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Press Release from PT Indopoly Swakarsa Industry Tbk

IPOL EGM Approves Refinancing of a Portion of BOPET Production Line from IPO Proceeds to Favorable Export Credit Facility

December 17, 2010 - PT Indopoly Swakarsa Industry Tbk today announced that the company’s shareholders have collectively approved the Board of Directors’ proposal to reallocate the proceeds from the company’s initial public offering (IPO). The proposal was presented at the Extraordinary General Meeting, which was held today at the 21st floor of Wisma Indocement and attended by 75.22 percent of shareholders. The IPO proceeds, after any floatation cost incurred has been deducted, will be used as follows:

Purpose	Initial Plan	Revised Plan
To finance investment of BOPET production line	Rp. 357.3 B	Rp. 171.0 B
To finance CIMB Niaga bridging loan on BOPET production line	Rp. 21.9 B	Rp. 21.9 B
To fund working capital and strengthen the company’s capital structure	Rp. 84.7 B	Rp. 271.0 B

The change is due to the availability of a new credit facility from UniCredit Bank AG to finance a portion of the BOPET production line. The remainder of the IPO proceeds will be channeled towards financing working capital needs of the metalizing and BOPET production lines as well as new product development, which were originally planned to be financed by local bank lending. The UniCredit Bank AG new credit facility is more economical because it is an export credit facility backed by the Federal Republic of Germany. The new credit facility comes with a tenor of eight years plus a one year grace period, with yearly interest rates of USD LIBOR + 170bp and EURIBOR + 150bp. When compared to the local facility with an interest rate of USD 6.5-8.5 percent, the company will have a consolidated interest saving by approximately Rp 5 billion per year.

“This move is one of the many steps the company is taking to continuously enhance shareholder value,” said PT Indopoly Swakarsa Industry Tbk President Director Mr. Henry Halim. “As a leading manufacturer in the flexible packaging film industry, we will continue to grow by increasing our production capacity as well as diversifying into more high-end products. To support our expansion, we will optimize the utilization of various sources of funds available, such as that from UniCredit Bank AG.” Mr. Henry Halim added.



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 their technologies and continuously diversifying innovative products to respond to customers' ever-changing needs

For more information please contact:

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