



PT Indo Tambangraya Megah Tbk

ANALYST BRIEFING 1Q11 Performance Results

12 May 2011



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Agenda

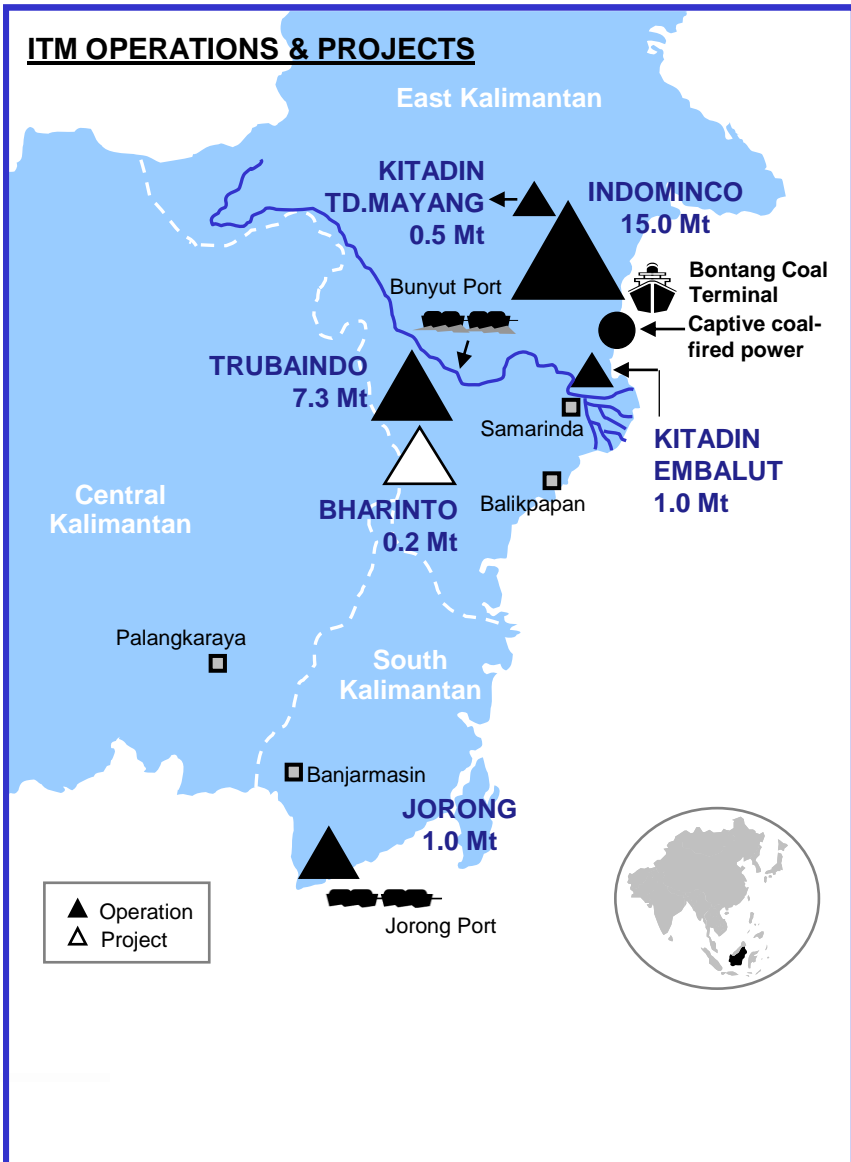
- 1. Introduction**
- 2. Financial Review**
- 3. Operational Review**
- 4. Commercial Review**



1. Introduction

ITM Operations in 2011

ITM OPERATIONS & PROJECTS



- **Total coal output:**
 - 1Q11: 5.2 Mt
 - FY11: 25.0 Mt target
- **Indominco**
 - 1Q11 output: 3.1Mt
 - FY11 target: 15.0Mt
 - Additional mining equipment will arrive starting in June 2011 onwards
- **Trubaindo**
 - 1Q11 output: 1.5Mt
 - FY11 target: 7.3Mt
 - 1 new mining contractor and additional mining equipment in this year
- **Bharinto**
 - FY11 target: 0.2Mt
 - First production output by 4Q 2011
- **Embalut**
 - 1Q11 output: 0.3Mt
 - FY11 target: 1.0Mt
 - Expected higher cost in 2011 due to mud and difficult mining area
- **Td. Mayang**
 - Works as mining contractor at IMM area
 - Production from own mine will commence by 2H 2011 with target output of 0.5Mt
- **Jorong**
 - 1Q11 output: 0.3Mt
 - FY11 target: 1.0Mt
 - Higher strip ratio due to change of mine plan

2011 Board of Commissioners

Board of Commissioners:

- Ibrahim Yusuf President & Independent Commissioner
- Somruedee Chaimongkol Commissioner
- DR. Sathidpong Wattananuchit Commissioner
(replacing Rawi Corsiri)
- Ir. Lukmanul Hakim, MM Commissioner
- Rudijanto Boentoro Commissioner
- Prof. Dr. Djisman S.Simandjuntak Independent Commissioner



Name : DR. Sathidpong Wattananuchit

Date of Birth : 18 June 1959

Working Experiences

- Joined Banpu PCL since 1998 started as VP HR and in 2004-2005 as VP Internal Audit and during 2006-2007 was assigned as Group Senior Vice President - Corporate Services and in 2007 till present appointed as the Assistant CEO - Corporate Service
- 7 years in Finance and Securities industry
 - ✓ Nithipat Capital Public Company Limited, as VP HR & Administration
 - ✓ Peregrine Nithi Finance & Securities Company, as Manager HR
- 3 years in the Infrastructure / Transportation Industry
 - ✓ Bangkok Mass Transit System Company Limited, as HR & Administration
 - ✓ Tanayong Public Company Limited, as VP HR & Administration and acting as Legal Manager

2011 Board of Directors

Board of Directors:

- **Somyot Ruchirawat** **President Director**
- **Pongsak Thongampai** **Director**
- **Edward Manurung SE, MBA** **Director**
- **Mahyudin Lubis** **Director**
- **Hartono Widjaja** **Director (*replacing Aphimuk Taifayongvichit*)**



Name : Hartono Widjaja

Date of Birth : 03 December 1963

Working Experiences

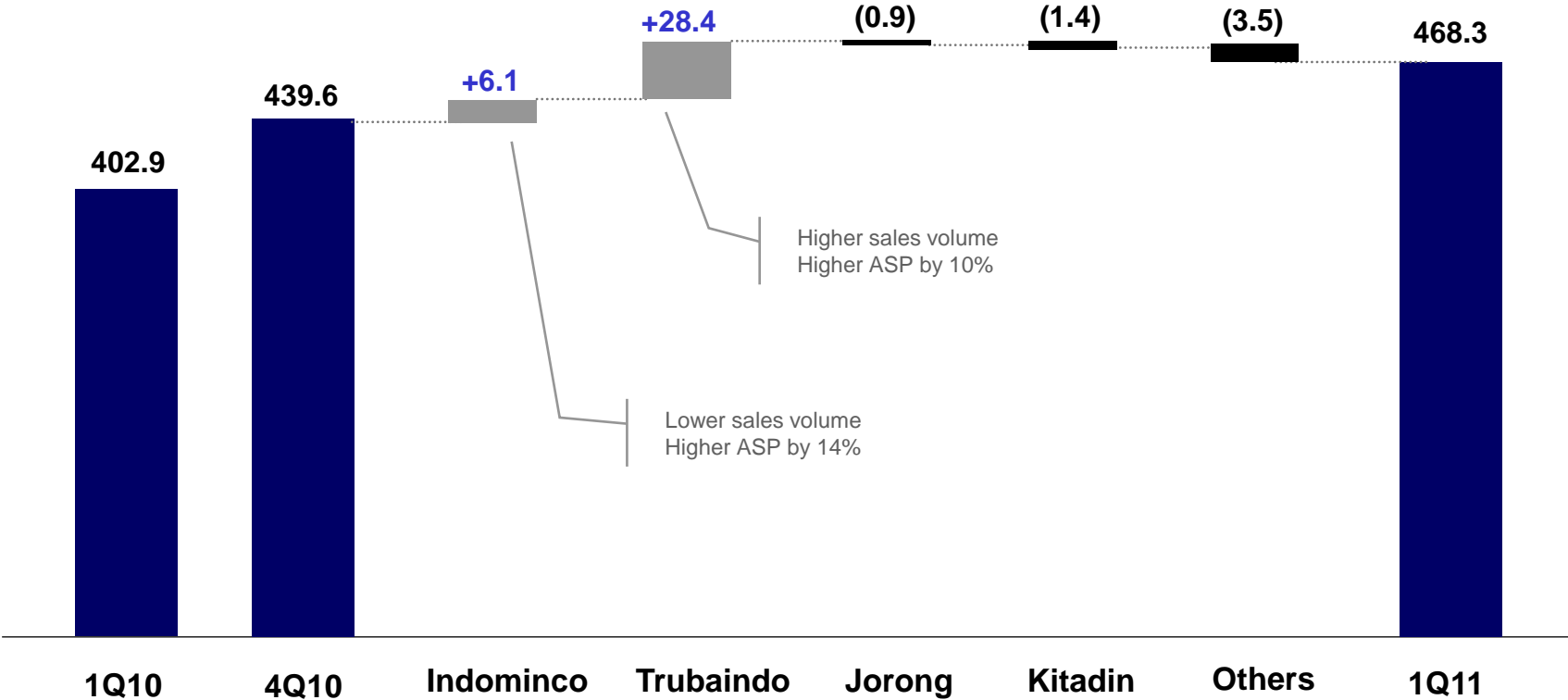
- 1988 : Sales Associate in Metrodata (IBM)
- 1989 : Assistant Marketing Manager PT Kitadin
- 1992 : Marketing Manager PT Kitadin
- 1994 : Deputy General Manager - Marketing & Shipping
- 1996 : General Manager - Marketing & Shipping
- 1999 : Deputy Director - Marketing & Shipping
- 2002 : Vice President Regional Marketing
- 2007 : Senior Vice President - Marketing China & North Asia
- 2010 : Senior Vice President - Marketing Japan, Europe, NZ & Marketing Compliance



2. Financial Review

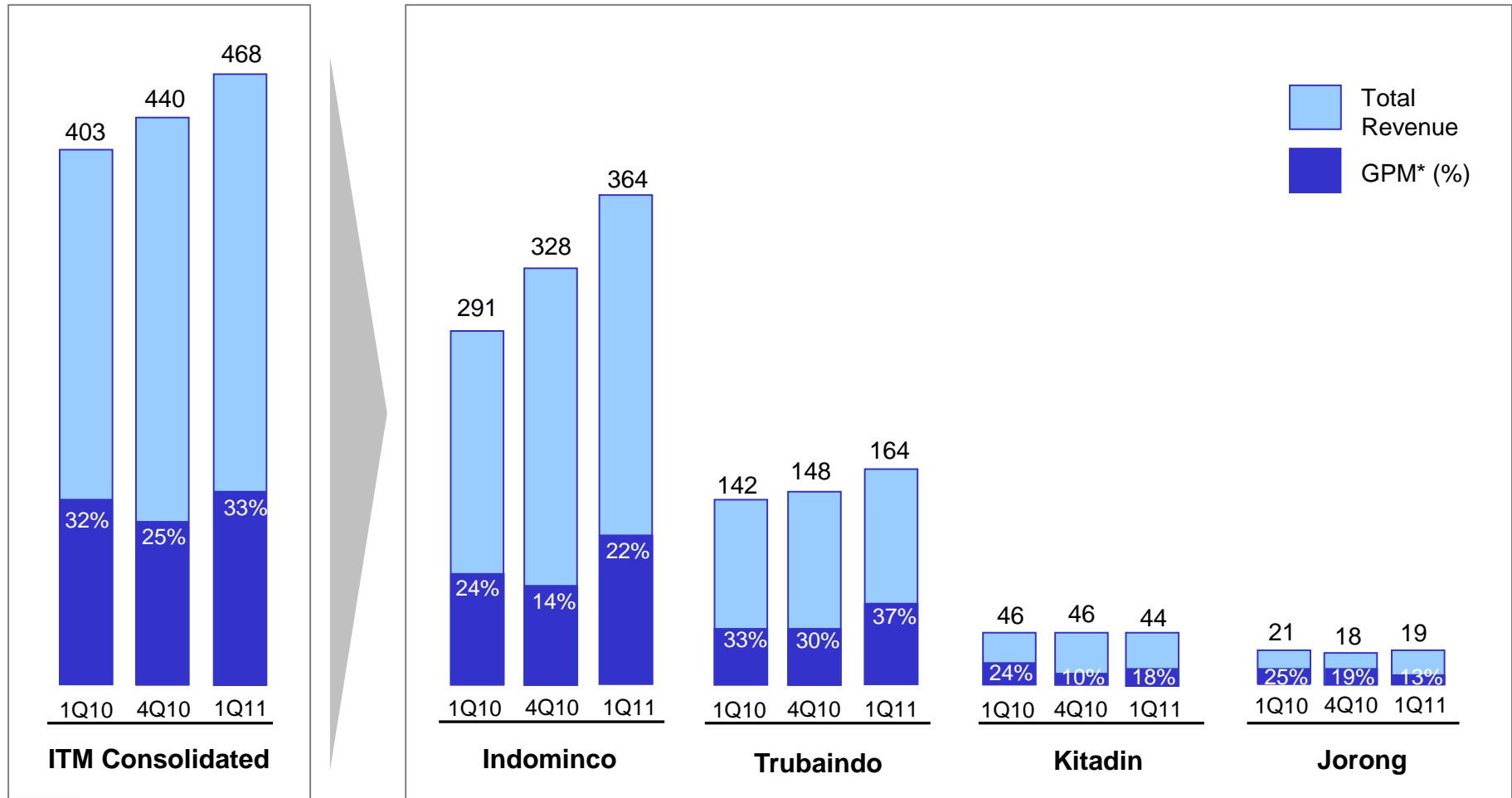
Sales Revenue

Unit: USD Million



Average Gross Margin

Units: USD millions

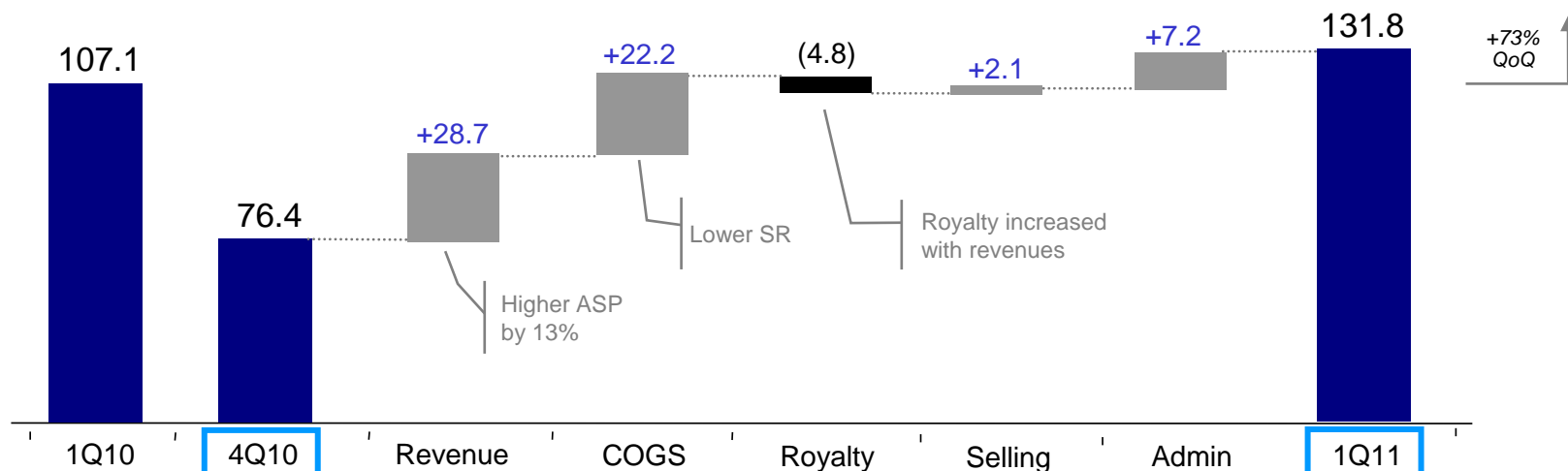


* COGS included royalty

EBITDA

Units: USD million

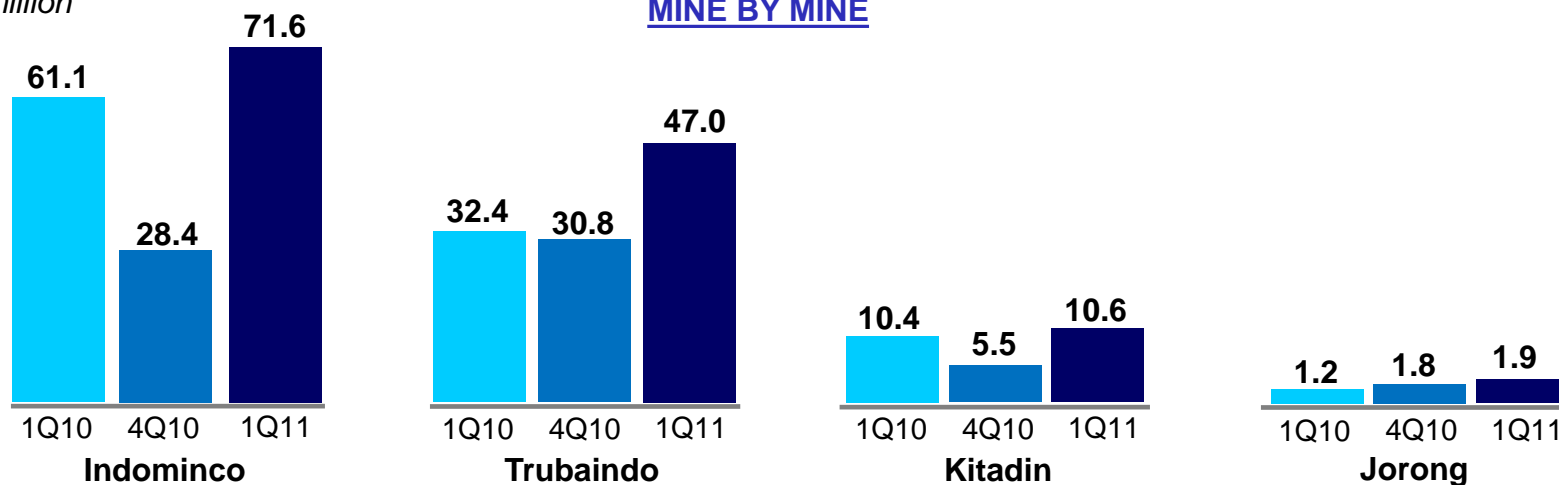
CONSOLIDATED



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

Units: USD million

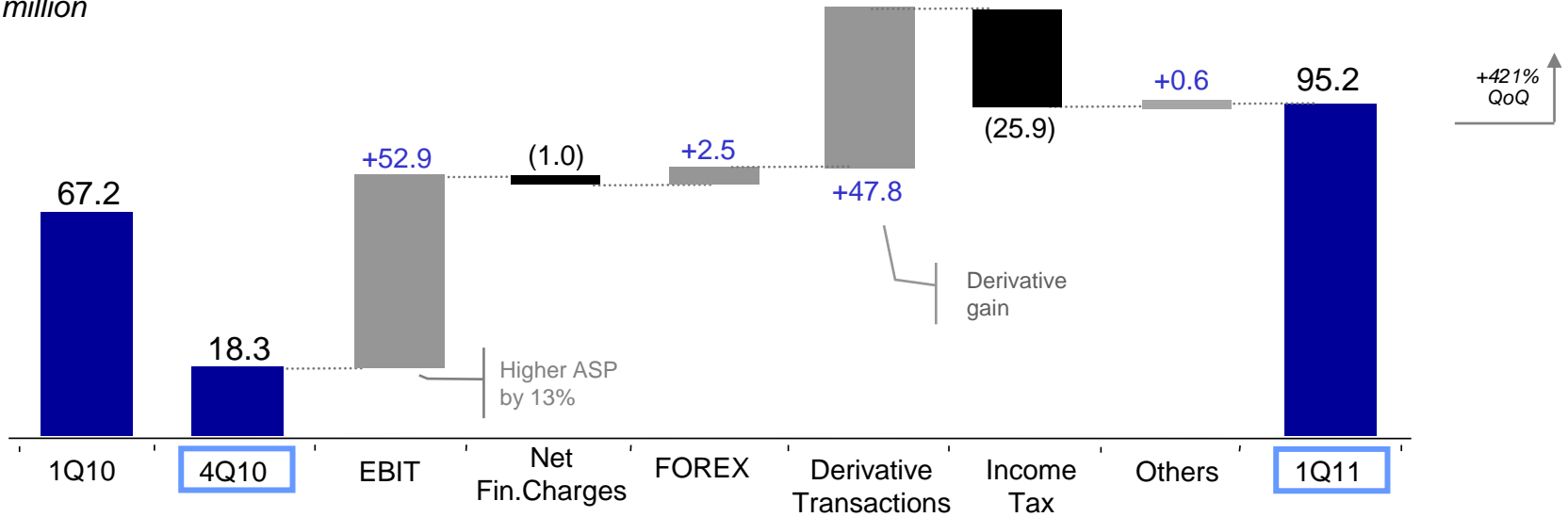
MINE BY MINE



Net Income

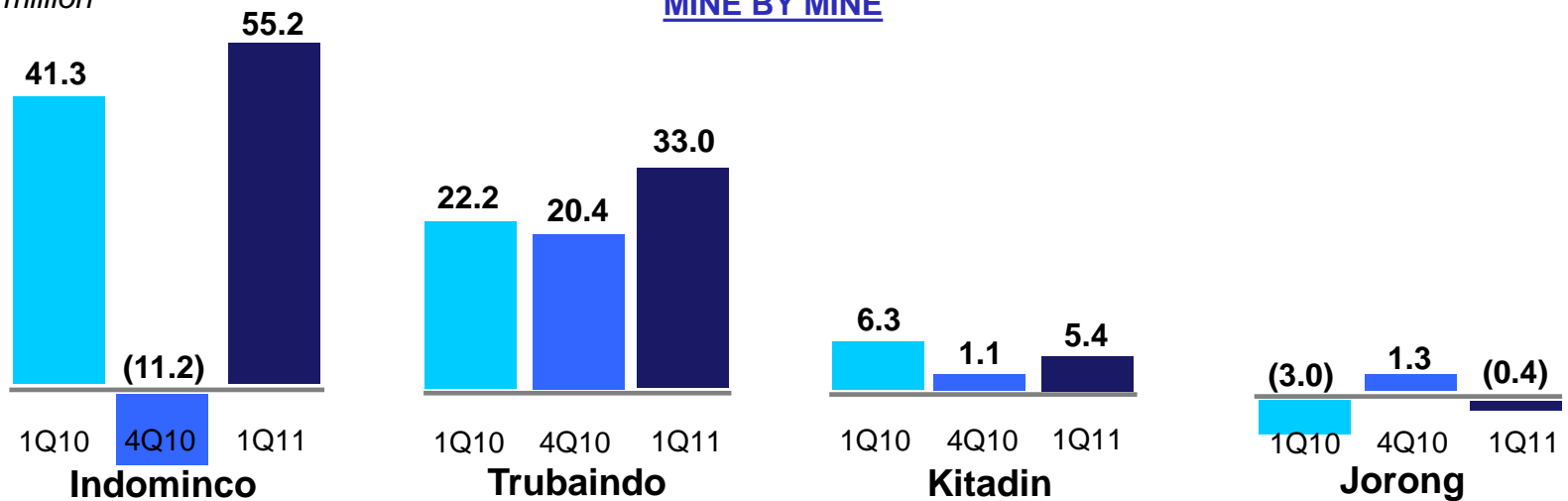
CONSOLIDATED

Units: USD million



Units: USD million

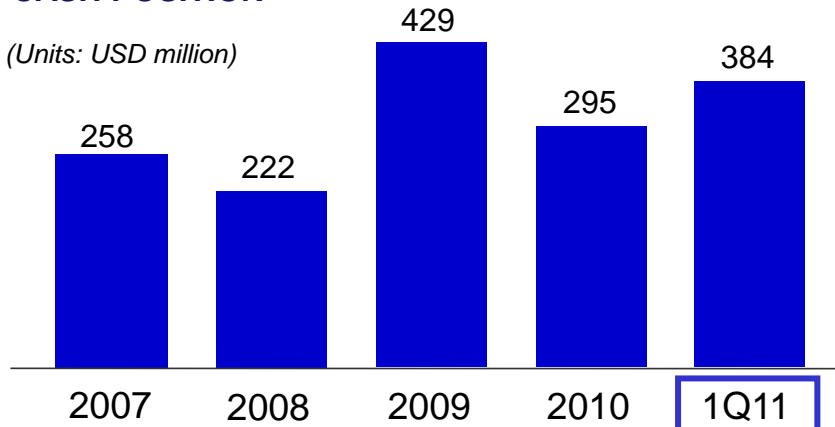
MINE BY MINE



Balance Sheet

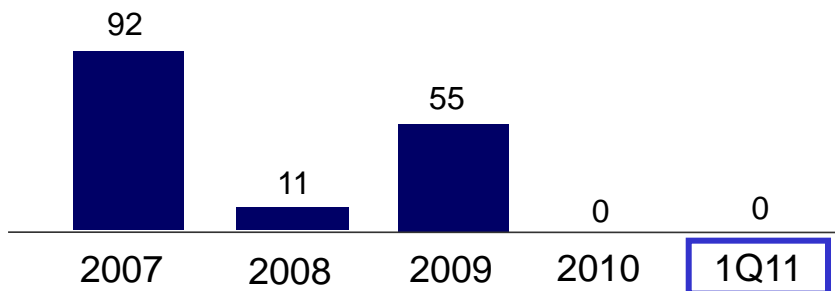
CASH POSITION

(Units: USD million)



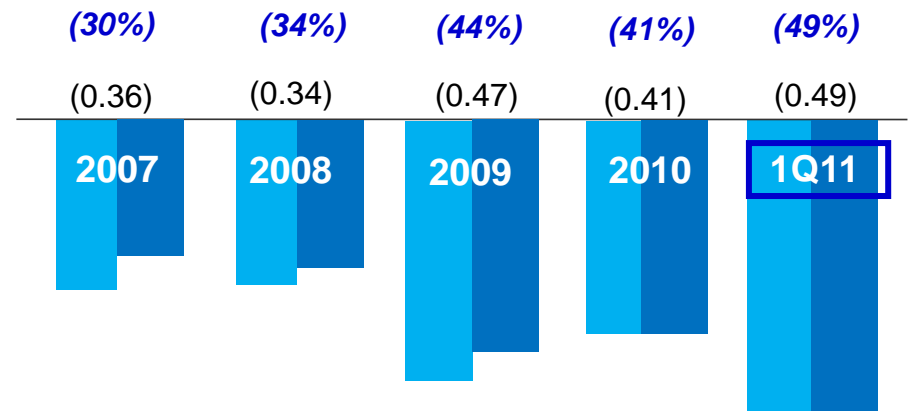
DEBT POSITION

(Units: USD million)



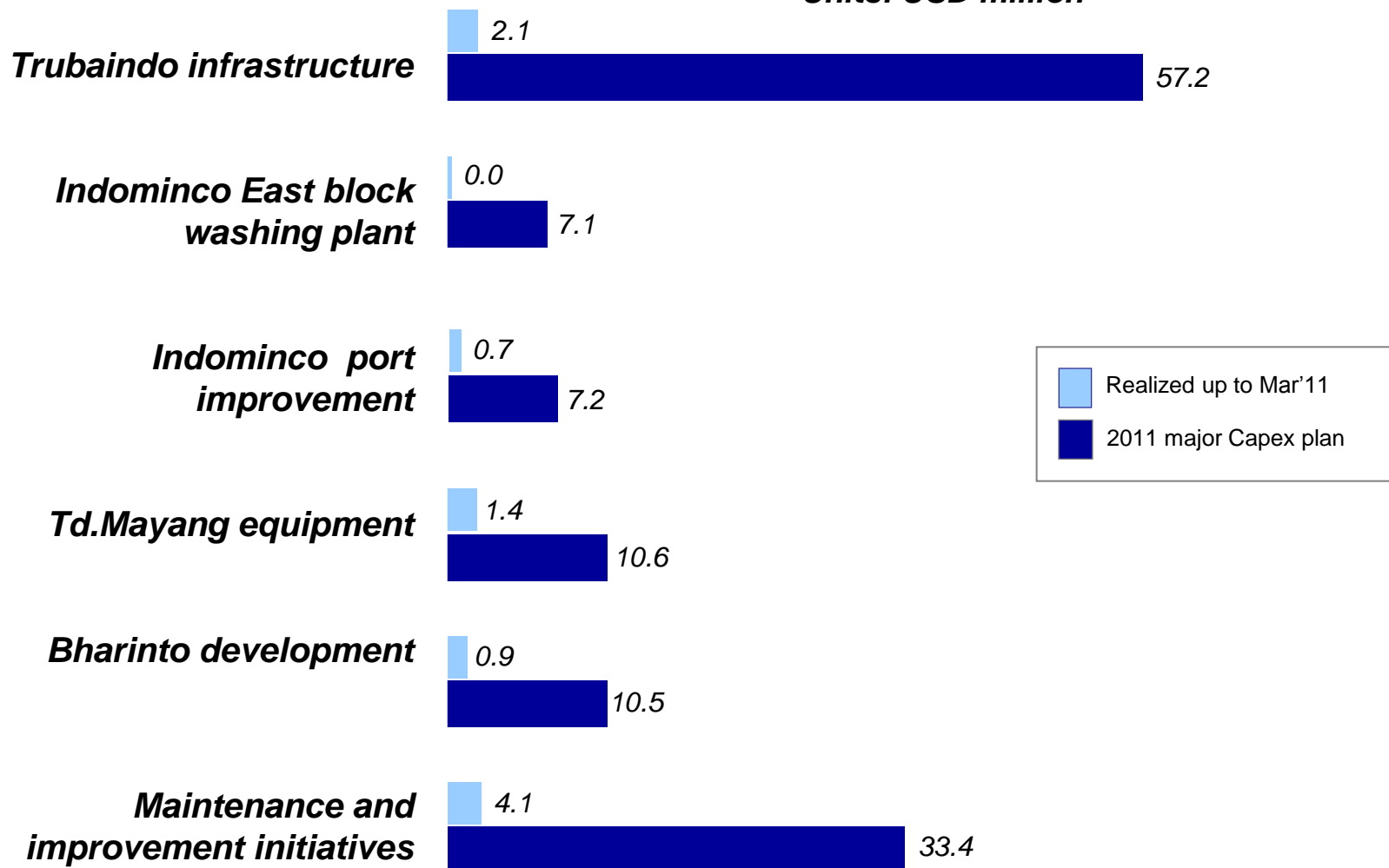
Net Gearing (%)

Net D/E (times)



2011 Capital Expenditure Plan: USD 126 m

Units: USD million

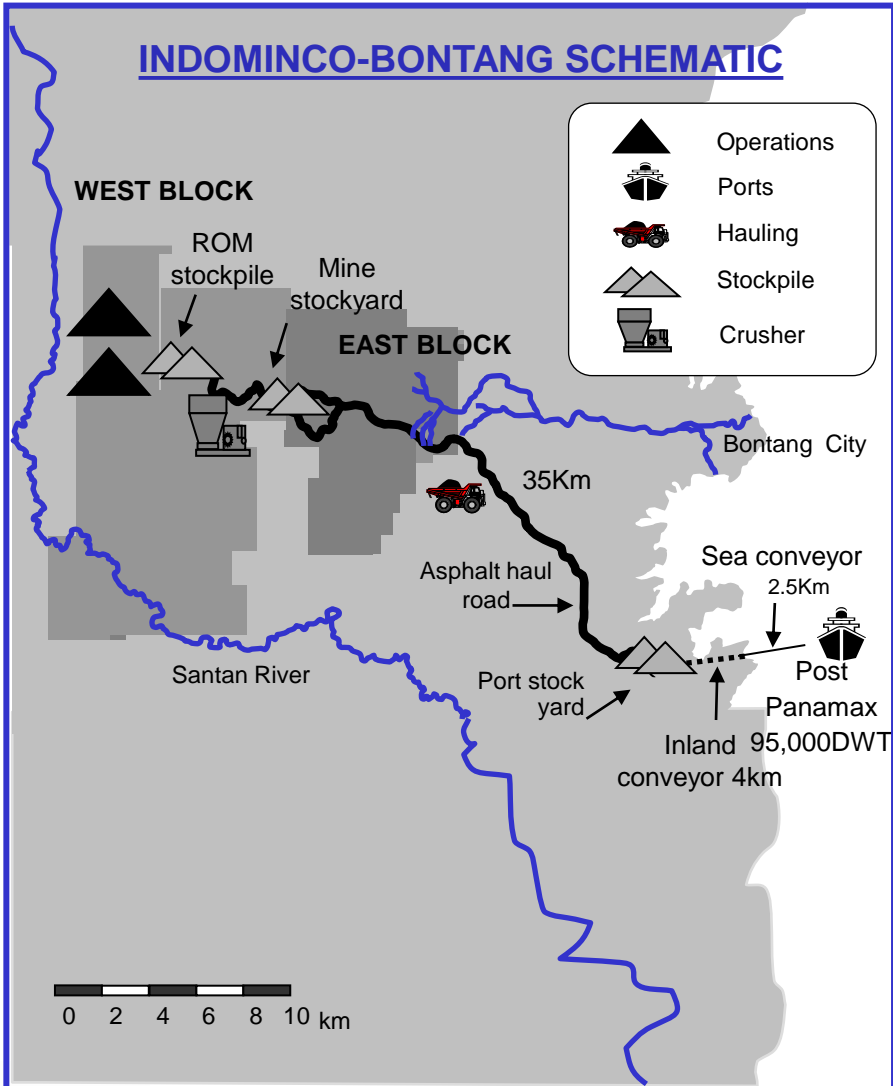




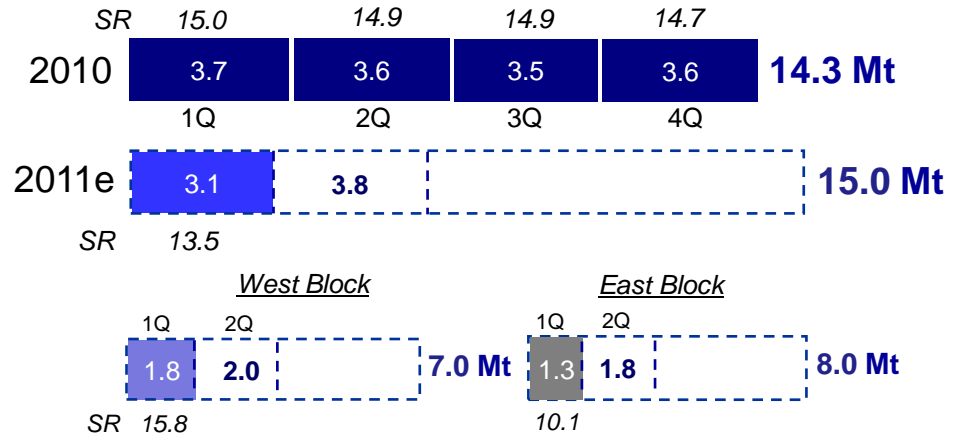
2. Operational Review

Indominco Mandiri

INDOMINCO-BONTANG SCHEMATIC



INDOMINCO PRODUCTION ANALYSIS

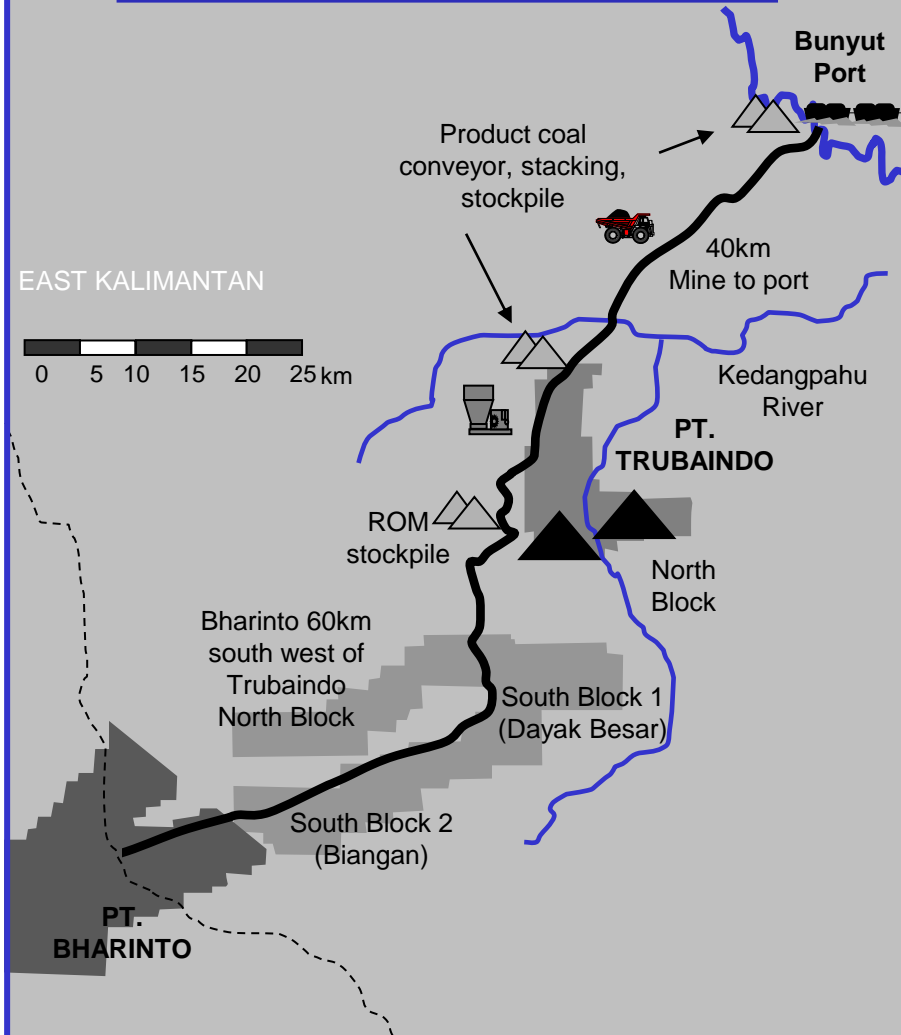


MAJOR QUARTERLY UPDATES

- 1Q11 production was lower than target due to heavy rainfalls affecting the mining productivity
- Additional mining equipment from PAMA and TDM contractor starting in June 2011 onwards
- Overall strip ratio in 2011 is expected to be lower than 2010 due to higher portion of EB production which have lower strip ratio
- Expansion of port (PSY-3) and installation of tunnel conveyor is still ongoing and expected to be completed within 2Q11

Trubaindo and Bharinto

TRUBAINDO-BHARINTO SCHEMATIC



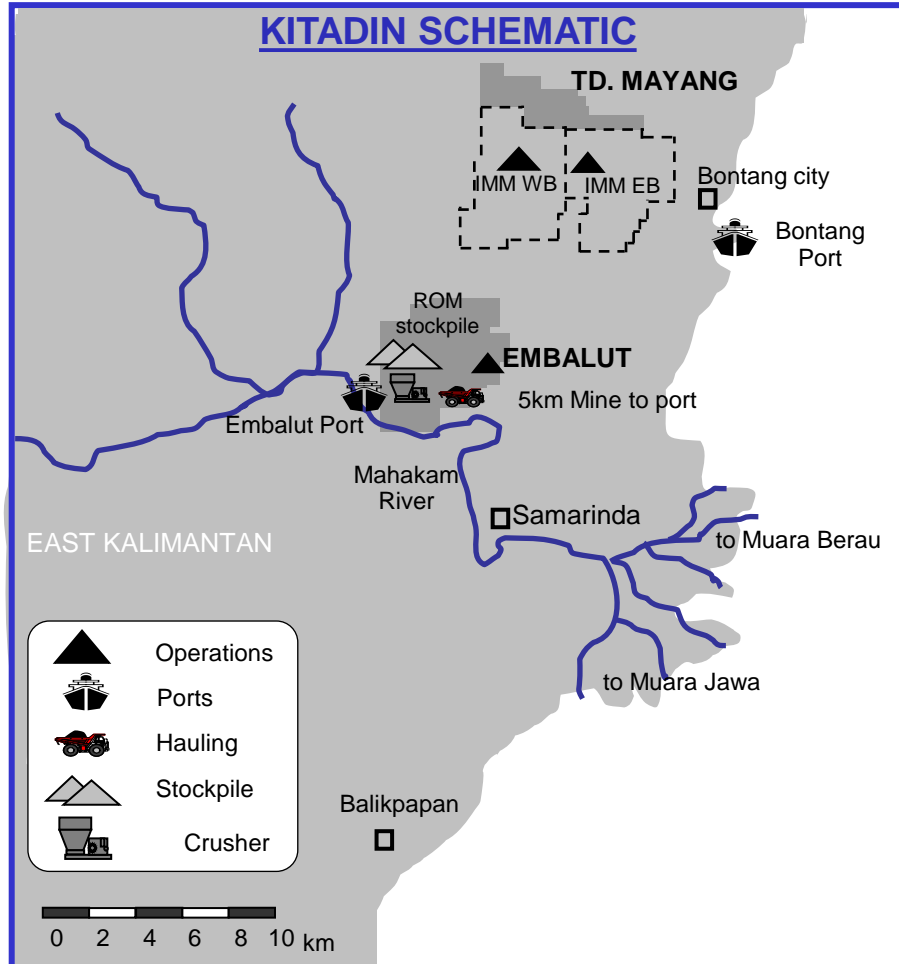
TRUBAINDO PRODUCTION ANALYSIS

	SR	11.0	11.4	11.4	10.5	
2010		1.6	1.1	1.3	1.5	5.5 Mt
		1Q	2Q	3Q	4Q	
2011e		1.5	1.8			7.3 Mt
	SR	10.0				

MAJOR QUARTERLY UPDATES

- **Trubaindo:**
 - 1Q11 production achieved according to plan
 - 1 new mining contractor and additional mining equipment from existing contractors started to arrive in April 2011 onwards
- **Bharinto:**
 - Crushing plant construction is ongoing with 95% progress and estimated to be fully completed by May 2011
 - Mining contractor already selected in March 2011
 - Site preparation to start pre-stripping activity in 3Q11 is progressing as planned
 - FY11 production output of 0.2 Mt by 4Q11 is still on track

Kitadin Embalut and Tandung Mayang



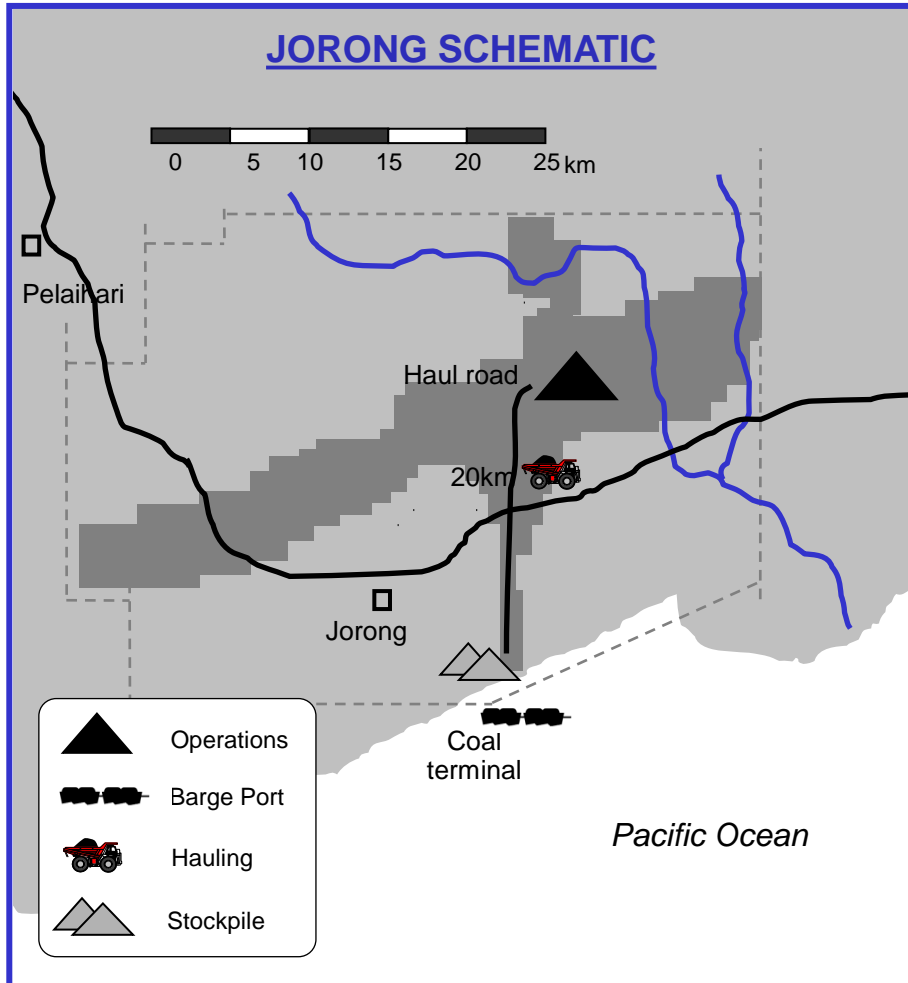
KITADIN PRODUCTION ANALYSIS

	SR	10.4	10.6	10.7	10.8	
2010		0.4	0.3	0.3	0.3	1.2 Mt
		1Q	2Q	3Q	4Q	
2011e		0.3	0.3			1.0 Mt
	SR	8.9				

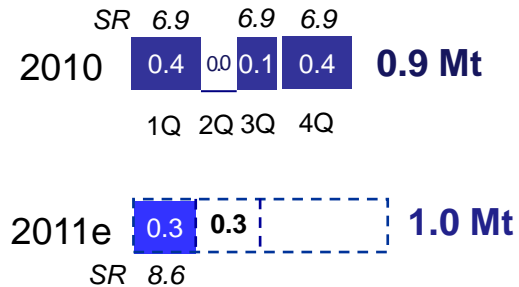
MAJOR QUARTERLY UPDATES

- Kitadin Embalut:
 - 1Q11 production achieved according to plan
 - Higher strip ratio in 2Q11 due to mud and difficult mining area from heavy rainfalls
- Kitadin Tandung Mayang:
 - Currently works as mining contractor at Indominco area
 - Already started the pre-stripping activity in 1Q11
 - Coal production will start in 3Q11
 - Expected total production in 2011 will be 0.5 Mt

Jorong



JORONG PRODUCTION ANALYSIS



MAJOR QUARTERLY UPDATES

- 1Q11 production achieved according to plan
- Adjusted strip ratio in this year to match with remaining reserves and to keep up with the current mining sequence



3. Commercial Review

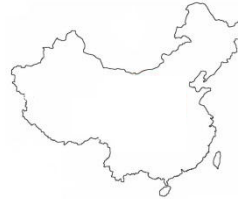
Main Driver for 2011 Coal Market

Weather



- Indonesia wet season was normal, what will dry season be like?
- Chinese winter was normal but with water shortages, what will summer and end year winter be like?
- Australian storms/floods damage recovering slowly

Chinese Demand



- Demand is strong and resilient above expectations
- Grid transmission/generation infrastructure may cap effective demand
- Statistics are contradictory in terms of consistency in quality as well as supply ability vs. demand
- Imports still strong in 2011 and should exceed 2010 levels for thermal coal

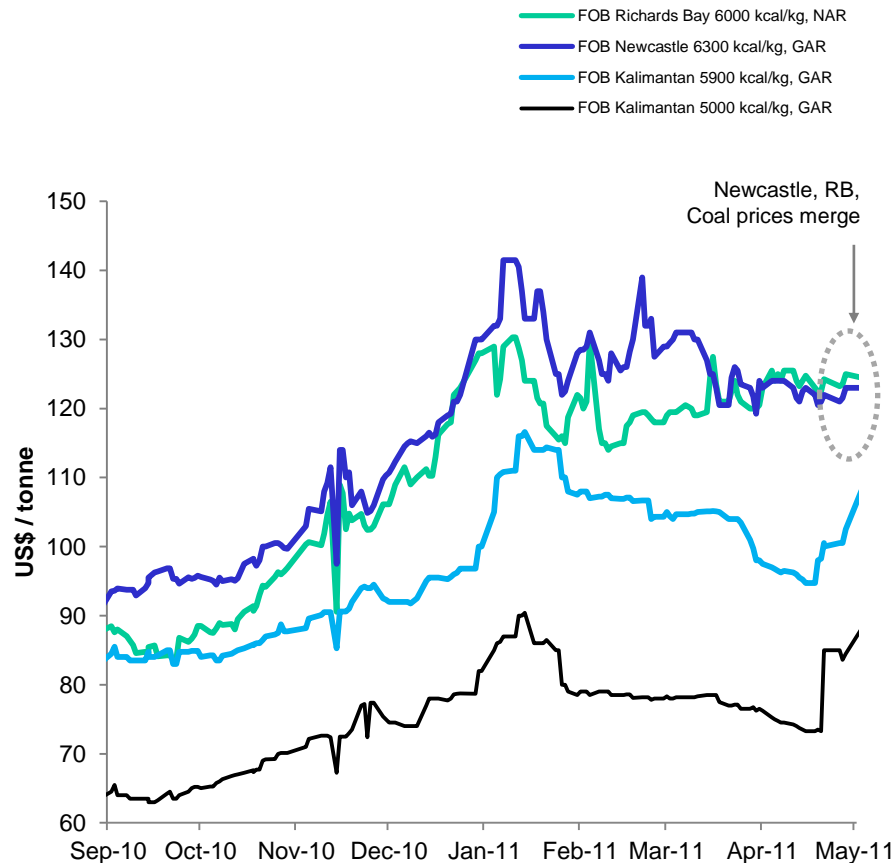
World Growth



- World growth forecast 3.1%, Asian growth forecast 5.1%
- If unemployment concern defers interest rate rises, there is potential for demand lift in 2H 2011
- But oil, food and raw material cost will have a gradual impact
- Japanese effect
- Oil/gas effect

Thermal Coal Benchmark Prices

Coal price benchmarks

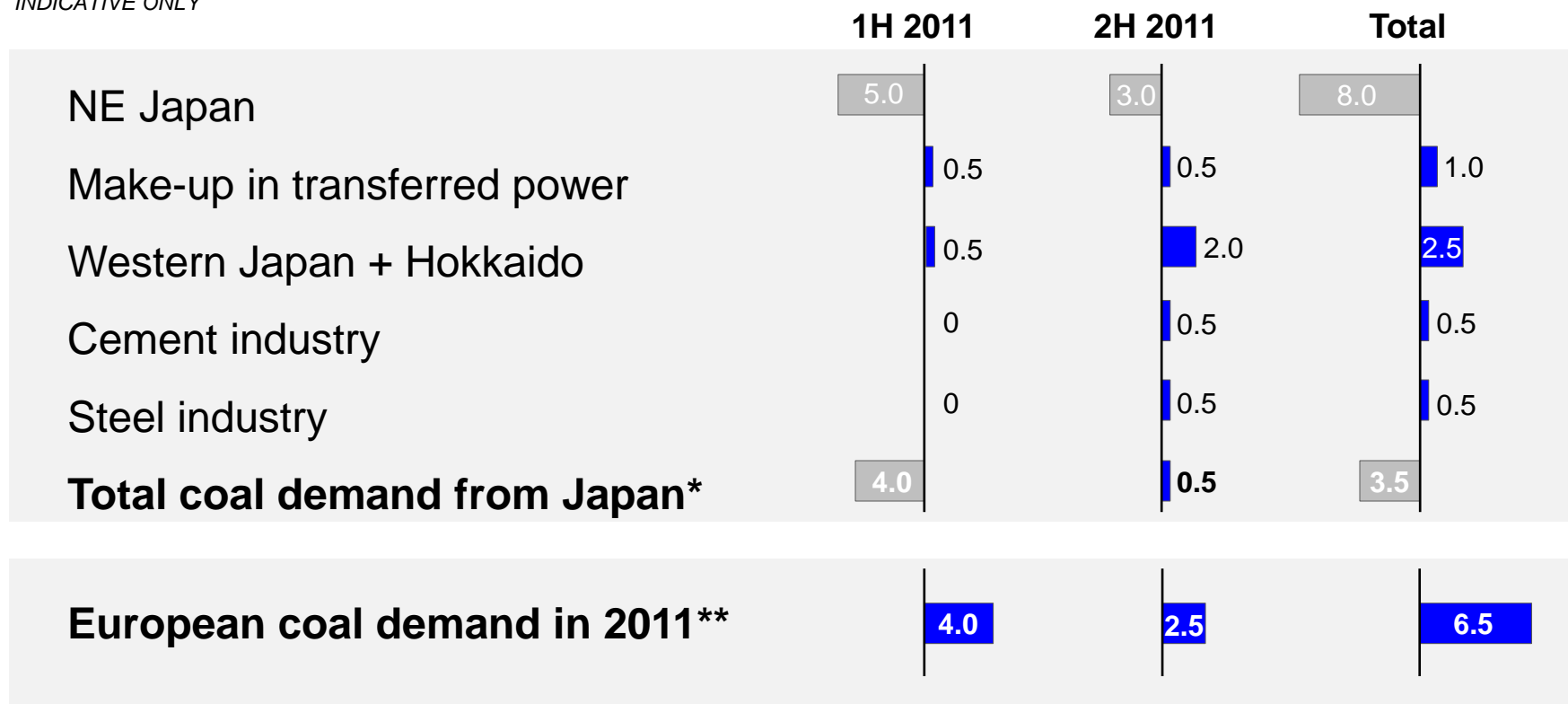


- Upswing due largely to :
 - Carry over impacts of rain and accidents
 - Oil and gas price rises
 - Strong Asian growth
 - “Fall out” in Europe due to Japanese nuclear problem
- Increased production and waiting for demand lift to India/China and domestic demand
- Forecasts: depends on weather and China

Japan Earthquake Impact on Coal Demand in 2011

Change in demand (Mt)

INDICATIVE ONLY

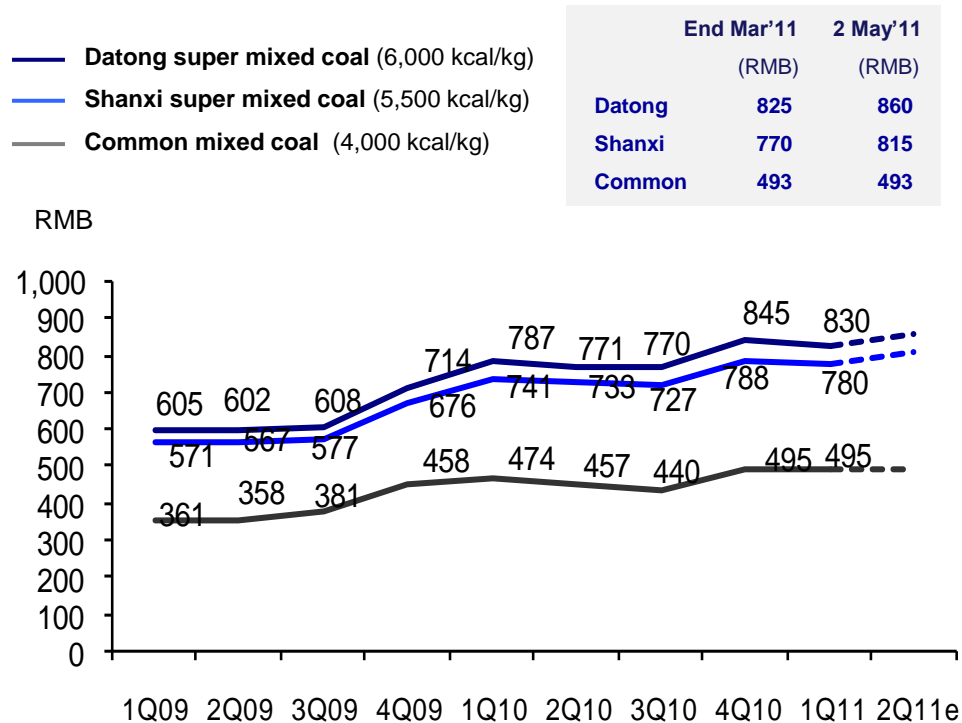


* Assumes no major nuclear radiation fall out to wide areas

** Impact from oil price increase resulting from the political instability in the Middle East and North Africa as well as diversion of coal demand from Japan

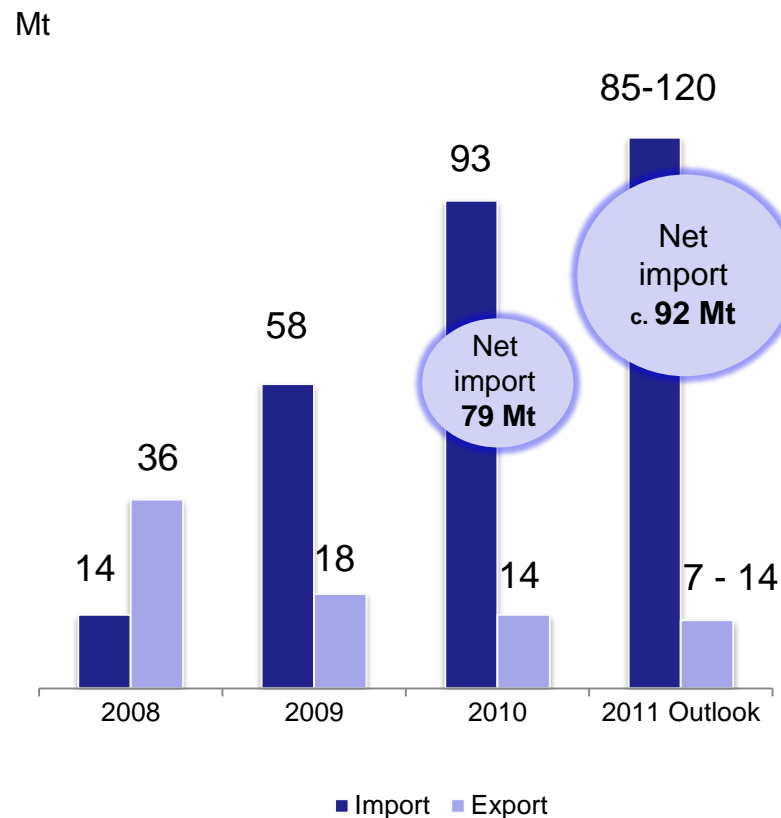
China Thermal Coal Market Review

China domestic coal prices



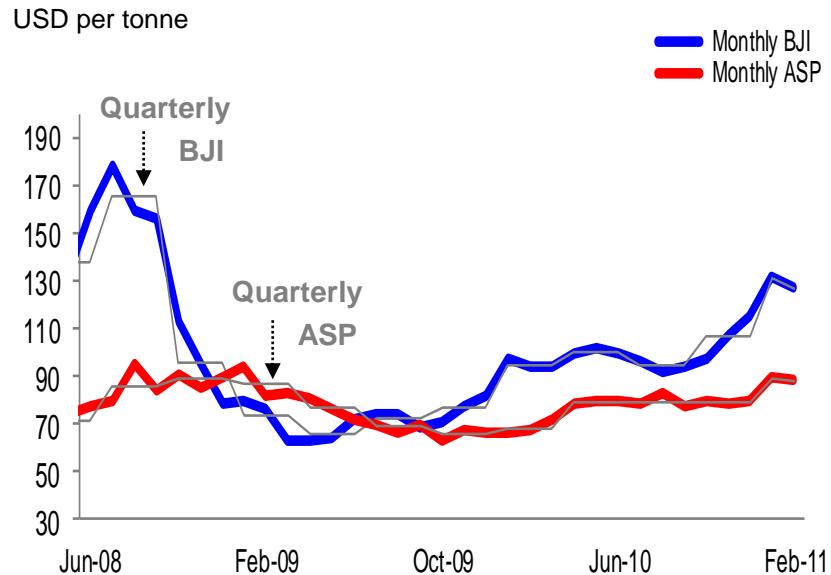
Source: www.sxcoal.com/cn 2 May 2011

China thermal coal imports and exports



Sources: China Coal Report February 2011, MS&L Estimates

ITM Average Selling Prices



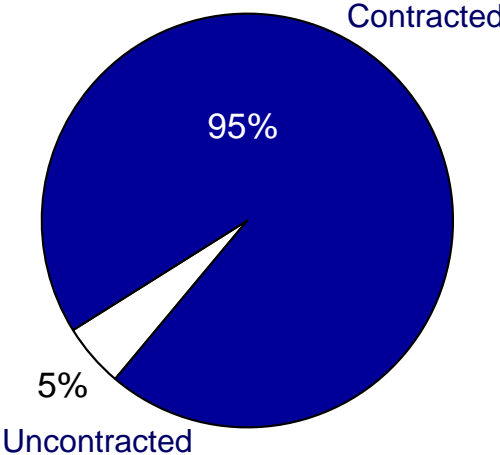
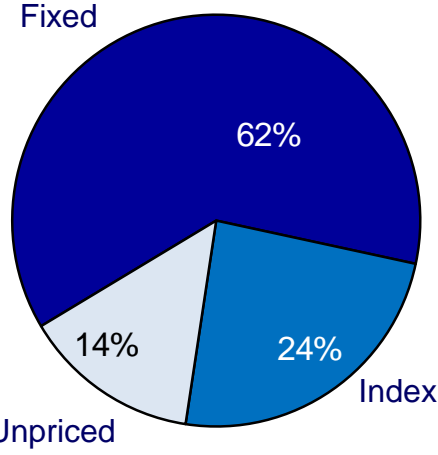
ASP FY10 \$74.9/t

ASP 1Q11 \$87.3/t

BJI* May 05, 2011
\$123.95

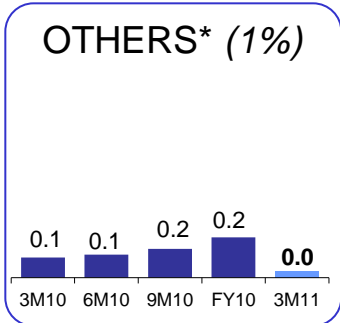
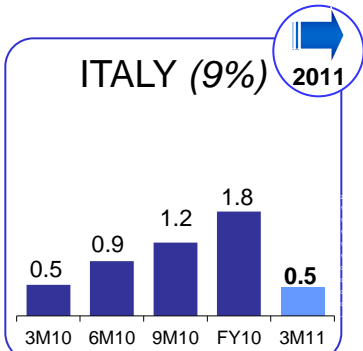
- ASP vs. spot BJI trend shows a mix of pricing (LT/MT/ST)
- Despite increases in product margins, the increase in lower CV tonnages hampers ASP increases
- Still, higher CV coal has increased relative to index, JPU or spot price

Indicative 2011 Coal Sales

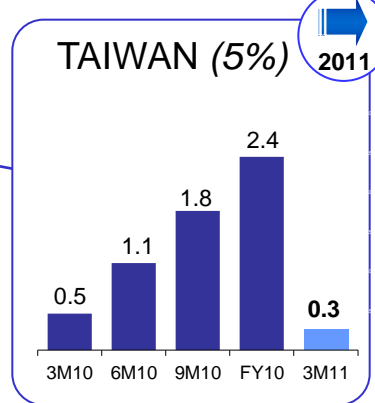
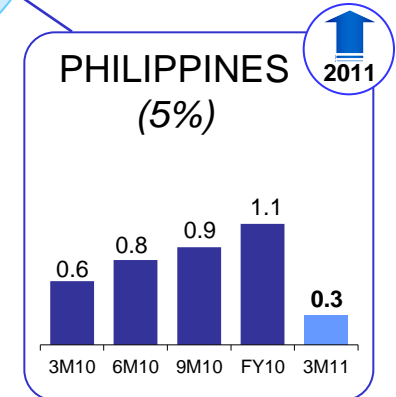
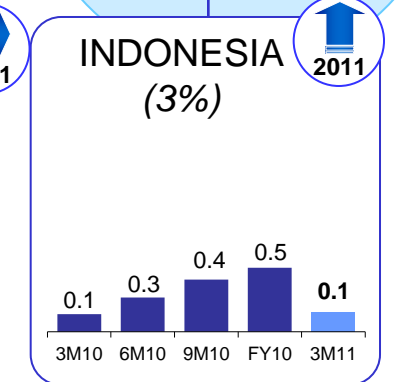
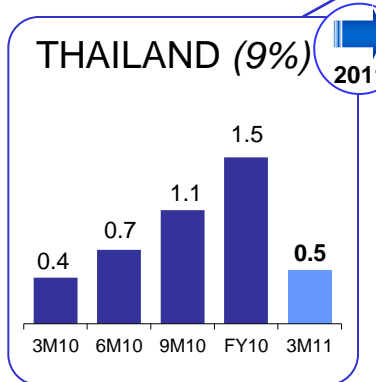
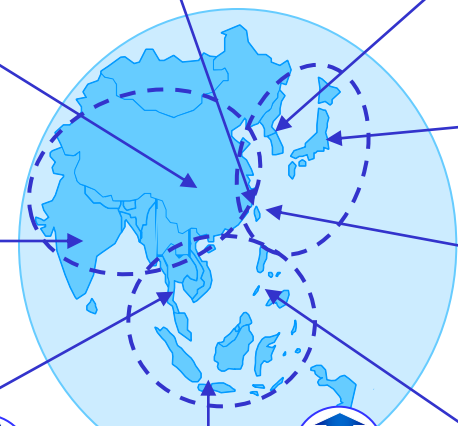
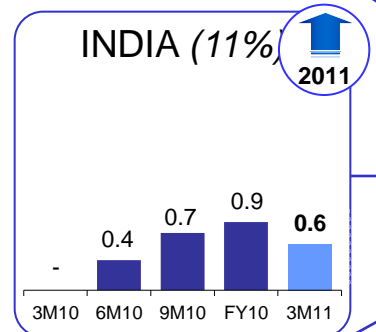
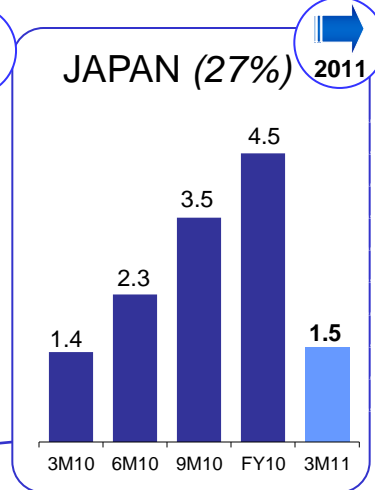
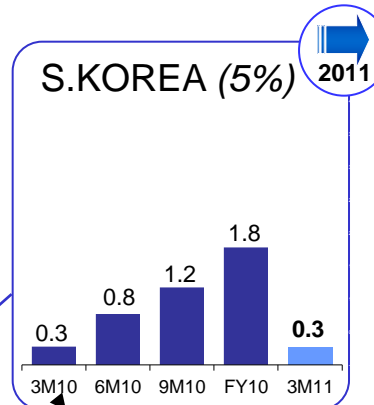
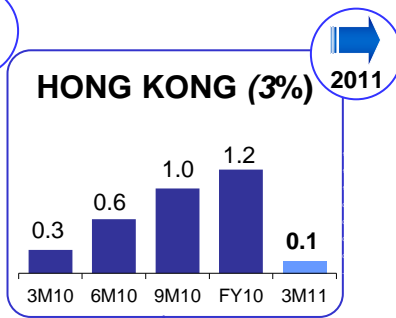
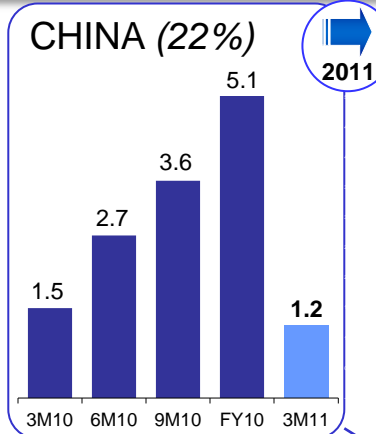
Coal sales contract and pricing status	Comment
<p data-bbox="265 425 542 459"><u>Contract Status</u></p>  <p data-bbox="845 425 1060 459"><u>Price Status</u></p>  <p data-bbox="352 1106 973 1149">TARGET SALES 2011: C. 25 Mt</p>	<ul data-bbox="1243 435 1947 1056" style="list-style-type: none">● Sales target remains at 25 Mt, assuming normal seasonal weather in Indonesia● Close to fully sold by 1H as more contract settlements expected in 2Q● Remaining unsold; anticipating stronger market price for low grade products


Coal Sales by Geographic Destination

Coal sales 1Q11
(total 5.5 Mt)



*Includes small, non-regular purchasers



 2011 trend expectation

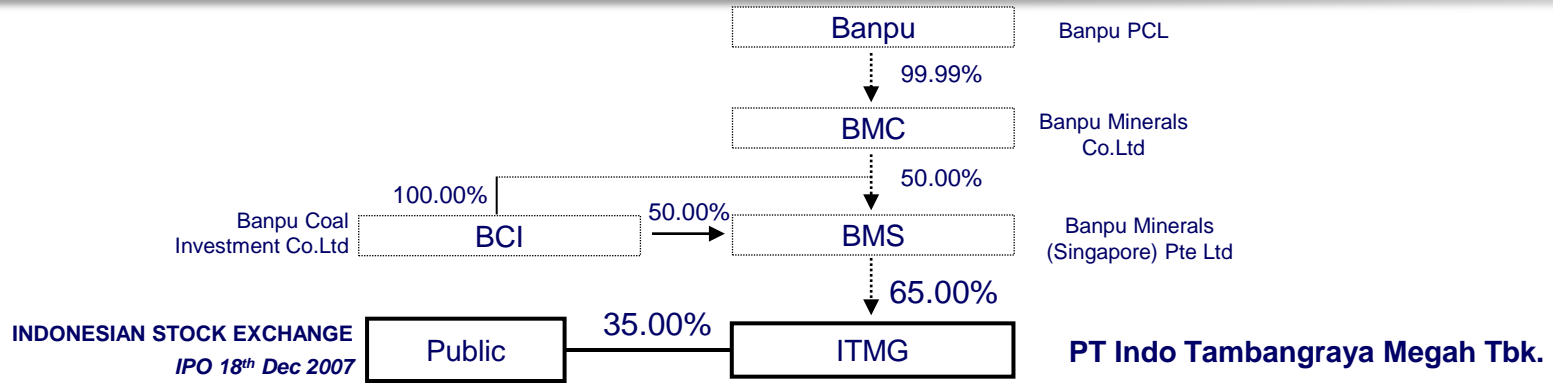


Questions & Answers



Appendices

ITM structure and history



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

Coal resources and reserves (as of 31 Mar 2011)

