



PRESS RELEASE

ITM Profit Rises by 129 Percent

Jakarta, August 24, 2009 - PT Indo Tambangraya Megah Tbk booked a net income of US\$ 159 million in the first half of 2009 or a 129 percent increase from US\$ 69 million in the same period last year. The Company earned a total sales revenue of US\$ 676 in the first semester or rose by 31 percent from the same period in the preceding year.

The rise of the Company's revenue was resulted from the soar of average selling of coal price from US\$ 60 per ton in the first half of 2008 to US\$ 79 per ton in the first semester of this year.


Meanwhile, the coal sales in the first half of 2009 was amounted to 8.48 million tons or down by 1 percent from 8.55 million tons in the same period in the previous year. The decline was due to port maintenance and difficult mining landscape.

The ascent of average selling of coal price also raised the Company's gross profit margin to 40 percent or it rose by 11 percent from 29 percent in the previous period.

As for Earning Before Interest and Tax (EBIT), it amounted to US\$ 214 million or a 123 percent increase from US\$ 96 million from the same period in the preceding year.

2009 Production Target

ITM sets target of 20.5 million tons of output for 2009 whereas until the first half of this year it has produced 9.5 million tons.



“Currently we still believe the target could be achieved,” said ITM’s Operation Director Pongsak Tongampai. “The output in the second semester is typically higher than in the first semester as we enter dry season.”

Indominco’s East Block Targets at 1 - 2 Million Tons

Indominco has produced 5.1 million tons of 13 million tons targeted. Indominco’s mining areas comprises of East Block and West Block. The good news is that the East Block has received the final forestry access permit and has started its operation in April 2009. East Block will provide significant contribution to Indominco’s output in the future.

As of December 2008, East Block reported 103 million tons of coal reserves and 449 million tons of coal resources.

East Block is targeted to produce around 1.5 - 2 million tons in 2009 and will gradually increased to 10 - 12 million tons by 2014, while production from West Block will be gradually declining from 10 million tons in 2009 to 3.0 - 4.0 million tons by 2014.

Capital expenditure for East Block is budgeted at US\$ 20 million or around 16 percent of total capital expenditure budgeted for this year of US\$ 126 million.

Trubaindo and Jorong Goes Beyond the Target

Trubaindo output of 2.6 million tons has exceeded the target of 2.5 million tons. This was mainly due to better weather and improvement in mine planning. Mining operation will also start at South Block area as the forestry permit has been recently granted.

Better weather and better water management has caused Jorong’s output to increase as well. Jorong generated 1.6 million tons of coal which is more than half of full year target of 2.5 million tons.

Meanwhile, Bharinto is still under engineering design and final cost estimation. Operation plans to be commenced by the end of 2010.

As for Bontang captive power plant, it has completed 85 percent of the construction. By the fourth quarter of this year, it will be able to provide electric power for Bontang Coal Terminal and East Block area.

Almost All Coal Has Been Contracted

Of 20.5 million tons of coal targeted for 2009 delivery, 99 percent has been committed in volume. Of that amount, 90 percent has been priced, 7 percent is sold using coal indexes such Barlow Jonker and New Castle Index while 2 percent is still under negotiation. Only 1 percent of it has not been priced yet.

ITM's coal have a favorable position in Asian market. In the first half of 2009, the coal are mostly sold to Japan (2.1 million tons), India (1.4 million tons), Taiwan (0.9 million tons), Thailand (0.9 million tons), Philippines (0.9 million tons), Indonesia (0.6 million tons), South Korea (0.5 million tons), China (0.5 million tons), and Italy (0.5 million tons).

As of June 2009, ITM's cash and cash equivalent in fiscal year was accounted for US\$ 266 million tons or inclined by 19.8 percent from US\$ 222 in the end of December 2008

About PT Indo Tambangraya Megah Tbk. (ITM)

PT Indo Tambangraya Megah Tbk., (ITM) is the leading Indonesian coal producer. ITM produces good range of thermal coal to the customers, with good track record in acquisition and development of coal resources in Indonesia. The company has been listed on the Indonesia Stock Exchanges (IDX) since December 2007 with ITMG as its trading code.

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