

**For immediate release**

**FajarPaper announces unaudited 2008 result:**

- Sales up by 14% to Rp 3.0 trillion
- EBITDA down by 4% to approximately Rp 533 billion
- Production capacity fully utilized
- Profit warning for 2009

**Jakarta, January 29<sup>th</sup> 2009**

PT Fajar Surya Wisesa Tbk ("FajarPaper") today announced estimated financial results for the year ended December 31, 2008. Global economy downturn has significantly impacted the performance of FajarPaper in the last quarter 2008. Strong performance for the first nine month 2008 was affected by a slowdown in demand in the fourth quarter 2008. Nevertheless, revenue 2008 increased to Rp 3.0 trillion or 14 percent higher compare to 2007. Domestic sales for 2008 represented 91% of total sales compared to 84% in 2007, driven by strong domestic demand in the first nine months 2008. Year-end 2008 average selling prices decreased by 34% compare to the beginning of the year average selling prices in US dollar term and 20% in rupiah term.

Production for 2008 reached 101% capacity utilization at 706,118 tons. Company's lines of carton packaging paper namely corrugated medium, linerboard, coated duplex represented 51%, 27%, and 19% of total sales, respectively. Sales volume was at 674,383 tons, lower than production volume.

EBITDA for 2008 was approximately Rp 533 billion compared to Rp 554 billion in 2007, a decrease of 4 percent. The 2008 EBITDA was 15% lower than the projection provided at the beginning of the year of Rp 630 billion.

Director, Hadi Rebowo Ongkowidjojo, commented "Last year featured strong domestic demand and improved profitability as result of a general upturn in packaging paper prices. We were able to achieve our EBITDA target up until the third quarter 2008, however, from that point a dramatic drop in selling prices in the final quarter of 2008, coupled with rising inventory costs and weaker demand, had a significant impact on the full year financial performance."

Hadi Rebowo further commented: "The year ahead in 2009 will be challenging for us. Domestic demand remains weak and we do not anticipate any recovery for the next 6-9 months. We intend to increase the contribution of our export revenue to approximately 25-30% of total sales in 2009 to mitigate the effects of the downturn. While the additional costs associated with export sales, for example ocean freight, will affect margins significantly, the US Dollar revenue will help us in managing our foreign currency debt."

He added: "In the face of weak demand, reducing selling price and high input cost, we expect that we will record a substantial decline in revenue, EBITDA and profitability for the year 2009."

Ends.

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