

**PT Chandra Asri
Petrochemical Tbk
[TPIA.JK]**



Chandra Asri
Petrochemical

**UBS Indonesia Conference
2018**

**Company
Presentation**

Jakarta - March 6th, 2018

- 1. Company Overview**
- 2. Business Updates**
- 3. Growth Projects**
- 4. Financial Highlights**
- 5. Appendix**
 - Key Investment Highlights
 - Petrochemicals Industry Outlook

1. Company Overview

Chandra Asri – Indonesia’s Leading and Preferred Petrochemical Company



Largest Integrated Petrochemical Producer in Indonesia

- ✓ **Largest integrated petrochemical producer** in Indonesia and operates the country’s only naphtha cracker, styrene monomer and butadiene plants
- ✓ **Market leadership** in highly attractive Indonesia and SE Asia petrochemical market
 - Market share of approximately 52%, 24%, and 29% of the domestic market (including imports) in olefin, polyethylene, and polypropylene, respectively
- ✓ **Support** from Barito Pacific Group and Siam Cement Group
- ✓ **Transformed in 2016 following the 4Q2015 Naphtha Cracker expansion**, resulting in Adjusted EBITDA increase, reinforced balance sheet, and a more diversified product mix
 - 2015 – 2016 Adjusted EBITDA growth of +229%;
- ✓ **Vital National Object** status

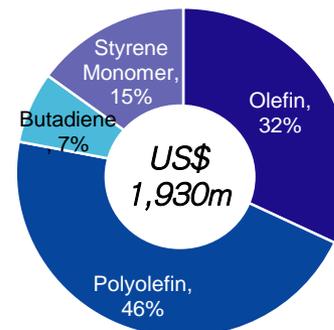


CAP's main integrated manufacturing complex

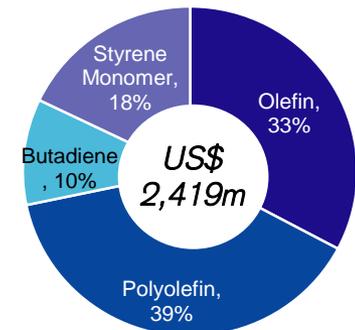
Stable and Robust Financials Supported by Strong Credit Strengths

- ✓ **Integration** from upstream cracker to downstream polyolefin products
 - Strategically located near key customers
- ✓ **Low production cost** base and **operating efficiencies**
 - Benefit from scale of feedstock sourcing and stable supplier relationships
 - Naphtha cracker utilisation rate of 99% in YTD3Q17
- ✓ **Long-standing relationships** with diverse customer base
 - No single customer accounts for more than 7.4% of consolidated revenue
 - In 2017, 69% of products by revenue were sold to domestic market
- ✓ **Captive distribution network** provides significant cost efficiencies
 - Key customers integrated with CAP production facilities via CAP’s pipelines
 - Provides significant cost efficiencies to key customers
- ✓ **New projects fueling strategic growth**
 - Projects include partnership with Michelin to expand downstream products, new polyethylene plants, debottlenecking, and other efficiency improvements
 - Evaluation of a second petrochemical complex underway

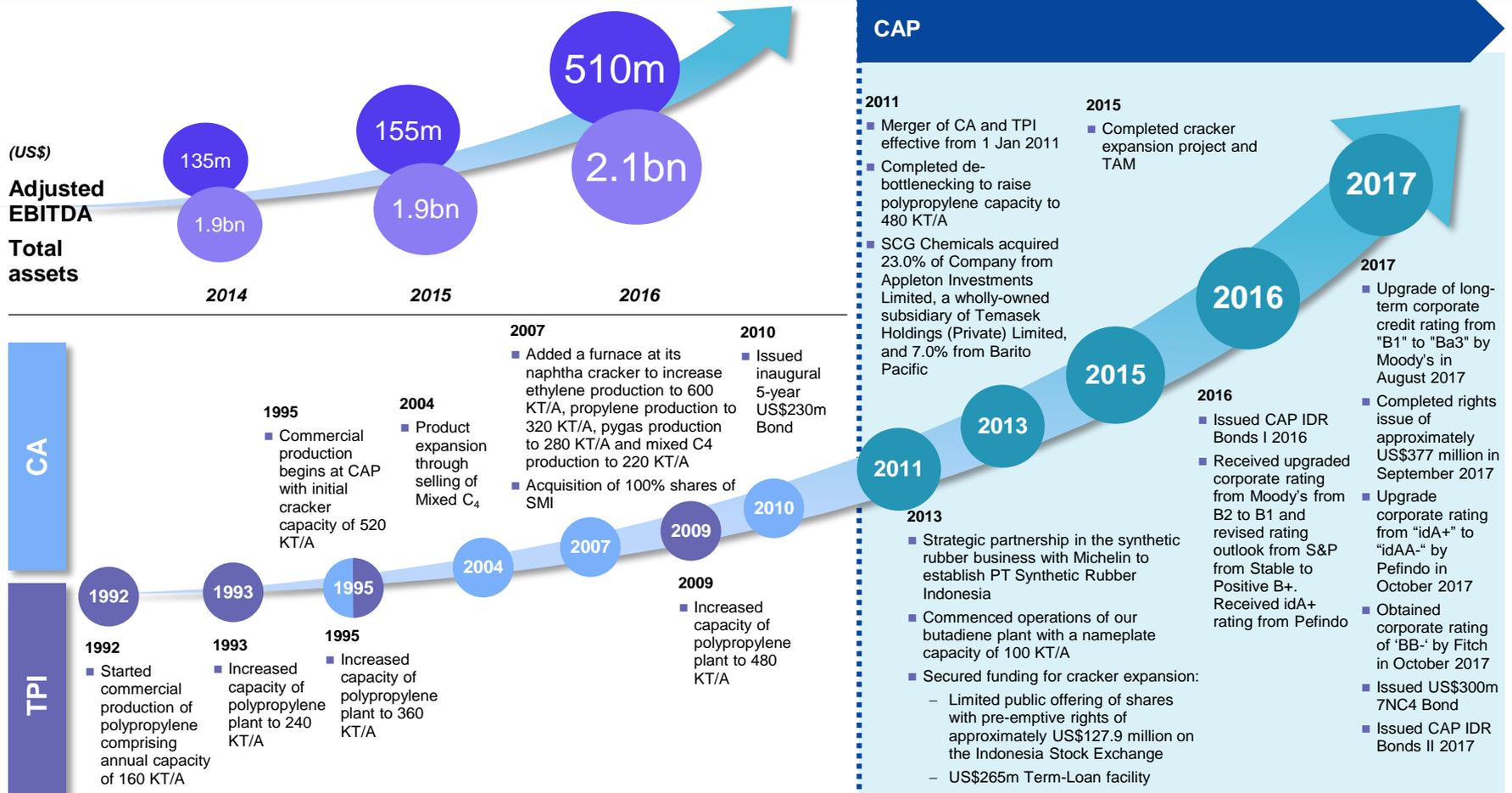
2016 Revenue



2017 Revenue



25 Year Track Record of Successful Growth



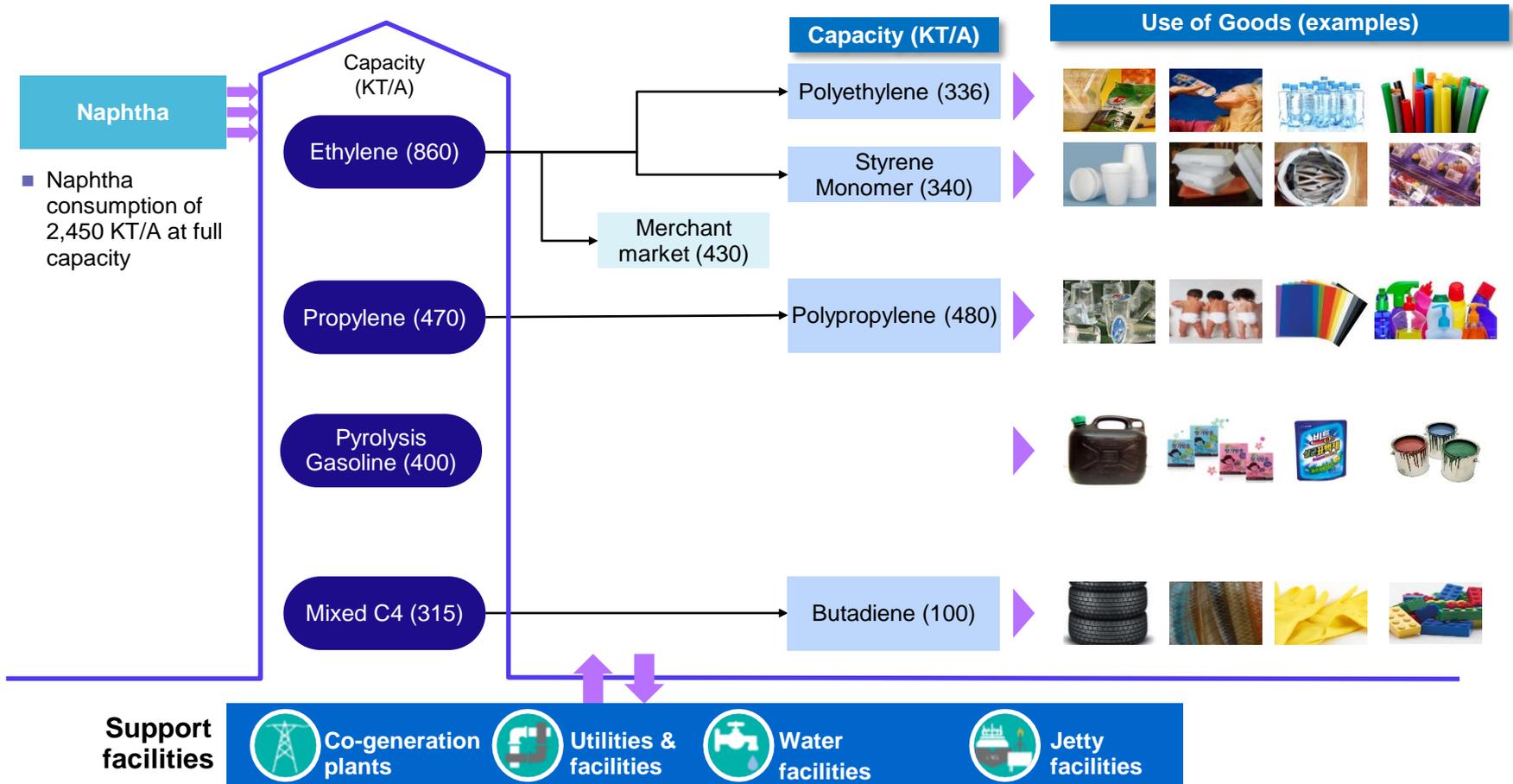
Track record of achieving operational and structured growth

Vision to be Indonesia's Leading and Preferred Petrochemical Company



- 1 Increase capacity and build on leading market position
- 2 Expand product offerings and further optimize integration along the petrochemical value chain
- 3 Develop feedstock advantage to improve cost competitiveness
- 4 Develop and nurture human capital
- 5 Continue to leverage the Company's unique infrastructure and customer service to maintain premium value to customers
- 6 Maintain and further improve best-in-class operating standards, cost efficiency, and safety, health and environment

Integrated Production of Diverse Products



CAP's products encompass a wide range across the consumer products value-chain, and its leading position and strategic location enhances its competitiveness

CAP is Indonesia's Largest Petrochemical Producer



Capacities of Petrochemical Producers in Indonesia (March 2017)

Capacity ('000 tons per year)	Chandra Asri Petrochemical	LOTTE CHEMICAL TITAN	PERTAMINA	Polytama	ASC AGC Group	PT SULFINDO ADIUSAMA	TPPI	Others	Total
Ethylene	860								860
Propylene	470		608						1,078
LLDPE	200	200							400
HDPE	136	250							386
Polypropylene	480		45	240					765
Ethylene Dichloride					644	370			1,014
Vinyl Chloride Monomer					734	130			864
Polyvinyl Chloride					507	95		202	804
Ethylene Oxide								240	240
Ethylene Glycol								220	220
Acrylic Acid								140	140
Butanol								20	20
Ethylhexanol								140	140
Py-Gas	400								400
Crude C4	315								315
Butadiene	100								100
Benzene			125				400		525
Para-Xylene			298				540		838
Styrene	340								340
Total	3,301	450	1,076	240	1,885	595	940	962	9,449

CAP offers the most diverse product range and is a dominant producer with market share of approximately 52%, 24%, and 29% of the domestic market (including imports) in olefin, polyethylene, and polypropylene, respectively

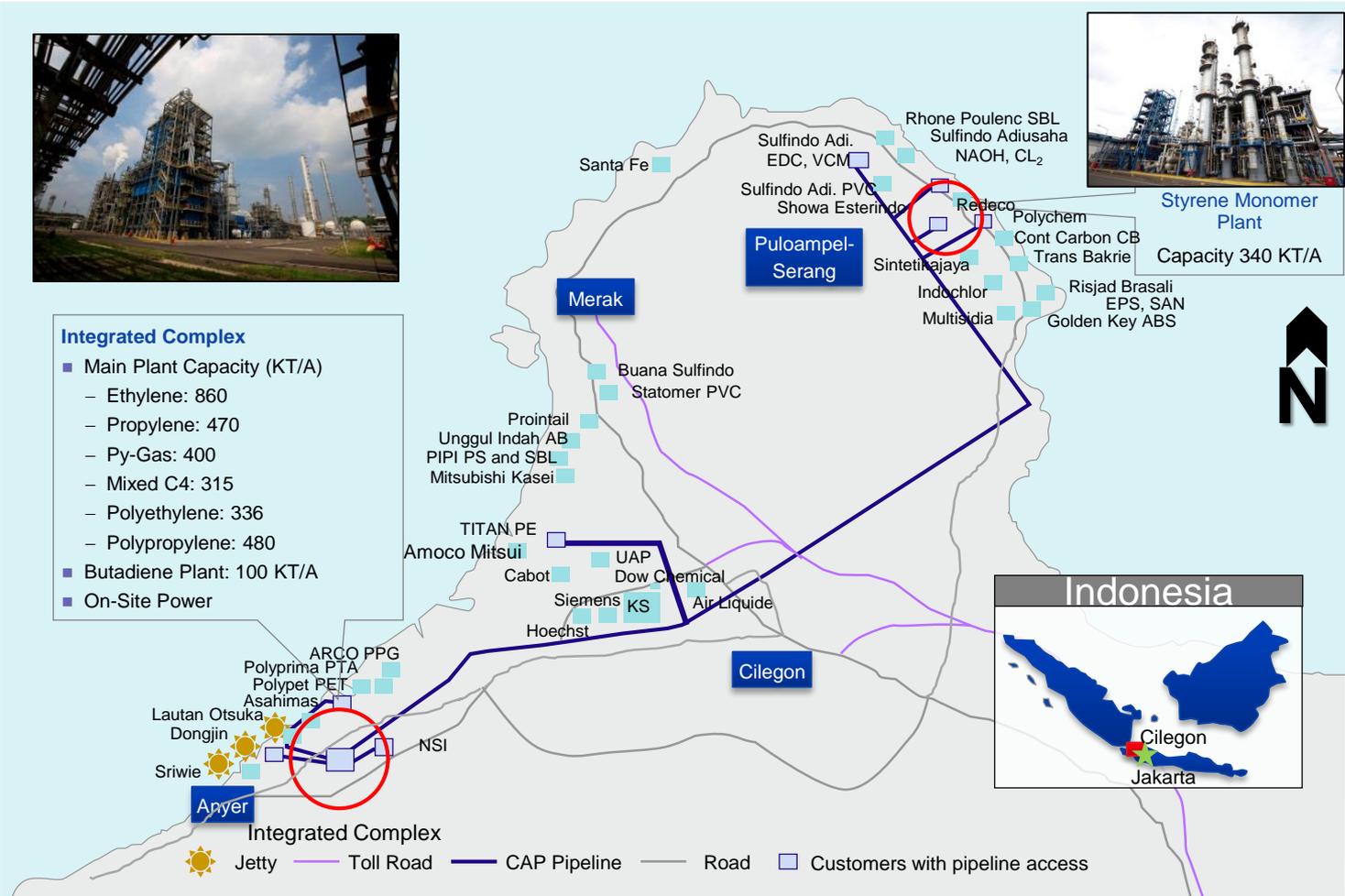
Strategically Located to Supply Key Customers

CAP's Integrated Petrochemical Complexes



Integrated Complex

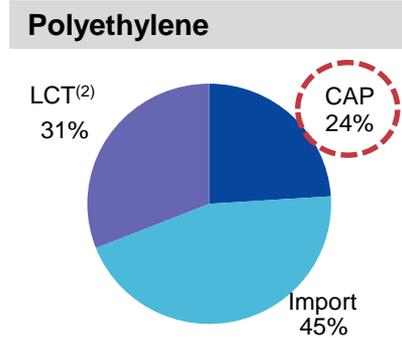
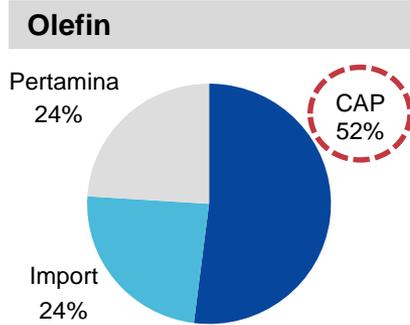
- Main Plant Capacity (KT/A)
 - Ethylene: 860
 - Propylene: 470
 - Py-Gas: 400
 - Mixed C4: 315
 - Polyethylene: 336
 - Polypropylene: 480
- Butadiene Plant: 100 KT/A
- On-Site Power



Location proximity and well established pipeline ensures excellent connectivity to key customers. This coupled with reliability of supply lead to premium pricing, with integration of facilities creating significant barriers to entry.

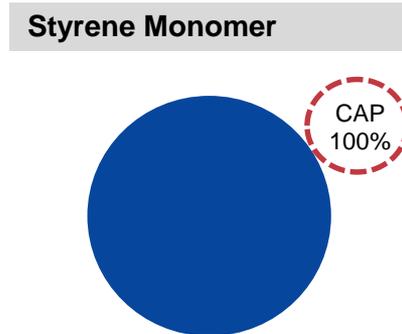
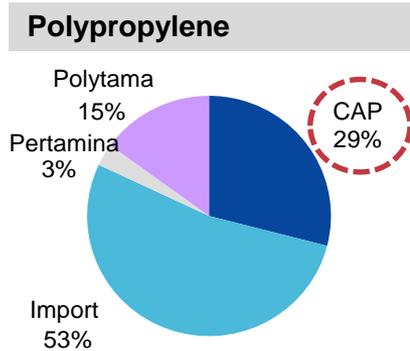
CAP is the Indonesian Market Leader

1 Largest Petrochemical Company in Indonesia⁽¹⁾



Total Supply: 2.6M tons

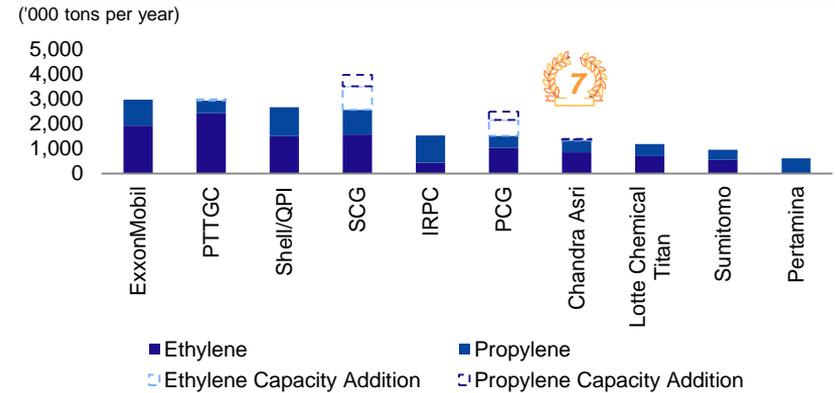
Total Supply: 1.4M tons



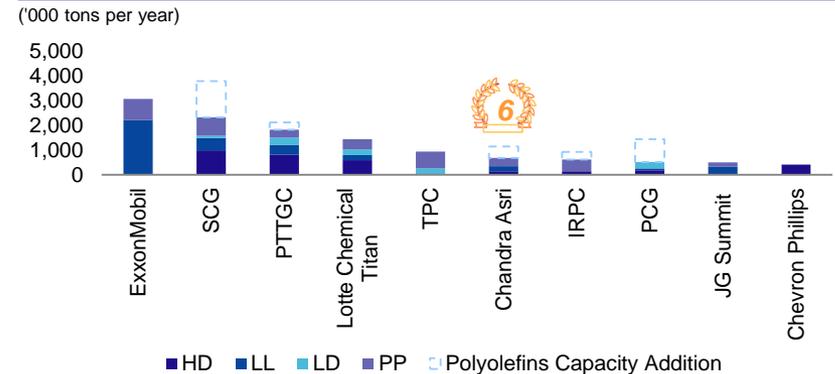
Total Supply: 1.6M tons

Total Supply: 0.3M tons

Olefin Top 10 South East Asia Producers⁽³⁾



Polyolefin Top 10 South East Asia Producers⁽³⁾

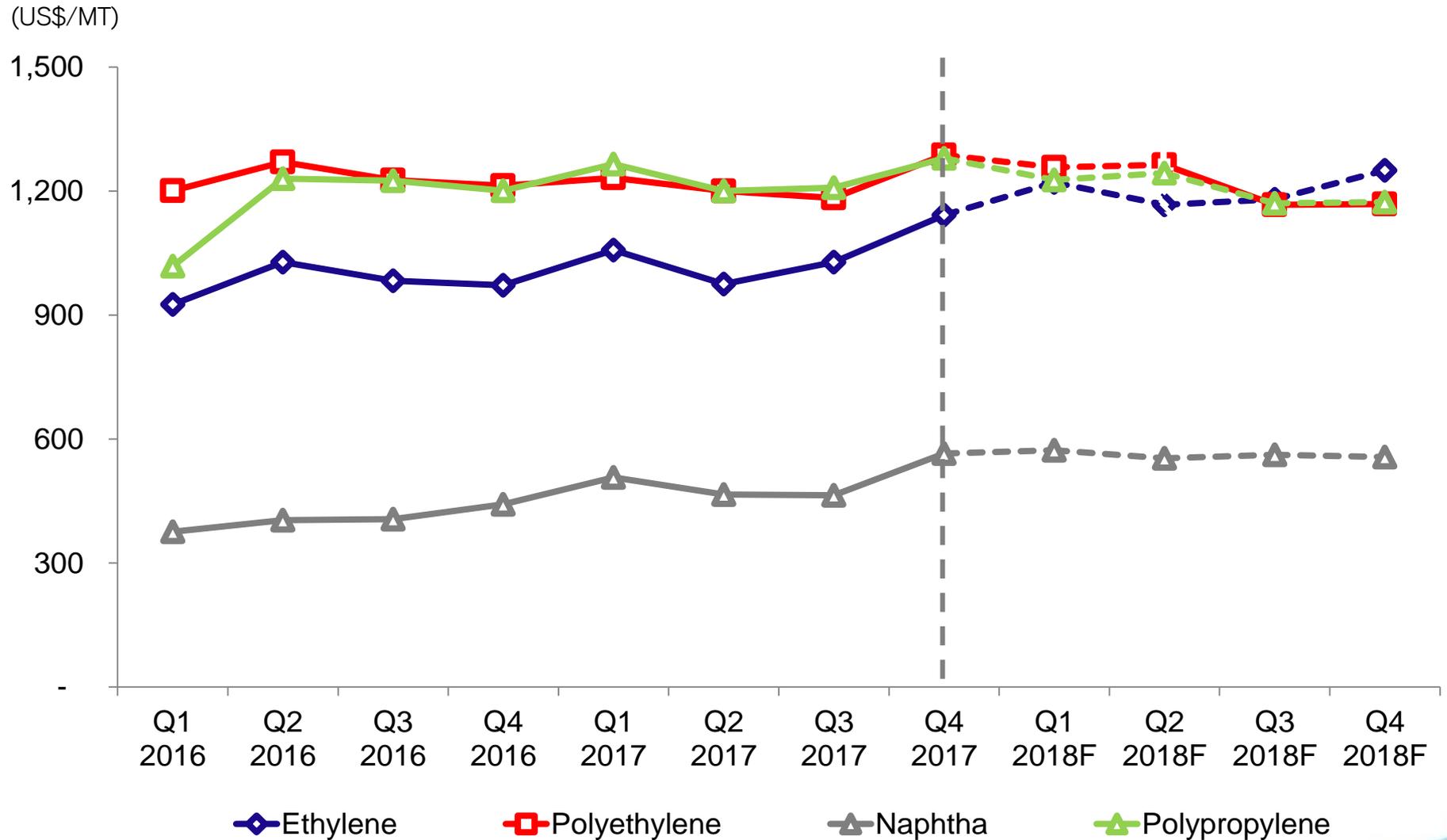


CAP is a market leader in Indonesia across all of its products, and a leading player in the region

(1) By production excluding fertilizer producers
 (2) Refers to Lotte Chemical Titan
 (3) Chandra Asri capacity is inclusive of SCG's equity in Chandra Asri
 Source: Nexant

2. Business Updates

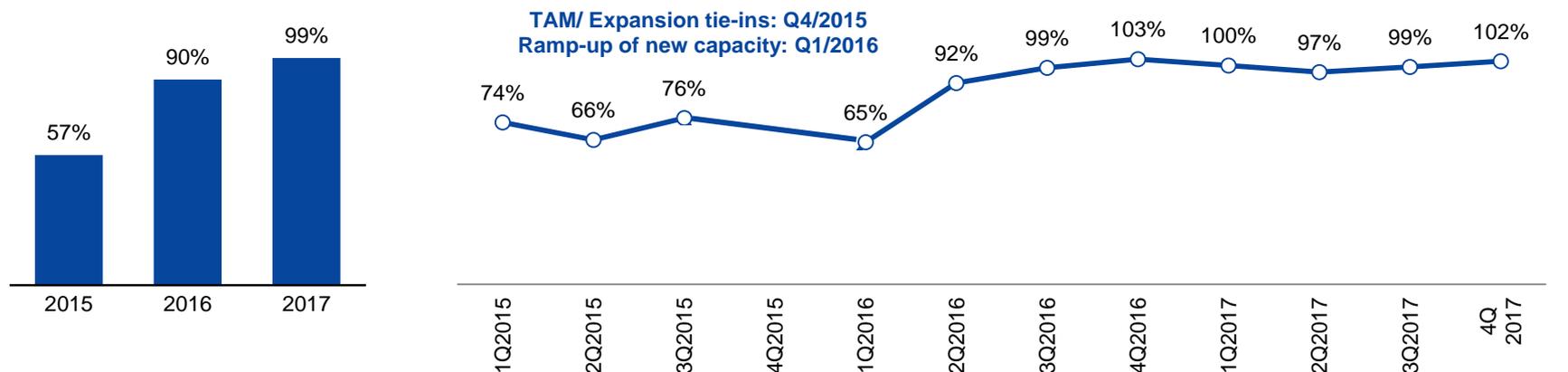
Continuing healthy product spreads despite increasing feedstock price



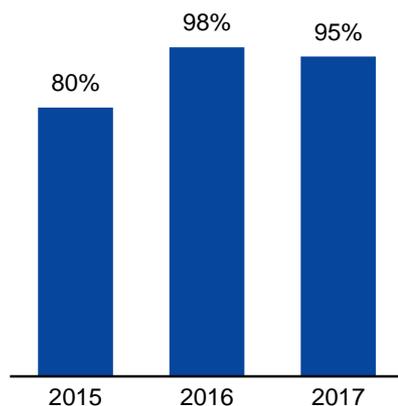
Note: Forecasted price based on IHS 2 March 2018

Strong Track Record of Delivering Operational Excellence and Performance

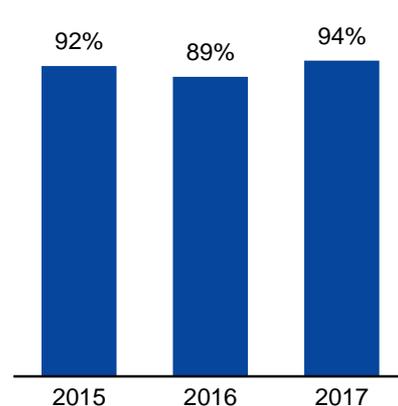
Naphtha Cracker Utilization⁽¹⁾



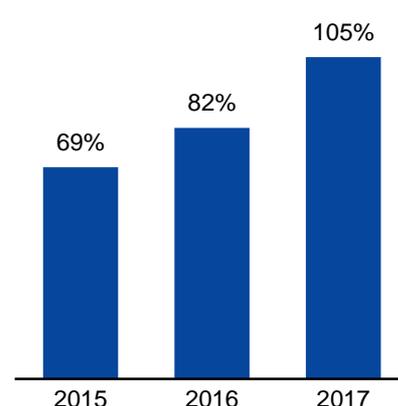
Polyethylene Plant Utilization



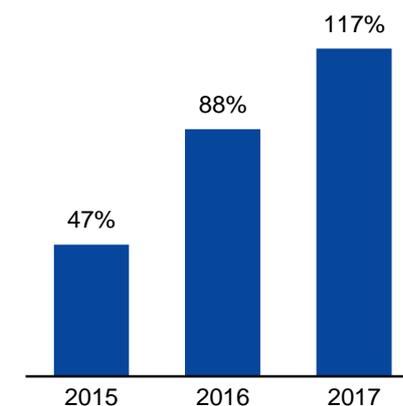
Polypropylene Plant Utilization



Styrene Monomer Plant Utilization



Butadiene Plant Utilization



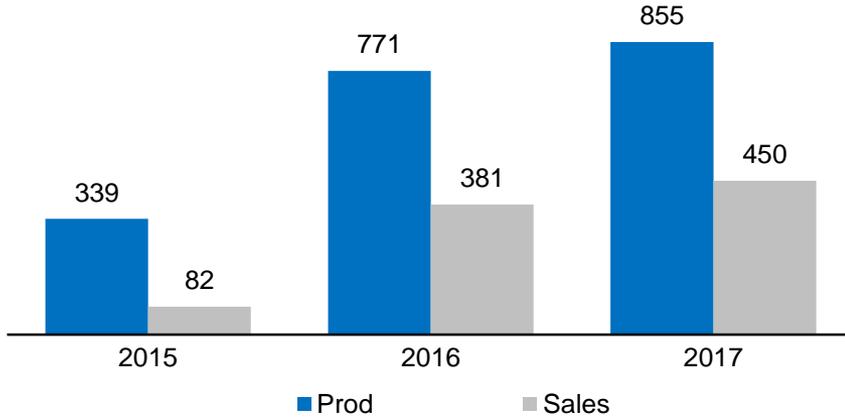
Plant utilization has remained high due to our operational process optimization initiatives

(1) In September to December 2015, we conducted a scheduled TAM and expansion tie-in-works in conjunction with our cracker expansion project, which resulted in the shutdown of our cracker facility for 85 days and limited our production capacity for 2015. 2016 utilisation was reduced due to ramp-up in 1Q 2016

Production and Sales Volumes

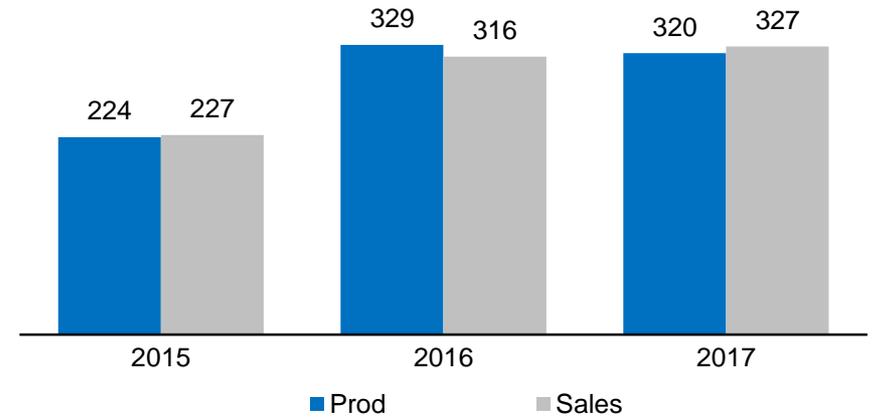
Naphtha Cracker

(KT)



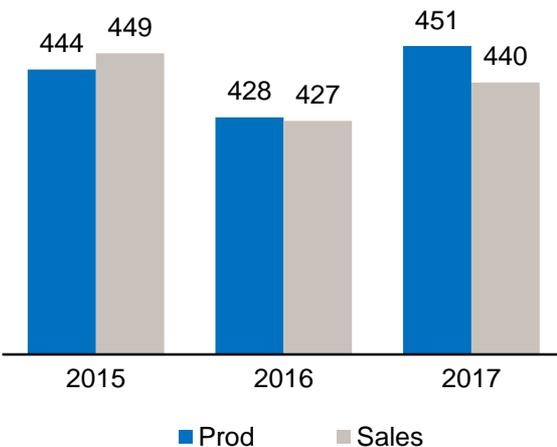
Polyethylene Plant

(KT)



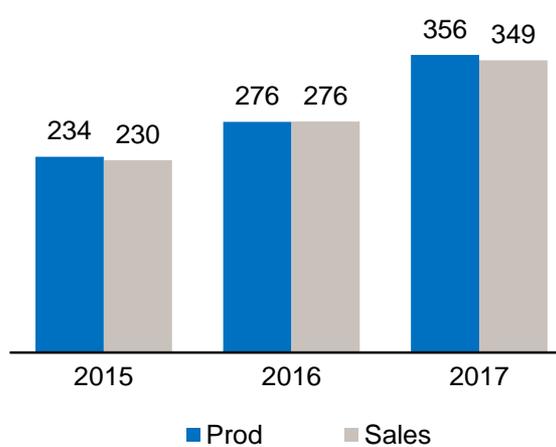
Polypropylene Plant

(KT)



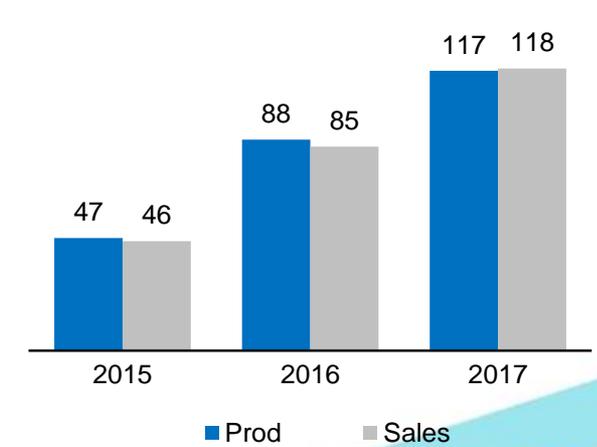
Styrene Monomer Plant

(KT)



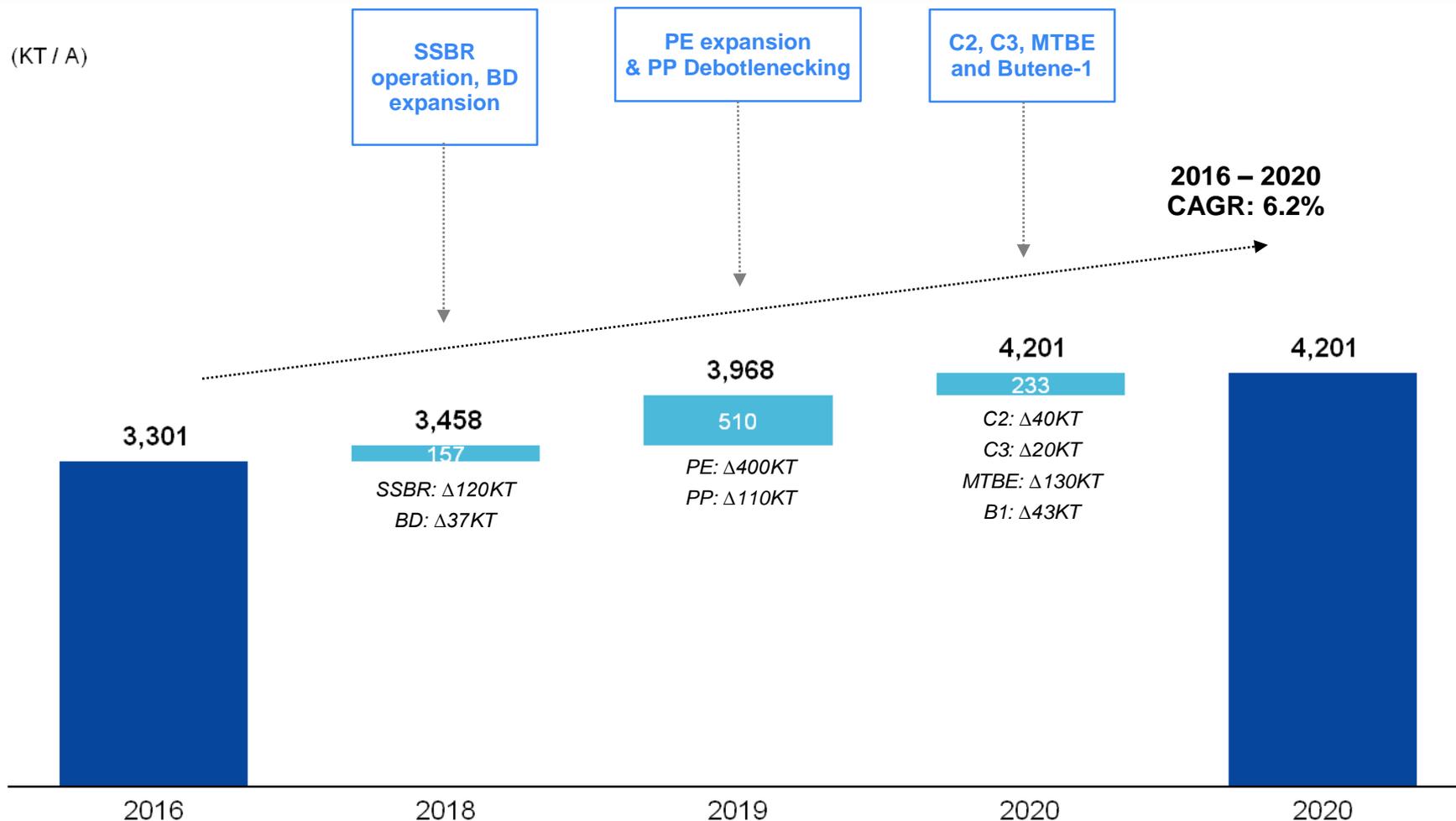
Butadiene Plant

(KT)



3. Growth Projects

Strategic Growth via Expansion and Debottlenecking (Excluding Second Petrochemical Complex)



After doubling the size of production capacity over historical 10-yr, expected further growth in the next 5-yr will come from several expansion & debottlenecking initiatives.

Note:
SSBR – Solution Styrene Butadiene Rubber
BD Expansion - Butadiene Plant Expansion
PE - Polyethylene

PP – Polypropylene
MTBE - Methyl tert-butyl ether
C2 / C3 – Refers to furnace revamp

Strategic Growth via Expansion and Debottlenecking

Increase Production Capacity

Butadiene Plant Expansion

- Increase BD capacity by 100 KT/A to 137 KT/A
- Rationale:
 - Add value to incremental C4 post 2015 cracker expansion
 - Avoid opportunity loss of exporting excess C4
 - Enjoy BD domestic premium and fulfill SRI's BD requirement
- Proposed start-up: 2Q2018
- Estimated cost: US\$ 42.0 million

New Polyethylene Plant

- New facility of total 400 KT/A to produce LLDPE, HDPE and Metallocene LLDPE
- Further vertical integration
- Rationale:
 - Further vertical integration;
 - Protect and grow leading polymer market position in Indonesia
- Proposed start-up: 4Q2019
- Estimated cost: US\$ 356.0 million

Furnace Revamp

- Increase cracker capacity by modifying heat internals to increase ethylene capacity from 860 KT/A to 900 KT/A and propylene capacity from 470 KT/A to 490 KT/A
- Proposed start-up: 1Q2020
- Estimated cost: US\$ 48.0 million

Additional Expansion and Product Offering Initiatives

PP Debottlenecking

- Debottleneck PP plant to increase capacity by 110 KT/A from 480 KT/A to 590 KT/A
- Rationale:
 - Demand and supply gap for PP expected to widen in Indonesia
 - Opportunity to increase PP sales
- Proposed start-up: 3Q2019
- Estimated cost: US\$ 39.5 million

MTBE and Butene – 1 Plant

- Production of 130 KT/A and 43 KT/A of MTBE and Butene-1, respectively
- Rationale:
 - Secure supply of MTBE and Butene-1 which are used in the production of Polyethylene
 - Excess demand for MTBE in Indonesia
- Proposed start-up: 3Q2020
- Estimated cost: US\$ 114.0 million

Second Petrochemical Complex

- Expected to conduct feasibility study for the construction and operation of second integrated petrochemical complex
- Complex expected to comprise:
 - 1,000 KT/A ethylene cracker
 - Various downstream derivative products
- Set up new company (PT Chandra Asri Perkasa) to undertake new project
- Shareholding structure yet to be finalized and CAP is in discussion with various third parties
- There is land available adjacent to main petrochemical complex which would be available for future acquisition as necessary

Expand Product Offering by Moving Downstream

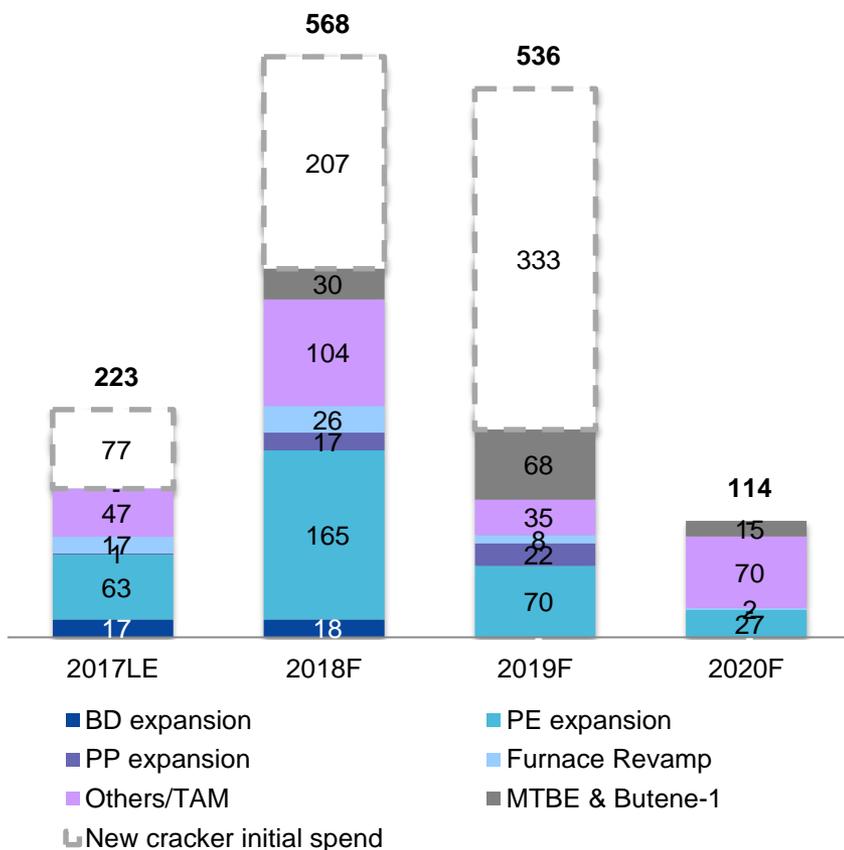
Synthetic Rubber Project (through SRI JV)

- Part of downstream integration strategy and efforts to produce higher-value added products
- Partnership with leading global player Michelin (ownership 55:45%)
- Production capacity: 120 KT/A
- Proposed start-up: 3Q2018
- Estimated total project cost: US\$570.0 million (fully funded)



Capital Expenditure Plan to Pursue Value-Accretive Growth

Capex Plans Breakdown by Year 2017 – 2020 (US\$m)



Sources of Funding

- Internal generated cash flows
- Proceeds from Rights Issue
- Bond proceeds

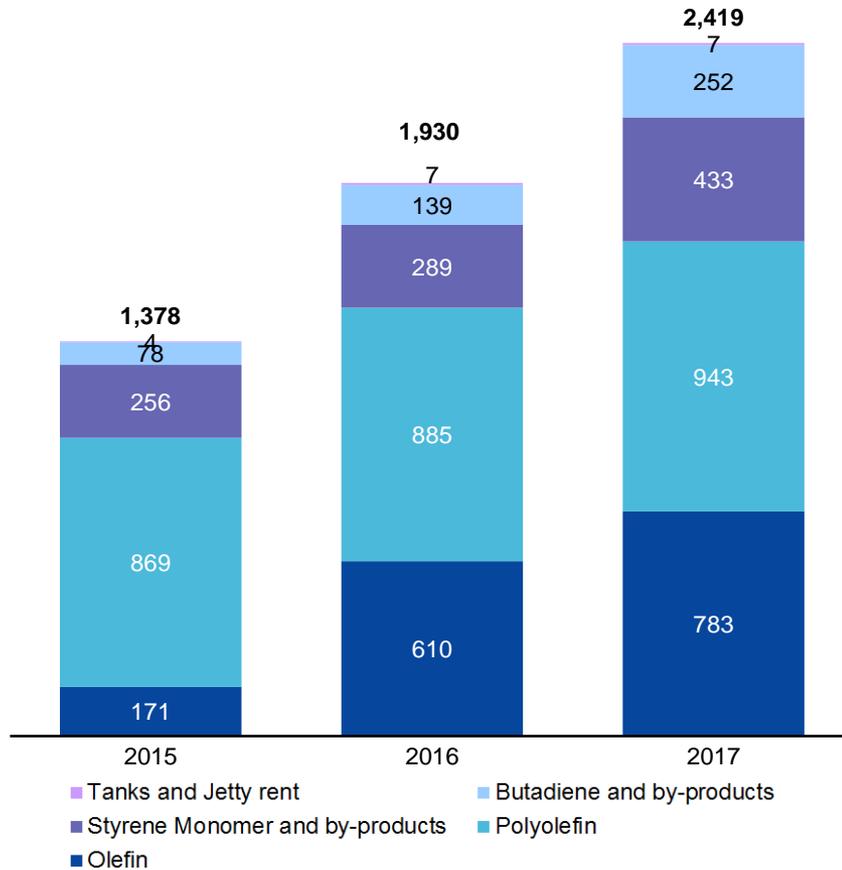
Estimated US\$1.2b over next 3 years, mainly for Expansion and Debottlenecking

4. Financial Highlights

Resilient Revenue Driven by Diverse Product Portfolio and Increased Volumes

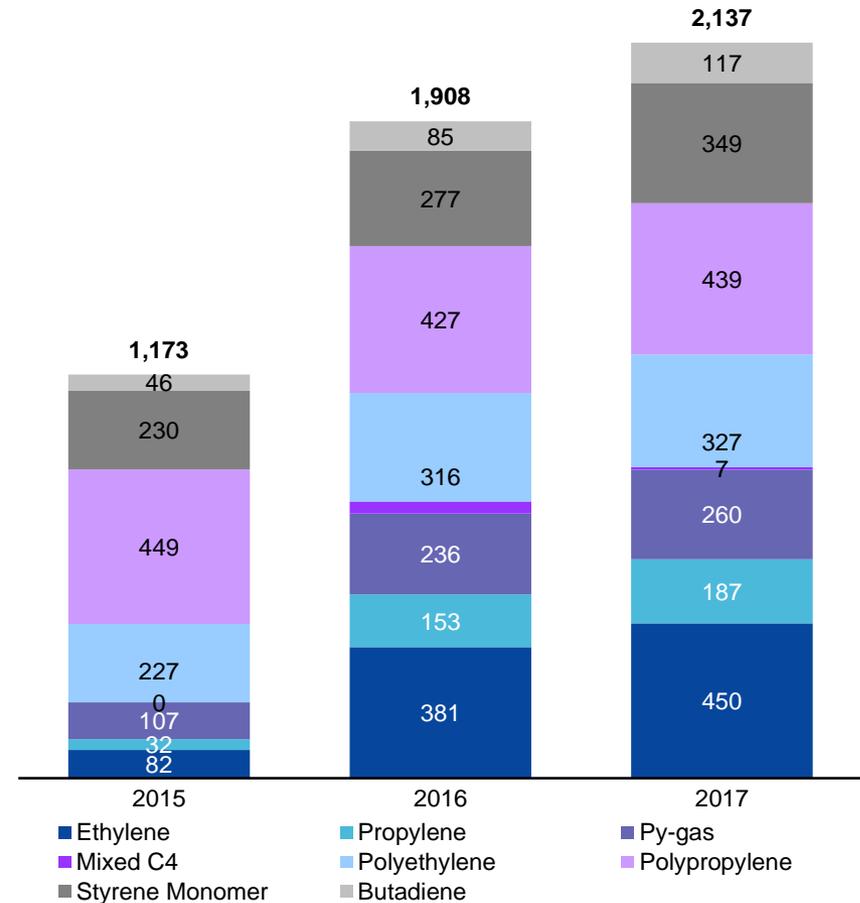
Revenue by Product Segments

(US\$m)



Sales Volume

(KT)

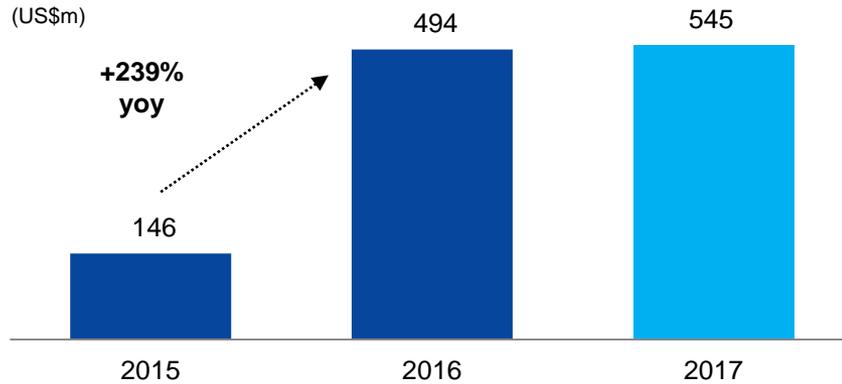


Note: TAM in 2015 and ramp-up in 2016.

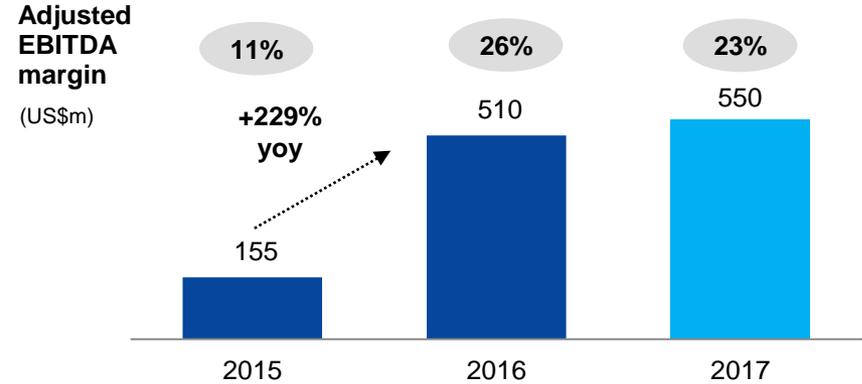
Strong Financials Further Enhanced by Economies of Scale



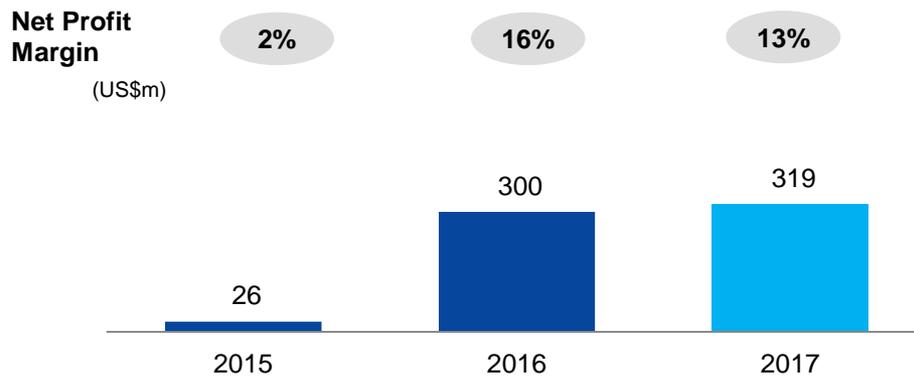
Gross Profit



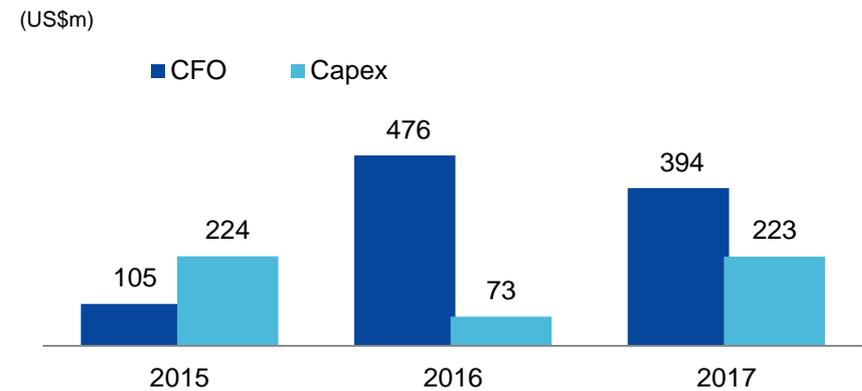
Adjusted EBITDA (unaudited)



Net Profit



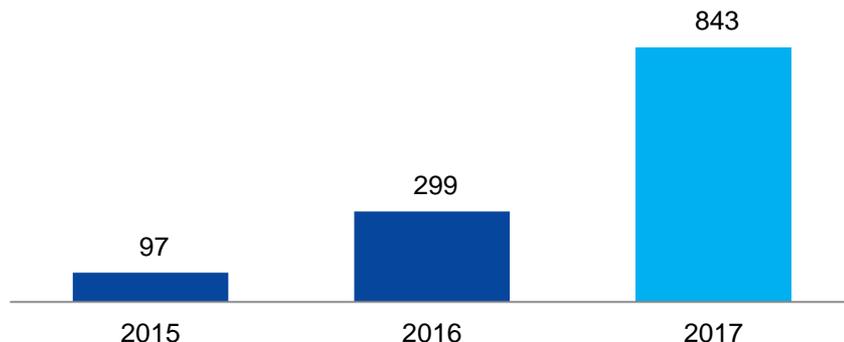
Cashflow from Operations, Capex



Strong Balance Sheet Supported by Financial Profile Strengthening

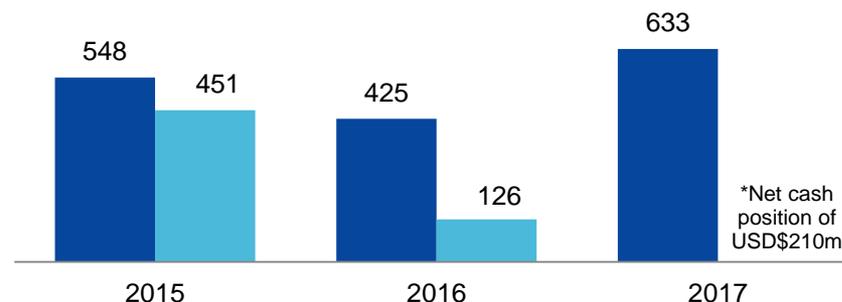
Cash Balance

(US\$m)



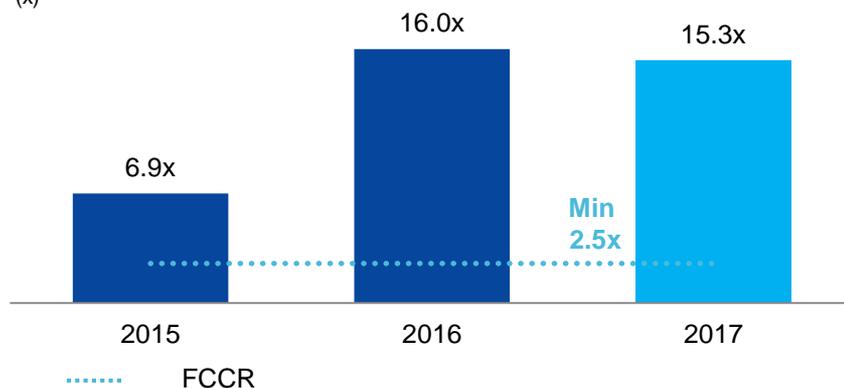
Debt and Net Debt

(US\$m)

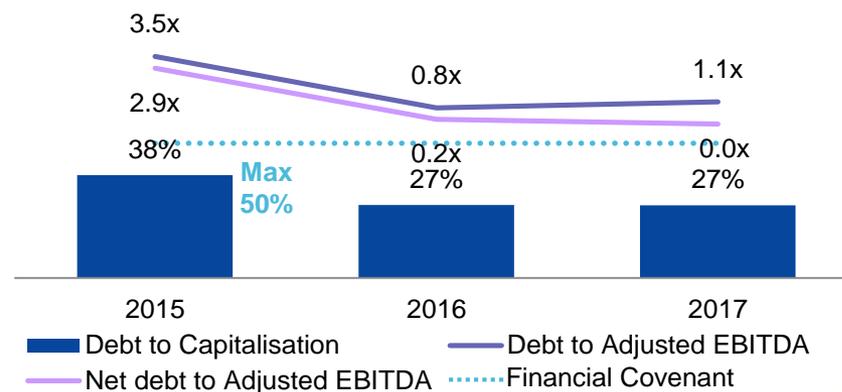


Adjusted EBITDA / Finance Costs ⁽¹⁾

(x)



Leverage Ratios ⁽²⁾



(1) For YTD3Q17 and YTD3Q16 calculated as LTM Adjusted EBITDA divided by LTM Finance Costs

(2) Debt to Capitalisation calculated as total debt divided by (total debt + equity). Debt to Adjusted EBITDA calculated as Total Debt divided by Adjusted EBITDA. Net Debt to Adjusted EBITDA calculated as Net Debt divided by Adjusted EBITDA. Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA for YTD 3Q17 and YTD 3Q16 calculated as Total Debt divided by LTM Adjusted EBITDA and Net Debt divided by LTM Adjusted EBITDA respectively.

Appendix

Key Investment Highlights

Key Investment Highlights

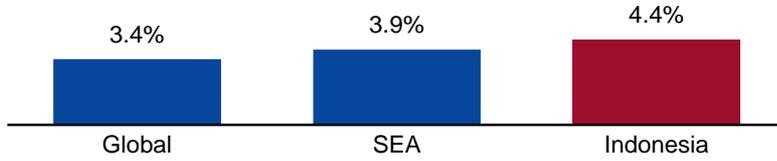


- 1 Attractive industry outlook
- 2 Well-positioned to benefit from attractive Indonesian growth fundamentals
- 3 Indonesia's leading petrochemical producer with a diverse product portfolio
- 4 High degree of operational integration
- 5 Diversified customer base and strategically located to supply key customers
- 6 Diverse and secured sources of feedstock and raw materials
- 7 Strong shareholder support
- 8 Highly experienced management team with proven track record of managing and expanding operations

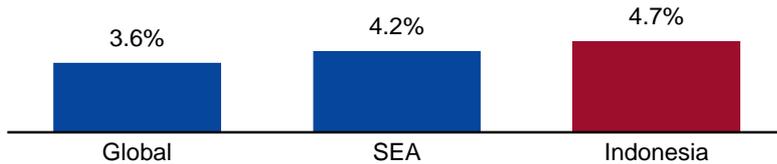
1 Attractive Industry Fundamentals Providing Tailwinds for Petrochemicals Demand Growth in SEA

Polyolefins Demand in SEA Expected to Outpace Global Market Growth...

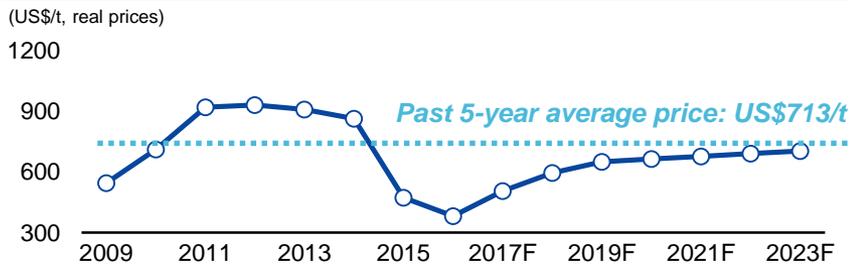
Polyethylene consumption growth (2017 – 2023E CAGR)



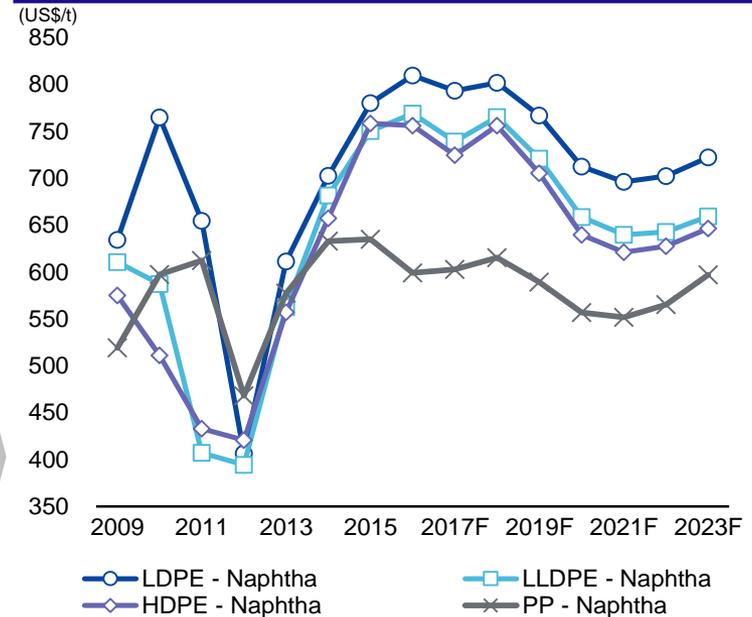
Polypropylene consumption growth (2017 – 2023E CAGR)



...while Asian Naphtha Prices Remain Below Historical Average



Polyolefin Spreads Expected to Remain Resilient



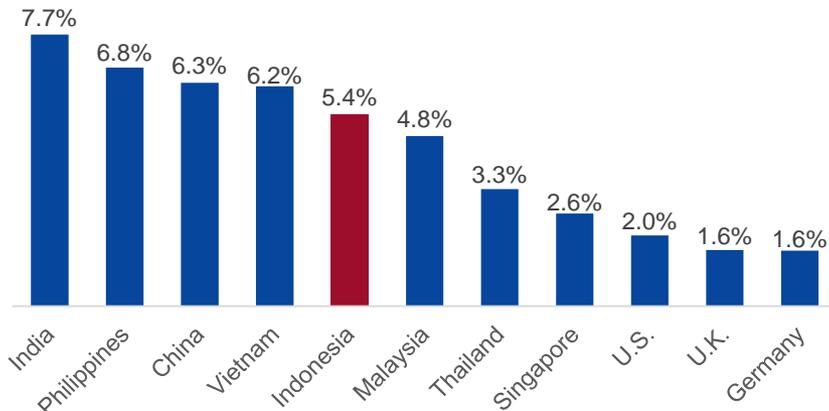
(US\$/t)	Last 5 Years Average	Next 5 Years Average	
LDPE – Naphtha	662	754	▲
LLDPE – Naphtha	631	705	▲
HDPE – Naphtha	630	689	▲
PP – Naphtha	582	583	▲

Average spreads of key products will be continue to be resilient

Source: Nexant

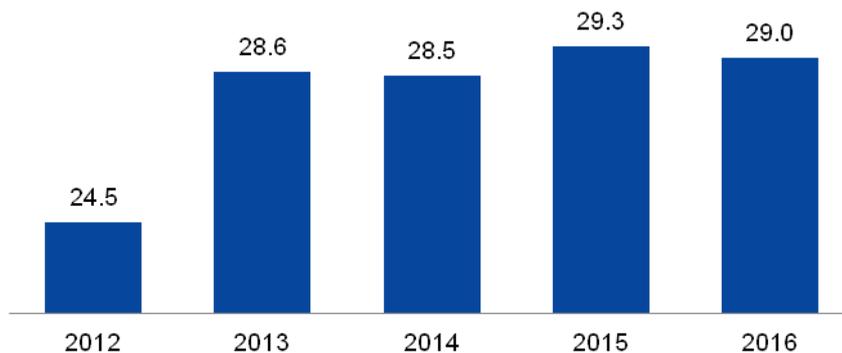
② Well-Positioned to Benefit from Attractive Indonesian Macroeconomic Growth and Consumption Trends

GDP Growth CAGR (2017 – 2020F)⁽¹⁾



Foreign Direct Investment in Indonesia (2012 – 2016)

(US\$bn)



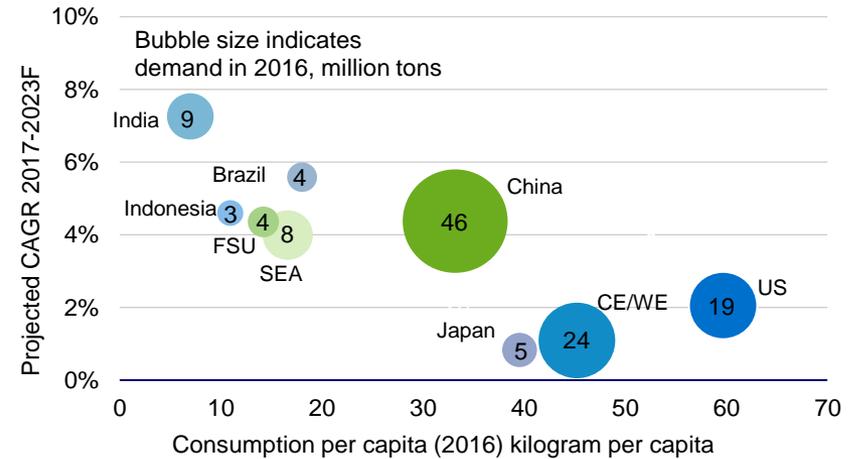
(1) GDP, constant prices; IMF World Economic Outlook Database, October 2017

(2) SEA excludes Indonesia

(3) Polyolefins include HDPE, LLDPE, LDPE and PP

(4) FSU means Former Soviet Union, CE means Central Europe, WE means Western Europe
Source: Nexant Industry Report, IMF, BKPM

Polyolefins Consumption per Capita⁽²⁾⁽³⁾⁽⁴⁾



Domestic trends



2 Strong Demand Growth for Petrochemical Products in Indonesia

End Markets

Polyethylene

- Plastic films
- Containers
- Bottles
- Plastic bags



Polypropylene

- Packaging
- Films and sheets
- Fibers and filaments
- Toys
- Automotive parts



Styrene Monomer

- Drinks cups
- Food containers
- Car interiors
- Helmet padding

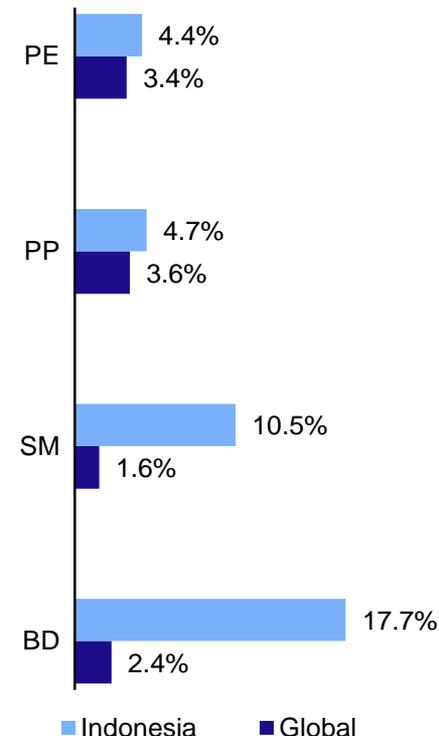


Butadiene

- Vehicle tires
- Synthetic rubber
- Gloves and footwear



Total Demand Growth⁽¹⁾ (2017F – 2023F CAGR)

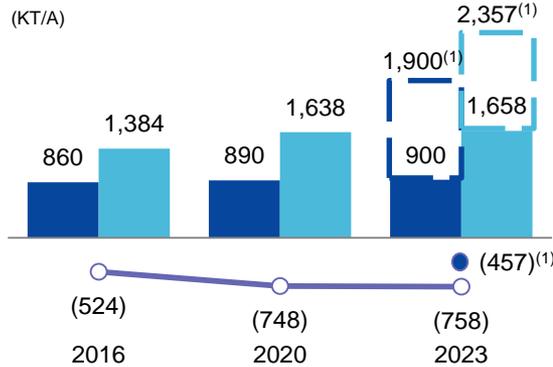


Petrochemical products are fundamental to the production of a wide variety of consumer and industrial products, such as packaging, containers, automotive and construction materials

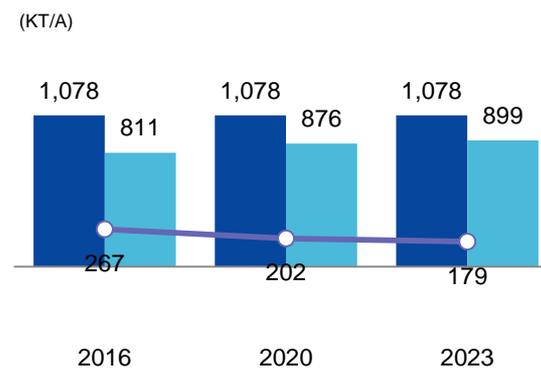
(1) By volume
Source: Nexant

2 Petrochemical Market in Indonesia will Continue to See an Increasing Gap Between Supply and Demand

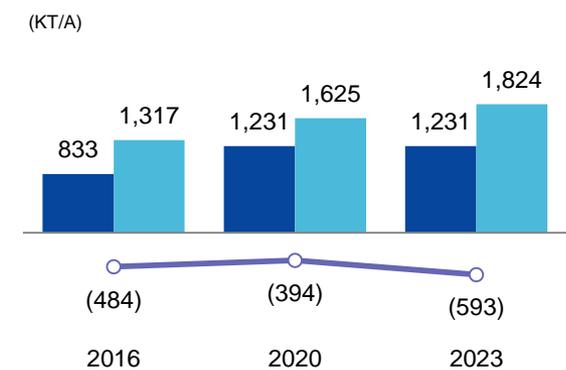
Ethylene



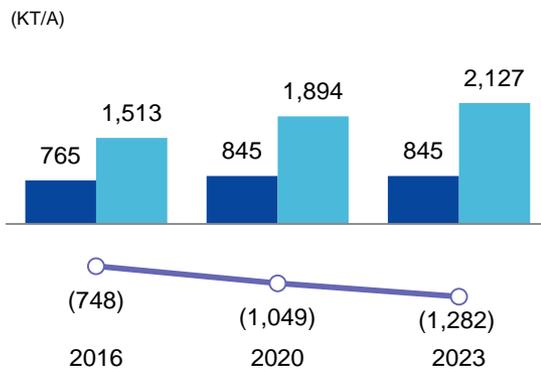
Propylene



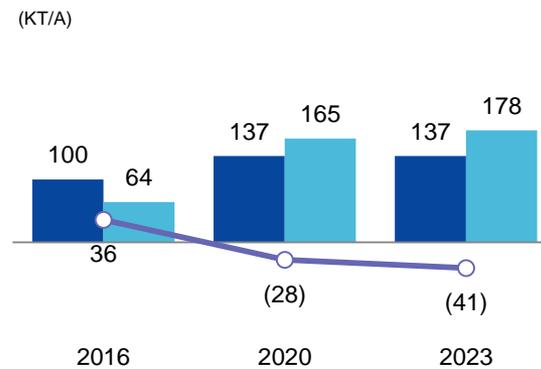
Polyethylene



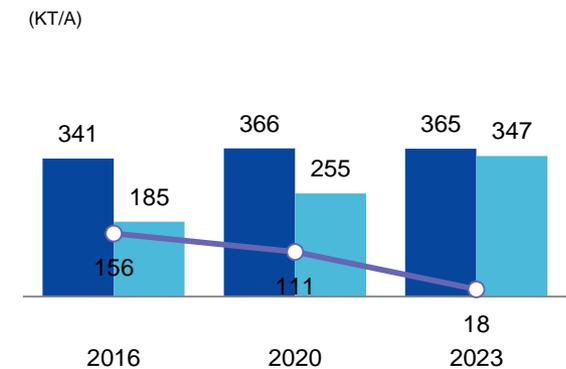
Polypropylene



Butadiene



Styrene Monomer



■ Capacity

■ Consumption

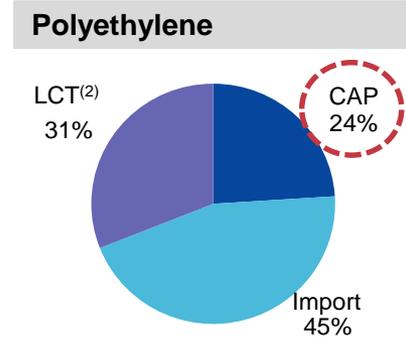
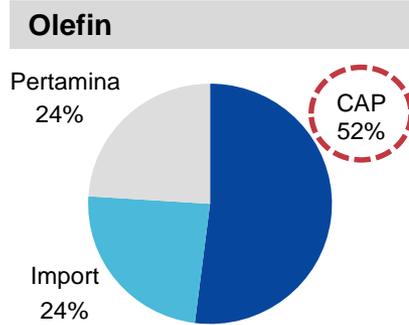
○ Gap

Indonesia is expected to remain in deficit and dependent on imports

(1) Includes unsanctioned capacity of 1MT
Source: Nexant

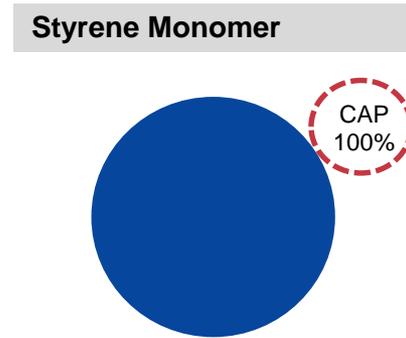
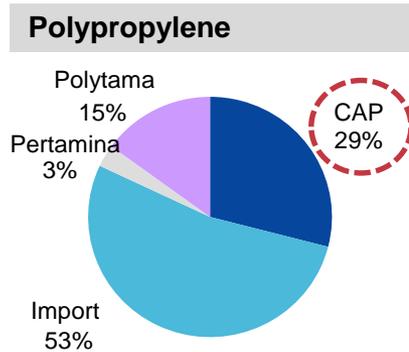
3 CAP is the Indonesian Market Leader

1 Largest Petrochemical Company in Indonesia⁽¹⁾



Total Supply: 2.6M tons

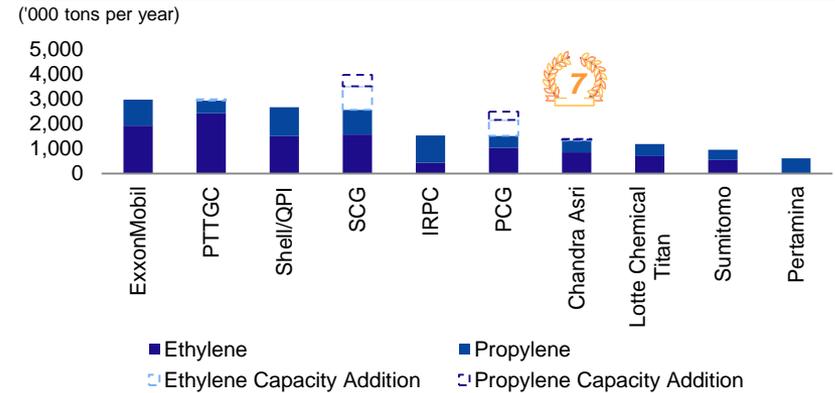
Total Supply: 1.4M tons



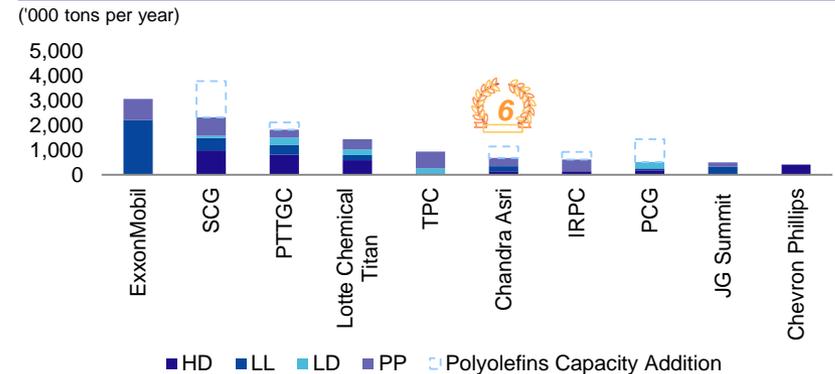
Total Supply: 1.6M tons

Total Supply: 0.3M tons

Olefin Top 10 South East Asia Producers⁽³⁾



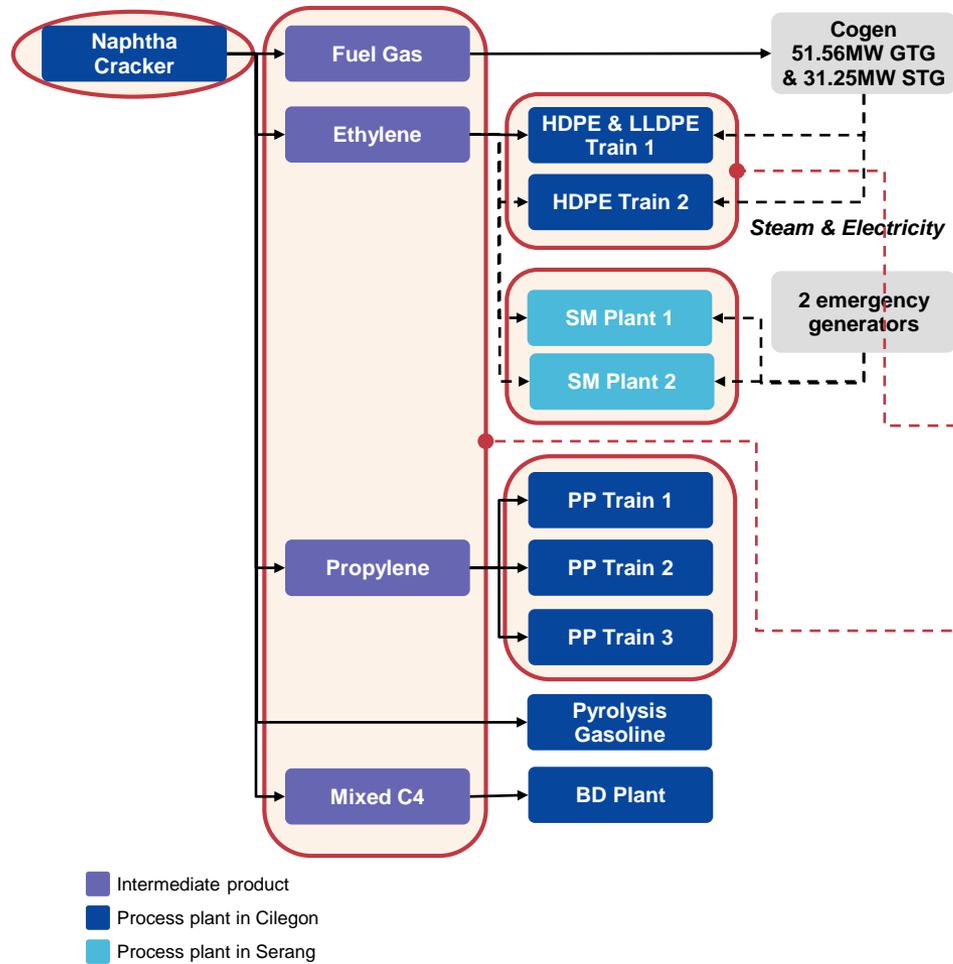
Polyolefin Top 10 South East Asia Producers⁽³⁾



CAP is a market leader in Indonesia across all of its products, and a leading player in the region

(1) By production excluding fertilizer producers
 (2) Refers to Lotte Chemical Titan
 (3) Chandra Asri capacity is inclusive of SCG's equity in Chandra Asri
 Source: Nexant

4 Highly Integrated Production Process with Operational Flexibility



- Naphtha cracker, polyethylene and butadiene plants source **approximately half of the power from PLN** and the remaining half from the GTG, with the STG being used as backup
- Polypropylene, styrene monomer and butadiene plant source power primarily from PLN. Two emergency generators provides part of the power required for the styrene monomer plants

- One of our polyethylene plants is a **swing plant that allows production to be switched between LLDPE and HDPE** based on market demand
- Integrated production system allows **improvement of feedstock yields and lower unit cost**

- Specialised software** considers variables such as product prices, freight, product yield of naphtha and naphtha prices to determine the **optimum ratio** of naphtha grades required

- Modular set-up** allows units to operate independently, thus **minimizing production disruptions**

Integration allows us to take advantage of operational savings and synergies, and provides flexibility to respond to changes of key products

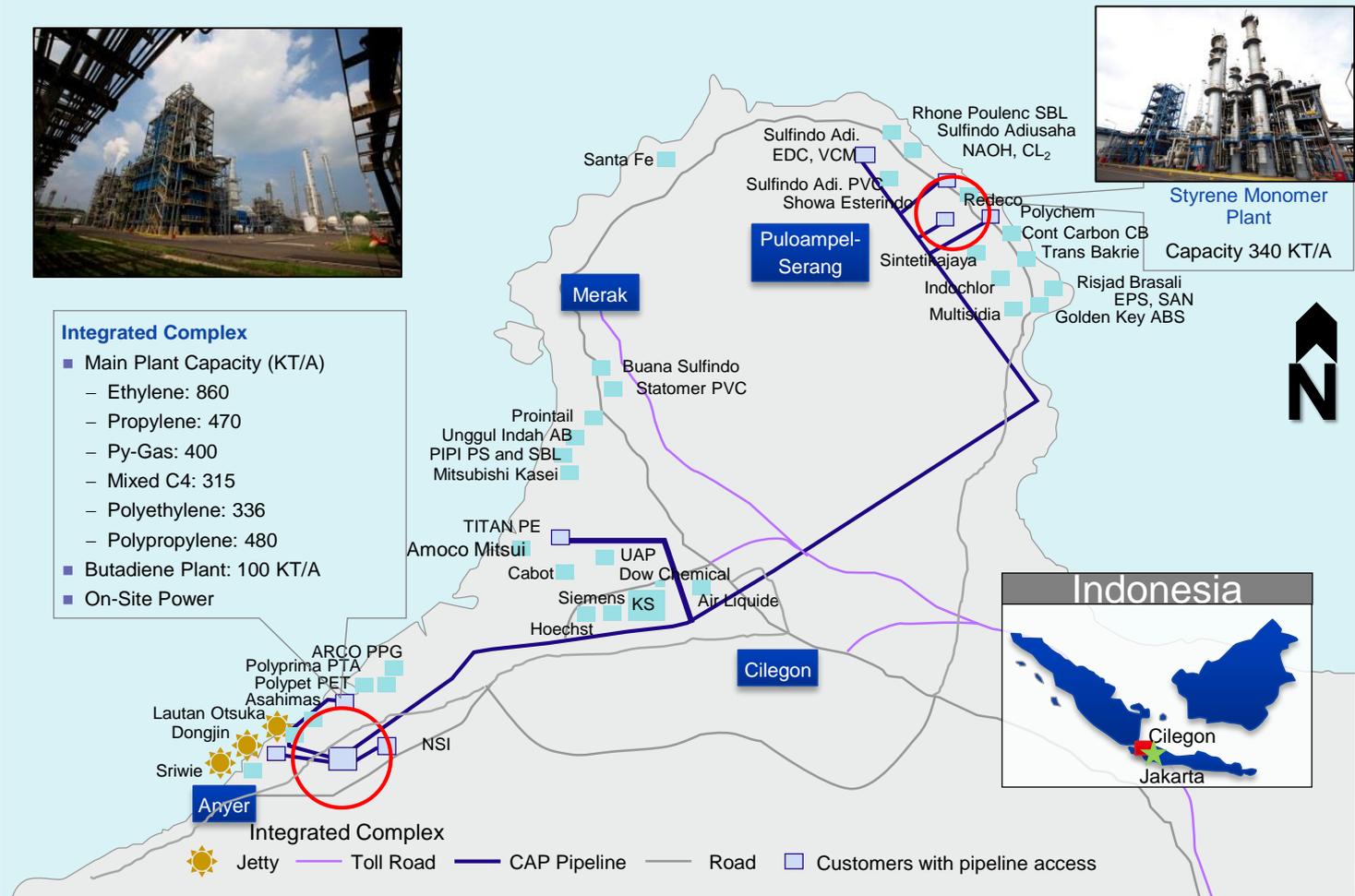
5 Strategically Located to Supply Key Customers

CAP's Integrated Petrochemical Complexes



Integrated Complex

- Main Plant Capacity (KT/A)
 - Ethylene: 860
 - Propylene: 470
 - Py-Gas: 400
 - Mixed C4: 315
 - Polyethylene: 336
 - Polypropylene: 480
- Butadiene Plant: 100 KT/A
- On-Site Power



Styrene Monomer Plant
Capacity 340 KT/A



Location proximity and well established pipeline ensures excellent connectivity to key customers. This coupled with reliability of supply lead to premium pricing, with integration of facilities creating significant barriers to entry.

5 Diversified Client Base of Industry Leaders

Sales & Marketing Strategy

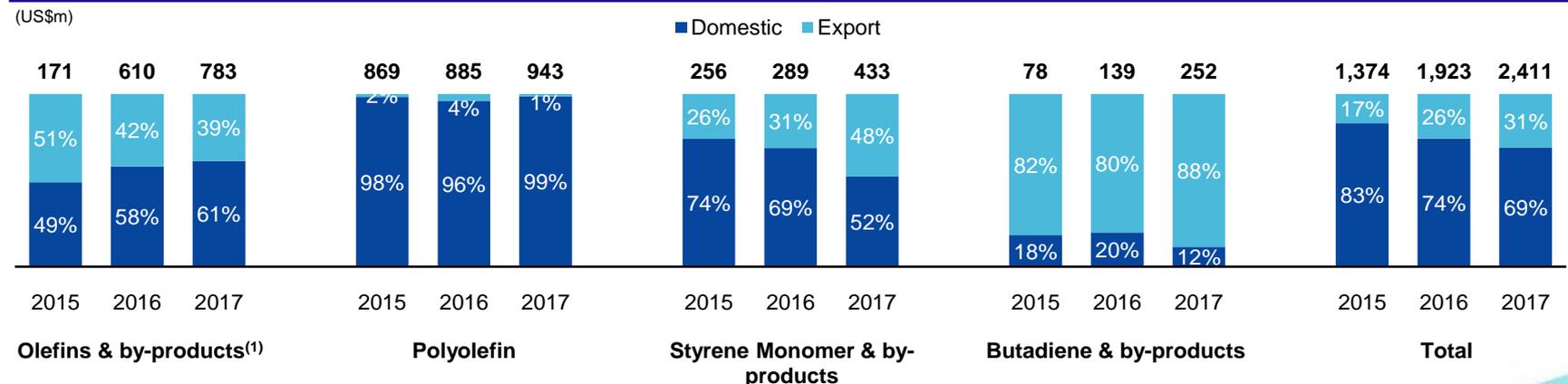
- Long term relationships with key customers
- Connected to production facilities via CAP's pipeline (ethylene and propylene customers)
- Network of 300+ customers, with diversified clientele
 - Top 10 customers account for 48.16% of revenues in 2017
 - Majority of top 10 customers have been with CAP for >10 years
- Trademarked brand names
 - “Asrene” for polyethylene products, “Trilene” for polypropylene products, “Grene” for resin products
- Strong marketing and distribution platform with nation-wide network
 - Short delivery times result in premium pricing over benchmarks
 - Onground technical support

Top 10 Customers (2017)

Customer	Products	% of Revenue	Customer Since	Location
Customer 1	Polyethylene, polypropylene	7.53%	1995	Indonesia
Customer 2	C4	6.16%	2011	Thailand
Customer 3	Styrene monomer, Ethylene, Propylene	5.63%	2010	Singapore
Customer 4	Propylene, Styrene monomer, Butadiene, raffinate	5.20%	2002	Jepang
Customer 5	Styrene monomer, Butadiene,	5.01%	2004	Indonesia
Customer 6	Ethylene	4.98%	1995	Indonesia
Customer 7	Propylene	3.63%	2011	Indonesia
Customer 8	Ethylene	3.62%	2007	Indonesia
Customer 9	Polyethylene, polypropylene	3.49%	1995	Indonesia
Customer 10	Raffinate	2.91%	2013	Singapore

Top 10 Customers % of Revenue 48.16%

Sales Breakdown (2015 – 2017)



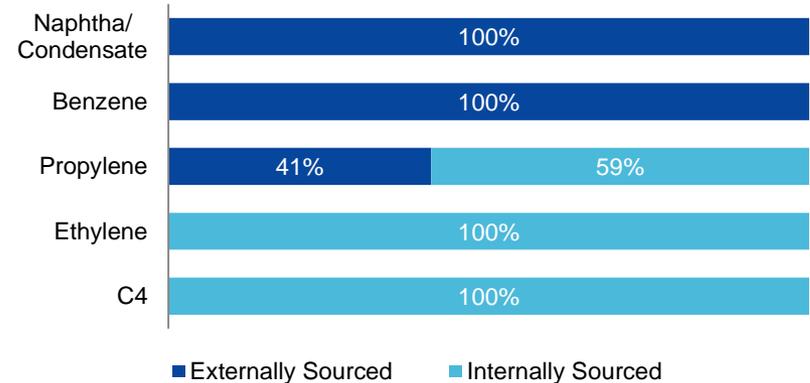
(1) Includes ethylene, propylene, and by-products such as pygas and mixed C4
 - Propylene: Majority used as feedstock for polypropylene production internally
 - Mixed C4: Majority used as feedstock for butadiene production internally
 - Pygas: Primarily sold to SCG

6 Stable and Flexible Feedstock Supply

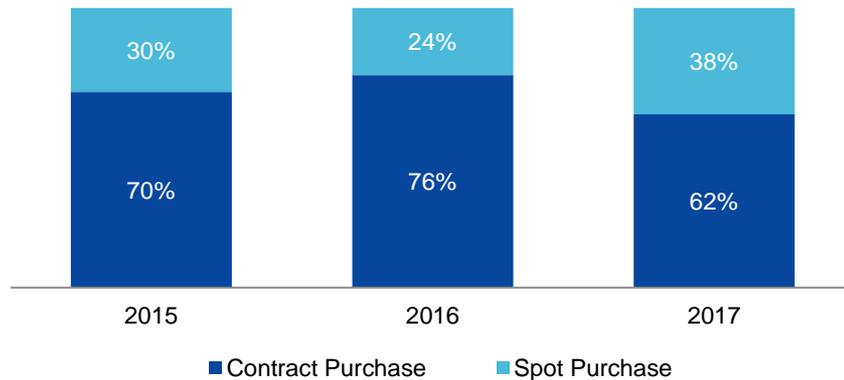
Feedstock Procurement Overview

- Long-standing stable supplier relationships
- No material feedstock supply disruption historically
- Flexibility in feedstock purchasing (spot vs. contract)
 - Avoids single supplier dependence
 - 62% of naphtha under contract with major oil trading companies in 2017
- Procurement synergies with SCG
- Substantial naphtha storage capacity to support 27 days of operations

Main Raw Materials (2017)



Naphtha Supply (2017)



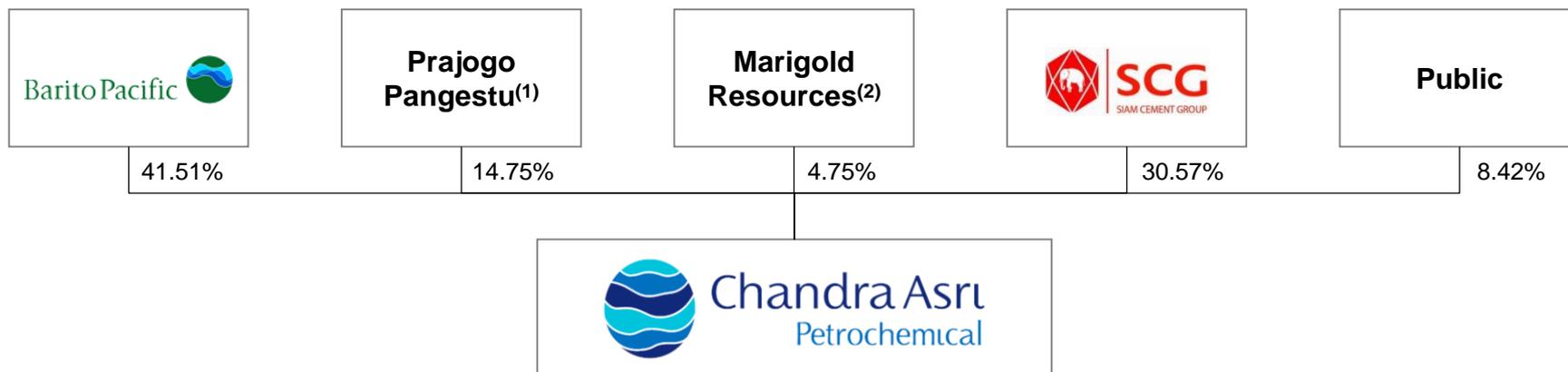
Suppliers of Naphtha (2017)

Supplier	US\$m	%
VITOL ASIA PTE LTD	260.0	22.3%
SHELL INTERNATIONAL EASTERN TRADING	248.7	21.3%
MARUBENI PETROLEUM CO LTD	206.4	17.7%
CHEVRON U.S.A INC. (SINGAPORE BRANC	131.9	11.3%
TOTAL TRADING ASIA PTE LTD	116.0	9.9%
KUWAIT PETROLEUM CORP	55.5	4.7%
KONSORSIUM PT. TITIS SAMPURNA –	37.2	3.2%
SHELL MDS (MALAYSIA) SENDIRIAN	34.9	3.0%
Aramco	33.6	2.9%
Others	43.7	3.7%
Total	1,168	100.0%

Customer-centric approach has resulted in long-standing relationships

7 Strong Commitment from Shareholders

Shareholder Structure (as of 31 Dec 2017)



Barito Pacific

- Indonesia based conglomerate with business interests in property, timber, plantation, power generation and petrochemicals

Key benefits of partnership

- Barito Pacific is committed to the growth and development of CAP
 - Available land for expansion
 - Financial commitment (e.g. full subscription to 2013 rights offering)

Siam Cement Group

- Thailand's largest industrial conglomerate and Asia's leading chemicals producer
- Invested 30% in CAP in 2011
- Second largest olefins and polyolefins producer in South East Asia

Key benefits of partnership

- Production know-how and sharing of best operational practices
- Raw material procurement savings
- Sales and marketing collaboration
- Access to Thai financial institutions
- Accelerate CAP's expansion plans

Strong backing from long term marquee strategic regional investors committed to the development of the business

(1) Owns 71.18% of PT Barito Pacific Tbk as of 31 Dec 2017

(2) Subsidiary of PT Barito Pacific Tbk

8 Strong Management Team with Substantial Industry Experience

Board of Commissioners



DJOKO SUYANTO
President Commissioner
Independent
Commissioner

2 years in Industry
2 year with CAP



TAN EK KIA
VP Commissioner
Independent
Commissioner

44 years in Industry
6 years with CAP



HO HON CHEONG
Commissioner,
Independent
Commissioner

2 years in Industry
2 years with CAP



**AGUS SALIM
PANGESTU**
Commissioner

11 years in Industry
11 years with CAP



**LOEKI SUNDJAJA
PUTERA**
Commissioner

15 years in Industry
15 years with CAP



**CHAOVALIT
EKABUT⁽¹⁾**
Commissioner

11 years in Industry
5 years with CAP



**CHOLANAT
YANARANOP⁽¹⁾**
Commissioner

30 years in Industry
5 years with CAP

Board of Directors



ERWIN CIPUTRA
President Director

13 years in Industry
13 years with CAP



**KULACHET
DHARACHANDRA⁽¹⁾**
VP Director of Operations

23 years in Industry
1 year with CAP



**BARITONO
PRAJOGO
PANGESTU**
VP Director of Polymer
Commercial

12 years in Industry
12 years with CAP



LIM CHONG THIAN
Director of Finance

37 years in Industry
12 years with CAP



SURYANDI
Director of Human
Resource and Corp.
Administration,
Independent Director

27 years in Industry
27 years with CAP



**PIBOON
SIRINANTANAKUL⁽¹⁾**
Director of
Manufacturing

24 years in Industry
1 year with CAP

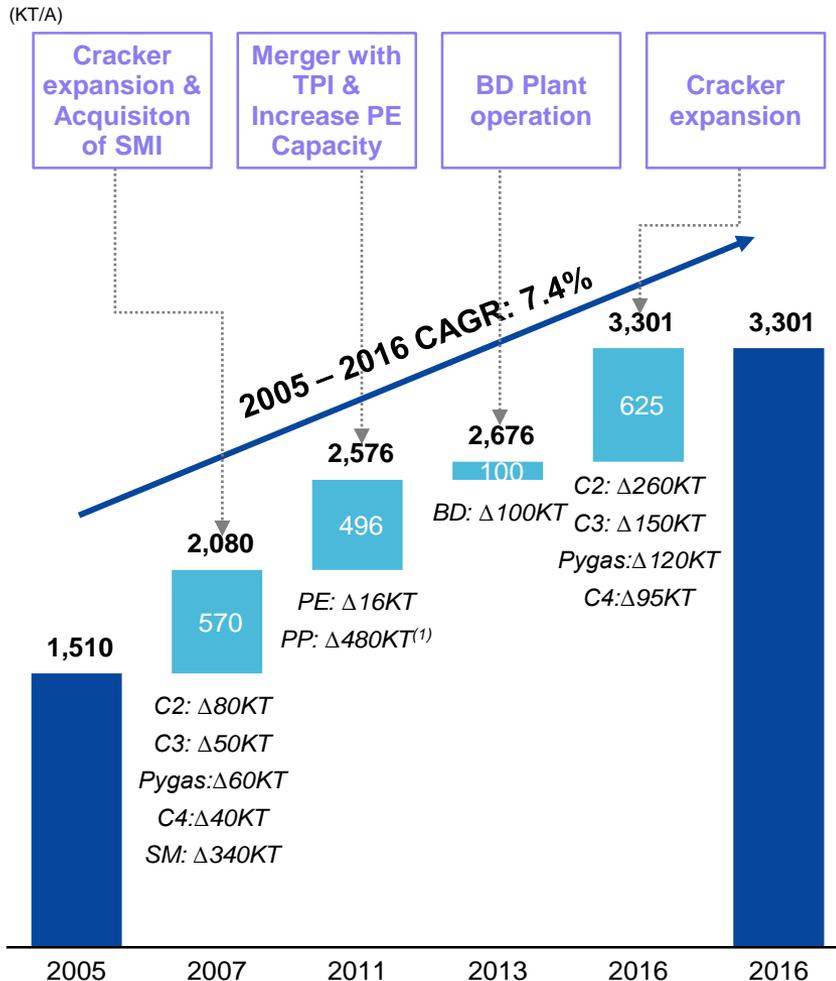


**FRANSISKUS RULY
ARYAWAN**
Director of Monomer
Commercial

15 years in Industry
15 years with CAP

(1) Representative of SCG

8 Strong Success of Both Vertical and Horizontal Expansion



- Successfully acquired and integrated SMI and TPI
- Expanded naphtha cracker in 2015 to achieve economies of scale and take advantage of significant ethylene shortage in Indonesia
 - Mechanical completion on 9 Dec 2015, on time and within budget (c. US\$380m)
 - Total actual project cost in line with budget (c. US\$380m)
 - Achieved high utilization rates
- Currently undertaking next stage of expansions and growth

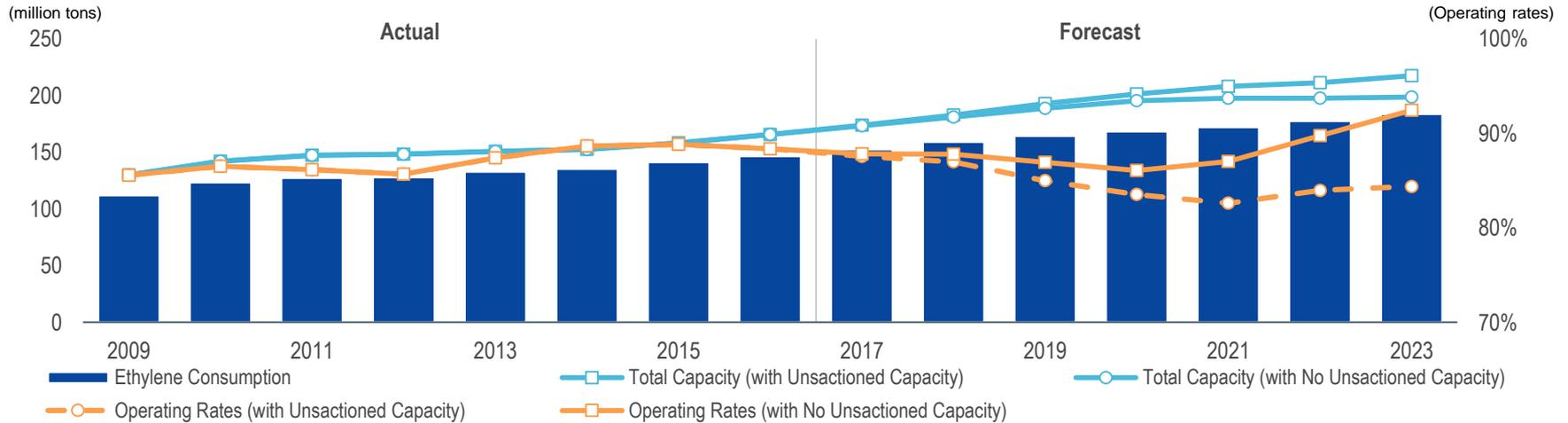
Expansion of production capacity and product range has enabled us to maintain our market leading position

(1) Represents addition to capacity due to merger with TPI that had installed propylene capacity of 480 KT/A at the time of merger

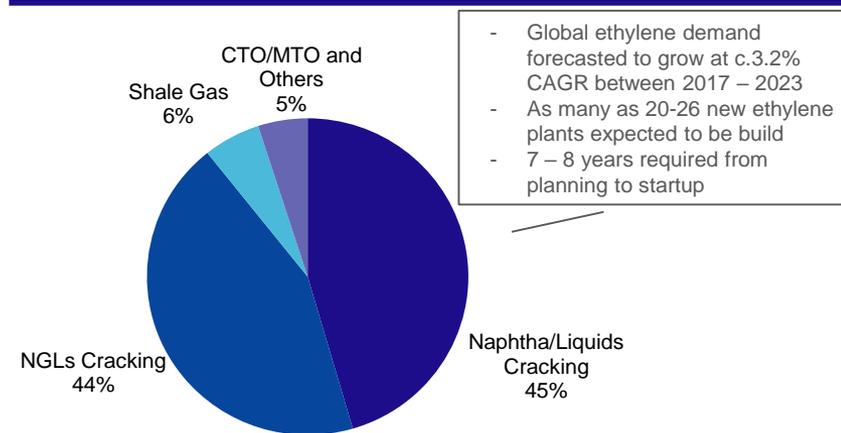
Petrochemicals Industry Outlook

Ethylene World Supply Growth and Capacity

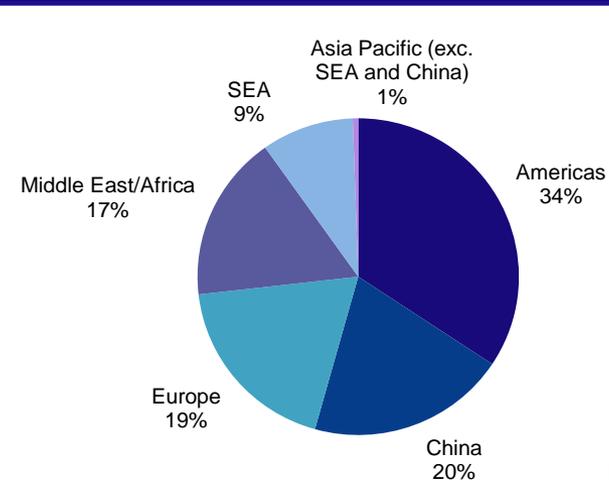
Ethylene World Supply Growth



Ethylene Production Capacity: 218MT in 2023



New Capacity by Region: 25MT (2017 – 2023)



The Petrochemical Industry is in a Long Term Cyclical Phase

Ethylene Spreads Over Naphtha

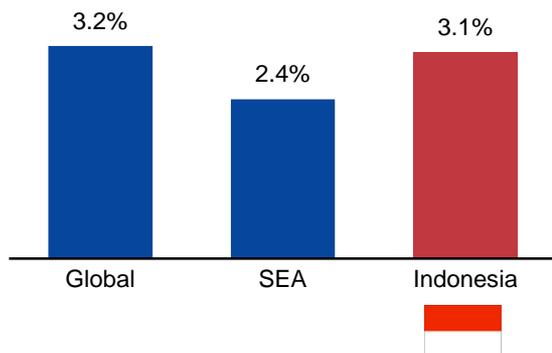


Petrochemical industry profitability to continue on path of sustainable recovery post 2012 as a result of improving demand and lower capacity addition

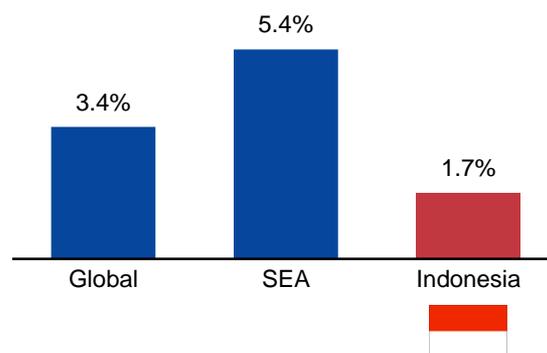
Note: Forecast price is based on Brent Crude at US\$55 (2017), US\$65 (2018), US\$70 (2019 – 2025) per barrel (constant 2016 dollars)
 Source: Nexant

Strong Demand Growth for Petrochemicals in Indonesia

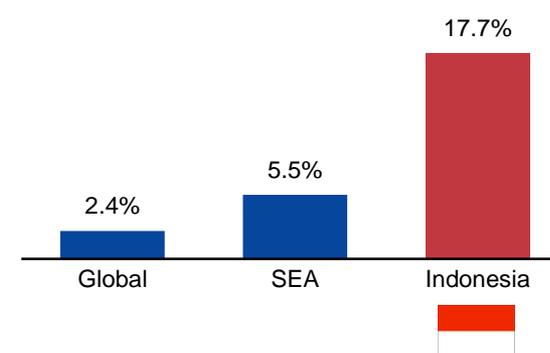
Ethylene (CAGR '17 – '23)



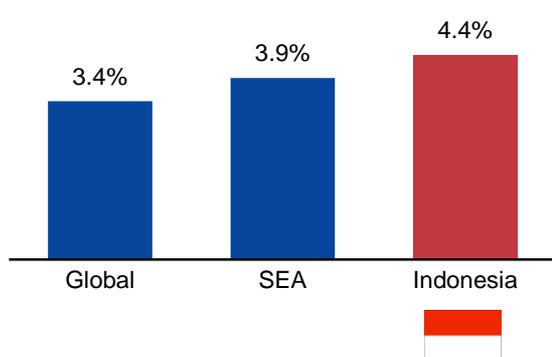
Propylene (CAGR '17 – '23)



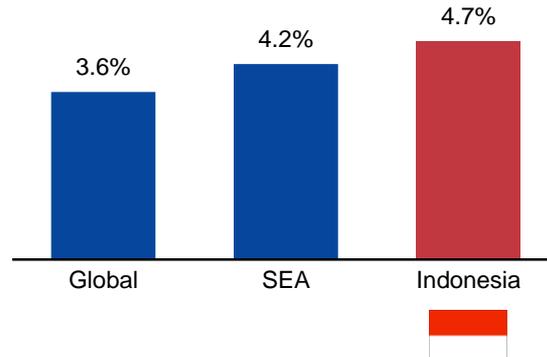
Butadiene (CAGR '17 – '23)



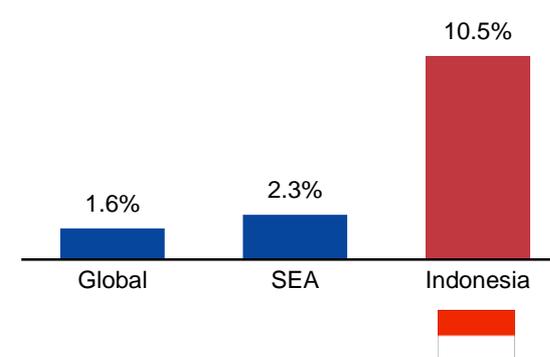
Polyethylene (CAGR '17 – '23)



Polypropylene (CAGR '17 – '23)



Styrene Monomer (CAGR '17 – '23)



Petrochemical demand in Indonesia expected to outpace other regions

Prudent Financial Policies

Foreign Exchange	<ul style="list-style-type: none">■ Maintain natural economic hedge as underlying sales and majority of costs and borrowings are denominated in US\$■ Treasury risk management on Rupiah currency risks:<ul style="list-style-type: none">– Sales are hedged via pricing to customers and forward swaps with reputable banks– Minimum Rupiah cash holdings of up to 10 – 15% of idle cash to meet operational needs
Leverage	<ul style="list-style-type: none">■ Maximum total debt to capitalization of 40% on sustainable basis■ Maximum Net Debt / Adjusted EBITDA of 3.0x
Coverage	<ul style="list-style-type: none">■ Minimum Adjusted EBITDA / Interest cover of 3.0x
Liquidity	<ul style="list-style-type: none">■ Seek to maintain minimum cash of US\$100m at all times
Return on Capital	<ul style="list-style-type: none">■ Seek minimum 15% IRR for new investments
Dividend Policy	<ul style="list-style-type: none">■ Payout in the amount of c. 40% of consolidated net profit subject to:<ul style="list-style-type: none">– Liquidity, leverage and reserves– Financial performance / sustainability– Projected operational and capital expenditure

Thank You

Address:

PT Chandra Asri Petrochemical Tbk
Wisma Barito Pacific Tower A, Lt. 7
Jl. Let. Jend. S. Parman Kav. 62-63
Jakarta 11410

Contact:

Investor Relations

Email: investor-relations@capcx.com

Tel: +62 21 530 7950

Fax: +62 21 530 8930

Visit our website at www.chandra-asri.com

Disclaimer:

Important Notice

- *This document was prepared solely and exclusively for the parties presently being invited for the purpose of discussion. Neither this document nor any of its content may be reproduced, disclosed or used without the prior written consent of PT Chandra Asri Petrochemical Tbk.*
- *This document may contain statements that convey future oriented expectations which represent the Company's present views on the probable future events and financial plans. Such views are presented on the basis of current assumptions, are exposed to various risks and are subject to considerable changes at any time. Presented assumptions are presumed correct, and based on the data available on the date, which this document is assembled. The company warrants no assurance that such outlook will, in part of as a whole, eventually be materialized. Actual results may diverge significantly from those projected. The information in this document is subject to change without notice, its accuracy is not verified or guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Company.*
- *None of the Company, PT Chandra Asri Petrochemical Tbk or any person connected with any of them accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.*