

**SMART stands firm in its belief that the independent verification exercise clearly demonstrates that the claims made by Greenpeace were exaggerated or wrong**

**Jakarta, 19 August 2010** – SMART is not guilty of “Burning up Borneo”. The field verification could not find evidence of burning in land clearing and preparation.

**SMART refutes claims by Greenpeace that it has misled its stakeholders.**

“We have always emphasised that the independent verification exercise (IVEX) report be shared in an open and transparent manner and that is exactly what we have done. The IVEX report was published in full to the public leaving no room for our stakeholders to be misled. We have done everything in strict accordance with the listing rules of the relevant stock exchanges. We are focused on moving on in a constructive manner and urge Greenpeace to do likewise. Palm oil is a strategic economic product for the alleviation of poverty in Indonesia. We care for our people, the environment and all biodiversity including the important orang-utan,” said Daud Dharsono, President Director of SMART.

The latest issues raised by Greenpeace include clearing on peat land and land permits. These must be put in context. They occurred, but not to the extent as Greenpeace has made it to be. The IVEX report being made publicly available in its entirety must speak for itself. Most importantly, SMART has admitted clearly and publicly that where mistakes were made, we have admitted to these and necessary action has been taken to ensure that this is not repeated.

**Clearing and planting on deep peat**

As highlighted the IVEX report has identified that over 98% of SMART’s concession areas are not planted on peat of more than 3 metres deep. The planting on deep peat land in other cases was incidental due to the difficulty in identifying sporadic and small plots of peat before the preparation of the land commenced. More importantly, SMART recognises this non-compliance with the Presidential Decree with regard to deep peat issued in 1990, in relation to the 1.8% of area that was planted on deep peat land and is currently taking the necessary remedial action including reinstating of the land. Furthermore, as part of SMART’s standard operating procedure, the company is committed not to develop on ANY peat land.

**Land permits**

With regard to land permits, in West Kalimantan, all except two concessions had the necessary Environmental Impact Assessment (AMDAL) prior to land clearance activities. In these two cases, the local government, Ketapang District Head allowed land clearing before AMDAL approval for all oil palm plantation concessions in its district. In the case of Central Kalimantan, the AMDALs for all six concessions were completed after land clearing, which is not in compliance. SMART however, obtained in-principle plantation business permits and proceeded to develop the concessions while the AMDALs were being processed. SMART has since received AMDALs for all six concessions in Central Kalimantan. Moving forward, it will ensure that AMDAL is obtained before land clearing.

SMART invites anyone to read the full IVEX report which can be found published unaltered either in the Company’s website or on the website of the relevant Stock Exchange before passing judgments or making irreverent statements. The IVEX report was published in full specifically to ensure that no one will be “misled” and minimise incidences of “misreporting” the IVEX findings.

SMART is not a subsidiary of Sinar Mas, which is a brand name and does not refer to any operating business entity. SMART listed its shares on the Indonesia Stock Exchange in 1992.

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**For further information please contact:**

**For Indonesia:**

Fajar Reksoprodjo  
Corporate Affairs  
Tel : (62 – 21) 318 1388  
Fax : (62 – 21) 318 1390  
Cell : (62 – 881) 123 9513  
Email : [fajar-reksoprodjo@smart-tbk.com](mailto:fajar-reksoprodjo@smart-tbk.com)

**For Singapore:**

Pelham Bell Pottinger Asia  
Claire Yong / Ang Shih-Huei  
Tel : (65) 6333 3449  
Email : [cyong@pelhambellpottinger.asia](mailto:cyong@pelhambellpottinger.asia) / [sang@pelhambellpottinger.asia](mailto:sang@pelhambellpottinger.asia)

**For London:**

Pelham Bell Pottinger  
Gavin Davis / Charles Goodwin  
Tel : (44) 207 861 3159 / 3117  
Email : [gdavis@pelhambellpottinger.co.uk](mailto:gdavis@pelhambellpottinger.co.uk) / [cgoodwin@pelhambellpottinger.co.uk](mailto:cgoodwin@pelhambellpottinger.co.uk)

**About PT SMART Tbk (“SMART”)**

SMART is one of the largest, publicly-listed, integrated palm-based consumer companies in Indonesia which is committed to sustainable palm oil production.

Founded in 1962, SMART’s palm plantations have a total coverage area of approximately 135,000 hectares (including small holders). SMART also operates 15 mills, four kernel crushing plants and three refineries. SMART listed its shares on the Indonesia Stock Exchange in 1992.

SMART’s primary activities are cultivating and harvesting of palm trees, processing of fresh fruit bunches into crude palm oil (“CPO”) and palm kernel, and refining CPO into value-added products such as cooking oil, margarine and shortening.

Besides bulk and industrial oil, SMART's refined products are also marketed under several brands such as Filma and Kunci Mas. Today, these brands have been recognised for their high quality and command significant market share in their respective segmentation in Indonesia.

SMART is a subsidiary of Golden Agri-Resources Ltd (“GAR”), one of the largest palm-based companies in the world which is listed on the Singapore Exchange. SMART also manages all oil palm plantations of GAR which has a total planted area of 430,200 hectares (including small holders) in Indonesia, as at 31 March 2010.

This relationship benefits SMART with its economies of scale in plantation management, information technology, research and development, sourcing of raw material, and access to a wide domestic and international marketing network.