

**PT SMART Tbk Raises Its Objection on the Decision of the Business
Competition Supervisory Commission (“KPPU”) to the Case
No. 24/KPPU-I/2009 Regarding Presumption of a Breach to the
Article 4, 5 and 11 of the Law No. 5/1999 for Palm-based Cooking Oil Industry
in Indonesia**

Jakarta, 6 May 2010 – On Tuesday, 4 May 2010, the Business Competition Supervisory Commission (“KPPU”) announced its decision on the examination of Case No. 24/KPPU-I/2009 regarding presumption of a breach to Article 4, 5 and 11 of the Law No 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition (“Competition Law”) in the palm-based cooking oil industry in Indonesia.

In its decision, KPPU stated that PT SMART Tbk (the “Company” or “SMART”) and other companies were proven to have breached the Competition Law, particularly Article 4 regarding oligopoly, Article 5 regarding price fixing and Article 11 regarding cartel.

SMART regrets that the basis of the decision was limited only to assumptions and economic theories that are insufficient to be used as evidence to prove the breaching of such articles. SMART has submitted objections on the KPPU’s findings both verbally and in writing by providing evidence including all confidential commercial data to KPPU during the examination process.

SMART has also proven to KPPU that there is healthy competition in the cooking oil industry and market in Indonesia and there is no entry barrier to the industry. The whole production chain from planting to processing of palm-based cooking oil allows all new players to enter the industry. This condition has resulted in Indonesia having more than 100 palm-based cooking oil producers. In addition to that, product innovation through various brands with various product compositions has shown that the industry condition is very dynamic and highly innovative.

Government’s intervention through export tax on CPO and its derivatives as well as the industry’s commitment to the policy of the Indonesian Trade Ministry through market operation with cooking oil prices set at Rp 6,000 to Rp 7,000 per liter, have shown the priority of the domestic market interests through ample availability of palm-based cooking oil at affordable prices. KPPU has not considered these facts and therefore, SMART regrets and raises objection on the KPPU’s decision.

As a listed company and a good corporate citizen that always complies with the Indonesian laws and regulations, the competition is always conducted in healthy and fair manner by upholding good corporate governance principles.

While waiting for the formal written decision letter from KPPU, SMART is preparing legal action to file an appeal on the decision based on prevailing regulations in order to obtain fairness and legal assurance on this case. SMART expects that fairness and legal assurance to all business players can be upheld to ensure the growth of the industry and investment in Indonesia, especially in the palm oil sector as Indonesia is the main global producer, to ultimately benefit the country of Indonesia.

For further information please contact:

Harry Hanawi – Corporate Communication and Public Relation
Tel : (62) 21 318 1288 ext 8003
Cell : (62) 881 111 1110
Email : harry-hanawi@smart-tbk.com