



PRESS RELEASE

ITM Profit Rises by 321% in 2008 Fiscal Year

Jakarta, 3 March 2009 – PT Indo Tambangraya Megah Tbk announced that it booked a net income of US\$235 million in the fiscal year of 2008, or a 321% increase from US\$56 million in 2007. And it recorded a net income of US\$105 million in the fourth quarter of 2008 or a 72% increase from US\$ 61 million from the previous quarter.

The company earned total sales revenue of US\$1,317 million in 2008 fiscal year, or an increase of 71% from US\$772 million in the preceding fiscal year.

“This is the first year our revenue exceeded a billion US dollar,” Somyot Ruchirawat, the President Director of ITM, said, adding that in the fourth quarter of 2008, the company earned total sales revenue of US\$420 million, or an increase of 10% from US\$381 million in the third quarter.

The gross profit margin in 2008 fiscal year was accounted for 36% or a 9% increase from 2007 while in the fourth quarter of 2008 it gained 43%, or a 5% rise from the third quarter.

As for earning before interest and tax (EBIT), it rose by 182% from US\$121 million in 2007 to US\$340 million in 2008 fiscal year whereas in the fourth quarter of 2008 it increased by 34% from US\$104 million in the third quarter to US\$140 million.

The rise of company’s revenue was due to the soar of average selling of coal price from US\$42 per ton in 2007 fiscal year to US\$74 per ton in 2008. Meanwhile, based on quarter to quarter performance, the growth of company’s revenue was resulted from the rise of coal sales by 0.4 million ton in the fourth quarter as well as the increase of average selling coal price from US\$86 per ton in the third quarter to US\$88 per ton in the fourth quarter.

However, in 2008 fiscal year the coal sales were down by 0.3 million tons to 17.7 million tons from 18.1 million tons in the previous year. The decline of output was mainly caused by severe rainfalls affecting mines' production.

The company targets at 20.5 million tons of output by the end of 2009 compared to 17.7 million tons in 2008.

Until the end of 2008, the company had completed stage 1 and 2A of Bontang Terminal Expansion where a new in-loading system was installed.

"Now we are going to move further to stage 2B and 2C," Ruchirawat said.

Once completed, the stage 2B will speed up the conveyor belt from the current 2700 tons per hour to 3700 per tons per hour as well as increase the capacity of ship loader from the existing 5.5 million tons to 8.5 tons million.

As for stage 2C, it is aimed to provide an in-loading system to deliver around 12 million tons of coal from other mines into Bontang Port for further blending. Completed by November 2009, both projects will provide a new integrated system.

In the meantime the Bontang captive power plant project has been resumed after terminated due to a low performance of former contractor. Recently the project management is directly handled by ITM team.

"It shows a very good progress now," Ruchirawat said.

By the beginning of March, an expert team from China is going to set up the remaining parts of power plant. After the boiler, the turbine, and the control system are installed, it could start commencing. The power supply to the port operation itself will be started by mid 2009.

PT Indo Tambangraya Megah's coal remains to have a favorable position in the Asian market. The customers are Japan, South Korea, Thailand, Taiwan, China, Indonesia, Philippine, Malaysia, Italy, and Croatia.

As of 31 December 2008, PT Indo Tambangraya Megah Tbk's cash and cash equivalent in fiscal year of 2008 was accounted for US\$222 million or declined by 14% from US\$258 million in the preceding fiscal year.

With the total number shares of 1.129.925.000 sold, throughout 2008 PT Indo Tambangraya Megah had paid dividend three times to its shareholders. For the first half of 2008 fiscal year, for example, it paid Rp344 per share on 22 October 2008 while for the third quarter of 2008, it paid dividend of Rp295 per share on 19 December 2008. As for the remaining unpaid dividend of 2007, the company paid Rp155 per share on 23 May 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.

For further information, please contact:

Melina Karamoy, *Corporate Communications Manager*
PT Indo Tambangraya Megah Tbk.
Phone: +62 21 750 4390 Fax: +62 21 750 4589

Yulius Gozali, *Investor Relations Manager*
PT Indo Tambangraya Megah Tbk.
Phone: +62 21 750 4390 Fax: +62 21 750 4696