

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



FIRST PACIFIC COMPANY LIMITED

第一太平

*(Incorporated with limited liability under the laws of Bermuda)
Website: <http://www.firstpacific.com>*

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached filing made by Indofood Agri Resources Ltd. (“IndoAgri”) to the Singapore Stock Exchange, in relation to IndoAgri’s 90%-owned subsidiary, PT Salim Ivomas Pratama’s announcement of an Abridged Prospectus in connection with its public offering of 5-year Indonesian Rupiah Bonds and Islamic Lease-based Bonds amounting up to Rp1.0 trillion and Rp0.25 trillion respectively.

Dated this the 28th day of October, 2009

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Anthoni Salim, *Chairman*
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson
Ambassador Albert F. del Rosario
Napoleon L. Nazareno
Professor Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar
Sutanto Djuhar
Ibrahim Risjad
Benny S. Santoso
Graham L. Pickles*
Sir David W.C. Tang*, *KBE*

**Independent Non-executive Directors*

Print this page


MISCELLANEOUS

* Asterisks denote mandatory information

Name of Announcer *	INDOFOOD AGRI RESOURCES LTD.
Company Registration No.	200106551G
Announcement submitted on behalf of	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted with respect to *	INDOFOOD AGRI RESOURCES LTD.
Announcement is submitted by *	MAK MEI YOOK
Designation *	COMPANY SECRETARY
Date & Time of Broadcast	27-Oct-2009 21:05:36
Announcement No.	00144

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	PT SIMP's Abridged Prospectus in Connection with the Bond Issue
Description	<p>The Board of Directors of Indofood Agri Resources Ltd. wishes to announce that its 90%-owned subsidiary, PT Salim Ivomas Pratama ("PT SIMP") has today announced an Abridged Prospectus in a local newspaper in Indonesia, in connection with its initial offering of 5-year Indonesian Rupiah Bonds and Islamic Lease-based Bonds amounting up to Rp1.0 trillion and Rp0.25 trillion respectively (the "Bond Issue").</p> <p>Please refer to the attached Abridged Prospectus announced by PT SIMP today.</p>
Attachments	<p> PTSIMPAbridgedProspectus.pdf Total size = 152K (2048K size limit recommended)</p>

Close Window

ABRIDGED PROSPECTUS

THE INFORMATION CONTAINED IN THIS DOCUMENT IS STILL SUBJECT TO COMPLETION AND/OR REVISION. THIS SECURITIES REGISTRATION STATEMENT HAS BEEN SUBMITTED TO THE CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY AGENCY OF THE REPUBLIC OF INDONESIA (BAPEPAM-LK), BUT HAS NOT YET BEEN GIVEN STATEMENT OF EFFECTIVENESS BY THE SAID SUPERVISORY AGENCY. THIS DOCUMENT MAY ONLY BE USED FOR THE PURPOSE OF INITIAL OFFERING OF THE SECURITIES. THESE SECURITIES SHALL NOT BE SOLD BEFORE THE SAID REGISTRATION STATEMENT AS SUBMITTED TO BAPEPAM-LK BECOMES EFFECTIVE. SUBSCRIPTIONS TO BUY THE SECURITIES MAY ONLY BE DONE AFTER THE INTERESTED BUYER OR SUBSCRIBER HAS RECEIVED OR HAD THE CHANCE TO READ THIS PROSPECTUS.

BAPEPAM-LK HAS NOT GIVEN ANY STATEMENT OF APPROVAL OR DISAPPROVAL IN RESPECT OF THESE SECURITIES, NOR HAS MADE ANY STATEMENT AS TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS PROSPECTUS; ANY STATEMENT IN CONTRAVENTION TO SUCH EFFECT SHALL BE DEEMED AS A VIOLATION OF LAW.

PT SALIM IVOMAS PRATAMA ("COMPANY") AND THE JOINT UNDERWRITERS OF THE SECURITIES ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL THE MATERIAL INFORMATION OR FACTS, AND THE FAIRNESS OF OPINIONS CONTAINED IN THIS PROSPECTUS.

PT SALIM IVOMAS PRATAMA

Main Business Activities:

A vertically integrated agribusiness group, with principal activities that span from research and development, seed breeding, oil palm cultivation and milling, as well as production, marketing and selling of cooking oil, margarine and vegetable fats. SIMP Group also engages in cultivation of sugar cane, rubber and other crops.

Domiciled in South Jakarta, Indonesia

Head Office:

Sudirman Plaza, Indofood Tower, 11th Floor
Jalan Jendral Sudirman Kav. 76-78, Jakarta 12910
Telephone: (021) 5795 8822 ext 5000/5001,
Facsimile: (021) 5793 7504

**PUBLIC OFFERING OF SALIM IVOMAS PRATAMA BONDS I YEAR 2009
AT FIXED INTEREST RATE**

**with maximum total principal amount of
Rp1,000,000,000,000.00 (one trillion Rupiah)**

These bonds are issued script-less, having a term of 5 (five) years subject to a fixed interest rate of [•]% per annum, and with maximum total principal amount of Rp1,000,000,000,000.00 (one trillion Rupiah). The Bond Interest shall be paid every quarter, with the first interest payment to be made on [•], while the last interest payment shall be made on [•], which is also the Repayment Date of the Bond Principal.

**PUBLIC OFFERING OF SALIM IVOMAS PRATAMA SUKUK IJARAH I
YEAR 2009 ("Sukuk Ijarah")**

**with Remaining Balance of *Ijara* Fee amounting to
Rp250,000,000,000.00 (two hundred and fifty billion
rupiah)**

These Islamic Lease-based Bonds ('*Sukuk Ijarah*') are issued script-less, having a term of 5 (five) years, with Installment of *Ijara* Fee amounting to Rp[•] per annum, and maximum total Remaining Balance of *Ijara* Fee of Rp250,000,000,000.00 (two hundred and fifty billion Rupiah). The Installment of *Ijara* Fee is payable every quarter, with the payment of the First Installment of *Ijara* Fee to be made on [•], while the payment of the last Installment of *Ijara* Fee to be made on [•], which is also the Payment Date of the Remaining Balance of *Ijara* Fee.

The Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') are not secured by any specific collateral, whether in the form of goods or revenues or other assets of the Company in any form whatsoever, and are also not guaranteed by any other parties. All of the Company's assets, both movable and immovable, either existing currently or will exist in the future, are the collateral for all of the Company's indebtedness to its creditors that are unsecured or without any preferential rights on a pari-passu basis, including these Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*'), in pursuant to Articles 1131 and 1132 of the Indonesian Civil Code.

The Company may conduct partial or full buy back of the Bonds and/or Islamic Lease-based Bonds ('Sukuk Ijarah') 1 (one) year after the Issue Date. In the case that the Company has conducted a partial or full buy back of the Bonds and/or Islamic Lease-based Bonds ('Sukuk Ijarah'), the Company has the right to consider such buy back as settlement of the Bonds and/or Islamic Lease-based Bonds ('Sukuk Ijarah'), or be kept as Treasury Bonds and/or Islamic Lease-based Bonds ('Sukuk Ijarah') which, subsequently, may either be resold and/or considered as settlement.

THE COMPANY ONLY ISSUES JUMBO CERTIFICATES FOR THE BONDS AND ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH') REGISTERED IN THE NAME OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI"), AND TO BE DISTRIBUTED IN ELECTRONIC FORMS WHICH WILL BE ADMINISTERED IN COLLECTIVE CUSTODIANSHIP AT KSEI.

IN CONNECTION WITH THE ISSUANCE OF THESE BONDS AND ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH'), THE COMPANY HAS OBTAINED A LONG-TERM DEBT RATING OF "idAA-" FROM PT PEMERINGKAT EFEK INDONESIA ("PT PEFINDO").

FURTHER INFORMATION REGARDING THE RESULTS OF SUCH RATING CAN BE FOUND IN CHAPTER XVII OF THE BOND PROSPECTUS AND CHAPTER XVIII OF THE ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH') PROSPECTUS.

Listing of the Bonds and Islamic Lease-based Bonds ('Sukuk Ijarah') being offered will be at PT Bursa Efek Indonesia ("PT BEI")

JOINT UNDERWRITERS OF THE BONDS AND ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH')

**PT CIMB SECURITIES INDONESIA
PT DANAREKSA SEKURITAS
PT KIM ENG SECURITIES
PT MANDIRI SEKURITAS
PT OSK NUSADANA SECURITIES INDONESIA**

The Joint Underwriters provide guarantee with full commitment in respect of the Offering of the Company's Bonds and Islamic Lease-based Bonds ('Sukuk Ijarah')

**TRUSTEE
PT BANK MEGA Tbk**

THE RISK FACED BY THE BUYERS OF THE BONDS AND THE ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH') IN THIS PUBLIC OFFERING IS THE NON-LIQUIDITY OF THESE SECURITIES WHICH, AMONG OTHERS, IS DUE TO THE OBJECTIVE OF BUYING THEM AS LONG-TERM INVESTMENTS.

THE MAIN BUSINESS RISK OF SIMP GROUP IS ITS EXPOSURE TO THE POSSIBLE DECLINE IN INTERNATIONAL COMMODITY PRICES, WHICH DIRECTLY IMPACTS THE PRICES OF COMMODITIES BEING PRODUCED BY SIMP GROUP.

This Abridged Prospectus is issued in Jakarta

TIMETABLE

Estimated Initial Offering Period:	October 28 - November 11, 2009
Estimated Effective Date:	November 20, 2009
Estimated Offering Period:	November 24 - 25, 2009
Estimated Allotment Date:	November 26, 2009
Estimated Date of Electronic Distribution of the Bonds:	December 1, 2009
Estimated Date of Listing at PT BEI:	December 2, 2009

This Public Offering of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') have not been and will not be lodged, registered or filed under the applicable securities legislation of any jurisdiction other than those prevailing in Indonesia. No person receiving any of these Public Offering documents for the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') in any jurisdiction other than Indonesia may treat it as an offer, invitation, or solicitation to apply for the bonds, unless in jurisdictions where such an offer or invitation could lawfully be made without compliance with or is not in violation of any registration or other legal and regulatory requirements thereof.

Notwithstanding any matter relating to this Public Offering of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*'), anybody who may come into possession of a copy of this Public Offering Prospectus for the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') and/or any other related documents are required to inform themselves about, and must observe and comply with the provisions of applicable prevailing laws and regulations at their own expense, without any liabilities on the part of the Company and its Board of Directors or other parties involved in this Public Offering of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*'). These Public Offering documents for the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') are not intended for distribution outside of Indonesia.

The Company has fully disclosed all information required to be known by the public and there are no other material information that are not disclosed which will render the information in this Prospectus to be inaccurate and misleading.

PUBLIC OFFERING OF THE BONDS

Name of the Bonds

"Salim Ivomas Pratama Bonds I Year 2009 at Fixed Interest Rate".

Type of Bonds

These Bonds have a term of 5 (five) years, subject to fixed interest rate of [•]% per annum. These Bonds are issued script-less, except for the Jumbo Bond Certificate which is issued in the name of KSEI as an evidence of the Company's indebtedness for the interests of the Bond Holders. The evidence of bond ownership by the Bond Holders is the Written Confirmation issued by KSEI or the Account Holder.

Total Principal Amount of the Bonds

The Total Principal Amount of Bonds issued is a maximum of Rp1,000,000,000,000.00 (one trillion Rupiah). The Transferable Unit Amount is Rp1.00 (one Rupiah) and its multiple.

Offering Price

100% (one hundred percent) of the nominal value of the Bonds.

Interest

- The "Salim Ivomas Pratama Bonds I Year 2009 at Fixed Interest Rate" shall bear interest at a fixed rate of [•]% per annum.
- The Bond Interest is payable every quarter (three months) starting from the Issue Date, and due on the Payment Date of Bond Interest. Such Bond Interest shall be paid by Company to the Account Holder through KSEI as the Paying Agent on the relevant Payment Date of the Bond Interest.
- The Bond Interest represents the amount derived from a percentage per annum applied on the outstanding Bond Principal, which is calculated on the basis of the number of days passed, whereby 1 (one) month is counted as 30 (thirty) days and 1 (one) year is 360 (three hundred and sixty) days.

Term and Maturity Date

The Term of the Bonds is 5 (five) years, which shall be settled based on the principal amount as specified in the Written Confirmation held by the Bond Holders, payable on the Repayment Date of the Bond Principal and the last Payment Date of Bond Interest, which is on [•].

The Bond Interest is payable every quarter (three months) starting from the Issue Date, and due on the Payment Date of Bond Interest.

Collateral

The Bonds are not secured by any specific collateral, whether in the form of goods or revenues or other assets of the Company in any form whatsoever, and are not guaranteed by any other parties. All of the Company's assets, both movable and immovable, either currently existing or will exist in the future, are the collateral for all the Company's indebtedness to its creditors that are unsecured or without any preferential rights on a pari-passu basis, including these Bonds, pursuant to Articles 1131 and 1132 of the Indonesian Civil Code.

Buy Back of the Bonds

1. The Company may at any time buy back or resell the Bonds, either in full or partially, in the open market. The buy back of the Bonds shall be conducted in accordance with the prevailing laws and regulations.
2. The Company is obliged to report to the Trustee all the Bonds held by the Company and/or its Subsidiaries at the latest 5 (five) Working Days before the conduct of any General Meeting of the Bondholders ('RUPO'). All the Bonds held by Company and/or its Affiliates have no voting rights and are not counted in determining a quorum in a General Meeting of Bond Holders.
3. In the case that the Company has conducted partial or full *buy back* of the Bonds, then the Company has the right to consider such buy back as settlement, or be kept as Treasury Bonds and subsequently may either be resold and/or considered as settlement.
4. The Bonds that are bought back by Company and kept as Treasury Bonds, which subsequently may either be

resold and/or be considered as settlement, are not entitled to Bond Interest.

5. In the case of partial settlement of the Bonds, the Company is required to deliver a new Jumbo Bond Certificate to replace the old Jumbo Bond Certificate, indicating a Total Indebtedness amount net of the said portion of the Bonds already settled.
6. Buy back of the Bonds that is considered as settlement may be conducted any time after 1 (one) year from the Issue Date, subject to the following terms:
 - If the Company partially buys back the Bonds as settlement, then the Company is obliged to report such matter no later than 2 (two) Trading Days after the date of the said partial settlement to the Trustee, KSEI, Bapepam-LK, the PT BEI and other concerned parties in accordance with the prevailing laws and regulations.
 - If the Company buys back all the Bonds as full settlement, then the Company is obliged to report such matter to the Trustee, KSEI, Bapepam-LK, the PT BEI and other concerned parties in accordance with the prevailing laws and regulations, and announce it in 1 (one) daily newspaper with national circulation no later than 2 (two) Trading Days after the date of the said full settlement.

In the event that the Bonds are fully settled, then the Trusteeship Agreement shall terminate.

7. Bonds that are bought back and considered as settlement cannot be reissued or resold without the need for any deed or agreement whatsoever to that effect.

Funds for Settlement of the Bonds (*Sinking Fund*)

The Company does not maintain reserve funds for the settlement of the Bond Principal.

PUBLIC OFFERING OF ISLAMIC LEASE-BASED BONDS ('SUKUK IJARAH')

Name of Islamic Lease-based Bonds ('Sukuk Ijarah')

"Sukuk Ijarah of Salim Ivomas Pratama I Year 2009".

Type of Islamic Lease-based Bonds ('Sukuk Ijarah')

The Islamic Lease-based Bonds ('Sukuk Ijarah') have a term of 5 (five) years, with Installment of *Ijara* Fee amounting to Rp[.] per annum. The Islamic Lease-based Bonds ('Sukuk Ijarah') are issued script-less, except for the Jumbo Certificate of Islamic Lease-based Bonds ('Sukuk Ijarah') issued in the name of KSEI as an evidence of the Company's obligation to the Holders of the Islamic Lease-based Bonds ('Sukuk Ijarah'). The evidence of ownership of the Islamic Lease-based Bonds ('Sukuk Ijarah') by the Holders is the Written Confirmation issued by KSEI or Account Holder.

Total Remaining Balance of *Ijara* Fee

The Remaining Balance of *Ijara* Fee issued is for a maximum of Rp250,000,000,000.00 (two hundred and fifty billion Rupiah). The Transferable Unit Amount is Rp1.00 (one Rupiah) and its multiple.

Offering Price

100% (one hundred percent) of the value of the Remaining Balance of *Ijara* Fee.

Installment of *Ijara* Fee

- "Sukuk Ijarah of Salim Ivomas Pratama I Year 2009" will provide Installment of *Ijara* Fee amounting to Rp[.] per annum.
- The Installment of *Ijara* Fee is payable every quarter (three months) starting from the Issue Date, and due on the Payment Date of Installment of *Ijara* Fee. The said Installment of *Ijara* Fee shall be paid by the Company to the Account Holder through KSEI as the Paying Agent on the relevant Payment Date of Installment of *Ijara* Fee.

Term and Maturity Date

The term of the Islamic Lease-based Bonds ('Sukuk Ijarah') is 5 (five) years, which shall be settled based on the

amount of the Remaining Balance of *Ijara* Fee as specified in Written Confirmation held by the Holders of the Islamic Lease-based Bonds ('*Sukuk Ijarah*'), payable on the Payment Date of the Remaining Balance of *Ijara* Fee and the last Payment Date of the Installment of *Ijara* Fee, which is on [•].

The Installment of *Ijara* Fee is payable every quarter (3 months) starting from the Issue Date, and due on the Payment Date of Installment of *Ijara* Fee.

Collateral

These Islamic Lease-based Bonds ('*Sukuk Ijarah*') are not secured by any specific collateral, whether in the form of goods, or revenues or other assets of the Company in any form whatsoever, and are also not guaranteed by any other parties. All of the Company's assets, both movables and immovable, either currently existing or will exist in the future, are the collateral for all the Company's indebtedness to its creditors that are unsecured or without any preferential rights on a pari-passu basis, including these Islamic Lease-based Bonds ('*Sukuk Ijarah*') pursuant to Article 1131 and Article 1132 of the Indonesian Civil Code.

Partial Payment of the Remaining Balance of *Ijara* Fee

1. Company may at any time buy back or resell the Islamic Lease-based Bonds ('*Sukuk Ijarah*'), either in full or partially, in the open market. Buy Back of the Islamic Lease-based Bonds ('*Sukuk Ijarah*') shall be conducted in accordance with the prevailing laws and regulations.
2. The Company is obliged to report to the Trustee of *Sukuk* all Islamic Lease-based Bonds ('*Sukuk Ijarah*') owned and held by the Company and/or its Subsidiaries not later than 5 (five) Working Days before the conduct of any General Meeting of Islamic Lease-based Bonds ('*Sukuk Ijarah*') Holders (RUPSI). All the Islamic Lease-based Bonds ('*Sukuk Ijarah*') owned and held by the Company and/or its Affiliates have no voting rights and are not counted in determining the quorum in a General Meeting of Islamic Lease-based Bonds ('*Sukuk Ijarah*') Holders (RUPSI).
3. In the case that the Company has conducted partial or full buy back of the Remaining Balance of *Ijara* Fee,

the Company has the right to consider such buy back as settlement of the Islamic Lease-based Bonds ('*Sukuk Ijarah*'), or be kept as Treasury Islamic Lease-based Bonds ('*Sukuk Ijarah*'), and subsequently may either be resold and/or considered as settlement.

4. Islamic Lease-based Bonds ('*Sukuk Ijarah*') that are bought back by the Company and kept as Treasury Islamic Lease-based Bonds ('*Sukuk Ijarah*'), which subsequently may either be resold and/or considered as settlement, are not entitled to Installment of *Ijara* Fee.
5. In the case of partial settlement of the Islamic Lease-based Bonds ('*Sukuk Ijarah*'), the Company is required to deliver a new Jumbo Certificate of Islamic Lease-based Bonds ('*Sukuk Ijarah*') to replace the old Jumbo Certificate of Islamic Lease-based Bonds ('*Sukuk Ijarah*') indicating a Total Indebtedness amount net of the said portion of the Bonds already settled.
6. Partial payment of the Remaining Balance of *Ijara* Fee that is considered as settlement may be conducted any time after 1 (one) year from the Issue Date, subject to the following terms:
 - If the Company pays the Remaining Balance of *Ijara* Fee as partial settlement of the Islamic Lease-based Bonds ('*Sukuk Ijarah*'), then the Company is obliged to report such matter not later than 2 (two) Trading Days after the date of the said settlement to the Trustee of *Sukuk*, KSEI, Bapepam-LK, PT BEI and other concerned parties in accordance with the prevailing laws and regulations.
 - If the Company pays all the Remaining Balance of *Ijara* Fee as full settlement, then the Company is obliged to report such matter to the Trustee of *Sukuk*, KSEI, Bapepam-LK, the PT BEI and other concerned parties in accordance with the prevailing laws and regulations, and announce it in 1 (one) daily newspaper with national circulation not later than 2 (two) Trading Days after the date of the said full settlement.

In the case that the Islamic Lease-based Bonds ('*Sukuk Ijarah*') are settled in full, then the relevant Trusteeship Agreement shall terminate.

7. Islamic Lease-based Bonds (*'Sukuk Ijarah'*) that are bought back and considered as settlement cannot be issued or resold even without the need for any deed or agreement whatsoever to that effect.

Funds for Settlement of the Islamic Lease-based Bonds (*'Sukuk Ijarah'*) (*Sinking Fund*)

The Company does not maintain reserve funds for purposes of settlement of these Islamic Lease-based Bonds (*'Sukuk Ijarah'*).

PLANNED USE OF PROCEEDS

Proceeds generated from the Public Offering of the Bonds, after deducting the related costs of issuance, shall be entirely used for refinancing of the Company's bank loans.

Proceeds generated from the Public Offering of Islamic Lease-based Bonds (*'Sukuk Ijarah'*), after deducting the related costs of issuance, shall be entirely used for the arrangement and continuous availment of transportation services for a period of 5 (five) years with third parties for a total value amounting to Rp250,000,000,000.00 (two hundred and fifty billion Rupiah).

If the funds generated from the issuance of the Islamic Lease-based Bonds ("Sukuk Ijarah") are not yet used, the Company is allowed to use such funds for working capital purposes, amongst others, purchase of raw materials and fertilizers, provided that it is not in contravention with the Syariah principles.

STATEMENT OF INDEBTEDNESS

Based on the consolidated financial statements of the Company and its Subsidiaries ("SIMP Group") as of May 31, 2009, which have been audited by Purwantono, Sarwoko & Sandjaja, certified public accountants, with an unqualified opinion, SIMP Group has total liabilities amounting to Rp9,219.5 billion consisting of current liabilities of Rp4,003.2 billion and non-current liabilities of Rp5,216.3 billion, with the following details:

in billion Rupiah

Description	Total
CURRENT LIABILITIES	
Short-term bank loans	2,183.1
Trade Payables:	
Third parties	305.2
Related parties	9.9
Other Payables:	
Third parties	359.6
Accrued expenses	359.9
Taxes payable	151.5
Advances from Customers	44.5
Current maturities of long-term loans	589.5
Total Current Liabilities	4,003.2
NON-CURRENT LIABILITIES	
Long-term loans - net of current maturities	3,859.9
Deferred tax liabilities - net	719.7
Employee benefits Liability - net	374.5
Due to related parties	219.8
Other Non-current liabilities	42.4
Total Non-current Liabilities	5,216.3
TOTAL LIABILITIES	9,219.5

SUMMARY OF IMPORTANT FINANCIAL DATA

The following table presents the summary of important financial data of SIMP Group as derived from the consolidated financial statements of SIMP Group as of and for the five-month period ended 31 May 2009 and years ended 31 December 2008, 2007 and 2006, which have been audited by Purwantono, Sarwoko & Sandjaja, certified public accountants, with an unqualified opinion, and as of and for years ended 31 December 2005 and 2004, which have been audited by Prasetio, Sarwoko & Sandjaja (before restatement as a result of the acquisitions of several Subsidiaries in 2008 and 2007 involving entities under common control), with unqualified opinions.

Consolidated Balance Sheets*in billion Rupiah*

Description	May 31,		December 31			
	2009	2008	2007	2006	2005*	2004*
Current Assets	3,662.9	4,190.6	3,789.1	1,776.7	1,451.0	1,591.5
Non-current Assets	13,365.7	12,146.8	10,442.9	2,189.5	2,024.3	1,662.8
Total Assets	17,028.6	16,337.4	14,232.0	3,966.2	3,475.3	3,254.3
Current Liabilities	4,003.2	3,813.5	5,911.6	1,017.6	411.7	359.7
Non-current Liabilities	5,216.3	5,179.7	2,061.6	659.8	827.5	322.4
Total Liabilities	9,219.5	8,993.2	7,973.2	1,677.4	1,239.2	682.1
Minority interests in net assets of						
Subsidiaries	1,544.1	1,589.8	1,100.0	40.0	18.4	17.8
Shareholders' Equity	6,265.0	5,754.4	5,158.8	2,248.8	2,217.7	2,554.4
Total Liabilities and Shareholders'	17,028.6	16,337.4	14,232.0	3,966.2	3,475.3	3,254.3

* As restated

Consolidated Statements of Income

in billion Rupiah

Description	5 months		One Year			
	2009	2008	2007	2006	2005*	2004*
Net Sales	3,460.2	11,840.5	6,505.6	4,088.9	3,589.6	4,032.1
Gross Profit	1,239.9	3,904.3	1,962.0	979.4	1,063.1	1,160.3
Operating profit	865.2	2,888.4	1,465.3	626.2	720.0	871.2
Net profit	510.6	1,002.4	832.3	368.7	490.9	634.6
EBITDA**	1,248.4	3,073.7	1,512.9	786.2	837.8	977.3

* As restated

**EBITDA: Income before tax – interest income + interest expense + depreciation and amortization

Total consolidated capital expenditures of the Company for the five-month period ended May 31, 2009 and for the years ended December 31, 2008, 2007 and 2006 amounted to Rp1,123.8 billion, Rp1,739.5 billion, Rp692.9 billion and Rp318.1 billion, respectively.

Operating and Financial Ratios

Description	May 31	←		December 31	→	
	2009	2008	2007	2006	2005***	2004***
Growth Ratios (in %)						
Net Sales	na	82.0	59.1	13.9	(11.0)	(17.5)
Gross Profit	na	99.0	100.3	(7.9)	(8.4)	34.8
Income from operations	na	97.1	134.0	(13.0)	(17.4)	63.4
Net Income	na	20.4	125.7	(24.9)	(22.7)	48.5
Total Assets	4.2	14.8	258.8	14.1	6.8	(6.3)
Total Liabilities	2.5	12.8	375.3	35.4	81.7	(38.4)
Total Shareholders' Equity	8.9	11.6	129.4	1.4	(13.2)	8.8
Operating Ratios (in %)						
Gross Profit / Net Sales	35.8	33.0	30.2	24.0	29.6	28.8
Income from Operations/ Net Sales	25.0	24.4	22.5	15.3	20.1	21.6
Net Income / Net Sales	14.8	8.5	12.8	9.0	13.7	15.7
Income from Operations / Shareholders' Equity *	na	52.9	39.6	28.0	30.2	35.5
Net Income / Shareholders' Equity *	na	18.4	22.5	16.5	20.6	25.9
Income from Operations / Assets **	na	18.9	16.1	16.8	21.4	25.9
Net Income/ Assets **	na	6.6	9.1	9.9	14.6	18.9
Net Sales/Assets**	20.7	77.5	71.5	109.9	106.7	119.9
Growth in Net Sales/ Growth in Cash	65.2	48.0	13.9	(39.3)	14.9	(22.1)
Operating Expenses/Income from Operations	43.3	35.2	33.9	56.4	47.7	33.2
Inventory Turn-over (no. of times)	na	47.39	70.81	66.42	69.06	60.55
Financial Ratios (no. of times)						
Current Assets/Current Liabilities	0.92	1.10	0.64	1.75	3.52	4.42
Acid Test Ratio	0.62	0.86	0.44	1.15	2.22	3.23
Debt/Equity	1.47	1.56	1.55	0.75	0.56	0.27
Debt/Assets	0.54	0.55	0.56	0.42	0.36	0.21
Cash from Operations/Net Income	(0.42)	2.51	1.11	0.48	0.54	1.64
Plantations/Assets	0.31	0.30	0.32	0.16	0.10	0.06
Net Working Capital/Net Sales	(0.1)	0.03	(0.33)	0.18	0.16	0.39
Average payment days of						
Trade Payables (in days)	24	15	15	12	12	12
Average collection days of						
Trade Receivables (in days)	24	18	26	26	23	25

na: not comparable due to different period cut-off

* Equity is determined based on average of beginning and end of period/year balances

** Total Assets is determined based on average of beginning and end of period/year balances

*** As restated

MANAGEMENT ANALYSIS AND DISCUSSIONS**1. GENERAL**

SIMP Group is a vertically integrated agribusiness group of companies with principal activities that span from research and development, seed breeding, oil palm cultivation and milling, as well as production, marketing and selling of cooking oil, margarine and fats. SIMP Group also engages in cultivation of sugar cane, rubber, and other crops.

The business activities of SIMP Group are divided into three segments, namely the Plantation segment, Cooking Oil & Fats segment, and Commodity segment.

The business activities of the Plantation segment comprise the entire business operations of SIMP Group's plantations, which primarily consist of the oil palm plantations, and in addition, plantations of rubber, sugar cane, and other crops.

The business activities of the Cooking Oil & Fats segment comprise the production and marketing of cooking oil, margarine and fats products, both for industrial customers and consumers under its own brands that have long been well-known in the market, such as, Bimoli, Palmia, Simas, Amanda and Simas Palmia. In addition, to fulfilling the demand of the domestic market, the said products are also exported to China, the Philippines, Papua New Guinea, African countries and other countries.

The business activities of the Commodity segment comprise the processing of copra into CNO and its derivative products, which are almost entirely exported to European Union countries, the United States of America, South Korea and other countries.

The following table shows the sales of each segment vis-à-vis the consolidated Net Sales of SIMP Group:

in billion Rupiah

Segment	May 31	December 31		
	2009	2008	2007	2006
Plantations	2,202.1	6,807.6	2,677.9	1,304.7
Cooking Oil & Fats	2,147.8	6,545.6	4,402.8	2,973.4
Commodity	311.7	1,662.8	1,175.2	716.9
Total before eliminations	4,661.6	15,016.0	8,255.9	4,995.0
Eliminations	(1,201.4)	(3,175.5)	(1,750.3)	(906.1)
Total	3,460.2	11,840.5	6,505.6	4,088.9

Source: Audited consolidated financial statements.

The table below presents the percentages of domestic and export sales:

Segment	May 31	December 31		
	2009	2008	2007	2006
Domestic	76.8%	65.5%	71.9%	68.1%
Export	23.2%	34.5%	28.1%	31.9%

2. FINANCIAL ANALYSIS

The following financial analysis is based on the consolidated financial statements of SIMP Group as of and for the five-month period ended May 31, 2009 and years ended December 31, 2008, 2007 and 2006, which have been audited by Purwantono, Sarwoko & Sandjaja, certified public accountants, with an unqualified opinion.

The preparation of the consolidated financial statements, in accordance with the general accepted accounting principles in Indonesia, requires management to make estimations and assumptions that affect the amounts reported therein due to inherent uncertainties in making estimates, actual results reported in future periods may be based on amounts that may differ from those estimates.

Consolidated Balance Sheets

in billion Rupiah

Description	May 31	December 31		
	2009	2008	2007	2006
Assets				
Current Assets	3,662.9	4,190.6	3,789.1	1,776.7
Non-Current Assets	13,365.7	12,146.8	10,442.9	2,189.5
Total Assets	17,028.6	16,337.4	14,232.0	3,966.2
Liabilities				
Current Liabilities	4,003.2	3,813.5	5,911.6	1,017.6
Non-Current Liabilities	5,216.3	5,179.7	2,061.6	659.8
Total Liabilities	9,219.5	8,993.2	7,973.2	1,677.4
Minority Interests in Net Assets of				
Subsidiaries	1,544.1	1,589.8	1,100.0	40.0
Shareholders' Equity	6,265.0	5,754.4	5,158.8	2,248.8
Total Liabilities and Shareholders' Equity	17,028.6	16,337.4	14,232.0	3,966.2

Consolidated Statements of Income

in billion Rupiah

Description	5 months	One year		
	2009	2008	2007	2006
Net Sales	3,460.2	11,840.5	6,505.6	4,088.9
Costs of Goods Sold	2,220.3	7,936.2	4,543.6	3,109.5
Gross Profit	1,239.9	3,904.3	1,962.0	979.4
Operating Expenses	374.7	1,015.9	496.7	353.2
Income from Operations	865.2	2,888.4	1,465.3	626.2
Other Expenses - net	11.0	735.4	170.1	61.0
Net profit	510.6	1,002.4	832.3	368.7

Net Sales

Net Sales for the five-month period ended May 31, 2009 amounted to Rp3,460.2 billion. Sales of Plantations, Cooking Oil & Margarine, and Commodity segments (before eliminations) amounted to Rp2,202.1 billion, Rp2,147.8 billion and Rp311.7 billion, respectively.

Year 2008 Compared with Year 2007

Total consolidated net sales in 2008 increased by 82.0% to Rp11,840.5 billion compared to Rp6,505.6 billion in 2007, which was primarily attributed to the increase in average selling price, increase in volume sales of cooking oil, and the contribution from the full year consolidation of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("PT LSIP").

Sales of each segment (before eliminations) are as follows:

- a. Sales of the Plantations segment increased by 154.2% to Rp6,807.6 billion in 2008 from Rp2,677.9 billion in 2007, primarily due to the organic volume growth, increase in average selling price of CPO, and the contribution from the full year consolidation of PT LSIP.
- b. Sales of the Cooking Oil & Fats segment increased by 48.7% to Rp6,545.6 billion in 2008 from Rp4,402.8 billion in 2007, primarily due to increase in volume sales of cooking oil and average selling price.
- c. Sales of the Commodity segment increased by 41.5% to Rp1,662.8 billion in 2008 from Rp1,175.2 billion in 2007, primarily due to increase in average selling price of CNO.

Year 2007 Compared with Year 2006

Total consolidated net sales in 2007 increased by 59.1% to Rp6,505.6 billion compared to Rp4,088.9 billion in 2006, which was primarily attributed to the increase in average selling prices.

Sales of each segment (before eliminations) were as follows:

- a. Sales of Plantations segment increased by 105.3% to Rp2,677.9 billion in 2007 from Rp1,304.7 billion in

2006, primarily due to the significant increase in average selling price of CPO and the two months sales contribution from PT LSIP.

- b. Sales of the Cooking Oil & Fats segment increased by 48.1% from Rp4,402.8 billion in 2007 from Rp2,973.4 billion in 2006. The said increase was primarily attributed to the increase in average selling price in line with the increase of average selling price of CPO.
- c. Sales of the Commodity segment increased by 63.9% to Rp1,175.2 billion in 2007 from Rp716.9 billion in 2006, primarily due to the increase of average selling price of CNO.

Costs of Goods Sold and Gross Profit

Costs of goods sold for the five-month period ended May 31, 2009 amounted to Rp2,220.3 billion.

Gross Profit for the same period amounted to Rp1,239.9 billion, with a gross margin of 35.8%.

Year 2008 Compared with Year 2007

Costs of goods sold increased by 74.7% to Rp7,936.2 billion in 2008 from Rp4,543.6 billion in 2007. The said increase was primarily due to the increase in the price of CPO, which is the main raw material for the Cooking Oil & Fats segment.

Gross Profit increased by 99.0% to Rp3,904.3 billion in 2008 from Rp1,962.0 billion in 2007, and likewise, gross margin rose to 33.0% in 2008 from 30.2% in 2007. This increase was primarily due to the increase in sales, as explained above.

Year 2007 Compared with Year 2006

Costs of goods sold increased by 46.1% to Rp4,543.6 billion in 2007 from Rp3,109.5 billion in 2006. This increase was primarily due to the increase in the price of CPO, which is the main raw material for the Cooking Oil & Fats segment.

Gross profit increased by 100.3% to Rp1,962.0 billion in 2007 from Rp979.4 billion in 2006, and likewise, gross margin rose to 30.2% in 2007 from 24.0% in 2006. This increase was primarily due to the increase in average selling prices in all business segments.

Operating Expenses and Income from Operations

Operating expenses for the five-month period ended May 31, 2009 amounted to Rp374.7 billion, consisting of selling & distribution expenses amounting to Rp102.6 billion and general & administration expenses amounting to Rp272.1 billion. On the other hand, income from operations for the same period amounted to Rp865.2 billion, with an operating profit margin of 25.0%

Year 2008 compared to year 2007

Operating expenses increased by 104.5% to Rp1,015.9 billion in 2008 from Rp496.7 billion in 2007. This increase was primarily due to the increases in employee salaries expense, export taxes and transportation expense, and the contribution from the full year consolidation of PT LSIP.

On the other hand, income from operations increased by 97.1% to Rp2,888.4 billion in 2008 from Rp1,465.3 billion in 2007, with an operating profit margin of 24.4% in 2008 as compared to 22.5% in 2007.

Year 2007 Compared with Year 2006

Operating expenses increased by 40.6% to Rp496.7 billion in 2007 from Rp353.2 billion in 2006. This increase was primarily due to the increases in employee salaries and transportation expenses.

On the other hand, income from operations increased by 134.0% to Rp1,465.3 billion in 2007 from Rp626.2 billion in 2006, with an operating profit margin of 22.5% in 2007 as compared to 15.3% in 2006.

Other Expenses - Net

Other expenses for the five-month period ended May 31, 2009 amounted to Rp11.0 billion. The largest component of other expenses was interest and financing cost amounting to Rp141.6 billion, while the largest component of other income was the net gain on foreign exchange of Rp134.8 billion.

Year 2008 Compared with Year 2007

Other expenses - net increased by 332.3% to Rp735.4 billion in 2008 from Rp170.1 billion in 2007, primarily due to the

increases in net losses on foreign exchange and interest expense.

Year 2007 Compared with Year 2006

Other expenses - net increased by 178.9% to Rp170.1 billion in 2007 from Rp61.0 billion in 2006, primarily due to the net losses on foreign exchange.

Net Income

For the five-month ended May 31, 2009, net income amounted to Rp510.6 billion, and net profit margin was 14.8%.

Year 2008 Compared with Year 2007

Although income from operations increased significantly, net income increased by only 20.4% to Rp1,002.4 billion in 2008 from Rp832.3 billion in 2007 due to the net losses on foreign exchange and the increase in financing cost.

Year 2007 Compared with Year 2006

Net income increased by 125.7% to Rp832.3 billion in 2007 from Rp368.7 billion in 2006 primarily due to the significant increase in income from operations in 2007.

Growth in Assets, Liabilities and Shareholders' Equity

As of May 31, 2009, total assets amounted to Rp17,028.6 billion, an increase of 4.2% from the total assets as of December 31, 2008 of Rp16,337.4 billion. This increase was primarily due to the increase in capital expenditures.

As at December 31, 2008, total assets amounted to Rp16,337.4 billion, an increase of 14.8% from the total assets as of December 31, 2007 of Rp14,232.0 billion. This increase was mainly due to the increases in capital expenditures and cash balance in line with the increase in operating results.

As of December 31, 2007, total assets amounted to Rp14,232.0 billion, an increase of 258.8% from the total assets as of December 31, 2006 of Rp3,966.2 billion. This increase was mainly due to the acquisition of majority ownership in PT LSIP, increases in cash balance in line with the increase in operating results, and inventories.

As of May 31, 2009, total liabilities amounted to Rp9,219.5 billion, an increase of 2.5% from the total liabilities as

of December 31, 2008 of Rp8,993.1 billion. This increase was mainly due to the increase in bank loans.

As of December 31, 2008, total liabilities amounted to Rp8,993.1 billion, an increase of 12.8% from the total liabilities as of December 31, 2007 of Rp7,973.2 billion. This increase was mainly due to the increase in bank loans and the effect of Rupiah depreciation.

As of December 31, 2007, total liabilities amounted to Rp7,973.2 billion, an increase of 375.3% from the total liabilities as of December 31, 2006 of Rp1,677.4 billion. This increase was mainly due to the increase in bank loans in connection with the acquisition of the majority ownership in PT LSIP.

As of May 31, 2009, total shareholders' equity amounted to Rp6,265.0 billion, an increase of 8.9% from the total shareholders' equity as of December 31, 2008 of Rp5,754.4 billion. This increase was primarily due to the increase in net income earned during the first five months of 2009.

As of December 31, 2008, total shareholders' equity increased by 11.5% to Rp5,754.4 billion from the total shareholders' equity as of December 31, 2007 of Rp5,158.8 billion. This increase was mainly due to the increase in net income earned during 2008.

As of December 31, 2007, total shareholders' equity increased by 129.4% to Rp 5,158.8 billion from the total shareholders' equity as of December 31, 2006 of Rp2,248.8 billion. This increase was mainly due to the increase in net income earned during 2007, and the proceeds from the issuance of new shares.

Liquidity

Liquidity indicates the ability of SIMP Group to settle its short-term liabilities, which is measured by the ratio of current assets to current liabilities of SIMP Group. The liquidity ratios of SIMP Group as of May 31, 2009 and December 31, 2008, 2007 and 2006 were 91.5%, 109.8%, 64.1% and 174.6% respectively. The decrease in liquidity ratio as of May 31, 2009 was mainly due to the decrease in cash balance, which was used for capital expenditures.

Solvability

Solvability indicates the capability of SIMP Group to settle all its liabilities, which is measured by the ratio

of total liabilities to total shareholders' equity. Ratios of total liabilities to total shareholders' equity as of May 31, 2009 and December 31, 2008, 2007 and 2006 were 147.2%, 156.3%, 154.6% and 74.6%, respectively. The decrease in solvability ratio as of May 31, 2009 was mainly due to the increase in shareholders' equity arising from the net income earned for the first five months of 2009.

Return on Equity

Return on equity indicates the capability of SIMP Group in generating net income, which is measured by comparing net income against total shareholders' equity (average of total shareholders' equity at beginning and end of period/year). Return on equity for the five-month period ended May 31, 2009 and the years ended December 31, 2008, 2007 and 2006 were 8.5%, 18.4%, 22.5% and 16.5%, respectively.

Return on Assets

Return on assets indicates the capability of SIMP Group in generating net income, which is measured by comparing net income against total assets (average of total assets at beginning and end of period/year). Return on assets for the five-month period ended May 31, 2009 and the years ended December 31, 2008, 2007 and 2006 were 3.1%, 6.6%, 9.1% and 9.9%, respectively.

3. IMPACT OF CHANGES IN FOREIGN CURRENCY EXCHANGE RATES

Operationally, changes in foreign currency exchange rates do not have significant impact since selling prices can be adjusted accordingly. Changes in foreign currency exchange rates affect the net income of SIMP Group since its net liabilities in foreign currencies as of May 31, 2009 was equivalent to USD195.5 million. Total liabilities in foreign currencies was equivalent to USD289.0 million, consisting of trade and non-trade payables, and short-term and long-term bank loans. On the other hand, SIMP Group also has assets in foreign currencies with equivalent amount totaling USD93.5 million, consisting of cash and cash equivalents, and trade and non-trade receivables.

4. SOURCES OF FUNDS

SIMP Group can meet its funding requirements primarily through cash generated from operating activities and a combination of short-term and long-term borrowings. A significant portion of the cash generated from operating activities is used to fund its requirements for working

capital, debt repayments, capital expenditures and investments in Subsidiaries.

in billion Rupiah

Description	5 months	← 1 year →		
	2009	2008	2007	2006
Net cash generated from operating activities	(214.8)	2,511.1	927.5	176.7
Net cash used for investment activities	(1,235.5)	(2,181.3)	(5,381.9)	(283.0)
Net cash generated from financing activities	394.8	280.8	5,767.4	156.3
Increase (decrease) of net cash and cash equivalents	(1,055.5)	610.6	1,313.0	50.0
Cash and cash equivalents at beginning of period/year	2,220.8	1,610.2	297.2	247.2
Cash and cash equivalents at end of period/year	1,165.3	2,220.8	1,610.2	297.2

Total capital expenditures incurred by SIMP Group, consisting of additions to fixed assets and plantations, for the five-month period ended May 31, 2009 and the years 2008, 2007 and 2006 amounted to Rp1,123.8 billion, Rp1,739.5 billion, Rp692.9 billion and Rp318.1 billion, respectively.

The short-term bank loans in Rupiah currency obtained by SIMP Group are subject to interest at annual rates ranging from 10.4% - 16.3% in 2009, 8.9% - 16.3% in 2008, 9.0% - 14.3% in 2007, and 10.8% - 14.7% in 2006. The short-term bank loans in USD currency are subject to interest at annual rates ranging from 2.5% - 7.5% in 2009, 3.4% - 7.6% in 2008, 5.8% - 8.3% in 2007, and 6.1% - 7.4% in 2006.

The long-term bank loans in Rupiah currency are subject to interest at annual rates ranging from 5.0% - 18.5% in 2009, 5.0% - 18.5% in 2008, 2.0% - 18.5% in 2007, and 6.8% - 15.5% in 2006. The long-term bank loans in USD currency are subject to interest at annual rates ranging from 1.9% - 7.5% in 2009, 3.4% - 7.6% in 2008, 7.1% - 8.3% in 2007, and 6.8% - 7.3% in 2006.

5. INTEREST RATE FLUCTUATION

As of May 31, 2009, SIMP Group has USD denominated bank loans amounting to USD 264.8 million. SIMP Group has no swap contracts, nevertheless, SIMP Group's export sales, which averaged around 30% of total sales, can provide natural hedging to a limited extent against the effect of Rupiah fluctuation vis-à-vis the foreign currencies.

6. CAPITAL EXPENDITURES

The Company invested in capital expenditures, primarily for the purchases of machinery and additional planting, which were financed by internal funds and bank loans. These capital expenditures, particularly the increase in production capacity and expansion of planted areas of the

plantation will support the medium and long-term earning growth of the Company.

The Company has a policy to conduct feasibility assessment in respect of capital expenditures prior to making any investment such that the material impact of any problems that are not in accordance with the procurement and the purpose thereof can be minimized.

BUSINESS RISKS

Similar to any other businesses, the Company's line of business is not free from risks, both in micro and macro terms. The following are the risks that the Company is exposed to, among others:

- 1. SIMP Group is exposed to the risks arising from economic, political and social conditions as well as climate and natural conditions wherein SIMP Group undertakes its main business activities**
 - a. Unstable domestic economic conditions may negatively impact SIMP Group.
 - b. Unstable domestic political and social conditions may negatively impact SIMP Group.
 - c. Risks from terrorism activities in Indonesia may worsen the country's stability thereby negatively impacting the business activities of SIMP Group.
 - d. Climate and natural conditions may negatively impact SIMP Group.
 - e. Risks arising from the fluctuations of Rupiah against foreign currencies.
 - f. Risks arising from the implementation of Government regulations on export tax, and import and tariff policies.
 - g. Risks arising from Government's intervention to maintain the stability of market price of cooking oil.

- 2. SIMP Group is exposed to the risks arising from industrial and business environment conditions**
 - a. SIMP Group is exposed to the risks arising from the effects of fluctuations in international commodity prices.
 - b. SIMP Group is exposed to risks of increasing competition in its business segments.
 - c. SIMP Group is exposed to the risks of possible product contamination and issue on "non-halal" products.

- d. SIMP Group may be adversely affected by the implementation and enforcement of stricter environmental regulations.
- e. SIMP Group is exposed to the risks arising from changes in regulations relating to acquisition, renewal and reduction of land areas for Business Use Rights or "*Hak Guna Usaha (HGU)*".
- f. SIMP Group is exposed to risks arising from limitation in plantation land ownership.
- g. SIMP Group is exposed to the risks that may arise from labor strike.

3. SIMP Group is exposed to risks arising from its debt obligations

- a. SIMP Group is exposed to risks arising from declaration of breach or default in its commitments.
- b. SIMP Group is exposed to the risks of default by plasma farmers in connection with the loans provided or loans guaranteed by SIMP Group under the plasma program.
- c. SIMP Group is exposed to foreign exchange risks on its un-hedged foreign currency denominated debts.
- d. SIMP Group is exposed to the risks arising from the decline in rating of the Bonds and the Islamic Lease-based Bonds (*'Sukuk Ijarah'*).

SIGNIFICANT EVENTS AFTER THE DATE OF THE INDEPENDENT AUDITORS' REPORT

There were no important events after the date of the independent auditors' report that are considered material, relevant and would require disclosures in this Prospectus.

INFORMATION ON THE COMPANY

Brief History of the Company

Company is a limited liability entity which was established and existing under the prevailing laws and regulations of the Republic of Indonesia and having domicile in South Jakarta. The Company was established by virtue of Deed of Establishment of the Company No. 65 dated 12 August 1992 made before Maria Andriani Kidarsa, SH, Notary of Jakarta ("Deed of Establishment"). The Company, which was established by virtue of the Deed of Establishment, has

obtained a status of legal entity by virtue of Decree of Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") No. C2-9737.HT.01.01.TH.93 dated September 27, 1993, and registered at the South Jakarta District Court under No. 977/A/PT/HKM/1993/PN.JAK.SEL, dated October 18, 1993, and has been announced in State Gazette of the Republic of Indonesia ("State Gazette") No. 101, dated December 17, 1993, Supplement No. 5933.

The name of the Company has been changed from "PT Ivomas Pratama" to become "PT Salim Ivomas Pratama" by virtue of Deed of Minutes of Meeting on the Amendment of the Articles of Association No. 115 dated February 24, 1994, made before Maria Andriani Kidarsa, SH, Notary of Jakarta. Such change has been approved by MOLHR by virtue of Decree No. C2-7702 HT.01.04.Th.1994 dated May 14, 1994, as has been registered at the Clerk Office of South Jakarta District Court under No. 1424/A.Not/HKM/1994/PN.JAK.SEL on July 20, 1994 and has been announced in State Gazette No. 78 dated September 30, 1994, Supplement No. 7400. The Company's Articles of Association has been amended several times, including: (a) capital structure of the Company by virtue of Deed of Minutes of Meeting No. 28 dated January 8, 2007, made before Herdimansyah Chaidirsyah, SH, Notary of Jakarta ("Deed No. 28/2007") which has been approved by the MOLHR by virtue of Decree No. W7-00678 HT.01.04-TH.2007 dated January 18, 2007, and registered at Company Registration Office of South Jakarta under No. 630/RUB.09.03/VII/2007 dated July 31, 2007, and has been announced in State Gazette No. 66 dated August 16, 2007, Supplement No. 8401; and (b) all provisions of the Company's Articles of Association to be adjusted to be in line with the provisions of Law No. 40 Year 2007 concerning the Limited Liability Company, as stated in Deed of Statement of Meeting Resolution No.100 dated July 27, 2008, made before Herdimansyah Chaidirsyah, SH, Notary of Jakarta, which has been approved by the MOLHR by virtue of Decree No. AHU-66652.AH.01.02.Year 2008 dated September 22, 2008 and registered with the Company Register under No. AHU-0088530.AH.01.09.Year 2008 dated September 22, 2008.

The Company's Articles of Association was most recently amended by virtue of Deed of Minutes of Meeting No. 45 dated June 11, 2009, made before Herdimansyah Chaidirsyah, SH, Notary of Jakarta ("Deed No. 45/2009") regarding amendment to Article 3 paragraph 2 in respect of the Purposes and Objectives of the Company, which has been approved by the MOLHR by virtue of Decree No. AHU-44673.AH.01.02.Year 2009 dated September 10, 2009, and

registered with the Company Register under No.AHU-0060039.AH.01.09. Year 2009 dated September 10, 2009.

The Company's status was previously a Domestic Investment Entity ("PMDN") based on the Approval Letter for PMDN No. 218/I/PMDN/1995 dated April 14, 1995. Subsequently, the Company changed its status to Foreign Investment Entity ("PMA") in connection with the participation of Indofood Oil & Fats Pte. Ltd. ("IOFPL") as shareholder of the Company. The change in the Company's status has been approved based on the Approval Letter of Change of Company Status from PMDN into PMA No. 13/V/PMA/2007 dated January 11, 2007.

The Company is domiciled in South Jakarta and its head office at Sudirman Plaza, Indofood Tower, 11th Floor, Jalan Jendral Sudirman Kavling 76-78, Jakarta 12910.

Capitalization Structure and Composition of Shareholders of the Company

Pursuant to Deed No. 28/2007, the composition of shareholders and capitalization structure of the Company are as follows:

Description	Nominal Value of Rp1,000,000,- per share		
	Shares	Nominal (Rp)	(%)
Authorized Capital	3,000,000	3,000,000,000,000	
Issued and Paid-up Share Capital			
IOFPL	2,277,549	2,277,549,000,000	90.00
PT Indofood Sukses Makmur Tbk	202,437	202,437,000,000	8.00
PT Mandiri Investama Sejati	32,708	32,708,000,000	1.29
PT Bina Makna Indopratama	9,739	9,739,000,000	0.39
PT Multi Langgeng Nusantara	8,177	8,177,000,000	0.32
Total Issued and Paid-up Share Capital	2,530,610	2,530,610,000,000	100.00
Un-issued Shares	469,390	469,390,000,000	

Management and Supervision of Company

Pursuant to the Deed of Statement of Circular Resolutions of the Shareholders of the Company No. 39 dated August 13, 2009 made before Herdimansyah Chaidirsyah, SH, Notary of Jakarta, the composition of the Company's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner : Tjhie Tje Fie
Commissioner : Axton Salim

Board of Directors

President Director : Mark Julian Wakeford
Vice President Director : Moleonoto
Director : Gunadi
Director : Suaimi Suriady
Director : Johnny Ponto
Director : Drs. Soenardi Winarto

In connection with the implementation of Good Corporate Governance, the Company will establish (i) a Corporate Secretary and an Audit Committee, and (ii) an Internal Audit Unit that is in compliance with the Regulation of Bapepam - LK No. IX.1.7 concerning the Formation of and Guidelines for Preparation of the Charter of Internal Audit Unit, immediately upon obtaining the effectiveness of the Registration Statement, no later than 6 months after the registration date of the issuance of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') of the Company at PT BEI, or after the conduct of a General Meeting of the Shareholders to appoint an Independent Commissioner of the Company, whichever is earlier.

Description of the Company's Fixed Assets

The Company owns/controls lands with total areas of approximately 216,989,603 m² consisting of office space at Sudirman Plaza Building - Indofood Tower of 1,599 m² with a status of Ownership Right/Freehold Title for Apartment Units or *Hak Milik Satuan Rumah Susun*, and lands of approximately 786,004 m² with a status of Building Use Rights or *Hak Guna Bangunan* ("HGB"), as well as lands of approximately 216,202,000 m² with a status of Business Use Rights or *Hak Guna Usaha* ("HGU").

BUSINESS ACTIVITIES AND PROSPECTS

1. GENERAL

SIMP Group is a vertically integrated agribusiness with principal activities that span from research and development, seeds breeding, oil palm cultivation and milling as well as production, marketing and selling of cooking oil, margarine and fats. SIMP Group also engages in the cultivation of sugar cane, rubber and other crops.

Pursuant to the Deed of Establishment, the Company conducts its business activities, amongst others, in the field of wholesale trading in general, including import and export,

establishing and performing businesses in various fields of industries/factory, land freight forwarding/transportation for both passenger and cargo transport, warehousing and packaging, agriculture, animal husbandry, fishery, and forestry, including the related processing.

After the completion of the Company's merger in 2006 and currently, pursuant to Deed No. 45/2009, the scope of activities of the Company includes, amongst others, oil palm plantations, processing of fresh fruit bunches ("FFB") into palm oil (extraction) and palm kernel, production of edible oils and fats (including cooking oil and coconut oil) as well as their derivative products, and wholesale trading and importation.

2. BUSINESS ACTIVITIES

The Business activities of the Company are divided into three segments, namely Plantation segment, Cooking Oil & Fats segment and Commodity segment.

Plantation Segment

This segment manages the business activities of SIMP Group plantations, particularly the oil palm plantations. After the acquisition of the 56.4% ownership in PT LSIP in November 2007, this segment also engages in the cultivation of rubber, tea and cacao. The said acquisition is in line with the long-term strategy of SIMP Group towards self-sufficiency in CPO supply, whereby previously, only about 50% of the CPO requirements of the Cooking Oil & Fats segment can be supplied by the Plantation segment. In July 2008, the Company also subscribed for a 60% ownership interest in PT Laju Perdana Indah ("PT LPI"), which is engaged in cultivation and processing of sugar cane.

As of the date of this Prospectus, the Plantation segment owns Business Use Rights or *Hak Guna Usaha (HGU)* for land areas of around 252,324 hectares, Building Use Rights or *Hak Guna Bangunan (HGB)* for land areas of around 559 hectares, and Usage Rights or *Hak Pakai (HP)* for land areas of around 2,056 hectares. This segment also controls around 289,499 hectares of land based on Location Permits or *Ijin Lokasi* and/or other documents, which includes allocations for plasma land.

The following table presents the plantation lands that are controlled and/or managed based on the status of land permits as of May 31, 2009:

In hectares

Location	HGU	HGB	HP	Ijin Lokasi/ Other	Total
				Documents	
North Sumatra	42,453	1	-	-	42,454
Riau	58,897	31	2,056	-	60,983
South Sumatra	50,605	313	-	162,620	213,538
West Kalimantan	31,824	47	-	59,531	91,402
Central Kalimantan	-	-	-	33,700	33,700
East Kalimantan	56,409	19	-	33,648	90,076
Sulawesi	6,576	-	-	-	6,576
Java	5,560	148	-	-	5,708
Total	252,324	559	2,056	289,499	544,438

Notes:

HGU: Business Use Right or Hak Guna Usaha

HGB: Building Use Right or Hak Guna Bangunan

HP: Usage Right or Hak Pakai

The Plantation segment has around 184,834 hectares of land planted with oil palm and around 31,587 hectares of land that are planted with other crops and areas used for oil palm and rubber seed breeding. This Segment also manages around 77,005 hectares of plasma plantations.

The following table shows the land areas of plantations controlled and managed by SIMP Group (excluding plasma plantation land) based on the age of crops and geographical locations as of May 31, 2009:

In hectares

Location	Mature Plantations	Immature Plantations	Total
North Sumatra	35,329	5,003	40,332
Riau	56,767	259	57,026
South Sumatra	35,701	28,190	63,891
West Kalimantan	13,685	8,133	21,818
East Kalimantan	8,953	16,092	25,045
Sulawesi	4,637	830	5,467
Java	2,279	563	2,842
Total	157,351	59,070	216,421

The area of SIMP Group's plantation lands that have been planted (excluding plasma plantation area) based on types crops are as follows:

In hectares

Location	Mature Plantations	Immature Plantations	Total
Oil palm	130,631	54,203	184,834
Rubber	17,734	4,162	21,896
Others	8,986	705	9,691
Total	157,351	59,070	216,421

In addition, SIMP Group also has the capability to produce around 33 million of high-quality oil palm seedlings which will guarantee the fulfillment of the Plantation segment's requirements for high-quality oil palm seedlings in connection with its effort to expand the oil palm plantations through new planting.

As of May 31, 2009, the Plantation segment operates 18 oil palm processing mills located in Sumatra and Kalimantan, with total processing capacity of around 3.8 million tons of FFB per year. In addition, the Plantation segment also manages 4 crumb rubber factories, 3 sheet rubber factories, 1 sugar mill, 1 cocoa factory and 1 tea factory. Following are the details of the processing facilities owned by SIMP Group:

Location	Riau	North-Sumatra	South-Sumatra	East-Kalimantan	Java	Sulawesi	Total	Processing Capacity per year
Oil palm processing mills	6	4	6	2	-	-	18	3,756,000 FFB (tons)
Crumb Rubber Factory	-	1	2	-	-	1	4	42,720 Dried Rubber (tons)
Sheet Rubber Factory	-	1	1	-	-	1	3	11,100 Dried Rubber (tons)
Sugar Mill	-	-	-	-	1	-	1	540,000 Sugar Cane (tons)
Cocoa Factory	-	-	-	-	1	-	1	3,750 Dried Cacao Beans (tons)
Tea Factory	-	-	-	-	1	-	1	1,728 Black Tea (tons)
Total	6	6	9	2	3	2	28	

Research and Development Facilities

SIMP Group, through PT LSIP (Bah Lias Research Station or "BLRS") and PT Sarana Inti Pratama, has a leading research center in Indonesia for the development and breeding of oil palm and rubber seeds. Furthermore, SIMP Group also has research facilities complete with laboratories. In particular, BLRS also has research facilities in South Sumatra and East Kalimantan to support the ongoing large scale development project of SIMP Group.

The Research and Development Activities consist of four main activities, which are:

- Seed breeding to produce high-quality crop seedlings;
- Agronomy to develop optimum plantation crop management methods;
- Crop protection to safeguard the plants against pests and diseases; and
- Data analysis, including, amongst others, Global Positioning System surveys for mapping the planting blocks and all infrastructures, preparation of topographic maps, and application of *Geographic Information System* by using Satellite Image technology (Remote Sensing) for purposes of the database and research analysis in the future.

The success of the undertaking for oil palm seed breeding program has prompted the high demand from other plantations companies for the oil palm seeds produced by BLRS. BLRS produces more than 25 million oil palm seeds per year that are of high quality and yield potential. BLRS also provides

optimum assistance in increasing the productivity of the oil palm and rubber plantations of SIMP Group.

Plasma Program

In Indonesia, owners of large oil palm plantations like SIMP Group are required to cooperate with and train farmers in areas surrounding the plantations under the Village Cooperative Unit or "Koperasi Unit Desa (KUD)" when applying for oil palm plantation landright. After the development, the said farmers work and operate under the direction and monitoring of the Company. This form of cooperation with the farmers is known as the "Plasma Program".

SIMP Group has developed lands owned by the farmers under the Plasma Program and purchases all FFB produced by the plasma farmers at the reference price specified by the local Agriculture Office.

The KUD obtains loans from bank to finance up to 100% of the development costs of the plasma plantations. These bank loans are secured by the receivables of the plasma farmers arising from the sales of FFB, landright ownership titles on oil palm plantations owned by the plasma farmers, and corporate guarantees from SIMP Group. In certain cases, SIMP Group provides loan financing to plasma farmers up to 100% of the estate development costs.

Under the plasma program, the plasma farmers are obliged to sell all the FFB to SIMP Group, and portions of SIMP Group's payables to the plasma farmers arising from the said sales of FFB are: (i) paid directly by SIMP Group to the banks that provided financing to the plasma farmers to reduce or repay the loans of the plasma farmers; and (ii) used to pay the unsecured loans provided by SIMP Group to the plasma farmers after the repayments of loans from the banks.

As of May 31, 2009, SIMP Group has developed and managed around 77,005 hectares of plasma lands, wherein around 44,492 hectares have been transferred and handed over to the plasma farmers.

As of May 31, 2009, SIMP Group acts as guarantor for the payment obligations of the plasma farmers for loan facilities provided by the banks amounting to about Rp584.1 billion under the Plasma Program. As of the same date, SIMP Group has provided unsecured loans to the plasma farmers

amounting to Rp439.8 billion, net of allowance for doubtful receivables.

Cooking Oil & Fats Segment

The Cooking Oil & Fats segment produces, markets and sells cooking oil, margarine and fats products, both for industrial customers and consumers. These products are marketed under its well-known brands such as Bimoli, Palmia, Simas, Amanda and Simas Palmia. Other than fulfilling the demand of domestic market, the Company's products are also exported to China, the Philippines, Papua New Guinea, African countries and other countries.

The Cooking Oil & Fats segment operates 4 refineries strategically located in Jakarta, Surabaya, Medan and Bitung. A summary of the production volume, capacity, and utilization rates of these facilities is as follows:

(in thousand tons)

	May 31, 2009	2008	2007	2006	2005	2004
Refinery						
Production Volume	257	652	607	577	550	561
Production Capacity per year	1,005	885	885	885	833	833
Utilization (%)	61%	74%	69%	65%	66%	67%
Fractionation						
Production Volume	160	407	383	375	327	339
Production Capacity per year	525	545	545	545	492	492
Utilization (%)	73%	75%	70%	69%	67%	69%
Margarine						
Production Volume	74	155	177	176	174	173
Production Capacity per year	329	329	329	329	329	311
Utilization (%)	54%	47%	54%	54%	53%	56%

* Utilization as at May 31, 2009 is calculated proportionately

CPO is the key raw material for the production of cooking oil, margarine and fats. Bulk of its raw materials is supplied by the Plantation segment.

Commodity Segment

The main business activities of the Commodity segment comprise the processing of copra into CNO and its derivative products, which are mostly exported to European Union countries, the United States of America, South Korea and other countries.

The Commodity Segment has 3 CNO processing plants located in Central Sulawesi, North Sulawesi and North Maluku, with production volume and capacity as follows:

(in thousand tons)

	May 31, 2009	2008	2007	2006	2005	2004
Production Volume	62	151.8	166.9	152.2	131.0	122.0
Production Capacity per year	270	270	270	270	270	270
Utilization (%)	55%	56%	62%	56%	49%	45%

* Utilization as at May 31, 2009 is calculated proportionately

3. MARKETING

Trademarks

At present, SIMP Group owns Trademarks that have been registered with the relevant government authority, comprising of the following widely-known brands:

- Cooking Oil: Bimoli Spesial, Bimoli, Delima, Mahakam and Happy Salad Oil.
- Margarine & Fats: Palmia, Simas, Amanda and Simas Palmia.

Marketing and Distribution

As a company that has strengths in terms of brands and in maintaining its market share, SIMP Group continues to implement the following strategies:

a. Maintaining and increasing brand quality

SIMP Group, which owns various brands that have gained loyalty amongst the Indonesian people over the years, has always focused its efforts in prioritizing customer satisfaction. Various efforts are continuously undertaken, including the maintenance and improvement of quality standards of its products, which have gained trust and loyalty amongst millions of consumers in Indonesia.

b. Pricing strategy

In order to maintain its current customers and market share, SIMP Group continues to implement the most appropriate pricing strategies according to the product quality.

c. Advertising and Promotions

In its efforts to maintain and enhance its position as market leader, SIMP Group has continuously exerted efforts to strengthen its brand equity and increase consumers' loyalty through various advertising and promotion programs, as well as regular direct interactions with the customers.

d. Improve distribution coverage and market penetration

Through the support of the distribution networks PT Indofood Sukses Makmur Tbk ("PT ISM") comprising around 1,000 stock points combined with the own distribution networks of SIMP Group have resulted in a wider distribution and deeper market penetration throughout the entire Indonesian archipelago. This distribution system is also supported by the latest information technology system that enables closer monitoring of sales, sales ordering and inventory levels in every area, such that it allows SIMP Group to quickly anticipate various changes happening in the market.

e. Product Innovation

In developing new innovative products, SIMP Group is supported by Research and Development facilities with the most sophisticated technology.

Awards and Certifications

The various awards and certifications received by SIMP Group are as follows, amongst others:

- Golden Brand Award for 3 Years 2003-2005 - SWA MARS (2005)
- Golden Brand Award for 4 Years 2003-2006 - SWA MARS (2006)
- Platinum Brand IBBA - SWA MARS (2008-2009)
- Superbrands Indonesia - Superbrand Int'l (2003-2008)
- Top Brand Award Category Cooking Oil (Bimoli) - SWA Frontier (2006-2009)
- Top Brand Category Margarine (Simas Margarine Dapur) - SWA Frontier (2006-2008)
- Indonesia Customer Satisfaction Award - SWA Frontier (2000-2007)
- Golden Indonesian Customer Satisfaction Award - SWA Frontier (2004)
- Diamond Indonesia Customer Satisfaction Award - SWA Frontier (2008)

- Packaging Consumer Branding Award (Bimoli and Simas) - Indonesia Brand Entity Summit (2005)
- KFC Supplier Award, Best Score non Chicken Supplier (Palmia) - KFC Indonesia (2002)
- KFC Supplier Award, Most Improved Score Non Chicken Supplier Year 2003 and 2004 (Palmia) - KFC Indonesia (2005)
- KFC Indonesia Supplier of The Year 2006, Yum! Restaurant International Asia (Palmia) - KFC Indonesia (2007-2008)
- Roundtable on Sustainable Palm Oil - Certified Sustainable Palm Oil Production (for the area of North Sumatera - PT LSIP)
- ISO 9001:2000, Quality Management System (2001)
- Certificate of Halal for Vegetable oil, *Specialty Oil*, Cooking oil, Margarine, Vegetable oil and Cooking Palm Oil - *Majelis Ulama Indonesia* or Indonesian Council of Ulamas (2007-2009)
- ISO 14001:2004, Environmental Management System (PT LSIP, 2008)
- ISO 9001:2000, Quality Management System (PT LSIP, 2002)

4. BUSINESS ENVIRONMENT

Industry and Competition

Plantation segment

In 2008, the price of CPO fluctuated significantly. During the first semester, CPO price rose to historical level brought about by, amongst others, the increase in global demand, particularly from China and India, and the rise in crude oil price. Global consumption of palm oil continues to increase after consumers begin to realize the benefits of palm oil. However, during the second semester of 2008, CPO price started to fall drastically due to, amongst others, the global financial crisis and the decline in crude oil price.

With the sharp increase in CPO price during the first semester of 2008, which highly influenced the price of cooking oil in the domestic market, the Government introduced a policy that required all owners of oil palm plantations to sell certain portions of their CPO production to the domestic market in order to stabilize the cooking oil price in Indonesia. However, the said policy has not been properly implemented and failed to achieve the expected results, and the Government then imposed progressive export taxes on CPO. Towards the end of the year, the Government again revised the rates of export taxes on CPO in line with the decline in CPO price in the international market.

During the first quarter of 2009, CPO price remained relatively stable and demonstrated an increasing trend until May 2009. Demand for CPO has increased primarily due to the demand from China and India in line with the increasing consumptions in both countries. The entrants of new players into the plantation business have influenced the increase in demand for high quality oil palm seeds, and competent/qualified human resources. With the acquisition of PT LSIP, the requirements of the Plantation segment for high quality oil palm seeds for its future expansion of the plantations are better secured. Continuous training programs are being undertaken by this segment to develop competent/qualified human resources. The Plantation segment also pays close attention to the well-being of its employees and promotes a conducive working environment as part of its efforts to retain competent/qualified human resources.

Cooking Oil & Fats Segment

The sharp increase in CPO prices during the first semester of 2008 had prompted the producers of cooking oil to increase their selling prices. The high cost of raw materials for the production of cooking oil has become one of the attributing factors causing the insufficient supply of bulk cooking oil, which still dominates the cooking oil market in Indonesia. This condition, combined with the Government's policy revoking the value added tax (VAT) on branded cooking oil, has provided an opportunity for the branded cooking oil industry, and as evidenced, sales of this segment have increased in 2008.

Competition in the cooking oil industry remains tight, particularly during the second semester of 2008 when CPO prices fell sharply. Nevertheless, the Cooking Oil & Fats segment has successfully increased its sales volume and its

market share as supported by proper pricing and marketing strategies. The marketing strategy implemented by this segment, which involves providing technical assistance to the industrial customers, providing products that cater to the needs of the customers, enhancing customer loyalty through advertising and promotion programs, as well as performing regular interactions with customers, has proven to be effective in increasing sales volume.

In early 2009, in view of the relatively stable CPO prices, the Government re-imposed VAT on branded cooking oil (bulk cooking oil still remains exempt from VAT). However, in line with the consumers' switch of preference from bulk cooking oil to branded cooking oil, the demands for cooking oil and margarine continues to increase.

In anticipation of the said increasing demand, SIMP Group is undertaking capacity expansion of its cooking oil production by constructing new refinery facilities located in Tanjung Priok - Jakarta, which is expected to start operations in 2010.

Commodity Segment

In line with the increases in prices of various commodities in the global market in 2008, CNO price also increased sharply. The lack of coconut replanting program in Indonesia, along with the increasing demand for copra, have adversely affected the supply of raw materials and increase in price. As part of its efforts to secure the continuous supply of raw materials, the Commodity segment transferred some of its processing facilities to locations that are closer to the sources of raw materials, which will eventually have positive impacts to the level of production.

5. BUSINESS PROSPECT

Although the prices of crude oil and various other commodities have declined starting from the middle of 2008, the prices of commodities is expected to continue fluctuating in 2009. The highest price of crude oil hit USD145.3 per barrel in July 2008 while the lowest was at USD33.9 per barrel in December 2008. The global economy has been heavily impacted by the financial crisis in 2008, and this will slow down global economic growth, including Indonesia.

Such being the case, however, the people's purchasing power is not predicted to decline considering the lower inflation

rate in 2009 as compared to the previous year, as well as the declining trend in interest rates.

SIMP Group has some competitive advantages as follows:

- a. SIMP Group is one of the highly integrated plantation companies that is professionally managed.

SIMP Group adopts careful planning and development programs, starting from seed breeding, planting, maintenance, harvesting and collection of FFB up to the processing of palm oil, in order to achieve optimum production yield with good quality.

- b. Strategic locations of the plantations and mills.

SIMP Group's plantations and mills are located across the major islands in Indonesian archipelago, namely Sumatra, Kalimantan, Sulawesi and Java.

- c. SIMP Group has significant market share and well-known brands.

SIMP Group has various high-quality products at affordable prices that suite well to consumers' taste preferences, as well as brands that are well-established and widely-known amongst the Indonesian people, which include, amongst others, Bimoli, Palmia, Simas, Simas Palmia and Amanda.

- d. Support from PT ISM

SIMP Group is fully supported by PT ISM in the conduct of its business activities. Amongst the number of supports that have been and will continuously be provided include, amongst others, the availability of the distribution networks comprising around 1,000 stock points throughout Indonesia in order to better optimize the market penetration of products produced by SIMP Group, the availability of captive market, existing inter-group cooperation, and the economy of scale to increase the bargaining power and efficiency level.

Business Opportunity

SIMP Group has the opportunity grow continuously in line with the global increasing demand, especially from China and India. Global CPO consumption will continue to increase in line with the population growth and in particular, the

growing consumer awareness on the benefits of palm oil. As such, CPO prices are predicted to remain well-supported. With its vast area of unplanted land bank, SIMP Group is well-poised to continue expanding its business into one of the largest CPO producers in Indonesia, which will eventually enhance the performance of the Group.

The long-term outlook of CPO demand will continue to remain positive in view of the following current conditions:

- More than 85% of CPO produced is used for food, and demands from China and India have increased;
- About 10% is used for *oleochemical* production;
- Demand for *biodiesel* is only around 5%, but it has the potential to increase.

In addition, SIMP Group has also diversified its agribusiness into sugar cane plantation. This industry is attractive given the increase in demand from both the Indonesian and international markets. Demand for sugar in the domestic market continues to increase, which is attributed to a number of factors, such as population growth, development of the processed food and beverage industry, and the expansion of sugar-based industries, such as ethanol which utilizes molasses as basic raw materials.

6. BUSINESS STRATEGY

The business strategies of SIMP Group for its Plantation segment are as follows:

- a. SIMP Group will continue to expand through new plantings on its existing land banks and through construction of new oil palm mills for the processing of the FFB produced.
- b. SIMP Group will continue to enhance agronomy practices that are efficient and environmentally friendly, such as:
 - To implement good land management system and optimal fertilizer application for optimum crop production yield and improved production cost efficiency.
 - All wastes produced from oil palm processing are used as organic fertilizers so as to reduce consumption of non-organic fertilizers.
- c. SIMP Group is developing an integrated sugar plantation business

Since 2008, SIMP Group has been developing an integrated sugar plantation business following its share acquisition in PT LPI. Currently, PT LPI is constructing a sugar mill in Ogan Komering Ulu (South Sumatra) which is expected to start operations in 2010. PT LPI also owns 1 (one) sugar mill in Central Java.

The business strategies of SIMP Group in its Cooking Oil & Fats segment are as follows:

- a. To implement comprehensive and focused marketing strategies.

Please refer to Marketing Strategy and Distribution section in Chapter VIII point 3 of this Prospectus.

- b. To strengthen the raw materials supply chain.
In order to secure the continuous supply as well as the quality of raw materials, SIMP Group will strengthen the supply chains of raw materials by increasing the sourcing of raw materials from the CPO produced by Plantation segment.

7. ENVIRONMENTAL IMPACT ANALYSIS

The business activities of SIMP Group primarily comprise food processing, whereby most of the raw materials are from agricultural products. Pursuant to Law No. 23, Year 1997 regarding Environmental Management and the related implementing regulations of this Law, which are Government Regulation No. 27 Year 1999 dated May 7, 1999 and Regulation of State Minister of Environment No. 11 Year 2006, dated October 2, 2006, which becomes effective starting from December 2, 2006, the cultivation of seasonal/perennial plantation crops either with or without processing unit, either within the forestry cultivation areas or within the non-forestry cultivation areas with utilization area of 3,000 hectares or more, shall be obliged to make Environmental Impact Analysis (AMDAL). Currently, SIMP Group has made and prepared Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) as well as Environmental Management Efforts Program (UKL) and Environmental Monitoring Efforts Program (UPL) for its oil palm plantations and mills.

All of the wastes produced from the processing of oil palm plantation are applied as organic fertilizers, which can substitute non-organic fertilizers (urea and others). The types of wastes produced are as follows:

1. Empty fruit bunches
2. Liquid wastes or effluents
3. Solid wastes which can all be applied or used as organic fertilizers.

For the wastes produced from the production process of cooking oil, margarine and fats, and from the processing of copra into CNO, these are managed as follows:

1. Liquid Wastes or Effluents

All wastes are managed by Waste Water Treatment Plant, which is located within the factories premises, and the quality of all liquid wastes from the processing is in compliance with the standard quality requirement prescribed by the Regulation of the State Ministry of Environment (KLH).

Liquid Wastes from the laboratory examination (B3) are managed by an authorized waste management company, PT Prasarana Pamunah Wastes Indonesia (PPLI).

2. Solid Wastes

The waste management is handled by an authorized solid waste management company which is duly licensed by State Ministry of Environment or KLH.

3. Gas Emission Wastes

The management of gas emission wastes from the combustion of diesel/boiler is handled using chimney, multi-cyclone and wet scrubber cyclone. The quality of gas emissions meets the prevailing regulations.

8. TRANSACTIONS WITH RELATED PARTIES

In normal course of its business, SIMP Group engages in trade and non-trade transactions with related parties, which are affiliated with SIMP Group through equity ownership, either direct or indirect, and/or under common control, particularly with Salim Family and/or common key management. The significant transactions and balances with related parties are as follows:

- a. Sales to related parties amounting Rp942.5 billion or 27.2% of the total Consolidated Net Sales for the five-month period ended May 31, 2009. The related

trade receivables arising from these sale transactions are as follows:

(in billion Rupiah)

Description	May 31	December 31		
	2009	2008	2007	2006
PT Indomarco Adi Prima	113.9	62.0	79.9	47.8
PT ISM	55.4	2.0	34.9	26.7
PT Indolakto	14.3	21.3	-	-
PT Indotirta Suaka	2.3	4.2	4.2	1.4
PT Indobiskuit Mandiri Makmur	0.2	0.8	-	1.1
PT Tristara Makmur	-	2.0	1.9	2.0
Others (each below Rp1.0 billion)	1.5	0.6	1.1	0.8
Total	187.6	92.9	122.0	79.8

- b. SIMP Group avails of pump services from PT Sarana Tempa Perkasa for five-month period ended May 31, 2009. Pump service and transportation expenses amounted to Rp1.6 billion for the five-month period ended May 31, 2009, which was presented as part of "Operating Expenses" in the Consolidated Statements of Income. The balance of related payables arising from these transactions was presented as part of "Trade payables - Related Parties" account in Consolidated Balanced Sheets.
- c. SIMP Group avails of sea transportation services from PT Pelayaran Tahta Bahtera. Freight expenses arising from these transactions amounted to Rp20.0 billion for the five-month period ended May 31, 2009, which is presented as part of "Costs of Goods Sold" account in Consolidated Statements of Income. The payables arising from these transactions were presented as part of "Trade Payables - Related Parties" account in Consolidated Balanced Sheets.
- d. SIMP Group also have several non-trade transactions with related parties, , such as inter-company loans and other charges. Balances arising from these transactions are presented as "Non-current Assets - Due from Related Parties" and "Non-current Liabilities - Due to Related Parties" in Consolidated Balanced Sheets, with details as follows:

(in billion Rupiah)

Description	May 31	December 31		
	2009	2008	2007	2006
Non-current Assets – Due from Related Parties				
Ghana Sumatra Ltd., Ghana	1.1	-	-	-
PT Indomarco Adi Prima	0.6	-	-	-
PT ISM	0.2	0.2	0.2	0.6
Others	0.1	0.1	0.1	-
Total	2.0	0.3	0.3	0.6

(in billion Rupiah)

Description	May 31	December 31		
	2009	2008	2007	2006
Non-current Liabilities – Due to Related Parties				
PT Purwa Wana Lestari	118.1	101.0	34.4	-
PT Bangun Sriwijaya Sentosa	52.2	52.3	68.8	56.1
PT Giat Sembada Sentosa	46.0	46.0	20.0	20.4
PT Pelayaran Tahta Bahtera	1.7	1.2	-	1.8
PT ISM	1.1	1.0	1.9	7.6
Indofood Agri Resources Ltd., Singapore	0.5	1.5	54.2	-
Rascal Holdings Ltd. British Virgin Island	-	-	-	20.1
Others	0.2	0.0	-	0.4
Total	219.8	203.0	179.3	106.4

The above other receivables from Ghana Sumatra Ltd., Ghana ("GSL") were arising from the payments made by PT LSIP on behalf of GSL for working capital purpose.

PT LPI obtained non-interest bearing and unsecured (*collateral-free*) loans from its minority shareholder, PT Bangun Sriwijaya Sentosa. This loan was presented as part of "Due to Related Parties" account under the non-current liabilities section of the Consolidated Balanced Sheets.

PT Mega Citra Perdana ("PT MCP") and its Subsidiaries, PT Mentari Subur Abadi and Subsidiaries, and PT Swadaya Bhakti Negaramas obtained non-interest bearing and unsecured (*collateral-free*) loans from their minority shareholders, namely PT Purwa Wana Lestari and PT Giat Sembada Sentosa, which presented as part of "Due to Related Parties" under the non-current liabilities section of the Consolidated Balanced Sheets.

- e. Certain credit facilities obtained by the Company are guaranteed by Indofood Agri Resources Ltd ("IndoAgri").
- f. The Company purchases packaging materials from PT Surya Rengo Container and PT Cipta Kemas Abadi. The said purchases totaled Rp8.8 billion for the five-month period ended May 31, 2009. The related outstanding payables were presented as part of "Trade Payables - Related Parties" account in the Consolidated Balanced Sheets.
- g. SIMP Group leases VSAT facilities from PT Rintis Sejahtera for communication purposes among the head office, representative offices and estates. Total expenses incurred from these transactions amounted to Rp1.0 billion for the five-month period ended May 31, 2009. There were no related outstanding payables as of 31 May 2009.

- h. The Company's Cooking Oil & Fats segment rents the land where its factory and office building are situated under an existing rental agreement with PT Adithya Suramitra. Total amortization of the rental prepayment from the Cooking Oil & Fats segment under the said operating lease arrangement amounted to Rp0.2 billion for the five-month period ended May 31, 2009, which was presented as part of "Operating Expenses" account in the Consolidated Statements of Income. On the other hand, the unamortized balance of the related prepaid rental amounted Rp3.9 billion as of May 31, 2009, which was presented as part of "Long-term Prepayments, Net" in the Consolidated Balanced Sheets.
- i. SIMP Group has transactions with PT Asuransi Central Asia, PT Central Asia Raya and PT Indosurance Broker Utama with respect to the property all-risk insurance. The related insurance expense recognized and charged to operations for the five-month period ended May 31, 2009 amounted to Rp3.8 billion.
- j. SIMP Group purchased transportation equipment and spare parts from PT Indomobil Prima Niaga and PT Hino Motor Sales amounting to Rp26.8 billion for the five-month period ended May 31, 2009.
- k. PT MCP and Subsidiaries obtain rental services for heavy equipment and office space from PT Rimba Mutiara Kusuma. The related rental expense amounted to Rp2.6 billion for the five-month period ended May 31, 2009.
- l. Lonsum Singapore Pte Ltd, an indirect subsidiary, subleases an office space from IndoAgri since 2008. Rental expenses amounted to Rp1.0 billion for the five-month period ended May 31, 2009, which was presented as part of "Operating Expenses" account in the Consolidated Statements of Income. The related payables are presented as part of "Non-current Liabilities - Due from Related parties" account in the Consolidated Balanced Sheets.

9. INSURANCE

SIMP Group maintains comprehensive insurance coverage for its assets (such as plantation, inventory, equipment and machinery, mills, refineries and other infrastructure) to minimize the business risks and potential losses arising from fires, floods, earthquakes, riots, labor strikes,

crimes and social unrests. In addition, cash in transit and cash on hand kept inside the safe are also covered by insurance.

The management of SIMP Group believes that its insurance coverage is comparable with its peers in Indonesia, and that the value of insurance coverage is adequate to cover any possible losses that may arise from the aforesaid insured risks.

The list of the Company's insurance coverage can be found inside the Prospectus.

10. CORPORATE SOCIAL RESPONSIBILITIES OF SIMP GROUP

SIMP Group recognizes that the communities are also important stakeholders for its businesses, and therefore it focuses its community development programs in the following areas:

- Education: SIMP Group supports the improvement in education through the construction and/or rehabilitations of school buildings, donations of computers and school equipment and supplies, and the development of training programs for teachers.
- Health: SIMP Group provides community health infrastructure through the constructions health clinics and emergency care units. SIMP Group also organizes blood donation campaigns, immunization, and fumigation of public infrastructure/facilities in areas infested by mosquitoes. SIMP Group also builds and repairs roads/bridges to improve accessibility for the public.
- Spiritual: SIMP Group builds and renovates mosques and churches, and distributes Lebaran packages and Christmas packages for the surrounding communities.
- Sport, youth, arts and culture: SIMP Group provides sport facilities, organizes and/or sponsors local sport tournaments, music concerts, and other cultural and religious activities for the local communities.
- Local Business Development: SIMP Group promotes the development of small scale businesses.
- Development of plasma plantations: SIMP Group undertakes partnership cooperation with Village Cooperative Units (KUD)/local plasma farmers.

11. CORPORATE GOVERNANCE

As part of its efforts to protect the interests of all stakeholders and to enhance shareholders' value, the Company has been implementing good corporate governance in all its business activities. The Company, as a subsidiary of Indofood Agri Resources Ltd. and PT Indofood Sukses Makmur Tbk., whose shares are listed in the Stock Exchanges in Singapore and Indonesia, respectively, has full commitment to always comply with prevailing laws and regulations while observing good business ethics and transparency.

In the process of implementing Good Corporate Governance, the Company will establish (i) a Corporate Secretary and an Audit Committee, and (ii) an Internal Audit Unit that is in compliance with Bapepam-LK Regulation No. IX.I.7, concerning the Formation and Guidelines on Preparation of the Charter of Internal Audit Unit, immediately upon obtaining the effectiveness of the Registration Statement, not later than 6 months after the listing of the Company's Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') at PT BEI or after the conduct of a General Meeting of Shareholders to appoint the Company's Independent Commissioner, whichever is earlier.

Currently, the Company already has an internal audit function which will be conformed to Bapepam-LK Regulation No. IX.I.7, concerning the Formation and Guidelines on Preparation of the Charter of Internal Audit Unit, as well as internal control and risk management, with the following duties and responsibilities:

Internal Audit

Evaluate the Company's internal control systems to ensure that all procedures are performed in accordance with regulations and on a timely manner, as well as ensure the accuracy of operational and financial information, and compliance with the regulations and policies of the Company.

Internal Controls and Risk Management

Ensure that internal controls, as set forth in the Internal Control Manual, have been strictly implemented, particularly on matters relating to:

- Safeguarding of important assets
- Careful identification, evaluation and management of business risks
- Ensure that transactions are conducted in accordance with management authorization.

12. MATERIAL LITIGATIONS CURRENTLY FACED BY THE COMPANY

Currently, the Company is not involved in any material litigations, whether civil, criminal or bankruptcy cases, or arbitration cases at the Indonesian National Arbitration Board ('*Badan Arbitrase Nasional Indonesia or BANI*'), labor cases at the Industrial Relation Court, and Taxation cases, that may significantly affect the business activities of the Company.

SHAREHOLDERS' EQUITY

The following table presents the SIMP Group's equity position as of May 31, 2009, December 31, 2008, 2007 and 2006, as derived from the consolidated financial statements of SIMP Group as of and for the five-month period ended May 31, 2009 and years ended December 31, 2008, 2007 and 2006, which have been audited by Purwantono, Sarwoko & Sandjaja, certified public accountants, with an unqualified opinion.

in billion Rupiah

Description	May 31 2009	← 2008	December 31 → 2007	2006
Shareholders' Equity				
Share Capital – par value Rp1,000,000 per share Authorized capital – 3,000,000 shares as of May 31, 2009 and December 31, 2008 and 2007, and 300,000 shares as of December 31, 2006				
Issued and fully paid share capital (2,530,610 shares as of May 31, 2009 and December 31, 2008 and 2007, and 253,061 shares as of December 31, 2006)	2,530.6	2,530.6	2,530.6	253.1
Additional paid-in capital	9.2	9.2	9.2	9.2
Pro forma capital arising from acquisition transactions with entities under common control	-	-	64.0	110.0
Net differences in values of transactions with entities under common control	(184.6)	(184.6)	(61.7)	0.8
Differences arising from changes in equities of Subsidiaries	5.0	5.0	-	49.0
Net unrealized gains on changes in market values of short-term investments	-	-	-	42.3
Net revaluation increment on land and buildings	-	-	81.5	81.5
Retained earnings:				
Appropriation fro general reserves	0.2	0.2	0.2	0.2
Unappropriated	3,904.6	3,394.0	2,535.0	1,702.7
Total Shareholders' Equity	6,265.0	5,754.4	5,158.8	2,248.8

TAXATION

Prospective buyers of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') in this Public Offering are expected to consult with their respective tax consultants regarding the tax consequences that may arise from the receipt of interest, purchase, ownership as well as sale or transfer, in any manner whatsoever, of the Bonds and Islamic Lease-based Bonds ('*Sukuk Ijarah*') purchased through this Public Offering.

CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS

Certified Public Accountants	:	Purwantono, Sarwoko & Sandjaja
Legal Consultants	:	Ali Budiardjo, Nugroho, Reksodiputro
Notary Public	:	Benny Kristianto, SH
Trustee	:	PT Bank Mega Tbk
Rating Agency	:	PT Pemeringkat Efek Indonesia

DISTRIBUTION AND DISSEMINATION OF PROSPECTUS AND SUBSCRIPTION AND PURCHASE FORMS FOR THE BONDS OR ISLAMIC LEASE-BASED BONDS ('*SUKUK IJARAH*')

The Prospectus and Subscription Purchase Forms for the Bonds or Islamic Lease-based Bonds ('*Sukuk Ijarah*') can be obtained from the office of the Underwriters as follows:

PT Danareksa Sekuritas

Gedung Danareksa, 1st Floor
Jalan Medan Merdeka Selatan 14
Jakarta 10110
Telephone : (021) 350 9777, 9888
Facsimile : (021) 350 1817

PT CIMB Securities Indonesia

Gedung Bursa Efek Indonesia, Tower II, 20th Floor
Jalan Jendral Sudirman Kav. 52-53
Jakarta 12190
Telephone : (021) 515 1330
Facsimile : (021) 515 4661

PT Kim Eng Securities

Plaza Bapindo, Citibank Tower, 17th Floor
Jalan Jendral Sudirman Kav. 54-55
Jakarta 12190
Telephone : (021) 2557 1188
Facsimile : (021) 2557 1187

PT Mandiri Sekuritas

Plaza Mandiri, 28th Floor
Jalan Jendral Gatot Subroto Kav. 36-38
Jakarta 12190
Telephone : (021) 526 3445
Facsimile : (021) 526 3507

PT OSK Nusadana Securities Indonesia

Plaza Lippo, 14th Floor
Jalan Jendral Sudirman Kav. 25
Jakarta 12920
Telephone : (021) 520 4599
Facsimile : (021) 520 4505

-----0-----