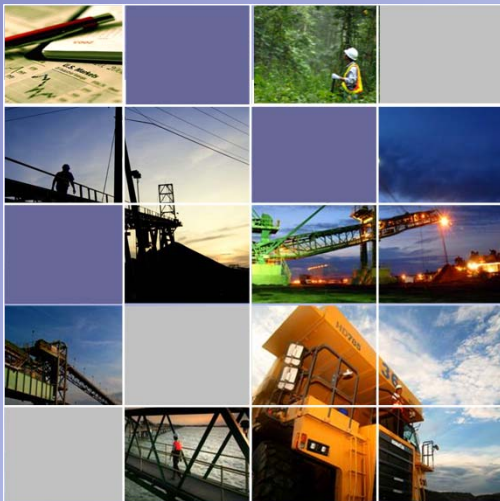




PT Indo Tambangraya Megah Tbk



ANALYST BRIEFING

FY11 Performance Results

28 February 2012

Disclaimer

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Agenda

- 1. Introduction**
- 2. Operational Review**
- 3. Commercial Review**
- 4. Financial Review**



1. Introduction

Highlights of 4Q11 & FY11 Results

Coal sales

7.1 Mt

↑ Up 0.3 Mt

+4% Q-Q

Coal sales

24.7 Mt

↑ Up 2.5 Mt

+11% y-y

Unit: USD Million

	<u>3Q11</u>	<u>4Q11</u>	<u>Q-Q</u>	<u>FY10</u>	<u>FY11</u>	<u>y-y</u>
Total Revenue	678	733	+8%	1,645	2,382	+45%
Gross Profit Margin	39%	39%	0%	32%	37%	+5%
EBIT	219	220	0%	363	707	+95%
Net Income	156	185	+19%	204	546	+168%
<i>ASP (USD/ton)</i>	\$98.4	\$103.1	+5%	\$74.9	\$97.1	+30%

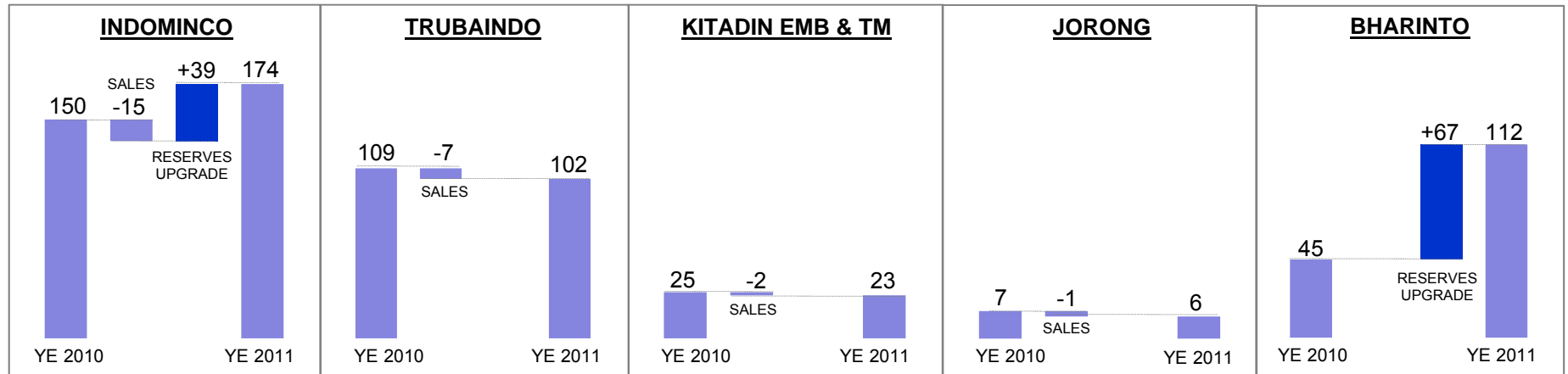


2. Operational Review

Reserves upgrade 2011

Total reserves as of 31 Dec 2011: 417 Mt

Unit: Mt



RESERVES UPGRADE : INDOMINCO EAST BLOCK

- In-Pit Crushing Conveying ('IPCC') system means it will be economic to go deeper (and mine more resources)
- IPCC facilitates cheaper and quicker OB removal costs from deeper pits (enabling overall OB costs per bcm to remain competitive)
- Exploration work has also boosted reserves at Indominco East Block in 2011
- Further reserves upgrades are planned at Indominco East Block based on additional exploration and mining studies.

RESERVES UPGRADE : BHARINTO

- Engineering studies (including IPCC) and further exploration drilling have boosted reserves estimates
- Further reserves upgrades are planned at Bharinto based on additional exploration and mining studies.

Coal reserves growth

Organic increase in reserves*

Exploration, study
and LT price:



Indominco (+19)
Kitadin (+10)
Bharito (+18)

**+46
Mt**

Exploration, study
and LT price:



Indominco (+66)
Trubaindo (+27)

**+92
Mt**

Study:



Trubaindo (+3)

**+3
Mt**

Exploration, study
and LT price:



Indominco (+29)
Trubaindo (+36)

**+63
Mt**

Exploration,
new technology (IPCC):



Indominco (+39)
Bharito (+67)

**+106
Mt**

2007

2008

2009

2010

2011

**Not including the effect of sales depletion*

Reserves upgrade 2011: note on IPCC method

SEMI-MOBILE CRUSHER



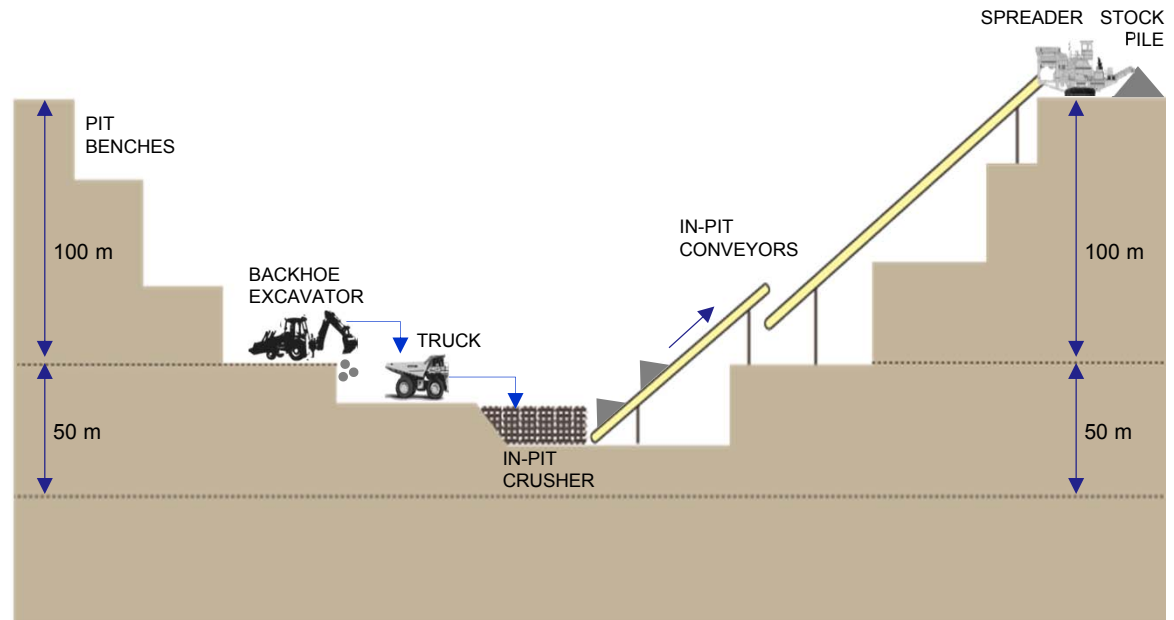
CONVEYOR



SPREADER



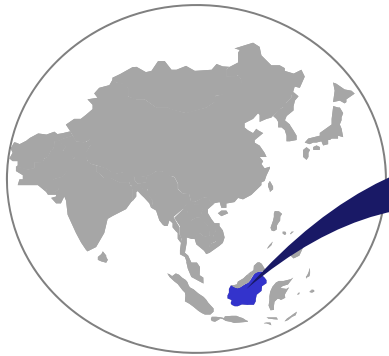
IPCC ILLUSTRATION



- IPCC, electricity-based mining method, tends to require higher capex but lower opex as compared to diesel excavation and trucking
- It also requires sufficient mine life (10 years+) and sufficient volume
- Typically allows economic OB and coal excavation at depths of 100-200m where conventional truck/shovel method would not be economic.

Operation in 2012

FY11 output: 25mt and FY12 target: c.27mt



Indominco
14.8mt output in FY11.
Output target of 15.0mt
for 2012

Kitadin-Td.Mayang
0.4mt output in FY11
and 2.7mt output target
for 2012. Also worked
in FY11 as mining
contractor at IMM area

Kitadin-Embalut
1.3 Mt output in FY11.
Output target of 0.7mt
for 2012

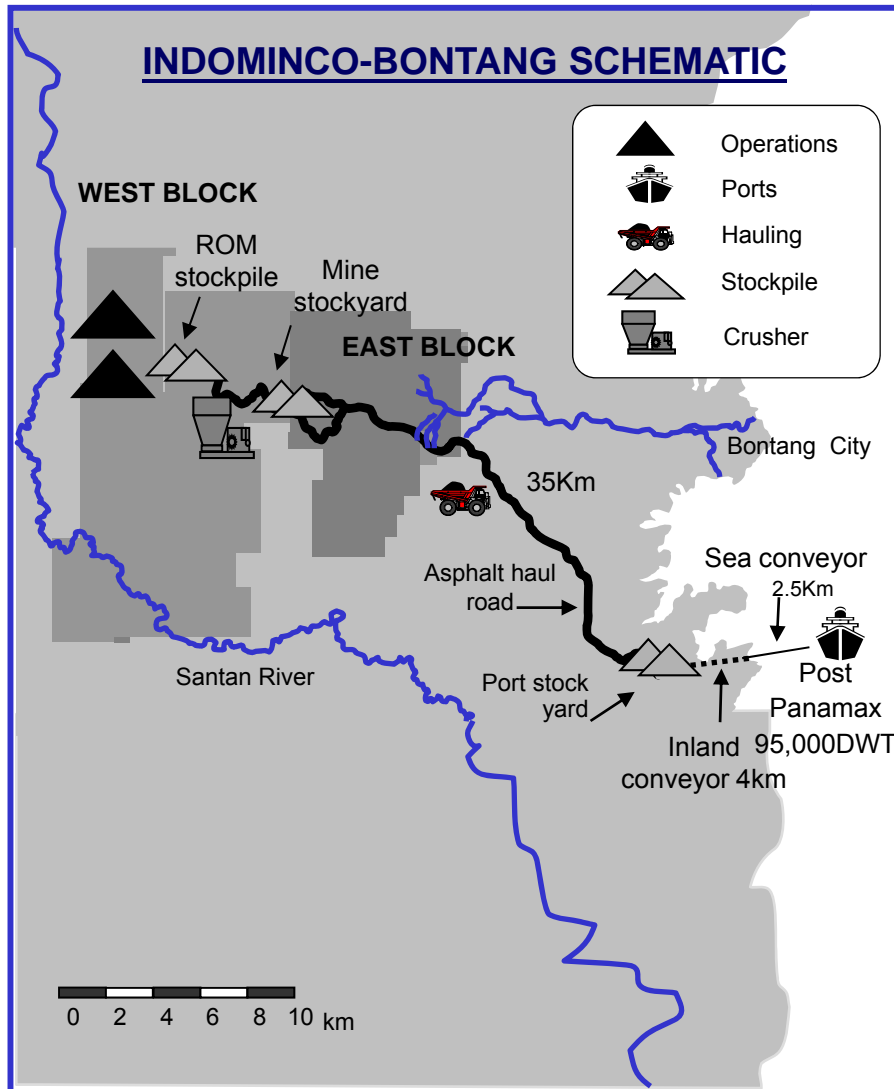
Trubaindo
7.1mt output in FY11.
Output target of 7.1 Mt
for 2012

Bharinto
0.7mt output target in
2012

Jorong
1.4mt output in FY11. Output
target of 1.0mt for 2012

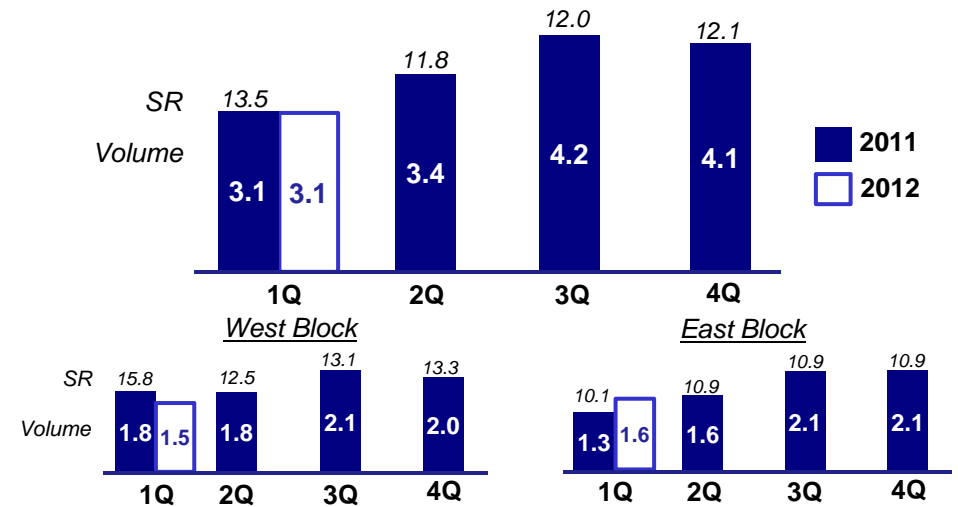
■ Capital City
● Mine
▲ Project
⚓ Port
 Scale: 1 : 6,000,000

Indominco Mandiri



INDOMINCO PRODUCTION ANALYSIS

FY11 output: 14.8mt; FY12 target: 15.0mt

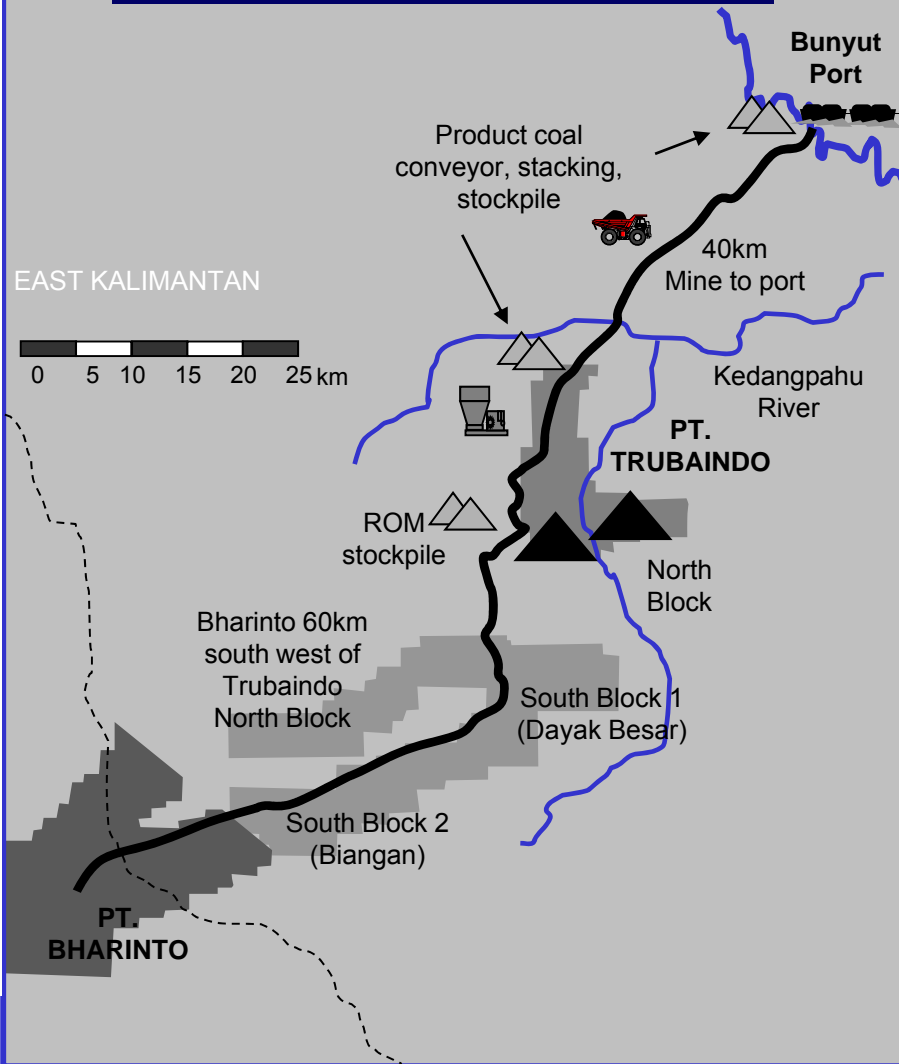


MAJOR QUARTERLY UPDATES

- FY11 production achieved as target mainly from better weather condition in 2H11 and additional mining equipment from PAMA
- Continue the pre-feasibility study for washing plant at East Block area
- Completed pre-feasibility study on In-Pit Crushing Conveyor (IPCC) system
- Conduct study to expand existing port capacity and to expand mine-stock capacity by consultant

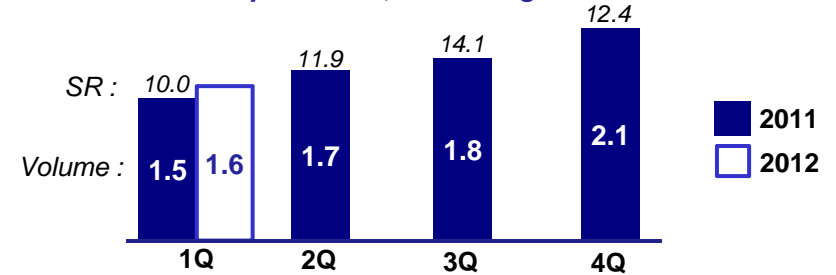
Trubaindo and Bharinto

TRUBAINDO-BHARINTO SCHEMATIC



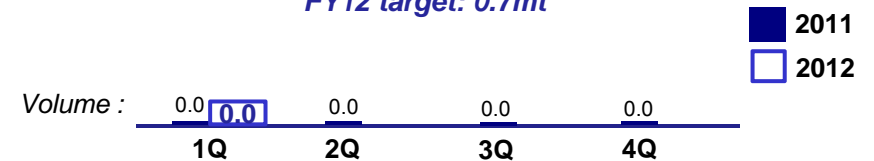
TRUBAINDO PRODUCTION ANALYSIS

FY11 output: 7.1mt; FY12 target: 7.1mt



BHARINTO PRODUCTION ANALYSIS

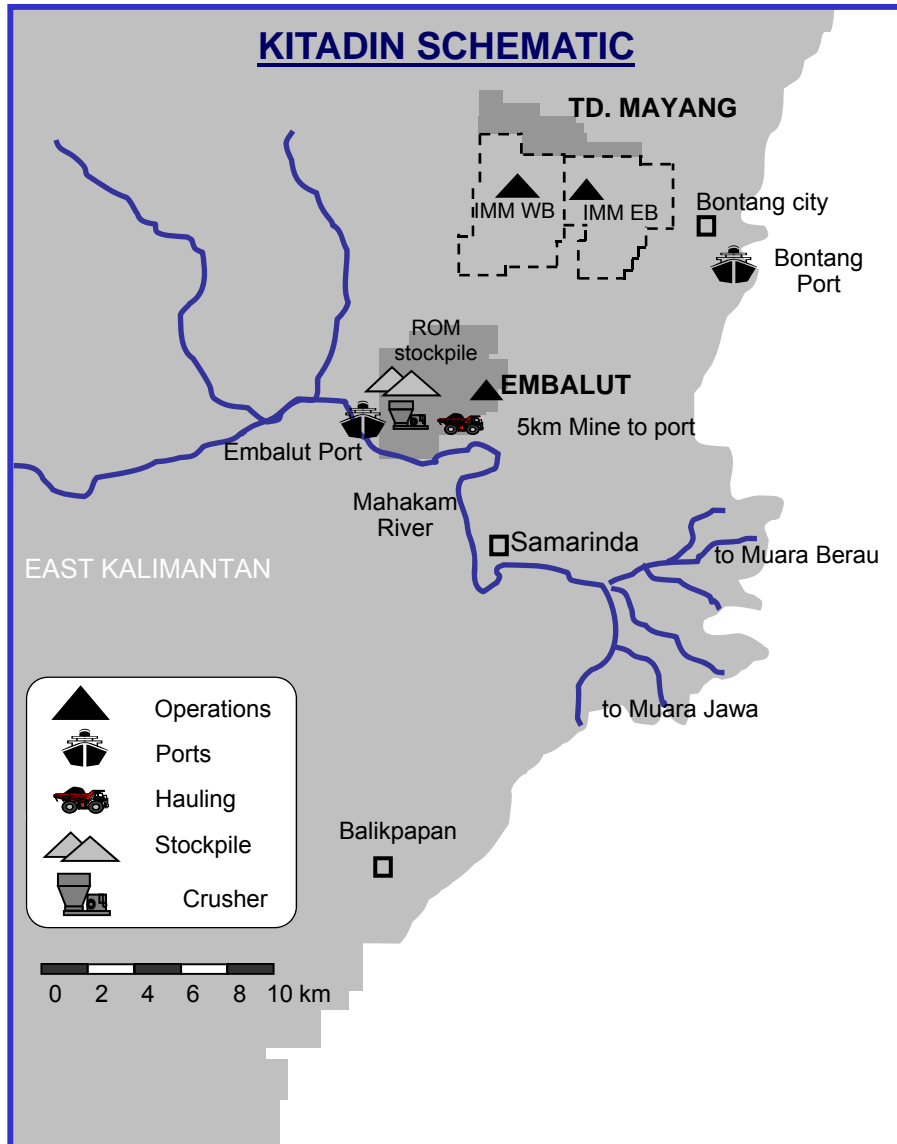
FY12 target: 0.7mt



MAJOR QUARTERLY UPDATES

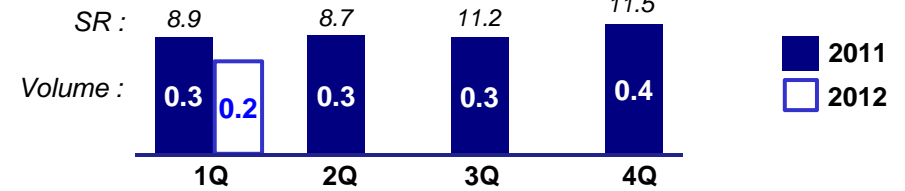
- Trubaindo:
 - FY11 production was slightly lower than target due to full stockyard capacity as a result of Kutai Kartanegara Bridge Collapse
- Bharinto:
 - Already started pre-stripping activities since Jan 2012
 - Coal hauling road to port is expected to be completed by 1Q12
 - Expect to commence operations in 2Q12

Kitadin Embalut and Td.Mayang



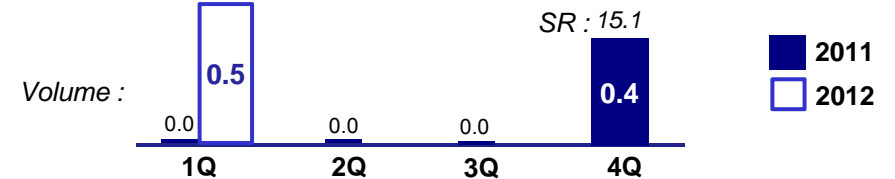
EMBALUT PRODUCTION ANALYSIS

FY11 output: 1.3mt; FY12 target: 0.7mt



TD.MAYANG PRODUCTION ANALYSIS

FY11 output: 0.4mt; FY12 target: 2.7mt

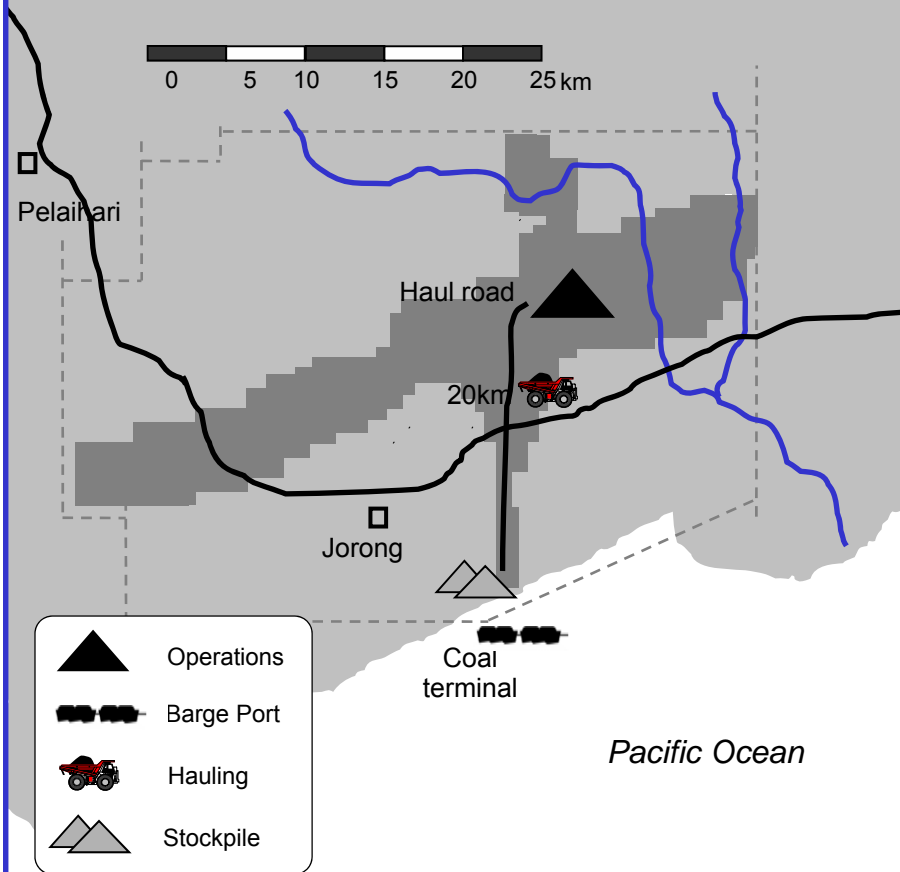


MAJOR QUARTERLY UPDATES

- Kitadin Embalut:
 - FY11 production achieved higher than plan supported by good performance of mining contractors
 - Lower production in 2012 due to approaching difficult mining condition (hard-band materials) and land compensation
- Kitadin Tandung Mayang:
 - Already have production from its own area since 3Q11 and expect 2.7mt production in 2012
 - Currently also has some fleets working as mining contractor at Indominco area

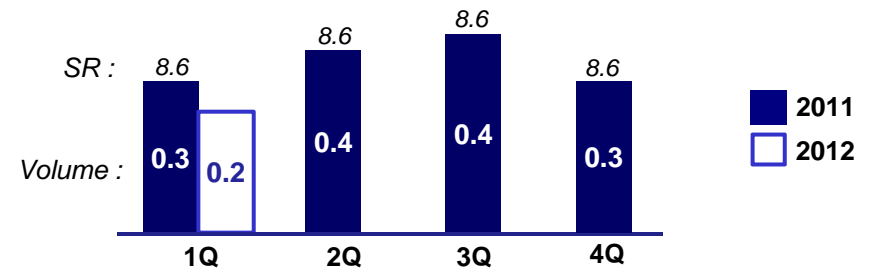
Jorong

JORONG SCHEMATIC



JORONG PRODUCTION ANALYSIS

FY11 output: 1.4mt; FY12 target: 1.0mt



MAJOR QUARTERLY UPDATES

- FY11 production achieved according to target due to good contractor performance
- Maintain production level of around 1.0mt per annum due to limited reserves



3. Commercial Review

Main 2012 coal market driver update

Weather



- Indonesia wet season seems normal (↓ 20% rain) but some operations affected more than others. Can 2H2012 be as good as 2H 2011?
- Chinese winter is normal. Will wet season boost hydro?
- Australian weather damage yet to appear.

Chinese Demand



- Currently demand weak, stocks high, but not if compared consumption level.
- Production varies by region, transportation and lower quality still a constraint.
- 1Q 2011 weak, improving in 2Q and exceptionally strong in 3Q and 4Q.
- Could 2012 similar? But with higher starting base?

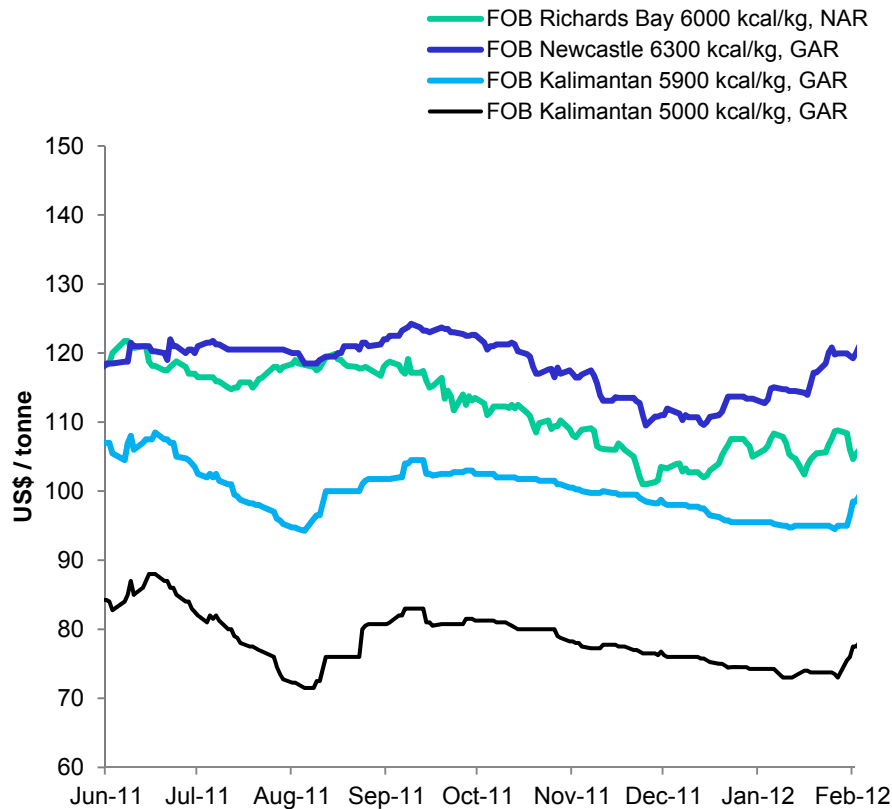
World Growth



- Gas/oil (and nuclear) favor the coal.
- Develop scarcity for benchmark coal quality
- Growing supply (and demand) for off-spec coal
- Europe is on supply issue but not on demand issue
- Can US continue to sell below cost?
- How much low-ranked coal can be shipped in 2012?
- How long can Indian politics cap tariffs/ slow growth/ and cap currency?
- World growth forecast 2.0%
Asian growth forecast 6.0%

Thermal coal benchmark prices

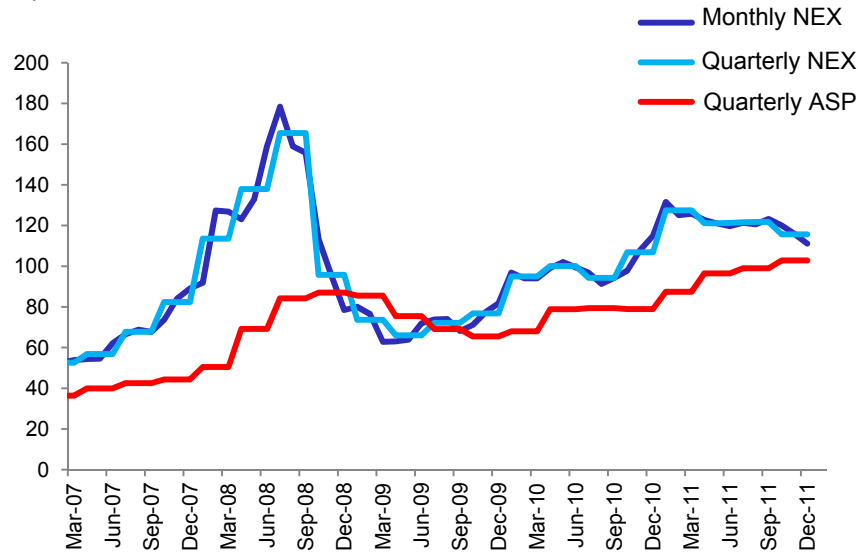
Coal price benchmarks



- Indonesian indices follow seasonal impact more than other indices
- South African index is affected by higher railing, coinciding with greater competition from Indonesia and lately Australia and Colombia for the off-spec coal

Average Selling Prices

USD per tonne



ASP 4Q11 \$103.1/t

ASP FY11 \$97.1/t

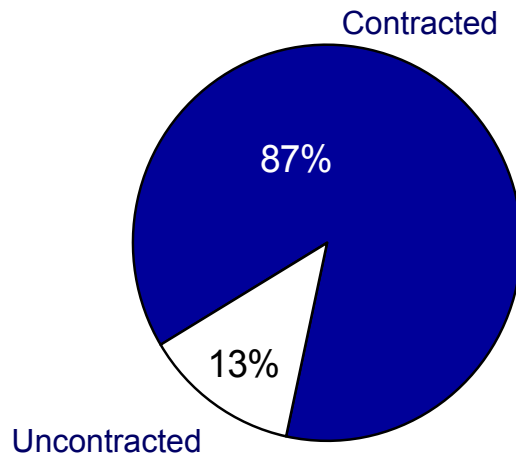
NEX* Feb 11, 2012
\$116.10

- Comparative ASP trend shows traditional lag, due to a mix of pricing and contract length versus the spot indices
- ASP captured earlier premium so that the impact of lower quality tons was limited (or be it at higher margin)

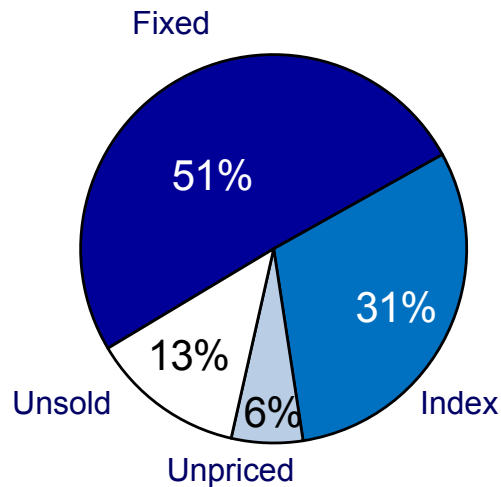
Indicative 2012 Coal Sales

Coal sales contract and pricing status

Contract Status



Price Status



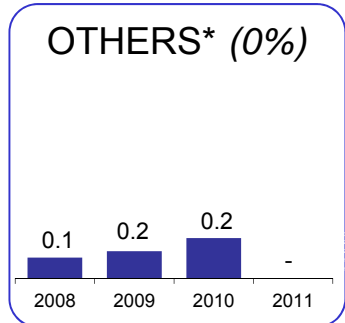
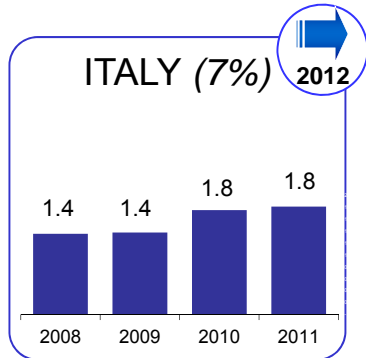
TARGET SALES 2012: C. 27 Mt

Comment

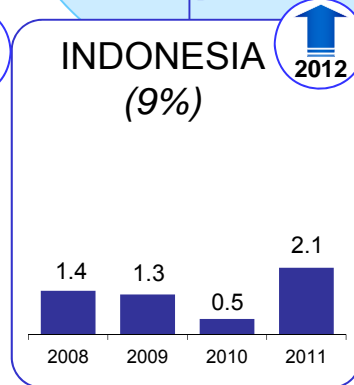
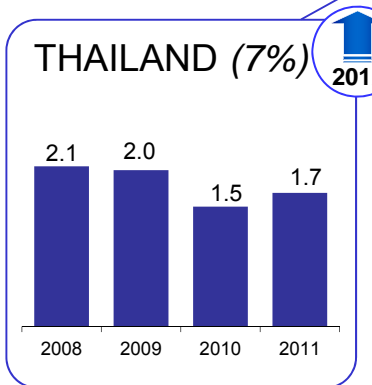
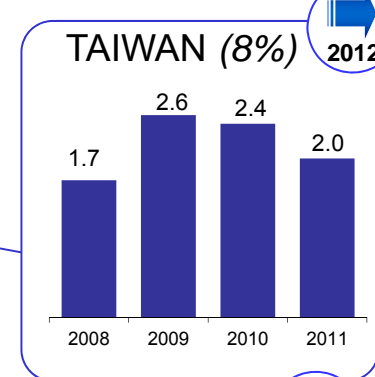
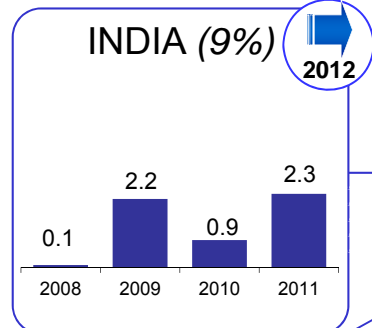
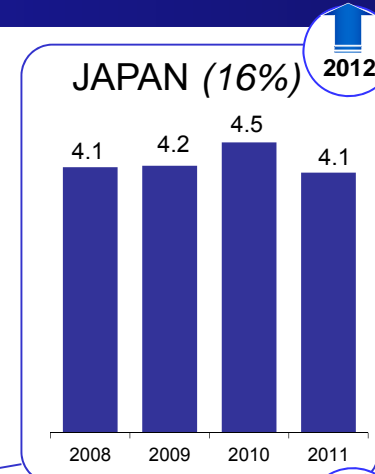
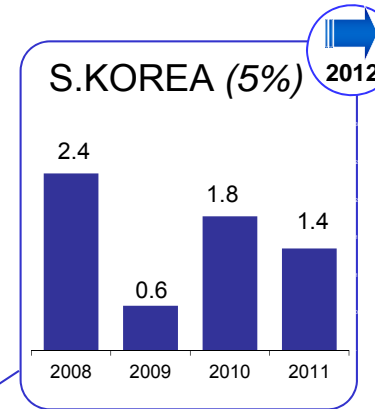
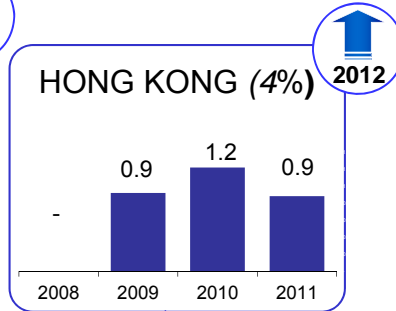
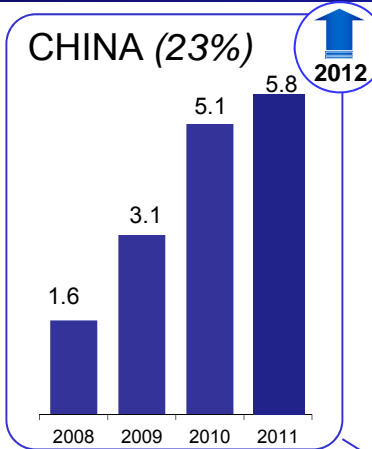
- Marginally higher-priced commitment than usual for risk management
- Can still capture upside in unpriced portion and in the decreasingly elastic price of indices

Coal Sales by Geographic Destination

Coal sales 2011
(total 24.7 Mt)



*Includes small, non-regular purchasers



 2012 trend expectation

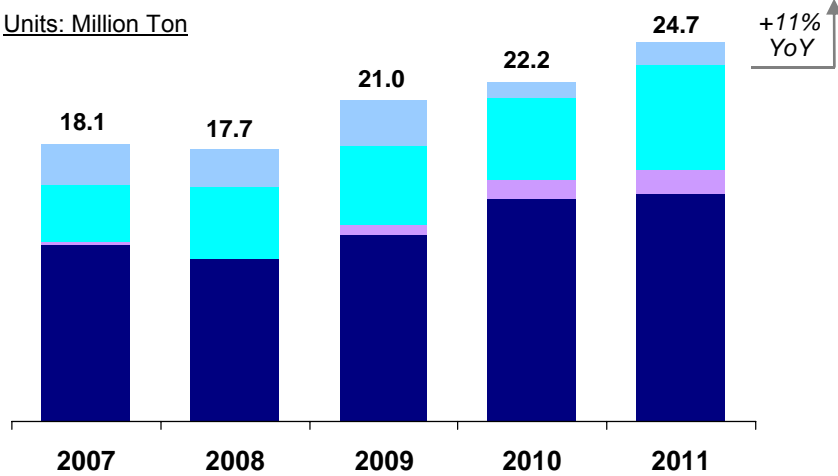


4. Financial Review

Sales Revenue

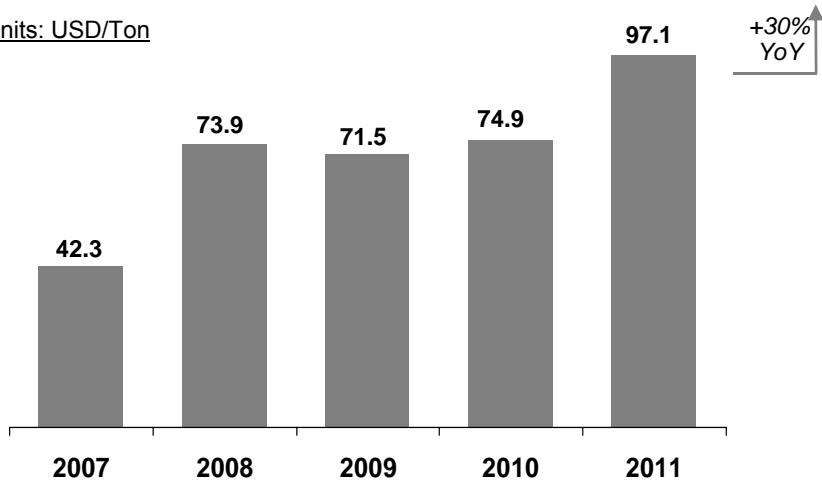
SALES VOLUME

Units: Million Ton



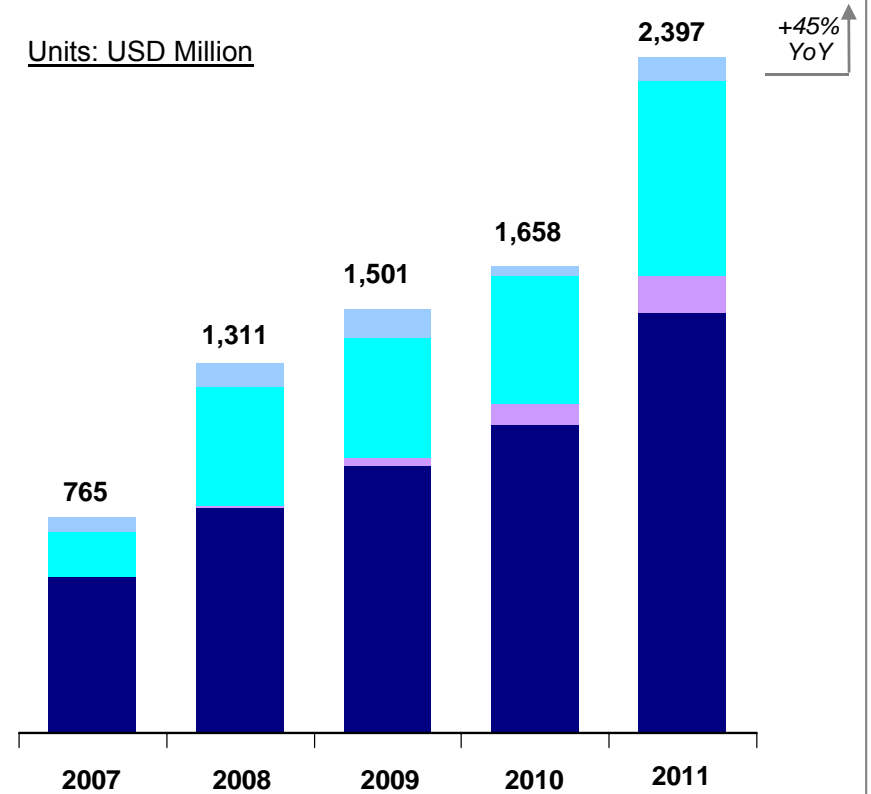
AVERAGE SELLING PRICE

Units: USD/Ton



REVENUE* GROWTH

Units: USD Million

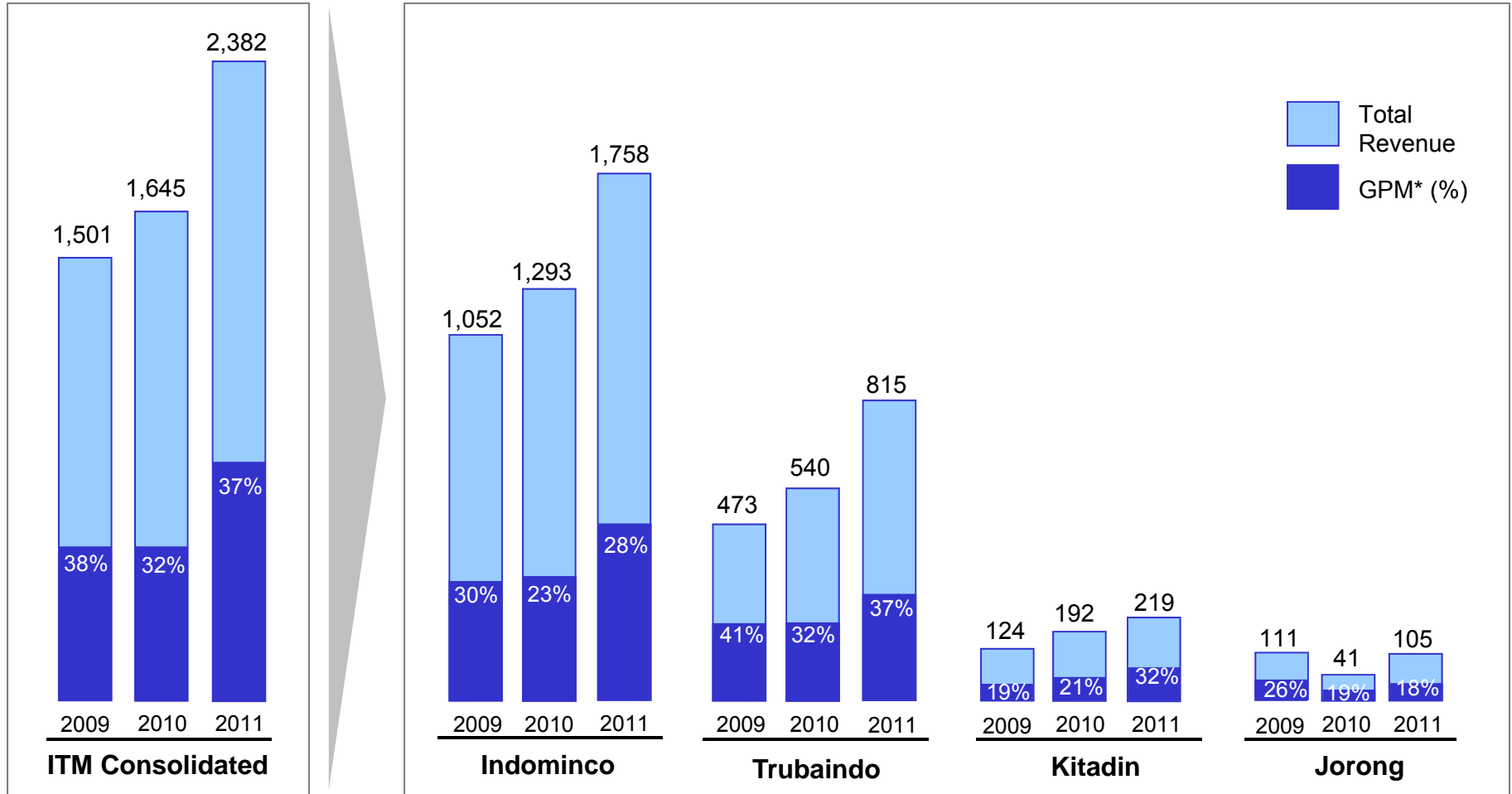


* excluding port revenue



Average Gross Margin

Units: USD million

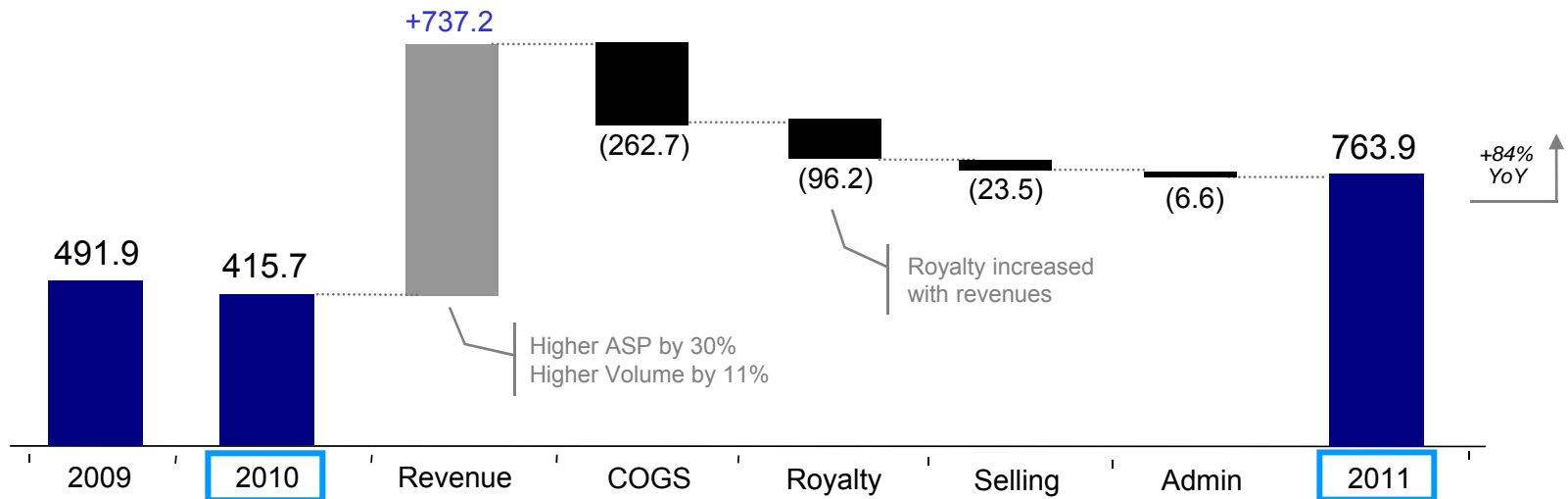


* COGS included royalty

EBITDA

Units: USD million

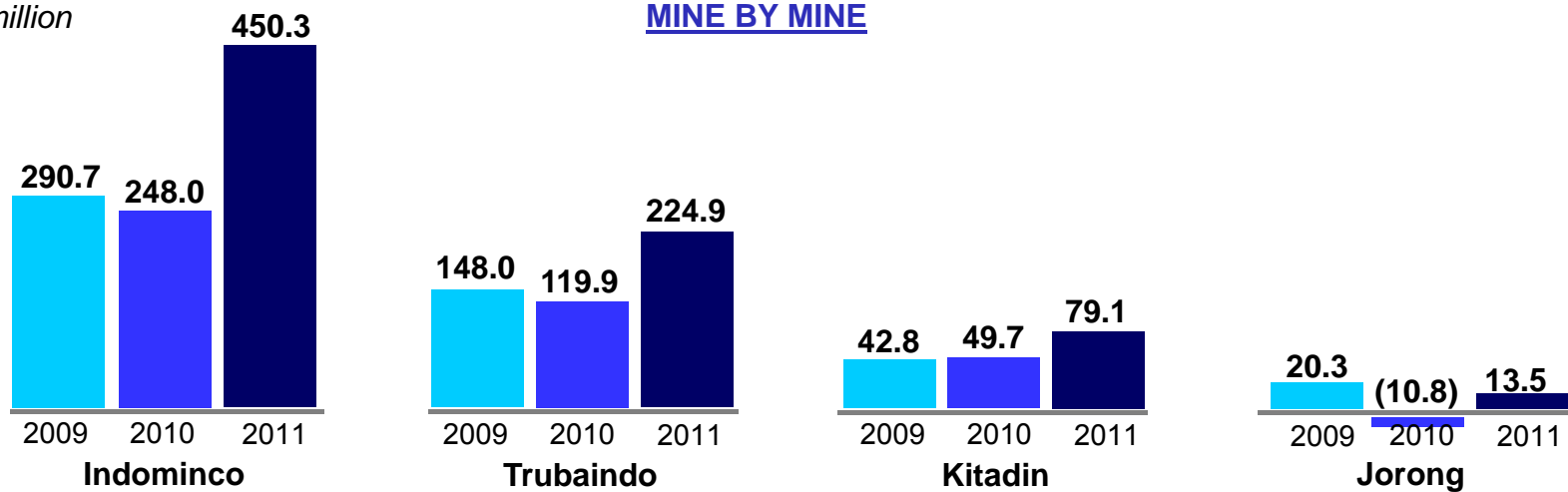
CONSOLIDATED



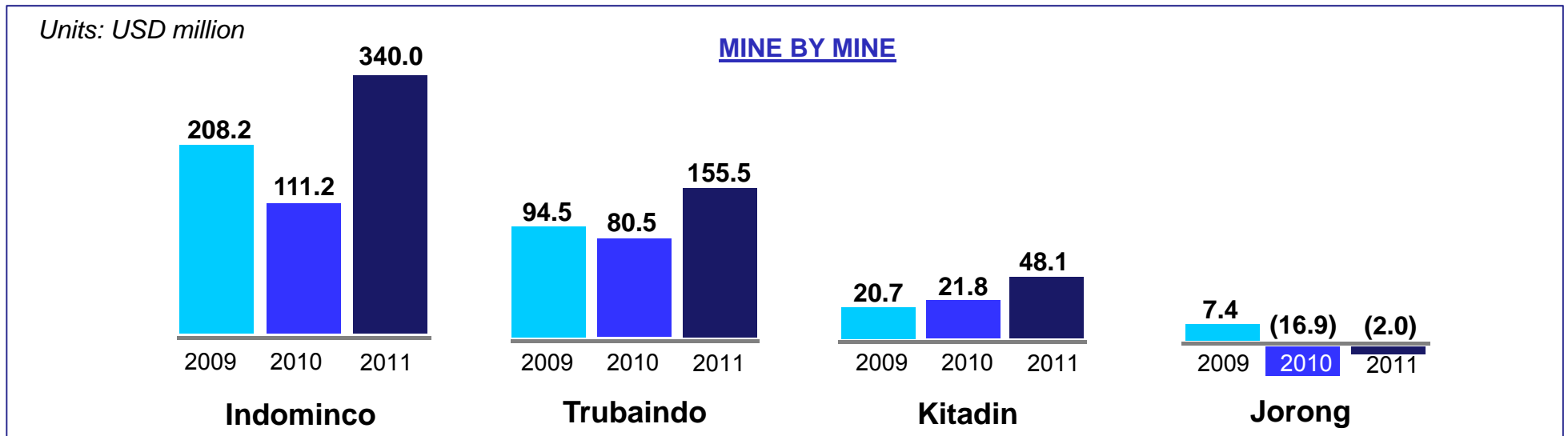
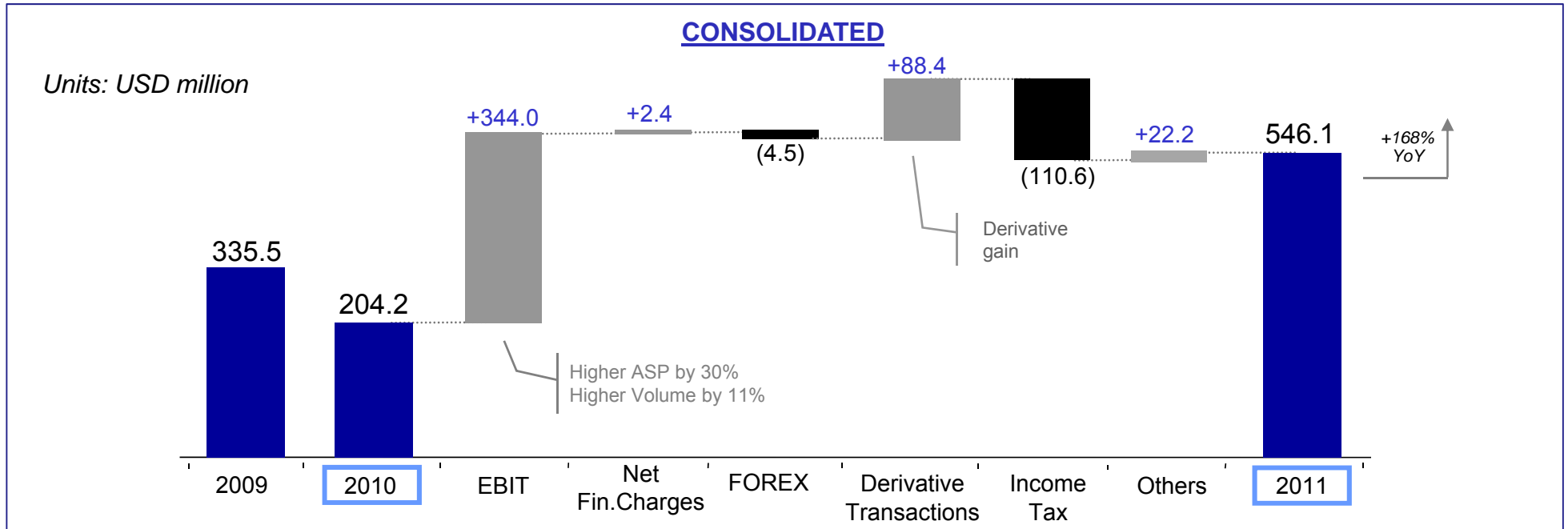
*COGS = Prod cost + Transport cost + Inv. movement

Units: USD million

MINE BY MINE



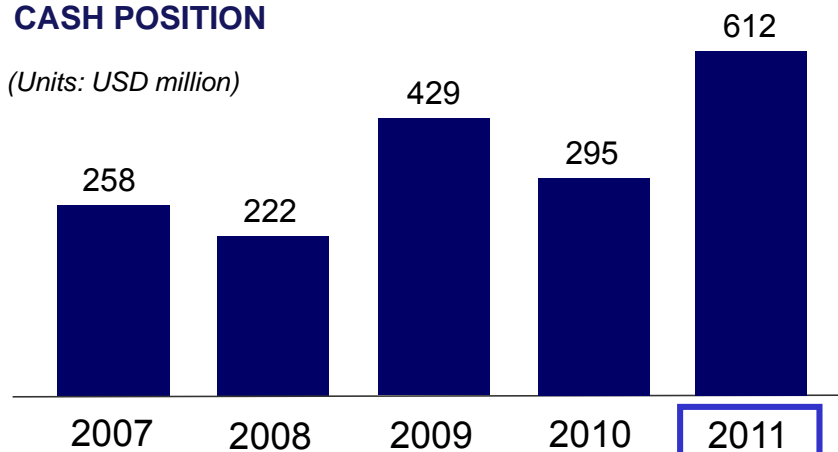
Net Income



Balance Sheet

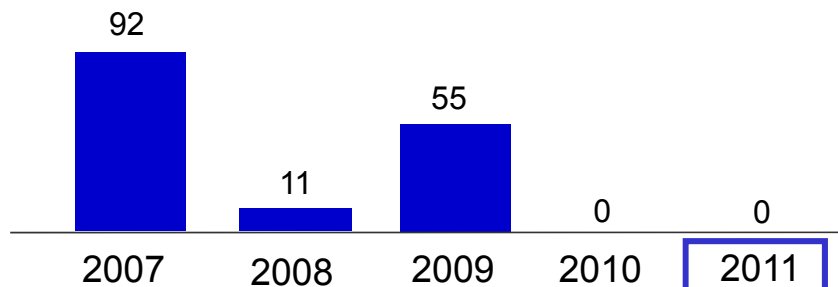
CASH POSITION

(Units: USD million)



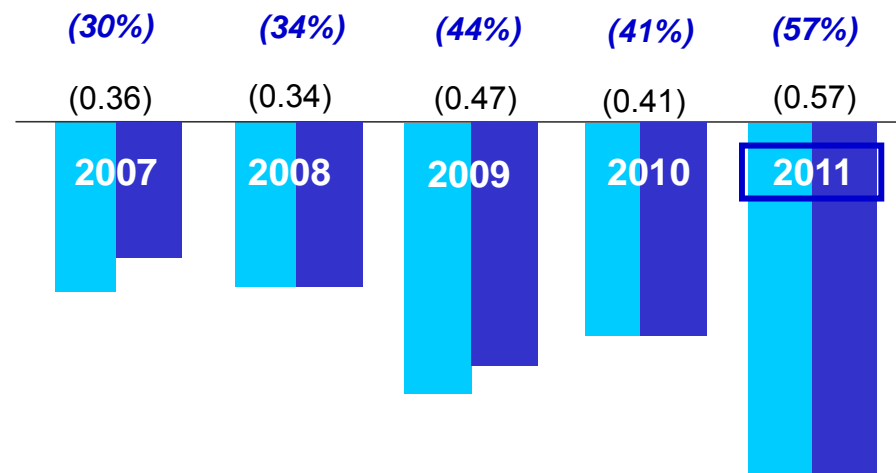
DEBT POSITION

(Units: USD million)



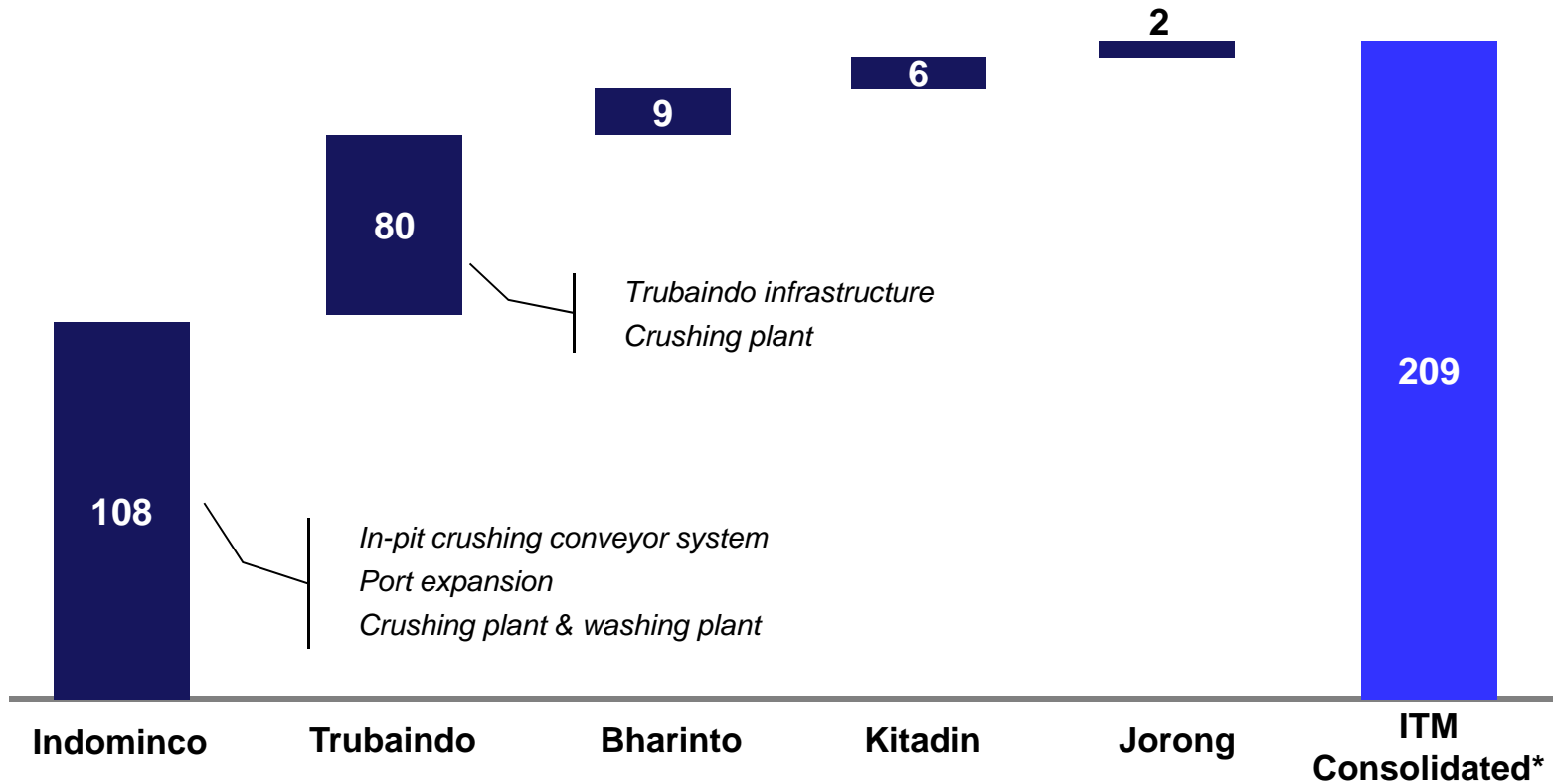
Net Gearing (%)

Net D/E (times)



2012 Capital Expenditure Plan

Units: USD million



Note: Total capex plan including Jakarta office



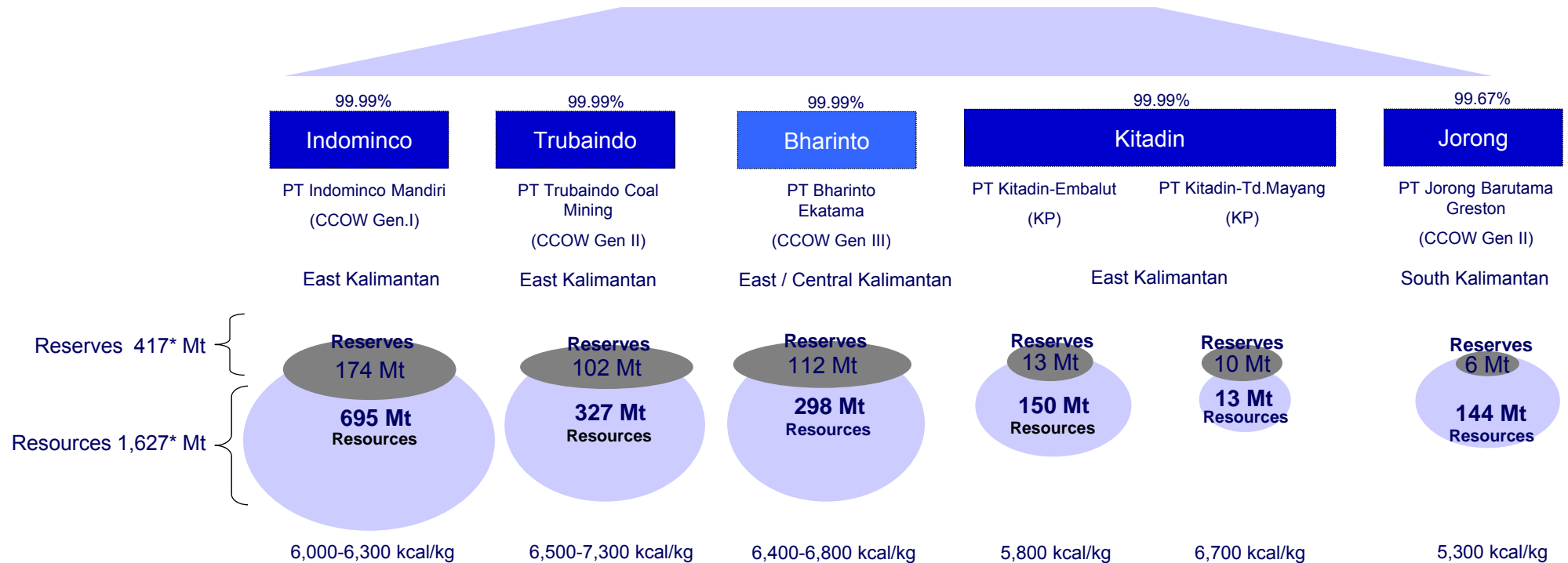
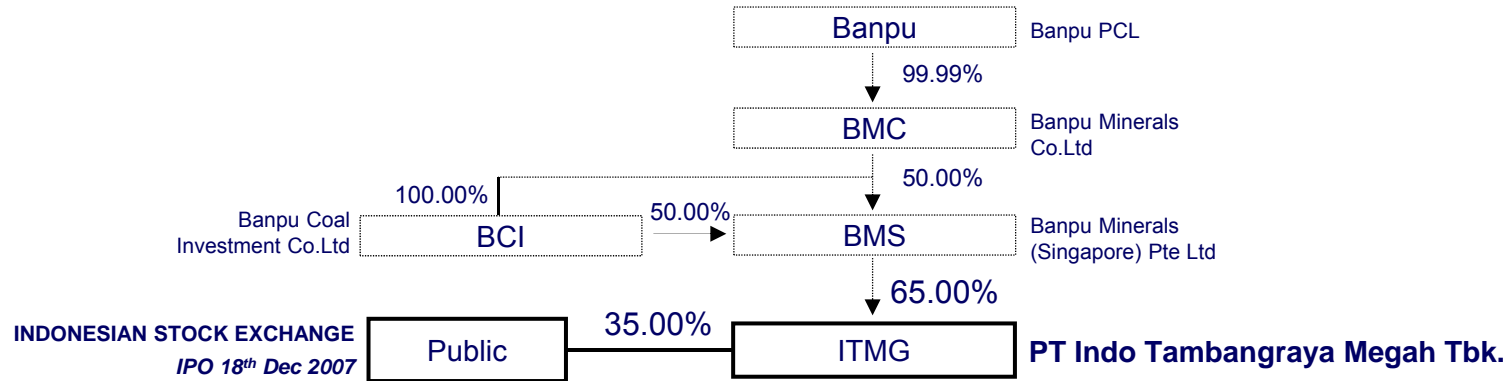
Question & Answer





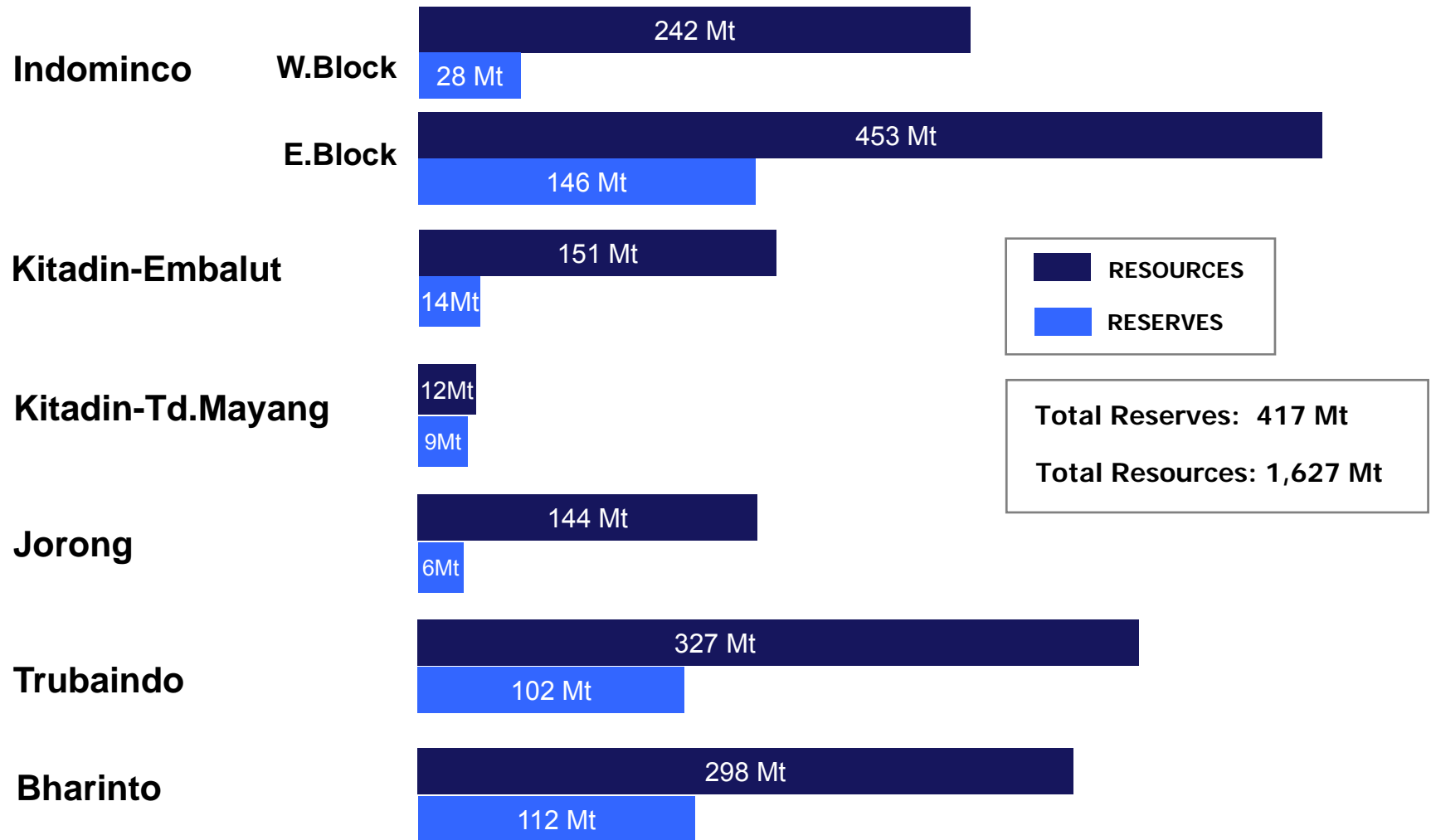
Appendices

ITM Structure and History



Note: * Updated Coal Resources and Reserves as of 31 Dec 2011

Coal Resources and Reserves (as of 31 Dec 2011)



Note: * Updated Coal Resources and Reserves as of 31 Dec 2011 is based on estimates prepared by Competent Persons (considered suitably experienced under the JORC Code) & technical studies and audits conducted by the following international coal mining consulting companies

Income Statement

Unit: US\$ thousand	FY11	FY10	YoY%
Net Sales	2,381,875	1,644,650	45%
Gross Profit	892,068	518,053	72%
GPM	37%	31%	
SG&A	(185,153)	(155,145)	
EBIT	706,915	362,908	95%
EBIT Margin	30%	22%	
EBITDA	763,947	415,659	84%
EBITDA Margin	32%	25%	
Net Interest Income / (Expenses)	4,684	2,179	
FX Gain / (Loss)	639	5,131	
Derivative Gain / (Loss)	34,304	(54,091)	
Others	(16,604)	(38,773)	
Profit Before Tax	729,938	277,354	163%
Income Tax	(183,812)	(73,203)	
Net Income	546,126	204,151	168%
Net Income Margin	23%	12%	

Income Statement

Unit: US\$ thousand	4Q11	3Q11	4Q10	QoQ%	YoY%
Net Sales	733,123	678,440	439,655	8%	67%
Gross Profit	285,596	265,624	108,443	8%	163%
GPM	39%	39%	25%		
SG&A	(65,788)	(46,814)	(43,894)		
EBIT	219,808	218,810	64,549	0%	241%
EBIT Margin	30%	32%	15%		
EBITDA	234,566	232,773	76,442	1%	207%
EBITDA Margin	32%	34%	17%		
Net Interest Income / (Expenses)	2,035	1,354	1,257		
FX Gain / (Loss)	(1,222)	(2,756)	617		
Derivative Gain / (Loss)	37,180	(7,698)	(38,303)		
Others	(9,346)	(1,913)	(3,987)		
Profit Before Tax	248,455	207,797	24,133	20%	930%
Income Tax	(63,539)	(51,917)	(5,846)		
Net Income	184,916	155,880	18,287	19%	911%
Net Income Margin	25%	23%	4%		