



Analyst Briefing

FY12 performance results

4 March 2013



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

Highlights of 4Q12 and FY12 results

Unit: US\$ Mn

Coal sales
8.2 Mt
 **Up 1.6 Mt**
 +24% Q-Q

Coal sales
27.2 Mt
 **Up 2.5 Mt**
 +10% y-y

	<u>3Q12</u>	<u>4Q12</u>	<u>Q-Q</u>	<u>FY11</u>	<u>FY12</u>	<u>y-y</u>
Total Revenue	576	658	+14%	2,382	2,439	+2%
Gross Profit Margin	31%	24%	-7%	37%	30%	-7%
EBIT	133	105	-21%	707	558	-21%
Net income	120	65	-45%	546	432	-21%
ASP* (USD/ton)	\$87.5	\$80.6	-8%	\$97.1	\$90.0	-7%

* Includes bonus /penalty

ITM strategy

GROWTH	COST MANAGEMENT	BEST PRACTICE
<ul style="list-style-type: none">● Organic growth from existing assets :<ul style="list-style-type: none">▪ Further exploration drilling activities in some potential areas▪ IPCC project at Indominco East Block is progressing as planned▪ Trubaindo infrastructure development (i.e. bridge, barge loader, etc.)▪ Bharinto ramp-up production starting 2013▪ Bontang and Bunyut port stockyard and capacity expansions● Seeking coal opportunities that can create synergy with nearby existing operation	<ul style="list-style-type: none">● Continue on cost improvement program● Reduced costs through logistics efficiency● Prioritized capex spending● Contractor management● Different mining techniques● Washing plant investments at Indominco East Block and Trubaindo South Block● Energy saving schemes● Captive coal-fired power plant in other existing mines	<ul style="list-style-type: none">● Focus on Quality, Safety and Environmental standard● Commitment to good corporate governance principles through business process enhancement and CSR aspects● Focus on people development and corporate culture

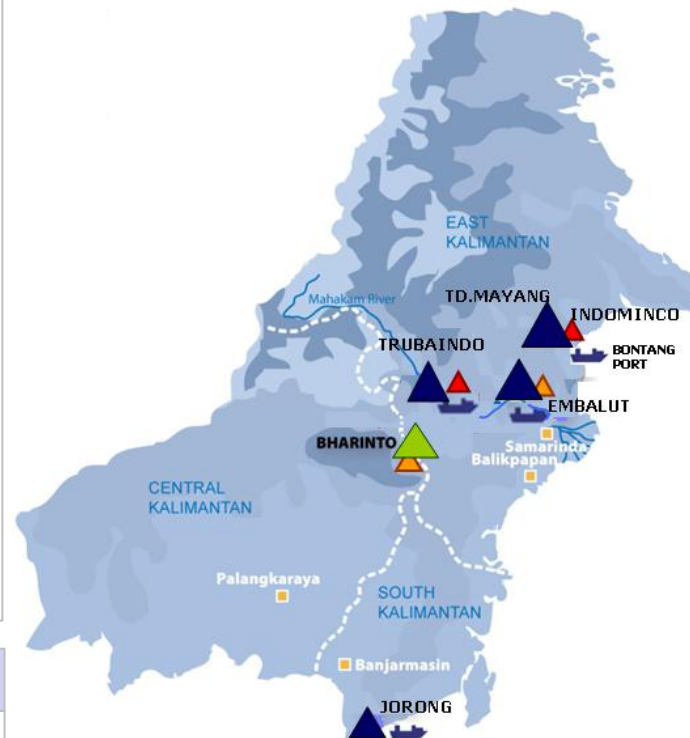
2012 review : strengthening the core

INDOMINCO – TD. MAYANG

- *Indominco*: Lowered SR to 12.0x from 12.6x in FY11
- Continued process on port loading capacity expansion
- Completed IPCC feasibility study as part of cost reduction program
- Capex postponement and rationalization
- Obtained gold medal award at Indonesia Fire Rescue Challenge (IFRC)
- *Td. Mayang*: passed TPM3 Excellence Award level 4

JAKARTA OFFICE

- Overhead cost reduction
- Maintain dividend payout ratio



TRUBAINDO - BHARINTO

- *Trubaindo*: ramped up production from 7.1 mt to 7.7 mt
- Shortened distance to dump area
- Capex postponement and rationalization
- *Bharinto*: first coal sales in 3Q12
- Completed Bharinto hauling road

EMBALUT - JORONG

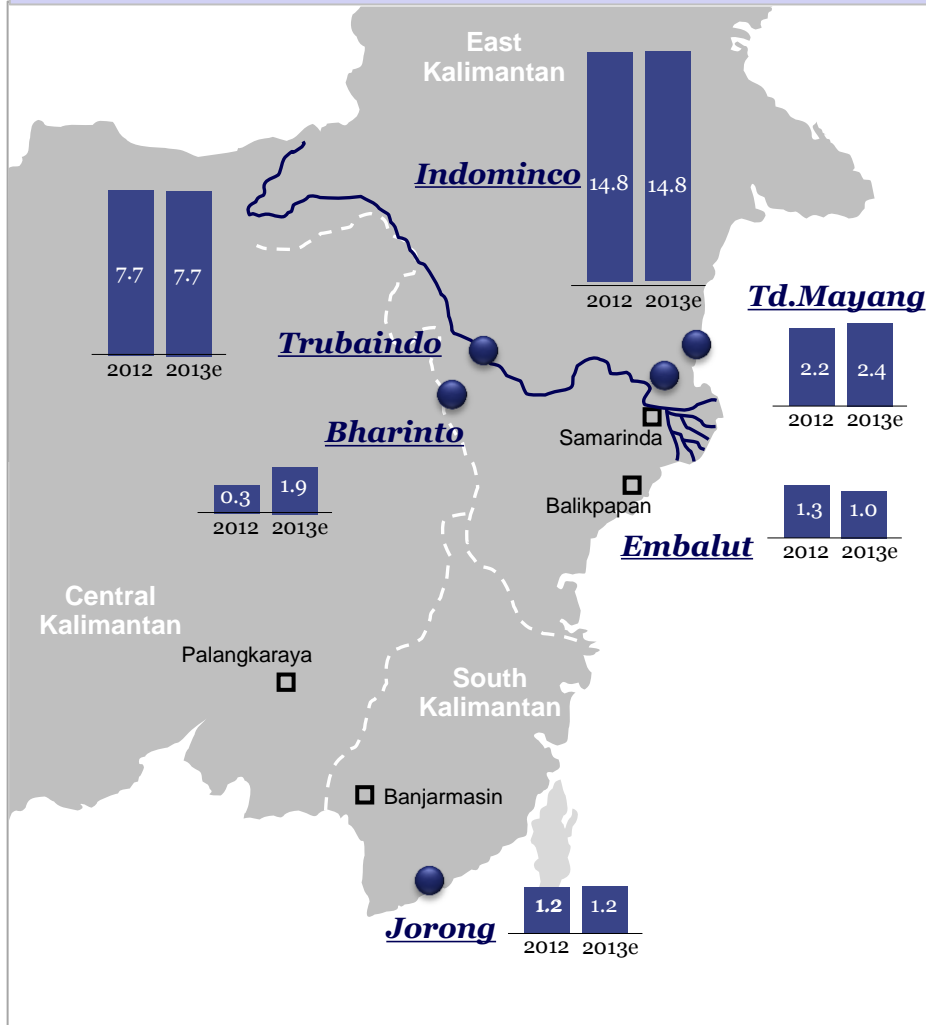
- *Embalut*: optimized mining reserves
- *Jorong*: finalized mine closure master plan

2013 and beyond: make fundamentals even stronger

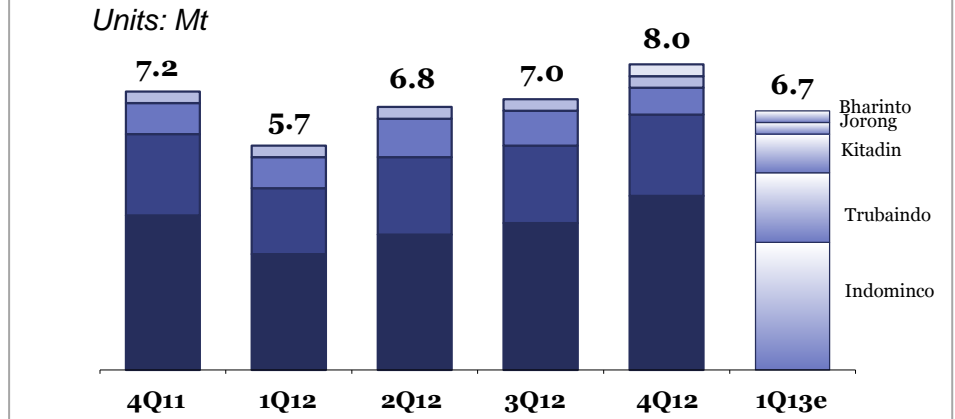
REVENUE GROWTH	COST
<ul style="list-style-type: none"> • Increase sales to 29.0 Mt • Leverage high CV competitiveness • Diversification of customer base • Consider options to secure tonnage and price LT of off-spec products both internally and with third party blending • Strengthen product and shipment reliability (expansion of port and shipyard) 	<ul style="list-style-type: none"> • Lower SR to decrease production costs • Optimize infrastructure and logistics efficiencies • Manage overhead costs • Further cost reduction program through IPCC, washing plant, etc.
FINANCIAL POLICIES	BEST PRACTICE
<ul style="list-style-type: none"> • Strong balance sheet • Prudent cash management • Maintain dividend payout ratio 	<ul style="list-style-type: none"> • Continuous improvement on structures to support good corporate governance • Enhance risk management best practices • Rules and regulation compliance in all mine sites • Banpu Spirit as ITM people character

2012 vs 2013 operation summary

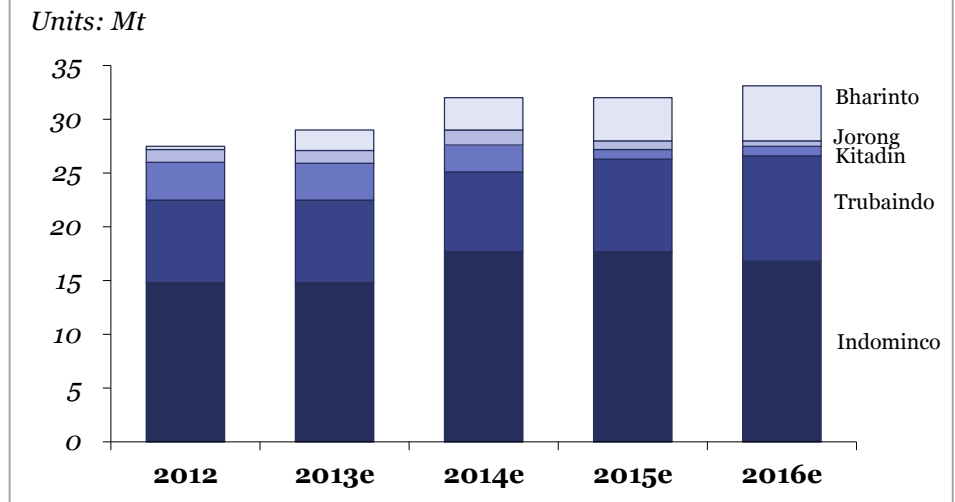
FY12 OUTPUT: 27.5Mt FY13 TARGET: 29.0Mt



QUARTERLY OUTPUT



INDICATIVE OUTPUT TARGETS*

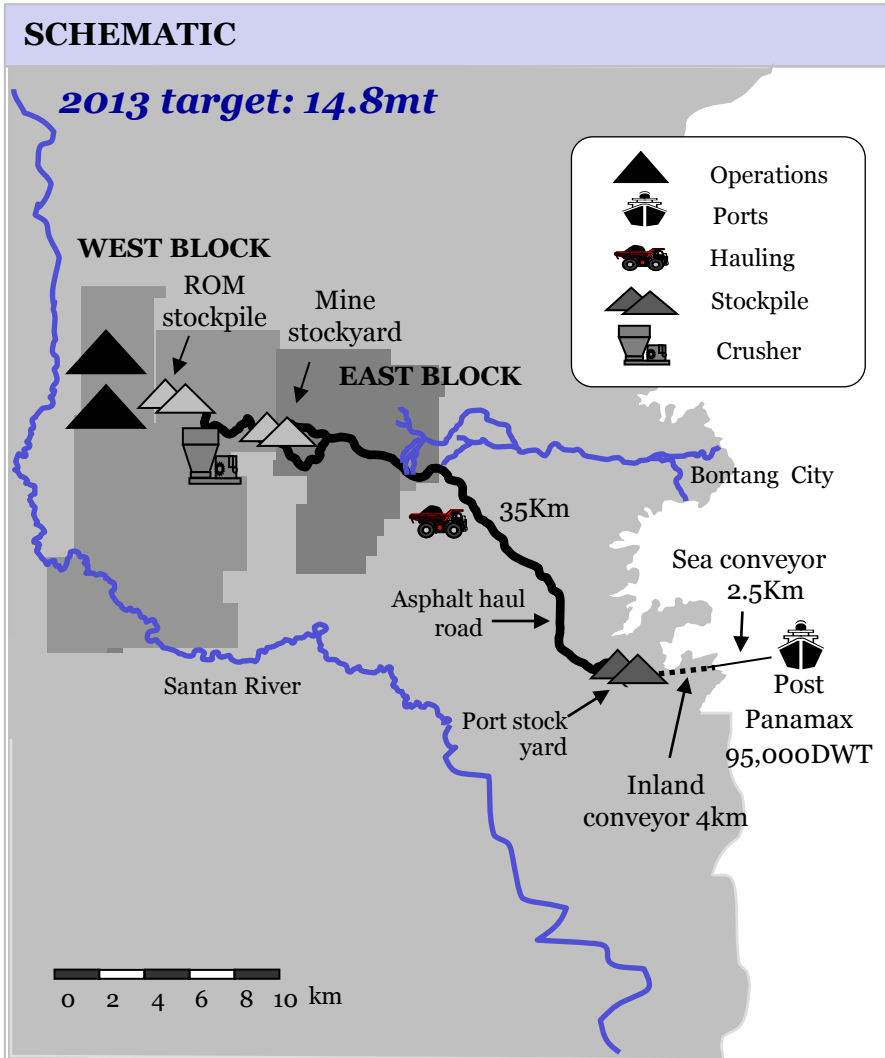


* Not including inorganic growth.

Note: These output targets are indicative only and are subject to change

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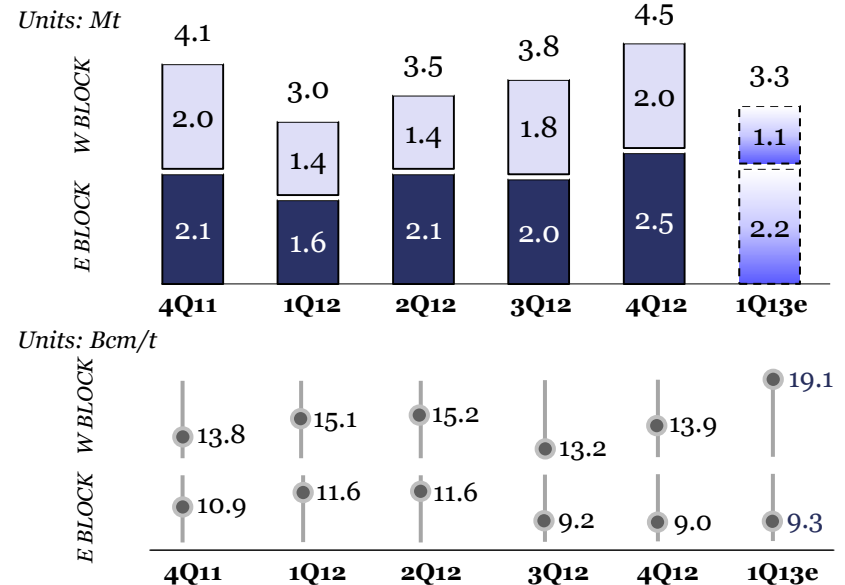
Indominco Mandiri



QUARTERLY UPDATES

- FY12 production was higher than target due to better weather condition and optimal equipment utilization.
- *IPCC trial stage*: on process to transport the equipment to Indominco site.
- *Port expansion*: completed the feasibility study by consultants and continue with construction (EPC) bidding process.

QUARTERLY OUTPUT



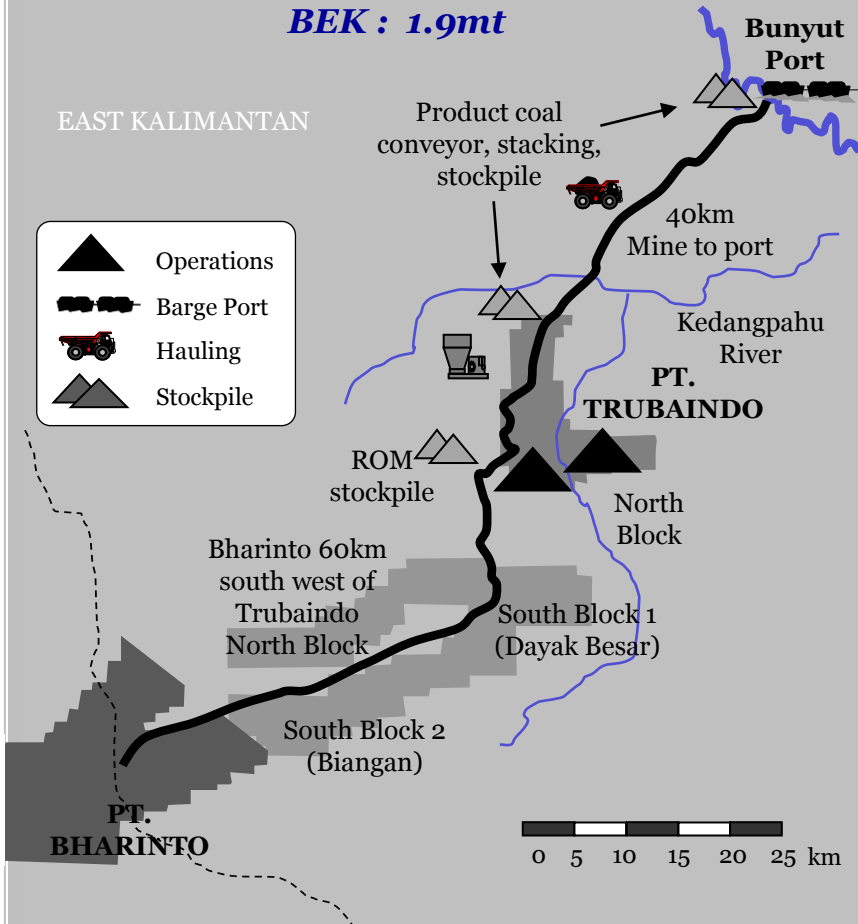
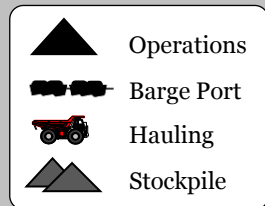
Trubaindo and Bharinto

SCHEMATIC

2013 Target: TCM : 7.7mt

BEK : 1.9mt

EAST KALIMANTAN

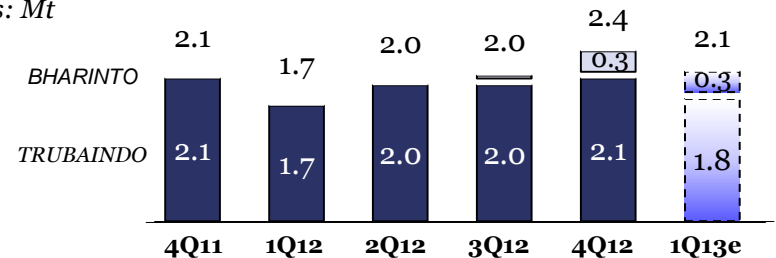


QUARTERLY UPDATES

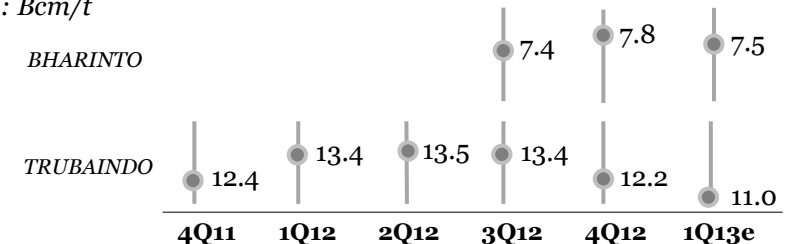
- Trubaindo:
 - FY12 production was higher than plan due to good performance of mining contractor.
 - *Bunyut port expansion*: on process of preparing feasibility study with consultant.
- Bharinto:
 - FY12 production achieved as planned.
 - PAMA is the main mining contractor at site.
 - Bharinto hauling road already completed since 4Q12.

QUARTERLY OUTPUT

Units: Mt



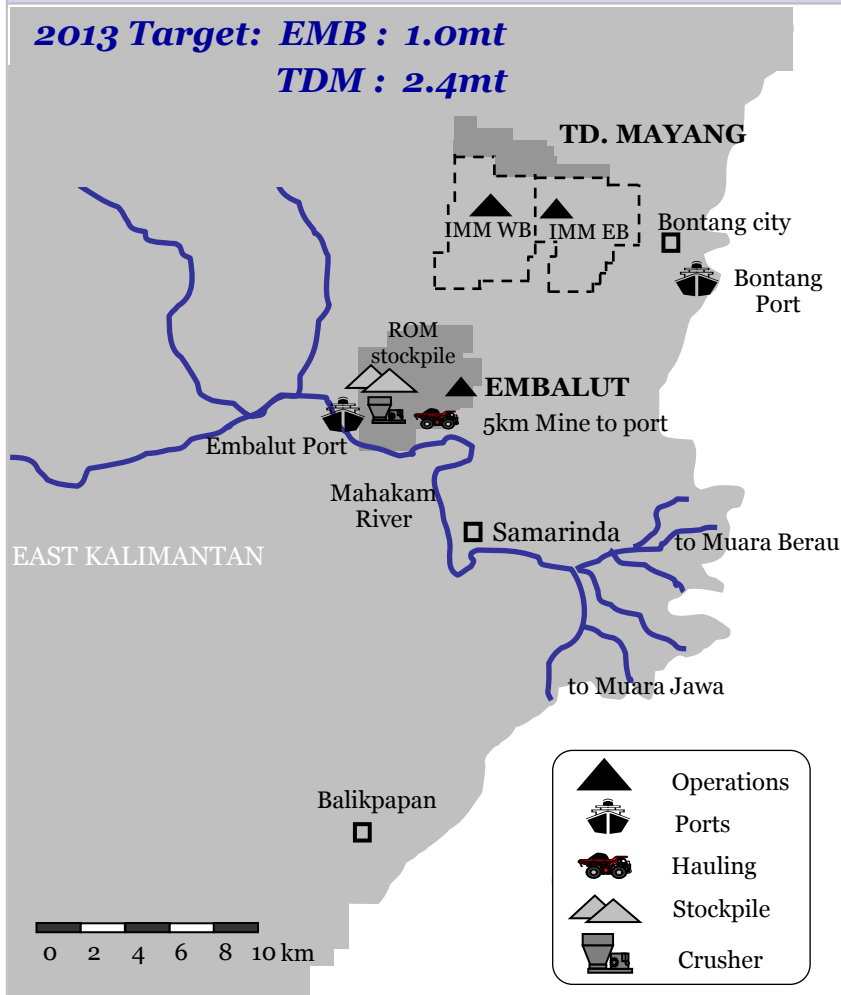
Units: Bcm/t



Kitadin Embalut and Tandung Mayang

SCHEMATIC

**2013 Target: EMB : 1.0mt
TDM : 2.4mt**

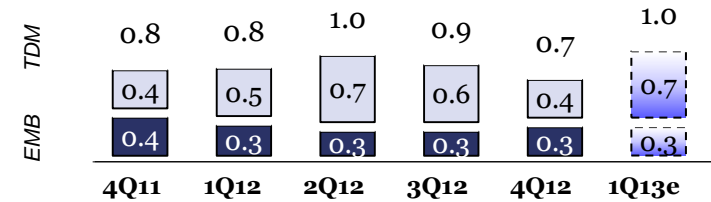


QUARTERLY UPDATES

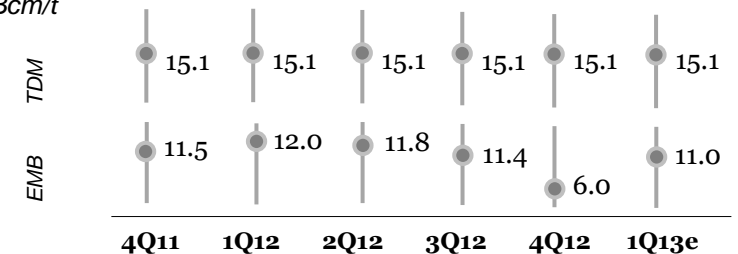
- Kitadin Embalut:
 - FY12 production was higher than plan supported by good weather conditions.
- Kitadin Tandung Mayang:
 - FY12 production was lower than plan due to change in market requirement.

QUARTERLY OUTPUT

Units: Mt



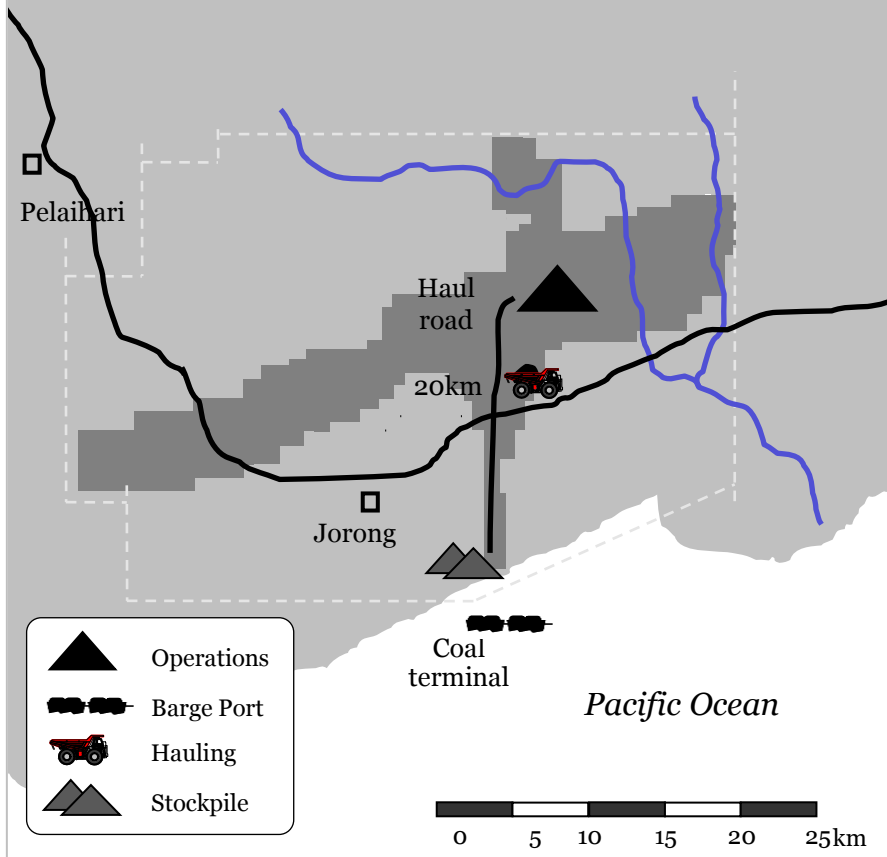
Units: Bcm/t



Jorong

SCHEMATIC

FY13 target: 1.2mt

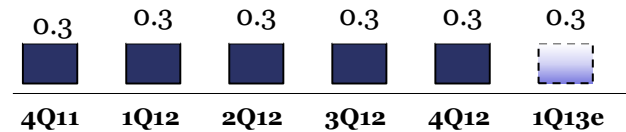


MAJOR QUARTERLY UPDATES

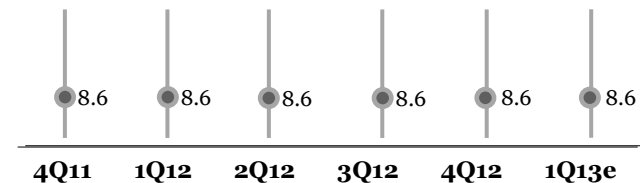
- FY12 production achieved according to plan due to good weather condition and good support from mining contractor.
- Already obtained approval on river diversion project from government.
- Project construction started since Jan 2013 and expected to be finished in mid 2013.

QUARTERLY OUTPUT

Units: Mt






Units: Bcm/t



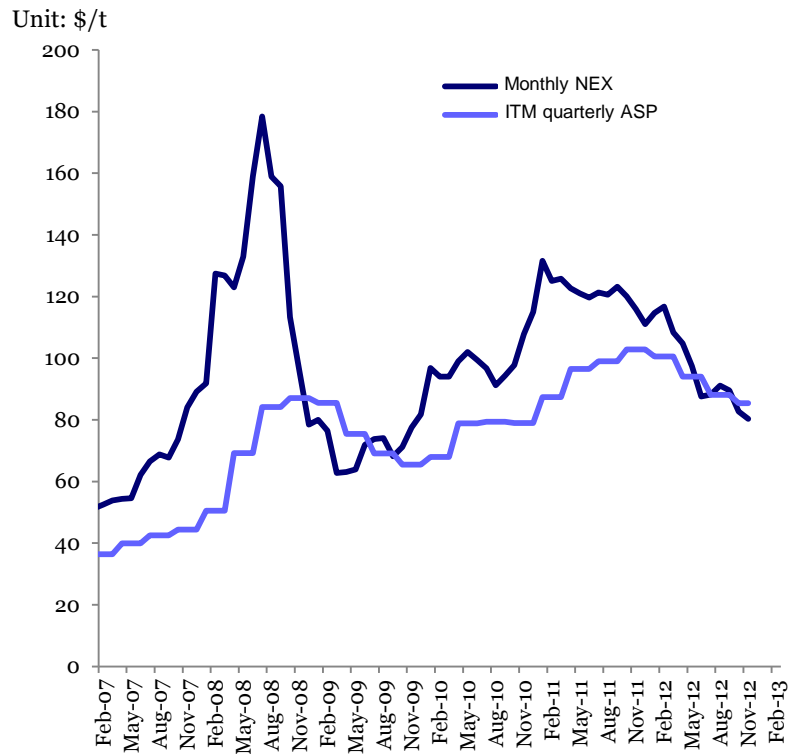
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Seaborne thermal coal market drivers – 4Q update

WEATHER	CHINESE DEMAND	OTHER DRIVERS
 <ul style="list-style-type: none"> ● Indonesia wet season normal reducing stock. ● Chinese cold winter. ● Australian cyclones, floods reduce coal flow. ● USA/Europe cold winter. <p><u>Question:</u> Is there a La Nina pattern developing? More rain in tropics, less in S. China.</p>	 <ul style="list-style-type: none"> ● Economic activity marginally picking up, as is electricity generation. ● Coal production flattening, but stocks remain. ● Imports in 2H 2012, high ending year at almost 150 Mt. ● Policy clouds clearing. On balance positive. ● Overall impact – domestic price likely to rise and impact import demand, especially if less rain than normal. 	 <ul style="list-style-type: none"> ● A start in positive trend in sentiment, despite global coal trade expanding strongly. ● Gas prices support coal demand in Europe, while USA continues adjusting. ● In 2013, political and social factors may impact supply, but extent unpredictable. ● World growth forecast of 2.3%* (Prev. 2.4%); Asian growth forecast of 6.3%* (Prev. 6.4%) in 2013

ITM ASPs vs thermal coal benchmark prices

ITM ASP VS BENCHMARK PRICES



ASP 4Q12 \$80.6 (-8% QoQ)

ASP 2012 \$90.0 (-7% YoY)

NEX* Feb 21, 2013 \$93.3

COMMENTS

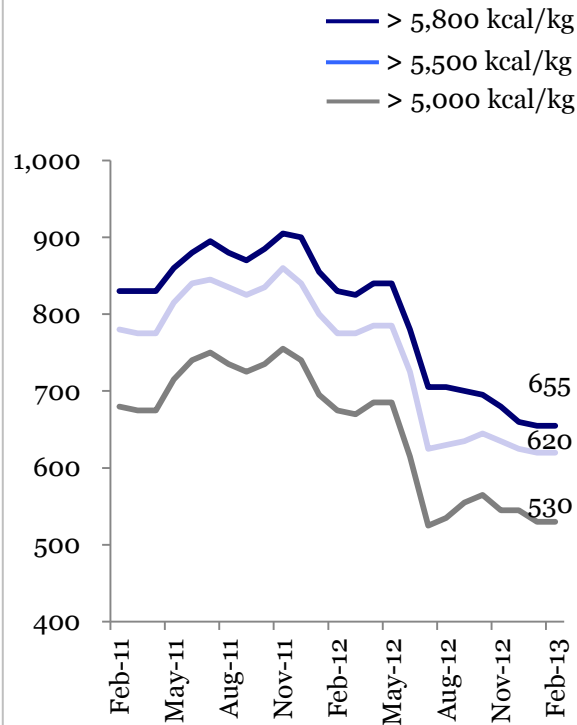
- ASP started to decline marginally in 2Q and this extended to 4Q, but not as quickly as the general market and spot
- Continuing pressure from weaker market prices and product mix, impacts ASP and tonnage
- Concluded increased sales at 27.2 Mt in 2012, with some downward impact on ASP end 4Q

* Barlow Jonker Index: benchmark NSW FOB thermal coal index

China thermal coal market review

CHINA DOMESTIC COAL PRICES

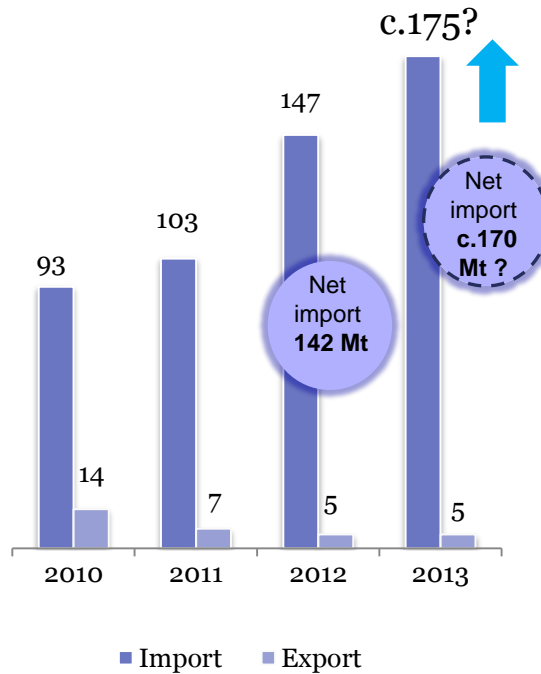
Unit: RMB



Source: www.sxcoal.com/cn 26 Feb 2013

CHINA THERMAL COAL IMPORTS/EXPORTS

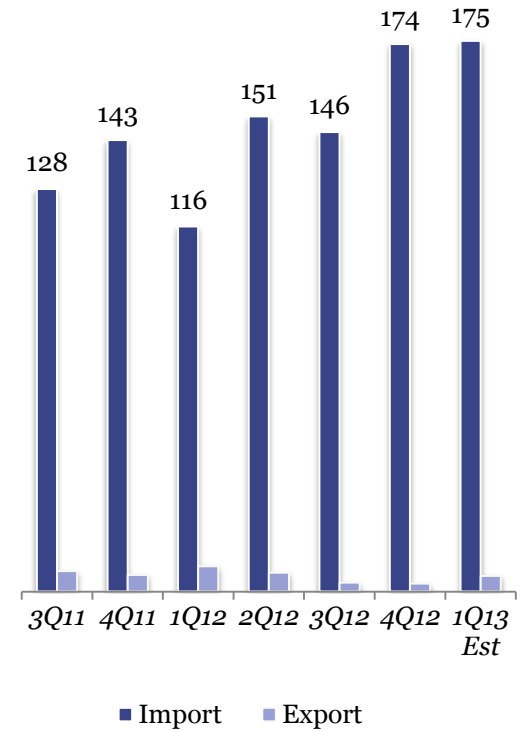
Unit: Mt



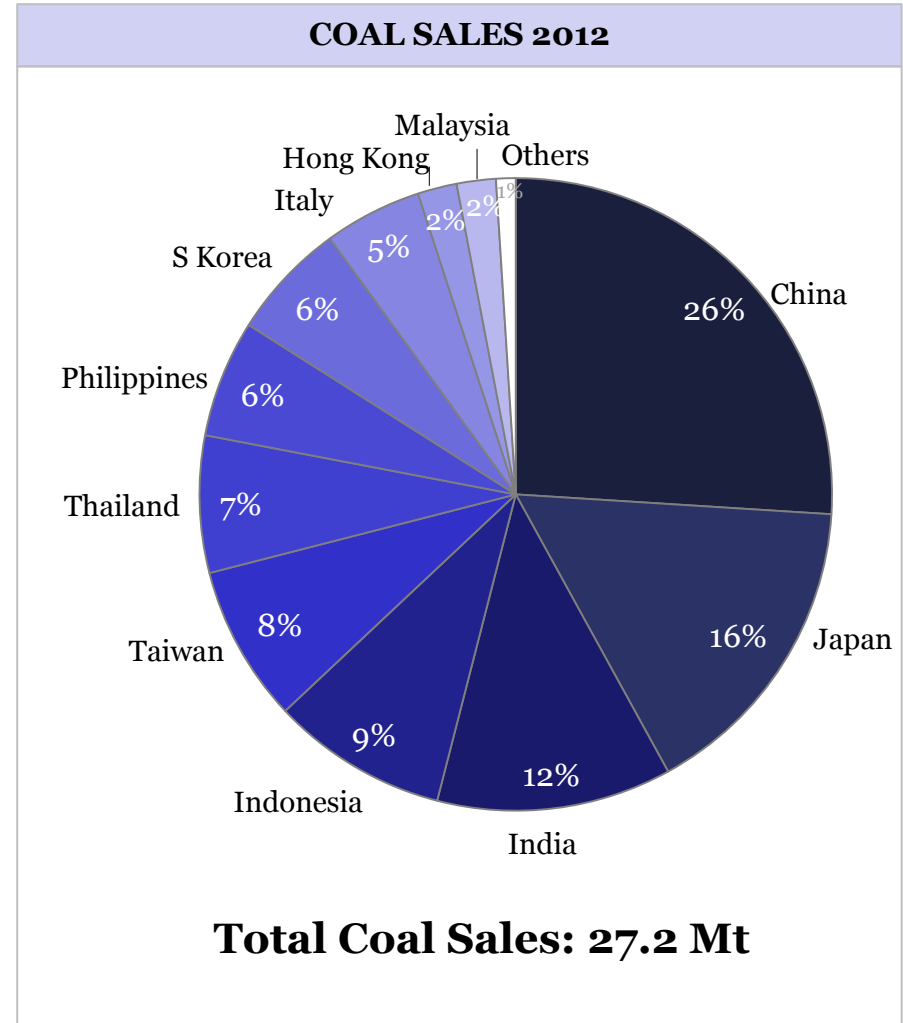
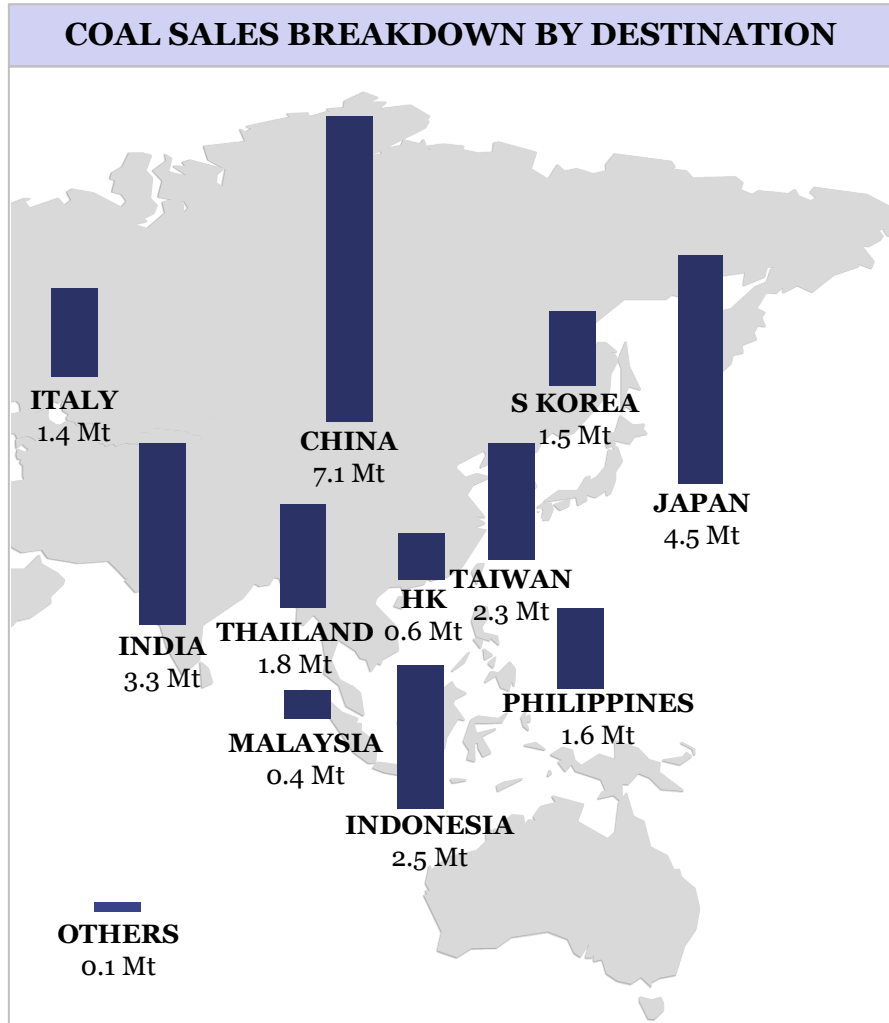
Sources: China Coal Report Jan 2013, Banpu MS&L Estimates

ANNUALIZED ACTUAL IMPORT 3Q11 - 4Q12 & 1Q13 ESTIMATE

Unit: Mt



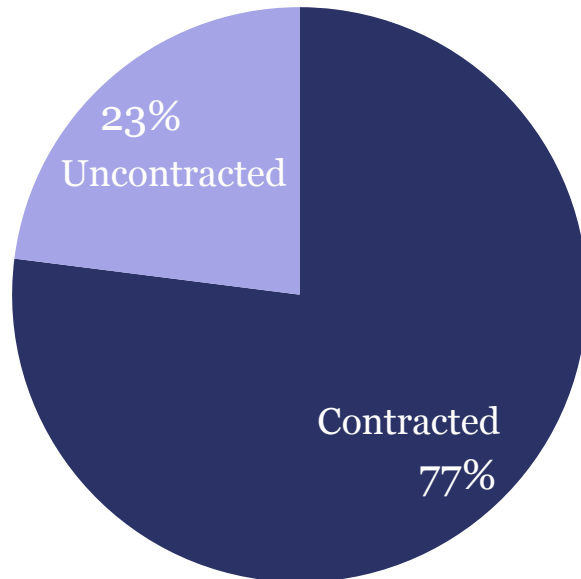
ITM coal sales 2012



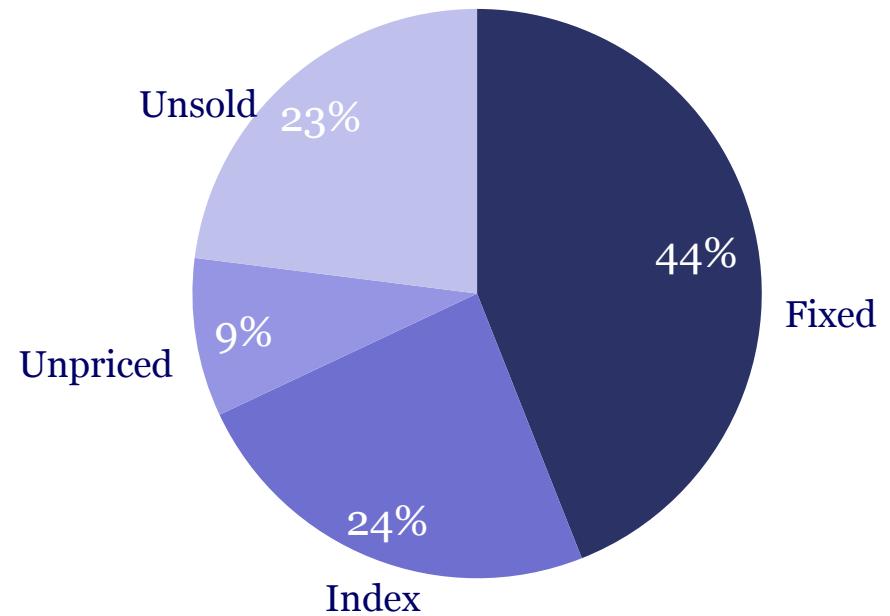
Indicative coal sales 2013

COAL SALES CONTRACT AND PRICING STATUS

Contract Status



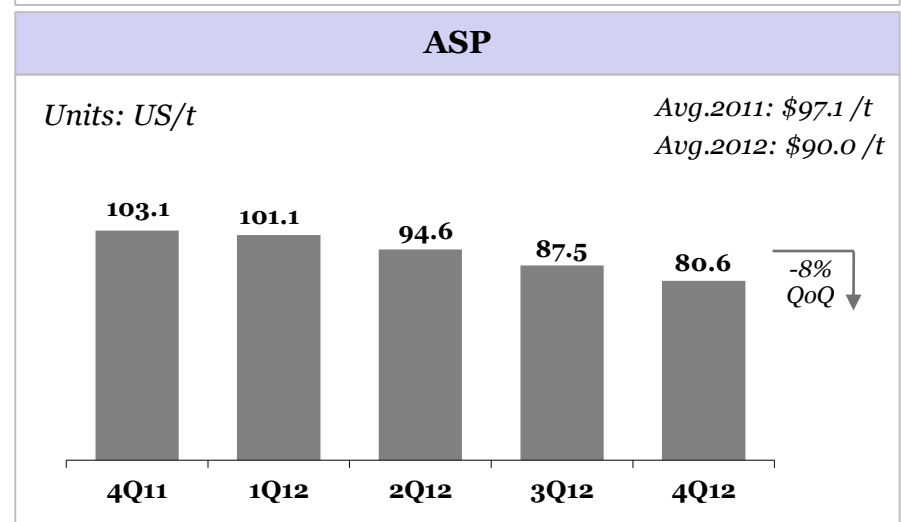
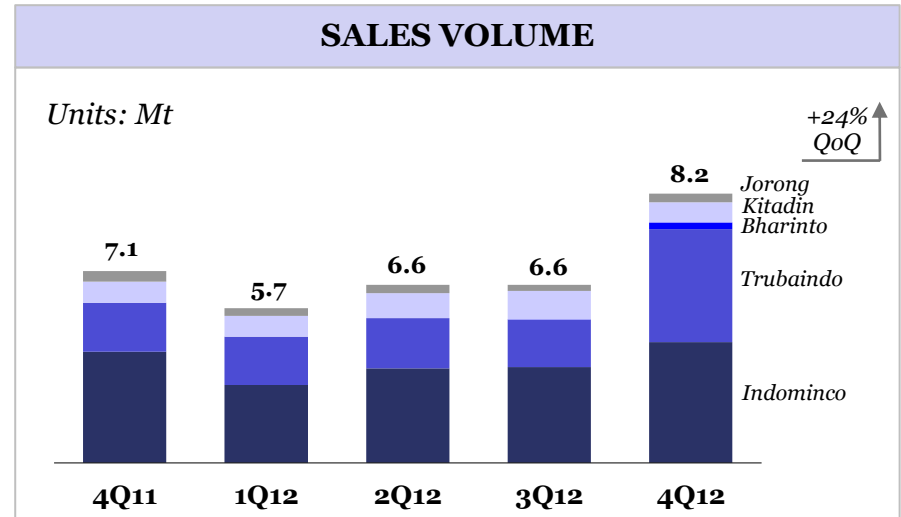
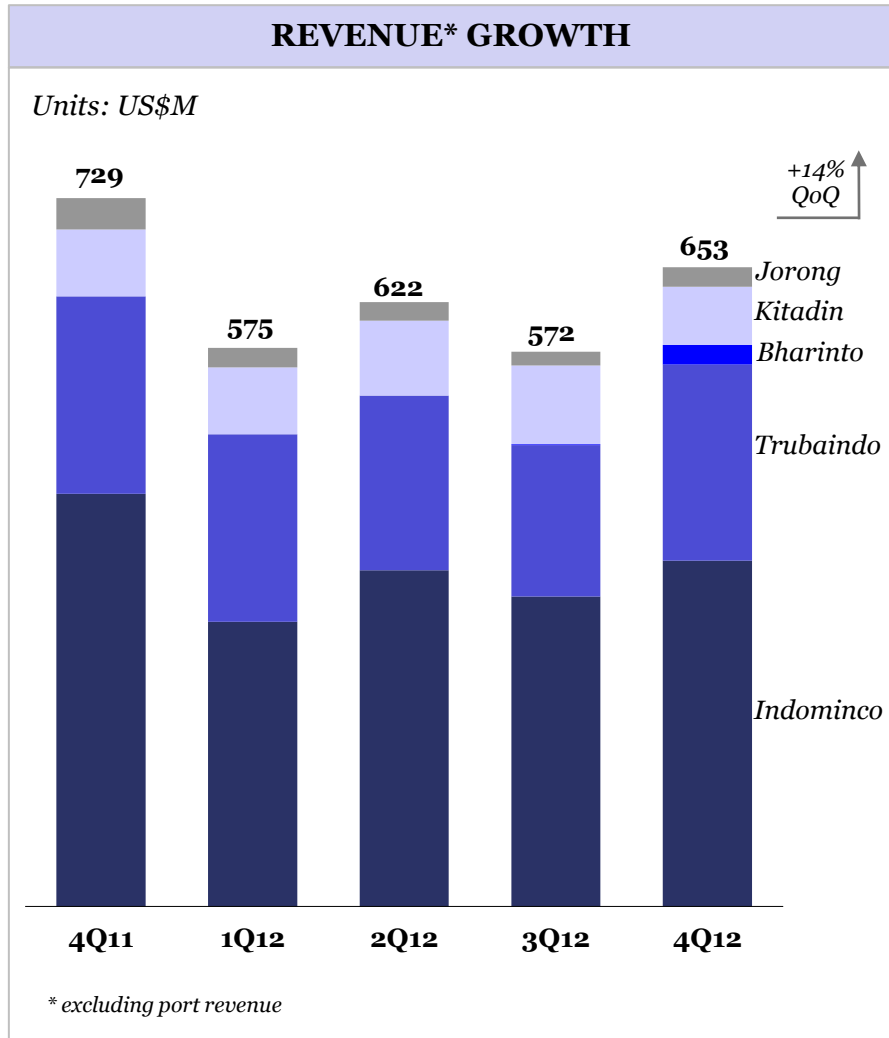
Price Status



TARGET SALES 2013: 29.0 Mt

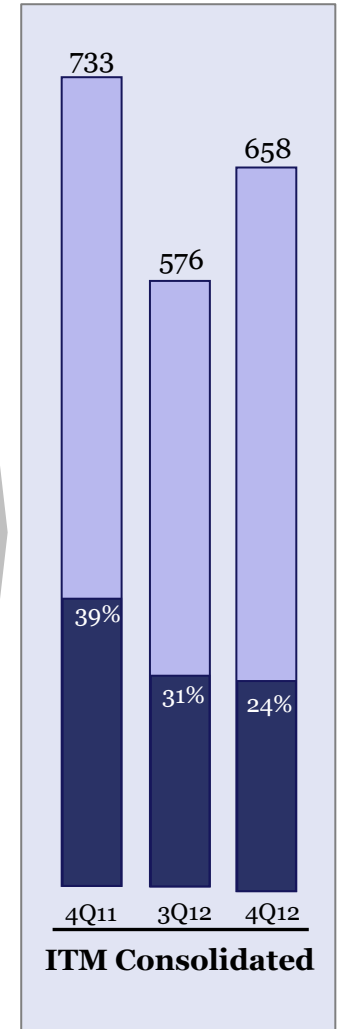
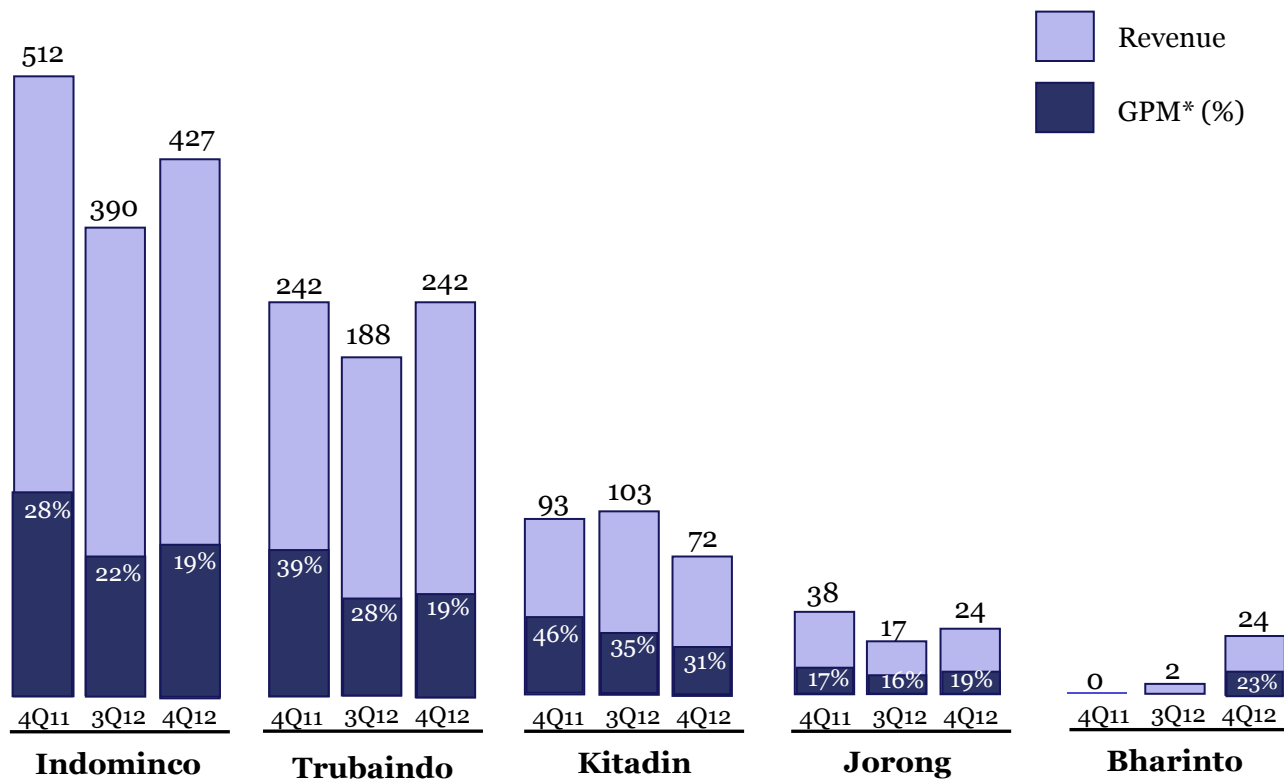
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Sales revenue



Average gross margin

Units: US\$M

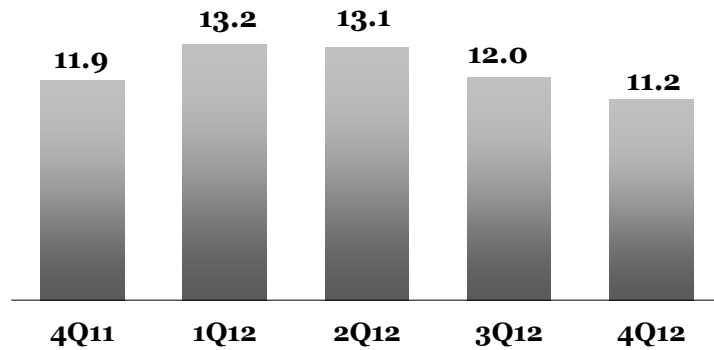


Cash cost

WEIGHTED AVERAGE STRIP RATIO

Units: Bcm/t

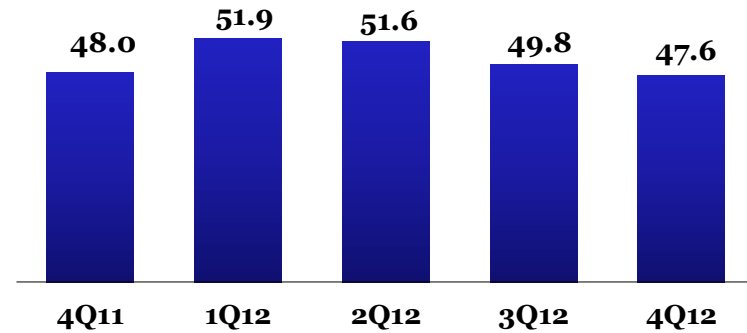
Avg.2011: 11.9
Avg.2012: 12.3



CASH PRODUCTION COST

Units: US\$/t

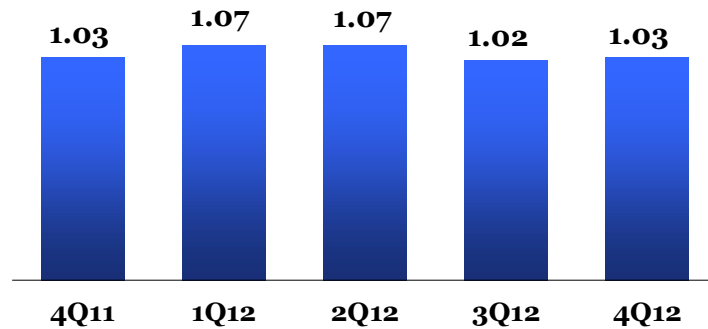
Avg.2011: \$46.4 /t
Avg.2012: \$50.1 /t



FUEL PRICE

Units: US\$/Ltr

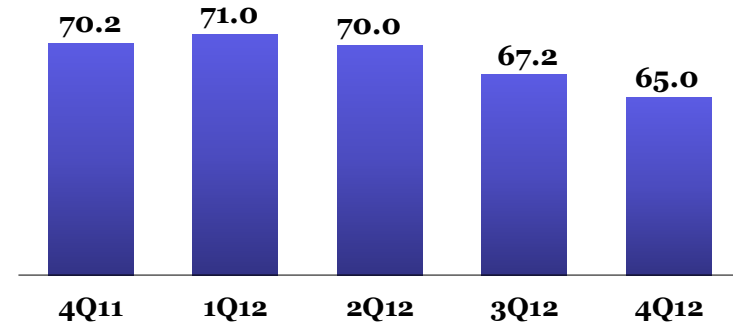
Avg.2011: \$1.02 /ltr
Avg.2012: \$1.04 /ltr



TOTAL CASH COST *

Units: US\$/t

Avg.2011: \$66.0 /t
Avg.2012: \$68.0 /t

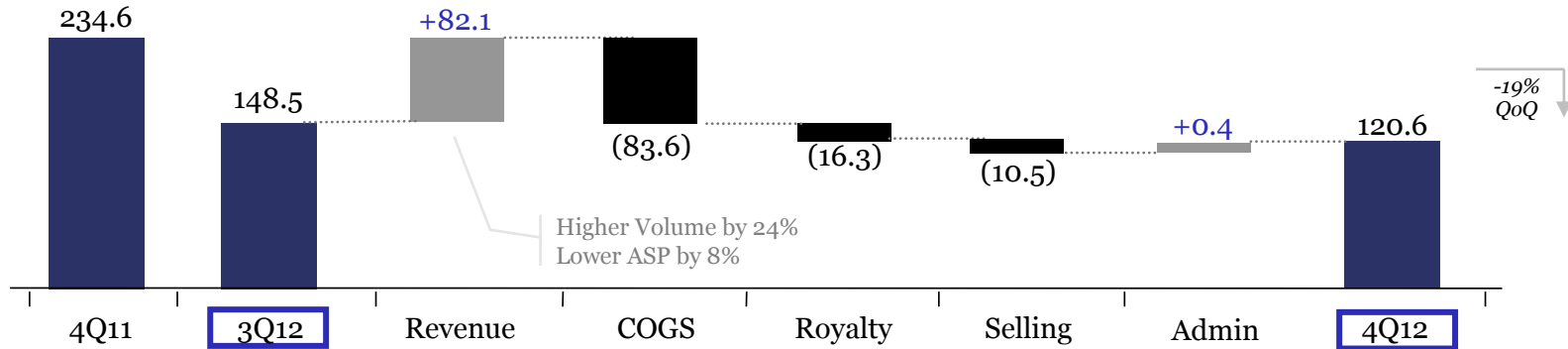


* including royalty

EBITDA

CONSOLIDATED

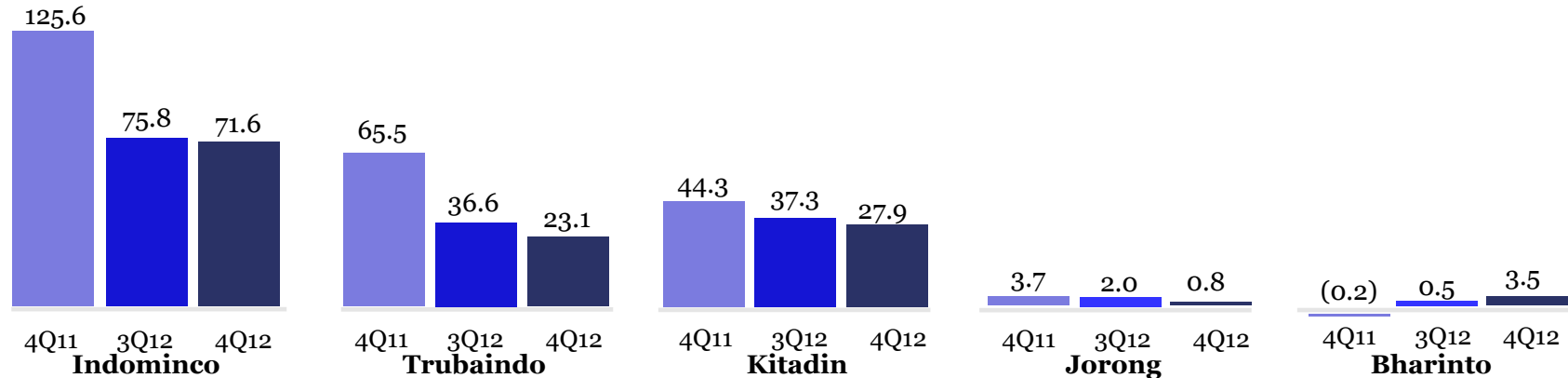
Units: US\$M



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

MINE BY MINE

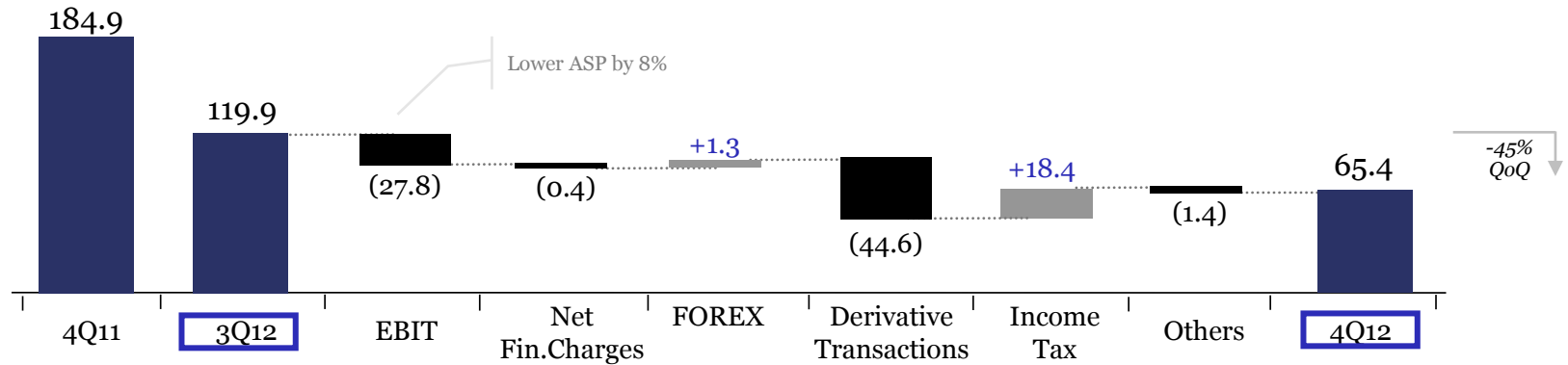
Units: US\$M



Net Income

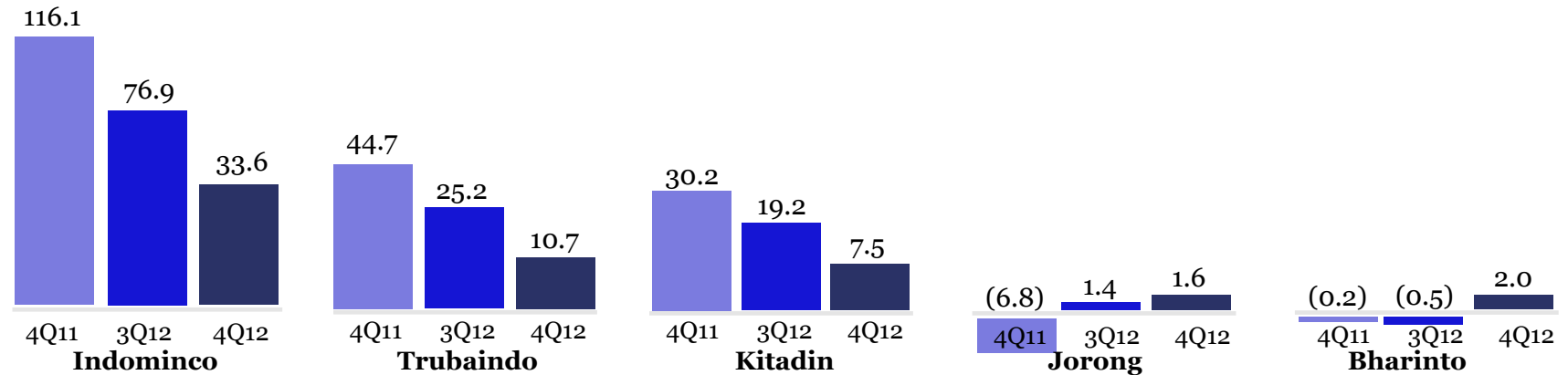
CONSOLIDATED

Units: US\$M



MINE BY MINE

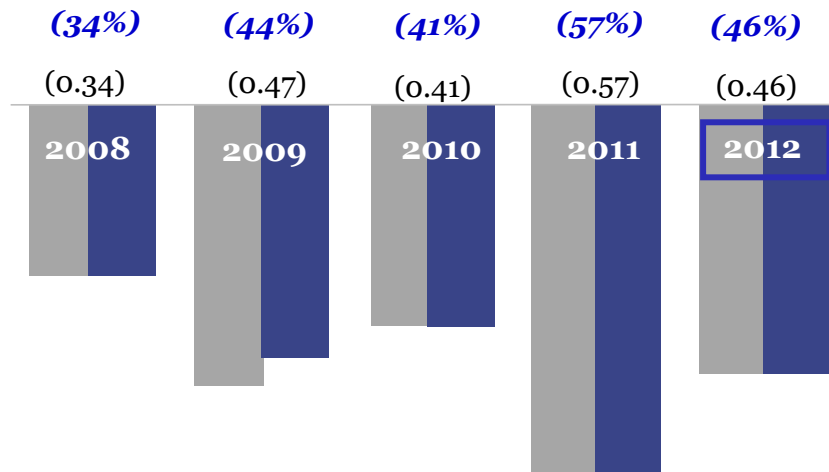
Units: US\$M



Balance sheet

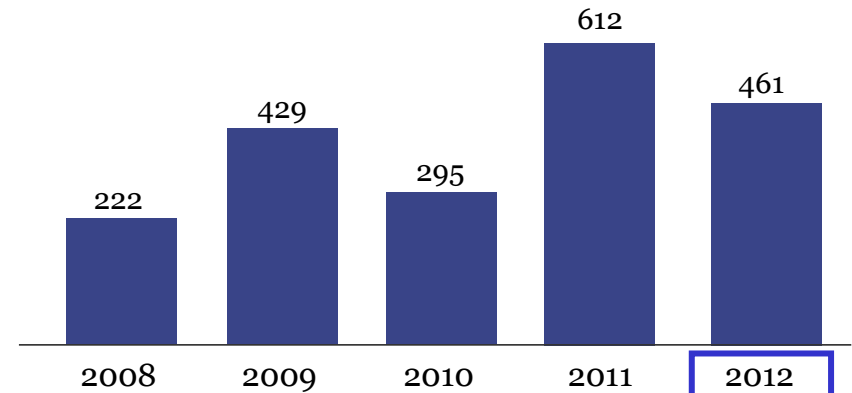
KEY RATIOS

- Net Market Gearing (%)*
- Net D/E (times)*



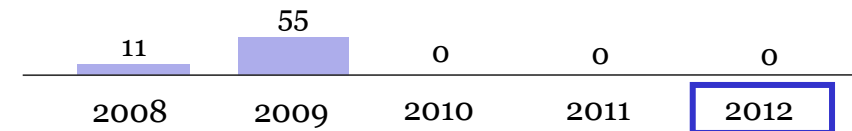
CASH POSITION

Units: US\$M



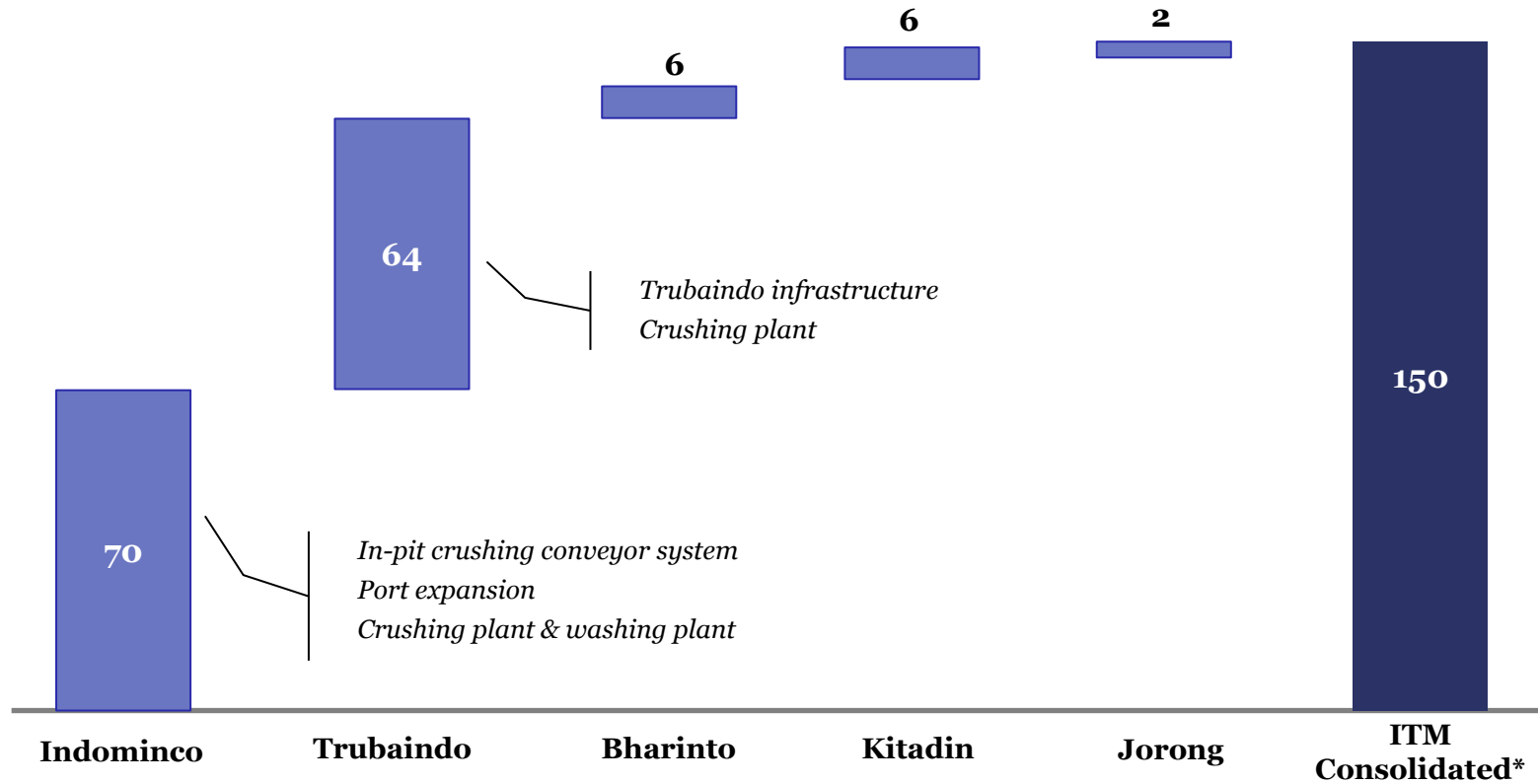
DEBT POSITION

Units: US\$M



2013 Capital Expenditure plan

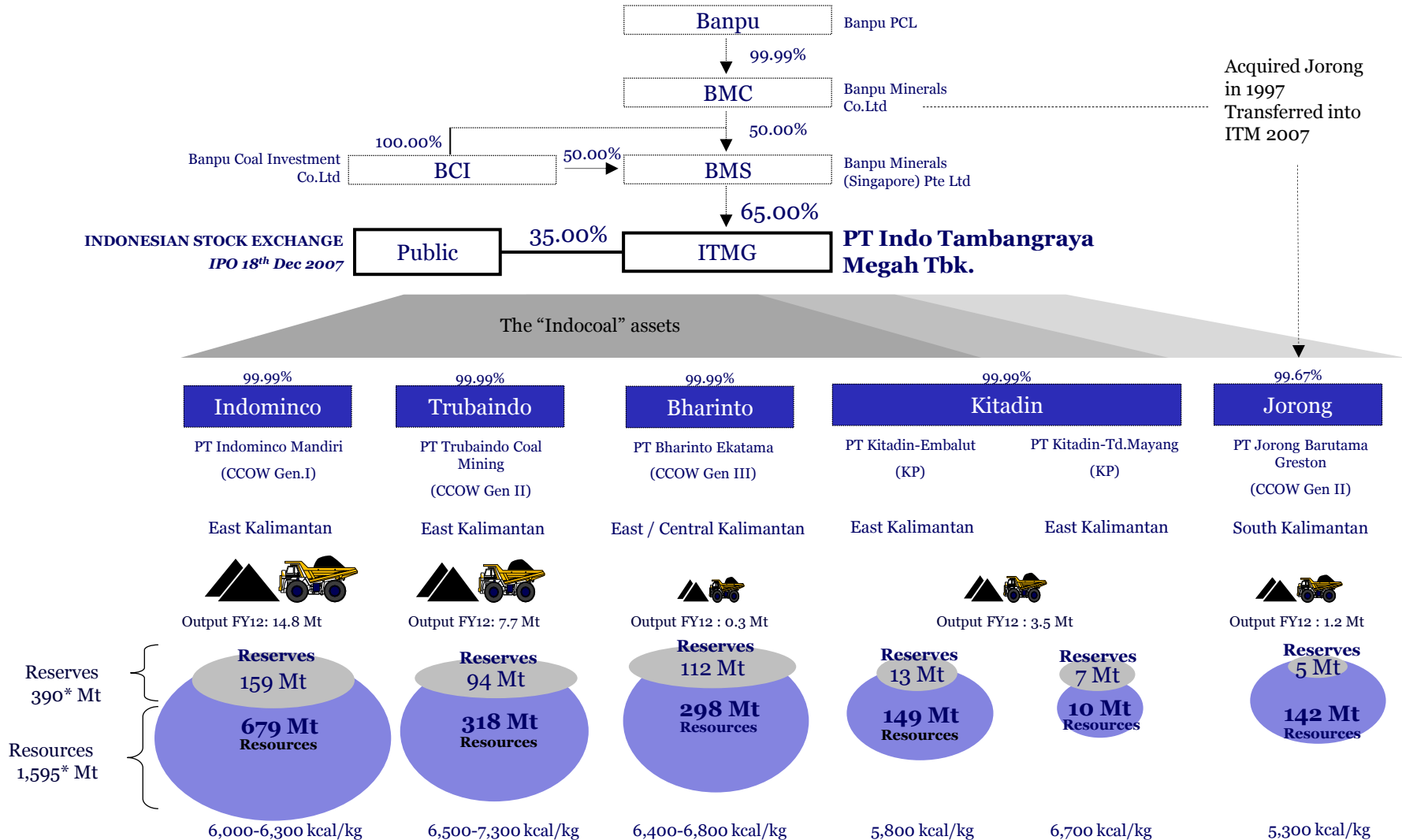
Units: USD million



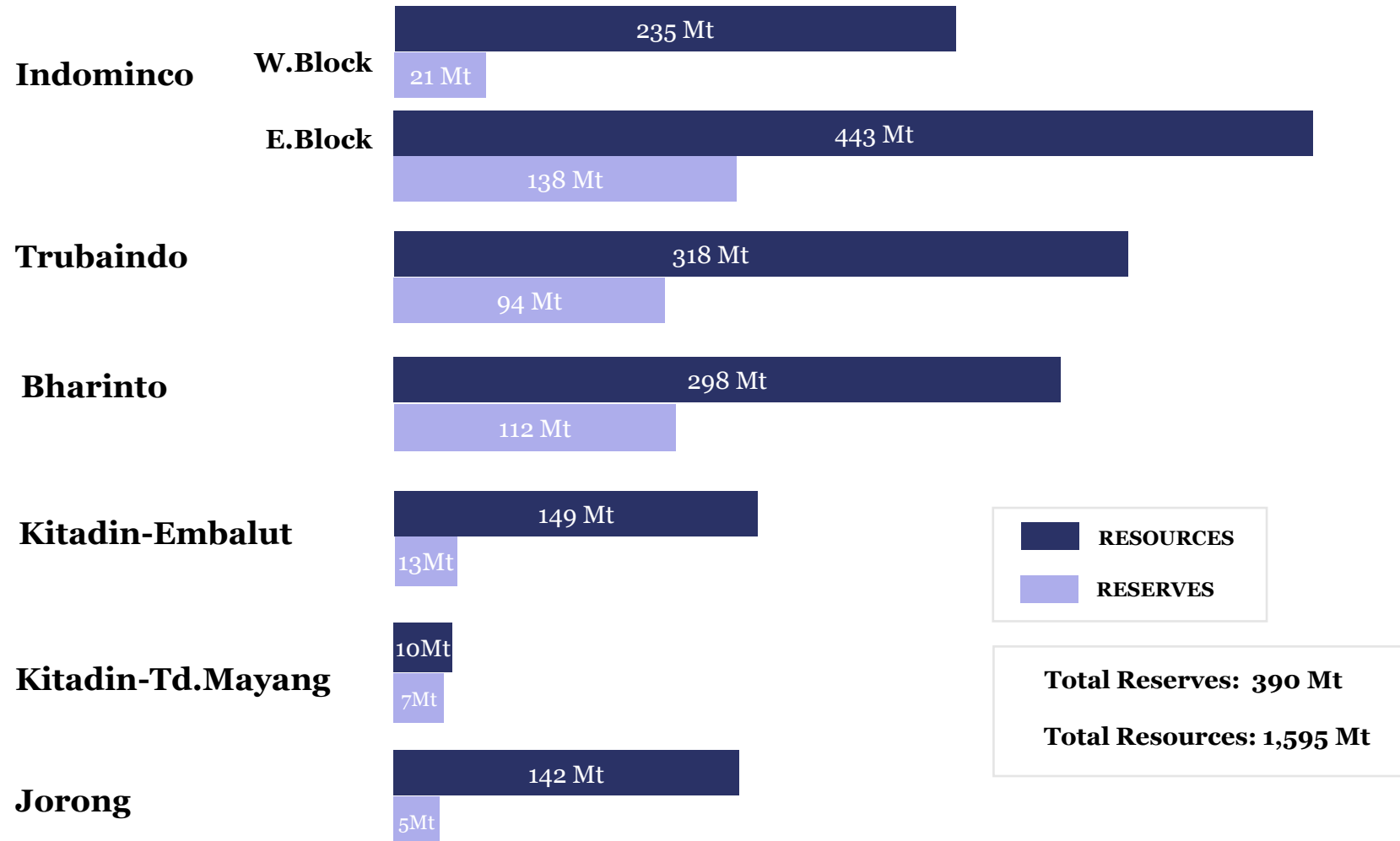
Note: Total capex plan including Jakarta office

Appendices

ITM structure and history



Reserves and Resources (as of 31 Dec 2012)



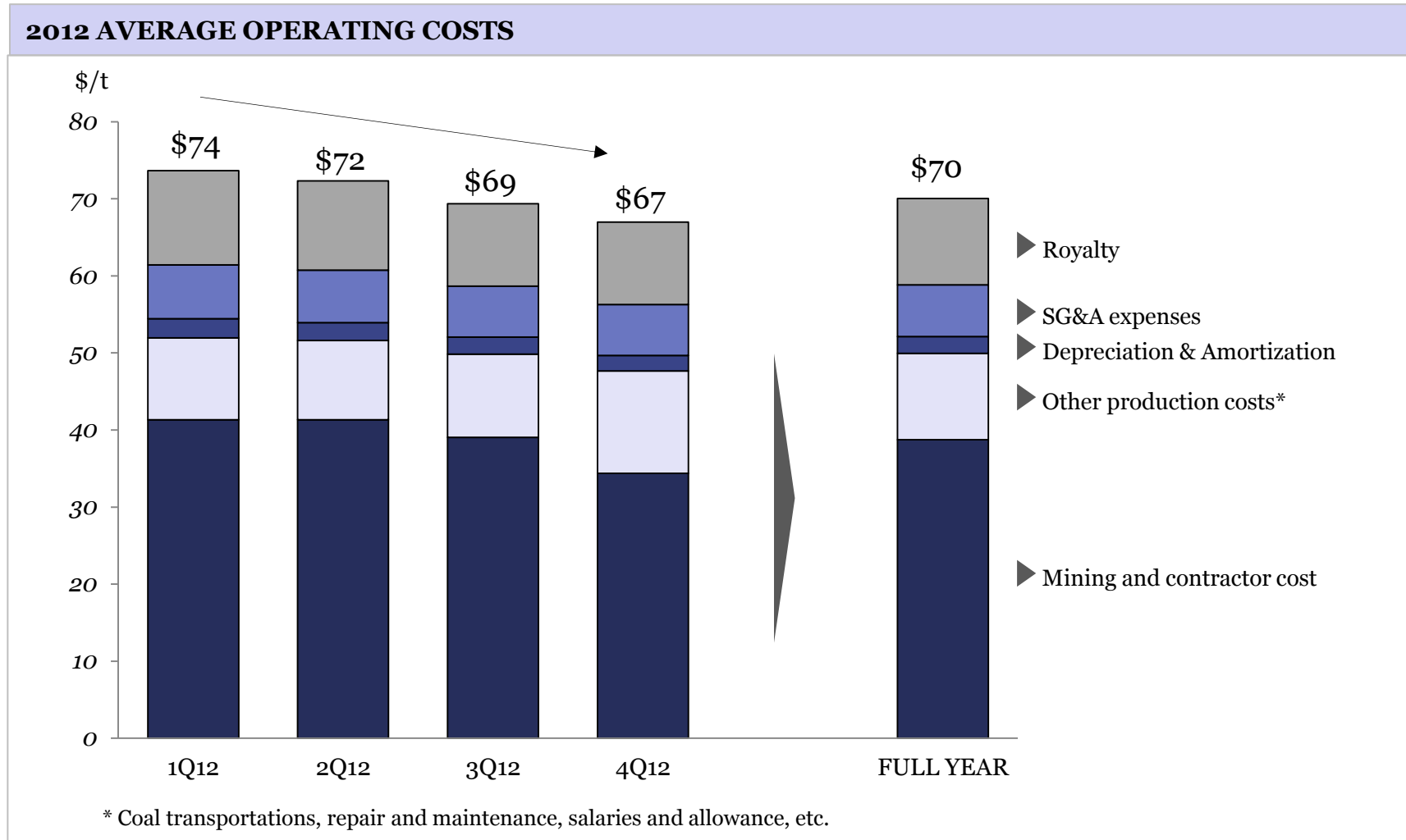
Income statement

Unit: US\$ thousand	FY12	FY11	YoY%
Net Sales	2,438,941	2,381,875	2%
Gross Profit	741,167	892,069	-17%
GPM	30%	37%	
SG&A	(182,729)	(185,153)	
EBIT	558,438	706,916	-21%
EBIT Margin	23%	30%	
EBITDA	620,773	763,937	-19%
EBITDA Margin	25%	32%	
Net Interest Income / (Expenses)	13,269	4,684	
FX Gain / (Loss)	(10,827)	639	
Derivative Gain / (Loss)	48,535	34,304	
Others	(18,306)	(14,081)	
Profit Before Tax	591,109	732,462	-19%
Income Tax	(159,066)	(186,336)	
Net Income	432,043	546,126	-21%
Net Income Margin	18%	23%	

Income statement

Unit: US\$ thousand	4Q12	3Q12	4Q11	QoQ%	YoY%
Net Sales	658,316	576,267	733,123	14%	-10%
Gross Profit	158,638	176,334	285,597	-10%	-44%
GPM	24%	31%	39%		
SG&A	(53,980)	(43,827)	(65,788)		
EBIT	104,658	132,507	219,809	-21%	-52%
EBIT Margin	16%	23%	30%		
EBITDA	120,607	148,448	234,556	-19%	-49%
EBITDA Margin	18%	26%	32%		
Net Interest Income / (Expenses)	4,107	4,474	2,035		
FX Gain / (Loss)	(588)	(1,912)	(1,222)		
Derivative Gain / (Loss)	(9,032)	35,617	37,180		
Others	(4,822)	(3,403)	(6,823)		
Profit Before Tax	94,323	167,283	250,979	-44%	-62%
Income Tax	(28,912)	(47,392)	(66,063)		
Net Income	65,411	119,891	184,916	-45%	-65%
Net Income Margin	10%	21%	25%		

2012 operating cost



Sales revenue

