

P.T. EKADHARMA TAPE INDUSTRIES Tbk
BALANCE SHEETS
AS OF DECEMBER 31, 2005 AND 2004

ASSETS

	NOTES	2005	2004
CURRENT ASSETS			
Cash and cash equivalents	2b, 2i, 4	Rp 10,734,278,230	Rp 14,069,312,466
Short-term investments	2c, 5	10,094,677,725	7,655,000,000
Trade receivables - net of allowance for doubtful accounts of Rp201,746,331 in 2005 and Rp130,990,346 in 2004	2d		
- Third parties	2i, 6	12,205,956,921	7,744,301,137
- Related parties	2e, 6, 19	-	6,017,665
Prepaid taxes	2k, 12a	176,754,805	918,625,476
Other receivables		874,160,877	97,547,895
Inventories	2f, 7	17,431,922,233	15,707,041,045
Prepaid expenses and advances	8	3,406,701,947	991,914,973
Total Current Assets		54,924,452,738	47,189,760,657
NON-CURRENT ASSETS			
Receivables from related parties	2e, 19	264,819,632	249,026,107
Investments in associates	2g, 9	6,846,750,000	3,134,250,000
Property, plant and equipment - less accumulated depreciation of Rp17,547,168,121 in 2005 and Rp16,210,376,423 in 2004	2h, 10	11,925,958,040	11,735,998,595
Deferred tax assets	2k, 12d	1,082,253,722	1,045,092,320
Other assets		119,406,709	132,062,582 *
Total Non - Current Assets		20,239,188,103	16,296,429,604
TOTAL ASSETS	21	Rp 75,163,640,841	Rp 63,486,190,261

* As restated (Note 3)

P.T. EKADHARMA TAPE INDUSTRIES Tbk
BALANCE SHEETS
AS OF DECEMBER 31, 2005 AND 2004

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>NOTES</u>	<u>2005</u>	<u>2004</u>
CURRENT LIABILITIES			
Trade payables			
- Third parties	2i, 11	Rp 12,738,944,926	Rp 5,138,923,144
- Related parties	2e, 2i, 11, 19	2,429,466,674	1,609,279,737
Taxes payable	2k, 12b	320,802,844	367,094,589
Other payables		457,006,899	525,906,641
Dividends payable		147,540,726	135,648,477
Accrued expenses	13	721,021,171	635,045,160
Advances from customers		324,262,645	288,645,493
		<u>17,139,045,885</u>	<u>8,700,543,241</u>
NON-CURRENT LIABILITIES			
Provision for post-employment benefits	2l, 18	<u>3,219,172,640</u>	<u>2,748,977,981</u> *
STOCKHOLDERS' EQUITY			
Capital stock - Rp100 par value per share			
Authorized - 800,000,000 common shares			
Issued and fully paid - 223,608,000 common shares	14	22,360,800,000	22,360,800,000
Additional paid-in capital		3,213,100,000	3,213,100,000
Unrealized differences in value of securities	2c, 5	1,329,579,738	1,509,674,999
Unappropriated retained earnings		27,901,942,578	24,953,094,040
		<u>54,805,422,316</u>	<u>52,036,669,039</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>Rp 75,163,640,841</u>	<u>Rp 63,486,190,261</u>

* As restated (Note 3)

See accompanying Notes to Financial Statements which are
an integral part of the Financial Statements.

P.T. EKADHARMA TAPE INDUSTRIES Tbk
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>NOTES</u>	<u>2005</u>	<u>2004</u>
NET SALES	2e, 2j, 15, 19, 21	Rp 104,743,727,076	Rp 79,595,761,227
COST OF GOODS SOLD	2e, 2j, 16, 21	<u>87,191,452,933</u>	<u>61,368,942,176</u>
GROSS PROFIT		<u>17,552,274,143</u>	<u>18,226,819,051</u>
OPERATING EXPENSES	2j, 17		
Marketing		7,881,108,172	7,044,199,858
General and administrative		<u>6,305,828,730</u>	<u>5,755,335,863</u> *
Total Operating Expenses		<u>14,186,936,902</u>	<u>12,799,535,721</u> *
INCOME FROM OPERATIONS	21	<u>3,365,337,241</u>	<u>5,427,283,330</u>
OTHER INCOME (EXPENSES)			
Gain on sale of shares		2,178,853,481	-
Interest income		821,121,357	903,319,931
Loss on foreign exchange - net		(498,472,420)	(553,098,154)
Rental income		105,000,000	55,000,000
Gain on sale of property, plant and equipment	2h	56,335,047	9,211,067
Tax penalties		(48,188,739)	(17,275,029)
Miscellaneous - net		<u>495,951,869</u>	<u>(56,396,907)</u>
Total Other Income - Net		<u>3,110,600,595</u>	<u>340,760,908</u>
INCOME BEFORE INCOME TAX	21	<u>6,475,937,836</u>	<u>5,768,044,238</u> *
INCOME TAX EXPENSE (BENEFIT)			
Current tax	2k,12c	1,328,170,700	1,787,598,500
Deferred tax	2k,12d	<u>(37,161,402)</u>	<u>(160,636,940)</u> *
Income Tax Expense		<u>1,291,009,298</u>	<u>1,626,961,560</u>
NET INCOME		<u><u>5,184,928,538</u></u>	<u><u>4,141,082,678</u></u> *
BASIC NET INCOME PER SHARE	2m	<u>Rp 23.19</u>	<u>Rp 18.52</u>

* As restated (Note 3)

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an integral part of the Financial Statements.

P.T. EKADHARMA TAPE INDUSTRIES Tbk
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Notes	Capital Stock	Additional Paid-In Capital	Unrealized Differences in Value of Securities	Unappropriated Retained Earnings	Total Stockholders' Equity
Balance at December 31, 2003 before adjustment		Rp 22,360,800,000	Rp 3,213,100,000	Rp -	Rp 24,213,700,668	Rp 49,787,600,668
Adjustment in applying new accounting standard	21	-	-	-	(1,165,609,306)	(1,165,609,306)
Balance at December 31, 2003 after adjustment		22,360,800,000	3,213,100,000	-	23,048,091,362	48,621,991,362
Unrealized differences in value of securities		-	-	1,509,674,999	-	1,509,674,999
Net income		-	-	-	4,141,082,678	4,141,082,678
Cash dividends	14	-	-	-	(2,236,080,000)	(2,236,080,000)
Balance at December 31, 2004		22,360,800,000	3,213,100,000	1,509,674,999	24,953,094,040	52,036,669,039
Unrealized differences in value of securities		-	-	(180,095,261)	-	(180,095,261)
Net income		-	-	-	5,184,928,538	5,184,928,538
Cash dividends	14	-	-	-	(2,236,080,000)	(2,236,080,000)
Balance at December 31, 2005		<u>Rp 22,360,800,000</u>	<u>Rp 3,213,100,000</u>	<u>Rp 1,329,579,738</u>	<u>Rp 27,901,942,578</u>	<u>Rp 54,805,422,316</u>

See accompanying Notes to Financial Statements which are
an integral part of the Financial Statements

P.T. EKADHARMA TAPE INDUSTRIES Tbk
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	Rp 100,323,706,109	Rp 80,412,220,264
Cash received from (payment for):		
Suppliers	(79,820,527,383)	(66,746,939,401)
Operating expenses	(13,579,598,763)	(11,421,043,433)
Taxes	(732,567,469)	(2,670,147,888)
Interest income - net	3,104,974,838	903,319,931
Others - net	(71,852,544)	(517,788,848)
Net Cash Flows Provided by (Used in) Operating Activities	<u>9,224,134,788</u>	<u>(40,379,375)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in associates	(3,712,500,000)	-
Investments in securities	(2,619,772,986)	(6,145,325,001)
Additions to property, plant and equipment	(2,287,618,813)	(1,191,953,663)
Purchase advances	(2,100,000,000)	2,110,100,000
Proceeds from sale of property, plant and equipment	384,910,526	406,721,385
Additions to construction in progress	-	628,272,941
Net Cash Flows Used in Investing Activities	<u>(10,334,981,273)</u>	<u>(4,192,184,338)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,224,187,751)	(2,224,031,690)
Net Cash Flows Used in Financing Activities	<u>(2,224,187,751)</u>	<u>(2,224,031,690)</u>
Net Decrease in Cash and Cash Equivalents	(3,335,034,236)	(6,456,595,403)
Cash and Cash Equivalents at Beginning of Year	<u>14,069,312,466</u>	<u>20,525,907,869</u>
Cash and Cash Equivalents at End of Year	<u>10,734,278,230</u>	<u>14,069,312,466</u>
SUPPLEMENTAL DISCLOSURES		
Non cash investing activities:		
Unrealized gain (loss) on available for sale securities	Rp (180,095,261)	Rp 1,509,674,999

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