



## PRESS RELEASE

### ITM Profit Rises by 104%

Jakarta, November 16, 2009 – PT Indo Tambangraya Megah Tbk (ITM) booked a net income of US\$266 million as of September 2009 or a 104 percent increase from US\$130 million in the same period last year. Total revenue until the third quarter of 2009 amounted to US\$1.046 billion or rose by 17 percent from US\$897 million in the same period last year.

One of the contributing factors to the net income ascent was the sales volume which increased by 7 percent to 13.8 million tons in the first nine months of 2009 from 12.9 million tons in the same period last year.

The rise of the average selling of coal price from US\$68.8 per ton in the first nine months of 2008 to US\$75.2 per ton in the same period this year as well as the decline of fuel price from US\$1.1 per liter to US\$0.5 per liter were the main factor contributing the rise in ITM net income.

The incline of sales volume and the average selling of coal price as well as the decline of fuel price had also triggered the rise of the earning before interest and tax (EBIT). Up to the third quarter of this year, EBIT was amounted to US\$341 million or rose by 70 percent from US\$200 million in the same period last year. As for the gross profit margin, it was up by 8 percent from 33 percent to 44 percent.

As of September 2009, ITM's cash and cash equivalent amounted to US\$309 million or rose by 39 percent from US\$222 million at the end of 2008. The Company's debt amounted to US\$8 million or decreased by 27 percent from US\$11 million at the end of 2008 while the equity and liabilities was totaled US\$ 1,128 million.

## **All Coal Have Been Contracted: the Sales Target Achieved**

Of the 20.5 million tons of coal sales targeted this year, all volume has been committed. Of that amount, 95 percent has been priced, 3 percent has been sold referring to coal indexes such as Barlow Jonker and New Castle Index while the remaining 2 percent is provisionally priced.

For the fiscal year of 2010, the Company has set a sales target of 23 million tons. Of that amount, 79 percent has been committed in volume with 44 percent has been priced, 20 percent refers to index and remaining 15 percent was not priced yet.

ITM coal has a favorable position in the Asian market. In the period of January – September 2009, the coal were mostly sold to Japan (3.2 million tons), Taiwan (1.7 million tons), China (1.7 million tons), India (1.6 million tons), Thailand (1.4 million tons), Philippines (1.4 million tons), Indonesia (1 million tons), Italia (0.8 million tons), Malaysia (0.6 million tons), and South Korea (0.5 million tons).

## **2009 Production Target Will Be Achieved**

Until the third quarter of 2009, production volume totaled 14.8 million tons, or increased by 1.6 million tons (12 percent) from the same period last year. Of the total volume, Indominco contributed 8.3 million, Trubaindo 3.9 million tons, Jorong 2.4 million tons while Kitadin Embalut 0.2 million tons.

Thus, as of September 2009, ITM's total production volume had reached 72 percent of 20.5 million tons targeted for this year. The Company believes that the 2009 target could be achieved.

## **Organic Expansion**

The first phase of Bharinto mine is currently under completion stage. It is expected to commence operation by the end of 2010. The mine is expected to generate 2 million tons of coal in the future. The calorific value of Bharinto coal is 6,750 kcal per kg with sulfur content of 0.8 percent.

Kitadin Embalut Mine has started its operation after temporarily halted. Commenced in last July, it was opened earlier than planned. Under normal operation, it is expected to generate 2 million tons per year. The calorific value of Kitadin Embalut coal is 5,750 kcal per kg with sulfur content of 0.2 percent.

As for Kitadin Tandung Mayang, it is projected to begin production by 2011 with the target of 3 million tons per year. The calorific value of coal generated by Kitadin Tandung Mayang is of higher calorific value (6,800 kcal per kg with sulfur content of 1.5 percent).

The Company has allocated capital expenditure of US\$ 189 million for the period of 2010 to 2015.

### **The Projects**

The good news is 95 percent of Bontang Power Plant project has been accomplished. Currently, it is working on the completion of drainage system and warehouse while road repair and development of office building is under bidding process. The operation permit is being prepared and the power plant is expected to generate electricity to Indominco mine starting in the first quarter of 2010.

Meanwhile, Bontang Terminal Expansion project has completed its in-loading system and upgrading of conveyor belt speed to 3,500 ton per hour. This project is estimated to be completed by the end of first quarter of 2010.

### **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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