

About CAP:

CAP, a subsidiary of PT Barito Pacific Tbk as the majority shareholders, is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. CAP incorporates state-of-the-art technologies and supporting facilities located in Cilegon and Serang of Banten province. CAP is the only producer who operates a naphtha cracker, and is the sole producer of ethylene, styrene monomer and butadiene. In addition, CAP is also the largest polypropylene producers in Indonesia. CAP produces plastic raw materials and chemicals used for packaging products, pipes, automotive, electronics, etc.

**CHANDRA ASRI PETROCHEMICAL RESULTS
FOR THE PERIOD ENDED MARCH 31, 2018**

On 25 June 2018, PT Chandra Asri Petrochemical Tbk (IDX: TPIA) released its consolidated financial statement for the three months of 2018, recording a Net Profit after Tax of US\$73.6 million, 31.7% lower y-o-y, largely attributed to higher cost of goods sold (COGS) primarily Naphtha cost which rose some 19% coupled with lower contribution from Butadiene (cyclical high margins in Q1 2017 due to supply disruption), partly offset by an increase in Net Revenues recorded at US\$695.3 million, 10% higher y-o-y, primarily due to higher realised average sales prices somewhat mitigating the higher feedstock cost.

The Company's Corporate Secretary, Suryandi, explains:

"In Q1 2018, CAP continued to deliver strong operational and financial performance with relatively healthy product spreads amid rising naphtha cost on the back of rising crude oil prices. In general, with the current supply-demand balance we were able to realise higher average selling prices somewhat mitigating the higher naphtha cost. Operating rates were sustained at an optimal level except for Butadiene production due to scheduled turnaround maintenance/ tie-in works for Debottlenecking from 1 March 2018 for 95-days to increase the capacity by 37% to 137 KTPA.

In addition, as part of our IDR Medium Term Bond program, we successfully issued IDR500billion bond in March 2018 to strengthen our capital structure. We remain optimistic in the long term outlook of the industry and will stay on track with our expansion plans. "

3M2018 FINANCIAL HIGHLIGHTS:

- Net Revenues increased by 9.9% to US\$695.3 million from US\$632.7 million in 3M2017 as a result of higher average sales prices, primarily Polymers, and higher sales volume.
- EBITDA declined by 25.0% to US\$129.0 million from US\$172.1 million 3M2017 largely due to some 20% lower gross profit as a result of higher feedstock costs, primarily naphtha cost which rose some 19%, in line with increasing crude oil prices and lower contribution from Butadiene which experienced cyclical high margins in Q1 2017 due to supply disruption.
- As a result, Net profit after tax registered at US\$73.6 million, dropped by 31.7% from 3M2017 of US\$107.8 million.
- Total Assets remains relatively flat at US\$2,967.5 million with lower Cash & Cash equivalents due to acquisition of fixed assets.
- Interest bearing debt stood at US\$621.2 million compared with US\$632.3 million in FY2017 which reflected the issuance of IDR Shelf Registration Bonds-Phase II Year 2018 equivalent to US\$36 million, partially offset by loan principal repayments. Combined with cash balance position of US\$763.8 million, our net cash position as of March 31, 2018 was US\$142.6 million.

For more information, please contact:

**Suryandi, SVP HR & Corp. Affairs –
Corporate Secretary**
suryandi@capcx.com

Investor Relations
investor-relations@capcx.com

Financial Performance

US\$ million, unless otherwise stated	3M2017	3M2018	% change
Net Revenues	632.7	695.3	9.9
Cost of Revenues	456.4	554.4	21.5
Gross Profit	176.3	140.9	(20.1)
Net Profit After Tax	107.8	73.6	(31.7)
EBITDA	172.1	129.0	(25.0)
Cash Flows from Operating Activities	55.0	18.0	(67.2)
Capital Investments	21.9	88.0	301.8
Dividends Paid	0.3	-	N/A
Earnings per share (US\$)	0.0064	0.0041	(35.9)
US\$ million, unless otherwise stated	FY2017	3M2018	% change
Total Assets	2,987.3	2,967.5	(0.7)
Total Liabilities	1,318.5	1,224.8	(7.1)
Shareholders' Equity	1,668.8	1,742.8	4.4
Interest Bearing Debt	632.3	621.2	(1.8)
Cash & Cash Equivalents	842.5	763.8	(9.3)
Net Debt / (Cash)	(210.3)	(142.6)	(32.2)

Financial Ratios

	3M2017	3M2018	% change
Gross Profit Margin (%)	27.9	20.3	(27.3)
EBITDA Margin (%)	27.2	18.6	(31.8)
Interest service coverage (x)	10.3	9.0	(12.6)
Debt to Capitalization (%)	27.5	26.3	(3.7)
Debt to EBITDA (x) - LTM	0.6	1.2	95
Net Debt/ (Cash) to EBITDA (x) – LTM	0.2	(0.3)	N/A

Business Segments

In US\$ million	Revenues		
	3M2017	3M2018	% change
Olefins	195.8	205.8	5.1
Polyolefins	238.7	322.4	35.0
Styrene Monomer	107.0	121.0	13.0
Butadiene	87.5	42.2	(51.8)
Tanks and Jetty Rental	3.6	4.0	10.2
Consolidated	632.7	695.3	9.9

In US\$ million	Gross Profit		
	3M2017	3M2018	% change
Olefins	66.5	53.9	(19.0)
Polyolefins	66.8	65.3	(2.2)
Styrene Monomer	12.3	12.8	4.0
Butadiene	27.8	5.5	(80.3)
Tanks and Jetty Rental	2.9	3.5	17.5
Consolidated	176.3	140.9	(20.1)

FINANCIAL PERFORMANCE ANALYSIS

Net Revenues

Net Revenues increased by 9.9% from US\$632.7 million in 3M2017 to US\$ 695.3 million in 3M2018 reflecting higher realized average sales prices, primarily Polymers, and higher sales volume.

Cost of Revenues

Cost of Revenues increased by 21.5% from US\$456.4 million in 3M2017 to US\$554.4 million in 3M2018 mainly due to higher naphtha cost which increased by some 19% from US\$507/ton to US\$603/ton in 3M2018 on the back of the increase in crude oil prices. Cracker operating rate was maintained at 100%, similar to the same period last year. However, the Butadiene plant was shutdown for 95 days from 1 March 2018 for scheduled Turnaround Maintenance and tie-in works for Debottlenecking to increase the plant capacity by 37% to 137 KTPA. The plant resumed operations on 3 June 2018

EBITDA

EBITDA declined by 25.0% to US\$129.0 million from US\$172.1 million 3M2017 largely due to some 20% lower gross profit as a result of higher feedstock costs, primarily naphtha cost which rose some 19% in line with increasing crude oil prices, and lower contribution from Butadiene which experienced cyclical high margins in Q1 2017 due to supply disruption coupled with lower volumes due to scheduled maintenance from 1 March 2018..

Net Profit After Tax

The Company recorded US\$73.6 million Net Profit After Tax in 3M2018, 31.7% lower from US\$107.8 million in 3M2017.

Total Assets

Total Assets were relatively stable, with a slight decline by 0.7% from US\$2,987.3 million in FY2017 to \$2,967.5 million in 3M2018 largely due to lower cash and cash equivalents for investment activities.

Total Liabilities

Total Liabilities decreased by 7.1% from US\$1,318.5 million in FY2017 to US\$1,224.8 million in 3M2018 mainly due to lower trade accounts payable due to working capital movements. Interest bearing debt decreased by 1.8% from US\$632.3 million in FY2017 to US\$621.2 million in 3M2018.

As of March 31, 2018, the Company is in net cash position of US\$142.6 million.

Cash Flows from Operating Activities

Cash Flows from Operating Activities declined by 67.2% from US\$55.0 million in 3M2017 to US\$18.0 million in 3M2018 mainly due to working capital movements resulting in an increase in payment to suppliers of US\$145.1 million and increase in payment of income taxes of US\$12.9 million, partially offset by higher receipts from customers of US\$113.3 million.

Cash Flows from Investing Activities

Net cash used in Investing activities increased by 206.6% from US\$24.7 million in 3M2017 to US\$75.8 million in 3M2018, largely due to capital expenditures related to downstream projects expansions, in particular the new Polyethylene plant, Butadiene plant expansion, and land acquisition for the second Petrochemical complex.

Cash Flows from Financing Activities

Net cash used in Financing activities was US\$21.0 million in 3M2018. The Company received US\$36.3 million proceeds from IDR Shelf Registration Bonds-Phase II Year 2018 issuance, off-set by repayment of term loans totaling US\$47.7 million as well as interest and financial charges of US\$9.4 million.

MARKET UPDATES

In 1Q18, Brent crude price climbed up US\$5/bbl from 4Q 2017 to US\$67/bbl amid ongoing OPEC agreement to extend production cut to end of 2018, healthy demand and geopolitical tensions.

Naphtha price in 1Q2018 increased from average US\$570/MT in 4Q2017 to US\$582/MT driven by firmer Brent and tighter demand from NEA petrochemical producers.

Ethylene price continued to increase in 1Q2018 from average US\$1,195/MT in 4Q2017 to US\$1,243/MT due to increasing energy prices and limited supply in turnaround maintenance season in March.

Polymers price also gained momentum in 1Q2018, increased from US\$1,252/MT and US\$1,210/MT in 4Q2017 to US\$1,359/MT and US\$1,292/MT for Polyethylene and Polypropylene respectively, due to higher feedstock prices and limited supply on the regional import market.

Butadiene price increased from US\$1,076/MT in 4Q2017 to US\$1,314/MT in 1Q2018 amid tight regional supply and increasing Chinese domestic prices.

Styrene monomer price increased from US\$1,272/MT in 4Q2017 to US\$1,388/MT in 1Q2018, supported by firmer benzene feedstock price, recovery of Chinese domestic prices and strong sentiment in US due to unplanned shutdowns.

CORPORATE NEWS



CAP Employees Fundraising for Sharing

On 24 & 27 February 2018, the Company visited social foundations focus on children in Greater Jakarta area. The visit is to deliver fundraising assistance through auctions and donations collected from employees in 2017. The funds was handed over to Yayasan Sayap Ibu Bintaro, a rehabilitation center for children with special needs, Panti Asuhan Beriku Hati in BSD Serpong, and Komunitas Taufan, children with cancer foundation located in Kramat Jati, East Jakarta



CAP Donated Land to Build Polytechnic of Petrochemical

On 5 March 2018, the Company donated two hectares of land to build Polytechnic of petrochemical industry in Banten. The Company fully supports the vocational education program and expects the presence of Polytechnic of petrochemical industry will aid to the supply of competent workforce needed in Cilegon petrochemical industrial cluster.

CAP Supports the National Development Through Tax

On 13 March 2018, the Company received a Taxpayer Award from the Regional Office of Directorate General of Taxes (DGT) of Large Scale Taxpayers in Jakarta. The award shows CAP's commitment in supporting the Government's development program as well as our good corporate governance practice.



CAP Received TPM Award in Kyoto for Its Polymer Plant

On 20-22 March 2018, the Company received Total Productive Maintenance (TPM) Excellence Award for TPM Award 2017 in Kyoto, Japan. The Company's Polymer plant is entitled to TPM Excellence Award, Category A. Last year, the same award was received by CAP's subsidiary, PT Styrimdo Mono Indonesia (SMI). SMI was the first petrochemical company in Indonesia to receive the TPM Excellence Award.



CAP Showcased its Technology in Indonesia Industrial Summit 2018

On 4-5 April 2018, the Company participated in Indonesia Industrial Summit 2018 and demonstrated the readiness to confront the Industrial Revolution 4.0 by adopting digitalization technology to optimize production processes and supply chain based information systems. CAP developed a "Smart Plant" app that enables production monitors and trend production analysis as easy as checking messages on smartphones.



CAP Held AGMS 2018

On 23 April 2018, the Company held its Annual General Meeting of Shareholders (AGMS) of FY-2017 in Wisma Barito Pacific, Jakarta. In the Meeting, Shareholders approved the use of 30% from 2017's Net Profit for cash dividend amounting US\$95,600,000, of which a final cash dividend of US\$52.1 million was paid on 22 May 2018.



CAP Selects Licensors For New Petrochemical Complex

On 27 April 2018, the Company, through its wholly owned subsidiary, PT Chandra Asri Perkasa (CAP2), has awarded six license and engineering design agreements to world-class licensors including CB&I's Lummus Technology for Naphtha Cracker and Butadiene Plant; GTC Technology for aromatics (benzene, toluene, and xylenes) recovery plant; Texlore for High Density Polyethylene (HDPE) plant; and Lyondellbasell, for Low Density Polyethylene (LDPE) and Polypropylene (PP) plants.



CAP Spoke in Leaders Academy – World CleanUp Day 2018

On 6-9 May, 2018, the Company pledged its full support for World CleanUp Day 2018, a massive clean-up civic action conducted by world citizens. Prior to this, CAP participated in the Leaders Academy, a training and preparation platform to 68 leaders from 34 provinces in Indonesia for World CleanUp Day 2018. In this occasion, Mr. Edi Riva'i, General Manager Polymer Technical Service & Product Development CAP is trusted to be one of the inspirational speakers who shared knowledge and insights to WCD leaders about characteristics of various plastic materials.



CAP is Awarded as Best Issuers in Bisnis Indonesia Award 2018

On 7 May 2018, the Company received an award of Best Issuer for Basic Industry and Chemicals category at Bisnis Indonesia Award 2018. Through this recognition, CAP is considered able to consolidate and survive in rapid changes, so as to record high performance growth.



CAP Hosted The 21st Regional Olefin Producers Technical Committee Conference

On 7-9 May 2018, the Company hosted The 21st Regional Olefin Producers Technical Committee (ROPTC) Conference in Bali. Attended by a number of company that runs in petrochemical industry, among them are: Petronas (Malaysia), PCS (Singapore), JG Summit (Philippines), SCG Chemicals, PTT Global Chemicals and IRPC (Thailand), the Conference's main agenda was implementation of digital technology in the production process of Olefin.



CAP Installs New Enclosed Ground Flare to Reduce Environmental Impact

On 28 May 2018, the Company has awarded Toyo Corporation and Inti Karya Persada Teknik as the EPC contractors for the installation of a new Enclosed Ground Flare (EGF) at its petrochemical complex in Cilegon, Banten. EGF is a safe, smokeless flare technology that significantly reduces any air pollution, noise, heat and light emission during a plant start-up and irregular operational activities. Application of EGF will ensure that there is minimum operational impact to the environment and surrounding communities compared to conventional flare use.



CAP Awards Toyo Engineering Group as EPC Contractor for new MTBE and Butene-1 plants

On 28 May 2018, the Company through its subsidiary, PT Petrokimia Butadiene Indonesia, has awarded Toyo Engineering Corporation and Inti Karya Persada Teknik as the EPC contractors for the 127,000 tons/year Methyl Tert-Butyl Ether (MTBE) and 43,000 tons/year Butene-1 plants. The plants will be built at its petrochemical complex in Cilegon, Banten and become the first MTBE and Butene-1 plants in Indonesia. The plants with total investment of USD114 million are expected to start commercial production in the third quarter of 2020.



CAP Distributed 3,000 Affordable Groceries Coupons

On 5 June 2018, the Company held its annual event, Bazar Ramadhan in Cilodan field, Cilegon, Banten. In the event, 3,000 affordable groceries coupons are distributed to resident of Sub-District Ciwandan, Village Kosambironyok and Village Anyar, so they could redeem the groceries with half prices. Bazar Ramadhan is a form of CAP's social concern to surrounding citizens in facing groceries price increase during Ramadhan month and prior to Eid Mubarak.