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Press Release from PT Indopoly Swakarsa Industry Tbk

## **Indopoly (IPOL) Recorded Positive Performance in 2010: Net Profit Increased by 82%**

**Jakarta, Indonesia, March 30, 2011** – PT Indopoly Swakarsa Industry Tbk. (the Company), one of the leading manufacturer of flexible packaging film in Indonesia with ticker symbol IPOL, has issued its 2010 audited financial statements and reported an increase in net sales in 2010 by 32% to IDR1,625 billion from IDR1,230 billion in 2009, while gross profit in 2010 reached IDR440 billion representing 65% increase from 2009 gross profit of IDR266 billion. In addition, the Company reported operating profit and net profit of IDR 278 billion and IDR 170 billion respectively, an increase of 160% and 82% respectively, from prior year.

The significant rise in sales and gross profit in 2010 were due to a combination of several positive factors: (a) full year sales from second BOPP line that has been completed and has started operating since July 2009; (b) better product mix; and (c) improved production efficiency. Year-on-year gross margin rate rose by 5%, from 22% in 2009 to 27% in 2010. Increase in operating income is supported by management's ability to maintain steady level of expenses leading the Company's operating margin and net profit margin to more than 17% and 10%, respectively.

Moreover, the Company would like to report the progress of its expansion projects in its factories in Indonesia and China as follows:

1. The *extrusion coating unit* for *thermal lamination film* in Suzhou China, with annual capacity of 5,700 tonnes, has been installed and is expected to be ready for *commissioning* in April 2011. This new investment supports the Company's commitment for producing *green products* which is in line with the world trend of *low carbon economy*. This widely required film does not need chemical *adhesive* and other substance while being laminated to paper; therefore it helps to reduce *carbon foot print*.

This value added product is targeted to serve customers in China, United States, and Europe where the film is used for various high-end consumer product *packaging* applications. The film is also used for books, magazines and a variety of printed material applications.

2. The first *metalizing unit* in Purwakarta Indonesia, with annual capacity of approximately 7,000 tonnes, has been *commissioned* in January 2011 and run at full capacity end of March 2011. The second unit of the same capacity is expected to be *commissioned* in September 2011. These machines serve to produce *high barrier metalized* film for high quality food product *packaging* purposes.
3. Major investment in new BOPET production line with *state-of-the-art technology* in Purwakarta Indonesia, with annual capacity of 20,000 tonnes is now in the final stage of installation and is expected to be *commissioned* end of May 2011. The BOPET film properties are complementary to BOPP film, both films are the most important key materials for *flexible packaging*.

These expansions demonstrate our commitment towards sustainable growth.

Following its successful IPO in 2010, Indopoly's outlook for 2011 reflects confidence in continuing the strong momentum. The steady growth of GDP in China and Indonesia will be the strongest driver to the success of the Company's future earnings in 2011. President Director Mr. Henry Halim stated, "Together with our strong management team we will strive to add shareholders' value by delivering continuous growth through innovations."

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For more information about the Company's expansion projects, please visit our Company's website at [www.ilenefilms.com](http://www.ilenefilms.com).



**PT. INDOPOLY SWAKARSA INDUSTRY Tbk.**



**About PT Indopoly Swakarsa Industry Tbk.**

Established in 1995, Indopoly is a leading manufacturer of flexible packaging film in Indonesia. Managed by an experienced senior management team with more than 25 years of experience in the flexible packaging industry, one of Indopoly's advantages is its strong presence in two of the fastest growing global economies, Indonesia and China.

Indopoly currently serves more than 150 leading customers worldwide with production from its three factories in Cikampek, Purwakarta, West Java, Indonesia; Kunming city in the province of Yunnan (Yunnan Kunlene Film Industries); and in Suzhou, Jiangsu province (Suzhou Kunlene Film Industries) in China. Indopoly manufactures flexible packaging film under the Ilene® brand. Indopoly went public in July 9, 2010. The Company is about to commission several new machines, including BOPET production line, metalizing production line and extrusion coating line for thermal lamination film.

Indopoly has a solid track record in supplying premium film products for blue chip customers both in the domestic and international markets. Indopoly is committed to advancing its technology and continuously diversifying innovative products to respond to customers' ever-changing needs

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