

PT. BARITO PACIFIC TBK

Barito Pacific (IDX: BRPT) is an integrated energy company based in Indonesia with multiple power and industrial assets. Through Star Energy, BRPT operates the largest geothermal company in Indonesia, which is also the third largest geothermal company in the world. Along with Indonesia Power, a wholly-owned subsidiary of PLN, BRPT is developing Java 9 & 10, a 2 x 1,000MW ultra super-critical class power plant with enhanced efficiencies and environmental performances.

BRPT also owns a controlling share and consolidates PT Chandra Asri Petrochemical Tbk (IDX: TPIA), Indonesia's largest and only integrated petrochemical company.

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PT BARITO PACIFIC TBK (IDX: BRPT) ANNOUNCED RESULTS FOR THE PERIOD ENDED 30 JUNE 2018

Jakarta, 13 September 2018 - PT Barito Pacific Tbk. ("Barito Pacific", "BRPT" or the "Company") today announced its audited consolidated financial statement for the six months period ended 30 June 2018. The results include the consolidation of Star Energy's financials following acquisition of 66.67% stake in Star Energy ("SEG") on 7th June 2018. Under Indonesian GAAP, our acquisition of SEG was considered as a business combination under common control. Therefore, our prior years financial statements were restated as if SEG has been consolidated to BRPT since 2015.

Agus Pangestu, the Company's President Director explains:

"Following acquisition of 66.67% stake at Star Energy in June 2018, our 1H-2018 financial result includes a robust contribution from geothermal business, enhancing our financial performance from the petrochemical business. TPIA continues to deliver excellent operational and financial results with healthy product margins. Nevertheless, TPIA is constantly expanding with additional COD of 157ktpa this year, comprising of a TPIA-wholly owned PBI expansion of 37ktpa COD 2Q-2018 and a 45% TPIA-owned SRI of 120ktpa COD 3Q-2018. These expansions will bring TPIA product volume to 3,458ktpa by the end of 2018 or an increase of 5% in production capacity. The 95 days tie-in for the PBI expansion impacts a temporary lower production in 2Q-2018, which directly impacted TPIA financial performance in 1H-2018.

Overall, our financial performance remains healthy with EBITDA margin of 27.8% and strong financial metrics with net debt/EBITDA at 1.8x at consolidated level. We remain optimistic in the long-term outlook of the petrochemical industry, we will stay on track with our expansion plans and confident that contribution from geothermal business will continue to support our financial performance going forward".

1H - 2018 Highlights:

- In June 2018, the Company completed IDR8.9 trillion Rights Issue, anchored by the major shareholder, Mr. Prajogo Pangestu, contribution of IDR8.7 trillion. The successful acquisition of 66.67% ownership interest in SEG, includes a controlling stake in three geothermal assets (Wayang Windu, Salak and Darajat) with a total installed capacity of 875MW.
- EBITDA increased by 50.19% from US\$287 million in 1H-2017 based on the previously reported to US\$431 million in 1H-2018 primarily due to:
 - EBITDA contribution from geothermal operations that were boosted by SEG's acquisition of Salak and Darajat geothermal assets netted by the decline in EBITDA from petrochemical business.
 - The lower EBITDA from petrochemical business was mainly due to lower gross profit as a result of higher feedstock costs and lower contribution from Butadiene which experienced cyclical high margins in 1H-2017 (supply disruption) as well as planned shutdown PBI expansion tie-in works of 95 days from 1 March 2018.

(US\$ million, unless otherwise stated)	1H-2018	As Previously Reported		As Restated	
		1H-2017	% Change	1H-2017	% Change
Net Revenues	1,550	1,212	27.9%	1,372	13.0%
TPIA	1,286	1,194	7.6%	1,194	7.6%
SEG	260	-	-	171	52.0%
Others	4	18	(77.7%)	7	(42.8%)
Cost of Revenues	1,105	924	19.6%	948	16.6%
Gross Profit	445	288	54.5%	424	5.0%
Finance costs	114	27	322.2%	68	67.6%
Net Profit after Tax	136	153	(10.4%)	181	(24.8%)
Attributable to:					
Owners of the Company	42	67	(37.3%)	78	(46.2%)
Non-controlling Interests	95	86	10.4%	103	(7.7%)
EBITDA	431	287	50.1%	419	2.9%
Gross Profit Margin (%)	28.7	23.7	21.1%	30.9	(7.1%)
EBITDA Margin (%)	27.8	23.9	16.3%	30.5	(8.8%)
Debt to Capital (%)	48.8	31.1	56.9%	49.6	(1.6%)
Debt to EBITDA (x) - LTM	2.8	1.2	133.3%	2.8	0.0%
Net Debt to EBITDA (x) - LTM	1.8	0.7	157.1%	1.9	(5.3%)
(US\$ million, unless otherwise stated)	1H-2018	As Previously Reported		As Restated	
		FY-2017	% Change	FY-2017	% Change
Total Assets	6,751	3,643	85.3%	6,872	(1.8%)
Total Liabilities	4,109	1,626	152.7%	4,199	(2.1%)
Total Equity	2,641	2,017	30.9%	2,672	(1.2%)
Total Debt	2,517	913	175.7%	2,629	(4.3%)
Net Debt	1,617	32	4,953.1%	1,723	(6.2%)

Notes:

To better understand geothermal contribution to BRPT 1H-2018, management is using the comparison between the 1H-2018 vs 1H-2017 As Previously Reported in our MD&A below.

FINANCIAL PERFORMANCE ANALYSIS:

Consolidated net revenues increased by 27.9% y-o-y from US\$1,212 million in 1H-2017 to US\$1,550 million in 1H-2018 mainly attributable to:

- SEG revenue contributed US\$260 million to our 1H-2018 net revenue, which include contributions from Salak and Darajat Geothermal Assets that were acquired in March 2018.
- Net Revenue from TPIA increased by 7.6% from US\$1,194 million in 1H-2017 to US\$ 1,286 million in 1H2018 reflecting higher realized average sales prices, primarily from Ethylene and Polyethylene sales.

Cost of revenues increased by 19.6% from US\$924 million in 1H-2017 to US\$1,105 million in 1H-2018.

The increase was primarily due to higher average naphtha cost which increased by some 29% (US\$486/ton in 1H-2017 to US\$627/ton in 1H-2018) on the back of increase crude oil prices. Cracker operating rate was maintained at 97% compared to 98% same period last year. 1H-2018 direct cost includes the recently acquired SEG assets.

Gross Profit increased by 54.5% from US\$288 million in 1H-2017 to US\$445 million in 1H-2018.

The increase in gross profit was largely contributed by our acquisition of SEG assets.

Finance Costs increased by 322.2% from US\$27 million in 1H-2017 to US\$114 million in 1H-2018

Primarily due to SEG's financing cost from bank loans of Tranche A US\$1,250 million and term loan of US\$660 million that were utilized in March 2017 for acquisition of Salak and Darajat geothermal assets and additional interest expense from our additional loan facility of US\$190 million, TPIA's Senior Secured Notes of US\$300 million due 2024 issued in November 2017, TPIA Bonds I Phase II Year 2018 IDR500 billion issued in March 2018. The US\$660 million term loan of SEG was later refinanced by Senior Secured Notes US\$580 million due 2033 in April 2018.

Net Profit After Tax decreased by 10.4% from US\$153 million in 1H-2017 to US\$136 million in 1H-2018

As a result of the foregoing factors, we recorded a net profit after tax of US\$136 million in 1H-2018, 10.4% lower compared to the same period in 2017 largely due to the financing costs for the acquisition of SEG.

Total Assets

Total Assets as of 30 June 2018 amounting to US\$6,751 million increased by 85.3% mainly attributed to our acquisition of SEG.

Total Liabilities

Total Liabilities increased by 152.7% to US\$4,109 million compared to 31 December 2017, mainly due to SEG's existing total liabilities of US\$2,574 million.

Total long-term interest-bearing debt increased by 175.7% to US\$2,517 million compared to 31 December 2017 mainly attributed to SEG's bank loans used in acquiring Salak and Darajat in 2017.