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Jakarta, 21 December 2009

Ref: 098/SMD-OPS/XII/2009

To: All the partners of PT SMART Tbk

Re: PT SMART Tbk's commitment towards environmentally sustainable production of palm oil

Dear Valued Partners,

As all of you are aware, over the last few weeks and especially during the last few days, several reports have been published accusing PT SMART Tbk (the Company) of not respecting the National Laws and Regulations, and the RSPO's Principles and Criteria related to sustainable palm oil production.

As already mentioned and published by PT SMART Tbk in its previous communications and press release, PT SMART Tbk has always been and will always be committed to carrying out its activities in sustainable ways in respect to the National Laws and Regulations, and in line with the RSPO's Principles and Criteria. We believe that the objective of producing palm oil in an environmentally sustainable manner goes hand in hand with our objective of contributing to poverty alleviation in Indonesia through the development of sustainable agriculture, especially oil palm.

The allegations and accusations recently published against PT SMART Tbk are either exaggerated or are not scientifically grounded or are not based on facts; Allegations regarding "not following National Laws and Regulations" are of no basis. We do acknowledge that comparatively minor mistakes in the execution of our strategy have occurred and might happen in the future as PT SMART Tbk today is managing oil palm estates spread across the various provinces in Indonesia. However, these mistakes in execution should not be interpreted as changes or inconsistencies in the Company's policies. We have taken immediate measures to terminate these and do appropriate action plan to rehabilitate any damage done.

We take the allegations made very seriously and the Company is currently conducting the appropriate investigations together with other stakeholders to fully analyze their validity. On the basis of the findings of this analysis we will put in place immediate actions and measures to correct any practices should they not be in line with the Company's stated strategy on sustainability.

Furthermore, as increased environmental awareness is a global concern that involves many stakeholders, we recognize that translation of environmental policies into commonly agreed practical measures are not always straightforward, as evidenced by the current discussions on climate change. There will always be differences of opinion between the various stakeholders on the best way forward. But PT SMART Tbk is committed to continuously improve its practices to meet the increasingly stringent requirements for sustainability and will work together with all its stakeholders to implement best practice.

PT SMART Tbk.

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In line with this, PT SMART Tbk will revisit its environmental strategy, policies and standard operating procedures with the aim of ensuring a comprehensive, integrated and synchronised environmental program that best supports the Company's commitment towards environmentally sustainable operations.

Before the end of January 2010, PT SMART Tbk will present its revitalised strategy that will include:

- A reaffirmation of the Company's environmental strategy and strong commitment to a process of continuous improvement towards sustainability;
- A comprehensive action plan with the appropriate standard operating procedures to ensure as maximum compliance as possible to these strengthened commitments throughout all operations of the company.

We believe that these action plans will once again confirm PT SMART Tbk's commitment to continuous improvement in sustainability and its willingness to take part in constructive, professional and scientifically-based dialogue based on reliable and valid data, with all stakeholders, to attain sustainable production as the common objective.

Sincerely,

Daud Dharsono
President Director

PT SMART Tbk.

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