formed specifically to review the fairness of these companies' valuations, the financial terms of their purchase and the likely financial impact the acquisitions would have on Indocement. The committee and its financial advisors concluded that the proposed acquisitions would benefit the Company and recommended that shareholders vote in favor of these transactions.

As mentioned in the Circular to Shareholders dated June 30, 1992 with regard to these acquisitions, the gross consideration of approximately Rp. 2.1 trillion was funded in part by Rp. 400 billion from internal cash resources. The remainder came through longterm borrowing.

As a result of these acquisitions, our net gearing initially rose to 137%. The Board believes that the present leverage is at a comfortable level and therefore has no immediate plans to refinance these borrowings through new equity issues.

The Pace of National Development

The Indonesian Government has termed the next twenty-five years as Indonesia's take-off phase. It will be a time during which we build on the impressive economic base of the past quarter-century.

Tight monetary policies introduced over the last two years to curb an overheated economy are now cautiously being relaxed by our Government. We expect a reduction in interest rates, a boost in domestic investments and renewed interest in the stock market. The economy is likely to grow by 6% during 1993, matching its growth in 1992.

In its current budget, the Government continues to emphasize development of road networks, communication systems and power generating facilities. Initiatives such as these will further support economic development and smooth the way for new investment.

When the Government abolished all fuel subsidies in early January, 1993, prices for oil rose. So did the rates for electrical power and transportation. In view of higher production costs, prices for cement were also allowed to increase by approximately 9%. This was the first such increase since July, 1991.

A Look Into the Future

We firmly believe that your Company is favorably positioned. Our Cement Division serves a growing national need. Our Food Division benefits from rising affluence throughout Indonesia. In the year ahead we will concentrate on strengthening our existing businesses and further develop their vertical integration to improve our overall operating margins.

We do not intend to announce any

Report to Stockholders

major new initiatives during 1993. We will, however, enhance our corporate organization to better respond to the



requirements and opportunities of our new businesses. And we are confident that with its diversified profit base, the Company will continue to set new performance records.

A Vote of Thanks

To each and every Indocement employee we express our sincere gratitude for their dedication and efforts. All have played vital roles in our continuing success.

We also thank our customers, suppliers, bankers and the Indonesian Government for their sustaining support. Finally, we thank our stockholders for their continued confidence in us.

In conclusion, we applaud outgoing Commissioner Henry Pribadi for his valuable contributions to the Company since its incorporation. At the same time, we warmly welcome incoming Commissioner John Djuhar, who is undertaking a new level of responsibility.

Finally, we welcome our new Director, Mr. Franciscus Welirang, to our top management team.



Jakarta, April 28, 1993

For and on Behalf of The Board of Commissioners and
The Board of Directors of P.T. Indocement Tunggal Prakarsa

SOEDONO SALIM
President Commissioner

SUDWIKATMONO
President Director

Board of Directors



Left to right, from top :

Sudwikatmono, Anthony Salim, Ibrahim Risjad, Soepardjo, Franciscus Welirang, Daddy Hariadi, Tedy Djuhar, Judiono Tosin and Iwa Kartiwa

Operations Review

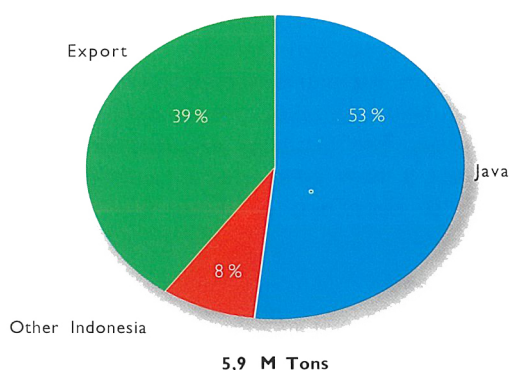


Cement Division

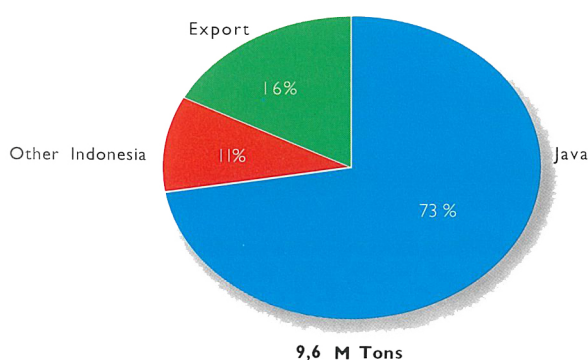
Yet Another Record Year

The Cement Division achieved record net sales of Rp. 969 billion during 1992. Sales volume reached 9.6 million tons in 1992, an increase of 1.8 million tons over 1991. This is a compounded annual growth rate of about 10% during the past five years.

1988 SALES VOLUME



1992 SALES VOLUME



Income from operations increased to Rp. 362 billion in 1992. The year was also characterized by outstanding performance in terms of output, operational efficiency, the introduction of new products and efforts to maintain environmental integrity.

Record domestic net sales of Rp. 847 billion for 1992 reflected an increase of

17% over the 1991 figure of Rp. 724 billion. Sales volume rose from 7.2 million tons in 1991 to 8.0 million tons in 1992. This includes twelve months of operation at the Cirebon plant.

Export sales performance was equally impressive. As the Government partially lifted export restrictions, we were able to export 1.6 million tons, an increase of nearly 900 thousand tons over 1991. Export sales reached Rp. 122 billion, up 158% from 1991.

Promising Longterm Opportunities

In the 1980s, domestic consumption grew at an average annual rate of 8.5%. After a 20% increase in 1990 and a 13% increase in 1991, growth slowed to just 2% in 1992 as tight money policies caused a temporary slackening in domestic construction activity.

We predict that national demand will grow by close to 10% in 1993. We also expect similar growth in demand during 1994 and 1995.

Domestic demand, estimated at 15.8 million tons in 1992, is forecast to exceed 30 million tons annually by the year 2000. Per capita cement consumption in Indonesia, at 90 kilograms per year, is still low in comparison to other countries in the region.

As the lowest-cost producer in Indonesia, with plants strategically located in the key West Java and Jakarta regions, we are able to maintain our market leadership position and satisfactory profit margins. We are confident that volume and profit opportunities will remain attractive over the longterm.

Market Initiatives

We were successful in developing our sales of cement in bulk during 1992. Bulk

Cement Division

sales increased by nearly 10%. Our new distribution terminal in Surabaya was a major factor in this increase.



Our target is that bulk sales will eventually account for 20% to 25% of all domestic sales. Bulk deliveries are more convenient and cost-effective for major users.



Our Cement Division further developed its business of delivering ready-mixed concrete directly to end users through its subsidiary, P.T. Indomix Perkasa. Initially, three batching plants will be operated to increase sales volume.

We continue to develop our new product, blended cement, which is priced lower than Ordinary Portland Cement and is intended for non-structural uses. We sold almost 7,000 tons in 1992 and

have a target of 2 million tons annually by 1995.

Our Delivery Network

Our network of distributors across Indonesia is a cornerstone of our success. We will continue to build on the strength of these relationships with independent entrepreneurs who know their markets well and help to ensure a steady supply of our products to customers at fair prices.

Our Surabaya distribution terminal was completed during 1992. This enabled us to increase supply and achieve better market penetration in East Java. The feasibility of other such terminals is now being studied and we expect to open two or three new terminals in other key locations within the next few years.

Tops in Production Capacity

Our Cement Division operates one of Southeast Asia's largest cement production complexes in Citeureup. It comprises eight fully integrated plants. This complex and our plant in Cirebon, acquired in 1991, are now capable of producing 9.4 million tons per year.

Total industry capacity in Indonesia is now 19.9 million tons and is projected to rise to over 28 million tons by 1996. We will make appropriate investments to retain our leadership in the industry.

Improvements in Operating Performance

Following a reevaluation of export policies by the Government, we were able to increase our export volume substantially. We were also thereby able to increase average operating days from 291 in 1991 to 305 in 1992.

At our Citeureup power plant, the installation of boilers for recovery of

Cement Division

waste heat resulted in the generation of an additional 12 MW. Fuel savings from this recovered energy will result in a payback period of less than three years on a Rp. 20 billion investment.

We successfully integrated the Cirebon plant into our overall operations during 1992. Synergies and savings were achieved in purchasing, distribution and the management of our spare parts inventory.

The firing system at the Cirebon plant is being converted from natural gas to coal. This project, representing a total investment of Rp. 20 billion, will result in substantial cost savings. Work will be completed by June, 1993.



Total Production Integration

Our Cement Division is fully integrated all the way from the mining of limestone to the production of our own paper bags and the generation of our own electrical power at Citeureup.

We are now installing a new grinding plant at Citeureup. Capacity will be 500,000 tons. It will balance clinker and grinding capacity in favor of higher



value-added cement products.

Our annual consumption of coal now exceeds one-million tons. As part of our strategy of vertical integration, we are moving ahead to establish our own coal mining operation. Exploration is now in progress at our site in East Kalimantan, where marketable coal reserves are estimated to be 39 million tons. Feasibility studies will be completed in 1993. Our goal is to be totally self-sufficient in coal by 1996.

Quality Assurance and Research

Our ongoing quality assurance program did indeed help to maintain consistent high quality of our products in 1992. In our research center, skilled technicians enabled us to retain our lead in production technology while improving our products.

Operations Review



Food Division

Indocement established its Food Division in 1992 by acquiring the business and assets of Bogasari, as well as a majority stake in the IndoFood Group.

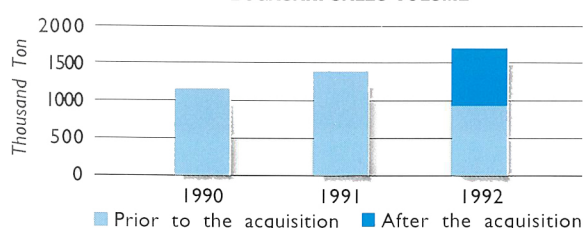
The two core areas of operations are the fully integrated flour milling and pasta manufacturing operation at Bogasari and the manufacture and distribution of packaged food by the IndoFood Group.

Performance That Meets Expectations

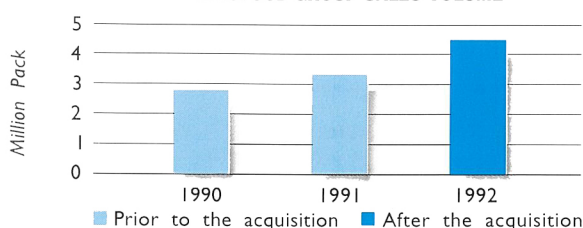
Our Food Division achieved total sales of Rp. 1,165 billion during 1992. This includes Rp. 196 billion for five months of operation at Bogasari and Rp. 969 billion for a full year's operation of the IndoFood Group.

Sales volumes reached were 704 thousand tons of flour (an increase of 16% over the same five-month period in 1991) and 4.6 billion packs of noodles (an increase of 36% over 1991).

BOGASARI SALES VOLUME



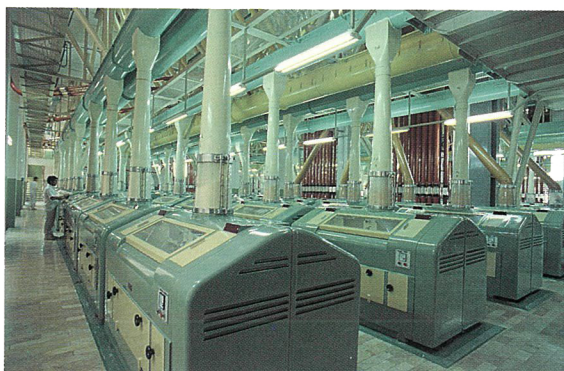
INDOFOOD GROUP SALES VOLUME



Income from operations of the Food Division was Rp. 202 billion in 1992. This financial performance meets the expectations set forth in the Circular to Shareholders issued prior to the acquisitions.

BOGASARI OPERATIONS

Bogasari was a pioneer when it began to produce freshly milled flour in 1971. Prior to that time, all milled flour in Indonesia had been imported from the United States. Today, Bogasari is the largest flour miller in Indonesia.



Sales Achievements

Bogasari met its 1992 sales targets. Income from operations was Rp. 36 billion for the five-month period which ended December 31, 1992.

About 60% of the wheat flour sold in Indonesia is used in the production of fresh and processed noodles, and around 20% of Bogasari's milled flour is supplied to the IndoFood Group for use in the production of its instant noodles.

Market Outlook

Given the surge in per capita income in Indonesia and the growth of the domestic food industry, the growth in demand for flour has averaged 16% annually in recent three years.

Although rice remains Indonesia's staple food with a per capita consumption of 135 kilograms annually (compared to only 10 kilograms annually for flour), wheat flour is becoming an important element in Indonesian diets. By comparison, annual per capita consumption of flour in neighboring The

Food Division

Malaysia and Singapore is far higher (28 kilograms and 34 kilograms respectively).

Given the development of the processed food industry, a population growth of 2% per year and an ever-higher availability of disposable income in the average Indonesian household, we are confident that the demand for flour will increase at a steady rate.

Distribution

Flour distribution in Indonesia is regulated by the National Food Logistics Agency known as Bulog. Bulog sets the ex-factory price for wheat flour. All flour distributors in Indonesia (about 500 in total) are appointed by Bulog, which establishes wholesale and retail prices in relation to supply and demand. This is intended to ensure price stability throughout the country.

Production Facilities

Bogasari operates two modern fully integrated plants in Jakarta and Surabaya. Combined annual capacity is 2.1 million tons of flour. Bogasari supplies approximately 85% of national consumption. Our Jakarta milling complex is the largest in the world on a single site. Growth in the market will lead to higher capacity utilization of the mills and will further enhance Bogasari's competitiveness as a low-cost producer. Gross margins, too, will improve significantly.

Other Activities

Bogasari began its own commercial production of pasta in 1992. Annual capacity is now 60,000 tons. These products are intended largely for export markets in Pacific Rim countries. Much of the production is headed for Japan, Australia and the Middle East.

By-products of Bogasari's flour milling operations are mainly sold to companies in Japan, South Korea, Taiwan and the Middle East that produce animal feed.

The cotton bags used for packing flour are supplied by our own textile factory, which now produces close to 100 million such bags each year.



Bogasari also owns a fleet of three bulk carriers with a total capacity of 101,000 deadweight tons to ensure that our mills receive reliable supplies of wheat grain.

Food Division

INDOFOOD OPERATIONS

The IndoFood Group is Indonesia's leading manufacturer of packaged foods. It produces and markets over 140 products. Among them are instant noodles, snacks, baby food and beverages. The Group's capabilities extend well beyond manufacturing into such areas as packaging, marketing and distribution.

The best indicator of IndoFood's success today is the way its products dominate the shelves of Indonesia's supermarkets, specialty stores and traditional markets.



Sales Achievements

IndoFood's sales have grown an average of 29% annually over the past three years. Between 1987 and 1991, growth was particularly dramatic, with overall Group sales increasing tenfold.

In 1992, net sales rose 31% to a new high of Rp. 969 billion. Income from operations totaled Rp. 166 billion for the year.

Market Outlook

We expect sales to continue growing by about 20% annually in coming years. Indonesia's packaged food industry is now estimated to be growing from 10%

to 12% annually. The figure is about six times that for overall population growth and twice that for the growth of GDP.

Instant Noodles

Instant noodles are probably the largest single processed food category in the country, with an estimated market of 7.5 billion packs each year. In fact, Indonesia is the second largest market for instant noodles in the world. With an average annual growth rate of 17.5%, this market has more than doubled in size over the past five years.

The IndoFood Group's leading brands — Indomie, Sarimi and Supermie — have been household names in Indonesia for two decades and have helped to make IndoFood the largest instant noodle producer in the world. Of the twelve top-selling instant noodle brands in the country, nine are IndoFood brands. The



Group commands a 90% share of the domestic market.

A varied range of flavors (from ethnic Indonesian to international favorites) caters to all tastes. The products range from basic noodles with simple flavor sachets to packets that also contain freeze-dried ingredients. Recently introduced packaging that includes noodles in plastic bowls and are aimed at middle and upper income groups has proven very popular.

Food Division

The success enjoyed by IndoFood's noodle business stems largely from a strong distribution network that extends across Indonesia. Over 100 distributors make certain that IndoFood products are delivered to the right place at the right time and in excellent condition. These distributors are supported by a sales staff that numbers more than 850 men and women in virtually every region of the country.

Sales for 1992 were a record Rp. 827 billion for instant noodles, an increase of 51% over 1991. We have achieved an annual growth rate of over 50% for these noodle products during the 1989-1992 period.

We achieved a capacity utilization of over 98% in 1992. With major expansion beginning in 1992 and continuing through 1993, we are well equipped to benefit from the projected high growth in this sector for years to come.

By adding several new production lines in existing factories and opening new factories in Bandung and Banjarmasin, we increased total production capacity from 360 million packs to 600 million packs monthly.

By the end of 1993 we will have fifteen manufacturing plants spread strategically throughout Indonesia. We can therefore service the market with fresher products more quickly and at a lower cost.

For many years, IndoFood has enjoyed great success with customers in other Asian countries, as well as in North America, Europe, Africa and the Middle East. After successfully penetrating the market in Malaysia, we established our own manufacturing plant there.

Snacks and Beverages

The IndoFood Group was the pioneer

in the branded packaged snack food market in Indonesia. In 1983 we launched Chicki, a line of chips targeted to children. On the heels of that success,



we expanded our product range to include savories, sweets, jellies and chocolate-coated snacks. We also market a similar line of products under the Yoyo brand.

In 1990, the Group began a joint venture with Pepsico's Fritolay subsidiary (the world's largest snack food company) to manufacture under license and distribute various of their well-known products. Several new products have already been developed. Cheetos, the first new product to result from this cooperation, was successfully launched in 1992. An improved potato chip developed by Fritolay was also introduced into the market.

Our snack business now has a 60% share of the US \$55 million market for non-traditional packaged snack foods in Indonesia. During 1992 we were able to increase gross profit margins and sales are expected to double during 1993. It is our objective to grow the business of this joint venture to attain sales of at least Rp. 200 billion annually by 1996.

IndoFood Group also manufactures roasted coffee under the brands of Cafela, Tuguluwak and Java Coffee.

Food Division

Baby Foods

In 1985, the IndoFood Group began a collaboration with the Indonesian Government to develop a range of baby cereals to fulfill the Government's aim of reducing the incidence of malnutrition and infant mortality.

Today we manufacture and market a broad range of baby foods whose quality and nutritional standards meet those established by the World Health Organization. IndoFood has become, in fact, the nation's leading producer of instant baby cereals. Our Promina and



Sun brands are the products of choice for millions of parents and now command a market share of over 50%.

We also manufacture a line of baby soups and follow-on cereals. With the addition of these products, we have expanded our market base to children up to the age of three years.

Sales for all these lines are projected to grow by over 40% during 1993.

Other Activities

The IndoFood Group also produces instant seasonings for both our instant

noodle business and the local market under the IndoFood brand. The food seasoning product range includes soy sauce, chilli and tomato sauces, instant soup broth and recipe mix.

Two of our factories in Jakarta produce a wide range of flexible packaging materials. Through cooperation with Takegawa, Japan's foremost packaging company, we are assured that the latest technology will always be available to us.

Seventy highly qualified food technologists are available to support the IndoFood Group in its business development.

Looking Toward the Future

With increasing per capita income and changing lifestyles, the consumption of quality processed foods will increase rapidly in Indonesia. We are confident, therefore, that growth prospects for the IndoFood Group are excellent. Our strategy of vertical integration, capacity expansion and horizontal business development will allow us to maintain



our leadership in this rapidly expanding industry.

Operations Review



Property Division

Indocement also established its Property Division in 1992 following approval at the Extraordinary General Meeting in July, 1992 to acquire Wisma Indocement from P.T. Perwick Agung.

Wisma Indocement Operations

Wisma Indocement is a prime office property located along Jl. Jendral Sudirman, Jakarta's principal business



boulevard. This 23-storey office tower includes 19,132 square meters of lettable space and two basement car parks with 333 parking spaces. The building stands on a plot of 10,929 square meters. A second office tower could be built on the site. The Board has, however, no immediate plan to develop such a property.

Wisma Indocement has operated profitably since its completion in 1987, due in large part to its prime location and a favorable rental market. Average monthly rental fee per square meter for

third party tenants was US\$21, excluding service charges.

The building was fully occupied in 1992. Half of the rentable space at Wisma Indocement is occupied by the head offices of our Cement Division, our Food Division-Bogasari and our Property Division, as well as Indocement's corporate headquarters.

For the five-month period which ended December 31, 1992, Wisma Indocement still realized income from operations of approximately Rp. 760 million before depreciation of Rp 2.5 billion.

Other Activities

Another unit within the Property Division is P.T. Cibinong Center Industrial Estate. Located in a depleted quarrying area adjacent to the Citeureup cement plant, its tenants are labor-intensive industries such as those involved in the production of toys and electronic goods. Turnover exceeded Rp. 3 billion for 1992.



P.T. Indotek Engico provides engineering design and construction management services. Its turnover for 1992 was Rp. 1 billion.

Prospects

In the future, we will expand and further develop our Property Division by investing in prime properties in the Jakarta area.

Environmental Review



Environmental Review

As one of the nation's largest and most progressive corporations, Indocement is well aware of the need to preserve and protect our natural environment.

For example, since dust emissions are an important consideration in cement production, we have installed the best technology available to further reduce emissions into the atmosphere. In 1992 we began replacing our existing dust control system with new electrostatic precipitators in a program that will eventually cost US \$14 million. When installation is complete in 1993, air emerging from kilns will contain only 50 milligrams of dust per cubic meter — well below both our previous levels and the Government's maximum allowable levels.

We are just as committed to sound environmental planning when it comes to land usage. A portion of our depleted quarry area in Citeureup has been converted into an industrial park that serves the needs of middle-sized companies engaging in labor-intensive industries and creates new jobs for community members.

The re-greening project we began in 1992 has already resulted in the planting of 800,000 trees at the Citeureup quarry. The number will eventually be over one-million.

The Company has also given a concession to the Ministry of

Environment to use 39 hectares of the depleted quarrying area at the Citeureup site for a plant to safely process toxic and hazardous wastes. This facility will serve as a model for other such plants.

The Food Division is just as firmly committed to protection of the environment. Its production facilities are environmentally friendly and none faces any problems with regard to pollution or land usage. In fact, the work environment in all our facilities is judged to be far above average and is continually being improved.

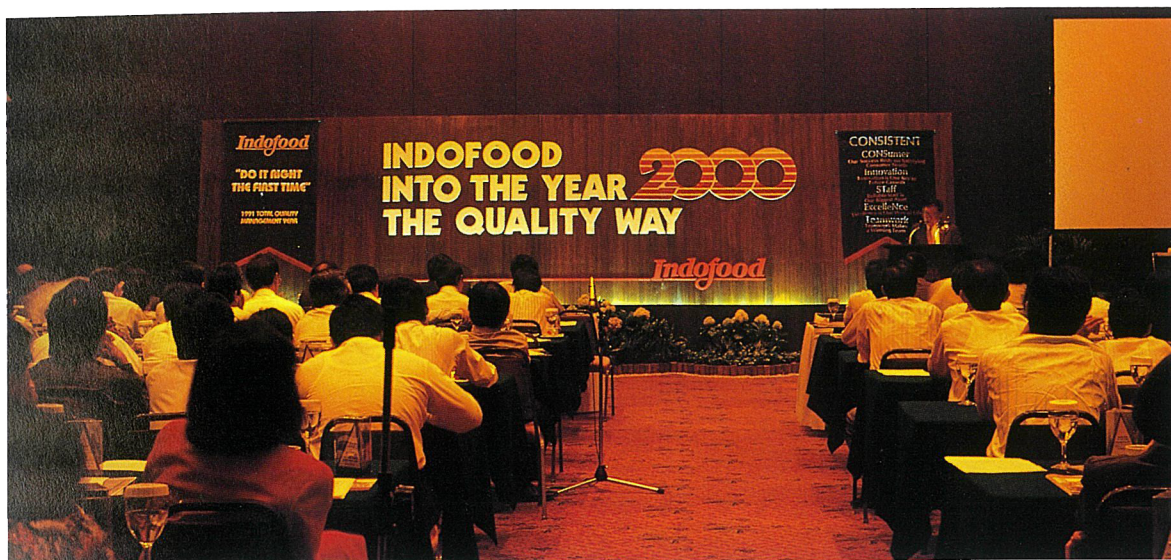


Development of Human Resources

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Development of Human Resources



The total number of Indocement employees reached 23,650 by the end of 1992. This includes 5,159 in the Cement Division, 18,301 in the Food Division and 190 in the Property Division. During the year, 4,946 candidates satisfied the recruitment standards in our various divisions and subsequently joined our workforce.

Training Programs

In our Cement Division, all employees at each plant site have the advantage of at least forty hours of training per year. In recognition of the importance of our people to our present and future success, training is available at all levels. Many of our middle managers travel overseas for special programs to improve their technical and managerial skills.

Our Food Division, too, emphasizes at all levels. The IndoFood Group's full-facility Management Training Institute in Cibodas provides advanced training in both general management techniques and specific functional skills. Other specialized IndoFood programs concentrate on the recruitment, promotion and retention

of high achievers.

Pension Plans

Cement Division employees benefit from the pension plan established by the Company in 1991. Employee contributions represent 5% of base salary, while the Company contributes double that amount. This pension fund is administered by Yayasan Dana Pensiun Karyawan P.T. Indocement Tunggal Prakarsa.

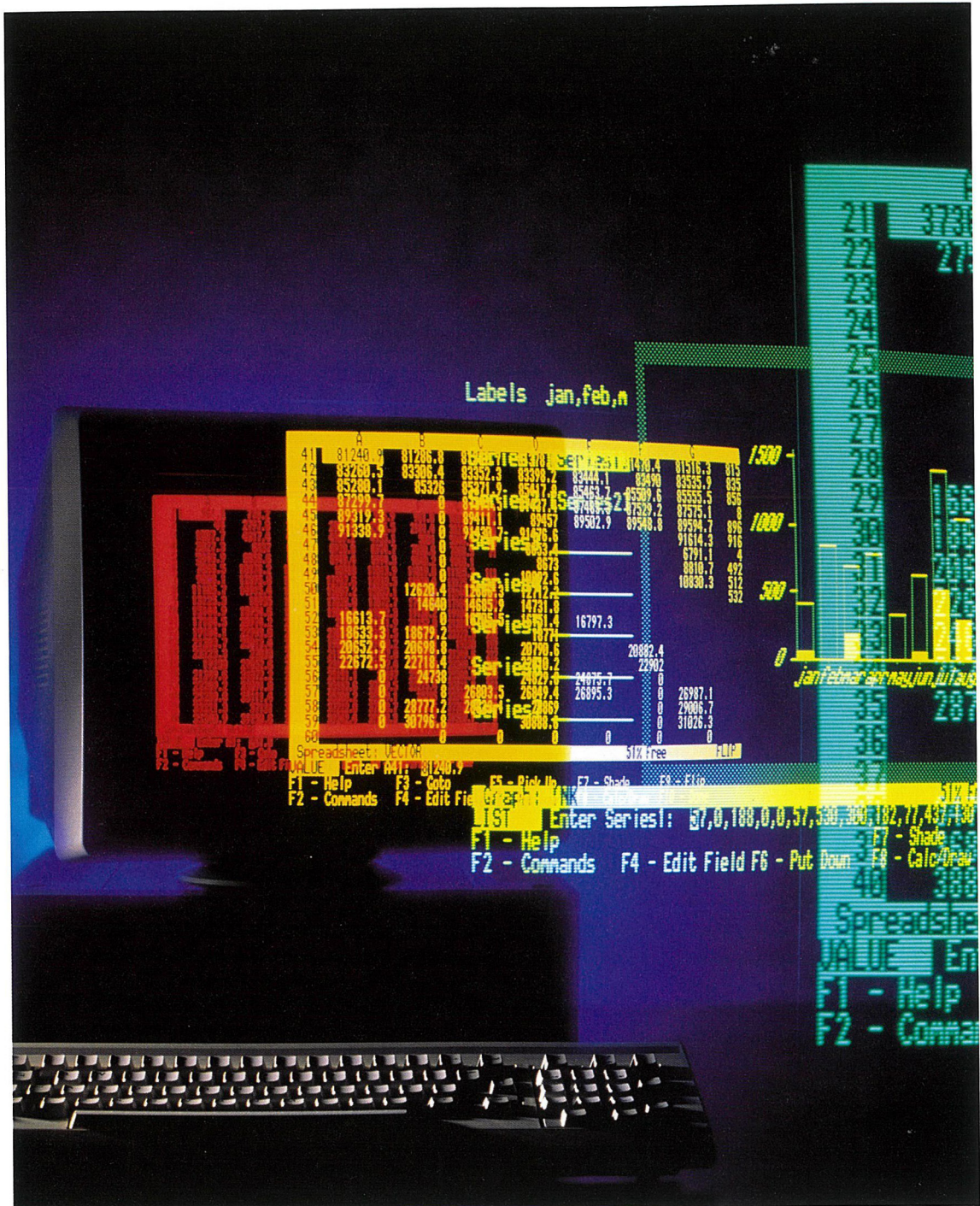
The Food and Property Divisions operate their own pay-as-you-go retirement plans.

Community Development Programs

Our Company remains committed to betterment of life in communities where it operates. Among the community service programs begun or continued by our various divisions during the past year were the building of roads, schools, health clinics, security posts and sanitary facilities.

We also have a program to assist and develop small-scale local businesses. In addition, we awarded grants and scholarships to a large number of deserving students.

Five - Year Summary



Five - Year Summary

(Amounts in Million Rupiah,
Except Per Share Data)

	1992	1991	1990	1989	1988
Net Revenues					
Cement Division	968,752	771,319	671,259	486,606	339,066
Food Division	1,165,334	—	—	—	—
Property Division	2,664	—	—	—	—
Total	2,136,750	771,319	671,259	486,606	339,066
Income from Operations					
Cement Division	361,864	310,181	282,355	144,985	66,585
Food Division	202,081	—	—	—	—
Property Division	(1,787)	—	—	—	—
Total	562,158	310,181	282,355	144,985	66,585
Net Income	327,393	308,674	250,123	12,588	(77,979)
Cash Generated from Operations	521,590	416,245	353,644	111,144	23,377
Stockholders' Funds	1,739,778	1,517,189	1,298,347	1,048,225	549,853
Net Borrowings (Net Cash)	1,991,846	139,684	(134,211)	65,902	468,827
Capital Employed	3,821,401	2,007,054	1,369,254	1,153,303	951,612
Capital Expenditures					
Fixed Assets (including in progress)	501,268	61,136	21,308	12,131	9,855
Investments	15,880	3,003	3,963	68	6,500
Acquisitions	2,069,290	542,996	—	—	—
Issued Ordinary Shares ('000)	598,881	598,881	598,881	598,881	342,100
Earnings per Share					
Primary	546.67	515.42	417.65	48.72	(227.94)
Anti-Diluted (Fully-Diluted in 1988 - 1991)	557.10	508.24	417.65	48.72	(227.94)
Dividends per Share	— (*)	245	80	—	—
Book Value per Share	2,905	2,533	2,168	1,750	1,607
Current Ratio	101%	461%	675%	179%	36%
Net Gearing (Net Borrowings as a Percentage of Stockholders' Funds)	114%	9%	(10%)	6%	85%
Return on Capital Employed	11%	15%	18%	1%	(8%)
Return on Stockholders' Equity	20%	22%	21%	1%	(13%)
Number of Employees (Year End)	23,650	5,067	4,415	4,076	3,886

(*) Before final dividends declaration attributable
for the year 1992.

Stock and Market Performance



Stock and Market Performance

Indocement Stock

Indocement has a total of 95 million common shares with a par value of Rp. 1,000 per share listed on the Indonesian Stock Exchange. This represents about 16% of the Company's issued capital.

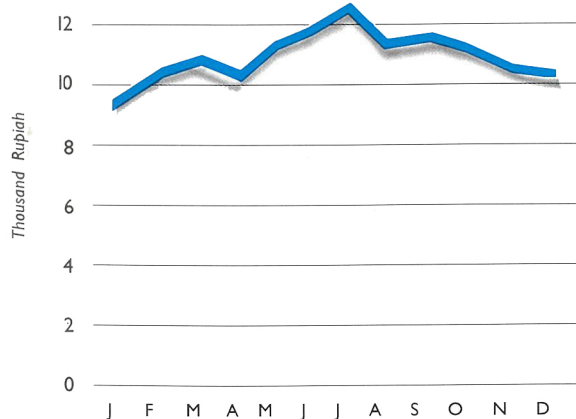
As of December 31, 1992, the number of Indocement stockholders was approximately 3,000.

Turnover

A total of 31.4 million shares valued at Rp. 360 billion were traded on the Indonesian Stock Exchange in 1992.

During the year, Indocement shares traded at prices ranging between a low of Rp. 8,600 and a high of Rp. 13,100 and closed at Rp. 10,350 at year-end.

MONTHLY CLOSING PRICES DURING 1992



When compared to average performance of all shares traded on the Exchange, the average performance of Indocement stock was stronger than the market as a whole.

Convertible Bonds

Our 6.75% Convertible Bonds, issued in June, 1991 in the amount of US\$ 75 million, will be due in the year 2001. Interest will be paid annually on June 20. If full conversion were to take place, the total number of Company shares would increase from 598,881,000 to 608,981,346. However, as of December 31, 1992, no conversion had taken place.

Prospects

As we expand our cement business and benefit from our strategic move into the high-growth food sector, we are convinced that stockholders will see an appreciation in the value of their investments.



We will continue to place great importance on our relations with our investors and maintain direct communication with our major stockholders.

Financial Report and Accounts



Auditors' Report



DRS UTOMO & CO.
REGISTERED PUBLIC ACCOUNTANTS
ARTHUR ANDERSEN & CO. SC

Chase Plaza
Jl. Jend. Sudirman Kav. 21
Jakarta 12920, Indonesia

Report No. 18695S

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

We have examined the consolidated balance sheets of P.T. Indocement Tunggal Prakarsa and subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of income and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of P.T. Indocement Tunggal Prakarsa and subsidiaries as of December 31, 1992 and 1991, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles in Indonesia applied on a consistent basis.

DRS UTOMO & CO.

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

February 26, 1993

Consolidated Balance Sheets

December 31,
1992 and 1991

Assets

	Notes	1992 Rp	1991 Rp
Current Assets			
Cash on hand and in banks		56,498,755,270	5,341,133,239
Time deposits	5	64,749,937,673	404,239,137,673
Marketable securities	4,6	10,308,555,000	12,114,645,000
Accounts receivable	4,21		
Trade		231,619,195,011	35,527,025,987
Related companies		113,777,050,878	5,160,640,111
Officers, employees and others		12,592,669,671	2,615,093,769
Inventories	4,7	342,256,836,789	168,796,791,027
Advances and deposits	25	110,981,029,570	19,877,113,613
Prepaid expenses and other current assets	4	40,974,863,828	10,161,074,687
Total Current Assets		983,758,893,690	663,832,655,106
Long-Term Investments			
Investments in and advances to investees	4,8	31,083,624,262	15,203,693,939
Excess of cost over net assets value - net of accumulated amortization	4,9	719,078,798,173	30,399,072,004
Total Long-Term Investments		750,162,422,435	45,602,765,943
Property, Plant and Equipment			
- Net of Accumulated Depreciation, Amortization and Depletion	4,10	2,842,988,415,309	1,356,478,863,454
Other Assets			
Construction in progress	4	141,245,622,707	18,802,626,500
Deferred charges	4	21,675,570,894	11,922,797,065
Preoperating expenses	4	16,086,215,202	21,659,950,223
Deferred foreign exchange difference	4,11	6,231,205,393	15,203,161,215
Other noncurrent assets	4	33,042,365,982	17,688,811,955
Total Other Assets		218,280,980,178	85,277,346,958
Total Assets		4,795,190,711,612	2,151,191,631,461

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements.

Consolidated Balance Sheets

December 31,
1992 and 1991

Liabilities and Stockholders' Equity

	Notes	1992 Rp	1991 Rp
Current Liabilities			
Short-term loans	12	498,227,942,337	34,607,000,000
Accounts payable	21		
Trade		173,134,053,740	16,658,863,002
Related companies		823,024,311	2,259,705,620
Others		11,713,349,413	5,362,524,582
Accrued expenses		63,346,889,786	15,662,752,328
Accrued taxes	13	58,257,682,099	10,187,334,953
Unearned income	4	1,753,811,706	—
Portion of long-term debts currently due	14	166,533,344,843	59,398,895,607
Total Current Liabilities		973,790,098,235	144,137,076,092
Long-Term Debts			
- Net of Portion Currently Due	14	1,791,911,112,227	340,465,912,190
Other Liabilities and Credits			
6.75% Convertible Bonds due 2001	15	154,650,000,000	149,400,000,000
Deferred gain on sale and leaseback transaction	4	37,036,813,752	—
Due to related parties	21	17,200,940,906	—
Total Other Liabilities and Credits		208,887,754,658	149,400,000,000
Minority Interest in Equity of Consolidated Subsidiaries	4	80,824,123,022	—
Stockholders' Equity			
Capital stock - Rp 1,000 par value			
Authorized - 750,000,000 shares			
Issued - 598,881,000 shares	16	598,881,000,000	598,881,000,000
Additional paid-in capital	17	650,090,196,497	650,090,196,497
Retained earnings		490,806,426,973	268,217,446,682
Total Stockholders' Equity		1,739,777,623,470	1,517,188,643,179
Total Liabilities and Stockholders' Equity		4,795,190,711,612	2,151,191,631,461

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements.

Consolidated Statements of Income and Retained Earnings

For the Years Ended
December 31, 1992 and 1991

	Notes	1992 Rp	1991 Rp
Net Revenues	4,18,21	2,136,749,803,780	771,318,618,536
Cost of Revenues	4,19	1,340,066,619,661	418,272,665,909
Gross Profit		796,683,184,119	353,045,952,627
Operating Expenses	4,20,22		
Delivery and selling		140,631,194,515	15,465,927,284
General and administrative		93,894,318,515	27,398,701,644
Total Operating Expenses		234,525,513,030	42,864,628,928
Income from Operations		562,157,671,089	310,181,323,699
Other Income (Charges)			
Interest income	5,6	69,269,181,102	71,355,662,512
Equity in net earnings (losses) of investees	8	13,768,159,218	(662,592,173)
Freight revenues - net	4	7,763,840,957	—
Interest and related charges	12,14	(189,511,100,715)	(27,746,767,681)
Foreign exchange losses	4	(23,543,309,880)	(18,331,951,214)
Amortizations	4, 9, 11	(37,698,871,737)	(26,817,164,546)
Others - net		22,847,910,276	695,040,683
Other Charges - Net		137,104,190,779	1,507,772,419
Income before Provision for Income Tax		425,053,480,310	308,673,551,280
Provision for Income Tax	4,13	41,585,527,806	—
Income before Minority Interest in Net Income of Consolidated Subsidiaries		383,467,952,504	308,673,551,280
Minority Interest in Net Income of Consolidated Subsidiaries	4	56,074,797,213	
Net Income		327,393,155,291	308,673,551,280
Retained Earnings at Beginning of Year		268,217,446,682	49,376,045,402
Cash Dividends	23	(104,804,175,000)	(89,832,150,000)
Retained Earnings at End of Year		490,806,426,973	268,217,446,682
Earnings per Share	4		
Primary		546.67	515.42
Anti-Diluted (Fully-Diluted in 1991)		557.10	508.24

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements.

Consolidated Statements of Changes in Financial Position

For the Years Ended
December 31, 1992 and 1991

	1992 Rp	1991 Rp
Working Capital was Provided From		
Operations		
Net income	327,393,155,291	308,673,551,280
Add items not affecting working capital:		
Depreciation, amortization and depletion	132,991,484,403	66,197,941,313
Other non-working capital items - net	61,205,239,583	41,373,974,424
Total from Operations	521,589,879,277	416,245,467,017
Additions to long-term debts	1,559,206,513,265	317,151,870,820
Proceeds from disposal of property and equipment	52,958,791,152	2,459,563,324
Minority interest in equity of consolidated subsidiaries	80,824,123,022	—
Proceeds from issuance of convertible bonds	—	146,137,500,000
Other sources of working capital	17,337,201,145	—
Total Working Capital Provided	2,231,916,507,861	881,994,401,161
Working Capital was Used For		
Additions to property, plant and equipment	1,596,829,387,753	564,830,078,252
Payments of cash dividends	104,804,175,000	89,832,150,000
Portion of long-term debts currently due	166,533,344,843	59,398,895,607
Increase in long-term investments	721,420,096,512	3,665,436,763
Increase in construction in progress	122,442,996,207	14,314,893,862
Other uses of working capital	29,613,291,105	12,551,155,419
Total Working Capital Used	2,741,643,291,420	744,592,609,903
Increase (Decrease) in Working Capital	(509,726,783,559)	137,401,791,258
Working Capital Increased (Decreased) By		
Cash on hand and in banks	51,157,622,031	3,874,566,528
Time deposits	(339,489,200,000)	161,634,316,194
Marketable securities	(1,806,090,000)	(395,355,000)
Accounts receivable	314,686,155,693	5,167,987,516
Inventories	173,460,045,762	40,422,415,851
Advances and deposits	91,103,915,957	2,278,196,210
Prepaid expenses and other current assets	30,813,789,141	2,060,604,671
Short-term loans	(463,620,942,337)	(34,607,000,000)
Accounts payable	(161,389,334,260)	(7,692,041,360)
Accrued expenses	(47,684,137,458)	(11,138,337,204)
Accrued taxes	(48,070,347,146)	(3,757,950,223)
Unearned income	(1,753,811,706)	—
Portion of long-term debts currently due	(107,134,449,236)	(20,445,611,925)
Increase (Decrease) in Working Capital	(509,726,783,559)	137,401,791,258
Transactions not Affecting Working Capital		
Additions to assets acquired under capital lease	42,000,000,000	—
Deferred gain on sale and leaseback transaction	36,900,553,513	—
Equity in net earnings (losses) of investees	2,573,176,031	(662,592,173)

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements.

Notes to Consolidated Financial Statements

I. General

P.T. Indocement Tunggal Prakarsa (the Company) was incorporated on January 16, 1985 and its deed of incorporation approved by the Ministry of Justice on May 17, 1985. Since then, several amendments have been made to the Company's Articles of Association to reflect significant changes arising from the acquisition in June 1985 of six cement companies operating eight production plants (one of which has been existing since 1973), equity participation by the Government of the Republic of Indonesia in July 1985, merger of the acquired cement companies into the Company as of January 1, 1986 and initial public offering of the Company's shares in October 1989. The latest amendment to the Articles of Association was in July 1992 during the Extraordinary General Meeting wherein the stockholders approved to broaden the Company's scope of activities in line with its ongoing business expansion and diversification. As discussed in Note 2, the Company acquired in 1992 the businesses and certain operating assets and liabilities of P.T. Bogasari Flour Mills (Bogasari) and P.T. Perwick Agung (Perwick); and purchased a 51% equity interest in nine companies, collectively called as IndoFood Group (IndoFood).

The Company is now a multi-business group with three major divisions. The Cement Division, which is the Company's traditional core business, manages eight integrated cement plants at its Citeureup - Bogor site and one integrated cement plant at its new Palimanan - Cirebon site (previously owned by P.T. Tridaya Manunggal Perkasa Cement or TMPC - see Note 2) with a combined annual capacity of 9.4 million tons, consisting of 9.2 million tons of portland cement and 0.2 million tons of specialty (white and oil well) cements. The newly- formed Food Division consists of the two separate core operations of Bogasari and subsidiary company IndoFood. Bogasari manages two modern integrated flour milling plants, located in Jakarta and Surabaya, with a combined annual capacity of 2.1 million tons of flour and 60,000 tons of pasta, while IndoFood manages a group of companies engaged in the processing and distribution of instant noodles, snacks, confectioneries, beverages, baby foods and specialty foods. Wisma Indocement, which was previously owned by Perwick, is now managed by the Property Division. This building is a 23-storey office tower located in Jakarta's central commercial district with over 19,000 square meters of lettable space and two basement car parks.

2. Acquisitions and Major Investments

Diversification

On June 18, 1992, as previously approved by the Board of Commissioners on June 12, 1992, the Company entered into Sale and Purchase Agreements (Agreements) with Bogasari, Perwick and IndoFood. Under the Agreements, the Company is contracted to :

- a. acquire the business and certain operating assets and liabilities of Bogasari, for a net consideration of Rp 763 billion,
- b. acquire the business, building, certain assets and liabilities of Perwick, for a net consideration of Rp 110 billion, and

- c. purchase a 51% equity interest in IndoFood for a gross consideration of Rp 777 billion.

Also under the Agreements, Bogasari and IndoFood are not allowed, among others, to join or cooperate with other party, in whatsoever manner, to engage in the same line of business or be in competition with similar line of business in Indonesia within five years commencing from the signing date of this agreement. In addition, IndoFood shall endeavour to maintain a dividend pay-out ratio of 40%.

Notes to Consolidated Financial Statements

The above acquisitions have been approved by the minority stockholders in the Extraordinary General Meeting held on July 28, 1992. The purchase of a 51% equity interest in IndoFood was deemed to have taken effect as of January 1, 1992, while the acquisitions of the businesses and certain operating assets and liabilities of Bogasari

and Perwick became effective as of July 31, 1992.

Significant information on the proforma condensed consolidated results of operations and financial position of IndoFood as of December 31, 1991 (expressed in thousand) are presented below :

	Amount Rp
Net Sales	737,181,654
Income from Operations	98,760,418
Current Assets	259,970,505
Property, Plant and Equipment	122,459,752
Total Assets	475,192,748
Current Liabilities	353,576,899
Long-Term Debts and Minority Interests	8,216,479

The details of acquisitions of certain operating assets and liabilities of Bogasari and

Perwick as of July 31, 1992 are as follows:

	Bogasari Rp	Perwick Rp
Property, Plant and Equipment	1,104,324,245,416	113,680,000,000
Inventories, Other Current Assets and Other Assets	72,953,232,805	1,333,342,433
Total Operating Assets Acquired	1,177,277,478,221	115,013,342,433
Long-Term Debts (including portion currently due)	232,342,497,695	4,054,753,250
Other Current Liabilities and Other Liability Items	181,957,630,626	1,127,248,908
Total Liabilities Assumed	414,300,128,321	5,182,002,158
Net Cash Payment	762,977,349,900	109,831,340,275

Notes to Consolidated Financial Statements

The results of Bogasari and Wisma Indocement before financing charges for the five months ended December 31, 1992 which have

been included in the accompanying consolidated statements of income and retained earnings are as follows:

	Food Division (Bogasari)	Property Division (Wisma Indocement)
	Rp	Rp
Net Revenues	195,920,089,387	2,663,826,892
Cost of Revenues	152,676,483,570	3,628,765,487
Operating Expenses	6,956,578,204	822,036,518
Other Income - Net	10,415,988,396	257,991,063
Income (Loss) before Financing Charges	46,703,016,009	(1,528,984,050)
Depreciation Charged to Operations	20,436,067,194	2,546,757,448

Approximately 44% of the total net lettable space of Wisma Indocement is being occupied on a no-rental basis by the head offices of Cement Division, Food Division and Property Division, and by the Company's corporate offices.

Expansion

On November 27, 1991, the Company formally signed the Sale and Purchase Agreement for the purchase of a substantial portion of the operating assets as of September 30, 1991 of P.T.

TMPC. The gross purchase consideration of Rp 542,995,623,651 was settled through assumption of Rp 415,846,442,874 liabilities and net cash payment of Rp 127,149,180,777.

Net sales from the Cirebon cement plant included in the accompanying consolidated statements of income and retained earnings amounted to Rp 133,730,742,859 in 1992 (full year) and Rp 37,590,785,093 in 1991 (three months).

3. Basis of Presentation

The accompanying consolidated financial statements are prepared on the basis of historical cost, as modified by the revaluation of certain property, plant and equipment, except for certain investments in shares of stock which are accounted for under the equity method (see Note 4).

The consolidated statements of changes in financial position adopt the "all financial resources" concept of funds using the working capital approach.

Certain accounts in the 1991 consolidated financial statements have been reclassified to conform to the 1992 presentation.

Notes to Consolidated Financial Statements

4. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the results of the Company and all its significant subsidiaries. Investments in common stock of company with interests greater than 50% are consolidated; those with interests greater than 20% but less than 50% are accounted for using equity method, while those with interests of less than 20% are stated at cost.

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

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 on the status of the individual receivable accounts at the end of the year.

Inventories

Inventories are generally stated at cost, using either the average or first-in, first-out method.

The Company provides allowance for obsolescence on spare parts inventory based on a periodic review of their condition.

Prepaid Expenses

Prepaid expenses are amortized on the basis of the future periods to be benefited using the straight-line method. Prepayments with benefits extending beyond one year are presented under "Other Noncurrent Assets" in the consolidated balance sheet.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, except for 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 at 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 - 30 years
- Machinery and equipment 5 - 15 years
- Leasehold improvements; transportation equipment; furniture, fixtures and office equipment; and tools and other equipment 2 - 5 years

The cost of maintenance 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.

Notes to Consolidated Financial Statements

b. Total periodic payments to be paid by the lessee plus residual value shall fully cover the acquisition cost of leased capital goods 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 above mentioned criteria are accounted for under the operating lease method.

Under the capital lease method, the lease obligations are presented as "Obligations Under Capital Lease" while the related leased assets are presented as "Assets Acquired Under Capital Lease". These assets are depreciated using the straight-line method based on their estimated useful lives which are the same as those of property and equipment acquired through ordinary purchases (see accounting policy for property, plant and equipment).

Sale and Leaseback of Property and Equipment

Gains and losses on sale and leaseback of property and equipment are amortized over the duration of the lease period.

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 fair value/purchase price of the assets acquired in connection with the acquisitions of subsidiaries, are amortized over a period between 10 to 40 years using the straight-line method.

Construction in Progress

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

Capitalization of Interest

Interest incurred on borrowings to finance specific property developments and manufacturing facilities is capitalized during the construction period.

Deferred Charges

Certain expenditures whose benefits extend over periods more than a year are deferred and amortized over their estimated useful lives using the straight-line method.

Preoperating Expenses

Preoperating expenses have been capitalized and are amortized to operations from the start of commercial production over a period ranging from 3 to 10 years 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, except for the Food Division wherein revenues are recognized as earned upon issuance of sales invoice or delivery order. Freight revenues are generally recorded as income when a voyage is completed. Expenses are generally charged to operations on accrual basis.

Pension Benefits

The Company accrues for pension cost under a funded and contributory pension plan covering substantially all full-time employees of the Cement Division. Pension benefits under the plan are generally based on the length of credited service and the employees' final compensation.

The costs of providing pension benefits for employees in the Food Division and Property Division 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.

Notes to Consolidated Financial Statements

Foreign Currencies

Transactions involving foreign currencies are recorded in Rupiah amounts at the respective rates of exchange prevailing at transaction date. At balance sheet date, assets and liabilities denominated in foreign currencies are adjusted to reflect the approximate exchange rates of Rupiah prevailing at such date and, except for foreign exchange losses arising from devaluation which are deferred and amortized on the basis of actual realization, the resulting gains or losses are credited or charged to current operations.

Results from overseas companies are translated using the exchange rates prevailing at balance sheet date. Any differences on translation of investment in overseas companies are deferred and will be charged to operations on the eventual disposals of these investments.

Provision for Income Tax

The Company follows the taxes payable method in computing its income tax expense. Under this method, income tax expense 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

The calculation of primary earnings per share is based on net income divided by the weighted average number of shares in issue during the year, while fully diluted/anti-diluted earnings per share is based on adjusted net income which assume the full conversion of 6.75% Convertible Bonds due 2001 divided by the weighted average number of shares in issue after effecting the above adjustments.

5. Time Deposits

These represent time deposits placed with the following banks:

	1992 Rp	1991 Rp
Bank Ekspor Impor Indonesia	48,739,137,673	48,739,137,673
Bank Risjad Salim International	9,000,000,000	10,000,000,000
Bank Central Asia	7,010,800,000	323,500,000,000
Bank Industri	—	10,000,000,000
Other local banks (with balances of Rp 5 billion each or less)	—	12,000,000,000
Total	64,749,937,673	404,239,137,673

These time deposits earned interest at rates ranging from 21.00% to 25.00% per annum for Rupiah deposits and from 7.00% to 7.50% per annum for foreign currency deposits.

Total interest earned during the year was Rp 56,759,493,060 (Rp 69,128,043,735 in 1991).

Notes to Consolidated Financial Statements

6. Marketable Securities

These represent short-term investments in the following security papers:

	Number of Shares	Amount	
		1992	1991
		Rp	Rp
Listed Equity Shares			
P.T. Perusahaan Rokok			
Tjap Gudang Garam Kediri	600,000	5,535,000,000	5,535,000,000
P.T. Indonesian Nickel Corporation	500,000	4,900,000,000	4,900,000,000
P.T. Inti Indorayon Utama	300,000	1,970,000,000	1,970,000,000
P.T. Sahid Jaya International	484,300	944,385,000	944,385,000
Bank Duta	75,000	600,000,000	600,000,000
	1,959,300	13,949,385,000	13,949,385,000
Less allowance for decline in market value of securities		8,640,830,000	6,834,740,000
		5,308,555,000	7,114,645,000
Bearer Bond Due 1996			
Bank Pembangunan Indonesia (coupon of 16.125% per annum)		5,000,000,000	5,000,000,000
Total		10,308,555,000	12,114,645,000

For those listed investments, the Company received cash dividends of Rp 464,137,500 in 1992 and Rp 367,500,000 in 1991 and also received a 50% stock dividend on its investment

in P.T. Inti Indorayon Utama in 1991. Interest income from the Bearer Bond due 1996 amounted to Rp 806,250,000 in 1992 and 1991.

7. Inventories

Inventories consist of:

	1992 Rp	1991 Rp
Finished goods	29,706,709,643	11,994,395,613
Work in process	19,275,818,122	19,143,807,345
Raw materials	106,527,668,350	3,257,634,088
Fuel and lubricants	31,352,243,440	33,205,388,934
Operating supplies	61,731,433,197	22,426,914,313
Spare parts - net	88,879,406,641	78,605,538,024
Materials in transit and other inventories	4,783,557,396	163,112,710
Total	342,256,836,789	168,796,791,027

A certain portion of the inventories is used as collateral for the short-term loans and long-

term debts (see Notes 12 and 14).

Notes to Consolidated Financial Statements

8. Investments in and Advances to Investees

These consist of long-term investments, advances to certain investees for capital

requirements and advances to prospective joint operation, the details of which are as follows:

	Ownership Interest	Amount	
		1992	1991
		Rp	Rp
Investments in Shares of Stock			
At Cost:			
P.T. Indomix Perkasa (preoperating)	80.0%	816,000,000	—
P.T. Cibinong Center Industrial Estate	50.0%	60,000,000	60,000,000
P.T. Indotek Engico	50.0%	60,000,000	60,000,000
P.T. Indo Clean Set Cement	47.5%	464,787,500	464,787,500
P.T. Citra Marga Nusaphala Persada	11.7%	8,000,000,000	8,000,000,000
Other investee companies	—	1,675,000,000	170,000,000
Cumulative Equity in Net Earnings (Losses)			
- Net of Amortization and Dividend Received :			
P.T. Cibinong Center Industrial Estate		(329,069,782)	(670,444,112)
P.T. Indotek Engico		35,729,667	34,762,982
Other investee companies		1,890,796,834	—
		12,673,244,219	8,119,106,370
Advances			
P.T. Indomix Perkasa (preoperating)		1,064,620,454	—
P.T. Cibinong Center Industrial Estate		8,164,886,523	6,808,085,704
P.T. Indotek Engico		271,770,085	271,770,085
P.T. Indo Clean Set Cement		100,897,029	4,731,780
Indocement/Indominco Joint Operation		8,808,205,952	—
		18,410,380,043	7,084,587,569
Total		31,083,624,262	15,203,693,939

On February 10, 1992, the Company signed a Memorandum of Understanding with P.T. Indominco Mandiri to form a coal mining joint

operation in East Kalimantan. The proposed joint operation is subject to the satisfactory outcome of a number of conditions, including the favorable result of the on-going exploratory study.

9. Excess of Cost Over Net Assets Value

This account represents the unamortized net excess of cost of acquired companies, mainly IndoFood, over their net assets value. Net additions during 1992 were Rp 708,136,464,011

while amortization expense amounted to Rp 19,456,737,842 and Rp 1,266,628,000 in 1992 and 1991, respectively.

Notes to Consolidated Financial Statements

10. Property, Plant and Equipment

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

	1992 Rp	1991 Rp
Carrying Value		
Landrights and land improvements	186,926,594,231	89,167,888,305
Leasehold improvements	1,131,754,460	1,131,754,460
Quarry	16,006,134,369	15,987,160,416
Buildings and structures	904,704,071,200	400,950,244,151
Machinery and equipment	1,963,074,994,768	1,126,680,027,089
Transportation equipment	187,214,918,208	64,064,403,812
Furniture, fixtures and office equipment	41,603,733,289	14,748,055,749
Tools and other equipment	10,813,235,057	9,841,232,554
Assets acquired under capital lease (see Note 14):		
Buildings	42,000,000,000	—
Machinery and equipment	20,023,840,514	—
	3,373,499,276,096	1,722,570,766,536
Less Accumulated Depreciation, Amortization and Depletion	530,510,860,787	366,091,903,082
Net Book Value	2,842,988,415,309	1,356,478,863,454

Certain property, plant and equipment are used as collateral for the short-term loans and long-term debts (see Notes 12 and 14).

Depreciation, amortization and depletion charges totalled Rp 132,991,484,403 in 1992

and Rp 66,197,941,313 in 1991, including charges to manufacturing cost accounts of Rp 124,747,202,553 in 1992 and Rp 64,472,241,900 in 1991.

11. Deferred Foreign Exchange Difference

These represent the unamortized balance of deferred foreign exchange difference arising from Rupiah devaluation in respect of the Company's

outstanding long-term debts, and translation adjustments related to investments in foreign subsidiaries.

Notes to Consolidated Financial Statements

12. Short-Term Loans

Short-term loans consist of the following :

	1992 Rp	1991 Rp
Overdraft		
Bank Negara Indonesia 1946	52,184,224,205	—
Bank Central Asia	25,608,880,777	—
Other local banks (with balances of Rp 5 billion each or less)	4,140,933,543	—
	81,934,038,525	—
Usance L/C Payable		
Bank Central Asia	30,588,290,635	—
Other Term Loans		
Bank Central Asia	267,705,574,940	31,500,000,000
Citibank, N.A., Jakarta	33,932,452,830	—
American Express Bank, Jakarta	27,834,900,000	—
Bank Negara Indonesia 1946	25,537,825,868	—
Bank Niaga	10,000,000,000	—
Inter Pacific Financial Corporation	8,236,620,000	—
Other banks (with balances of Rp 5 billion each or less)	12,458,239,539	3,107,000,000
	385,705,613,177	34,607,000,000
Total	498,227,942,337	34,607,000,000

The above loans, which bear interest at rates ranging from 7.00% to 10.00% per annum for foreign currency loans and from 21.50% to 29.50% per annum for Rupiah loans, are collateralized by

certain property, plant and equipment, inventories, trade receivables and personal guarantees from certain stockholders.

13. Taxation

The details of accrued taxes are as follows :

	1992 Rp	1991 Rp
Estimated corporate income tax payable (less applicable tax prepayments of Rp 17,408,530,905)	24,176,996,881	—
Other taxes accrued and withheld		
Income tax - Article 21	4,552,839,930	1,843,773,471
Income tax - Article 23	1,757,425,528	12,595,671
Income tax - Article 25	144,487,750	—
Income tax - Article 26	1,224,342,254	1,182,948,877
Value Added Tax - output	26,382,929,083	7,148,016,934
Other taxes	18,660,673	—
Total	58,257,682,099	10,187,334,953

Notes to Consolidated Financial Statements

The estimated corporate income tax payable as of December 31, 1992 pertains to IndoFood's income tax provision for 1992. No corporate income tax has been provided for the Company during each of the years ended December 31, 1992 and 1991 since it has sufficient tax losses to

offset against and to carry forward.

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

	1992 Rp	1991 Rp
Income before Provision for Income Tax per Consolidated Statements of Income and Retained Earnings	425,053,480,310	308,673,551,280
Add (Deduct) :		
Income of the Consolidated Subsidiaries before provision for income tax	(160,294,040,692)	—
Amortization of excess of investment cost over net assets value	17,814,977,987	—
Income before Provision for Income Tax Attributable to the Company	282,574,417,605	308,673,551,280
Add (Deduct) :		
Timing differences, mainly the excess of tax over book depreciation	(163,227,836,752)	(96,797,370,803)
Non-deductible expenses, mainly employees' benefits and public relations	11,690,997,418	6,876,625,397
Interest income on time deposits and dividend income	(464,137,500)	(63,165,702,647)
Estimated Taxable Income before Tax Losses Relief	130,573,440,771	155,587,103,227
Tax Losses brought Forward at Beginning of Year	(271,264,103,201)	(426,851,206,428)
Tax Losses carried Forward at End of Year	(140,690,662,430)	(271,264,103,201)

The Company's corporate income tax liabilities have been agreed by the tax authorities

for fiscal periods up to December 31, 1990.

Notes to Consolidated Financial Statements

14. Long-Term Debts

Long-term debts consist of the following :

	1992		1991
	Foreign Currency	Rp	Rp
Domestic Loans			
Bank Central Asia		463,022,327,190	—
Bank Pembangunan Indonesia		118,698,145,466	120,118,145,467
Bank Negara Indonesia 1946		29,000,000,000	—
Pertamina Unit EP III, Cirebon	US\$ 11,719,276	24,165,146,679	28,411,886,549
Consortium of local banks (with Bank Duta as lead manager)		20,000,000,000	22,000,000,000
Other local banks (with balances of Rp 10 billion each or less)		11,484,371,046	—
		666,369,990,381	170,530,032,016
Foreign Loans			
Fuji Bank Ltd., Japan	¥ 10,208,817,380	169,262,192,160	184,080,330,083
Bank Negara Indonesia 1946, Cayman Branch	US\$ 54,480,000	112,337,760,000	—
Credit Lyonnais, Paris	Ffr 45,450,779	17,044,042,166	40,457,260,830
Banco Exterior de Espana S.A., Spain	—	—	4,797,184,868
		298,643,994,326	229,334,775,781
Promissory Notes	US\$ 300,000,000	618,600,000,000	—
Commercial Paper		300,000,000,000	—
Suppliers Credit	Various	21,551,419,604	—
Obligations Under Capital Lease		53,279,052,759	—
		1,958,444,457,070	399,864,807,797
Less Portion Currently Due			
Domestic loans		59,754,427,071	8,487,089,174
Foreign loans		58,761,682,166	50,911,806,433
Promissory notes		30,930,000,000	—
Suppliers credit		6,485,777,607	—
Obligations under capital lease		10,601,457,999	—
		166,533,344,843	59,398,895,607
Long-Term Portion		<u>1,791,911,112,227</u>	<u>340,465,912,190</u>

The 1992 outstanding loans originating from the 1991 balances represent borrowings by the

Company in relation to the build-up of its Cement Division, including those debts assumed

Notes to Consolidated Financial Statements

when it acquired the operating assets of P.T. TMPC in 1991 (see Note 2). These debts are repayable in various installments up to year 2000.

The loans from Bank Negara Indonesia 1946 are part of the liabilities which the Company assumed from the previous owner of Bogasari. The agreements supporting the transfer of these loans to the Company are still being finalized.

In order to partly finance the acquisitions of the businesses and certain operating assets of Bogasari and Perwick, and the purchase of a 51% equity interest in IndoFood (see Note 2), the Company, in addition to the liabilities of acquired units which it assumed in accordance with the terms and conditions of the Agreements, has entered into the following financing arrangements :

- a. Term-loan facility of Rp 500 billion from Bank Central Asia, of which Rp 450 billion have already been drawn as of December 31, 1992. These debts are repayable in 20 equal quarterly installments starting a year after drawdown date. Under the loan agreement, Bank Central Asia is entitled to transfer all or part of its rights and obligations to a consortium of several banks without prior consent from the Company.
- b. Commercial paper issue arranged by Bank Central Asia up to a maximum amount of Rp 300 billion for a period of two years starting October 20, 1992.
- c. Promissory notes issue of US\$ 300 million to P.T. Bogasari Flour Mills as part-payment of the acquisition price. These notes will be repaid in 20 equal quarterly installments

starting a year after issue date.

Suppliers credit, which is mainly denominated in US\$, represents payables to foreign suppliers for the purchase of machinery and equipment.

Obligations under capital lease incurred in relation to the purchase of certain buildings and machinery and equipment are payable to several local financing companies. These leases cover a period between 2 to 7 years. Future minimum lease payments under these leases are Rp 10.6 billion, Rp 12.4 billion, Rp 11.5 billion and Rp 10.7 billion for the years ending December 31, 1993, 1994, 1995 and 1996, respectively; while total lease payment due after the fifth year is Rp 8.0 billion.

The above indebtedness which bear interest at rates ranging from 10.00% to 23.50% per annum for Rupiah loans and from 7.50% to 10.50% per annum for foreign currency loans, are collateralized by certain property, plant and equipment, inventories, trade receivables and personal guarantees from certain stockholders and officers. The loan from Fuji Bank Ltd., Japan, however, is fully guaranteed by Marubeni Corporation.

Certain loan agreements contain terms and conditions restricting the Company from, without prior consent from the lenders, taking on additional long-term liabilities, changing the Company's legal status and composition of the board of directors, restructuring of the equity capital and incurring significant capital expenditures in excess of a specified limit. In addition, the Company has also to maintain certain financial ratios.

15. 6.75% Convertible Bonds Due 2001

On June 20, 1991, the Company issued and listed US\$ 75 million 6.75% Euroconvertible bonds (Bonds) due 2001 at the Luxembourg

Stock Exchange at 100% issue price. A portion of the proceeds of the bond issuance was used to finance the acquisition of P.T. TMPC (see Note 2).

Notes to Consolidated Financial Statements

The Bonds are convertible starting August 1, 1991 to May 20, 2001 into common shares at the option of the bondholder. The initial conversion price at which the shares shall be issued is at Rp 14,450 per share with a fixed rate of exchange applicable on conversion of US\$ 1 to Rp 1,946. The Bonds are redeemable in whole but not in part at any time at par in the event of certain changes relating to taxation and in whole or in part at the Company's option any time starting June 30, 1994 to June 20, 2001 at 100% of principal amount.

The Bond issuance provides certain restrictions relating to the encumbrance of the Company's assets to secure any future obligations of the Company which may be covered by issuance of certain types of marketable debt securities outside of Indonesia. This Bond issuance has been permitted by the Capital Market Supervisory Agency (BAPEPAM) with the understanding that shares issued on the conversion of the Bonds will be listed at the Stock Exchanges in Indonesia.

As of December 31, 1992, no conversion has been exercised by any of the bondholders.

16. Capital Stock

The details of the Company's paid-up capital are presented below:

	Percentage Holding		Amount	
	1992	1991	1992 Rp	1991 Rp
P.T. Mekar Perkasa	42.40 %	42.40 %	253,903,000,000	253,903,000,000
Government of the Republic of Indonesia	25.93	25.93	55,282,095,000	155,282,095,000
P.T. Citrabuana Dirgapuri	12.75	—	76,357,826,000	—
P.T. Kaolin Indah Utama	4.45	4.45	26,650,205,000	26,650,205,000
Cooperatives	1.00	1.00	6,000,000,000	6,000,000,000
Sudwikatmono	0.13	6.51	806,848,000	38,986,261,000
Ibrahim Risjad	0.13	6.50	806,848,000	38,985,261,000
Publicly-Traded	13.21	13.21	79,074,178,000	79,074,178,000
Total	100.00 %	100.00 %	598,881,000,000	598,881,000,000

As of December 31, 1992 and 1991, the Company's listed shares represent approximately 16% and 15% of the total issued shares or 95,832,150 shares and 89,832,150 shares, respectively. The additional listed shares represent the Cooperatives' shares listed on June 26, 1992

at the Jakarta Stock Exchange.

In May 1992, Messrs. Sudwikatmono and Ibrahim Risjad transferred part of their holdings to a newly-formed company P.T. Citrabuana Dirgapuri.

Notes to Consolidated Financial Statements

17. Additional Paid-In Capital

The details of this account are as follows:

	Amount Rp
Excess of net amount received over par value of shares issued to the Government of the Republic of Indonesia	225,777,430,247
Excess of carrying value of convertible debentures over par value of capital stock issued	40,281,000,000
Excess of amount received over par value of shares issued to public, net of shares issuance costs	384,031,766,250
Total	650,090,196,497

Shares issuance costs related to the initial public offering in 1989, net of portion charged to divesting stockholders, were set off against the

resulting "Additional Paid-In Capital" on the basis that these costs are directly associated with the acquisition of corporate capital.

18. Net Revenues

The details of net revenues by Division are presented as follows:

	1992 Rp	1991 Rp
Cement Division	968,751,564,224	771,318,618,536
Food Division		
Bogasari	195,920,089,387	—
IndoFood	969,414,323,277	—
Property Division (see Note 2)	2,663,826,892	—
Total	2,136,749,803,780	771,318,618,536

19. Cost of Revenues

The details of cost of revenues by Division are presented as follows:

	1992 Rp	1991 Rp
Cement Division	541,409,993,061	418,272,665,909
Food Division		
Bogasari	152,676,483,570	—
IndoFood	642,351,377,543	—
Property Division (see Note 2)	3,628,765,487	—
Total	1,340,066,619,661	418,272,665,909

Notes to Consolidated Financial Statements

20. Pension and Retirement Benefits Plan

As an upgrade of its previous "pay-as-you-go" retirement benefits scheme, the Company adopted a contributory pension plan based on the Board of Directors' Resolution No. 08/KPTS/DIR/ITP/VIII/91 dated July 31, 1991. The plan covers substantially all full-time employees of the Cement Division. The pension benefits are generally based on the length of credited service and the employee's final compensation. Pension contribution of the Company and its Cement Division employees amount to 10% and 5%, respectively, of the annual pensionable earnings of the employees.

The pension fund is held separately and administered by the Yayasan Dana Pensiun Karyawan P.T. Indocement Tunggal Prakarsa, the establishment of which was approved by the Ministry of Finance on November 12, 1991. Based on the latest available actuarial valuation

carried out on August 31, 1991, the past service liability applicable to the Cement Division totalled Rp 18 billion. With the acquisition of P.T. TMPC on September 30, 1991 (see Note 2), the Company is presently recalculating this past service liability.

In October 1991, the Company made an initial funding of Rp 1.5 billion on account of the past service liability under the plan. Additional funding of Rp 1.2 billion was made in 1992. Regular pension costs for 1992 amounted to Rp 1,951,562,730 (Rp 865,275,395 for 1991).

The existing pension plan has not been affected by the recent acquisitions of the businesses of Bogasari and Perwick, and by the purchase of a 51% equity interest in IndoFood because these acquired units still operate the "pay-as-you-go" retirement benefits scheme.

21. Transactions and Accounts with Affiliated Companies and Related Parties

The Company and its subsidiaries, in the normal course of business, transact with affiliated companies and related parties under terms and conditions similar to those with non-related companies. As defined under Circular Letter No. SE-24/PM/1987 dated December 24, 1987 of the Chairman of BAPEPAM, affiliated companies are companies in which the Company has a direct and/or indirect voting equity of 20% or more, while related parties are parties, having a direct or indirect relationship, which have significant influence over the management of the others not necessarily through direct equity participation, but by virtue of licensing agreement, family relationship and other similar connections.

Some of the significant trade transactions and related account balances with these companies are as follows:

- a. A substantial portion of the Company's portland cement domestic sales are sold through one of its main distributors, P.T. Semen Tiga Roda Prasetya. Total sales amounted to Rp 586,359,201,905 in 1992 and Rp 608,259,717,233 in 1991.
- b. In 1992, P.T. Pebapan (Indomarco) became one of the major distributors of IndoFood. Total sales in 1992 amounted to Rp 218,897,298,885.

Transactions with affiliated companies and related parties other than those pertaining to the main businesses of the Company and its subsidiaries are reported under "Accounts Receivable/Payable - Related Companies". Those advances which are not expected to be repaid within twelve months are presented under "Due to Related Parties".

Notes to Consolidated Financial Statements

22. Technical and Licensing Agreements

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

- a. Pepsico Inc., whereby IndoFood is granted the exclusive, non-transferrable right and license to use, manufacture, sell, distribute, advertise and promote snack food products using the trademark and technology owned by Pepsico Inc. As consideration, IndoFood shall pay a royalty fee of 1% of its net sales.
- b. Hokkoku Co. Ltd. (Hokkoku) and Tokyo Co. Ltd. (Tokyo Trading), whereby IndoFood will receive technical assistance and management services from Hokkoku and Tokyo Trading relating to operation of restaurants, catering and other related activities. As compensation, IndoFood pays a certain amount of technical assistance and management fee.

23. Dividends

Dividends consist of :

	1992 Rp	1991 Rp
Final Dividends - Rp 175 per share for 1991 and Rp 80 per share for 1990	104,804,175,000	47,910,480,000
Interim Dividends - Rp 70 per share for 1991	-	41,921,670,000
Total	104,804,175,000	89,832,150,000

On May 19, 1992 in the Annual General Meeting, the stockholders ratified the payment of cash dividend of Rp 245 per share for 1991. Included in this amount were the interim cash dividend of Rp 70 per share, which was paid on March 15, 1991 together with the payment

final cash dividend of Rp 80 per share for year 1990, and the final cash dividend of Rp 175 per share, which was paid by the Company on June 18, 1992 based on shares outstanding as of June 5, 1992.

24. Commitments

- a. On November 23, 1992, the Company entered into an agreement with The Chase Manhattan Bank Asia Limited (CMAL) to purchase a total of ¥ 2,928,000,000 in four equal semi-annual installments of ¥ 732,000,000 commencing March 20, 1993 up to September 20, 1994. The rates will be based on the Dual Index Exchange Rate corresponding to the appropriate US\$ LIBOR rate and the spot Yen/US\$ exchange rate to be provided by CMAL in the Dual Index Table in accordance with the Exchange Date(s). The purchase of this Yen currency will be used to repay the Yen-denominated loan obtained from Fuji Bank Ltd., Japan (see Note 14) which is repayable in semi-annual installments of the same amount.
- b. As of December 31, 1992, the Company has outstanding unused letters of credit facilities amounting to approximately Rp 68 billion for the purchase of certain production materials.

Notes to Consolidated Financial Statements

25. Other Matter

In line with its intention to invest in a prime property in Jakarta, the Company in 1992 made an advance payment for new shares of Rp 77.9 billion to P.T. Wisma Nusantara International

(WNI) representing a prospective 35% interest in P.T. WNI. The investment has not been formally ratified yet by the relevant regulatory authorities.

Corporate Information

Major Stockholders

P.T. Mekar Perkasa	42.40%
Government of the Republic of Indonesia	25.93 %
P.T. Citrabuana Dirgapuri	12.75 %

Share Listing: Sixteen percent (16%) of the Company's outstanding and issued shares are listed at the Main Board of the Stock Exchange in Indonesia - Reuters JKSK.

Board of Commissioners

President Commissioner	Soedono Salim
Commissioner	Djuhar Sutanto
Commissioner	E. Soekasah Somawidjaja
Commissioner	H. Aang Kunaefi
Commissioner	John Djuhar

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	Judiono Tosin
Director	Franciscus Welirang

Professionals and Bankers

Auditors

Drs Utomo & Co.
(A Member of Arthur Andersen Worldwide
Organization)
8th Floor, Chase Plaza
Jl. Jend. Sudirman Kav 21
Jakarta 12910, Indonesia

Corporate Lawyers

Mochtar, Karuwin & Komar
14th Floor, Wisma Metropolitan II
Jl. Jend. Sudirman Kav 31
Jakarta 12920, Indonesia

Share Registrar

Risjad Salim Registra
Ground Floor, Central Plaza
Jl. Jend. Sudirman Kav 47-48
Jakarta 12920, Indonesia

Corporate Information

Major Bankers

Bank Central Asia
 Bank Negara Indonesia 1946
 Bank Pembangunan Indonesia
 Bank Ekspor Impor Indonesia
 Bank Duta
 Bank Niaga
 Bank Dagang Negara
 Fuji Bank Ltd., Japan
 Credit Lyonnais, Paris
 Banco Exterior de Espana S.A., Spain

Addresses

Headquarters

Wisma Indocement
 Jl. Jend. Sudirman Kav. 70-71
 Jakarta 12910, Indonesia
 Phone : 62-21-5712211 (10 lines)
 P.O. Box : 4018 Jakarta 10001
 Cable : INDOCEMENT
 Telex : 65150, 65249, 65731 INCEM IA
 Facsimile : 62-21-5710222, 5711777,
 5710063, 5711100, 5710095

Cement Division

13th Floor, Wisma Indocement
 Jl. Jend. Sudirman Kav. 70-71
 Jakarta 12910, Indonesia
 Phone : 62-21-5712211 (10 lines)
 P.O. Box : 4018 Jakarta 10001
 Cable : INDOCEMENT
 Telex : 65150, 65249, 65731 INCEM IA
 Facsimile : 62-21-5710222, 5711777,
 5710063, 5711100, 5710095

Food Division

Bogasari Operations
 18th Floor, Wisma Indocement
 Jl. Jend. Sudirman Kav. 70-71
 Jakarta 12910, Indonesia
 Phone : 62-21-5712500 (5 lines)
 P.O. Box : 4118 Jakarta
 Cable : SARIMILL JAKARTA
 Telex : 65250 BGSARI IA
 Facsimile : 62-21-5712620

Corporate Information

IndoFood Group
 17th Floor, Central Plaza
 Jl. Jend. Sudirman Kav. 47-48
 Jakarta 12930, Indonesia
 Phone : 62-21-5701426, 5701428,
 5701432, 5207990
 Telex : 63012 INDOMIE IA
 Facsimile : 62-21-5701431, 685976

Property Division

Wisma Indocement Operations
 11th Floor, Wisma Indocement
 Jl. Jend. Sudirman Kav. 70-71
 Jakarta 12910, Indonesia
 Phone : 62-21-5703798
 P.O. Box : 4758 Jkt
 Telex : 46920 PERWA IA
 Facsimile : 62-21-5710657

Other Stockholder Information

Annual General Meeting

The Annual General Meeting of Stockholders will be held at 21st Floor, Wisma Indocement Jl. Jend. Sudirman Kav. 70-71, Jakarta 12910 at 10:30 a.m. on June 9, 1993

Investor Inquiries

Investor inquiries may be directed to :
 Investor Relations c/o Corporate Finance
 P.T. Indocement Tunggal Prakarsa
 9th Floor, Wisma Indocement
 Jl. Jend. Sudirman Kav. 70-71
 Jakarta 12910, Indonesia



P.T. INDOCEMENT TUNGGAL PRAKARSA