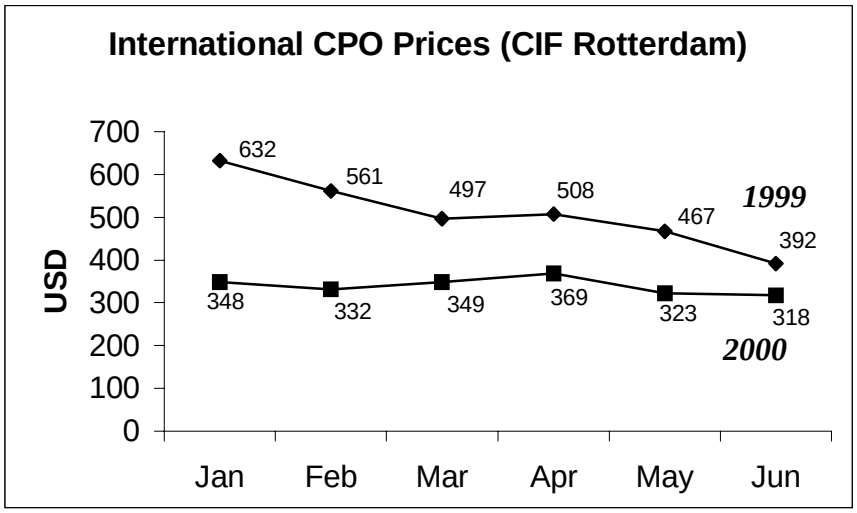
SMART NEWS	Attn: Research Department
1st Half 2000	Total pages: 6 pages

PT SMART Tbk. recorded total sales of Rp1,285.40bn in 1stH2000, a decrease of 24% from 1stH1999, due to the decline in the average selling price of unbranded products and a decrease of 11% in their sales volume. Their average selling price declined from Rp2,800/kg in 1stH1999 to Rp2,350/kg in 1stH2000 as impacted by the decline in the average international CPO prices from USD509.50/ton in the 1stH1999 to USD339.83/ton in the 1stH2000 (Source: Oil World & Reuters).



Total branded products sales decreased by 31% from Rp300.67bn in 1stH1999 to Rp207.87bn in 1stH2000 which is partly caused by the decline in their average selling price from Rp4,600/kg in 1stH1999 to Rp3,400/kg in 1stH2000. The decrease of approximately 35% in the sales volume of margarine and fats also contributes to the decline in total branded sales. Branded cooking oil sales remained almost flat even though volume rose by approximately 29% from 1stH1999 to 1stH2000.

Sales breakdown	**June 2000**		**June 1999**	
	Rp bn	%	Rp bn	%
Cooking Oil	*132.59*	-	*131.08*	-
Margarine	*75.28*	-	*169.59*	-
Total branded	207.87	16.17	300.67	17.85
Unbranded	1,049.91	81.68	1,363.80	80.95
Others	27.59	2.15	20.35	1.21
Total	1,285.37	100.00	1,684.82	100.00

Because SMART only provides raw material for its branded products and still has to outsource CPO for its unbranded products from the market, the decline in the average international CPO prices caused the company's gross profit to decrease by 36% from Rp283.89bn in 1stH1999 to Rp181.93bn in 1stH2000.

Gross Profit Contribution - Rp bn	**2000**	**1999**
Branded	111.35	146.97
Unbranded	64.01	129.07
Others	6.56	7.86
Total GPC	181.93	283.89

Selling expense declined from Rp65.70bn in 1stH1999 to Rp25.15bn in 1stH2000, which is mainly due to the decline in export tax and administration charges from Rp46.47bn in 1stH1999 to Rp7.34bn in 1stH2000 even though total export sales increased by only 6% from 1stH1999 to 1stH2000. This indicates that the reduction in export tax enforced by the Indonesian government was the primary cause for the decline. General and administrative expense, on the other hand, rose from Rp24.34bn in 1stH1999 to Rp37.41bn in 1stH2000, mainly due to higher salaries, wages and employees' benefits.

Forex and swap cost increased to Rp164.25bn in 1stH2000, of which Rp71.71bn are realized and Rp92.54bn are unrealized, compared to an income of Rp37.59bn in 1stH1999. This significant increase is primarily due to the weakening of Rupiah against USD. As of June 2000, the company had a total loan of USD205.37mn, which includes a subordinated loan of USD47.00mn and due to related parties of USD28.00mn, and a total deposit amounting to Rp129.76bn and USD51.94mn.

Subsidiary Companies - Rp bn	June 2000	June 1999
SOCI	6.73	2.61
HORTIMART	0.01	-
GRAHAMAS	(1.01)	(0.01)
SUPERAIR	(0.11)	(0.28)
TAPIAN AND SUBS	-	8.84
TOTAL	5.62	11.15

In spite of the fact that SMART still had an operating profit of Rp119.37bn, the company had to book a net loss of Rp41.00bn in 1stH2000, which is caused primarily by the significant increase in forex loss.

Production (ton)	**June 2000**	**June 1999**
FFB	510.697	360.456
CPO	94.461	83.017
PK	20.768	18.310

For financial statements such as Balance Sheets, Income Statement and Cash Flows, please refer to our homepage (http://www.smart-corp.com).

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2000 AND 1999
(IN RUPIAH)

ASSETS

	2000	1999
CURRENT ASSETS		
Cash and cash equivalents	162,168,011,044	107,707,936,538
Short-term investment	411,069,405,026	480,262,032,549
Trade accounts receivable		
Related Parties	53,141,739,781	73,797,108,667
Third Parties	106,334,783,983	56,771,462,733
Other receivables		
Related Parties	31,452,025,781	53,557,813,318
Third Parties	72,135,822,750	8,502,513,816
Inventories	432,905,956,415	271,358,975,150
Prepaid Expenses	16,184,625,617	87,707,469,766
Prepaid value added tax - net	16,273,187,586	16,008,483,640
Total Current Assets	1,301,665,557,983	1,155,673,796,177
DEFERRED TAX ASSETS	15,563,428,253	12,607,317,859
INVESTMENTS IN SHARES OF STOCK	57,119,430,850	197,475,100,902
DUE FROM RELATED PARTIES	34,420,650,000	25,895,100,000
PROPERTY, PLANT AND EQUIPMENT		
Carrying value	1,381,430,997,208	853,011,939,164
Accumulated depreciation	(198,922,162,711)	(126,329,736,555)
Net Book Value	1,182,508,834,497	726,682,202,609
OTHER ASSETS		
Forward exchange contracts - net	704,444,613,190	423,238,282,958
Estimated claims for tax refund	55,011,912,684	21,311,255,604
Goodwill - net	23,270,993,458	7,494,440,946
Nursery	25,884,104,607	20,061,379,542
Software development costs in progress	9,962,941,344	14,339,447,259
Brands and trademarks - net	11,065,312,500	11,828,437,500
Advances for project plasma plantations - net	6,575,981,601	18,366,770,670
Deferred charges - net	4,974,236,555	1,830,974,319
Others	26,323,068,917	23,218,962,218
Total Other Assets	867,513,164,856	541,689,951,016
TOTAL ASSETS	3,458,791,066,439	2,660,023,468,563

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2000 and 1999
(IN RUPIAH)

LIABILITIES AND STOCKHOLDERS' EQUITY

	2000	1999
CURRENT LIABILITIES		
Short-term loans	244,964,514,411	180,463,100,000
Trade accounts payable		
Related parties	98,451,406,413	101,114,628,314
Third parties	98,821,894,118	116,596,531,463
Other payables		
Related Parties	107,662,694,690	91,056,719,254
Third Parties	60,654,341,337	19,823,431,030
Advances from customers	48,279,643,202	13,960,800,984
Accrued expenses	54,697,217,125	51,144,488,004
Taxes payable	9,946,150,797	25,753,339,782
Current maturities of long-term debts	692,829,025,000	422,898,141,885
Total Current Liabilities	1,416,306,887,093	1,022,811,180,714
DEFERRED TAX LIABILITIES	49,196,554,565	56,303,091,046
ADVANCES FROM CUSTOMERS – related party	513,859,026,514	-
LONG-TERM DEBTS - Net of Current Maturities	288,426,976,226	487,281,664,434
DUE TO RELATED PARTIES	344,720,960,651	190,396,500,000
SUBORDINATED LOAN	410,545,000,000	316,122,000,000
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	13,445,685,961	55,225,069,056
STOCKHOLDERS' EQUITY		
Capital stock - Rp 1,000 par value		
Authorized - 1,000,000,000 shares		
Issued and fully paid - 252,000,000 shares in 1998	252,000,000,000	252,000,000,000
Additional paid-in capital	46,200,000,000	46,200,000,000
Cumulative translation adjustments	33,184,732,934	59,092,650,813
Differences arising from restructuring transactions among entities under common control	(13,156,336,433)	-
Retained earnings (deficit)		
Appropriated	53,442,324,750	53,442,324,750
Unappropriated	50,619,254,178	121,148,987,750
Stockholders' Equity - Net	422,289,975,429	531,883,963,313
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**3,458,791,066,439**	**2,660,023,468,563**

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2000 and 1999
(IN RUPIAH)

	2000	1999
NET SALES	1,285,372,895,539	1,684,822,097,703
COST OF GOODS SOLD	1,103,441,381,200	1,400,927,446,221
GROSS PROFIT	181,931,514,339	283,894,651,482
OPERATING EXPENSES		
Selling	25,153,343,530	65,702,138,516
General and administrative	37,408,809,948	24,338,581,472
Total Operating Expenses	62,562,153,478	90,040,719,988
INCOME FROM OPERATIONS	119,369,360,861	193,853,931,494
OTHER INCOME (CHARGES)		
Interest income	22,953,256,921	68,833,462,367
Equity in net earnings (losses) of associates - net	5,617,068,857	11,154,943,368
Loss on foreign exchange and swap cost - net	(164,250,704,131)	37,589,324,334
Interest and other financing charges	(48,281,935,740)	(98,933,848,572)
Miscellaneous - net	2,113,098,006	3,307,247,875
Other Charges - Net	(181,849,216,087)	21,951,129,374
INCOME BEFORE PROVISION FOR INCOME TAX	(62,479,855,226)	215,805,060,868
PROVISION FOR INCOME TAX		
Current	5,835,959,775	21,936,632,100
Deferred	(28,824,768,136)	39,991,377,532
	(22,988,808,361)	61,928,009,632
INCOME BEFORE MINORITY INTEREST	(39,491,046,865)	153,877,051,236
MINORITY INTEREST IN NET (EARNINGS) LOSS OF SUBSIDIARIES	(1,503,027,931)	(16,938,591,854)
NET INCOME	(40,994,074,796)	136,938,459,382
EARNINGS PER SHARE		
Income from operations per share	308	628
Net income per share	123	218

PT SINAR MAS AGRO RESOURCES AND TECHNOLOGY Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED JUNE 30, 2000 AND 1999
(IN RUPIAH)

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customer	1,237,591,422,154	1,683,527,131,760
Cash paid to suppliers	1,032,960,541,492	1,293,384,239,753
Cash from operational	204,630,880,662	390,142,892,007
Cash paid for expenses	33,078,933,671	200,481,280,537
Interest paid	77,959,134,428	106,981,484,992
Taxes paid	57,001,659,178	19,578,838,469
Net Cash Provided by Operating Activities	36,591,153,384	63,101,288,009
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in short-term investments	7,685,055,926	(102,587,032,549)
Net decrease in due from related parties	2,747,113,827	2,006,250,000
Payment for acquisition for subsidiary - net of cash balance at date of acquisition	-	180,711,175
Net addition in investment in project plasma plantations and project KKPA	(4,427,852,610)	(10,592,984,915)
Net decrease of property, plant and equipment and increase (decrease) in nursery	(163,207,302,220)	(89,842,353,045)
Additional investments in shares of stock	(2,001,000,000)	(48,000,000)
Net Cash Provided by (Used in) Investing Activities	(159,203,985,077)	(200,883,409,334)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional long - term debts	33,541,148,755	127,866,532,909
Paid-in capital and advances from minority interest in subsidiaries	57,179,483	(199,740,000)
Net increase (decrease) of short-term loans	69,201,290,333	21,265,000,000
Net decrease in due to related parties	96,594,093,468	(94,145,000,000)
Net Cash Provided by Financing Activities	199,393,712,039	54,786,792,909
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	76,780,880,347	(82,995,328,416)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	85,387,130,697	190,703,264,954
CASH AND CASH EQUIVALENTS AT END OF YEAR	162,168,011,144	107,707,936,538