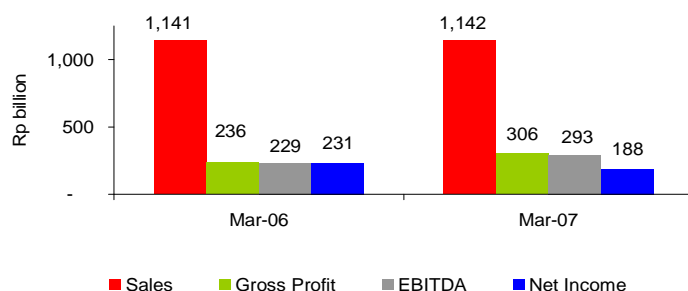


## Performance Summary



The Company achieved higher gross profit and EBITDA during the first quarter of 2007. Gross profit increased by 30% to Rp 305.76 billion, while EBITDA increased by 28% to Rp 292.67 billion. Despite this achievement in operating profit, net income declined from Rp 231.17 billion to Rp 187.57 billion, due to a foreign exchange loss of Rp 14.48 billion as against a foreign exchange gain of Rp 89.81 billion in first quarter of 2006.

As of March 31, 2007, total palm plantations hectareage of the Company was almost 120,000 hectares, which include mature and immature, nucleus and plasma, as well as subsidiaries' estates. Total area increased by 12% compared to March 31, 2006, following our successful planting of 14,500 ha of palm plantations.

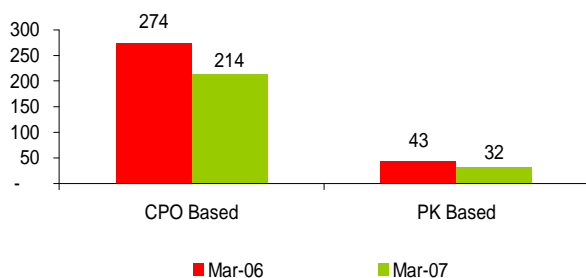
## Production

Description	Mar 2006	Mar 2007	Growth
FFB produced - ton	495,972	451,490	-9.0%
CPO produced - ton	128,014	115,818	-9.5%
PK produced - ton	27,067	25,343	-6.4%
Oil extraction rate - %	23.56	23.76	0.8%
Kernel extraction rate - %	4.98	5.20	4.4%

FFB production was lower by 9.0% in the first quarter of 2007. In line with this, CPO production decreased by 9.5% to 115,818 tons and PK production also decreased by 6.4% to 25,343 tons. The decline was mainly due to the prolonged drought that had affected our production in Jambi and South Kalimantan since the last quarter of 2006.

## Revenue

### Sales Volume (in mn tons)



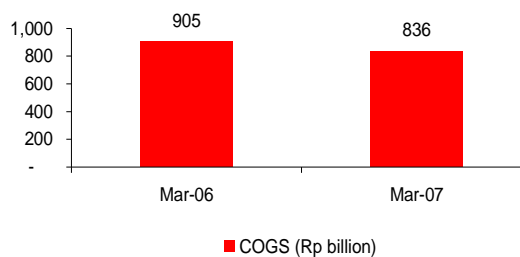
Revenue increased marginally to Rp 1,142 billion despite a decline in sales volume by 22% due to lower CPO production and reduced trading volume. The sales volume decrease was nonetheless compensated by a 29% increase in average selling prices in line with the uptrend of international CPO prices from US\$ 373 per ton to US\$ 546 per ton during the first quarter of 2007. The increase in average selling price in Rupiah terms was lower than the increase in international CPO market price because of the appreciation of average foreign exchange rate of Rupiah against US\$ to Rp 9,102 per US\$ 1 during first quarter of 2007 from Rp 9,299 per US\$ 1 during first quarter of 2006.

Products	March 2006		March 2007	
	Rp bn	%	Rp bn	%
Cooking Oil	124.67	10.9	141.82	12.4
Margarine	53.98	4.8	65.39	5.7
<b>Total Branded</b>	<b>178.65</b>	<b>15.7</b>	<b>207.21</b>	<b>18.1</b>
Refined Product	502.26	44.0	517.49	45.3
CPO and non-refined product	446.12	39.1	405.10	35.5
<b>Total Unbranded</b>	<b>948.38</b>	<b>83.1</b>	<b>922.59</b>	<b>80.8</b>
Others	14.17	1.2	11.94	1.1
<b>Total Sales</b>	<b>1,141.20</b>	<b>100.0</b>	<b>1,141.74</b>	<b>100.0</b>

Sales of branded products showed an increase of 16.0% to Rp 207.21 billion for the first quarter of 2007 from Rp 178.65 billion last year. This increase largely came from the cooking oil segment which increased by 13.8%. At the same time, sales of unbranded products slightly decreased by 2.7% to Rp 922.59 billion for the first quarter of 2007 from Rp 948.38 billion for the same period last year due to reduced trading activities.

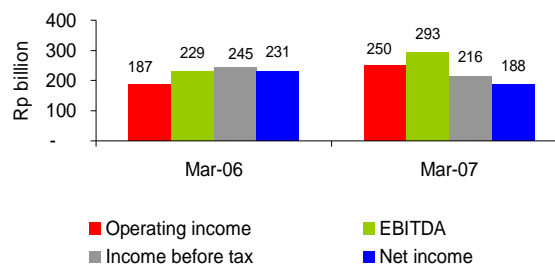
### Cost of goods sold

Cost of goods sold for the first quarter of 2007 decreased by 7.7% to Rp 835.97 billion from Rp 905.32 billion for the same period last year. The lower cost of goods sold was experienced because of the lower trading volume, and hence, lower CPO purchases from external parties. As a result, gross margin for the first quarter of 2007 increased to 26.8% from 20.7% for the same period last year.



### Operating income

The Company's operating income for the first quarter of 2007 increased by 33.6% to Rp 249.99 billion from Rp 187.14 billion for the same period last year. This increase mainly resulted from the increase in gross profit by 29.6% to Rp 305.76 billion.



### EBITDA

EBITDA for the first quarter of 2007 increased by 27.6% to Rp 292.67 billion from Rp 229.34 billion for the same period last year, in line with the increase in operating income.

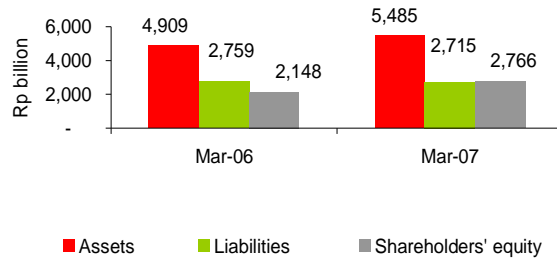
### Income before tax

The Company's income before tax decreased by 11.9% to Rp 216.03 billion for the first quarter of 2007 from Rp 245.10 billion for the first quarter of 2006, since we suffered a foreign exchange loss of Rp 14.5 billion compared to a foreign exchange gain of Rp 89.8 billion for the same period last year. The foreign exchange loss was due to the weakening of Rupiah over US\$ to Rp 9,118 per US\$ 1 at the end of March 2007 from Rp 9,020 per US\$ 1 at the end of December 2006.

## Assets

The Company's total assets grew by 11.7% to Rp 5,484.95 billion per March 31, 2007 from Rp 4,908.61 billion per March 31, 2006.

The increase mainly resulted from the expansion of oil palm plantations by more than 14,500 ha and the on-going construction of a new refinery in South Kalimantan.



## Liabilities

Total liabilities as of March 31, 2007 slightly decreased by 1.6% to Rp 2,715.08 billion from Rp 2,759.12 billion. Of this amount, total bank debts as of March 31, 2007 was Rp 1,015.26 billion.

As of March 31, 2007, our gearing remained at healthy levels with debt to equity ratio of 0.98 and bank debts to EBITDA ratio of 0.87.

## Shareholders' equity

Shareholders' equity at the end of March 2007 sharply increased by 28.8% to Rp 2,766.36 billion from Rp 2,147.58 billion at the end of March 2006. The Company's retained earnings was Rp 351.35 billion at end of March 2007.

	<u>2007</u>	<u>2006</u>	
	Rp	Rp	
<b>AKTIVA LANCAR</b>			<b>CURRENT ASSETS</b>
Kas dan setara kas	108,871,947,078	549,013,543,573	Cash and cash equivalents
Investasi jangka pendek	71,739,477,197	121,237,147,938	Short-term investments
Piutang usaha			Trade accounts receivable
Pihak yang mempunyai hubungan istimewa	53,051,986,906	61,015,115,117	Related parties
Pihak ketiga	185,253,958,863	210,404,619,546	Third parties
Piutang lain-lain - pihak ketiga	23,206,587,652	40,824,890,395	Other receivables - third parties
Persediaan	857,775,428,677	611,959,257,423	Inventories
Biaya dibayar dimuka dan aktiva lancar lainnya	221,076,272,175	124,781,967,952	Prepaid expenses and other current assets
Pajak Pertambahan Nilai dibayar dimuka - bersih	126,798,052,286	55,269,553,006	Prepaid Value Added Tax - net
<b>JUMLAH AKTIVA LANCAR</b>	<u>1,647,773,710,834</u>	<u>1,774,506,094,950</u>	<b>TOTAL CURRENT ASSETS</b>
<b>AKTIVA TIDAK LANCAR</b>			<b>NONCURRENT ASSETS</b>
Piutang dari pihak yang mempunyai hubungan istimewa	117,820,600,115	103,621,858,721	Due from related parties
Aktiva pajak tangguhan - bersih	43,035,453,543	18,890,040,516	Deferred tax assets - net
Investasi dalam saham pada perusahaan asosiasi	352,386,759,627	435,562,000,292	Investments in shares of associates
Tanaman perkebunan			Plantations
Tanaman telah menghasilkan - setelah dikurangi akumulasi amortisasi	879,259,086,489	867,282,469,897	Mature plantations - net of accumulated amortization
Tanaman belum menghasilkan	284,683,522,439	116,144,755,656	Immature plantations
Aktiva tetap - setelah dikurangi akumulasi penyusutan	1,713,401,341,563	1,348,951,608,459	Property, plant and equipment - net of accumulated depreciation
Aktiva tidak berwujud			Intangible assets
Goodwill - bersih	35,981,630,835	66,871,672,734	Goodwill - net
Merek dagang - bersih	5,916,768,750	6,677,343,750	Brands and trademarks - net
Aktiva lain-lain			Other assets
Taksiran tagihan pajak	103,099,187,812	22,719,918,452	Estimated claims for tax refund
Bibitan	31,721,851,702	33,507,099,918	Nursery
Biaya tangguhan hak atas tanah - bersih	19,696,714,713	18,387,677,508	Deferred landrights - net
Biaya pengembangan piranti lunak - bersih	11,437,274,480	11,437,274,480	Software development costs - net
Biaya ditangguhkan lainnya - bersih	8,015,763,433	1,018,884,334	Other deferred charges - net
Lain-lain	230,719,065,994	83,028,147,931	Others
Jumlah aktiva lain-lain	<u>404,689,858,134</u>	<u>170,099,002,623</u>	Total other assets
<b>JUMLAH AKTIVA TIDAK LANCAR</b>	<u>3,837,175,021,494</u>	<u>3,134,100,752,648</u>	<b>TOTAL NONCURRENT ASSETS</b>
<b>JUMLAH AKTIVA</b>	<u>5,484,948,732,328</u>	<u>4,908,606,847,598</u>	<b>TOTAL ASSETS</b>

	2007	2006	
	Rp	Rp	
<b>KEWAJIBAN DAN EKUITAS</b>			<b>LIABILITIES AND EQUITY</b>
<b>KEWAJIBAN LANCAR</b>			<b>CURRENT LIABILITIES</b>
Hutang bank jangka pendek	245,561,234,640	234,135,000,000	Short-term bank loans
Hutang usaha			Trade accounts payable
Pihak yang mempunyai hubungan istimewa	338,770,684,005	184,576,369,130	Related parties
Pihak ketiga	109,067,179,882	187,343,184,514	Third parties
Hutang lain-lain			Other payables
Pihak yang mempunyai hubungan istimewa	22,795,000,000	22,687,500,000	Related party
Pihak ketiga	31,964,640,710	211,711,015,962	Third parties
Uang muka pelanggan - pihak ketiga	26,993,658,818	25,356,835,255	Advances from customers - third parties
Biaya yang masih harus dibayar	27,042,318,182	38,575,144,261	Accrued expenses
Hutang pajak	24,468,861,203	9,387,435,270	Taxes payable
Bagian hutang jangka panjang yang akan jatuh tempo dalam waktu satu tahun	305,656,549,216	172,686,419,273	Current maturities of long-term debts
<b>JUMLAH KEWAJIBAN LANCAR</b>	<b>1,132,320,126,656</b>	<b>1,086,458,903,665</b>	<b>TOTAL CURRENT LIABILITIES</b>
<b>KEWAJIBAN TIDAK LANCAR</b>			<b>NONCURRENT LIABILITIES</b>
Kewajiban pajak tangguhan - bersih	148,746,344,167	118,352,333,547	Deferred tax liabilities - net
Cadangan imbalan pasti pasca-kerja	54,026,603,000	49,493,117,745	Defined post-employment benefits reserve
Hutang jangka panjang - setelah dikurangi bagian yang akan jatuh tempo dalam waktu satu tahun	464,044,408,546	698,929,799,978	Long-term debts - net of current maturities
Hutang kepada pihak yang mempunyai hubungan istimewa	915,938,235,927	805,888,221,356	Due to related parties
<b>JUMLAH KEWAJIBAN TIDAK LANCAR</b>	<b>1,582,755,591,640</b>	<b>1,672,663,472,626</b>	<b>TOTAL NONCURRENT LIABILITIES</b>
<b>KELEBIHAN BAGIAN RUGI BERSIH PERUSAHAAN ASOSIASI ATAS BIAYA PEROLEHAN</b>	<b>3,507,033,514</b>	<b>1,898,424,647</b>	<b>EXCESS OF EQUITY IN NET LOSSES OF AN ASSOCIATE OVER COST</b>
<b>HAK MINORITAS ATAS AKTIVA BERSIH ANAK PERUSAHAAN</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>MINORITY INTEREST IN NET ASSETS OF A SUBSIDIARY</b>
<b>EKUITAS</b>			<b>EQUITY</b>
Modal Saham - nilai nominal Rp 200 per saham			Capital stock - Rp 200 par value per share
Modal dasar - 5.000.000.000 saham			Authorized - 5,000,000,000 shares
Modal ditempatkan dan disetor penuh - 2.872.193.366 saham	574,438,673,200	574,438,673,200	Issued and fully paid - 2,872,193,366 shares
Tambahan modal disetor	1,662,472,039,200	1,662,472,039,200	Additional paid-in capital
Selisih kurs penjabaran	105,021,073,947	104,539,090,690	Difference in foreign currency translation
Selisih transaksi perubahan ekuitas anak perusahaan	68,077,476,883	24,703,013,824	Difference arising from changes in subsidiaries' equity
Selisih transaksi perubahan ekuitas perusahaan asosiasi	16,983,067,406	26,467,936,017	Difference arising from changes in associated companies' equity
Selisih nilai transaksi restrukturisasi entitas sepengendali	(11,987,787,393)	(11,987,787,393)	Difference arising from restructuring transactions of entities under common control
Saldo laba (defisit)	351,351,437,274	(233,056,918,878)	Retained earnings (deficit)
<b>JUMLAH EKUITAS</b>	<b>2,766,355,980,518</b>	<b>2,147,576,046,660</b>	<b>TOTAL EQUITY</b>
<b>JUMLAH KEWAJIBAN DAN EKUITAS</b>	<b>5,484,948,732,328</b>	<b>4,908,606,847,598</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

	<u>2007</u>	<u>2006</u>	
	Rp	Rp	
<b>PENDAPATAN USAHA</b>	1,141,728,304,099	1,141,194,469,386	<b>REVENUES</b>
<b>BEBAN POKOK PENJUALAN</b>	<u>835,969,051,300</u>	<u>905,315,966,957</u>	<b>COST OF GOODS SOLD</b>
<b>LABA KOTOR</b>	<u>305,759,252,799</u>	<u>235,878,502,429</u>	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>			<b>OPERATING EXPENSES</b>
Penjualan	41,208,520,883	32,221,137,382	Selling
Umum dan administrasi	<u>14,564,610,383</u>	<u>16,513,190,333</u>	General and administrative
Jumlah Beban Usaha	<u>55,773,131,266</u>	<u>48,734,327,715</u>	Total Operating Expenses
<b>LABA USAHA</b>	<u>249,986,121,533</u>	<u>187,144,174,714</u>	<b>INCOME FROM OPERATIONS</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>			<b>OTHER INCOME (EXPENSES)</b>
Bagian atas laba (rugi) bersih perusahaan asosiasi - bersih	11,178,412,750	(1,592,775,409)	Equity in net profit (loss) of associates - net
Pendapatan bunga	3,371,942,528	4,272,099,176	Interest income
Beban bunga dan keuangan lainnya	(34,199,570,630)	(36,526,106,816)	Interest and other financial charges
Laba (rugi) selisih kurs - bersih	(14,479,795,510)	89,814,557,225	Gain (loss) on foreign exchange - net
Lain-lain - bersih	<u>175,917,383</u>	<u>1,991,807,665</u>	Miscellaneous - net
Penghasilan (Beban) Lain-lain - Bersih	<u>(33,953,093,480)</u>	<u>57,959,581,841</u>	Other Income (Expenses) - Net
<b>LABA SEBELUM PAJAK</b>	216,033,028,053	245,103,756,555	<b>INCOME BEFORE TAX</b>
<b>BEBAN PAJAK</b>			<b>TAX EXPENSE</b>
Kini	7,936,772,384	539,839,230	Current
Tangguhan	<u>20,522,665,385</u>	<u>12,879,417,713</u>	Deferred
	<u>28,459,437,769</u>	<u>13,419,256,943</u>	
<b>LABA SEBELUM LABA PRA-AKUISISI</b>	187,573,590,284	231,684,499,612	<b>INCOME BEFORE PRE-ACQUISITION INCOME</b>
<b>LABA PRA-AKUISISI</b>	<u>-</u>	<u>(514,063,979)</u>	<b>PRE-ACQUISITION INCOME</b>
<b>LABA BERSIH</b>	<u>187,573,590,284</u>	<u>231,170,435,633</u>	<b>NET INCOME</b>
<b>LABA BERSIH PER SAHAM DASAR</b>	<u>65</u>	<u>80</u>	<b>BASIC EARNINGS PER SHARE</b>

	<u>Modal Saham/ Capital Stock</u>	<u>Tambahan Modal Disetor/ Additional Paid-in Capital</u>	<u>Selisih Kurs Penjabaran/ Difference in Foreign Currency Translation</u>	<u>Selisih Transaksi Perubahan Ekuitas Anak Perusahaan/ Difference Arising from Changes in Subsidiaries' Equity</u>	<u>Selisih Transaksi Perubahan Ekuitas Perusahaan Asosiasi/ Difference Arising from Changes in Associated Companies' Equity</u>	<u>Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali/ Difference Arising from Restructuring Transactions of Entities Under Common Control</u>	<u>Saldo laba (Defisit)/ Retained Earnings (Deficit)</u>	<u>Jumlah Ekuitas/ Total Equity</u>	
Saldo per 1 Januari 2006	574,438,673,200	1,662,472,039,200	116,703,860,204	24,703,013,824	26,467,936,017	(11,987,787,393)	(464,227,354,511)	1,928,570,380,541	Balance as of January 1, 2006
Selisih kurs karena penjabaran laporan keuangan perusahaan asosiasi	-	-	(12,164,769,514)	-	-	-	-	(12,164,769,514)	Translation adjustment
Laba bersih periode berjalan	-	-	-	-	-	-	231,170,435,633	231,170,435,633	Net income for the period
Saldo per 31 Maret 2006	<u>574,438,673,200</u>	<u>1,662,472,039,200</u>	<u>104,539,090,690</u>	<u>24,703,013,824</u>	<u>26,467,936,017</u>	<u>(11,987,787,393)</u>	<u>(233,056,918,878)</u>	<u>2,147,576,046,660</u>	Balance as of March 31, 2006
Saldo per 1 Januari 2007	574,438,673,200	1,662,472,039,200	103,464,328,854	68,077,476,883	16,972,153,478	(11,987,787,393)	163,777,846,990	2,577,214,731,212	Balance as of January 1, 2007
Selisih kurs karena penjabaran laporan keuangan perusahaan asosiasi	-	-	1,556,745,093	-	-	-	-	1,556,745,093	Translation adjustment
Selisih transaksi perubahan ekuitas perusahaan asosiasi	-	-	-	-	10,913,928	-	-	10,913,928	Difference arising from changes in associated companies' equity
Laba bersih periode berjalan	-	-	-	-	-	-	187,573,590,284	187,573,590,284	Net income for the period
Saldo per 31 Maret 2007	<u>574,438,673,200</u>	<u>1,662,472,039,200</u>	<u>105,021,073,947</u>	<u>68,077,476,883</u>	<u>16,983,067,406</u>	<u>(11,987,787,393)</u>	<u>351,351,437,274</u>	<u>2,766,355,980,518</u>	Balance as of March 31, 2007

	<u>2007</u>	<u>2006</u>	
	Rp	Rp	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan kas dari pelanggan	1,279,912,946,185	1,202,146,678,411	Cash receipts from customers
Pembayaran kas untuk pemasok, kontraktor, karyawan dan lainnya	<u>(944,973,040,239)</u>	<u>(909,808,107,957)</u>	Cash paid to suppliers, contractors, employees and others
Kas yang diperoleh dari operasi	334,939,905,946	292,338,570,454	Cash generated from operations
Pembayaran untuk aktivitas operasi lainnya - bersih	(176,238,086,410)	(176,106,552,667)	Payment for other operating activities - net
Pembayaran beban bunga - bersih	(51,394,962,608)	(62,058,250,309)	Payment of interest - net
Penerimaan (pembayaran) pajak penghasilan	<u>(11,273,729,781)</u>	<u>28,361,196,771</u>	Proceeds from (payment of) of income taxes
Kas Bersih Diperoleh dari Aktivitas Operasi	<u>96,033,127,147</u>	<u>82,534,964,249</u>	Net Cash Provided by Operating Activities
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Hasil penjualan aktiva tetap dan tanaman perkebunan	1,743,384,304	6,293,945,201	Proceeds from sale of property, plant and equipment and plantations
Kenaikan bersih bibit	1,253,445,717	(1,409,016,121)	Net increase in nursery
Perolehan aktiva tetap dan penambahan tanaman perkebunan	(119,339,874,049)	(44,908,553,613)	Acquisitions of property, plant and equipment and additional plantation estates
Penambahan bersih investasi jangka pendek	(58,861,185,530)	(50,596,868)	Net increase in short-term investments
Penambahan aktiva lain-lain	(24,000,157,646)	-	Increase in other assets
Penambahan pembukaan lahan	(5,402,446,621)	-	Additional land clearing
Pembayaran untuk akuisisi anak perusahaan setelah dikurangi saldo kas pada tanggal akuisisi	<u>-</u>	<u>(30,228,072,023)</u>	Payment for acquisition of a subsidiary net of cash balance at acquisition date
Kas Bersih Digunakan untuk Aktivitas Investasi	<u>(204,606,833,825)</u>	<u>(70,302,293,424)</u>	Net Cash Used in Investing Activities
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penambahan hutang kepada pihak yang mempunyai hubungan istimewa	171,361,611,225	57,200,230,513	Additional due to related parties
Penerimaan hutang bank jangka pendek	10,420,478,208	-	Additional short-term loans
Pembayaran hutang kepada pihak yang mempunyai hubungan istimewa	(178,150,941,000)	(237,440,720,000)	Payments of due to related parties
Penambahan piutang kepada pihak yang mempunyai hubungan istimewa	(70,738,253,634)	-	Additional due from related parties
Pembayaran hutang jangka panjang	(39,211,719,690)	(30,861,130,538)	Payments of long-term debts
Penambahan hutang jangka panjang	<u>-</u>	<u>364,528,000,000</u>	Additional long-term debts
Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	<u>(106,318,824,891)</u>	<u>153,426,379,975</u>	Net Cash Provided by (Used in) Financing Activities
<b>KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS</b>	(214,892,531,569)	165,659,050,800	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS AWAL PERIODE</b>	<u>323,764,478,647</u>	<u>383,354,492,773</u>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>
<b>KAS DAN SETARA KAS AKHIR PERIODE</b>	<u>108,871,947,078</u>	<u>549,013,543,573</u>	<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>