



***PT TUNAS BARU LAMPUNG Tbk
AND ITS SUBSIDIARIES***

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2011 (UNAUDITED) AND
YEAR ENDED DECEMBER 31, 2010 (AUDITED)

PT TUNAS BARU LAMPUNG Tbk DAN ITS SUBSIDIARIES
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PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2011 AND DECEMBER 31,2010

	Notes	Unaudited September 30 2011 Rp '000	Audited December 31 2010 Rp '000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d,2g,2h,4,23,37	288,384,285	242,981,146
Short - Term Investments	2h,5,23	10,400,000	10,033,300
Trade accounts receivable	2d,2h,6,18,23,37		
Related parties	2e,33	191,100,364	144,574,967
Third parties		24,188,687	79,571,277
Other accounts receivable -net	2h,23	7,001,950	5,753,891
Inventories - net of allowance for decline in value and inventory obsolescence of Rp 3,249,301 thousand in 2011 and 2010	2i,7,18	582,628,997	477,584,502
Prepaid taxes	2v,8	14,151,335	13,000,104
Prepaid expenses	2j	8,246,996	9,479,978
Other current assets	2d,37		
Advances	9	678,320,729	627,137,166
Guarantee deposits	2h,23,35	21,647,104	13,103,632
Others	2h,23	9,075,841	8,249,801
Total Current Assets		1,835,146,288	1,631,469,764
NONCURRENT ASSETS			
Due from related parties	2e,2h,10,23	9,364,150	6,207,226
Deferred tax assets	2v,2w,30	5,352,326	5,279,108
Plantation	2l,11,28		
Matured Plantation - net of accumulated depreciation of Rp 172,884,000 thousand in 2011 and Rp 150,084,015 thousand in 2010		642,730,770	626,020,456
Immatured Plantation		254,745,177	195,348,695
Property, plant and equipment - net of accumulated depreciation of Rp 766,565,708 thousand in 2011 and Rp 682,355,516 thousand in 2010	2m,12,28,29	1,309,409,065	1,157,020,339
Property for lease - net of accumulated depreciation of Rp 11,344,564 thousand in 2011 and Rp 10,028,623 thousand in 2010	2m,2e,13,33	15,607,994	15,282,697
Property not used in operations	2m	4,057,136	4,057,135
Deferred charges on landrights - net	2n	4,193,163	4,181,179
Other noncurrent assets	14	2,062,479	6,238,570
Total Noncurrent Assets		2,247,522,260	2,019,635,405
TOTAL ASSETS		4,082,668,548	3,651,105,169

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2011 AND DECEMBER 31,2010

	Notes	Unaudited September 30 2011 Rp '000	Audited December 31 2010 Rp '000
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	2e,2h,15,23		
Related party		8,312,579	7,022,030
Third Parties		224,407,377	169,734,230
Taxes payable	2v,16,30	62,353,730	24,676,934
Accrued expenses	2e,2h,2r,23	36,015,869	28,846,585
Short Term Bank loans	2d,2h,18,36	721,491,612	696,715,583
Current portion of long-term liabilities :			
Bank loans	2d,2h,18,23,35	98,263,157	71,188,729
Borrowings	2h,20,23	3,832,488	1,897,267
Finance Lease Liabilities	2m,12,21	10,830,871	11,054,976
Advanced received	2d,2e,19	380,441,716	356,960,120
Other Payable	2b,2h,22,23,36	4,985,175	5,697,300
Other current liabilities	2d,2h,17,23	62,493,221	94,649,618
Total Current Liabilities		1,613,427,795	1,468,443,372
NONCURRENT LIABILITIES			
Due to related parties	2e,2h,10,23	-	777,278
Due to Plasma - net	2k	25,973,767	67,902,830
Due to shareholders	2e,2h,23	8,689,265	8,689,265
Defined-benefits post-employment reserve	2t	48,909,777	48,909,777
Deferred tax liabilities	2v,30	91,654,058	76,100,255
Long-term liabilities - net of current portion :			
Bank loans	2d,2h,18,23,35	495,779,774	546,628,078
Borrowings	2h,20,23	5,885,506	3,789,847
Finance Lease Liabilities	2m,12,21	12,675,574	6,534,243
Advances received	2d,2e,19	176,460,000	172,296,490
Other Payable	2h,22,23,36	5,600,000	9,423,425
Other liabilities	2c	15,222	17,593
Total Noncurrent Liabilities		871,642,943	941,069,081
EQUITY			
Capital stock - par value of Rp 125 per share			
Authorized - 6,400,000,000 shares in 2011 and in 2010			
Issued and paid-up - 4,742,098,939 shares in 2011 and 4,735,063,324 shares in 2010	24	592,762,367	591,882,916
Treasury Stock	2o,25	(750,000)	(5,050,000)
Additional paid-in capital - net	2o,2p,26	233,215,453	216,127,453
Difference in value of restructuring transaction between entities under common control	2u	74,487	74,487
Unrealized gain on increase in value of investments	2h,5	400,000	33,300
Retained earnings			
Appropriated	31	5,000,000	4,500,000
Unappropriated		757,662,653	426,612,338
Minority interest in net assets of the subsidiaries	2b	9,232,850	7,412,222
Total Equity		1,597,597,810	1,241,592,716
TOTAL LIABILITIES AND EQUITY		4,082,668,548	3,651,105,169

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED COMPREHENSIF STATEMENTS OF INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

	Notes	Unaudited (9 months) 2011 Rp '000	Unaudited (9 months) 2010 Rp '000
NET SALES	2e,2r,27,34	2,963,674,771	1,925,922,854
COST OF GOODS SOLD	2e,2r,28,34	1,924,571,303	1,603,128,567
GROSS PROFIT		1,039,103,468	322,794,287
OPERATING EXPENSES	2r,29		
Selling		441,559,143	88,436,763
General and administrative	2e,2t	103,337,800	78,270,916
Total Operating Expenses		544,896,943	166,707,679
INCOME FROM OPERATIONS		494,206,525	156,086,608
OTHER INCOME (CHARGES)	2r		
Gain on foreign exchange - net	2d,37	21,337,580	63,813,110
Interest income		2,536,302	2,099,309
Interest expense and financial charges	2s,18,20,21	(57,149,312)	(55,549,169)
Others - net	2d	21,497,573	(466,959)
Other Income - Net		(11,777,857)	9,896,291
INCOME BEFORE TAX		482,428,668	165,982,899
TAX EXPENSE	2v,30		
Current Tax		(97,445,547)	(20,528,051)
Deferred Tax		(15,309,997)	(20,518,008)
TAX EXPENSES		(112,755,544)	(41,046,059)
INCOME FOR CURRENT PERIOD		369,673,124	124,936,840
OTHER COMPREHENSIF INCOME			
Unrealized gain on increase in value of investments	2h,5	366,700	-
COMPREHENSIF INCOME		370,039,824	124,936,840
INCOME FOR CURRENT PERIOD ALLOCATED TO :			
The Company		367,852,496	124,040,706
Minority interest		1,820,628	896,134
		369,673,124	124,936,840
COMPREHENSIF INCOME ALLOCATED TO :			
The Company		368,219,196	124,040,706
Minority interest		1,820,628	896,134
		370,039,824	124,936,840
BASIC EARNINGS PER SHARE (in full Rupiah)	2w	78	28

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

	Capital Stock Rp' 000	Treasury Stocks Rp' 000	Additional Paid - in Capital Rp' 000	Mandatory Convertible Loan Rp' 000	Difference in value of restructuring transactions among entities under common control Rp' 000	Unrealized gain on increase in value of of investment Rp' 000	Retained Earnings		Minority interest in net assets of the subsidiaries	Total Equity Rp' 000
							Appropriated Rp' 000	Unappropriated Rp' 000		
Balance as of January 1, 2010	521,344,312	(8,786,688)	156,701,188	-	74,487	-	4,000,000	320,314,303	5,053,563	998,701,165
Impact of intial adoption of PSAK 50 (Revised 2006) dan PSAK 55 (Revised 2006)	-	-	-	75,200,000	-	-	-	-	-	75,200,000
Conversion of mandatory convertible loan to capital stock	25,000,000	-	50,200,000	(75,200,000)	-	-	-	-	-	-
Net income of January- September 30, 2010	-	-	-	-	-	-	-	124,040,706	896,134	124,936,840
Additional Paid-up Capital from the conversion of warrants	2,967,125	-	-	-	-	-	-	-	-	2,967,125
Appropriation for general reserve	-	-	-	-	-	-	500,000	(500,000)	-	-
Treasury Stocks	-	3,736,688	9,226,265	-	-	-	-	-	-	12,962,953
Cash dividends	-	-	-	-	-	-	-	(8,305,706)	-	(8,305,706)
Balance as of September 30, 2010	549,311,437	(5,050,000)	216,127,453	-	74,487	-	4,500,000	435,549,303	5,949,697	1,206,462,377
Prior period adjustments	-	-	-	-	-	-	-	(94,000,000)	-	(94,000,000)
Comprehensif Income of October 1 - December 31, 2010	-	-	-	-	-	33,300	-	122,622,481	577,829	123,233,610
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	884,696	884,696
Additional Paid-up Capital from the conversion of warrants	42,571,479	-	-	-	-	-	-	-	-	42,571,479
Cash Dividends	-	-	-	-	-	-	-	(37,559,446)	-	(37,559,446)
Balance as of December 31, 2010	591,882,916	(5,050,000)	216,127,453	-	74,487	33,300	4,500,000	426,612,338	7,412,222	1,241,592,716
Comprehensif Income of January 1 - September 30, 2011	-	-	-	-	-	366,700	-	367,852,496	1,820,628	370,039,824
Additional Paid-up Capital from the conversion of warrants	879,451	-	-	-	-	-	-	-	-	879,451
Appropriation for general reserve	-	-	-	-	-	-	500,000	(500,000)	-	-
Cash dividends	-	-	-	-	-	-	-	(36,302,181)	-	(36,302,181)
Treasury Stocks	-	4,300,000	17,088,000	-	-	-	-	-	-	21,388,000
Balance as of September 30, 2011	592,762,367	(750,000)	233,215,453	-	74,487	400,000	5,000,000	757,662,653	9,232,850	1,597,597,810

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

	Unaudited (9 months) 2011	Unaudited (9 months) 2010
	<i>Rp '000</i>	<i>Rp '000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3,512,659,476	2,051,995,729
Cash payments to suppliers, employees and others	(3,035,408,608)	(1,867,721,104)
Payment of income tax	(52,196,170)	(29,207,681)
Payment of interest and financial charges	(57,149,312)	(55,549,169)
Net Cash Provided (used for) by Operating Activities	367,905,386	99,517,775
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(191,664,549)	(176,559,692)
Acquisitions of Plantations	(68,162,016)	(67,994,051)
Acquisitions of Properties for lease	(1,641,239)	(2,832,469)
Receipts from (Payments to) due from plasma	(41,929,063)	10,455,861
Receipts from (Payments to) related parties	(3,934,202)	2,880,618
Net Cash (Used in) provided Investing Activities	(307,331,069)	(234,049,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional (payment) of short-term bank loans	23,572,489	153,795,890
Payment of long-term bank loans	(45,238,087)	(505,508,801)
Additional of long-term bank loans	31,766,488	497,323,123
Payment of lease liabilities and advances received	(11,225,354)	(11,866,176)
Purchase of other long-term investment	0	(10,000,000)
Deduction (additional) of other deferred charges	(11,984)	(15,856,713)
Proceeds from Warrant Series I	879,451	2,967,126
Payment from reacquisition of treasury stocks	21,388,000	12,962,953
Payments of Cash Dividends	(36,302,181)	(8,305,706)
Net Cash Used in Financing Activities	(15,171,178)	115,511,696
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,403,139	(19,020,262)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	242,981,146	127,332,177
CASH AND CASH EQUIVALENTS AT END OF PERIOD	288,384,285	108,311,915
Noncash investing and financing activities :		
Depreciation and interest expense capitalized to immature plantations	39,608,663	28,636,127
Acquisition of property, plant and equipment through application of advances	14,858,083	-
Acquisition of property, plant and equipment through capital lease	30,076,286	17,601,045

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
AND CONSOLIDATED COMPREHENSIF STATEMENTS OF INCOME FOR THE NINE MONTHS
PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

1. GENERAL

a. Establishment and General Information

PT Tunas Baru Lampung Tbk (“the Company”) was established by virtue of Notarial Deed No. 23 dated December 22, 1973 of Halim Kurniawan, S.H., notary public in Teluk Betung. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. Y.A.5/233/25 dated July 10, 1975, and was published in the State Gazette of the Republic of Indonesia No. 44 dated June 1, 1999, Supplement No. 3194. The Company’s Articles of Association have been amended several times, most recently has been amended with Deed of Stockholders’ Meeting No. 21 dated May 25, 2010, of Mrs. Kartuti Suntana Sastraprawira, S.H., notary public in Jakarta, concerning the issuance of stocks with Right Issue Without Pre-emptive Right. The latest amendments above were approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-0048630.AH.01.09 Tahun 2010 dated June 28, 2010.

In accordance with article 3 of the Company’s Articles of Association, the scope of its activities is mainly to engage in plantation, agriculture and manufacturing, as well as exportation and importation. Currently, the Company is engaged mainly in manufacturing palm cooking oil, crude palm oil (CPO) and soap, and in palm. The Company started producing CPO in September 1995 and cooking oil in October 1996. The Company’s products are marketed in both domestic and international markets.

The Company is domiciled in Jakarta, with head office located at Wisma Budi, Jl. H.R. Rasuna Said Kav. C-6, Jakarta. Its factories are located at Lampung, Surabaya, Tangerang, Palembang and Kuala Enok, while its plantations are located in Terbanggi Besar – Central Lampung, Banyuasin – South Sumatera, while the plantations of the subsidiaries are located at Central Lampung, North Lampung, and West Kalimantan.

The Company and its subsidiaries are under the business groups of Sungai Budi. As of September 30, 2011 and December 31, 2010, based on Notarial Deed No. 21 dated May 25, 2010 and No. 5 dated January 9, 2009 of Mrs. Kartuti Suntana S., S.H., notary public in Jakarta, The Company’s management consisted of the following:

President Commissioner	:	Santoso Winata
Commissioner	:	Oey Albert
Independent Commissioner	:	Richtter Pane
President Director	:	Widarto
Deputy President Director	:	Sudarmo Tasmin
Directors	:	Djunaidi Nur Winoto Prajitno Oey Alfred

The Company has established an Audit Committee which is composed of the following:

Chairman	:	Richtter Pane
Members	:	Sukanda Wiradinata Frengky Susanto

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b. Public Offering of Shares and Bonds Issuance of the Company

On December 31, 1999, the Company obtained the Notice of Effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) [currently the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK)] in his letter No. S-2735/PM/1999 for the Company's initial public offering of 140,385,000 shares with a par value of Rp 500 per share.

Through Letter No. 033/BP/CS/V/2006 dated June 1, 2006, the Company filed for the Notice of Listing to the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) in relation with its plan to conduct Limited Public Offering I to Stockholders or Rights Issue, for 3,230,774,400 common shares (the "shares") with a par value of Rp 125 per share, with Series I Warrants attached and subscription price of Rp 125 per share.

Every holder of 3 shares has the right to purchase 6 new shares, wherein for every 6 new shares, one Series I Warrant is attached, free of charge. The total Series I Warrants of 538,462,400 which have a term of 5 years were issued as incentives to stockholders to purchase one new share at a par value of Rp 125 per share, with exercise price of Rp 125 per share, which can be exercised from January 15, 2007 until July 13, 2011.

This Rights Issue I was approved by the stockholders in their Extraordinary Stockholders' Meeting held on June 29, 2006, which resolutions were documented in Notarial Deed No. 27 of Mrs. Kartuti Suntana Sastraprawira, S.H., notary public in Jakarta. The Company received the Notice of Effectivity from Bapepam-LK through its Decision Letter No. S-790/BL/2006 dated June 28, 2006 for the Rights Issue I. The total proceeds from the Rights Issue I which amounted to Rp 313,602,356 thousand (for 2,508,818,846 shares) were received by the Company in July 2006.

As of September 30, 2011, all of the Company's shares totaling to 4,742,098,939, shares, with a par value of Rp 125 per share, were listed in the Indonesia Stock Exchange.

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c. Consolidated Subsidiaries

The Company has ownership interest of more than 50% in the following subsidiaries:

<i>Subsidiary</i>	<i>Domicile</i>	<i>Nature of Business</i>	<i>Percentage of Ownership</i>	<i>Year of Incorporation</i>
<i>Direct Ownership</i>				
PT Bangun Nusa Indah Lampung (BNIL)	Lampung	Palm Plantations	99.99%	1997
PT Bumi Sentosa Abadi (BSA)	Lampung	Palm Plantation	99.97%	1996
PT Budi Dwiyasa Perkasa (BDP)	Lampung	Palm Plantation	99.99%	1999
PT Budinusa Ciptawahana (BNCW)	Lampung	Palm Plantation and horticulture	98.00%	2002
PT Adikarya Gemilang (AKG)	Lampung	Pineapple Plantation	99.75%	1999
PT Bangun Tatalampung Asri (BTLA)	Lampung	Palm Plantation	99.71%	2000
PT Agro Bumi Mas (ABM)	Lampung	Manufacturing of crude palm oil	90.00%	2003
PT Mulya Mandra Mukti (MMM)	Jakarta	Investment company	86.98%	2007
<i>Indirect Ownership</i>				
PT Bumi Perkasa Gemilang (BPG)	Kalimantan Barat	Palm Plantation	85.00%	2003
PT Abadi Mulia Sentosa (AMS)	Lampung	Palm Plantation	70.00%	2005

The plantations of the Company are located at Central Lampung, North Lampung, Palembang and West Kalimantan with total area of approximately 101.34 thousand hectares. The planted area is approximately 56.97 thousand hectares.

Currently, all of the subsidiaries' palm crops are sold to the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

a. Basis of Consolidated Financial Statement Preparation and Measurement.

The consolidated financial statements have been prepared using accounting principles and reporting practices generally accepted in Indonesia such as the Statements of Financial Accounting Standards (PSAK) and the regulations of the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No. VIII.G.7 dated March 13, 2000 and Circular Letter of the Capital Market and Financial Institutions Supervisory Agency No. SE-02/PM/2002 Appendix 13 dated December 27, 2002. Such consolidated financial statements are an English translation of the Company and its subsidiaries' statutory report in Indonesia, and are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

The measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies. The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting.

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The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are stated in thousands of Rupiah

b. Adoption of Revised Statements of Financial Accounting Standards

The Company and its subsidiaries have adopted the following revised PSAKs effective January 1, 2010 and have applied these standards prospectively:

1. PSAK 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", which contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This PSAK also requires the disclosure of, among others, information about factors that affect the accounting policies applied to those instruments.

This standard superseded PSAK 50, "Accounting for Certain Investments in Securities".

2. PSAK 55 (Revised 2006), "Financial Instruments: Recognition and Measurement", which establishes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This PSAK provides the definitions and characteristics of derivatives, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others. This standard superseded PSAK 55 (Revised 1999), "Accounting for Derivative Instruments and Hedging Activities".

In adopting the above new standards, the Company and its subsidiaries have identified below transition adjustment in accordance with the Technical Bulletin No. 4 concerning the Transition Provisions for the First Adoption of PSAK 50 (Revised 2006) and PSAK 55 (Revised 2006) as issued by the Indonesian Institute of Accountants.

	As reported		As adjusted
	January 1, 2010	Adjustments	January 1, 2010
	Rp '000	Rp '000	Rp '000
Liabilities			
Noncurrent liabilities			
Other payables	75,200,000	(75,200,000)	-
Equity			
Mandatorily convertible loans	-	75,200,000	75,200,000

The above transition adjustment represents the classification of mandatorily convertible loans into fixed number of Company's shares of stock as equity instruments.

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3. PSAK 26 (Revised 2008), "Borrowing Costs", which contains the accounting treatment for borrowing costs and requires an entity to capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This standard also requires an entity to recognize other borrowing costs as expense. This standard superseded PSAK 26 (1997) "Borrowing Cost".

The adoption of this standard has no material impact, on the Company and its subsidiaries consolidated financial statements.

c. Principles of Consolidation and Accounting for Business Combination

The consolidated financial statements include the financial statements of the Company and its subsidiaries, wherein the Company has direct or indirect ownership interest of more than 50% of the voting rights of the subsidiary's capital stock, or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. A subsidiary is excluded from consolidation when the control in such subsidiary is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or when the subsidiary operates under long term restrictions which significantly impair its ability to transfer funds to the Company.

When an entity either began or ceased to be controlled during the year, the results of operations of that entity are included in the consolidated financial statements only from the date that the control commenced up to the date that the control ceased.

Intercompany balances and transactions, including unrealized gains or losses on intercompany transactions, are eliminated to reflect the financial position and the results of operations of the Company and its subsidiaries as one business entity.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances. If a subsidiary's financial statements are prepared using accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to the subsidiary's financial statements.

Minority interest represents the minority stockholders' proportionate share in the net income and equity of the subsidiaries which are not wholly owned, which is presented based on the percentage of ownership of the minority stockholders in the subsidiaries.

The losses applicable to the minority stockholders in consolidated subsidiaries may exceed the minority stockholders' interest in the net assets of the subsidiaries. The excess, and any further losses applicable to the minority are charged against the majority interest, except to the extent that the minority has a binding obligation to, and is able to, absorb such losses and the minority stockholders can settle their obligations. If the subsidiary subsequently reported profits, such profits are allocated to the majority stockholders up to the amount of the minority stockholders' share in losses previously absorbed by the majority which have been recovered.

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Acquisition of subsidiaries from third parties is accounted for using the purchase method in accordance with PSAK No. 22 "Accounting for Business Combinations". Under the purchase method, the excess of the acquisition cost over the fair values of the identifiable net assets acquired at the date of acquisition is recognized as goodwill. Assets and liabilities acquired are recognized separately as at date of acquisition when it is probable that any associated future economic benefits will flow to or from the acquirer; and a reliable measure is available of their cost or fair value. On other hand, when the cost of the acquisition is less than the acquirer's interest in the fair values of the net identifiable assets acquired as at the date of the transaction, the fair values of the acquired nonmonetary assets are reduced proportionately until all the excess are eliminated. The remaining excess is recognized as "Negative goodwill" and amortized on a straight-line method over twenty (20) years.

d. Foreign Currency Transactions and Balances

The books of accounts of the Company and its subsidiaries are maintained in Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date as published by Bank Indonesia. The resulting gains or losses are credited or charged to current operations.

e. Transaction with Related Parties

Related parties consist of the following:

- 1) Companies that, through one or more intermediaries, control or are controlled by, or are under common control with, the Company (including holding companies, subsidiaries, and fellow subsidiaries);
- 2) Associated companies.
- 3) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close family members of such individuals (close family members are those who can influence or can be influenced by such individuals in their transaction with the Company);
- 4) Key management personnel, that is, those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, including commissioners, directors and managers of the Company and close family members of such individuals; and
- 5) Companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4) or over which such person is able to exercise significant influence. These included companies owned by commissioners, directors or major stockholders of the Company, and companies that have a common member of key management with that of the Company.

All transaction with related parties, whether or not done under similar terms and conditions as those done with third parties are disclosed in the consolidated financial statements.

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f. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements are described in Note 3 to the consolidated financial statements.

g. Cash and Cash Equivalents

Cash consists of cash on hand and cash in banks.

Cash equivalents consist of time deposit on call and Negotiable Certificates of Deposits (NCD). These cash equivalents are short-term, highly liquid investment that are readily convertible to known amounts of cash with original matures of three months or less from the date of placements, and which are not used as collateral and are not restricted.

NCD'S with maturity less than three months are stated at its nominal amount net of unamortized interest received in advance. Such interest received in advance will be amortized over the period of the NCD's.

h. Financial Instruments

Accounting Policies Effective January 1, 2010

As discussed in Note 2b, the Company and its subsidiaries have adopted the following accounting policies in accordance with PSAK 50 (Revised 2006) and PSAK 55 (Revised 2006) effective January 1, 2010:

The Company and its subsidiaries recognize a financial asset or a financial liability in the consolidated balance sheets when it becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial instruments are recognized on settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for financial instruments at fair value through profit and loss (FVPL), includes transaction costs.

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Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issue of financial liability and they are incremental costs that would not have been incurred if the instrument had not been acquired or issued. Such transaction costs are amortized over the terms of the instruments based on the effective interest rate method.

Effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or expense over the relevant period by using an interest rate that exactly discounts estimated future cash payments or receipts through the expected life of the instruments or, when appropriate, a shorter period to the net carrying amount of the financial instruments. When calculating the effective interest, the Company and its subsidiaries estimate future cash flows considering all contractual terms of the financial instruments excluding future credit losses and includes all fees and points paid or received that are an integral part of the effective interest rate.

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

The classification of the financial instruments depends on the purpose for which the instruments were acquired and whether they are quoted in an active market. Financial instruments are classified as financial liabilities or equity in accordance with the substance of the contractual agreement. At initial recognition, the Company and its subsidiaries classify their financial instruments in the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, available for sale (AFS) financial assets, financial liabilities at FVPL, and other financial liabilities; and where allowed and appropriate, re-evaluates such classification at every reporting date.

Determination of Fair Value

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction is used since it provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, except investment in unquoted equity securities, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Day 1 Profit/Loss

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company and its subsidiaries recognize the difference between the transaction price and fair value (a Day 1 profit/loss) in the consolidated statement of income unless it qualifies for recognition as some other type of asset. In cases where the data is not observable, the difference between the transaction price and model value of valuation technique is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company and its subsidiaries determine the appropriate method of recognizing the "Day 1" profit/loss amount.

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Financial Assets

1. Financial Assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets may be designated at initial recognition at FVPL if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the financial assets or recognizing gains or losses on them on a different basis; or
- the assets are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the financial instruments contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets at FVPL are recorded in the consolidated balance sheet at fair value. Changes in fair value are recognized directly in the consolidated statement of income. Interest earned is recorded as interest income, while dividend income is recorded as part of other income according to the terms of the contract, or when the right of payment has been established.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries have not classified any financial assets under this category.

2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets at FVPL, HTM investments, or AFS financial assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization is included as part of interest income in the consolidated statement of income. The losses arising from impairment are recognized in the consolidated statement of income. Loans and receivables are presented as current assets if maturity is within 12 months after the consolidated balance sheet date, otherwise, these are presented as noncurrent assets.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries' cash and cash equivalents, trade accounts receivable, other accounts receivable, other current assets in the form of interest on time deposits, and guarantee deposits, and due from related parties are classified in this category.

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3. HTM Investments

HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Company and its subsidiaries management have the positive intention and ability to hold to maturity. When the Company or its subsidiaries sell or reclassify other than an insignificant amount of HTM investments before maturity, the entire category would be tainted (tainting rule) and reclassified as AFS financial assets.

After initial measurement, these investments are subsequently measured at amortized cost using the effective interest rate method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included as part of interest income in the consolidated statement of income. Gains and losses are recognized in the consolidated statement of income when the HTM investments are derecognized and impaired, as well as through the amortization process using the effective interest rate method. Investments are presented as current assets if maturity is within 12 months after the consolidated balance sheet date, otherwise, these are presented as noncurrent assets.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries have not classified any financial assets as HTM investments.

4. AFS Financial Assets

AFS financial assets are those which are designated as such or not classified in any of the other categories. They are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of translation on foreign currency-denominated AFS debt securities, is reported in the consolidated statement of income. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded from the consolidated statement of income and are reported as net unrealized gains and losses on AFS financial assets in the equity section of the consolidated balance sheet and in the consolidated statement of changes in equity. AFS financial assets are presented as current assets if maturity is within 12 months after the consolidated balance sheet date, otherwise, these are presented as noncurrent assets.

When the financial asset is disposed of, or derecognized, the cumulative gains or loss previously recognized in equity is recognized in the consolidated statement of income. When the Company or its subsidiaries hold more than one investment in the same security, these are deemed to be disposed of on a first-in, first-out basis. Interest earned on holding AFS financial assets are reported as interest income using the effective interest rate method. The losses arising from impairment of such financial assets are also recognized in the consolidated statement of income.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries have classified the short-term investments in subordinated bonds of PT Bank CIMB Niaga Tbk in this category.

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Financial Liabilities

1. Financial Liabilities at FVPL

Financial liabilities are classified in this category if these result from trading activities or derivative transactions that are not accounted for as accounting hedges, or when the Company or its subsidiaries elect to designate a financial liability under this category.

Changes in fair value are recognized directly in the consolidated statements of income.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries have not classified any financial liabilities in this category.

2. Other Financial Liabilities

This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability.

Issued financial instruments or their components, which are not classified as financial liabilities at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company and its subsidiaries having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Other financial liabilities are included in current liabilities if to be settled within 12 months after the balance sheet date, otherwise these are classified as noncurrent liabilities.

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries' short-term and long-term bank loans, trade accounts payable, accrued expenses, other current liabilities, borrowings, other payables, due to related parties, and due to stockholders are classified in this category.

Derivative Instruments

An embedded derivative is separated from the host contract and accounted for as derivative if all the following conditions are met:

- a. the economic characteristics and risks of the embedded derivative are not closely related to economic characteristics of the host contract.
- b. separate instrument with the same terms as the embedded derivative would meet the definition of the derivative; and
- c. hybrid or combined instrument is not recognized at fair value through profit or loss.

Freestanding and separated embedded derivatives are classified as financial assets or financial liabilities at FVPL unless they are designated as effective hedging instruments. Derivative instruments are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently re-measured at fair value.

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Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Consequently, gains and losses from changes in fair value of these derivatives are recognized immediately in the consolidated statement of income.

The management assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheets if, and only if, there is a currently enforceable right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Company and its subsidiaries management assess at each balance sheet date whether a financial asset or group of financial assets is impaired.

1. Assets Carried at Amortized Cost

The management first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the management determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss, is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held to maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss is charged to the consolidated statement of income.

If, in a subsequent year, the amount of the impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

2. Assets Carried at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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3. AFS Financial Assets

In case of equity investments classified as AFS, assessment of any impairment would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income is removed from equity and recognized in the consolidated statement of income. Impairment losses on equity investments are not reversed through the consolidated statement of income (should be recognized in equity). Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as AFS, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of interest income in the consolidated statement of income. If, in subsequent period, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of income, the impairment loss is reversed through the consolidated statement of income.

Derecognition of Financial Assets and Liabilities

1. Financial Assets

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a. the rights to receive cash flows from the asset have expired;
- b. the Company and its subsidiaries retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- c. the Company and/or its subsidiaries have transferred its rights to receive cash flows from the asset and either (i) have transferred substantially all the risks and rewards of the asset, or (ii) have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Where the Company and/or its subsidiaries have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and/or its subsidiaries could be required to repay.

2. Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. The recognition of a new liability and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

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Accounting Policies Prior to January 1, 2010

Accounts Receivable

Accounts Receivables are stated at net realizable value after providing an allowance for doubtful accounts. Accounts receivable deemed uncollectible are written off.

An allowance for doubtful accounts is provided based on management's evaluation of the collectibility of the individual receivable accounts at the end of the year.

Derivative Instruments and Hedging Activities

Derivatives are recognized in the consolidated balance sheets at their fair values. Derivative assets and liabilities are presented at the amount of unrealized gains or losses on derivative contracts, which the Company has designated upon acquisition as (1) trading instrument, (2) fair value hedge, (3) cash flow hedge, and (4) hedge of a net investment in foreign operation. The unrealized gains or losses are computed as the difference between the fair value and contract amount of the derivative instrument at the reporting date. Fair value is determined based on market value, pricing models, or quoted prices for instruments with similar characteristics.

Gain or loss on derivative contracts is accounted for as follows:

1. Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized currently in earnings;
2. Gain or loss on a derivative contract designated and qualifying as a fair value hedging instrument as well as the offsetting gain or loss on the hedged assets or liabilities attributable to the hedged risk is recognized currently in earnings in the same accounting period. Any difference that arises representing the effect of hedge ineffectiveness is recognized currently in earnings.

i. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. Allowances for inventory obsolescence and decline in value of the inventories are provided to reduce the carrying value of inventories to their net realizable values.

j. Prepaid Expenses

Prepaid expenses are amortized over their beneficial period using the straight-line method.

k. Due From (to) Plasma Projects

Due from (to) plasma project is presented net of funding received from the banks and allowance for doubtful accounts. The allowance for doubtful account is estimated based on management's periodic evaluation of the collectability of the differences between development costs and amount financed by the bank.

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I. Plantations

Mature Plantations

Palm plantations are considered mature in 4 - 5 years from planting date, while orange plantations are considered mature in 4 years from planting date. First harvest of pineapple plantations can be done at the age of 22 months, while the second harvest can be done at the age of 33 months. Actual maturity depends on vegetative growth and management evaluation.

Palm, orange, and pineapple plantations are stated at cost, net of accumulated depreciation. Mature plantations, except for pineapple plantations, are depreciated using the straight – line method, based on the estimated productive lives of the plantations as follow:

	<u>Years</u>
Palm plantations	25
Orange plantations	10

Depreciation of pineapple plantations is computed using the following rates:

	<u>Rates</u>
First harvest (plantation age of 22 months)	67%
Second harvest (plantation age of 33 months)	33%

Depreciation expenses of matured plantation is charged to cost of goods sold.

Immature Plantations

Immature plantations are stated at cost which represent accumulated costs incurred on palm, orange and pineapple plantations before these mature and produce crops. Such costs include the cost of land preparation, seedlings, fertilization, maintenance, labor, depreciation of property, plant and equipment, interest and other borrowing costs on debts incurred to finance the development of plantations until maturity for as long as the carrying value of such immature plantations do not exceed the lower of replacement cost and recoverable amount.. Immature plantations are not depreciated.

Immature plantations are transferred to mature plantations when these start normal yield.

m. Property, Plant and Equipment

– ***Direct acquisitions***

Direct acquisitions of property, plant and equipment, except for land, are stated at cost, less accumulated depreciations and any impairment in value and is not depreciated.

The initial cost of property, plant and equipment consists of its purchase price, including import duties and non-refundable taxes and any directly attributable costs in bringing the property, plant and equipment to its working condition and location for its intended use.

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Depreciation expense is allocated proportionately to mature and immature plantations based on their total area. Depreciation expense allocated to mature plantations is charged to cost of goods sold, while depreciation allocated to immature plantations is capitalized.

Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Depreciation is computed on a straight-line basis over the property, plant and equipment's useful lives as follows:

	<u>Years</u>
Buildings and land improvements	20
Machinery	10
Vehicles and heavy equipment	5
Furniture, fixtures and equipment	5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Such major inspection is capitalized and amortized over the next major inspection activity.

When assets are sold or retired, the cost and related accumulated depreciation and amortization and any impairment loss are eliminated from the accounts.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising from derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the consolidated statements of income in the year the item is derecognized.

The asset's residual values, useful lives and depreciations method are reviewed and adjusted if appropriate, at each financial year end.

– ***Construction in Progress***

Construction in progress represents property, plant and equipment under construction which is stated at cost, and is not depreciated. The accumulated costs will be reclassified to the respective property, plant and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

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– **Assets for Lease**

Assets for lease consisting of vessels are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful life of the assets of 15 years. Rental income is presented net of all expenses incurred related to the assets for lease, including depreciation expenses, and is shown under the “ Other income (Expenses) “ account in the consolidated statements of income.

– **Asset Not Used in Operations**

Assets not used in operations are stated at the lower of carrying value and net realizable value.

Assets not in used in operations are depreciated using the same method and estimated useful lives of directly acquired properties.

- **Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

- a. There is a change in contractual terms, other than a renewal or extension of the agreement;
- b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- c. There is a change in the determination of whether the fulfillment is dependent on a specified asset; or
- d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a, c, or d and the date of renewal or extension period for scenario b.

Company/subsidiary as lessee. Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the consolidated statements of income on a straight- line basis over the lease term.

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n. Deferred Charges on Landrights

Deferred charges relating to the legal processing of landrights are amortized using the straight – lines method over the legal terms of the landrights, since the legal term of the landrights is shorter than its economic life. The amortization begins when the legal processing of landrights is substantially complete.

o. Treasury Stocks

Treasury stocks are accounted for using the par value method.

Under the par value method, the treasury stock is accounted for at par value as “Treasury Stock” account and presented as a reduction of “Capital Stock” account. If the treasury stock had originally been issued at a price above par value, the “Additional Paid-in Capital” account is debited for the related difference between the par value and the reacquisition cost of the treasury stocks.

p. Stock Issuance Costs

Stock issuance cost are deducted from the “Additional paid – in capital” portion of the stocks issued and are not amortized..

q. Impairment of Assets

An assessment by management of the assets value is made at each balance sheet date to determine whether there is any indication of impairment of any assets and possible written – down to its recoverable amount whenever events or changes in circumstances indicate that the asset value is impaired.

An impairment loss is recognized only if the carrying amount of an asset exceeds the recoverable amount. An asset’s recoverable amount is computed as the higher of the asset’s value in use and its net selling price. On the other hand, a reversal of an impairment loss is recognized whenever there is indication that the asset is not impaired anymore.

The amount of impairment loss (reversal of impairment loss) is charged to (credited in) current year’s operations.

r. Revenue and Expense Recognition

Revenue from local sales are recognized when the goods are delivered to the customers, while revenues from export sales are recognized in accordance with the term of sale.

Revenues from sale of term used rights (*hak pakai berjangka*) on real estate assets such as kiosks and shophouses, as well as plaza, for which the development process is completed, are recognized based on the full accrual method when all of the following conditions are met:

1. The sale is consummated;
2. Sales price is collectible, wherein the total payments made by the buyers are at least 20% of the agreed sales price, and the amount paid cannot be refunded by the buyers;

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3. The seller's receivable is not subject to future subordination; and
4. The seller has transferred to the buyer the risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property.

If any of the above conditions is not met, all payments received from the buyers are recorded as advances received using the deposit method, until all of the conditions are met.

Expenses are recognized when incurred (accrual basis).

Effective January 1, 2010, transaction costs incurred that are directly attributable to the acquisition or issuance of financial instruments not measured at fair value through profit and loss are amortized over the life of financial instruments using the effective interest rate method and recorded as part of interest income to fee transaction-related financial assets, and as part of interest expense related to transaction costs of financial liabilities.

Effective January 1, 2010, interest income and interest expense are recognized in the consolidated statement of income using the effective interest rate method. Prior to January 1, 2010, interest income and interest expense are recognized on an accrual basis based on contractual interest rates.

s. Borrowing Cost

Borrowing cost are interest and exchange difference on foreign currency denominated borrowings and other costs (amortization of discounts/premiums on borrowing, etc.) incurred in connection with the borrowing of funds.

Borrowing cost are recognized as an expenses in the period in which they are incurred, except for those borrowing costs which are directly attributable to the development of immature plantations which are capitalized to immature plantation.

If the borrowing is specifically used for the purpose of acquiring a qualifying assets, the total borrowing cost eligible for capitalization are all borrowing cost incurred on that borrowing during the period, less any interest earned from temporary investment on the unused borrowings.

Capitalization of borrowing cost as part of the acquisition cost of an asset commence when expenditure for the asset are being incurred; borrowing costs are being incurred; and activities that are necessary to prepare the construction or the production of the qualifying asset are in progress.

Capitalization of borrowing cost are suspended, if during extended periods the active development or production of the qualifying asset is interrupted, while capitalization of borrowing cost cease when all the activities necessary to acquire, build or produce the qualifying asset for its intended use or sale are substantially complete.

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t. Employee Benefits

Short-term employee benefits

Short-term employee benefits are in form of wages, salaries, and social security (*Jamsostek*) contribution. Short – term employee benefits are recognized at its undiscounted amount as a liability, after deducting any amount already paid, in the consolidated balance sheets and as an expense in the consolidated statements of income.

Post-employment benefits

Post-employment benefits are unfunded defined-benefit plans which amounts are determined based on years of services and salaries of the employees at the time of pension. The actuarial valuation method used to determine the present value of defined-benefit reserve, related current service cost and past service cost is the Projected Unit Credit. Current service costs, interests costs, vested past service cost, and effects of curtailments and settlements (if any) are charged directly to current operations. Past service costs which are not yet vested and actuarial gains or losses for working (active) employees are amortized during the employees' average remaining years of service, until the benefits become vested.

u. Difference in Value of restructuring Transaction Between Entities Under Common Control

In accordance with PSAK 38 (Revised 2004) "Accounting for Restructuring Transactions among Entities Under Common Control", transfer of assets, liabilities, shares and other instruments of ownership among entities under common control do not result in a gain or loss to the group companies or to the individual entity within the same group. Since a restructuring transaction among entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares and other instruments of ownership which are exchanged, assets or liabilities transferred are recorded at book values.

The difference in value between the transfer price and book value of existing assets, liabilities, shares or other ownership instrument in a restructuring transaction between entities under common control was recorded as "Difference in value of restructuring transaction between entities under common control" account and presented as part of equity in the consolidated balance sheets.

The balances of "Difference in Value of Restructuring Transaction Among Entities Under Common Control" account will be taken to the consolidated statements of income as realized gain or loss as a result of (1) lost of under common control substance, and (2) transfer of the assets, liabilities, equity or other ownership instruments to another party who is not under common control. On the other hand, when there are reciprocal transactions between entities under common control, the existing balance is netted-off with the new transaction, hence creating a new balance for this account.

v. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

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Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and the carryforward benefit of unused tax losses (fiscal losses). Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and the carryforward benefit of fiscal losses to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized and the carryforward benefit of fiscal losses can be applied.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the consolidated statement of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited directly to equity.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of the deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income would be available.

Deferred tax assets and liabilities are offset in the consolidated balance sheet, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company and its subsidiaries, when the result of the appeal is determined.

w. Earnings per Share

Basic earnings per share is computed by dividing net income by the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing net income by the weighted average number of shares outstanding during the year as adjusted for the effect of all dilutive potential ordinary shares.

x. Segment Information

Segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements. The primary segment information is based on business segments, while secondary segment information is based on geographical segments.

A business segment is a distinguishable component an enterprise that is engaged in providing an individual product or service or a group of related products or services, and that is subjected to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

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y. Events after the Balance Sheet Date

Post year-end events that provide additional information about the Company and its subsidiaries financial position at the date of the balance sheet (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Management Use of Estimates, Judgments and Assumptions on Financial Instruments

Management believes that the following represent a summary of the significant estimates, judgment, and assumptions made that affected certain reported amounts of and disclosures on financial instruments in the consolidated financial statements.

Fair Value of Financial Assets and Financial Liabilities

Effective January 1, 2010, generally accepted accounting principles in Indonesia require that certain financial assets and financial liabilities be carried at fair value, which requires the use of accounting estimates, judgment and assumptions. While significant components of fair value measurement are determined using verifiable objective evidence (i.e. foreign exchange rates, interest rates), the timing and amount of changes in fair value, would differ using a different valuation methodology.

The fair value of financial assets and financial liabilities are set out in Note 25.

Impairment Loss Reserve

Effective January 1, 2010, the Company and its subsidiaries assess specifically at each balance sheet date whether there is an objective evidence that a financial asset is impaired (uncollectible). The level of allowance is based on past collection experience and other factors that may affect collectibility such as the probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of collection is estimated based on historical loss experience. Provisions are made for accounts specifically identified to be impaired. Accounts are written off when management believes that the financial asset cannot be collected or realized after exhausting all efforts and courses of action. An evaluation of the receivables, designed to identify potential charges to the allowance, is performed on a continuous basis throughout the year. The amount and timing of recorded provision for doubtful accounts for any period would therefore differ based on the judgments or estimates made.

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4. CASH AND CASH EQUIVALENTS

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
Cash on Hand		
Rupiah	6,775,469	5,135,817
U.S. Dollar	151,314	493,480
Total Cash in Hand	<u>6,926,783</u>	<u>5,629,297</u>
Cash in Bank		
Rupiah		
PT Bank Mandiri (Persero) Tbk	4,182,679	2,163,752
PT Bank Rakyat Indonesia (Persero) Tbk	3,587,255	2,986,275
PT Bank Negara Indonesia (Persero) Tbk	1,443,065	-
PT Bank UOB Buana	802,300	-
PT Bank Danamon Indonesia Tbk	492,922	336,012
PT Bank CIMB Niaga Tbk	270,275	420,949
PT Bank Pan Indonesia Tbk	198,784	124,049
PT Bank Central Asia Tbk	148,879	135,619
PT Bank Internasional Indonesia Tbk	-	18,019,627
Others (each below Rp 100.000 thousand)	71,945	224,759
Subtotals	<u>11,198,104</u>	<u>24,411,042</u>
Foreign Currency		
PT Bank UOB Buana	57,551,486	-
PT Bank Rakyat Indonesia (Persero) Tbk	9,356,536	10,032,092
PT Bank Mandiri (Persero) Tbk	4,206,033	4,390,938
PT Bank CIMB Niaga Tbk	1,604,990	708,668
PT Bank Central Asia Tbk	447,944	335,960
The Hongkong Shanghai Bank Corporation	323,963	995,678
The Royal Bank of Scotland (RBS Bank)	194,294	433,885
Natixis, Singapura	187,747	187,746
Standard Chartered Bank	186,216	358,336
PT Bank Internasional Indonesia Tbk	-	143,971,741
Citibank, N.A., Jakarta	-	34,607
PT Bank Rabobank International Indonesia	-	142,876
PT Bank Sumitomo Mitsui Indonesia	-	245,517
Others (each below Rp 100.000 thousand)	200,189	102,763
Subtotals	<u>74,259,398</u>	<u>161,940,807</u>
Total Cash in Bank	<u>85,457,502</u>	<u>186,351,849</u>
Deposits - on call		
Rupiah		
PT Bank UOB Buana	125,000,000	-
PT Bank Rakyat Indonesia (Persero) Tbk	50,000,000	50,000,000
PT Bank Agro Niaga	21,000,000	1,000,000
Total Deposits	<u>196,000,000</u>	<u>51,000,000</u>
Total	<u>288,384,285</u>	<u>242,981,146</u>

Average interest rate per annum on time deposits in 2011 is 4,5% – 7,25% and in 2010 is 7% - 8,5%.

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5. SHORT TERM INVESTMENT

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
Available for sale		
Subordinated bonds	10,000,000	10,000,000
Unrealized gain on increase in value in fair value	400,000	33,300
Net	<u>10,400,000</u>	<u>10,033,300</u>

These represents the Company's investment in Subordinated Bonds I Year 2010 of PT Bank CIMB Niaga Tbk ('Bonds'). The Bonds were acquired on July 8, 2010 at nominal value amounting to Rp 10,000,000 thousand and with coupon rate at 11.30% per annum which is to be paid quarterly. The term of the Bonds is 7 years and will mature on July 8, 2017.

As of September 30, 2011 and December 31, 2010, the Bonds have a market price at 104% and 100.33%. The Bonds were rated at idAA- by Fitch.

6. TRADE ACCOUNTS RECEIVABLE

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
a. By Debtor		
Related Party		
PT Sungai Budi	<u>191,100,364</u>	<u>144,574,967</u>
	<u>191,100,364</u>	<u>144,574,967</u>
Third Parties		
Local debtors		
PT Wahana Citra Nabati	1,416,735	-
PT Mahkota Andalan Sawit	937,958	
Others (each less than Rp 100.000 thousand)	11,954	968,613
Total Local debtors	<u>2,366,647</u>	<u>968,613</u>
Foreign debtors		
Inter United Enterprises Pte., Ltd., Singapore	-	77,267,798
Alfred C. Toepfer International GmbH., German	14,212,202	1,334,866
Louis Dreyfus Commodities Asia Pte., Ltd	7,609,838	-
Total Foreign debtors	<u>21,822,040</u>	<u>78,602,664</u>
Total Third Parties	<u>24,188,687</u>	<u>79,571,277</u>
Total	<u>215,289,051</u>	<u>224,146,244</u>

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	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
b. By Age Category		
01 - 30 days	79,909,062	138,355,622
31 - 60 days	65,015,404	58,156,478
61 - 90 days	70,364,585	27,634,144
Total	215,289,051	224,146,244
c. By Currency		
Rupiah	193,467,011	145,543,580
U.S. Dollar	21,822,040	78,602,664
Total	215,289,051	224,146,244

Management believes that all of the above receivables are collectible thus no allowance for doubtful accounts was provided.

7. INVENTORIES

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
Crude palm oil	248,820,709	198,057,383
Palm kernel oil	77,953,038	62,183,407
Stearine	49,075,332	48,936,271
Palm expeller	16,617,697	30,680,509
Palm kernel	12,336,111	20,637,992
Palm free fatty acid	9,795,190	19,564,858
Soap	2,663,833	12,097,961
Palm cooking oil	8,942,688	5,077,300
Other raw materials	6,593,934	4,029,574
Chemicals	3,366,039	3,820,497
Crude coconut oil	2,899,143	2,947,799
Refined, Bleached and Deodorized Palm Kernel Oil	0	143,367
Refined, Bleached and Deodorized Palm Oil	2,952,563	107,502
Copra expeller	37,641	63,114
Others	8,032,393	281,410
Indirect materials:		
Spare parts	43,642,566	30,359,548
Fertilizers and medicines	60,624,878	11,129,355
Fuel and oil	15,288,841	10,329,625
Packaging	2,421,598	3,304,711
Others	13,814,104	17,081,620
Total	585,878,298	480,833,803
Less allowances for:		
Decline in value of inventories and inventory obsolescence	(3,249,301)	(3,249,301)
Net	582,628,997	477,584,502

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Management believes that the allowances for decline in value and obsolescence of inventories are adequate to cover possible losses on decline in value and obsolescence of inventories, and management believes that the carrying value of inventories represent their net realizable values.

8. PREPAID TAXES

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
Value Added Tax - net	10,021,626	11,007,347
Income taxes		
Article 23	3,355,121	1,130,795
Article 22	774,588	761,398
Article 25	-	100,564
Total	<u>14,151,335</u>	<u>13,000,104</u>

9. ADVANCES

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
Advances for purchase of purchases of raw materials	614,633,597	561,723,184
Advances for purchase of property, plant and equipment	44,587,767	55,303,939
Advances for freight of boat	13,994,096	-
Advances for purchase of land	3,108,650	1,396,025
Advances for purchase of spareparts	1,609,319	943,861
Advances for purchase of fertilizers	387,300	6,952,064
Advances for purchase of vehicles	-	113,093
Advances for purchase of seeds	-	705,000
Total	<u>678,320,729</u>	<u>627,137,166</u>

10. DUE FROM AND DUE TO RELATED PARTIES

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
Accounts receivable		
PT Budi Acid Jaya Tbk	9,130,381	5,187,784
PT Budi Samudra Perkasa	233,769	843,707
Others (less than Rp 100.000 thousand each)	-	175,735
Total	<u>9,364,150</u>	<u>6,207,226</u>
Accounts payable		
Others (less than Rp 100.000 thousand each)	-	777,278
Total	<u>-</u>	<u>777,278</u>

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The due from and due to the following related parties resulted mainly from sales and purchases of indirect materials, by products and other operational activities of the Company and its subsidiaries with its related parties (Note 33).

These amount due from and due to related parties are unsecured, non – interest bearing and have no definite repayment terms.

Management believes that the above mentioned due from related parties are fully collectible, thus, no allowance for doubtful accounts was provided.

11. PLANTATIONS

Mature Plantation

	Changes During 2011			
	Januari 01, 2011	Additions/ Reclassifications	Deductions	September 30 2011
	<i>Rp. 000</i>	<i>Rp. 000</i>	<i>Rp. 000</i>	<i>Rp. 000</i>
At Cost				
Palm Plantation	758,424,319	39,510,299	-	797,934,618
Orange Plantation	17,680,152	-	-	17,680,152
Pineapple Plantation		5,419,563	5,419,563	-
Total	776,104,471	44,929,862	5,419,563	815,614,770
Accumulated Depreciation				
Palm Plantation	148,316,000	21,739,176	-	170,055,176
Orange Plantation	1,768,015	1,060,809	-	2,828,824
Total	150,084,015	22,799,985	-	172,884,000
Net Book Value	626,020,456			642,730,770
	Changes During 2010			
	Januari 01, 2010	Additions/ Reclassifications	Deductions	December 31, 2010
	<i>Rp. 000</i>	<i>Rp. 000</i>	<i>Rp. 000</i>	<i>Rp. 000</i>
At Cost				
Palm Plantation	345,091,241	413,333,078	-	758,424,319
Hybrid Plantation	21,860,313	-	21,860,313	-
Orange Plantation	13,077,786	17,680,152	13,077,786	17,680,152
Pineapple Plantation	-	2,391,107	2,391,107	-
Total	380,029,340	433,404,337	37,329,206	776,104,471
Accumulated Depreciation				
Palm Plantation	116,823,163	31,492,837	-	148,316,000
Hybrid Plantation	6,995,300	349,765	7,345,065	-
Orange Plantation	8,432,614	1,768,015	8,432,614	1,768,015
Total	132,251,077	33,610,617	15,777,679	150,084,015
Net Book Value	247,778,263			626,020,456

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Immature Plantation

	Changes During 2011			
	January 01, 2011	Additions/ Reclassifications	Deductions	September 30, 2011
	Rp '000	Rp '000	Rp '000	Rp '000
At Cost				
Palm Plantation	179,656,780	96,927,685	39,510,299	237,074,166
Orange Plantation	719,122	-	-	719,122
Pineapple Plantation	14,972,793	10,842,993	8,863,897	16,951,889
Total	195,348,695	107,770,678	48,374,196	254,745,177

	Changes During 2010			
	January 01, 2010	Additions/ Reclassifications	Deductions	December 31, 2010
	Rp '000	Rp '000	Rp '000	Rp '000
At Cost				
Palm Plantation	450,188,519	142,801,339	413,333,078	179,656,780
Orange Plantation	18,248,924	150,350	17,680,152	719,122
Pineapple Plantation	10,170,745	7,193,155	2,391,107	14,972,793
Total	478,608,188	150,144,844	433,404,337	195,348,695

12. PROPERTY, PLANT AND EQUIPMENT

	Changes During 2011				
	January 01, 2011	Additions	Deductions	Reclassifications	September 30, 2011
	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000
At Cost:					
Direct acquisitions					
Land	111,055,745	2,593,825	-	-	113,649,570
Buildings and land improvements	584,173,004	49,668,888	-	18,135,220	615,706,672
Machinery	567,806,444	38,184,840	-	36,656,131	569,335,153
Vehicles and heavy equipment	226,757,113	6,779,319	-	-	233,536,432
Furniture, fixtures and equipment	135,430,399	31,790,896	-	-	167,221,295
Construction in progress	168,233,400	77,504,863	-	(54,791,351)	300,529,614
Finance leased assets					
Vehicles and heavy equipment	45,919,750	30,076,287	-	-	75,996,037
Total	1,839,375,855	236,598,918	-	-	2,075,974,773
Accumulated depreciation:					
Direct acquisitions					
Buildings and land improvement	145,445,516	20,666,034	-	-	166,111,550
Machinery	253,263,903	28,668,363	-	-	281,932,266
Vehicles and heavy equipment	169,718,536	5,027,488	-	-	174,746,024
Furniture, fixtures and equipment	103,705,145	23,009,194	-	-	126,714,339
Finance leased assets					
Vehicles and heavy equipment	10,222,416	6,839,113	-	-	17,061,529
Total	682,355,516	84,210,192	-	-	766,565,708
Net Book Value	1,157,020,339				1,309,409,065

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	Changes During 2010				December 31, 2010
	January 01, 2010	Additions	Deductions	Reclassifications	
	<i>Rp '000</i>	<i>Rp '000</i>	<i>Rp '000</i>	<i>Rp '000</i>	<i>Rp '000</i>
At Cost:					
Direct acquisitions					
Land	104,328,068	6,727,677	-	-	111,055,745
Buildings and land improvements	518,260,868	65,517,816	(1,050,135)	1,444,455	584,173,004
Machinery	534,441,615	29,743,521	(246,821)	3,868,129	567,806,444
Vehicles and heavy equipment	121,556,956	31,681,962	(4,642,135)	78,160,330	226,757,113
Furniture, fixtures and equipment	116,065,213	19,917,196	(552,010)	-	135,430,399
Construction in progress	78,405,043	95,140,941	-	(5,312,584)	168,233,400
Finance leased assets					
Vehicles and heavy equipment	107,377,035	16,703,045	-	(78,160,330)	45,919,750
Total	1,580,434,798	265,432,158	(6,491,101)	-	1,839,375,855
Accumulated depreciation:					
Direct acquisitions					
Buildings and land improvement	119,121,453	27,045,818	(721,755)	-	145,445,516
Machinery	219,672,248	33,838,476	(246,821)	-	253,263,903
Vehicles and heavy equipment	86,206,039	19,045,480	(3,601,643)	68,068,660	169,718,536
Furniture, fixtures and equipment	86,444,332	17,769,784	(508,971)	-	103,705,145
Finance leased assets					
Vehicles and heavy equipment	65,814,185	12,476,891	-	(68,068,660)	10,222,416
Total	577,258,257	110,176,449	(5,079,190)	-	682,355,516
Net Book Value	1,003,176,541				1,157,020,339

Property, plant, and equipment, except for land, are insured against fire, theft, earthquake and other possible risks with insurance coverage amounted to Rp 634,683,120 thousand as of September 30, 2011 and December 31, 2010.

Management believes that the insurance coverages are adequate to cover possible losses that might arise from such risks on the property, plant and equipment insured.

Management believes that there is no impairment in value of the aforementioned assets as of September 30, 2011 and December 31, 2010.

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13. PROPERTY FOR LEASE

This account represents the net book value of the Company's vessels consisting of a barge and a tug boat for lease, as follows:

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
Cost	26,952,558	25,311,320
Accumulated depreciation	<u>(11,344,564)</u>	<u>(10,028,623)</u>
Net Book Value	<u>15,607,994</u>	<u>15,282,697</u>

The Company appointed PT Budi Samudra Perkasa (BSP), a related party, to operate the vessels for 3 years (Note 24). Based on the Cooperation Agreements, BSP is entitled to all freight income generated by the vessels but should pay an annual compensation to the Company with details as follows:

- a. Based on Cooperation Agreement for period August 2, 2007 – August 8, 2010 and has been extended until August 8, 2013, annual compensation amounts to Rp 600,000 thousand for the tug boat and barge.
- b. Based on Cooperation Agreement for period August 2, 2006 – August 4, 2009 and has been extended until August 4, 2012, annual compensation amounts to Rp 350,000 thousand for the barge.
- c. Based on Cooperation Agreement for period January 2, 2008 – December 31, 2010 and has been extended until December 31, 2013, annual compensation amounts to Rp 2,050,000 thousand for the tug boat and barge.

As of September 30, 2011 and December 31, 2010, the properties for lease are insured with PT Asuransi Jasa Indonesia, a third party, against total loss for a sum of Rp 19,000,000 thousand.

Management believes that the insurance coverage is adequate to cover possible losses that might arise from such risks on the properties for lease insured. Management believes that there is no impairment in value of the aforementioned assets as of September 30, 2011 and December 31, 2010.

14. OTHER NON CURRENT ASSETS

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
Deferred charges - net	1,090,939	3,413,250
Others	<u>971,540</u>	<u>2,825,320</u>
Total	<u>2,062,479</u>	<u>6,238,570</u>

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15. TRADE ACCOUNTS PAYABLE

This account consists of the Company and its subsidiaries' payable to third party suppliers in relation to the purchases of materials needed for production.

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
a. By creditor		
Related party		
PT Budi Dharma Godam Perkasa	8,312,579	7,022,030
Third parties - Local suppliers	<u>224,407,377</u>	<u>169,734,230</u>
Total	<u><u>232,719,956</u></u>	<u><u>176,756,260</u></u>
b. By Currency		
USD	42,338,523	-
Rupiah	<u>190,381,433</u>	<u>176,756,260</u>
Total	<u><u>232,719,956</u></u>	<u><u>176,756,260</u></u>

16. TAXES PAYABLE

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
Income taxes		
Article 29	54,749,303	15,829,285
Article 23	3,095,956	6,267,650
Article 25	2,703,807	305,671
Article 21	734,501	2,274,328
Value added tax	<u>1,070,163</u>	-
Total	<u><u>62,353,730</u></u>	<u><u>24,676,934</u></u>

The filing of tax return is based on the Company and its subsidiaries' own calculation of tax liabilities (self – assessment). The tax authorities may conduct a tax audit on the Company and its subsidiaries for a period of up to ten years after the tax becomes due.

17. OTHER CURRENT LIABILITIES

As of September 30, 2011 and December 31, 2010, this account mainly includes the estimated amount of settlement for the remaining outstanding derivative contracts amounting to US\$ 6,500 thousand and US\$ 10,000 thousand respectively (Notes 36).

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18. BANK LOANS

Short-term Bank Loans

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
<i>Rupiah</i>		
PT Bank Rakyat Indonesia (Persero) Tbk	54,140,997	66,413,079
PT Bank Internasional Indonesia Tbk	44,934,341	-
PT Bank Mandiri (Persero) Tbk	17,990,694	30,667,324
Subtotal	<u>117,066,032</u>	<u>97,080,403</u>
<i>U.S. Dollar</i>		
PT Bank Internasional Indonesia Tbk	238,144,696	179,820,000
PT Bank CIMB Niaga Tbk	264,690,000	359,640,000
PT Bank Mandiri (Persero) Tbk	101,590,884	60,175,180
Subtotal	<u>604,425,580</u>	<u>599,635,180</u>
<i>Total</i>	<u>721,491,612</u>	<u>696,715,583</u>

Long-term Bank Loans

	September 30 2011 <u>Rp '000</u>	December 31 2010 <u>Rp '000</u>
<i>Rupiah</i>		
PT Bank Rakyat Indonesia (Persero) Tbk	198,354,399	175,817,511
PT Bank CIMB Niaga Tbk	-	1,589,902
PT Bank Jasa Jakarta	263,330	387,938
PT Bank National Nobu	4,769,428	-
PT Bank Pan Indonesia Tbk	793,600	-
Total	<u>204,180,757</u>	<u>177,795,351</u>
<i>U.S Dollar</i>		
PT Bank Internasional Indonesia Tbk	397,035,000	438,311,250
PT Bank Mandiri (Persero) Tbk	-	10,708,623
	<u>397,035,000</u>	<u>449,019,873</u>
<i>Total</i>	601,215,757	626,815,224
Unamortized transaction costs	<u>(7,172,826)</u>	<u>(8,998,417)</u>
Amortized costs	594,042,931	617,816,807
Less current portion	<u>(98,263,157)</u>	<u>(71,188,729)</u>
Long-term portion	<u>495,779,774</u>	<u>546,628,078</u>

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PT Bank Mandiri (Persero) Tbk (Mandiri)

The loan facilities received by the Company from Mandiri consist of the following:

- a. Working Capital Loan Facility with maximum amount of Rp 34,800,000 thousand and US\$ 11,575 thousand. Both loan facilities will mature on March 31, 2012.

The loan facilities are secured with the Company's trade accounts receivables, inventories, machineries, land, corporate guarantee from PT Sungai Budi, and personal guarantees from Widarto and Santoso Winata (related parties). Those collaterals represent part of joint collateral with BRI and BII.

As of September 30, 2011 and December 31, 2010, the outstanding loan in Rupiah currency amounted to Rp 17,990,694 thousand and Rp 30,667,324 thousand, respectively, while in U.S. Dollar currency amounted to US\$ 11,514 thousand and US\$ 6,693 thousand.

- b. Investment Loan Facility amounting to US\$ 5,965 thousand in 2004, which has just been availed of in 2006. This facility was used to finance the power plant project with a total value of investment amounting to US\$ 11,450 thousand. This facility has a term of 5.5 years, which will start from the date of the first drawdown without grace period and mature in the second quarter of 2011.

This credit facility is secured with the power plant project financed which has already been completed in 2009.

As of September 30, 2011 this facility has already paid up and outstanding loan as of December 31, 2010 amounted US\$ 1,191 thousand.

The interest rate per annum in 2011 and 2010 for loan facility in Rupiah is 11.00%, and in U.S. Dollar is 6.00% and 7.00%, respectively.

PT Bank Rakyat Indonesia (Persero) Tbk (BRI)

The loan facilities received by the Company from BRI consist of the following :

- a. Working Capital Loan Facility with maximum amount of Rp 70,000,000 thousand. This loan facility was used to finance the working capital for palm oil and cooking oil. The loan facility will mature on March 22, 2012.

As of September 30, 2011 and December 31, 2010, outstanding loans amounted to Rp 54,140,997 thousand and Rp 66,413,079 thousand, respectively.

- b. Investment Loan Facility (KI) was obtained on September 7, 2006, amounting to Rp 303,400,000 thousand which is used to to finance the 9,500 hectares of palm plantation and 1 unit CPO Mill located in Banyuasin, South Sumatera. This facility has a term of 9 years with a grace period of 4.5 years on principal payments for palm plantation and 5.5 years for palm mill, which will start from the date of the signing of credit agreement. On September 8, 2009, BRI granted additional investment loan of Rp 383,131,038 thousand which consists of Rp 291,131,038 thousand for KI Plantation and for KI CPO Mill amounting to Rp 92,000,000 thousand. Included in the KI Facilities are IDC amounting to Rp 70,935,400 thousand for KI Plantation and Rp 13,000,000 thousand for KI CPO Mill.

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This investment loan facility was started to be availed of in 2007. As of September 30, 2011, outstanding loans amounted to Rp 163,669,450 thousand for KI principal and Rp 34,684,949 thousand for KI IDC, and as of December 31, 2010, outstanding loans amounted to Rp 151,113,000 thousand for KI principal, and Rp 24,704,511 thousand for KI IDC.

Both loan facilities from BRI are secured with the Company's trade accounts receivable, inventories, machineries, land including palm plantation and plant on the said land, which is located in Terbanggi Besar and Banyuasin, and personal guarantees from Widarto and Santoso Winata (related parties). Trade accounts receivable and inventories used as collaterals represent part of joint collateral for short-term loan from Mandiri and BII.

The interest rate per annum for both loan facilities is 11.50% for 2011 and 2010.

PT Bank International Indonesia Tbk (BII)

The loan facilities received by the Company from BII consist of the following:

- a. Term Loan Facility with maximum amount of US\$ 50,000 thousand on September 24, 2010. This loan facility was used to prepay the syndicated loan facility from Rabobank. The loan facility has a term 84 months (7 years), Interest rate per annum is 6.28% in 2011 and 2010. As of September 30, 2011 and December 31, 2010, the outstanding loan amounted to US\$ 45,000 thousand and US\$ 48,750 thousand, respectively.
- b. Revolving Loan Facility with maximum amount of US\$ 20,000 thousand on September 24, 2010. This loan facility was used to finance the Company working capital. The loan facility has term 1 years. BII has extended this facility up to September 24, 2012. Interest rate per annum is 5.63% in 2011 and 2010. As of September 30, 2011 and December 31, 2010, the outstanding loan amounted to US\$ 20,000 thousand and US\$ 10,000 thousand, respectively.
- c. Revolving facility or PPB Pre-Shipment (Sub limit of Post Shipment, SKBDN/Sight LC/Usance LC for maximum 180 days) which has a maximum credit facility of US\$ 12,000 thousand. Interest rate per annum is 6.00% in 2010. On February 7, 2011, BII has extended this facility up to September 24, 2012 and has reduced the facility amounts from US\$ 12,000 thousand to US\$ 2,000 thousand. As of September 30, 2011 and December 31, 2010, outstanding loan amounted to US\$ 2,000 thousand and US\$ 10,000 thousand, respectively.
- d. Working Capital Loan Facility with maximum amount of Rp 45,000,000 thousand and US\$ 5,000 thousand on February 7, 2011. This loan facility was used to finance the working capital. The loan facility will mature on September 24, 2012. The outstanding loan as of September 30, 2011 amounted to Rp 44,934,341 thousand.

The Loan facilities from BII are secured by trade accounts receivable from third parties, inventories, plantation and fixed assets owned by PT Bangun Tatalampung Asri, personal guarantees from Widarto and Santoso Winata, and corporate guarantees from PT Bumi Sentosa Abadi, PT Bangun Nusa Indah Lampung, and PT Budi Dwiyasa Perkasa. The collateral of this facility is also used to secure other facilities from BII which is bank guarantee (Note 35.7) and FX Line and these are also part of joint collateral with bank loans from BRI and Mandiri. Further, guarantee from PT Asuransi Ekspor Impor Indonesia (ASEI) is also required for 80% of outstanding PPB facility and 100% of outstanding Post Shipment facility.

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PT Bank CIMB Niaga Tbk (CIMB)

a. The Company obtained loan facilities from CIMB, as follows:

- LC Facility in the form of Sight/usance LC or local LC (SKBDN) for a maximum of 180 days in Rupiah and U.S. Dollar currency, which has a maximum credit facility of US\$ 27,500 thousand. The Company is charged with 0.125% commission per transaction based on the amount of LC issued and 1% per annum on the acceptance of LC. On October 27, 2010, CIMB has approved part of this facility amounting to US\$ 10,000 thousand to be allocated to Money Market Line (MML). This facility can be availed up to December 27, 2010 and has a term 4 months from the drawdown date. Interest rate per annum is 4.00%. As of September 30, 2011 and December 31, 2010, the outstanding is nil and US\$ 10,000 thousand, respectively.
- PT3 facility (for settlement of Usance LC or Usance SKBDN) which has a maximum credit facility of US\$ 10,000 thousand. Interest rate per annum is 4.00% in 2011 and 2010. As of September 30, 2011 and December 31, 2010, the outstanding loan amounted to US\$ 10,000 thousand.
- PTK facility (for pre-export financing) which has a maximum credit facility of US\$ 20,000 thousand. Interest rate per annum in 2011 and 2010 is 4.00%. As of September 30, 2011 and December 31, 2010, the outstanding loan amounted to US\$ 20,000 thousand.

The LC facilities were used for purchasing coals and fertilizers, while the PT and PTK facilities were used for working capital, whereas the loan availed of can be used only for repayment of matured sight LCs and for pre-export financing.

The above loan facilities from CIMB are secured with personal guarantees of Santoso Winata and Widarto. All loan facilities from CIMB will mature on June 9, 2012.

- b. AKG, a subsidiary obtained loan Fixed Installment Loan Facilities from CIMB amounting to Rp 8,981,100 thousand or equivalent to US\$ 961.20 thousand obtained in 2008. This facility was used to finance the purchase of 12 units of heavy equipment. This facility has a term of 36 months without grace period and will mature on June 6, 2011.

Interest rate per annum for the PTA is fixed rate at 12.50% and 16.00%. The payment of interest and principal is calculated using the annuity method.

This credit facility is secured with the heavy equipment financed and corporate guarantee from the Company.

As of September 30, 2011 this facility has already paid up and outstanding loan as of December 31, 2010 amounted to Rp 1,589,902 thousand.

PT Bank Jasa Jakarta (BJJ)

On February 17, 2010, the Company obtained a loan facility from BJJ amounting to Rp 520,000 thousand to finance the acquisition of one (1) unit of vehicle. The facility has a term of three (3) years and will be due on February 8, 2013. The interest was fixed at 5.25% per annum with monthly installment of principal and interest totaling to Rp 16,720 thousand. As of September 30, 2011 and December 31, 2010, the outstanding loan amounted to Rp 263,330 thousand and Rp 387,938 thousand. Loans facilities from BJJ are secured by the vehicles financed by BJJ.

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PT Bank National Nobu (Nobu)

On March 25, 2011, the Company obtained a loan facility from Nobu amounting to Rp. 5,808,000 thousand to finance the acquisition of vehicle. The facility has a term of three (3) years and will be due on February 25, 2014. The monthly installment of principal and interest totaling to Rp 185,535 thousand. The outstanding loan as of September 30, 2011 is amounted to Rp 4,769,428 thousand.

Loans facilities from Nobu are secured by the vehicles financed by Nobu.

All the bank loans except for BJJ and Nobu, obtained by the Company and its subsidiary, contain covenants which among others, restrict the Company to obtain or grant loans, act as guarantor, change the nature and activities of its business and conduct liquidation, merger, consolidation or reorganization. The agreements also provide various events of defaults.

PT Bank Pan Indonesia Tbk (Panin)

On April 7, 2011, the Company obtained a loan facility from Panin amounting to Rp. 921,600 thousand to finance the acquisition of five (5) unit of vehicle. The facility has a term of three (3) years and will be due on April 12, 2014. The monthly installment of principal and interest totaling to Rp 30,054 thousand. The outstanding loan as of September 30, 2011 is amounted to Rp 793,600 thousand.

Loans facilities from Panin are secured by the vehicles financed by Panin.

All the bank loans except for BJJ, Nobu and Panin, obtained by the Company and its subsidiary, contain covenants which among others, restrict the Company to obtain or grant loans, act as guarantor, change the nature and activities of its business and conduct liquidation, merger, consolidation or reorganization. The agreements also provide various events of defaults.

19. ADVANCED RECEIVED

This account consists of:

	September 30 2011 <i>Rp. '000</i>	December 31 2010 <i>Rp. '000</i>
Rupiah		
Sales of palm and its derivative products	6,009,934	31,951
Storage tanks rental	6,075,000	2,543,130
Sales of kiosks, shophouses, and plaza	437,682	437,682
Boat rental	-	175,000
Subtotal	12,522,616	3,187,763

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	September 30 2011 <i>Rp. '000</i>	December 31 2010 <i>Rp. '000</i>
U.S. Dollar		
Sales of palm and its derivative products	544,379,100	526,068,847
Subtotal	<u>544,379,100</u>	<u>526,068,847</u>
Total	<u>556,901,716</u>	<u>529,256,610</u>
Less current portion	<u>(380,441,716)</u>	<u>(356,960,120)</u>
Long - Term portion	<u>176,460,000</u>	<u>172,296,490</u>

As of September 30, 2011 and December 31, 2010, cash advances from customers in Rupiah representing down payments for the sale of term used right in kiosks, shophouses and plaza are received from related parties, meanwhile, advances from sales of palm and its derivative products are received from third parties.

As of September 30, 2011 and December 31, 2010, advances received in foreign currency amount US\$ 61,700 thousand and US\$ 58,511 thousand.

20. BORROWINGS

	September 30 2011 <i>Rp. '000</i>	December 31 2010 <i>Rp. '000</i>
PT Mandiri Tunas Finance	6,352,694	2,180,523
PT BCA Finance	3,365,300	3,506,591
Total	<u>9,717,994</u>	<u>5,687,114</u>
Current portion of vehicle purchase loans	<u>(3,832,488)</u>	<u>(1,897,267)</u>
Long - Term portion - net	<u>5,885,506</u>	<u>3,789,847</u>

PT Mandiri Tunas Finance

The Company and BPG, a subsidiary, obtained financing facilities from PT Mandiri Tunas Finance to purchase 1 unit vehicle and 10 units of heavy equipment with total facilities amounting to Rp 2,799,000 thousand. These financing facilities have term of three (3) years and will expire on October 23, 2013. The interest was fixed at 5.70% and 11.48%, respectively, per annum with monthly installment of principal and interest totaling to Rp 75,387 thousand per month. Also, in year 2011, the Company obtained financing facilities from PT Mandiri Tunas Finance to purchase 15 unit vehicle with total facilities amounting to Rp 5,012,000 thousand. These financing facility have term of three (3) years with monthly installment of principal and interest totaling to Rp 161,151 thousand per month.

The loans received from PT Mandiri Tunas Finance are secured by the financed vehicles and heavy equipment (Note 12).

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PT BCA Finance

On September 7, 2010, the Company obtained a loan facility from BCA amounting to Rp 3,915,200 thousand to finance the acquisition of four (4) unit of vehicle. The facility has a term of three (3) years and will be due on August 1, 2013. The interest was fixed at 5.10% per annum with monthly installment of principal and interest totaling to Rp 125,395 thousand. Also, the Company obtained a loan facility from BCA amounting to Rp 840,000 thousand to finance the acquisition of one (1) unit of vehicle. The facility has a term of three (3) years and will be due on May 15, 2014 with monthly installment of principal and interest totaling to Rp 26,798 thousand.

Loans facilities from BCA are secured by the vehicles financed by BCA (Note 12).

21. FINANCE LEASE LIABILITIES

The Company and its subsidiaries acquired vehicles and heavy equipment through finance lease. The lease agreements have a term of 3 years, and bear interest rates per annum ranging from 8.45% - 21.00% in 2011 and 2010. The finance lease liabilities are secured with the related leased assets (Note 12).

Based on the respective finance lease agreements, the future minimum lease payments are as follows:

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
Payments due in:		
2011	4,562,262	12,809,860
2012	12,371,988	5,853,921
2013	6,879,737	1,149,322
2014	2,079,955	-
Total	25,893,942	19,813,103
Less interest	(2,387,497)	(2,223,884)
Present value of minimum lease payments	23,506,445	17,589,219
Less current portion of lease liabilities	(10,830,871)	(11,054,976)
Long-term portion of lease liabilities - net	12,675,574	6,534,243

22. OTHERS PAYABLE

The following other payables resulted from the termination of certain derivative contracts (Note 36):

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
PT Bank Danamon Indonesia Tbk	8,600,000	10,850,000
Standard Chartered Bank, Jakarta	1,985,175	4,270,725
Total	10,585,175	15,120,725
Less current portion	(4,985,175)	(5,697,300)
Long-term portion	5,600,000	9,423,425

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Sucorinvest Limited and PT Bank Danamon Indonesia Tbk (Danamon)

The Company has a liability to Bank Danamon amounting to Rp 13,250,000 thousand and US\$ 8,000 thousand in relation to the Settlement Agreement of Cancellable Forward Transactions. Liability amounting to Rp 13,250,000 thousand will be settled on a monthly basis for 4 (four) years starting January 2010 and without interest.

In December 2009, Sucorinvest Limited has taken over the payable of the Company to Bank Danamon amounting to US\$ 8,000 thousand. Accordingly, the Company's liability to Bank Danamon was transferred to Sucorinvest Limited which is mandatorily converted into 200,000,000 new shares of the Company.

In the Extraordinary Stockholders' Meeting as documented in Notarial Deed No. 19 dated May 25, 2010 of Kartuti Suntana Sastraprawira, S.H., public notary in Jakarta, the stockholders approved to increase the capital stocks without Right Issues. The increase of the capital stocks without Right Issues was conducted in relation to convert the mandatory convertible loans amounting to Rp 75,200,000 thousand (equivalent to US\$ 8,000 thousand) for 200,000,000 new shares with nominal value Rp 125 per share (Note 24).

Standard Chartered Bank, Jakarta (SCB)

On September 21, 2009, SCB and the Company agreed to terminate 'The Target Redemption Forward Currency Option' contract. Accordingly, the Company will pay a total amount of US\$ 800 thousand, without interest, and to be paid over 32 months starting December 22, 2009. As of September 30, 2011 and December 31, 2010, liability to SCB amounted to US\$ 225 thousand and US\$ 475 thousand, respectively.

23. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the value at which a financial instrument could be exchanged between parties who understand and are willing to conduct fair transactions, and is not a sales value due to financial difficulties or a forced liquidation. The fair value is obtained from quoted prices or discounted cash flow model, as appropriate.

The following table sets forth carrying amounts and estimated fair value of the Company and its subsidiaries financial assets and liabilities at September 30, 2011 and December 31, 2010:

	September 30, 2011		December 31, 2010	
	Nilai Tercatat	Estimasi Nilai Wajar	Nilai Tercatat	Estimasi Nilai Wajar
FINANCIAL ASSETS				
Financial Current Assets				
Cash and cash equivalents	288,384,285	288,384,285	242,981,146	242,981,146
Short-term investment	10,400,000	10,400,000	10,033,300	10,033,300
Trade accounts receivable	215,289,051	215,289,051	224,146,244	224,146,244
Other accounts receivable	7,001,950	7,001,950	5,753,891	5,753,891
Guarantee deposit	21,647,104	21,647,104	13,103,632	10,181,333
Other current assets	-	-	504,376	504,576
Total financial current assets	542,722,390	542,722,390	496,522,589	493,600,490
Financial Noncurrent Assets				
Other non current receivables - related parties	9,364,150	9,364,150	6,207,226	6,207,226
Total Financial Assets	552,086,540	552,086,540	502,729,815	499,807,716

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	September 30, 2011		December 31, 2010	
	Nilai Tercatat	Estimasi Nilai Wajar	Nilai Tercatat	Estimasi Nilai Wajar
FINANCIAL LIABILITES				
Financial Current Liabilites				
Short term bank loans	721,491,612	721,491,612	696,715,583	696,715,583
Trade accounts payable	232,719,956	232,719,956	176,756,260	176,756,260
Accrued expenses	36,015,869	36,015,869	28,846,585	28,846,585
Other current liabilities	62,493,221	62,493,221	94,649,618	94,649,618
Total financial current liabilities	1,052,720,658	1,052,720,658	996,968,046	996,968,046
Financial Noncurrent Liabilites				
Due to - related partties	-	-	777,278	777,278
Long-term liabilities (current and noncurrent)				
Long-term bank loans	594,042,931	594,042,931	617,816,807	617,816,886
Other payables	10,585,175	10,585,175	15,120,725	15,120,725
Finance Lease Liabilities	23,506,445	23,506,445	17,589,219	17,589,219
Borrowings	9,717,994	9,717,994	5,687,114	5,687,114
Due to stockholders	8,689,265	8,689,265	8,689,265	8,689,265
Total financial Noncurrent Liabilities	646,541,810	646,541,810	665,680,408	665,680,487
Total Financial Liabilities	1,699,262,468	1,699,262,468	1,662,648,454	1,662,648,533

The following methods and assumptions were used by the Company and its subsidiaries to estimate the fair value of each class of financial instrument:

Current financial assets and liabilities

Due to the short term nature of the transactions, the carrying amounts of the current financial assets and financial liabilities approximate the estimated fair market values.

Non-current financial assets and liabilities

1) *Financial instruments quoted in an active market*

Consist of short-term investments in subordinated bonds. The fair values are determined based on the latest published quoted price as of September 30, 2011 and December 31, 2010.

2) *Long-term fixed-rate and variable rate financial liabilities*

Consist of long-term bank loans, borrowings, and other payables. The fair value of the financial liabilities is determined by discounting the future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk, and remaining maturities.

3) *Other long-term financial assets and liabilities*

Consist of due from and due to related parties and other non-current assets, and due to stockholders. Fair value is based on discounted future cash flows adjusted to reflect counterparty risk (for financial asset) and the Company and its subsidiaries' credit risk (for financial liabilities) using current market rates for similar instruments.

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24. CAPITAL STOCK

The share ownership in the Company based on the record of PT Adimitra Transferindo, shares register, as of September 30, 2011 and December 31, 2010 is as follows:

Name of Stockholder	September 30, 2011		
	Number of Shares	Percentage of Ownership	Total Paid Up Capital (Rp '000)
PT Budi Delta Swakarya	1,238,295,896	26.11%	154,786,987
PT Sungai Budi	1,414,929,596	29.84%	176,866,200
PT Budi Acid Jaya Tbk	29,400,000	0.62%	3,675,000
Widarto - President Director Commissioner	2,338,000	0.05%	292,250
Santoso Winata - President	2,338,000	0.05%	292,250
Public (below 5% each other)	2,054,797,447	43.33%	256,849,681
Total	4,742,098,939	100.00%	592,762,367

Name of Stockholder	December 31, 2010		
	Number of Shares	Percentage of Ownership	Total Paid Up Capital (Rp '000)
PT Budi Delta Swakarya	1,238,295,896	26.15%	154,786,987
PT Sungai Budi	1,414,929,596	29.88%	176,866,200
PT Budi Acid Jaya Tbk	29,400,000	0.62%	3,675,000
Widarto - President Director Commissioner	2,338,000	0.05%	292,250
Santoso Winata - President	2,338,000	0.05%	292,250
Public (below 5% each other)	2,047,761,832	43.25%	255,970,229
Total	4,735,063,324	100.00%	591,882,916

Conversion on the Mandatory Convertible Loans

In the Extraordinary Stockholders' Meeting as documented in Notarial Deed No. 19 dated May 25, 2010 of Kartuti Suntana Sastraprawira, S.H., public notary in Jakarta, the stockholders approved the increase in the Company's capital without Right Issues. The increase of the capital without Right Issues is related to the conversion of the mandatorily convertible loans payable to Sucorinvest Limited amounting to Rp 75,200,000 thousand (Note 22), to the Company's new shares totaling to 200,000,000 shares with nominal value at Rp 125 per share.

Series I Warrant

Series I Warrant is attached to issued shares from the Rights Issue I to the stockholders in relation with the right to purchase or right issue (Note 1.b).

Every holder of 3 shares has the right to purchase 6 new shares, wherein for every 6 new shares, one Series I Warrant is attached, free of charge. The total Series I Warrants of 538,462,400 which have a term of 5 years were issued as incentives to stockholders to purchase one new share at a par value of Rp 125 per share, with exercise price of Rp 125 per share, which can be exercised from January 15, 2007 until July 13, 2011.

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As of December 31, 2010, there are 7,279,126, unexercised Series I Warrants, and as of September 30, 2011 there are no unexercised Warrants.

The changes in the number of shares outstanding are as follows:

	<u>Number of Shares</u>
Balance as of January 1, 2010	4,170,754,493
Issuance of shares during the year through conversion of Warrant Series I	364,308,831
Conversion of mandatorily convertible loans to capital stock	<u>200,000,000</u>
Balance as of December 31, 2010	4,735,063,324
Issuance of shares during the year through conversion of Warrant Series I	<u>7,035,615</u>
Balance as of September 30, 2011	<u><u>4,742,098,939</u></u>

25. TREASURY STOCK

Based on the Extraordinary Stockholders' Meeting, which resolution was documented in Notarial Deed No. 14 dated June 19, 2008 of Mrs. Kartuti Suntana S., S.H., public notary in Jakarta, the stockholders approved the buy back of the Company's issued stocks (treasury stocks) and listed in the Indonesia Stock Exchange for a maximum of 10% of issued and paid up capital stock. The acquisition of treasury stocks during 2011 and 2010 are as follows:

	<u>Number of Shares</u>	<u>Average Acquisition Cost per Share</u>	<u>Total Acquisition Cost Rp'000</u>	<u>Total Par Value Rp'000</u>
Balance as of January 1, 2010	<u>70,293,500</u>		<u>25,538,968</u>	<u>8,786,688</u>
Sold during year 2010				
March	(22,893,500)	424	(9,707,953)	(2,861,688)
April	<u>(7,000,000)</u>	465	<u>(3,255,000)</u>	<u>(875,000)</u>
Sub total	<u>(29,893,500)</u>		<u>(12,962,953)</u>	<u>(3,736,688)</u>
Balance as of December 31, 2010	<u><u>40,400,000</u></u>		<u><u>12,576,015</u></u>	<u><u>5,050,000</u></u>
Sold during year 2011				
May	(18,000,000)	561	(10,090,000)	(2,250,000)
July	(15,400,000)	684	(10,528,000)	(1,925,000)
August	<u>(1,000,000)</u>	770	<u>(770,000)</u>	<u>(125,000)</u>
Sub total	<u>(34,400,000)</u>		<u>(21,388,000)</u>	<u>(4,300,000)</u>
Balance as of September 30, 2011	<u><u>6,000,000</u></u>		<u><u>(8,811,985)</u></u>	<u><u>750,000</u></u>

The difference between the selling/reacquisition cost and the par value of treasury stock as of September 30, 2011 and December 31, 2010 amounting to Rp 17,088,000 thousand and Rp 9,226,265 thousand, respectively, was adjusted against the 'Additional Paid-in Capital' account (Note 26).

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26. ADDITIONAL PAID IN CAPITAL – NET

	September 30 2011	December 31 2010
	Rp '000	Rp '000
Beginning balance	216,127,453	156,701,188
Add/(less):		
Excess of acquisition cost of treasury stocks over par value	17,088,000	9,226,265
Excess of conversion on mandatory convertible loans to capital stocks	-	50,200,000
Sub total	<u>17,088,000</u>	<u>59,426,265</u>
Ending balance	<u><u>233,215,453</u></u>	<u><u>216,127,453</u></u>

27. NET SALES

The details on net sales are as follows:

	September 30 2011	September 30 2010
	Rp '000	Rp '000
Palm plantation products and related derivative products	2,961,614,652	1,924,642,769
Pineapple fruits	2,060,119	820,578
Orange fruits	-	459,507
Total Net Sales	<u><u>2,963,674,771</u></u>	<u><u>1,925,922,854</u></u>

28. COST OF GOODS SOLD

The details of cost of goods sold are as follows:

	September 30 2011	September 30 2010
	Rp' 000	Rp' 000
Palm plantations products and related derivative products	1,918,531,702	1,599,418,958
Pineapple fruits	6,039,601	467,692
Orange fruits	-	3,241,917
Total Cost of Goods Sold	<u><u>1,924,571,303</u></u>	<u><u>1,603,128,567</u></u>

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29. OPERATING EXPENSES

The details of operating expenses are as follows:

Selling Expenses

	September 30 2011 <i>Rp' 000</i>	September 30 2010 <i>Rp' 000</i>
Export Tax	365,292,404	39,852,666
Freight	56,047,742	35,346,973
Other	20,218,997	13,237,124
Total	441,559,143	88,436,763

General And Administrative Expenses

	September 30 2011 <i>Rp' 000</i>	September 30 2010 <i>Rp' 000</i>
Salaries and benefits	40,449,819	27,491,594
Bank charges	12,392,426	14,565,513
Repairs and maintenance	10,310,824	1,665,761
Representation	7,037,207	6,413,703
Office expenses	6,191,746	6,002,268
Taxes and licenses	5,725,733	6,595,828
Rent	4,814,829	2,293,428
Travel and transportation	2,770,146	1,357,189
Depreciation and amortization	2,111,072	2,764,513
Professional fees	1,477,216	2,476,529
Insurance	1,156,355	1,564,420
Others	8,900,427	5,080,170
Total	103,337,800	78,270,916

30. INCOME TAX

Tax expense (benefit) of the Company and its subsidiaries consists of the following:

	September 30 2011 <i>Rp' 000</i>	September 30 2010 <i>Rp' 000</i>
Current tax	97,445,547	20,528,051
Deferred tax		
The Company	13,698,753	19,347,247
Subsidiaries		
BNIL	693,013	1,558,320
BDP	600,173	1,236,857
BTLA	417,978	168,650
BSA	213,034	50,650
AKG	83,696	38,118
MMM	16,303	-
ABM	(46,873)	(125,699)
BNCW	(366,080)	(1,756,135)
Total Deferred Tax	15,309,997	20,518,008
Total Income Tax	112,755,544	41,046,059

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Current Tax

The details of the Company and its subsidiaries' current tax are as follows :

	September 30 2011 <i>Rp'000</i>	September 30 2010 <i>Rp'000</i>
Company	43,937,555	1,601,119
Subsidiary-BDP	18,474,767	6,370,828
Subsidiary-BTLA	12,575,833	7,136,775
Subsidiary-BNIL	13,070,995	3,223,864
Subsidiary-ABM	5,899,658	1,176,944
Subsidiary-BSA	3,486,739	1,018,521
Total	97,445,547	20,528,051

Deferred Tax

The details of the Company and its subsidiaries' deferred tax assets and liabilities are as follows:

	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
<i>Deferred tax assets</i>		
Company	-	-
Subsidiaries		
BNCW	4,031,800	3,665,720
AKG	1,297,314	1,381,010
MMM	23,212	231,861
BSA	-	517
Total	5,352,326	5,279,108
	September 30 2011 <i>Rp '000</i>	December 31 2010 <i>Rp '000</i>
<i>Deferred Tax Liabilities :</i>		
Company	72,880,578	59,181,825
Subsidiaries :		
BDP	6,778,107	6,202,771
BTLA	6,167,004	5,749,026
BNIL	3,748,971	3,055,958
ABM	1,863,802	1,910,675
BSA	215,596	-
Total	91,654,058	76,100,255

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31. APPROPRIATION FOR GENERAL RESERVE

In the Annual Stockholders' Meeting as documented in Notarial Deed No. 18 dated May 25, 2010 of Kartuti Suntana Sastraprawira, S.H., public notary in Jakarta, the stockholders approved to appropriate Rp 500,000 thousand of its unappropriated retained earnings for general reserve.

As of December 31, 2010, the total appropriation for general reserve amounted to Rp 4,500,000 thousand.

In the Annual Stockholders' Meeting as documented in Notarial Deed No. 78 dated May 20, 2011 of Antoni Halim, S.H., public notary in Jakarta, the stockholders approved to appropriate Rp 500,000 thousand of its unappropriated retained earnings for general reserve.

As of September 30, 2011 the total appropriation for general reserve amounted to Rp 5,000,000 thousand.

32. DIVIDENDS

2010

In the Annual Stockholders' Meeting as documented in Notarial Deed No. 18 dated May 25, 2010 of Kartuti Suntana Sastraprawira, S.H., public notary in Jakarta, the stockholders approved the distribution of cash dividend from profit of year 2009 amounting to Rp 41,473,452 thousand by compensating the interim dividend which had been paid in November 2009. Total number of shares which are entitled to the cash dividends totaled to 4,153,984,493 shares with dividend ratio of Rp 2 per share. The payment of the remaining cash dividend has been realized on June 29, 2010 amounting to Rp 8,307,969 thousand.

2011

In the Annual Stockholders' Meeting as documented in Notarial Deed No. 78 dated May 20, 2011 of Antoni Halim, S.H., public notary in Jakarta, the stockholders approved the distribution of cash dividend from profit of year 2010 amounting to Rp 73,998,956 thousand by compensating the interim dividend which had been paid in December 2010. Total number of shares which are entitled to the cash dividends totaled to 4,737,581,073 shares with dividend ratio of Rp 7.7 per share. The payment of the remaining cash dividend has been realized on June 28, 2011 amounting to Rp 36,302,181 thousand.

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33. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The details of the nature of relationship and significant transactions with related parties are as follows:

<i>Related Parties</i>	<i>Nature of Relationship with the Company and its subsidiaries</i>	<i>Transactions</i>
PT Sungai Budi	<i>The Company's major stockholder</i>	<i>Sales and purchases of raw materials and indirect materials</i>
PT Budi Acid Jaya Tbk	<i>One of the Company's stockholders</i>	<i>Sales and purchases of raw materials and indirect materials</i>
Widarto dan/and Santoso Winata	<i>One of the Company's stockholders</i>	<i>Rental of land and building, and distribution of cash dividends</i>
Oey Albert	<i>Commissioner</i>	<i>Use of land</i>
PT Budi Dharma Godam Perkasa PT Budi Lampung Sejahtera PT Gunungmas Persada Karya PT Silva Inhutani Lampung CV Bumi Waras PT Budi Satria Wahana Motor PT Sari Segar Husada PT Budi Makmur Perkasa PT Budi Intisari Gas PT Budi Eka Reksa PT Budi Nabati Perkasa PT Bangun Lampung Jaya PT Alu Aksara Pratama PT Budi Subur Tanindo PT Budi Sari Bumi	<i>Have common key management personnel with the Company and its subsidiaries</i>	<i>Sales and purchases of raw materials and indirect materials</i>
PT Budi Delta Swakarya	<i>Have common key management personnel with the Company and its subsidiaries</i>	<i>Rental of building</i>
PT Budi Samudra Perkasa (BSP)	<i>Have common key management personnel with the Company and its subsidiaries</i>	<i>Operation of the Parent Company's tanker, barge and tug boat for rental</i>
PT Kencana Acidindo Perkasa	<i>Have common key management personnel with the Company and its subsidiaries</i>	<i>Sales of pineapple and rental of land from AKG, a subsidiary</i>

There are no transactions with related parties that directly or indirectly related with main business of the Company and its subsidiaries and identified as conflict of interest based on BAPEPAM-LK Regulation No. IX.E.1 "Conflict of Interest".

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34. SEGMENT INFORMATION

Following are the segment information on net sales, income from operations and total assets of the Company and its subsidiaries:

a. Net Sales

Per type of product

	September 30, 2011		September 30, 2010	
	%	Rp '000	%	Rp '000
Export sales				
CPO	31.79	1,117,836,759	36.48	841,282,255
Palm Kernel Oil	18.42	647,848,845	12.46	287,328,544
Stearine	5.10	179,464,827	9.21	212,495,209
Palm Expeller	2.90	102,099,852	1.89	43,610,576
Palm Fatty Acid	2.28	80,231,163	1.11	25,682,488
Soap	0.49	17,150,281	0.75	17,260,095
Crude Coconut Oil	-	-	0.44	10,071,328
Total		2,144,631,727		1,437,730,495
Local Sales				
Palm Cooking Oil	14.08	495,098,399	18.56	427,893,513
Fresh Fruit Bunches	12.78	449,539,989	10.31	237,729,889
Crude Palm Oil	5.31	186,807,297	6.41	147,726,054
Stearin	2.68	94,379,801	0.14	3,209,101
Palm Kernel Oil	2.55	89,693,236	-	-
Palm Kernel	0.72	25,394,973	0.88	20,245,665
Laundry Soap	0.50	17,675,826	0.95	21,821,324
Cream Soap	0.24	8,281,134	0.34	7,872,522
Palm Expeller	0.07	2,374,428	-	-
Pineapple	0.06	2,060,119	0.04	820,578
Palm Fatty Acid	0.01	396,000	0.02	537,092
Orange	-	-	0.02	459,507
Total		1,371,701,202		868,315,245
Net sales before elimination	<u>100.00</u>	<u>3,516,332,929</u>	<u>100.00</u>	<u>2,306,045,740</u>
Eliminations		<u>(552,658,158)</u>		<u>(380,122,886)</u>
Net sales after eliminations		<u><u>2,963,674,771</u></u>		<u><u>1,925,922,854</u></u>

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Per company	September 30 2011 <i>Rp '000</i>	September 30 2010 <i>Rp '000</i>
The Company	2,961,614,652	1,924,642,769
ABM	192,886,221	167,971,719
BDP	120,519,362	73,012,179
BTLA	103,785,348	72,606,438
BNIL	93,624,466	49,120,167
BSA	21,513,193	9,605,325
AKG	12,805,432	4,480,922
BNCW	9,584,255	4,606,221
Net sales before eliminations	3,516,332,929	2,306,045,740
Eliminations	(552,658,158)	(380,122,886)
Net sales after eliminations	<u>2,963,674,771</u>	<u>1,925,922,854</u>

Sales from subsidiaries to the Company were made at prices agreed upon by both parties.

b. Income from Operations

Per company	September 30 2011 <i>Rp '000</i>	September 30 2010 <i>Rp '000</i>
The Company	279,110,243	57,860,237
BDP	68,654,874	29,721,974
BTLA	55,434,718	30,973,644
BNIL	54,644,128	25,257,243
ABM	22,750,218	11,073,322
BSA	14,751,382	4,235,315
AKG	423,108	362,890
BNCW	(1,547,796)	(3,362,924)
MMM	(14,350)	(35,093)
Total	<u>494,206,525</u>	<u>156,086,608</u>

35. COMMITMENTS

1. Cooperation Agreements with KUD

1. On March 23, 2007, the Company, entered into cooperation agreements with Koperasi Tunas Mekar Sari jaya, for the development of palm oil plantations (Plasma Estate Projects) in the areas owned by the farmers which are located in Banyuasin, South Sumatera, for a period of thirteen (13) years.

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On May 6, 2008, Koperasi Tunas Mekar Sari Jaya obtained an investment loan from PT Bank Rakyat Indonesia (Persero) Tbk (BRI) for a maximum amount of Rp 171,314,964 thousand. This facility is used to finance the palm plantation with a total area of 4,750 hectares in Banyuasin I and Rambutan Districts, Banyuasin, South Sumatera. The loan facility has a term of thirteen (13) years, including a grace period of four (4) years and will be paid on a quarterly basis. Interest rate per annum is 13.25%. Interest rate per annum is 13.25% and subject to review every April 1 and October 1. The proceeds of the loans were then given to the Company as developer of the project.

The loan is secured by the palm plantation which has been financed and a corporate guarantee from the Company.

2. On September 14, 1996, BNIL, a subsidiary, entered into cooperation agreements with certain cooperatives (Koperasi Unit Desa or KUD), namely, Mesuji E, Murni Jaya and Karya Makmur, for the development of palm oil plantations (Plasma Estate Projects) with total area of approximately 7,500 hectares, 8,000 hectares and 9,000 hectares, respectively, in the area owned by the farmers for a period of thirteen (13) years and has been extended for twenty five (25) years.

The KUD obtained long-term loans with a term of eleven (11) years, including a grace period of four (4) years on principal repayment, from PT Bank Mandiri (Persero) Tbk (Bank Mandiri) and PT Bank Danamon Indonesia Tbk (Bank Danamon). The proceeds of the loans were then given to BNIL as developer of the project.

- On December 27, 2007, Murni Jaya obtained from Bank Mandiri a maximum credit of Rp 19,417,000 thousand. The facility is used to refinance the palm plantation with a total area of 2,612.43 hectares in Banjar Agung District, Tulang Bawang, Lampung. The loan facility has a term of five (5) years, with quarterly installment starting in 2008 until 2012. Interest rate per annum is 13.5%.

The loan is secured by the palm plantation which has been refinanced and a corporate guarantee from BNIL.

- On November 14, 2007, Mesuji E obtained a credit facility from Bank Mandiri with a maximum loanable amount of Rp 18,562,000 thousand. The facility is used to refinance the palm plantation with a total area of 2,508.5 hectares in Way Serdang District, Tulang Bawang, Lampung. The loan facility has a term of five (5) years, with quarterly installment starting in 2008 until 2012. Interest rate per annum is 13.50%.

The loan is secured by the palm plantation which has been refinanced and a corporate guarantee from BNIL.

- On October 28, 2009, Karya Makmur obtained a credit facility from Bank Mandiri with a maximum loanable amount of Rp 51,227,000 thousand. The facility is used to refinance the palm plantation with a total area of 4,022 hectares in Pakuan Ratu District dan Negara Batin District, Way Kanan, Lampung. The loan facility has a term of five (5) years, with quarterly installment starting in 2009 until 2014. Interest rate per annum is 14%.

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In relation to these agreements, the Company and BNIL are committed to, among others:

- develop the plantations belonging to the KUD members;
- provide training in administration, management and technical skills;
- purchase all fresh fruit bunches from the farmers as long as the plasma plantations are producing; and
- pay the loan installments to Bank Mandiri from the amounts withheld from the payments to the farmers.

2. Purchase Contract with Overseas Buyer (The Buyer) and Standby Letter of Credit (SBLC) Facilities from Bank Mandiri.

Since 2004, the Company and the Buyer has entered into a Purchase Contract wherein the Buyer agreed to purchase the Company's CPO. The contract has been extended several times with details as follows:

- a. Contract No. P64247 dated January 17, 2011 for sale of CPO with a total contract value of US\$ 10.000 thousand, covering the periode of December 2011 – September 2012.
- b. Contract No. 02/PKO/TBL-IUE/2010 dated April 30, 2010 for sale of PKO with a total contract value of US\$ 36.000 thousand, covering the periode of June 2010 – May 2012.
- c. Contract No. 03/PKO/TBL-IUE/2010 dated July 8, 2010 for sale of PKO with a total contract value of US\$ 24.000 thousand, covering the periode of October 2010 – September 2012.
- d. Contract No. P60480 dated July 2, 2010 for sale of CPO with a total contract value of US\$ 60,000 thousand, covering the period of October 2010 – September 2012.
- e. Contract No. P61229 dated August 24, 2010 for sale of CPO with a total contract value of US\$ 12,000 thousand, covering the period of October 2010 – July 2011 and not extended.
- f. Contract No. P63177 dated November 16, 2010 for sale of CPO with a total contract value of US\$ 18.000 thousand, covering the periode of February 2011 – September 2012.
- g. Contract No. P55154 dated May 15, 2009 for sale of CPO with a total contract value of US\$ 20,000 thousand, covering the period of July 2009 – April 2010 and not extended.
- h. Contract No. P54967 dated April 29, 2009 for sale of CPO with a total contract value of US\$ 5,000 thousand, covering the period of September 2009 and February 2010 and not extended.
- i. Contract No. P54425 dated March 27, 2009 for sale of CPO with a total contract value of US\$ 5,000 thousand, covering the period of October 2009 and January 2010 and not extended.

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- j. Contract No. P40956 dated September 11, 2006 for sale of CPO with a total contract value of US\$ 48,000 thousand, covering the period from October 1, 2006 – September 30, 2010 and not extended.

In relation to the aforementioned transaction, Bank Mandiri has agreed to grant SBLC facility to the Company in the amount not exceeding US\$ 20,000 thousand, to secure advance payment from the Buyer.

3. Storage Tanks Rental Contract (Tanks Rental)

On December 19, 2006, the Company and the Overseas Buyer (the Buyer) entered into a Tanks Rental Contract, whereas the Company rented its 3 storage tanks which are located in Lampung with capacity of 5,000 metric tons each. The tanks rental period covers 3 years which will be effective when the tanks are ready to be used. Based on the Tanks Rental Contract, the buyer should make the payment of US\$ 1,620 thousand at least 14 days after the date of the Tanks Rental Contract. The Company has already received the said rental payment in 2006, however the tanks became ready for use only in 2008 (Note 19).

4. PT CIMB Niaga Tbk (CIMB)

The Company obtained ILC Facility (Sight/usance LC or SKBDN for a maximum of 180 days in Rupiah and US\$ currency) from CIMB which has a maximum credit facility of US\$ 20,000 thousand. The Company is charged with 0.125% commission per transaction based on the amount of LC issued and 1% per annum on the acceptance of LC. On October 27, 2010, part of this facility has been allocated to Money Market Line.

The LC facilities were used for purchasing coals and fertilizer.

The non-cash loan facilities from CIMB are secured with personal guarantees of Santoso Winata and Widarto (Note 33). The Company is required to deposit 10% margin for every LCs and bank guarantee issued.

The LC facilities will mature on June 9, 2012.

5. PT Bank Rakyat Indonesia (Persero) Tbk (BRI)

The Company obtained SBLC facility from BRI amounting to US\$ 20,000 thousand. This facility was used to secure the advance payment received from buyers on trading of Crude Palm Oil (CPO), Palm Kernel Oil (PKO), Crude Coconut Oil (CCO) and Stearine. This facility matured on March 14, 2012. The Company is charged with 1% commission per annum based on the amount of the issuance of SLBC.

This SBLC facility is secured with the collaterals which are related to working capital loan facility which was obtained by the Company from BRI (Note 18).

The loan agreements with BRI contain covenants which, among others, restrict the rights of the Company to conduct merger and acquisition, obtain loans, and engaged in the unusual transactions with other parties. The agreements also provide various events of default.

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6. PT Bank Mandiri (Persero) Tbk (Mandiri)

The company obtained non-cash loan facilities from Mandiri as follows:

1. On October 21, 2009, Mandiri has issued bank guarantees – bid bonds on behalf of the Company amounting to Rp. 500.000 thousand with maturity date on October 19, 2010. On the maturity date, the said bank guarantee has been extended with maturity date on October 19, 2011. The Company has placed security deposits on the said bank guarantee issued amounting to Rp. 500.000 thousand with Mandiri.
2. SBLC Facility in amount not exceeding US\$ 20,000 thousand in relation to the Purchase Contract with Overseas Buyer (the Buyer). These SBLCs are used to secure advance payment from the Buyer.

The SBLC facility is secured with trade accounts receivable from the Buyer, CPO inventories, fixed assets, and personal guarantee from Widarto and Santoso Winata. In relation to the SBLC facility, the company is required to place a 12.5% guarantee deposits for SBLC facility by blocking the Company's working capital loan facility in Mandiri. On March 17, 2010, Mandiri has changed the requirement on guarantee deposits, whereas the Company has to place time deposit amounting to 5% of SBLC's amount. The SBLC facility has been extended several times and will mature on March 31, 2012.

3. Import L/C and SKBDN (Local L/C) in form of Sight and Usance with term 180 days amounting to US\$ 5,000 thousand, is granted on March 24, 2010 and will mature on March 31, 2012. This facility is used to finance the purchases of fertilizer and coal.

Import L/C and SKBDN is secured by the financed goods and inventories, trade accounts receivable, land and mill located in Sidoarjo, East Java in the name of Widarto, personal guarantee from Widarto and Santoso Winata, and corporate guarantee from PT Sungai Budi, related parties.

Besides, the Company is required to place a 5% margin deposit from the value of import L/C and SKBDN which are issued.

7. PT Bank Internasional Indonesia Tbk (BII)

The Company obtained non-loan facilities from BII in form of Local Letter of Credit Document (SKBDN) facility with a maximum term of 180 days and can be used as Letter of Credit facility Usance Letter of Credit with maximum term of 60 days, and Trust Receipt (TR)/PPB for the payment of SKBDN, up to a maximum principal amount of US\$ 2,000 thousand. This facility is used for financing the purchases of raw materials and coals. The Company is charged 0.125% commission per transaction based on the amount of SKBDN issued and 1% per annum on the acceptance of SKBDN.

This SKBDN facility is secured with the same collaterals which are related to cash loan facility and FX Line which was obtained by the Company from BII. The Company is required to deposit 10% margin for the SKBDN issued. Further, guarantee from PT Asuransi Ekspor Impor Indonesia (ASEI) is also required for 80% of outstanding PPB facility and 100% of outstanding Post Shipment facility.

This SKBDN facility has matured on February 13, 2011, and has been extended up to September 24, 2012.

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8. Natixis, Singapura branch (Natixis)

The loan facilities received by Company from Natixis consist of working capital loans with maximum aggregate amount of US\$ 20,000 thousand, are as follows:

- Facility 1, with a maximum credit of US\$ 5,000 thousand, was used to finance the purchase of edible oils or its products, with a maximum term of 60 days.
- Facility 2, with a maximum credit of US\$ 15,000 thousand, was used to finance the CPO inventories in storage tanks owned by the Company with a maximum term of 60 days.
- Facility 3, with a maximum credit of US\$ 20,000 thousand, was used to finance the export sales of edible oils or its products to acceptable buyers pending receipt of export proceeds with a maximum term of 45 days.

The aggregate amount of Facility 1, Facility 2 and Facility 3 is limited to US\$ 20,000 thousand.

Based on the latest amendment of the loan facilities dated August 5, 2008, Natixis has the right to terminate these loan facilities at any time by notice in writing to the Company. After such termination, these facilities will cease to be available for any further transactions hereunder, but the obligations of the Company and the rights of Natixis under this letter shall continue until all amounts due to Natixis (whether actually or contingently) under this letter have been paid to Natixis.

The loan facilities from Natixis are secured with the Company's inventories and trade accounts receivable which are financed by Natixis.

The annual interest rates on Facilities 1, 2 and 3 are 2.00%, 1.85% and 1.50%, respectively, above cost of fund of Natixis.

As of September 30, 2011 and December 31, 2010, there's no outstanding loan balance on facility from Natixis.

As of September 30, 2011 and December 31, 2010, the balance of margin deposito related to the loan facility from Natixis amounted to nil.

9. Stock Verification Services Agreement with PT Superintending Company of Indonesia (Persero) (Sucofindo) and Natixis Singapore Branch (Natixis)

On September 25, 2008, in connection with the working capital credit facilities obtained from Natixis, The Company, Natixis and Sucofindo entered into a Stock Verification Services Agreement. Based on the agreement, Sucofindo will verify the inventories stored in the Company's tanks located at Desa Waylunik, Kecamatan Panjang, Bandarlampung. The inventories are used as collateral on the working capital credit facilities from Natixis.

In relation with the verification services above, the Company agreed to pay to Sucofindo certain monthly fees including additional services, if any.

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10. Brand Etiquettes

The Company has the following brand etiquettes on its products :

- Brand etiquette “Kompas” for various products of soap, cooking oil, cleaner and cosmetics.
- Brand etiquette “ Gunung Agung “ for various products of cooking oil and margarine.
- Brand etiquette “ Bumi Waras (B.W.) for various products of soap, cleaner and cosmetics.
- Brand etiquette “ Rossy “ for various products of soaps.
- Brand etiquette “ Burung Merak “ for various products of coconut oil, cooking oil and margarine.
- Brand etiquette “ Tawon “ for various products of coconut oil, cooking oil, margarine and jam.
- Brand etiquette “ Segar “ for various products of bath soap.
- Brand etiquettes “Rose Brand” for various product of coconut oil, cooking oil, margarine, butter and consumable fat.

Each of the brand etiquette is attached to the certificates of trademark held by the Company, which has a term of 10 years since the date of its registration.

11. Land Rental Agreements

In January 1997, the Company and its subsidiaries entered into rental agreements with Widarto and Santoso Winata, for the use of the land in Bandar Lampung, where the Company and its subsidiaries’ factories and offices are located, for 30 years until December 31, 2026. The rental for the use of the land located in Bandar Lampung amounts to Rp 350,000 thousand per year.

In January 2002, the rental agreements for the use of land in Bandar Lampung, where the Company factory and office are located, were amended with annual rental charges amounting to Rp 500,000 thousand. Rental charges for the succeeding years will be determined based on the agreement of both parties. The rental agreement has matured in December 2009 and has been extended up to December 2011, with annual rental charges amounting to Rp 500,000 thousand.

12. Agreement on Building Rental with PT Budi Delta Swakaya (BDS)

In October 1998, the Company entered into rental agreements with BDS for the use of the building spaces in Jakarta with rental fee of Rp 117 thousand (equivalent to US\$ 13) per square meter per month and service fee of Rp 69.30 thousand (equivalent to US\$ 7.7) per square meter per month. The rental agreements have been extended several times, every 2 years, and will mature on September 30, 2012 and March 31, 2014, respectively.

13. Distributor Agreement

In a distributor agreement dated January 7, 1997, the Company appointed PT Sungai Budi as distributor of palm cooking oil, coconut cooking oil, soap, stearine, fatty acid and copra expeller in Indonesia for three years until December 31, 1999.

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Under the agreement, the Company is not permitted to market these products in Indonesia through other distributors without the approval from PT Sungai Budi. The credit term is three months after the delivery date. The selling price to PT Sungai Budi is determined based on the average of PT Sungai Budi's selling price to customers less Rp 26.75 per kilogram. The selling price is subject to change anytime and is adjusted for inflation and increase in prices of fuel.

In PT Sungai Budi's letter dated January 7, 1997, the Company obtained the approval to market some of the Company's products, such as laundry and bath soap in Indonesia, through PT Budi Aneka Cemerlang which is domiciled in Tangerang.

The distributorship agreement has been amended several times with respect to amendment period and selling price.

On December 30, 2009, an amendment was made to extend the validity of the distributorship agreement until December 31, 2012.

The most recent amendment on the selling price was made on December 3, 2010, wherein it was agreed that the change in the selling price to PT Sungai Budi will be based on the average of PT Sungai Budi's selling price to customers less Rp 220 per kilogram for coconut and palm cooking oil, and its derivative products, and less Rp 110 per kilogram for laundry cream soap, laundry bar soap and bath soap.

14. Agreement on Building Rental

In May 1999, the Company and its subsidiaries entered into a rent agreement with Widarto, related party, for the use of the building space located in Bandar Lampung for 10 years until May 3, 2019. The annual rental is Rp 48,800 thousand.

15. Use of the Logo "Sungai Budi"

Based on the agreement dated July 26, 1999, between PT Sungai Budi and The Company, PT Sungai Budi as the owner of the Logo "Sungai Budi", granted a non-exclusive and non-transferrable license to the Company to use the Logo. For such use, PT Sungai Budi will not require or receive any royalty or interest income from the Company. This agreement can be terminated upon approval of both parties.

16. Agreement on Land usage of Menggala Project

In January 2006 and 2005, PT Budinusa Ciptawahana (BNCW), a subsidiary, has signed an agreement with Oey Albert and Widarto for the use of land in Menggala, Tulang Bawang, for an area approximately 27 hectares and 200 hectares, respectively. This land is used for orange plantation. BNCW will not be charged for any fee on the usage of land in Menggala.

17. Agreement on CPO Refinery

On September 1, 2010, the Company and PT Budi Nabati Perkasa (BNP) entered into a CPO processing agreement, wherein the Company will process the CPO owned by BNP into palm derivative products such as olein, stearin, and palm fatty acid). For CPO processing, BNP shall pay the Company (exclude Value Added Tax) Rp 350 per kilogram for Olein CP 10 and Rp 450 per kilogram for Olein CPO 6. This agreement is valid up to August 31, 2012.

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36. DERIVATIVE INSTRUMENTS

As of December 31, 2008, the Company has outstanding derivative contracts i.e. Callable Forwards and Target Redemption Forward with certain counterparties (banks) with a total notional amount of US\$ 347,000 thousand, i.e., PT Bank Danamon Indonesia Tbk, PT Bank Permata Tbk, Standard Chartered Bank Jakarta Branch (SCB), and Citibank N.A. Jakarta Branch (Citibank). These derivative contracts have maturity dates between June 30, 2009 to June 20, 2010. The strike prices of these derivative instruments range from Rp 9,500 – Rp 10,177 per US\$ 1.

During 2009, the Company has settled outstanding notional amount of certain derivative contracts amounting to US\$ 230,000 thousand with PT Bank Danamon Indonesia Tbk, PT Bank Permata Tbk, and SCB. The settlement of the aforementioned derivative contracts resulted to net loss on settlement of Rp 97,200,000 thousand which was included in the beginning balance “Retained Earnings” and “Other Payables” in 2009 consolidated financial statements (Notes 22).

As of date of completion of the consolidated financial statements, the Company is still in negotiation process with respect to the settlement of the remaining outstanding derivative contracts with notional amount of US\$ 117,000 thousand. The Company estimates the settlement amount of these derivative contracts to be US\$ 10,000 thousand and has recorded the estimated losses on these derivative contracts amounting to US\$ 10,000 thousand in the beginning balance of “Retained Earnings” and “Other Current Liabilities” in the 2009 consolidated financial statements (Notes 22).

This liabilities will be settled by cash settlement amounted to USD 3,500 thousand (has been settled on August 18, 2011) and by 200,000,000 new shares settlement of the company’s share. For this issuing the 200,000,000 new shares, without preemptive right will be ask for the shareholder’s approval on Extra ordinary General meeting which will be held on November 9, 2011.

37. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The main risks arising from the Company and its subsidiaries financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The operational activities of the Company and its subsidiaries are managed in a prudential manner by managing those risks to minimize potential losses.

Interest Rate Risk

Interest rate risk is the risk that the fair value or contractual future cash flows of a financial instrument will be affected due to changes in market interest rates. The Company and its subsidiaries’ exposure to interest rate risk relates primarily to bank loan.

To minimize interest rate risk, the Company and its subsidiaries manage interest cost by evaluating market rate trends. Management also conducts assessments of interest rates offered by banks to obtain the most favorable interest rate before taking any decision to enter new loan agreement.

The following table sets out the carrying amount, by maturity, of the Company and its subsidiaries financial assets and liabilities that are exposed to interest rate risk:

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September 30, 2011

	Interest rate %	Maturity					Total Rp '000
		<= 1 year Rp '000	1 - 2 years Rp '000	2 - 3 years Rp '000	3 - 5 years Rp '000	> 5 years Rp '000	
Assets							
Fixed rate							
Cash and cash equivalents	7,00% - 8,50%	281,457,501	-	-	-	-	281,457,501
Short-term investment	11,30%	10,400,000	-	-	-	-	10,400,000
Liabilities							
Fixed rate							
Finance lease liabilities	8,45% - 21,00%	10,830,871	9,618,018	3,057,556	-	-	23,506,445
Borrowing	5,70% - 11,48%	3,832,488	4,190,416	1,695,090	-	-	9,717,994
Long term bank loans	5,25% - 12,50%	2,326,249	2,415,698	1,084,411	-	-	5,826,358
Floating rate							
Short term bank loans							
- Rupiah	11,00% - 11,50%	117,066,032	-	-	-	-	117,066,032
- US\$	5,63% - 7,00%	604,425,580	-	-	-	-	604,425,580
Long term bank loans							
- Rupiah	11,50%	45,000,000	70,000,000	83,354,399	-	-	198,354,399
- US\$	6,28% - 7,00%	52,938,000	57,349,500	61,761,000	136,756,500	88,230,000	397,035,000

*) Interest rate in Rupiah

December 31, 2010

	Interest rate %	Maturity					Total Rp '000
		<= 1 year Rp '000	1 - 2 years Rp '000	2 - 3 years Rp '000	3 - 5 years Rp '000	> 5 years Rp '000	
Assets							
Fixed rate							
Cash and cash equivalents	7,00% - 8,50%	237,351,849	-	-	-	-	237,351,849
Short-term investment	11,30%	10,033,300	-	-	-	-	10,033,300
Liabilities							
Fixed rate							
Finance lease liabilities	8,45% - 21,00%	11,054,976	5,408,660	1,125,583	-	-	17,589,219
Borrowings	5,70% - 11,48%	1,897,267	2,107,702	1,682,145	-	-	5,687,114
Long term bank loans	5,25% - 12,50%	2,964,774	1,520,301	999,355	-	-	5,484,430
Floating rate							
Short term bank loans							
- Rupiah	11,00% - 11,50%	97,080,403	-	-	-	-	97,080,403
- US\$	5,63% - 7,00%	599,635,180	-	-	-	-	599,635,180
Long term bank loans							
- Rupiah	11,50%	13,750,000	51,250,000	74,858,850	35,958,661	-	175,817,511
- US\$	6,28% - 7,00%	55,680,498	53,101,350	57,895,739	130,277,052	143,066,818	440,021,457

*) Interest rate in Rupiah

Foreign Exchange Risk

Exchange rate risk is the risk that the fair value or future contractual cash flows of a financial instrument will be affected due to changes in exchange rates. The Company and its subsidiaries exposure to foreign exchange risk relates primarily with bank loans.

To manage the risk of foreign currency exchange rates, the Company converted foreign currency denominated debts to Rupiah currency.

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In addition to bank loans, the Company and its subsidiaries have transactional currency exposures. The exposure arising from transactions conducted in currencies other than the functional currency of the operating unit or the counterparty. Foreign currency exposures of the Company and its subsidiaries are the amount is not material is only minimal.

At balance sheet dates, the conversion rates used by the Company and its subsidiaries are as follows:

	<u>2011</u>	<u>2010</u>
	Rp	Rp
Foreign Currency		
US\$ 1	8,823	8,991
EURO 1	11,956	11,956

As of September 30, 2011 and December 31, 2010, the Company and its subsidiaries have monetary assets and liabilities in US Dollar as follows:

	<u>September 30, 2011</u>			<u>December 31, 2010</u>		
	<u>US\$ '000</u>	<u>EURO '000</u>	<u>Equivalent in Rp '000</u>	<u>US\$ '000</u>	<u>EURO '000</u>	<u>Equivalent in Rp '000</u>
Assets						
Cash and cash equivalents	8,390	32	74,410,711	17,885	136	162,434,287
Trade accounts receivable	2,473	-	21,822,040	8,742	-	78,602,664
Other current assets - guarantee deposits	1,250	-	11,028,750	750	-	6,743,250
Total assets	<u>12,113</u>	<u>32</u>	<u>107,261,501</u>	<u>27,377</u>	<u>136</u>	<u>247,780,201</u>
Liabilities						
Short-term bank loans	68,506	-	604,425,580	66,693	-	599,635,180
Trade accounts payable	4,799	-	42,338,523	-	-	-
Current portion of long-term liabilities						
Long-term bank loans	6,000	-	52,938,000	6,193	-	55,680,502
Advances received	41,700	-	367,919,100	39,351	-	353,804,309
Other payables	225	-	1,985,175	300	-	2,697,300
Long-term liabilities - net of current maturities						
Long-term bank loans	39,000	-	344,097,000	43,748	-	393,339,371
Advances received	20,000	-	176,460,000	19,160	-	172,264,538
Other payables	-	-	-	175	-	1,573,425
Other current liabilities	6,500	-	57,349,500	10,000	-	89,910,000
Total liabilities	<u>186,730</u>	<u>-</u>	<u>1,647,512,878</u>	<u>185,620</u>	<u>-</u>	<u>1,668,904,625</u>
Net Liabilities	<u>174,618</u>	<u>(32)</u>	<u>1,540,251,377</u>	<u>158,242</u>	<u>(136)</u>	<u>1,421,124,424</u>

Credit Risk

Credit risk is the risk that the Company and its subsidiaries will incur a loss arising from the customers or counterparties due to failure to meet contractual obligations. Management believes that there are no significant concentrations of credit risk. The Company and its subsidiaries control the credit risk by doing business relationships with other parties who are credible, setting verification and authorization policies of credit, and monitor the collectibility of receivables on a regular basis to reduce the amount of bad debts.

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The table below shows the Company and its subsidiaries exposures related to credit risk as of September 30, 2011 and December 31, 2010:

	September 30, 2011		December 31, 2010	
	Gross amounts	Net amounts	Gross amounts	Net amounts
	Rp '000	Rp '000	Rp '000	Rp '000
Loans and receivables				
Cash and cash equivalent	281,457,501	281,457,501	237,351,849	237,351,849
Short-term investment	10,400,000	10,400,000	10,033,300	10,033,300
Trade accounts receivable	215,289,051	215,289,051	224,146,244	224,146,244
Other accounts receivable	7,001,950	7,001,950	5,753,891	5,753,891
Other current assets				
- Guarantee deposit	21,647,104	21,647,104	13,103,632	13,103,632
- Interest receivable on time deposits	-	-	504,376	504,376
Other noncurrent assets - related party	9,364,150	9,364,150	6,207,226	6,207,226
Total	545,159,756	545,159,756	497,100,518	497,100,518

Liquidity Risk

Liquidity risk is a risk arising when the cash flow position of the Company and its subsidiaries is not enough to cover the liabilities which become due.

Liquidity needs of the Company and its subsidiaries primarily arises from the need to finance investment and capital expenditures for expansion and new planting of new oil palm.

In the management of liquidity risk, management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Company operations and to mitigate the effects of fluctuation in cash flows. Management also regularly evaluates the projected and actual cash flows and continuously assess conditions in the financial markets for opportunities to obtain optimal funding sources.

The table below summarizes the maturity profile of financial assets and liabilities based on contractual undiscounted payments as of September 30, 2011 and December 31, 2010.

September 30, 2011

	<= 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total	Transaction Costs	As Reported
	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000
Assets								
Cash and cash equivalents	288,384,285	-	-	-	-	288,384,285	-	288,384,285
Short-term investment	10,400,000	-	-	-	-	10,400,000	-	10,400,000
Trade accounts receivable	215,289,051	-	-	-	-	215,289,051	-	215,289,051
Other accounts receivable	7,001,950	-	-	-	-	7,001,950	-	7,001,950
Other current assets	21,647,104	-	-	-	-	21,647,104	-	21,647,104
Due from related parties	9,364,150	-	-	-	-	9,364,150	-	9,364,150
Total	552,086,540	-	-	-	-	552,086,540	-	552,086,540
Liabilities								
Short-term bank loans	721,491,612	-	-	-	-	721,491,612	-	721,491,612
Trade accounts payable	232,719,956	-	-	-	-	232,719,956	-	232,719,956
Accrued expenses	36,015,869	-	-	-	-	36,015,869	-	36,015,869
Other current liabilities	62,493,221	-	-	-	-	62,493,221	-	62,493,221
Due to related parties	-	-	-	-	-	-	-	-
Long term bank loans	100,264,249	129,765,198	146,199,810	136,756,500	88,230,000	601,215,757	(7,172,825)	594,042,931
Borrowings	3,832,488	4,190,416	1,695,090	-	-	9,717,994	-	9,717,994
Finance lease liabilities	10,830,871	9,618,018	3,057,556	-	-	23,506,445	-	23,506,445
Due to stockholders	-	-	-	-	8,689,265	8,689,265	-	8,689,265
Total	1,167,648,266	143,573,632	150,952,456	136,756,500	96,919,265	1,695,850,119	(7,172,825)	1,688,677,293
Maturity gaps assets and liabilities	(615,561,726)	(143,573,632)	(150,952,456)	(136,756,500)	(96,919,265)	(1,143,763,579)	7,172,825	(1,136,590,753)

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December 31, 2010

	<= 1 year Rp '000	1-2 years Rp '000	2-3 years Rp '000	3-5 years Rp '000	> 5 years Rp '000	Total Rp '000	Transaction Costs Rp '000	As Reported Rp '000
Assets								
Cash and cash equivalents	242,981,146	-	-	-	-	242,981,146	-	242,981,146
Short-term investment	10,033,300	-	-	-	-	10,033,300	-	10,033,300
Trade accounts receivable	224,146,244	-	-	-	-	224,146,244	-	224,146,244
Other accounts receivable	5,753,891	-	-	-	-	5,753,891	-	5,753,891
Other current assets	13,608,908	-	-	-	-	13,608,908	-	13,608,908
Due from related parties	6,207,228	-	-	-	-	6,207,228	-	6,207,228
Total	502,730,715	-	-	-	-	502,730,715	-	502,730,715
Liabilities								
Short-term bank loans	696,715,583	-	-	-	-	696,715,583	-	696,715,583
Trade accounts payable	176,756,260	-	-	-	-	176,756,260	-	176,756,260
Accrued expenses	28,846,580	-	-	-	-	28,846,580	-	28,846,580
Other current liabilities	94,649,618	-	-	-	-	94,649,618	-	94,649,618
Due to related parties	777,278	-	-	-	-	777,278	-	777,278
Long term bank loans	73,419,604	106,506,471	134,457,238	168,575,911	143,856,000	626,815,224	(8,998,417)	617,816,807
Borrowings	1,897,267	2,107,702	1,682,145	-	-	5,687,114	-	5,687,114
Finance lease liabilities	11,054,976	5,408,660	1,125,583	-	-	17,589,219	-	17,589,219
Due to stockholders	-	-	-	-	8,689,265	8,689,265	-	8,689,265
Total	1,084,117,166	114,022,833	137,264,966	168,575,911	152,545,265	1,656,526,141	(8,998,417)	1,647,527,724
Maturity gaps assets and liabilities	(581,386,451)	(114,022,833)	(137,264,966)	(168,575,911)	(152,545,265)	(1,153,795,426)	8,998,417	(1,144,797,009)

38. ACCOUNT RECLASSIFICATION

	After Reclassification (9 months) 2010 Rp' 000	Before Reclassification (9 months) 2010 Rp' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments to suppliers, employees and others	(1,867,721,104)	(1,821,483,932)
Payment of interest and financial charges	(29,207,681)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(176,559,692)	(194,160,737)
Acquisitions of Plantations	(67,994,051)	(96,630,178)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest and financial charges	-	(29,207,681)