



Company Presentation

2006

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Investment Highlights



**The only Indonesian
publicly-listed
Integrated Palm-oil
company**

- ◆ SMART is the only publicly listed palm oil player (in Jakarta & Surabaya Stock Exchange since 1992) with fully integrated operations.

**Operational
Excellence and
Quality Control, and
Unrivalled
technology platform**

- ◆ Continuously growing company with “early prime” age profile (85% of “mature” plantation) and with approx. 40,000 ha land bank ready to be planted.
- ◆ The only plantation company using “state of the art” SAP system allowing us to manage and monitor our plantations at the tip of our finger
- ◆ The highest FFB and CPO yield per hectare amongst other listed plantation companies in Indonesia
- ◆ Lowest cost producer amongst plantation companies

**Substantial Market
Opportunity and LT
Growth Prospect for
Palm-oil industry**

- ◆ Indonesia will be the world’s largest palm oil producer in the near future, supported by its equatorial location, availability of land and competitive labor cost
- ◆ Steady increase in world consumption of palm oil over the past 5 years (33.1 mn tons as of 2005)
- ◆ Expand our consumer products to capture the potential increase in demand of palm oil based products
- ◆ Bio-Diesel usage for future growth of palm oil
- ◆ A healthier alternative to other oils since CPO contains no trans fatty acid

**Highly Experienced
Senior Management
Team**

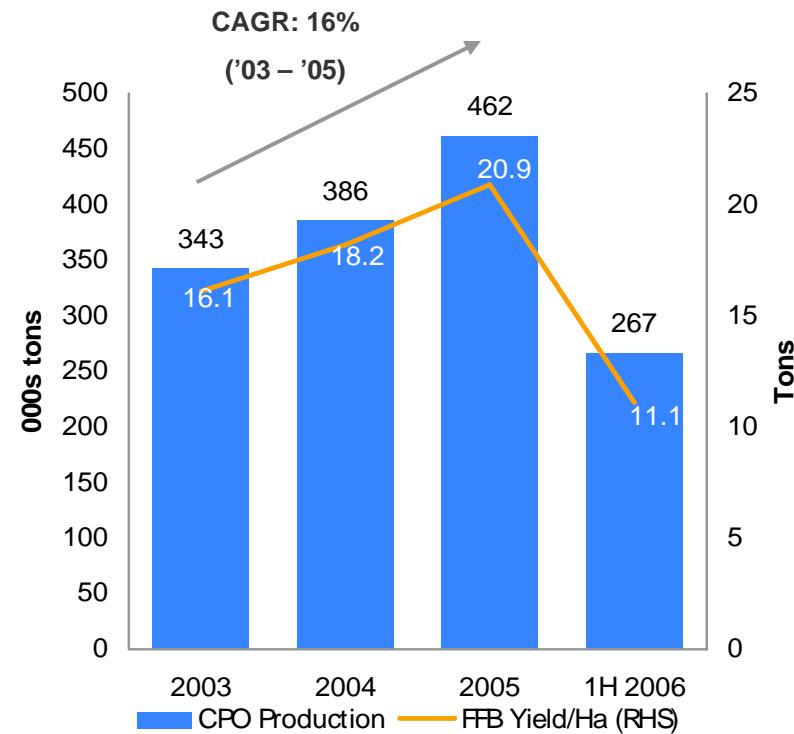
- ◆ Our directors have over 100+ aggregate years of experience in the oil palm plantation
- ◆ Management team with strong operational and financial skills needed to continue growing and expanding the business

Investment Highlights



Strong fundamental growth supported by increase in production volume

CPO Production and FFB Yield/Ha



EBITDA

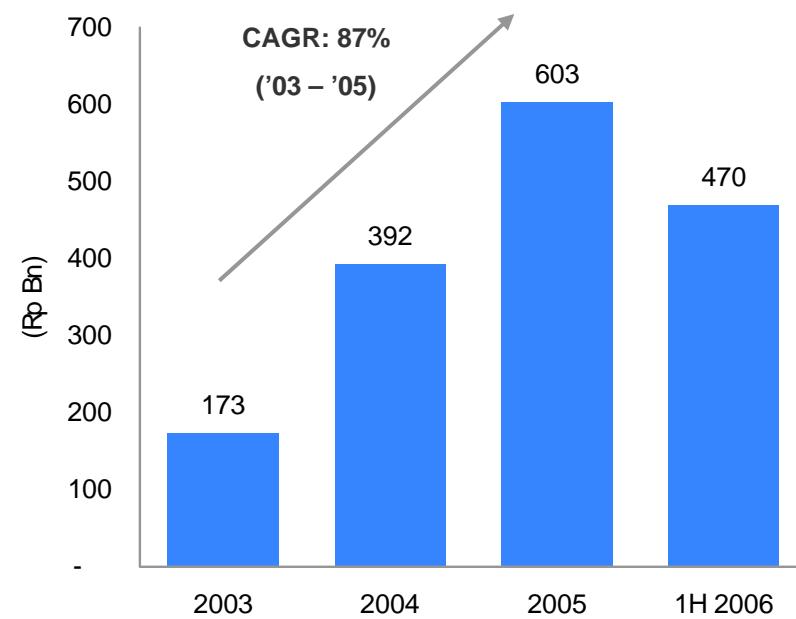


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Section 1 Corporate Overview

Overview of SMART



- Publicly listed company in the Jakarta Stock Exchange and Surabaya Stock Exchange since 1992
- Primary activities include cultivating and harvesting of oil palm trees, processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel oil, and refining CPO into value-added products such as cooking oil, margarine and shortening
- One of the largest producers of palm oil-based refined bleached deodorized olein (cooking oil) and edible fats in Indonesia



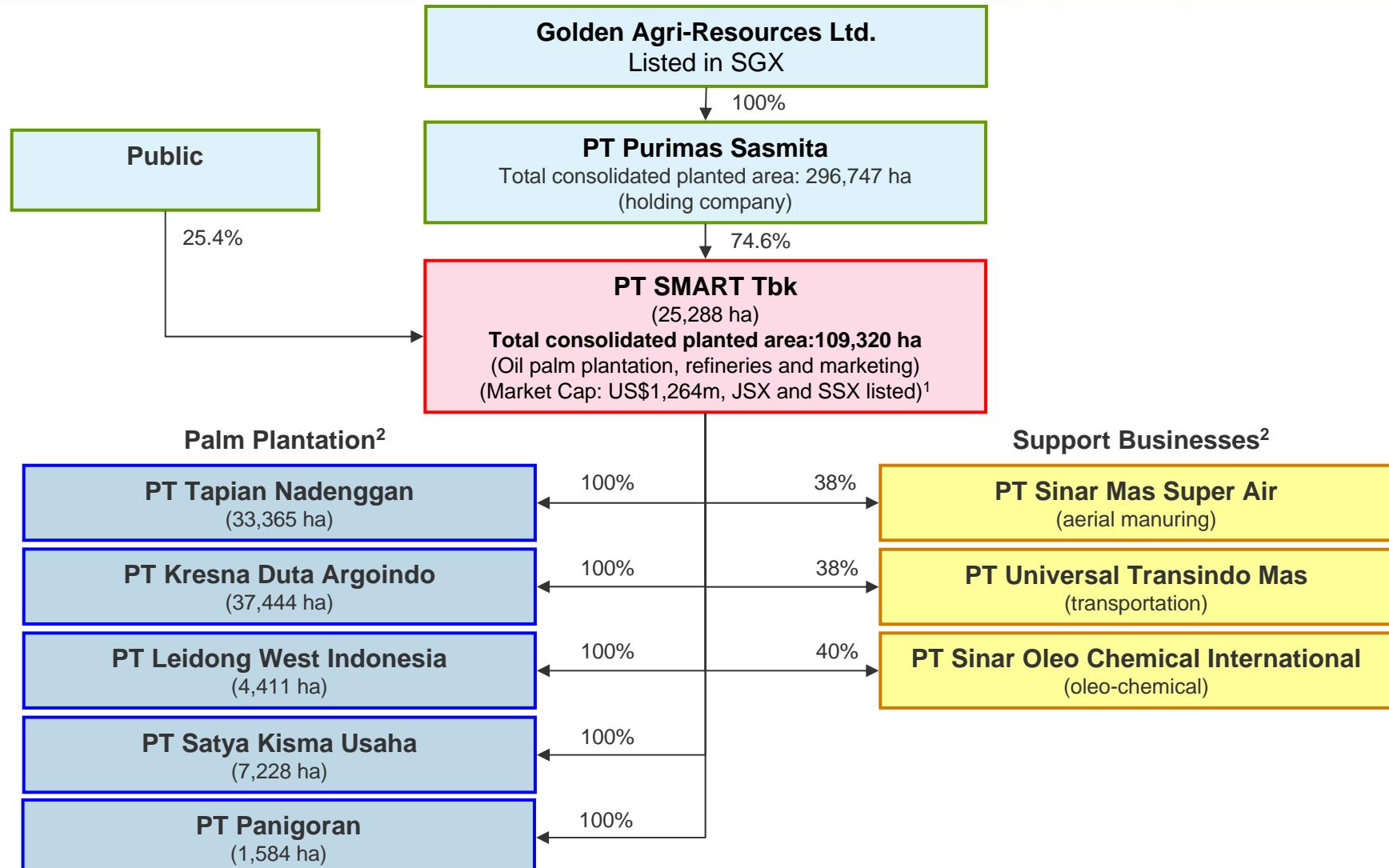
Plantation and Facilities

No. of Plantations (Nucleus & Plasma) :	38
Planted Area :	109,320 ha
Mature Area :	92,483 ha
No. of CPO Mills :	12
CPO Mills Capacity :	2,875,000 ton
No. of Kernel Crushing Plants :	2
Kernel Crushing Plants Capacity :	219,000 ton
No. of Refinery :	2
Refinery Capacity :	840,000 ton
Land Bank :	40,000 ha

Product

- Crude Palm Oil (CPO)
- Palm Kernel (PK)
- Palm Kernel Oil
- Palm Kernel Meal
- Margarine and Shortening
- Cooking Oil
- Palm Fatty Acids
- RBD Stearin

Corporate and Shareholding Structure

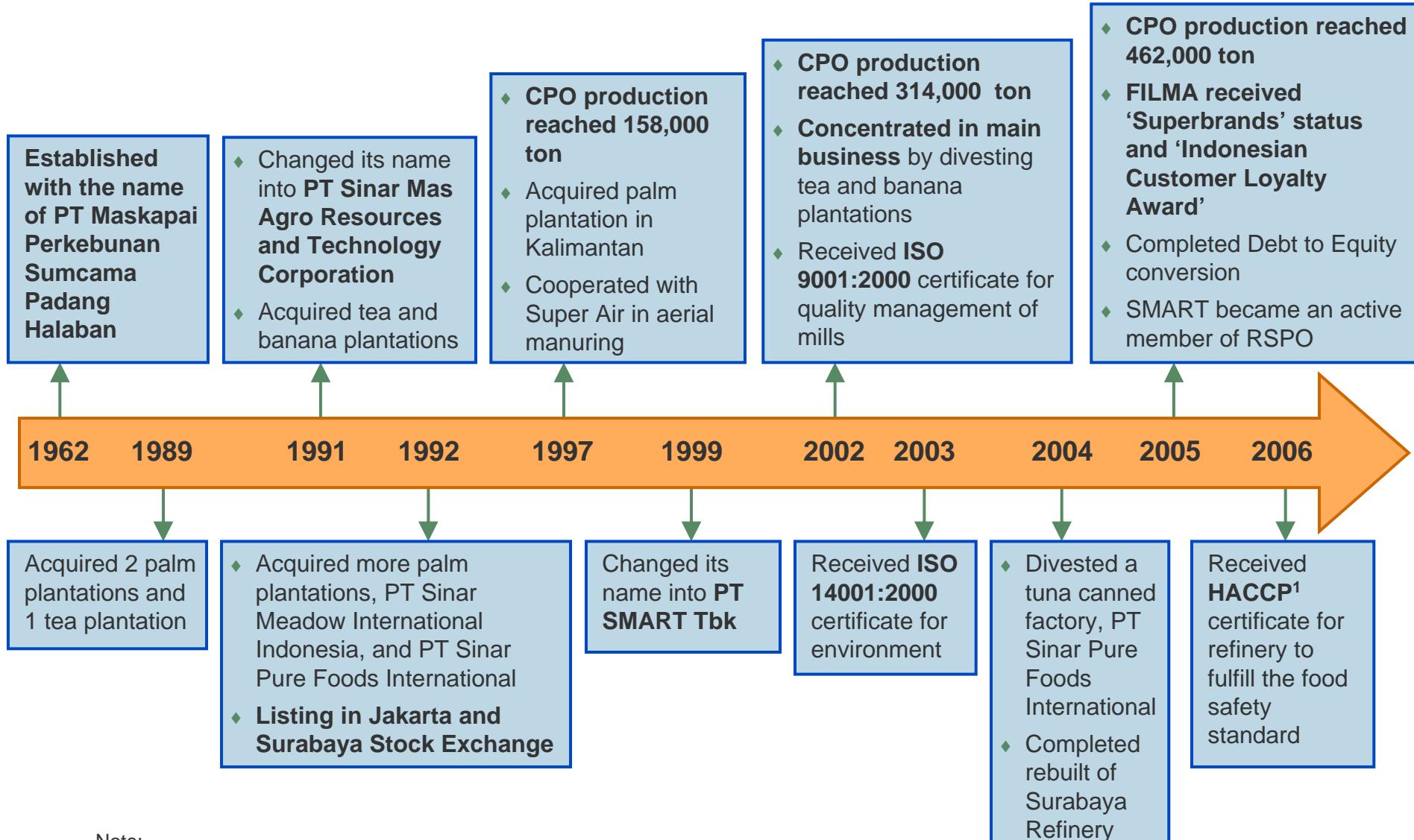


Notes:

1 Market capitalization as of 23 August, 2006

2 Main subsidiaries

History of SMART



Note:

1 HACCP = Hazard Analysis and Credit Critical Point

Business Strategy

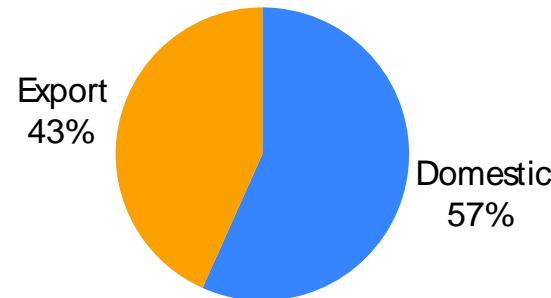


Improve operational efficiency	<ul style="list-style-type: none">Using high yielding seeds, agronomy best practices, improved planting, fertilizing techniques, harvesting, transportation and processing efficiencies
Increase cost competitiveness	<ul style="list-style-type: none">Increase portion of CPO requirements sourced internally enhancing level of integrationCapitalize on integrated operations - raw materials, packaging, distribution, transportation and logistic
Organic growth and acquisitions	<ul style="list-style-type: none">New plantings in Indonesia of 15,000 to 20,000 hectares p.a.Selectively acquire high quality oil palm plantations in IndonesiaConstructing several CPO mills and refining facilities to accommodate the increase in FFB and CPO production
Increase brand awareness of our edible oils	<ul style="list-style-type: none">Increase our sales and marketing of branded cooking oil, margarine and shortening in Indonesia and the International marketsCapitalize on trans fatty acid concerns to grow non traditional marketsBio-diesel usage for future growth of palm oil
“One-stop shop” supplier	<ul style="list-style-type: none">“One-stop-shop” supplier of a full range of industrial oil and fat products in Indonesia and export markets, and further developing international distribution capabilities

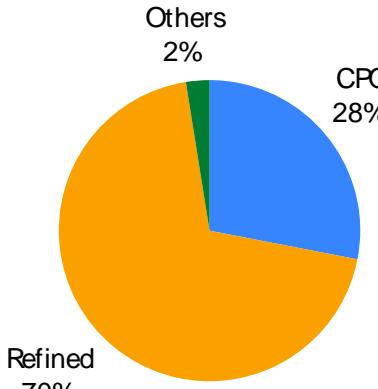
Sales breakdown

Expanding market reach to increase variety of product sales in domestic and regional markets

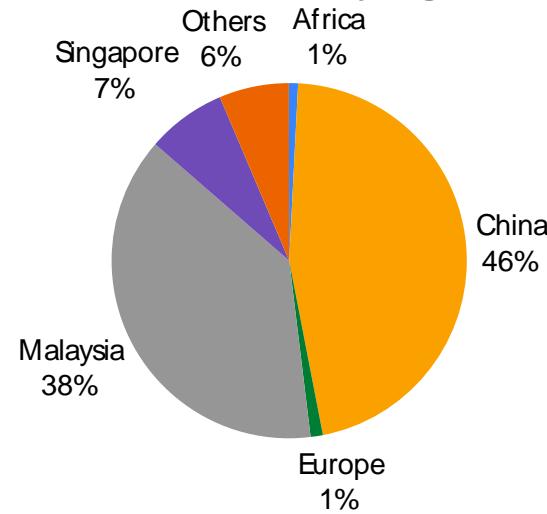
Domestic vs. Export markets



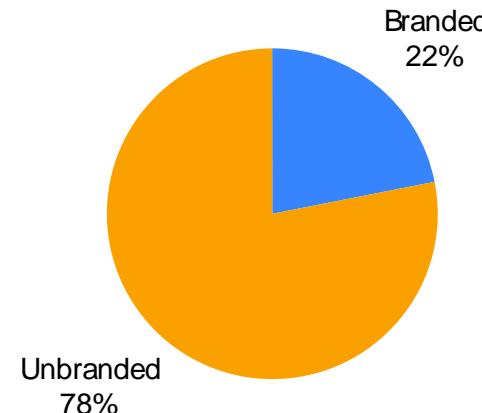
Sales breakdown by product



Export sales breakdown by region



Branded vs Unbranded (Refined products)





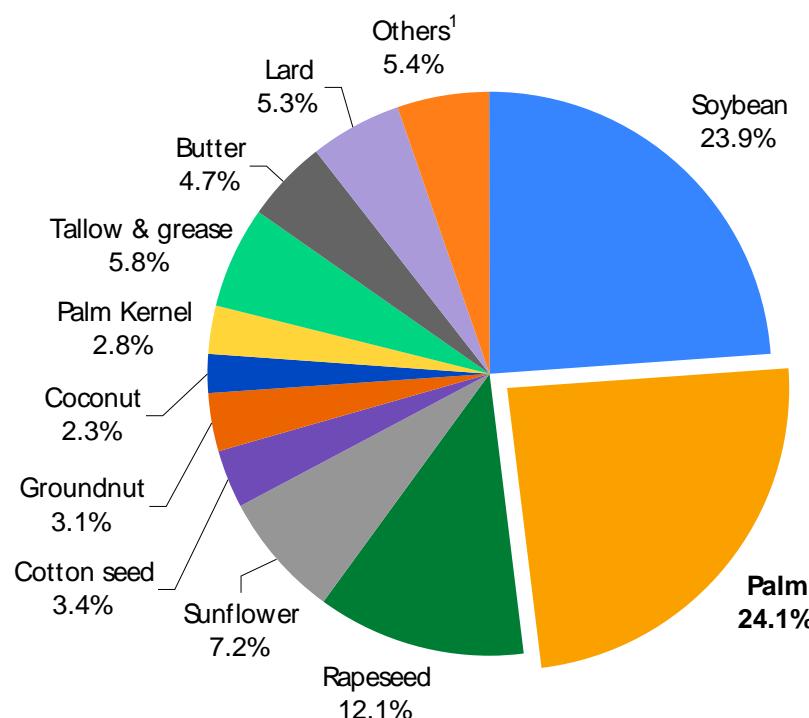
Section 2 Industry Overview

Palm Oil's Growing Popularity as an Edible Oil

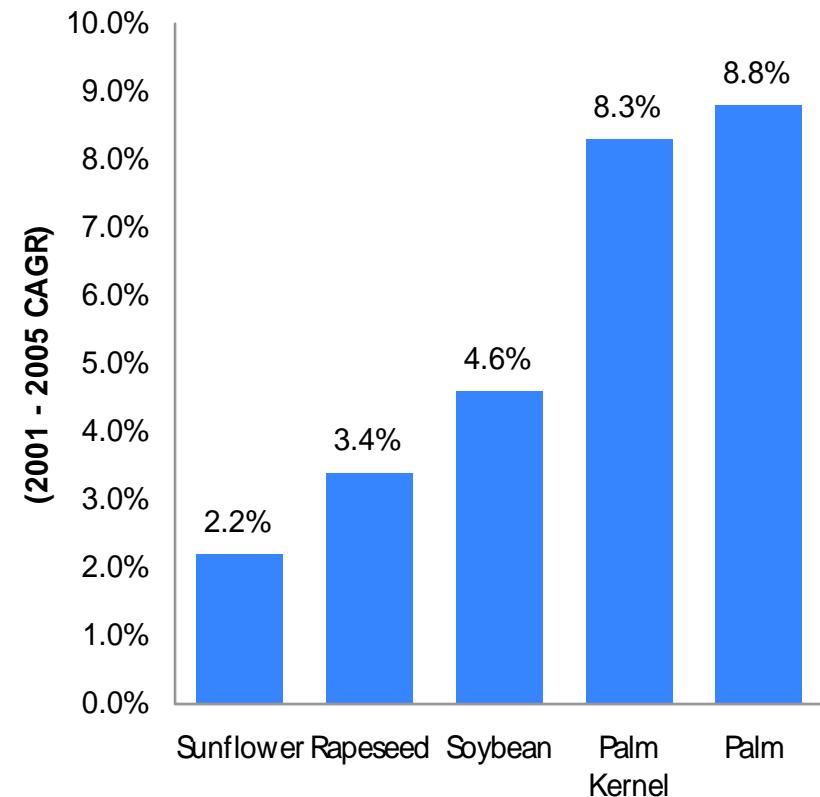


Palm and kernel oil continue to be the world's most produced and consumed edible oil

No.1 produced edible oil



... with fast growing consumption



Notes:

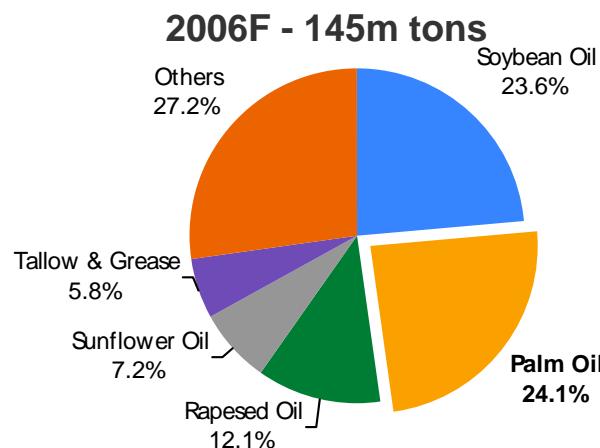
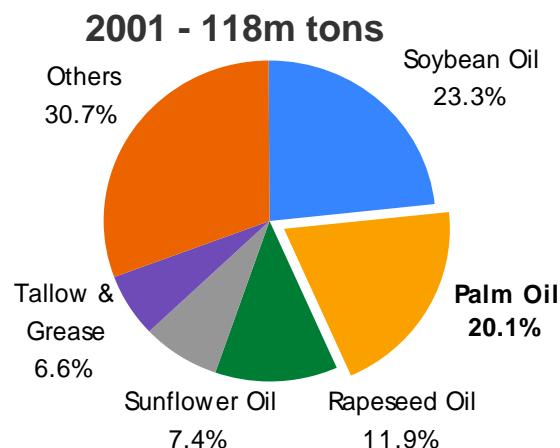
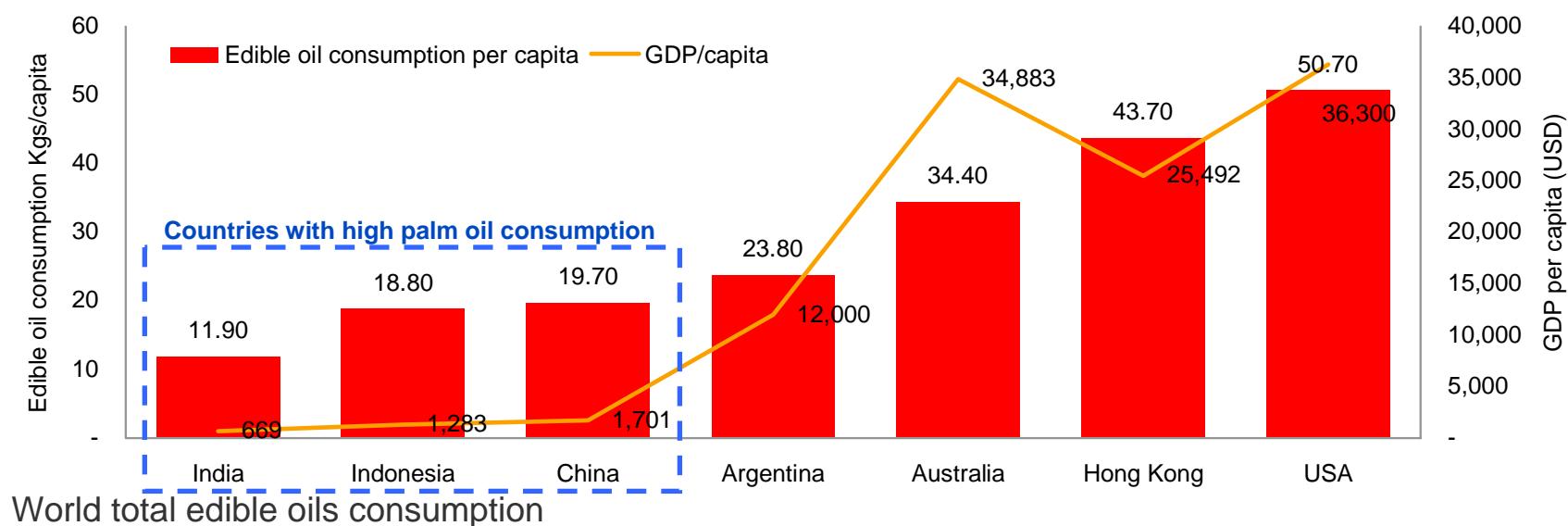
1 Others include Olive, Corn, Sesame, Linseed, Castor, and Marine Oil (Fish)

Source : Oil World Annual 2006

Edible Oils Industry

Favourable growth opportunity for palm oil

Edible oil consumption vs. GDP per capita¹



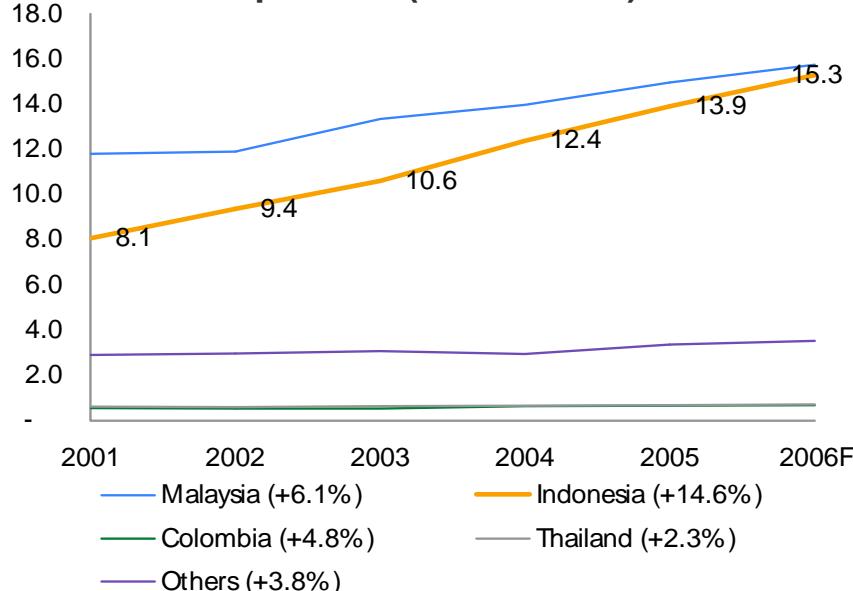
Notes:
1 2005 data

Source: Oil World Annual 2006 and Research report

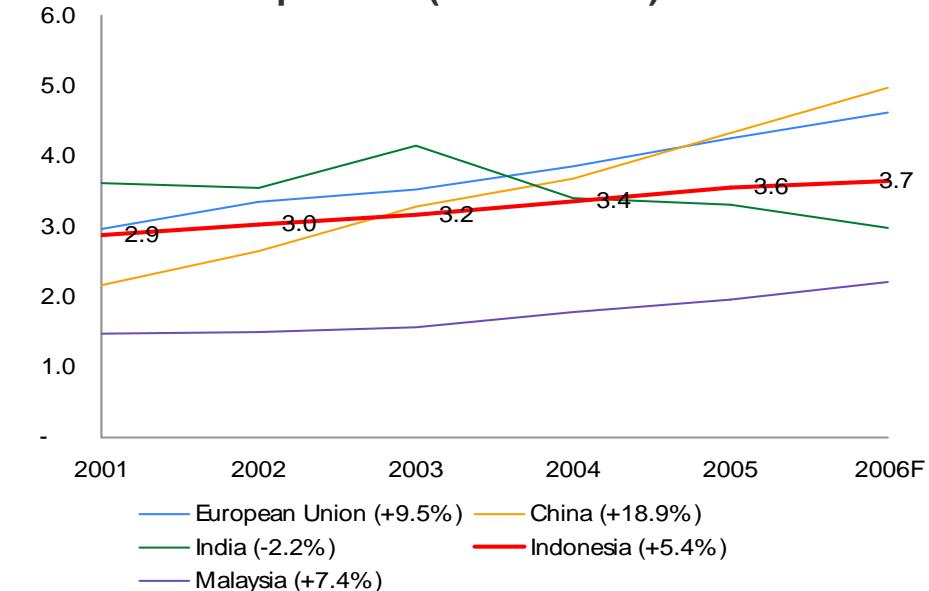
Indonesia will be the world's largest palm oil producer in the near future



Producers of palm oil (million tons)

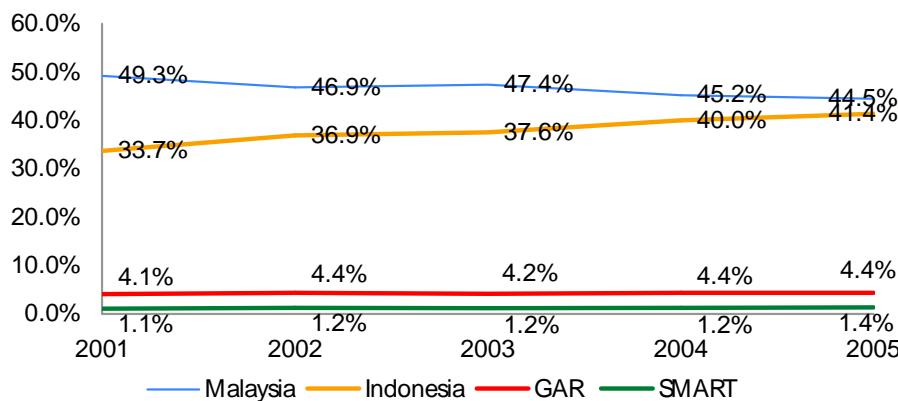


Consumers of palm oil (million tons)



Source : Oil World Annual 2006, % in parenthesis represents 2001-2005 CAGR

Contribution to world production

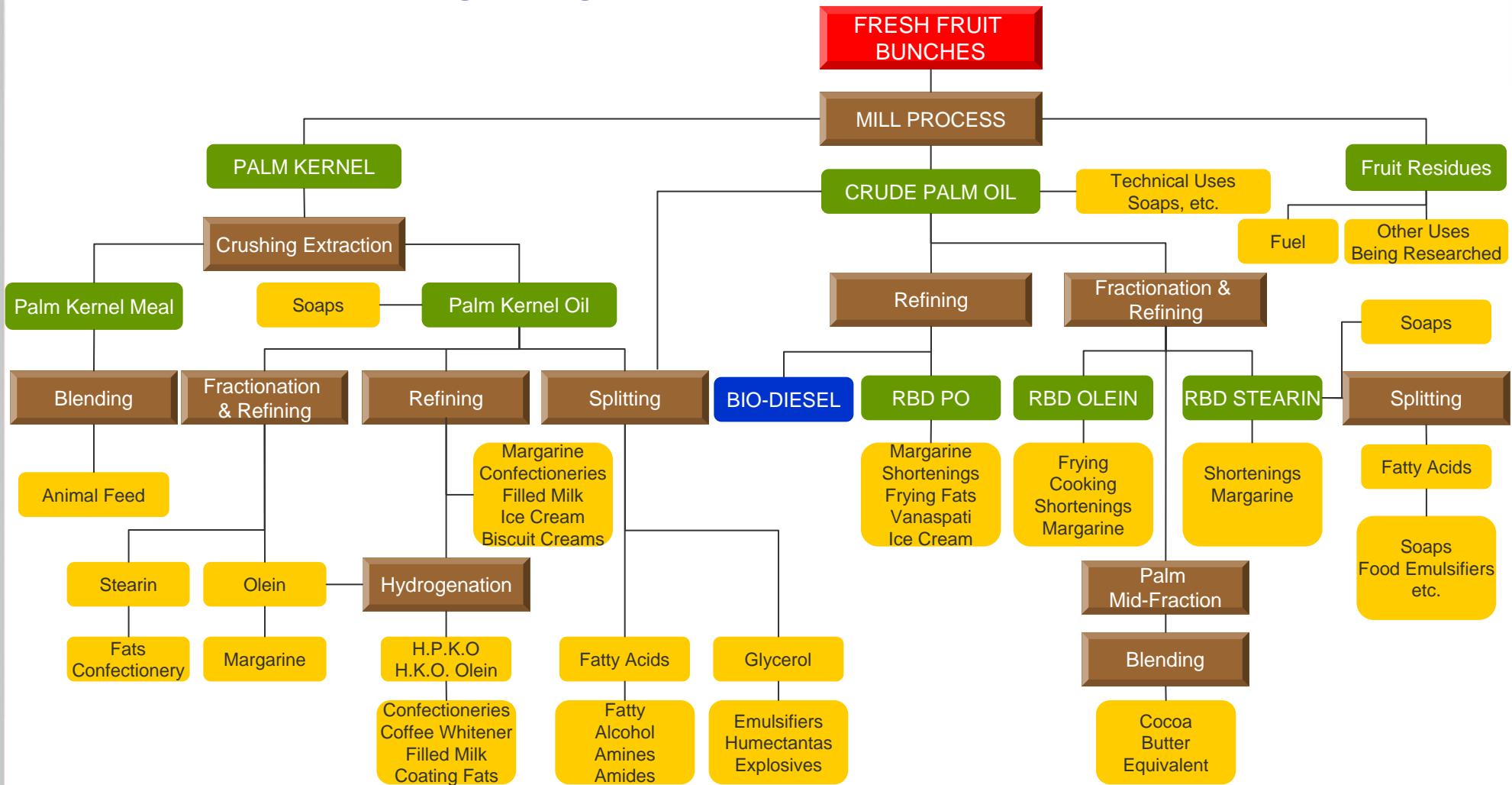


Source : Oil World 2006

Numerous and Increasing Applications for Palm Oil



Biodiesel is a new growing market.

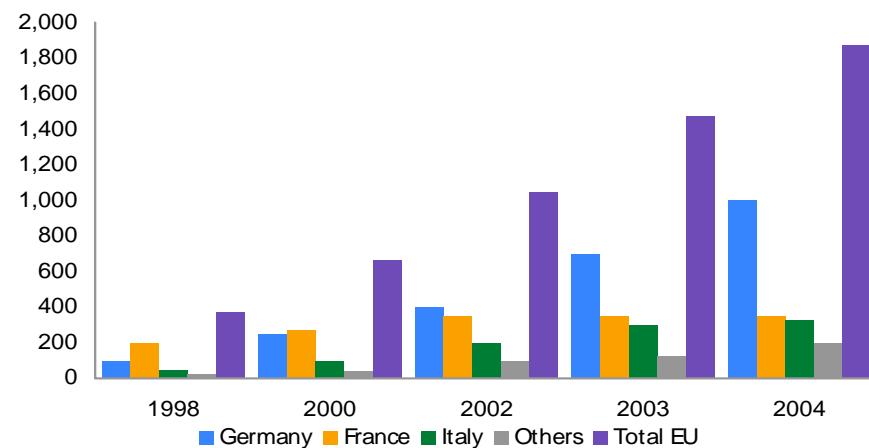


Attractive Long-term Industry Prospects



- Europe is the main market for Bio Diesel consumption
 - The main driver in Europe is EU directive No.2003/30/EC, whereby mandatory blending of bio fuels by 31 Dec 2005: 2.00% and 31 Dec 2010: 5.75%
- World diesel fuel consumption is expected to increase to 1.6 billion ton in the next 15 years
- Assuming EU diesel demand is 378 million ton in 2020 and mandatory blending of 5.75%, it will require 22 million ton/year of Biodiesel
 - Total EU current capacity is 3-4 million ton/year
 - Each countries undertake different measures to achieve the mandatory blending target (e.g. tax incentive)

Biodiesel Capacity in EU (in million ton)



Source: EBB

Projected diesel consumption (in billion litres)

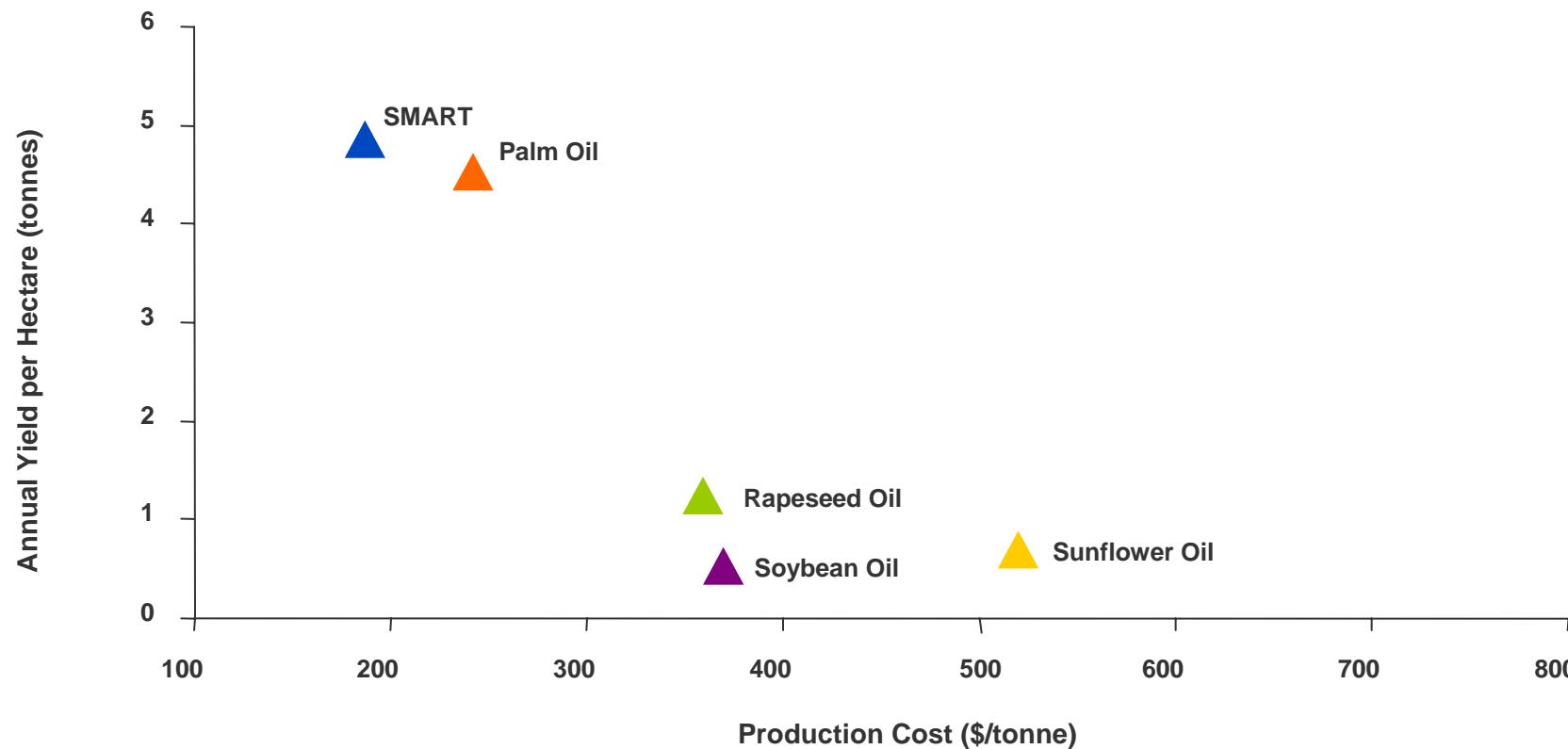
Region	2000	Diesel	2020
Africa	34	65	
ASEAN	60	111	
India	43	100	
Other Asia	253	469	
Brazil	3	61	
Other South America	34	56	
North and Central America	242	293	
Oceania	16	21	
Europe (including Russia)	333	439	
World	1,050	1,614	

Source: Johnson (2002), based on IEA and UN projections

Higher yield - lower production cost



Palm oil has the lowest cost of production amongst other vegetable oils, with SMART enjoying lower cost compared to the industry average



SMART benefits from its large scale operation and Indonesia's cost advantages

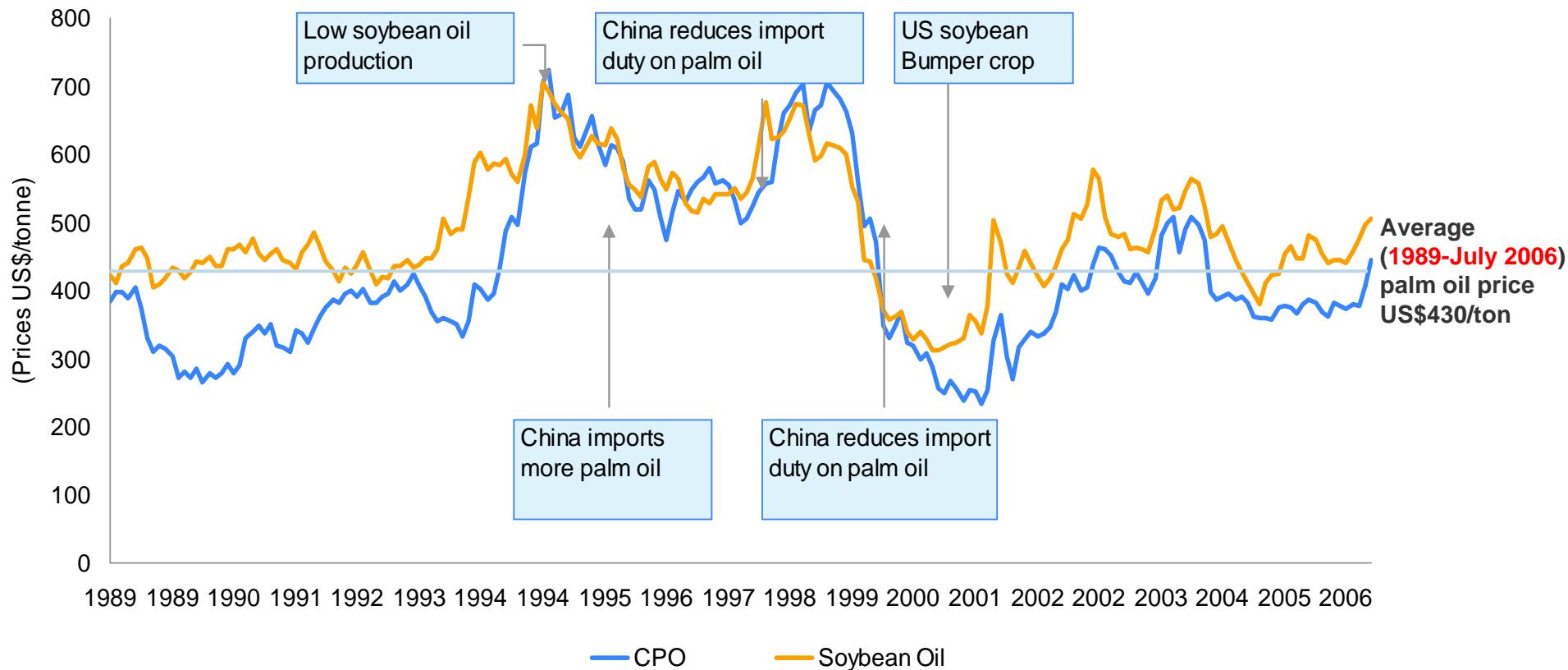
Source : Company Research

Historical CPO Price Trend



smart
agribusiness and food

Average CPO price for the last 17 years was over US\$ 400/ton

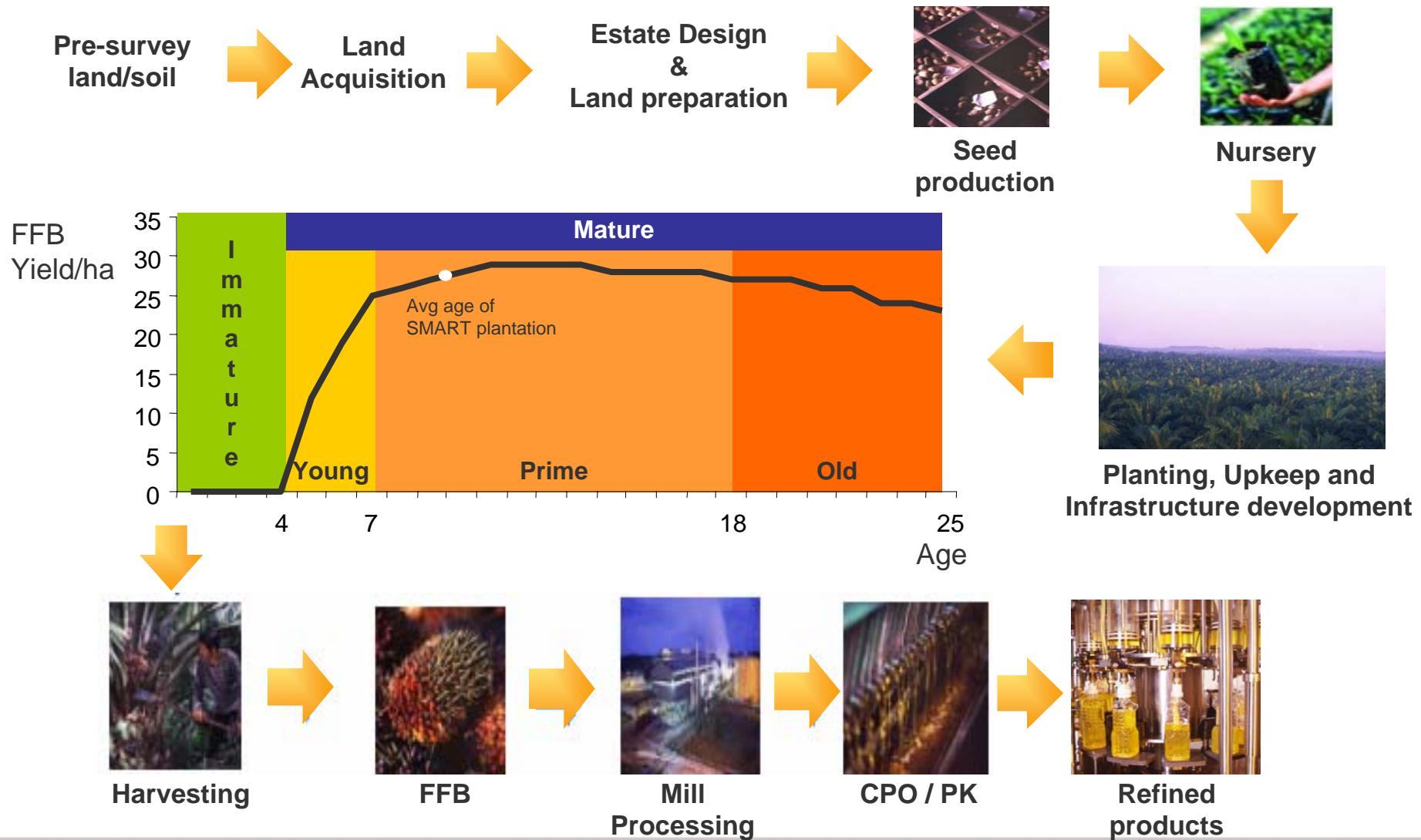


Source: Bloomberg

Plantation development process



Long-term nature of the plantation process exerts high entry barrier



Indonesia Palm Oil Advantages over Malaysia



INDONESIA

- 1. Abundant and low land acquisition cost**
- 2. New Plantations on prime agricultural land**
 - More FFBs per hectare
 - Higher extraction rate
 - Advantage on new generation of seed
- 3. Government Support**
 - Government of Indonesia (GOI) focuses on agriculture to increase land use
 - GOI recognizes availability of land and low cost labour resources provide competitive advantage
- 4. Low Cost Structure**
 - Abundant labor
 - Low transportation and logistic costs

MALAYSIA

- 1. Lack of land availability for plantations**
 - Land scarcity in Peninsular Malaysia
 - Plantations being converted to residential/industrial usage
- 2. Over-utilized land**
 - Plantation age is higher
 - Higher rate of re-planted land requires more intensive care and fertilizer
- 3. Industrialization focus**
 - Agriculture is not a focus industry
 - Government focus on high tech industries
 - Industrialization impacts on plantation land
- 4. Higher cost structure**
 - Incoming workforce reluctant to work in rural and agricultural industries



Section 3 Operational Overview

Fully Integrated Oil Palm Operations



Harvest/plantation

Planted area¹
109,320 hectares

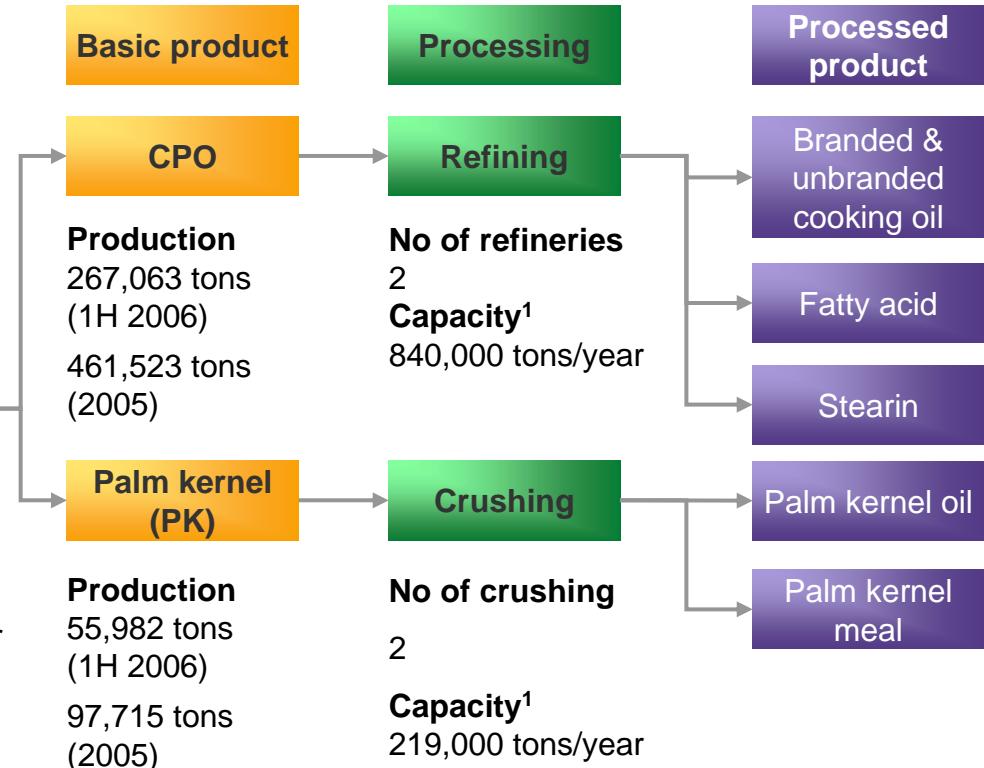
Mature area¹
92,483 hectares

FFB production
1,030,167 tons (1H 2006)
1,912,489 tons (2005)

CPO mill

No of mills
12

Capacity¹
2,875,000 tons FFB/year



From soil to table...



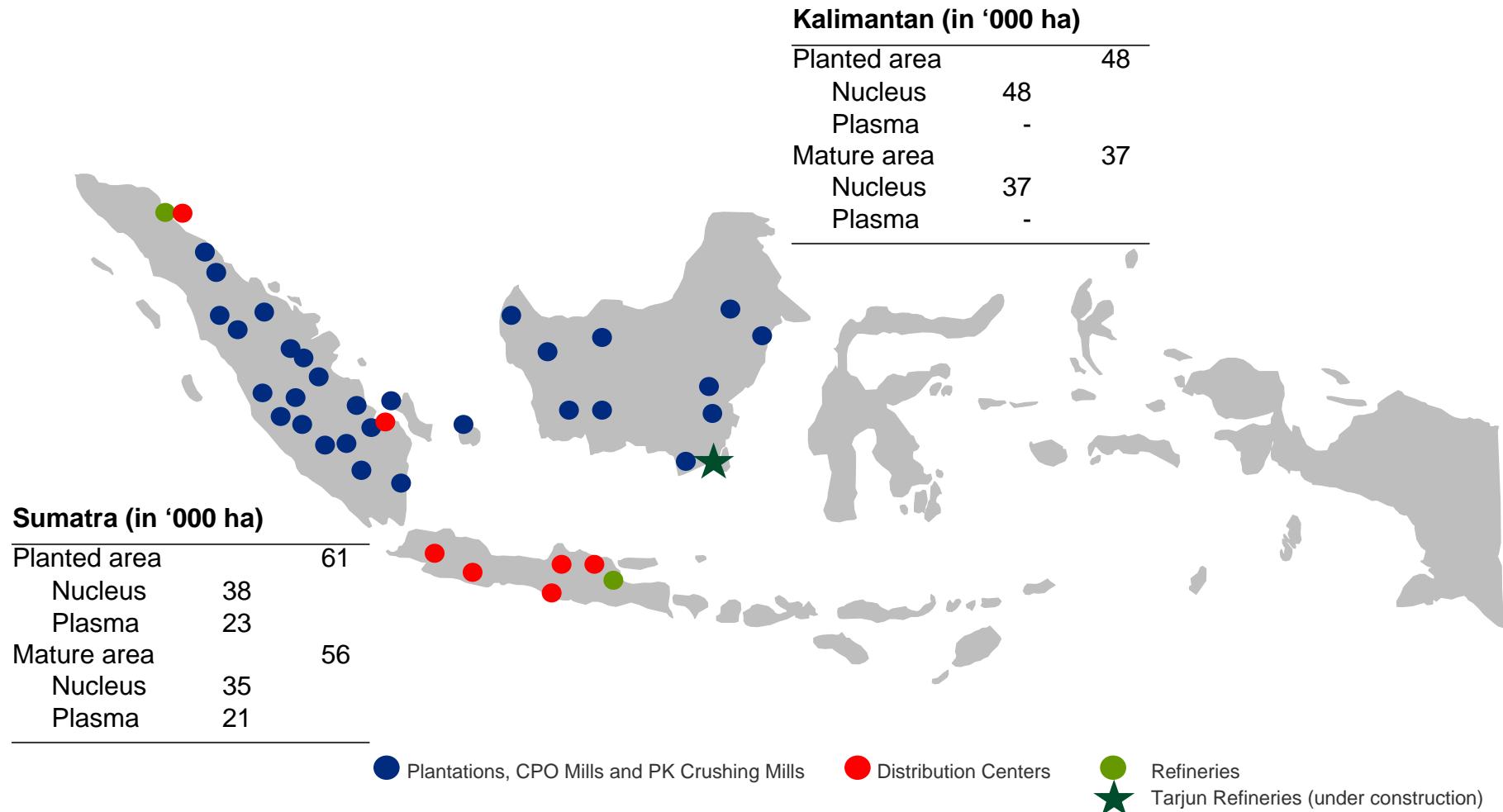
Note:

1 Data as of June 30, 2006

Company Operations Location



SMART has 38 plantations, 12 CPO processing mills, 2 PK crushing mills, and 2 refineries well spread geographically throughout Indonesia...

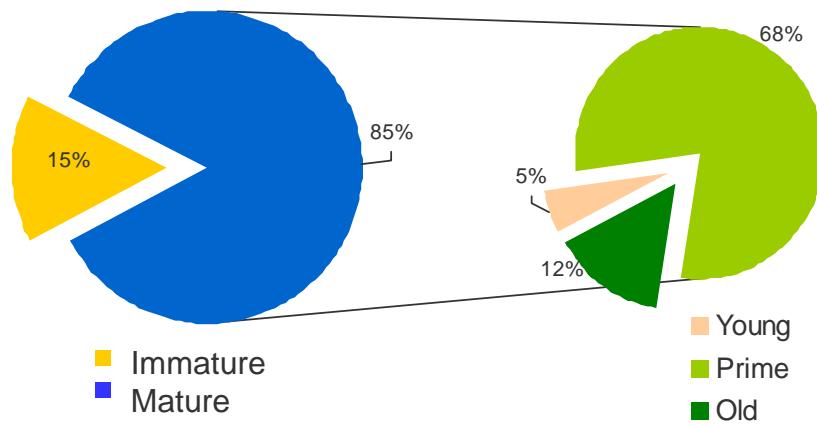


Note: Data as of June 30, 2006

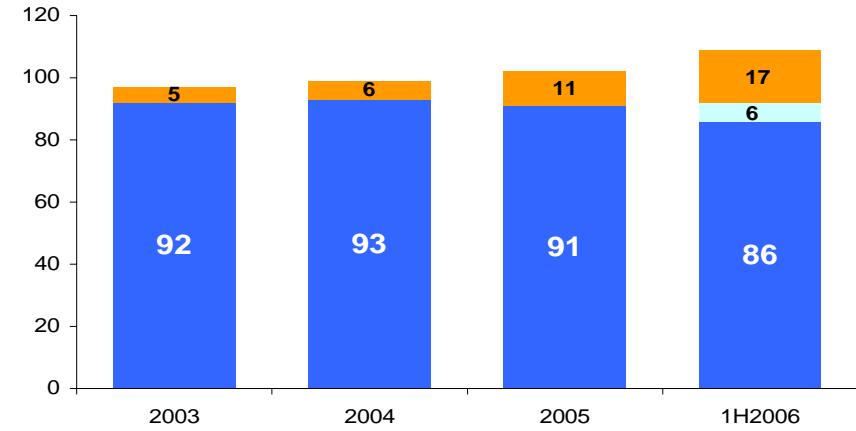
Plantation Overview



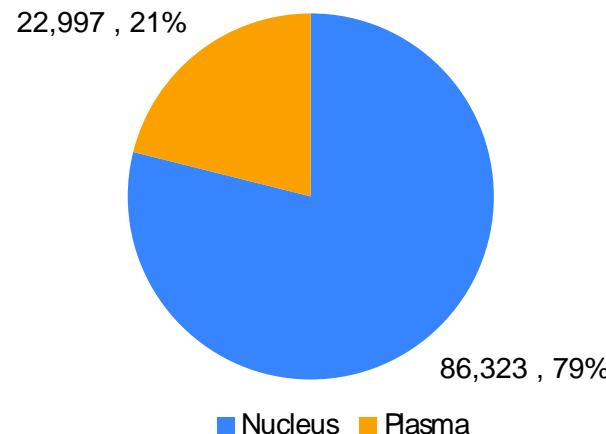
Prime age profile of trees has resulted in high FFB production yield



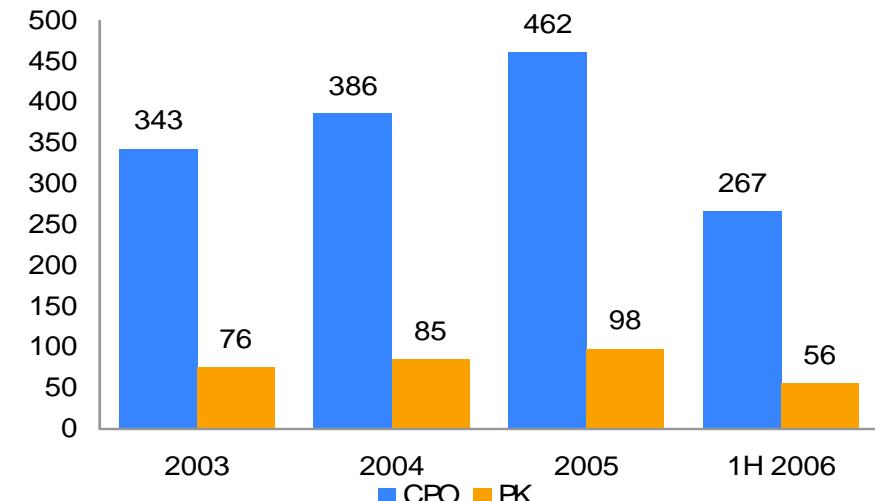
Total planted area (in '000 ha)



Total planted area¹ (in Ha, % of total)



CPO and PK production (in '000 tons)



Note:

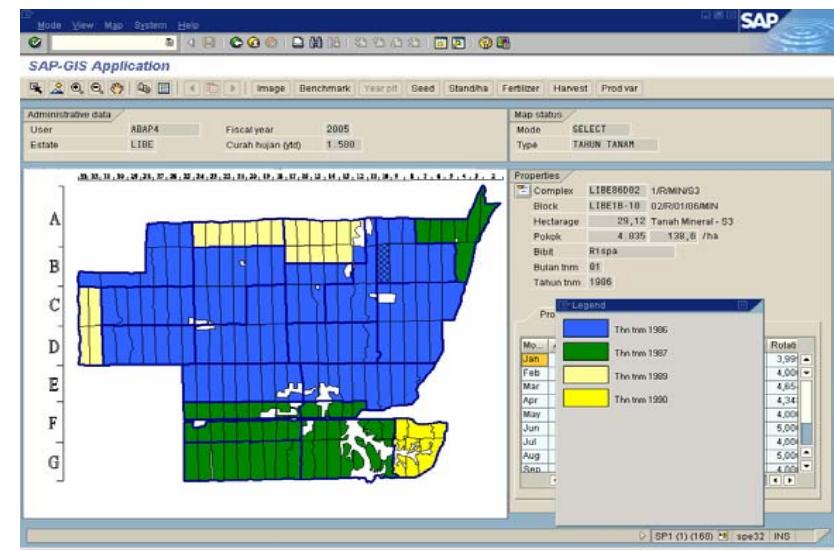
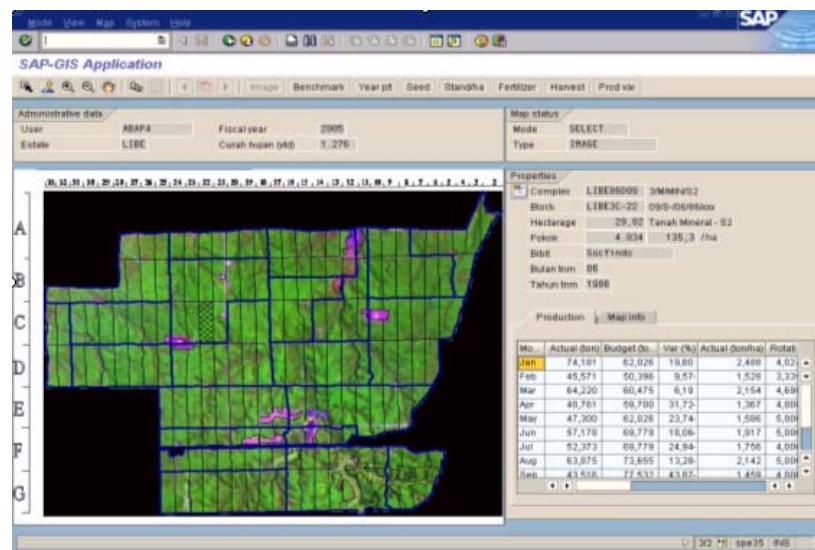
1 Data as of June 30, 2006

Advanced management monitoring system



To monitor its widely spread out operations, SMART has increased IT system in the early stage

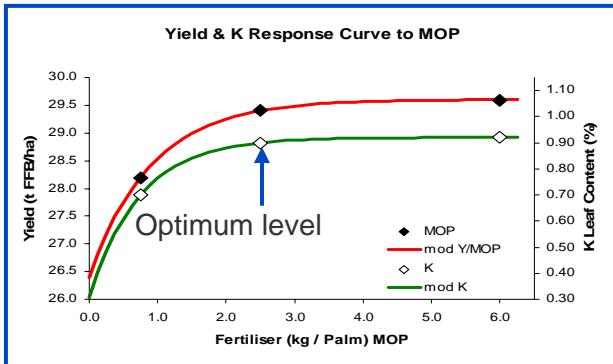
- SMART implemented advanced SAP monitoring system throughout all regions in 1996
- Block-by-block Performance Analysis is a method of identifying blocks of planted area (normally about 30 ha) which have performed (in terms of yield per hectare) above or below the benchmark in the past six month period
- The results are used to prioritize the improvement process and focus efforts towards problem areas



Excellent Operational Control and R&D



SMART is the industry leader in operational control and R&D



- Fertilizing program is supported by SMART's advance research and consults with specialists from CIRAD (a French company which specializes in crop research and development), which have been cooperating with SMART for ten years
- Application and dosage based on cost and benefit analysis, depending on condition of each plantation estate, using latest leaf sampling ("blood test") and soil or weather forecast technology



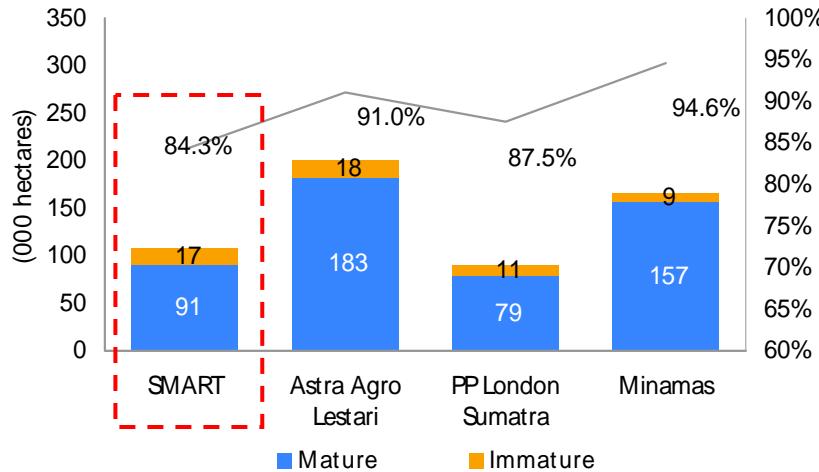
- SMART utilizes aerial manuring to cover widespread of plantation land
- With this advanced aerial manuring, SMART can tighten its cost of production compared to manual fertilizer technique



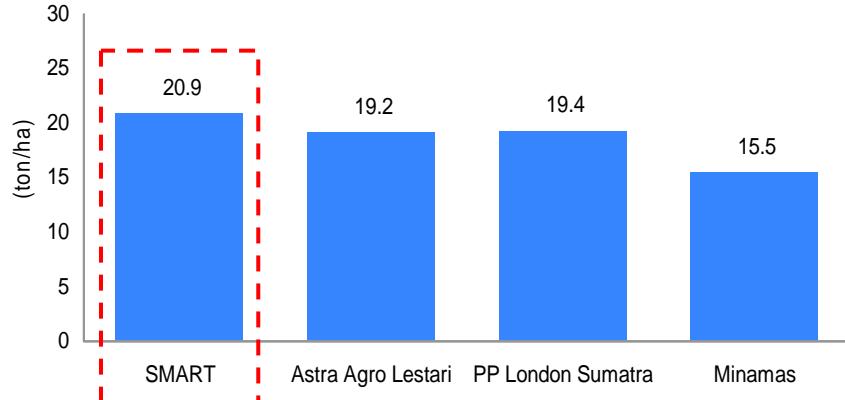
- Strategic partnership with Dami, PNG
- SMART fulfills all its seedling requirements thru its joint-venture with Dami, which is acknowledged to be the "best" in the world
- Dami Mas is the perfect combination from Dura and Pesifera to obtain better growth and yield

Market Positioning

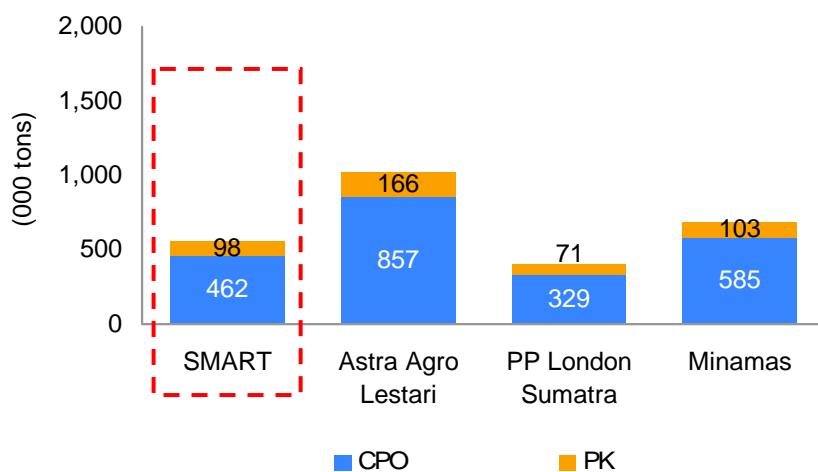
- Based on plantation area



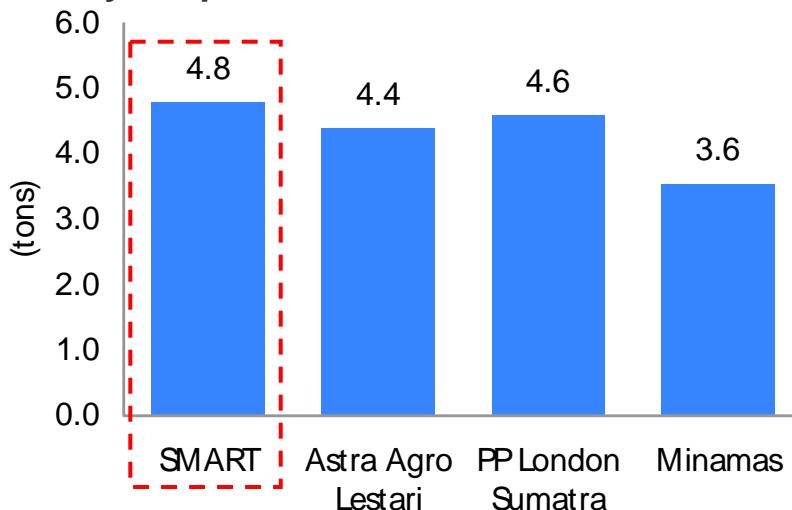
- FFB yield per hectare



- Based on production level



- CPO yield per hectare¹



Notes:

¹ CPO yield/ha is derived from FFB yield/ha multiply by extraction rate

Data as of December 31, 2005

Strong Positioning of Refined Palm Oil Products



Filma is Indonesia's leading cooking oil brand

- SMART boasts 5 products in Indonesia including cooking oil and margarine, which are key products, and marketed under brands such as Filma and Kunci Mas
- SMART's refined palm brands (Filma and Kunci Mas) have significant market share in the Indonesian cooking oil sector
 - 25% in 2005 based on AC Nielsen survey (#2 in Indonesia)
- Company's bulk and industrial oil, margarine and shortening products (fats), are supplied to major companies in the food industry in Indonesia and International markets
- SMART has entered into new markets such as Russia, Korea, and Philippines for branded and unbranded cooking oil
- All of SMART refined products are processed according to HACCP system to ensure food safety



Strong market share in Indonesia cooking oil



SMART's Portfolio



SMART has a broad portfolio of products and brands across multiple regions

Major Countries	Total number of products	Key Products	Brands	Descriptions
INDONESIA	5	Cooking Oil, Margarine	Filma, Kunci Mas, Palmboom	2 nd largest market share in Indonesia
PHILIPPINES	1	Cooking Oil	Golden Fiesta ¹	Number 1 brand in Philippines
AFRICA	3	Margarine, Cooking Oil	Menara, Obaapapa	Menara Margarine is the consumer's choice
CHINA	3	Shortening	Red Rose	Long established brand, now moving into specialty fats
TAIWAN	3	BOS ² , Shortening	Hor Farn	Niche market in the higher end industrial user

Notes:

1 Owned by distributor partner

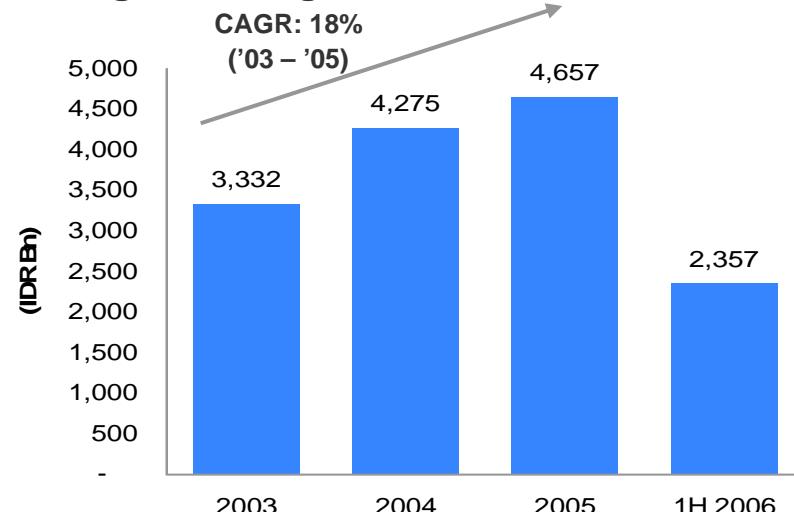
2 BOS: Butter Oil Substitute



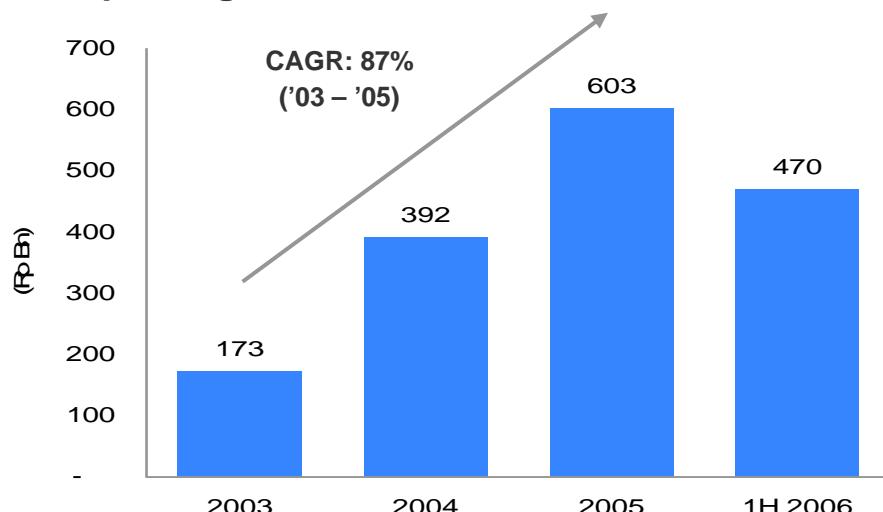
Section 4 Financial Overview

Financial Highlights

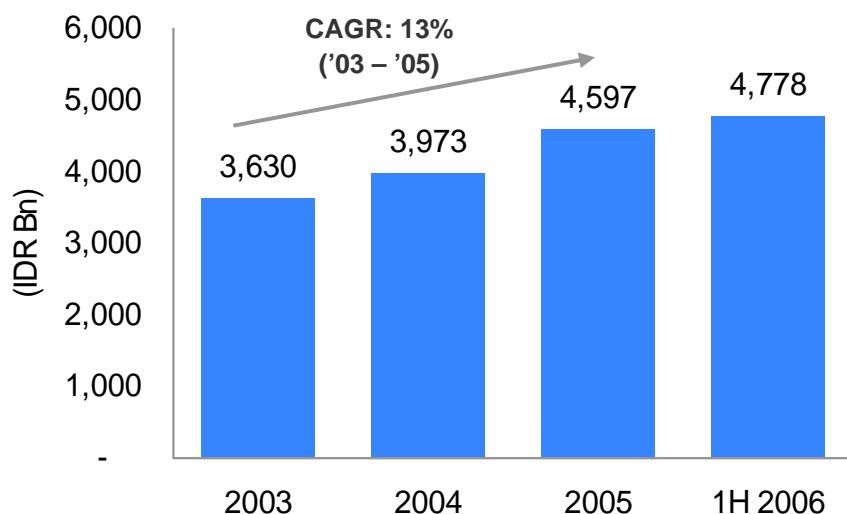
- **Strong revenue growth**



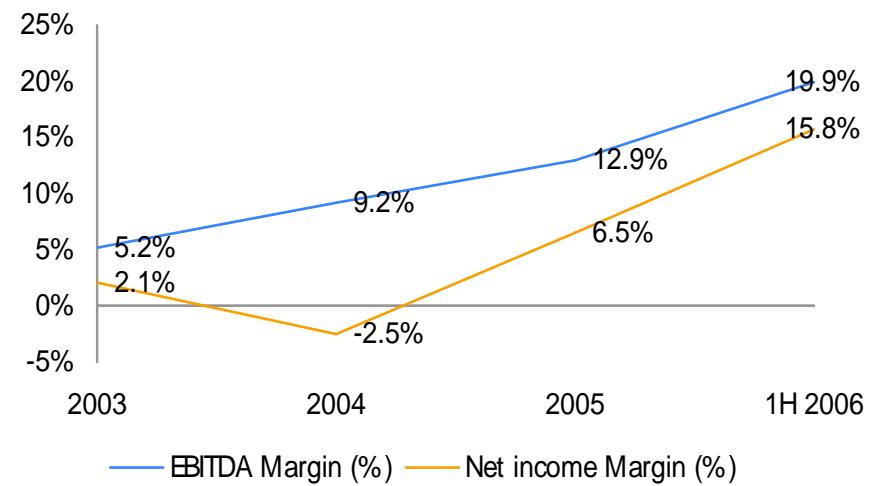
- **Improving EBITDA**



- **Steady total assets growth**



- **Improving margins**



Financial Highlights



	2003 (Audited)	2004 (Audited)	2005 (Audited)	1H 2006 (Unaudited)
<i>(in billion Rp, unless stated otherwise)</i>				
Sales	3,332	4,275	4,657	2,357
Gross Profit	411	616	722	518
Operating income	117	283	301	314
Net income (loss)	70	(108)	304	371
Net income margin	2.1%	-2.5%	6.5%	15.8%
EPS - in Rp	234	(363)	106	129
EBITDA	173	392	603	470
EBITDA margin	5.2%	9.2%	12.9%	19.9%
Total Assets	3,630	3,973	4,597	4,778
Total Equity	(253)	(349)	1,929	2,281
Total Liabilities	3,883	4,321	2,669	2,497
DER	n.a	n.a	1.4	1.1
ROA	1.9%	-2.7%	6.6%	7.8%
ROE	n.a	n.a	15.8%	16.3%

Source: Company data