PT TUNAS BARU LAMPUNG Tbk
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2009 AND 2008

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PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2009 AND 2008

	Notes	2009	2008
		Rp '000	*Rp '000*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d,g & 3,26	154,374,549	157,725,540
Trade accounts receivable			
Related parties	2d,h,4,23 & 26	153,532,714	247,139,806
Third parties	2d,h & 4	64,988,621	-
Other accounts receivable -net		4,307,253	12,634,926
Inventories - net of allowance for decline in value and inventory obsolescence of Rp. 960.212 thousand in 2009 and in 2008	2i & 5	381,185,186	460,496,501
Advances	2d	279,510,620	173,069,448
Prepaid taxes		90,078,008	50,542,394
Prepaid expenses	2j	3,869,744	15,514,588
Total Current Assets		**1,131,846,695**	**1,117,123,202**
NONCURRENT ASSETS			
Due from related parties	2e,h,6 & 23	1,163,069	35,394,093
Due from plasma	2k & 25	10,051,505	17,376,877
Deferred tax assets	2w & 21	2,765,507	1,603,792
Real estate assets	2i,r,7, & 23	21,215,476	22,112,907
Plantation			
Matured Plantation - net of accumulated depreciation of Rp 139.583.481 thousand in 2009 and Rp 115.978.850 thousand in 2008	2m,r & 8	286,589,360	240,005,930
Immatured Plantation	2m,r,t & 8	427,724,680	365,630,960
Property, plant and equipment - net of accumulated depreciation of Rp 542.330.958 thousand in 2009 and Rp 450.346.465 thousand in 2008	2n,r & 9	944,855,105	925,159,533
Property for lease - net of accumulated depreciation of Rp 8.043.356 thousand in 2009 and Rp 5.311.618 thousand in 2008	2d,n,r &10	14,131,356	15,029,194
Property not used in operations	2n & 2r	4,745,025	3,698,146
Other Deferred charges	2o	12,980,967	23,810,852
Total Noncurrent Assets		**1,726,222,050**	**1,649,822,284**
TOTAL ASSETS		**2,858,068,744**	**2,766,945,486**

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, 2009 AND 2008 (Continued)

	Notes	2009	2008
		Rp '000	*Rp '000*
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	11		
Third Parties		163,194,867	120,558,319
Taxes payable	2w & 12	26,030,398	85,667,421
Accrued expenses	2e & 22	11,689,121	15,017,697
Short Term Bank loans	2d,e & 13, 26	172,273,826	107,412,971
Advanced received	2d, s, & 14, 26	479,912,233	406,682,638
Current portion of long-term liabilities :			
Bank loans	2d & 16, 26	129,942,817	88,697,124
Bank loans - Power Plant	2d & 15, 26	11,532,898	11,171,768
Finance Lease Liabilities	2n	12,681,158	5,552,514
Other current liabilities		5,735,999	3,083,580
Total Current Liabilities		**1,012,993,317**	**843,844,031**
NONCURRENT LIABILITIES			
Due to related parties	2e,6 & 23	1,943,917	609,865
Due to shareholders	2e ,23	8,689,265	8,689,265
Defined-benefits post-employment reserve	2u	35,854,350	30,680,774
Deferred tax liabilities	2w & 21	61,866,190	64,750,931
Advances received	2d, s, & 14, 26	61,662,405	65,270,880
Long-term liabilities - net of current portion :			
Bank loans	2d & 16	516,877,829	606,025,470
Bank loans - Power Plant	2d & 15, 26	14,413,668	25,134,480
Finance Lease Liabilities	2e,n	11,405,940	13,562,649
Other liabilities		4,858,059	18,729
Total Noncurrent Liabilities		**717,571,623**	**814,743,043**
MINORITY INTEREST IN NET ASSETS OF THE SUBSIDIARIES		**6,017,806**	**5,380,344**
EQUITY			
Capital stock - par value of Rp 125 per share Authorized - 6,400,000,000 shares in 2009 and in 2008 Issued and paid-up - 4.170.070.993 shares in 2009 and 4.170.063.493 shares in 2008	17	521,258,874	521,257,937
Treasury Stock - 70.293.500 shares in 2009	2p, 17	(8,786,688)	(20,010,698)
Additional paid-in capital - net	2s,17	156,701,187	173,453,468
Difference in value of restructuring transaction between entities under common control	2v	74,487	74,487
Retained earnings			
Appropriated	22	3,500,000	3,500,000
Unappropriated		448,738,138	424,702,872
Total Equity		**1,121,485,998**	**1,102,978,066**
TOTAL LIABILITIES AND EQUITY		**2,858,068,744**	**2,766,945,486**

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 INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2009 AND 2008

	Notes	2009	2008
		Rp '000	*Rp '000*
NET SALES	2e, s, 18, & 24	2,113,673,032	3,131,987,222
COST OF GOODS SOLD	2e, s, 19, & 24	1,768,095,419	2,399,165,136
GROSS PROFIT		**345,577,613**	**732,822,086**
OPERATING EXPENSES	2s & 20		
Selling		72,449,302	325,048,780
General and administrative	2e,t, 11 & 23	63,518,405	63,534,168
Total Operating Expenses		**135,967,707**	**388,582,948**
INCOME FROM OPERATIONS		**209,609,906**	**344,239,138**
OTHER INCOME (CHARGES)	2s		
Gain (loss) on foreign exchange - net	2 y, & 25	124,392,223	55,055,643
Interest income		8,384,940	6,396,516
Interest expense and financial charges	2c,t,13,17,& 26	(62,194,585)	(46,643,324)
Others - net	2d	12,887,903	9,344,353
Other Income (Charges) - Net		**83,470,481**	**24,153,188**
INCOME BEFORE TAX		**293,080,387**	**368,392,326**
TAX EXPENSE			
Current Tax	2w, 21	(37,933,035)	(88,412,421)
Deferred Tax	2w, 21	(20,572,290)	(6,385,182)
TAX EXPENSES		**(58,505,325)**	**(94,797,603)**
INCOME BEFORE MINORITY INTEREST IN NET PROFIT OF SUBSIDIARIES		**234,575,062**	**273,594,723**
MINORITY INTEREST IN NET PROFIT OF THE SUBSIDIARIES	2c	(1,210,138)	(917,146)
NET INCOME		**233,364,925**	**272,677,577**
BASIC EARNINGS PER SHARE (in full Rupiah)	2x	56	65

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, 2009 AND 2008

	Capital Stock	Treasury Stocks	Additional Paid - in Capital	Difference in value of restructuring transactions between entities under common control	Retained Earnings Appropriated	Retained Earnings Unappropriated	Total Equity
	Rp' 000		*Rp' 000*	*Rp' 000*	*Rp' 000*	*Rp' 000*	*Rp' 000*
Balance as of Januari 1, 2008	520,397,312	-	173,453,468	74,487	3,000,000	238,034,370	934,959,637
Net income of January - Sept 30, 2008	-	-	-	-	-	272,677,577	272,677,577
Cash Dividen	-	-	-	-	-	(85,509,076)	(85,509,076)
Treasury Stock	-	(8,380,438)	-	-	-	-	(8,380,438)
Additional Paid-up Capital from the conversion of warrants	860,625	-	-	-	-	-	860,625
Appropriation for general reserve	-	-	-	-	500,000	(500,000)	-
Balance as of Sept 30, 2008	**521,257,937**	**(8,380,438)**	**173,453,468**	**74,487**	**3,500,000**	**424,702,871**	**1,114,608,325**
Net Income of Oct 01 - December 31, 2008	-	-	-	-	-	(209,340,804)	(209,340,804)
Treasury Stocks	-	-	-	-	-	-	-
Additional Paid-up Capital from the conversion of warrants	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	11,146	11,146
Excess of acquisition cost of treasury stocks over par value	-	-	(16,506,125)				(16,506,125)
Balnace as of December 31, 2008	**521,257,937**	**(8,380,438)**	**156,947,343**	**74,487**	**3,500,000**	**215,373,213**	**888,772,542**
Net Income of Januari 1 - Sept 30, 2009	-	-	-	-	-	233,364,925	233,364,925
Treasury Stocks	-	(406,250)	-	-	-	-	(406,250)
Additional Paid-up Capital from the conversion of warrants	937	-	-	-	-	-	937
Excess of acquisition cost of treasury stocks over par value	-	-	(246,156)	-	-	-	(246,156)
Balance as of Sept 30, 2009	**521,258,874**	**(8,786,688)**	**156,701,187**	**74,487**	**3,500,000**	**448,738,138**	**1,121,485,998**

See accompanying notes to consolidated financial statements

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2009 AND 2008

	2009	2008
	Rp '000	*Rp '000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,982,221,090	3,111,847,495
Cash payments to suppliers, employees and others	(1,997,339,665)	(2,782,410,886)
Payment of income tax	(16,420,696)	(18,700,157)
Net Cash Provided (used for) by Operating Activities	**(31,539,271)**	**310,736,453**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(77,020,413)	(162,368,475)
Acquisitions of Plantations	(78,040,879)	(89,109,866)
Acquisitions of Properties for lease	(378,145)	(11,559,231)
Receipts from due from plasma	24,936,527	32,208,136
Withdrawal of Negotiable Certificates Deposits	113,967,500	124,419,000
Placement in Negotiable Certificates of Deposits	(12,500,000)	(64,541,000)
Receipts from (Payments to) related parties	4,548,307	(18,660,107)
Net Cash Used in Investing Activities	**(24,487,103)**	**(189,611,543)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional of short-term bank loans	3,652,203	9,907,519
Payment of long-term bank loans	(82,128,959)	(21,245,859)
Payment of lease liabilities	(10,222,253)	(7,739,237)
Additonal (Deduction) of other deferred charges	4,044,101	(13,419,693)
Proceeds from Warant Series I	938	860,625
Payment from reacquisition of treasury stocks	(652,406)	(20,010,698)
Payment of interest and financial charges	(62,194,585)	(46,643,324)
Payment of Cash Dividend		(85,509,076)
Net Cash Used in Financing Activities	**(147,500,962)**	**(183,799,743)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(203,527,336)**	**(62,674,833)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**357,901,885**	**220,400,373**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**154,374,549**	**157,725,540**

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

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 SH, 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 Notarial deed No.05 dated January 09, 2009 of Mrs. Kartuti Suntana Sastraprawira, S.H., notary public in Jakarta, concerning the changes in the Articles of Association to be in accordance with the provisions of Republic of Indonesia Law No. 40 Year 2007 regarding Limited Liability Company. The amendment of the Articles of Association was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision Letter No. AHU – 12894.A.H.01.02 TH 2009 dated April 15, 2009.

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 export and import. Currently, the Company is engaged mainly in manufacturing palm cooking oil, coconut cooking oil, crude coconut oil, crude palm oil (CPO) and soap, and in palm and hybrid plantations. 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 and West Kalimantan, while the plantations of the subsidiaries are located at Central Lampung, North Lampung, Palembang and Jambi.

The Company is under the business groups of Sungai Budi. As of September 30, 2009 and 2008, based on Notarial Deed No. 07 dated June 27,2007 of Mrs. Kartuti Suntana S., S.H., notary public in Jakarta, The Company's management consisted of the folowing:

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

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 par value of Rp. 500 per share.

Through letter No. 033/BP/CS/Y/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 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 3 shares has the right to purchase 6 new shares, wherein for every 6 new shares, one Series I Warants is attached, free of charge. The total Series I Warants of 538.462.400 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.

The Right 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 the Rights Issue I amounted to Rp 313.602.356 thousand (for 2.508.818.846 shares) and it has been received by the Company in July 2006.

As of June 30, 2009, all of the Company's shares totaling 4.170.070.993 shares, with a par value of Rp 125 per share, were listed in the Indonesia Stock Exchange.

c. Consolidated Subsidiaries

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

Subsidiary	*Domicile*	*Nature of Business*	*Percentage of Ownership*	*Year of Incorporation*
Direct Ownership				
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	98.33%	1999
PT Bangun Tatalampung Asri (BTLA)	Lampung	Palm Plantation and real estate	99.71%	2000
PT Agro Bumi Mas (ABM)	Lampung	Manufacturing of crude palm oil	90.00%	2003
PT Mulya Mandra Mukti (MMM)	Jakarta	Palm Plantation	86.98%	2007
Indirect Ownership				
PT Bumi Perkasa Gemilang (BPG)	Kalimantan Barat	Palm Plantation	73.93%	2003
PT Abadi Mulia Sentosa (AMS)	Lampung	Palm Plantation	60.88%	2005

The plantations of the Company are located at Central Lampung, North Lampung, Palembang and Jambi with total area of approximately 86,5 thousand hectares. The planted area is approximately 48 thousand hectares.

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

On September 3, 2007, the Company has acquired 88% ownership interest in MMM, for a total acquisition cost of Rp. 2.200.000 thousand. On October 9, 2007, MMM increased its paid up capital to Rp. 3.925.000 thousand by issuing shares to its existing stockholders. However, the Company has made additional investment of only Rp. 3.414.000 thousand which is not in proportion to its existing ownership interest of 88%. Accordingly, the ownership interest of the Company in MMM was diluted from 88% to 86,98%.

On September 25, 2007, MMM, a subsidiary, has acquired 85% ownership interest in BPG for a total acquisition cost of Rp. 2.125.000 thousand.

On October 8, 2007, MMM, a subsidiary, has acquired 70% ownership interest in AMS for a total acquisition cost of Rp. 210.000 thousand, and further increased its ownership amounting to Rp. 1.750.000 thousand on December 4, 2007.

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 regulation of the Capital Market supervisory Agency (Bapepam) (currently Bapepam – LK). 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, such as inventories, real estate assets and property not used in operation which are stated at the lower of cost and net realized value. The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting.

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 figure presented in the consolidated financial statements are stated in thousand of Rupiah.

b. Adoption of Revised Statements of Financial Accounting Standards (PSAKs)

<u>Revised PSAK Effective Subsequent to 2008</u>

The Company and its subsidiaries had adopted the following revised PSAKs beginning January 1, 2008:

(1) PSAKs No. 16 (Revised 2007),"Fixed Assets", prescribes the accounting treatment for property, plant and equipment and provides, among others, for the recognition of the assets, determination of their carrying amounts, depreciation and impairment losses. In addition the standard requires the inclusion of the cost of dismantling, removal or restoration of an assets as part of the cost of an item of property, plant and equipment and requires the entity to chooses between the cost model and the revaluation model as the accounting policy for its property, plant and equipment. The company and its subsidiaries elected to use the cost model in accounting for their property, plant and equipment. The adoption of this standard has been applied on a retrospective basis.

(2) PSAKs No. 30 (Revised 2007), "Lease", prescribes for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases. This standard provides for the classification of leases based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee, and the substance of the transaction rather than the form of the contract. The adoption of this standard has been applied on a prospective basis.

The adoption of the above standards has no material impact on the company and its subsidiaries' consolidated financial statements.

(3) PSAKs No. 13 (Revised 2007), "Investment Property", which provides for the recognition, measurement of and disclosures for investment property. Among others, this standard applies to the measurement in a lessee's financial statements of investment property interests held under a lease accounted for as a finance lease. This standard permits the Company and its subsidiaries to choose between the cost model and the fair value model for all its investment properties.

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

The Company and its subsidiaries will adopt the following revised PSAKs when these become effective:

(1) PSAKs No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", contains the requirements for the presentations 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 the related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This standard requires the disclosure, among others, of information about factors that affect the among, timing and certainly of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments. PSAKs No. 50 (Revised 2006) supersedes PSAKs No. 50, "Accounting for certain Investments in Securities", and is to be applied prospectively, beginning January 1, 2010.

(2) PSAKs No. 55 (Revised 2006), "Financial Instruments: recognition and Measurement", establishes the principles for recognizing and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items. This standard provides for the definitions and characteristic of a derivatives, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others. PSAKs No. 55 (Revised 2006) supersedes PSAKs No. 55, "Accounting for Derivative Instruments and Hedging Activities", and is to be applied prospectively, beginning January 1, 2010.

The above standard were originally applicable to consolidated financial statements covering periods beginning on or after January 1, 2009. However, on December 30,2008, Dewan Standar Akuntansi Keuangan – Ikatan Akuntansi Indonesia (DSAK-IAI) has announced the postponement of the effectivity of the above standards for a year through its letter No. 1705/DSAK/IAI/XII/2008, thus, making the standards applicable beginning January 1, 2010.

(3) PSAKs No. 14 (Revised 2008), "Inventories", provides guidelines for determination of cost of inventories at initial recognition and requires that inventories be subsequently measured at the lower of cost and net realizable values. This standard reduces the alternatives for measurement of cost of inventories. It does not oermit the use of the last – in, first – out formula to measure the cost of inventories and requires the Company to use the same allowed cost formula for all inventories with the same characteristics and functions. PSAKS no. 14 9 (Revised 2008) which supersedes PSAK No. 14 (1994) "Inventories" is effective beginning January 1, 2009 and is to be applied retrospectively.

The Company and its subsidiaries are still evaluating the effects of these revised PSAKs and have not yet determined the related effects on the consolidated financial statements.

c. Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries, wherein the Company has direct or indirect ownership interest of more than 50% of the voting rights of the subsidiary's capital stock and 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 operation of that entity are included in the consolidated financial statements only from the date that the control commenced up to the date that the controlled ceased.

Intercompany balances and transactions, including unrealized gains or losses on inter company 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 policy for like transactions and events in similar circumstances. If a subsidiary's financial statements uses 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 stockholder's 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 a consolidated subsidiary 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 extend that the minority has a binding obligation to, and is able to, absorb such losses and the minority stockholders can settle their obligation. If the subsidiary subsequently reports profits, such profits shall be 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.

When the cost of the acquisition is less than the interest of the Company in the fair value of the net assets of the subsidiaries, the excess is recognized as negative goodwill and is amortized using the straight – line method over 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. Majority of the balances and transaction in foreign currencies are denominated in the United States Dollar. 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.

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.

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. Account Receivable

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

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

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 Plasma Projects

Due from 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 on the collectability of the differences between development costs and amount financed by the bank.

l. Real Estate Assets

Real estate assets consist of accumulated cost paid in relation to the construction of building (plaza, kiosks and shophouses) under a Build, Operate and Transfer (BOT) agreement, the term used rights (*hak pakai berjangka*) of which are being sold separately. The remaining units available for sale are stated at cost or net realized value, whichever is lower. Cost is determined using the average cost method based on the saleable area of the units. Net realizable value is the estimated selling prices in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

m. Plantations

Mature Plantations

Palm and hybrid coconut 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, hybrid coconut, 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:

	Years
Palm and hybrid coconut plantations	25
Orange plantations	10

Depreciation of pineapple plantations is computed using the following rates:

	Rates
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, hybrid coconut, 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.

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

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

Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance cost, 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 cost of property, plant and equipment. Depreciation is computed on a straight-line basis over the property, plant and equipment's useful lives as follows:

	Years
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 evens 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 assets'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.

– ***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.

– ***Property Not Used in Operations***

Property not used in operations is stated at the lower of carrying value and net realizable value.

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

- ***Leases***

Effectively January 1, 2008, Finance leases which transfer to the Company or its subsidiaries (as lessee) substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at their 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 in the remaining balance of the liability. Finance charges are charged directly against consolidated statements of income.

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

Lease where the Company or its subsidiaries (as lessor) retain substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Initial directs costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term in the same basis as rental income.

Prior to January 1, 2008, lease transactions are accounted for under the capital lease method when all of the following criteria are met:

1) The lessee has the option to purchase the leased asset at the end of the lease term at a price mutually agreed upon at the inception of the lease agreement.

2) All periodic lease payments made by the lessee plus residual value shall represent a return of the cost of leased asset and interest thereon as the profit of the lessor.

3) Minimum lease period is two years.

Lease transactions that do not meet the above criteria are recorded as operating leases.

Finance lease transaction are treated and recorded as leased assets included in “Property, plant and equipment” and lease liabilities as “ Finance leased liabilities “ at the inception of the lease term. The leased assets and lease liabilities under the capital lease method are recorded at the present value of the total lease installment payments plus residual value (option price) to be paid by the lessee at the end of lease term. During the lease term, each lease payment is allocated and recorded as repayment of the lease liabilities and interest expenses thereon based on an interest rate applied to the carrying amount of the related lease liabilities.

Leased assets are depreciated using the same method and estimated useful lives used for directly acquired property, plant and equipment.

o. Deffered Charges on Landrights

Deffered 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.

p. 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.

q. Stock Issuance Costs

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

r. 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.

s. 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;
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).

t. 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.

u. 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 expenses in the consolidated statements of income.

Post-employment benefits

Post-employment benefits are unfounded 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.

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

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.

w. Income Tax

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

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 reduce 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.

x. 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.

y. Derivative Instruments and Hedging Activities

Derivatives are recognized in the consolidated balance sheets at their fair value. Derivatives assets and liabilities are presented at the amount of unrealized gains or losses on derivatives 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 losses on derivative contract is accounted for as follows :

1) Gain or losses 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 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;

3) The effective portion of the gain or loss on a derivative contract designated and qualifying as a cash flow hedging instrument is reported as a component of other comprehensive income under equity and reclassified into earnings in the same accounting period or periods during which the hedged forecasted transaction affects earnings. The effect of the hedge ineffectiveness is recognized currently in earnings; and

4) Gain or loss on a hedging derivative instrument in a hedge of a net investment in a foreign operation is reported in other comprehensive income as part of the cumulative translation adjustment under equity to the extent it is effective as a hedge.

3. CASH AND CASH EQUIVALENTS

	2009	2008
	000	*000*
Cash on Hand	7,427,889	8,065,226
Cash in Bank		
Rupiah		
Bank Rakyat Indonesia	4,472,675	2,555,003
Bank Mandiri	2,840,836	2,549,687
Bank Danamon	564,453	347,352
Bank CIMB Niaga	1,103,729	1,138,564
Bank Panin	116,767	184,636
Citibank	24,371	9,366
Bank International Indonesia	27,949	102,752
Bank Negara Indonesia	34,129	65,900
Bank Central Asia	383,316	229,249
Bank Mega	14,835	15,141
Others (each below Rp 100.000 thousand)	579,134	667,112
Subtotal	10,162,193	7,864,762
U.S. Dollar		
Bank Rakyat Indonesia	10,030,240	527,371
Bank Mandiri	4,997,514	-
ABN Amro Bank	40,952	430,524
HSBC	252,782	-
Citibank	1,376,418	1,680,784
Bank CIMB Niaga	11,531,934	960,411
Bank Rabobank International Indonesia	242,264	498,189
Natixis	197	
Bank Internasional Indonesia	247,308	201,715
Bank Central Asia	11,731	191,177
Bank Permata	141,343	159,705
Standard Chartered Bank	186,644	494,049
DBS Bank	99,786	332,792
Bank Danamon	16,108	1,178,683
Bank of Tokyo	15,021	14,616
Others (each below Rp 100.000 thousand)	94,225	584,838
Subtotal	29,284,467	7,254,854
Total Cash in Bank	39,446,660	15,119,615

	2009	2008
	000	*000*
Time Deposits on Call		
Rupiah		
PT Bank Mandiri (Persero) Tbk	12,500,000	-
Subtotal	12,500,000	-
U.S. Dollar		
PT Bank CIMB Niaga	-	7,502,400
PT Bank Danamon	-	22,038,300
PT Citibank	-	-
Subtotal	-	29,540,700
Negotiable Certificates of Deposits (NCD)		
Rupiah		
PT Bank Ganesha	50,000,000	50,000,000
PT Bank Mayapada International Tbk	45,000,000	45,000,000
PT Bank Sinar Mas		-
PT Bank Sinar Mas	-	10,000,000
Net	95,000,000	105,000,000
Total Time Deposits	107,500,000	134,540,700
TOTAL	154,374,549	157,725,540

Average interest rate per annum for deposits in 2009 ranges from 5,2% - 9,75% and 2.00% - 8,5% in 2008.

4. TRADE ACCOUNTS RECEIVABLE

	2009	2008
	Rp '000	*Rp '000*
a. By Debtor		
Related Party		
PT Sungai Budi	153,532,714	247,139,806
	153,532,714	247,139,806
Third Parties		
Local debtors		
PT Sriwijaya Oil	815,242	-
PT. Karya Sawit Lestari	790	-
Total Local debtors	816,032	-
Foreign debtors		
Wilmar Trading Pte,Ltd.,Rotterdam	41,395,569	
Excelis Food Technologi Co Ltd., Nanjing	11,599,954	-
Alfred C. Toepfer International Gmbh., German	7,093,457	-
Intercontinental Oil, Singapore	4,083,609	-
Total Foreign debtors	64,172,589	-
Total Third Parties	64,988,621	-
Total	218,521,335	247,139,806
b. By Age Category		
01 - 30 days	49,096,749	68,813,514
31 - 60 days	94,841,886	76,760,991
61 - 90 days	74,582,700	101,565,301
Total	218,521,335	247,139,806
c. By Currency		
Rupiah	153,532,714	247,139,806
U.S. Dollar	64,988,621	-
Total	218,521,335	247,139,806

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

5. INVENTORIES

	2009 *Rp '000*	2008 *Rp '000*
Raw Material	191,204,567	270,472,080
Indirect material	124,450,834	98,797,995
Finished Goods	26,754,862	58,957,338
Spare part	25,781,426	33,206,955
Goods in transit	3,521,653	-
Work in process	2,669,531	22,345
Allowance for inventories	(960,212)	(960,212)
Other inventories	7,762,526	-
Net	381,185,186	460,496,501

Management believes that the allowances for decline in value of inventories and obsolescence are adequate to cover possible losses on decline in value of inventories and obsolescence.

6. DUE FROM AND DUE TO RELATED PARTIES

	2009 *Rp '000*	2008 *Rp '000*
Accounts receivable		
PT Budi Acid Jaya Tbk	925,951	35,321,308
PT Budi Samudra Perkasa	237,118	72,785
Total	1,163,069	35,394,094
Accounts payable		
CV Bumi Waras	1,943,917	603,304
Others	-	6,561
Total	1,943,917	609,865

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 23).

These 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.

7. REAL ESTATE ASSETS

This account represents the remaining units of term used rights (*hak pakai berjangka*) in buildings under BOT, with details as follows:

	2009	2008
	Rp '000	*Rp '000*
Kiosks	10,100,316	10,997,748
Plaza	8,882,408	8,882,408
Shophouse	2,232,752	2,232,752
Total	21,215,476	22,112,907

Management believes that the carrying value of real estate assets does not exceed the replacement cost or recoverable amount from the sale or use of the assets, and there was no impairment in value of the aforementioned assets.

8. PLANTATIONS

Mature Plantation

	Januari 01, 2009	Changes During 2009: Additions/ Reclassifications	Changes During 2009: Deductions	Sept 30, 2009
	Rp. 000	*Rp. 000*	*Rp. 000*	*Rp. 000*
At Cost				
Palm Plantation	413,095,055	-	-	413,095,055
Orange Plantation	13,077,786	-	-	13,077,786
Total	**426,172,841**	**-**	**-**	**426,172,841**
Accumulated Depreciation				
Palm Plantation	121,759,697	9,914,282	-	131,673,979
Orange Plantation	7,124,835	784,667	-	7,909,502
Total	**128,884,532**	**10,698,949**	**-**	**139,583,481**
Net Book Value	**297,288,309**			**286,589,360**

	Januari 01, 2008	Changes During 2008 Additions/ Reclassifications	Deductions	Sept 30, 2008
	Rp. 000	*Rp. 000*	*Rp. 000*	*Rp. 000*
At Cost				
Palm Plantation	332,219,541	-	-	332,219,541
Hybrid Plantation	57,071,992	-	57,071,992	-
Orange Plantation	13,077,786	-	-	13,077,786
Pineapple Plantation	10,930,917	6,625,838	6,869,302	10,687,453
Total	**413,300,236**	**6,625,838**	**63,941,294**	**355,984,780**
Accumulated Depreciation				
Palm Plantation	91,538,618	9,354,532	-	100,893,150
Hybrid Plantation	13,697,278	1,521,920	15,219,198	-
Orange Plantation	5,817,056	915,446	-	6,732,502
Pineapple Plantation	2,974,848	5,378,350	-	8,353,198
Total	**114,027,800**	**17,170,248**	**15,219,198**	**115,978,850**
Net Book Value	**299,272,436**			**240,005,930**

Immature Plantation

	January 01, 2009	Changes During 2009 Additions/ Reclassifications	Deductions	Sept 30, 2009
	Rp '000	*Rp '000*	*Rp '000*	*Rp '000*
At Cost				
Palm Plantation	338,995,420	77,279,768	-	416,275,188
Pineapple Plantation	10,688,381	761,111	-	11,449,492
Total	**349,683,801**	**78,040,879**	**-**	**427,724,680**

	January 01, 2008	Changes During 2008 Additions/ Reclassifications	Deductions	sept 30, 2008
	Rp '000	*Rp '000*	*Rp '000*	*Rp '000*
At Cost				
Palm Plantation	231,510,957	122,317,479	-	353,828,436
Pineapple Plantation	9,783,181	8,645,181	6,625,838	11,802,524
Total	**241,294,138**	**130,962,660**	**6,625,838**	**365,630,960**

9. PROPERTY, PLANT AND EQUIPMENT

	Changes During 2009			
	January 01, 2009	Additions	Deductions	Sept 30, 2009
	Rp '000	*Rp '000*	*Rp '000*	*Rp '000*
At Cost:				
Direct acquisitions				
Land	94,494,855	3,676,413	-	98,171,268
Buildings and land improvements	437,983,331	80,147,805	-	518,131,136
Machinery	471,298,682	867,955	-	472,166,637
Vehicles and heavy equipment	196,704,149	25,268,036	-	221,972,185
Furniture, fixtures and equipment	113,295,425	48,145,710	-	161,441,135
Construction in progress	96,389,208	-	81,085,506	15,303,702
Total	**1,410,165,650**	**158,105,919**	**81,085,506**	**1,487,186,063**
Accumulated depreciation:				
Direct acquisitions				
Buildings and land improvement	94,354,575	15,945,785	-	110,300,360
Machinery	187,678,352	10,597,735	-	198,276,087
Vehicles and heavy equipment	121,980,581	17,170,074	-	139,150,655
Furniture, fixtures and equipment	69,747,205	24,856,651	-	94,603,856
Total	**473,760,713**	**68,570,245**	**-**	**542,330,958**
Net Book Value	**936,404,937**			**944,855,105**

	Changes During 2008			
	January 01, 2008	Additions	Deductions	Sept 30, 2008
	Rp '000	*Rp '000*	*Rp '000*	*Rp '000*
At Cost:				
Direct acquisitions				
Land	87,788,210	4,243,945	-	92,032,155
Buildings and land improvements	391,649,678	19,670,835	-	411,320,513
Machinery	306,783,610	148,242,260	-	455,025,870
Vehicles and heavy equipment	154,872,561	36,534,408	-	191,406,969
Furniture, fixtures and equipment	93,554,805	20,345,570	-	113,900,375
Construction in progress	178,488,658	79,542,475	146,211,018	111,820,115
Total	**1,213,137,522**	**308,579,493**	**146,211,018**	**1,375,505,998**
Accumulated depreciation:				
Direct acquisitions				
Buildings and land improvement	73,974,182	14,462,824	-	88,437,006
Machinery	158,019,725	17,908,261	-	175,927,986
Vehicles and heavy equipment	96,959,648	16,978,686	-	113,938,334
Furniture, fixtures and equipment	58,951,417	13,091,722	-	72,043,139
Total	**387,904,972**	**62,441,493**	**-**	**450,346,465**
Net Book Value	**825,232,550**			**925,159,533**

10. PROPERTY FOR LEASE

This account represents the net book value of a tanker ship, a barge and a tug boat for lease, as follows:

	2009 *Rp '000*	2008 *Rp '000*
Cost	22,174,712	21,606,636
Accumulated depreciation	(8,043,356)	(6,577,443)
Net Book Value	14,131,356	15,029,194

The Company's properties for lease were bought in 1998 and 2003. The Company appointed PT Budi Samudra Perkasa (BSP), a related party, to operate the vessels for 3 years (Note 23). 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 2,2004 – August 8, 2007, annual compensation amount to Rp 1,000,000 thousand for tanker ship and Rp 600,000 thousand for the tug boat and barge. On August 2, 2007, The Cooperation Agreement has been extended up to August 8, 2010 only for the tug boat and barge.

b. Based on Cooperation Agreement for period August 2, 2006 – 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, annual compensation amounts to Rp 2,050,000 thousand for the tug boat and barge.

Management believes that the carrying value of property for lease does not exceed the replacement cost or recoverable amount from the sale or use of the assets and there is no impairment in value of the aforementioned assets as of Sept 30, 2009 and 2008.

11. TRADE ACCOUNTS PAYABLE

	2009 *Rp '000*	2008 *Rp '000*
a. By creditor		
Third parties - Local suppliers	163,194,867	120,558,319
Total	163,194,867	120,558,319
b. By Currency		
Rupiah	163,194,867	120,558,319
Total	163,194,867	120,558,319

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

12. TAXES PAYABLE

	2009	2008
	Rp '000	*Rp '000*
Income taxes		
Article 29	22,088,855	77,926,494
Article 23	2,294,277	7,422,004
Article 25	1,415,001	-
Article 21	232,264	318,922
Total	26,030,398	85,667,421

The filing of tax return is based on the Company and it's 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.

13. SHORT-TERM BANK LOANS

	2009	2008
	Rp '000	*Rp '000*
Working capital credit facilities		
Rupiah		
Bank Rakyat Indonesia	68,133,197	30,782,849
Bank Mandiri	25,924,870	24,547,046
Subtotal	**94,058,067**	**55,329,895**
U.S. Dollar		
Bank Natixis		
(US$ 6.598 thousand in 2009 dan US$ 4.499 thousand in 2008)	63,875,238	42,191,622
Bank Mandiri		
(US$ 1.481 thousand in 2009 and US$ 1.055 thousand in 2008)	14,340,521	9,891,454
Subtotal	**78,215,759**	**52,083,076**
Total	***172,273,826***	***107,412,971***
Interest rates per annum during the year		
Rupiah	12,5% - 13%	12,5% - 15%
U.S. Dollar	8,5%%	3,9% - 8,5%

Bank Rakyat Indonesia (Persero)

The loan facility received from BRI represent working capital loan facility maximum amount of Rp. 70.000.000 thousand. This loan facility was use to finance the working capital for palm oil and cooking oil. Interest rate per annum is 13 % in 2009 and 12 % in 2008. The loan facility matured on March 22, 2010.

The loan facility from BRI is secured by the Company's trade accounts receivable, inventories, machineries, land including palm plantation and plant on the said land, and personnel guarantees from Widarto and Santoso Winata (related parties) (Note 23). The collaterals for working capital loan facility were also used as collaterals for long - term loan facility from BRI for Banyuasin project. The collaterals for trade receivable and inventories represent part of join collateral for short – term loan and syndicated loan from Bank Mandiri which is coordinated by Rabobank (notes 16)

Bank Mandiri

The loan facilities received by Company from Bank Mandiri consist of working capital loans with maximum amount of Rp. 34.800.000 thousand and US$ 1.575.000. Interest rate per annum are 12,5% in 2009 and 2008, respectively, for facility in Rupiah, and 9% and 8,5% in 2009 and 2008, respectively, for facility in foreign currency. Both loan facilities above have maturity date on March 31,2010.

The loan facilities are secured by Company's trade accounts receivables, inventories, machineries, land and personnel guarantees from Widarto and Santoso Winata (related parties) (Note 23).Those collateralsrepresent part of joint collateral with BRI short – term loan which is coordinated by Rabobank (note 16)

PT Bank CIMB Niaga Tbk

The cash loan facilities from PT CIMB Niaga Tbk consist of PTX-OD1 and PTX-OD2 amounting to US$ 2,000 thousand and Rp. 10,000,000 thousand, respectively. These loan facilities are used for working capital,whereas the loan drawdown can be exercised only for repayment of matured LCs. (note 13).

The loan facilities from PT CIMB Niaga Tbk are secured with personal guarantee from Widarto and Santoso Winata (note 23).

Natixis (Formerly Natexis Banques Populaires)

The loan facilities received by Company from Natixis consist of working capital loans with maximum amount of US$ 20.000.000, as follows :

Facilty 1	:	with a maximum credit of US$ 5.000.000 was used to finance the purchase of edible oilor its products, with a maximum term of 60 days. This facility is secured by guarantee deposit equal to 25% of the amount of drawdown.
Facility 2	:	with a maximum credit of US$ 15.000.000 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$ 20.000.000 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$ 20,000,000.

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.

The loan agreement s with Bank Mandiri, BRI, Lippo and Natixis contain covenants which among others, restrict the right of the Company to obtain or grant loans, act as guarantor, change the nature and activites of its business and conduct liquidation, merger, consolidation or reorganization. The agreements also provide various events of defaults.

14. ADVANCED RECEIVED

This account consists of:

	2009	2008
	Rp. '000	*Rp. '000*
Rupiah		
Sales of kiosks, shophouses, and plaza	489,727	583,295
Sales of palm and its derivative products	31,952	31,952
Subtotal	521,679	615,247
U.S. Dollar		
Sales of palm and its derivative products	532,152,004	459,521,991
Storage tanks rental (note 27)	8,900,955	11,816,280
Subtotal	541,052,959	471,338,271
Total	***541,574,638***	***471,953,518***
Less current portion	(479,912,233)	(406,682,638)
Long - Term Advances - Net	61,662,405	65,270,880

As of September 30, 2009 and 2008, 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 (Note 23), meanwhile, advances from sales of palm and its derivative products are received from third parties.

As of September 30, 2009 and 2008, advances received in foreign currency amount US$ 55.888 thousand and US$ 50.259 thousand.

15. LONG – TERM BANK LOANS – POWER PLANT

This account represent long term bank loans from Bank Mandiri due to the power plant project. (Note 26) Total L/C matured as of September 30, 2009 were amounted :

	2009	2008
	Rp. '000	*Rp. '000*
Long term bank loan - Power Plant USD 2.680 thousand in 2009 and USD 3.871 thousand in 2008	25,946,566	36,306,247
Less:		
current portion	(11,532,898)	(11,171,768)
Long - term Advances - Net	14,413,668	25,134,480

16. LONG – TERM BANK LOANS

	2009	2008
	Rp '000	*Rp '000*
Syndicated loan coordinated by Bank Rabobank,		
US$ 58.276 in 2009 and US$ 70.000 thousand in 2008	564,174,797	635,214,141
Bank CIMB Niaga (fomerly Lippobank)	5,564,655	562,680
Bank Rakyat Indonesia	77,081,195	58,945,773
Total	646,820,646	694,722,594
Less current maturity	(129,942,817)	(88,697,124)
Long-term Bank Loans - Net	516,877,829	606,025,470
Interest rate per annum during the year		
U.S. Dollar	3,6150%-7,8%	5,175 % - 5,800%
Rupiah	13%	15%

Syndicated Loan - Rabobank

In relation to the credit facility agreement dated June 29, 2007 between the Company and several creditor banks, PT Bank Rabobank International Indonesia as arrangers, the Company obtained a term loan facility with a maximum credit amounted to US$ 70,000,000, which will be due in 5 years since the date of the facility agreement .This loan was used for working capital requirements and refinancing of the Company's loans . This loan is secured with fixed assets and plantations of BTLA, corporate guarantees from BSA, BNIL and BDP, Inventories and receivables of the Company which are shared with PT Bank Mandiri (Persero) Tbk and PT Bank Rakyat Indonesia (Persero)Tbk.

The installment payment of principal of syndicated loan will start on the 15th month and will be paid quarterly. The periods are 5 years (60 months) for Loan A and 3 years (36 months) for Loan B. The followings are the payment schedule of syndicated loans:

	Total Annual Installment US$ thousand		
Due in	Loan A	Loan B	Total
	US$	*US$*	*US$*
2008	781	3,750	4,531
2009	2,354	7,500	9,854
2010	11,792	3,750	15,542
2011	20,438	-	20,438
2012	19,635	-	19,635
Total	55,000	15,000	70,000

Bank Mandiri

The loan facility with Bank Mandiri represent investment loan received by the Company amounting to US$ 5.964.882. This facility was used to finance the power plant project with total value of investment amounting to US$ 11.450.000. Interest rate for the investment loans was 9,75% per annum. This facility will mature in the second quarter of 2011.

Bank Rakyat Indonesia (Persero) Tbk

On September 7, 2006, the Company obtained investment loan (KI) facility from BRI amounting to Rp 303.400.000 thousand which consist of KI Plantation amounting to Rp 211.400.000 thousand and KI CPO Mill amounting to Rp 92.000.000 thousand. Included in the KI facilities are interest During Construction (IDC) amounting to Rp 45.500.000 thousand for KI Plantation and Rp 13.000.000 thousand for KI CPO Mill. The Investment loan is used to finance the 9.500 hectares of palm plantation and 1 unit CPO Mill located in Banyuasin, South Sumatera. This loan facility has a term of 9 years with a grace period of 4,5 years for palm plantation and 5,5 years for palm factory, which will start from the date of the signing of credit agreement. Interest rate per annum is 15% which can be charged at any time following the current market interest rate in BRI.

The investment loan is secured with palm plantation project in Banyuasin and similar collaterals for short term loan facility received from BRI (note 13) which consist of trade account receivable , inventories, land including palm plantation located in Terbanggi Besar, plant, machineries, and personal guarantees from Widarto and Santoso Winata (note 23). The collaterals for trade receivable and inventories represent part of joint collateral (paripassu) with Bank Mandiri and syndicated loan which is coordinated by Rabobank.

The investment loan facility was started to be availed of in 2007. As of September 30, 2009, outstanding loan amounted to Rp 65.425.000 thousand for KI principal and Rp 11.656.195 thousand for KI IDC

17. CAPITAL STOCK

As of September 29, 2008 by virtue of Notarial Deed No. 28 of Mrs. Kartuti Suntana S,S.H. notary public in Jakarta the company have been increased the Company’s authorized become Rp. 800.000.000 thousand which divided into 6.400.000 thousand shares, with a par value of Rp. 125,- per share, Based on report of PT Adimitra Transferindo, Shares Registrar , the list of Stockholder is as follows:

Name of Stockholder	2009 Number of Shares	Percentage of Ownership	Total Paid Up Capital (Rp '000)
PT Budi Delta Swakarya	1,238,295,896	29.69%	154,786,987
PT Sungai Budi	1,145,197,198	27.46%	143,149,650
PT Budi Acid Jaya Tbk	29,400,000	0.71%	3,675,000
Widarto - President Director Commissioner	2,104,200	0.05%	263,025
Santoso Winata - President	2,104,200	0.05%	263,025
Public (below 5% each other)	1,752,969,499	42.04%	219,121,187
Total	4,170,070,993	100.00%	521,258,874

Name of Stockholder	2008 Number of Shares	Percentage of Ownership	Total Paid-up Capital (Rp '000)
PT Budi Delta Swakarya	1,238,295,896	30.62%	154,786,987
PT Sungai Budi	1,145,197,198	27.47%	143,149,650
PT Budi Acid Jaya Tbk	29,400,000	0.71%	3,675,000
Widarto - President Director Commissioner	2,104,200	0.05%	263,025
Santoso Winata - President	2,104,200	0.05%	263,025
Public (below 5% each)	1,752,961,999	41.11%	219,120,250
Total	4,170,063,493	100%	521,257,937

Based on the Shareholders' Extraordinary General Meetings held on June 19, 2008, which was covered by notarial deed No. 14 of Ny Kartuti suntana S,S.H., the shareholders approved the following:

Buy Back of the Company's share held by the public, which shall not be more than 10% of the total number of existing issued and fully paid shares of the Company or at a maximum of 416.688.549 shares or not exceeding Rp 300.000.000 thousand. The period of the shares buy back shall be for eighteen (18) months starting from June 19, 2008 until December 18, 2009.

Relative to the above, as of September 30, 2009 the Company had already executed the share buyback amounting to 70.293.500 shares as mentioned above, at a total cost of Rp 25.538.968 thousand. The said repurchased shares are accounted for and presented as "Treasury Stock" under the "Shareholders' Equity" section of the consolidated balance sheets. Depending on the Company's future business needs, it is possible for the Company to reissue the repurchased shares through the stock exchange in compliance with the relevant rules and regulations. All of the Company's shares are now listed in the Indonesia Stock Exchange (previously in the Jakarta and Surabaya Stock Exchange)

18. NET SALES

The details on net sales are as follows :

	2009	2008
	Rp '000	*Rp '000*
Palm and hybrid plantation products and related derivative products	2,106,204,907	3,120,309,050
Pineapple fruits	3,916,731	4,818,353
Orange fruits	3,551,393	6,859,819
Total Net Sales	2,113,673,032	3,131,987,222

19. COST OF GOODS SOLD

The details of cost of goods sold are as follows :

	2009	2008
	Rp' 000	*Rp' 000*
Palm and hybrid plantations products and related derivative products	1,758,473,989	2,384,046,898
Pineapple fruits	5,820,306	4,750,932
Orange fruits	3,801,124	10,367,306
Total Cost of Goods Sold	1,768,095,419	2,399,165,136

20. OPERATING EXPENSES

The details of operating expenses are as follows :

Selling Expenses

	2009	2008
	Rp' 000	*Rp' 000*
Freight	43,619,130	48,817,219
Export Tax	5,745,376	257,805,837
Other	23,084,796	18,425,724
Total	72,449,302	325,048,780

General And Administrative Expenses

	2009	2008
	Rp '000	*Rp '000*
Salaries and benefits	26,825,152	26,774,354
Office expenses	4,251,422	3,626,334
Rent	2,268,321	3,134,964
Representation	1,969,218	2,872,645
Taxes and licenses	1,946,470	2,877,491
Travel and transportation	1,785,129	1,957,456
Professional fees	1,353,734	2,505,403
Insurance	1,189,910	1,948,806
Amortization of bonds issuance cost	-	150,000
Others	21,929,050	17,686,715
Total	63,518,405	63,534,168

21. INCOME TAX

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

	2009 *Rp '000*	2008 *Rp '000*
Current tax	(37,933,035)	(88,412,421)
Deferred tax		
The Company	(17,923,558)	(4,167,236)
Subsidiaries		
BSA	88,746	42,250
AKG	(75,896)	(243,952)
BNCW	(112,516)	(90,415)
ABM	(126,656)	(71,531)
BNIL	(370,617)	(297,817)
BTLA	(687,018)	(552,068)
BDP	(1,364,775)	(1,004,412)
Total Deffered Tax	(20,572,290)	(6,385,182)
Total Income Tax	(58,505,325)	(94,797,603)

Current Tax

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

	2009 *Rp'000*	2008 *Rp'000*
Current Tax		
Company	17,965,078	55,713,227
Subsidiary-BDP	5,802,958	12,868,771
Subsidiary-ABM	4,836,264	3,262,405
Subsidiary-BTLA	4,444,390	11,340,350
Subsidiary-BNIL	4,236,200	5,227,667
Subsidiary-BSA	648,144	-
	37,933,035	**88,412,420**
Less Prepaid Tax :		
Article 25	15,196,595	16,198,308
Article 23	495,520	532,369
Article 22	152,064	500,160
TOTAL	**15,844,179**	**17,230,837**
Taxes Payable :		
Company	16,021,130	51,125,582
Subsidiaries :		
ABM	2,118,083	1,539,050
BNIL	1,870,064	2,833,647
BTLA	1,164,618	7,867,313
BDP	914,961	7,815,992
TOTAL	**22,088,856**	**71,181,584**

Deferred Tax

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

	2009	2008
	Rp '000	*Rp '000*
Deferred tax assets		
Company	-	-
Subsidiaries		
BNCW	1,505,134	-
AKG	1,239,577	1,585,448
MMM	20,796	18,344
Total	**2,765,507**	**1,603,792**
Deferred Tax Liabilities :		
Company	42,442,705	20,028,168
Subsidiaries :		
BDP	8,368,614	22,029,756
BTLA	6,005,982	8,556,645
BNIL	3,231,751	11,784,506
ABM	1,726,494	876,024
BSA	90,645	225,965
BNCW	-	1,249,867
Total	**61,866,190**	**64,750,931**

22. APPROPRIATION FOR GENERAL RESERVE

In the Annual Stockholders' meeting as documented in Notarial Deed No. 03 June 26, 2009 of Mrs. Kartuti Suntana Sastraprawira,S.H., notary public in Jakarta, the stockholders' decided not to increase the appropriation for general reserve, which as of June 30, 2008, the total appropriation for general reserve amounted to Rp 3.500.000 thousand.

23. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

a. PT Sungai Budi is the Company's major stockholder.

b. Related parties in which some of the stockholders and/or members of management are the same as the Company:

- PT Budi Acid Jaya Tbk
- PT Budi Delta Swakarya
- PT Budi Samudra Perkasa (BSP)

c. Widarto and Santoso Winata are key management personnel of the Company, and are stockholders of the Company and its subsidiaries, and other related companies.

24. 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

	2009		2008	
	%	*Rp '000*	*%*	*Rp '000*
Export sales				
CPO	48.14	1,174,826,165	43.76	1,545,957,641
Palm Kernel Oil	9.57	233,558,892	9.39	331,592,798
Stearine	6.65	162,188,704	9.18	324,230,282
Palm Fatty Acid	1.59	38,727,666	2.21	77,943,437
Soap	0.58	14,188,339	0.31	10,786,678
Palm Expeller	0.55	13,530,198	0.71	25,010,574
Crude Coconut Oil	0.52	12,781,250	1.56	55,040,372
Total		**1,649,801,215**		**2,370,561,780**
Local Sales				
Palm Cooking Oil	16.90	412,571,714	20.11	710,378,929
Fresh Fruit Bunches	7.76	189,373,700	7.59	268,268,205
Crude Palm Oil	5.18	126,537,787	3.32	117,448,080
Laundry Soap	1.12	27,216,344	0.83	29,478,002
Palm Kernel	0.45	10,946,490	-	-
Cream Soap	0.35	8,606,573	0.28	9,890,340
Stearin	0.31	7,613,561	-	-
Pineapple	0.16	3,916,731	0.14	4,818,353
Orange	0.15	3,551,393	0.19	6,859,819
Real Estate	0.02	395,500	-	-
Palm Kernel Oil	-	-	0.41	14,493,265
Copra	-	-	0.01	267,898
Total		**790,729,793**		**1,161,902,890**
Net sales before elimination	100.00	2,440,531,008	100.00	3,532,464,669
Eliminations		(326,857,976)		(400,477,448)
Net sales after eliminations		2,113,673,032		3,131,987,222

Per company

	2009 *Rp '000*	2008 *Rp '000*
The Company	2,105,809,407	3,120,309,050
ABM	137,484,277	131,941,345
BDP	74,021,272	116,622,074
BTLA	58,911,237	80,679,873
BNIL	42,614,988	53,569,762
BNCW	7,969,850	12,168,536
BSA	7,894,863	12,355,678
AKG	5,825,114	4,818,353
Net sales before eliminations	2,440,531,008	3,532,464,671
Eliminations	(326,857,976)	(400,477,448)
Net sales after eliminations	2,113,673,032	3,131,987,222

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

b. Income from Operations

Per company

	2009 *Rp '000*	2008 *Rp '000*
The Company	130,784,411	205,703,224
BDP	25,522,203	54,742,603
BTLA	21,943,344	50,793,460
ABM	16,390,568	11,805,755
BNIL	16,299,860	20,885,703
BSA	2,005,756	2,740,407
MMM	(20,790)	(132,640)
BNCW	(700,755)	(502,052)
AKG	(2,614,690)	(1,797,322)
Total	**209,609,906**	**344,239,138**

25. COMMITMENTS

1. Cooperation Agreements with KUD

On September 14, 1996, BNIL 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 areas owned by the farmers for a period of 13 years.

The KUDs obtained long-term loans with a term of 11 years, including a grace period of 4 years on principal repayment, from PT. Bank Mandiri (Persero) Tbk and PT Bank Danamon

Indonesia Tbk. The proceeds of the loans were then forwarded to BNIL as developer of the project.

On December 27, 2007, KUD Murni Jaya obtained from Bank Mandiri a maximum credit of Rp. 19,417,000 thousand. The Facility is used to refinancing the palm plantation with total area of 2,612.43 hectares in Banjar Agung District, Tulang Bawang, Lampung. The loan facility has tenor 5 years, with quarterly installment starting year 2008 to 2012. Interest rate per annum is 13,50%. This loan is secured by the palm plantation which has been refinanced and corporate guarantee from BNIL.

On November 14, 2007, KUD Mesuji E obtained credit facility from Bank Mandiri a maximum limit of Rp 18,562,000 thousand. The facility is used to refinancing the palm plantation with total area of 2,508.5 hectares in Way Serdang District, Tulang Bawang, Lampung. The loan facility has tenor 5 years, with quarterly installment starting year 2008 to 2012. Interest rate per annum is 13,50%. The loan is secured by the palm plantation which has been refinanced and corporate guarantee from BNIL.

KUD Karya Makmur obtained from Bank Danamon,a maximum credit of Rp 61,558,128 thousand to be availed in six (6) drawdowns in accordance with the progress of the project and with interest rate of 14% per annum. The loans are secured by, among others, the farmers' landrights and corporate guarantees from PT Sungai Budi and BNIL.

In relation to these agreements, BNIL is 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 and Bank Danamon from the amounts withheld from the payments to the farmers.

KUD Mesuji E and KUD Murni Jaya obtained from Bank Mandiri a maximum credit of Rp 51,805,449 thousand and Rp 55,259,144 thousand, respectively, (each getting Rp 6,907,393 per hectare) with drawdown schedule from 1997 to 2003 and with interest of 14,00% per annum.

2. Cooperation Agreements with PERUMKA

On October 29, 1997, BTLA, a subsidiary, entered into a cooperation agreement with Perusahaan Umum Kereta Api (PERUMKA), for the construction and operation of buildings on the land of PERUMKA in Jl. Teuku Umar, Kelurahan Pasir Gintung, with a total area of approximately 1.407 square meters and in Pasar Bawah, Kecamatan Tanjung Karang, Bandar Lampung, with total area of approximately 19.292 square meters. The agreement is valid for 30 years, until June 30, 2028.

Significant terms of the agreement are as follows:

a. BTLA is allowed to build plaza, shophouses, and kiosks on the land of PERUMKA in accordance with cooperation agreement.

b. As compensation, BTLA shall pay Rp 1,750,000,000 to PERUMKA as fee for the use of the land. Such fee has been fully paid by BTLA in 1998 and was recorded as part of cost of sales of real estate assets.

c. BTLA is allowed to transfer to a third party the management or utilization of such buildings provided that the terms and conditions of the transfer are in accordance with the cooperation agreement between BTLA and PERUMKA. At the end of the cooperation agreement, BTLA and/or third party shall hand over the land to PERUMKA, together with the buildings and facilities which should be in good condition at the time of the hand over. In the event such third party fails to restore the buildings and facilities in good working condition at the time of the hand over to PERUMKA, BTLA is liable to pay restoration cost to PERUMKA.

The Building is recorded as part of “Real estate assests” account in the consolidated balance sheets.

3. 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. P49309 dated March 3, 2008 for sale of CPO, with a total contract value of US$ 48,000 thousand, covering the period from March 2008 – February 2009.

b. Contract No. P49198 dated February 28, 2008 for sale of RBD Palm Stearine, with a total contract value of US$ 33,833 thousand, covering the period from November 2008 – August 2009.

c. 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.

d. Contract No.37858 dated August 8, 2006 for sale of CPO, which was an extension of the contract dated on November 18, 2005 with a total contract value of US$ 30,000 thousand, covering the period from July 2006 – June 2009.

e. Contract No. 37860 dated March 27, 2006 for sale of RBD Palm Stearine, which was an extension of the contract dated November 25, 2005 with a total contract value of US$ 10.000 thousand, covering the period January 2006 – December 2008.

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.

The SBLC facilities are secured with accounts receivable from the Buyer, CPO, inventories, fixed assets, and personal guarantee from Widarto and Santoso Winata. In relation with SBLC facilities, the Company is required to place a 12,50% guarantee deposits for SBLC facility by blocking the Company’s capital loan facility in Bank Mandiri. The SBLC facilities matured on March 31, 2010.

The SBLC facility contains covenants , which among others, restrict the Company to obtain and grant new loans , act as guarantor, held new investments, transfer the collaterals, and conduct merger and acquisition with other companies.

4. 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.

5. Power Plant Construction Contract With Sichuan Machinery & Equipment Import & Export Co. Ltd. And Standby Letter of Credit (SBLC) Facilities from Bank Mandiri

On October 27, 2004, the Company entered into a Agreement with Sichuan Machinery & Equipment Import & Export Co.Ltd (The Contractor), China, for the works known as Way Lunik 12MW Coal Fired Co-Generation Power Plant.

The Contract price amounts to USD 11.450.000 for construction, installation, technical service, system design, and procurement of equipment and device materials. The contract value comprises several payment schedules. The contract will be completed within 20 months.

In connection with the power plant construction contract on October 22,2003, Bank Mandiri agreed to grant investment credit facility to the Company amounting to US$ 5.964.882, with the following conditions:

a. Standby L/C facility, amounting to US$ 1.200.000 with maximum period of 1 year. The payment of this facility will come from the amount withdrawn from the investment credit facility.
b. Deferred payment L/C facility, amounting to US$ 4.764.882 with maximum period of 3 years. The payment of this facility will come from the amount withdrawn from the investment Credit Facility.
c. Investment Credit Facility, amounting to US$ 5.964.882 which is available until June 23, 2011, without a grace period.

On February 17, 2006 this facility agreement has been extended until second quarter of 2011.

6. PT. Bank International Indonesia Tbk (BII)

The Company obtained loan facilities from BII, as follow:

a. Revolving facility or PPB (Sublimit of Post Shipment I facility) which has a maximum credit facility of US$ 3.000.000. Interest rate per annum is SIBOR + 3,5%

b. Post Shipment 2 facility which has a maximum credit of US$ 3.000.000. Interest rate per annum is SIBOR + 3,5%

c. Local letter of Credit Document (SKBDN) facility with a maximum term of 180 days and can be used as Letter of Credit facility and usance Letter of Credit with maximum term of 60 days, and Trust Receipt (TR)/PBB for the payment of SKBDN, up to a maximum principal amount of US$ 2.000.000. This facilities is used for financing the purchases of raw materials. 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.

d. Forex Line facility with a maximum amount of US$ 3.000.000 which can be used for Today, Spot, Tom and Forward transaction for maximum of 3 months with condition of settlement against good fund.

These four credit facilities have already matured on February 13,2009, and have been extended up to February 13,2010.

These facility are secured by trade account receivable from third parties, inventories, sales contract and personnal guarantees from Widarto and Santoso Winata (Note 4,5, and 23). The Company is required to deposit 10% margin for the SKBDN issued. Besides, the guarantees from PT Asuransi Ekspor Impor Indonesia (ASEI) are also required for 80% of outstanding PPB facility and 100% of outstanding Post Shipment facility.

The loan Agreements with BII contain covenants which, among others, restrict the rights of the Company to withdraw the paid-up capital, distribution of dividend, pledge the assets to other parties/creditors, change in capital structure and stockholders, settle its debts to stockholders, and selling the assets outside its operational activities. The agreements also provide various events of default.

7. PT CIMB NIaga Tbk (CIMB) (loan from PT Bank Lippo Tbk prior to merger with PT Bank Niaga Tbk in 2008 which changed its name to PT Bank CIMB Niaga Tbk)

The Company obtained loan facilities from CIMB, as follows:

1. LC Facility (Sight/usance LC or SKBDN for a maximum of 180 days in Rupiah and US$ currency) which has a maximum credit facility of US$ 20,000,000. The Company is charged 0.125% commission per transaction based on the amount of LC issued and 1% per annum on the acceptance of LC.
2. PTX – OD1 facility (Sub-limit Sight/Usance LC for a maximum of 180 days for every drawdown) which has a maximum credit facility of Rp 2,000,000. Interest rate per annum is 8%
3. PTX – OD2 facility (for settlement of SKBDN Sight for a maximum of 180 days for every drawdown) which has a maximum credit facility of Rp 30,000,000 thousand. Interest rate per annum is 12,5%.
4. Bank Guarantee facility with a maximum limit of Rp 20.000.000 thousand. The Company is charged with 0,75% commission based on the amount of bank guarantee issued.

The LC facilities were used for purchasing coals and fertilizer, the PTX-OD facilities were used for working capital, whereas the loan drawdown can be used only for repayment of matured sight LCs, meanwhile the bank guarantee facility is used as guarantee for payment of purchases of the liquid fuel to third parties.

The loan facilities from CIMB is secured with personal guarantees of Santoso Winata and Widarto. The Company is required to deposit 10% margin for every LCs and bank guarantee issued.

The LC and PTX-OD facilities will mature on June 9, 2009, while the bank guarantee will mature on October 9,2009.

8. PT Bank Rakyat Indonesia (Persero)

The Company obtained SBLC from BRI amount 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 June 14, 2009, and the negotiation for the extension is still in process. The Company is charged with 1% commission per annum based on the amount of the the issuance of SBLC.

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 16)

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 (note 17).

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

10. Brand Etiquettes

The Company has the following brand etiquettes on its products :

a. Brand etiquette "Kompas" for various products of soap, cooking oil, cleaner and cosmetics.
b. Brand etiquette " Gunung Agung " for various products of cooking oil and margarine.
c. Brand etiquette " Bumi Waras (B.W.) for various products of soap, cleaner and cosmetics.
d. Brand etiquette " Rossy " for various products of soaps.
e. Brand etiquette " Burung Merak " for various products of coconut oil, cooking oil and margarine.
f. Brand etiquette " Tawon " for various products of coconut oil, cooking oil, margarine and jam.
g. Brand etiquette " Segar " for various products of bath soap.
h. 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 entered into rental agreements with Widarto and Santoso Winata, related parties, for the use of the land where the Company's factories and offices are located, in Bandar Lampung and Tangerang for 30 years until December 31, 2026. The annual rental for factory and office located in Bandar Lampung is Rp 350,000 thousand per year, while the annual rental for factory and office located in Tangerang is Rp 200,000 thousand for the first year and Rp 400,000 thousand for the second year until December 2005 and for the next two years thereafter will be determined based on the agreement of both parties. In 2007, the lease of factory and office in Tangerang was not extended.

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 been extended in January 2006 and ended in December 2007, 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 a rent agreement with PT Budi Delta Swakarya (BDS), for the use of the building space in Jakarta where the Company's head office is located, for 2 years until October 31, 2000, with rental fee of US$ 13 per square meter per month and service fee of

US$ 7 per square meter per month. The rental agreement has been extended for several times every 2 years, wherein the latest extension was made on October 30, 2010 until March 31, 2011.

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.

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 for several times, whereas the last amendment to the selling price was made on May 30, 2008.

Based on the amendment, it was agreed that the change in the selling price to PT Sungai Budi is based on the average of PT Sungai Budi's selling price to customer less Rp 200 per kilogram for coconut cooking oil, palm cooking oil, and its derivative product ('oil') for Palembang, Surabaya, and Cengkareng, and for Waylunik less Rp 250 per kilogram, and less Rp 100 per kilogram for cream soap, laundry soap and bath soap.

On December 29, 2006, an amendment was made to extend the validity of the distributorship agreement until December 31, 2009.

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. Instrument Derivatives

As of December 31, 2008, the Company has outstanding derivative contracts i.e. Callable Forwards and Target Redemption Forward with certain counterparties (bank) with a total notional amount of US$ 347.000 thousand which will mature variously. The strike prices of these derivative instruments range from Rp 9,500 – Rp 10,177 per US$ 1.

As of September 30, 2009, the outstanding notional amount of derivative contract has been reduced to US$ 245.500 thousand because some portion already unwind by the Company with 2 counterparties . The Company is still negotiating with 2 counterparties for the amicable settlement of the outstanding derivative transactions as well as determining the fair value of those derivative transactions.

26. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At September 30, 2009 and 2008, the Company and its subsidiaries had monetary assets and liabilities in US Dollar as follows:

	2009		2008	
	US$ '000	Equivalent in *Rp '000*	*US$ '000*	Equivalent in *Rp '000*
Assets				
Cash and cash equivalents	3,025	29,284,467	3,924	36,795,554
Trade accounts receivable	6,629	64,172,589	–	–
Total assets	9,654	93,457,056	3,924	36,795,554
Liabilities				
Short-term bank loans	8,079	78,215,759	5,554	52,083,076
current portion of longterm				
bank Loan	13,094	126,763,014	9,458	88,697,124
bank Loan - Power Plant	1,191	11,532,898	1,191	11,171,768
Sales Advanced	55,888	541,052,959	50,260	471,338,271
Long-term bank loans				
bank Loan	45,183	437,411,783	58,276	546,517,017
bank Loan - Power Plant	1,489	14,413,668	2,680	25,134,480
Total liabilities	124,924	1,209,390,081	127,420	1,194,941,736
Net Liabilities	**115,270**	**1,115,933,025**	**123,496**	**1,158,146,182**

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

	2009	2008
	Rp	Rp
Foreign Currency		
US$ 1	9,681	9,378