

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2006 AND 2005

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2006 AND 2005

| | Notes | 2006 <i>Rp '000</i> | 2005 <i>Rp '000</i> |
|--|----------------|-------------------------------|-------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2c,f & 3,28 | 254,343,806 | 21,591,892 |
| Trade accounts receivable | | | |
| Related parties | 2d,g,4,25 & 28 | 103,560,435 | 85,892,576 |
| Third parties | 2c,g & 4 | 9,643,997 | 11,652,608 |
| Other accounts receivable -net | | 463,219 | 1,012,023 |
| Inventories - net of allowance for decline in value and inventory obsolescence of Rp. 955.212 thousand in 2006 and Rp. 759.835 thousand in 2005 | 2d,h,q & 5 | 172,148,229 | 203,339,532 |
| Advances | 2c | 35,476,448 | 39,449,863 |
| Prepaid taxes | | 4,795,854 | 41,977,277 |
| Prepaid expenses | 2i | 5,616,885 | 4,217,101 |
| Total Current Assets | | 586,048,873 | 409,132,873 |
| NONCURRENT ASSETS | | | |
| Due from related parties | 2d,g,6 & 25 | 7,856,228 | 6,018,017 |
| Due from plasma | 2j & 27 | 80,233,900 | 61,186,281 |
| Deferred tax assets | 2v & 23 | 1,872,674 | 3,428,780 |
| Real estate assets | 2k,q,7, & 25 | 23,195,600 | 23,195,600 |
| Plantation | | | |
| Matured Plantation - net of accumulated depreciation of Rp 101,761,360 thousand in 2006 and Rp 83,805,913 thousand in 2005 | 2l,q & 8 | 328,736,127 | 351,870,131 |
| Immatured Plantation | 2l,q,s & 8 | 133,654,810 | 38,243,781 |
| Property, plant and equipment - net of accumulated depreciation of Rp 282,406,912 thousand in 2006 and Rp 241,921,305 thousand in 2005 | 2d,m,q & 9 | 627,183,957 | 516,986,384 |
| Property for lease - net of accumulated depreciation of Rp 9,473,230 thousand in 2006 and Rp 8,203,513 thousand in 2005 | 2d,m,q & 10 | 9,848,777 | 10,662,922 |
| Property not used in operations | 2m & 2q | 14,499,379 | 1,122,988 |
| Deferred charges | 2n | 5,074,956 | 12,597,139 |
| Total Noncurrent Assets | | 1,232,156,407 | 1,025,312,024 |
| TOTAL ASSETS | | 1,818,205,279 | 1,434,444,897 |

*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, 2006 AND 2005 (Continued)

| | Notes | 2006 <i>Rp '000</i> | 2005 <i>Rp '000</i> |
|--|--------------|-------------------------------|-------------------------------|
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade accounts payable | 11 | | |
| Third Parties | | 25,436,676 | 21,640,049 |
| Taxes payable | 2v & 12 | 18,624,681 | 8,562,836 |
| Accrued expenses | 2d & 25 | 7,470,081 | 5,473,818 |
| Short Term Bank loans | 2c,d & 13 | - | 39,431,769 |
| Advanced received | 2c, r, & 14 | 176,048,915 | 244,150,401 |
| Current portion of long-term liabilities : | | | |
| Bank loans | 2c & 18 | 93,124,500 | 81,156,500 |
| Bank loans - Power Plant | 2c & 15 | 5,541,000 | - |
| Lease liabilities | 2m | 2,832,854 | 4,454,248 |
| Unearned revenue | | 4,896,175 | - |
| Other current payable | | 3,431,927 | 718,275 |
| Total Current Liabilities | | 337,406,810 | 405,587,896 |
| NONCURRENT LIABILITIES | | | |
| Due To related parties | 2d,6 & 25 | 2,297,951 | 65,125 |
| Due to shareholders | 2d ,25 | 8,686,565 | 6,765,942 |
| Defined-benefits post-employment reserve | 2t | 21,308,569 | 16,342,017 |
| Deferred tax liabilities | 2v & 23 | 47,720,740 | 24,824,493 |
| Advanced received | 2c, r, & 14 | 149,953,849 | - |
| Long-term liabilities - net of current maturities : | | | |
| Bank loans | 2c & 18 | 61,935,500 | 164,197,500 |
| Bank loans - Power Plant | 2c & 15 | 31,583,700 | - |
| Lease liabilities | 2d,m | 12,142,979 | 17,121,060 |
| Bonds payable - net of unamortized bonds | | | |
| issuances cost of Rp. 5.740.000 thousand | 2o & 16 | | |
| in 2006 and Rp. 7.840.000 thousand in 2005 | 17 | 294,260,000 | 292,160,000 |
| Other liabilities | | 21,071 | 22,241 |
| Total Noncurrent Liabilities | | 629,910,924 | 521,498,378 |
| MINORITY INTEREST IN NET ASSETS OF THE SUBSIDIARIES | | | |
| | | 1,317,983 | 1,139,420 |
| EQUITY | | | |
| Capital stock - par value of Rp 125 per share | | | |
| Authorized - 6,400,000,000 shares in 2006 | | | |
| and 3,200,000,000 shares in 2005 | | | |
| Issued and paid-up - 4.124.206.046 shares | 19 | 515,525,756 | 201,923,400 |
| in 2006 and 1.615.387.200 shares in 2005 | | | |
| Additional paid-in capital - net | 2p,19 | 173,453,468 | 184,200,968 |
| Difference in value of restructuring transaction | | | |
| between entities under common control | 2u | 74,487 | 74,487 |
| Retained earnings | | | |
| Appropriated | 24 | 2,500,000 | 2,000,000 |
| Unappropriated | | 158,015,851 | 118,020,348 |
| Total Equity | | 849,569,562 | 506,219,203 |
| TOTAL LIABILITIES AND EQUITY | | 1,818,205,279 | 1,434,444,897 |

*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, 2006 AND 2005

| | Notes | 2006 <i>Rp '000</i> | 2005 <i>Rp '000</i> |
|--|-------------------|-------------------------------|-------------------------------|
| NET SALES | 2d, r, 20, & 25 | 853,889,436 | 908,399,367 |
| COST OF GOODS SOLD | 2d, r, 21, & 25 | <u>670,657,942</u> | <u>725,570,450</u> |
| GROSS PROFIT | | <u>183,231,494</u> | <u>182,828,916</u> |
| OPERATING EXPENSES | 2r, 22 | | |
| Selling | | 35,765,227 | 40,761,377 |
| General and administrative | 2d,t, 9,16 & 25 | <u>47,048,223</u> | <u>41,782,365</u> |
| Total Operating Expenses | | <u>82,813,450</u> | <u>82,543,742</u> |
| INCOME FROM OPERATIONS | | <u>100,418,044</u> | <u>100,285,174</u> |
| OTHER INCOME (CHARGES) | 2r | | |
| Interest income | | 4,362,142 | 675,650 |
| Gain (loss) on foreign exchange - net | 2 x, & 27 | 24,430,444 | (37,901,230) |
| Interest expense and financial charges | 2c,s,13,16,18,&28 | (61,506,975) | (62,631,638) |
| Others - net | 2d, 23 | <u>(2,464,910)</u> | <u>3,505,202</u> |
| Other Income (Charges) - Net | | <u>(35,179,299)</u> | <u>(96,352,016)</u> |
| INCOME BEFORE TAX | | <u>65,238,745</u> | <u>3,933,158</u> |
| TAX EXPENSE | | | |
| Current Tax | 2v, 23 | (12,640,939) | (2,976,790) |
| Deferred Tax | 2v, 23 | <u>(14,489,302)</u> | <u>(558,089)</u> |
| TAX EXPENSES | | <u>(27,130,241)</u> | <u>(3,534,879)</u> |
| INCOME BEFORE MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES | | <u>38,108,504</u> | <u>398,279</u> |
| MINORITY INTEREST IN NET (PROFIT) LOSS OF THE SUBSIDIARIES | 2b | <u>(96,774)</u> | <u>79,547</u> |
| NET INCOME | | <u>38,011,730</u> | <u>477,826</u> |
| BASIC EARNINGS PER SHARE (in full Rupiah) | 2w | 24 | 0 |

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, 2006 AND 2005

| | Paid-up capital stock <i>Rp' 000</i> | Additional paid-in capital <i>Rp' 000</i> | Difference in value of restructuring transactions between entities under common control <i>Rp' 000</i> | Retained earnings | | | Total equity <i>Rp' 000</i> |
|--|--|---|--|--------------------------------|----------------------------------|--|--------------------------------|
| | | | | Appropriated <i>Rp' 000</i> | Unappropriated <i>Rp' 000</i> | | |
| Balance as of Januari 1, 2005 | 201,923,400 | 184,200,968 | 74,487 | 1,500,000 | 122,888,684 | | 510,587,539 |
| Net income of January 1 - September 30, 2005 | - | - | - | - | 477,826 | | 477,826 |
| Appropriation of general reserve | - | - | - | 500,000 | (500,000) | | - |
| Cash Dividen | - | - | - | - | (4,846,162) | | (4,846,162) |
| Balance as of September 30, 2005 | 201,923,400 | 184,200,968 | 74,487 | 2,000,000 | 118,020,348 | | 506,219,203 |
| Net Income of October 1 - December 31, 2005 | - | - | - | - | 5,741,047 | | 5,741,047 |
| Balance as of December 31, 2005 | 201,923,400 | 184,200,968 | 74,487 | 2,000,000 | 123,761,395 | | 511,960,250 |
| Net income of January 1 - September 30, 2006 | - | - | - | - | 38,011,730 | | 38,011,730 |
| Proceeds from Right Issue | 313,602,356 | - | - | - | - | | 313,602,356 |
| Stock Issuance Cost | - | (10,747,500) | - | - | - | | (10,747,500) |
| Appropriation of general reserve | - | - | - | 500,000 | (500,000) | | - |
| Cash Dividen | - | - | - | - | (3,257,274) | | (3,257,274) |
| Balance as of September 30, 2006 | 515,525,756 | 173,453,468 | 74,487 | 2,500,000 | 158,015,851 | | 849,569,562 |

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

PT. TUNAS BARU LAMPUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006 AND 2005

| | 2006 <i>Rp '000</i> | 2005 <i>Rp '000</i> |
|--|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 950,224,258 | 1,028,631,057 |
| Cash payments to suppliers, employees and others | (669,032,438) | (814,790,252) |
| Payment of income tax | (730,152) | (1,097,846) |
| Net Cash Used In Operating Activities | 280,461,668 | 212,742,960 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment, and plantation | (184,461,816) | (94,813,967) |
| Acquisition of property for leased | (455,572) | - |
| Increase in due from plasma | (8,396,164) | (18,157,515) |
| Additional from related parties | 107,872 | 3,801,937 |
| Net Cash Used in Investing Activities | (192,750,108) | (109,169,545) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Additinal of (Payment of) short-term bank loans | (21,922,768) | 7,756,940 |
| Payment of long-term bank loans | (59,311,000) | (32,075,000) |
| Additonal (Payment) of lease liabilities | (5,198,984) | 3,460,184 |
| Payment of other deferred charges | (2,965,498) | (11,752,422) |
| Proceeds from Right Issue I | 313,602,356 | - |
| Stock Issuance Cost | (10,747,500) | - |
| Payment of interest and financial charges | (61,506,975) | (61,694,633) |
| Payment of cash dividen | (3,257,274) | (4,846,163) |
| Net Cash Used In Financing Activities | 148,692,357 | (99,151,093) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 236,403,917 | 4,422,321 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 17,939,889 | 17,169,571 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 254,343,806 | 21,591,892 |

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