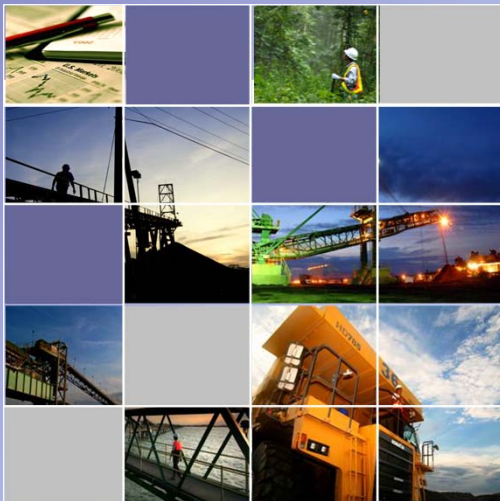




PT Indo Tambangraya Megah Tbk



ANALYST BRIEFING

2Q12 performance results

13 August 2012

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Agenda

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

Appendices

1. Introduction

Highlights of 2Q12 and 1H12 Results

FINANCIAL SUMMARY

Coal sales
6.62 Mt
↑ Up 0.9 Mt
+15% Q-Q

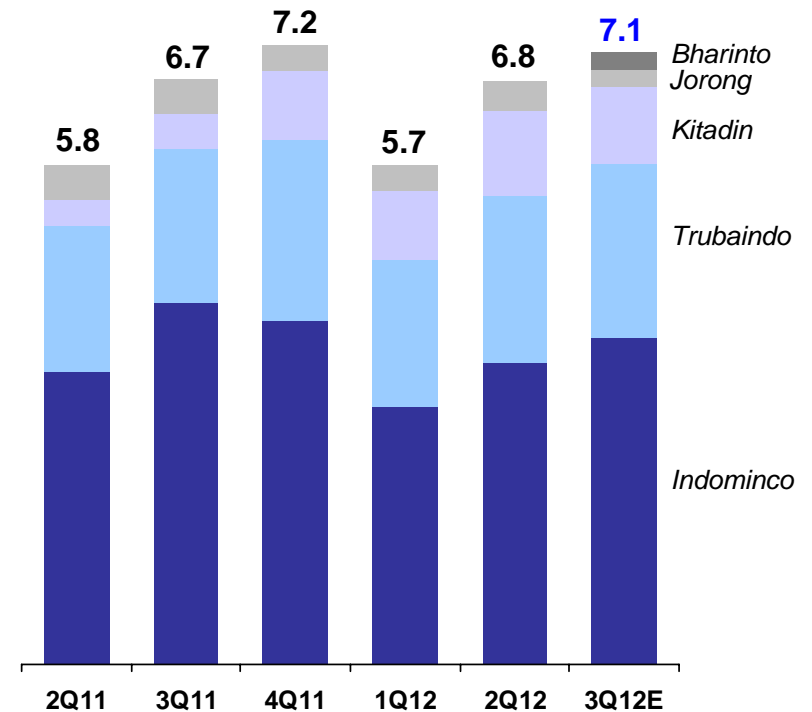
Coal sales
12.37 Mt
↑ Up 1.7 Mt
+15% y-y

	<u>1Q12</u>	<u>2Q12</u>	<u>QoQ</u>	<u>1H11</u>	<u>1H12</u>	<u>YoY</u>
ASP (/t)	\$101.1	\$94.6	-6%	\$92.2	\$97.7	+6%
Revenue	578	626	+8%	970	1,204	+24%
GPM	36%	31%	-5%	35%	34%	-1%
EBIT	169	152	-10%	268	321	+20%
Income	124	122	-2%	205	247	+20%

QUARTERLY OUTPUT

Units: Mt

↑ Up 1.1 Mt +18% Q-Q ↑ Up 1.0 Mt +17% y-y

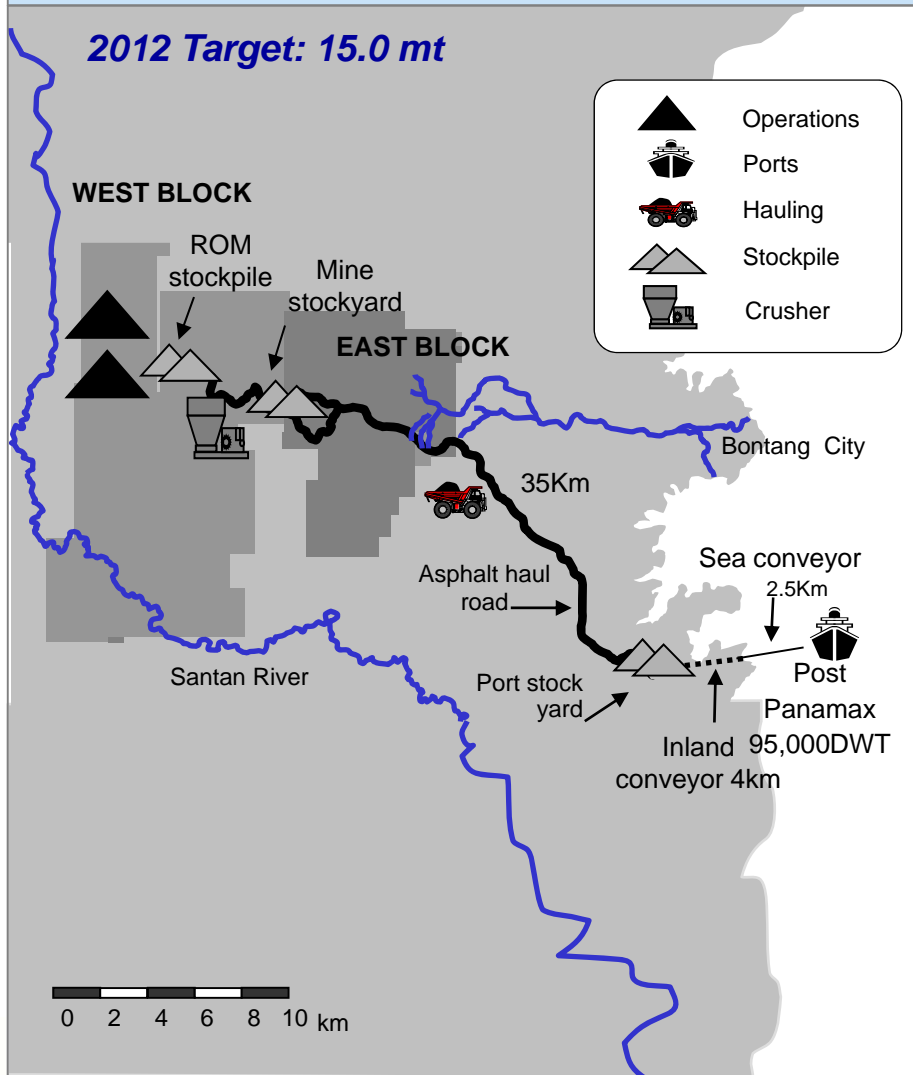




2. Operational review

Indominco Mandiri

SCHEMATIC

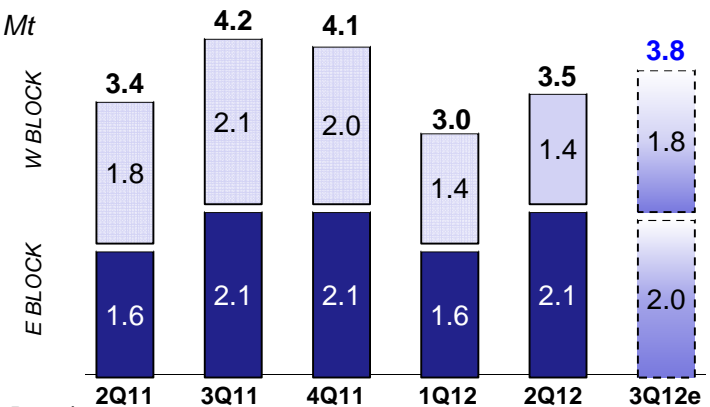


MAJOR QUARTERLY UPDATES

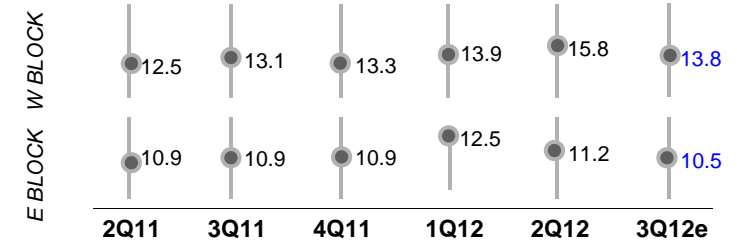
- 2Q12 production was slightly below plan due to weather issue.
- Will lower strip ratio during 2H12 to reduce production cost due to declining coal price.
- IPCC system: On process of importing the crusher and conveyor unit.
- Port expansion: Conducted an external study to expand existing capacity at Bontang port.

QUARTERLY OUTPUT

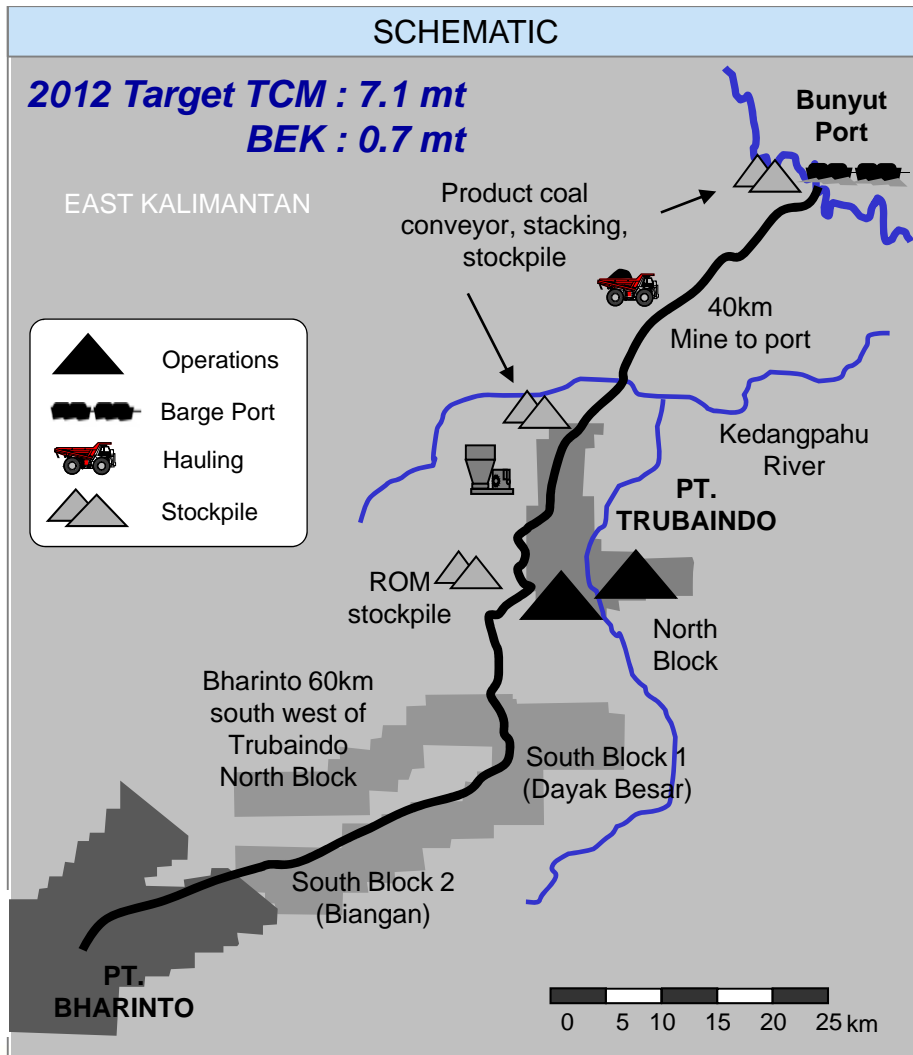
Units: Mt



Units: Bcm/t



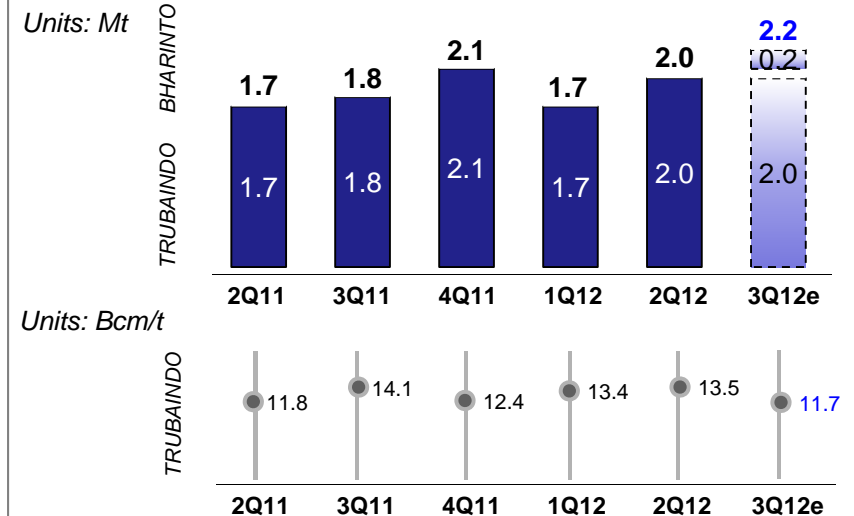
Trubaindo and Bharinto



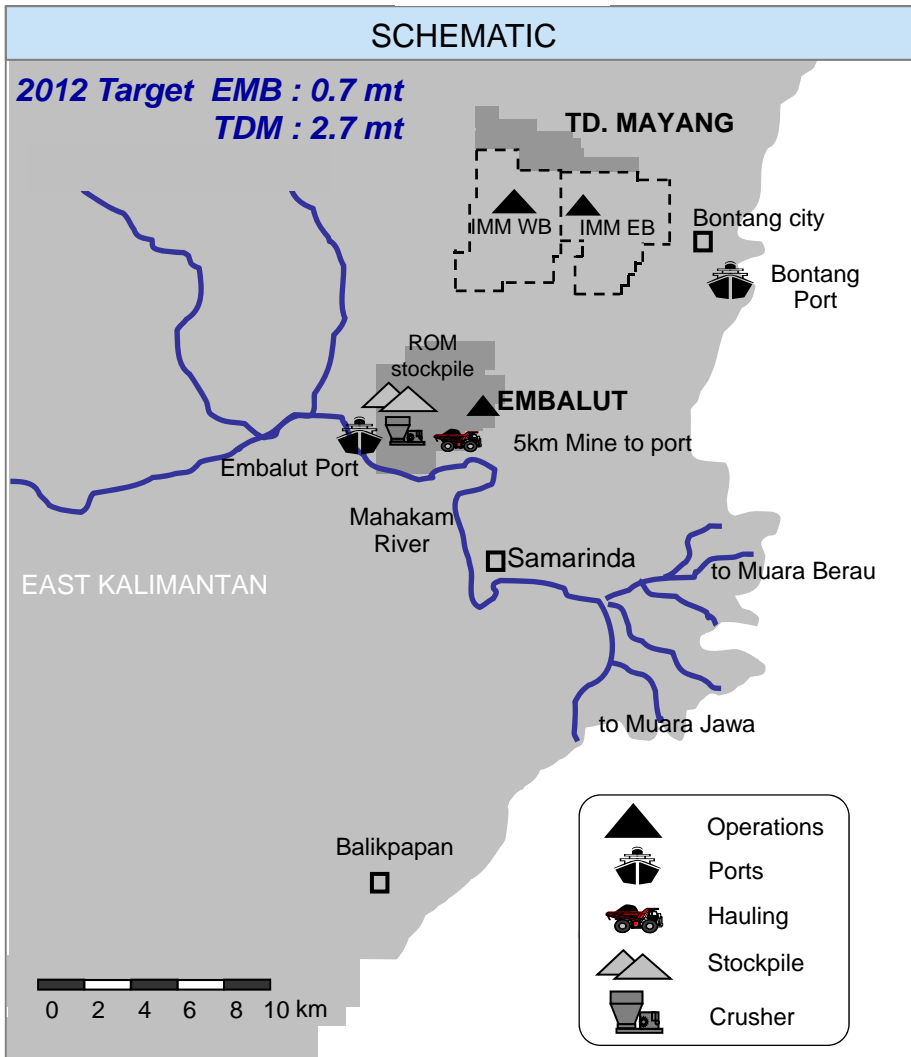
MAJOR QUARTERLY UPDATES

- Trubaindo:
 - 2Q12 production was slightly higher than plan due to higher coal in-pit inventory.
 - Port expansion: under process of reviewing consultants for detail designs.
- Bharinto:
 - Coal mining activities already started since April 2012 while 1st coal hauling activities started on 1st May 2012.

QUARTERLY OUTPUT



Kitadin Embalut and Tandung Mayang

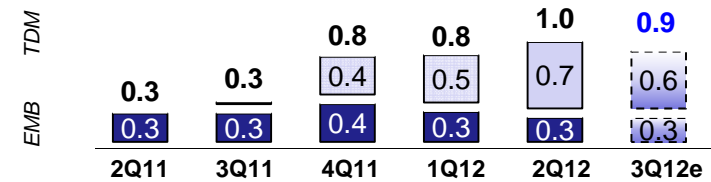


MAJOR QUARTERLY UPDATES

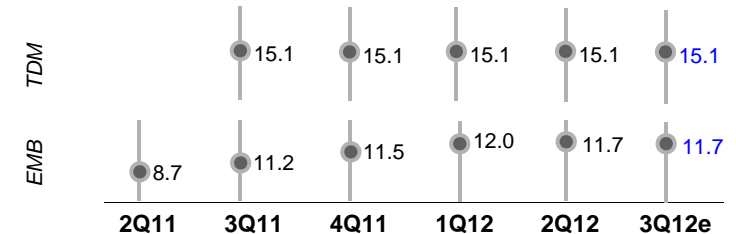
- Kitadin Embalut:
 - 2Q12 production achieved as according to plan.
- Kitadin Tandung Mayang:
 - 2Q12 production achieved slightly higher than plan.

QUARTERLY OUTPUT

Units: Mt



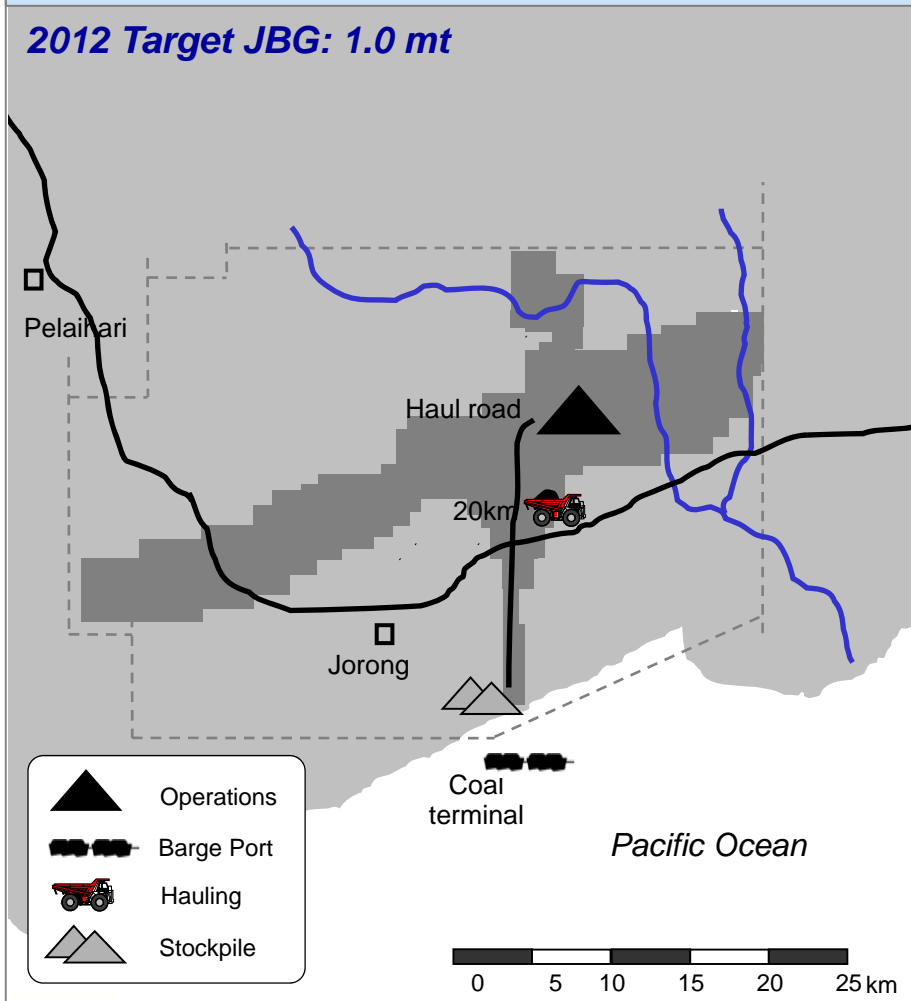
Units: Bcm/t



Jorong

SCHEMATIC

2012 Target JBG: 1.0 mt

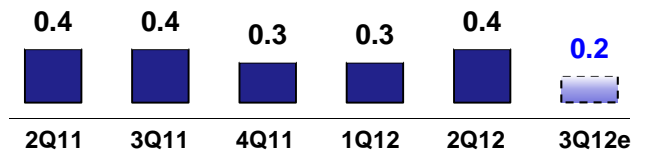


MAJOR QUARTERLY UPDATES

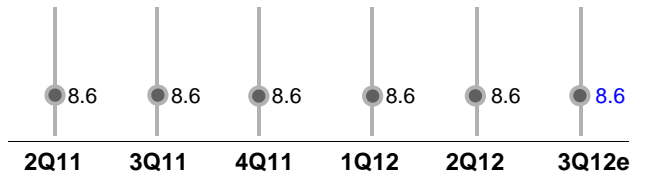
- 2Q12 production achieved above the plan due to better optimization of the mining equipment.
- Annual production output is expected to be slightly higher than plan.

QUARTERLY OUTPUT

Units: Mt






Units: Bcm/t





3. Commercial review

2Q 2012 seaborne thermal coal market drivers

WEATHER	CHINESE DEMAND	OTHER DRIVERS
 <ul style="list-style-type: none"> • Indonesia normal. Stocks built up. • Chinese winter/summer normal. Good rains increase hydro. • Australia nothing significant. • USA mild 1H, reduces demand. 	 <ul style="list-style-type: none"> • GDP growth declining possibly below announced levels. • Coal production increased beyond demand increase. • Imports in 1H, double 1H 2011. • Policy uncertainty and level of planned stimulation affecting confidence. • Results in high stock and low domestic price. 	 <ul style="list-style-type: none"> • Downward trend in sentiment, despite global coal trade expanding. • Uncertainty impacting forecasts due to European debt concerns, and GDP and employment levels generally. • Uncertainty of rate/timing of Chinese import increase. • USA exports high until end 2012, then unhedged prices vs. cost should impact. • Gas prices support coal demand in Europe but opposite in USA with diverted coal to export. • 2012 world growth forecast 2.1%* (Prev. 2.2%**); Asian growth forecast 6.0%* (Prev. 6.5%**).

US shale gas: medium and long term trends

MEDIUM TERM TREND

2012: year of coinciding extremes

- Cheap shale gas creates excess coal stocks in the US
- High coal prices and very low freight rates allow US to export its coal
- Most exports hedged to end 2012

2013: year of adjustment

Atlantic

- Re-adjust and cutback traditional US exports of high quality, high cost products
- More demand for Russia, Colombia, S. Africa to balance sulfur

Pacific

- Significant reduction of Atlantic coal starts
- Supply reduced due output cuts.

LONG TERM TREND

USA

- Increasing share of natural gas consumption in the local markets
- Higher USA growth prospects due to lower energy cost
- Coal industry adjusts by rationalization
- Exports have higher percentage of high sulfur products

China / Australia

- More difficult to extract shale gas reservoirs. Early days
- Consumption and delivery of pipeline is likely to be delayed
- Wood Mackenzie expects that shale gas in China will not be significant before 2020.

US Shale gas: limited threats from US coal exports to Asia

LOW US GAS PRICE IS UNSUSTAINABLE

- Domestic gas demand is likely to rise from additional US petchem expansions and NGV vehicles
- 2011 winter was unusually warm
- Avg. breakeven price for shale gas at \$3.8/mmbtu vs. 1Q low point of \$1.9/mmbtu
- PRB coal remains competitive to gas and is less impacted by cheap gas. Delivered cost to Asia above discounted Indonesian sub-bituminous product.

US COAL AND NATURAL GAS PRICES



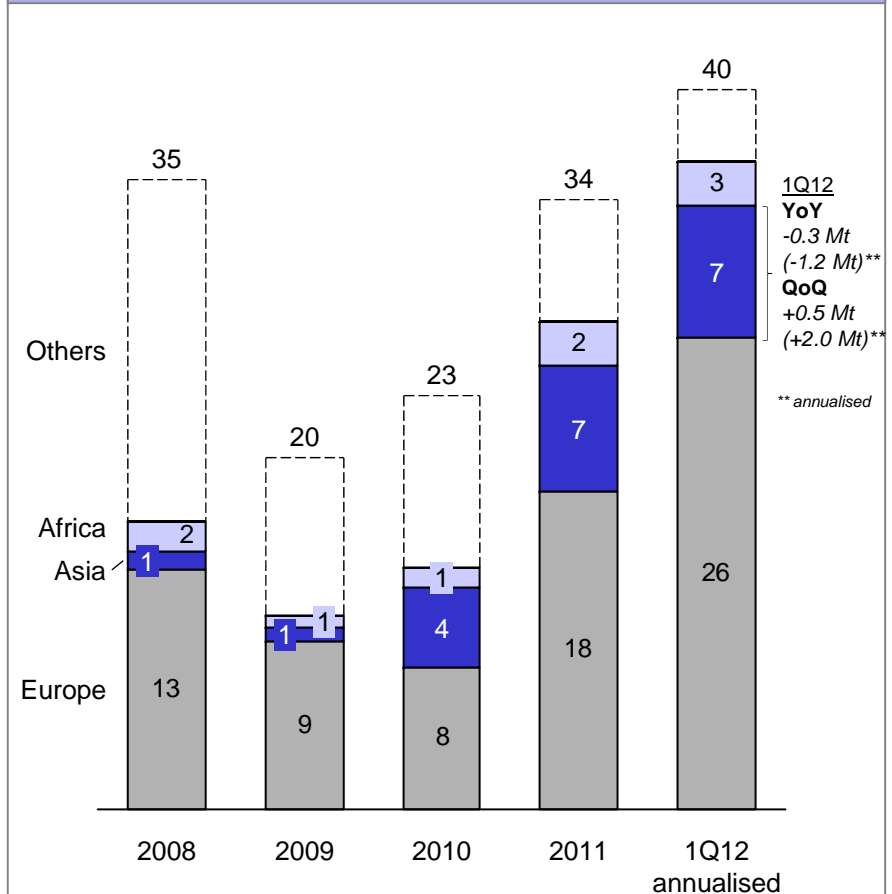
Source: Wood Mackenzie, EIA, Bloomberg, AWR Lloyd estimates

US Shale gas: limited threats from US coal exports to Asia

US COAL EXPORTS TO ASIA IS LIMITED

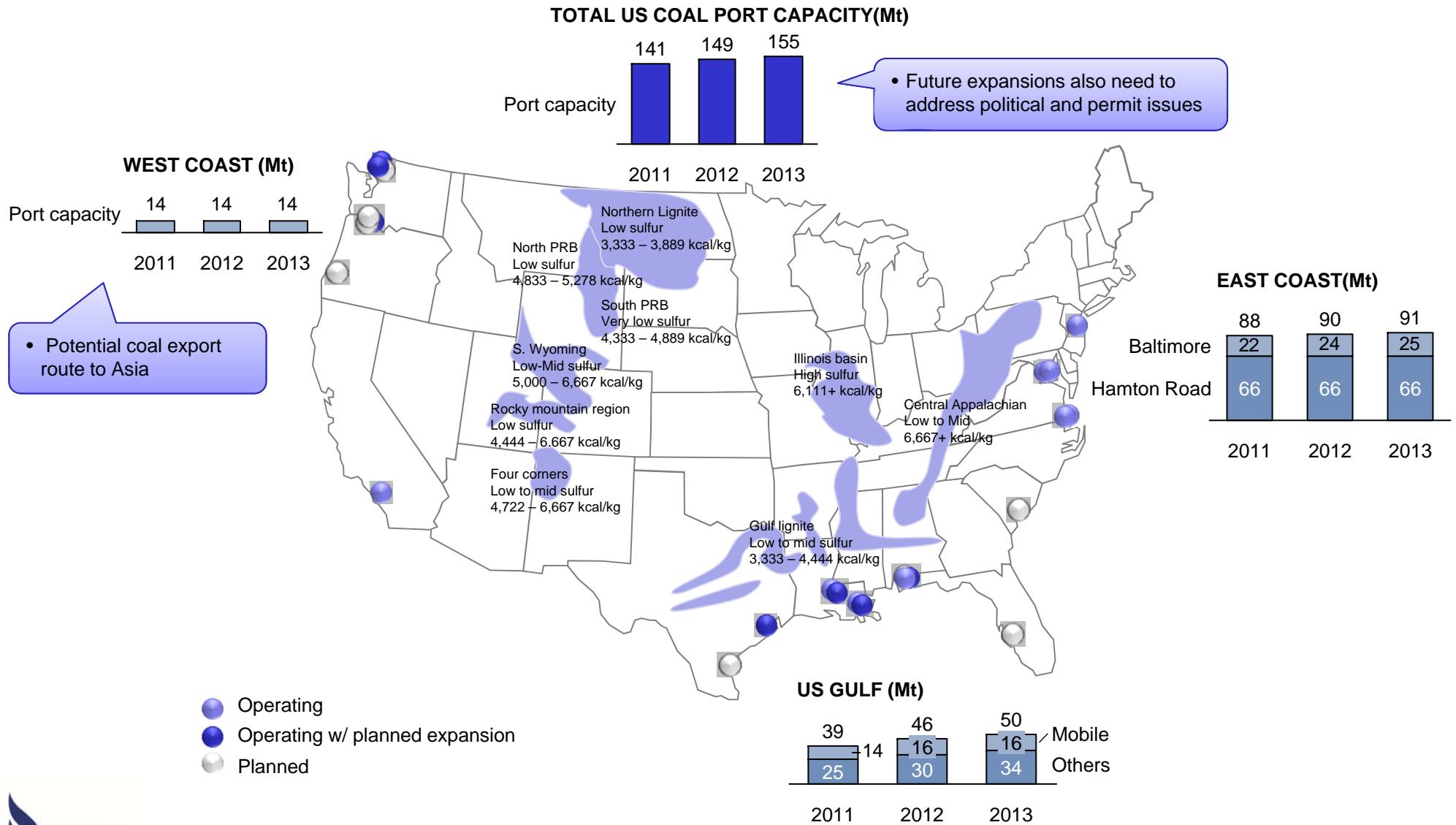
- Majority of additional export went to Europe and North America.
- In 1Q12, YoY growth for coal exports to Asia actually declined
- Challenging economics for export to Asia over LT
- High FOB cost – c.U\$70/t for PRB coal (5,00kcal/kg with low sulfur)
- But some Illinois Basin + Pittsburg 8 seam coals competitive, depending on freight and options in Atlantic.

US COAL EXPORT BREAKDOWN (Mt)



Source: Wood Mackenzie, EIA, Bloomberg, AWR Lloyd estimates

US shale gas: limited threats from US coal exports to Asia

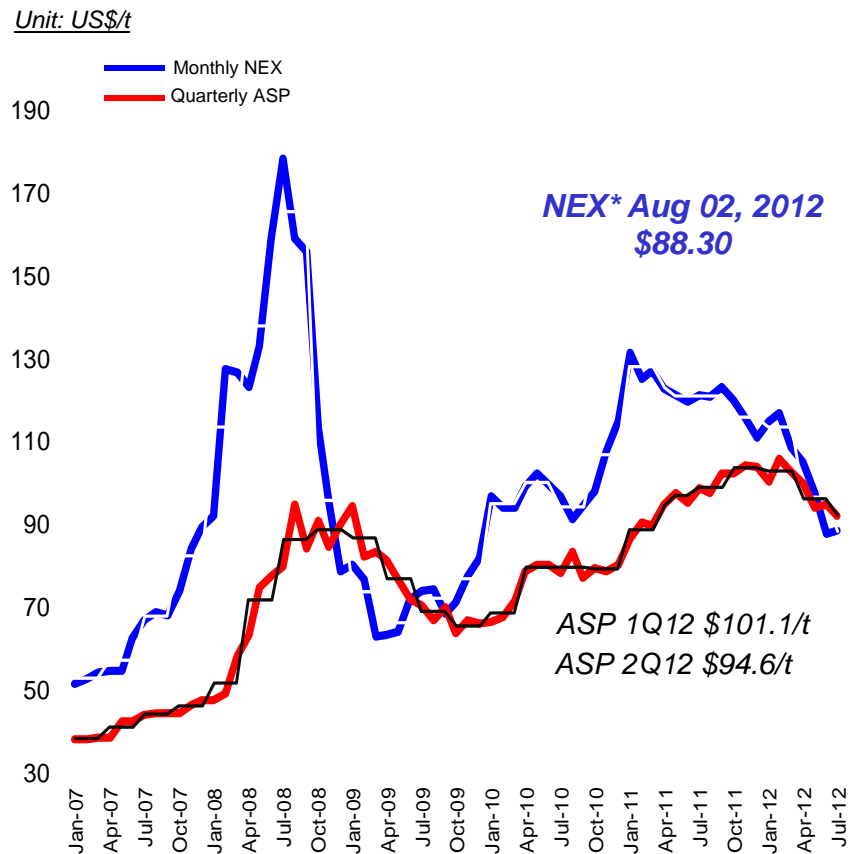


Source: Platts, AWR Lloyd estimates

ITM ASPs vs seaborne thermal coal benchmark prices

ITM ASP VS BENCHMARK PRICES

COMMENTS



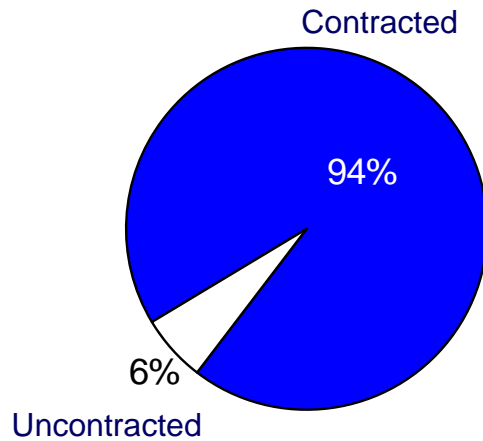
- ASP held up well in 1Q 2012, but 2Q market starts to cap and reduce prospects
- Continuing pressure from weaker market prices and product mix, impacts ASP and tonnage but not significantly
- ITM remains protected by relatively high 'sold with price' status (+81%) and negligible reliance of traders as buyers
- Also protected by hedge status (+6%).

Indicative 2012 coal sales

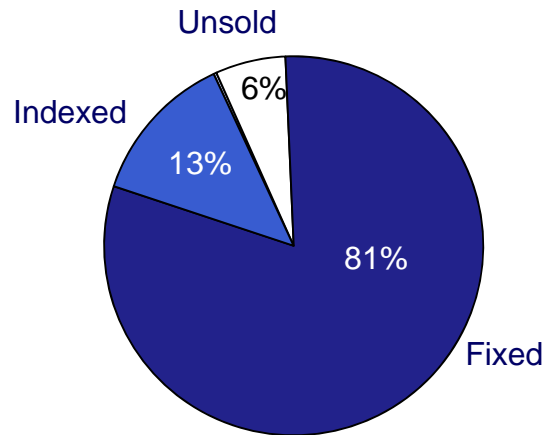
COAL SALES CONTRACT AND PRICING STATUS

COMMENTS

Contract Status



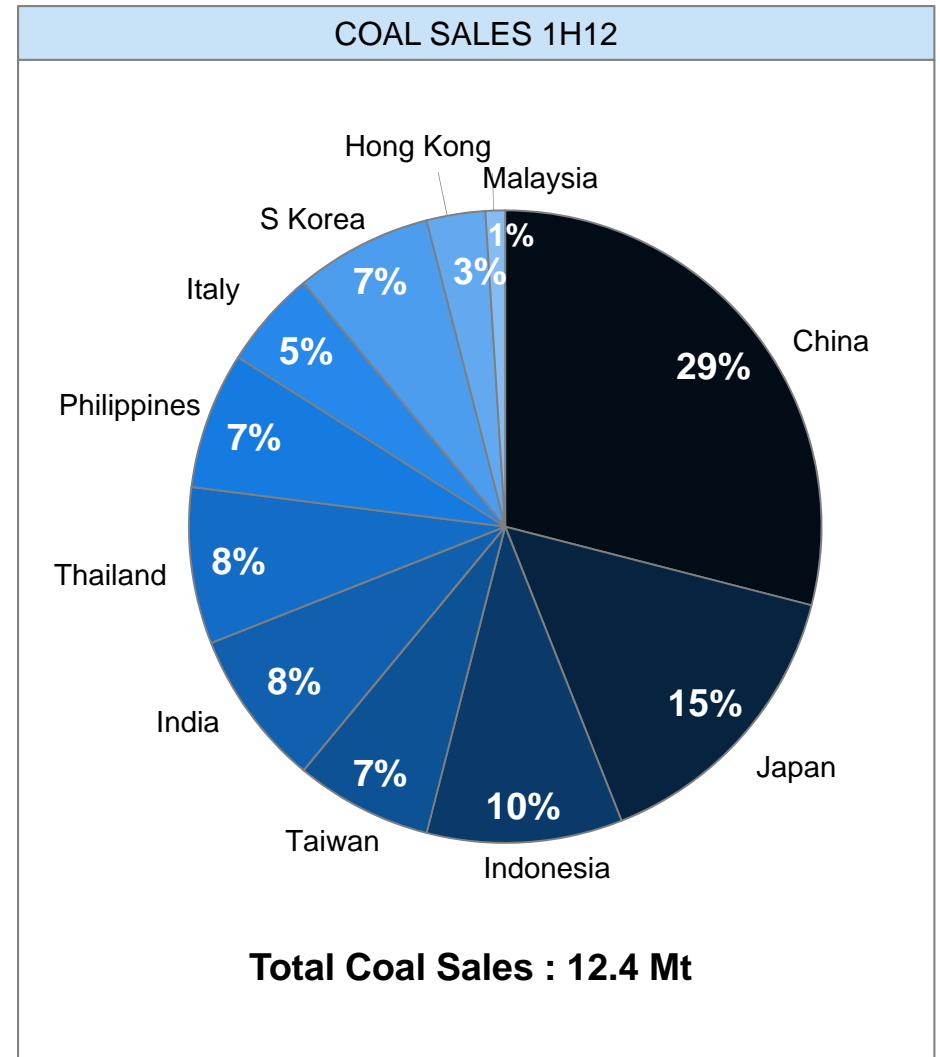
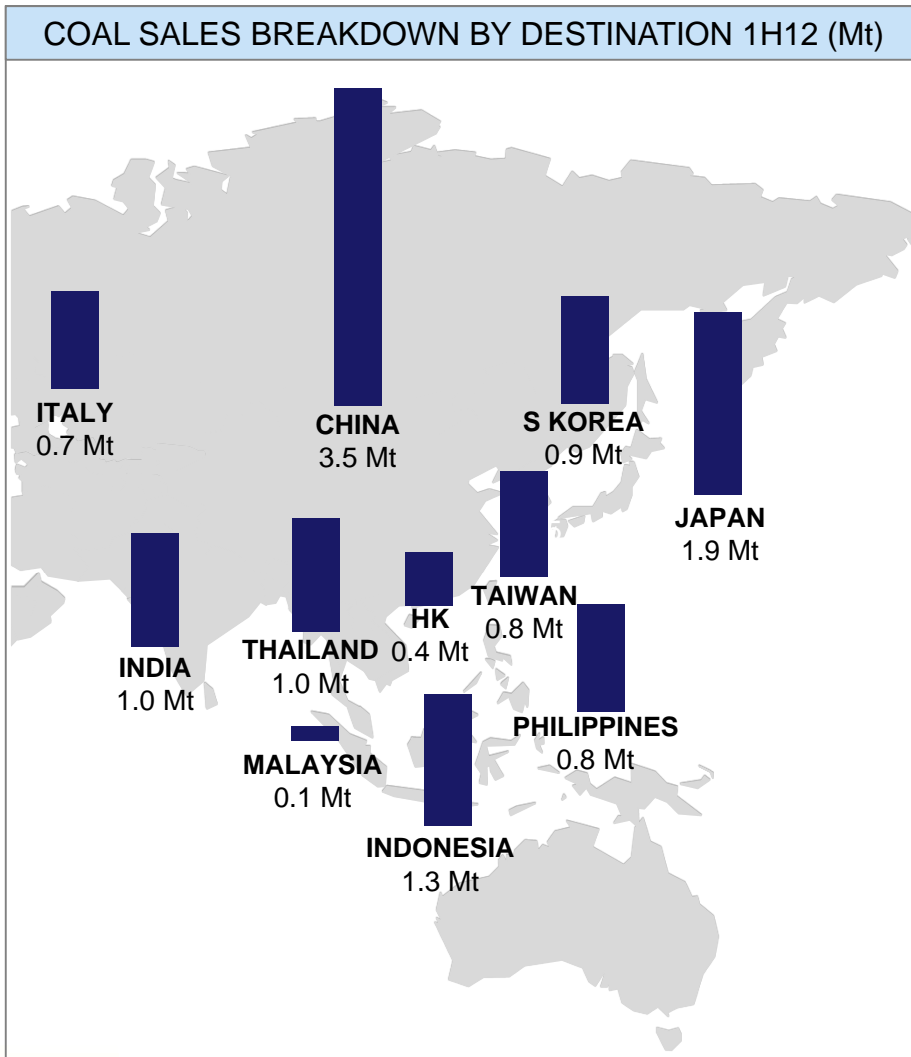
Price Status



- Mostly insulated from market weakness (including hedged tonnes, 87% of sales)

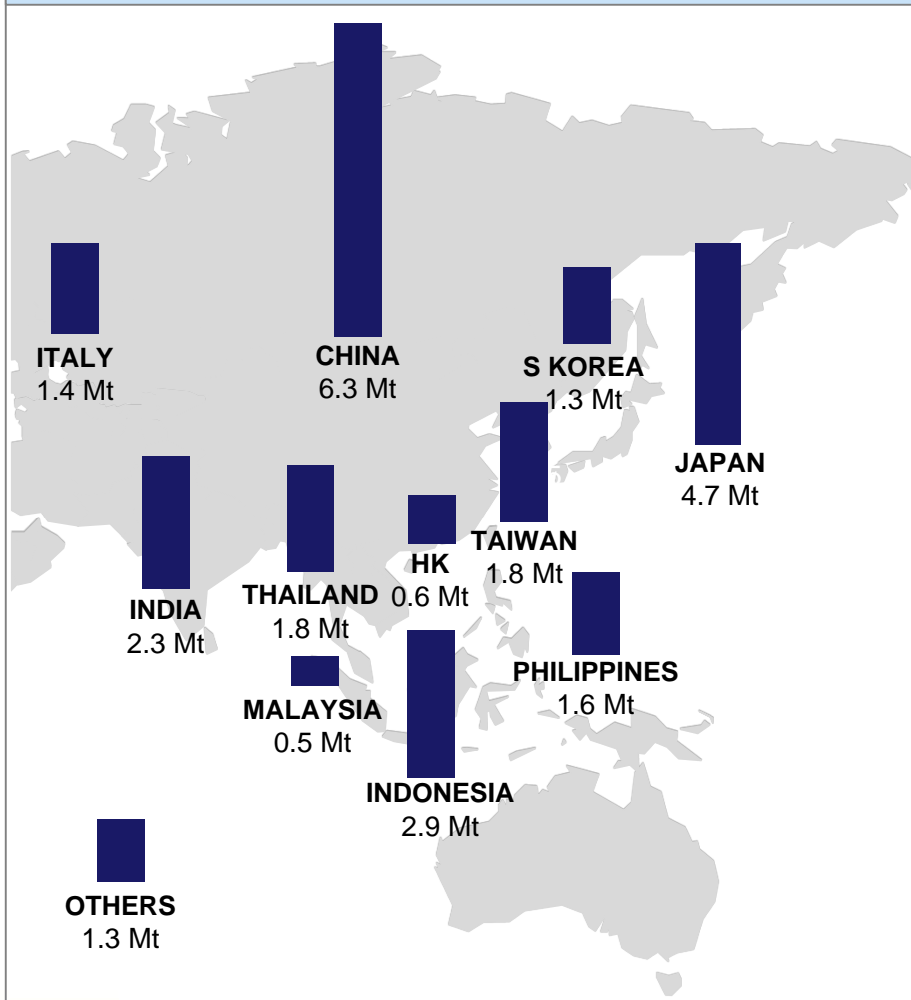
TARGET SALES 2012: c. 26.5 Mt

ITM coal sales 1H12

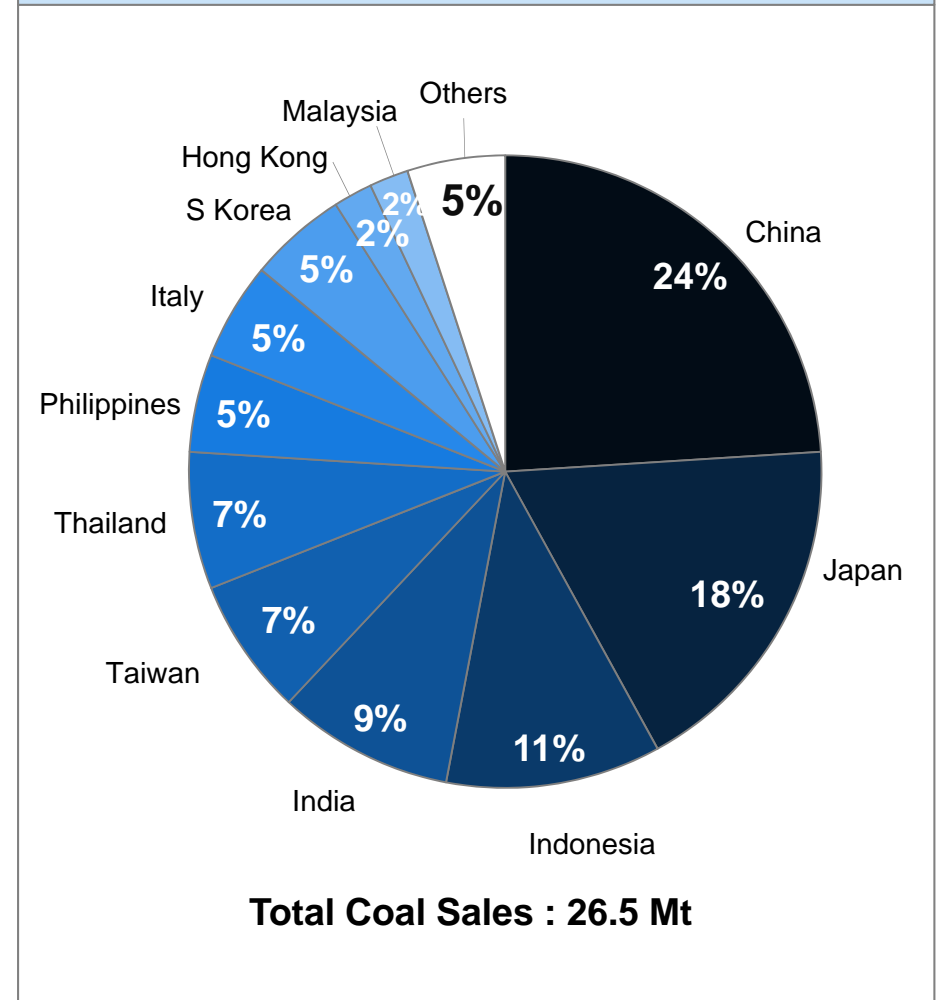


ITM coal sales 2012e

COAL SALES BREAKDOWN BY DESTINATION 2012e (Mt)



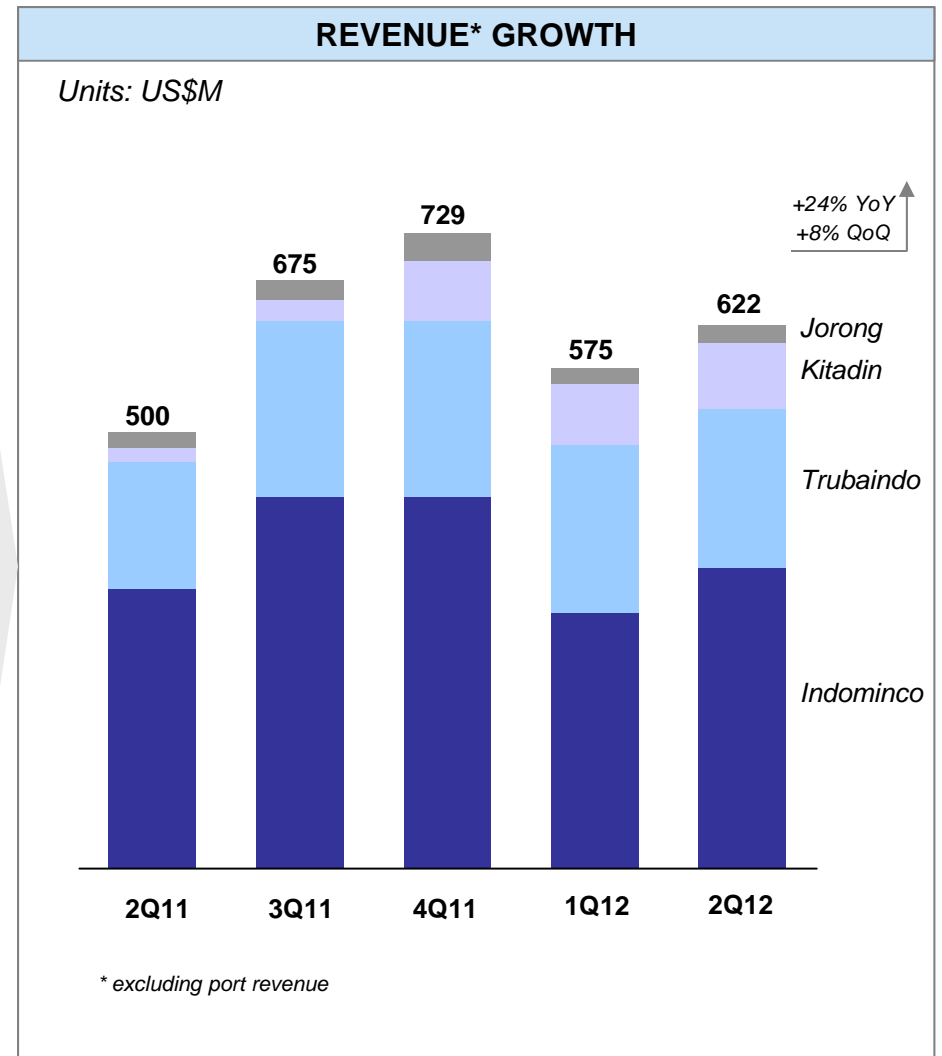
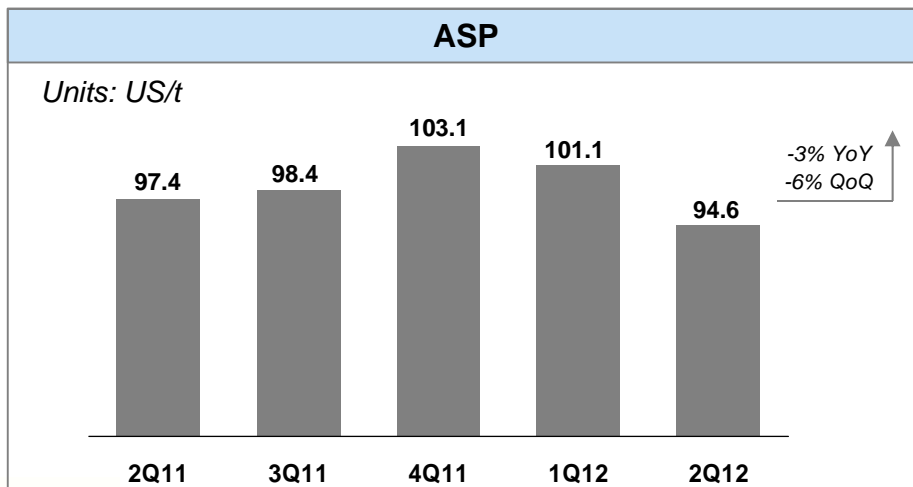
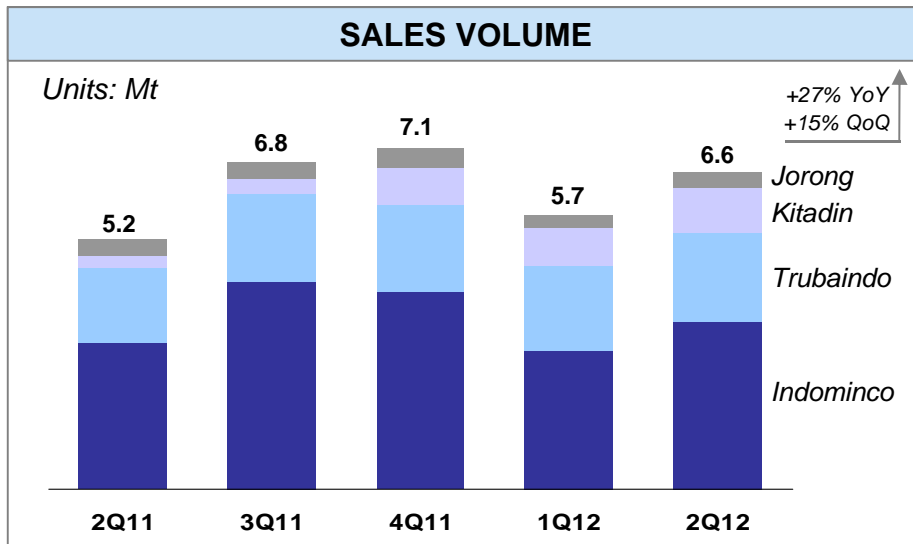
COAL SALES 2012e





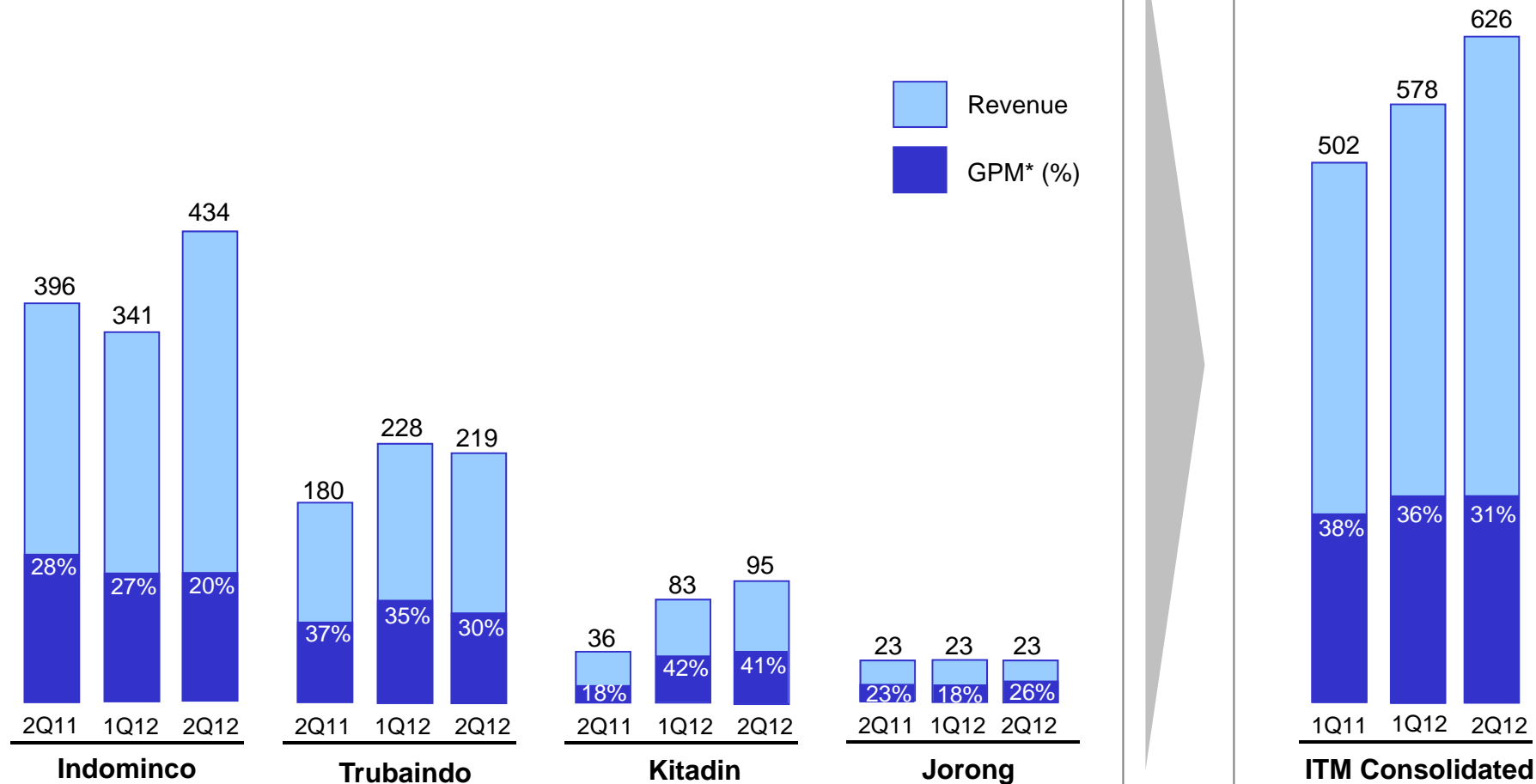
4. Financial review

Sales revenue



Average gross margin

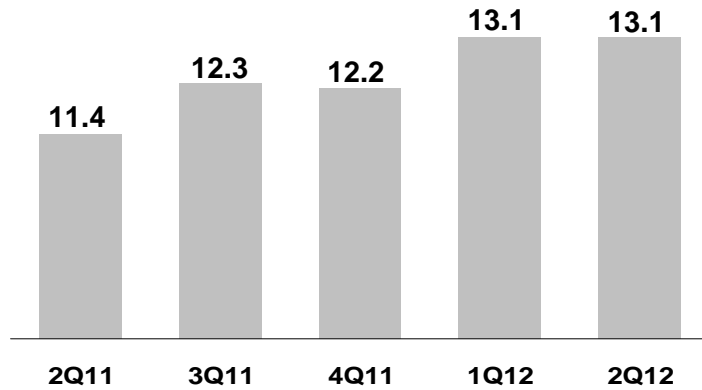
Units: US\$M



Cash costs

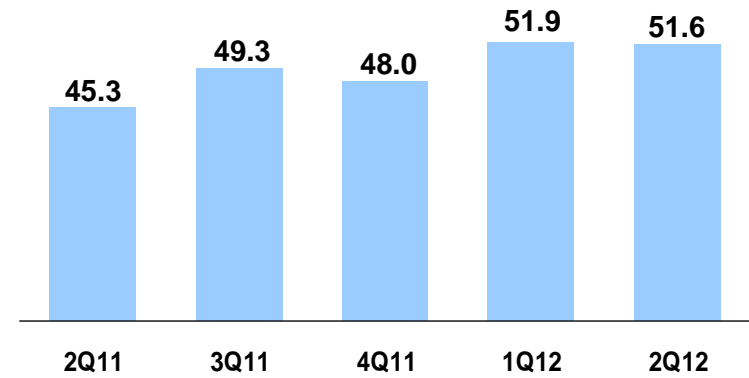
STRIP RATIO

Units: Bcm/t



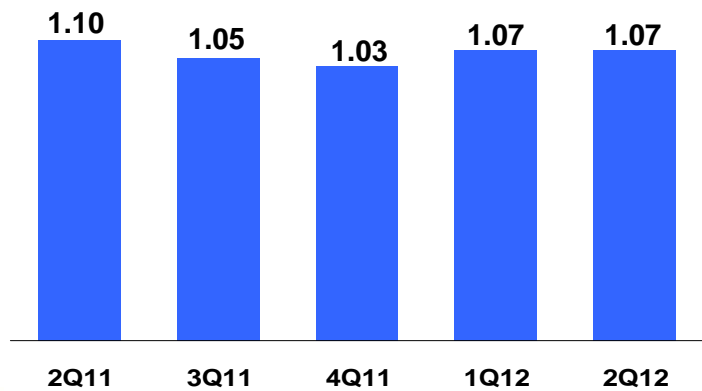
CASH PRODUCTION COST

Units: US\$/t



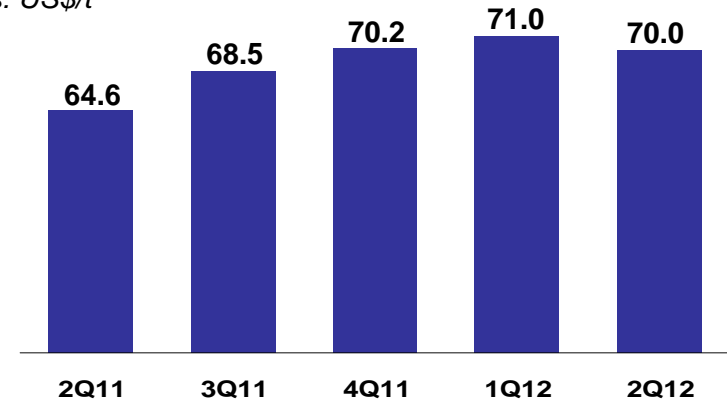
FUEL PRICE

Units: US\$/Ltr



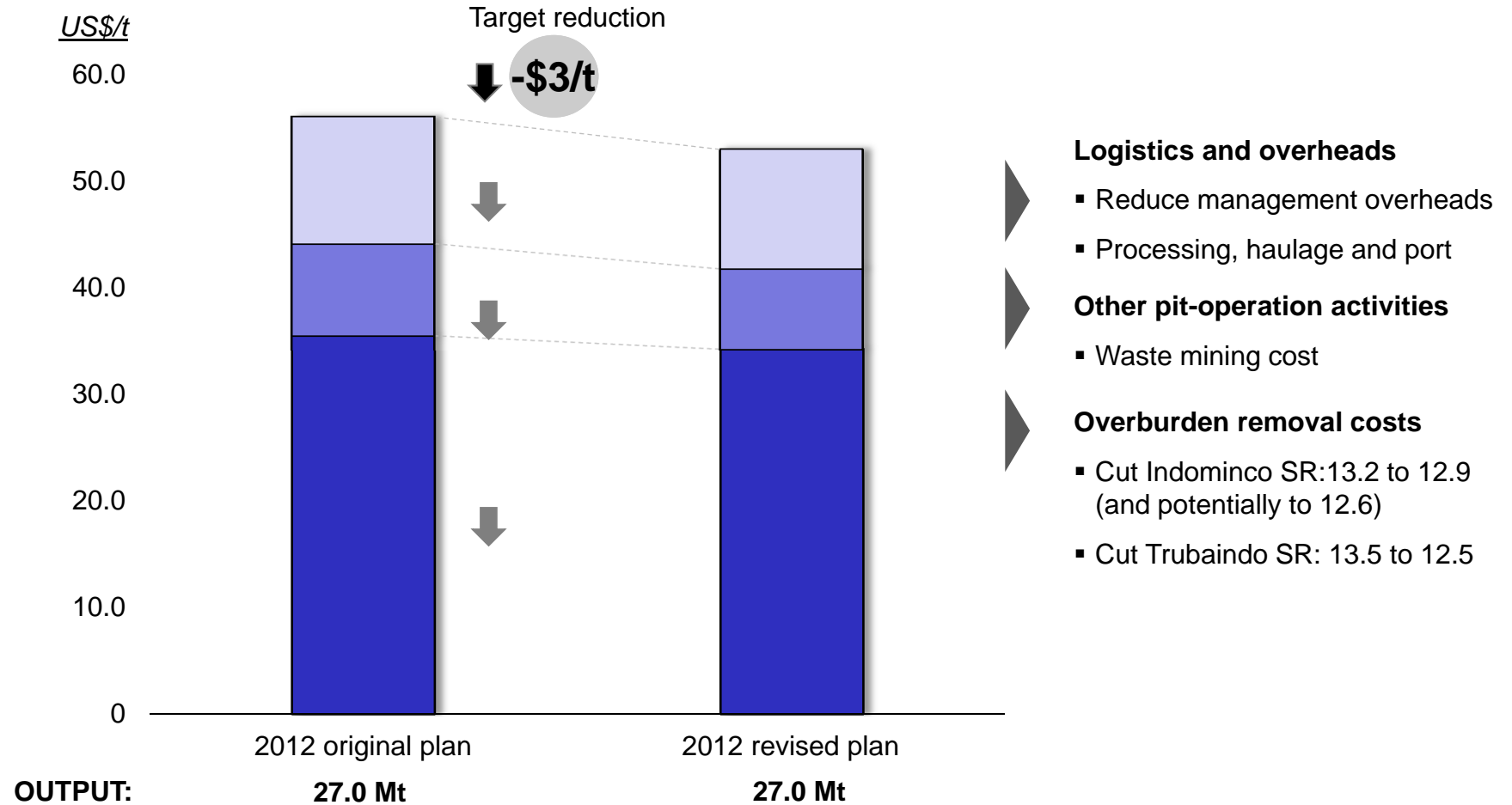
TOTAL CASH COST

Units: US\$/t

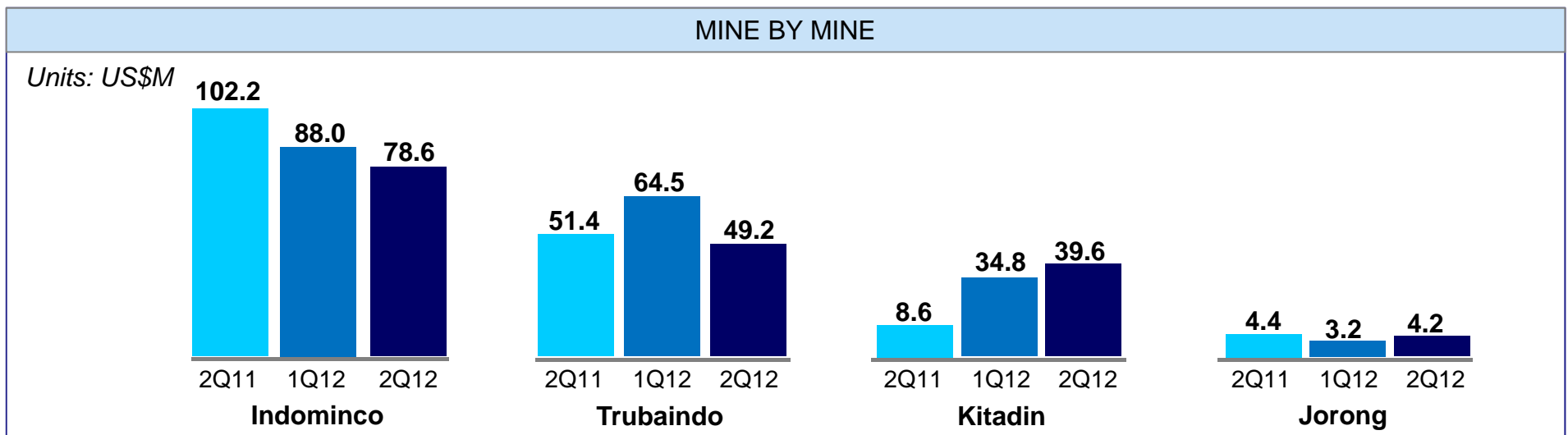
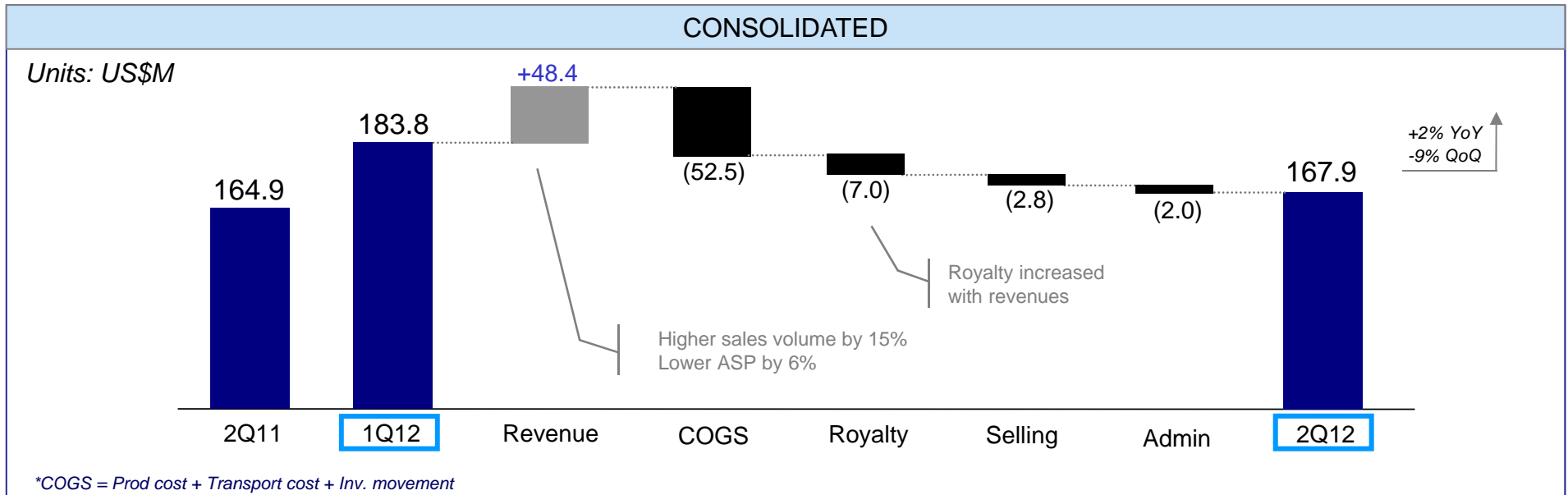


Cash Production Cost

INDICATIVE FOB CASH PRODUCTION COSTS PER TONNE



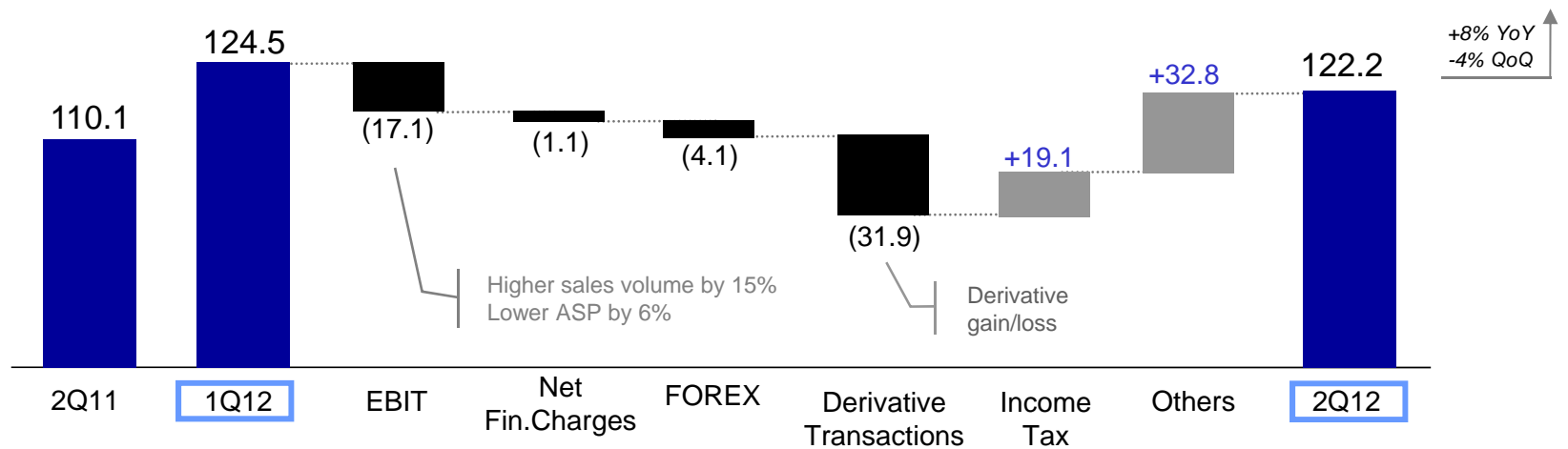
EBITDA



Net income

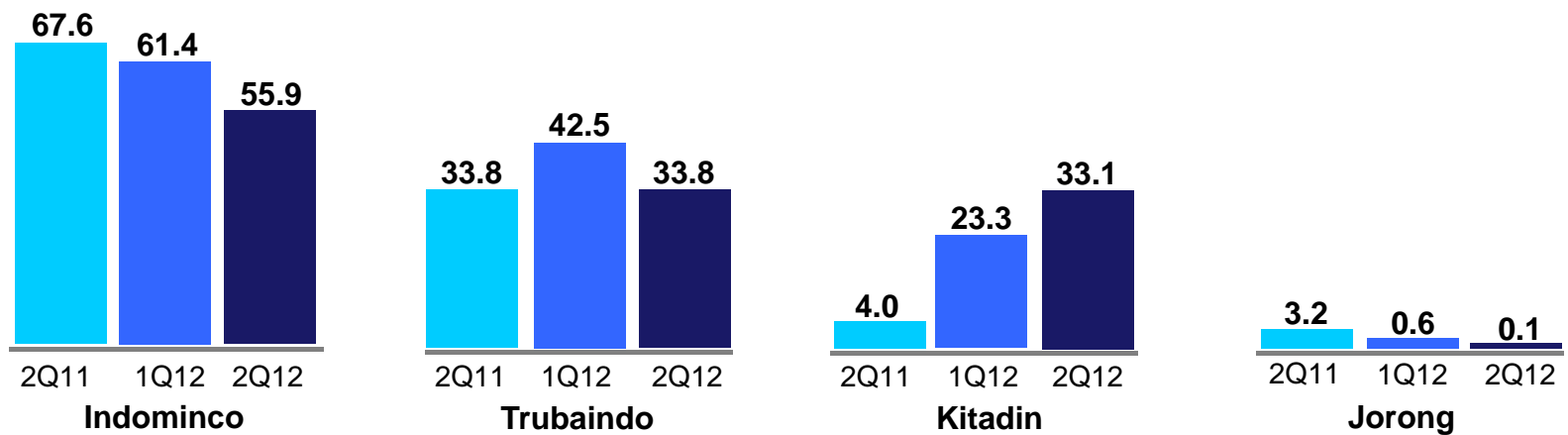
CONSOLIDATED

Units: US\$M



MINE BY MINE

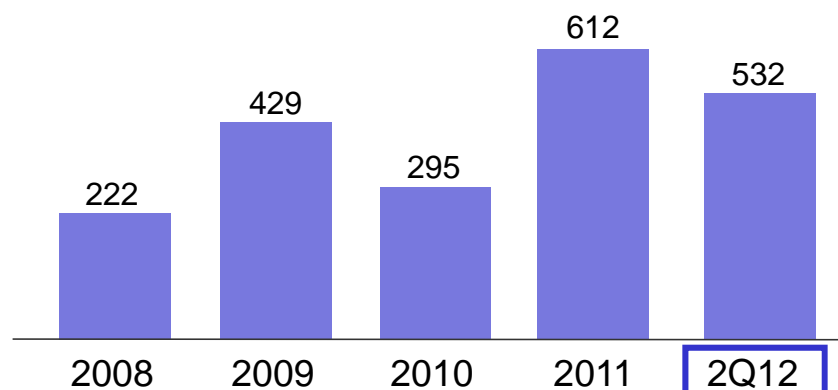
Units: US\$M



Balance sheet

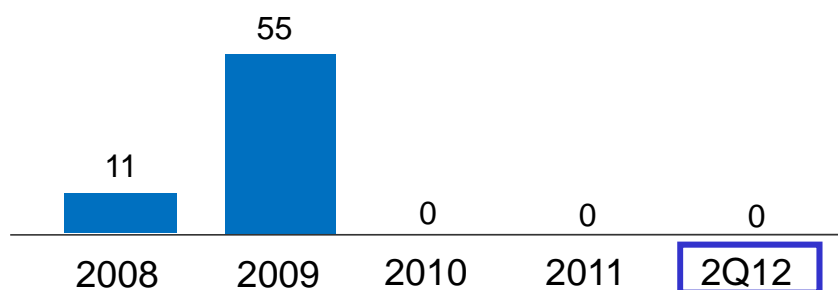
CASH POSITION

Units: US\$M



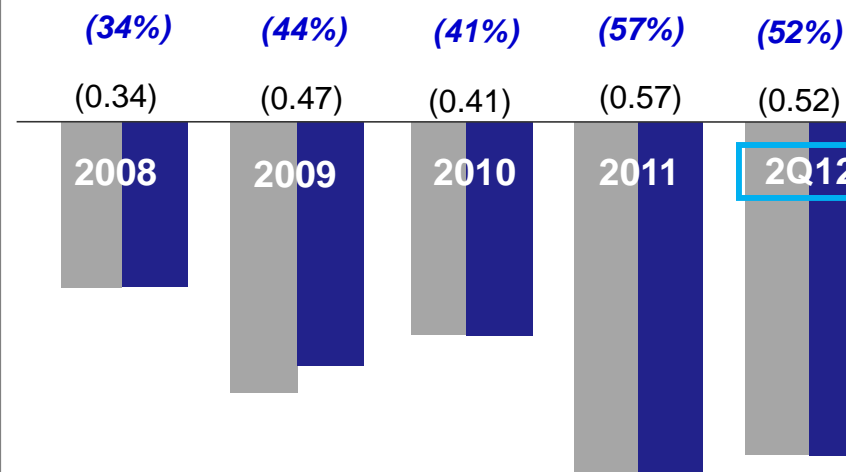
DEBT POSITION

Units: US\$M



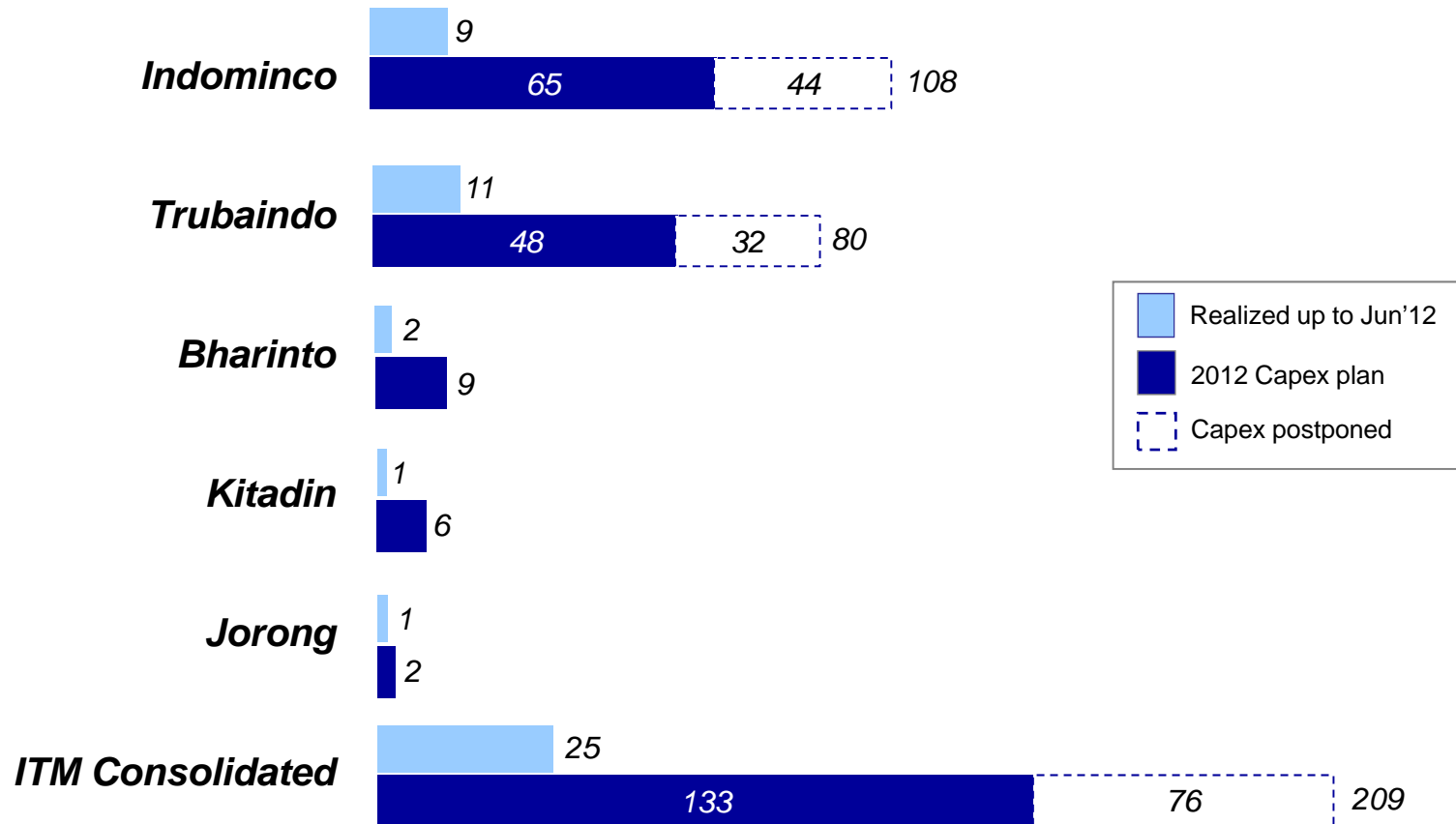
KEY RATIOS

■ Net Gearing (%)
■ Net D/E (times)



2012 Capital expenditure

Unit: US\$M



Note: Total capex plan includes Jakarta office



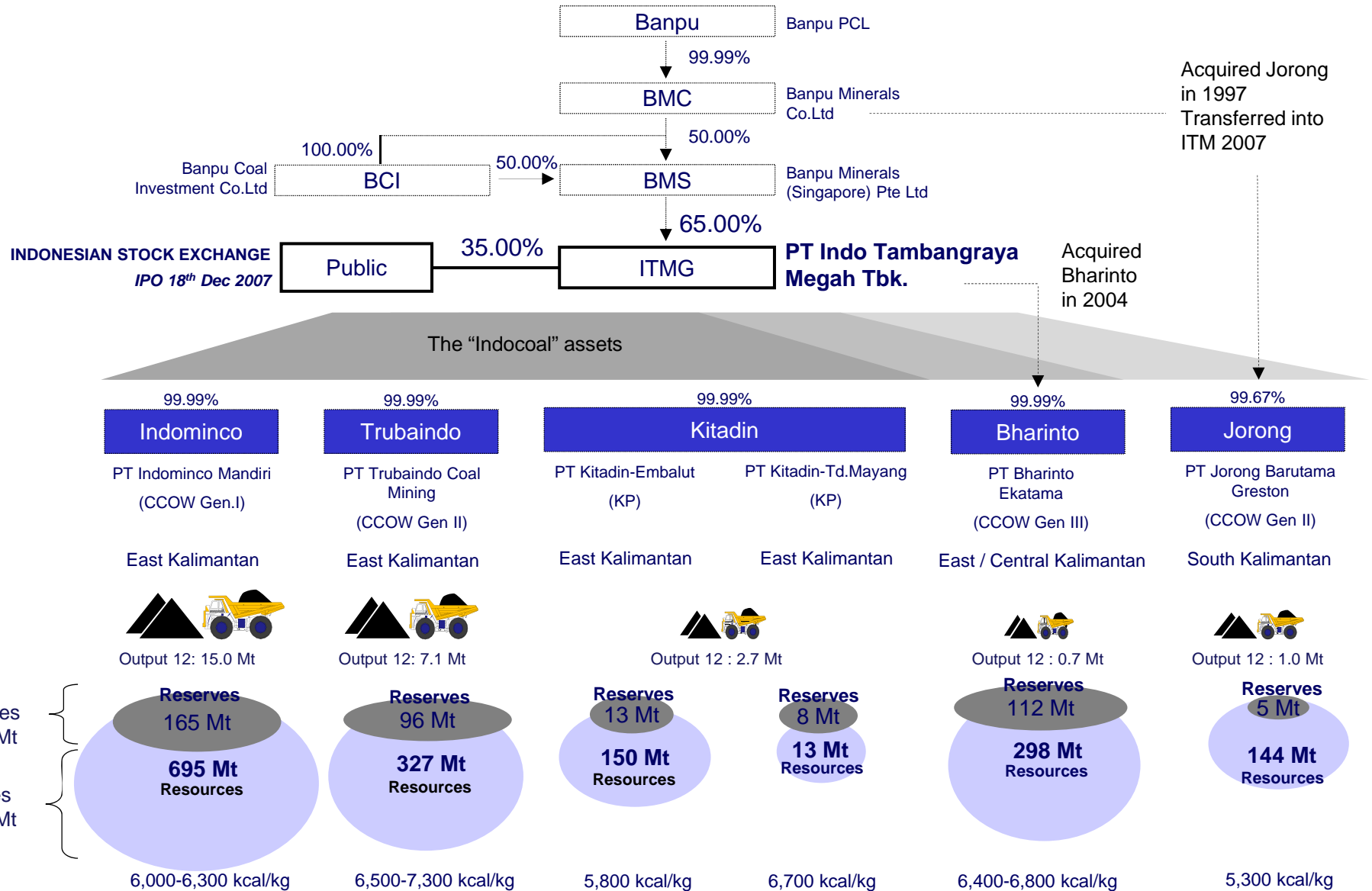


Question & Answer



Appendices

ITM structure and history



Note: * Updated Coal Resources and Reserves as of 30 June 2012

Income statement

Unit: US\$ thousand	2Q12	1Q12	QoQ%
Net Sales	626,403	577,955	8%
Gross Profit	196,988	209,207	-6%
GPM	31%	36%	
SG&A	(44,897)	(40,025)	
EBIT	152,091	169,182	-10%
EBIT Margin	24%	29%	
EBITDA	164,855	183,851	-10%
EBITDA Margin	26%	32%	
Net Interest Income / (Expenses)	1,660	3,028	
FX Gain / (Loss)	(6,189)	(2,138)	
Derivative Gain / (Loss)	(4,966)	26,916	
Others	11,411	(21,492)	
Profit Before Tax	154,007	175,496	-12%
Income Tax	(31,763)	(50,999)	
Net Income	122,244	124,497	-2%
Net Income Margin	20%	22%	

Income statement

Unit: US\$ thousand	1H12	1H11	YoY%
Net Sales	1,204,358	970,312	24%
Gross Profit	406,195	340,848	19%
GPM	34%	35%	
SG&A	(84,922)	(72,551)	
EBIT	321,273	268,297	20%
EBIT Margin	27%	28%	
EBITDA	351,718	296,608	19%
EBITDA Margin	29%	31%	
Net Interest Income / (Expenses)	4,688	1,295	
FX Gain / (Loss)	(8,327)	4,617	
Derivative Gain / (Loss)	21,950	4,822	
Others	(10,081)	(5,345)	
Profit Before Tax	329,503	273,686	20%
Income Tax	(82,762)	(68,356)	
Net Income	246,741	205,330	20%
Net Income Margin	20%	21%	