

June 17, 2013

Michelin and Petrokimia Butadiene Indonesia sign an agreement to produce Synthetic Rubber

On June 17, 2013, PT Petrokimia Butadiene Indonesia (PBI), a wholly-owned subsidiary of PT Chandra Asri Petrochemical Tbk (CAP), and the Compagnie Financière Groupe Michelin (Michelin), signed an agreement to create a Joint-Venture company, to produce Synthetic Rubber. The new company will be owned 55% by Michelin and 45% by PBI.

The total Investment is estimated at US\$435 million. Pending final investment decision, plant construction is expected to commence in early 2015 with completion and start-up targeted for the beginning of 2017.

In line with high growth of auto industry in new emerged countries and the global trend towards more performance requirement from tires, i.e. tires which are safer, last longer and deliver fuel savings, the demand for more technological synthetic rubber are forecast to increase as these are necessary to deliver more performances in a single tire and be at the same time environmentally friendly. Michelin, leader in tire technology, introduced the green tire in 1992, is innovating every day to deliver MICHELIN Total Performance.

Michelin and PBI will combine in this partnership their expertise, bring significant synergies and create value both for the Indonesian and South East Asian markets.

PT Petrokimia Butadiene Indonesia (PBI) is the first Butadiene plant in Indonesia and a subsidiary of **PT Chandra Asri Petrochemical Tbk**, the largest vertically integrated petrochemical company in Indonesia. The Butadiene plant target for completion and commercial production on July 2013.

Chandra Asri Petrochemical complex is located at Ciwandan, Cilegon in Banten Province is Indonesia's premier petrochemical plant incorporating world class, state-of-the-art technology and supporting facilities. CAP runs the only Naphtha Cracker in Indonesia that produces high quality Ethylene, Propylene, Crude C4, Pyrolysis Gasoline (Py-gas), Polyethylene, Polypropylene and Styrene Monomer for the Indonesia's market as well as regional export markets. (www.chandra-asri.com)

Michelin, the leading tire company, is dedicated to sustainably improving the mobility of goods and people by manufacturing and marketing tires for every type of vehicle, including airplanes, automobiles, bicycles/motorcycles, earthmovers, farm equipment and trucks. It also offers electronic mobility support services on ViaMichelin.com and publishes travel guides, hotel and restaurant guides, maps and road atlases. Headquartered in Clermont-Ferrand, France, Michelin is present in more than 170 countries, has 113,400 employees and operates 69 production plants in 18 different countries. The Group has a Technology Center in charge of research, development and process engineering, with operations in Europe, North America and Asia. (www.michelin.com)

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