

Driving Excellence

2012
Annual Report



“Driving Excellence” is the theme of PTBA 2012 Annual Report. This theme is related to PTBA success in accomplishing the construction of Power Plant for its own needs that will lead to production cost efficiency as well as additional income. It also demonstrates the successful implementation of selective mining strategy and operating efficiency, as well as the synergy between corporate social responsibility activity and operating supplemental material sufficiency.

The background of the slide is a solid green color. Overlaid on this is a faint, semi-transparent image of an oil rig or offshore platform situated on a hill. The rig has a complex structure with various levels, pipes, and a tall derrick. The hill is depicted with simple, dark green shapes.

We have developed real efforts
to develop the company
through:

- **OPERATIONAL
EFFICIENCY**
- **POWER
DEVELOPMENT**
- **CAPACITY
BUILDING**
- **COMMUNITY
EMPOWERMENT**

to create a solid foundation
to achieve sustainable growth.

OPERATIONAL
EFFICIENCY

Sustainable electrification to improve operational efficiency



Net Profit

Rp 2.90
trillion

Sales Volume

15.33
million tons

The Company progressively managed to promote efficiency improvement, so as to simultaneously perform saving Scheme through:

- Facilities addition of electric powered conveyor belt-based coal handling capacity, so as to improve the smooth operation while reducing the use of coal transportation by trucks.
- In-house mining operation is operated efficiently to minimize overburden removal cost by 4.3%



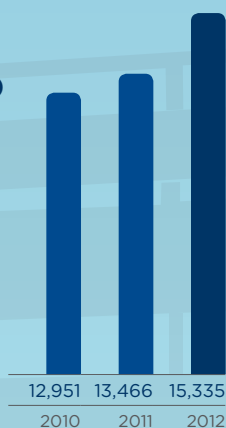
Overburden removal
cost decreased

▼ 4.3%

Independently constructed Power Plant continuously increase power capacity and income

Success in operating and constructing a number of Power Plant further strengthen the position of PTBA as energy producer company who will be able to supply the electricity needs for Sumatera region to export to foreign countries.

Sales volume
(thousand tons)



Sales Volume

▲14%



- **Operation of self-owned Power Plant with capacity of 3x10MW**

The operation of self-owned Power Plant unit with a capacity of 3x10MW further proves operational efficiency capability of the Company.

- **Sustainable additional source of revenue and foreign exchange through local and regional marketing**

Operation of self-owned Power Plant and other Power Plant development with capacity range from 16MW to 620MW has become sustainable source of additional revenue through electricity sales to PT PLN for lighting of surrounding areas and electric power export.

- **Lighting up for a brighter community**

Operation of Power Plant with capacity of 3x10MW give blessing to surrounding community in the form of permanent contribution by supplying power to PT PLN, including reallocation of power that was previously used by PTBA, so that power shortage around mining area can be addressed.

CAPACITY
BUILDING

Increase port
capacity in order
to enhance
stevedoring volume
and increase
competitiveness





The Company is increasing port capacity by constructing a new jetty to accommodate vessels up to 150,000 DWT, complementing previous jetty that can only be used by the 80,000 DWT vessels.

This will significantly enhance competitiveness that will eventually Increase the cost efficiency as well as coal sales value.

SOCIAL
RESPONSIBILITY

Community
empowerment that
foster economic
independence to
create a consistent
and solid growth in
a sustainable way



Total spending on
Community Development and
Environmental Management
Programs

▲ 46%

Rp 212.5
billion



To create economic value for a sustainable growth of surrounding community, the Company develops a highly effective social responsibility program. It is developed to provide a great and tangible benefit for the improvement of welfare that eventually creates a productive self reliant community.

7,226

Company's partners

Scholarships of Let's go to school program to

4,429
pupils

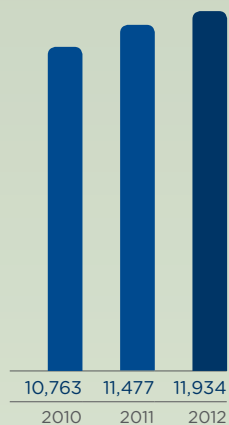
COAL DISTRIBUTION



Development of railway transport facilities for more effective distribution

Through a partnership by PT KAI and other strategic investors in developing coal transport facilities, will be able to increase total capacity of coal transport by rail, surged to 47.7 million tons from previous capacity of 16 million tons.

Coal transport volume



▲ 4%

COAL BED METHANE (CBM)

Developing CBM as a potential alternative power source

The Company works intensively to realize the potential of Coal Bed Methane (CBM) as an economic alternative fuel source for Power Plant, fuel substitute and household activities as well as environmentally friendly raw material for urea fertilizer.

ENVIRONMENT

Preserving nature and environment

PTBA pioneered development of “Taman Hutan Rakyat” as an area for recreation and conservation as well as become the first open coal mining company that conducted post-mine closure activities in an area of 5,640 hectares and change it into an economically usefull area.



Number of rehabilitation plants

176,319
plants

Reclaimed area

102.74
Hectares

Key to Company's Success In Realizing Future Vision

Integrated concrete steps to achieve sustainable objectives of the company, make the Company has competitive advantage in the industry and able to provide the best value for all stakeholders.



- Producing coal as an economically valuable energy source as well as profitable source of foreign exchange.
- Increasing distribution volume through the existing railway line in cooperation with PTKA and other strategic partners.
- Construction and development of mine mouth Power Plant to obtain low cost operational efficiency and to fulfill growing domestic and foreign industrial needs.
- Utilization of CBM as potential and environmentally friendly energy source for various activities.
- Community empowerment that foster economic self reliance to create harmonious mutual benefits in order to achieve sustainability.

The whole sustainable efforts will have significant impact for the growth and welfare of all stakeholders.

Balance Sheet (In million Rp)	2012	2011*	2010*	
Current Assets				
Cash and cash Equivalents	5,917,034	6,791,291	5,054,075	
Trade receivables				
Third parties	311,319	335,847	382,535	
Related parties	1,234,237	844,348	614,258	
Inventories	765,964	644,833	423,123	
Prepayment and advances	171,495	155,650	53,974	
Prepaid taxes	97,437	8,620	17,432	
Available-for-sale-financial assets	172,584	39,217	71,422	
Other current assets	48,227	40,339	29,056	
Total current assets	8,718,297	8,860,145	6,645,875	
Investments in associates	531,897	403,083	266,979	
Investment in joint venture	21,551	-	-	
Mining properties	154,336	174,824	187,542	
Fixed assets	1,853,447	1,139,424	917,395	
Deferred development expenditure	704,873	490,020	327,597	
Deferred tax assets	646,694	386,702	316,072	
Other non-current assets	97,886	56,064	56,933	
Total non-current assets	4,010,684	2,650,117	2,072,519	
Total assets	12,728,981	11,510,262	8,718,394	
Liabilities and Equity				
Trade payables				
Third parties	128,476	111,834	70,063	
Related parties	21,300	10,448	3,093	
Accrued expenses	977,715	995,495	622,190	
Short-term employee benefit liabilities	231,662	260,175	125,843	
Tax payables				
Corporate income tax	90,503	345,915	142,056	
Other taxes	148,398	67,302	55,780	
Bank borrowings	34,915	18,155	13,294	
Provision for environmental reclamation and mine closure	36,615	36,319	37,521	
Short-term employees benefit liabilities	96,332	68,575	69,858	
Other current liabilities	4,788	4,195	8,953	
Total current liabilities	1,770,664	1,918,413	1,148,651	
Provision for employee benefits	2,210,981	1,224,815	959,072	
Provision for environmental reclamation and mine closure net of current portion	232,497	204,864	174,343	
Other non current liabilities	9,670	-	-	
Non current liabilities	2,453,148	1,429,679	1,133,415	
Total liabilities	4,223,812	3,348,092	2,282,066	
Equity	8,419,118	8,085,427	6,361,816	
Non controlling interest	86,051	76,743	74,512	
Jumlah ekuitas	8,505,169	8,162,170	6,436,328	
Total liabilities and Equity	12,728,981	11,510,262	8,718,394	
Net-working capital	6,947,633	6,941,732	5,497,224	
Consolidated statements of comprehensive income (In million Rp, except earnings per share)	2012	2011	2010	
Revenue	11,594,057	10,581,570	7,909,154	
Cost of revenue	(6,505,932)	(5,302,592)	(4,258,988)	
Gross profit	5,088,125	5,278,978	3,650,166	
Operating expenses	(1,494,615)	(1,613,949)	(1,346,008)	
Operating Profit	3,593,510	3,665,029	2,304,158	
Other income-(net)	323,991	396,866	301,057	
Share in net loss of associate companies	(5,914)	(2,791)	(5,565)	
Profit before income tax	3,911,587	4,059,104	2,599,650	
Income tax expense - (net)	(1,002,166)	(971,037)	(600,713)	
Profit for the year	2,909,421	3,088,067	1,998,937	
Other comprehensive income	(640,347)	(2,205)	1,422	
Total comprehensive income	2,269,074	3,085,862	2,000,359	
Profit/(loss) attributable to:				
Owners of the parent	2,900,113	3,085,836	2,008,891	
Non-controlling interests	9,308	2,231	(9,954)	
Net Profit	2,909,421	3,088,067	1,998,937	
Number of share (in million share)	2,291	2,304	2,304	
Basic earing per share for net income attributable to owners of the parent	1,262	1,339	872	
EBITDA	4,011,540	4,134,370	2,669,063	
Financial Ratio (In percentage), unless stated otherwise	2012	2011	2010	
Growth Ratio				
Revenue	9.6	33.8	(11.6)	
Gross profit	(3.6)	44.6	(24.6)	
Operating profit	(3.9)	62.4	(35.1)	
Net profit	(6.0)	53.6	(26.4)	
Earnings per share	(6.0)	53.6	(26.4)	
Profitability				
Net profit to revenue	25.0	29.2	25.4	
Net profit to total equity	34.1	37.8	31.2	
Net profit to total assets	22.8	26.8	23.0	
Liquidity				
Current assets to current liabilities	492.4	463.2	616.1	
Total liabilities to total assets	33.2	29.0	26.2	
Total liabilities to total equity	49.7	40.9	35.4	
Collectibility				
Account receivables daily on hand (AR-DOH), in days	49	41	46	
Capital Expenditures (In million Rp)	2012	2011	2010	
Routine	62,712	52,394	62,133	
Development	1,122,501	530,718	548,423	
Total capital expenditures	1,185,213	583,112	610,556	

* Reclassified

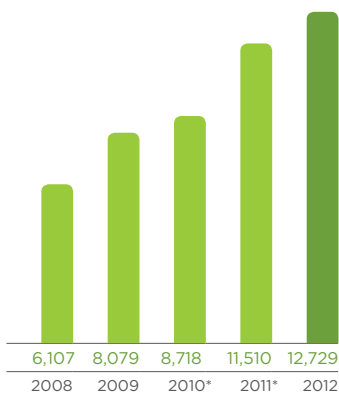
Financial Highlights

	2009	2008
	4,709,104	3,041,720
	441,730	308,064
	1,063,729	1,068,560
	409,901	420,040
	115,471	81,688
	7,745	436
	-	-
	35,711	29,009
	6,783,391	4,949,517
	122,620	125,972
	-	-
	199,063	199,063
	446,754	383,932
	246,590	254,504
	250,053	171,828
	30,107	21,576
	1,295,187	1,156,875
	8,078,578	6,106,392
	53,982	62,767
	4,115	6,423
	623,839	516,007
	165,530	128,145
	396,229	478,612
	35,001	84,049
	13,500	-
	23,209	24,930
	57,025	30,474
	8,478	21,583
	1,380,908	1,352,990
	759,792	553,779
	151,266	120,848
	774	1,116
	911,832	675,743
	2,292,740	2,028,733
	5,701,372	3,998,132
	84,466	79,527
	5,785,838	4,077,659
	8,078,578	6,106,392
	5,402,483	3,596,527
	2009	2008
	8,947,854	7,216,228
	(4,104,301)	(3,686,136)
	4,843,553	3,530,092
	(1,295,238)	(1,036,150)
	3,548,315	2,493,942
	217,039	56,687
	(3,352)	1,043
	3,762,002	2,551,672
	(1,032,675)	(837,055)
	2,729,327	1,714,617
	-	-
	2,729,327	1,714,617
	2,727,734	1,707,771
	1,593	6,846
	2,729,327	1,714,617
	2,304	2,304
	1,184	741
	3,844,559	2,622,156
	2009	2008
	24.0	75.0
	37.2	117.5
	42.3	178.0
	59.2	135.9
	59.8	135.2
	30.5	23.7
	47.1	42.7
	33.8	28.0
	491.2	365.7
	28.4	33.2
	39.6	50.8
	61	70
	2009	2008
	46,925	57,054
	81,385	354,449
	128,310	411,503

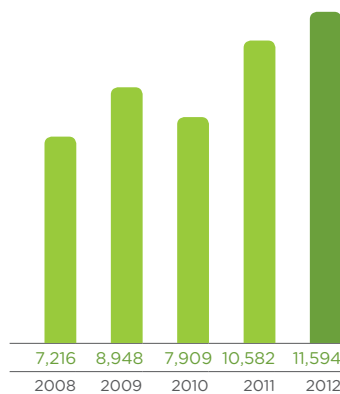
Company's net profit was down 5.8% only while a slump of global coal price index reached above 20%



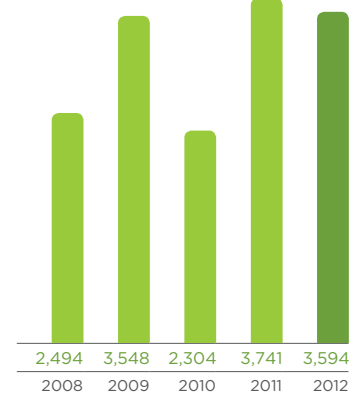
Assets (billion Rp)



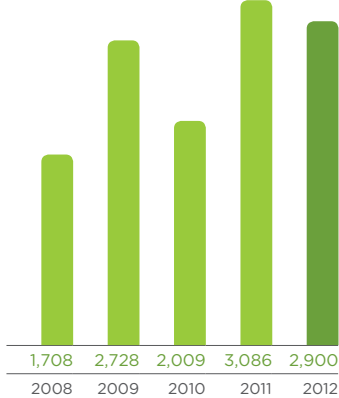
Sales (billion Rp)



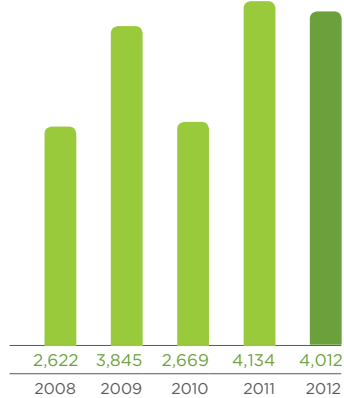
Operating Income (billion Rp)



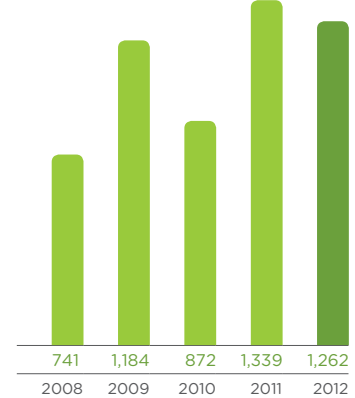
Net Profit (billion Rp)



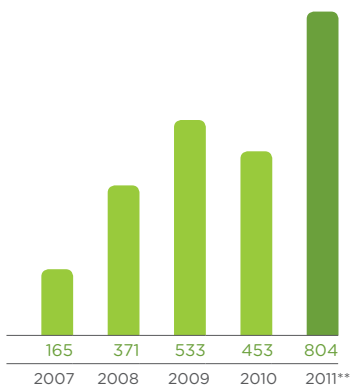
EBITDA (billion Rp)



Earning per Share (Rp)



Dividend per Share (Rp)



For accounting
year 2011, PTBA
paid Rp804
dividend per
share, increase
44.5%

*) Reclassified

**) Including interim dividend paid at the end of 2011

Operational Highlights

PRODUCTION (in tons)	2012	2011	2010	2009	2008
Tanjung Enim Mining Unit (UPTE)					
• Tambang Air Laya (TAL)	5,970,453	5,403,013	6,131,218	5,280,781	5,180,968
• Muara Tiga Besar	2,775,975	3,492,763	3,144,728	2,630,150	2,478,649
• Banko Barat	4,317,170	3,491,311	2,595,850	2,846,546	2,426,892
Total Production UPTE	13,064,168	12,387,087	11,871,796	10,757,477	10,086,509
Ombilin Mining Unit (UPO)	-	1,883	5,620	1,770	5,109
PT Batubara Bukit Kendi (BBK)	-	-	76,971	783,243	712,199
PT Internasional Prima Coal (IPC)	902,666	560,313	507,558	57,912	-
Total Production	13,966,834	12,949,283	12,461,945	11,600,402	10,803,817

PURCHASES (in tons)	2012	2011	2010	2009	2008
• PT Bukit Asam Prima	1,311,654	620,293	511,792	574,783	1,169,708
• PT Internasional Prima Coal	141,892	133,458	8,049	-	-
• Ombilin Mining Unit (UPO)	30,040	127,023	40,507	-	366,294
Total purchase	1,495,296	880,774	560,388	574,783	1,536,002
Total Production and Purchase	15,462,130	13,830,058	13,022,333	12,175,185	12,339,819

TRANSPORTATION (in tons)	2012	2011	2010	2009	2008
Tanjung Enim to Tarahan	10,217,850	9,368,000	8,712,100	8,498,150	8,388,400
Tanjung Enim to Kertapati	1,716,165	2,108,710	2,050,940	1,956,430	1,900,030
Total transportation	11,934,015	11,476,710	10,763,640	10,454,580	10,288,430

SALES (in tons)	2012	2011	2010	2009	2008
Domestic	8,435,302	8,748,171	8,228,014	8,068,474	8,321,310
Export	6,900,581	4,718,061	4,722,551	4,416,312	4,476,612
Total sales	15,335,883	13,466,232	12,950,565	12,484,736	12,797,922

Awards and Certifications

April 2012

- Best Fraud Prevention and Performance Management, from Asia Anti Fraud 2012
- Indonesia Enterprise Risk Management Award 2012, for category of SOE Issuer of Coal Mining Strategic Industries from Business Review Magazine

July 2012



- Indonesia Green Awards 2012 from Bisnis Magazine and CSR, partnership with The Ministry of Forestry and Industry.
- PTBA CEO received as one of the 20 Green CEOs Awards from Warta Ekonomi.



June 2012

- The Best in Building and Managing Corporate Image, from Bloomberg Business Week Indonesia Magazine & Frontier Consulting Group
- Ranked-First Indonesia Best Public Companies 2012 for category of Energy based on WAI Method (Wealth Added Index) from SWA Magazine
- BUMN Marketing Award 2012 Program, by BUMN Track Magazine, BUMN Marketeers Club, and Mark Plus Inc, PTBA awarded :
 - Silver Award for Strategic Marketing Category
 - Bronze Award for Special Award Category
- Certificate of Appreciation from Keanekaragaman Hayati Indonesia (KeHati) Foundation.



CERTIFICATIONS:

ISO 9001: 2008

Quality Control Management

ISO 14001: 2004

Environmental Management System

OHSAS 18001: 2007

Occupational Safety Management

ISO / TEC 17025.2007

Laboratory Quality Management

October 2012

Kesetiakawanan Sosial
Nasional Awards 2012 from
Minister of Coordinator of
People's Welfare

**November
2012**

- Best SOE from Indonesian Institute for Corporate Directorship (IICD) in GCG Implementation and Obligation Fulfillment to Stakeholders, according with Public Company standard in Five Asean Countries.
- Business Award Event, participated by 250 best companies in Indonesia, PTBA awarded as:
 - "Power of Heart CEO" for President Director of PTBA
 - Ranked Fourth for Financial category.
 - Ranked Four for Good Corporate Governance category
 - Ranked Fourth for Corporate Operational Management category

**September 2012**

GKPM Awards (Exhibition of Community Empowerment) with categories:

- Education, Gold medal for Ayo Sekolah Scholarship
- Gold medal for food supplement for expectant and lactating mothers
- Gold medal for food supplement for toddlers
- Silver medal for PTBA Employee Union

December 2012

- PROPER AWARD WITH GREEN RATING for the fourth time from the Ministry of Environment.
- "Runner Up Best Web Site 2012" award given by Mr. Sarwono Kusumaatmaja (Former Minister of Environment)
- "Runner Up Best Sustainability Report 2012" Award, from NCSR, for CSR Program, Environment and the Implementation of Human Rights at the Company, given by Mr. Sarwono Kusumaatmaja (Former Minister of Environment)



Significant Events

The signing of MOU for the Construction of Peranap Power Plant 800-1200 MW to supply the electricity needs of Malaysia.

Opening as well as first delivery and first coal selling from Peranap Mine.

February
2012

Ratification of Whistleblowing System Guidelines by PTBA President Commissioner and President Director according to Joint Decree of Board of Commissioners and Board of Directors.

March
2012

The signing of 2012-2014 Collective Labor Agreement by PTBA President Director, Milawarma, and SPBA Chairman, Rakhmatullah, witnessed by the Minister of Manpower and Transmigration, Muhaimin Iskandar.

April
2012

June
2012



- Official announcement of PT Bukit Asam Huadian joint venture.

- The signing of PPA agreement with PT PLN for the electricity from Banko Tengah Mine Mouth Power Plant 2x620MW.

- The signing of Coal Supply Agreement (CSA) between Huadian Bukit Asam Power with the Company.

Signing of Coal Supply Agreement (CSA) between PT Pupuk Indonesia and the Company.

September
2012

October
2012

November
2012

- The visit of Minister of Forestry in conjunction with the launch of Tree Planting Program in Musi River Watershed covering 3 districts in South Sumatera.

- Power purchase agreement (excess power from Tanjung Enim Power Plant 3x10MW) between PTBA - PT PLN Southern Sumatera Region.

- The signing of JDA for the construction of Power Plant Peranap 800-1200MW with Malaysia.

- Coal Supply Agreement (CSA) for Cilacap Power Plant between PTBA and PT Sumber Segara Primadaya.



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Report from the President Commissioner

Dr. Patrialis Akbar, SH. MH.



Enhance competence, improve, complement and increase performance of operation support facilities as well as improve the implementation quality of governance best practice in anticipation to take advantage of growth opportunities from the improved business condition in the future.

On behalf of Board of Commissioners, first of all I would like to take this opportunity to express gratitude to God for the success of the Company through a very challenging year of 2012 while still recording some promising performance for dealing with operational conditions in the coming years that may remain challenging.

As we all know, global economy in 2012 was still overshadowed by uncertainty and widespread fiscal crisis in some European countries and dual deficit of the United States that have been started since the third quarter of 2011. Due to the prolonged crisis condition, trend of global economic growth continues to weaken. The Asia Pacific Region with China and India as the engine of growth eventually also affected and recorded a slowdown in economic growth for three consecutive years. Consequently, demand for commodity product such as coal in global market, including Asia-Pacific, weakened. This condition triggers competition among coal producers to maintain their respective market.

To avoid over supply, coal producers in Asia Pacific region, such as Australia and Indonesia lowered the price and reduced production intensity. However, weaker coal demand on a global scale still lead to lower selling price of coal, until reached 21% of the highest position in 2012.

Indonesian economy is still able to show growth with a lower level, i.e. 6.23% from 6.50 in 2011, primarily driven by increased domestic consumption and investment activities. The economic growth has not significantly affected energy demand, particularly coal demand as energy source for power plant, consequently domestic coal selling price also decreased, by an average of 20% of the highest position in 2011.

Management Performance

Amid lack of conducive external conditions, in 2012, the Company managed to increase coal production by 7.8% to 13,967 million tons. The company also managed to increase coal sales volume by 15% to 15,335 million tons. Effort to focus on selling higher calorie coal which has better selling price, makes the Company recorded a total sales value of Rp11.59 trillion, 9.7% increase compared to sales value in 2011, which amounted to Rp10,582 trillion.



**Total sales increased in 2012
increased 9.6% from the
previous year**

In anticipation of future coal business circumstances, in 2012 the Company carried through a number of investment programs to optimize resources in the operating area. On top of that, to deal with unfavorable coal market condition, the Company applied selective mining strategy that resulted in higher operating expense.

This caused a 6.0% decrease in the Company's net profit to Rp2.90 trillion compared to the preceding year. As a result, earnings per share also dropped at the same rate from Rp1,339 in 2011 to Rp1,262 in 2012. Realized investment has not come to any fruition so that EBITDA also declined by 2.95% to stand at Rp4.012 billion.

Aside from the financial performance, the Company successfully finalized the construction of its first mine mouth Power Plant of 3x10MW in Tanjung Enim, which has been operating since its commission in October 2012. The Company is striving to reduce electricity expense and augment its income from the Power Plant commercial operation in the coming years.

In addition to the currently operational mine mouth Power Plant, the Company embarked on the construction of two other Power Plant's, i.e. 2x110MW mine mouth Power Plant in Banjarsari (25% completed) and 2x8MW Power Plant in Tarahan (EPC work 78.1% completed). The Company is aiming at additional income from Banjarsari and Tarahan Power Plant commercial operation and electricity cost efficiency in the coming years. The Company is also contemplating on developing several other large scale mine mouth Power Plants.

The Company is pursuing its development plans, one of which is the building of infrastructure that will facilitate loading and unloading work at the mines and ports. Additionally, the Company managed to improve the existing railway loading capacity in collaboration with PT KAI.

In consideration of the Company's achievements amidst unfavorable external condition as previously described, the Board of Commissioners values highly the work of the management members during the year. In our opinion, the new Board of Directors that was only working in its first year of assignment made a well-aimed response to such adverse external circumstances, enabling the Company to record a relatively better result than other similar industry players, and to anticipate future growth opportunity.

Supervision

In reporting year, the Board of Commissioners continue to supervise and provide guidance and advise to Directors against management policies, management mechanism, and Company operations carried out by Directors. Board of Commissioners regularly conduct consultative meeting with Directors of the Company, who in the performance of their duties are also supported by the Committees. With the existence of policy of the Minister of State Owned Enterprises and the enactment of Regulation of the Minister of State Owned Enterprises No. 12/MBU/2012 on Support Organ of Board of Commissioners/Board of Trustees of BUMN (State Owned Enterprises), Board of Commissioner makes adjustment to the existing Committee. As set forth in the Minister Regulation, the Committees which are included in the Board of Commissioners are adjusted to the Audit Committee and Business Risk and Nomination-Remuneration-HRD Committee.

Based on evaluation of operating performance in the reporting year, Board of Commissioners asked Directors to continue to improve operational efficiency, so that the Company can increase operating margin, as well as enhance competitiveness to expand the market share of company's product. Directors are required to show tangible results from the operation of completed mine mouth Power Plant through the improved operational efficiencies and increased profit margin per ton of coal produced.

Directors are also required to give more attention to the realization of development projects that can synergize with efforts to use potential resources and enhanced operational efficiency which is still in relation to the "core competency" development, such as mine mouth Power Plant construction, either for personal use or for sale to the third party (PT PLN). In Power Plant projects, the Board of Commissioners asked Directors to ensure feasibility and capability of the Company to manage those projects, as well as to select consortium partners very carefully (prudential principle) in order to provide optimal benefit for the company.

The Board of Commissioners also recommended Directors to make more straightforward and accurate efforts to secure concession area and to maintain the Company's assets, including by using legal expert and team who are competent in the area of corporate and licensing. Based on the result achieved, both in the area of operations, finance and pioneering realization of long-term development, the Board of Commissioners appreciate the hard work of Directors and all levels of support in carrying out their duties during the reporting year.



PTBA's commitment is to increase the quality of the Company's Corporate Social Responsibility program.



Quality Improvement of the Implementation of Good Corporate Governance

To further enhance the supervisory function and good governance practice, the Board of Commissioners and Directors have specified a revised Board Manual. Board Manual refinement is intended to further enhance the effectiveness of good corporate governance as well as to give nuance of balance in performing their respective roles, i.e. Board of Commissioners in the area of supervision and advisory, while Directors in the area of operations, so it will create a more optimal mechanism of checks and balances.

Board of Commissioners also continues to support and encourage the completion of whistle-blowing system in order to improve the quality of GCG implementation in term of accountability and responsibility. Therefore, the Board of Commissioners has reminded Directors to periodically conduct evaluation through an assessment either internally or involving external parties in order to improve quality of the implementation of GCG best practice.

The Board of Commissioners has made adjustments to its Committees pursuant to SOE Minister Regulation No. PER-012/MBU/2012 on Board of Commissioners Support Organs. The Board has discontinued the function of GCG, Nomination, Remuneration and HRD Committees. Therefore, in its oversight and advisory task the Board is now aided by Audit Committee focusing on financial matters, and Business Risk, Nomination, Remuneration, & HRD Committees focusing on other operating activities.



Quality Improvement of the Implementation of Corporate Social Responsibility

The Company continues to show commitment and initiative of social and environmental responsibility through the implementation of a series of program including Partnership and Community Development Program as well as Regional Development, Environmental Management / Monitoring, and other programs that provide positive impact on the improved welfare for surrounding community.

Under the supervision of Board of Commissioners, Directors plan and implement integrated corporate social responsibility programs (CSR) by involving various elements of community, environment and internal element of the Company. It is intended to better ensure the balance of benefits of operating results both in terms of company's business as well as socially and economically for the benefit of community through CSR Program. Therefore, the existence of the company can really be felt not only by employees and shareholders, but also by the stakeholders, with the implementation of sustainable CSR programs.

Board of Commissioners support the efforts of Directors to always coordinate intensively with Regional Government and local communities, so that the rolled out CSR program can synergize effectively with government programs and the needs of community and bring the best benefits for improvement of community welfare.

Improvement of HR Competency

Board of Commissioners supports development and utilization of HR Assessment Centre to get middle and top management who are competent in performing their duties and functions. Board of Commissioner appreciates significant progresses that have been achieved by Directors in managing and improving human resource competency.

Board of Commissioners reminded Directors to immediately realize additional HR program and to pioneer regeneration program for level I and II management, considering severity of challenges to be faced in the future and the lack of ideal condition of current management which dominated by employees aged over 45 years. Intensification of education and training program to improve competency as well as utilization of Assessment Centre as a transparent and accountable facility to determine HR career, are highly appreciated and supported by the Board of Commissioners.

Future Prospect

Directors of the Company have proposed Long Term Company Plan (RJPP) which indicates company's vision and its implementation on Company's Budget Plan (RKAP) for sustainable business development toward PTBA Emas (Golden PTBA). RJPP and RKAP proposal are accompanied by different calculation scenarios that refer to assumptions based on national macroeconomic conditions and global economic development and also refer to the opinions of reliable sources.

Board of Commissioners carefully consider all proposed assumptions and business plan scenarios, and recommend Directors to make calculation based on conservative assumptions in realization of programs contained in RJPP and RKAP drafts. Board of Commissioner fully supports Directors' initiative that emphasizes the approach of selective market opening by considering a long term relationship and business. Similarly, for the initiative to continue integrated business development which is based on the optimal utilization of current managed resources.

Although there are positive signs of improvement in global economic condition by the end of the year and domestic economy that remains conducive, it would be better if Directors still emphasize the planning and realization of each program based on a mature and wise calculation and consider all suggestions and proposals of all stakeholders. Only in this way, the good prospects in the future can be optimized and provide maximum benefit to the Company and to all stakeholders.

Change in Board of Commissioners Composition

By resolution of Annual GMS dated 3 May 2012, the Company honorably discharged Ms. Ir. Umiyatun Hayati Triastuti, MSc from the Board of Commissioners. Speaking on behalf of the Board, I thank her for her past contribution to the Company during her term of office. Further, the Company appointed Mr. Ir. Robert Heri, MM as Commissioner. We are confident that he will give the best of his expertise to the progress of the Company.

Conclusion

Board of Commissioners feel optimistic that Directors and all of the staffs will be able to show a much better performance in the future when the external conditions become more conducive. Considering the unfavorable conditions in reporting period, Directors have prepared all Company's staffs and devices to operate more efficiently, effectively and innovatively in controlling the costs. Board of Commissioners asked all levels of management and employees to increase their cooperation, to maintain and enhance integrity, as well as to synergize in order to ensure the achievement of Company's new vision to be "a leading energy company that cares about the environment".

On behalf of the Board of Commissioners, I would like to express our sincere gratitude to all employees of the Company for the cooperation, loyalty and hard works in facing the challenges in reporting year as well as preparing the Company for more open future opportunities. Finally, I also would like to express our gratitude to all stakeholders for the support and trust in PT Bukit Asam (Persero) Tbk so far.

On Behalf of the Board of Commissioners,



Dr. Patrialis Akbar, SH. MH.
President Commissioner



Report from the President Director

Ir. Milawarma, M.Eng



Cost control, operational efficiency and the realization of business development to anticipate the improved market conditions towards becoming world's class eco-friendly energy company.

To our distinguished shareholders,

With an expression of gratitude to God the Almighty, on behalf of the Board of Directors, I am pleased to report that the Company has successfully passed the challenging year of 2012 by successfully preparing the Company to anticipate the future opportunities of growing coal demand and widely opening the potential for additional revenue from new segments as the realization of its business development plan.

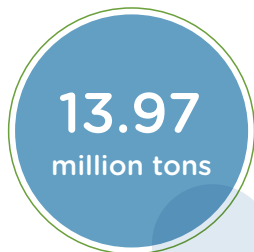
The Company managed to improve the quality of operational management and cost control which allow the gain of mining cost efficiency and increased production. The Company also successfully completed the construction of the first mine mouth steam power plant which is now operating so that the operational power needs have now been met, while the excess electrical power can be sold to become a new source of income.

As it is known, the unfavorable global economic conditions in 2012 have resulted in declining coal demand, increased competition and lower coal prices in global and domestic market. The weakening demand began in early 2012 has made the average global coal price fell by 21% from its last position in the end of 2011.

The Company has responded quickly to these conditions by improving operational efficiencies, cost control, diversifying export marketing including the introduction of focused mining scheme. In marketing, besides maintaining delivery commitments to the existing customers, the Company seeks to open new markets by concentrating on prospective customers which have commitment for sustainable business relationships in the long run. The Company also focuses on marketing coal with higher calorie whose selling price is better to maintain margins amid the falling prices, considering the production cost remains the same.

Those efforts have increased the Company's sales volume to 15.33 million tons, up 13.9% from 13.47 million tons in 2011. The increase in sales volume came from the increase in export volume by 46.4% to 6.91 million tons from 4.72 million tons in 2011. While 2012 domestic sales remains around 8.43 million tons from 8.75 million tons in 2011, or decreased only by 3.7%.

The growth in sales volume came from the increase in Company's production volume to 13.97 million tons, up 7.9% from 12.95 million tons in 2011. The rest came from coal trading activities carried out by its subsidiaries, BAPrima and IPC. The sales increase was also in line with the successful cooperation with PTKA, so the railway loading capacity rose by 4.0% to 11.93 million tons from 11.48 million tons in 2011.



The growth in sales volume came from the increase in Company's production volume to 13.97 million tons

The increase in sales volume and the proportion of export market have made the Company's sales value rose by 9.6% to Rp11.59 trillion from Rp10.58 trillion in the previous year. With such sales value, the EBITDA fell by 5.0% to Rp3.99 trillion from Rp4.13 trillion.

The consistently implemented operational efficiency and cost control programs have actually managed to restrain the increasing rate of coal production cost per ton, but still have not been able to compensate the decrease in coal's average selling price which reached 4%, hence the Company's net profit was still decreased by 6% to Rp2.90 trillion from Rp3.09 trillion in the previous year. Therefore, the net earnings per share also decreased 6.0% to Rp1,262 per share from Rp1,339 in the previous year.

The operational results do not meet the targets set at the beginning of the term and evaluated every certain period. Nevertheless, the results are actually better than the performance of similar companies listed at the Indonesia Stock Exchange (IDX).

However, capital market conditions in major global and regional exchanges are not very conducive due to the still unfavorable global economy, making the Company's performance not reflected in its share price. At the end of 2012 stocks trading, the Company's share closed at Rp15,100 per share, down 12.9% from 2011 closing price at Rp17,350 per share.

Building New Growth Milestones

In 2012, the Company successfully completed the construction of one of the Mine mouth steam power plant projects with a capacity of 3x10MW in Tanjung Enim, which is intended to meet its own needs and become a new source of revenue.

The operation of PTBA's first Mine mouth power plant represents a new milestone in achieving a more stable growth for the Company's business in the long run. In the future, the Company will be able to fulfill the electricity needs for the operation of its mines and their supporting offices, as well as to obtain a new source of income from the sale of excess power to PT PLN. In terms of power sales, the Company has signed a power purchase agreement (PPA) with PT PLN-Southern Sumatra Region.

In the near future, the Company is targeting the completion of two steam power plants, i.e. Tarahan Port plant (2x8MW) and Banjarsari Mine Mouth plant (2x110MW). Tarahan Port plant (2x8MW), its EPC contractor's progress by the end of 2012 is 78.1%, intended to meet the electricity needs of PTBA operations throughout the coal loading and unloading port.

While Banjarsari plant (2x110MW) located in Lahat, its construction progress by the end of 2012 is 25%, intended as a new source of revenue through the sale of all the power it generates. The Company aims to complete the construction and operation of this medium-scale steam power plant in 2014.

The company is also working to realize the construction of several large-scale steam power plants. First, Banko Tengah Mine Mouth plant (2x620MW) located in Banko, in collaboration with China Huadian Corporation. For this project, a joint venture under the name of PT Bukit Asam Huadian Power (PTBA 45%) was established on 5 September 2012 and a PPA with PT PLN was signed on 17 September 2012. The construction of this project will be carried out immediately, it is targeted for completion in 2016 and commercial production in early 2017. The Company has prepared a new mining area in Banko to fulfill the plant's coal needs which is estimated to reach 5.4 million tons per year.

Second, Peranap plant 800MW-1200MW in Riau, Peranap. Through this power plant, the Company is likely to become the first Indonesian company to export power to Malaysia. The MOU for this project between PTBA, PT PLN and TNB Malaysia was signed on 18 June 2012, while the JDA (Joint Development Agreement) was signed on 15 October 2012. The Company follows up these developments by initiating feasibility study on Peranap mine, the construction of power plant and transmission lines, according to their respective responsibilities.

Thus, it is clear that once the entire power plant project is realized, the Company will have a new source of income derived from the utilization of coal resources from its managed areas, which will balance the Company's performance when the coal selling price declines.

For PTBA, the realization of the power plants does not only mean a more guaranteed performance, but also shows the Company's awareness and participation in maintaining the sustainability of the earth and its contents through reducing emissions resulted from the transport of coal to the buyer's location, which is eventually used as fuel for the power plant.

The Company is also developing other potential new revenue, namely exploiting CBM content in Tanjung Enim and Ombilin, each with potential Gas In Place (GIP) of 0.8 TCF and 1 TCF (Trillion Cubic Feet). For Tanjung Enim area, a Joint Operation Agreement with the partners was signed and the Company has completed the drilling of 2 core holes and one Pilot hole. As to Ombilin area, consortium of the Company with its partners was appointed as the winner of Direct Bidding for Coal Methane Gas Work Area of Block GMB Sijunjung, covering an area of approx. 1,300 km².

Besides providing a new source of revenue for PTBA, the realization of the entire power plant project also reduces CO₂ emissions resulted from the transport of coal to the buyer.

The exploitation of CBM content in those two areas provides other benefit, i.e. preventing ozone-depleting gas emission from coal mining activities.

Improving Operational Efficiency, Anticipating Growth Opportunities

Facing the challenge of increasing inventory due to the global coal oversupply and coal prices downward trend since the beginning of the second quarter, the Company responded by implementing two major efforts, i.e. cost control and operational efficiency improvements.

To control costs, the Company implements various programs, including: saving fuel consumption, improving the reliability of production and supporting equipments, reducing electricity cost by maximizing the power supply from its own Mine mouth plant; optimizing the use of BWE system and innovating the mine operations by shortening the transport distance. The Company also introduced self refurbishment program, i.e. utilizing the human resources competencies in designing and constructing equipments to build and improve the facilities and infrastructure of Coal Handling Facility (CHF).

The Realization of CBM projects can improve the safety of mining operations, add revenue sources and reduce ozone-depleting gas emissions from coal mining activities.

Whereas to improve operational efficiency, the Company implements programs such as: improving IT-based system by implementing Supply Chain Management System (SCMS); improving and regularly maintaining the CHF facilities and infrastructure, adding and increasing the TLS capacity; replacing and adding main mining equipment with higher capacity.

The accomplishment of the entire program stepped up total production by 7.9% to 13.97 million tons from 12.95 million tons the year before. Increased production raised volume of material transport by 10.6% to 69.32 million bcm from 62.70 million bcm in 2011. The efficiency program already in place allowed the Company to curb increase of transporting cost of material per bcm at only 10.1% from Rp50,602/bcm to Rp55,700/bcm. This was achieved although mining fee increased approximately 40%, and costs of other components beyond the Company's control also went up.

To anticipate the increasing coal demand in the future, the Company continues to realize the construction of railway tracks to increase transport capacity. The effort was taken in two ways, i.e. increasing the capacity of existing railway tracks and constructing a special railway track for transporting coal.

The Company cooperates with PT KAI in increasing the capacity of existing railway tracks, so the coal loading capacity from Tanjung Enim to Tarahan can be gradually increased to 20 million tons and to Kertapati 2.5 million tons, in accordance with the CTA signed in October 2009. To support the increased loading capacity, the Company has realized CHF construction at the mine site and port.

The second effort, constructing a new 307 km Tanjung Enim – Lampung railway track specifically for transporting coal with estimated loading capacity of 25 million tons, which is executed by its subsidiary, PT Bukit Asam Transpacific Railway (BATR). In 2012, the construction of this railway track entered the phase of preparing Environmental Impact Analysis (EIA) for Railway, Stockpile and Port, and applying for port construction permit.

If both scenarios of coal transport go well, the Company is optimistic to be able to sell coal up to 47.7 million tons per year through railway transport.

Maintaining Performance with Strategic Partners

In 2012, the more intensified strategic cooperation with PT KAI increased railway transporting capacity to 11.93 million tons or grew 4% from 11.48 million tons in 2011. This increased coal loading volume is the result of adding train coaches, improved transport management system, higher departure intensity, additional chain of coaches and locomotives, and intensive coordination with PT KAI.

The Company is assisting PTKAI in intensifying the plan to construct double-track in the existing railway line to ensure the increase of loading capacity and smooth railway transport. Accordingly, the Company is optimistic that the loading volume through the existing railway line will increase in accordance with the Coal Transportation Agreement (CTA) approved and signed at the end of 2009. The implementation of this CTA is expected to significantly increase the coal loading capacity of the existing railway track.

In an effort to realize its vision as an energy firm, the Company is developing a mine mouth Power Plant with a total capacity of 1,506 MW, comprising in-house Power Plant and IPP-scheme Power Plant, inter alia Banjarsari Power Plant of 2x110MW and Banko Tengah Power Plant of 2x620MW. Total coal required for developing this mine mouth Power Plant is 7.2 million tons per year.

The Company also continues to prepare all its personnel so that they will be able to take advantage of the growing coal demand and improving railway loading capacity in the coming years by boosting production capacity. This is proven by higher total production reaching 13.97 million tons, up 7.9% from 12.95 million tons in the previous year.

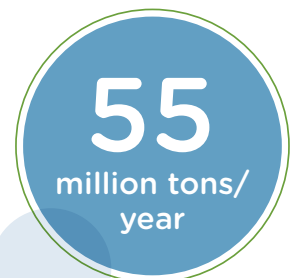
Cost control and operational efficiency programs reduced material removal cost per bcm for the self-managed coal production by 4.3%.

Preparing and Developing the Competence of Human Resources

To ensure the availability of competent human resources in realizing business development program, the Company has finished developing and begun implementing human resources management long term plan which is in line with the Company's long term plan. The Company has started the recruitment process to obtain competent and well qualified prospective employees for the executive and managerial level.

The Company has also prepared and realized a series of training programs, including professional certification to continuously improve the competence of existing employees and prepared a training program for potential new hires. The Company has implemented a competence-based career development by implementing Key Performance Indicators (KPI) and Balanced Scorecard as tools to measure individual and work unit's competence and performance. The Company also further enhanced the role of Assessment Center in reviewing and considering the promotion of employee's position level.

Besides efforts to increase competencies, the Company also pay close attention to the improvement of mental quality, integrity and spirituality of all personnel. Therefore, the Company also holds a special training on the implementation of code of conduct, which contains the description of ethics and moral items that must be obeyed by all personnel when working for the Company.



The realization of the two plans to increase railway loading capacity will enable the Company to supply coal from Tanjung Enim to domestic and global markets up to 55 million tons per year.



The Board of Directors
in Mining Area, from
left to right:
Anung Dri Prasetya,
Maizal Gazali,
M. Jamil, Milawarma,
Heri Supriyanto,
Achmad Sudarto

Through the implementation of various long-term human resource management programs which are reviewed periodically, the Company is determined to prepare the personnel to be ready to support and realize a number of major plans for future business development.

Improving the Quality of GCG Best Practices

For PTBA, improving the quality of GCG best practices implementation is one of the pillars that will enable the Company to record sustainable optimal performances and meet the expectations of shareholders and other stakeholders. In order to improve the quality of best practices, starting from 2011, the Company initiated an evaluation of implementation quality through Control Self Assessment (CSA). Through this program, the Company gets feedbacks in reviewing and refining the rules, policies and organizations to continuously improve the quality of GCG implementation.

In 2012, the Company has also appointed a Task Force who definitively responsible for such review and refining process. In addition, to enhance compliance to the rules and to stimulate the growth and development of high ethical culture in carrying out any activity related to third parties, the Company initiated a misconduct reporting system or whistle-blowing system. The initiation was followed with the signing of a statement made by all management and employees of the Company to uphold the implementation of misconduct reporting system and the commitment to adhere to the Code of Conduct which has been reviewed and revised.



The Company is also updating the Board Manual, and when this report is prepared, the process has entered the last stage of finalization and approval with the Board of Commissioners. The company has also introduced and started the socialization of PTBA's Vision, Mission, Cultural Values and Existential Meaning as part of the milestones of the Company's transformation process from a coal mining company into a coal-based energy company.

The entire program was implemented to ensure improved quality of GCG best practices implementation by all of the Company's personnel. The Company will evaluate and assess the implementation of GCG periodically and follow-up the findings in order to ensure the improved quality of GCG implementation on an ongoing basis.

Growing Together as Form of Corporate Social Responsibility

The Company has more intensely integrated the implementation of corporate social responsibility (CSR) programs, which is conducted through Partnership and Area Development Program (PKBL) funds and Community Development activities, programs that can provide benefits to both parties in the long run. Thus, apart from increasing job opportunities for skilled workers within the community, it will also be a source of goods and services to support the Company's activities.

The new approach is also expected to improve the interaction between the surrounding community and the Company, to be a positive interaction of long term mutual support and mutual benefit in a more accountable way in terms of improved welfare of the people in line with the growth of PTBA business activities.

The integrated implementation of PKBL has made the implementation of Partnership Program funds more concentrated on efforts to establish industrial centers, food service centers that can support the operations of company and economic centers, either directly carried out by the Company or within the framework of joint distribution with competent third-party. The Company also conducted more intensive management and entrepreneurship trainings, which introduce the increasingly dominant segments of company operation. Through this scheme, in 2012 the Company distributed funds amounting to Rp125.79 billion, up 27.1% from Rp98.95 billion in 2011, with 278 fostered partners.

In distributing the Area Development funds, the Company also considered its synergy with Partnership Program activities. Thus, the implementation of these Area Development programs are currently more concentrated on the fields of education, public infrastructure and facilities development, health improvement and conservation, but the implementation of disaster relief programs and renovation of religious facilities are also taken into account. In distributing the Area Development funds for public infrastructure sector, the Company initiated community involvement through "Musrenbang" (Joint Development Planning Discussion) program, while for education sector, the Company intensified "Ayo Sekolah" (Let's Go to School) program, which is currently attended by 4,429 students from primary to high school level.

The Company has continuously prepared and realized programs to improve the personnel's competence and integrity in order to support sustainable business development.

The amount of funds distributed through this Area Development scheme was Rp86.71 billion (including BUMN Peduli), up 87.5% from Rp46.26 billion in 2011. So the total funds initiated by the Company through the implementation of PKBL programs in 2012 amounting to Rp212.50 billion, up 46.3% from Rp145.20 billion in 2011.

Whereas for the implementation of Community Development, the Company synergizes its activities within the framework of MDGs, which include 7 (seven) activities aiming to: reduce poverty and hunger, achieve universal basic education, reduce child mortality, improve maternal health, combat malaria and other diseases, and ensure environmental sustainability. The Company distributed funds up to Rp83.25 billion, up 12.4% from Rp74.09 billion in 2011.

So the total funds distributed by the Company for its corporate social responsibility programs in 2012 amounting to Rp295.76 billion, up 34.9% from Rp219.29 billion in 2011. The Company believes that the implementation of targeted programs with substantial funding will provide a positive impact to the improvement of the surrounding community welfare, maintaining a harmonious relationship, maintaining environmental sustainability and ultimately ensuring the business sustainability in the long run.

Realizing Environmental Commitment

In order to show commitment to environment preservation, the Company has comprehensively implemented programs to realize the vision of “becoming a world-class eco-friendly energy company”. The Company implements a system with ISO 14001:2004 accreditation in designing and realizing the whole environmental monitoring and management programs, which include monitoring emissions and biodiversity, management of mine water quality, waste management and rehabilitation of former mine lands.

The Company has even designed and is currently realizing a series of post-mining environmental rehabilitation programs which converts an area of 5,640 ha to Taman Hutan Rakyat/TAHURA (People's Forest Park) in Tanjung Enim. In addition, the Company is actively involved in converting former mine into integrated environment-based tourism area in Sawahlunto's post open-mining area. The Company is also actively involved in initiating other environmental programs, including development of Urban Forest and afforestation of river basin (Musi river basin) which covers 3 districts, i.e. Lahat Regency, Muara Enim Regency and Musi Banyuasin Regency in South Sumatra, although those areas are not directly affected by mining activities.



**the Company fostered 275 partners,
with funds distribution amounting to
Rp125.79 billion in 2012.**

To support the rehabilitation and environmental activities, the Company has built and developed nurseries in mining areas. The Nursery is equipped with various supporting facilities, including tissue culture-based seedling laboratories for plant diversity enrichment process, which includes endemic plant breeding in regions around the mining areas and South Sumatra.

All those environmental programs are manifestation of the Company's commitment to implement green mining in conducting its business. A notable result achieved in the implementation of environmental commitment in 2012 was the success in retaining PROPER Hijau (PROPER Green) rating from the Ministry of Environment for the fourth time.

Future Outlook and Plans

At the end of 2012, there were signals showing improvement in global economic conditions, in the form of increased product demand from Asia, particularly China, and signals showing resolution of the budget problems in European countries and the United States. Those developments are expected to bring a positive impact in the form of improvement in global economic conditions, increased demand for energy sources including coal, which ultimately will restore the price to a better level.

These conditions are expected to give positive effect on the domestic economy, in the form of recovery in demand for Indonesian coal. Besides the recovery in global demand, the realization of power plant construction in the scheme of accelerating the development of the first and second phase of the 10,000MW power plant is expected to also increase coal demand. Thus, there will be more chances of an increase in the selling price of low calorie coal in domestic market.

In addition, the increase in domestic economy has caused rising demand for electricity which impacted on the need to build new power plants to meet the power demand, either generated by coal, gas, water or geothermal.

Considering those external conditions, the Board of Directors believes that, as a company that aspires to be an integrated coal-based eco-friendly energy company, the Company is in a better position to seize opportunities in fulfilling those growing demands. Following the operation of Mine mouth power plant in 2012, the Company will soon completed several other Mine mouth power plant projects which are currently under construction. The Company is also committed to immediately realize the utilization of CBM in its managed areas to be used as fuel for the power plants or as raw material for other industries.

To meet the power plant projects' needs, the Company continues to realize the opening of new pit in its managed area to increase coal production capacity with the support of new equipments, including the use of the entire BWE System which has been repaired independently. The Company, in collaboration with PTKA or other strategic partners in PT Bukit Asam Transpacific Railway (BATR), also strives to realize the program of increasing railway loading capacity. Therefore, the Company will be able to meet the increasing coal demand from domestic/global markets and the needs of Mine mouth steam power plant.

In anticipating the increase in production and transportation, the Company will also further increase the utilization of human resource competencies in designing, making and repairing Coal Handling Facility (CHF) equipments, both in mine area and port, with the support of adequate tools in the main workshop. The Company will also synergize the PKBL fund distribution activities more intensely to support the daily operational needs within accountable limits, so that the significance of growing together can be realized.

The Company continues to implement programs of adding personnel and improving the human resources competence to anticipate the growth in business activities which have been carefully planned. The Company also consistently continues to review and improve work systems, rules and policy framework in order to improve the quality of GCG best practices implementation. For this purpose, the Company continues to develop an integrated information technology system that can support and increase the operational effectiveness and efficiency, and also increase the accountability of decision-making.

Closing Remark

On behalf of the Board of Directors, we encourage all personnel of the Company to always be optimistic when facing challenges in realizing the entire work plan and business development program that has been initiated since the last few years. We encourage all personnel to think innovatively and to constantly seek solutions for any problems. By combining all competencies and synergizing all capabilities, the Company will be able to progress more quickly, cope with all the challenges and exploit the available opportunities.

Furthermore, on this occasion, on behalf of the Board of Directors, we would like to thank the Commissioners for their direction. We also would like to thank our shareholders, customers and business partners for their support, trust and cooperation. I also would like to convey our gratitude and appreciation to all employees for their dedication and integrity in carrying out their assignments in the best possible manner that have enabled the Company to overcome the challenges in 2012 and anticipate the positive development from improved business conditions in order to ensure better achievements in the coming years.

Our appreciation also goes to all other stakeholders of PT Bukit Asam (Persero) Tbk who never fail to give their best cooperation to contribute to the Company's promising and sustainable business growth.

On behalf of the Board of Directors,



Ir. Milawarma, M.Eng
President Director

Statement of Responsibility of The Board of Commissioners and The Board of Directors PT Bukit Asam (Persero) Tbk Annual Report 2012

We the undersigned hereby declare that all the information in the PT Bukit Asam (Persero) Tbk 2012 Annual Report has been presented in its entirety and that we assume full responsibility for the accuracy of the content of the Company's Annual Report.

This statement is made in all truthfulness.

THE BOARD OF COMMISSIONERS



Dr. Patrialis Akbar, SH. MH.
President Commissioner



Drs. Imam Apriyanto Putro, MM.
Commissioner



Dr. Ir. Thamrin Sihite, ME.
Commissioner



Suranto Soemarsono, SE. MA.
Independent Commissioner



Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ.
Independent Commissioner



Ir. Robert Heri, MM.
Commissioner


THE BOARD OF DIRECTORS



Ir. Milawarma, M.Eng
President Director



Achmad Sudarto, SE. MM. Ak.
Finance Director



Ir. Heri Supriyanto
Operations/Production Director



Ir. Maizal Gazali, MM.
HR & General Affairs Director



Ir. Anung Dri Prasetya, MAppSc
Business Development Director



M. Jamil, SE. MM. Ak.
Commerce Director



Corporate Information

- Company Name and Address
- Vision, Mission and Values
- PT Bukit Asam (Perero) Tbk At A Glance
- Operational Location
- Area
- Coal Resources and Reserves
- Coal Products
- Subsidiaries and Associated Companies
- Organizational Structure

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1.99
billion
tons

Total Mineable
Reserves

7.3
billion
tons

Total Resources

90,832
hectares

Total Mining
Concession Area



Company Name	: PT Bukit Asam (Persero) Tbk
Line of Business	: Coal Mining, Trading, Processing and Utilization
Ownership	: Indonesian Government 65.02% Public 34.98%
Date of Establishment	: 2 March 1981
Legal Framework	: Government Regulation No. 42 1980
Authorized Capital	: Rp4,000 billion
Issued and Fully Paid Capital	: Rp1,152.07 billion
Listing on IDX	: Company's shares have been listed on the Jakarta Stock Exchange through the IPO which was held on 23 December 2002 with stock trading code: PTBA

Office Address

PT Bukit Asam (Persero) Tbk
Head Office
Jl. Parigi No. 1
Tanjung Enim 31716
Sumatera Selatan, Indonesia
P. +62-734-451 096, 452 352
F. +62-734-451 095, 452 993

Jakarta Representative Office
Menara Kadin Indonesia 15th Floor
Jl. HR Rasuna Said Blok X-5 Kav.2-3
Jakarta 12950
P. +62-21-525 4014
F. +62-21-525 4002

Tanjung Enim Mining Port (UPTE)
Jl. Parigi No. 1
Tanjung Enim 31716
P. +62-734-451 096, 452 352
F. +62-734-451 095, 452 993

Tarahan Port
Jl. Soekarno Hatta Km. 15
Tarahan, Bandar Lampung
P. +62-721-31 545, 31 686
F. +62-721-31 577

Kertapati Jetty
Jl. Stasiun Kereta Api
Palembang, Sumatera Selatan
P. +62-711-512 617
F. +62-711 511 388

VISION

A World Class Energy Company That Care About The Environment

MISSION

Manage energy resources by developing corporate competencies and human excellence to provide maximum value for the stakeholders and environment.

OUR VALUES

Visionary	: Able to look far ahead and make long-term business growth projection.
Integrity	: Being trustworthy, transparent, positive, honest, committed and responsible.
Innovative	: Working earnestly towards product novelty and service improvement.
Professional	: Competent team performance with creativity, courage, and commitment towards continuous expertise advancement.
Cost and Environment Conscious	: Doing business with concern for maximum advantage and environmental conservation.

MEANING OF OUR PRESENCE

Presents Energy Resources for a Better Life on Earth

Ombilin Mining Unit (UPO)
Sawahlunto
Sumatera Barat
P. +62-754-61 021
F. +62-754-61 402

Tanjung Enim Briquette Business Unit
Jl. Parigi No. 1, Tanjung Enim
Sumatera Selatan 31716
P. +62-734-451 096, 452 352
F. +62-734-451 095, 452 993

Gresik Briquette Business Unit
Jl. Raya Manyar Km. 6
Manyar, Gresik 61151, Jawa Timur
P. +62-31-395 0288
F. +62-31-395 0601

Teluk Bayur Port
Jl. Tanjung Periuk No. 1
Teluk Bayur, Sumatera Barat
P. +62-751-62 522, 63 522, 31 996
F. +62-751-63 533

Lampung Briquette Business Unit
Jl. Raya Natar Km. 16
Natar, Lampung Selatan
P. +62-721-783 558
F. +62-721-774 266

PT Bukit Asam (Persero) Tbk Overview

A Brief History

The coal mining in Tanjung Enim was initiated by the Dutch Colonial Government in 1919 by operating the first coal mine using open pit mining method in Air Laya.

Operation using underground mining method commenced in 1923 and lasted until 1940, while commercial production began in 1938.

When the Dutch Colonial period ended in Indonesia, the mining workers fought for the nationalization of the mines. In 1950, the Indonesian Government approved the establishment of State-Owned Bukit Asam Coal Mine or Perusahaan Negara Tambang Arang Bukit Asam (PN TABA).



PTBA became a publicly listed company on the Indonesian Stock Exchange

In 1981, PN TABA converted its status to a limited liability company under the name of PT Tambang Batubara Bukit Asam (Persero) Tbk, further called the Company. To develop coal industry in Indonesia, in 1990 the Government merged Perum Tambang Batubara with the Company.

In line with the national energy sustainability development program, in 1993 the Company was assigned by the Government to develop coal briquette business.

On 23 December 2002, the Company became a publicly listed company on the Indonesian Stock Exchange under the code of "PTBA".

Business Activity

Pursuant to Article 3 of the Company's Articles of Association, the objective of the Company is to develop mining operation, particularly coal mining, in accordance with the prevailing laws and regulations under the limited liability principles.

The Company business activities are as follows:

- Mining operation covering general research, exploration, exploitation, processing, purifying, transporting and trading of mining products particularly coal.
- Further processing of mining products particularly coal.
- Trading products of the foregoing business activity, either own or other parties' production, at domestic and abroad.
- Managing and operating ports and jetties specifically designated for coal, either for own use or for others.
- Managing and operating thermal power plant, for own purpose or for others.
- Providing consultancy services and engineering in coal-mining-related fields and processed mining output.

INDONESIA



Operational Location



JAKARTA
Representative Office



TANJUNG ENIM Briquette Factory
Cap. 12,000 tons/year

LAMPUNG Briquette Factory
Cap. 8,000 tons/year

GRESIK Briquette Factory
Cap. 95,000 tons/year



PERANAP
Mining Concession
Resources : 0.80 billion tons
Reserved : 0.27 billion tons

OMBILIN
Mining unit
Resources : 0.10 billion tons
Reserved : 0.02 billion tons

TANJUNG ENIM
Mining Unit
Resources : 6.35 billion tons
Reserved : 1.59 billion tons

SAMARINDA - IPC
Mining Concession
Resources : 0.045 billion tons
Reserved : 0.01 billion tons
Company Ownership : 51%



TELUK BAYUR port
Stockpile : 90,000 ton tons
Capacity : 2.5 million tons/year
Ship : Max 40,000 DWT

KERTAPATI Jetty
Stockpile : 50,000 ton tons
Capacity : 2.7 million tons/year
Ship : Max 8,000 DWT

TARAHAN port
Stockpile : 560,000 ton
Capacity : 12 million tons/year
Ship : Max 80,000 DWT

Managed Area

The Company holds Mining Consession in the following areas:

Tanjung Enim coal mine of 66,414 hectares covering Muara Enim Regency and Lahat Regency, South Sumatra, consisting of:

- Air Laya (751/KPTS/Dispertamben/2010, 29 Oct 2010): 7,621 Ha.
- Muara Tiga Besar (304/KPTS/Distamben/2010, 30 Apr 2010): 3,300 Ha.
- Banko Barat (390/KPTS/Tamben/2010, 13 Apr 2010): 4,500 Ha.
- Banko-Tengah West Block (391/KPTS/Tamben/2010, 13 Apr 2010): 2,423 Ha.
- Banko-Tengah East Block (389/KPTS/Tamben/1010, 13 Apr 2010): 22,937 Ha.
- Banjarsari, Kungkulan, Bunian, Arahan Utara, Arahan Selatan (461/KPTS/HK-KS/Pertamben/2003): 24,751 Ha.
- Bukit Kendi (305/KPTS/Distamben/2010, 30 Apr 2010): 882 Ha.

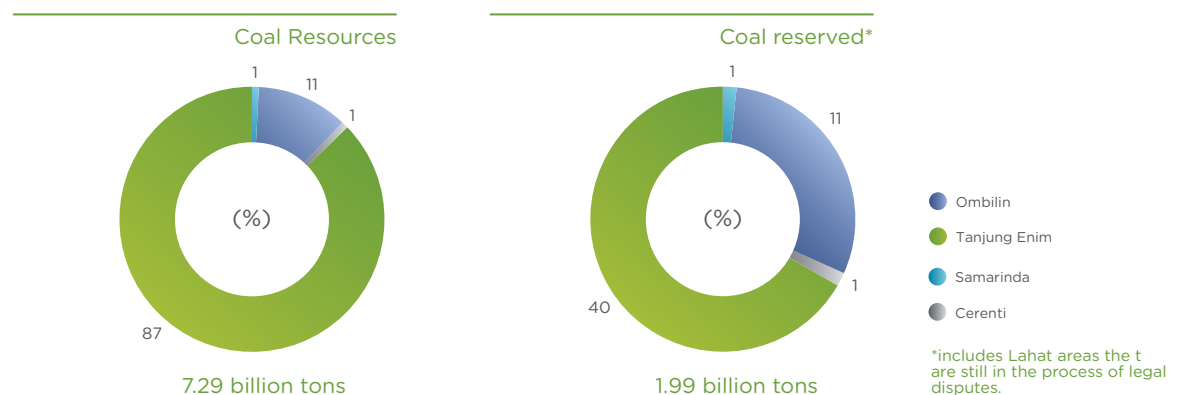
Ombilin coal mine of 2,950 hectares, consisting of:

- Lembah Segar and Talawi (05.87.Perindagkop, 30 Apr 2010): 2,950 Ha.

In addition to these Mining Concessions, the Company also holds Mining Concession in Peranap Indragiri Hulu Riau (09/IUP/545-02/IV/2010, 27 Apr 2010) measuring 18,230 Ha, and in Palaran District, Samarinda (through subsidiary PT International Prima Coal) through decree no.454/375/HK-KS/VII/2010, 19 Jul 2010, measuring 3,238 Ha. So the total manage area is 90,702 Ha.

Coal Resources

With reference to the assessment of resources and reserves by an independent consultant, "International Mining Consultant (IMC)" of December 2008, the Company has total coal resources of 7.3 billion tons throughout this Mining Concession area. While total mineable reserves reached 1.8 billion tons, excluding mineable reserves in the Mining Concession location at Lahat Regency which is in dispute with the local Administration. If the mineable reserves at Lahat Regency are included, the Company has total mineable reserves of 2.0 billion tons.



Coal Products

The Company produces a variety of coal products with differing quality of content.

Coal Brand	CV		TM	IM	ASH	VM	FC	TS MAX.	HGI
	Kcal/ kg,adb	Kcal/kg,ar	(%,ar)	(%,adb)	(%,adb)	(%,adb)	(%,adb)	(%,adb)	
BA 55	5,500	4,550	30	15	8	39	38	0.8	50
BA 59	5,900	5,000	28	14	7	39	40	0.8	50
BA 61	6,100	5,000	28	12	7	41	40	0.8	50
BA 63	6,300	5,550	21	10	6	41	43	0.8	55
BA 67	6,700	6,100	16	8	6	42	44	0.8	55
BA 70 LS	7,000	6,450	14	7	4	42	47	0.7	55
BA 70 HS	7,000	6,450	14	7	4	42	47	1.2	55
BA 76	7,600	7,400	5	2	8	14	76	1.2	-

Subsidiaries and Associated Companies

In line with the corporate vision to become a competitive coal-based energy company and to give optimum value to its stakeholders, the Company sets up several subsidiaries to support the Company in reaching its production and sales target, as well as in developing various coal derivative products.

Name	Establishment	Core Business	Operation Status	Ownership
PT Batubara Bukit Kendi	1996	Coal mining	Operational**	75%
PT Bukit Pembangkit Innovative	2005	Thermal power plant	Developmental stage	59.75%
PT Bukit Asam Prima	2007	Perdagangan batubara	Operational	99.99%
PT Bukit Asam Metana Ombilin	2007	Methane gas mining	Non-operational	99.99%
PT Bukit Asam Metana Enim	2007	Penambangan gas metana	Developmental stage	99.99%
PT Bukit Asam Metana Peranap	2007	Methane gas mining	Non-operational	99.99%
PT Bukit Asam Banko	2008	Coal mining	Non-operational	65%
PT Bukit Asam Transpacific Railway	2008	Coal transporting	Non-operational	10%
PT Internasional Prima Coal	2008*	Coal mining	Operational	51%
PT Huadian Bukit Asam Power	2012	Thermal power plant	Developmental stage	45%

* In 2008, PT Internasional Prima Coal has been acquired by the Company

** Mining operations is temporarily suspended

Capital Market Supporting Institutions

Public Accountant

Tanudiredja, Wibisana & Rekan

PricewaterhouseCoopers (PwC)
Plaza 89
Jl. H.R. Rasuna Said Kav. X-7 No. 6
Jakarta 12940, Indonesia
Tel. (021) 521 2901
Fax (021) 5290 5555/ 5290 5050

Share Registrar

PT Datindo Entrycom
Puri Datindo
Wisma Sudirman
Jl. Jenderal Sudirman Kav. 34
Jakarta 10220
Tel. (021) 570 9009
Fax (021) 570 9026

Public Notary

Fathiah Helmi
Graha Irama 6th floor
Jl. H.R. Rasuna Said Blok X-1
Kav. 1 & 2
Kuningan, Jakarta Selatan 12920
Tel. (021) 5290 7304-6
Fax (021) 526 1136.

ACCESS TO INFORMATION

Information of shareholders, latest news and general information about the Company can be obtained through:

Corporate Secretary

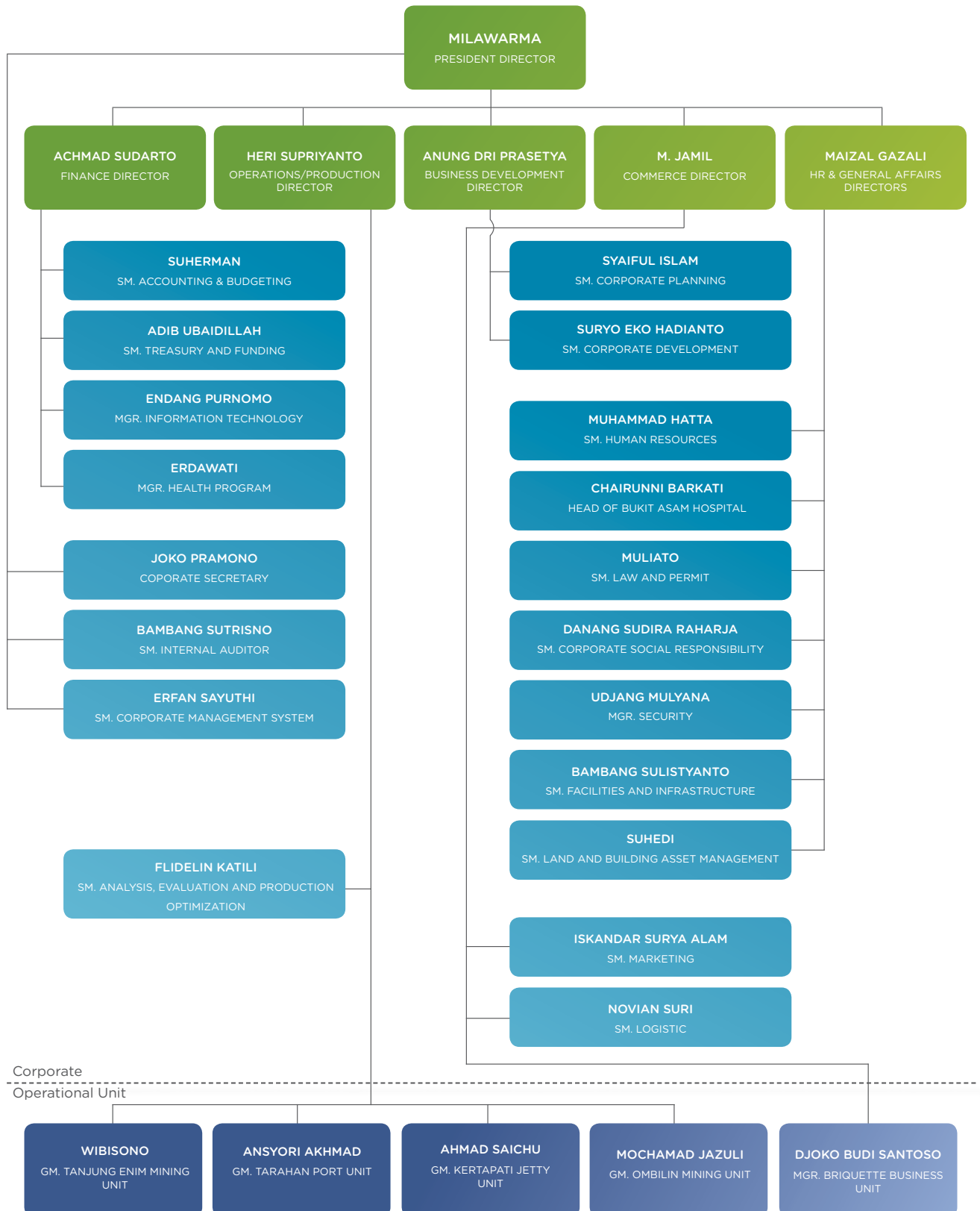
Menara Kadin Indonesia 15th Floor
Jl. H.R. Rasuna Said Blok X-5 Kav. 2-3
Jakarta 12950
T. +62-21-525 4014
F. +62-21-525 4002



www.ptba.co.id

Organizational Structure

The Company establishes a dynamic, efficient and effective organization structure according to business activity development aimed at reaching an optimum performance growth.





- Capital Market Condition
- Share Performance
- Share Highlights
- Share Listing Chronology
- Shareholders
- Dividend and Dividend Policy

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Capital Market Condition

The financial crisis hitting the Euro Zone and the United States' budget deficit worsen the global economy in 2012. This has direct impacts on the transactions at global capital markets, including at the Indonesian Stock Exchange. This year, the value of daily transactions decreases 8.79% to only Rp4.55 trillions, compared to the situation in 2011 where the value reached Rp4.95 trillions. Accompanying the declining daily transaction value, the value of foreign transactions also shows a downward trend.

12.94%
Composite Index
increase in 2012

Only
-12.96%
drop in PTBA'S
stock price in
2012, closing price
Rp15,100.

The frequency of daily transactions at BEI, however, shows an increase of 7.36% to 113,454 transactions, indicating that retail investors remain eager to invest their money. At the end of transaction day, the Composite Index (IHSG) at Indonesian Stock Exchange (BEI) closes at 4,316.69 increasing 12.94% from 3,821.99 late in 2011.

Good news is that amidst the global crisis haunting 2012, 23 new underwriters managed to get themselves listed. This is an indication that investors remain enthusiastic about investing their funds in Indonesian capital markets.

This has boosted the stock market capitalization value at BEI to Rp4.127 trillions, increasing 16.67% from Rp3.537 trillions in 2011, thus increasing the stock market capitalization to GDP ratio to 55.6% from 46.7% last year.

The capital market condition will predictably improve in 2013. This is because temporary solutions have been formulated for the United States to deal with its budget deficit problems and the demand for product exports from China seems increasing late in 2012, indicating that one of the power economies in Asia is recovering. IMF and other economic analysts share this view in their economic outlooks. As the economy of China recovers, the demand for industrial materials, especially mining and plantation products from Indonesia will increase again. This will in turn improve Indonesia's economy, including economic activities at its capital market, the Indonesian Stock Exchange (BEI).

PTBA Stock's Performance

The Company has had its stocks listed at Indonesian Stock Exchange (BEI) since December 2002. The stock is coded PTBA from the Initial Public Offering (IPO). In addition to being listed at the primary board, PTBA stock is also listed at Jakarta Mining Index, LQ45 (45 most liquid stocks at BEI), Jakarta Islamic Index, Business Index-27, and Kompas Index 100.

Coalmining is one of the sectors suffering badly from the global economic slowdown in 2012. The weaker the global economy gets, the fewer the production activities and the demands for fuel for production process, including the demand for coal, get. Fewer demands mean more stocks in the warehouse and falling price, globally as well as domestically. To get a clearer view on this, the price for coal with a calorie content of 5,800-6,300 Kcal/kg drops 20-30% from the price at the end of 2011. (See the discussion on "Prospect and Marketing").

This presses the price of coalmining companies' stocks, including that of PTBA stock, as the global economy and market sentiment fluctuate out of control. At the end of 2nd quarter of 2012, the price of PTBA stocks was pressed even further, following the failed bail out program at the Euro zone. Panic selling boosted transaction volume and pushed the price deeper down. For the first time in 2012, PTBA stock hit its lowest price at Rp12,950 or 25.4% lower than the closing price in 2011, at Rp17,350.

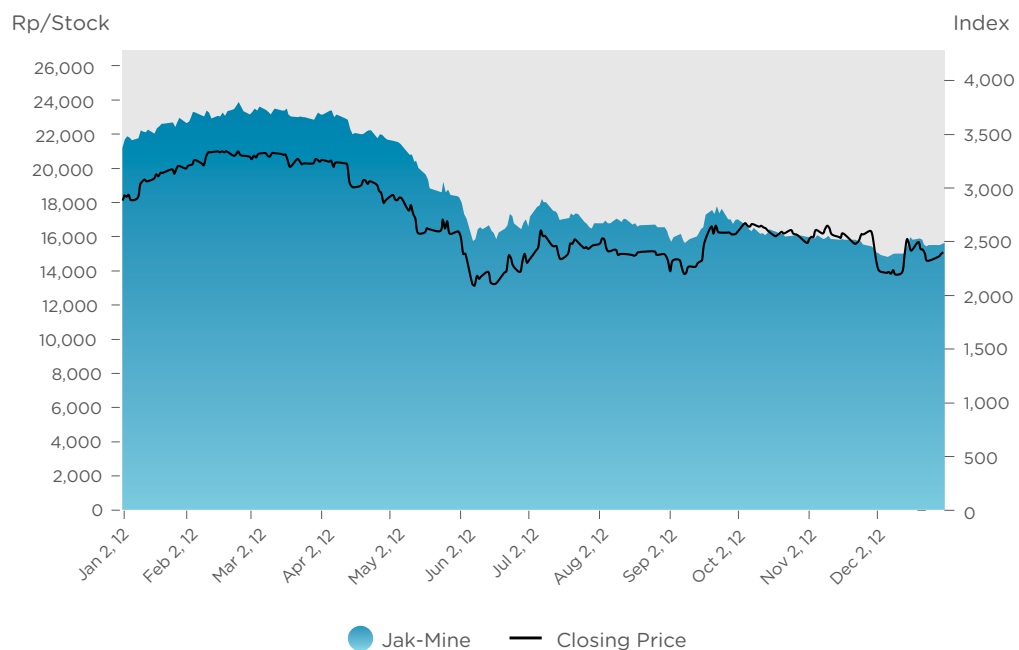
Due to the strong domestic economic basis and intensive communications with capital market players through road-show, plant visit, and investor gathering programs, PTBA stock, one of the blue chip stocks, was rejuvenated. The price of PTBA stock regained its upward momentum through the rest of the session and was sealed at Rp15,100. This shows that at the end of 2011, the Company's stock price was only corrected 12.96%. (See the discussion on "Prospect and Marketing").

Stock Highlights

The Company's Stock Performance Chart at Indonesian Stock Exchange, in 2011



The Company's Stock Performance Chart at Indonesian Stock Exchange, in 2012



Quarterly Stock Price and Transaction Volume at the Jakarta Stock Exchange (Rupiah)

2012				
Period	Highest	Lowest	Closing	Volume (No. of shares)
First Quarter	21,150	17,300	20,500	166,177,000
Second Quarter	20,600	12,950	14,650	206,650,500
Third Quarter	17,000	13,500	16,200	142,583,500
Fourth Quarter	16,800	13,800	15,100	105,033,500

2011				
Period	Highest	Lowest	Closing	Volume (No. of shares)
First Quarter	26,000	18,750	21,000	258,793,500
Second Quarter	22,800	20,350	20,800	153,372,500
Third Quarter	21,650	13,700	16,800	156,941,500
Fourth Quarter	18,000	13,600	17,350	142,550,500

Stock Listing Chronology

Date	Corporate Action	Shareholding Composition
	Pra IPO	Government: 100%
23 December 2002	Initial Public Offering	Government: 83.74%
	Privatization by offering 346.6 millions of B Series stocks Government and 31.5 new issues of the Company	Public: 16.26%
	At this IPO, the Company also offered 173.25 millions of B Series warrants to stockholders, except to the Government of the Republic of Indonesia, valid through December 22, 2005.	
25 June 2004	Further Divestment	Government: 70.28%
	Government offered 286.9 million stocks in its possession without new issues.	Public: 29.72%
31 Desember 2004		Government: 70.19% Public: 29.68% I Series Warrant Conversion Result: 0.13%
22 December 2005	I Series Warrant Conversion Period Ended	Government: 65.02% Public: 27.49% I Series Warrant Conversion Result: 7.49%
31 December 2005 - 31 December 2010		Government: 65.02% Public: 34.98%

Shareholders

The Company's Authorized Capital consists of 1 (one) Dwi Warna A Series stock with a face value of Rp500 and 7,999,999,999 B Series (ordinary) stocks with a face value of Rp3,999,999,999,500 totaling Rp4,000,000,000,000 (four trillion Rupiah).

Composition of the Company's Shareholders at end of the year 2012 & 2011

Ownership	Number of Shares		%	
	2012	2011	2012	2011
National Holder				
Indonesian Government	1,498,087,500	1,498,087,500	65.01744	65.01744
Domestic Investor				
• Indonesian Individuals	51,323,122	51,518,254	2.2274	2.23591
• Regional Government	28,261,000	28,261,000	1.22654	1.22654
• Employee	8,000	25,000	0.00035	0.00109
• Cooperatives	70,000	65,000	0.0034	0.00282
• Foundation	3,363,500	3,836,500	0.14598	0.16651
• Pension Fund	35,377,500	33,891,000	1.53539	1.47088
• Insurance	76,606,000	85,481,500	3.32472	3.70992
• Bank	-	-	0.00000	0.00000
• Corporate	115,944,402	100,941,195	5.03202	4.38088
• Mutual Funds	62,027,653	70,186,094	2.69202	3.04610
Subtotal	1,871,068,677	1,872,293,043	81.20493	81.25806
Foreign Investor				
- Foreign Individual	941,000	872,000	0.04084	0.03785
- Foreign Corporation	432,122,173	430,966,807	18.75423	18.70409
Subtotal	433,063,173	431,838,807	18.79507	18.74194
Total	2,304,131,850	2,304,131,850	100.00	100.00



Shareholding by the Directors

Name	2012		2011	
	No of Shares	% No of Shares	No of Shares	% No of Shares
Ir. Milawarma, M.Eng	60,000	0.00260	60,000	0.00260
	60,000	0.00260	60,000	0.00260

Composition of Shareholders with Equity of <5%

Description	2012	%	2011	%
Location				
Domestic	372,981,177	46%	374,077,543	46%
Foreign	433,063,173	54%	431,966,807	54%
	806,044,350	100%	806,044,350	100%
Investor Type				
Retail	52,272,122	7%	52,415,254	7%
Institution	753,772,228	93%	753,629,096	93%
	806,044,350	100%	806,044,350	100%



Dividend and Dividend Policy

The Company decides the policy on how net operating income over one financial year will be used and pays cash dividends on net profit having accounted for the amount of profit generated, amount of reserves to be made, and business expansion plans. This is what the Prospectus says at IPO, that is, that the Company will pay at least 30 percent of net profit worth of dividends, except otherwise required by the General Meeting of Shareholders.

The policy is part of the Company's commitment to providing the best benefits for its shareholders.

In 2011, PTBA distributed interim dividends for financial year 2011 at Rp103.46 per share on December 15, 2011. For 2012, no interim dividends for financial year 2012 were distributed.

Over the last few years, the amount of dividends distributed always surpassed the limit of dividend pay out ratio. In 2012, the dividend Pay out Ratio amounted 60% of the profit from financial year 2011. Details are presented in the following table.



The Company decides the policy on how net operating income over one financial year will be used

Financial Year	Net Profit (million Rp)	Paid out dividends (million Rp)	Dividend per Share (Rp)	Pay Out Ratio
2005	467,060	233,530	101.35	50%
2006	485,670	242,835	105.39	50%
2007	760,207	380,104	164.97	50%
2008	1,707,770	853,885	371.05	50%
2009	2,727,734	1,227,480	532.73	45%
2010	2,008,891	1,043,366	452.85	52%
2011	3,085,837	1,851,501	803.56	60%



- 
- Corporate Strategic Plan
 - New Business Milestone, Power Plant Segment
 - Realization of Potential Business Development
 - Human Resources Development
 - Information Technology To Improve Efficiency
 - Occupational Safety and Health
 - Environmental Protection and Management
 - Realization of Post-Mining, Reclamation and Rehabilitation Program

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Corporate Strategic Plan

The Company has developed and realized long-term development programs in several periods. In anticipation of the increasing demand for energy, particularly coal, the Company is completing the implementation of its Corporate Strategic Plan which was formulated based on global and Indonesian macro-economic landscape between 2009-2013 (See MD&A: Business Outlook).

The Corporate Strategic Plan consists of six main operating strategies which are the elaboration of the Company's Vision and Mission to be accomplished in 2009-2013 in order to ensure target achievement, namely:

- **Focus on growth in coal production and sales**
This is to overcome transportation problem, namely limited loading capacity of train as the only low-cost means of transport. This would mean increasing the loading capacity of existing railway system and the port handling capacity. Stepping up production and sales is carried out by optimizing the performance of related units.
- **Focus on development projects**
The Company focuses on constructing new railway tracks and ports, operating and developing Internasional Prima Coal (IPC), Peranap and other mines, constructing own thermal power plant, developing Independent Power Producer (IPP) thermal power plant, developing coal sea transport and acquiring potential mines.
- **Corporate Restructuring**
This is done through setting up subsidiaries that handle non-core businesses.
- **Improve the competency and regeneration of human resources and create a performance-based corporate culture**
- **Improve the performance-based reward system**
- **Improve performance rating in environmental management from green to gold**

The Company is completing the implementation of its strategic plan between 2009-2013



The corporate development goals for the period can be seen in the following table.

Company Development Goal

	Diversification of income			Development of Supporting Facilities			Development of Corporate Governance		
	Low Calorie Coal	Thermal Power Plant (Power Plant)	Coal Bed Methane (CBM)	Information Technology	Production Equipments	Infrastructures	Governance	Human Resources	Social and Environmental Protection
Objective	To be used as fuel for own Power Plant and other IPP	To meet own power demand	To be used as fuel for Power Plant	To make IT as the backbone of operational efficiency and business development	Boost in house production higher than 40%	Support sales volume up to 50 million tons per year.	Be a Good Corporate Citizen	World-class human resource with integrity	Improve surrounding community welfare
		To sell power to PT PLN	To be sold as gas fuel						Preserve mine environment and its surroundings
			To improve deep-mining safety						
Main Program	Market low calorie coal to Power Plant	Constructing medium and large scale Power Plant for sale to PT PLN	Developing economic potentials of CBM in PTBA concession areas (Tanjung Enim, Ombilin and Peranap)	Periodic evaluation & replacement of Software	Replacement and addition of bigger capacity truck & shovel	Upgrade Coal Handling Facilities (CHF) capacity in Tarahan, Kertapati and Train Loading Station (TLS) in Tanjung Enim	Equipping all organizational system	Improve HR competence by training and periodic evaluation	CSR and Community & Area Development (PKBL) program
				Upgrading hardware					Accredited environment management
	Increase calorific value by using modification technology			Create operational support system	Optimizing 5 BWE system		Enhancing GCG best practices and periodic assessment	Transparent recruitment process with the assistance of competent consultant	Revegetation and rehabilitation

In 2012, the Company began to evaluate the achievement of various programs as part of the 2009-2013 Long-Term Strategic Plan. As a follow up to the achieved results, the Company has also begun considering some basic assumptions to formulate the 2014-2019 Long Term Strategic Plan. In evaluating and formulating the next strategic plan, the Company also considers the preconditions of Indonesia and global economy based on inputs from competent sources. The Company also notes studies from research institutions and world bodies on the outlook for long-term energy demand, particularly coal, up to 2025 and 2030, such as those released by the British Petroleum, International Energy Agency and McKenzie.

All inputs from those sources are considered in order to get basic assumptions of external conditions beyond the Company's control. Thus, the Company is able to formulate high quality Long-Term Strategic Plan based on accurate basic assumptions, calculated risk scenarios and mitigation estimates.

New Business Milestone, Power Plant Segment

In 2012, the Company started to make a new milestone in mining business, i.e. successfully completed one of Power Plant construction program. The completed Power Plant construction project is located in Tanjung Enim, with a capacity of 3x10MW. Since October 2012, this self-owned Power Plant has entered the commissioning phase. Rejected coal that has not been utilized economically can be used as fuel for this Power Plant.

This success is important, considering that with the completion and the operation of this Power Plant, then in the future PTBA will be able to fulfill their electricity needs to run mining operations in Tanjung Enim. So that the electricity-based mining operation needs such as BWE system, conveyor belt networks, separator, lighting system in mining area and supporting needs such as main office, street lighting facilities, supporting facilities and employee mess can be self-fulfilled. In 2012, the operation of Power Plant is expected to reduce electricity cost by 50%. However, in the future the overall electricity cost can be eliminated from the calculation of operating cost components of the Company, so the overall operational efficiency can be improved.

The operation of this Power Plant also means that the Company will soon has a new revenue source that potentially increase in the future. As an illustration, all electricity needs of the operations and support at Tanjung Enim Mining Area is + 24MW. So that the Company has 6 MW surplus power to be sold to PT PLN.

The Company has signed power purchase agreement with PT PLN of Southern Sumatra Region. Estimated power selling for the first year amounting to Rp29.4 billion. In addition to small scale Power Plant, currently the Company is completing various Power Plant with varying capacities ranging from small, medium to large. So, if the whole projects are realized, the Company will earn new revenue from power selling at a substantial value. Preliminary calculations indicated that the power selling value of the four projects with total capacity of 1,468MW which are already committed and will be developed by the Company has the potential to reach approximate value of Rp5.7 trillion.

Totally, the Company has seven mine mouth Power Plant development projects which are included in IPP scheme with a total power capacity reaches 5,936MW.

The following explanation will give a clearer illustration of the new revenue source development program.

Mine mouth Power Plant construction has different meanings to PTBA: self-fulfillment of the electricity needs, to provide new revenue sources, to participate in reducing CO₂ emissions from coal transportation process and to support the national and regional economic development.

Build A New Growth Milestone

To increase the utilization of low calorie coal and rejected coal in order to obtain economic benefits that results in increased returns for the shareholders, the Company builds some mine mouth Power Plant. Besides intending to support the fulfillment of national electricity demand, this project development is also aimed to fulfill the operational needs of the Company.

For the Company, the construction of Power Plant does not only provide economic benefits; but also works as a contribution from PTBA to maintain the sustainability of the earth and its contents. Converting coal into electrical energy at the mine mouth will reduce the CO₂ emissions significantly, in terms of reduced transportation of coal to the buyer which will also be used as fuel for Power Plant.

In addition to benefit of CO₂ emission reduction, Power Plant construction constitutes a realization of Company participation in the economic development of Indonesia, particularly in Sumatra region which is still experiencing power shortage.

Based on the purpose of the power that will be generated, these mine mouth Power Plant construction projects are divided into two groups, namely:

Power Plant for Self Sufficiency Purpose

Currently, the Company is planning, constructing and has completed several small-scale Power Plant projects for self sufficiency purpose and to supply the electricity needs for the regions around mining area, through PT PLN. The Company does not need approval from General Meeting of Shareholders to realize the construction of the entire small-scale Power Plant. These small-scale Power Plants are:

- **Tanjung Enim Mine Mouth Power Plant with capacity of 3x10MW in Tanjung Enim**
This Power Plant is intended for self sufficiency purpose in Tanjung Enim Mining Unit (UPT) and the surplus power will be supplied to PT PLN. The construction of this Power Plant has been completed, and since October 2012 has entered into commissioning phase. Total construction cost amounts to US\$38.4 million. Surplus power that can be sold to PT PLN is 6 MW, with an estimated value of earning in the first year amounting to Rp29.4 billion. Coal demand is 150 thousand tons per year, consists of low calorie coal and rejected coal.
- **2x8MW Tarahan Port Package Power Plant**



The Company has seven mine mouth Power Plant development projects which are included in IPP scheme with a total power capacity reaches 5,936MW.

This 2x8MW capacity Power Plant is also intended for self sufficiency purpose, particularly to support the operational needs of the Company in Tarahan Port. The surplus power will also be used to supply electricity for the surrounding community through PT PLN. This project was initiated in 2008 and approved by the Board of Commissioners in August 2009. In 2010, the Company completed the appointment process of EPC consultant, proceeded with the implementation of pre-construction preparation in 2011.

In 2012, the construction of this Power Plant was started and by the end of 2012, EPC contractor progress has reached 78.1%. The Company expects that construction, installation and project completion of Tarahan Port Package Power Plant will be completed in mid 2013.

Investment value of this project amounts to US\$22.67 million. Potential saving from electricity usage which is previously supplied by PT PLN amounts to Rp13 billion per year. In addition, Power Plant has the potential to provide additional revenue from the sales of surplus power of 4 MW, with the first year's revenue around Rp5.9 billion. Demand of low calorie coal and / or rejected coal for this Power Plant is about 100 thousand tons per year.

IPP Scheme Power Plant

By the end of 2012, the Company plans to construct 5 Power Plants locations with IPP scheme. All power generated from those Power Plants is intended to be new revenue source through the sale of power to PT PLN. Further explanation of the entire Power Plant projects are as follows.

- **2x110MW Banjarsari Mine Mouth Power Plant in Lahat.**

Construction of Banjarsari Mine Mouth Power Plant with capacity of 2x110MW (previous plan was 2x100MW) in Lahat Regency, South Sumatra has been approved by RUPSLB (Extraordinary General Meeting of Shareholders) on May 10, 2006 and was projected to fulfill the electricity needs in Sumatra. The project is implemented by subsidiary of the company, namely PT Bukit Pembangkit Innovative (BPI) which was established in 2007 with a consortium of PTBA, i.e. PT Navigate Innovative Indonesia (NII) and Pembangkit Jawa Bali (PJB). Most of funding for project construction (70%) was financed by loans, the rest (30%) is self financed. By the end of 2012 the share of PTBA in BPI has reached 59.75%.

Construction of this Power Plant was hampered by exchange rate fluctuation and by rising steel prices, rising EPC costs, the emergence of cost overrun and price revision of coal as the fuel for Power Plant that led to the need for revision of Power Purchase Agreement (PPA). However, the whole issues can be solved, amendments of PPA and Power Plant EPC Contract were signed in 2011. Therefore, the groundbreaking for Banjarsari Power Plant construction with a capacity of 2x110MW was held in July 2011, with an estimated completion of construction in 2014.

By the end of 2012, physical construction progress of the project has reached 25%. Once completed, this Power Plant has the potential to provide additional revenue from the sales of all generated power by Rp855.8 billion per year. Total investment required to complete this project is US\$320 million.

Total low calorie coal demand that will be supplied by PTBA for this project is approximately 1-1.5 million tons per year.

- **2x620MW Banko Tengah Mine Mouth Power Plant in Tanjung Enim.**

Banko Tengah Mine Mouth Power Plant with capacity of 2x620MW (previously was 4x600MW) in Muara Enim Regency, South Sumatra was designed to fulfill the electricity needs in Sumatra and Java Regions. This Power Plant also referred to as Power Plant IPP Sumsel 8. Electricity distribution from the project area to Java Island is planned to be done through Sumatra-Java power transmission line, and some will be done through underwater cables.

Banko Tengah Mine Mouth Power Plant with capacity of 2x620MW was originally planned to have 4x600MW capacity and then revised to 2x620MW according to the implementation of PT PLN tender process.

In December 2011, the Company obtained a Letter of Intent (LOI) which confirmed that Consortium of PTBA and CHD from China win the Construction project of 2x620MW Mine Mouth Power Plant in Banko Tengah. Furthermore, the Company with consortium partner made a letter of commitment to



By the end of 2012 the share of PTBA in BPI has reached 59.75%.

carry out the project. The construction is planned to be started in 2013 until 2017. The Company has conducted mining land acquisition and Power Plant location acquisition. Estimated investment value of this Power Plant is US\$1.59 billion. It is planned that project financing composition consists of 75% loan and 25% self financing.

In September 2012, the Company with strategic partner has endorsed the establishment of a joint venture company named PT Huadian Bukit Asam Power (HBAP) with 45 % ownership composition of PTBA and 55% of China Huadian Corporation. Furthermore, in September 2012, the Company (through its subsidiary HBAP) signed a Power Purchase Agreement (PPA) with PT PLN.

The Company has opened a new mining area in Banko Tengah. In addition to anticipating the coal supply for Banko Tengah Power Plant, with an estimated demand of 5.4 million tons/year, the opening of this mining area is also intended to increase supply for domestic and international markets through a new railway line to Tarahan Port. Production capacity of this mine will be gradually increased.

The power sales potential of the construction of this Power Plant is Rp4.83 billion per year. In addition, the Company obtained coal purchase commitment for approximately 5.4 million tons per year, with an estimated value of operating income in the first year amounts to Rp1.64 trillion.



Estimated investment value of Banko Tengah Power Plant is US\$1.59 billion

- **800-1200MW Peranap Mine Mouth Power Plant in Peranap.**

In June 2012, the Company signed MOU of 800-1200MW Power Plant construction to supply the electricity needs in Riau and Malaysia.. Following the signing of the MOU, in October 2012, the Company with a partner from Malaysia signed a Joint Development Agreement (JDA) on responsibilities of each party in the construction of Power Plant and transmission lines from Peranap to Malaysia.

The Company and strategic partner from Malaysia, currently is carrying out a feasibility study for the mine, Power Plant and transmission network according to their respective responsibilities which are contained in JDA items. Power sale potential of the construction of this Power Plant amounts to Rp4.7 billion per year. If the project is implemented, PTBA has the potential to make history as the first coal mining company that contributes to the power selling across the countries.

Total coal demand for this Power Plant is 8.4 million tons per year that will be supplied by Peranap Mine.





Construction of Mouth Mine Power Plant in Tanjung Enim has done and since October 2012 has been on commissioning phase.

- **Other IPP Power Plant**

The Company plans and is currently participating in tender of IPP-schemed Power Plant constructions, with the following capacity of each IPP:

Mine Mouth Power Plant Sumsel 9 and 10, with IPP scheme, with respective capacity of 2x600MW and 2x300MW

The company's plan to participate in IPP-schemed Power Plant construction is still in maturation and Feasibility Study phases which are conducted internally.

Economic Potential Of Power Plant Construction

Construction and completion of those Power Plant projects, provide two major benefits for the Company, namely: additional revenue guarantee from the increased coal volume supplied to Power Plant and new revenue source from sale of the generated power.

Illustration of the economic potential of various Power Plants that have been constructed, and those won by the Company (for IPP), can be seen in the following table:

No	Project's Name	Capacity	Coal Consumption (thousand tons)	Power for Sale (MW)	Power Sales Value (Rp billion)
I Has committed					
1	Tanjung Enim Mine Mouth Power Plant	3x10MW	150	6	29.43
2	Tarahan Port Package Power Plant	2x8MW	100	4	19.62
3	Banjarsari Mine Mouth Power Plant	2x110MW	1,500	220	855.77
4	Sumsel 8 Mine Mouth Power Plant, Banko Tengah	2x620MW	5,400	1,240	4,826.52
Sub Total I		1,506MW	7,150	1,470	5,731.34
II Tender process					
1	Riau Mine Mouth Power Plant, Peranap	800 - 1,200MW	8,400	1,200	4,667.82
2	Sumsel 9 Mouth Mine Power Plant	2x600MW	5,400	1,200	4,667.82
3	Sumsel 10 Mouth Mine Power Plant	2x300MW	2,700	600	2,333.90
Sub Total II		3,000MW	16,500	3,000	11,669.54
Total I + II		4,506MW	23,650	4,470	17,400.88

The table shows that realization of 7 Power Plant projects has enabled the Company to market and or use the low calorie coal up to 23.7 million tons. Total potential electricity sale value if all projects are realized amounts to Rp17.40 trillion per year.

Considering the benefits obtained from mine mouth Power Plant constructions for the Company, as well as for local community, national development and for the effort of maintaining sustainability of the earth (reducing CO₂ emission from transportation process), the Company is committed to further develop business growth milestone in the future.

Realization Of Potential Business Development

Faced with the still unfavorable global economic conditions in 2012, the Company remains consistent in realizing its well-designed potential business development initiatives. The domestic economy resilience with positive growth has increased the Company's confidence that the results of various development projects will be absorbed by the market, given that it mostly produces products and services needed to support domestic economic activity which have further potential growth in the coming years.

The Company believes that the realization of those projects will help the achievement of its vision "to be a world-class eco-friendly energy company", with a medium-term target of arriving at an era of Golden PTBA, and a long-term target of becoming the largest coal-based energy company in Indonesia.

To reach that target, the Company continues its business development programs aiming to step up production and sales, expand coal product marketing, and optimally utilize its potential resources and reserves. Major actions have been taken to overcome the long standing transportation problem that have limited the Company's ability to increase sales. Simultaneously, the Company still make efforts to boost coal production, to realize other potential reserves utilization project, and to seize other business opportunities related to coal mining as well as Power Plant construction that begins to show results.

Following the business development programs in 2011, below are the corporate actions taken in 2012:

Production Capacity Upgrade

- **Acquisition of mines**

A strategy implemented to increase coal production capacity and to develop the Company's coal business is the acquisition of new mines as alternative coal resources outside the mining area of Tanjung Enim and Ombilin. The first acquisition of Mining Concession was accomplished in September 2008 through taking over a 51 percent ownership of PT Internasional Prima Coal (IPC) located in East Kalimantan at a transaction value of US\$ 17.85 million. The Company estimates this area has coal reserves of 45 million tons. IPC commenced operations in 2009.

In 2012, there was no acquisition of new mine made by the Company. However, the Company was contemplating the acquisition of several prospective mining companies in East Kalimantan. One particular company in Paser Regency, East Kalimantan was seriously explored. Other potential mine being explored and currently in the process of due diligence is located in Bulungan Regency, East Kalimantan.

- **Opening of Banko Tengah mine**

To continue the opening of Banko Tengah mine pit area, the Company has realized the construction of supporting infrastructure and facilities. Coal extracted from this mine is processed to supply Mine Mouth power plant of 2x620MW in Banko Tengah and also to supply coal delivery via the new Tanjung Enim - Lampung railway as planned. Mine production capacity will be upgraded gradually in line with the progress of the project.

- **Development of Peranap - RIAU mine**

Peranap mine is located in Indragiri Hulu Recency, Riau Province, operating under Production Mining Concession with a total area of 18,230 Ha.

In 2012, development of Peranap mine continued with the following activities:

- Land clearing and overburden stripping
- Penetrating local and international markets to promote Peranap coal
- Acquiring land for mining site and infrastructure
- Inaugurating mining operation as well as realizing the first delivery and sale of coal from Peranap mine.

Coal Handling Facilities (CHF) Capacity Upgrade

To support increasing activities at mining and transporting area, the Company is currently upgrading the capacity of coal handling facilities (CHF) in its entire managed areas. In order to reduce costs and utilize human resource competencies in designing and building supporting equipments, the Company improved and designed CHF equipments in the following areas:

- **CHF at Tanjung Enim Mine.**

- Upgrading transport capacity from mine to Stock Pile (Belt Conveyor System), including: Leveling Coal Conveyor MTB CC08
- Upgrading coal loading capacity from Stock Pile to train loading station (TLS), including:
 - › Installing Back Up Power Hydraulic TLS 103 with Trial Purchase process
 - › Installing Wear Plate on Bunker TLS 103
 - › Strengthening the construction of Bunker TLS 103
 - › Installing Back Up Power Hydraulic TLS 102
- Replacing Motor exciter Vibrating Feeder from 4.5 kW to 7 kW
- Upgrading Link 20 CHF 2
- Building new TLS

- **CHF at Tarahan Port**

Activities include:

- Building Rotary Car Dumper (RCD) to improve the unloading capacity from train to Stock Pile
- Increasing the loading capacity of belt conveyor at stock pile
- Increasing the loading capacity of Stock Pile
- Building ship loader to support the loading to vessel
- Constructing new jetty which accomodates capesize vessel

Through those efforts, the coal handling capacity at Tarahan Port will increase to 25 million tons per year from approx. 13 million tons in 2012. At the end of the year, the construction progress has reached 56.7%.

- **CHF at Kertapati Jetty**

Self-refurbishment activities, including building and repairing:

- Building new Inclined Conveyor BC03B 70-Meters long
- Reinforcing and extending the existing Conveyor BC02
- Buliding Main Frame and Relocating Mini Crusher
- Refurbishing Stacker
- Building new Shiploader with 1200 TPH capacity
- Refurbishing the existing shiploader

Through those efforts, the coal handling capacity at Kertapati Jetty was increased to 2.7 million tons per year from approx. 2.2 million tons in 2011.



Refurbishment
stacker, new Inclined
Conveyor BC03B
70-Meters long and
new shiploader in
Kertapati Jetty.

Coal Transport Volume Upgrade

The Company's coal mines are located relatively far from the ports, making trains the most economical means of transport. Consequently, increasing coal production and sales is always related to the loading capacity of the railway facility, prompting the Company to take several measures to improve the train loading capacity.

In 2008, the Company made two major scenarios to increase coal transport volume. First, maximizing the loading capacity of the existing railway tracks. Second, pioneering the construction of new railway tracks from the mining area to the loading port that will facilitate efficient, economical coal transport and support the Company's increasing sales volume.

The first effort gradually increases the existing railway loading capacity from Tanjung Enim to Tarahan Port to reach 20 million tons and from Tanjung Enim to Kertapati to reach 2.7 million tons, making the total loading capacity to 22.7 million tons per year.

To guarantee an increase in railway loading volume, in October 2009 the Company signed a Coal Transport Agreement (CTA) effective from 1 January 2010 to 31 December 2029.

Under the agreement, starting 2010, PT KAI agrees to gradually increase the coal loading capacity through the existing tracks, Tanjung Enim-Tarahan and Tanjung Enim-Kertapati, to reach 22.7 million tons by end of 2014. The agreement also sets a certain tariff formula and enforces "Take or Pay" system.

In 2011, the Company and PT KAI agreed upon a tariff formula and in December 2011 both institutions entered into a long-term coal transport tariff agreement to be effective from 2012 to 2016.



CHF and TLS facilities
of the Company's
to support coal
transportation activity

In 2012, PTKAI has initiated the construction of double track on the existing Tanjung Enim-Prabumulih railway in an effort to raise loading capacity from around 15 million tons to 22.7 million tons per year. The early stage included track data collection, land ownership evaluation and land acquisition. Moreover, some additional coaches and locomotives for increased loading capacity have arrived and been operated.

On the other hand, the Company also improved and added CHF and TLS facilities in its managed areas as described above.

The second effort was conducted through setting up a new company PT Bukit Asam Transpacific Railway/BATR with the approval of EGMS dated 28 May 2008, involving PTBA (10%), PT Transpacific Railway Infrastructure/TRI (80%) and China Railway Engineering Company/CREC (10%), which will build a new railway track. The new 307 km track will connect Tanjung Enim and Srengsem (Lampung), with an estimated loading capacity of 25 million tons per year.

Besides building railway tracks, the joint venture will also build a coal port in Srengsem, Lampung. Total financing is 30% own funds and 70% loan.

This project was granted approval in principle by the Governor of Lampung on 22 September 2008 and by the Governor of South Sumatera on 13 October 2008, and in October 2009 an approval in principle was also issued for the construction of Special Railway Track by the Minister of Transportation.



To realize the project, EPC (Engineering, Procurement and Construction) contract worth US\$1.3 billion and O&M (Operator and Maintenance) 20-year contract worth US\$3.5 billion were signed by BATR (PTBA subsidiary) and China Railway Group Limited in March 2010.

In 2011, a financing framework agreement was signed by BATR and China banking consortium, a survey was finalized and CREC being the EPC and O&M contractor concluded the railway final alignment and railway track designation.

In 2012, developments related to the project include the presentation of AMDAL (environmental impact assessment) for Railway, Stockpile and port, followed by the application of port construction permit. A business scheme acceptable to both parties was also determined. BATR is also making a detailed design and raising funds from potential creditors.

Besides these two schemes, the Company had also previously participated in a joint project with Adani Group, India, to develop a 270 km railway track from Tanjung Enim to Tanjung Carat/Tanjung Api-api (South Sumatera) to transport 35 million tons of coal per year. This project was initiated by the South Sumatera Provincial Administration. But with the special provision made in 2012, only those who have a mining concession are allowed to own a special railway track construction project for transporting coal, thus the continuation of this project still cannot be ascertained.

If the two scenarios of coal transport can proceed as planned, the Company will be in a position to sell its coal products by railway transport up to 47.7 million tons per year.

Coal Bed Methane (CBM) Development

Besides various efforts to boost production and improve mining efficiency, the Company also develop business from potential natural resources located in its managed areas as well as from the improved added value in order to strengthen its foundation. The strategy adopted was business diversification to improve added value.

Tanjung Enim CBM

One of the alternatives that are being developed is the utilization of Coal Bed Methane (CBM) in Tanjung Enim, in collaboration with PT Pertamina Hulu Energi (through PT PHE Metra Enim) and Dart Energy International Pte Ltd (through Dart Energy Tanjung Enim Pte Ltd). Ownership composition is PTBA 27.5% (through subsidiary, PT Bukit Asam Metana Enim), PT PHE Metra Enim 27.5% and Dart Energy Tanjung Enim Pte Ltd 45%.

In July 2008, exploration was commenced by designating drilling site to extract CBM gas sample in Tanjung Enim. The exploration indicated a CBM content of around 0.8 trillion cubic feet (TCF). At an estimated production of 50 million cubic feet of gas per day (50 MMSCF/day), CBM content in this area will be exhausted within minimum 40 years. The Production Sharing Contract (PSC) for this project was entered into on 4 August 2009 between the parties and the Indonesian Government with a composition of the Consortium 45% and the Government 55% to be valid for 30 years.



CBM content in Tanjung Enim is around 0.8 trillion cubic feet (TCF)

In 2011 PTBA, Pertamina and Dart Energy signed Joint Operation Agreement, Accounting Procedure & Cooperation Agreement, and to date two core holes and one pilot hole have been made.

In 2012, the Company together with its strategic partners began a process of perforation and dewatering of the 2 core holes. The Company plans to drill the third core hole at a location to be determined later based on test results from the 2 core holes before starting the exploitation phase.

CBM production in this area is estimated to be around 0.25 MMCFD initially, but will be increased to reach full production of 50 MMCFD, or equivalent to the energy generated by 200 MW Power Plant.

Ombilin CBM

In addition to Tanjung Enim site, the Company also developed CBM gas potentials at Ombilin (Block Sijunjung) for which on 17 March 2011, PTBA - PT Lion Global Energi (PT LGE) consortium was announced by Oil & Gas Directorate General to be the winner of Direct Bidding for Coal Methane Gas Work Area of Block GMB Sijunjung, covering an area of approx. 1300 km². PTBA and PT LGE would jointly develop CBM in Licensed Mining Area of PTBA-Ombilin.

A joint evaluation indicates that there is Gas in Place (GIP) of around 1 TCF (trillion cubic feet) available, 0.4 TCF of which is found in Sawahlunto Licensed Mining Area. Proposed investment for the first commitment of three-year exploration is estimated at US\$5 million.

The Company is optimistic that the two projects can be accomplished, particularly for Tanjung Enim, considering PTBA has full coal geology data, PT Pertamina EP has full drilling and seismic data, while Dart Energy Pte Ltd is experienced in CBM gas development in Australia.

Coal Gasification Development

This prospective business is developed in collaboration with PT Pusri, the scenario being that all methane gas generated by coal gasification process will be absorbed by PT Pusri for its raw material in producing ammonia and urea-based fertilizer.

During 2012, progress made included Pre-FS presentation by consultants and inviting bids for feasibility study of constructing factory in Suban, Jeriji to produce ammonia and urea by coal gasification.

Coal Sea Transport Development

To respond to the increasing coal demand in domestic and overseas market, the Company made a more comprehensive feasibility study of coal sea transport development. The study showed that sea transport development was “feasible and recommended” as it would support the Company’s performance and reduce dependence on other companies’ transport, improve bargaining position and facilitate coal distribution.

In July 2009, the Company obtained the Commissioners’ approval to develop coal sea transport to be followed up by preparatory measures to establish subsidiary company in coal sea transport, and to write up the strategic plan. The development of coal sea transport business line will be continued in 2012.

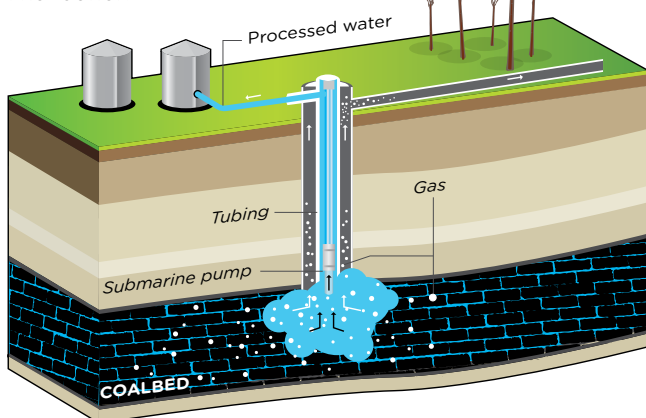


Sea transport is developed to support the Company's performance

Exploiting CBM Potentials

- Coal Bed Methane (CBM) is methane gas (CH_4) that is naturally formed together with traces of other hydrocarbon and non-hydrocarbon gases (85%-99% methane), found in coal layer resulting from chemical and physical process.
- In Indonesia's mostly open pit coal mining, overburden scraping/stripping wastes CBM content to the atmosphere to become a destroyer of ozone layer.
- CBM is normally produced through exploitation hole, where water will be pumped out of coal layer through dewatering process, thus reducing hydrostatic pressure, allowing gas to seep out of coal through cleats and cracks to flow to the surface.
- CBM is generally used for gas-powered electric generator, domestic consumption and raw material of urea-based fertilizer.
- An initial survey indicates that PTBA managed area of Tanjung Enim possesses CBM content of around 0.8 TCF, while Ombilin CBM (Block Sinjunjung) has Gas in Place (GIP) of around 1 TCF (trillion cubic feet), 0.4 TCF of which is found in Ombilin (Sawahlunto Formation).

COAL BED METHANE (CBM)
PRODUCTION



Benefit for PTBA

- Generating new source of income to the Company.
- Ensuring security in realizing the deep mining operation plan.
- Contributing to the reduction of ozone depleting gas emission.
- CBM exploitation does not disrupt the existing coal production process.

Human Resource Development

Formerly known as one of the high quality coal manufacturers, the Company is starting to transform into an integrated enterprise by utilizing coal resource. Utilization and efforts to provide added value to the product of coal mining activity have made the Company ready to play a new role as energy company. Besides exploiting coal, the Company is also pioneering integrated business development programs set forth in the Company's Long Term Plan, which is exploiting coal-based resources in its managed areas.

To support those business development programs, the Company has developed a program to improve the competence and prepare reliable human resources, the implementation is in line with the development of the Company's Long Term Plan. Considering that the management and change of attitude, competence, integrity and the human resource management organization require a long time, therefore, the human resource management program are prepared and implemented in stages, including: organizational alignment, arrangement of performance management, improvement of competence-based human resource management system including career management, management of assessment center, standardization of managerial and technical competence, and professional certification programs.

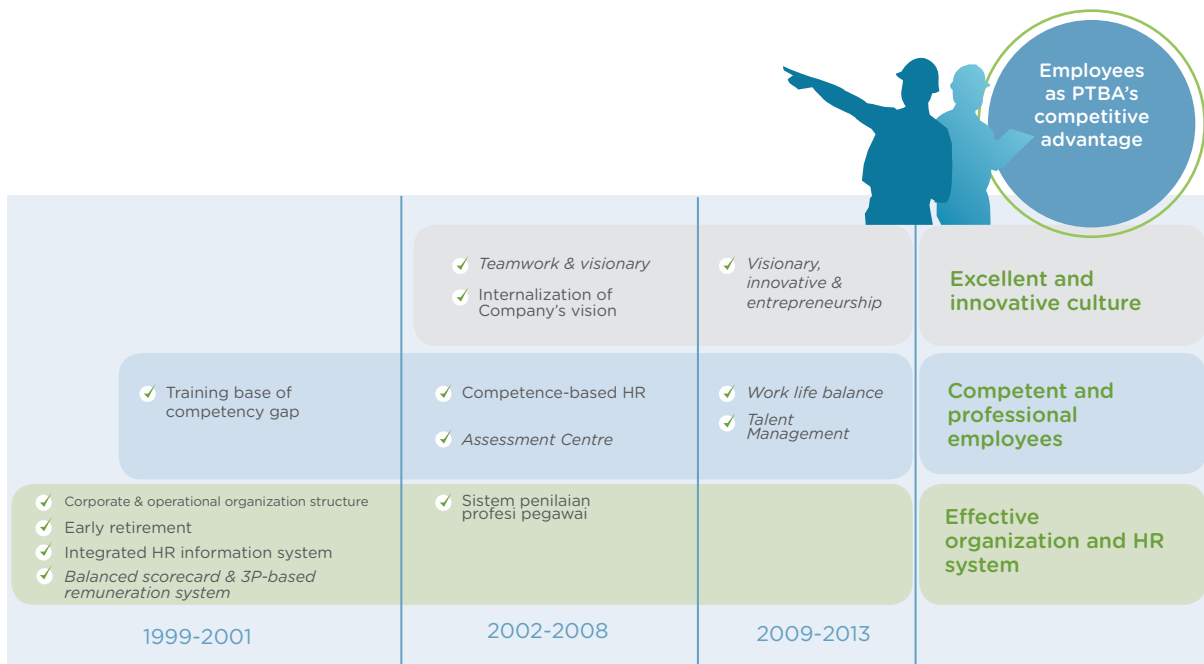
The entire program will be applied to all employees assigned in work units or in the subsidiaries/ affiliates. To ensure the implementation of all the programs, the Company has also established management policies for employees assigned in its Subsidiaries/ Associated Companies and related Parties as outlined in decree No.225/KEP/Int-0100/PG.04.05/2008 and No.110/KEP/Int-0100/PG.04.05/2012.

Human Resources Master Plan (HRMP)

The planning and implementation of all human resource development programs are outlined in the HRMP which is formulated, implemented and evaluated every five years by considering all inputs during the implementation phase in each operational year. The design of HRMP is constantly adjusted to the Company's vision and mission which are also evaluated and set every certain period. The current HRMP is a series of human resources development programs and activities for 2009-2013, as a continuation of similar programs in the previous period.

For 2009-2013, the mission of Human Resources (HR) management is to "provide the best HR and HR Management System to support the Company's development". While the Company's Vision in HR management is to "make the HR of PT Bukit Asam (Persero) Tbk. as the Company's competitive advantage." Since the 2009-2013 HRMP implementation period is nearing its end, the Company has started the planning and evaluation to formulate 2014-2019 HRMP. Below is an overview of the programs and strategic objectives in the previous and current HRMP since early 2000.

Preparing talented human resources who have innovation, professionalism and integrity to tackle the challenges, welcome the opportunities and fill the milestones of future business growth

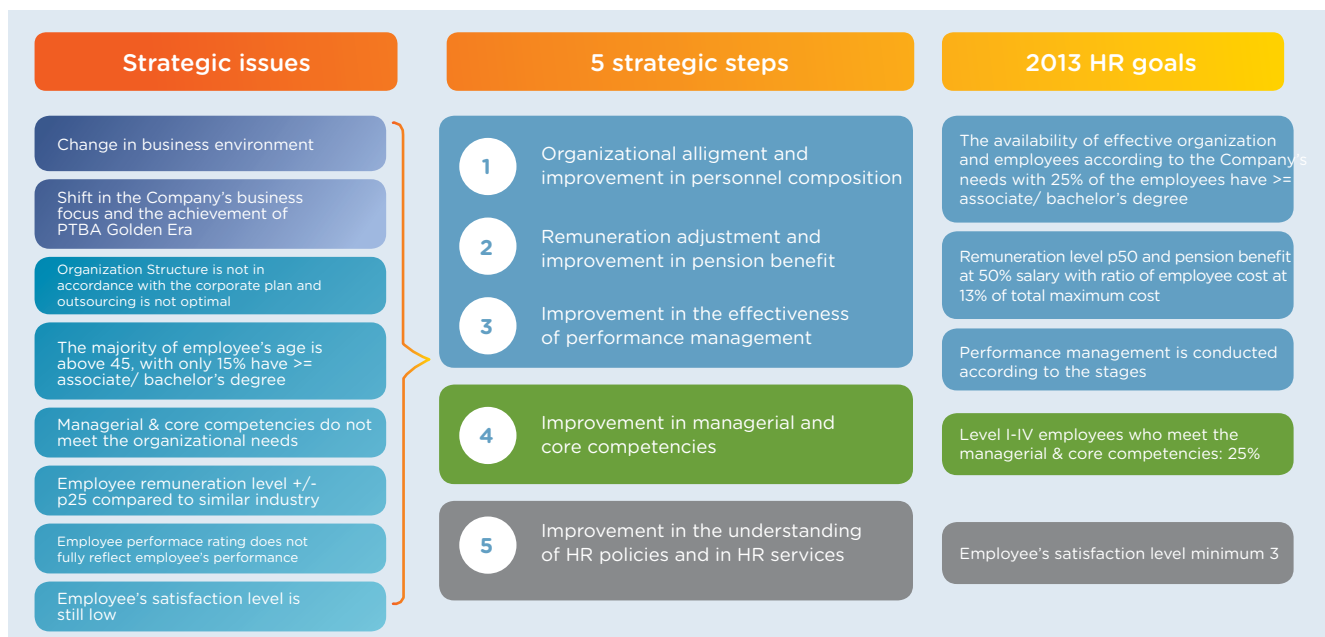


Realization of 2012 Programs and Targets for 2013

In 2012, several programs were implemented to realize the 2009-2013 HRMP, including:

- HR Organizational Alignment
- Improvement in the personnel composition as the initial recruitment process to replace and regenerate HR
- Program to improve managerial and core competencies
- Improvement in the understanding of HR policies
- Measures to establish an Excellent Culture and
- Improvement in the HR services

As part of the HRMP realization, the Company has prepared and established the next strategic measures and formulate goals for the 2013 HR management based on strategic issues identified.



Organizational Alignment

To support business expansion and sustainable growth, the Company has evaluated and aligned the organization according to the dynamic development of its business. One of the measures taken was improving the employee development system by applying "Talent Management" to obtain a detailed picture of the employee's availability and placement as required by the organization.

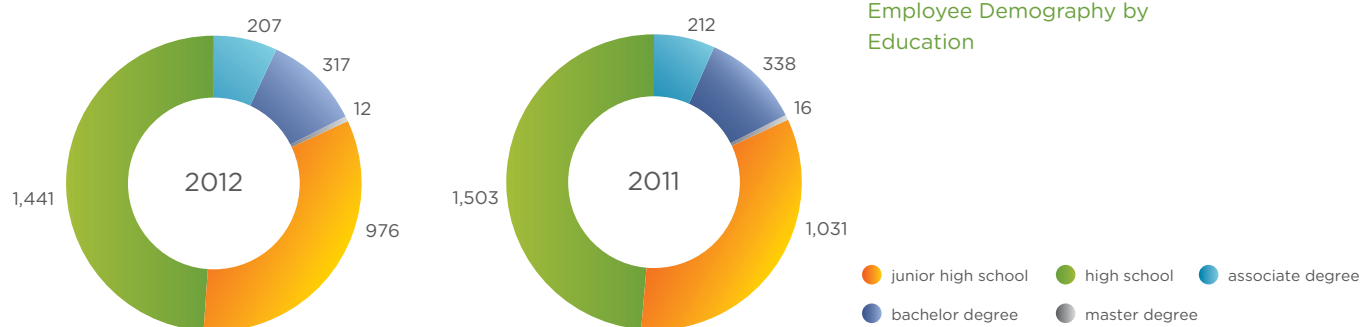
Thus, the employee's development, selection and nomination are implemented based on their competence and performance. The Company then reviewed the competence model used as reference, developed Assessment Center, as well as reviewed and improved the catalog for core and managerial competencies, personal and technical characteristics, and issued assessment guide for technical competency. Therefore, the Company successfully improved the competency model and developed assessment guidelines.

Demography

At the end of 2012, the Company employed 2,953 people posted in various sites, Tanjung Enim Mining Unit, Ombilin Mining Unit, Briquette Business Unit, and 47 people assigned in the Company's subsidiaries and Pension Fund.

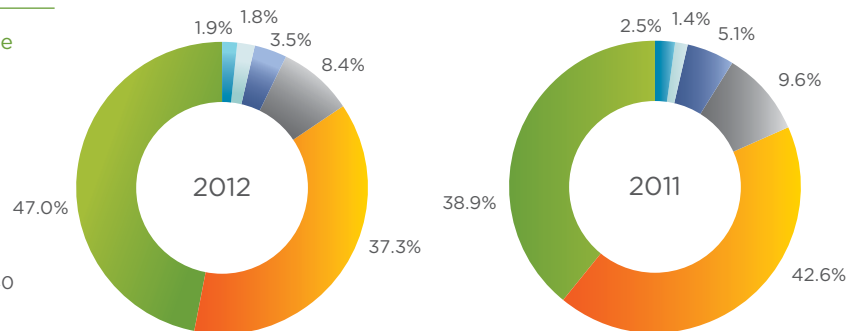
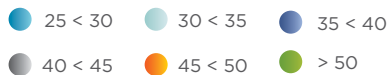
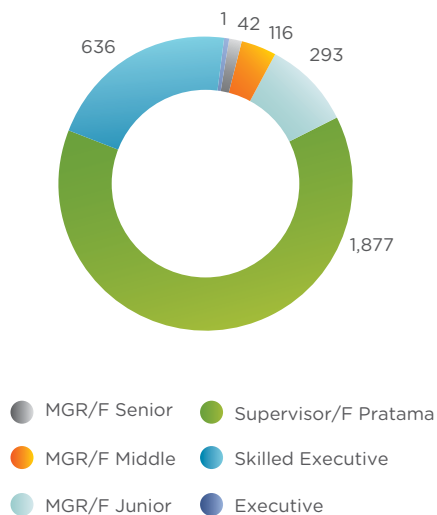
Employee demography indicates that in 2012 the Company's workforce consisted of 12 people with master's degree, 317 with bachelor's degree, 207 with associate degree, 1,441 with high school degree and 976 with junior high and elementary school degrees, depending on the scope of work required in various areas of the Company's.

Under age classification, employee demography comprises 57 persons (1.93%) aged 25<30, 54 persons (1.83%) aged 30<35, 103 persons (3.49%) aged 35<40, 250 persons (8.43%) aged 40<45, 1,109 persons (37.28%) aged 45<50, and 1,380 persons (47.04%) aged over 50.



As employees aged over 45 (84%) outnumber those of younger age, the Company addressed the situation by conducting various regeneration programs in 2012, such as recruitment preparation and continuous trainings to maintain its competitive advantage, employee's competence and regeneration.

Employee Demography by Age

Employee Demography by
Organizational Position Level,
2012

Employee Recruitment

General recruitment policy directs that recruitment process is conducted by an independent party according to the Company's needs. The Company has completed the mapping of manpower requirement, including the requirement for fresh graduates, and repositioning of incumbent personnel to fill various organizational positions according to the Company's development.

Recruitment is adjusted to long-term manpower requirements (the next three years for undergraduates and one year for senior high school graduates). Selection is made involving a third party and applicants should meet administrative requirement, pass attitude test, psychology test, medical check-up and interview. Prior to permanent employment, a recruit is required to take management trainee course, called Pre Employee Training.

To fill vacant positions, new recruits are selected by technical competence assessment for position level IV and below, and by using an assessment center for position level III and above.

Recruitment is adjusted to long-term manpower requirements by considering the competence of the incumbents

In 2012, the Company has completed the mapping of manpower requirements for high school and undergraduates level. At the end of 2012, the Company began the selection process by involving a competent independent consultant. Number of participants in the selection process reached 70,200 persons, comprised of various levels of education from high school to postgraduate level with age ranging from 18 to 45. For this initial phase, the Company planned to hire 372 new recruits.

Considering the bigger challenges in the future, both in terms of competition level as well as business development efforts, the company aims to hire talented and highly competent recruits. The company aims to create a new employee composition dominated by recruits with higher education levels. This new recruitment is part of the measures taken to regenerate existing employees who have entered aging stage.

Equal Opportunities in Training and Human Resources Development

Following the recruitment program, the Company has prepared programs to improve the competence of employees and recruits. For the new recruits, the Company has prepared 3 Training Programs according to their education level aiming to prepare them to master the basic tasks in the operation of coal mining business as well as the Company's new venture in power generation. As for the existing employees, the Company consistently organizes various training programs to enhance HR competencies.

The Company guarantees equal opportunity to all employees, regardless of gender, race and religion, to participate in training and human resources development programs. The Company implements training programs in accordance with the Annual Training Plan prepared based on Training Need Analysis, for the sole purpose to meet the needs and demands of profession/certification. The Company considers the HR competency development as a long term investment that will have real impact on the improvement of the Company's future performance.

Various education and training programs done in 2012, include:

- Managerial competence development through management development programs attended by 385 employees. Out of the total employees participating in the program, 3 were selected for overseas training, while the other 382 employees attended trainings within the country.
- Technical competence development through technical training attended by 2003 employees.
- Technical Competence Test for level IV to VI attended by 756 employees, using behavioral event interview and practice methods.
- Non technical competence test, using assessment center method, for level I to IV attended by 216 employees.

Recapitulation table of education and training programs in 2012

Type of Training	Internal	External	Grand Total
Managerial	241	141	382
Technical	1,348	655	2,003
Grand Total	1,589	796	2,385
Master's degree	-	3	3

In 2012, the Company spent a total of Rp12.93 billion for upgrading employee competence by way of training, seminar, and workshop, averaging Rp4.36 million per employee, rose from Rp8.29 billion or Rp2.67 million/employee in the previous year.

Equal Opportunities in Career Development

The Company guarantees equal opportunity in fair and transparent career development for all employees in line with the Company's development. The Company applies "Balanced Scorecard" tool to ensure that all employees are appraised in an accurate, equal, balanced and transparent fashion in terms of their career development, responsibility and remuneration.

Career development is also carried out by way of rotation/promotion based on employee competence and performance according to the needs of the Company. During 2012, 336 employees were promoted. Below is the details of rotation and promotion by position level in 2012.

Tabel of Employee's Rotation/Promotion in 2012

Position Level	Total Employee in 2012	Rotation		Promotion from position level	
		Total	%	Total	%
I	41	20	49%	-	0%
II	116	48	41%	9	8%
III	296	107	36%	46	16%
IV	1,796	818	46%	67	4%
V	833	308	37%	213	26%
VI	3	-	0%	1	33%
	3,085	1,301	42%	336	11%

The Company gives all employees opportunity to fight for their equal and impartial rights through Bukit Asam Labor Union. Equality of rights and obligations between the employees (in person or by representation of Bukit Asam Labor Union) and the Company is incorporated in Collective Labor Agreement (CLA). This Agreement ensures the employees' support to the Company's continued operations in a conducive industrial relation.

Remuneration is reviewed and adjusted based on competency, performance and comparison with similar industry that is tailored to the Company's ability

Employee Remuneration and Welfare

Competence development and career promotion are followed by performance appraisal. The process of performance appraisal runs through performance management cycle that covers planning, as well as continual and periodic performance review.

To evaluate the performance of all personnel, the Company applies Key Performance Indicator (KPI) that is put in place from corporate down to division/team and individual level. Monitoring system is also used to evaluate overall achievement of each individual or group. Monitoring

is carried out through coaching, counselling and controlling. Periodic evaluation is made on all personnel, whether as an individual, a team or a company as a whole.

The result of this evaluation is then used for several purposes, namely:

- feedback for developing the employee's competence
- giving reward for equal or above target achievement in accordance with KPI
- determining coaching measures for those with below standard performance.



The Board of Directors and employees in front of the Enim shiploader from the workshop refurbishment

The Company has devised a remuneration standard based on employee rank and position level. The Company also seeks to formulate a competitive remuneration standard by taking part in remuneration survey with similar industry. The whole process is a means to standardize compensation and benefit system in order to motivate employees to step up their competence and performance.

The Company's remuneration system is developed by considering the principles of 3P, namely:

- Person, based on individual's ability, considering the employee's education and tenure reflected in his ratings
- Position, based on the values and responsibilities of each position determined by evaluation
- Performance, including:
 - Group/department performance, given in the form of group performance incentive/ quarterly bonus according to the group's target
 - Individual performance, given per semester in the form of individual performance incentive if the employee achieves individual target. Individual performance is also a basis for considering the employee's rating.

Besides giving performance-based remuneration that is in line with industrial development, the Company provides other benefits in the form of holiday bonus, health insurance, pension and paid leave in accordance with the prevailing regulations. The Company has set up Retirement Benefit Program, Bukit Asam Pension Fund, Retirement Savings Program and Pensiun Iuran Pasti Program (defined contribution pension plan) in collaboration with reputable and competent institutions. These are all aimed at satisfying employees' welfare. The Company also provides health care plans through Bukit Asam Hospital and Inhealth Health Insurance program for employees and retirees.

Employee Turnover

With various human resource management measures taken in a fair, transparent and balanced fashion, the Company has succeeded in creating a conducive working environment for all employees. This can be seen from the low employee turnover.



the Company prepared 372 new recruits for various positions

In 2012, there were only 149 employees who resigned or 5.0% of the total PTBA employees, which by the end of 2012 reached 2,953 employees. 125 people or 84% resigned due to natural factors (retired), 17 people died, and 7 people resigned voluntarily. On the other hand, in 2012, the Company prepared 372 new recruits for various positions.

Cultivating Culture of Excellence

Cultivating culture of excellence is an effort to motivate employees to constantly give their best performance and contribution to the Company. Culture of excellence cultivating programs conducted in 2012 include:

- Improvement of the assessment center's role, competence model and assessment guide.
- Dissemination and implementation of a transparent and measured reward and punishment system.
- Improvement of the quality of performance management through Balanced Scorecard and Employee Job Performance Rating to accelerate the establishment of performance-based culture.
- Development of mental and spiritual aspects of employees and dissemination of values of excellence practiced by the Company as outlined in the Corporate Code of Conduct and the revised GCG Code.

The Company believes that the accomplishments and performance growth obtained so far are concrete manifestation of the hard work and dedication of all the Company's employees. This belief fosters the notion that human resource is the most important driving force behind all the Company's business operations, therefore it should be considered as the key to successful business development in the future.

Information Technology To Improve Efficiency

Information Technology is developed to support the achievement of the Company's vision of becoming a world-class eco-friendly energy company. It can be realized through the achievement of IT-based operational efficiencies that enable the management to make decisions based on accurate, reliable and up to date data.

Therefore, the Company continuously invests in IT applications and infrastructures as part of the effort to achieve its vision. The objectives of investing in IT sector are:

- Applying IT Governance principles that cover Strategic Alignment, Value Delivery, Risk Management, Resource Management and Performance Measurement.
- Refining business model towards integrated solution.
- Improving the capacity of IT management, processing and resources.

Currently the Company is using Ellipse Enterprise Resource Planning (ERP) system that has integrated the main operational modules, i.e. Operation & Maintenance, Financial, Human Resources and Materials. The Company then continues its IT development program to support the improvement of its performance through:

- Integrating the entire leased-line WAN network infrastructure between the Company and its subsidiaries by completing the installation of network infrastructure (leased-line WAN) at Ombilin Mining Unit, PT Bukit Asam Prima (PT BAP), Briquette Jakarta, Tanjung Enim, Natar and Gresik units. The installation had a purpose of supporting the implementation of consolidated financial reports. This stage was followed by completing the improvement of Network (WAN) access speed as follows:

Location	Initial Connection	Upgrade
Tanjung Enim - Menara Kadin Jakarta	2 Mbps	4 Mbps
Tanjung Enim - Tarahan	1 Mbps	4 Mbps
Tanjung Enim - Kertapati	1 Mbps	4 Mbps
Tanjung Enim - Ombilin	256 Kbps	2 Mbps
Tanjung Enim - BAPrima Jakarta	256 Kbps	2 Mbps
Tanjung Enim - Briket Natar	256 Kbps	2 Mbps
Tanjung Enim - Briket Gresik	256 Kbps	2 Mbps
Tanjung Enim - Suralaya	-	4 Mbps

- Developing Ellipse System with Multi-District application for financial consolidation needs (General Ledger), followed by implementing Multi District Stage II (Fixed Assets and Payroll) to speed up the process of consolidating all subsidiaries' financial reports.

To expedite processing, the Company increased storage capacity of Ellipse (ERP) application from 1 Tera to 2.4 Tera, for ECMS application 18 Tera and for SCMS application 1.25 Tera.

Improving
the performance of
Supply Chain Management
System (SCMS) to support
operational efficiency and
effectiveness of quality
decision-making



The Company continuously invests in IT applications and infrastructures

Additionally, to guarantee the availability of power supply to data center and to back up system and application 7x24 hours, the Company has completed the installation of one Genset 85KVA and one UPS 65KVA.

In 2012, the Company continued to complete the new IT application projects, i.e. Supply Chain Management System, Enterprise Content Management System, e-procurement and Integrated Health Information System.

Supply Chain Management System (SCMS)

SCMS is a system that integrates a series of end-to-end business processes from mining plan, production, stock management, transportation to marketing. To expedite operational and strategic decision making, besides transaction function, SCMS is also equipped with an application for analysing and optimizing coal handling process and executive information system (EIS).

To ensure SCMS reliability, this application also uses RFID (Radio Frequency Identification) technology and integrates all equipment such as belt scale and truck scale into SCMS.

In 2012, several sub-systems have been fully utilized by the user, while some other sub-systems were improved according to users' important inputs.

Sub-systems that have been fully utilized are MineMarket, MinePlanning, Transport Planning, Sales Planning, EIS and Report. As for the Optimization, RFID and Interface subsystems, the Company is improving their performance to better suit the current operational condition, including adjusting the report output to suit the current condition.

SCMS has shown real improvements in operational efficiency and effectiveness. An example of increased efficiency is the personnel in coal production supply chain are

not interdependent in obtaining information regarding coal production operation, transportation and sales. This information is stored in the system so the work units can access it from wherever they are, according to their authority. Thus, based on accurate and updated data, the important decision-making process can be more effective.

Enterprise Content Management System (ECMS)

ECMS application is used by PTBA to facilitate business process management and document management.

ECMS consists of two applications, i.e. Electronic Workflow (BPM-Business Process Management) and Electronic File Management (UCM-Universal Content Management). Electronic Workflow is for workflow management, information distribution, work load balancing, and process tracking.

While Electronic File Management is for repository (speeding up information retrieval and update), access control (for security), document management (the placement of physical document), retention (disposal schedule) and electronic document (free from storage/go-green and free from physical document damage).

To implement Oracle-based ECMS (Oracle UCM and Oracle BPM) application, the Company had acquired all the necessary new hardware such as production application server, development, database, standby server, storage, back-up tape and scanner.

ECMS is now being developed to support the management of Corporate Electronic Document, so that all transaction documents of the Company can be retrieved and stored quickly, safely and efficiently, and also to reduce the use and storage of physical documents.



Improved performance and increased IT investment is aimed at supporting the acceleration and efficiency of business process.

E-procurement

The Company also developed e-procurement implementation with the following targets:

- Accelerating and improving goods or services procurement process
- Enhancing transparency and simplifying procurement process
- Obtaining more competitive, quick and accurate bids
- Reducing procurement cost and paper work volume
- Monitoring process
- Monitoring and controlling contract and vendor performance

Integrated Health Information System

This is an IT program specially designed for handling work health program in the Company, aimed at stimulating work productivity, controlling and reducing medical expense and occupational hazard through preventive and promotive measures. This IT program is implemented to ensure better health care for workers thus increasing their productivity. IT-based health monitoring may also result in more efficient medical cost due to increased level of fitness thus reducing the number of treatment and accident.

Occupational Safety and Health Program

Work Safety and Health is a key to any mining company success. To demonstrate our commitment towards safe mining practice, the Company has devised Work Safety and Health policy: "Work Safety and Health is everybody's responsibility. Hence, the Company and concerned parties strive to create a healthy and accident-free working environment and to operate by the established rules and standards".

Improving the work safety and health (WSH) management quality by certifying the executive personnel, improving the supporting facilities, inspecting and performing periodic health checks will reduce lost workdays, thus improving operational efficiency

To get maximum Work Safety and Health standards, since July 2010, the Company integrated all operational systems related to WSH management into Bukit Asam Management System (BAMS). The integrated operational standards are Work Safety and Health Management Standard laid down by the Department of Manpower and Transmigration (implemented since 2007) and WSH standard OHSAS 18001: 2007 (implemented since 2008).

Contractory safety management system (CSMS) was implemented to improve the performance of the Company, its business partners or third party contractors in implementing Work Safety and Health Management System (SMK3) including human rights aspect.

WSH Organisation

To ensure compliance with WSH rules, in addition to WSHE Department, the Company set up WSH Committee/Safety Committee/WSH Guidance Committee (P2K3) consisting of Central Safety Committee/P2K3 at PTBA-UPTE, whose members are management representatives and employee representatives of each work unit at Tanjung Enim Mining Unit.

The function, position and task of P2K3 are set out in article 82, Collective Labor Agreement (CLA), which is the agreement made by and between the Company and the employees.

With employee representatives being part of P2K3, the Committee has 25 members, i.e. one chairperson cum management representative, one secretary, and 23 members, consisting of 11 management representatives and 12 employee representatives. The structure of P2K3 is as follows.

The team currently has 96 members, i.e. Mine Rescue Team 20 persons and Emergency Response Team 76 persons. A total of 70 members of the team are certified by National Search and Rescue Agency (BASARNAS).

WSH Program Implementation in 2012

In 2012, to improve the quality of WSH system implementation in its operating areas, the Company took three strategic steps:

- WSH-based human resource development through mining employee standardization or certification aimed at motivating employees of all managerial levels (starting from line management) to promote WSH awareness and prioritization. In 2012, 4 more people were certified as Electrical WSH Expert.

Cumulatively from 2009 to 2012, a total of 274 employees were certified:

Certification	2009	2010	2011	2012	Accumulation
Chief Operations Supervisor	5	1	0	0	6
Middle Operations Supervisor	33	33	0	0	66
First Operations Supervisor	68	74	0	0	142
General WSH Expert	1	1	4	0	6
Electricity WSH Expert	0	0	0	4	4
Industrial Hygiene	0	0	2	0	2
Mine Maintenance Management	0	4	0	0	4
Open Mine Planning	0	2	0	0	2
Mining Operation	0	2	0	0	2
WSH Inspection	0	2	0	0	2
Loader Operator	19	14	0	0	33
Explosives Expert Class II	0	4	0	0	4
Radiation Protection	0	1	0	0	1
Total	126	138	6	4	274

In addition to certification program, to improve personnel competence in WSH practice, the Company provided internal WSH training at PTBA-UPTE, attended by 467 employees in line management.

- Improving expediency of production equipment and mine auxiliaries through equipment/unit standardization or certification to guarantee that equipment/unit is safe to use according to WSH standard. The result was 27 units were certificated (20 loaders, 4 pressure vessels, 3 electrical installations) and approx. 1,166 units (dump truck and heavy equipment) were given operating permit labels by KTT.
- Further developing WSH Management System by implementing Contractor Safety Management System (CSMS) to find out about contractor/partners' performance in implementing WSH Management System, i.e. by inserting WSH aspect in mining contractor candidates pre-qualification process.

To assess the effectiveness of WSH Management System implementation, the Company conducted four internal audits and two external audits. External audit was performed by an independent certification board, AFAQ AFNOR International Indonesia (PT AAI) and in 2012 the Company managed to retain its OHSAS 18001: 2007 Certification.

WSH Performance Statistics in 2012

Although activities in mining and other operations were increased, the improved anticipation and participation of all levels of management and employees in implementing WSH rules has decreased the work accident statistics compared to 2011. Work related accident statistics by FSI indicator in 2012 was 0.0006 while in 2011 was 0.259.

Mining accidents that occurred in 2012 involved 7 persons, consisting of accidents that caused lost workdays or injury to 4 persons (2 serious injury and 2 minor injury) and accidents that caused no lost workdays or no injury to 3 persons.

Cumulative working hours in 2012 were 19,395,035 hours and lost workdays due to accident 56 days. In 2011, working hours were recorded at 16,701,033 hours and lost workdays totalled 12,065 days.

The Company performed periodic WSH audit based on OHSAS 18001: 2007 Certification and Manpower Ministerial Regulation No. 05/Men/1996 as a commitment towards compliance with WSH rules.

Anticipation Steps

To minimize work accident risks and emergency situations, the Company further intensifies Fire and Accident Control Team activities under the coordination of WSH and Environment Work Unit of Tanjung Enim Mining Unit, either through training, organizational improvement, maintaining equipment performance and adding the necessary standard equipments. In order to improve readiness in handling accident, fire and disaster, the Company's Fire and Accident Control Team actively participated in the 15th Indonesian Fire & Rescue Challenge (IFRC), a race and training in readiness to handle accident, fire and disaster participated by 20 Mine Rescue teams from mining companies all over Indonesia, which was held in PT Indominco Mandiri Bontang, East Kalimantan.

Fire and Accident Control Team also regularly organizes fire response and rescue trainings in a closed and open area, conducted independently in the Company's managed areas.

Although mainly responsible for the Company's internal purposes, this Team also participates in disaster recovery in villages around the mining area as a reflection of its concern for the local community, such as:

- Evacuating drowned victims in the surrounding community
- Controlling fire in local residential areas

Work Health

To keep and improve the health of employees and their family members, the Company runs two major health care programs:

- Medical health care, and
- Environmental health care.

Medical health care is provided by Bukit Asam Hospital, covering:

- Employee medical check-up:
 - Pre-employment medical check-ups during recruitment process, to select prospective employees with excellent health to be placed in accordance with their health condition, and to obtain previous medical record before applying to PTBA.
 - Periodic medical check-ups, at least once a year, to monitor employee health during employment with PTBA. In 2012 the Company organized periodic medical check-ups for 1,383 employees.
 - Specific medical check-ups for employees who are about to be assigned in high-risk areas, on extended sick leave or approaching retirement.

WSHE Work Force of Tanjung Enim Mining Unit continues to provide training for the best anticipatory measures.



- Promoting employee health awareness, through education, training, counseling on medical preventive care, occupational disease/work-related disease and ordinary diseases.
- Monitoring employee culinary hygiene (nutrient value, food condition, etc.).
- Preventive medical measures, such as fogging, immunization, etc.
- Bukit Asam Hospital also extends company-paid curative health care to employees and their families.

Environmental health care is managed by WSHE Work Force of Tanjung Enim Mining Unit, whose activities include:

- Measuring working parameter. In 2012, working parameter measurement was conducted on 40 points, bodily vibration 40 points, UV light radiation 25 points, personal dust 40 points, asbestos content 23 points, quartz rate 24 points and noise intensity 111 points.
- Monitoring cooking sanitation at each caterer's kitchen.
- Promoting employee health jointly with Bukit Asam Hospital.

Financial Impact

The Company cannot provide the financial impact of WSH implementation. However, some positive impacts of the WSH activities are reduced risk of lost workdays, reduced absentee rate due to illness, and increased operational efficiency since all employees can work in a healthy, safe and clean environment.

But the Company recorded a total cost incurred of Rp4,025 billion for conducting various WSH activities in 2012.

(A more complete description on WSH is provided in PTBA Sustainability Report 2012)

Rp4.025
billion

the Company recorded a total cost incurred of Rp4.025 billion for conducting various WSH activities in 2012

Environmental Protection And Management

Commitments and Goals

Environmental Management with accredited implementation procedures and integrated application of Green Mining by involving community participation and revegetation, preservation and conservation activities as part of the Company's commitment towards sustainability of the earth and its contents for future generations

The Company's commitment to protect the environment is elaborated in its Environmental Policy: "In the course of its business, the Company always takes care of the physical, chemical, biological and social environment, thus becoming an integral part of the global environment in preventing, restoring, conserving and protecting the environment. The Company complies with environmental regulations and other requirements, as well as implements a consistent, integrated, documented, and maintained environmental management system, and continuously improves its system to obtain maximum results."

The Company implements Law No.32/2009 regarding environmental protection and management. Therefore, every step taken in the field is guided by the provisions of AMDAL (Environmental Impact Analysis), UKL (Environmental Management Actions) and UPL (Environmental Monitoring Actions) documents which are the prerequisites and parameter agreed upon with the relevant agencies in the pre-operating period.

There are five main purposes of establishing the environmental management policy:

- The Company's activities will not cause negative impact on the mine's surroundings
- Minimize the long-term decline in soil quality
- Minimize negative impacts and enhance positive impacts on the surrounding resident during and post mining activities
- Make the post-mining land into a profitable area with economic value
- Avoid causing burden to future generations

Environmental Management Certification

The Company adopts ISO 14001: 2004 accredited management system to improve the effectiveness of environmental management activities covering management system, audit and performance evaluation, as well as basic life cycle review.

Based on the system, the Company designed and executed various programs related to the environment, grouped into two major programs: Environmental Management and Environmental Monitoring. As feed-back for improving the implementation of these programs, the Company monitors the quality of the environment by meeting a series of Environment Quality Standard (BML) parameters adjusted to the central/local government regulations or accreditation standards applied. The BML measuring process is conducted by competent independent parties or by internal party.

The Company has finalized mining closure plan and five-year reclamation plan as the principal reclamation documents to be included in the Company's annual activity plan. The preparation of this document is to comply with Energy and Mineral Resources (EMR) Minister Regulation No. 18/2008 and Government Regulation No. 10/2011. The following is an overview of the environmental protection programs conducted by the Company.

Environmental Management

The Company continuously manages the environment to reduce the impact of mining activity on the community and environment which is line with one of its mission “to give the utmost contribution in improving community welfare and environmental conservation”. To measure the effectiveness of environmental management, the Company sets a parameter of environment target indicators on a yearly basis in accordance with the law. The indicators are set based on local government regulation (South Sumatra Governor Regulation No. 17 and No. 18/2005) regarding compliance with Environment Quality Standard (BML).

The implementation of every environmental management program is monitored and evaluated by using the parameter, taking into account the major effects arising from mining activities. Then the evaluation of environment target indicators is discussed annually in the environmental management forum according to ISO 14001: 2004 accredited system. This is a continuous improvement efforts to control the environmental impact of mining operations.

The Company formulates and executes 10 environmental management programs:

- Prepare a definitive reclamation plan, including documents of Annual and 5-year Environmental Plan, Reclamation Guarantee and Mine Closure Plan
- Build and maintain facilities to control erosion in all mining locations, either final or existing
- Design and construct non-erosive post-mining topography
- Arrange the slope and replant all final mining areas
- Cultivate and utilize local plant species and other productive plants
- Optimize the used mining area
- Minimize the area for open mining operations

Conserving the environment is an ongoing process to preserve its natural condition



- Control the negative impact on water, air, soil quality, and control solid, liquid and hazardous wastes
- Reclaim and give economic value to post-mining land (Enim People's Forest Park, Urban Forest and Education Forest)
- Conduct R&D to look for efficient and effective methods in environmental management
- Prepare a proportional environmental management funds until mine closure in the form of Reclamation Guarantee and Environmental Provision (Rp4,400/ton), so far the environmental provision fund available is Rp269.11 billion.

The Company is persistent in evaluating emission and processing toxic hazardous substance as required by the law.

The Company uses standard parameters set out in the Governor of South Sumatra Regulation No. 15 of 15 May 2005 regarding Quality Standards for Emissions from Non-moving Sources in managing emissions, effluent and waste.

Air quality control is done through:

- Maintaining and spraying mine roads using water tankers
- Planting trees in buffer zone and final mining locations
- Regularly spraying dust using dust suppression system in stockpile sites and monitoring emissions from generators and incinerators.

Besides air emissions, the Company also controls general, hazardous and toxic waste.

Waste control is carried out through following activities:

- Solid waste:
 - Reconditioning spare parts by rebuilding/remanufacturing used equipment's components
 - Reusing metal objects such as using old pontoon from the pump station as sewer pipe
- Rubber waste from used conveyor belt:
 - Reconditioning used conveyor belt as part of waste recycling
 - Reusing used conveyor belt by cutting and using it as rubber mat (Bucket Wheel Excavator component)
- General waste originating from residential and mining areas is disposed to Darma Village dumping site. By involving local community, organic waste is processed into Bokashi fertilizer which is subsequently purchased by the Company for land revegetation.
- Hazardous and toxic waste originating from work units (workshops), such as used oil, batteries and oil filters, is processed in accordance with Government Regulation No.18 jo No.85/1999 on hazardous and toxic waste management. Besides cooperating with partner who has license from the Ministry of Environment in recycling this kind of waste, the Company also burns it using incinerators and conducts bioremediation process for hydrocarbon-contaminated materials. One of the efforts in utilizing hazardous and toxic waste is utilizing lubricating oil waste as lubricant for low capacity and low precision engines.



Environment Monitoring

The Company regularly monitors the environmental condition around the mining area to minimize damage and also to mitigate risks. Environmental monitoring conducted by the Company consists of 14 activities including: monitoring water, air and soil quality, soil contamination, erosion as well as wildlife and aquatic organisms living around the mining area. Routine monitoring activities in 2012 are as follows:

Environmental Monitoring Activities in 2012

Object of Monitoring		Monitoring Points	Monitoring Frequency by Independent Parties
1	Water Quality	40	<ul style="list-style-type: none"> Twice a month (by third party and PTBA Lab), Daily for pH water debit *)
2	Ambient Air Quality	11	Once a month
3	Air Emissions (non-moving sources)	7	Every quarter
4	Vehicle emissions	40	Every quarter
5	Soil Quality	7	Twice a year
6	Revegetation	6	Twice a year*)
7	Working Environment	15	Once a month*)
8	Top Soil	6	Once a month*)
9	Spontaneous Combustion	10	Continuous*)
10	Erosion	6	Every quarter*)
11	Upper Respiratory Tract Infection	3	Twice a year*)
12	Wildlife	6	Twice a year*)
13	Water Biota	11	Every quarter*)
14	Social, Economy and Culture	10	Once a year

*) Done by PTBA

As part of its environmental management, the Company with the help of a competent third party measured and monitored key environmental indicators in Air Laya, Muara Tiga Besar and Bangko Barat mines. The findings of measuring major pollutant indicators showed that all areas' indicators were below environment quality standard (BML).

The result of environmental monitoring on key environmental indicator parameters according to BML in 2012.

Result of environmental monitoring on BML indicator parameter in 2012

No.	Parameter	Units	BML Max.	Actual 2012
I	Ensuring released water from the mines fulfills standards of environmental quality in compliance with the Governor of South Sumatra Regulation No. 18 of 2005.			
1.	pH	-	6-9	6 - 7.2
2.	Suspended residue	mg/l	< 300	4 - 24
3.	Iron (Fe) total	mg/l	< 7	0.25 - 2.4
4.	Mangan (Mn) total	mg/l	< 4	0.45 - 1,6
II	Ensuring the quality of air ambience & air emission within the area and its surrounding fulfills standard of environment quality in compliance with the Governor of South Sumatra Regulation no. 17 of 2005.			
	SO ₂	Ug	< 900	70 - 310
	CO	Ug	< 30,000	124 -3,500
	NO ₂	Ug	< 400	99 - 265
	O ₃	Ug	< 235	0.10 - 122
	Dust	Ug	< 230	0.25 - 140
III	Fulfillment for Rp/tonnes environmental provision	Plan		Actual
		Rp4,400/tons		Rp4,400/tons

Regular monitoring not only shows that all contamination indicators have met BML, but it also helps the Company improves the environmental quality in its managed areas and their surroundings:

- Biodiversity monitoring (plankton, benthos and nekton) of water bodies around PTBA Tanjung Enim, South Sumatra by a third party (PPLH Unsri) shows that the general condition is good and conducive to water biota life
- Wildlife monitoring shows that rehabilitated and revegetated used mining areas are conducive to wildlife. At several sites some law-protected birds of rare species are found, such as *Accipiter virgatus*, *Alcedo meninting* and *Halcyon smyrnensis*. Some mammals are also found, such as lutung, mitred leaf monkey and deer, as well as protected reptiles, such as cobra
- Revegetation monitoring shows that overall revegetation has proceeded well with above 80% growth success rate, while maintenance activities should be improved
- Social, economic and cultural monitoring shows that overall environmental management and monitoring is in tune with the plans outlined in environmental impact assessment (AMDAL) document. Financial aid disbursed particularly to the neighboring community and generally to the public of South Sumatra Province is in accordance with the RKL (Environmental Management Plan) and RPL (Environmental Monitoring Plan) documents. Monitoring result shows that the public has very good perception of the Company's activities and fully supports the mining activities.

Environmental Research and Development

To preserve the surrounding environment, the Company conducts various studies and researches to evaluate the condition of mining area and its surroundings, and to develop environment potentials in the future. Several research activities conducted in 2012 were:

- Implementation and development of Mycorrhiza to support revegetation of used mining areas
- Using agroforestry to utilize post-mining areas
- Study of potential acid material to facilitate the management of acid mine drainage
- Development of urban forest and education forest
- Study of fly ash utilization for bricks and pressed roof tiles
- Conservation of local plants
- Study of used oil utilization for explosives (ANFO mixture)
- Waste management training for local community
- Using tissue culture method to cultivate seedlings

The Company's mining environment quality is far below the normal threshold, evidencing its commitment to environmental management

Conservation Program

The Company implement conservation programs to reduce water consumption and restore water quality affected by mining activities so it can be reused safely. Below are several conservation programs that were implemented:

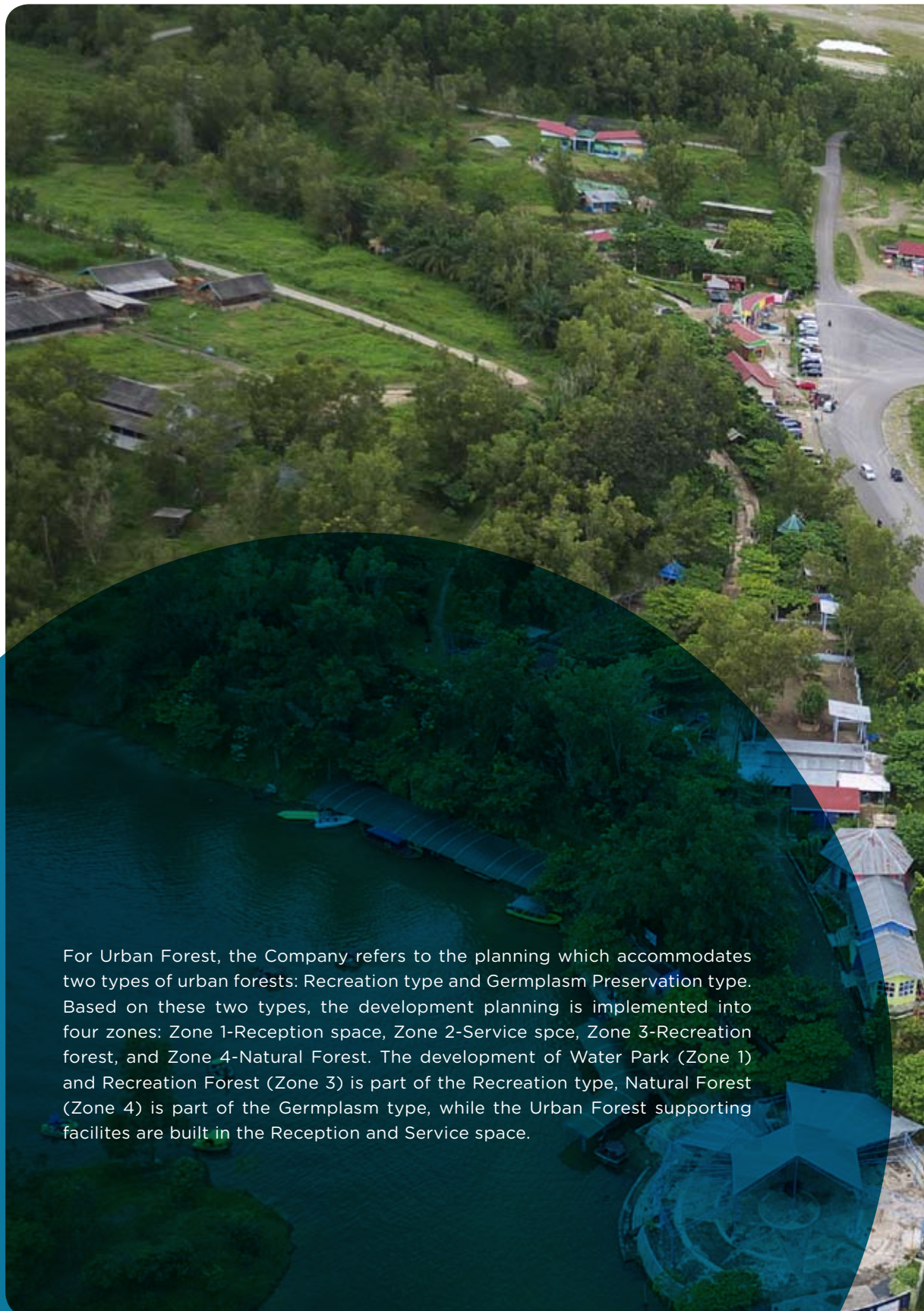
- Applying bioremediation, liming, wetland methods to process acid mine water into clean water
- Processing mine wastewater into clean water and raw water for drinking
- Applying closed-loop system to reduce the use of surface water and river water
- Building sedimentation pools
- Creating ponds and infiltration wells

Revegetation Program

Besides conservation measures, the Company adopts Green Mining practice by planting trees outside the mining area and releasing fish in rivers together with the community. In 2012, as a continuation of green mining practice, the Company conducted Green Friday and Clean Friday activities inside and outside the mining sites by distributing seeds and fertilizer to schools and government agencies. Total seed distributed was 82,752 trees.

In 2012, the Company introduced and implemented three reforestation programs inside and outside mining area. The three programs are Watershed Rehabilitation covering 3,660 Ha, Urban Forest covering 50 Ha and Education Forest covering 100 Ha.

Watershed Rehabilitation Program was launched in October with the Minister of Forestry planting Sumatra endemic plant, merbau. This Program will be implemented over the next few years and will be intensified from 2013 to 2022. The species to be planted include 3 groups of plants: forest plants (merbau, mahogany, medang, etc), fruit plants/ multi purpose tree species (durian, cempedak, mango, rambutan, etc) and mangrove plants (avicennia, rhizophora, sonneratia, etc).



For Urban Forest, the Company refers to the planning which accommodates two types of urban forests: Recreation type and Germplasm Preservation type. Based on these two types, the development planning is implemented into four zones: Zone 1-Reception space, Zone 2-Service space, Zone 3-Recreation forest, and Zone 4-Natural Forest. The development of Water Park (Zone 1) and Recreation Forest (Zone 3) is part of the Recreation type, Natural Forest (Zone 4) is part of the Germplasm type, while the Urban Forest supporting facilities are built in the Reception and Service space.

First Planting by the
Minister of Forestry
Watershed
Rehabilitation
Program
Tanjung Enim, 30
October 2012



As for Education Forest, the Company has determined two areas as the location: Endikat used mine covering 60 Ha and MTS backfilling covering 40 Ha, both are free-from-mining-activity parts of Air Laya mining concession. Education Forest is designed to have multifunctions, including:

- Observations and research forest for educational and research purposes
- Place to hold trial or applicability review for the purpose of research and identifying major problems in rehabilitating degraded land
- Education and training center for students, community and field practitioners
- Provide seeds and seedlings of various superior plants
- Ecological function to maintain climate stabilization and genetic resources (germplasm)
- Within the framework of REDD (Reducing Emissions from Deforestation and Degradation) program

The Company owns and develops seeding farms to support the entire revegetation program.

An integrated Green Mining concept is applied, engaging the community in greening and forestry drive.

Besides designing and realizing revegetation program, in the framework of environmental management, the Company also conducts socialization by organizing trainings, putting up banners, posters and billboards, benchmarking, distributing books and magazines, and giving presentation on the subject of environment. As a reflection of its commitment to environmental and post-mining management and in accordance with financial accounting standards (SFAS 33), the Company prepares an environmental provision document.

Cost and Awards for Environmental Management and Conservation

In compliance with the law, the Company allocated funds for environmental management and monitoring program at an amount to be based on the weight of coal produced. With the Company's increased production and commitment to environmental conservation, the provision allocated for this activity in 2012 was Rp4,400/ton or a total of Rp263.75 billion, increased 13.3% from Rp233.03 billion in 2011.

Total funds disbursed for environmental management and monitoring in 2012 was Rp36.33 billion, or increased 13.2% from Rp24.90 billion in 2011.

For its continued efforts in environmental conservation, the Company received several environmental management awards:

- Green PROPER Rating from the Ministry of Environment and the Governor of South Sumatra
- Main Rating in Enviro Award from the Ministry of Energy and Mineral Resources

(Further elaboration on Environmental Conservation is provided in PTBA Sustainability Report 2012)



Seeding Farm

500
thousand
plant capacity
per year

- PTBA owns and develops seeding farms in its managed areas. In the 3 Ha farm, the Company provides a variety of seedlings either original or enhanced. Total production capacity is 500,000 plants per year.
- The cultivated plants range from pioneer plant, cover crops to reforestation plants. The varieties include: forest plants (merbau, mahogany, medang, umbrella tree, ketapang, Albizia saman, Schima wallichii, Shorea macrophylla, rimau, tenam, eucalyptus, Casuarina junghuhniana), multi purpose tree species (durian, cempedak, mango, rambutan, lanzones, candlenut) and mangrove plants (avicennia, rhizophora, sonneratia). Some plants are endemic species which only grow in Sumatra, such as merbau, xx and xx.
- The seeding farm is also equipped with a Tissue Culture Lab to develop superior crop seeds and enhanced seeds, organic fertilizer (mycorrhiza) and planting techniques in reforestation area.

Realization of Post-Mining, Reclamation and Rehabilitation Program

Land clearance and mining area reclamation have been carried out pursuant to Law No. 4/2009 and Minister Regulation No. 18/2008 on Reclamation and Mine Closure which requires the following:

- Gradual land clearance
- Landscaping for final used mine (water flow scheme, back slope, overlaying top soil)
- Erosion control (check dump, rip rap and sedimentation ponds)
- Land revegetation (cover crops and annual crops)
- Hazardous and toxic waste management (incinerators, delivery to third party)
- Acid mine drainage control
- Maintenance of plants and environmental facilities

All requirements were met by the Company as described in the “Environmental Protection” section. The Company has designed and realized various reclamation/ rehabilitation programs for former mine lands that are completely free from mining operations. The Company is highly committed in realizing these programs with the principle that “Mining is a Part of Mine Closure Plan” and “Reclamation is Investment for Utilizing Former Mine lands”.

Realization of revegetation and rehabilitation programs in used mine areas and buffer zones is the Company's commitment to environmental conservation

Based on these principles, the Company realized revegetation program in its entire permanent and temporary managed areas. In areas with long-term prospect, the Company conducts regular revegetation program by planting pioneer and cover crops to maintain soil fertility. Areas with temporary vegetation activity are generally areas with backfilled mining and topsoil stockpiling.

As for final areas or areas without long-term mining prospect, the Company has designed and realized the following rehabilitation and revegetation programs: development of Kandi Hill Nature Tourism Area, Urban Forest, Education Forest and Tahura Enim (People Forest Park). Besides revegetation activities in its managed areas, the Company also participated in watershed rehabilitation program as mentioned earlier.

Regular Revegetation Activities

The Company conducts regular activities to maintain soil fertility in stockpiled and revegetation areas with long-term mining prospect. In 2012, the revegetated main mining areas are TAL, MTB and Banko Barat covering 102.74 Ha with a total of 93,567 plants cultivated.

The Company also started revegetation and rehabilitation programs in former mine lands and areas outside the mining area, such as developing Urban Forest, Education Forest, and Watershed Rehabilitation.

Development of Kandi & Tanah Hitam Nature Tourism Area, Sawahlunto

Kandi and Tanah Hitam are open pit mining areas managed by the Company in Sawahlunto, Ombilin. The mining activities in these areas have long been finished, and the Company has conducted rehabilitation and revegetation programs in the region. According to the Local Government's request, the former mine land was rehabilitated and developed as Kandi & Tanah Hitam Nature Tourism Area.

Through post-mining rehabilitation and revegetation activities since 1980-2003, now an integrated nature tourism facility is standing on the 393 Ha area, including a variety of nature-based economic activities such as Kandi Wildlife Park, Kandi Lake, Tanah Hitam Lake, horse racetrack, motor racetrack, horse stables and cow farm. The entire facility occupies an area of 92 Ha, and equipped with adequate roads. The rest of the land is vegetation area planted with various staple crops that have grown quite tall with 80-120 cm stem diameter.

Rehabilitation, revegetation and nature tourism area development programs have long been completed and handed over to the Sawahlunto local government in 2008. This transformation of former mine area into green area with nature-based economic activities can be an example for other mine closure and transformation programs.

The Company is still managing a limited deep mining area in Ombilin Mining Unit's former mining areas. The Company is conducting deep mine closure program while still conducting mine area maintenance program.



Kandi Zoo in
Sawahlunto is one of
PTBA's post-mining
rehabilitation activities

Development of Tahura Enim

The Company continued its pioneering in post-mining environmental conservation and rehabilitation by defining and designing a post-mining area of 5,640 ha to serve as Grand Forest Park (Tahura). The implementation of post-mining reclamation and rehabilitation program refers to the Mining Area Master Plan devised in 1994 and master plan for utilizing post-mining area as Tahura Enim. A regional government regulation confirmed this plan to be a long-term, gradual and ongoing program.

In accordance with Muara Enim Regional Government Regulation No. 4/2004 on Utilization of Used Coal Mining Area of PT Tambang Batubara Bukit Asam (Persero) Tbk in Muara Enim Regency, the Company continued with the construction of Tahura Enim by dividing the post-mining area into several zones:

1. Receiving/Recreation Zone
2. Utility Zone
3. Plantation Forest Zone
4. Collection Garden Zone
5. Fruit Garden Zone
6. Farm Zone
7. Water Tourism Zone
8. Productive Research Zone
9. Agriculture/Agroforestry Zone
10. Fishery Zone
11. Camping Zone
12. Wildlife Zone

Water tourism zone
is one of post-mining
areas in Sawahlunto




The zones are basically incorporated into 3 main blocks according to its main function: Conservation Block covering 696 ha, Plant Collection Block covering 2,508 ha, Utilization Block covering 2,436 ha.

In 2012, Tahura Enim post-mining reclamation program included the development of facilities and revegetation in the Utilization Block covering 15.5 ha. The Company conducted various activities, including:

- In Receiving Zone:
 - Setting up tissue culture laboratory to cultivate superior seedlings such as rubber, oil palm, etc.
 - Relocating community members and cemetery, converting the area into Tahura buffer zone (green belt), and preparing new cemetery site
 - Completing the construction of sports hall, bowling alley, jogging track and futsal court
- In Utility Zone
 - Setting up an integrated office for WSH work unit and BWE System
 - Building welcoming parks covering 1.7 Ha
 - Building parking area covering 2.43 Ha
 - Building PTBA park covering 10.05 Ha
- In Productive Research Zone.
 - Conducting joint field research with the University of Bengkulu
 - Shorgum Research in Banko Barat reclamation land
 - Preparation of utilizing Air Laya post-mining land as agroforestry area
- In Plantation Forest Zone, the Company performed plant enrichment with local plants having high economic value in Air Laya and Banko Barat, replacing pioneer plants (acacia) with teak, *Albizia chinensis*, *Schima wallichii*, durian, etc.
- Reviewing Tahura Enim master plan
 - Synchronizing Tahura location with productive forest zone under permit to use productive forest zone
 - Preparing Master Plan and Detail Engineering Design (DED) for Urban Forest



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- A photograph of two men in brown uniforms, white hard hats, and black face masks standing on a large pile of dark coal. The man on the left is holding a small piece of coal in his gloved hands. The background is a clear blue sky.
- General Outlook and Business Prospect
 - Business Performance Report
 - Financial Performance Overview
 - Business Strategy for 2013
 - Material Information

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General Condition and Business Prospects

General Condition of Global and Indonesian Economy

Sign of global economic recovery is again hampered by the widespread European financial crisis since the beginning of the third quarter of 2011 and dual deficit condition of the United States.

Economic growth of two Asian economic powers, namely China and India, which are expected to become new engines of global economy, are eventually also affected that their economic growth also slowed down in 2012.

Operational efficiency through innovative program in maintaining and fixing production supporting infrastructures and transportation in order to maintain their performance as well as electric power fulfillment from self-owned Power Plant (Steam Power Plant), to control the operating cost and ensure sustainable performance improvement in the future

Finally, China's economy only grew around 7.8% by the end of 2012, decreased from the previous figure of 9.0%. IMF predicted that the Indian economy will only grow by 4.9% at the end of 2012. Consequently, global economic growth has weakened again since mid 2012.

The global and Asia Pacific economic development resulted in decreased demand for Indonesia's primary commodities such as mining and plantation products, particularly palm oil and coal. The prices of those commodities are also decreased. Thus Indonesia's economic growth also decreased from 6.5% in 2011 to 6.23%.

Indonesia's GDP growth was much contributed by the continued strength of domestic consumption, increased investment, exports and government spending. Export performance and increased investment led to increased foreign exchange reserves up to US\$112.78 billion and rupiah exchange rate that fell only 6.23% to Rp9,670/US\$ from Rp9,068/US\$ by the end of 2011. The inflation rate was also controlled in the range of 4.30% slightly increased from 3.69% in 2011, but still below the target of 5%+ 1%. Hence BI benchmark rate could be decreased to 5.75% by the end of 2012.

In early 2013, there were several important developments that raised hope for global economic recovery. First, the existence of temporary solution to overcome spending deficit of the U.S. government, followed by the approval of foreign loans bail out for several European countries hit by the crisis, and by the end of 2012, China's economic data showed products enhancement signal in domestic and export markets. World Economic Forum Poll involving 390 world-class experts of government, business and academicians also considered that global economy in 2013 will most likely begin to show recovery.

Domestically, macroeconomic stability which is successfully maintained with emphasis on domestic demand, raising optimism of relatively high economic growth projection. Realization of infrastructure development is believed to improve the Indonesia's economic resilience against negative impact of global economic condition which may not yet be conducive.

Coal Demand Prospect

World Coal Consumption

According to International Energy Outlook 2011 study released by Energy Information Administration (EIA), the world (global) energy demand will grow 13.5% in the period of 2008-2015, and will continue to rise up to 22.5% in the period of 2008-2020. Most of the growth will come from Non OECD countries, particularly in Asia.

It is estimated that GDP (gross domestic product) in Non OECD countries will grow significantly and is in line with the increase of their energy demand. The projected GDP growth of some countries can be seen in table below:

Projected GDP Growth of Some Countries

Country	2011	2012	2013	2014	2015	2016	2017
China	9.2	7.8	8.2	8.5	8.5	8.5	8.5
India	6.8	4.9	6.0	6.4	6.7	6.9	6.9
Indonesia	6.5	6.0	6.3	6.5	6.6	6.7	6.9
Japan	-0.8	2.2	1.2	1.1	1.2	1.1	1.1
Korea	3.6	2.7	3.6	4.0	4.0	4.0	4.0
Taiwan	4.0	1.3	1.3	4.5	4.8	4.5	4.5
USA	1.8	2.2	2.2	2.9	3.3	3.3	3.3
Euro Area	1.4	-0.4	-0.4	1.2	1.2	0.8	0.8
World	3.8	3.3	3.3	4.1	4.5	4.2	4.0

Source: International Monetary Fund, World Economic Outlook Database, October 2012

It appears that China, India, and Indonesia are expected to have the highest GDP growth rate in the coming years. This condition will lead to higher growth in energy demand, particularly energy from coal, and also impact on the growth of their coal imports if domestic production is insufficient and or domestic coal price is higher than the price of imported coal. In Non-OECD Asian Countries, power supply fulfillment and industrialization development have become the main focus, so that the use of coal as cheap energy source is still the main choice.

A study released by BP Statistical Review of World Energy, 'Energy Outlook 2030', June 2012, shows that coal is ranked second major global energy source after oil. The study also shows that the use of coal as energy source is growing faster than the use of other fossil fuel, i.e. oil.

Over the last few years, the two countries in Asia, namely China and India recorded an increasingly dominant growth of global coal consumption. Thus China and India have become market drivers in world coal trade.

Less conducive global economic condition in 2012 as mentioned above, led to decreased coal demand, and eventually pushed the coal prices down in global market.

China as the largest consumer of coal in the world, fulfill some of their needs through domestic mining activities. So, not only being a consumer, China is also the largest coal producer in the world. Similarly, as the second largest coal consumer, India attempt to fulfill their needs through domestic production. However, domestic production of India is still not sufficient, so that the shortage should be met through imports.

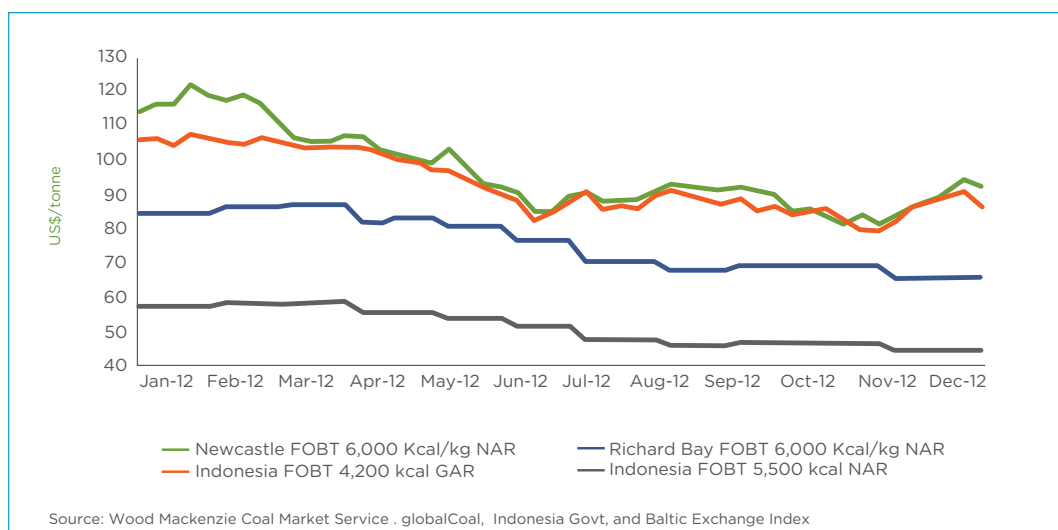
Study of Wood Mackenzie, in “Coal Market Service, December 2012” shows that coal demand in global market in 2011 was approximately 790.5 million tons. Coal import growth in Pacific region is higher than in Atlantic region, significant import growth is particularly in India and China.

In 2012, along with the weakening global economy, coal demand in global market also decreased. The Wood Mackenzie study shows that world thermal coal consumption in 2012 was projected to drop to approximately 729 millions tons.

Coal from Colombia and United States continue to flood European and Asian markets with low prices, resulted in world coal oversupply. Moreover, in Europe, the high price of natural gas has prompted an increased coal imports to Europe. Meanwhile, coal demand in China and India as the largest coal consumers decrease due to global economic deceleration.

Weak global coal demand and world coal oversupply have led to world coal price decrease. In Pacific Region, a sharp decrease in coal prices began in mid-2012, with the average price fell in the range of 23% to 26% from the closing price at the end of 2011. The condition is shown in the following illustration.

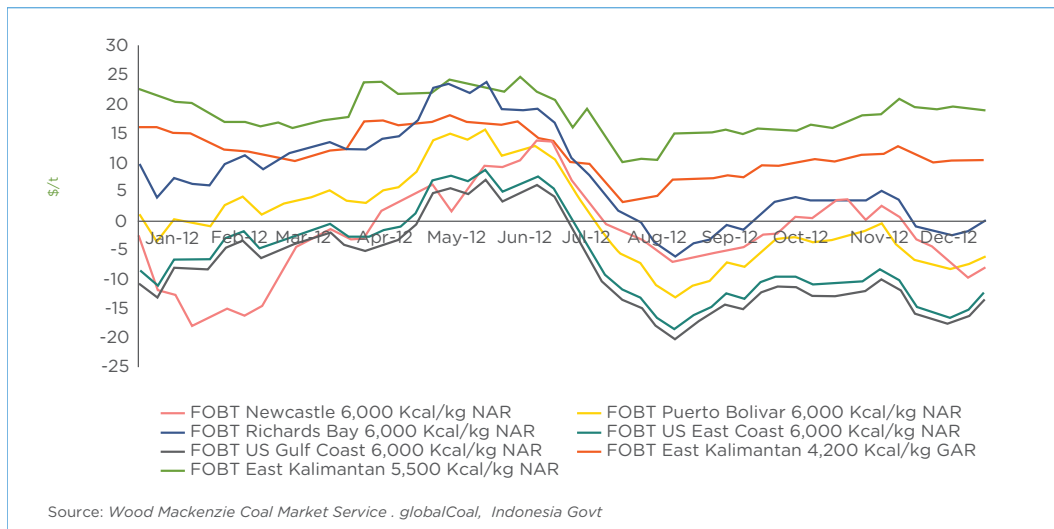
Pacific Basin Thermal Coal Price, 2012



The study also shows that price decrease which occurred since mid 2012, indicates a reversal trend by the end of 2012, with the onset of winter in Europe and North Asia. In addition, it was also driven by the improved economic activities in China and India.

The following chart further clarifies the trend of rising coal prices in some South China ports, after having the lowest decline in August 2012.

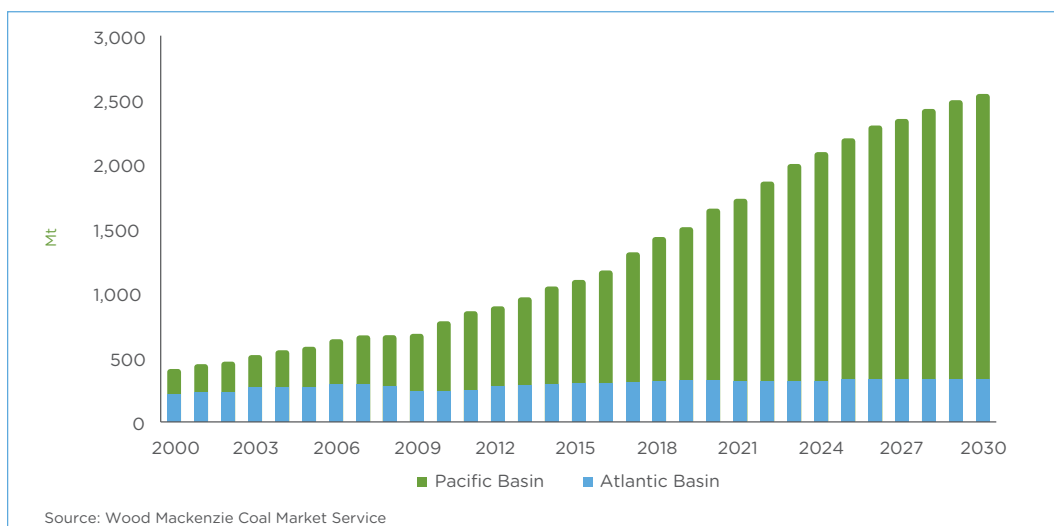
VAT -adjusted netback prices from South China ("China arbitrage price") 2012



The rising price trend is in line with the signal of China's economic recovery that occurs since November 2012. If global economy starts to recover in 2013 as mentioned above, the coal demand in 2013 is also expected to recover and the selling price will start to rise again.

In the long term, global coal demand will continue to increase as indicated by a study in BP Statistical Review of World Energy, 'Energy Outlook 2030' as well as the Wood Mackenzie study. Global coal demand in Pacific region will continue to grow faster than that in Atlantic region, dominated by Asian countries, as shown in chart below.

Coal demand by continent

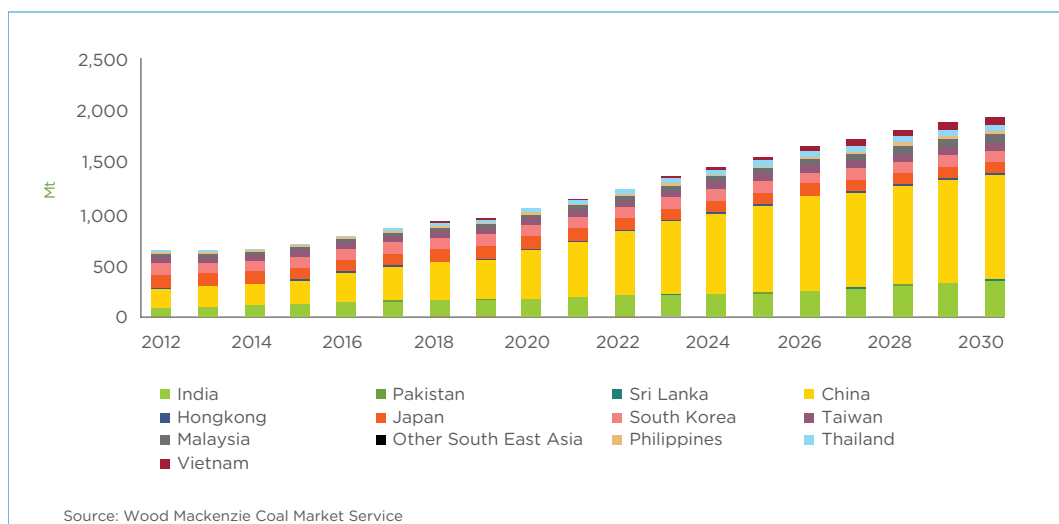


In terms of coal quality, high calorie coal imports grow higher than low calorie coal import, as shown in chart below.



In line with prediction that in the coming years the world GDP growth is largely contributed by Non OECD Asian Countries, the chart below shows that thermal coal imports of China and India are the largest, exceeding thermal coal import volume of the countries which used to be the largest importers, such as Japan, Taiwan, and South Korea. In addition, thermal coal imports of South East Asian countries, such as Malaysia, Philippines, Thailand, and Vietnam are also expected to continuously grow in the long term.

Coal demand by country



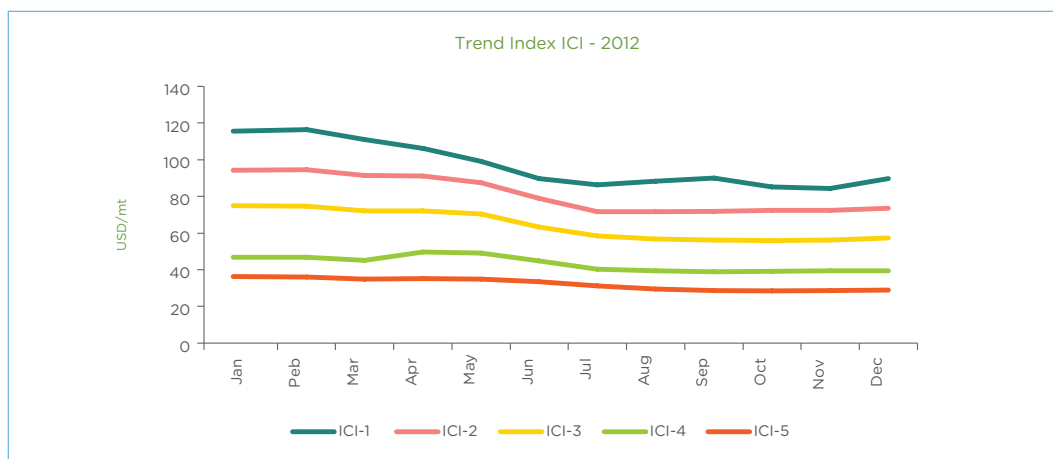
In terms of supply, Indonesia, Australia and South Africa remain the world's major suppliers of thermal coal, as well as a major global coal producer. Colombia, the United States and Russia are the world's coal marginal producers. New producers, such as Mozambique will grow into a significant coal producer in the coming years.

Production of low calorie thermal coal from Indonesia is expected to continuously increase in the coming years due to the increasing demand for low calorie coal, particularly demand from India that can not fulfill the increasing domestic coal demand.

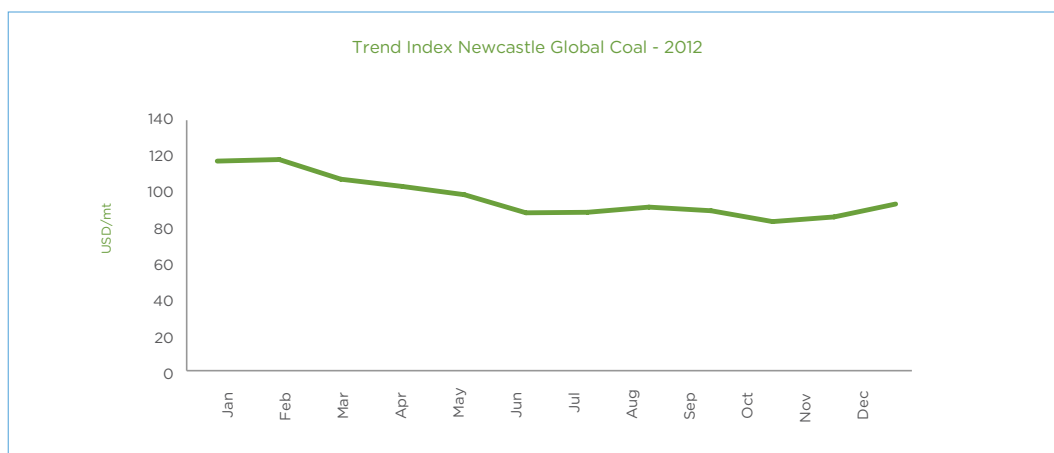
Indonesia, according to the study, will be a major coal supplier in global market by 2025, particularly in Asia Pacific region. It is driven by the adequate reserves of Indonesia's coal as well as production cost that remains competitive. Although the coal-fired Power Plant project with a power of 10,000 MW phase 1 and phase 2 has been operating, Indonesia is projected to remain capable of fulfilling domestic demand, while increasing supply to the export market.

Coal Price Progress and Projection

Along with global economic downturn and falling coal demand, coal prices in global market as well as in Indonesia continue to decrease. Coal prices in Indonesia presented in Indonesian Coal Price continue to decrease. However, the index is slightly better by the end of 2012, along with the onset of winter in Europe and North Asia. By year to date, ICI-1 index has decreased by 22.44%, ICI 2 decreased by 22.03%, ICI-3 decreased by 23.34%, ICI-4 decreased by 15.65% and ICI-5 decreased by 20.08%. As shown in the following graph.



Meanwhile, Global Coal newcastle index has also decreased by 20.65% compared to the beginning of 2012, as shown in the following graph.



The sharp drop in coal selling price significantly affects the profitability of the Company. To control and attend to profitability level decrease, the Company implemented a series of programs and control measurement of operational and production costs, as can be seen in the explanation of "Management Discussion and Analysis"

Progress of Coal Production and Consumption in Indonesia.

In Indonesia, coal production continue to show rising trend. As shown in report of "Statistik Batubara (Coal Statistics)" from the Ministry of Energy and Mineral Resources, Indonesia's coal production in 2012 reached a total of 386.0 million tons, increased by 9.2% from production in 2011 that amounted to 353.4 million tons. That coal production comes from PTBA and other mining companies.

Most of Indonesia's coal production is exported to global market. The rest is used for domestic needs and mostly used as fuel for Power Plant owned by PT PLN and IPP.

Domestic coal supply demand is projected to continuously increase in the coming years. Besides dealing with the first and second phase of 10,000WM Power Plant project, the needs of coal for other industries are also expected to increase. Illustration of realization of Indonesia's coal production, consumption and export is as follow:

Progress of Coal Production, Export and Domestic Demand in Indonesia for the period of 2007-2012 (in million tons)

Year	Production	Export	Domestic
2007	216.9	163.0	61.5
2008	240.2	191.4	53.5
2009	256.2	198.4	56.3
2010	275.2	208.0	67.0
2011	353.4	272.7	79.6
2012	386.0	304.0	82.0

Source: Directorate General of Mineral and Coal, 2012

For domestic consumption, type of coal used for Power Plant tends to shift toward low calorie coal as seen in table below. It is due to the abundant resources and reserves of low calorie coal, that the supply is more secure.

Domestic coal consumption by calories (in million tons)

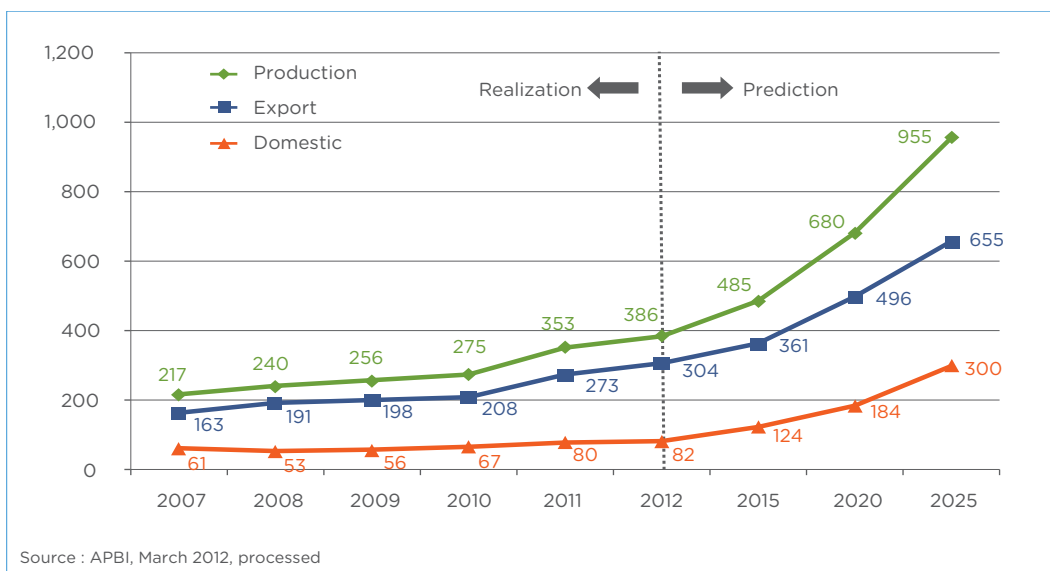
CV (Kcal/kg, GAR)	2011	2012	2013	2014
4000-4500	14.8	16.5	22.4	25.3
4501-5500	24.5	34	34.1	35.7
>5500	2.6	6.7	6.7	6.7
Total	41.9	57.2	63.2	67.7

Source: PT PLN, May 2012



Assuming that Power Plant construction as determined in construction plan of first and second phase of 10,000WM Power Plant, which is predominantly coal-fired, goes well, total domestic coal demand in the future will increase significantly.

Total thermal coal demand in domestic market in 2012 is approximately 82 million tons and is expected to increase by 17.1% p.a to 124 million tons in 2015, and continue to increase by 9.7% p.a to 184 million tons in 2020, and finally reached 300 million tons in 2025.



Progress and forecast of coal demand condition in global market as mentioned above, creates opportunities and challenge for the Company in determining long-term business strategy. With the trend of domestic demand that increasingly require low calorie coal, the Company has prepared a general strategy, including the more efficient production process in order to maintain margins as the price decreases and give higher margin when the selling price begins to rise again.

Business Performance Report

Coal Segment

The Company has targeted to increase coal production in 2012 to match the same increase in train transportation capacity and the points of the coal transportation agreement it enters with KAI. To achieve the target, the Company has been implementing the integrated production strategy, focused on improving its production capability efficiently while keeping the quality of production and optimum availability of coal and complying with the best practices on Occupational Safety and Health (K3) and Environment Preservation.

How PTBA responds to the declining sales price of coal

Over recent years, the sales price of coal has been fluctuating dramatically domestically and internationally. Rising in 2011, in the midst 2012, the price declined sharply, as the global economy slowed down. That year, the sales price for coal averagely dropped 30% from its initial price in 2012.

In light of this situation, to manage its sales margin, the Company consistently seeks solutions to reduce or control the production cost while improving the efficiency of mining operations.

Control of production cost

To control production costs, the Company runs some programs, among others: reduce fuel oil consumption, improve production equipments' reliability, reduce power consumption cost by optimizing supplies from own onsite steam power plants, maximizing own production of coal through the use of BWE systems and innovating mining operations through shortened transport distance.

Also in controlling the production cost, the Company introduces new initiatives, among others, by intensifying the use of domestic production components and integrating the distribution of PKBL funds to meet the operational demands of the Company. In addition, the Company also introduces Own Refurbishment program.

Now, as a start, fast moving components such as belts, bearing conveyors, blade buckets, and similar components have been procured domestically.

PKBL funds distribution integration begins with the formation of specific industry centers which will supply these fast moving components and other components for daily operations. So far, the company has managed to produce clusters of the following items: bearing conveyor, blade bucket, food and beverage service, cleaning service, and other related items.

In the own refurbishment program, aimed at minimizing procurement and maintenance costs, the Company has been engaged in an intensive effort to improve its CHF facilities and infrastructures. To that end, the Company uses the competent human resources it has and supports them with a complete workshop in Tanjung Enim. Now that the Company has the required capability, it can produce all the CHF facilities previously procured from third parties for a cost.

Improved Operational Efficiency

To improve its operational efficiency, the Company launches several programs, in 3 primary groups, as follows:

- **Working system improvement, that is, by innovating and improving the working system with the help of Information Technology, through:**

- The application of an integrated operational system backed up by information technology. For this, the Company has managed to design, standardize operation systems and documentations, synergize reporting systems, and integrating data input and output via a system called SCMS (see the description of the Development of Information Technology).
- Thanks to the go-live system launched in November 2011, the Company has been able to control its inventory level adequately and determine its mining plans to match market demands, including their volume and quality for more efficient mining operations.
- Condition base maintenance.
- Stockpile and odd stock management and continuous monitoring of inventories and spare parts.
- Control stripping ratio as plan, including measured and well planned topsoil blasting.
- Use of gravity system to control mud in place of the conventional or truck & shovel method.

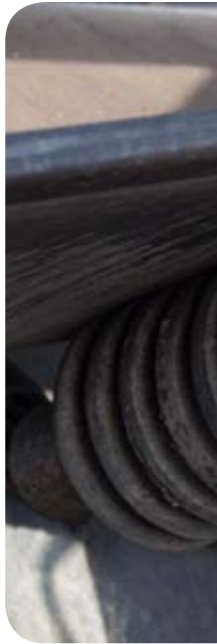
- **Improving coal transportation facilities and infrastructures:**

Besides aiming at improving operational efficiency, this program also aims at supporting and anticipating improved mining operations of the Company in the future. Among the infrastructures the Company is improving is the coal handling facility (CHF) around mine pits, transportation links at transportation area/loading area in ports. This program includes the following activities:

- Increasing temporary stockpiles' capacity and building new Train Loading Stations (TLS) including installing back up hydraulic units.
- Modifying, servicing, adding, and producing rotary car dumpers (RCD) and similar items.
- Realizing stockpiles and conveyor systems' capacity improvements to match the same increase of Port Tarahan.
- Adding the length of Port Tarahan to enable it to accommodate capsize-sized vessels.
- Modifying and improving conveyor belt systems, by regular replacement of pulleys and installing infra red sensors, reducing the number of drive motors from previously 2 to 1 and levelling conveyor systems.
- Setting up Conveyor Information System aimed at identifying the stadium of damage of the belt conveyor to help plan belt replacement works better to minimize machine breakdown time.
- Improving Train Loading Station (TLS) and ship loader's performance.
- Improving and installing magnet separators, and
- Upgrade Link 20 CHF.

- **Replacing and Adding Production Equipments:**

This program replaces and adds Shovel & Truck production equipments with a capacity of 50 tons or higher in own mining areas. This will improve operational efficiency and help the Company increase its coal production in the future.



Electrification of coal transport is a means to enhance operating efficiency

BWE System Repair and Relocation

In 2012, the Company was finally able to use the 2 BWE units and 1 spreader unit at Muara Tiga Besar Utara (MTBU) Mining Site. The continuous mining system has been overhauled and will be operational for the next 15 years from its normal service life.

The Company has also managed to finish the construction of its onsite Steam Electric Power Plant of 3x10MW in Tanjung Enim. In 2012, the Tanjung Enim Steam Electric Power Plant unit entered the commissioning stage (see “Steam Electric Power Plant, PTBA’S New Business Segment”). Thanks to this, in the future the demands for power for BWE system operations and general operations in Tanjung Enim will be supplied by the Company’s own Steam Electric Power Plant unit. This Power Plant is operated on reject coals, coals that don’t sell. This helps the Company increase the cost efficiency of its mining operations.



Roller iddler



Central Distribution point

The revitalization of BWE system and the construction of the 3x10MW Steam Electric Power Plant will give the Company more added values, as follows:

- They help reduce the operational cost of mining.
- They help increase operational efficiency.
- BWE system can be used for 15 more years from its actual service life.
- They help optimize the use of competent human resources available.

Production Trend

Through various endeavors, the Company has managed to boost its coal production volume to 13.97 million tons, increasing 7.9% from 2011's production amounting 12.95 million tons. Tanjung Enim Mining Unit, through Air Laya Site, Muara Tiga Besar Utara Site, and Banko Barat Site, and subsidiary PT Internasional Prima Coal contribute significantly to this increase.

Also, the Company succeeds in increasing the amount of coal lifted in its own production process to amount 32,253,544 bcm, increasing 15% from the 2011's production which amounts 28,145,146 bcm. On a gradual basis, the Company plans to increase its own production capacity. At the same time, the Company will also launch some initiatives to improve the competence of its human resources in coal management.

Refurbishment I:

Designing and Making Own Barrier RCD

Rotary Car Dumper (RCD) is one of the vital standard gears to accelerate the coal unloading process from train trucks. RCD as one of the CHF facilities provides faster coal unloading operations. This is done by “pinching the truck,” lifting, and overturning it. This way, averagely 50,000 kg of coals can be unloaded off a truck within 2-3 minutes.



4.4
billion

One RCD unit
costs

The Company began producing barrier RCD in 2012 and completed construction and finishing stages in 4 (four) months. The design was prepared in the main workshop while the assembling process was done in Tarahan. One RCD unit costs Rp4.4 billions. This is much cheaper than the price offered by third party vendors where a unit can be had for Rp13.8 billions, plus 24 (twenty four) months delivery, excluding commissioning. Besides saving time, producing barrier RCD helps the Company avoid loss of time.

Production and Coal Purchase (in Tons)

Uraian	2012	2011	Perubahan %
Production			
Tanjung Enim Mining Unit (UPTE)			
• Tambang Air Laya	5,970,453	5,403,014	10.5
• Muara Tiga Besar Utara	2,775,975	3,492,763	-20.5
• Banko Barat	4,317,740	3,491,311	23.7
Total UPTE Production	13,064,168	12,387,088	5.5
Ombilin Mining Unit (UPO)	-	1,883	-100.0
PT Internasional Prima Coal	902,666	560,313	61.1
Total Production	13,966,834	12,949,284	7.9
Purchase			
• PT Bukit Asam Prima	1,311,654	620,293	111.5
• PT Internasional Prima Coal	147,396	133,458	10.4
• Unit Pertambangan Ombilin (UPO)	30,040	127,023	-76.4
Total Purchase	1,489,091	880,774	69.1
Total	15,455,925	13,830,058	11.8

Anak usaha Perseroan yang bergerak dalam bidang jual beli batubara dan berdiri pada PT Bukit Asam Prima (BA Prima), one of the Company's subsidiaries engaged in coal sale and purchase and established in 2007, books an excellent performance too. This company realized coal purchase of 1.31 million tons, increasing 111.5% from 2011's purchase which amounts 620 thousand tons. PT Internasional Prima Coal (IPC, 51%), the subsidiary the Company acquired in 2008, records a production increase of 61.1% from 560 thousand tons in 2011 to 903 thousand tons in 2012.

As the production increases, the volume of coal transported on train also increases from 11.48 million tons in 2011 to 11.93 million tons, increasing 4.0%.

Coal Handling

Since 2011, the Company has implemented the Supply Chain Management System (SCMS) which comprises 5 stages. The first stage is called Phase Mine to Train Loading Station (TLS), that is, the handling of coal from mine pits to stockpiles/TLS. The second stage, Phase TLS to Port, is the handling of coal from TLS to port. The third stage, Marketing and Billing, consists in the marketing and selling and billing processes for the coal transacted. The fourth stage, Integration and Finance, is the stage where SCMS is integrated to the other systems at PTBA, including integration to the financial system. The fifth stage, Optimization and EIS, is to implement the optimization and Executive Information System (EIS) modules. All the stages have been going-live since November 2011. (See also "Information Technology Development").

The Company uses ISO 9001: 2008 on Quality Management System to ensure the quality of coals it produces

The Company manages its coal compliant to the ISO 9001: 2008 on Quality Management System to ensure the quality and supply of coals to its customers. This comprises:

- **Stockpile Management**
Coals from production and blending process are piled by the calorie qualification standards the Company sets. The Company has added more Hopper Blenders to improve the coal blending process. The general overhaul stacker re-claimer construction program has also been completed at stockpile to speed up the coal handling process.
- **Quality Control**
To maintain quality production, the Company runs a very strict quality control at each production stage. This quality control process is based on the ISO 9001: 2008 on Quality Management System. Under this system, the Company samples the coals to ensure their quality before lifting. Samples are taken from mining sites, mining site stockpiles before loading to train or delivery to customers, and at port stockpiles prior to loading to barges.

The Company's lab has been certified for complying with ISO/IEC 17025:2005 on Laboratory Quality Management from the National Accreditation Committee (KAN).

Coal quality analyses are conducted at the Company's lab. This lab has been certified for complying with ISO/IEC 17025:2005 on Laboratory Quality Management from the National Accreditation Committee (KAN). This same laboratory is also responsible for testing the quality of the tailings to ensure that they meet the Standard Quality Control for Environment.

- **Transportation**
The Company has reached an intensive agreement with PT KAI for the transport of coals from Tanjung Enim to Pelabuhan Tarahan (Lampung) and Kertapati Jetty (Palembang). The coal transport process consists of the following stages:
 - The volume and quality of the coal to be loaded onto each train truck will be determined at Train Loading Stations (TLS).
 - The coal distribution to the Port or Jetty will be monitored and recorded.
 - Coals will be unloaded from train trucks using Rotary Car Dumper (RCD) at Tarahan Port and Apron Feeder (AF) at Kertapati Jetty.

In 2012, a total of 11.93 million tons of coal was transported on train to Tarahan Port and Kertapati Jetty, increasing 4.0% from the volume in 2011 which amounts 11.48 million tons. The volume of coals transported from Tanjung Enim Port Tarahan increased 9.1% from 9.37 million tons in 2011 to 10.22 million tons in 2012. From Tanjung Enim to Kertapati Jetty, the volume of coal transported declined 18.6% from 2.19 million tons to 1.72 million tons.

Railway transportation (in tons)

Description	2012	2011	Change %
Tanjung Enim to Tarahan	10,217,850	9,368,000	9.1%
Tanjung Enim to Kertapati	1,716,165	2,108,710	-18.6%
Volume Transported	11,934,015	11,476,710	4.0%

The increase in the volume of coal transported results from the same improvement in the transportation management system, besides the good coordination between the Company and PT KAI. The company contributes directly to the improved capacity of coal transportation, by fixing rail-loops and periodic maintenance of the Company's loading and unloading facilities.

The Company and PT KAI join forces to meet the commitment in coal transportation long term tariff agreement valid through 2016. This is the follow-up to the Coal Transportation Agreement (CTA) signed in 2009 and renewed in late 2011.

The Company is also consistently endeavoring to realize the construction of special train tracks for coal transportation. This is done to improve the coal transportation capacity, either that the Company manages or that its subsidiary operates (see "Business Development"). This transportation development program will hopefully solve the problems the Company has been facing in increasing the sale of coals substantially from Tanjung Enim Mining Site.

Marketing Strategy

To ensure better sales of coal in the future amidst the increasing demands for coal, the Company has these marketing strategies in place:

- **Commitment to providing quality products**
The Company warrants that customers will receive coals of a contract quality. The quality is assured through a strict quality control involving accredited analysis process. Controlled quality is important because in addition to helping customers run smooth operation, it is one of the factors customers rely on. Controlled quality will secure that customers will continue using the Company's coal products.
- **Customer service**
The Company focuses on the principles of transparency and responsibility in its services to the customers. This is done to meet the Company's commitment to providing the best services for its customers. The Company responds to customers' requests and complaints without delay, as part of the Company's service commitment to its customers.

The Company believes that the meeting the commitment to providing the best service will help the Company achieve its sales target in the future. To ensure that customers are well served, the Company invites customers to report complaints via telephone, email, or ordinary mail.

Over 2012, the Company received 10 (ten) complaints from customers. The Company followed them up and managed to solve them.

- **Coordination**
The Company Management routinely holds a Coordinating Meeting involving all and every supply chain. This coordinating meeting discusses the current condition of coal market, customer demands, and problems faced in the production process in the field as well as during transportation which may affect sales. The outcomes of the discussion will be used to find the best production and marketing strategies to meet the set targets for the next three months.

- **Opening new market network**
The Company actively seeks new markets while preserving the existing ones. This new market comprises power generating companies in Asia Pacific regions where coal electric power plants are now in such as in India, Malaysia, Thailand, and Vietnam.
- **Creating common grounds for long-term marketing**
The Company prioritizes mutual understanding and nurturing commitment for long-term business relations. This means finding common grounds on long-term business relations, accounting for business sustainability, supply continuity, and smooth mining business operations of the Company. The Company, on the other hand, also accounts for the smooth payment process, long term contracts binding both parties, as well as fulfillment of its obligations to buyers by complying with the provisions of the contracts, including the provision on periodic evaluation of the price.
- **Market Share**
A big 4 (four) in terms of ownerships of potential as well as proven reserves, into the conclusion of 2012, the Company was still struggling to be a dominant player in domestic and regional markets (Pacific). The lack of economical transportation methods (except train) obviously impairs the Company's ability to supply coals. By late 2012, the Company still has not managed to reach significant figures. 16 million tons was the maximum amount of coals the Company was able to supply.

In the future, huge market potentials are awaiting the Company and it can be a dominant coal supplier if the train capacity improvement program works as planned.

Selling Method and Price Trend

The Company sells coals to domestic as well as foreign markets at competitive prices. The Company sells its coal under a future contract scheme, besides spot markets. The sales price refers to the international market price for thermal coals or mutually agreed price standard.

To secure continuous supply and income, the Company requires future contracts from its primary customers under specific conditions, subject to periodic review, including the conditions of sales price, to match the trend and interests of both parties.

The Company's sales price for coal has been fluctuating, especially in 2010 and 2012, as the market sales price fluctuates, representing the situation of global economy. The following table reflects such situation.

Trends in average sales price of Company's coals

Year	Domestic (Rp/tons)	Export (US\$/tons)
2008	506,900	68.73
2009	746,240	64.59
2010	613,342	67.01
2011	755,220	101.04
2012	736,972	87.35



Coal distribution by sea is served with transshipment for 'capsize' boat

The downturn in the economy of Asia Pacific region following the downturn in the global economy has led to the declining price of coal in the area. Over supplies from a number of primary coal producers including from Australia press the global price down in 2012 26% lower than its initial position early that year (see the discussion on "Coal Demand Prospect"). This situation adversely affects the Company's coal's sales price for overseas market, which drops 13.6% in average to US\$87.35/ton from US\$101.04/ton in 2011.

The situation of the global market impacts the Company's coal's sales price for the domestic market. The price goes down 2.4% to Rp736,972/ton from Rp755,220/ton in 2011. Thanks to increase in coal's average price, the Company enjoys increased profitability, as the volume of sales climbs up. (See the discussion on "Financial Performance").

Sales Performance and Distribution

In 2012, the Company books a total volume of sales of 15.33 million tons, 14.0% higher than in 2011, which amounts 13.47 million tons. This increase results from the 46% increase in the volume of export, to 6.91 million tons from 4.72 million tons in 2011.

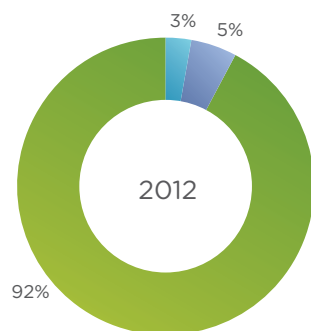
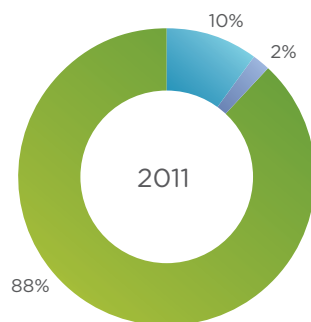
In 2012, the domestic sales amounts 8.43 million tons. Previously, in 2011, the sales amounts 8.75 million tons. It dropped 4.3%. Regardless of the situation with the domestic sales, the Company remains committed to meeting its Domestic Market Obligation (DMO).

So, the domestic sales now drop 54.9%, from 65.0% in the previous year. At the same time, the export increases 45.1%, from 35.0% last year.

Domestically, the coal is supplied to meet the demands from a number of Power Plants, among others, Power Plant Suralaya, Power Plant Bukit Asam, Power Plant Tarahan and Power Plant 10,000MW Acceleration. This Steam Electric Power Plant segment contributes 91.7% of the domestic sales in 2012.

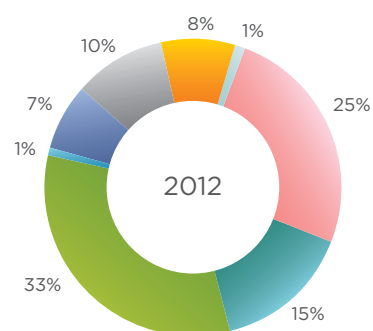
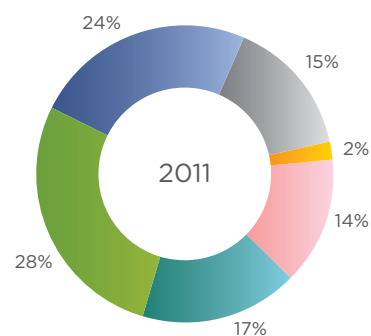
2012 witnesses in an increase in the export volume. That year, the volume amounts 6.91 million tons. Among the major destinations are India, Taiwan, Malaysia, China, Jepang, Philippines, Hong Kong, and Vietnam. Looking at the coal marketing prospect study, the Company now focuses on the Pacific region in addition to the domestic market (see the discussion on “Coal Demand Prospect”)

Domestic Coal Sales Distribution
by Industry Type



● Steam Power Plant
● Cement ● Others

Export Coal Sales Distribution
by Country of Destination



● China ● Malaysia ● Taiwan
● Hongkong ● Vietnam ● Japan
● India ● Philipine

Coal Sales by Type and Destination

Description	2012	2011	Change %
Domestic			
• BA-59 (Power Plant Bukit Asam)	758,102	725,678	4.5
• BA-59 (Power Plant Tarahan)	568,712	513,011	10.9
• BA-59 (Power Plant Suralaya)	3,304,911	4,781,578	-30.9
• BA-59 other Power Plants	3,044,071	1,676,123	81.6
• BA-59 others domestic	250,900	452,451	-44.5
• BA-63 PT Semen Baturaja	110,334	135,964	-18.9
• BA-63 others Domestic	7,385	60,380	-87.8
• Antrasit Coal	24,098	14,827	62.5
• Ombilin Coal	30,040	130,882	-77.0
• UP Briquette	11,709	60,636	-80.7
• PT Bukit Asam Prima Coal	50,464	23,011	119.3
• PT Internasional Prima Coal Coal	267,053	173,629	53.8
Domestic Volume	8,427,779	8,748,171	-3.7
Export			
• BA-59	1,048,077	1,199,840	-12.6
• BA-63	3,025,254	1,613,844	87.5
• BA-67	183,344	64,558	184.0
• BA-70	1,494,765	1,256,137	19.0
• PT Bukit Asam Prima Coal	418,770	104,215	301.8
• PT Internasional Prima Coal's coal	736,784	479,467	53.7
Export Volume	6,906,994	4,718,061	46.4
Total Sales	15,334,773	13,466,232	13.9

In 2012, the Company manages to increase its export of higher calorie coals at higher prices. This BA-70 high calorie coal is exported to Japan. That year, the export of coal of this type increases 19.0% to 1,494,765 tons. In the meantime, the export volume of low calorie coals (BA-59) drops 12.6%.

Domestically, the sales of BA-59 low calorie coals drops 2.7% to 7.93 million tons from 8.2 million tons in 2011. Power Plant Suralaya is the primary buyer with 3.30 million tons worth of purchase. Other domestic industries follow with 3.04 million tons worth of purchase, significantly higher than previous year. This includes Power Plant 10,000 MW Acceleration, besides Power Plant Bukit Asam and Power Plant Tarahan, who buy 758,10 thousand tons, and 568,71 thousand tons, respectively.

The higher consumption of low calorie coals by domestic industries does not necessarily boost the Company's profitability. This type of coal is much cheaper in price and there is no significant contribution from this segment to the Company's profit relative to that the Company enjoys from higher calorie coals. Overall, this trend does indeed affect the profit from coal sales.



Coal quality control
at the Company's
Laboratory

Profitability

The Company recorded a 29.5% drop in coal profitability compared to the preceding year rate of 34.8%. This was a negative effect of the Company's declining average selling price in the domestic as well as export market, at 2% and 14% respectively.

With the sharply declining prices, the Company stepped up its cost-cutting drive through production efficiency and production cost control, because only in these two areas, i.e. production and other operating expenses, was the Company able to cut costs. Selling price is created by market mechanism. The Company also applied selective mining strategy to obtain optimum profit margin amidst weakening prices of low-calorie coal.

Production efficiency and cost control managed to curb increase in total cost of overburden removal to approximately 10%, while various major costs increased 27%-47%. The success of this efficiency program allowed the Company to sustain net profit decrease rate above average similar industry players listed at the Indonesia Stock Exchange. (For further information, see sub-section "Financial Performance").

Looking at the global and national economic trends in 2012, the Company has reasons to believe that coal price will either remain constant or increase in 2013. The economy of China seems recovering faster, on the one hand. On the other, a number of economic issues which impact the global economy, e.g. the crisis in Europe and double digit deficit the United States is suffering from seem at least temporarily solved. This will favorably impact the global economy among whose effects is the increased demand for energy sources, hinted in the discussion on "Coal Demand Prospect."

The completion of a number of large scale electric power plants will also positively affect the demand for and price of coals in the domestic market.

In light of such projection, the Company has had a number of steps ready in anticipation of the coming opportunities. The Company has among others improved its own production capacity, supporting facilities, production efficiency program, and is consistently endeavoring to improve the coal transportation capacity by train, as discussed below (see also the discussion on “2012 Business Strategy”).

Briquette Segment

In 1993, the Company began to engage in briquette business by establishing the Coal Briquette Development Project (P2B2) and investing and developing a number of production units in Tanjung Enim, Gresik, and Natar (Lampung). The Company produces Carbonated Briquette and Non-carbonated Briquette.

The Company is the only Indonesian company capable of producing carbonated briquettes. This type of briquette has a number of advantages, such as lower volatile matter, sulfur, and water contents relative to non-carbonated briquettes thus offering faster and easier combustion, more stable heat, and environmentally friendly (smokeless and odorless). Carbonated briquettes are produced at Tanjung Enim Plant. Non-carbonated briquettes are produced at Natar (Lampung) and Gresik Briquette Production Facilities.

Production and Sales

In 2012, the Company produced only 18,328 tons of briquette, or dropped 0.9% from 18,507 tons in 2011. The decline was mainly due to decreasing production of briquette in Gresik and Lampung business units. Briquette sales volume slightly rose to 18,051 tons or increased 16.8% from 2011 sales of 15,165 tons.

Briquette production (in tons)

Description	2012 (a)	2011 (b)	%
Tanjung Enim Plant	2,283	1,599	42.8
Natar Plant	10,212	9,360	9.1
Gresik Plant	5,833	7,548	- 22.7
Total production	18,328	18,507	- 0.9

Briquette sales (in tons)

Description	2012 (a)	2011 (b)	%
Tanjung Enim Plant	2,252	1,269	77.5
Natar Plant	10,473	8,434	24.1
Gresik Plant	5,305	5,729	- 7.4
Total sales	18,031	15,431	16.8



Briquette production
in Tanjung enim plant

The energy conversion from kerosene by a number of small and medium-scale industries has not substantially propelled the use of briquettes as an alternative source of energy. People tend to prefer LPG, in place of kerosene, because of the subsidy.

As the national consumption of chicken increases, the Company can begin to rely on the growing DOC farms as its traditional clients to improve their demands for briquettes. Tobacco processing activities in East Java and Lombok will hopefully open new markets for the Company's briquettes.

Profitability of Briquette Segment

In 2012, the total sales of briquette amount Rp23.3 billions, with total expense amounting Rp34.5 billions. This means that in 2012, the Company books a loss of Rp11.2 billions on briquettes.



To press and control costs, the Company is taking a number of actions, among others:

- Simplifying briquette Working Unit.
- Leasing stockpiles in Semarang to other subsidiaries of the Company.
- Optimizing the use of briquette plant assets by opening Office in the respective area.
- Unifying packing to press packing costs.
- Replacing additives and briquette production fuels.
- Replacing briquette main ingredients with fine coals from the Company's stockpile area, instead of that available in market.

These cost control programs will hopefully improve the profitability of briquette segment in the future.

Financial Performance Review

Financial Statement

As shown in the financial statement, total assets as of 31 December 2012 stood at Rp12.73 trillion, up 10.6% from Rp11.51 trillion the year before. Total liabilities rose 26.1% to reach Rp4.22 trillion from Rp3.34 trillion in 2011. Equity went up 4.3% to stand at Rp8.51 trillion from Rp8.16 trillion in the previous year. Changes in the financial statement accounts are explained below.

Assets

Current Assets (in Rp million)	2012	2011*	Change %
Cash and cash equivalents	5,917,034	6,791,291	-12.9
Trade receivables (net)	1,545,556	1,180,195	31.0
Inventories (net)	765,964	644,833	18.8
Other current assets (net)	489,743	243,826	100.9
Current assets	8,718,297	8,860,145	-1.6

* reclassified

In 2012, the Company acquires a current asset totaling Rp8.72 trillions or 68.5% of the total asset. This indicates that the Company remains liquid, given that previously the current asset amounts Rp8.86 trillions or 77.0% of the total asset. Cash and cash equivalents item contributes 67.9% of the current asset, followed by account receivables with 17.7%, inventories with 8.8%, and current asset contributing 5.6% of the total asset.

Cash and Cash Equivalents

In 2012, the Cash and Cash Equivalents item drops Rp0.8 trillion to Rp5.92 trillions, 12.9% lower than previous year amounting Rp6.79 trillions. The primary cause of the slight drop in cash and cash equivalent has been the increased cash-flow from investment activities in 2012.

In 2012, operational activities generate a net cash of Rp 2.21 trillions, 38.5% lower than previous year. Investment activities spend Rp1.18 trillions worth of cash, increasing 133.6% from previous year whereas funding activities spend Rp1.89 trillions worth of cash, increasing 39.4% from previous year.

The primary cause of the declining cash from operational activities has been the increasing amounts paid to suppliers and employees. The increase in the amount for investment results from the increasing demands for funds to realize a number of projected development activities (see "Business Development"). The cause of the increased spending of cash in funding activities has been the increased percentage of dividend pay out ratio of the income in the financial year 2011 and buyback (see also explanation/Cash Flow Change Table).

In 2012, the cash comprises cash at hand amounting Rp281.22 millions, cash at giro account amounting Rp403.49 billions or 6.8% of the total cash and cash equivalent, and cash as term deposit amounting Rp5.51 trillions or 93.2% of the total cash and cash equivalent. The Company also places its cash as deposits with PT Bank Negara Indonesia (Persero) Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, Bank Sumsel Babel, and Bank Kaltim.

The Company also holds a deposit in US dollars whose amount equals around Rp290.11 billions or 5.3% of the total deposit, at an interest rate of 0.5% - 1.25%. In IDR, the Company's deposit amounts Rp5.22 trillions or 94.7% of the total deposit an interest of 5.50% - 7.25%. From this scheme, the Company enjoys Rp257.90 billions worth of interests.

In addition, the Company enjoys interests from its gyro accounts and commercial papers (immediately liquid financial assets) of Rp4.20 billions. Overall, the interest income the Company generates amounts Rp262.10 billions.

Account Receivables

In 2012, the Company books account receivables of Rp1.54 trillions, increasing 31% from 2011's position which amounts only Rp1.18 trillions. This comprises third party accounts totaling Rp311.31 billions, dropping 7.1% from Rp335.85 billions in 2011 and related party accounts which amount Rp1.23 trillions, increasing 46.2% from Rp844.35 billions in 2011. (See also Account Receivable Collectibility Level and the discussion on Changes in Cash Flow)

Inventories

Net inventories at end of 2012 was Rp765.96 billion or surged 18.8% from Rp644.83 billion in the preceding year, consisting of coal inventories Rp627.91 billion, materials and spare-parts the remaining Rp170.37 billion. Materials and spare-parts inventories of Rp170,37 billion in 2012 reflected an increase from Rp108,28 billion the year before.

Rp32.31 billions worth of odd inventories has been deducted from these inventories.

The cause of the increased coal and equipment and spare part inventories is the increased volume of the Company's own mining operations and coal production cost and production volume.

To minimize potential losses, the Company insures its coal inventories in transport and equipment and spare parts in warehouse.

Non-Current Asset

In late 2012, the Company books Rp4.01 trillions worth of non-current assets or 51.3% higher than previous year which only amounts Rp2.65 trillions. In 2012, the largest contributors to the non-current asset are fixed net assets with 46.2%, deferred exploration and development expenditures with 17.5%, deferred tax assets with 16.1%, investments in associated companies and entities with 13.8%, and mining properties with 3.8%. The following table lists non-current assets.



Total interest income was earned from fund placement in deposits, checking accounts and negotiable papers.

Non-Current Assets (in Rp million)	2012	2011*	Change
Investment in associates	531,897	403,083	32.0%
Investment in joint venture	21,551	-	100.0%
Mining properties	154,336	174,824	-11.7%
Fixed assets	1,853,447	1,139,424	62.7%
Deferred exploration and development expenditures	704,873	490,020	43.8%
Deferred tax assets	646,694	386,702	67.2%
Other non-current assets	97,886	56,064	74.6%
Total non-current assets	4,010,684	2,650,117	51.3%

*reclassified

Fixed Assets

In 2012, the Company holds Rp1.85 trillions worth of net fixed assets, or increasing 62.7% from last year which only amounts Rp1.14 trillions. This increase results from the addition of fixed assets in 2012 which amounts Rp775.11 billions, whereas accumulated depreciation only slightly increases Rp54.02 billions. Meanwhile, the primary cause of this increase is the realization of more development programs by the Company which among others are as follows:

- The construction of Power Plant 2x110 in Banjarsari.
- The construction of Power Plant 3X10MW in Tanjung Enim.
- The construction of Power Plant 3x8MW port packets in Tarahan.
- BWE system overhaul and mobilization to MTBU area.
- The construction of production facilities in MTBU.
- The construction of production facilities in Peranap.
- Production infrastructure and port repair works in Tarahan.

The Company has particular fixed assets insured in a number of locations.

Deferred Exploration and Development Expenditures

By late 2012, the deferred exploration and development expenditures less amortization amount Rp704.87 billions, increasing 43.8% from last year which amount Rp490.02 billions. These expenditures consist of exploration and pit development costs. These include both exploration and development pits as well as producing ones. Examples are production preparations in MTBU for own operations using the BWE system with an investment value of Rp83 billions, Banko Tengah with an investment value of Rp368.59 billions, the construction of production facilities in Peranap with an investment value of Rp42.55 billions, and Palaran mining development (IPC) in Kalimantan which costs Rp65.20 billions.

Mining Properties

In 2012, the Mining Properties amount Rp154.33 billions, lower than last year which amount Rp174.82 billions, because the Company has accounted for the amortization cost on the coal production value of IPC that the Company acquired in September 2008.

Liability

In 2012, the Company's total liability amounts Rp4.22 trillions or increasing 26.2% from Rp3.34 trillions in the previous year. Short term liabilities amount Rp1.77 trillions or 41.9% of total liability. Long term liabilities amount Rp2.45 trillions or 58.1% of total liability. Per December 31, 2012, the Company's liability is as follows.

Current Liabilities

Current liabilities of the Company in 2012 went down 7.7% to Rp1.77 trillion from Rp1.91 trillion in 2011. The major part of current liabilities consisted of accrual expenses 68.2%, taxes payable 13.5%, employee benefits 13.1%, trade payable 8.4%, post-employment benefits 5.4% and provision for environmental reclamation and mine closure 2.1%.

Liabilities and Equity (in Rp million)	2012	2011*	Change %
Trade payable	149,776	122,282	22.5
Accrued expenses	977,715	995,495	-1.8
Short-term employee benefit liabilities	231,622	260,175	-10.9
Tax payables	238,901	413,217	-42.2
Bank borrowings	34,915	18,155	92.3
Provision for environmental reclamation and mine closure	36,615	36,319	0.8
Current portion of post-employment benefits obligation	96,332	68,575	40.5
Other current liabilities	4,788	4,195	14.1
Total Current Liabilities	1,770,664	1,918,413	-7.7
Long-term portion of post-employment benefits obligation	2,210,981	1,224,815	80.5
Provision for environmental reclamation and mine closure	232,497	204,864	13.5
Bank borrowings	9,670	-	100.0
Total non-current liabilities	2,453,148	1,429,679	71.6
Total Liabilities	4,223,812	3,348,092	26.2
Equity attributable to owners of the parent	8,419,118	8,085,427	4.1
Non-controlling interests	86,051	76,743	12.1
Total Equity	8,505,169	8,162,170	4.2
Total Liabilities and Equity	12,728,981	11,510,262	10.6

*reclassified

Accrued Expenses

In 2012, accrued expenses amount Rp977.7 billions, 1.8% lower than Rp995.5 billions previously. This liability comprises production contributions, third party services, train services, vessel services, heavy machineries and jetty services.

That year, accrued expenses are lower because of the decreasing third party service, train service and production contribution costs. The only increase occurs in heavy machinery and vessel service costs.

Current Liabilities - Employee Benefits

Employee benefits in 2012 totaled Rp231.62 billion or declined 10.9% from Rp260.17 billion in 2011 due to smaller employee bonus payments.

Tax Payable

In 2012, tax payable amounts Rp238.90 billions or 42.2% lower than in 2011 which amounts Rp413.2 billions. The amount of tax payable (PPH-29) is lower because in 2012 the amount of profit realization is lower than the projected tax assessment base for 2011.



Accrual expenses in 2012 was recorded at Rp977.7 billion or decreased 1.8% from Rp995.5 billion in the previous year.

Account Payable

Account Payable arises from the purchase of third party goods and services for the Company's operations. In 2012, account payable increases 22.5% to Rp149.7 billions from Rp122.3 billions last year. This increase results from the increased production activities.

Long Term Liability

In 2012, long term liability increase 71.6% from last year to Rp2.45 trillions of which contributors are Provision for Employee Benefits with 90.1% and Provision for Environmental Reclamation and Mine Closure with 9.4%.

Long-term Liabilities – Post-employment Benefits

The Company applied SFAS No. 24 (2011 revision) concerning Employee Benefits in calculating employee benefits. Provision for retirement benefits and employee welfare increased 80.5% to reach Rp2.21 trillion from Rp1.22 trillion the preceding year, which was caused by changes in method of acknowledging actuarial losses from corridor approach to OCI approach

Provision for Environmental Reclamation and Mine Closure

This year the Provision for Environmental Reclamation and Mine Closure increases to Rp232.49 billions or 13.5% higher from Rp204.86 billions last year. This increase results from the 5.4% increase in production cost from that of last year, increase in restoration, rehabilitation, and mine closure tariff from previously Rp4,150 to Rp5,431 per ton of coals.

Equity

In 2012, total equity increases 4.2% from last year which amounts Rp8.16 trillions to Rp8.50 trillions. This increase results from the addition of general reserves and net profit realization of the year.

Comprehensive Income Statements

Comprehensive Income Statements (in millions of Rupiah except earnings per share)	2012	2011	Change %
Revenue	11,594,057	10,581,570	9.6
Cost of Revenue	(6,505,932)	(5,302,592)	22.7
Gross profit	5,088,125	5,278,978	-3.6
General and Administrative expenses	(940,446)	(937,987)	0.3
Selling and marketing expenses	(748,534)	(675,962)	10.7
Other Income (net)	512,442	476,103	7.6
Profit before income tax	3,911,587	4,141,132	-5.5
Income tax expense (net)	(1,002,166)	(1,053,064)	-4.8
Profit for the Year	2,909,421	3,088,068	-5.8
Changes in fair value of available-for-sale financial assets	7,722	(2,205)	350.2
Currency differences from translation of subsidiary's financial statements	11,397	2,086	446.4
Actuarial loss on post-employment benefits obligation	(879,288)	-	100.0
Related income tax expense	219,822	-	100.0
Total comprehensive income	2,269,074	3,087,949	-26.5
Profit/(loss) attributable to:			
Owners of the parent	2,900,113	3,085,837	-6.0
Non-controlling interests	9,308	2,231	317.2
Net Profit	2,909,421	3,088,068	-5.8
Number of Share (in million share)	2,304	2,304	0.0
Basic earnings per share for net income attributable to owners of the parents	1,262	1,339	-5.8

Revenue

In 2012, the Company's operating income from the sales of coal and coal briquette amounts Rp11.59 trillions, increasing 9.6% from Rp10.58 trillions in the previous year. This increase results from the increased volume of sales of 14% from 13.46 million tons to 15.33 million tons in 2012 in addition to the 3.3% increase in average sales price. Over the period, the average sales price for the Company's coals drops 3% from previously Rp784.3 thousand per ton in 2011 to Rp758.4 thousand per ton.

The relatively small drop in average selling price was attributable to the Company's success in selling coal of higher calorie (>6,600 kcal/kg). In 2011 the Company sold more coal of lower calorie (5,300-5,800 kcal/kg). As previously described (see "Marketing Prospect") the average selling price of coal in 2012 declined up to 30% from selling price in 2011.

Considering margin per ton from selling coal of higher calorie, the Company will continue to apply selective mining strategy in producing and marketing coal. The evolution of the Company's average selling price from 2011 to 2012 is shown below.

Description	2012		2011		% Change	
	Income (million Rp)	Average sales price (thousand Rp/ton)	Income (million Rp)	Average sales price (thousand Rp/ton)		
	a	b	c	d	a/c	b/d
Domestic	6,218,628	736.9	6,606,795	755.2	27.5	-2.4
Export	5,352,128	784.5	3,954,831	838.2	74.6	-6.4
Amount / Average	11,570,756	758.4	10,561,627	784.3	45.2	-3.3

Cost of Revenue

In 2012, the Cost of revenue amounts Rp6.51 trillions or increasing 22.7% from Rp5.30 in the previous year. The largest contributors to the total cost of revenue are train service with 29.3%, mining service with 23.0%, employee salary, compensation, and benefits with 9.2%, royalty with 11.0%, heavy machineries with 9.0%, and coal purchase with 11.4%.

The primary contributors to the increased cost of good sold:

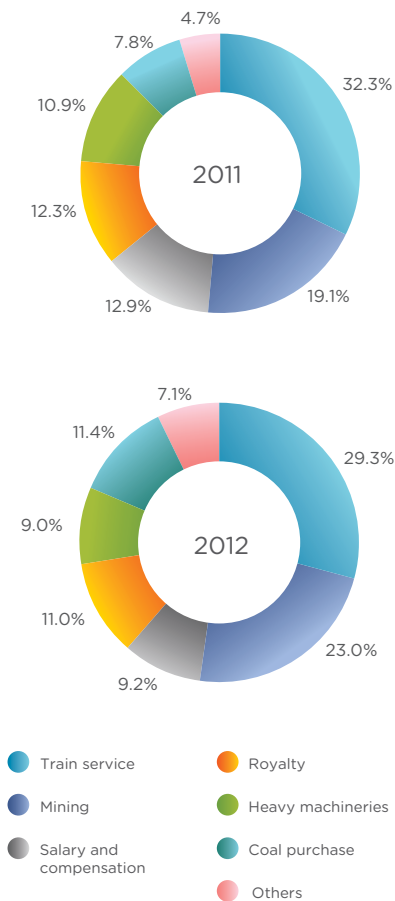
- Train service increases to Rp1.90 trillions, 10.9% higher than in 2011 which amounts Rp1.71 trillions resulting from the 3.9% increase in the volume of transportation and transportation tariff.

In 2011, the train tariff from Tanjung Enim to Tarahan was Rp344 per ton km excluding VAT. In 2012, the tariff increased 11.3% to Rp383 per ton km excluding VAT.

While from Tanjung Enim to Kertapati in 2011 was Rp472 per ton km excluding VAT. During January-April 2012, it went up 4.4% to Rp493 per ton km excluding VAT. In the period of May-December it rose 0.7% to Rp475.35 per ton excluding VAT.

The company does not exercise the full control over this cost but it enters a tough negotiation with PT KAI.

Cost of Revenue



- Mining service increases 47.3% to Rp1.49 trillions due to the increase in the total material lifted by mining contractors. Rupiah's depreciation against US dollars also contributes to this increase as most cost components for mining service are in US dollars.
- Royalty and retribution cost increases to Rp714.16 billions, 9.2% higher than in 2011 which only amounts Rp654.25 billions. The primary causes are 13.8% increase in the volume of sales and the new royalty assessment base with the issue of Circular No 32.E/35/DJB/2009 from the Ministry of Energy and Mineral Resources.
- Heavy machinery, vehicle, and equipment cost increases to Rp586.82 billions, 1.2% higher than in 2011 which amounts Rp579.64 billions, due to the increased number of equipments hired to match the same increase in the total amount of materials lifted.
- Fuel oil and grease cost decreases 36.8% from previously Rp167.1 billions to Rp105.53 billions. This is because the Company has begun operating the BWE System at MTBU and new ATU with greater capacity.
- Coal purchase increases 78.8% from Rp414.62 billions to Rp741.36 due to the increased volume of coal purchase from BA Prima and PT IPC. The volume of coal purchase increases significantly 69%.

The impact of the efficiency program on Cost of revenue

The Company has consistently implemented an efficiency program to mitigate the impacts of the increasing price of various components for its operational activities, such as fuel oil price, transportation tariff, heavy machinery tariff, and power consumption of which it has no control.

To be able to maintain its operational profitability level, the Company implements an efficiency program aimed at controlling operational costs within its power.

Faced with declining coal selling price, the Company concentrated in producing higher calorie coal to generate better profit margin per ton through selective mining strategy. The consequence of this mining pattern was the rising production cost due to higher overburden removal volume. Taking this fact into consideration, the Company continued improving production efficiency in 2012.

During the year, in line with the selective mining program, total overburden removal in coal production was 69,316,488 bcm, up 10.6% from 2011 volume of 62,697,658 bcm. Total production reached 13.97 million tons, rising 7.9% from 12.95 million tons in 2011. Total overburden removal cost in 2012 was Rp3.86 trillion, 21.7% higher than

Rp3.17 trillion in 2011. Hence, overburden removal cost per bcm for coal production in 2012 was recorded at Rp55,700/bcm or increased 10.1% from cost per bcm in 2011, i.e. Rp50,602/bcm.

A number of accounts in the Company's balance sheet clearly reflect the impacts of the efficiency program implemented:

- Cost spare parts and materials decreases 0.3% from Rp116.39 billions to Rp116.08 billions, thanks to the implementation of the integrated routine maintenance system.
- Fuel consumption decreases 60.5%, in the midst of the 25% increase in the price of industrial fuel oil. Meanwhile, the volume of own production increases 14.60%.
- Salaries and wages component was controlled by reduction in number of component.
- Other costs (depreciation, power consumption, environment, and land and building tax) only slightly increase 28.6% to Rp223.53 billions.

Operational efficiency through better working systems (such as, optimized back filling, inside dump, planned maintenance of primary production equipments) helps minimizing fuel oil consumption. The own-refurbishment program helps coping with the increased cost to procure production support equipments, such as, among others CHF. The more efficient own mining activities have helped the Company plan to improve its role in supplying coals to meet its customers' demands.

In 2012, operating Expenses which include general and administrative expenses, selling and marketing expenses, and exploration expenses increase 4.6% to Rp1.69 trillions from Rp1.61 trillions in 2011.

General and Administrative Expenses in 2012 rose 0.3% to Rp940.45 billion from Rp937 billion in 2011. Such an increase was caused by larger contribution to community development program, royalty, retribution, training, official business trip and amortization.

Selling and marketing expenses increases 10.8% to Rp748.53 billions from Rp675.96 billions last year. The primary cause is the increased tariff of vessel service, employee salary and compensation, and third party service. In addition to the increased volume of sales, the increase in transportation service cost results from the same increase in the fuel oil's price.

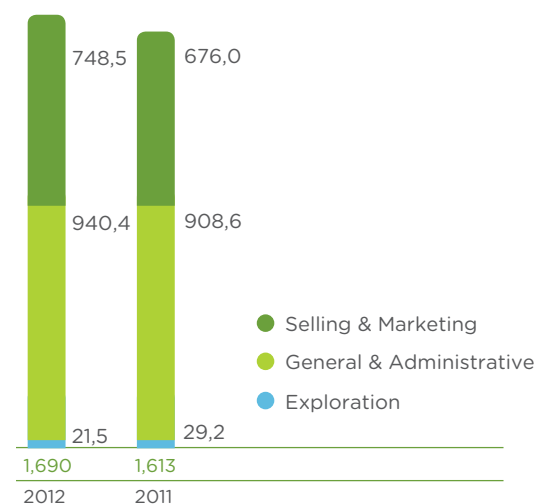
Other Income

In 2012, other incomes (net) increase 7.6% to Rp512.4 billions from Rp476.10 billions in 2011. Following are the contributors to the increase: DMO income worth Rp82.43 billions, income from investments worth Rp262.11 billions, income from Teluk Bayur jetty lease worth Rp3.90 billions and income from exchange rate difference worth Rp44.48 billions.

EBITDA

Late 2012, the Company EBITDA amounts Rp4.01 trillions, 3.0% lower from Rp4.13 trillions in 2011. This increase results from the same increase in the volume of sales, interest income, and successful implementation of the efficiency program and cost control by the Company.

Operating Expenses Composition
(in Rp billion)







Operational activity in
Tarahan port

In 2012, the Company suffers from lower sales value. This in turn leads to the lower projection of the income tax on the Company. It is projected that for the current year the Company will be liable for Rp1.00 trillions worth of tax, 4.8% lower than the tax the Company paid in 2011 which amounts Rp1.05 trillions.

Net Profit for the Year

Over 2012, the Company's performance is highly affected by the significant decrease in the sales price of its coals coal at both domestic and overseas markets. This is clearly reflected in the significant decrease of 3.9% that the Company suffers in its profit before tax from Rp3.74 trillions in 2011 to Rp3.59 trillions.

As the operating income decreases, the Company's net profit also decreases 6.0% from Rp3.09 trillions in 2011 to Rp2.90 trillions in 2012. The decrease in the net income leads to the decrease in the net earning per share. In 2012, the net earning per share of the Company amounts Rp1,262, 5.7% lower than in 2009, which amounts Rp1,339 per share.

As previously explained the Company has implemented a number of efficiency and cost control programs, leading to the 11.3% decrease in coal production per ton from the plan in 2012. The Company has also managed to boost the volume of coal sales by 13.8%.



The Company posted an increase
in sales volume by 13.8%

The construction of a number of primary facilities to support business developments, e.g. the construction of 3 Power Plant units, upgrade coal handling capacity of Tarahan and Derti, the construction of new pit support facilities, and the construction and upgrade of CHF facilities, however, has increased the depreciation cost. Some other cost components also show some upward trends. These include coal transportation service and vessel service which are beyond the control of the Company.

Because of this, the increased volume of sales and reduced coal per ton production cost does not suffice to compensate for the overall decrease in the average sales price of the Company's coal which is much higher and for the increase of other components. Consequently, this year, the Company's net income decreases 6.0% from Rp3.09 trillions to Rp2.90 trillions.

The Company is confident that the efficient and cost reduction programs underway will have positive impacts on the Company's performance in the future. It is because Power Plant 3x10MW in Tanjung Enim is entering the commissioning stage this 2012. When this report is prepared, Power Plant is already operating in full capacity. In addition to this Power Plant, the Company is now in the process of finishing 2 other Power Plant projects. (See the discussion "Power Plant, Our New Segment")

The operation of these Power Plants will reduce the cost of fuel oil and power consumption now that all the power needs for both operational activities and operation of BWE systems in TAL and MTBU can be supplied from own Power Plants.

EBITDA calculation which also indicates the same improvement increases the Company's confidence.

Comprehensive Income of the Year

The Company books a comprehensive loss of Rp640.39 billions consisting of actuarial loss and post employment benefit obligation which amount Rp659.46 billions, unrealized profit for fair value of financial assets available for sale worth Rp7.72 billions and translation from subsidiary's financial statement worth Rp11.39 billions. Thus, this year, the Company books a comprehensible profit after tax of Rp2.27 trillions, 26.5% lower than in 2011, which amounts Rp3.09 trillions.

Rentability

Rentability refers to the Company's ability to generate net incomes by using available resources. As the Company's net income decreases 6.0% in 2012, the Company's net profit margin also decreases to 25.0% from 29.2% in 2011.

Return on Equity decreases 34.1% from 37.8% in 2011.

Return on Asset also decreases to 22.8% from 26.8% in 2011.

Changes In Cash Flow (in millions of Rupiah)

Description	2012	2011	Change %
Cash Flow From Operating Activities			
Cash receipts from customers	11,231,586	10,346,420	8.6
Cash receipts from other operations	137,515	83,790	64.1
Payment of royalties	(735,778)	(670,685)	9.7
Cash paid to suppliers and employees	(7,277,341)	(5,551,065)	31.1
Payment of taxes	(1,401,744)	(928,203)	51.0
Interest paid	(3,646)	(3,249)	12.2
Interest receipts	262,109	324,890	-19.3
Net Cash provided from operating activities	2,212,701	3,601,898	-38.6
Cash Flow From Investing Activities			
Purchases of fixed assets	(640,207)	(235,253)	172.1
Payment for deferred exploration and development expenses	(237,197)	(176,189)	34.6
Purchases of available-for-sale financial assets	(922,030)	(460,000)	100.4
Acquisitions of interest in joint venture	(21,551)	-	100.0
Proceeds from disposal of available-for-sale financial assets	812,849	504,084	61.3
Transfer to restricted cash	(39,600)	-	100.0
Acquisitions of shares in associates	(134,728)	(138,895)	-3.0
Net cash used in investing activities	(1,182,464)	(506,253)	133.6
Cash Flow From Funding Activities			
Payment of dividends to owners of the parent	(1,613,116)	(1,281,751)	25.9
Proceeds from Bank loan	80,585	99,549	-19.0
Repayments of Bank loan	(36,000)	(94,682)	-62.0
Purchase of treasury shares	(189,526)	-	100.0
Transfer to restricted cash	(8,000)	-	100.0
Payment of dividends to non-controlling interest	(2,813)	-	100.0
Payments for partnership and development program	(123,433)	(80,356)	53.6
Net cash used in financing activities	(1,892,303)	(1,357,240)	39.4
Net (decrease)/increase in cash and cash equivalents	(862,066)	1,738,405	-149.6
Exchange rate losses on cash and cash equivalents	(12,191)	(1,189)	925.3
Cash and cash equivalents at the beginning of the period	6,791,291	5,054,075	34.4
Cash and Cash equivalents at the end of the period	5.917.034	6.791.291	-12,9

The Company's operational activities in 2012 produce a net cash flow of Rp2.21 trillions, that is, from the sales of coal amounting Rp11.23 billions, other operational activities amounting Rp137.51 billions and interest income amounting Rp262.10 billions (see notes on fund investment in "Cash Flow" above). Payment to suppliers and employees with Rp7.27 trillions or 31.1% higher than previously in 2011 which only amounts Rp5.55 trillions is the highest contributor to the out cash flow, followed by tax payment amounting Rp1.40 trillions or increasing 51.0% from Rp0.92 trillion last year. The next largest contributor is royalty payment which amounts Rp735.78 billions, increasing 9.7% from Rp670.69 billions in 2011.

The cash for investment activities increases 133.6% to Rp1,182.46 billions from Rp506.25 billions in 2011. The increasing demand for cash results from the realization of expensive projects such as the construction Power Plant 3x110MW in Banjarsari, Power Plant 3x8MW port packets in Tarahan, ports repair and upgrade capacity in Tarahan and Derti, scheduled opening of new mines in Peranap and MTBU, repair works of a number of CHF in Tanjung Enim and Kertapati Jetty. (See also "Realized Capital Expenditure"). The Company funds its investment activities on loan in 2012.

In terms of funding, the Company pays Rp1.61 trillions worth of dividends to its shareholders. The Company also reserves funds for PKBL program as the General Meeting orders. The amount is Rp123.43 billions, increasing 53.6% last year which amounts only Rp80.36 billions. The Company also receives a short-term credit facility through its subsidiary but at the same time also repays the bank loan. Thus, the banking facility it receives amounts only Rp44.58 billions net. (See also, "Dividend Policy", and "Corporate Social Responsibility Program".)

Solvability

Financial Ratio (in percentage) unless stated otherwise	2012	2011
Growth Ratio		
Revenue	9.6	33.8
Gross Profit	(3.6)	44.6
Operating profit	(3.9)	62.4
Net profit	(6.0)	53.6
Earnings per Share	(6.0)	53.6
Profitability		
Net profit to revenue	25.0	29.2
Net profit to total equity	34.1	37.8
Net profit to total assets	22.8	26.8
Liquidity		
Currents assets to current liabilities	492.4	461.9
Total liabilities to total assets	33.2	29.1
Total liabilities to total equity	49.7	41.0
Collectibility		
Account receivables daily on hand (AR-DOH), in days	49	41

The Company's ability to repay overdue obligations will be indicated by three related financial ratios, as follows:

- **Liquidity**
This ratio refers to the Company's ability to meet its current liabilities to mature soon, calculated by dividing its current assets by current liabilities. In 2012, the Company's liquidity ratio amounts 492.4%. This indicates that the Company is well capable of meeting its current liabilities.
- **Account Collectibility Level**
Account collectibility level is obtained by comparing total accounts to total sales proceed. Using this formula, the collectibility level of the Company's account (AR DOH) is 27 days, improving from 41 days in 2011.

Following is the Company's comprehensive account receivable table:

In Rp million

Category	Amount
Current	1,230,490
Overdue 30 - 60 days	129,693
Overdue 60-180 days	171,144
Overdue more than 180 days	58,426
Total	1,589,753
Provision for impairment	(44,197)
Total Trade Receivable (net)	1,545,556

- **Solvability**
It refers to the Company's ability to meet its current as well as long-term liabilities as they become mature. Solvability ratio is obtained by comparing total assets to total liabilities. In 2012, the company's asset is higher than its liability thus increasing the Company's solvability to 33.2% from 29.0% in 2011, meaning that the Company remains highly able to meet its liabilities.

Capital Policy

Capital structure is the balance between the use of own capital and debts which consist of short-term and long-term debts. A capital structure with minimum Weighted Average Cost of Capital (WACC) will leverage the value of a company's share, but not necessarily its net earning per share (EPS). Big leverage may increase EPS and risks at the same time. Hence, the Company sets a sensible capital structure policy to optimize its corporate value. Following are the Company's capital structure policy, its objectives, and the steps to achieve them:

- Set optimum capital structure target.
 - It is okay to use more debts (than equities) if the business risks are smaller.
 - It must be done with account for the changes in debt composition which may affect share prices.

- Capital structure must always account for the balance between financial risks and yield level in order to increase corporate values.
 - It must account for the use of debts which may incur financial liabilities (interest rate) and affect the company's liquidity conditions.
 - It must optimize economic and own capital rentability which will increase earning per share.
- Capital structure must be evaluated in terms of the relation between financial leverage, corporate value and cost of capital.
- Capital structure must be optimized by balancing debts and equities to maximize corporate values.
- The combination of capital structure should be made based on a sensitivity analysis with a number of core assumption variations the Company is most likely to face.

Net Working Capital

Increasing Company's activities increase working capital Rp5.9 billions. In 2012, the Company's working capital amounts Rp6,947 billions, increasing from 2011 which only amounts Rp6,941 billions. The Company manages to meet its demand for working capital from its operations.

Capital Expenditure Realization

Routine Investment

This is the investment the Company does to maintain its production level and operation efficiency, including repairing and adding routine operational facilities. In 2012, routine investments amount Rp62.7 billions or 20% higher than in 2011, which amount Rp110.1 billions.

Development Investment

This is aimed at developing the Company's business. In 2012, development investments amount Rp1,122.5 billions, increasing 164% from the realization in 2011 which only amounts Rp425.49 billions. Among the development projects the Company manages to realize over 2011 are as follows.

- **The construction of Power Plant 3x10MW in Banko Barat (Tanjung Enim).**
This Power Plant is built to meet own demands primarily. Excess power will be used to meet the demand of the local communities. In 2012, the investment totals Rp19.92 billions, hence the cost accumulation to December 31, 2012 amounts Rp388.45 billions. This project has finished physical constructions and late in 2012 will enter the commissioning stage.

One of the
investments made
by the Company
was in the
development of
Tarahan Port



- **The construction of Power Plant 3x110MW Banjarsari in Lahat**
This Power Plant is aimed at providing alternative sources of income for the Company by selling power to PT PLN (See the discussion on “Power Plant, Our New Segment”). The ground breaking began on July 29, 2011. Over 2012, Rp134.73 billions worth of extra investments has been spent.
- **Relocating 2 units of BWE system and 1 spreader from TAL area to MTBU**
This relocation project has been prepared since 2009. The BWE system has been overhauled and relocated and in 2012 the system is entirely operational. On this project, the Company spends a total of Rp47.04 billions in 2012 so that the accumulated cost to December 31, 2012 amounts Rp283.71 billions.

Besides those investments, in 2011, the Company has realized a number of development plans, e.g. the CBM project.

Work Plan Achievement Evaluation

The decreasing coal price at domestic and global markets affects the achievement of the targets set earlier that year. These targets are subject to a quarterly evaluation. The following table presents a number of quantitative target indicators and their achievements.

Performance Parameter	Satuan	Target	Realization	Capaian (%)
Production Volume	thousand ton	16,300	13,967	-14.3
Purchase Volume	thousand ton	1,124	1,489	32.5
Sales Volume	thousand ton	18,662	15,335	-17.8
Overburden Removal Cost	thousand bcm	83,562	68,228	-18.4
Per ton Coal Production Cost	Rp thousand	445	424	-4.7
Per ton Material Production Cost	Rp thousand	92	110	2.0
Sales Value	Rp billion	13,604	11,594	-11.3
EBITDA	Rp billion	4,159	4,012	-3.5
Net Income	Rp billion	3,300	2,900	-12.1

Following are the details why some performance targets are not yet achieved:

- **Production**

In 2012, the production volume target amounts 16,300,000 tons, realized 13,966,834 or only 85.7% of the target. This is the situation the Company has to deal with as the market demand decreases due to the slowdown in global economy. The production volume must be controlled to prevent increasing volume of coal inventories at stockpiles. (See also discussion on “Coal Demand Prospect” and “Inventories” in the discussion on “Corporate Assets.”)

- **Purchase volume**

Realization surpasses targets. This is the Company’s strategy to benefit from the momentum of price declines to meet purchase contracts with its clients in a timely manner, and so on.

- **Sales volume**

Realization is slightly off target thanks to the application of some long-term based contract sale strategies with clients with common points of view on business sustainability. Long term contracts enable the Company to more accurately design its production plan. Customers with long-term commitments help the Company maintain its production level on as needed bases.

Kertapati Jetty CHF Refurbishment Works

To boost competitiveness, control costs and improve operational efficiency, the Company uses its available human resources to design and make a number of facilities and infrastructures to support operational activities by realizing the refurbishment plan and improving the performance of CHF facilities at Kertapati Jetty (Derti). The technical audit reveals that many CHF facilities at Derti are in poor conditions and it may be risky to perform coal loading/unloading operations there.

As a follow-up, the Company designs and realizes the refurbishment and performance improvement works for a number of CHF facilities at Derti. These works are executed internally by using the competent human resources the Company has in designing and engineering complete support facilities and main workshops in Tanjung Enim.

This refurbishment and performance improvement work lasts 12 months, costing Rp15.6 billions. This saves Rp74.9 billions worth of fund than if the work is done by a third party. This own refurbishment work in addition to saving costs also minimizes opportunity losses for the Company. This is because it takes more time for a third party to complete the work.

Types of works done internally at Derti include, as follows:

1. Construction of New 70 Meter Long Inclined Conveyor BC03B
2. Enforcement and prolongation of existing Conveyor BC02
3. Construction of Main Frame and Relocation of Mini Crusher
4. Stacker Refurbishment
5. Construction of New 1200 TPH Ship-loader
6. Existing Ship-loader Refurbishment.



Cost saving
expense
reached

Rp74.9
billion

Business Strategy For 2013

Sub-chapter “Coal demand prospects” projects that the growth of coal demands in the global market, especially in the Pacific region, will temporarily slow down, but it will pick up in the long run. As coal supplies from Queensland, Australia, recover amidst the decreasing demand in the global market, competitions will tighten thus pressing coal price in the short term, indicated by the declining price at spot markets during the first quarter of 2012.

Unfavorable conditions of the global economy further presses the price down by the end of the second quarter. Into the fourth quarter of 2012, the price improves in response to the signals of global economic recovery in 2012. As the northern hemisphere enters winter, the demand for energy (including coal) increases, thus increasing the price of coal at the conclusion of 2012.

Late 2012 and early 2013 show the signs of global economic recovery, marked by increasing demands for Chinese export products and the deal to solve the United States’ government’s budget deficits.

It is projected that the domestic demand for coal will increase as a number of 10,000 MW Steam Electric Power Plant construction projects stage one and stage two conclude.

Anticipating the surge in the demands for coal in 2013, the Company has a number of business strategies ready. They include the production, sales, transportation, and business development aspects. These 2013 strategies and programs are parts of the implementation of the Company’s Integrated Strategic Plans for the 2009-2013’ period into the Golden PTBA era. Followings are the brief details of such business strategies.

In terms of operation, the Company targets to increase production and production efficiency. The aims are to increase revenues and retain or improve profit margins. This strategy will be implemented meticulously, in response to the increasing demands for low calorie coals for a lower selling price. This is true for the domestic coal market in 2012. By improving production efficiency and cost control, profit margins can be maintained, even better improved.

Now that the onsite Power Plant 3x10MW in Tanjung Enim is entering the commissioning stage, the Company can continue the construction of Power Plant 3x8MW Tarahan Port packet. By the end of last year, Power Plant Tarahan Port packet is already 78.1% complete. In 2013, hopefully, this Power Plant can be completed, including its commissioning.

The successful completion of these projects helps increase production efficiency significantly, because these power plants can produce enough electric power to meet the company’s needs for its mining operations. So far, power has been supplied by PT PLN. These plants will use residual coals. These are waste coals. Their application creates economic values for the company.

Besides finishing the construction of these power plants, the Company has also finished overhauling and relocating 2 BWE system units and 1 spreader unit to MTBU area. At the conclusion of 2012, 1 BWE unit is operational and the other unit is entering the commissioning stage. As this report is prepared, we are confident that both BWE units are already in full operation.

So, in 2013, the Company will be able to operate all BWE systems it has in full and rely power supplies on its own PTLU. Along the line, the Company has also completed replacing and adding conventional primary mining equipments for the first stage. This includes the use of higher capacity shovel and truck, to meet the target of increased productions.


The company will be able to better integrate the distribution PKBL funds to its operational activities, by forming small industry clusters which will be able to supply fast moving components of mining equipments or support the initiative to control costs. The company also targets improving the production of its subsidiary, IPC, and coal buy and sell transactions with BA Prima.

All of this will be achieved with the support of an information technology application called Supply Chain Management System (SCMS), which will enable the company to monitor coal production and inventory status trends at own stockpiles as well as clients' stockpiles, set shipping and loading/unloading activities, and monitor billing statuses. Thanks to this system, the Company will be able to maintain its inventory level efficiently, and accurately meet customers' demands at the same time.

As for transportation, the Company has signed a long term coal transportation tariff agreement valid in December 2012 using existing train tracks. This is the follow up to the Coal Transport Agreement (CTA) signed in 2009. The new agreement ensures that the Company will have no problem with transportation facility availability. Hence, the Company can now focus on planning and realizing coal productions at its area according to the available volume of transportation.

The Company has anticipated the increase in transport capacity by refurbishing its loading/unloading facilities at Tarahan Port, Kertapati Jetty, and at its onsite stockpiles. The CHF refurbishment project includes conveyor, re-claimer, train loading station (TLS), rotary car dumper (RCD), and rail loop. For this CHF work, the Company makes use some of the competent human resources it has in designing and engineering parts of the CHF facilities. The Company has been planning to increase and keep the excellent performance of all the support facilities of which it is in charge to accommodate the increased volume of coal transportation activities.

Besides entering agreements with PT KAI, the Company will encourage one of its subsidiaries, PT Bukit Asam Transpacific Railway (BATR), to realize the construction of special railway tracks from Tanjung Enim to Lampung to accommodate 25 tons worth of moving coals annually.



The Company will be more intensive in developing a large-scale Power Plant in Banko Tengah with a capacity of 2x620MW.

The Company will keep monitoring the completion of 2x110MW Banjarsari Onsite Steam Electric Power Plant (Power Plant Banjarsari) by subsidiary PT Bukit Pembangkit Inovative (BPI). Besides Power Plant Banjarsari, the Company will focus on realizing the construction of large capacity Steam Electric Power Plants in (2x620MW) following the signing of LOI by PT PLN appointing PTBA and CHD the winners of the project tenders. The Company is now ready to follow the proposed construction of Riau Onsite Steam Electric Power Plan 2x300MW within Independent Power Producer (IPP) scheme.

In addition to Power Plant, the Company will be engaged in an intensive endeavor to exploit Coal Bed Methane (CBM) reserves within Tanjung Enim and Ombilin mining areas.

To support the plan to improve operational activities and business developments, the Company has launched a program to improve the competence of its human resources through a number of well-oriented trainings, both technically as well as managerially. Having mapped its demand for competent human resources, the Company organizes and completes candidate employee selection and recruitment process through third parties. This is because competent, well talented, and highly dedicated candidate employees can only be produced through such a fair and transparent recruitment mechanism.

The Company also targets improved management quality through a sustainable improvement effort, in terms of working system as well as management system. The Company is committed to period review and adjusting its procedure and management structure comprehensively to catch up with the latest trend. The Company has appointed a definitive working unit which will be liable for the review and adjustment process to ensure the continuing application of best practices in corporate governance.

To match the projected increase in operational activities, the Company has also had a number of community development programs, performance improvement in environmental recovery and conservation programs, occupational health and safety improvement programs in place. All those programs will hopefully help ensure the achievement of the set operational targets.

Material Information

Accounting and Disclosure Policy Revision

The Company has made some revisions on its accounting and disclosure policy to reflect the new SFAS (Statement of Financial Accounting Standards) from the Indonesian Institute of Accountants (IAI). A brief detail of the new policy can be found in the following discussion whereas more information on it is available in Note 4 in the Audited Consolidated Financial Report of the Company.

- The new standard and revision the Company adopts
Following are the revisions of the standard to comply with effective as of January 1, 2012.
 - **SFAS No. 10 (Revised 2010), “The Effects of Changes in Foreign Exchange Rates”**
The new standard requires entities to specify their functional currencies and elaborate all the foreign currencies to their functional currencies at transaction dates. These functional currencies are determined by using the primary and secondary factor hierarchy. This standard also provides a guideline on how to present the financial statement of a group whose subsidiaries, associations, and ventures use different functional currencies.

There are no significant changes following the adoption of this standard on the Group’s financial statement.
 - **SFAS No. 24 (Revised 2010) “Employee Benefits”**
Some of the important and relevant revisions of this standard to the Company are:
(1) Acknowledgment of actuarial profit (loss)
The revised standard introduces new methods to acknowledge actuarial profit (loss), that is, by acknowledging all profit/ (loss) through the other comprehensive income.
(2) Items of disclosure
The Company applies an alternative method to acknowledge actuarial profit/ (loss) for a financial report for year ended December 31, 2012. All actuarial profit/ (loss) not yet amortized on January 1, 2012 and extra actuarial profit/ (loss) from the current year is acknowledged in the current year through the other comprehensive income. The application is prospective.
 - **SFAS 33 (Revised 2011), “Stripping Activities and Environmental Management in General Mining”**
- Development or construction activities
From now, any development or construction activity is subject to SFAS 19, “Intangible Assets”, SFAS 16, “Fixed Assets,” and “Conceptual Framework.” Before January 1, 2012, those activities were subject to the older version of SFAS 33. The revision produces no significant impact on this accounting policy.
 - **SFAS No. 60 “Financial Instruments: Disclosures”**
The Company has adopted an accounting policy consistent with this standard and ensures that financial reports are prepared following the provisions of this standard disclosure.

- **SFAS No. 64 “Exploration and Evaluation of Mineral Resources”**
At present, mineral resources exploration and evaluation activities are subject to SFAS 64, “Exploration and Evaluation of Mineral Resources”. There are no significant changes in the amount of exploration and evaluation costs the Group capitalizes on. This is because SFAS 64 enables an entity to perform its disclosure policy before hand (see Note 2i) and the Group decides to do the same.
- The adoption and reinterpretation/revision of the following standards produce no material changes in the Company’s accounting policy and consolidated financial report:

The following accounting standards have been issued and it is mandatory to apply on or after January 1, 2012, yet the Company has not adopted them because they are irrelevant to the Company. These standards are:

- SFAS No. 13 (Revised 2011), “Investment Property”
- SFAS No. 16 (Revised 2011), “Fixed Assets”
- SFAS No. 18 (Revised 2010), “Accounting and Reporting by Retirement Benefit Plans”
- SFAS No. 28 (Revised 2010), “Accounting for Loss Insurance”
- SFAS No. 30 (Revised 2010), “Leases”
- SFAS No. 34 (Revised 2010), “Construction Contracts”
- SFAS No. 36 (Revised 2010), “Accounting for Life Insurance”
- SFAS No. 45 (Revised 2010) “Financial Reporting of Non-profit Organizations”
- SFAS No. 46 (Revised 2010), “Income Tax”
- SFAS No. 50 (Revised 2010), “Financial Instruments: Presentation”
- SFAS No. 53 (Revised 2010), “Share-based Payments”
- SFAS No. 55 (Revised 2010), “Financial Instruments: Recognition and Measurements”
- SFAS No. 56 (Revised 2011), “Earnings Per Share”
- SFAS No. 61, “Accounting for Government Grants and Disclosure of Government Assistance”
- SFAS No. 62 (Revised 2010), “Insurance Contracts”
- SFAS No. 63 (Revised 2010), “Financial Reporting in Hyperinflationary Economies”
- Interpretation of Financial Accounting Standards (“IFAS”) No. 13, “Hedges of a Net Investment in a Foreign Operation”
- IFAS No. 15, “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions”
- IFAS No. 16, “Service Concession Arrangements”
- IFAS No. 18, “Government Assistance - No Specific Relation to Operating Activities”
- IFAS No. 19, “Implementation of Restatement Approach in SFAS 63: Financial Reporting in Hyperinflationary Economies”
- IFAS No. 20, “Income Taxes - Changes in the Tax Status of an Entity or its Shareholders”
- IFAS No. 22, “Service Concession Agreement: Disclosure”
- IFAS No. 23, “Operating Leases - Incentives”
- IFAS No. 24, “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”
- IFAS No. 25, “Land Rights; and
- IFAS No. 26, “Reassessment of embedded derivatives”

The Company lawfully revokes the application of particular standards and interpretations, but the revocation produces no significant and material impacts on the Company's accounting policy and the number reported for the current or previous year. These standards are:

- SFAS No. 11, "Translation of Financial Statements in Foreign Currencies"
- SFAS No. 27, "Accounting for Cooperatives"
- SFAS No. 29, "Accounting for Oil and Natural Gas"
- SFAS No. 39, "Accounting for Joint Operation"
- SFAS No. 47, "Accounting for Land"
- SFAS No. 52, "Reporting Currencies"
- IFAS No. 4, "Allowable Alternative Treatments of Foreign Exchange Differences"
- IFAS No. 5, "Reporting Changes in Fair Value of Securities Included in Available for Sale Investments"

IFRS Convergence Preparation And Implementation

The Company has expected that IFRS convergence will impact its financial report. Through circular Number: SE05/MBU/2009 dated April 2, 2009 the Ministry of State Owned Enterprises (BUMN) requires the Board of Directors of State Owned Enterprises (BUMN):

- To participate actively in any event organized by the Indonesian Institute of Accountants on the planned implementation of IFRS, e.g. public hearing, public consulting, socialization, and other similar events.
- To respond actively and submit feedback in writing to DSAK IAI on the significant impacts on IFRS application to State Owned Enterprises (BUMN), and
- To get everything necessary for IFRS implementation ready.

Ahead the implementation of IFRS convergence (SFAS Revision), the Company has appointed an advocacy consultant. They are KAP Purwantono, Suherman & Surja (Ernst & Young affiliate), whose work scope includes as follows:

- Review Company's accounting and financial policies.
- Provide Revision Statements of Financial Accounting Standards (SFAS Revisions) training for the relevant employees of the Company.
- Advocate the implementation of SFAS Revision in the Consolidated Audited Financial Report for Financial Year 2011.

Thus, the Company has applied all the SFAS Revisions effective from January 1, 2011 accordingly. The foregoing section details the implementation of both Statements of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) by the Company in its Consolidated Financial Statement audited by KAP Tanudireja, Wibisana and Partners (PWC affiliate).

Important Agreements

In 2012, the Company enters a number of important agreements with business partners to secure the Company's operational transactions. The complete details of such agreements are available as Note 30 to the Company's Audited Consolidated Financial Report. Following is the summary of the important agreements entered by the Company:

Coal buy and sell agreement

The Company enters a coal buy and sell agreement with PT Indonesia Power-Unit Bisnis Pembangkitan Suralaya ("UBPS") 1-4 on October 2, 2002 for a 10 year term. The subject matter of this agreement concerns coal supplies to UBPS whose volume and quality will be reviewed 1 (once) every year. The sales price will also be subject to periodic reviews, that is, once in a year, and will be decided upon a separate negotiation and sensible price base.

Based on Addendum XIII, the Company signs an agreement to sell coals to UBPS for 2012 under which the Company will deliver 5,750,000 metric tons of coal whose per metric ton price per February 1, 2012 through December 31, 2012 according to addendum XIII is Rp825,000, later amended to Rp809,000 (full value) per metric ton for July 2012 through December 2012 shipments.

Besides entering an agreement with PT Indonesia Power, the Company has previously renewed the agreement to sell coals to PT PLN for Power Plant Bukit Asam under which the Company will supply as many as 9,860,000 metric tons starting from January 1, 2004 through December 31, 2012. This agreement was signed on May 21, 2004. One of the important clauses of this agreement is that the volume of shipments and sales price will be set for each period. Price will be based upon sensible market price. Effective from January 1, 2012 through December 31, 2012, per ton sales price will be Rp592,348 (full value).

The Company has also renewed its agreement to sell coals to PT PLN for Power Plant Tarahan on October 9, 2007. Under this agreement, the Company will supply as many as 17,132,000 tons of coal to Power Plant Tarahan from April 1, 2007 through December 31, 2031. Volume of shipments and sales price will be set for each period. Price will be based upon sensible market price. The 1st amendment dated June 18, 2012 provides that effective from January 1, 2012 through December 31, 2012, the new per ton sales price will be Rp732,576 (full value).

Based on addendum V of the Coal Buy and Sell Interim Agreement dated May 29, 2012, the Company agrees to supply and ship as many as \pm 1,750,000 metric tons of coal for October 1, 2010 through December 31, 2011 periods. For January 1, 2012 through December 31, 2012 periods, it is agreed that as many as 2,300,000 metric tons of coal (\pm 10%) will be supplied for Rp727.302 (full value) per metric ton. For January 1, 2013 through December 31, 2030, as many as \pm 262,600,000 tons of coal will be supplied based Coal Buy and Sell Agreement ("PJBB") which will be entered immediately prior to the expiry of PJBB. Volume of shipments and price for will be subject to periodic reviews and based on sensible market price.

Coal transport service agreement

The Company enters a coal transport service agreement from Tanjung Enim to Tarahan Port with PT KAI, under which PT KAI agrees to transport the Company's coals from the coal loading stations in Tanjung Enim to the coal wharf in Tarahan, Lampung and Kertapati Jetty in Palembang. The tariff for the service to each destination will be mutually agreed and reviewed periodically.

Mining service agreement

The Company enters a mining service agreement with PT Sumber Mitra Jaya (PT SMJ) for Banko Barat quarry for July 1, 2008 through June 30, 2013 periods. In addition, the Company also enters a mining service agreement with PT Pamapersada Nusantara (Pama) for MTBU, MTBS, Air Laya Quarry and a number of other locations within the Company's Production Process Mining Business License (IUP) (Packet 06-007) for April 1 through March 31, 2012 periods. The volume of coal production, land stripped, and relocation distance has been set for each agreement. The tariff for the mining service, on the other hand, will be set for each production period via mutual negotiations and agreements.

Addendum IV dated December 16, 2011 extends the term for Packet 06-007 to May 31, 2012. For August 1, 2011 through May 31, 2012, the target production amounts 16,339,000 BCM.

On November 17, 2011 the Company enters a new agreement on top-soil relocation service and heavy machineries and dump trucks rental for the quarry area and coal transportation in TAL and Muara Tiga Besar ("MTB") (Packet 10-200.R.2) with Pama as agreement No. 077/PJJ/EKS/0500/HK.03/2011 for August 1, 2011 through July 31, 2016 periods. The production target for top-soil is 145,987,500 BCM with average travel distance of 4.5 km and 39,850,000 tons for coal with average travel distance of 3.0 km. The cost is US\$282.92 millions and Rp3,160.43 billions (including VAT).

Pama will submit a performance bond to the Company worth 5% of the total price of work (including VAT) or equal to US\$2.83 millions and Rp31.61 billions.

Coal shipment service agreement

The Company enters a coal shipment service agreement with PT Arpeni Pratama Ocean Line (Arpeni) and PT Pelayaran Bahtera Adiguna (Bahtera) from Port Tarahan to Suralaya Steam Electric Power Plant (Power Plant Suralaya) Wharf. The packet 09-147 agreement dated October 12, 2009 with Arpeni provides that the coal shipment volume from July 1, 2009 through June 30, 2012 will amount 3,600,000 tons whose tariff will be periodically reviewed. The term of this agreement has been extended in the addendum to December 31, 2012.

The agreement with Bahtera (packet 11-019) was signed on February 9, 2011 whose tariff will be periodically reviewed.

Coal loading-unloading service agreement with Arpeni

The Company also enters a coal loading-unloading service agreement with Arpeni from PTBA Tarahan Coal Loading Terminal to PTBA Tarahan Loading Anchorage. Packet 09-086 Agreement dated October 21, 2009 provides that the annual loading-unloading volume using floating cranes and barges amounts 3,600,000 tons for three years starting from July 1, 2009 through June 30, 2012, for Rp33.550 per ton.

Pursuant to Addendum V No. 034/ADD/P51258/ EKS-0100/2012 dated 6 August 2012, tariff and time allotment were changed to Rp35,600 (full value) for the period between 1 July 2012 and 31 August 2012, and Rp39,500 (full value) from 1 September 2012 until the end of time allotted.

Payment of Third Party Contribution to the Local Governments

SP3D agreement with three South Sumatra, Lahat, and Muara Enim Governments provides that the Company will pay for the local development contribution. In 2012, South Sumatra, Lahat, and Muara Enim Governments will each receive a contribution of Rp14.5 billions, Rp10 billions, and Rp16 billions.

Detailed agreements are available as Note 30 to Company's Consolidated Financial Report for year ended December 31, 2012.

Conflict of Interest Transaction

In 2012, there is no conflict of interest transaction involving the Company.

Material Transaction

In 2012, no material transaction is entered to by the Company. A material transaction refers to any transaction defined by the provision of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) number IX.E.2 dated November 25, 2009 (Kep-413/BL/2009) on "Material Transactions and Changes in Primary Business Activities".

Company Stock Buyback

The Extraordinary General Meeting of Shareholders (RUPSLB) on December 22, 2011 resolves that the Company will buy back its stocks under the following scheme:

- There will be maximum 115,206,592 (one hundred fifteen million two hundred six thousand five hundred ninety two) B series stocks or 5% (five percent) of the total stock issue of the Company.
- The budget amounts Rp2,044,917,016,875 (two trillion forty four billion nine hundred seventeen million sixteen thousand eight hundred seventy five rupiahs), from unallocated profits.
- Buy back will occur no later than 18 months from the date of RUPSLB and in accordance with provisions of prevailing laws.

By December 31, 2012, the Company buys back its 13,096,500 stocks. The buy-back costs as much as Rp189.53 billions of fund or 9.3% of the approved fund allocation based on the RUPSLB.

The buy back complies with the provisions of prevailing regulations entirely. The Company appoints an independent security company to proceed with the buy-back process.

Acquisition

The Company has finished the due diligence process for a number of mining companies it plans to acquire. Following the evaluation of the 5 mining companies, the Company has decided to bid for 3 of them based on their long term prospects, and leave the other 2 for their failure to meet the minimum requirements, namely, long hauling distance, poor coal quality, and potential legal issues.

Of the three bids, one is discarded because no viable business agreement can be reached. The other two bids are still under evaluation by the prospect (s).

Hence, in 2012 there is no realized acquisition.

Expansion and Other Corporate Actions

The Company has realized its business development (expansion) plan by establishing subsidiaries and proceeding with a number of coal-based construction projects, e.g. Power Plant and CBM and coal train development (see the details in the discussion on "Business Development").

Other than the abovementioned business development plan, the Company is not involved in any other corporate actions such as debt restructuring program, etc.

Establishing Subsidiaries

The Company establishes a subsidiary, namely, PT Huadian Bukit Asam Power (HBAP) in September 2012. The company is engaged in the business as an independent power producer/IPP). The Company controls 45% stocks in this subsidiary. By the time this report is being prepared, the company is not yet operating.

Cessation Of Subsidiary's Operational Activities

In February 2010, Indonesian Police shuts down BBK operations as BBK fails to show the license to convert forest areas to mining areas from the relevant authority.

Further to this case, Muara Enim District Court (PN Muara Enim) has found BBK's Managing Director guilty as charged. PN Muara Enim also seizes Rp14,8 billions worth of BBK's inventories (fully provisioned on December 31, 2010) and a number of fixed assets in the forms of four heavy machines fully depreciated on December 31, 2010.

On February 28, 2011, Palembang High Court (PT Palembang) via judgment Number 024/PID/2011/PT.PLG nullifies the judgment of Muara Enim District Court. Palembang High Court's judgment argues that all licenses and agreements on mining business within a forest area in effect prior to the enactment of Law No.41/1999 remain valid to the expiry of the licenses or agreements in question.

At the date of this consolidated report, the legal case is still under cassation process at the Supreme Court. The Principal Permit to Borrow and Use Forest Areas ("IPPKH") has been issued by the Minister for Forestry on June 14, 2011 via Decision No.S.283/Menhut-VII/2011 covering an area of 443 Ha, which means 228 Ha narrower than the previous proposal which amounts 671 Ha. IPPKH to BBK is pending from the Minister of Forestry.

The Company expects that BBK will soon resume operation and this stoppage will not affect the Company's business and financial condition significantly. Total production of BBK in 2011 and 2010 were respectively zero and 77 thousand tons or 0% and 0.64% of the Company's total production of 12.9 million tons and 12.5 million tons.

In 2011 and 2010, BBK controls a total asset of Rp21 billions and Rp36 billions respectively or 0.18% and 0.41% of the total asset the Company controls amounting Rp11,510 billions and Rp8,718 billions each.

Related Party Information

Being a State Owned Enterprise (BUMN) with the Government as the controlling shareholder, the Company enters transactions with other State Owned Enterprises. This transaction type is called transaction with related parties, that is, parties who share one controlling entity. They include: product sales transaction, product/service purchase transaction, financial transaction, and distribution of pension fund transaction. Detailed information on Related Party Transactions is available as Note 32 to Consolidated Audited Financial Report.

From these related party transactions the Company either incurs assets or liabilities which are then posted as cash and cash equivalents, account receivables, liabilities, and accrual expenses.

In entering transactions with related parties, the Company applies to the following policy.

- Coal is sold to related parties under sales contracts using international indexes as comparison. Some adjustments are also made with regards to the specification of the coal and shipment destinations.
- Coal is shipped and transported to related parties under transportation agreements reached through negotiations. These agreements also account for common expenses plus specific margins.
- Fund is allocated on as needed bases and under a mutual benefit agreement, that is, from which the Company can optimize the benefits it receives.

Following are the transactions with related parties the Company commits to in 2012.

Party's Name	Nature of Relationship	Transaction
PT Bank Rakyat Indonesia (Persero) Tbk	Under one controlling entity	Fund placement
PT Bank Negara Indonesia (Persero) Tbk	Under one controlling entity	Fund placement
PT Bank Mandiri (Persero) Tbk	Under one controlling entity	Fund placement
PT Bank Tabungan Negara (Persero) Tbk	Under one controlling entity	Fund placement
PT Waskita Karya (Persero)	Under one controlling entity	Project construction
PT Kereta Api Indonesia (Persero)	Under one controlling entity	Coal transport
PT Indonesia Power	Under one controlling entity	Coal sales
PT Perusahaan Listrik Negara (Persero)	Under one controlling entity	Coal sales and power consumption
PT Semen Padang (Persero)	Under one controlling entity	Coal sales
Dana Pensiun Bukit Asam	Under one controlling entity	Pension fund management
PT Semen Baturaja (Persero)	Under one controlling entity	Coal sales
PT Timah (Persero) Tbk	Under one controlling entity	Coal sales
PT Bahtera Adhiguna (Persero)	Under one controlling entity	Coal shipment
PT Antam (Persero) Tbk	Under one controlling entity	gold purchase
PT Dahana (Persero)	Under one controlling entity	explosives purchase
PT Pertamina (Persero)	Under one controlling entity	fuel purchase
PT Asuransi Jasa Indonesia (Persero)	Under one controlling entity	Insurance premium
PT Asuransi Jiwasraya (Persero)	Under one controlling entity	Pension fund

Monetary Assets and Liabilities in Foreign Currency

The Company has a number of assets and liabilities in foreign currencies on December 31, 2012. These assets and liabilities have been converted to IDR at US\$1 = Rp9,670 and €1 = Rp12,809 (full value) on Bank Indonesia's middle rate. The net value of all the assets and liabilities in foreign currency as net assets equals Rp779.63 billions.

The detailed information of those assets and liabilities is available as Note 37 to the Company's Audited Consolidated Financial Report.

Contingency Assets and Liabilities

Mining Law No. 4/2009

On December 16, 2008, the House of Representatives passed the Mineral and Coalmining Law, approved by the President on January 12, as Law No.4/2009.

Following the issue of the Law, the Director General of Mineral, Coal, and Geothermal ("DJMBP") issues Decision ("SK") No.03.E/31/DJB/2009 on Mining Concession (KP) on which the Government bases its operations. The decision among others contains the following provisions:

- Existing KP prior to the enactment of the Law will remain valid to its actual expiration date on the condition that it will have to be converted to IUP as the Law requires no later than January 11, 2010.
- DJMBP will provide for the mechanism to issue IUP (it assumed that it will be the implementation procedure of Law No.4/2009).

- All exploration and exploitation KP holders will be required to submit their activity plans for all the KP to the expiry of the term of the KP, which is no later than 6 months from the passing of the Law, that is, July 11, 2009.

In February 2010, the Indonesian Government issues two government regulations, namely, Government Regulations No.22/2010 and 23/2010 ("PP No.22" and "PP No.23"), as the follow-up for the enactment of Mining Law No.4/2009. PP No.22 provides for the formation of mining areas by using the new mining business license. PP No.23 also requires the conversion of KP to IUP within three months from its issue. The government, however, has not provided the definitive mechanism for this process.

The Company consistently monitors the implementation procedure of the Law and will account for any impacts it may have on the Company's operations, if any, at its issue. The consolidated financial report indicates that the Company has obtained IUP for most exploration/exploitation areas it controls.

Ministerial Decree No. 34/2009

In December 2009, the Minister of Energy and Mineral Resources issues Decree No.34/2009 under which mining companies are obligated to sell a portion of their production to domestic buyers ("Domestic Market Obligation" or "DMO"). Compliant to Ministerial Decree No. 2360/K/30/MEM/2010, the Company sells 53% (2011: 62%) of its total production to domestic markets.

This Ministerial Regulation contains a "cap and trade" provisions enabling any mining company surpassing its DMO obligation to sell/transfer its DMO credits to other mining companies who have not met the DMO commitment. The commercial price applies to DMO credits. This DMO credit transfer mechanism is provided for in Circular Number DJMBP 5055/30/DJB/2010 dated November 29, 2010 which says that DMO credit is transferable among mining companies upon the consent from the Directorate General of Mineral and Coal. This includes the credits owned by traders representing a mining company.

Mining Reclamation and Shutdown

On December 20, 2010, the Indonesian Government issues the implementation procedure for Mineral Law No.4/2009, as Government Regulation (PP) No.78/2010 ("PP No. 78") providing for reclamation and post-mining activities for IUP-Exploration and IUP-Production Operation. This regulation confirms the adoption of Ministerial Regulation No.18/2008 issued by the Minister of Energy and Mineral Resources on May 29, 2008.

Under this regulation, IUP-Exploration holders will be obligated to include its exploration plans in its work plan and exploration budget and submit a reclamation bond in the form of term deposits with a government bank.

IUP-Production Operation holders, under this regulation, will be required to prepare (1) five yearly reclamation plan; (2) post-mining plan; (3) submit a reclamation bond in the form of term deposits with a government bank, bank guarantee, or account reserves (if allowed); and submit a post-mining bond in the form of term deposits with a government bank.

The submission of the reclamation and post-mining bonds does not relieve IUP holders from their obligation to conduct reclamation and post-mining activities.

In this consolidated financial report, the Company has included mining reclamation bonds as reserved accounts (see Note 20) and will pay for that deposit. Under this regulation, the Company has submitted its mining shutdown plan to the Governor of South Sumatra. The Company expects that approval will be granted in 2012 and the deposit will not be paid until 2015, which is, three years from the approval of the mining shutdown plan by the Governor of South Sumatra and Muara Enim Regent.

Ministerial Decree No. 17/2010

On September 23, 2010, the Minister of Energy and Mineral Resources issued Ministerial Decree Number No. 17/2010 detailing the mechanism to determine the base pricing of the coal, as the implementation procedure for Law UU No. 4/2009. This regulation is effective as of September 23, 2010.

Ministerial Decree No.17/2010 provides among others as follows:

- the use of the international market index average price of mineral/coal and free-on-board (“FOB”) carrier as the point of sales to decide the benchmark price;
- extra charges as adjustments to the benchmark price (if the actual FOB point of sales is not the carrier); and
- the use of market price approaches (that is, benchmark sales price vs. actual sales price, whichever the higher) to decide the portion payable to the State (example: royalty or exploitation fee).

This regulation also obligates mining companies to:

- use Indonesian flagged vessels on which to transport minerals/coins;
- prioritize using national insurance companies where CIF conditions apply; and
- use surveyors appointed by the Directorate General of Mineral and Coal.

The royalty and exploitation fee will be calculated based either on actual sales prices or the Indonesian Minerals and Coal Benchmark Price (IMCBP), whichever the higher, as further detailed in Ministerial Decree No. 17/2010.

Ministerial Decree No.17/2010 allows a transition period in which to switch to spot sales contracts no later than May 22, 2011 and long-term sales contracts no later than September 22, 2011.

On March 3, 2011, the Minister of Energy and Mineral Resources issues Ministerial Decree No. 0617 K/32/MEM/2011 on Coal Price to PT PLN for the Operation of Steam Electric Power Plant, which among others provides as follows:

- Coal is sold to PT PLN to operate steam electric power plants at benchmark price when PT PLN has reached agreements with PKP2B companies or Coal Production Operation IUP holders;
- The agreed coal buying price will be adjusted once every 12 months. The coal remains sold at benchmark price effective at the time of adjustment; and
- The benchmark price for coal will be further provided for in a regulation of the Director General of Mineral, Coal, and Geothermal.

On March 24, 2011, the Director General of Mineral, Coal, and Geothermal issues Director General's Regulation No.515.K/32/DJB/2011 on the Coal Benchmark Price Formula, which among others provides that:

- Coal benchmark price will be decided on a monthly basis based on the average of a number of coal price indexes;
- Coal benchmark price will be used as the reference in coal transaction; and
- The price of coal sold over a specific period of time (term) will be based upon the average of three most recent benchmark prices in the month where price agreements are reached.

On August 26, 2011, the Director General of Mineral, Coal, and Geothermal issues Director General's Regulation No.999.K/30/DJB/2011 on the How to Calculate the Amount of Coal Price Adjustments.

The management believes that the pricing method the Company takes for short-term coal sales contracts has complied with IMCBP price. For long term sales contracts, the price will be adjusted annually based on IMCBP price of the year.

In calculating royalties, the Company has also adjusted the sales price based on the calory of each sale.

Lawsuits in Progress

In 2003, the Company received KP to exploit Lahat. In 2004, the authority to grant KP was transferred to the Regent of Lahat from the Governor of South Sumatra. On August 29, 2009, via the State Administration Court ("PTUN") of Palembang, the Company petitioned the Regent of Lahat for issuing other KP to other private sector corporations over the same area owned by the Company. PTUN Palembang overruled the Company's petition.

The case is now under review at the Supreme Court. Following is the summary of the case over the last two years:

- On January 28, 2010, the Supreme Court issued a Cassation Judgment overruling Respondents' (Regent of Lahat and cos) Cassation Application, the notice of which the Company received on December 01, 2010.
- Respondents filed a Civil Review Application ("PK") to the Supreme Court. The Company responded to the Review Application on May 20, 2011, submitted to the Supreme Court via PN Lahat. The case was under review process at the Supreme Court.
- On June 20, 2011, the Regent of Lahat filed a Review Application on KP case with PTUN Palembang and the Company prepared its response to the Supreme Court via PTUN Palembang.
- On October 11, 2011, Supreme Court issued State Administration ("TUN") Review Judgment No.109.KP/PTUN/2011 granting the State Administration Review Application from the Regent of Lahat. Thus, at PTUN Palembang, the Party was the loser.

- On November 25, 2011, the Company filed a State Administration Review Application (PK TUN) with the Supreme Court via PTUN Palembang against the State Administration Cassation Judgment from the Supreme Court No.326K/TUN/2006 dated May 10, 2007.
- On December 16, 2011, the Head of PTUN Palembang issued a stipulation declaring the Company's State Administration Review Application (PK TUN) unacceptable.
- On January 11, 2012, the Company filed a Cassation Application against the Head of PTUN Palembang's stipulation regarding the State Administration Review Application (PK TUN).
- On 9 April 2012 PTBA filed a lawsuit to KPK (Corruption Eradication Commission) against Lahat Regent for corruption in collaboration with several private mining firms, which allegedly occurred from 2003-2008.
- On April 16, 2012, the Company received the Civil Review Judgment from Supreme Court No. 405.KP/PDT/2011 dated November 10, 2011 granting the Review Application from respondents (the Regent of Lahat).

Account Reclassification

The Company has adopted the Decision of the Chairman of BAPEPAM-LK Number KEP-347/BL/2012 on the Presentation and Disclosure of Underwriters or Public Companies' Financial Report. Some comparative figures in financial reports dated December 31, 2011 and January 1, 2011 have been reclassified to better reflect the accounts in financial report dated December 31, 2012. Followings are among the reclassified accounts:

- Other current assets
- Accrual expenses
- Short-term employee benefit liabilities

The anticipated impacts of account reclassification are presented as Note 38 to the Company's Consolidated Audited Financial Report.

Material Events After Balance Sheet Date

No material events have occurred at the conclusion of the reporting period in the Company's Consolidated Audited Report.

Subsidiaries Performance

- PT Batubara Bukit Kendi was incorporated in 1996. The Company controlled 75% of shares. The company was engaged in coal mining business. It began production in 2007 and sold all its products to PTBA. In 2010, the company stopped its operation due to IPPKH issues.
- PT Bukit Pembangkit Innovative was incorporated in 2005. The Company controls 59.75% of its shares. This company is engaged in the construction of steam electric power plant business. The company is now involved in the construction of Power Plant 2x110MW in Banjarsari, South Sumatra. At the end of 2012, Power Plant construction has reached 30.6%.

- PT Bukit Asam Prima was incorporated in 2007. The Company controls 99.99% of its shares. This company is engaged in coal trading business. It has been operating since 2007. By 2012, this company has purchased as many as 1,311,654 tons of coal and sold 469,234 tons (excluding sales to PTBA due to consolidation) with Rp35.87 billions worth of profit before tax.
- PT International Prima Coal was acquired by PTBA in 2008 through the purchase of 51% of its shares. The company is engaged in coalmining business in Samarinda, East Kalimantan. It began commercial operations in. In 2012, it produced 902,666 tons, traded 147,396 tons, and sold 998,330 tons. In 2012, it collected Rp520,819 billions worth of income with profit before tax amounting Rp43,729 billions.
- PT Bukit Asam Metana Ombilin was incorporated in 2007. The Company controls 99.99% of its shares. This company is engaged in methane gas mining business. The company is not yet operational.
- PT Bukit Asam Metana Enim was incorporated in 2007. The Company controls 99.99% of its shares. This company is engaged in methane gas mining business. The company is in the process of development.
- PT Bukit Asam Metana Peranap was incorporated in 2007. The Company controls 99.99% of its shares. This company is engaged in methane gas mining business. The company is not yet operational.
- PT Bukit Asam Banko was incorporated in 2008. The Company controls 65% of its shares. This company is engaged in coal mining business and not yet operational.
- PT Bukit Asam Transpacific Railway was incorporated in 2008. The Company controls 10% of its shares. The company is engaged in coal transportation by train business from Tanjung Enim to Lampung, and in the process of development.
- PT Huadian Bukit Asam Power was incorporated in 2012. The Company controls 45% of its shares. The company is engaged in steam electric power plant business and in the process of development.





- Corporate Governance Report
- Annual General Meeting of Shareholders
- Coordination between Board of Commissioners and Board of Directors
- Board of Commissioners
- Board of Directors
- Committees and Committee Report
- Corporate Secretary
- Internal Audit and Control System
- Risk and Risk Management
- Whistle Blowing System
- Code of Conduct
- Standard Policy
- Implementation of GCG Basic Principle
- Case Involving the Company

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Corporate Governance Report

Implementation Objectives

For the Company, currently the implementation of Corporate Governance best practice (GCG) is conducted not only as the follow up to Regulation of SOE State Minister No. PER-01/MBU/2011 concerning the Implementation of GCG Practice in SOE and Regulation of SOE Minister No. PER-12/MBU2012 concerning Support Organs of Board of Commissioners, and other similar regulations; but also implemented based on belief that there are many positive benefits of the adoption of GCG best practice in the long run. Benefits of the implementation of GCG best practice are:

- Strengthen company's relationship with major business partner due to corporate reputation intact.
- Make the company as customer choice in establishing long-term relationship with the principle of win-win solution.
- Maximum corporate performance, as a result from the achievement of operational excellence obtained from the implementation of inovative process.
- Increase employees' satisfaction and motivation.
- Increased corporate capitalization in capital market as a reflection of the fulfillment of shareholders' expectation.
- Corporate sustainability is more assured so as to enhance the stakeholder value.

Considering certain interrelated benefits, the Company is committed to improve the implementation quality of GCG best practice in order to achieve the long-term goals. The Company defined objectives to be achieved from GCG implementation, so that the whole range of implementers will support and implement the entire rules that accompany the implementation of GCG best practice. The objectives of GCG implementation in the Company are:

- To control and direct relationship between the Shareholders, Board of Commissioner, Board of Directors, employees, customers, partners, society and the environment.
- To encourage and support Corporate development.
- To manage resources more responsibly.
- To manage risks better.
- To increase accountability to stakeholders.
- To prevent the occurrence of irregularities in Corporate management.
- To improve work ethics of the Company.
- To improve Corporate image to be better.

To achieve those objectives, the Company seeks to apply good governance principles, including the principles of transparency, accountability, responsibility, independency and fairness in balance with development efforts of corporate culture and values contained in formulation of code of ethics and culture of the company. Implementation of GCG best practice accompanied by the awareness of high integrity through the implementation of code of ethics and cultural values are believed to provide the best values from the application of GCG, which in turn will result in optimal performance of the company.

Best practice, review and refinement of all Corporate Governance rules periodically according to the current conditions as part of the efforts to sustain and enhance corporate values

A good quality of GCG implementation will support to increase Corporate performance through a better process of decision making, improve operational efficiencies, enhance service to stakeholders which in turn will be able to increase corporate value. In addition, stakeholders satisfaction will also increase due to the improved financial performance as well as reduced investment decisions containing conflict of interest, and also increased trust of investor. So, eventually the long-term corporate sustainability will also be ensured.

Considering that corporate sustainability is one of the benefits to be obtained from the implementation of GCG best practice, the Company continued to determine and highly committed to continuously improve the implementation quality of GCG best practice. In order to be able to implement GCG best practice, all institutions, rules, policy and organization associated with the administration and management of the organization must be constantly reviewed and updated regularly to be always in line with current condition.

For this purpose, the Company has renewed the organization for the implementation of GCG, by establishing an agency that assigned to conduct periodic review of the rules related to GCG in order to conform with the latest condition. The agency is a unit of Corporate Management System which in charge of Management System sub-division, Risk Management sub-division and GCG. The Company has also assigned a Director who definitively oversees the implementation of the whole order and rules relating to the implementation of GCG best practice.

Commitment, consistency and success of the Company in implementing good governance has also led to numerous awards from independent institutions of various perspectives, such as:

- **The Best Fraud Prevention and Performance Management**, for category of mining companies from Asia Anti Fraud 2012.
- **Indonesia Enterprise Risk Management Award 2012**, for category of SOE Issuer of Coal Mining Strategic Industries from Business Review Magazine
- ***The Best in Building and Managing Corporate Image 2012***, Bloomberg Business Week Indonesia & Frontier Consulting Group in the event of ***Corporate Image Award 2012***.
- **Indonesia Green Awards 2012**, from Bisnis dan CSR magazine in cooperation with Ministry of Forestry and Ministry of Industry.
- **Best SOE 2012 in GCG Implementation and Obligation Fulfillment to Stakeholders** from Indonesian Institute of Corporate Directorship (IICD)
- **Ranked fourth** for category of ***The Best GCG Implementation of The Year 2012***, in the event of **Business Review Award**.

GCG Practice Assessment

To find out and get an overview of GCG implementation quality, the Company periodically conducts assessment. The assessment and evaluation on GCG implementation is conducted independently (GCG Self Assessment) each year refer to standard of Forum for Corporate Governance in Indonesia (FCGI). Self Assessment in 2012 was held on 20-24 September 2012, the assessor is the internal auditor of PTBA SMP and SPI unit. Final assessment score in **2012** is **89.78**, increase from 86.48 in 2011, with the following details:

Field Description	Assessment				
	Target	Realization	Grade	Weight	Score
Shareholders Right	85	80	94%	20%	18.82
<i>Corporate Governance Policy</i>	80	66	83%	15%	12.38
<i>Corporate Governance Practices</i>	255	229	90%	30%	26.94
<i>Disclosure</i>	90	85	94%	20%	18.89
Audit Function	40	34	85%	15%	12.75
Total					89.78

In the assessment process, the assessors identified certain things that still need to be improved and refined in order to improve quality of GCG implementation, and made the following recommendations:

- *Corporate Governance Policy* :
 - The Company needs to appoint work unit / officer who is responsible to evaluate and to ensure that operations of the company has complied with all prevailing laws and regulations.
 - The Company needs to establish work unit / function that is responsible for the implementation of GCG in the Company.
- *Corporate Governance Practice*
 - Board of Commissioners needs to define the role and function which is responsible for the implementation of GCG in the Company.
 - Board of Directors and Board of Commissioners can participate in training conducted by the Ministry of SOE.
- *Disclosure*
Information disclosure related to BOD and BOC compensation in accordance with Bapepam Regulation-LK.VIII.G7, listed on Financial Report 2012.
- *Audit Function*
Auditee should play an active role to follow up the audit findings that should be proceeded in accordance with accountability principle in order to eliminate the risk of loss that may occur.

By considering those recommendations and corporate needs to achieve quality improvement of GCG implementation, then in 2012, the Company has realized certain governance improvement programs, socialization of new internal rules, and establishment of implementing organizations. Besides considering the above recommendation, the implementation of the whole program also refers to development of current GCG best practices. Programs that carried out in 2012 as continuation of the implementation of previous years programs covering:

- *Corporate Governance Policy* :
 - The Company refine its organization by establishing Legal and Licensing Work Unit that previously was Legal and Corporate Administration Work Unit.
 - The Company refines its organization, so that matters relating to GCG is now under responsibility of the Manager of Risk Management and GCG. Previously there has been no definitive organization which in charge of GCG.
 - The Company refine financial organization by separating the function of recording, payment, financial reporting, and performance monitoring. For example: currently, tax function separate from the insurance function turned into a manager-level, management reporting function has also become a manager level.

- Corporate Governance Practice
 - One member of the Board of Directors has been appointed by the Board Meeting as the person in charge of GCG implementation and monitoring in PTBA
 - Commissioner participated in workshop on Regulation of SOE Minister No. PER-12/MBU/2012 concerning Support Organ of Board of Commissioner / SOE Board of Trustees.

- Audit Function

Auditee is committed to follow up on all the audit findings.

- Board Manual Review

Board Manual was prepared according to the principles of corporate law, provisions of the Articles of Association, prevailing law and regulation, and directives of the Stakeholders governing the works of Board of Commissioners and Board of Directors as well as Good Corporate Governance best practices. In 2011, the Company evaluated the Board Manual which has been prepared in previous year, through an intensive meeting of cross Commissioner Committee, together with Board of Commissioners, Board of Directors and Legal & Licencing Work Unit.

Intensive meetings concluded that it was necessary to amend and revise a few crucial items to make them more in line with the latest Good Corporate Governance best practices. The revised Board Manual was laid down in Board of Directors and Board of Commissioners Joint Decision No. 11/SK/PTBA-DEKOM/XII/2012 and No. 272. AJ/KEP/Int-0100/PW01/2012 dated 22 December 2012.

- Code of Conduct (CoC) Socialization

The Company re-disseminate the points of provisions contained in Code of Conduct (CoC). The CoC guidelines explain certain basic rules relating to the ethics, including:

 - Policy on Conflict of Interest
 - Policy on Restriction of Giving and Receiving Gift, Bribe and the like
 - Policy on Goods and Services procurement
 - Procedure of Reporting Misconduct
 - Distribution of Conduct Compliance sheets to be signed by all employees

Socialization of CoC guidelines and bolstering employees' commitment towards work ethics and business ethics according to GCG principles was affirmed by signing compliance sheet by all employees of the company and subsidiaries.

In addition to all corporate internal personnel, the Company continued socialization process of CoC guidelines points to external stakeholders in Tanjung Enim, Palembang, and Jakarta, particularly to business partners and vendors being the stakeholders who have the most contact with the Company in the course of business.

- Implementation of Whistle-blowing System

According to recommendation of study of *Organization for Economic Co-operation and Development (OECD)*, *Association of Certified Fraud Examiner (ACFE)* and *Global Economic Crime Survey (GECS)*, one of the effective ways to prevent and combat corruption, bribery or other fraudulent practices which are against GCG principles is the establishment and implementation of whistle-blowing system.

The effectiveness of this system is shown by the number of cases detected earlier and relatively short handling time as well as a bigger opportunity for the company to handle the fraud internally before it becomes public and tarnish the organization's reputation.

The existence of this reporting system is expected to prevent fraudulent acts and thus promote the Company's accountability and performance.

Considering the above, and follow up preparation process as well as the result of comparative study in order to bench-mark the system at certain SOEs, the Company has established a Whistle-Blowing System Unit, through:

- Endorsement of Guidelines of Whistleblowing System by President Commissioner and President Director of PTBA in accordance with Joint Decree of Board of Commissioner and Board of Directors of PT Bukit Asam (Persero) Tbk No. 03/SK/PTBA-KOM/II/2012 and No. 049/KEP/Int-0100/PW.01/2012 dated February 29, 2012.
 - Establishment and Appointment of SPP Management Team, through Decree of Board of Directors No. 277/KEP/Int-0100/PW.01/2012 dated October 10, 2012.
 - The signing of Commitment to the application of Whistleblowing System by the Board of Management on November 8, 2012.
- Development of IT-Based Risk Management
 - In addition to monitoring and controlling the risk of 37 categories of corporate risk, the Company also conducted risk analysis study on the projects (investment and business development) that have been and will be running to support decision making by the Board of Commissioner and Board of Directors. The projects included the plan to establish Bukit Asam Independent Hospital (RSBA), fund allocation through Private Equity Fund (RDPT) and realization of the opening of Peranap Mine.
 - The Company has also developed concept and started to realize development of IT-based risk management to improve effectiveness of the implementation of risk management.

The Company has the whole soft structure of GCG implementation consisting of Board Manual, GCG Code, Code of Conduct and derivative rules / Policies

Further explanation of the activities carried out in order to improve GCG implementation in 2012 as mentioned above, is described in the following sections.

Governance Guidelines and Structure

Following the implementation of Law No. 40 of 2007 on Limited Liability Company (Corporate Law), Law of SOE, Regulation of SOE Minister, recommendation from the assessment result of GCG practices, and the latest development of GCG practices, the Company established and implemented the latest GCG Soft Structure consisting of Board Manual, GCG Code, Code of Conduct, and Additional Policies, which are reported in corporate governance section.

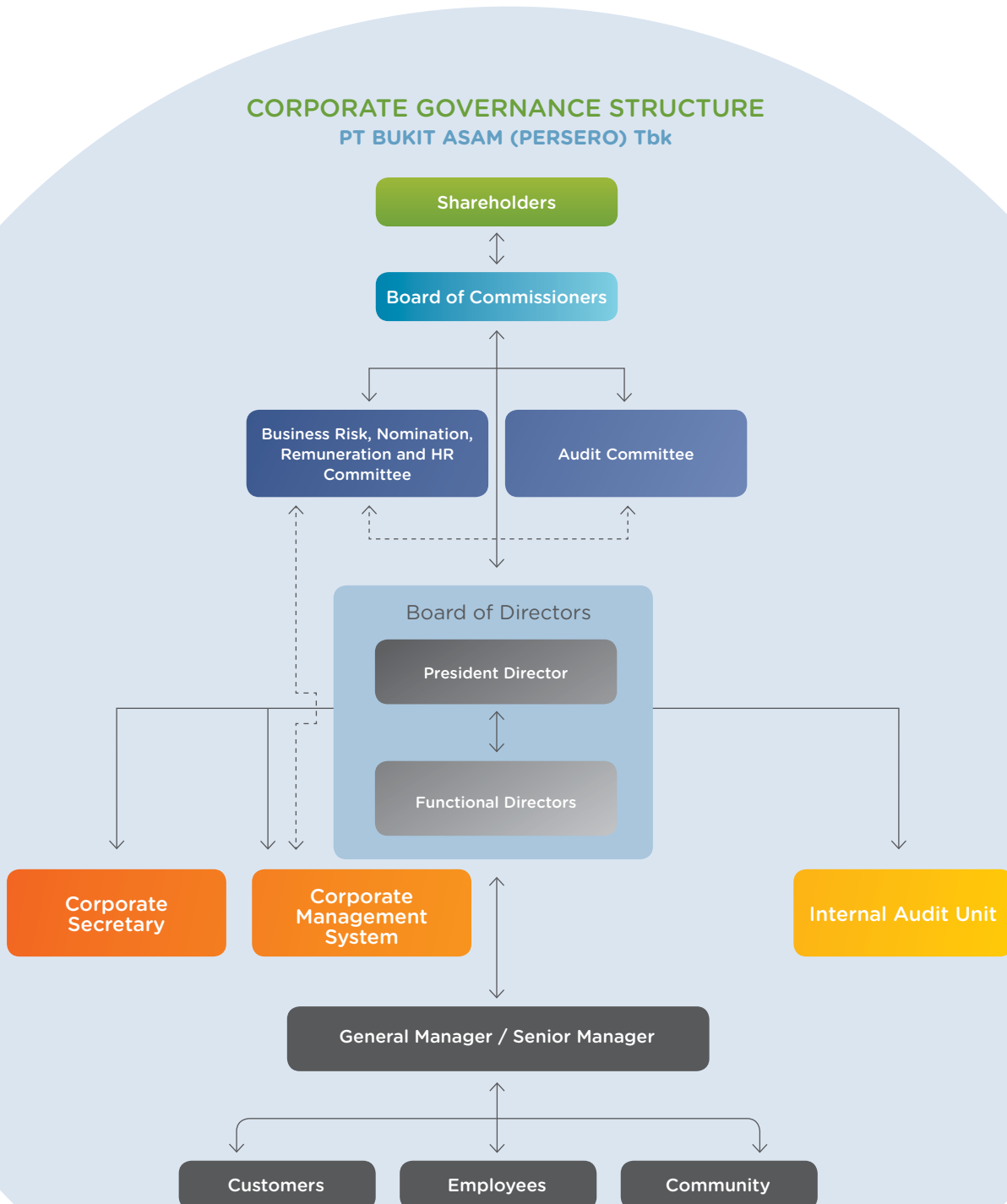
Board Manual is a working guideline for Board of Commissioners, Board of Directors and its personnel. The Board Manual manage relationship between Board of Commissioners and Board of Directors, including a clear division of authorities and responsibilities between the two boards and between each member of Board of Commissioners and Board of Directors. Board Manual applies to corporate members i.e. GMS, Board of Commissioners and Board of Directors in the Company referring to the provisions and prevailing law and regulations, articles of association, and directives of the shareholders which were set forth in General Meeting of Shareholders (GMS) that govern the work of Board of Commissioners and Board of Directors. The Company is currently refining the result of review on Board Manual preparation process which was completed in 2011.

Corporate Governance Code is a crystalization of all rules that serve as guidelines for corporate governance, cultural value espoused, vision and mission as well as GCG best practices. GCG Code has been prepared to be a reference for the Shareholders, Board of Commissioners, Board of Directors, Employees, including other stakeholders in dealing with the Company.

The Corporate Governance Code contains the principles of corporate guidance which further elaborated in certain policies and technical implementation rules.

Given the dynamic and expansive nature of business environment, GCG Code will continue to be adjusted to internal and external condition. Review and adjustment will be an ongoing process that is required to reach the effective and best standard of GCG implementation for the sake of the Company's performance. While the explanation of Code and Conduct as well as certain key policies related to governance in the Company, will be outlined at the end of description of this "Governance Implementation Report".

Governance Structure of PT Bukit Asam (Persero) Tbk is as illustrated in the following chart.



Corporate Organ

As shown in Corporate governance chart above, the Corporate Organ consists of General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors each of which has an important role in the implementation of GCG effectively. These Corporate Organs functionate based on principle that each organ stand independently and carry out the duties, functions and responsibilities solely for the benefit of the Company.

General Meeting of Shareholders (GMS) is the highest authority within the Company, a forum for the shareholders to act equally in taking important decisions associated with capital invested in the Company. However, GMS can not intervene in operational decisions which is the authority of Board of Commissioners and Board of Directors.

Board of Commissioners is Corporate Organ that in charge of supervising either generally or specifically, as well as provide advices to the Board of Directors. While Board of Directors is Corporate Organ which is authorized to take full responsibility over daily management of the Company and to act solely for the benefit of the company in accordance with the aims and objectives of the Company.

In operating activities, Board of Commissioners and Board of Directors established a Corporate sub-organ as per requirement to assist the smooth operation and to provide necessary input to secure the smooth operations of the Company. The establishment of this sub-organ was carried out as part of a clear division of authority to apply the basic principles of GCG effectively. Explanation of each functions, tasks, and duty performances of those corporate organs can be seen in the following analysis.



PTBA head office
in Tanjung Enim

General Meeting of Shareholders (GMS)

Being the highest body within the Company, General Meeting of Shareholders (GMS) has the authority that is not conferred on the Board of Commissioners or Board of Directors under the Articles of Association and the prevailing laws and regulations. Such authority covers the right to ask Board of Commissioners and Board of Directors to give their accountability reports on the management of the Company, amend articles of association, elect and terminate members of Board of Commissioners and Board of Directors, divide duty and authority among directors, etc.

In GMS, all shareholders have an equal right to decide important matters related to and based on business sustainability. Therefore, in GMS mechanism, every important decision is taken through voting by all shareholders or their authorized representatives according to the provisions. Prior to voting, all shareholders are entitled to ask questions about the topics outlined in the meeting agenda and get adequate answers from the Company's representatives (the Directors or their officials and/or the Board of Commissioners) according to their respective authority.

To ensure minority shareholders' interests are considered in decision making process and in conveying constructive ideas, a certain mechanism is provided by involving Independent Commissioner who does not represent any majority shareholder's interest.

There are two types of GMS depending on the time they are convened: Annual General Meeting of Shareholders (AGMS), held at least once a year within six months after the end of the Company's fiscal year; and Extraordinary General Meeting of Shareholders (EGMS) that may be convened anytime other than AGMS time.


Generally, agenda of AGMS covers:

- Performance report delivered by Board of Directors
- Appropriation of profit
- Appointment of Certified Public Accountant
- Other agenda in accordance with the Articles of Association

Any resolution adopted by GMS is solely for the benefit of the Company. Therefore, to ensure that every decision taken is based on thorough deliberation, the Company guarantees to provide any information as long as it does not contradict the Company's interest and the law.

In accordance with the Company's Articles of Association and bylaws, some important decisions that cannot wait the AGMS may be taken at EGMS. EGMS is held when the following actions are required:

- Replacing members of Board of Commissioners and Board of Directors before the end of their term, either due to resignation and/or other reasons.
- Proposing plans for material transactions related to pledge of corporate assets, corporate acquisition or closure of business unit.
- Proposing plans for transactions with conflict of interest.
- Proposing material corporate plans, such as shares buy-back, stock split, and rights issue.



At GMS, all shareholders have equal rights to decide important matters related to and aimed at business continuity

Proposal to convene EGMS should be made in writing with agenda to be discussed and the reasons. Proposal may be made by Board of Commissioners or holders of Series A Dwiwarna shares, or by one shareholder or more owning at least 1/10 (one tenth) of total shares with valid voting right. The meeting procedures must conform to the prevailing laws and regulations.

Pursuant to Law No. 40/2007 on Limited Liability Companies, Article 78 paragraph 2, in 2012 the Company held one AGMS on 3 May 2012. In keeping with the law, invitation and notice of meeting agenda was published in Bisnis Indonesia, Investor Daily and Sriwijaya Post newspapers on 25 April 2012. The AGMS was attended by 84.39% of total issued shares, including Series A Dwiwarna shares.

At the AGMS, the following resolutions were adopted:

- Approving Board of Directors' Annual Report on the Company's condition and performance during 2011 fiscal year and Annual Report on Partnership and Community Development Program of the same year.
 - Ratifying the Company's 2010 Financial Statement audited by Certified Public Accountant Tanudiredja, Wibisana & Partners, a member firm of PricewaterhouseCoopers, according to its report No.A120228005/DC2/DWD/I/2012 dated 28-02-2012 with an opinion of "fair in all material respects."
 - Giving full release and discharge (volledig acquit et de charge) to Board of Directors and Commissioners of the Company for their management and supervision actions during 2011 fiscal year, as long as those actions were recorded in the books of the Company and were not in contradiction to the provisions and the law.
 - Ratifying the 2010 fiscal year Annual Report of Partnership and Community Development Program including the Financial Statement audited by Certified Public Accountant according to its report No.A120420008/DC2/HSB/II2012 dated 20-04-2012 with the opinion "fair in all material respects."
 - Giving full release and discharge (volledig acquit et de charge) to Board of Directors and Commissioners of the Company for their management and supervision of Partnership and Community Development Program during 2011 fiscal year, as long as those actions were recorded in the books of the Company and were not in contradiction to the provisions and the law.
- Approving the appropriation of net profit in 2011 fiscal year ending on 31 December 2011, amounting to Rp3,085,835,860,775 (three trillion eighty five billion eight hundred and thirty five million eight hundred sixty thousand seven hundred and seventy five rupiah), with the following details:
 - 60% (sixty percent) of the net profit or Rp1,851,501,516,465 (one trillion eight hundred and fifty one billion five hundred and one million five hundred sixteen thousand four hundred and sixty-five rupiah) is distributed as cash dividend.

Note:

Cash dividend to be distributed is final dividend deducted with interim dividend of Rp238,385,481,201 (two hundred and thirty eight billion three hundred and eighty five million four hundred and eighty one thousand two hundred and one rupiah) or Rp103.5 per share which was paid out on 15-12-2011. Thus the amount of cash dividend to be distributed is Rp700.10 (seven hundred point ten rupiah) per share.

AGMS of 2012 declared a 60% dividend payout ratio of the Company's profit in 2011

- 1% (one percent) of net profit or Rp30,858,358,608 (thirty billion eight hundred and fifty eight million three hundred and fifty eight thousand six hundred and eight rupiah) is allocated to Partnership Program in 2012.
 - 3% (three percent) of net profit or Rp92,575,075,823 (ninety two billion five hundred and seventy five million seventy five thousand eight hundred twenty three rupiah) is allocated to Community Development Program in 2012.
 - 36% (thirty six percent) of net profit or Rp1,110,900,909,879 (one trillion one hundred and ten billion nine hundred million nine hundred and nine thousand eight hundred seventy nine rupiah) is set for the Company's business development.
 - Authorizing Board of Commissioners to fix the amount of bonus for Directors and Commissioners for 2011 fiscal year and salary/remuneration, allowances and benefits for 2012 fiscal year with the consent of Series A Dwiwarna shareholders.
- Approving to reappoint Certified Public Accountant Tanudiredja, Wibisana & Partners, a member firm of PricewaterhouseCoopers to perform audit of the Company's financial statement for 2012, and financial statement of Partnership and Community Development Program of 2012, and specifying the terms and conditions of appointment including but not limited to audit fee, as well as appointing a substitute CPA if the appointed CPA is unable to continue or perform its duties.
 - Approving the appointment and dismissal of Board of Commissioners members:
 - Honorably dismiss Mrs. Umiyatun Hayati Triastuti as member of Board of Commissioners as of the closing of this meeting with gratitudes for her contribution of energy and thoughts during her term.
 - Appoint Mr. Robert Heri as member of Board of Commissioners as of the closing of this meeting until the closing of the fifth AGMS after his appointment, but without detracting the GMS's right to dismiss members of the Board of Commissioners at any time.
 - Thus the composition of Board of Commissioners as of the closing of this meeting is as follows:

› President Commissioner	: Dr. Patrialis Akbar, SH. MH.
› Commissioner	: Ir. Robert Heri, MM
› Commissioner	: Dr. Ir. Thamrin Sihite, ME
› Commissioner	: Drs. Imam Apriyanto Putro. MM.
› Independent Commissioner	: Suranto Soemarsono, SE. MA.
› Independent Commissioner	: Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ
 - Authorizing Board of Directors to act on AGMS resolutions according to the law.

Pursuant to Bapepam Regulation No.IX.I.1 on Planning and Convening GMS, the Company submitted the results of GMS on 3 May 2012 to Bapepam and IDX and advertised a notice in Bisnis Indonesia, Sriwijaya Post, and Investor Daily newspapers on 4 May 2012.

Relationship And Coordination Between Board of Commissioners And Directors

The relationship, duty and coordination between the Board of Commissioners and Directors in day-to-day management are set in the Board Manual which has been established on 22 December 2012 in joint decree No. 11/SK/PTBA-DEKOM/XII/2012 and No. 272.AJ/KEP/Int-0100/PW01/201. Board of Commissioners' main duty is to supervise operational activities conducted by the Directors to comply with the law, articles of association and corporate objectives, as well as to give advice on problems encountered. While Directors' main duty is to carry out GMS resolutions, the Board of Commissioners' directions and to manage the Company's operations.

Strategic and substantial issues requiring Board of Commissioners' approval are discussed at joint meetings of Board of Commissioners and Board of Directors

Both corporate organs must coordinate and work together to achieve the corporate goals and long-term business sustainability. Therefore both boards should respect each other's duty, responsibility and authority according to the law and articles of association. In addition, they must share the same vision, mission, values and strategy of the Company.

Board of Commissioners and Board of Directors hold regular meetings to synchronize views and decide important matters concerning the Company's operations and business sustainability. At these meetings they discuss business plans, operations, opportunities and strategic issues that need the Commissioners' approval. These meetings also serve as

coordination forum to discuss Directors' periodic reports, give feedbacks, notes and advices that are recorded in minutes of meeting.

Decisions of meetings are binding and made by deliberation to reach consensus or by majority votes. During voting, any Commissioner who has conflict of interest should refrain from voting and this condition is recorded in the minutes of meeting.

All procedures, working guideline and relationship between Board of Commissioners and Board of Directors are outlined in Board Manual. This Manual binds all members of Board of Commissioners and Board of Directors, specifying their responsibility, duty, authority, right and ethics, as well as meeting procedures and coordination of work between Board of Commissioners and Board of Directors.

In 2012, Board of Commissioners and Board of Directors held 12 joint meetings, with topics of discussion as described in the Board of Commissioners' Report. Attendance of Board of Commissioners and Directors at the meetings is shown below.

Attendance at Joint Meetings of Board of Commissioners and Board of Directors

Name	Position	Number of Meetings (A)	Attendance (B)	% (B:A)
Dr. Patrialis Akbar, SH. MH	President Commissioner	12	12	100
Dr. Ir. Thamrin Sihite, ME	Commissioner	12	9	75
Ir. Umiyatun Hayati Triastuti, MSc ⁽¹⁾	Commissioner	4	3	75
Ir. Robert Heri, MM ⁽²⁾	Commissioner	8	7	88
Drs. Imam Apriyanto Putro, MM	Commissioner	12	8	75
Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ	Independent Commissioner	12	12	100
Suranto Soemarsono, SE. MA	Independent Commissioner	12	12	100
Ir. Milawarma, M.Eng	President Director	12	12	100
M. Jamil, SE. MM. Ak	Director	12	12	100
Ir. Heri Supriyanto	Director	12	11	92
Ir. Anung Dri Prasetya, MAppSc	Director	12	12	100
Achmad Sudarto, SE. MM. Ak	Director	12	11	92
Ir. Maizal Gazali, MM	Director	12	12	100

Notes:

(1) Office term ended 3 May 2012

(2) Commencing 3 May 2012

Conclusions and decisions made at joint meetings of Board of Commissioners and Directors including:

- Management
 - Intensify production efficiency program and cost control to maintain profit margin considering decreasing coal prices.
 - Management is advised to increase sales of high-calory coal to foreign markets with better profit margin than low-calory coal.
 - Monitor and ensure the commissioning of Tanjung Enim 3x10MW Power Plant went well to meet future electricity requirement and cut down production cost caused by substantial electricity consumption.
 - Management is advised to explore selling excess electricity from Tanjung Enim Power Plant and prepare human resources or other efforts to maintain the mine's network system after the commissioning phase is completed.
 - Follow up the obtained permit for PT Batubara Bukit Kendi to use production forest area with settling legal and internal problems so BBK can to resume its operation.
 - Management is recommended to prepare the closure of Ombilin mining operations, relocate personnels to other work units and realize mining area maintenance measures.
 - Monitor Lahat lawsuit, follow up with intensive communication with judiciary and executive (ministry) government agencies.

- Intensify BATR activities in constructing new railway track according to schedule to support PTBA operations.
- Approve the main points in 2013 Work Program and Budget concerning percentage increase of net profit and production volume.
- Governance
 - Agreed with the agenda and date of AGMS.
 - Financial statements of PTBA and its subsidiaries are prepared using accounting policies based on the provisions of Indonesian Institute of Accountants (IAI) which decided to converge International Financial Reporting Standards (IFRS) in 2012, and in accordance with SOE Ministry Circular No.SE-05/MBU/2009 on International Financial Reporting Standard (IFRS) convergence plan into SFAS which will be enforced gradually since 1 January 2011 until fully enforced in 2012. Therefore, since 2011 CPA Purwantono, Suherman & Surya (EY) has assisted in preparing consolidated financial statements of PT Bukit Asam (Persero) Tbk and its subsidiaries in accordance with the general provisions of SFAS and other standards required by Bapepam-LK. CPA Purwantono, Suherman & Surya (EY) also assisted in implementing SFAS for fiscal year 2012.

Board of Commissioners

The main duty of Board of Commissioners is to supervise operational practices in a general or specific sense according to the Articles of Association and give counsel to the Board of Directors' policies in running the Company. Board of Commissioners is not to intervene in Board of Directors' duty of making operational decisions.

Commissioners' performance is evaluated periodically, minimum once a year, by GMS based on performance evaluation criteria proposed by the Nomination and Remuneration Committee. The evaluation result of Commissioners conducted by the Shareholders at the AGM. The results will be used by GMS as indicators in remunerating, appointing and terminating members of Board of Commissioners.

The composition of the Board of Commissioners as per EGMS of 3 May 2012:

President Commissioner	: Dr. Patrialis Akbar, SH, MH
Commissioner	: Ir. Robert Heri, MM
Commissioner	: Dr. Ir. Thamrin Sihite, ME
Commissioner	: Drs. Imam Apriyanto Putro, MM
Independent Commissioner	: Suranto Soemarsono, SE, MA
Independent Commissioner	: Ir. Abdul Latief Baky, SH, MHum, MSc, FIQ

Independency of Independent Commissioner

Two of the Company's six Commissioners are Independent Commissioners, or 33%, which is in accordance with the law. Indonesia Stock Exchange Decision No. Kep-05/BEJ/07-2004 regarding Regulation No.I-A on Share and Equity Listing by Listed Companies requires that every public company has Independent Commissioners representing at least 30% of total number of Commissioners.

Independent Commissioners have no business association or affiliation with the Company and do not work for any of the state ministry, non-ministry or military within the past three years. Nor do they have family relationship with other members of Board of Commissioners or Board of Directors down to the third level. One of the Independent Commissioners has a financial education background and competence to supervise the Company's finances. The second Independent Commissioner is knowledgeable in mining business, administration and law to support the work of Board of Commissioners.

To ensure independency, Independent Commissioners do not have either business nor affiliation relationship with the Company and have no family relationship with the Board of Directors and the Board of Commissioners

Having complied with all the basic requirements, the Company believes the Independent Commissioners are capable of acting independently in their counselling and supervising function.

Nomination of the Board of Commissioners

Members of Board of Commissioners are nominated and terminated by GMS through a transparent process. Nomination takes place once in every five years. To ensure the candidates' professionalism and integrity, a thorough fit and proper test is conducted openly to confirm that the candidates are free from any affiliation or conflict of interest, and that the minority shareholders' interests are fairly honored.

Duty and Responsibility of the Board of Commissioners

Commissioners have the following main duty and responsibility:

- Supervising the policy and function of managing the Company by Directors and giving counsel to the Directors.
- Monitoring and advising on the implementation of Corporate Long Term Plan, Work Program & Budget, provisions of Articles of Association, resolutions of GMS, and the prevailing laws and regulations, and in concert with the purpose and objective of the Company.
- Examining, reviewing, signing and approving or ratifying Work Program & Budget prepared by the Directors, no later than 60 (sixty) days prior to the beginning of new fiscal year.
- Examining, reviewing and signing periodic and annual reports prepared by the Directors.
- Submitting report on implementation of its supervisory duty to GMS.
- Performing other supervising and counselling duties, provided they are in keeping with the law, Articles of Association and GMS resolutions.

Authority of the Board of Commissioners

In carrying out its duty, the Board of Commissioners is authorized to:

- Examine books, letters, and other documents, check and verify cash and other commercial instruments, and other property of the Company.
- Request explanation from Directors or other officials concerning the management of the Company.

- Be informed of the policy and actions of the Directors, request Directors and other officials under the Board of Directors with their knowledge to attend Board of Commissioners meetings.
- Suspend member of Board of Directors according to the Articles of Association.
- Manage the Company under certain circumstances for a period of time as ruled by the Articles of Association.
- Employ experts for certain purposes in a certain period of time according to the Articles of Association.

Board of Commissioners Meeting

Supervision of the Company's operations is done through meetings, evaluation of monthly operating reports and discussion with relevant committees according to the that need attention.

Board of Commissioners meeting is held under the following terms:

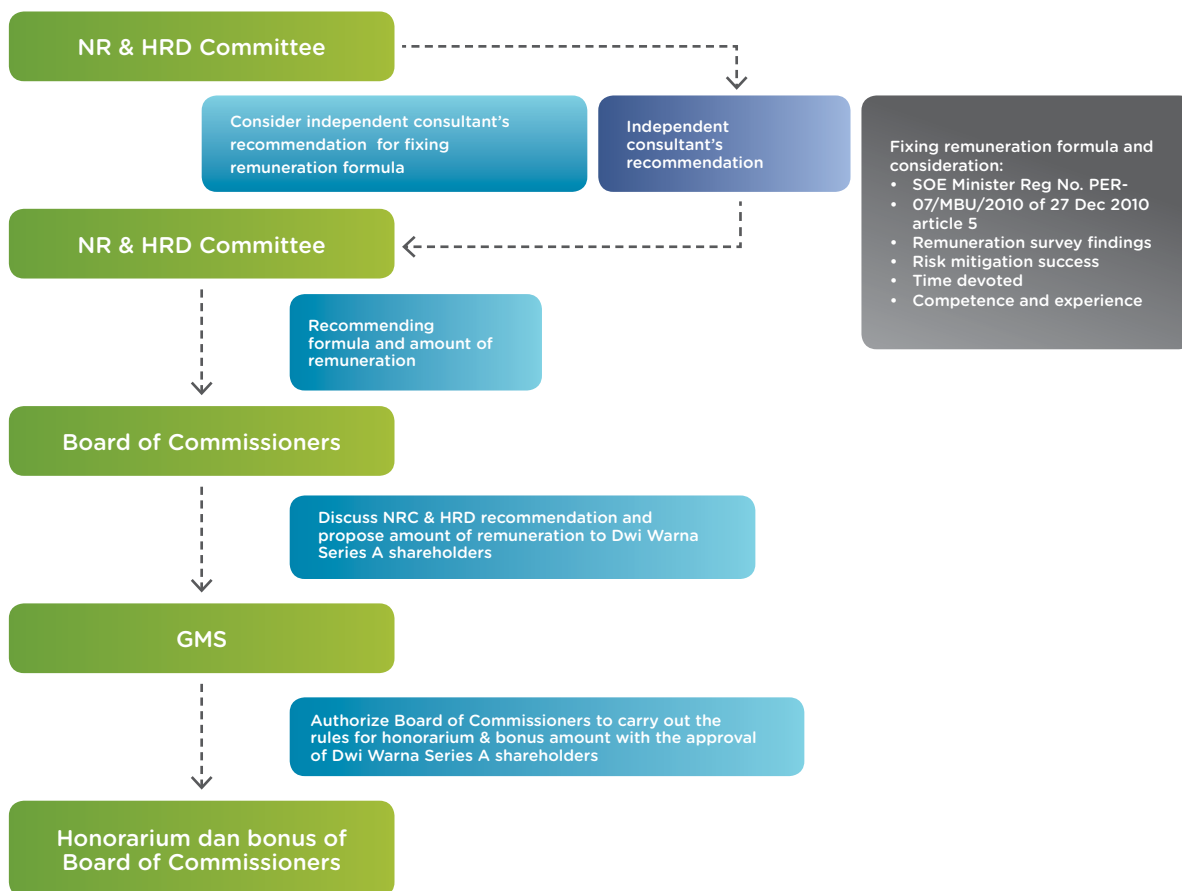
- Board of Commissioners meeting is valid and authorized to make binding decisions only if attended by at least one half ($\frac{1}{2}$) of total members of Board of Commissioners or their proxies.
- Board of Commissioners meeting must make decisions by deliberation to reach consensus. If no consensus is reached, decisions are made by votes in favor of more than one half ($\frac{1}{2}$) of total votes validly cast at the meeting. Each member of Board of Commissioners is entitled to cast one vote. When making decision with conflict of interest, any Commissioner who has conflict of interest is not allowed to participate.
- Copies of minutes of meeting, including dissenting opinion (if any), that have been signed by all members present at the meeting must be immediately distributed to all members of Commissioners and the original copy of minutes and attendance list are kept by the Secretary to Board of Commissioners.
- Board of Commissioners is authorized to question the follow-up to the recommendations made at the Board of Commissioners meetings and joint meetings of Board of Commissioners and Directors.

**Board of Commissioners
monitors the follow-up of its
recommendations in accordance
with its authority**

Determination of Board of Commissioners' Remuneration

The sum of Board of Commissioners' remuneration is proposed at GMS based on the Board's achievement according to the analysis and recommendation of Nomination and Remuneration Committee and Human Resources Development. To fix a reasonable formula and make recommendation, NR & HRD Committee seeks the advise of an independent consultant

who compile several major factors in proposing the amount of remuneration with the support of a reliable database from market survey of companies with similar nature and equal level and study result from NR & HRD Committee. The following chart shows the procedure of fixing the Commissioners' remuneration.



Amount of Remuneration

The amount of remuneration for the Board of Commissioners is according to the provisions of SOE Minister Regulation No. PER-07/MBU/2010 on Guidelines to Determine the Remuneration of Board of Directors, Commissioners and Trustees in State Owned Enterprises.

According to the Minister Regulation, the GMS set the Board of Commissioners' remuneration with components of honorarium, allowances, benefits and performance bonus/incentive.

Bonus distribution to BOC also refers to the Minister Regulation, including:

- Bonus is given when state-owned enterprises make profits in the fiscal year
- Bonus is given if KPI achievement and level of health score is above 70%
- KPI achievement calculated in bonus is maximum 150%
- The composition of bonus amount:
 - President Commissioner is 40% of President Director.
 - Members of BOC of 36% of President Director.

Allowances for President Commissioner and other Commissioners include retirement insurance, leave, holiday bonus, medical care, and income tax allowance.

BOC and BOD remuneration amount is proposed by NR & HRD Committee referring to SOE Minister Regulation PER-07/MBU/2010 and submitted to Series A Shareholders to be determined

With one President Commissioner and five Commissioners, total remuneration for Board of Commissioners allocated for 2011 totalled Rp14,088 billion. Taxes will be borne by each Commissioner individually.

Total remuneration of BOC in FY 2012 and 2011 is given below.

Remuneration of BOC in FY 2012 and 2011

Description	FY 2012				
	Person	Honorarium (Rp)	Allowance (Rp)	Bonus (Rp)	Total (Rp)
President Commissioner	1	600,000,000	683,531,553	1,547,492,335	2,831,023,888
Commissioner	5	2,400,000,000	2,503,991,417	6,353,197,982	11,257,189,398
Total Commissioner	6	3,000,000,000	3,187,522,970	7,900,690,316	14,088,213,286

Description	FY 2011				
	Person	Honorarium (Rp)	Allowance (Rp)	Bonus (Rp)	Total (Rp)
President Commissioner	1	600,000,000	678,656,228	968,828,338	2,247,484,566
Commissioner	5	2,189,333,333	2,306,920,314	3,487,782,016	7,984,035,663
Total Commissioner	6	2,789,333,333	2,985,576,542	4,456,610,354	10,231,520,229

Note:

- All remuneration is subject to tax
- Following the Annual GMS on 9 June 2011, one member was added to the Board of Commissioners

Implementation of Board of Commissioners duty

In 2012 Board of Commissioners held 27 meetings, consisting of 15 BOC internal meetings and 12 joint meetings with BOD, with the following attendance rate.

Attendance at Board of Commissioners Meeting in 2012

Name	Position	Number of Meetings (A)	Attendance (B)	% (B:A)
Dr. Patrialis Akbar, SH. MH	President Commissioner	15	15	100
Dr. Ir. Thamrin Sihite, ME	Commissioner	15	13	87
Ir. Umiyatun Hayati Triastuti, MSc ⁽¹⁾	Commissioner	6	5	83
Ir. Robert Heri, MM ⁽²⁾	Commissioner	8	6	75
Drs. Imam Apriyanto Putro, MM	Commissioner	15	13	87
Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ	Independent Commissioner	15	15	100
Suranto Soemarsono, SE. MA	Independent Commissioner	15	15	100

Notes:

(1) Office term ended 3 May 2012

(2) Commencing 3 May 2012

In 2012 besides giving advice and direction to the BOD through correspondence, the BOC also offered their views and recommendations in the management of the Company's operations and other matters according to their job and responsibility as described below:

Board of Commissioners Recommendation

Finance

- Since the company's performance as of September is still below the target of 2012 Work Program & Budget, BOD was advised to take more effective measures to improve the performance.
- BOD was reminded to consider the inhibiting factors in achieving the target of 2012 Work Program & Budget as part of the analysis and problem solving in preparing 2013 Work Program & Budget.
- Challenged by declining coal selling prices, Board of Directors was required to focus its attention on operating efficiency to maintain profit margin per ton product.
- Board of Directors was reminded to keep a good cash flow position, and to place funds in first-rate and safe financial instruments.
- Excess fund was recommended to be placed in cash with state-owned banks.

Production

- Board of Commissioners recommended selective mining strategy amidst declining coal prices that persisted in 2012.
- Board of Commissioners recommended more intensive supervision over coal inventories, particularly low calorie coal, and sales to neighboring Power Plant.
- Board of Directors was advised to put more effort towards optimum cost efficiency, in view of the fact that operating and financial performance was likely to miss the target.
- The four-year production target should carefully weigh the executive officers' ability and internal capacity.

Marketing

- BOD was requested to boost marketing and expand domestic and export target market.
- Board of Commissioners supported a marketing strategy with emphasis on long-term contract, and pointed out the need for a clause to allow periodic price review in accordance with normal business practices and the law.

Business Development

- Regarding the establishment of a joint venture to construct Bangko Tengah 2x620MW Power Plant, The Board of Commissioners approve the establishment plan with several requirements:
 - Hire an independent consultant who is expert in international business contracting
 - Mining land should be clean and clear, and the partners are not allowed to make a novation with another company.
- In solving Banko Tengah Mine land overlapping, BOC has requested BOD to complete the location map and explain it in detail, and clarify the compensation offered.
- Regarding PT Kendilo Coal Indonesia (PT KCI) acquisition plan by PT BA Prima (PT BAP), BOC has advised BOD that the plan cannot be considered since the risks are very high.

- Regarding the development of Peranap Mine and Peranap Mine Mouth Power Plant, BOC requested BOD to submit additional data and more detailed information.
- BOC principally approved BOD plan to participate in South Sumatra 9 & 10 IPP auction, with a few things to be noted:
 - Ensure that PTBA has the financial ability
 - When choosing consortium partners, consider their experience in building large-scale Power Plant
 - Financial and technological ability
 - Good track record in constructing Power Plant
 - Consider as well as possible the potential of coal reserves
 - Reserves location should be clean and clear.
- BOC approved the plan to turn Bukit Asam Hospital into an independent entity with a few things to be noted:
 - The action can bring optimal contribution to PTBA in the future.
 - Mitigate the potential risks.

Performance and Management of Subsidiaries

- BOC considered that the performance of subsidiaries and business units should be improved and recommended BOD to take specific measure for each subsidiary:
 - Discontinue the operation of Ombilin Mining Unit, considering its low production output (500 tons) and relocate personnel to other business units. Ombilin area should be developed for other purpose, i.e. CBM exploitation.
 - Although BAP and IPC have made profit, BOC recommended to increase their profitability either through bigger sales/production volume or operating efficiency.
 - Regarding Briquette business unit which production has not reached BEP or over minimum production volume of 12,014.69 tons/year or cost of goods sold (COGS) of Rp1,661.85/kg, BOC recommended market expansion to new areas, such as Lombok, besides continuing plant relocation and improving efficiency.
 - With respect to subsidiary's Board of Directors composition, Board of Commissioners suggested that there should be no dual function and there should be more than one candidate proposed from outside PTBA Board of Directors.
 - On the subject of IPC and BAPrima performance, Board of Commissioners proposed a comprehensive description of resources, particularly in IPC area.

Governance

- BOC requested BOD to follow up the recommendation on result of audit by State Audit Board on PTBA
- BOC endorsed the review of the latest Board Manual prepared with the help of a consultant. BOC is very concerned about the balance between BOC and BOD's rights and responsibilities in the new Board Manual.
- Regarding the Board Manual, BOC supported the socialization in the review and implementation process to strengthen the commitment of Commissioners, Directors and Committees.
- Board of Commissioners recommended that the appointment of senior officers one level below Board of Directors, including Corporate Secretary and Senior Manager of SPI, should be approved by Board of Commissioners, pursuant to SOE Minister Regulation No. PER-01/MBU/2011.

- With the official enforcement of IFRS in 2012, Board of Directors was expected to capitalize on the Public Accountant's recommendation to apply IFRS at PTBA.
- To follow up on SOE Minister Regulation No. PER-12/MBU/2012 concerning Support Organs of SOE Board of Commissioners, Board of Commissioners of PTBA decided to terminate the function of two Committees of Board of Commissioners. Consequently, Board of Commissioners now has only two Committees, i.e. Audit, and Business Risk, Nomination & HRD. The tasks of the discontinued Committees were passed on to the existing ones.

Others

- BOC approved the plan to transfer the assets of former Ombilin Mining Training College (OMTC) and BOD was requested to refer to the prevailing laws and regulations in the buying and selling process.
- BOC approved the 2013 Work Program and Budget with a few notes.

Board of Directors

BOD is collectively in charge of and responsible for managing the Company to ensure all resources are used to the maximum, profitability is increased and corporate value is continuously enhanced. BOD members perform and make decisions according to their respective duty and authority, but the performance of each member remains the BOD's collective responsibility.

Members of BOD including President Director are on an equal footing. The duty of President Director is coordinating all activities of BOD members. Members are selected and appointed by GMS for a term of five years. To ensure they have the appropriate integrity and qualification for their respective fields, all candidates must take fit and proper tests openly. By resolution of EGMS on 22 December 2011, the current BOD consists of one President Director and five Directors as follows:

President Director	: Ir. Milawarma, M.Eng
Finance Director	: Achmad Sudarto, SE. MM. Ak
Operations/Production Director	: Ir. Heri Supriyanto
Business Development Director	: Ir. Dri Anung Prasetya, MAppSc
Commerce Director	: M. Jamil, SE. MM. Ak
HR & GA Director	: Ir. Maizal Gazali, MM

Independency of the Board of Directors

Composition of BOD is carefully set up to ensure timely, correct, effective, responsive decision-making in any situation while independently weighing the risks and conditions. Independent attitude and action mean there is no interest or conflict of interest that may interfere with the Directors' ability to act independently and consider every step critically.

BOD acts independently also means there is no outside intervention influencing BOD's judgement that is contrary to the law and Articles of Association. To maintain their independency, members of BOC and BOD have no family relationship down to the third level, both vertically and horizontally.

BOD Independence is realized through making operational decision without conflict of interest, intervention and influence of any party

Duty and Responsibility of the Board of Directors

The main duty and responsibility of BOD is to manage the Company to achieve its objective in an effective and efficient manner and to provide optimal value to stakeholders. The duty and responsibility include:

- Formulation of corporate vision, mission and values, short and long term programs, managing resources effectively and efficiently, caring for minority shareholders' interest fairly and possessing clear work system and work charter.
- Timely preparation of Work Program and Budget and its revisions for BOC's approval in BOC meeting no later than 60 days before the start of new fiscal year.
- Preparing and implementing risk management covering all aspects of the Company's operations.
- Formation of internal control unit, ensuring smooth internal or inter-departmental and external communication with stakeholders, as well as preparing and implementing CSR program.
- Providing explanation for all things questioned or requested by BOC.
- Writing annual report that serves as accountability report of their performance in managing the Company, complete with all supporting documents including financial documents as set forth in the Law on Corporate Documents.

While the specific duty and responsibility of each Director are as follows:

President Director

- Coordinating other members of BOD so that all activities are in line with the Company's vision, mission, business target, strategy, policy and work program.
- Aligning all internal initiatives of the Company and ensuring the Company's improved competitiveness, coordinating all functions of internal audit, communication, ensuring compliance with the laws and regulations and coordinating risk management and business development.
- Directing, developing and devising overall management strategy.
- Preparing Long Term Plan to be signed jointly with Commissioners and ratified by GMS.
- Preparing Work Program & Budget which is the annual elaboration of Long Term Plan.
- Preparing general policy of Internal Control System and taking further action in response to audit findings reported by Internal Control Unit.

Finance Director

- Coordinating, controlling and evaluating the work of the Finance, Budget and Accounting Divisions, as well as securing funds required for business development.
- Promoting corporate value through fund and risk management.
- Providing guidance to Accounting, Budget, Treasury, Funding and Information Technology Work Units.

Operations/Production Director

- Coordinating, controlling and evaluating the work of Coal Mining, Engineering, Work Safety, Environment Units, and continuously developing mining and production efficiency program.
- Providing guidance to Production Optimization Evaluation Analysis work unit and Coal Handling and Transporting work unit.
- Providing guidance to operating units which are Tanjung Enim Mining Unit, Tarahan Port Unit, Kertapati Jetty Unit and Ombilin Mining Unit.

Business Development Director

- Developing potential use of natural resources in the Company's managed area.
- Conducting studies and adding value to natural resources in the Company's managed area.
- Reviewing and realizing business development plan with the support of HR innovation, utilizing efficient, economical and accountable technology.
- Providing guidance to Corporate Planning and Development work unit.

Commerce Director

- Responsible for sustainable growth and development of the Company's business and increased product competitiveness in the long term.
- Responsible for sales, distribution and transportation units, and marketing development, sustainable income growth, efficiency of coal supply and transportation management, as well as optimum purchase of goods.
- Responsible for the development and expansion of product marketing and maximizing the profitability of business units.
- Providing guidance to Coal Marketing and Logistics work units.
- Providing guidance Briquette Business Unit.

Human Resources and General Affairs Director

- Responsible for HR recruitment, counselling, development and management strategy.
- Responsible for legal and licensing matters, and ensuring the Company's compliance with the prevailing laws and regulations.
- Responsible for general affairs, CSR activities, partnership and community development program.
- Providing guidance to HR, GA, Corporate Legal & Administration, CSR, Bukit Asam Hospital and Security work units.

Determination of the Board of Directors' Remuneration

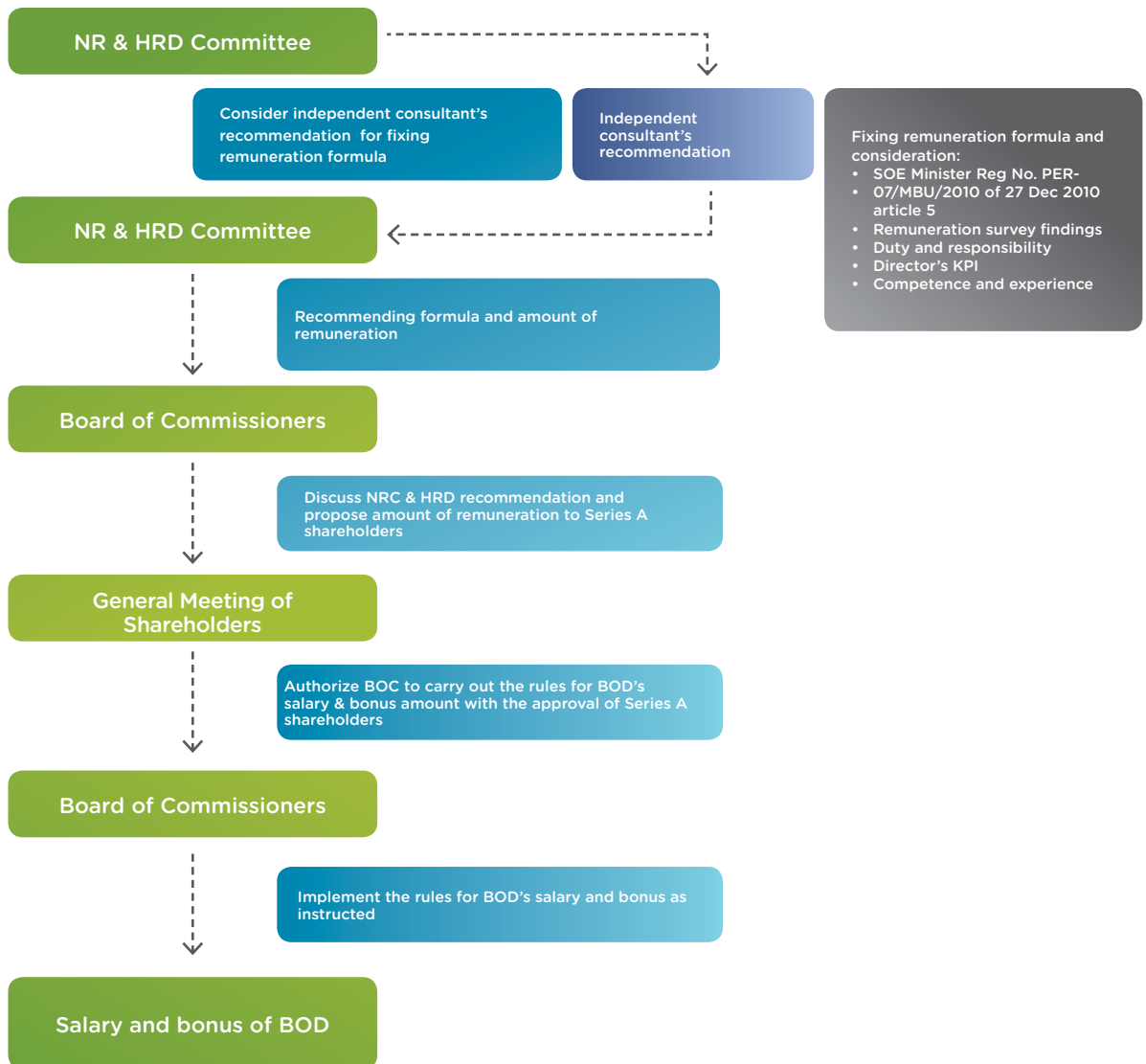
The Company determines the amount of BOD's remuneration based on their duty, responsibility and performance. Brief procedure of determining BOD's remuneration are as follows:

- Remuneration and Nomination Committee (NRC) requests an independent consultant to review remuneration.
- Independent consultant develops remuneration formula, conducts survey in similar industry, recommends remuneration package with its consideration.
- NRC recommends BOD's remuneration package with its consideration to BOC.
- BOC discusses NR & HRD Committee's proposal, set some proposals with consideration and submits them to Series A shareholders for approval.
- GMS authorizes BOC to execute resolution regarding BOD's benefits/allowances as approved by Series A shareholders.



Remuneration of Board of Directors is commensurate with their respective duty, responsibility and performance

The following graph shows the procedure of fixing BOD's remuneration.



BOD receives fixed and variable remuneration consisting of annual gross base salary (honorarium for BOC), total cash, total earnings and total remuneration, plus other facilities and allowances as recommended by NR & HRD Committee. Remuneration paid to BOD may vary depending on their respective duty and responsibility.

GMS held on 3 May 2012 decided that President Director's salary is Rp110,000,000 per month, and other Directors receive 90% of President Director's salary, i.e. Rp99,000,000 per month.

In addition to salary, for fiscal year 2012, President Director and other Directors also received a range of facilities and allowances which amount is determined by BOC based on BOD's proposal.

Allowances for BOD include retirement insurance, leave, holiday bonus, medical care and income tax allowance. In addition to salary and allowances, BOD receives bonus at an amount to be decided by GMS, as the Company's financial condition permits.

BOD consists of one President Director and five Directors. Total remuneration for BOD allocated for 2012 was Rp34,990 billion excluding taxes. Total remuneration paid to BOD is reported at GMS.

Total remuneration of BOD for FY 2012 and 2011 is given below.

Description	FY 2012				
	Person	Honorarium (Rp)	Allowance (Rp)	Bonus (Rp)	Total (Rp)
President Director	1	1,331,568,000	1,508,708,531	3,868,730,836	6,709,007,367
Director	5	5,992,056,000	6,749,318,064	15,539,578,847	28,280,952,911
Total Director	6	7,323,624,000	8,258,026,595	19,408,309,684	34,989,960,279

Description	FY 2012				
	Person	Honorarium (Rp)	Allowance (Rp)	Bonus (Rp)	Total (Rp)
President Director	1	1,212,000,000	1,303,952,128	2,422,070,845	4,938,022,973
Director	5	4,908,600,000	5,440,924,053	10,899,318,801	21,248,842,854
Total Director	6	6,120,600,000	6,744,876,181	13,321,389,646	26,186,865,827

Note:

- All remuneration is subject to tax
- In 2011, as of AGMS on 9 June 2011, Director of Finance has stepped down

Board of Directors Meeting and Minutes of Meeting

BOD meeting is held under the following terms:

- BOD meeting is held periodically at least once a month or anytime required.
- BOD meeting is valid and authorized to make binding decisions only if attended by at least one half (½) of total members of BOD or their proxies.
- BOD meeting must make decisions by deliberation to reach consensus. If no consensus is reached, decisions are made by votes in favor of more than one half (½) of total votes legally cast at the meeting. Each member of BOD is entitled to cast one vote.
- Copies of minutes of BOD meeting must be submitted to BOC no later than the next workday after the meeting is held.

The rules of making other decisions in BOD meeting are basically the same as those applied to BOC meeting.

In 2012, BOD held 27 meetings to discuss various things pertaining to the management of the Company. Some of the topics discussed and decided in BOD meeting were related to:

- **Operational Management**

- Formulation of 2013 Work Program and Budget
 - › Discuss all assumptions and projections of operational performance, including in-depth discussion to determine coal selling price assumption and anticipated sales.
- Finance
 - › Monitor budget and cash flow management.
 - › Evaluate cash position and effectiveness of cash placement to maintain liquidity and support the Company's operations.
 - › Evaluate financial performance of each work unit and subsidiary.
 - › Evaluate business trip of each work unit and RMM.
- Production
 - › Discuss railway transport and maintenance schedule at facility owned by each party.
 - › Accelerate and supervise the improvement of production facilities and infrastructure independently.
 - › Prepare and sign the electricity sale and purchase contract (excess power of 3x10MW Power Plant) between PTBA-PT PLN Region Southern Sumatra.
 - › Discussion of the plan and realization of Peranap mine (Inhu Regency) opening, delivery and initial sale was held on 13 April 2012.
 - › Discuss the request of police assistance in securing assets in the Company's mines.
- Marketing
 - › Intensify new market penetration.
 - › Sell excess coal quota in 2011 to comply with DMO through auction to companies listed on Directorate General of Mineral and Coal.
 - › Negotiate the price for supplying Suralaya Power Plant in 2012 with PT Indonesia Power, using minimum margin of 25% as per Director General of Mineral and Coal's reference.

- **Risk Management**

- Identify, manage, mitigate risks related to opening new mines.
- Discuss the plan to terminate insurance coverage for coal transport via railway to Tarahan or Derti.

- **Human Resources Management and Welfare**

- Set KPI for BOD in 2012 based on 2012 Work Program and Budget.
- Discuss Collective Labour Agreement (CLA) for 2012-2014 and sign the CLA on 5 March 2012.
- Discuss the plan to increase Old Age Security pension benefits for employees, including the cost calculation.
- Give performance incentives based on employee's KPI calculation according to the audited Balanced Scorecard (BSC) calculation method.
- Discuss the assignment to pursue Master's degree abroad, age/education level requirements in selecting new employees for certain levels, the appointment of an independent consultant for recruitment process.
- Evaluate the calculation of BOD's pension insurance, benefits, including operational vehicles.
- List of Employee Assignment to Subsidiaries.
- Discuss the alternatives to meet labor demand in company's own Power Plant: inventory of employees of ex Salak Power Plant in Ombilin, employees who attended training in Suralaya Power Plant and recruitment from PJB-owned academy or HR of ex Paiton Power Plant.

- **Business Development**

- Solve all obstacles in Tarahan Lampung 2x8MW Power Plant development process.
- Follow-up the development plans of 2x600MW IPP Power Plant in Peranap Riau with PTBA's consortium members (Lanco and Pama) which still having problems of compatible selling rates to PT PLN.
- Settle the negotiation on Sowindo land expropriation with PT BSP, request opinions from BKPN, JPN and Asdatun.
- Discuss to redefine business scheme applicable in the development and realization of PT. Bukit Asam Transpasific Railway (BATR) projects, particularly regarding mining business schemes (BAB).
- Discuss the plan to construct double track railway from Tanjung Enim to Srengsem, Lampung and Tanjung Enim to Mariana (Prajen), which preceded by MOU and joint study with PTKA.
- Discuss detailed drilling plan at MHP land to prepare for production and development of new mines at Banko Tengah.
- Prepare timetable for BATR, BAB, BSP (Earth Saindo Permai) and MHP projects including explanation of precondition in realizing the action plan of each project.
- Discuss the legal process through Judicial Commission (KY) to inquire about the abnormal judicial review (PK) decision of the Administrative Court (TUN) in settling KP/IUP disputes in Lahat Regency.
- Further discuss acquisition plan by involving third party as due-diligence, but green-field will be implemented by ourselves.
- Prepare to participate in the tender of South Sumatra 9 & 10 Power Plant, including determine mine location to supply coal.
- Discuss the plan to sell PTBA land which is leased by PDAM Tirta Musi Palembang.
- Capital expenditure plans.
 - › Evaluate capital expenditure realization and set capital expenditure budget for 2013 at Rp2.7 trillion, and evaluate the implementation of business development plan.
 - › Propose routine capital expenditures at Rp487 billion, consider the development of Belt Frame MTBU at Banjarsari Power Plant independently.

- **Subsidiaries**

- Approve the salary/honorarium of PT BBK's BOC and BOD and assign BBK officials to hold GMS.
- Extend the term of office of PT IPC BOC and BOD until 2012 GMS.
- Decide to exchange officials at BAPrima, BPI, BAME, BAMO, BAMP and BAB.
- Prepare the officials of JVC PT Huadian Bukit Asam Power as the Company's representative in the JVC.
- Search new markets for briquettes products.

- **GCG**

- File all subsidiaries' deed of incorporation/ revision of Articles of Association ratified by the Minister of Law and Human Rights.
- Accelerate the completion of draft and discussion of Board Manual and SPP review result.

- **CSR**

- Set the time for Forestry Minister visit on 3 October 2012 to inaugurate Watershed Revegetation Program.

- Approve the Company to become the main sponsor of Indonesia Open Grand Prix Gold 2012 in South Sumatra organized by the Indonesian Badminton Association (PBSI).
- Discuss and approve documentary filmmaking about PTBA CSR activities by a production house in collaboration with TVRI.
- Approve car donation for PMI region Palembang/Muara Enim (South Sumatra)
- Discuss and approve road reparation in Prajen district (Banyu Asin Regency)
- Discuss and approve the plan to build Bukit Asam student dormitory in Palembang on a land prepared by the South Sumatra Province Government.

The frequency of meetings and rate of attendance at BOD meetings are shown in the following table:

Attendance of The Board of Directors meeting,

Name	Position	Number of Meeting (a)	Attendance (b)	% (b:a)
Ir. Milawarma, M.Eng	President Director	27	27	100
Achmad Sudarto, SE. MM. Ak	Director	27	26	96
Ir. Heri Supriyanto	Director	27	26	96
M. Jamil, SE. MM. Ak	Director	27	27	100
Ir. Anung Dri Prasetya, MAppSc	Director	27	27	100
Ir. Maizal Gazali, MM	Director	27	26	96

Board of Directors Training

To improve Directors' competence in carrying out their duty, local as well as overseas seminars and workshops are regularly provided for and attended by the Directors List of BOD trainings/seminars in 2012 as follows.

Commerce Director

- Coaltrans Asia di Bali, 2-7 June 2012
Asia's Premier Coal Industry Event, among others, the Government Policy, Meeting Challenges Around Growth in Indonesia's Coal Sector, Indonesia's Regulatory Climate, Unlocking Infrastructure Capacity in Indonesia's Coal Sector, Coking Coal, Dry Bulk Shipping and Freight and Coal Mining Strategies.
- Coaltrans China di Beijing, 16-19 April 2012
Coaltrans China: Cement Your Connection with Chinese Coal, among others, the China Thermal Coal Imports, Coking Coal - Supply and Demand, and China's Logistic.

Finance Director

- Coaltrans Asia di Bali, 2-7 June 2012
Asia's Premier Coal Industry Event, among others, the Government Policy, Meeting Challenges Around Growth in Indonesia's Coal Sector, Indonesia's Regulatory Climate, Unlocking Infrastructure Capacity in Indonesia's Coal Sector, Coking Coal, Dry Bulk Shipping and Freight, and Coal Mining Strategies.

HR & General Affairs Director

- The ISO 26000 International Workshop, 5-8 November 2012 di Geneva, Switzerland

Share Ownership by Directors and Commissioners

Share ownership by BOD members is only for long-term investment in accordance with disclosure principle and in an amount permitted by relevant regulations. In 2012, only one Director owned a small number of shares, i.e. Mr. Milawarma totalling 60,000 shares. (See “Information to Investors”).

Committees and Committee Report

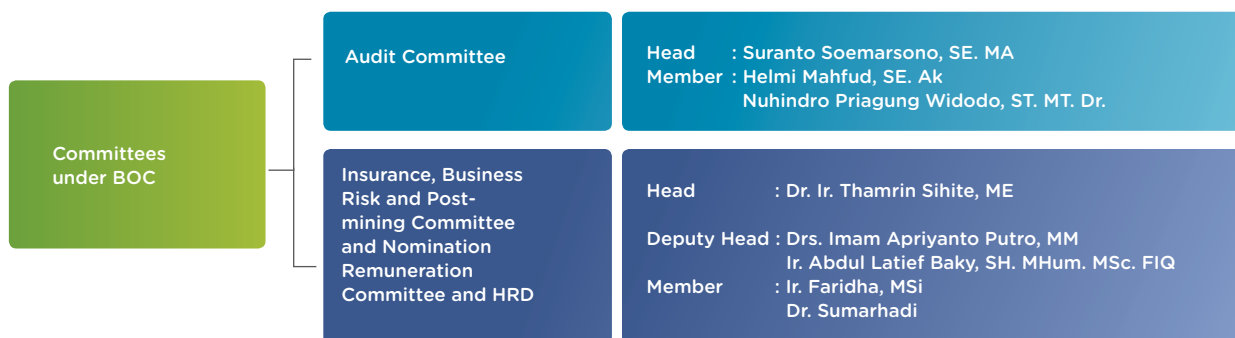
In order to ensure accountability in overseeing and reviewing all operating plans of the Company and to give quality counsel and suggestion, BOC set up functional Committees under its authority. Until end of 2011 there are four BOC Committees:

- Audit Committee
- Nomination Remuneration Committee and HRD
- Insurance, Business Risk and Post-mining Committee
- Good Corporate Governance Committee

However, in accordance with SOE Minister Regulation no.PER-12/MBU/2012 on “Supporting Organ for SOEs Board of Commissioners/Trustees”, the Company reduced the number of BOC Committees. The tasks previously carried out by the dismissed committees were transferred to the committees still in charge. Committees that have been dismissed are:

- Nomination Remuneration Committee and HRD, combined with the Insurance, Business Risk and Post-mining Committee
- GCG Committee.

So at the end of 2012, there were 2 (two) BOC committees with personnel structure as follows.



The description of vision, mission, formation goals, job description, authority and duty of BOC Committees until the end of their term are as follows.

Audit Committee

Objective

Audit Committee is formed to assist BOC to implement good corporate governance, form adequate internal control structure, enhance disclosure practice and financial reporting, as well as review the scope, accuracy, independency and objectivity of CPA.

The formation of Audit Committee is pursuant to:

- SOE Ministerial Regulation No.PER-01/MBU/2011 on Good Corporate Governance Practice in SOE, as amended by SOE Ministerial Regulation No.PER-09/MBU/2012
- SOE Ministerial Regulation No.PER-12/MBU/2012 on Supporting Organ of SOE's Board of Commissioners/Trustees
- The Chairman of the Capital Market Supervisory Agency and Financial Institution No.Kep-643/BL/2012 on Formation and Work Guidelines of Audit Committee.

The objective of setting up Audit Committee is to make sure that:

- (i) financial statements are presented fairly in accordance with the generally applied accounting principles
- (ii) internal control function is well fulfilled
- (iii) internal and external audit is performed in accordance with the established audit standards
- (iv) management takes action to follow up audit findings.

Audit Committee is independent in its work and report, set up by and accountable to BOC. All Audit Committee members are not related to any director or external auditor, and collectively competent and knowledgeable in accounting, finance, and coal mining business.

Audit Committee works and gives opinion independently and professionally in keeping with the law.

The duty, obligation and authority of Audit Committee are fully laid out in **Audit Committee Charter under BOC Decision No.09/SK/PTBA-DEKOM/XII/2012** dated 26 December 2012 on the **Establishment of the Audit Committee Charter**.

Audit Committee is responsible for giving input to BOC regarding any report or information submitted by BOD, identifying matters requiring BOC's attention, and doing any other assignment related to the BOC's work. The vision, mission, job description and authority of Audit Committee are provided below.

Vision and Mission of Audit Committee

Vision

Be an independent and professional partner in supporting BOC' work and function to practice Good Corporate Governance.

Mission

- encourage and ensure effectivity of internal control system and external and internal auditor performance.
- encourage business progress and accountability to optimize corporate value.

Duty and responsibility of Audit Committee

- To monitor and emphasize that accounting and financial records are made in accordance with accounting principles generally applied in Indonesia and other relevant regulations.
- To monitor the management effort to maintain internal control system and to evaluate Internal Audit Charter and work program.
- To monitor compliance with the capital market laws and regulations and other regulations related to the Company's operations.

- To ensure the existence and observance of Corporate Code of Conduct.
- To make sure that analysis, evaluation, recommendation and information presented to BOC are made properly and professionally.
- To keep confidential all documents, data and information of the Company and not to use them for personal gain.

Authority of Audit Committee

- To have full and free access to any record or information pertaining to employees, funds, assets, and other resources, including making periodic site visits as deemed appropriate.
- To communicate and coordinate with relevant internal parties in performing its duty and authority.

Independency and Composition of Audit Committee

In accordance with general guidelines of GCG in Indonesia, Audit Committee of the Company is currently composed of three members, one of them is Independent Commissioner concurrently Head of Audit Committee, i.e. Mr. Suranto Soemarsono. A member of Audit Committee is educated in economic and financial science and the other is knowledgeable in mining business so their competence is guaranteed.

The Company has complied with GCG rules and norms with respect to the independency of Audit Committee members.

All members of Audit Committee are not affiliated with the directors, other commissioners, or controlling shareholders of PTBA. They are not shareholders, commissioners, directors or employees of companies that have affiliation or business relation with PTBA. Members of Audit Committee are not authorized to conceive, manage or control PTBA before taking office and are not former management members or employees of a public accountant office. Therefore, all the independency criteria of Audit Committee members as stipulated by GCG rules and principles are complied with.

The Company's Audit Committee consists of Suranto Soemarsono as Head, and Helmi Mahfud and Nuhindro Priagung Widodo as Members. Profile of the Audit Committee members is provided in "Corporate Data" section.

Audit Committee Report

Audit Committee performs in accordance with Audit Committee Charter, in terms of internal meetings, meetings with related parties, site visits, education and training. In 2012, Audit Committee held 48 meetings with the following attendance rate:

Name	Position	Number of Meeting	Attendance	%
Suranto Soemarsono, SE. MA	Head	48	48	100
Helmi Mahfud	Member**	48	48	100
Nuhindro Priagung Widodo	Member***	48	47	98

Remark:

**BOC Decree No.01/SK/PTBA-DEKOM/I/2012 dated 31 January 2012

***BOC Decree No.07/SK/PTBA-DEKOM/VIII/2012 dated 1 August 2012

Audit Committee accomplished the following in 2012:

1. Reviewing quarterly financial statements to be issued by the Company, advising on correction and ensuring the financial statements are presented in accordance with the accounting principles generally applied in Indonesia. Regarding general audit for fiscal year 2012 and implementation of International Financial Reporting Standard (IFRS), Audit Committee held intensive discussions on various matters with CPA and the management.
2. Coordinate with Accounting and Budget, SPI, PTBA Treasury and Funding Work Units to follow up the results of GMS dated 3 May 2012 paragraph V.1, where it was agreed that in early September 2012 shall be held general audit for FY 2012 by CPA Tanudiredja, Wibisana & Partners (PwC). Audit Committee with relevant work units and PwC discuss few things related to the audit process in FY 2012. PwC is expected to complete the audit according to the schedule, which is by the end of February 2013.
3. Coordinate with Accounting and Budget, SPI, PTBA Treasury and Finance Work Units, and the CPA Purwantono, Suherman & Surya (EY) in complying with the decision of Indonesian Institute of Accountants to converge International Financial Reporting Standards (IFRS) in 2012, and in accordance with the SOE Minister Circular No.SE-05/MBU/2009 on IFRS Convergence plan into SFAS which will be enforced gradually since 1 January 2011 until fully enforced in 2012, thus PTBA and its subsidiaries' accounting policy of financial reporting is also required to follow the provisions required by IAI.

Therefore, since 2011 CPA Purwantono, Suherman & Surya (EY) has assisted in preparing consolidated financial statements of PT Bukit Asam (Persero) Tbk and its subsidiaries in accordance with the general provisions of SFAS and other standards required by Bapepam-LK. CPA Purwantono, Suherman & Surya (EY) also assisted in implementing SFAS for fiscal year 2012.

4. Monitor the general audit of FY 2012 and IFRS implementation in FY 2012.
5. Evaluate the work of internal audit unit (SPI) and follow up the management's findings, including request SPI to perform these activities:
 - Follow up recommendation on BPK findings regarding methodology of coal tonnage measuring device at RCD Tarahan and Kertapati
 - Communicate with relevant work units regarding completeness of documents related to BPK audit on PTBA Violation Reporting System (SPP) to support the company's commitment in upholding integrity and ethical values. Audit Committee confirms that SPP should be executed immediately by forming a competent team
 - Provide a list of officials who serve concurrently and submit to BOC. Among SPI advice and consultancy to management, one important problem is some directors' "Double Title", thus SPI need to emphasize immediately compliance with the rules of fair competition
 - Refer to existing regulations on personnel appointment and advise BOD regarding many senior personnels who will retire soon in early 2012
 - Monitor the development process of PTBA facilities and infrastructure to comply with the contract, particularly should be backed by Bank Guarantee submitted by the contractor

- Monitor and update the control of land assets compared/aligned with IUP owned in order to know its development from time to time
 - Oversee the continuous availability ocean freight since starting from 2013 the contract specifically with Suralaya (PT PLN) will be FOB
 - For export sales, based on the result of joint review between SPI and Audit Committee, there is still mismatch between the stock and ship availability. Thus SPI and relevant work units should monitor the integrated implementation of production management, inventory and transportation
 - Improve personnel quality since BPK will perform E-Audit in the future and considering the fluctuative coal prices. Thus SPI should follow the costing procedures in more detailed and cooperate with Accounting and Finance work unit so audit by third-party, particularly by BPK will go on more smoothly in the future
 - Coordinate with Corporate Management System work unit to perform risk analysis for PTBA as a whole
 - Review the subsidiaries so PTBA gets accurate information of financial, technical and environmental risks condition
 - Perform its audit function again in PTBA, and relevant operational unit will follow up on BPK recommendation
 - In relation with the termination of insurance for the company's assets, SPI check whether the certificates of PTBA electrical installation & building conform with the prevailing regulations
 - Enhance the operational and commercial cooperation given the huge stock of coal (2.9 million tons) in second quarter of 2012.
6. Carry out some specific tasks given by BOC:
- Provide input to BOC through monthly analysis of the company's business performance
 - Provide input to BOC in preparing its comment on quarterly consolidated financial statement to SOE Ministry, and draft work program and budget for 2013
 - Provide input to BOC in preparing its comment in respond to BOD proposal to write-off and remove non-productive assets;
7. Making two site visits to Tarahan Port, Tanjung Enim Mining Unit and Kertapati Jetty, and reporting important findings to BOC
8. Attending two Cross Committee Business Meetings
9. Attending education and training sessions to enhance their proficiency, in 2012 Head and member of Audit Committee attended various conferences, panel discussions and professional meetings to keep abreast of scientific advancement and on-the-job practice.

Nomination, Remuneration and HRD Committee

Objective, Vision and Mission

Nomination, Remuneration and Human Resource Development Committee, further to be referred as NR & HRD Committee, is in charge of assisting BOC in matters pertaining to GCG implementation, selection of director and officer candidates, reasonable remuneration package for Commissioners and Directors, employee incentives based on their performance and the Company's business results, and human resource development in accordance with corporate strategic plan.

This Committee is established pursuant to:

- SOE Ministerial Regulation No. PER-01/MBU/2011 on GCG Practice in SOE, Article 18, which stipulates:
 1. Supporting Organ of BOC/Trustees consists of:
 - a. Secretariat of BOC/Trustees
 - b. Audit Committee
 - c. Other Committees, if necessary
 2. Other Committees referred to in clause 1c consists of, but not limited to, Risk Management Monitoring Committee, Nomination and Remuneration Committee and Business Development Committee.
- PTBA Articles of Association No. AHU-50395.AH.01.02 of 2010 Article 18 clause (8) point (j) which stipulates that BOD's actions requiring BOC's written approval are determining and adjusting the organization structure of one level below BOD.
- Bapepam-LK Regulation No.X.K.6 of 2006 regarding Listed Companies' Obligation to Submit Annual Report which demonstrates transparency in calculating Commissioners and Directors' remuneration.
- SOE Minister as GMS holder has issued letter No.S-09/MBU/2012 on Determining Prospective Members of BOD and BOC of SOE Subsidiaries/Joint Venture. This letter revokes the authority of BOC outlined in KEP-236/MBU/2011. The legal question is whether the decree could be improved (amended) only by regular letter. While the Minister Regulation No.03/MBU/2006 on Appointment Guidelines of Directors/Commissioners of SOE Subsidiaries has not been revoked, which still involve SEO Ministry in appointing Directors/Commissioners of SOE subsidiaries.

NR & HRD Committee is set up to serve the purpose of:

- (i) reviewing proposed Director nominees from level 1 incumbents
- (ii) reviewing proposed remuneration of Commissioners, Directors and employees
- (iii) ensuring establishment of a well-structured organization
- (iv) ensuring implementation of well devised HRD strategy

NR and HRD Committee is independent in its work and report, set up by and accountable to BOC. All Committee members are not related to any director, collectively experienced and knowledgeable in human resource nomination, remuneration and development.

The duty, obligation and authority of NR and HRD Committee are fully laid out in NR and HRD Committee Charter under BOC Decision No.19/SK/PTBA-KOM/XII/2010 of 29 December 2010 (This Charter also refers to prevailing legislation mainly Minister Regulation 01/MBU/2011). NR and HRD Committee is responsible for giving input to BOC

regarding any report or information submitted by BOD, identifying matters requiring the Commissioners' attention, and doing any other assignment related to the Commissioners' work. The vision, mission, job description and authority of NR and HRD Committee are provided below.

Vision and Mission

NR and HRD Committee is guided by the following vision:

- Building synergy among Commissioners, Directors and employees through human resource nomination, remuneration and development which are based on competence and performance in accordance with the Company's requirements and strength.

To realize the Vision, NR and HRD Committee has a Mission to facilitate the creation of:

- Fair nomination system to motivate work
- Reasonable and appropriate remuneration system
- HRD system in concert with GCG principle and practice.

Duty of NR and HRD Committee

Duty and responsibility of NR and HRD Committee include:

- Give independent, professional opinion and recommendation to BOC in matters pertaining to HR nomination, remuneration and development
- Assess the Company's compliance with laws and regulations that govern HR nomination, remuneration and development
- Establish selection criteria and nomination procedure for BOC and BOD of PTBA and subsidiaries whose financial reports are consolidated, devise appraisal system and recommend total number of BOC and BOD within PTBA
- Evaluate and recommend the implementation of salary and allowance payment system for BOC and BOD of PTBA
- Evaluate and recommend the implementation of salary and allowance payment system for employees of PTBA
- Recommend to give options, retirement and compensation scheme in case of personnel retrenchment
- Recommend calculation of tantien for BOC and BOD, bonus and holiday allowance (THR) for employees and Committee members of PTBA
- Seek information from PTBA's employees through BOD concerning the condition of HR nomination, remuneration and development
- Make on-the-spot checking on compliance with the law pertaining to HR nomination, remuneration and development
- At year end, write up and submit annual work program to BOC for its approval
- Perform any other assignment from BOC.

Responsibility of NR and HRD Committee

- Accountable to BOC
- Responsible for keeping the confidentiality of corporate documents, data and information and not to use them for personal gain
- Responsible for making written reports to BOC, consisting of:
 - quarterly activity reports
 - incidental progress reports covering field report, analysis, conclusion and recommendation.

Authority of NR and HRD Committee

- Have full, free, unlimited access to corporate and employee records, funds, assets and other resources in relation to its work.
- Seek information, input and explanation from BOD.
- Obtain information, input and explanation from employees and other related parties.
- Request professional opinion from within the organization through BOD and third parties such as consultants and legal professionals.
- Through BOD invite Directors, executives, employees and consultants to NR and HRD Committee meetings.
- Seek professional external/independent input at the Company's expense.

Independency and Composition of NR and HRD Committee

In accordance with general guidelines of GCG in Indonesia, NR and HRD Committee of the Company is currently composed of three members, one is Independent Commissioner concurrently Head of NR and HRD Committee, i.e. Mr. Abdul Latief Baky. A member of NR and HRD Committee is educated in economic and financial science and the other is knowledgeable in human resource field.

All members of NR and HRD Committee are not affiliated with the directors, other commissioners, or controlling shareholders of PTBA. They are not shareholders, commissioners, directors or employees of companies that have affiliation or business relation with PTBA. Members of NR and HRD Committee are not authorized to conceive, manage or control PTBA before taking office. Therefore, all the independency criteria of NR and HRD Committee members as stipulated by GCG rules and principles are complied with.

NR and HRD Committee consists of Abdul Latief Baky as Head, Noeroso Loeloes Wahyudi and Sumarhadi as members. The profile of NR and HRD Committee members is provided in "Corporate Data" section.

NR and HRD Committee Activity Report

NR and HRD Committee performs in accordance with NR and HRD Committee Charter, in terms of internal meetings, meetings with related parties, site visits, education and training. In 2012, NR & HRD Committee held 39 meetings with the following attendance rate:

Name	Position	Number of Meeting	Attendance	%
Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ.	Head	39	39	100
Noeroso L. Wahyudi, MA. *)	Member	39	28	72
Dr. Sumarhadi **)	Member	39	39	100

Note:

*)BOC Decree no.05A/SK/PTBA-DEKOM/VII/2010, no.06/SK/PTBA-DEKOM/VIII/2011, office term ended on 31 July 2012

**)BOC Decree No.14/SK/PTBA-DEKOM/X/2011, No.13/SK/PTBA-DEKOM/XI/2012

NR and HRD Committee's activities in 2012 can be divided into two groups:

- I. carrying out assignment stated in work program
- II. performing other work assigned by BOC.

Accomplished works include:

- Recommendation of remuneration package for BOC, BOD and employees.
- Recommend on proposed nomination of Commissioners and Directors of PTBA subsidiaries.
- Scrutiny of non-permanent employees' status to have a clearer interpretation of their employment policy.

Activities in 2012 include:

- Performed special work assigned by BOC:
 - Review BOD Letter No.029.J/Eks.0100/PG.04/II/2012 regarding the approval of proposed BOC candidate member of PT Batubara Bukit Kendi (PT BBK) dated 13 February 2012, NR & HRD recommends that BOD should submit more than one candidate along with supporting data.
 - Review nominations for position level I and recommend that BOC should approve the nominations for position level I and/or official one level below BOD who is appointed and dismissed by BOD, whether caused by employee rotation or organization structure adjustment.
 - Review BOD Letter No.163.J/Eks.0100/T.01/VII/2012 to BOC regarding PTBA Organization Structure Improvement Proposal and recommend:
 - › To carry out the proposal to add Power Generating and Distribution work unit with position level I (JJ-I);
 - › For Information Technology work unit whose function is not expanded but reduced, and whose workload is increased, is should remain in position level II (JJ-II);
 - › The proposal to separate the functions of Land from Law and Corporate Administration work unit can be carried out, but it will not stand alone as "Land work unit", but become a unit under the control of "Asset Management work unit";
 - › Regarding the recommendation in a.3), it is recommended to immediately form "Asset Management work unit" to oversee other functions related to asset management and operations because there are still many assets in various regions that require better management.
 - › Since the formation of Power Generating and Distribution work unit in position level I (JJ-I) is not seen in PTBA Parent Organization Structure proposal, BOD should explain completely about the new work unit including clarification of its span of control and chain of control in the proposal.
- Made 3 site visits to: 1) HR work unit in Tanjung Enim and Kertapati Jetty; 2) Tarahan Port and Natar briquette business unit; 3) subsidiaries PT. Internasional Primacoal (PT.IPC) Samarinda and PT. Bukit Asam Prima (PT.BAP) Banjarmasin, Gresik briquette business unit. Important findings were reported to BOC.

- Attend 2 Cross Committee Meetings in Tangerang Banten and Bogor, West Java.
- Attend seminar in Bali on 17 March 2012 on SOE Minister Regulation No. KEP-236/MBU/2011 regarding Delegation Part of Authority and/or give authorization of SOE Minister as Government Representative and holder of Shares/GMS in Company and Limited Liability Company, as well as the Capital Owner in Public Company to BOD, BOC/ Board of Trustees and Echelon I officials within SOE Ministry, as amended by KEP-252/MBU/2011.
- Attend seminar in Bandung on 10 November 2012 on Basic Understanding of Financial Statements for SOE/ROE's BOD, BOC, and Subsidiaries..

Termination of Office Term of NR and HRD Committee

As mentioned in the description of BOC Committees and in accordance with SOE Minister Regulation No.PER-12/MBU/2012 on Supporting Organs of SOE's BOC/Trustees, the Company has officially terminated office term of NR and HRD Committee, as approved in BOC meeting on 26 November 2012.

BR Committee consistently reminds and recommends that all high and extreme risks in investment and business development be handled and mitigated

The tasks previously carried out by NR and HRD Committee are transferred to the joint committee between Insurance, Business Risk, Post-Mining Committee and NR & HRD Committee effective from 1 January 2013.

Insurance, Business Risk and Post-Mining Committee

Insurance, Business Risk and Post-Mining Committee, further referred to as BR Committee, is set up to give independent and professional viewpoint to BOC regarding business risks with potential significant losses, insurance, environment and post-mining area management.

The vision and mission of BR Committee as stipulated in BR Committee Charter issued on 29 December 2010 are:

1. Vision:
To be professional and independent Insurance, Business Risk and Post-Mining Committee in achieving corporate vision and mission.
2. Mission:
To give comprehensive input with the purpose of:
 - Minimizing risks that may arise in business development, production and marketing
 - Minimizing negative impact of the Company's activities on the environment

Duty and Responsibility

BR Committee is responsible for giving independent and professional viewpoint to BOC regarding business risks with potential significant losses, insurance, environment and post-mining area management.

The duty, responsibility and authority of BR Committee are elaborated in BR Committee Charter.

Independency and Composition of BR Committee

BR Committee is independent in working and reporting, set up by and accountable to BOC. All Committee members are not related to any Directors, collectively experienced and knowledgeable in their respective fields.

Composition of BR Committee as of 31 December 2012:

Name	Position
Head	Dr. Ir. Thamrin Sihite, ME. cum Commissioner
Deputy Head	Drs. Imam Apriyanto Putro, MM. cum Commissioner*
Member	Ir. Faridha, MSi
Member	Andi Novianto, PhD

*) Appointed on 9 June 2011

BR Committee Activity Report

In 2012 the Committee held 20 meetings with the following attendance rate:

Name	Position	Number of Meeting	Attendance	%
Dr. Ir. Thamrin Sihite, ME.	Head*	20	18	90
Drs. Imam Apriyanto Putro, MM.	Deputy Head**	20	19	95
Ir. Faridha, MSi	Member***	20	20	100
Andi Novianto, PhD	Member****	20	20	100

Note:

* BOC Decree No. 04/SK/PTBA-KOM/VI/2010 of 3 June 2010

** BOC Decree No. 12/SK/PTBA-KOM/VII/2011 of 28 July 2011

*** BOC Decree No. 05/SK/PTBA-KOM/VIII/2011 of 1 August 2011

**** ended on 31 December 2012

In 2012 BR Committee accomplished the following assignments:

- Evaluate Company reports to detect risks particularly related to the company's condition and capabilities in local, regional, and global competition. BRC found that business development projects being carried out still need to be accelerated. Constraints and problems encountered in the projects are rewarding experience, so that in the future the performance can improved and enhanced and the risks can be reduced.
- Review and study of:
 - Plan to form a joint venture for the construction of Bangko Tengah 2x620MW Power Plant. BRC recommends to perform a comprehensive feasibility study, consider business risks and prudence in choosing business partners, clearly identify the Power Plant construction site and mine land, and check whether it conforms with the Province and Regency Spatial Plan and clean and clear.

- Settle Banko Tengah Mine land overlapping.
BRC recommends to complete the location detailed map including the overlapping land and the land in the mid of acquisition process with the company, smallholder plantation and government agencies, and the status to date. Clearly convey the offered compensation amount/value which is most beneficial to PTBA and does not disrupt the company's cash flow.
- Planned Acquisition by PT BA Prima (PT BAP)
It was suggested to reconsider the plan in view of the high risks it would impose, and that PTBA should prioritize activities that would improve overall performance.
- Development of Peranap Mine and Mine Mouth Power Plant
It was recommended to furnish additional and more detailed data and information, and that Board of Directors make a presentation before the Board of Commissioners.
- PTBA plan to participate in South Sumatra 9 & 10 IPP Auction.
BRC found that PTBA readiness needs to be reviewed, especially consortium partners should be chosen carefully by considering their experience in building large-scale Power Plant, financial and technological capabilities, good track record in Power Plant construction. PTBA must ensure that it is financially capable to participate in the IPP through PPP schemes, either from loan or PTBA funds. Consider the potential coal reserves in terms of quantity, quality, and the location does not overlap with other companies and the community.
- Evaluation and input to BOC for activities outside business development project:
 - Review whether Student Dormitory construction plan in Jakabaring Palembang is included in 2012 Work Program and Budget. Reconsider the feasibility study and mechanism of land acquisition (land title, procurement cost), dormitory construction (detailed design, construction, operation and maintenance), and funding sources.
 - Consider the ex Ombilin Mining Training College (OMTC in Sawahlunto, West Sumatra) asset transfer from PTBA to Ministry of Energy and Mineral Resources through buying and selling process which refers to prevailing rules and regulations and agreement between PTBA and EMR Ministry.
 - Carefully consider the economic assessment of turning Bukit Asam Hospital (RSBA) into an independent entity so it can give optimum contribution to PTBA in the future. Legal aspect of RSBA refers to prevailing rules and regulations and perform potential risks mitigation.
 - Provide input for PTBA Long Term Plan 2013-2017 and Work Program and Budget 2012.
- Made site visits to Lampung (Natar briquette unit and Tarahan Port). Important findings were reported to BOC.
- Attend Cross Committee Meetings to discuss Board Manual, Annual Report.

Corporate Secretary

The Corporate Secretary plays a major role in facilitating communication among the corporate organs, relationship between the Company and its stakeholders, and compliance with the prevailing laws and regulations. Favorable relationship with strategic stakeholders, particularly the shareholders, will promote the smooth operations and growth of the Company. As a public company, the Company must have reliable document and information management system to ensure compliance with capital market laws and regulations, and guarantee the accountability of the Company's performance report to stakeholders.

The Company establishes the function of Corporate Secretary who is directly accountable to President Director. The Company requires certain qualification of Corporate Secretary, giving appropriate authority and resources, and periodically evaluating the performance of his/her duty. Corporate Secretary has three main functions: as liason officer, compliance officer and investor relations officer.

As the function requires, Corporate Secretary ensures that the most current, punctual and accurate information regarding the Company is available for the shareholders, analysts, mass media and general public. The information includes quarterly and annual financial reports. In general, the duty of Corporate Secretary is as follows:

- Handling of investor relations, monitoring capital market development, ensuring the company's operations compliance with capital market regulations.
- Creating policies and recommendations according to capital market regulations.
- Provide information that need to be known by the public, shareholders and other stakeholders regarding the Company.
- Managing Jakarta Office
- Review the latest reports of capital market analysis, perform qualitative and quantitative analysis on the the company's performance, especially in the financial sector, monitor economic situation and projections (international, regional and local, as well as capital markets in various countries)



Meeting at Jakarta
Representative
Office

- Act as the Company (BOD)'s representative
- Publicize the company activities that are non-material, manage its documents and information, publicize corporate reports
- Provide input to BOD in complying with capital market regulations
- Act as liaison officer among the Company, Bapepam-LK, OJK and the public, and foster good relationship with all other stakeholders besides shareholders, including the Government, mass media, partners and public..

Corporate Secretary is assisted by other functions under his/her coordination, i.e. Investor Relations, Corporate Communication and Representative Office. Since 5 September 2012, according to BOD Decree No. 235/KEP/Int-0100/PG.04/2012, **Joko Pramono** has been the Corporate Secretary of PT Bukit Asam (Persero) Tbk.

Corporate Secretary has three main functions: as liason officer, compliance officer and investor relations officer.

The Company has set a policy on "Information Disclosure and Confidentiality, and Insider Information" and "Document/ File Management" in an effort to abide by the transparency principle and GCG practice. The objective of setting this policy is to make sure that information regarding the Company is accurately disclosed, recorded, processed, compiled and reported over certain periods, in accordance with the rules on disclosure of information.

In 2012, the Company conducted 8 conference calls, 89 one-on-one meetings, one non-deal roadshow and four activities involving the journalists. Details of the Company's Press Release:

Information disclosure events launched by the Company in 2012.

Month	Activity	Media
26 January 2012	Explanation of IDX confirmation request on the company's news in mass media	IDX
10 February 2012	Monthly report of Security holder Registration (PTBA)	IDX
6 March 2012	Submit proof of advertisement	IDX
	Submit Annual Financial Statement	IDX
8 March 2012	Report Shareholder Registration	IDX
	Change in Audit Committee	IDX
13 March 2012	Information disclosure to public	IDX
14 March 2012	Submit proof of advertisement	IDX
27 March 2012	Information disclosure to public	IDX
30 March 2012	Information disclosure to public	IDX
3 April 2012	GMS notice	IDX
	Submit proof of advertisement	IDX

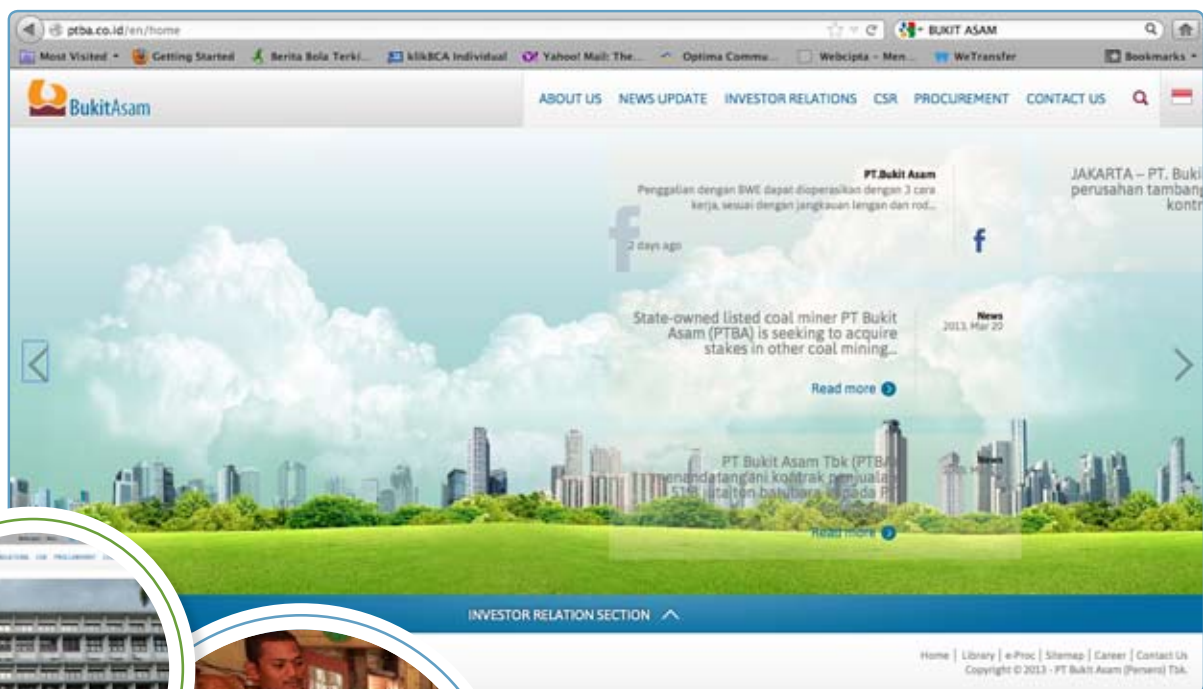
Month	Activity	Media
9 April 2012	Monthly report of Security holder Registration (PTBA)	IDX
18 April 2012	GMS invitation	IDX
	Submit proof of advertisement	IDX
	Submit annual report	IDX
26 April 2012	Submit proof of advertisement	IDX
	Submit unaudited interim financial statement	IDX
7 May 2012	GMS Result	IDX
	Submit proof of advertisement	IDX
	Final cash dividend payment	IDX
8 May 2012	Monthly report of Security holder Registration	IDX
6 June 2012	Monthly report of Shareholder Registration	IDX
8 June 2012	Submit proof of advertisement	IDX
	Final cash dividend payment	IDX
3 July 2012	Share buy back	IDX
9 July 2012	Monthly report of Security holder Registration	IDX
25 July 2012	Submit proof of advertisement	IDX
	Submit unaudited interim financial statement	IDX
9 August 2012	Monthly report of Security holder Registration	IDX
7 September 2012	Information disclosure to public	IDX
10 September 2012	Change of Corporate Secretary	IDX
	Submit proof of advertisement	IDX
	Monthly report of Security holder Registration	IDX
	Information disclosure to public	IDX
17 September 2012	Information disclosure to public	IDX
29 October 2012	Information disclosure to public	IDX
	Submit proof of advertisement	IDX
	Submit unaudited interim financial statement	IDX
7 November 2012	Monthly report of Security holder Registration	IDX
12 November 2012	Hold public expose	IDX
23 November 2012	Submit material of public expose	IDX
30 November 2012	Public Expose result report	IDX
10 December 2012	Monthly report of shareholders registrar	IDX
11 December 2012	Information for public	IDX
21 December 2012	Information for public	IDX

Table of Press Release issued in 2012:

Month	Activity	Media
8 February 2012	PTBA targetting coal sales of 18.66 million tons in 2012	National & South Sumatra Newspaper
6 March 2012	PTBA achieved 54% increase in net profit in 2012	National & South Sumatra Newspaper
22 March 2012	PTBA coal sale price to Suralaya Power Plant in 2012 increase to Rp825,000 per ton	National & South Sumatra Newspaper
30 March 2012	Overlapping IUP with PTBA Exploration KP still in dispute	National & South Sumatra Newspaper
10 April 2012	PTBA reported Lahat KP case to KPK	National & South Sumatra Newspaper
24 April 2012	PTBA opened new mine in Peranap	National & South Sumatra Newspaper
26 April 2012	PTBA achieved net profit of Rp867.35 billion in Quarter 2012	National & South Sumatra Newspaper
4 May 2012	PTBA distributed dividend of Rp1.85 trillion for FY 2011	National & South Sumatra Newspaper
19 June 2012	PTBA signed MOU to supply electricity to Malaysia	National & South Sumatra Newspaper
3 July 2012	National Polici Chief supports securing of PTBA assets	National & South Sumatra Newspaper
25 July 2012	PTBA earned Rp5.79 trillion in Semester I-2012	National & South Sumatra Newspaper
27 July 2012	PTBA signed Excess Power Purchase and Sale agreement with PT PLN	National & South Sumatra Newspaper
10 September 2012	PTBA formed subsidiary for 2x620MW Power Plant project in mine mouth	National & South Sumatra Newspaper
17 September 2012	PTBA subsidiary signed PPA 2x620MW and CSA	National & South Sumatra Newspaper
3 October 2012	PTBA rehabilitated 3,660 Ha watershed and gave "Ayo Sekolah" scholarships to 4,526 students	National & South Sumatra Newspaper
15 October 2012	PTBA signed Peranap Riau mine mouth Power Plant joint development agreement	National & South Sumatra Newspaper
29 October 2012	PTBA earned Rp8.7 trillion in Jan-Sep 2012	National & South Sumatra Newspaper
29 November 2012	PTBA sales growth in 2012 can reach 20%	National & South Sumatra Newspaper
11 December 2012	PTBA supplied 73.1 million tonnes of coal to PT Pupuk Indonesia and Power Plant Cilacap	National & South Sumatra Newspaper

Each year the Company's financial statements are published bilingually, in Indonesian and English, to provide information on the Company's business performance. Annual Report and other information may be obtained from the office of Corporate Secretary in the Head Office or Representative Offices.

Shareholders and the general public are welcome to visit our website <http://www.ptba.co.id> for further information on the Company.



Internal Audit and Control System

Internal Monitoring and Control System

The management develops an internal monitoring and control system (SPI) as a series of systematic activities to be conducted by the Internal Monitoring Unit. This unit is responsible for the preparing, processing, and reporting stages to identify the adequacy level of the Internal Control System the Company applies. The Company applies its Internal Control System in compliance with the Regulation of the Minister of State Owned Enterprises (BUMN) Number: PER-01/MBU/2011 on the Implementation of Good Corporate Governance, especially articles 26 and 28.

The Company develops an effective Internal Control System to secure its investments and assets. The effective monitoring and control system is developed through the following steps:

- a. Creating a well disciplined and well structured internal control environment.
- b. Implementing business risk review and management, which include identifying, analyzing, evaluating, and managing relevant business risks on a consistent basis.
- c. Performing controlling activities at each level and unit with the Company's organization structure, among others, concerning authorities, authorization, verification, reconciliation, performance evaluation, job distribution, and security of Company's assets.
- d. Improving and developing an information and communication system which covers the mechanism to present operational, financial, and compliance to prevailing regulation reports.
- e. Monitoring the evaluation process of the quality of internal control systems including internal audit function's engagement at all levels and units within the Company's organizational structure.

In essence, SPI ensure that all the elements of the Company function and act in accordance with their duties and obligations and follow-up SPI recommendations and findings

Activities b and c are done by the Corporate Management System (SMP) working unit, implemented through system development, including Risk Management, Quality Management System, Environment Management System, and Occupational Health and Safety (K3) Management System (see discussion on "Bukit Asam Management System). Activities c, d, and e are done by the Internal Monitoring Unit (SPI).

To keep and improve the effectiveness of its internal monitoring and control system, the Company conducts a periodic review. The objective and purpose of this review are, among others, to:

1. Ensure the Directors of the effectiveness of the internal control system. Then, ensure the other stakeholders that the Company has implemented its Internal Control System adequately in order to achieve the desired targets, that is, to comply with the provisions of applicable laws, to present financial and management and Company's effectiveness/efficiency information properly, comprehensively, and timely.
2. Recommend the Directors on how to improve the implementation of the Company's Internal Control System in the future (areas of improvement).

Internal Auditor

Internal Auditor acts as Internal Monitoring Unit. PTBA SPI Charter signed by PTBA Directors and Commissioners defines that:

- SPI is a working unit performing the internal control/monitoring function to help the Management and other Working Units perform their duties and meet their obligations, by providing them with analyses, evaluations, recommendations, consulting opportunities, and information of Working Unit's activities through the Corporate Leadership;
- SPI has the right to access documents, personal accounts, and physical state of the Company's assets throughout its working unit to obtain data and information relevant to its audit work, including those of subsidiaries;
- In doing so, SPI works in coordination with the Audit Committee. SPI is a partner of the External Auditor. This SPI also communicates with the SPI (Internal Control Systems) of Affiliated Companies and Company's Foundations through coordinated implementation of audits and provisions of technical assistances;
- SPI covers Internal Control, GCP implementation effectiveness evaluation and Risk Management effectiveness evaluation;
- SPI auditors must comply with the Ethical Code when performing their auditing work. Their compliance level will reflect the professionalism.

SPI performs its jobs according to the Annual Audit Plan (RAT) outlined by the Directors, SPI Audit Guidelines, and SPI Charter. SPI is chaired by a Lead Auditor appointed by the Managing Director with President Commissioner's knowledge. To be the Lead Auditor, the candidate must at least be a functional Junior Auditor, serving a year as a member auditor, and holding an Advanced Level Internal Audit training certificate.

The Company's Internal Audit Personnel and Qualifications

In 2012, the Company's Internal Audit Team consists of 22 members, as follows:

No.	Job Title	Number of people
1	SPI Senior Manager	1 person
2	Secretary	1 person
3	Senior Auditor	6 person
4	Middle Auditor	8 person
5	Junior Auditor	2 person
6	First Auditor	1 person
7	Audit Analysis and Evaluation Manager	1 person
8	Data and Report Evaluator	1 person
9	Administration	1 person

The qualification status of the Company's audit team's personnel is as follows.

No. Urut	Name	Job Title	Certification
1	Muhammad Yusufan	Senior Auditor	QIA
2	Syahrial Alam	Senior Auditor	Studying
3	Margo Drajat	Senior Auditor	QIA & PIA
4	Kasni Yeni	Senior Auditor	QIA
5	Wahyudi Mukti W.	Senior Auditor	QIA
6	Andjar Ekasanto	Senior Auditor	QIA
7	Pemuda Jaya	Middle Auditor	QIA
8	Isaq Hartanto	Middle Auditor	Studying
9	Samuel Bokko	Middle Auditor	Studying
10	Sutadi	Middle Auditor	PIA
11	Muhammad Syafa'at	Middle Auditor	PIA
12	Daru Dwiadji	Middle Auditor	Studying
13	Agung Priyono	Middle Auditor	Studying
14	A. Syarief Agus	Middle Auditor	Studying
15	Didi Sartika	Junior Auditor	QIA
16	Asrori	Junior Auditor	Studying
17	Syamsul Bahri	First Auditor	Studying

Note:

QIA = Qualified Internal Auditor

PIA = Profesional Internal auditor

To improve the competence of the Internal Audit human resources, the Company sends all of its non-certified resources to the Certified International Auditor (CIA) Program. This creates added values for the Company, especially in its attempt to build Investor, Customer, and stakeholders' confidence. This way, they will be assured that the Company has applied its Internal Control System adequately and effectively.

The Audit Process

The audit process will refer to the Annual Audit Plan. This includes the preparation, implementation of the audit, and evaluation of the Term of References for the Audit (KKA) by the Audit Team, discussion by all auditors, Audit Result Review (RHA) with auditee, Audit Result Review by Quality Assurance, Audit Result Report (LHA) review, and follow-up monitoring.

In 2012, SPI manages to perform some of the activities from the Annual Audit Plan (RAT), such as, among others:

- Finishing the operational audits over 10 (ten) Working Units or 45.45% of the working units in the Company;
- Finishing the advocacy program for odd stocks at warehouse;
- Finishing the follow-up of the findings from external auditors;
- Finishing draft MoU on Electronic Audit (E-Audit) between the BPK RI (Indonesian Audit Board) and PTBA;
- Finishing Corporate Internal Control/Control Self Assessment (CSA) evaluation guideline;
- Finishing sustainable trainings for Internal Audit certification;
- Joining Whistle-blowing Procedure (SPP) formation;

Over 2012, from a number of activities, SPI comes up with 125 recommendations. As many as 79 recommendations or 63.20% have been followed up. The other 46 recommendations are not yet followed up as they are not yet final and still under discussions.

External Auditor

In 2012, the Annual General Meeting of Shareholders appointed an External Auditor upon the recommendations from the Commissioners and Audit Committee. To ensure their independence and quality of the audit, the External Auditor must not be in conflicts of interest with any official of the Company from any level.

And to ensure that the Company appoints its External Auditor professionally each year, a Public Accountant Office can perform no more than a 3-year consecutive audit. The appointed External Auditor will be responsible for presenting its opinion on how the Company's financial report it audits complies with the generally accepted financial report standard.

In June 2010, the Annual General Meeting of Shareholders appointed Public Accountant Office (KAP) Tanudiredja, Wibisana & Partners, a member Firm of PricewaterhouseCoopers, to audit and present its opinion on the Company's financial report for year ended December 31, 2012.

Appointment Period and Honorarium

The Board of Commissioners, under the authority granted to it by the Annual General Meeting of Shareholders has allocated Rp1.15 billion (2011: Rp1.15 billions) to obtain the service of an External Auditor, excluding Out of Pocket Expenses (OPE) and Value Added Tax for a general audit over the Company's consolidated financial report for year ended December 31, 2012, including PKBL financial report audit.

2012 is the 3rd (third) year that KAP Tanudiredja, Wibisana & Partners performs the audit over the Company's financial report.

Corporate Management System Working Unit

To strengthen the Company's internal monitoring and control system, the Management establishes the Corporate Management System Working Unit (SMP). Within the organizational structure of the Company, SMP, SPI, and Corporate Secretary report directly to the President Director.

The vision of the Corporate Management System Working Unit (SMP) is: To become a trustworthy Working Unit in the management of the Company's business processes by consistently implementing the GCG principles, and thus improving the Corporate values.

The mission of the Corporate Management System Working Unit (SMP) among others includes:

- To improve the quality of the management of the Company to reflect the principles of GCG to increase the well-being of shareholders as well as the other stakeholders.
- To encourage the implementation of national and international best practices in accordance with the principles of GCG.
- To improve corporate culture.

The strategy of the Corporate Management System Working Unit (SMP) includes among others:

- Improve communications with BOD and all Unit Heads/Work Unit Heads to share information and data needed.
- Cooperate with HR Working Unit to improve employees' competence and have the resources certified for special skills (especially Auditors) and ensure their sufficient availability.
- Improve the objectivity, independence, quality, and timeline of an audit work.
- Improve SMP internal business processes consistently.

SMP helps the Managing Director develop, direct, and control the management system implemented within the company in entirety. These include:

- Quality Management System (SMM)
- Environment Management System (SML)
- Occupational Health and Safety Management System (SMK3)
- Laboratory Quality Management System (SMM Lab)
- Risk Management System (SMR)
- Corporate Social Responsibility Management System (SM CSR)
- Port Security Management System (SMKP)
- Performance Management System (SMK)
- Document & Archive Management System

The first part of the role SMP plays to improve the implementation of GCG is to prepare the soft structure of GCG with the executing unit. This soft structure will be the guideline. Secondly, SMP monitors and audits the performance of each unit, especially in terms of system reliability in place and how it related to performance. On a periodic basis, SMP will improve the operational system adopted by each unit.

In 2010, SMP has finalized the development and integration of SMM ISO 9001:2008, SML ISO 14001:2004, and SMK3 OHSAS 18001:2007 to an integrated Management System called the Bukit Asam Management System (SMBA). SMP also reviews the entire soft structure of GCG at the Company.

As a follow-up for the series of activities in 2011, in 2012, SMP finishes and facilitates a number of other activities as follows:

- SMBA program improvement was done simultaneously by integrating SMCS, which was recently completed, to SMBA. This improvement program lasted from March 22 through May 16, 2011.
- To ensure SMBA implementation, the Company launched a reaudit dan surveillance audit programs, through PT AFAQ Ascertain International Indonesia. In June 2011, the Company received ISO 9001: 2008 and ISO 14001: 2004 Certificates.
- To ensure the quality of the implementation of ISO 17025: 2004 Laboratory Quality Management System, SMP facilitates a surveillance audit of Coal Tes Lab by the National Accreditation Committee (KAN) in Tanjung Enim and Kertapati Jetty.

- SMP also facilitates an annual Drill and Exercise activity. This year, this activity will be held in November in Teluk Bayur, in December at Port Tarahan and Kertapati Jetty. This activity is an anticipation of the adoption of the International Shipping and Port Safety Code (ISPS Code) for Port and Jetty.
 - The implementation of accredited operational procedures.
- **SMK3**
To comply with Manpower Law No.13/ 2004 and Regulation of Manpower Minister No.PER.05/MEN/1996 on corporate implementation of SMK3, all the working environments at PT Bukit Asam (Persero) Tbk consistently apply the SMK3 procedure in question. Inline with the policy, on May 20, 2011 the Company renewed its Occupational Health and Safety Management System (SMK3) to meet the provisions of Law UU No.13/2004 at all its Business Units. Sucofindo was appointed by the Department of Manpower and Transmigration of the Republic of Indonesia to perform the renewal for 6 (six) business units as follows::
 - › Gresik Briquette Business Unit,
 - › Natar Lampung Briquette Business Unit,
 - › Tanjung Enim Briquette Business Unit,
 - › Kertapati Jetty,
 - › Port Tarahan
 - › Tanjung Enim Corporate & Mining Unit
 - **OHSAS 18001: 2007**
OHSAS 18001: 2007 certificate is valid through 2013. Accreditation was done by PT AAI Indonesia, an Indonesian Certification Body.

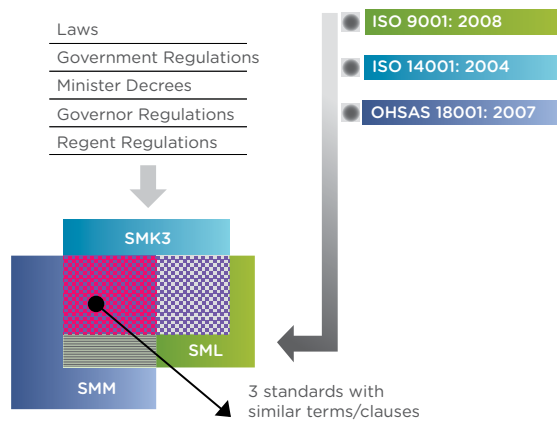
Besides those activities, SMP has also been involved in a number of programs the Company initiates to improve the implementation of GCG, such as those related to GCG best practices as discussed earlier in this Governance Report: reviewing and improving Board Manual, complete whistle-blowing system, evaluate the implementation of risk management system, and other things pertinent to the governance of the Company.

Integrated Bukit Asam Management System

PTBA telah menerapkan Sistem Manajemen Bukit Asam Terintegrasi, dinamakan SMBA. Sistem manajemen hadir dengan latar belakang adanya kesejajaran dalam implementasi standar operasi terakreditasi Sistem Manajemen Mutu (SMM) ISO 9001: 2008 dengan Sistem Manajemen Lingkungan (SML) ISO 14001: 2004 dan Sistem Manajemen Kesehatan dan Kecelakaan Kerja (SMK3) OHSAS 18001: 2007. Selain itu perkembangan lingkungan usaha dan lingkup kegiatan Perseroan yang dinamis membuat perusahaan harus mencari dan mengembangkan sistem operasional yang efisien, efektif dan diakui secara internasional.

Against this backdrop, the Company thought it was necessary to incorporate SMM ISO 9001: 2008, SML ISO 14001: 2004, and SMK3 OHSAS 18001: 2007 into an integrated management system called Bukit Asam Management System (BAMS). BAMS allowed the Company many advantages, to name a few, simpler business process in terms of quality, environment and WSH; zero duplication of documents; reduced audit frequency; enhanced system productivity; prevention of conflicting system application, and cost reduction from the use of more efficient resources.

SMBA has been developed since 2009, through a series of stages. Competent consultants were involved at the initial stage and training and socialization programs were held in a timely manner, to ensure that the system would be implemented smoothly with minimum resistances. The Company also benchmarked itself to other companies adopting similar systems. Following graphic is how SMBA interacts with previous accredited operational management system and prevailing regulations.



The matrix of the impacts of the changes in the management system before and after SMBA implementation is as follows:

Current Situation	Change
SMM, SML, SMK3	Integrated Management System
Individual Certification Body	One Certification Body
Individual certificate	No change
Individual guideline	Integrated guideline
Individual policy	Integrated policy
Individual system target	No change
Individual system procedure	Integrated Management procedure
Prosedur operasional	No change

Among the benefits of an integrated Management System are:

- Simpler quality, environment, and occupational safety and health business processes
- No duplicated documents
- Fewer internal and external audits



Bukit Asam Integrated Management System was set up with the involvement of a qualified consultant

- Conflict potential regarding system implementation avoided
- Effective implementation:
 - Improve system's productivity
 - Save costs thanks to the efficient use resources.

To ensure successful integration of the operational system developed through SMBA, the Company defines Product Quality as one of the primary performances to achieve for the sustainability of the Company's business. In addition, to improve productivity, occupational safety and health and Employees and Equipments/Assets are among the primary needs that the Company must make available to avoid damages and losses.

The Company is committed to good mining practices to avoid environmental pollutions and maintain good relationships with local communities through community development programs. To achieve the three primary objectives, the management and all the staff members are aware and committed to implementing SMBA. All these will ensure the creation of the Culture of Quality, Environment Aware, and Occupational Safety and Health Aware which will significantly determine the success of the Company in achieving its goals and targets.

Risk and Risk Management

The Objective and Structure of Risk Management

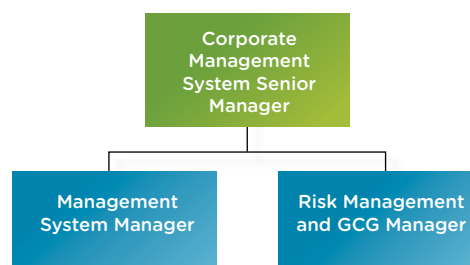
Overall, corporate risk management aims at supporting and strengthening the achievement of the GCG goals. Specifically, the objectives are among others to:

- Increase the odd for success in achieving corporate goals.
- Provide a better foundation on which to devise the strategic orientations.
- Focus on the best business standard practices.
- Improve stakeholder relations.
- Help achieve competitive advantages.
- Provide integrated responses to various risks.
- Minimize risk potentials.
- Mnimize risk exposures.
- Optimize corporate goals.

To that end, the Company strengthens the organization structure of the risk management by assigning a Senior Manager via the Corporate Management Working Unit to supervise the monitoring process, recommend mitigating steps, and evaluate the effectiveness of risk management. This is implemented in response to the realization of business development according to plan, which requires changes in the risk management pattern into one more analitical, anticipative, and responsive to any challenge the Company may face in the future. Currently, the risk management operational organizational structure is as follows:

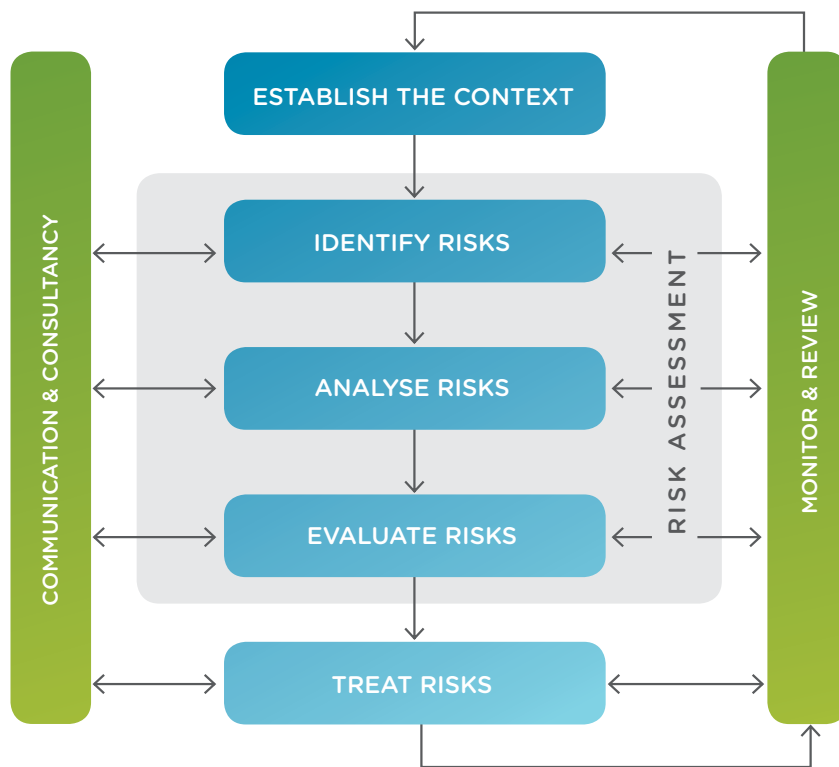
In addition to operation management, at the Board of Commissioners level, a committee to supervise how the management handles risks has also been set up, as shown in the Structure of Governance Chart in the hope that risks will be managed more effectively, efficiently and that the Company will be saved from risk incidents.

Improved implementation of risk management through organization restructuring, improved competence, insight, early detection, and proactive mitigation of risk compliant to AS/NZ 4360:2004 Standards to minimize potential risky incidents



Risk Management Process

Corporate Risk Management Process is a structured, systematic, as well as an ongoing process for the continuous improvement of company's risk management performance, which consists of anticipative analyses, early identification, and preparation of recommendations to mitigate risks. This is based on PTBA Integrated Corporate Risk Management Guidelines and its accompanying documents namely the Standard Operating Procedures of Risk Management under the AS/NZS 4360: 2004 framework. The Company's risk management framework is as follows:



The foregoing framework results in 5 primary stages in risk management. They are:

- **Establish the context**

At this stage, internal as well as external contexts are established. The contexts define the category of risks; scope of risks; accountability of risks, and the criteria on which to define probabilities, impacts, and risks.

PTBA has established a risk matrix of 4x4 in scale (the probability matrix consists of 4 scales whereas the impact matrix consists of 4 scales). This matrix can be found in the integrated corporate risk management Guidelines.

- **Identify Risk**

The second stage is identify risks, at which potential risks are inventoried. A risk register is made, containing statements of risk incidents and their possible causes.

In 2006, the Company identified 36 risks it had to deal and in 2009 another risk type (fraud and corruption risk) has been identified, so that in total the Company has to manage 37 risk types.

- **Analyze Risks**

The third stage is analyze risks, at which risk level is assessed. Risks are assessed qualitatively as well as quantitatively. Thanks to this analyze risk stage, the level of each risk can be identified. A risk can be either classified as low risk, medium risk, high risk or extreme risk.

This analysis is to identify the level of inherent risks, residual risks (treated risks) and expected risks (anticipated risks).

- **Evaluate Risks**

At this stage, risks are grouped by their level. These groups are then added to a risk map/profile on which one can see which risks are higher in level than the other.

Still at this stage, risk treatment alternatives are established for the future. Risks are treated taking their probability and impact values into account. A different risk treatment will be used if the probability values of the risk are greater than its impact values, vice versa.

- **Treat/Mitigate Risks**

At this stage, the best treatment plan to minimize the level of risk to an acceptable level (within the allowed tolerance for risks) is decided.

The implementation of these five stages involves intensive communications and consultancies considering it is entirely a continuous improvement process. Careful monitoring and review steps follow the risk treatment process. This review and monitoring process is implemented to identify to which extent the established treatment plan is effective in minimizing risk levels, whether further actions will be necessary, or whether new risks are identified and immediate treatments must be given.

The management process of these 37 risks is implemented periodically and reported every three months. Projects, to expand businesses or investments worth greater than USD 1 million or its equivalents, will commence on an as needed basis.

To improve understandings and ingrain risk cultures, risk management awareness and socialization programs are targeted at both structural and functional PTBA officials.

Risk Management System Effectiveness Evaluation

Risk management implementation evaluation is done through risk monitoring and review. This step is done periodically on a three month basis. This process helps identify the effectiveness of the current and future treatment plans.

Based on the results of the review and with regards to the current dynamics and future demands of the business, the implementation of the risk management in place will be further improved via an IT-based Risk Management System and ISO 31000 framework.

The Risks the Company Faces

Following the continuous risk identification the company has been conducting since 2006, the Company lists 37 risks it must routinely and consistently monitor and mitigate afterwards, as follows:

1. Quality Risk	9. Competition Risk	17. Exploration Risk	25. Commodity Risk	33. Demurrage Risk
2. Train Transportation Risk	10. HR Risk	18. Investment Risk	26. Strategic Transaction Risk	34. Project Risk
3. Legal Risk	11. Fuel Oil Risk	19. Exchange Risk	27. Procurement Risk	35. Market Risk
4. Asset Risk	12. Tool Risk	20. Operating Cost Increase Risk	28. Social Risk	36. Stripping Ratio Risk
5. Land Risk	13. CHF Risk	21. Documentary Risk	29. Credit Risk (KBL)	37. Fraud & Corruption
6. Pump Risk	14. Safety Risk	22. Tax Risk	30. Stakeholder Risk	
7. Contractor Risk	15. Environmental Risk	23. Investor Relation Risk	31. Collectibility Risk	
8. Information System Risk	16. Barge Transportation Risk	24. Power Base Tariff Risk	32. Cash Fluctuation Risk	

Overall, these thirty seven risks can be grouped into five categories as follows:

- **External Risks**, risks introduced by external factors. Belonging into this category are legal risk, investor relation risk, environmental risk, stakeholder risk, and social risk.
- **Operational Risk**, risks introduced by insufficiency and or malfunction of the internal process, human error, and sistem failure. This category includes among others coal quality risk, human resource risk, pump risk, contractor risk, documentary risk, fraud and corruption risk, and other similar risks.
- **Market Risk**, risks of possible loss incurred due to the market variable dynamics of Company's products. In this category are market risk, exchange risk, and commodity price risk.
- **Financial Risk**, risks introduced by fluctuating financial targets or company's monetary standards, caused by instabilities in macro variables. Into this category are tax risk, collectibility risk, cash fluctuation risk, and credit risk.
- **Strategic Risk**, risks introduced by wrong selection and implementation of strategies as well as wrong business decisions. Project risk, strategic transaction risk, and investment risk belong to this category.

The Company classifies these risks further by their level based on which they are treated, in accordance with their potentials and resulting impacts. By level, they are Extreme Risk, High Risk, Medium Risk, and Low Risk.

In PTBA integrated corporate risk management guidelines, the responsibility for risk treatment has been established as follows:

- Low risk, normally considered acceptable risks.
- Medium risk, Head of 2nd Layer Working Unit needs to be aware of this risk.
- High risk, Head of 1st Layer Working Unit needs to be aware of this risk.
- Extreme risk, top management needs to be aware of this.

Company determines mitigation process of extreme risk and high risk as priority of management handling

The Risk Management Working Unit reports the profiles and recommends risk treatment plans once every three months to BOD. These profiles and recommendations are the products of risk assessment and monitoring.

Risks management and mitigation in the report year

Periodic review identifies a number of risks in 2012 requiring prioritized treatment due to their high and extreme levels. Among those risks are: legal, CHF, occupational accident, escalating

operating cost, quality, train, land, contractor, Information System, HR, procurement, investor relation, project, and market risks.

In light of this, in the report year, Company takes mitigating steps against those risks, through a series of programs, as detailed in the brief table as follows.

Risk Type	Impact	Mitigation Steps	Risk Status
Unreliable CHF Risk	Late delivery, interrupted coal transportation process	Independent refurbishment process	Improved from extreme risk to medium risk
Land, Asset, and Legal Risks	Late management of the land status results in reduced amounts of coal reserve.	Improve land management organization structure, previously under Legal and Permit Working Unit, now a separate Asset Management Working Unit.	Improved from extreme risk to medium risk
Market Risk	Lower selling price means lower income and higher stocks	Search new market targets. FOB sales	Improved from high risk to medium risk
HR Risk	Late transfer of knowledge Increased dissatisfaction Fairness questioned Incompetent employee placement	Improve HR administration information system Begin recruitment process Begin assessment process in HR promotion and rotation Improve HR Management System and Procedure.	Improved from high risk to medium risk.
Fraud and Corruption Risk	Lower index of confidence Mutual suspicion Higher procurement cost	Apply whistle blowing system; Improve goods and service procurement guidelines Apply e-procurement system.	Improved from high risk to medium risk.

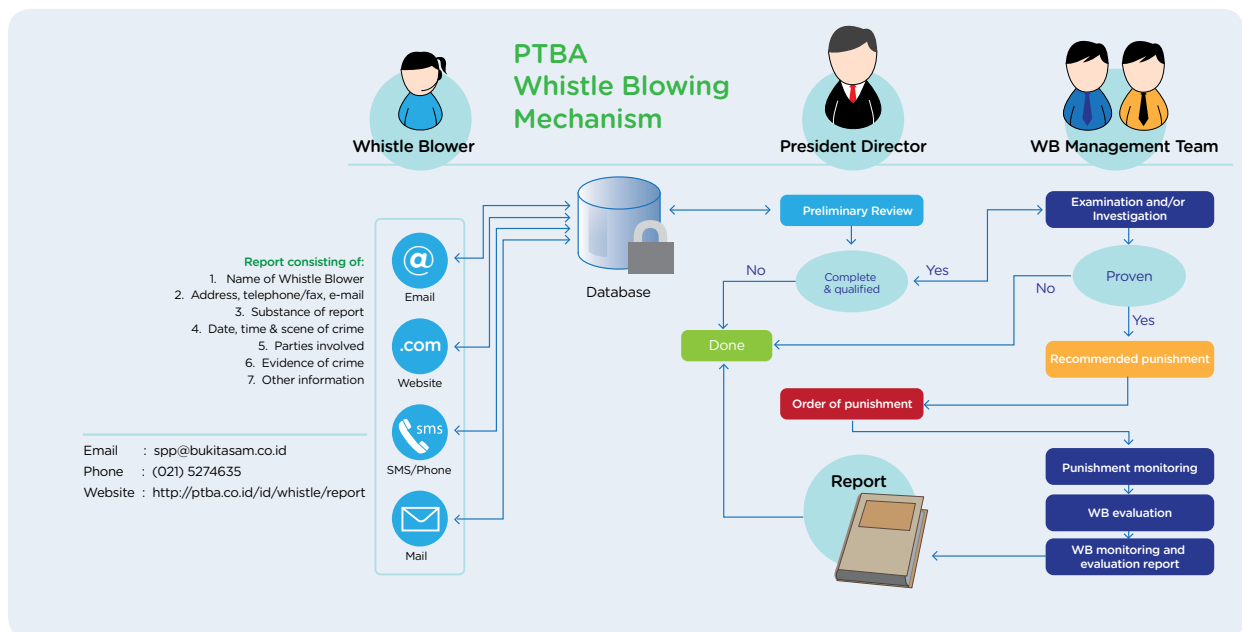
Whistle Blower System

In the opening part of the Governance Implementation Report it was said that in 2012 the Company officially had the Whistleblowing System in place with the issue of the Company's President Commissioner and Managing Director's Decision dated February 29, 2012. This initiative was followed by the formation and appointment of Whistleblowing Procedure (SPP) Management Team through Board of Directors' Decision dated October 10, 2012 and management's commitment to support the implementation of SPP on November 8, 2012.

This Violation Reporting Procedure in principle provides for the basic mechanism for reporting, which among others consists of:

- The information and how a violation can be reported through the whistleblowing system (WBS-PTBA)
- Report Handling
- Whistle-blower Protection
- Follow up of the report including punishment imposed.

A brief description of the basic mechanism for reporting can be seen in the following simple chart.



How to Report Violations

Violations that can be reported through the SPP (whistleblowing system/WBS-PTBA) are among others:

- Clear indication of fraud;
- Management's malpractice;
- Violations of law (violence against employees or superiors, blackmailing, drug abuse, harassment, and other crimes); and
- Any act which may compromise occupational safety and health or company's security or interests.

A violation must be reported clearly and accountably as well as accompanied by minimum details as follows:

- Type of violation reported and its perpetrators;
- When and where the violation takes place;
- Brief chronology of the incident; and
- Evidence of such violation.

Violation Report Handling

An incoming complaint/report will be treated as follows:

- Managing Director takes and forwards any violation reported to the appointed SPP officer for the latter to verify data and collect preliminary evidence and register it.
- Board of Directors decides the follow-up for the incoming report. The follow-up may consist of the following steps:
 - Internal Audit will investigate the matter insofar as the issue is within their reach.
 - External investigators will take over the matter in the event to manage the complaint requires very specific competence/knowledge/skills of which Internal Audit team lacks.
- Investigating team will conduct a full-fledged investigation and report its results to the Board of Directors which will give the final word on the complaint. Among the possible decisions are:
 - Stop and declare the investigation is over if the results indicate the complaint/report is inaccurate or not proven.
 - Forward the results of investigation to the Violation Discussion (PKP) forum if the investigation confirms the complaint.
 - Submit criminal violations or corruptions to the investigators for further process subject to the provisions of BRI regulations and prevailing laws. Communication and coordination with Legal Division will be opened to ensure that enough evidence has been collected before the case is submitted to the competent authority.

Whistle-blower Protection

The Company has a clear mechanism in place to protect the whistle-blower and his/her anonymity including:

- Whistle-blower personal details (name, address, telephone number, facsimile number, email, and working unit).
- Protect whistleblower against possible retaliations from the perpetrator or institution. Protect whistleblower against pressures, delayed promotion, terminated employment, lawsuits, property claims, as well as physical assaults. Not only to the whistleblower, the protection may also be available to whistleblower's family members.

With the adoption of this SPP, the Company aims at achieving clean corporate governance, creating a favorable and suspicion-free working environment. In addition, this SPP mechanism is put in place to improve the best practices in corporate governance to ensure the survival of business in the long run.

Code Of Conduct

Ethical Code

The Company has completed the review and reformulation of the provisions of its current Code of Conduct, re-adapting its content to the latest Good Corporate Governance Guideline and generally accepted practices. In 2010, the reformulated and updated Good Corporate Governance Guideline was introduced and socialized. The Board of Directors' Decision and all employees' agreement to abide by and comply with its the provisions by signing agreement form marked the implementation of the Code of Conduct.

In 2012, again the Company confirmed its commitment to improve the implementation of the principle points of the code of conduct by having all PTBA employees sign the "Statement of Compliance" with the Code of Conduct.

The Code of Conduct is one of the Company's tools to improve the integrity of all individuals in the corporation at all levels to maximize the best practices of GCG. The Company has reasons to believe that the balanced implementation of GCG best practices will improve the integrity and elevate the moral foundations which in the long run will help the Company avoid corporate-failure risks.

The Subject Matter of the Code of Conduct

In principle, the Corporate Code of Conduct Guideline provides for the issues for which the Company, the individual members of the management of the Company, and other parties engaged in business with the Company are responsible, which include:

- **Corporate Business Ethics**
Corporate Business Ethics details how the Company should behave and act as an entity in the attempt to balance its interests and those of stakeholders based on the principles of GCG and healthy corporate values.
- **Individual Code of Conduct**
Individual Code of Conduct outlines how individuals in the Corporation should relate, behave, uphold the ethics, and act in accordance with the prevailing standards and regulations.
- **Socialization of the Code of Conduct and Violations Report**
The code of conduct and the procedure for reporting inconsistent behaviors, violations of the Code of Conduct, Corporate Bylaw, and other prevailing regulations as well as the sanctions for such misconducts will be socialized effectively and comprehensively throughout the Company and stakeholders.
- **Statement of Compliance with the *Code of Conduct***
This is a statement form indicating that everyone at every level in the Company understands and agrees to abide by the Code of Conduct. This form also mentions the party liable for its implementation.

The Corporate Business Ethics contains the basic rules critical to the smooth operation of the company, namely : (i) The targets the Management and Employees must achieve; (ii), Corporate Internal Control; (iii) Compliance with prevailing laws; iv), Donation; (v) Giving or receiving gifts (vi), Environment; (vii) Manpower; (viii) Stakeholder relation ethics; and (ix), Professional relation ethics.

Meanwhile, the individuals in the Company must abide by the Professional Ethics which among others consist of the followings: (i) Integrity and commitment; (ii) Compliance with law and prevailing regulations; (iii) Information confidentiality; (iv) Conflict of interests; (v) Insider Trading; (vi) Occupational health and environmental safety; (vii) Corporate image; (viii) Involvement in political activities, and (ix) Giving or receiving gifts.

Socialization of the Code of Conduct

Socialization is one of the important elements of the implementation of the Code of Conduct. The Company is committed to socializing the Code of Conduct effectively and totally through the following steps:

- Socializing the Code of Conduct throughout the Company, Customers, and Business Partners as well as organizing periodic refresh socialization programs.
- Informing the results of reviews of what has been achieved and understood to everyone in the Company during their orientation as well as working periods.
- Conducting periodic evaluations of the points of the Code of Conduct for further improvement. If needed, the evaluation results will be further elaborated in a series of Company's policies and regulations.

The Corporate Management System Working Unit, which is responsible for the implementation of GCG, will organize this socialization program in coordination with the Human Resources Working Unit.

Socialization is followed by implementation and disciplinary measures on any non-compliance. As an incentive for observing code of conduct, performance appraisal will be made on employees at all levels, which will carry some weight on promotion and remuneration, and will evaluate employees' record of observing code of conduct. The Company supplemented code of conduct with procedures of handling customer complaints and imposing penalty on any breach of code of conduct.

Corporate Culture

The Company adopts and implements a system of values in the attempt to build its corporate culture. As the business and business environment develop, the Company reviews and formulates its system of values periodically.

Among the results of such periodic review is that late in 2012 the Company has managed to reformulate the values of its corporate culture, in place of the old corporate values. The new system value, "**PTPRS**", stands for "Percaya (Trust), Terbuka (Open), Positif (Positive), Rasional (Rational), and Sadar Biaya & Lingkungan (Cost & Environment Conscious)" which is further elaborated in a professional culture called "SiPrima" - Synergy, Professional, Believe in God.

The following statements represent the new corporate values:

Our Values

Visionary	:	Able to look far ahead and make long-term business growth projection.
Integrity	:	Being trustworthy, transparent, positive, honest, committed and responsible.
Inovative	:	Working earnestly towards product novelty and service improvement.
Professional	:	Competent team performance with creativity, courage, and commitment towards continuous expertise advancement.
cost and environment conscious	:	Doing business with concern for maximum advantage and environmental conservation.

Why We Exist

To present the World with a Better Source of Energy.

Our Commitment

We are committed to realizing the visions, missions, and values of PTBA and creating the foundation for future success.

General Policies of The Company

To accompany the GCG Guideline, the Company has prepared and set up a series of general policies on operation, in support of the implementation of the good corporate government, which among others consist of:

Whistleblower Policy

The company has adopted the Whistleblower Policy in the attempt to achieve for a number of objectives, among others, as follows:

- To create a favorable condition and encourage reporting of violations with adverse financial as well as non-financial impacts (things that may taint the reputation of the Company);
- To minimize losses caused by such violations by early detection systems; and
- To have an early warning system ready to anticipate potential problems resulting from violations.

To encourage whistleblowers, the Company has a procedure which protects the animosity of the whistleblowers and investigating officers

Risk Management

The Company has devised an integrated risk management system at corporate levels involving every working unit. Existing risk management system will be under a constant review in the hope to improve its effectiveness against potential and actual in achieving the Company's targets. This is part of the Company's long term strategy.

The Company sets up a special team to manage risks and ensure that the risk management is implemented systematically and standard compliant. (Full details on Risk Management is available in Risk Management section).

Conflicts of Interest

To avoid conflicts of interest, the Company adopts the following policies:

- Members of the Board of Commissioners and Board of Directors must report their share ownerships in the Company or other companies in a special form subject to the provisions of applicable laws.
- Nobody in the Company is allowed to use his/her power for personal gains or on behalf of other persons or other parties in a way that will prejudice the interests of the Company.
- Nobody in the Company is allowed to use confidential and privileged information for personal gains or on behalf of other persons or other parties in a way that will prejudice the interests of the Company.
- Every individual in the Company should avoid any economic motive in the company which may lead to economic conflicts of interest.

This way, the Company will not be subject to the domination of any power, will be free of undue influences and pressures in making objective decisions on any matter which may involve conflicts of interest.

Insider Trading

The Code of Conduct Guideline contains a provision on insider trading. The provision expressly states that the Company will strictly comply with the prevailing law on insider information, especially regarding access to sensitive and confidential information.

To ensure effective Whistleblowing, the Company adopts a very easy and simple procedure while protecting the animosity of both the whistleblowers and their investigating officers

The Code of Conduct Guideline provides that any individual in the Company at all levels who may have access to non-public information is prohibited from using his/her power and authority to disclose the same to any third party based on which they make their decision to buy, sell, or hold the Company's shares.

Performance Management

The Company adopts a transparent, accountable, independent, and sensible performance management system. This means that performance will be evaluated:

- Transparently, that is, all employees will know which elements of performance are evaluated so that they will be able to predict their performance grade and measure the same against that given by the Company
- Accountably, that is, the performance management is done by a working unit which has the relevant capability and with clear/mesurable units;
- Independently, that is, the performance management is done objectively and based on some specified measures and free from undue influences or pressures by any power;
- Sensibly, that is, the performance management is developed based on some achievable performance targets.

Balanced Scorecard and Key Performance Indicator (KPI) are among the tools used in the quarterly and annual performance management.

Quality Management

The Company adopts an integrated quality management to control the quality of the products and services the Company offers. Quality product and service assurance comes from a production sequence which complies with the applicable international standard in Coal-based Energy Industry. From the general investigation stage, transportation and trading stage, to post-mining stage and to actual energy production stage, the quality is assured.

Balanced Scorecard and Key Performance Indicator are among the tools used in the periodic performance management.

Related Transactions

Transactions with related parties will always be based on an arms length relationship so as to avoid prejudicing the interests of non-controlling shareholders as well as those of the Company.

The Company will always disclose all the transactions it enters with affiliated parties fairly and in accordance with the provisions of applicable laws.

Giving and Receiving Gifts

A gift is defined as any kind of goods the Company gives to any party with the purpose of influencing the recipient to act in favor of the Company inappropriately. A gift is also defined as any kind of goods the Company receives from any party with the purpose of influencing the Company to act in favor of the giver inappropriately.

In principle, the Company may neither give nor receive any gift, except that which is specifically allowed by the Company's regulation or provisions of prevailing laws.

Good/Service Procurement

Goods and services are procured through fair and open tenders. They are held effectively and efficiently, openly and fairly, transparently, non-discriminatively, and accountably. E-procurement and e-auction are introduced to implement the principles of GCG.

The policies are:

- Implemented consistently;
- Existing procurement system is periodically reviewed to ensure tenders are organized effectively and efficiently, openly and fairly, transparently, non-discriminatively, and accountably;
- Everyone in the Company should avoid conflicts of interest in the procurement of goods and services.

To maintain the objectivity of any decision made, the Company is prohibited from either giving or receiving any kind of gifts

Information Transparency and Confidentiality and Insider Information

The Company provides and discloses important information to its shareholders and stakeholders for a quick decision making process. No confidential information may be disclosed except with special authorizations from the Board of Commissioners and Board of Directors. Which information is sensitive and confidential is further provided for in the Document and Archive Administration

policy. The Company among others uses its official website to disclose public information. This policy underlines the secretarial activities of the Company.

The Implementation of the Basic Principles of GCG

The Company always attempts to implement the basic principles of GCG consistently in its operational activities. Following is a brief description of the implementation of the basic principles.

The Application of the Principle of Transparency

The Company warrants that all material and relevant information on its performance, financial condition, and other required information is provided clearly, adequately, accurately, verifiably, timely, and accessible by stakeholders. This transparency principle does not prejudice the Company's obligation to protect any confidential information belonging to the Company as well as its Business Partners in accordance with the provisions of prevailing laws. The Company authorizes Corporate Secretary and his/her subordinates to perform his/her duty and role in the implementation of this principle of transparency.

Example: Financial Report & Quarterly and Annual Performance Reports (Audited) for the Public and public presentation of the Company's material development plan

The Application of the Principle of Accountability

The Company warrants that each level in the Company will be assigned a clear function, role and accountability to enable the effective management of the Company. Accountability means the obligation of an individual or a working organ of the Company to exercise the authority or responsibility it is assigned with. The Company introduces 3 (three) levels of accountability to its members, namely:

- Individual Accountability
This accountability applies to the relation between superiors and their subordinates and both sides are accountable.
Example: The implementation of a six monthly Employee Performance Evaluation.

- **Group Accountability**
This accountability applies to a group responsible for the condition and performance achieved.
Example: The Balanced Scorecard Performance Management System the Company adopts consists of quarterly and annual measurements of work units' performance using Key Performance Indicators.
- **Corporate Accountability**
This accountability applies to the Company to ensure that it runs its business operations based on its Articles of Association.
Example: The Balanced Scorecard Performance Management System the Company adopts consists of quarterly and annual measurements of the Company's performance using Key Performance Indicators.

The Application of the Principle of Responsibility

The principle of responsibility is consistently applied in accordance with prevailing regulations. This includes good management of ex mining environment, meet obligations to business partners, and develop as well as implement corporate social responsibility programs. The responsibility for employees, the company's strategic partners, is expressed through the provision of required trainings, competency improvement trainings, and fair remuneration packages.

The Application of the Principle of Independence

The principle of independence is best represented in the making and application of the code of conduct, including the regulation of any transaction or investment plan with actual as well as potential conflicts of interest. This regulation will ensure that all the Company's Organs will function and play their roles well, independently as well as objectively. They also will respect each other's rights, obligations, duties, authorities, and responsibilities.

The Application of the Principle of Fairness

The company treats all its stakeholders equally. The Company provides all of its stakeholders with the opportunity to contribute something for the success of the Company. In the spirit of quality, the Company provides the same opportunity for everyone to be recruited as an employee, to have a career, and to perform his/her duties professionally regardless of his/her ethnicity, religion, class, gender, and physical conditions.

Miscellaneous

GCG Practice Related Plans

As a follow-up for GCG implementation program in 2012, the Company organizes the following actions in 2013.

The Company plans to bench-mark the implementation of the Code of Conduct by all the elements of the Company to similar practices in various companies of similar nature onshore as well as offshore.

Following its implementation, the Company will socialize this "Whistle-Blowing System" (WBS) internally and externally to all business partners/vendors and other stakeholders.

Now that the latest corporate culture values have been formulated, the Company will begin socializing them through a top-down approach. The socialization begins with a workshop for the General Manager, Senior Manager, and Managers. They will be the agents of change. They will facilitate the socialization of the latest corporate values all the way down to their subordinates. For this internalization and socialization program to be successful, the Company plans to engage competent independent parties in cooperation in its implementation.

To generate constructive feedback for the future implementation of GCG, the Company will monitor, regularly report, and review the implementation of GCG through an assessment program at PTBA. To that end, the Company plans to organize GCG self-assessment training. This step will be followed up by a periodic internal GCG assessment.

Cases Involving the Company

By late 2012, the Company still faces 1 (one) legal lawsuit regarding overlapped management of land.

Overlapped Management of Land

The Company is dealing with overlapped ownership of land case in Lahat. The Company cannot proceed with coal exploration and exploitation stages in the area over which a Mining Concession status was given previously. The Company may suffer from a huge economical impact because it may lose the coal reserve it previously owned in the disputed area. Following are the chronology and trial process the Company must undergo pertinent to the land management case in Lahat:

- In 2003, the Company was given Exploration Concession (SK DJPU No. 385K/2013/2013/DJP/ 1992 and SK DJPU No.91.K/2012/DPJP/1995) for an area of 24,751 Ha, and the quality of its coal reserves was already established. This Concession was upgraded to Exploitation Concession and approved by the then Governor Decision No. 461/KPTS/PERTAMBEN/2003, but was later revoked by the new Governor (only two months after the Decision was issued), stating the reason to be the absence of Lahat and Muara Enim Regents' recommendation and Environmental Impact Analysis (AMDAL). After the revocation, the Governor instructed that the Exploitation Concession be processed by Lahat and Muara Enim Regency Administration respectively.
- In 2004, in observance of the Governor's instruction, the Company applied for Exploitation Concession to Lahat and Muara Enim Regents. Muara Enim Regency Administration gave its approval by issuing Decision No. 857/K/KPTS/TAMBEN/2005 on Exploitation Concession, while Lahat Regency Administration refused to issue Exploitation Concession to the Company, although AMDAL was made pursuant to South Sumatra Governor Decision No. 574/2004, but issued Concessions to approximately 32 several private companies.
- On 20 April 2005, the Company filed a lawsuit to Palembang State Administrative Court (PTUN Palembang) under File Register No. 06/G.TUN/2005/PTUN.PLG, but the lawsuit was turned down by PTUN Palembang.
- On 14 December 2005, the Company appealed to Medan State Administrative High Court (PTTUN Medan) under File Register No. 100/BDG/2005/ PT.TUN-MDN. However, PTTUN Medan rejected the Company's appeal.

- On 30 June 2006, the Supreme Court received the Company's claim for reversal (cassation). The Supreme Court decided to overrule the decision of PTTUN Medan and ruled that the Company's claim was inadmissible, stating the case was not final and that the Company was given a chance to file a new application to upgrade Exploration Concession to Exploitation Concession.
- On 31 January 2008, still related to the above case, the Company filed a civil claim to Lahat District Court (PN Lahat) for material losses due to the award of Concession to other parties. The claim was directed to several parties including Lahat Regent as the first respondent.
- On 12 August 2008, PN Lahat issued provisional decision, stating that PN Lahat was not in the power to judge the case. With this provisional decision, the Company appealed to Palembang High Court (PT Palembang).
- On 16 December 2008, PT Palembang issued provisional decision, accepting the Company's appeal, overruling PN Lahat provisional decision and ordered PN Lahat to examine and judge the case and rule whether to turn down or accept the intervention of Energy and Mineral Resources Minister. Based on the provisional decision of PT Palembang, the Company filed a reversal (cassation) claim to the Supreme Court.
- On 28 January 2010, the Supreme Court handed down a reversal verdict with Order to Reject Cassation Claim of the Respondents (Lahat Regent and party), stating that PN Lahat was authorized to judge the claim of petitioner (the Company).
- On 20 May 2011, Lahat Regent and party filed an appeal for civil reconsideration (PK) to the Supreme Court. The Company made a counter response to the PK, submitted to the Supreme Court through PN Lahat. In its decision Supreme Court ruled in favor of the respondents (Lahat Regent and party) stating that PN Lahat was not empowered to judge the Company's appeal.
- On 20 June 2011, Lahat Regent filed an appeal for PK TUN (administrative civil reconsideration) at PTUN Palembang and the Company submitted a counter response to PTUN Palembang.
- On 11 October 2011, the Supreme Court handed down PK TUN Decision No. 109.KP/PTUN/2011 approving PK TUN of Lahat Regent. Therefore, in the case of PTUN Palembang, the Company is on the losing side.
- On 29 November 2011, the Company filed an appeal for PK TUN to the Supreme Court through PTUN Palembang against the Supreme Court's TUN Reversal/Cassation Decision No. 326K/TUN/2006 dated 10 May 2007.
- On 16 December 2011, Head of PTUN Palembang issued a ruling whereby the Company's appeal was declared inadmissible.
- On 11 January 2012, the Company filed a reversal (cassation) appeal against the ruling of Head of PTUN Palembang that declared the Company's appeal inadmissible.
- On 9 April 2012, the Company filed a lawsuit, charging Lahat Regent (2003-2008 term) with corruption in collaboration with several private mining firms.



Corporate
Social
Responsibility



- Community Welfare Improvement
- Partnership and Community Development Program (PKBL)
- Community Development Program
- Environmental Preservation Management
- Fulfillment Of Employees' Rights
- Occupational Health, Safety & Environment
- Responsibility To Consumers
- Harmonious Relationship With Community Based On Principle Of Good Governance

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Synergy of PKBL fund distribution pattern with fulfillment pattern of stakeholders' expectation as part of the implementation of corporate social responsibility to create sustainable quality growth.

In 2012, the Company began to build a new milestone as energy producing company, through the operation of mine mouth Power Plant with a capacity of 3x10MW in Tanjung Enim area. In the coming years, the Company will soon operate some additional mine mouth Power Plant around Tanjung Enim and Tarahan area, the main coal loading port of the Company. These developments will be proceeded by realization of some other significant business development programs.

Along with realization of those business development programs, the Company has redefined its vision, strategy and corporate values, as revealed in discussion of "Company Info" and "Corporate Governance". Mission of the Company is currently defined to be

"Managing energy sources by developing corporate competencies and human excellence to provide maximum additional value for the stakeholders and environment." Along with business development and changes in vision and mission statements, the Company has also redefined implementation program of company responsibility.

As a mining company with extensive management area and now is starting to develop into an electric power generating company which is necessary for the people in Sumatera Island who are experiencing a power shortage, the Company is committed to continue to grow and develop with surrounding community. It is quality growth which is expected, i.e. the growth that is able to balance profitability performance success with the success at maintaining the environment as well as promoting community life around the operation area.

In order to realize company's mission toward achieving the vision of the company, while creating quality growth, the Company is now preparing and realizing corporate social responsibility program with a new approach. Such an approach is the implementation of corporate social responsibility means trying to meet the expectations of stakeholders, namely customers, partners, government, shareholders, employees and surrounding community while protecting the environment.

The Company designs and realizes activities with focus on meeting the expectations of six groups of stakeholders by determining success parameter for each activity. The six focuses of activity refer to the international rules regarding the successful implementation of corporate social responsibility established by Global Reporting Initiatives (GRI), which are defined in implementation strategy in accordance with the applicable ethics/norms, including:

- Sustainable economic development and community empowerment to improve the welfare of local community and society at large.
- Concern for environmental protection, including post-mining land restoration as well as reforestation of Musi Watershed.
- Assurance for the implementation of non-discrimination and respect for human rights.
- Implementation of health and safety insurance as well as efforts to improve employees' welfare.
- Implementation of guarantee for the safe use of the product and customer satisfaction.
- Creating a harmonious relationship with community based on the principles of good governance.

The Company believes that successful fulfillment of stakeholders' expectation, including environmental preservation will ensure business continuity and environmental sustainability in the long run.





The operation of Bukit Asam Hospital at Tanjung Enim is evidence of the Company's commitment to community development

Community Welfare Improvement

Surrounding community is one of the stakeholders of the Company's attention in implementing corporate social responsibility. The main hope of community is the increased welfare and standard of living both economically and socially, along with growth and development of the company, so that surrounding community is not merely a spectator of the business growth, but also a contributor who support the development, together with the Company.

In order to achieve that goal, the Company has been designing and implementing a wide range of activities in social, economic and environmental field, as one form of corporate social responsibility for the community, particularly in Ring I around mining area of the Company. Basically, community development program around the Company is carried out through two main programs, i.e. Partnership and Community Development Program (PKBL) as well as Regional Development.

Partnership and Community Development Program (PKBL)

The Company implement PKBL based on Regulation of State Minister of State Owned Enterprises (BUMN) of the Republic of Indonesia No. PER-05/MBU/2007 regarding BUMN Partnership Program with Small Enterprises and Community Development Program in accordance with Circular Letter No.SE-07/MBU/2008 on the implementation of PKBL.

In order to provide optimal results for the increased community welfare, the Company is now designing and realizing the program by considering synergy of PKBL activities with company's operations. The synergy is also aligned to occur in realization of fund distribution for Partnership Program and Community Development, even though the target of each program is different. Through synergy of these activities, the Company is targeting efficiency and effectiveness of

PKBL fund distribution and management, as well as the optimal and sustainable improvement of community welfare.

The aim pursued by PTBA Partnership Program is the increased capability of small enterprises and cooperatives around the operation area of the Company in order to be strong and independent. While the objectives of Community Development activity are oriented to social empowerment by providing assistance to natural disasters victims, education and training, public health improvement, development of public infrastructure and facilities, religious facilities and assistance for nature preservation.

Believing that increased economic activity is closely related to the level of education, health and the availability of facilities and infrastructures, the Company synergize fund distribution pattern for Community Development (BL) and Partnership Program (PK), by expanding distribution portion of BL fund in the three areas. As for PK program which is more oriented toward the increased economic activities, the Company synergize distribution through development and fund distribution to the areas of activities which the result can be optimized.

In 2012, the Company has distributed fund for Partnership Program and Community Development Program amounted to Rp212.50 billion, increased by 46.0% from total distribution of PKBL fund in 2011 which amounted to Rp145.20 billion.

Partnership Program

In Partnership Program, the Company expects to increase self-sufficiency of development partners while assisting the sales expansion of development partner's products particularly in operation areas of the Company including South Sumatera, Lampung, West Sumatera, DKI Jakarta, Banten, West Java, Central Java and East Java.

Quality improvement is conducted through fund distribution pattern which is more focused on activities that can improve the welfare of community around the company. Distribution is also conducted in cooperation with several competent parties, in order to obtain feedback in the form of improved quality of development partners and increased percentage of successful programs.

Distribution of partnership fund in various economic sectors that have many advantages for development partners, including: marketing collateral, payment guarantee and targeting coaching. The Company also received a variety of benefits, including: increased loan collectibility level, reduced direct dependence on company and effectiveness of supervision and coaching activities.

So that commodity types of potential development partners which are prioritized for receiving assistance including:

- Commodities that have local potential around the Company.
- Commodities which are the mainstay of the region.
- Traditional commodities which are potential to be developed.
- Commodities which are likely to be exported or export-oriented.
- Commodities that can absorb labor force / labor intensive.

In 2012, the Company has realized Partnership Program fund amounted to Rp125.79 billion of the total budget plan of Rp125.13 billion, which the fund is sourced from prior year fund balance and revenues from principal installments as well as loan administration fee from funds that have distributed in previous years and the allocation of current year profit amounting to Rp30.86 billion. The distributed funds including:

- Soft loan for Small and Medium Enterprises of Rp5.70 billion,
- Joint operation with four Channeling SOE's and South Sumatera Community Credit Bank extending a total of Rp116.46 billion,
- Development funds amounted to Rp3.63 billion.

Realization of fund distribution for Partnership Program in 2012 increased 27.13% from realization in 2011 that amounted to Rp98.95 billion, one of which comes from the increased distribution pattern of cooperation funds. The increased cooperation fund distribution constitutes a participation of the Company to Government's efforts to improve food security. Most of cooperation fund distributions are aimed at the plantation sector, which is managed by Plantation BUMN.

Effectiveness of fund distribution for Partnership Program in 2012 is 86%, while collectibility level of loan repayment reached 82%.

The soft loan funds are distributed to 278 (two hundred and seventy eight) development partners / small enterprises and cooperatives which are spread over 4 (four) regions covering various business sectors. According to requirement development and target effectiveness, the Company will enhance synergy efforts and professionalism in distribution activities as well as seeks to increase loan repayment collectibility level of Partnership Program fund.

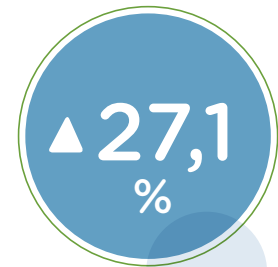
A full description of Partnership Program activities can be found on PKBL Financial Report for 2012.

Community Development Program

PTBA Community Development Program is elaborated in six focuses of activities, namely: Education Program, Public Facilities and Infrastructure Development Program, Religious Facilities Renovation Program, Health Improvement Program, Nature Preservation Program and Disaster Assistance Program. Goals to be achieved are the improved standard of living and community welfare.

As mentioned above, the Company seeks to integrate fund distribution for BL and PK, focusing on BL fund disbursement for three key areas, namely health, education and public facilities.

In 2012 the Company actively engage and involve community participation directly in planning, implementation and monitoring of social economic empowerment program for community around the mine area. Particularly for the construction of public facilities, education facilities and religious facilities, the Company implement the pattern of "Musrenbang" (Consultation Forum for Development Planning). Through this pattern, from planning to the implementation phase, the Company involve Local Government and community, so that the development is well targeted and according with community's needs. The Company also initiated the establishment of Village Projects with "Musrenbang" distribution pattern.



The Company has increased distribution of Partnership Fund up to 27.1% of the realization in 2011, reaching the amount of Rp125.79 billion.

Fund Distribution for Partnership and Community Development (In Rp million)

Description	2012	2011
I. Partnership Fund Distribution		
A. Loan		
• Industry	567	660
• Trading	2,837	6,650
• Agriculture	1,780	2,770
• Livestock	-	15
• Plantation	30	185
• Fishery	-	15
• Service	485	1,330
• Joint Distribution	116,462	84,812
Total - A	122,161	96,437
B. Development		
• Industry	549	1,450
• Trading	1,010	564
• Agriculture	60	6
• Plantation	-	411
• Service	-	77
• Joint Distribution	2,008	-
Total - B	3,627	2,508
Total Distribution for Partnership Program - I	125,788	98,945
II. Fund Distribution for Community Development		
• Natural Disaster Assistance Program	780	106
• Education and Training Assistance Program	19,682	14,596
• Public Health Assistance Program	11,495	3,863
• Public Infrastructure and Facilities Assistance Program	22,623	20,083
• Religious Facilities Assistance Program	8,596	4,176
• Nature Preservation Assistance Program	1,536	431
Total - II	64,712	43,256
Total PKBL Distribution I + II	190,501	142,201
III. Fund Distribution for BUMN Peduli		
	22,000	3,000
Total PKBL I + II +III	212,501	145,201

In order to accelerate community welfare and self-reliance, the Company prioritize Community Development in health and education areas, along with constructions of necessary infrastructures and facilities. The company enhance the intensity of “Ayo Sekolah (Let’s Go to School)” program, i.e. the tuition assistance program for underprivileged students at the Elementary School, Junior High School and Senior High School in ring 1, the goal is to help the students to complete their educations until Senior High School level.

Total funds distributed through the implementation of Community Development program in 2012 increased by 87.5% from Rp46.26 billion in 2011 to Rp86.71 billion in 2012, including operating costs but excludes participation in BUMN Peduli (BUMN Care) Program in 2012 which is presented separately, with the following details:

Fund For Community Development Program (In Rp million)

Type of Assistance	2012 (a)	2011 (b)	% (a : b)
Assistance for Natural Disaster Victims	780	106	636%
Assistance for Education and Training	19,682	14,596	35%
Assistance for Public Health	11,495	3,864	197%
Assistance for Public Infrastructure and Facilities	22,623	20,083	13%
Assistance for Religious Facilities	8,596	4,176	106%
Assistance for Nature Preservation	1,536	431	256%
BUMN Peduli (BUMN Care)	22,000	3,000	633%
Total-a	86,712	46,256	88%

All assistances in the implementation of Community Development Program are distributed through four working areas including Tanjung Enim Mining Unit, Ombilin Mining Unit, Tarahan Port and Kertapati Jetty.

Community Development Program

The Company has also proactively implemented Community Development Program as a form of compliance with the provisions of Article 74 of Law No. 40 of 2007 on Limited Liability Companies. The program is aimed to empower community economic potential as well as to realize Company’s commitment to work together to create a better quality of life for community. Community Development Program is implemented by providing physical and non-physical assistance with a wider coverage area.

In 2012, the implementation of Company’s Community Development Program touched a lot of community interest, both in order to support the improvement of education quality, sport performance and direct participation in area development around the operational activities that distributed through Local Government.

Development participation is distributed in form of Regional Development Participation fund which the amount is determined by a specific calculations. In 2012, the Company distributed Participation funds to Provincial Government of South Sumatera, Lampung, Regency Government of Muara Enim and Lahat with a total of Rp44.5 billion, increased by 15.2% from the previous year of Rp38.6 billion. The Company also participated in various development activities in operation areas, including sport activities such as football at national and regional level.

Overall, total funds which were distributed through Community Development Program in 2012 reached Rp83.25 billion, increased by **12.4%** from Rp74.09 billion in 2011.



The Company
and its foster
partners engaging
in environmental
conservation activities

Participation in BUMN Peduli Program

In accordance with letter of State Minister of BUMN (State Owned Enterprise) No. S-648/MBU/2012 dated November 14, 2012 regarding “BL Peduli 2012”, the Company participated in the implementation of BL Peduli Program in 2012 for Rp22 billion, in areas such as: Cheap Market (Cheap Groceries) amounted to Rp5 billion, Natural Disaster amounted to Rp5 billion, Natural and Environmental Preservation amounted to Rp2 billion and Public Infrastructures and Facilities (appropriate housing) amounted to Rp10 billion.

Environmental Preservation Management

Company’s commitment to environmental preservation is realized through the implementation of environmental management, monitoring, development, and rehabilitation program as well as the implementation of post-mining programs which are designed and implemented carefully and continuously.

A full report on the environmental management program can be found on “Environmental Management and Protection” part as well as “Realization Reports of Post-Mining Program, Reclamation and Rehabilitation” on page 108 of this Annual Report.



Fulfillment of Employees' Rights

For PTBA, besides being one of stakeholders, the employees are the key asset that determine the success of Company's efforts to realize the goals and to develop business. The Company is fully aware of the importance of creating a harmonious working relationship between management and all employees of the Company. Therefore, in any organizational activity, the Company treat all employees equally regardless of ethnicity, race, religion, gender and political direction, as well as all employees have the freedom of association and implement Collective Labor Agreement.

A full report on the matter, can be found in Chapter: Operational Report regarding "*Human Resources Management*" on page 83 of this Annual Report.

Occupational Health, Safety & Environment

The Company has implemented a series of related policies and provides facilities as well as infrastructure for each employee that enable the achievement of high standard of health, safety and environment in the industry. In the implementation of K3, the Company has obtained K3 Management System Certification (SMK3) from Departement of Workforce and Transmigration of Republic of Indonesia.

A full report on the matter can be found in Chapter: Management Report regarding "*Occupational Health, Safety & Environment*" on page 94 of this Annual Report.



Horse-race arena,
one of the Company's
contribution to post-
mining program
at Sawahlunto in
collaboration with
Local Administration

Responsibility To Consumers

The Company is aware of the importance of quality standard fulfillment for all product produced, and responsibility to consumers/customers, since both have a significant effect for sustainable growth of business performance. The Company establishes and enforces strict criteria in the process and production output as well as quality control of its products. The Company is also very concerned about consumers'/customers' satisfaction which is realized through product quality maintenance, delivery commitment and the opening of customer complaints service.

Realization of Company's commitments as well as a full description of product quality, customer protection and commitment to customer satisfaction can be found in Chapter: Management Report regarding "Marketing", on page 112 of this Annual Report.

Harmonious Relationship With Community Based On Principle Of Good Governance

The Company has formulated a series of organizational governance and rules that ensure all company's operation are conducted with the principle of good governance. The Company is fully committed to run all basic principles of Good Corporate Governance consisting of transparency, accountability, responsibility,



integrity and equality/equity/fairness in every aspect of its operations. In accordance with transparency principle, the Company also opens access and establish mutual communication with public and related parties, including business partners, shareholders and Government.

A full report on the implementation of Corporate Governance best practice can be found in Chapter: Management Report regarding “the Implementation of Good Corporate Governance” on 174 of this Annual Report.

Sustainability Report

The Company publishes *Sustainability Report* which is an integral part of this Annual Report. The report that proves commitment to implement social responsibility program professionally, transparently and measurably, represents comprehensive accountability of CSR program management and realization for all Company’s stakeholders.

Corporate Data



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- An aerial photograph showing the PT Bukit Asam (Persero) Tbk headquarters, a large white building with a red roof, surrounded by lush greenery and parking lots. In the background, there are hills and a residential area. A hot air balloon is visible in the sky.
- Board of Commissioners Profile
 - Board of Directors Profile
 - Corporate Secretary
 - Internal Oversight Unit (SPI) Profile
 - Audit Committees Profile
 - Business Risk and Nomination, Remuneration and HRD Committee Profile
 - Address List of Subsidiaries and Associated Companies
 - First Level Officials

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Board Of Commissioners Profile

Left to Right:

Suranto Soemarsono, SE. MA.

Dr. Ir. Thamrin Sihite, ME.

Dr. Patrialis Akbar, SH. MH.

Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ.

Ir. Robert Heri, MM.

Drs. Imam Apriyanto Putro, MM.

**Dr. Patrialis Akbar, SH, MH.**

President Commissioner

Dr. Patrialis Akbar, SH, MH has been the President Commissioner since December 22, 2011. Former Minister of Justice and Human Rights of the Republic of Indonesia for 2 (two) years (October 2009 – October 2011). Two years served as Minister of Justice and Human Rights, he managed to free ± 319 Indonesian Migrant Workers (TKI/TKW) from Saudi Arabian Jails. Successfully change financial audit opinion of the Ministry of Justice and Human Rights from disclaimer to unqualified. Twice he became committee chairman of leader candidates selection for Corruption Eradication Commission for the period of (2010–2014) and (2011–2015). As a member of Indonesian House of Representatives (DPR-RI) / The People's Consultative Assembly (MPR-RI) (1999 – 2009) from Partai Amanat Nasional. Always represent DPR in the sessions of Constitutional Court in hundreds of cases of judicial review of law against the 1945 Constitution. He currently joins the constitution forum. In 1994–2004 he was directly involved in formulating changes of the 1945 Constitution, so that he is listed as one of the agents of history of the 1945 amendment. He started his career as a lawyer (1984 - 1999). He is a lecturer at Faculty of Law, University of Muhammadiyah Jakarta. Currently, he also teaches at several private colleges. He completed his bachelor's degree (S-1) at University of Muhammadiyah Jakarta, Master's degree (S-2) at University of Gajah Mada and received Doctoral Degree from Faculty of Law, University of Padjadjaran Bandung. He was born from warrior's blood. His mother was an Army Major and his father was an Army Lieutenant.

**Dr. Ir. Thamrin Sihite, ME.**

Commissioner

Dr. Ir. Thamrin Sihite, M.E. has been a Commissioner of the Company since 2008, and has also been a Director General of Mineral and Coal of Department of Energy and Mineral Resources since 2011. He received his Bachelor's degree from General Mining Engineering Department of Bandung Institute of Technology (1979), Master of Engineering (1987), and Doctor of Engineering (1990) from Institute of Mineral Dressing and Metallurgy, Tohoku University- Sendai, Japan. His previous career included Head of Education and Training Agency of Department of Energy and Mineral Resources (ESDM) (2009–2011), Advisor to the Minister for Social and Institutional Affairs of Ministry of ESDM (2007–2009), Head of Planning and Cooperation Bureau of the Ministry of ESDM (2001–2007), Head of Environment and Technology Bureau of Department of Mines and Energy (DPE) in 2000. Chairman of Central Commission for Environmental Impact Analysis of DPE (2000–2001), Department Head of Environmental Management and Spatial Planning of DPE (1993–2000), Indonesian Expert Technical Manager on a joint project of Environment and Technology Bureau with The Office of Surface Mining USA, funded by World Bank (1995–1997).



Drs. Imam Apriyanto Putro, MM.

Commissioner

Drs. Imam Apriyanto Putro, MM has been a Commissioner of the Company since June 9, 2011 and has also been the Head of Planning and HR Bureau of Ministry of BUMN (State-Owned Enterprises) (March 2012 – present). He received his Bachelor's degree from Management Department of Faculty of Economy at University of Diponegoro (1982), Management Master's degree (S-2) at Institut Bisnis Indonesia (IBI) in 2004 with a concentration in Financial Management. His previous career at the Ministry of BUMN included Assistant Deputy for Research and Information Affairs of the Ministry of BUMN (2010-2012), Head of Restructuring and Strategic Planning Department of the Ministry of BUMN (2008-2010), Head of Planning Department of Secretariat of the Ministry of BUMN (2005-2008). While at the State-Owned Enterprises he served as a member of Board of Commissioners of PT Petrokimia Gresik (2010-2012), Secretary of Board of Commissioners of PT Askes (2000-2010), Secretary of Board of Commissioners of PT PANN Multi Finance (2004-2010) and Commissioner of PT PNM Investment Management, a subsidiary of PT PNM engaged in investment management (2006-2011).



Suranto Soemarsono, SE. MA.

Independent Commissioner

Suranto Soemarsono, SE, MA has been an Independent Commissioner of the Company since 2008 and he serves actively as a lecturer of S-1 and S-2 program at "Asian Banking Finance and Informatics Institute of Perbanas" (1998-present). He received his Bachelor's degree from Department of Economy at University of Gadjah Mada (1983) and Master of Art in Economics & Finance at Western Illinois University, USA (1992). His previous career included VP Corporate Finance of PT PDFCI Securitas (1999-2000), Finance Director of PT Barkatel Utama (2001-2006), and Commissioner of PT Mega Global Triartha Optima (2001-2004).



Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ.
Independent Commissioner

Ir. Abdul Latief Baky, SH, Mhum, MSc, FIQ has been an Independent Commissioner of the Company since 2008, while at the same time serves as President Commissioner of PT Citta Trahindo Pratama since 2007, and Managing Partner of LAGR & Associated – Law Firm since 2006. He received his Bachelor's degree from Department of Mining Engineering of Bandung Institute of Technology (1977), Bachelor's degree in Civil Law from University of Bung Karno, Master of Science degree in International Business Administration from University of Indonesia (2004), Master of Arts in Business Law from University of Gajah Mada (2007), Doctoral candidate of Civil Law Post Graduate Program at University of Hasanuddin, Fellows Institute of Quarrying, UK (1996). His previous career included Chairman of Surabaya Stock Exchange Listing Committee, Commissioner of PT Karimun Indoco Pratama (2003-2005), President Director of Perusda Karimun BUMD-Holding (2001-2005), President Director of PT Bhumi Artha Khatulistiwa (1999-2001), Administrative Director, Marketing Director and Operation Director of PT Karimun Granite (1990-1999).

In Profesional Organization he served as Chairman of Perhapi (Indonesian Mining Experts Association) for two periods: 2001-2003, 2003-2006, and currently serves as a member of Advisory Board of Perhapi. While in Corporate organization at Indonesian Chamber of Commerce and Industry (Kadin Indonesia) he served as Chairman of Standing Committee on Coal and Geothermal (2008-2010), Standing Committee on Minerals and Industrial Minerals (2010-2014), and in APBI (Indonesian Coal Mining Association) he serves as Vice Chairman for Legal and Legislations Affairs for 2 period (2009-2012) and (2012-2015).



Ir. Robert Heri, MM.
Commissioner

Ir. Robert Heri, MM has been a Commissioner of the Company since May 3, 2012, and has also been the Head of Mining and Energy Office of South Sumatera. He received his Bachelor's degree in Geological Engineering from University of Pakuan Bogor (1991) and his Master's degree in Management from University of Bina Darma Palembang (2008). His highest Sturctural Education is SPAMEN (PIM II) in 2009 in Jakarta. His previous career included Head of Mining and Energy Office of South Sumatera Provincial Government (March 01, 2010 – Present) and President Director of BUMD PT Petromuba, previously served as Head of Mining and Energy Office of Musi Banyuasin Regency (2008 – March 1, 2010), and had been involved in the field of education as a lecturer and lastly served as Vice Chaiman I of Sekolah Tinggi Ilmu Manajemen Palembang in 1996-2001.



Board of Directors Profile

Left to right:

Ir. Maizal Gazali, MM.

M. Jamil, SE. MM. Ak.

Ir. Milawarma, M.Eng.

Ir. Heri Supriyanto

Ir. Anung Dri Prasetya, MAppSc

Achmad Sudarto, SE. MM. Ak.

**Ir. Milawarma, M.Eng.**

President Director

Ir. Milawarma, M.Eng has been the President Director since 2011. Previously he served as Operation/ Production Director of the Company (2006). He received his Bachelor's degree from Mining Department of UPN Veteran, Yogyakarta (1987) and his Master's degree in Engineering from University of Wollongong, Australia (1995). His previous corporate career included Corporate Secretary (2003-2006), Business Analyst / Senior Professional in Business Development (1999-2003), Head of Business Diversification (1997-1999), and Head of Long-Term Mine Planning Office (1995-1996).

**Achmad Sudarto, SE. MM. Ak.**

Finance Director

Achmad Sudarto, SE, MM, Ak has been the Finance Director of the Company since 2011. He received his Bachelor's degree from Accounting Department of Faculty of Economy, at Sriwijaya University, Palembang (1992) and Master's degree in Management (2009) from University of Sriwijaya. Starting his career in PTBA since 1992, before finally served as Corporate Secretary (2009-2011), he was a Senior Manager of Treasury and Finance of PTBA in 2009 and Accounting Manager of PTBA in 2007.



Ir. Heri Supriyanto

Operation/Production Director

Ir. Heri Supriyanto has been an Operation/Production Director since 2011, after previously served as Business Development Director of the Company (2006-2011). He received his Bachelor's degree from Industrial Engineering Department of Bandung Institute of Technology (1981). His previous career in Company included President Director of PT Bukit Pembangkit Innovative (2006), Senior Logistic Manager of the Company (2005-2006), General Manager of Briquette Business (2001-2005), Project Head of Coal Briquette Development (1993-2001) and Division Head of Technicality Development (1991-1993).



Ir. Anung Dri Prasetya, MAppSc

Business Development Director

Ir. Anung Dri Prasetya, MAppSc has been a Business Development Director since 2011. He completed his Bachelor's degree at Mining Department of Bandung Institute of Technology (1987) and his Master's degree in Master of Applied Science at University of New South Wales, Sydney-Australia (1993). Previously he served as President Director of a company's subsidiary i.e. PT. Bukit Pembangkit Innovative, HR Senior Manager (2005-2007), Senior Mining Manager (2004-2005), Senior Business Development Manager (2002-2004), and served as Corporate Secretary (2000-2002). He joined the Company in 1987 and has held several positions, including Head of Business Development (1997-1997) and Head of Exploration / Mine Development (1998-2000).

**M. Jamil, SE. MM. Ak.**

Commercial Director

M. Jamil SE. MM. Ak. has been a Commercial Director of the Company since 2011. He received his Bachelor's Degree in Accounting from Sriwijaya University (1990), later completed his Post Graduate Program at University of Sriwijaya (2007). Previously he served as Senior Logistic Manager (2009-2011), Senior Accounting and Budget Manager (2007-2009), Planning and Financial Control Manager (2002-2007) and Head of Management Accounting (1999-2002). He joined the Company in 1991 and previously served as Secretary of Strategic Plan Team (1994) and Cost Accounting Head (1997-1999).

**Ir. Maizal Gazali, MM.**

HR & General Affairs Director

Ir. Maizal Gazali, MM has been a HR & General Affairs Director since 2011. He received his Bachelor's degree from University of South Sumatera and completed his Post Graduate Program at Bandung Institute of Technology. Previously served as Management System Senior Manager of the Company (2011), HR Senior Manager (2007-2011), Operation and Engineering Studies Manager (2006-2007), Contract and Procurement Manager (2005-2006), as well as several other intermediate positions. He joined the Company in 1987 and has served as Personnel Department Head of UPO (1991-1995), Head of Primary Minerals Purchasing Department (1997-1999) and Routine Procurement Manager (1999-2002).

Corporate Secretary and SPI Profile



Joko Pramono

Corporate Secretary

Joko Pramono has been a Corporate Secretary since September 2012. He received his Bachelor's degree from Mining Faculty of Universitas Pembangunan Nasional Yogyakarta (1995), he is a member of Australian Institute of Mining and Metallurgy (2009-present) and has started his career in PTBA since 1996, before finally served as Corporate Secretary. He was Corporate Action Manager of PTBA (2011-2012), and previously served as Associate Business Analyst at Corporate Planning of PTBA (2007-2011).



Bambang Sutrisno

Head of Internal Oversight Unit

Bambang Sutrisno has been an Internal Oversight unit since 2009, having previously served as Primary Examiner (2007-2009) and as Manager of Feasibility and Investment Control (2005-2007). He has joined PTBA since 1984, having previously worked at PT Bumi Langoan, Jakarta as Accounting Supervisor.

Committees Profile



Helmi Mahfud, SE. Ak.

Member of Audit Committee

Helmi Mahfud, SE.Ak. has been a member of Audit Committee since February 2011. He received his Bachelor's degree in Economic Accounting from University of Padjadjaran (1987). He has started his career since 1988 at Public Accountant Firm SGV Utomo, then proceed to banking industry as a manager at Financial Service of PT Bank Merincorp, and Merchant Banking of PT Bank Universal Tbk, and is currently active as General Manager at Mini Hydro Power Plant Company in Lebak Regency, Banten Province.



Nuhindro Priagung Widodo, ST. MT. Dr.

Member of Audit Committee

Nuhindro Priagung Widodo, ST., MT., Dr. has been a member of Audit Committee since August 2011. He received his Bachelor's degree in Mining Engineering from Bandung Institute of Technology (1999), Master of Geomechanical Engineering from Bandung Institute of Technology (2002) and his Doctoral degree in underground mine ventilation from Kyushu University, Japan (2007). He has become a lecturer at Mining Engineering Program, Faculty of Mining and Petroleum Engineering of Bandung Institute of Technology since 2006. He is also active in a wide range of research in the field of mining engineering since 2000.



Audit Committee

Left to right

Nuhindro Priagung Widodo, ST. MT. Dr.

Suranto Soemarsono, SE. MA.

Helmi Mahfud, SE. Ak.

Business Risk and Nomination, Remuneration and HRD Committee Profile



Ir. Faridha, M.Si.

Member of Business Risk and Nomination,
Remuneration and HRD Committee

Ir. Faridha, M.Si has been a member of the Business Risk, Insurance and Post-Mining Committee since March 16, 2009. He completed his Bachelor's degree in Chemical Engineering at University of Syiah Kuala (1993), Master's degree in Environmental Science from University of Indonesia (2004). He currently serves as a Researcher in the field of Environment (2004-present). Previously he had served as Head of Sub Division of Environmental Management for General Mining - Environment and Technology Bureau (1999-2002), Head of Sub Division of Documentation and Information - Technology Research and Development Center for Electrification and Renewable Energy (2002-2004).



Dr. Sumarhadi, SE. MM.

Member of Business Risk and Nomination,
Remuneration and HRD Committee

Dr. Sumarhadi SE, MM has been a member of Nomination, Remuneration & HR Committee since November 2010. He received his Bachelor's degree in Management from University of Prof. Dr. Moestopo (Beragama) Jakarta in 1983; Master's degree in Management from Institut Pengembangan Wiraswata Indonesia (Indonesian Institute of Entrepreneurial Development); and Doctoral degree in Education Management from Universitas Negeri Jakarta (State University of Jakarta) in 2002. In addition, he has been participated in national and international seminar on industrial relations since 1979 - present.



Business Risk and Nomination,
Remuneration and HRD Committee Profile
Left to right

Dr. Ir. Thamrin Sihite, ME.

Ir. Faridha, M.Si.

Drs. Imam Apriyanto Putro, MM.

Ir. Abdul Latief Baky, SH. MHum. MSc. FIQ.

Dr. Sumarhadi, SE. MM.

Address List of Subsidiaries and Associated Companies

PT Batubara Bukit Kendi

Jl. Jurang Parigi Dalam No. 5
Tanjung Enim 31716
Sumatera Selatan, Indonesia
Phone +62-734-453 038
Fax +62-734-451 037

PT Bukit Pembangkit Innovative

Gedung Adhi Graha 17th floor Suite 1703
Jl. Jenderal Gatot Subroto Kav. 56
Jakarta 12950
Phone +62-21- 521 2463,
Fax +62-21-521 0726

PT Bukit Asam Prima

Menara Karya 19th floor
Jl. HR Rasuna Said Blok X-5 Kav.1-2
Jakarta 12950
Phone +62-21-525 4014
Fax +62-21-579 44517

PT Bukit Asam Metana Ombilin

Menara Kadin Indonesia 15th floor
Jl. HR Rasuna Said Blok X-5 Kav.2-3
Jakarta 12950
Phone +62-21-525 4014
Fax +62-21-525 4002

PT Internasional Prima Coal

Menara Rajawali 24th floor
Mega Kuningan Lot 5.1
Kawasan Mega Kuningan
Jakarta 12950
Phone +62-21-576 1669
Fax +62-21-576 1657

PT Bukit Asam Banko

Jl. Parigi No. 1
Tanjung Enim 31716
Sumatera Selatan, Indonesia
Phone +62-734-451 096, 452353
Fax +62-734-451 095, 452 993

PT Bukit Asam Transpacific Railway

Menara Rajawali 22nd floor
Mega Kuningan Lot 5.1
Kawasan Mega Kuningan
Jakarta 12950
Phone +62-21-576 1688
Fax +62-21-576 1687

PT Bukit Asam Metana Peranap

Menara Kadin Indonesia 15th floor
Jl. HR Rasuna Said Blok X-5 Kav. 2-3
Jakarta 12950
Phone +62-21-525 4014
Fax +62-21-525 4002

PT Bukit Asam Metana Enim

Menara Kadin Indonesia 15th floor
Jl. HR Rasuna Said Blok X-5 Kav. 2-3
Jakarta 12950
Phone +62-21-525 4014
Fax +62-21-525 4002

PT Huadian Bukit Asam Power

The East Tower
Lantai 11 - unit 5
Jl. Lingkar Mega Kuningan, Kav. E 3.2
No. 1
Jakarta 12950
Phone +62-21-579-582-18/19/30
Fax +62-21-579-582-20

First Level Officials



Joko Pramono
Corporate Secretary



Wibisono
GM. Tanjung Enim Mining
Unit



Ansyori Achmad
GM. Port Unit Tarahan



Harun Al Rasyid Lubis
Deputy GM. Tanjung
Enim Mining Unit



Bambang Sutrisno
SM. Internal Oversight
Unit



Nardono
SM. Planning



Danang Sudira Rahardja
SM. Corporate Social
Responsibility



Iskandar Surya Alam
SM. Marketing



Adib Ubaidillah
SM. Treasury and
Funding



Erfan Sayuthi
SM. Corporate
Management System



Flidelin Katili
SM. Analysis, evaluation and
production optimization



Muliato
SM. Law and Permit



Suherman
SM. Accounting &
Budgeting



Agus Hasanuddin
Production Facility
Development Project
Manager



Chairuni Barkati
Head of Bukit Asam
Hospital



Sonny H.A. Harsono
Senior Staff



Octavina
Senior Staff Commerce
Director



Safri Amenanto
President Director of PT
Internasional Prima Coal



Erdawati
Health Program Manager



Endang Purnomo
Information Technology
Manager



M. Jazuli
GM. Ombilin Mining Unit



Ahmad Saichu
GM. Jetty Unit Kertapati



Bambang Sulistyanto
SM. Facilities &
Infrastructure



Tatra
SM. Maintenance



Syaiful Islam
SM. Corporate Planning



Dadang Darmawan
SM. Coal Handling and
Loading



M. Hatta
SM. Human Resources



MP. Siahaan
SM. Electricity Generator
and Distribution



Suryo Eko Hadianto
SM. Corporate
Development



Syafulah Prabu
SM. Mining



Novian Suri
SM. Logistic



Suhedi
SM. Land & Building
Asset management



Widodo Irianto
President Director of PT
Bukit Asam Prima



Bambang Sutedjo
President Director of
PT Batubara Bukit Kendi



Bambang Winduseno
Finance Director of
PT Batubara Bukit Kendi



Amir Faisol
Director of PT Bukit Asam
Transpacific Railway



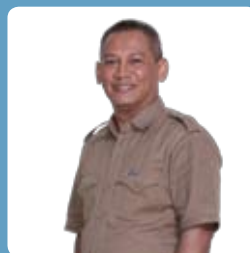
Zulheri
President Director of
Dana Pensiun Bukit
Asam



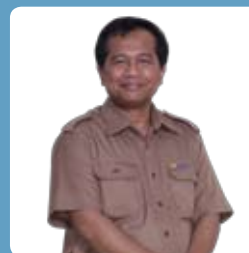
Edy Purwanto
Vice President Director
PT Huadian Bukit Asam
Power



Hananto Budi Laksono
HR & General Affairs
Director of PT Huadian
Bukit Asam Power



Febby Arzoeardi
Commerce Director PT
Huadian Bukit Asam Power



Dadan Ruswandana
Director of PT Bukit
Pembangkit Inovatif



Andri Hidayatman
GM. PT Bukit
Pembangkit Inovatif

Bapepam-LK No. X.K.6 Cross Reference

Annual Report content in conformity with Bapepam-LK Decision No. X.K.6 on “Annual Report Format”.

No.	Criteria	Description	Page
I. General			
1.	Written in good and correct Indonesian, and it is recommended to present the report in English as well		✓
2.	Printed with good quality, using readable type and size of font		✓
3.	Corporate identity should be stated clearly	Company name and year of annual report on: 1. Front cover 2. Side cover 3. Back cover 4. Every page	✓
4.	Posted on the Company's website		✓
II. Financial Highlights			
1.	Financial information in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years	Information covers at least: 1. Sales/operating income 2. Profit (loss) 3. Comprehensive total profit (loss) 4. Profit (loss) per share	14-15
2.	Financial information in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years	Information includes: 1. Net working capital 2. Total investment in associates and/or joint ventures 3. Total assets 4. Total liabilities 5. Total equity	14-15
3.	Financial ratios in comparative form over a period of three financial years or since operation commence date if company has been operational less than three years	Information includes 5 (five) general financial ratios that are relevant to the company's industry	14-15
4.	Information on share price in tabel or graph form	Information in tables and graphs depicts: 1. Number of shares in circulation 2. Market capitalization; 3. Highest, lowest and closing share prices; and 4. Share transaction volume for every quarter in the last two financial years (if any)	58-61
5.	Information on total bonds, sukuk or convertible bonds outstanding in the last two financial years.	Information describes: 1. Total outstanding bonds/sukuk/convertible bonds 2. Coupon rate 3. Maturity date 4. Bond/sukuk rating	none

No.	Criteria	Description	Page
III. Board of Commissioners and Directors Report			
1.	Board of Commissioners Report	Information includes: 1. Evaluation of Board of Directors performance 2. Review of business prospects stated by Board of Directors 3. Changes in Board of Commissioners composition (if any)	26-27 30-31 31
2.	Board of Directors Report	Contains the following information: 1. Analysis of company performance: strategic policy, comparison of result and target, problems facing the company 2. Business prospects 3. Good corporate governance practice 4. Changes in Board of Directors composition (if any)	33-35 41-42 39 none
3.	Signatures of Board of Commissioners and Board of Directors members	Provides the following information: 1. Signatures are printed on a separate sheet 2. Statement of Board of Commissioners and Board of Directors that they are fully responsible for the validity of annual report 3. Signatures, names and positions of all members of Board of Commissioners and Board of Directors 4. Separate written statement of any member of Board of Commissioners or Board of Directors not signing the report, or separate written statement of other members in case there is no explanation from the member who does not sign the report.	43
IV. Corporate Profile			
1.	Name and address	Information includes name, address, postal code, telephone and/or fax number (s), e-mail and website	46
2.	Brief history	Description includes date of establishment, name and change of name (if any)	48
3.	Line of business	Description regarding: 1. line of business in accordance with articles of association 2. products or services provided	48-51
4.	Organization structure	In the form of a chart, depicting names and positions at least to one level below board of directors.	53
5.	Vision and mission	Elaborates on: 1. Corporate vision and mission 2. Statement that corporate vision and mission are approved by Board of Directors/Board of Commissioners	47

No.	Criteria	Description	Page
6.	Identity and brief curriculum vitae of Board of Commissioners Members	Information includes: 1. Name 2. Position (incl. position in any other company or institution) 3. Age 4. Education 5. Working experience 6. Date of first appointment as member of Board of Commissioners	186 256-259
7.	Identity and brief curriculum vitae of Board of Directors members	Information includes: 1. Name 2. Position (incl. position in any other company or institution) 3. Age 4. Education 5. Working experience 6. Date of first appointment as member of Board of Directors	193 261-263
8.	Total employees (two-year comparison) and description of potential development (e.g. education and training)	Information describes: 1. Number of employees in each organization level 2. Number of employees in each education level 3. Accomplished training reflecting equal opportunity for all employees 4. Total costs incurred	83 85 87-88 87
9.	Shareholding composition	Information includes among other things: 1. Name of shareholders owning 5% or more ownership 2. Directors and Commissioners owning shares 3. Public shareholders each owning less than 5% and the percentage of their ownership	60 61 61
10.	Subsidiaries and/or affiliates	Information contains at least: 1. Name of subsidiaries/affiliates 2. Percentage of share ownership 3. Core business of subsidiaries/ affiliates 4. Operating status of subsidiaries/ affiliates (operational or non operational)	51 51, 170-171
11.	Company Group Structure	Structure describes the subsidiary, affiliates, joint ventures, special purpose vehicle (SPV) or statement of not owning any group	51
12.	Share listing chronology	Information describes at least: 1. Share listing chronology 2. Corporate action affecting total number of shares 3. Changes of share total number from initial listing to end of financial year 4. Name of bourse(s) where company shares are listed	59 59 59 59

No.	Criteria	Description	Page
13.	Other securities listing chronology	Description includes among other things: 1. Other securities listing chronology 2. Corporate action affecting total number of other securities 3. Changes of securities total number from initial listing to end of financial year 4. Name of bourse(s) where securities are listed Securities rating	none
14.	Name & address of capital market institutions and professionals	Information with regard to: 1. Name & address of Share Registrar 2. Name & address of Public Accountant 3. Office name & address of Rating Agency	52
15.	Awards and/or certifications received by company at national and international level	Information includes, among other things: 1. Name of award and/or certification 2. Year awarded 3. Agency issuing the award and/or certification 4. Validity period (for certification)	18-19
16.	Name and address of subsidiaries or branches or representative offices (if any)		46, 267

V. Management Discussion And Analysis

1.	Review of business operations per business segment	Contains information on: 1. Production or business activity 2. Increase/decrease of production capacity 3. Sales/operating income 4. Profitability of each business segment presented in financial statement, if any	122-134 (coal) 136-137 (briquette)
2.	Description of financial performance	Comparative financial analysis of current and previous years (in narration and table), covering: 1. Current assets, non-current assets, total assets 2. Current liabilities, non-current liabilities, total liabilities 3. Equity 4. Total comprehensive profit (loss) net profit 5. Cash flow	138-140 140-142 142 147-148 149-150
3.	Discussion and analysis of debt service ratio and turnover rate	Explanation on: 1. Ratio solvability 2. Account receivable collectability ratio	150-151 151
4.	Discussion of capital structure and capital structure policy	Explanation on: 1. Capital structure 2. Capital structure policies	151 151-152

No.	Criteria	Description	Page
5.	Material commitment in capital expenditure	<p>Description of:</p> <ol style="list-style-type: none"> 1. Purpose of commitment 2. Funding sources to honor commitment 3. Currency 4. Action plans to hedge foreign currency risks <p>Note: if company has no commitment in capital expenditure, it should be stated</p>	no material relevance to capital investment as laid down in this regulation
6.	If financial statement discloses material increase or decrease in net sales/ income, discussion of the extent of such changes if related to total goods or services sold, and whether or not there are new goods or services	<p>Explanation on:</p> <ol style="list-style-type: none"> 1. Amount of increase/decrease of net sales/ income 2. Causes of material increase/ decrease of net sales/income related to total goods/services sold 	142 142
7.	Comparative information between targets in beginning of financial year and results achieved, also targets or projection for one year to come of revenue, profit, capital structure and others deemed important by company	<p>Information includes, among other things:</p> <ol style="list-style-type: none"> 1. Comparison between targets in beginning of financial year and results achieved 2. Targets or projections for one year to come 	154 156-158
8.	Material information and fact subsequent to date of accountant report	<p>Description of significant events subsequent to accountant report including the effects on company's future performance and business risk.</p> <p>Note: if there is no significant event subsequent to accountant report, state so</p>	170 no significant event subsequent to accountant report
9.	Description of company business prospects	Description of business prospects in relation to industry and general economic condition, with supporting quantitative data from reliable sources	115-121
10.	Description of marketing aspect	Description of marketing of products and/ or services, covering marketing strategy and market share of the company	122-123 129-131
11.	Description of dividend policy, total cash dividend per share and total dividend per year declared and paid for the past two financial years	<p>Description includes:</p> <ol style="list-style-type: none"> 1. Total cash dividend 2. Total cash dividend per share 3. Payout ratio for each year <p>Note: if no dividend is paid, state the reason</p>	62-63
12.	Application of public offering proceeds (if company is still required to make such report)	<p>Description of the following:</p> <ol style="list-style-type: none"> 1. Total fund acquired 2. Proposed application of fund 3. Detail of fund application 4. Balance of fund 5. Date of GMS approval for revised fund application, if any 	no public offering in 2012

No.	Criteria	Description	Page
13.	Material information on investment, expansion, divestment, acquisition or debt/capital restructuring	Information on the following: 1. Purpose of transaction 2. Value of transaction or restructuring 3. Source(s) of fund Note: if there is no such transaction, state so	66-74 (Power Plant development) 75-82 (Other Potential Business Development) no liabilities restructuring
14.	Information on material transaction involving conflict of interest and/or transaction with affiliated parties	Description of the following: 1. Name of party making transaction and nature of affiliation 2. Explanation on transaction fairness 3. Reason for making transaction 4. Realized transaction in current period 5. Company policy in relation to mechanism of transaction review 6. Compliance with related rules and regulations Note: if there is no such transaction, state so	165 165 165 165 163 (transaction with conflict of interest)
15.	Description of changes in laws and regulations significantly affecting the company	Describe changes in government policy and the effects on the company Note: if there are no significant changes in laws and regulations, state so	166-168
16.	Description of changes in accounting policies	Describe changes in accounting policies, reasons and effects on financial statement Note: if there are no changes in accounting policies, state so	159-161
VI. Good Corporate Governance			
1.	Description of Board of Commissioners	Description contains: 1. Board of Commissioners responsibility 2. Procedures of fixing remuneration 3. Remuneration structure showing remuneration components and nominal amount per component for each member of Board of Commissioners 4. Frequency and attendance rate of Board of Commissioners meeting 5. Training program for enhancing Board of Commissioners' competence 6. Disclosure of Board Charter (work guidelines and procedures of Board of Commissioners)	187-188, 190-193 188-189 189-190 190 190

No.	Criteria	Description	Page
2.	Description of Board of Directors	Description include: 1. Scope of duty and responsibility of each member of Board of Directors 2. Frequency of Board of Directors meeting 3. Attendance rate of Board of Directors meeting 4. Training program for enhancing Board of Directors' competence 5. Disclosure of Board Charter (work guidelines and procedures of Board of Directors)	194-195 210-213 200 200-201 184
3.	Assessment of members of Board of Commissioners and Board of Directors	Description with regard to: 1. Assessment process of Board of Commissioners and Board of Directors performance 2. Assessment criteria of Board of Commissioners and Board of Directors performance 3. Name of party making the assessment	none
4.	Description of remuneration policy for Board of Directors	Description includes: 1. Procedures of fixing remuneration 2. Remuneration structure showing type and amount of short-term, long-term and post employment benefits for each member of Board of Directors 3. Performance indicator of Board of Directors	195-197 197 none
5.	Information on Principal Shareholders and Controlling Shareholders, either directly or not directly, through to individuals	In the form of chart or diagram.	60-61
6.	Disclosure of affiliate relation between Board of Commissioners, Directors, and principal shareholders and/or controlling shareholders	Information includes among other things: 1. Affiliate relation between Board of directors member and other Board of directors member 2. Affiliate relation between Board of directors member and Board of commissioners member 3. Affiliate relation between Board of directors member and Principal shareholder and/or Controlling Shareholder 4. Affiliate relation between Board of commissioners member and other Board of commissioners member 5. Affiliate relation between Board of commissioners member and Principal shareholder and/or Controlling Shareholder Note: if no such affiliate relation exists, state so	No such affiliate relation exists
7.	Audit Committee	Information includes: 1. Name and position of members 2. Qualification and experience of members 3. Independence of members 4. Duty and responsibility 5. Activity report 6. Audit Committee meeting frequency and attendance rate	203 265 203 202 203-205 203

No.	Criteria	Description	Page
8.	Nomination and Remuneration Committee	Description includes: 1. Name, position, brief curriculum vitae of members 2. Independence of members 3. Duty and responsibility 4. Activity report 5. Meeting frequency and attendance rate	211 211 211 211-212 211
9.	Other Committees under Board of Commissioners	Information covers at least: 1. Name, position, brief curriculum vitae of members 2. Independence of members 3. Duty and responsibility 4. Activity report 5. Other Committees meeting frequency and attendance rate	none
10.	Job and function of Corporate Secretary	Description includes: 1. Name and brief curriculum vitae of Corporate Secretary 2. Activity report	264 213-216
11.	Internal Audit Unit	Description of: 1. Name of head of internal audit unit 2. Total employees of internal audit unit 3. Professional internal audit qualification/certification 4. Structure and position of internal audit unit 5. Activity report 6. Party appointing/terminating head of internal audit unit	264 219 219-220 219 220 219
12.	Accountant	Information on: 1. Number of periods accountant has audited company's annual financial statements 2. Number of periods public accountant office has audited company's annual financial statements 3. Amount of audit fee and other attestation fees (if accountant provides attestation concurrently with audit) 4. Other accountant services besides financial audit Note: if no other service exists, state so	221 221 221 221 no other service exists
13.	Description of company's risk management	Description includes: 1. Risk management system 2. Evaluation of effectiveness of risk management system 3. Risks facing the company 4. Efforts to manage such risks	226 228 228-230 230

No.	Criteria	Description	Page
14.	Description of internal control system	Information includes: 1. Brief report on internal control system, including financial and operational control 2. Explanation on internal control system suitability with internationally acknowledged frameworks/COSO (control environment, risk assessment, control activities, information and communication, and monitoring activities) 3. Evaluation of effectiveness of internal control system	218 218 218
15.	Description of corporate social responsibility related to environment	Description includes information on: 1. Policy 2. Activities 3. Financial effect of environmental program activities, such as usage of recyclable material and ecofriendly energy, waste treatment system, etc. 4. Environmental certification owned by the Company	98, 250 99-108 100-103 See SR PTBA 2012 98
16.	Description of corporate social responsibility related to employment, work safety and health	Information includes: 1. Policy 2. Activities 3. Financial effect of these activities in relation to employment, work safety and health, gender equality and equal opportunity, working facilities, employee turnover, work-related accident rate, training, etc.	83 (HR) 95 (WSH) 95-97 (WSH) 83-90 (HR) See SR PTBA 2012
17.	Description of corporate social responsibility related to social and community development	Information covers: 1. Policy 2. Activities 3. Financial effect of these activities in relation to customer's safety and health, product information, means of handling customer complaints, total number of customer complaints settled, etc.	244, 246-247 248-250 245-150 See SR PTBA 2012
18.	Description of corporate social responsibility in relation to customer	Information covers: 1. Policy 2. Activities 3. Financial effect of these activities in relation to customer's safety and health, product information, means of handling customer complaints, total number of customer complaints settled, etc.	127-128 128-129 129, 252

No.	Criteria	Description	Page
19.	Description of significant cases faced by the company, subsidiaries, incumbent members of Board of Directors and Board of Commissioners	Description includes: 1. Subject of cases/claims 2. Status of cases/claims settlement 3. Effects on company's financial condition 4. Administrative penalty imposed on subsidiary, members of Board of Directors and Board of Commissioners, by the related authority (capital market, bank, etc) in the last financial year Note: if there is no significant case, state so	240-241
20.	Public access to corporate data and information	Elaboration on availability of public access to corporate data and information, through website, mass media, mailing list, bulletin, analyst meeting, etc.	52 214-217
21.	Discussion of code of conduct	Discussion includes: 1. Content of code of conduct 2. Statement that code of conduct is applicable to all organization levels 3. Efforts to implement and enforce code of conduct 4. Statement of corporate culture	233 233-234 234 234 234-235
22.	Elaboration on whistleblowing system	Elaboration on whistle-blowing mechanism: 1. Method of reporting 2. Protection of whistle-blower 3. Handling of reports 4. Party that handles reports 5. Output of reports handled	231 232 232 232 n.a
VII. Financial Information			
1.	Statement of Board of Directors regarding its responsibility of financial statement	In conformity with related regulations on Financial Statement	284-285
2.	Independent auditor's opinion on financial statement		286-287
3.	Description of independent auditor in opinion	Description contains: 1. Name and signature 2. Date of audited report 3. License number of Public Accountant office and license number of Public Accountant	287 287 286-287

No.	Criteria	Description	Page
4.	Full financial statement	Contains all financial statement elements: 1. Balance sheet 2. Comprehensive income statement 3. Changes in equity report 4. Cash flow report 5. Notes to financial statement 6. Financial statement at the beginning of comparative periods when the company implements accounting policy retrospectively or restates financial statement accounts, or reclassifies financial statement accounts (if applicable).	288-290 291-292 293 294 295-415 288-290, 416
5.	Disclosure in notes to financial statement when the company implements accounting policy retrospectively or restates financial statement accounts, or reclassifies financial statement accounts	State whether or not there is disclosure according to SFAS	333-338 416
6.	Comparison of profitability ratio	Comparison of current and previous year profit (loss)	291-292
7.	Presentation of cash flow report	In compliance with the following: 1. Classification of activities in three categories: operating, investing and financing activities 2. Usage of direct method in reporting cash flow from operating activities 3. Separate presentation of cash income/expense in current year in operating, investing and financing activities 4. Disclosure of non-cash activities in notes to financial statement	294 294 294 415
8.	Description of accounting policy	Description contains at least: 1. Statement of compliance with SFAS 2. Basis of financial statement measurement and presentation 3. Recognition of income and expense 4. Fixed assets 5. Financial instruments	299 299-306 318-319 314-316 309-311
9.	Disclosure of related-party transactions	Items to be disclosed include: 1. Name of related parties, nature of relationship to related parties 2. Value of transactions and percentage to relevant total income and expense 3. Transaction balance and percentage to total assets or liabilities	312-313 165, 403-407 404, 405

No.	Criteria	Description	Page
10.	Disclosure of tax obligations	<p>Items to be disclosed include:</p> <ol style="list-style-type: none"> 1. Relation between tax expense (income) and accounting profit 2. Reconciliation between fiscal and current tax assessment 3. Statement that reconciled taxable profit is the basis of making corporate annual income tax return 4. Breakdown of deferred tax assets and liabilities recognized in balance sheet for each period and total deferred tax expense (income) recognized in income statement if such amount is not shown in total deferred tax assets or liabilities recognized in financial statement 5. Statement whether or not there is any tax dispute 	<p>319-320</p> <p>320, 364</p> <p>320</p> <p>364-365</p> <p>367</p>
11.	Disclosure of fixed assets	<p>Items to be disclosed:</p> <ol style="list-style-type: none"> 1. Depreciation method applied 2. Description of accounting policy adopted between fair value model and cost model 3. Significant method and assumption adopted in estimating fair value of fixed assets (revaluation model) or disclosure of fair value of fixed assets (cost model) 4. Reconciliation of recorded gross amount and cumulative depreciation of fixed assets at beginning and at end of period by showing addition, reduction and reclassification 	<p>314-315</p> <p>316, 356-357</p> <p>315-316, 356-358</p> <p>354-355</p>
12.	Accounting policies related to employee benefits	<p>Items to be disclosed:</p> <ol style="list-style-type: none"> 1. Type of employee benefits for employee 2. Brief description on company's post-employment benefits 3. Company's accounting policies in recognizing actuarial profit and loss; and 4. Recognition of profit and loss for curtailment and resolution 	<p>89, 320-323</p> <p>320-323</p> <p>320-323</p> <p>370-376</p>
13.	Disclosure of financial instruments	<p>Items to be disclosed include:</p> <ol style="list-style-type: none"> 1. Accounting requirements, conditions and policies for each group of financial instruments 2. Classification of financial instruments 3. Fair value of each group of financial instruments 4. Purpose and policy of financial risk management 5. Explanation on risks related to financial instruments: market risks, credit risks and liquidity risks 6. Quantitative analysis on risks related to financial instruments 	<p>309-312</p> <p>309-310</p> <p>310-312</p> <p>350</p> <p>325-331</p> <p>325</p>
14.	Publication of financial statement	<p>Items to be disclosed include:</p> <ol style="list-style-type: none"> 1. Date of authorization for financial statement publication 2. Party responsible for authorizing financial statement 	<p>285</p> <p>285</p>



Consolidated Financial Statements

PT Bukit Asam (Persero) Tbk

Consolidated Financial Statements

31 December 2012 and 2011,
and 1 January 2011

and

For the years ended
31 December 2012 and 2011



**SURAT PERNYATAAN DIREKSI TENTANG/
BOARD OF DIRECTORS' STATEMENT REGARDING**

**TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
PT BUKIT ASAM (PERSERO) Tbk DAN ENTITAS
ANAK ("GRUP") PADA TANGGAL 31
DESEMBER 2012, 2011 DAN 1 JANUARI 2011
SERTA UNTUK TAHUN-TAHUN YANG
BERAKHIR 31 DESEMBER 2012 DAN 2011**

**RESPONSIBILITY FOR
CONSOLIDATED FINANCIAL STATEMENTS OF
PT BUKIT ASAM (PERSERO) Tbk AND
SUBSIDIARIES (THE "GROUP") AS AT 31
DECEMBER 2012, 2011 AND 1 JANUARY 2011
AND FOR THE YEARS ENDED 31 DECEMBER
2012 AND 2011**

**PT BUKIT ASAM (PERSERO) TBK
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Atas nama Dewan Direksi, yang bertanda tangan di bawah ini:

On behalf of the Board of Directors, we, the undersigned:

1. Nama : Milawarma
Alamat kantor : Jln. Parigi No.1 Tanjung Enim 31716
Alamat Domisili : Jln. Batu Sulaiman No.18 Kel. Kayu Putih Jakarta Timur
Telepon : (0374) 451096
Jabatan : Direktur Utama
2. Nama : Achmad Sudarto
Alamat kantor : Jln. Parigi No.1 Tanjung Enim 31716
Alamat Domisili : Cluster Serenade C-4/18 Kel. Pakulonan Barat, Tangerang
Telepon : (0734) - 451096
Jabatan : Direktur Keuangan

1. Name : Milawarma
Office address : Jln. Parigi No.1 Tanjung Enim 31716
Domicile address : Jln. Batu Sulaiman No.18 Kel. Kayu Putih Jakarta Timur
Telephone : (0734) - 451096
Position : President Director
2. Name : Achmad Sudarto
Office address : Jln. Parigi No.1 Tanjung Enim 31716
Domicile address : Cluster Serenade C-4/18 Kel. Pakulonan Barat, Tangerang
Telephone : (0734) - 451096
Position : Finance Director

menyatakan bahwa:

declare that:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bukit Asam (Persero) Tbk dan entitas anak ("Grup");
2. Laporan keuangan konsolidasian Grup telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan Grup telah dimuat secara lengkap dan benar;
- b. Laporan keuangan konsolidasian Grup tidak mengandung informasi atau fakta yang material yang tidak benar, dan tidak menghilangkan informasi atau fakta yang material; dan

1. We are responsible for the preparation and presentation consolidated financial statements of PT Bukit Asam (Persero) Tbk and subsidiaries' (the "Group");
2. The Group's consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information has been fully and correctly disclosed in the Group's consolidated financial statements;
- b. The Group's consolidated financial statements do not contain false material information or facts, nor do they omit information or material facts; and

PT. Bukit Asam (PERSERO) Tbk.

Tanjung Enim

Sumatera Selatan, Indonesia
Telephone (+62 711) 311504, 310805
(+62 711) 431222, 431223
Facsimile (+62 711) 451096, 431099

Jakarta

Menara Kadin Indonesia Lt. 9 & 15
Jl. HR Rasuna Said Blok X-5 Kav. 2-3
Jakarta 12965, Indonesia
Telephone (+62 21) 5234014
Facsimile (+62 21) 5234032

Ombilin

Sawahluhur
Sumatera Barat, Indonesia
Telephone (+62 754) 01621
Facsimile (+62 754) 01402

Padang

Jl. Tanjung Perak No. 1
Teluk Bayur Sumatera Barat,
Indonesia
Telephone (+62 751) 82522;
0352; 31935
Facsimile (+62 751) 82533

Tanjungkarang

Jl. Raya Bakauheni KM. 15, Tarchan
Bandar Lampung, Indonesia
Telephone (+62 711) 31545; 31595
Facsimile (+62 711) 31577

Kertapati

Jl. Stasiun Kereta Api, Palembang
Sumatera Selatan, Indonesia
Telephone (+62 711) 512617
Facsimile (+62 711) 511333

4. Kami bertanggung jawab atas sistem pengendalian internal Grup

Demikian pernyataan ini dibuat dengan sebenarnya.

Atas nama dan mewakili Dewan Direksi

4. We are responsible for the Group's internal control systems

This statement is confirmed to the best of our knowledge and belief.

For and on behalf of the Board of Directors.


Jakarta, 28 Pebruari/February 2013

Direktur Utama / President Director

Direktur Keuangan / Finance Director


(Milawarma)




(Achmad Sudarto)



**LAPORAN AUDITOR INDEPENDEN
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF**

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Kami telah mengaudit laporan posisi keuangan konsolidasian PT Bukit Asam (Persero) Tbk ("Perusahaan") dan entitas anak (bersama-sama disebut "Grup") tanggal 31 Desember 2012, 31 Desember 2011 dan 1 Januari 2011, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2012 dan 31 Desember 2011. Laporan keuangan adalah tanggung jawab manajemen Perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan berdasarkan audit kami.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan, atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

Menurut pendapat kami, laporan keuangan konsolidasian yang kami sebut di atas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bukit Asam (Persero) Tbk dan entitas anak tanggal 31 Desember 2012, 31 Desember 2011 dan 1 Januari 2011, dan hasil usaha, serta arus kas konsolidasian untuk tahun yang berakhir pada 31 Desember 2012 dan 31 Desember 2011 sesuai dengan Standar Akuntansi Keuangan di Indonesia.

We have audited the consolidated statements of financial position of PT Bukit Asam (Persero) Tbk (the "Company") and subsidiaries (collectively referred to as the "Group") as at 31 December 2012, 31 December 2011 and 1 January 2011 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2012 and 31 December 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Bukit Asam (Persero) Tbk and subsidiaries as at 31 December 2012, 31 December 2011 and 1 January 2011, and the consolidated results of their operations, and their cash flows for the years ended 31 December 2012 and 31 December 2011 in conformity with Indonesian Financial Accounting Standards.

Kantor Akuntan Publik Tanudiredja, Wibisana & Rekan

Plaza 89, Jl. H.R. Rasuna Said Kav. X-7 No.6 Jakarta 12940 - INDONESIA, P.O. Box 2473 JKP 10001
T: +62 21 5212901, F: + 62 21 52905555 / 52905050, www.pwc.com/id

Nomor Izin Usaha: KEP-151/KM.1/2010.

A130228010/DC2/HSB/I/2013



Sebagaimana diungkapkan dalam Catatan 4 dan Catatan 21 atas laporan keuangan, Perseroan menerapkan Pernyataan Standar Akuntansi Keuangan No. 24 (Revisi 2010), "Imbalan Kerja" pada tanggal 1 Januari 2012 dan merubah metode akuntansi untuk keuntungan atau kerugian aktuarial atas imbalan pascakerja secara prospektif.

As described in Notes 4 and 21 to the financial statements, the Company adopted Statement of Financial Accounting Standard No. 24 (Revised 2010), "Employee Benefits" on 1 January 2012 and changed its method of accounting for actuarial gains and losses for post-employment benefits prospectively.

Seperti diungkapkan pada Catatan 38 atas laporan keuangan, pada tahun 2012 Grup menerapkan Keputusan Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik. Beberapa angka perbandingan di posisi laporan keuangan tanggal 31 Desember 2011 dan 1 Januari 2011 telah direklasifikasi agar sesuai dengan penyajian akun-akun dalam laporan posisi keuangan tanggal 31 Desember 2012.

As described in Note 38 to the financial statements, in 2012 the Group adopted the Chairman of Indonesian Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) Decree No. KEP-347/BL/2012 regarding Presentation and Disclosure of Issuers or Public Companies. Certain comparative figures in the statements of financial position as at 31 December 2011 and 1 January 2011 have been reclassified to conform with the presentation in the statement of financial position as at 31 December 2012.

Audit kami dilaksanakan dengan tujuan untuk menyatakan pendapat atas laporan keuangan konsolidasian secara keseluruhan. Informasi tambahan yang terlampir pada Lampiran 1 sampai 4 mengenai informasi keuangan PT Bukit Asam (Persero) Tbk (induk perusahaan saja) pada dan untuk tahun yang berakhir pada tanggal 31 Desember 2012 dan 2011 disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian laporan keuangan konsolidasian pokok yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi tambahan tersebut telah menjadi objek prosedur audit yang kami terapkan dalam audit atas laporan keuangan konsolidasian pokok, dan, menurut pendapat kami telah disajikan secara wajar dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian pokok, secara keseluruhan.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information in Appendices 1 to 4 in respect of PT Bukit Asam (Persero) Tbk (parent company only) financial information as at and for the years ended 31 December 2012 and 2011 is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements prepared in accordance with Indonesian Financial Accounting Standards. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

JAKARTA
28 Februari/February 2013

Drs. Haryanto Sahari, CPA
Izin Akuntan Publik / License of Public Accountant
No. AP.0223

NOTICE TO READERS

The accompanying consolidated financial statements are not intended to present the financial position, results of operations, and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilised in Indonesia to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying consolidated financial statements and the auditor's report thereon are not intended for use by those who are not informed about Indonesian accounting principles and the auditing standards, and their application in practice.

A130228010/DC2/HS/1/2013

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 1/1 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2012 DAN 2011, DAN
1 JANUARI 2011**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
31 DECEMBER 2012 AND 2011, AND
1 JANUARY 2011**

(Expressed in millions of Rupiah,
except par value and share data)

	Catatan/ Notes	2012	31 Desember/ December 2011*	1 Januari/ January 2011*	
ASET					ASSETS
ASET LANCAR					CURRENT ASSETS
Kas dan setara kas	7	5,917,034	6,791,291	5,054,075	Cash and cash equivalents
Piutang usaha					Trade receivables
- Pihak ketiga	8	311,319	335,847	382,535	Third parties -
- Pihak yang berelasi	8,32	1,234,237	844,348	614,258	Related parties -
Persediaan	9	765,964	644,833	423,123	Inventories
Biaya dibayar di muka dan uang muka	11	171,495	155,650	53,974	Prepayments and advances
Pajak dibayar di muka					Prepaid taxes
- Pajak penghasilan badan	19a	62,363	7,786	17,054	Corporate income tax -
- Pajak lainnya	19a	35,074	834	378	Other taxes -
Aset keuangan tersedia untuk dijual	10	172,584	39,217	71,422	Available-for-sale financial assets
Aset lancar lainnya	12	48,227	40,339	29,056	Other current assets
Total aset lancar		8,718,297	8,860,145	6,645,875	Total current assets
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Investasi pada entitas asosiasi	13a	531,897	403,083	266,979	Investments in associates
Investasi pada entitas pengendalian bersama	13b	21,551	-	-	Investment in joint venture
Properti pertambangan	14	154,336	174,824	187,543	Mining properties
Aset tetap	15	1,853,447	1,139,424	917,395	Fixed assets
Beban pengembangan tangguhan	16	704,873	490,020	327,597	Deferred development expenditure
Aset pajak tangguhan	19d	646,694	386,702	316,072	Deferred tax assets
Aset tidak lancar lainnya		97,886	56,064	56,933	Other non-current assets
Total aset tidak lancar		4,010,684	2,650,117	2,072,519	Total non-current assets
TOTAL ASET		12,728,981	11,510,262	8,718,394	TOTAL ASSETS

*) Direklasifikasi, lihat Catatan 38

*) Reclassified, refer to Note 38

Catatan atas laporan keuangan merupakan bagian yang tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 1/2 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2012 DAN 2011, DAN
1 JANUARI 2011**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
31 DECEMBER 2012 AND 2011, AND
1 JANUARY 2011**

(Expressed in millions of Rupiah,
except par value and share data)

	Catatan/ Notes	2012	31 Desember/ December 2011*	1 Januari/ January 2011*	
LIABILITAS					LIABILITIES
LIABILITAS JANGKA PENDEK					CURRENT LIABILITIES
Utang usaha					Trade payables
- Pihak ketiga	17	128,476	111,834	70,063	Third parties -
- Pihak yang berelasi	17,32	21,300	10,448	3,093	Related parties -
Beban akrual	18a	977,715	995,495	622,190	Accrued expenses
Liabilitas imbalan kerja jangka pendek	18b	231,622	260,175	125,843	Short-term employee benefit liabilities
Utang pajak					Tax payables
- Pajak penghasilan badan	19b	90,503	345,915	142,056	Corporate income tax -
- Pajak lainnya	19b	148,398	67,302	55,780	Other taxes -
Pinjaman bank	22	34,915	18,155	13,294	Bank borrowings
Provisi reklamasi lingkungan dan penutupan tambang	20	36,615	36,319	37,521	Provision for environmental reclamation and mine closure
Liabilitas imbalan pascakerja jangka pendek	21	96,332	68,575	69,858	Current portion of post- employment benefits obligation
Utang jangka pendek lainnya		<u>4,788</u>	<u>4,195</u>	<u>8,953</u>	Other current liabilities
Total liabilitas jangka pendek		<u>1,770,664</u>	<u>1,918,413</u>	<u>1,148,651</u>	Total current liabilities
LIABILITAS JANGKA PANJANG					NON-CURRENT LIABILITIES
Provisi reklamasi lingkungan dan penutupan tambang	20	232,497	204,864	174,343	Provision for environmental reclamation and mine closure
Liabilitas imbalan pascakerja jangka panjang	21	2,210,981	1,224,815	959,072	Long-term portion of post- employment benefits obligation
Pinjaman bank	22	<u>9,670</u>	<u>-</u>	<u>-</u>	Bank borrowings
Total liabilitas jangka panjang		<u>2,453,148</u>	<u>1,429,679</u>	<u>1,133,415</u>	Total non-current liabilities
TOTAL LIABILITAS		<u>4,223,812</u>	<u>3,348,092</u>	<u>2,282,066</u>	TOTAL LIABILITIES

*) Direklasifikasi, lihat Catatan 38

*) Reclassified, refer to Note 38

Catatan atas laporan keuangan merupakan bagian yang
tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral
part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 1/3 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2012 DAN 2011, DAN
1 JANUARI 2011**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
31 DECEMBER 2012 AND 2011, AND
1 JANUARY 2011**

(Expressed in millions of Rupiah,
except par value and share data)

	Catatan/ Notes	2012	31 Desember/ December 2011*	1 Januari/ January 2011*	
EKUITAS					EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk					Equity attributable to owners of the parent
Modal saham					
Modal dasar 1 lembar saham preferen dan 7.999.999.999 lembar saham biasa, modal ditempatkan dan disetor penuh 1 lembar saham preferen dan 2.304.131.849 lembar saham biasa dengan nilai nominal Rp500 per lembar saham	24	1,152,066	1,152,066	1,152,066	Share capital Authorized 1 preferred share and 7,999,999,999 ordinary shares, issued and fully paid 1 preferred share and 2,304,131,849 ordinary shares with par value of Rp500 per share
Tambahan modal disetor	24	30,486	30,486	30,486	Additional paid-in capital
Saham treasuri	25	(189,526)	-	-	Treasury Shares
Cadangan perubahan nilai wajar aset keuangan tersedia untuk dijual	10	6,939	(783)	1,422	Reserve for changes in fair value of available-for-sale financial assets
Selisih penjabaran laporan keuangan anak		8,563	(2,834)	(4,920)	Currency differences from translation of subsidiary's financial statements
Saldo laba					Retained earnings
- Dicapangkan	27	5,169,942	4,059,041	3,335,840	Appropriated -
- Belum dicapangkan		<u>2,240,648</u>	<u>2,847,451</u>	<u>1,846,922</u>	Unappropriated -
		<u>8,419,118</u>	<u>8,085,427</u>	<u>6,361,816</u>	
Kepentingan non-pengendali	23a	<u>86,051</u>	<u>76,743</u>	<u>74,512</u>	Non-controlling interests
Total ekuitas		<u>8,505,169</u>	<u>8,162,170</u>	<u>6,436,328</u>	Total equity
TOTAL LIABILITAS DAN EKUITAS		<u>12,728,981</u>	<u>11,510,262</u>	<u>8,718,394</u>	TOTAL LIABILITIES AND EQUITY

*) Direklasifikasi, lihat Catatan 38

*) Reclassified, refer to Note 38

Catatan atas laporan keuangan merupakan bagian yang
tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral
part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 2/1 Schedule

**LAPORAN PENDAPATAN KOMPREHENSIF
KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011**
(Dinyatakan dalam jutaan Rupiah,
kecuali laba bersih per saham)

**CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011**
(Expressed in millions of Rupiah,
except earnings per share)

	Catatan/ Notes	2012	2011	
Penjualan	28	11,594,057	10,581,570	Revenue
Beban pokok penjualan	29	<u>(6,505,932)</u>	<u>(5,302,592)</u>	Cost of revenue
Laba bruto		5,088,125	5,278,978	Gross profit
Beban umum dan administrasi	29	(940,446)	(937,987)	General and administrative expenses
Beban penjualan dan pemasaran	29	(748,534)	(675,962)	Selling and marketing expenses
Pendapatan lainnya, bersih		<u>194,365</u>	<u>76,030</u>	Other income, net
Laba usaha		3,593,510	3,741,059	Operating profit
Pendapatan keuangan		327,637	406,113	Finance income
Beban keuangan		(3,646)	(3,249)	Finance costs
Bagian (rugi)/laba bersih dari entitas asosiasi		<u>(5,914)</u>	<u>(2,791)</u>	Share in net (loss)/profit of associates
Laba sebelum pajak penghasilan		3,911,587	4,141,132	Profit before income tax
Beban pajak penghasilan	19c	<u>(1,002,166)</u>	<u>(1,053,064)</u>	Income tax expense
Laba tahun berjalan		2,909,421	3,088,068	Profit for the year
Laba komprehensif lain				Other comprehensive income
Perubahan nilai wajar dari aset keuangan tersedia untuk dijual		7,722	(2,205)	Changes in fair value of available-for-sale financial assets
Selisih penjabaran laporan keuangan anak		11,397	2,086	Currency differences from translation of subsidiary's financial statements
Kerugian aktuarial dari liabilitas imbalan pascakerja	21	<u>(879,288)</u>	<u>-</u>	Actuarial loss on post-employment benefits obligation
		<u>(860,169)</u>	<u>(119)</u>	
Beban pajak penghasilan terkait	19d	<u>219,822</u>	<u>-</u>	Related income tax expense
Rugi komprehensif lain tahun berjalan setelah pajak		<u>(640,347)</u>	<u>(119)</u>	Other comprehensive loss for the year, net of tax
Total laba komprehensif tahun berjalan		<u><u>2,269,074</u></u>	<u><u>3,087,949</u></u>	Total comprehensive income for the year

Catatan atas laporan keuangan merupakan bagian yang tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 2/2 Schedule

**LAPORAN PENDAPATAN KOMPREHENSIF
KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011**
(Dinyatakan dalam jutaan Rupiah,
kecuali laba bersih per saham)

**CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011**
(Expressed in millions of Rupiah,
except earnings per share)

	<u>Catatan/ Notes</u>	<u>2012</u>	<u>2011</u>	
Laba/(rugi) yang dapat diatribusikan kepada:				Profit/(loss) attributable to:
Pemilik entitas induk		2,900,113	3,085,837	Owners of the parent
Kepentingan non-pengendali	23b	<u>9,308</u>	<u>2,231</u>	Non-controlling interests
		<u>2,909,421</u>	<u>3,088,068</u>	
Jumlah pendapatan komprehensif Yang dapat diatribusikan kepada:				Total comprehensive income attributable to:
Pemilik entitas induk		2,259,766	3,085,718	Owners of the parent
Kepentingan non-pengendali		<u>9,308</u>	<u>2,231</u>	Non-controlling interests
Jumlah pendapatan komprehensif		<u>2,269,074</u>	<u>3,087,949</u>	Total comprehensive income
Laba bersih per saham dasar yang dapat diatribusikan kepada pemilik entitas induk	33	<u>1,262</u>	<u>1,339</u>	Basic earnings per share for net income attributable to owners of the parent

Catatan atas laporan keuangan merupakan bagian yang
tak terpisahkan dari laporan keuangan konsolidasian

*The accompanying notes form an integral
part of these consolidated financial statements*

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 3 Schedule

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011
(Dinyatakan dalam jutaan Rupiah)**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011
(Expressed in millions of Rupiah)**

Diatribusikan kepada pemilik entitas induk/Attributable to the owners of the parent

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal/ disetor/ Additional paid in capital	Saham treasury/ Treasury stock	Keuntungan/ (kerugian) yang belum direalisasi dari aset yang tersedia untuk dijual/ Unrealised gain/(loss) from available-for- sale financial assets	Selisih penjabaran laporan anak/ Currency differences from translation of subsidiary's financial statements	Saldo laba yang telah dijual/ Appropriated retained earnings	Saldo laba yang belum dijual/ Unappropriated retained earnings	Total/ Total	Kepentingan non- pengendali/ Non- controlling interests	Total ekuitas/ Total equity
Saldo 1 Januari 2011	1,152,066	30,486	-	1,422	(4,920)	3,335,840	1,846,922	6,361,816	74,512	6,436,328
Laba bersih untuk tahun berjalan	-	-	-	-	-	-	3,085,837	3,085,837	2,231	3,088,068
Dividen kas	-	-	-	-	-	-	(1,281,751)	(1,281,751)	-	(1,281,751)
Penyisihan cadangan umum	-	-	-	-	-	-	(723,201)	(723,201)	-	-
Program kemitraan	-	-	-	-	-	723,201	-	-	-	-
Program bina lingkungan	-	-	-	-	-	-	(40,178)	(40,178)	-	(40,178)
Pendapatan komprehensif lainnya:	-	-	-	-	-	-	(40,178)	(40,178)	-	(40,178)
Keuntungan yang belum direalisasi dari aset keuangan tersedia untuk dijual	10	-	-	(2,205)	-	-	-	(2,205)	-	(2,205)
Selisih penjabaran laporan keuangan anak	-	-	-	-	2,086	-	-	2,086	-	2,086
Saldo 31 Desember 2011	1,152,066	30,486	-	(783)	(2,834)	4,059,041	2,847,451	8,085,427	76,743	8,162,170
Laba bersih untuk tahun berjalan	-	-	-	-	-	-	2,900,113	2,900,113	9,308	2,909,421
Saham treasury	-	-	(189,526)	-	-	-	-	(189,526)	-	(189,526)
Dividen kas	-	-	-	-	-	-	(1,613,116)	(1,613,116)	-	(1,613,116)
Program kemitraan	-	-	-	-	-	-	(30,858)	(30,858)	-	(30,858)
Program bina lingkungan	-	-	-	-	-	-	(92,575)	(92,575)	-	(92,575)
Penyisihan cadangan umum	-	-	-	-	-	-	(1,110,901)	(1,110,901)	-	-
Pendapatan komprehensif lainnya:	-	-	-	-	-	-	-	-	-	-
Keuntungan yang belum direalisasi dari aset keuangan tersedia untuk dijual	10	-	-	7,722	-	-	-	7,722	-	7,722
Selisih penjabaran laporan keuangan anak	-	-	-	-	11,397	-	-	11,397	-	11,397
Kerugian aktuaria dari kewajiban imbalan pascakerja, setelah pajak	-	-	-	-	-	-	(659,466)	(659,466)	-	(659,466)
Saldo 31 Desember 2012	1,152,066	30,486	(189,526)	6,939	8,563	5,169,942	2,240,648	8,419,118	86,051	8,505,169

Catatan atas laporan keuangan merupakan bagian yang tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 4 Schedule

**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011**
(Dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011**
(Expressed in millions of Rupiah)

	<u>2012</u>	<u>2011</u>	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOW FROM OPERATING ACTIVITIES
Penerimaan dari pelanggan	11,231,586	10,346,420	Cash receipts from customers
Penerimaan operasional lainnya	137,515	83,790	Cash receipts from other operations
Pembayaran royalti	(735,778)	(670,685)	Payments of royalties
Pembayaran kepada pemasok dan karyawan	(7,277,341)	(5,551,065)	Cash paid to suppliers and employees
Pembayaran pajak	(1,401,744)	(928,203)	Payment for taxes
Penerimaan bunga	262,109	324,890	Interest receipts
Pembayaran bunga	(3,646)	(3,249)	Interest paid
Arus kas bersih yang diperoleh dari aktivitas operasi	<u>2,212,701</u>	<u>3,601,898</u>	Net cash provided from operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOW FROM INVESTING ACTIVITIES
Pembelian aset tetap	(640,207)	(235,253)	Purchases of fixed assets
Pembayaran atas beban pengembangan tangguhan	(237,197)	(176,189)	Payments for deferred development expenditure
Perolehan aset keuangan tersedia untuk dijual	(922,030)	(460,000)	Purchases of available-for-sale financial assets
Penerimaan dari pelepasan aset keuangan tersedia untuk dijual	812,849	504,084	Proceeds from disposal of available-for-sale financial assets
Penambahan investasi kepada perusahaan asosiasi	(134,728)	(138,895)	Acquisitions of shares in associates
Penambahan investasi kepada entitas pengendalian bersama	(21,551)	-	Acquisition of interest in joint venture
Transfer ke kas yang dibatasi penggunaannya	(39,600)	-	Transfer to restricted cash
Arus kas bersih yang digunakan untuk aktivitas investasi	<u>(1,182,464)</u>	<u>(506,253)</u>	Net cash used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOW FROM FINANCING ACTIVITIES
Pembayaran dividen kepada pemegang saham induk	(1,613,116)	(1,281,751)	Payment of dividends to owners of the parent
Pembayaran dividen kepada kepentingan non-pengendali	(2,813)	-	Payment of dividends to non-controlling interest
Penerimaan pinjaman bank	80,585	99,549	Proceeds from bank loan
Pelunasan pinjaman bank	(36,000)	(94,682)	Repayments of bank loan
Penarikan sementara saham beredar	(189,526)	-	Purchase of treasury shares
Pembayaran atas program kemitraan dan bina lingkungan	(123,433)	(80,356)	Payments for partnership and development program
Transfer ke kas yang dibatasi penggunaannya	(8,000)	-	Transfer to restricted cash
Arus kas bersih yang digunakan untuk aktivitas pendanaan	<u>(1,892,303)</u>	<u>(1,357,240)</u>	Net cash used in financing activities
(PENURUNAN)/KENAIKAN BERSIH KAS DAN SETARA KAS	<u>(862,066)</u>	<u>1,738,405</u>	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS
RUGI SELISIH KURS TERHADAP KAS DAN SETARA KAS	<u>(12,191)</u>	<u>(1,189)</u>	EXCHANGE RATE LOSSES ON CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL PERIODE	<u>6,791,291</u>	<u>5,054,075</u>	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD
KAS DAN SETARA KAS PADA AKHIR PERIODE	<u>5,917,034</u>	<u>6,791,291</u>	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

Catatan atas laporan keuangan merupakan bagian yang tak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES****Lampiran 5/1 Appendix****CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN****31 DESEMBER 2012 DAN 2011**(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS****31 DECEMBER 2012 AND 2011**(Expressed in millions of Rupiah,
unless otherwise stated)**1. UMUM****a. Pendirian dan Informasi Lainnya**

PT Bukit Asam (Persero) Tbk ("Perusahaan") ("PTBA") didirikan pada tanggal 2 Maret 1981, berdasarkan Peraturan Pemerintah No. 42 tahun 1980 dengan Akta Notaris Mohamad Ali No. 1, yang telah diubah dengan Akta Notaris No. 5 tanggal 6 Maret 1984 dan No. 51 tanggal 29 Mei 1985 dari notaris yang sama. Akta pendirian dan perubahan tersebut disahkan oleh Menteri Kehakiman dalam Surat Keputusan No. C2-7553-HT.01.04.TH.85 tanggal 28 Nopember 1985 serta diumumkan dalam Berita Negara No. 33, Tambahan No. 550, tanggal 25 April 1986. Pada tahun 2008, Anggaran Dasar Perusahaan telah disesuaikan terhadap Undang-Undang No. 40 tahun 2007 tentang Perseroan Terbatas ("PT") dan nama Perusahaan dapat disingkat menjadi PT Bukit Asam (Persero) Tbk. Perubahan tersebut disahkan oleh Menteri Hukum dan Hak Asasi Manusia melalui Surat Ketetapan No. AHU-50395.AH.01.02. tahun 2008 tanggal 12 Agustus 2008 serta diumumkan dalam Berita Negara No. 76, Tambahan No. 18255 tanggal 19 September 2008.

Perubahan terakhir pada anggaran dasar Perusahaan berdasarkan Akta Notaris No. 73 tanggal 22 Desember 2011 yang disahkan oleh Menteri Hukum dan Hak Asasi Manusia melalui Surat Keputusan No. AHU-0010220.AH.01.09. tahun 2012 tanggal 7 Februari 2012 perihal perubahan pada susunan Dewan Komisaris dan Dewan Direksi, serta persetujuan pembelian kembali saham yang dikeluarkan Perusahaan.

Perusahaan dan entitas anak (bersama-sama disebut "Grup") bergerak dalam bidang industri tambang batubara, meliputi kegiatan penyelidikan umum, eksplorasi, eksploitasi, pengolahan, pemurnian, pengangkutan dan perdagangan, pemeliharaan fasilitas dermaga khusus batubara baik untuk keperluan sendiri maupun pihak lain, pengoperasian pembangkit listrik tenaga uap baik untuk keperluan sendiri ataupun pihak lain dan memberikan jasa-jasa konsultasi dan rekayasa dalam bidang yang ada hubungannya dengan industri pertambangan batubara beserta hasil olahannya.

Pada tahun 1993, Perusahaan ditunjuk oleh Pemerintah Indonesia untuk mengembangkan Satuan Kerja Pengusahaan Briket (lihat Catatan 30c).

1. GENERAL**a. Establishment and Other Information**

PT Bukit Asam (Persero) Tbk (the "Company") ("PTBA") was established on 2 March 1981 under Government Regulation No. 42 of 1980, based on Notarial Deed No. 1 of Mohamad Ali, as amended by Notarial Deeds No. 5 dated 6 March 1984 and No. 51 dated 29 May 1985 of the same notary. The deed of establishment and its amendments were approved by the Minister of Justice in Decree No. C2-7553-HT.01.04.TH.85 dated 28 November 1985 and was published in Supplement No. 550 of the State Gazette No. 33 dated 25 April 1986. In 2008, the Company's Articles of Association were amended to comply with Law No. 40, 2007 on Limited Liability Companies ("PT") and the approval of the Company's abbreviated name as PT Bukit Asam (Persero) Tbk. The amendment was approved by the Minister of Law and Human Rights in his Decree No. AHU-50395.AH.01.02 of 2008 dated 12 August 2008 and was published in Supplement No. 18255 of State Gazette No. 76 dated 19 September 2008.

Latest amendment of the Company's Articles of Association was based on Notarial Deed No. 73 dated 22 December 2011 which has been approved by the Minister of Law and Human Rights in his Decree No. AHU-0010220.AH.01.09. of 2012 dated 7 February 2012 regarding changes in the composition of the Board of Commissioners and the Board of Directors and approval of a buyback of shares issued by the Company.

The scope of activities of the Company and its subsidiaries (together, the "Group") comprises coal mining activities, including general surveying, exploration, exploitation, processing, refining, transportation and trading, maintenance of special coal port facilities for internal and external needs, operation of steam power plants for internal and external needs and providing consulting services related to the coal mining industry as well as its derivative products.

In 1993, the Company was appointed by the Indonesian Government to develop a Coal Briquette Operating Unit (refer to Note 30c).

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 5/2 Appendix

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2012 DAN 2011

(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2012 AND 2011

(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan Informasi Lainnya (lanjutan)

Perusahaan berdomisili di Indonesia, dengan kantor yang terdaftar di Jl. Parigi No.1, Tanjung Enim, Sumatera Selatan.

Pada tanggal 31 Oktober 2002, Perusahaan mengajukan pernyataan pendaftaran dalam rangka penawaran umum saham perdana. Berdasarkan Prospektus yang diterbitkan oleh Perusahaan tanggal 11 Desember 2002, jumlah saham yang ditawarkan adalah sejumlah 346.500.000 saham yang terdiri dari 315.000.000 saham divestasi milik negara Republik Indonesia dan 31.500.000 saham baru dengan nilai nominal Rp500 (nilai penuh) per saham dan harga penawaran Rp575 (nilai penuh) per saham. Dalam rangka penawaran saham perdana ini, Perusahaan menerbitkan 173.250.000 waran Seri I yang diberikan kepada pemegang saham (kecuali kepada Negara Republik Indonesia) yang namanya tercatat dalam Daftar Pemegang Saham Perseroan pada tanggal 23 Juni 2003 dengan alokasi 1 lembar waran untuk setiap 2 lembar saham yang dimiliki.

Harga pelaksanaan waran adalah Rp675 (nilai penuh) yang mulai berlaku sejak tanggal 30 Juni 2003 sampai dengan 22 Desember 2005. Berdasarkan surat dari Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan ("BAPEPAM-LK"), pernyataan pendaftaran tersebut dinyatakan efektif sejak 3 Desember 2002. Seluruh saham Perusahaan telah dicatatkan di Bursa Efek Indonesia pada tanggal 23 Desember 2002. Pada tanggal 31 Desember 2005, seluruh waran telah dikonversi.

Pada Rapat Umum Pemegang Saham Luar Biasa ("RUPSLB") yang diadakan tanggal 22 Desember 2011, pemegang saham menyetujui pembelian kembali saham (lihat Catatan 25).

1. GENERAL (continued)

a. Establishment and Other Information (continued)

The company is incorporated and domiciled in Indonesia. The address of its registered office is Jl. Parigi No.1, Tanjung Enim, Sumatera Selatan.

On 31 October 2002, the Company initiated an initial public offering. Based on the Prospectus issued by the Company on 11 December 2002, the number of shares offered to the public was 346,500,000 shares which consisted of 315,000,000 divestment shares owned previously by the Government of Indonesia and 31,500,000 new shares with a par value of Rp500 (full amount) per share and an offering price of Rp575 (full amount) per share. In relation to the initial public offering, the Company issued 173,250,000 Series I warrants to the shareholders (except the Republic of Indonesia) listed on the shareholders' register on 23 June 2003 with an allocation of one warrant for every two shares owned.

The exercise price of the warrant was Rp675 (full amount) exercisable from 30 June 2003 until 22 December 2005. Based on a letter from the Head of the Capital Market and Financial Institutions Supervisory Board ("BAPEPAM-LK"), the registration became effective on 3 December 2002. All of the Company's shares were listed on the Indonesian Stock Exchange on 23 December 2002. As at 31 December 2005, these warrants were fully exercised.

At the Extraordinary General Meeting of Shareholders ("EGMS") held on 22 December 2011, the shareholders approved the share buyback plan (refer to Note 25).

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 5/3 Appendix

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2012 DAN 2011

(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2012 AND 2011

(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan Informasi Lainnya (lanjutan)

Dewan Komisaris, Dewan Direksi Perusahaan, Sekretaris Perusahaan dan Senior Manager Satuan Pengawasan Internal merupakan personil manajemen kunci Perusahaan.

Pada tanggal 31 Desember 2012, susunan Dewan Komisaris dan Dewan Direksi Perusahaan adalah sebagai berikut:

Komisaris Utama	Patrialis Akbar
Komisaris	Robert Heri Thamrin Sihite Imam Apriyanto Putro

Komisaris Independen	Suranto Soemarsono Abdul Latief Baky
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Direktur Utama	Milawarma
Direktur Keuangan	Achmad Sudarto
Direktur Operasi/Produksi	Heri Supriyanto
Direktur Pengembangan Usaha	Anung Dri Prasetya
Direktur Niaga	Muhammad Jamil
Direktur Umum dan SDM	Maizal Gazali

Pada tanggal 31 Desember 2011, susunan Dewan Komisaris dan Dewan Direksi Perusahaan adalah sebagai berikut:

Komisaris Utama	Patrialis Akbar
Komisaris	Umiyatun Hayati Triastuti Thamrin Sihite Imam Apriyanto Putro

Komisaris Independen	Suranto Soemarsono Abdul Latief Baky
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Direktur Utama	Milawarma
Direktur Keuangan	Achmad Sudarto
Direktur Operasi/Produksi	Heri Supriyanto
Direktur Pengembangan Usaha	Anung Dri Prasetya
Direktur Niaga	Muhammad Jamil
Direktur Umum dan SDM	Maizal Gazali

Susunan Komite Audit Perusahaan pada tanggal 31 Desember 2012 dan 2011 adalah sebagai berikut:

Ketua	Suranto Soemarsono
Anggota	Helmi Mahfud Nuhindro Priagung Widodo

1. GENERAL (continued)

a. Establishment and Other Information (continued)

The Board of Commissioners, the Board of Directors, Corporate Secretary and Senior Manager Internal Control are the key management personnel of the Company.

As at 31 December 2012, the composition of the Company's Boards of Commissioners and Directors was as follows:

<i>President Commissioner</i>
<i>Commissioners</i>

Independent Commissioners

<i>President Director</i>
<i>Finance Director</i>
<i>Operation/Production Director</i>
<i>Business Development Director</i>
<i>Commerce Director</i>
<i>General Affairs and HR Director</i>

As at 31 December 2011, the composition of the Company's Boards of Commissioners and Directors was as follows:

<i>President Commissioner</i>
<i>Commissioners</i>

Independent Commissioners

<i>President Director</i>
<i>Finance Director</i>
<i>Operation/Production Director</i>
<i>Business Development Director</i>
<i>Commerce Director</i>
<i>General Affairs and HR Director</i>

The composition of the Company's Audit Committee as at 31 December 2012 and 2011 was as follows:

<i>Chairman</i>
<i>Members</i>

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 5/4 Appendix

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2012 DAN 2011

(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2012 AND 2011

(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan Informasi Lainnya (lanjutan)

Pada tanggal 31 Desember 2012, Perusahaan mempunyai karyawan tetap sejumlah 2.953 orang (2011: 3.100) – tidak diaudit.

Perusahaan memiliki kepemilikan langsung pada entitas anak berikut ini:

1. GENERAL (continued)

a. Establishment and Other Information (continued)

As at 31 December 2012, the Company had a total of 2,953 permanent employees (2011: 3,100) – unaudited.

The Company has direct ownership of the following subsidiaries:

	Kegiatan usaha/ <i>Business activity</i>	Tempat kedudukan/ <i>Domicile</i>	Tahun beroperasi secara komersial/ <i>Commencement of commercial operations</i>	Persentase kepemilikan/ <i>Percentage of ownership</i>		Jumlah aset (sebelum eliminasi)/ <i>Total assets (before elimination)</i>	
				2012 %	2011 %	2012	2011
Entitas anak/ <i>Subsidiaries</i>							
PT Batubara Bukit Kendi ("BBK")*	Penambangan batubara/ <i>Coal mining</i>	Tanjung Enim, Sumatera Selatan/ <i>South Sumatra</i>	1997	75	75	20,361	21,061
PT Bukit Asam Prima ("BAP")	Perdagangan batubara/ <i>Coal trading</i>	Jakarta	2007	99.99	99.99	215,154	130,964
PT International Prima Coal ("IPC")**	Penambangan batubara/ <i>Coal Mining</i>	Palaran, Kalimantan Timur/ <i>East Kalimantan</i>	2010	51	51	277,929	248,371
PT Bukit Asam Metana Ombilin ("BAMO")	Penambangan gas metana batubara/ <i>Coal methane gas mining</i>	Jakarta	Belum beroperasi/ <i>Not operating</i>	99.99	99.99	500	500
PT Bukit Asam Metana Enim ("BAME")	Penambangan gas metana batubara/ <i>Coal methane gas mining</i>	Jakarta	Belum beroperasi/ <i>Not operating</i>	99.99	99.99	500	500
PT Bukit Asam Metana Peranap ("BAMP")	Penambangan gas metana batubara/ <i>Coal methane gas mining</i>	Jakarta	Belum beroperasi/ <i>Not operating</i>	99.99	99.99	500	500
PT Bukit Asam Banko ("BAB")	Pertambangan, perdagangan, dan industri batubara/ <i>Coal mining, trading, and industry</i>	Tanjung Enim, Sumatera Selatan/ <i>South Sumatra</i>	Belum beroperasi/ <i>Not operating</i>	65	65	2,406	2,406
Entitas Asosiasi/ <i>Associates</i>							
PT Bukit Pembangkit Innovative ("BPI")	Produsen energi listrik/ <i>Independent power producer</i>	Tanjung Enim, Sumatera Selatan/ <i>South Sumatra</i>	Dalam tahap pengembangan/ <i>Under development stage</i>	59.75	59.75	1,718,124	642,999
PT Bukit Asam Transpacific Railway	Jasa angkutan batubara/coal <i>transportation services</i>	Jakarta	Belum beroperasi/ <i>Not operating</i>	10	10	54,564	54,564

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 5/5 Appendix

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2012 DAN 2011

(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2012 AND 2011

(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian dan Informasi Lainnya (lanjutan)

Entitas pengendalian bersama/ Joint venture	Kegiatan usaha/ <i>Business activity</i>	Tempat kedudukan/ <i>Domicile</i>	Tahun beroperasi secara komersial/ <i>Commencement of commercial operations</i>	Persentase kepemilikan/ Percentage of ownership		Jumlah aset (sebelum eliminasi)/ Total assets (before elimination)	
				2012 %	2011 %	2012	2011
PT Huadian Bukit Asam Power ("HBAP")	Produsen energi listrik/ <i>Independent power producer</i>	Tanjung Enim, Sumatera Selatan <i>South Sumatra</i>	Belum beroperasi/ <i>Not operating</i>	45	-	45,725	-

* Operasi penambangan dihentikan sementara.

** Lihat Catatan 6 tentang akuisisi IPC.

1. GENERAL (continued)

**a. Establishment and Other Information
(continued)**

Tahun beroperasi secara komersial/ <i>Commencement of commercial operations</i>	Persentase kepemilikan/ Percentage of ownership		Jumlah aset (sebelum eliminasi)/ Total assets (before elimination)	
	2012 %	2011 %	2012	2011

Belum beroperasi/
Not operating

* Mining operation is temporarily suspended.

** See Note 6 regarding the acquisition of IPC.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

Laporan keuangan konsolidasian Grup telah disusun dan diselesaikan oleh Dewan Direksi pada tanggal 28 Februari 2013.

Berikut ini adalah kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian Grup, yang sesuai dengan Standar Akuntansi Keuangan di Indonesia.

a. Dasar penyusunan laporan keuangan konsolidasian

Laporan keuangan konsolidasian ini disusun dengan dasar harga perolehan, kecuali aset dan liabilitas keuangan, yang diukur pada nilai wajar serta menggunakan dasar akrual kecuali untuk laporan arus kas konsolidasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's consolidated financial statements were prepared and finalised by the Board of Directors on 28 February 2013.

Presented below are the significant accounting policies adopted in preparing the consolidated financial statements of the Group, which are in conformity with Indonesian Financial Accounting Standards.

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and liabilities, which are measured at fair value and using accrual basis except for the consolidated statement of cash flows.

**PT BUKIT ASAM (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Lampiran 5/6 Appendix

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2012 DAN 2011

(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2012 AND 2011

(Expressed in millions of Rupiah,
unless otherwise stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

a. Dasar penyusunan laporan keuangan konsolidasian (lanjutan)

Laporan arus kas konsolidasian disusun menggunakan metode langsung dan arus kas dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas konsolidasian, kas dan setara kas mencakup kas dan bank setelah dikurangi cerukan.

Penyusunan laporan keuangan yang sesuai dengan Standar Akuntansi Keuangan di Indonesia memerlukan penggunaan estimasi akuntansi penting tertentu. Penyusunan laporan keuangan juga mengharuskan manajemen untuk menggunakan pertimbangannya dalam proses menerapkan kebijakan akuntansi Grup. Area-area yang memerlukan tingkat pertimbangan atau kompleksitas yang tinggi, atau area dimana asumsi dan estimasi merupakan hal yang signifikan dalam laporan keuangan konsolidasian, diungkapkan dalam Catatan 5.

b. Prinsip-prinsip konsolidasi

i. Entitas Anak

Entitas anak merupakan semua entitas (termasuk entitas bertujuan khusus), yang mana Grup memiliki kekuatan untuk mengatur kebijakan keuangan dan operasional, yang secara umum, disertai dengan kepemilikan lebih dari setengah hak suara suatu entitas. Keberadaan dan dampak dari hak suara potensial yang saat ini dapat dilaksanakan atau dikonversi, dipertimbangkan ketika menilai apakah Grup mengendalikan entitas lain. Grup juga menilai keberadaan pengendalian ketika Grup tidak memiliki lebih dari 50% hak suara namun dapat mengatur kebijakan keuangan dan operasional secara *de-facto*. Pengendalian *de-facto* dapat timbul ketika jumlah hak suara yang dimiliki Grup, secara relatif terhadap jumlah dan penyebaran kepemilikan hak suara pemegang saham lain memberikan Grup kemampuan untuk mengendalikan kebijakan keuangan dan operasi, serta kebijakan lainnya. Entitas anak dikonsolidasikan sejak tanggal dimana pengendalian telah beralih kepada Grup dan tidak lagi dikonsolidasi sejak tanggal hilangnya pengendalian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

a. Basis of preparation of the consolidated financial statements (continued)

The consolidated statements of cash flows have been prepared based on the direct method, by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and cash in banks, net of overdrafts.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

b. Principles of consolidation

i. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip-prinsip konsolidasi (lanjutan)

i. Entitas Anak (lanjutan)

Grup menggunakan metode akuntansi akuisisi untuk mencatat kombinasi bisnis. Imbalan yang dialihkan dalam suatu akuisisi entitas anak mencakup nilai wajar dari aset yang dialihkan, liabilitas yang terjadi dan kepentingan ekuitas yang diterbitkan oleh Grup. Imbalan yang dialihkan mencakup nilai wajar aset dan liabilitas yang dihasilkan dari suatu kesepakatan imbalan kontinjensi. Biaya terkait dengan akuisisi dicatat sebagai biaya pada saat terjadi. Aset dan liabilitas dan liabilitas kontinjensi yang dapat diidentifikasi, yang diperoleh dalam kombinasi bisnis diukur awalnya pada nilai wajar pada tanggal akuisisi. Pada setiap akuisisi, Grup mengakui nilai kepentingan non-pengendali pada pihak yang diakuisisi, pada nilai wajar ataupun pada proporsi kepemilikan kepentingan non-pengendali atas aset bersih teridentifikasi dari pihak yang diakuisisi. Kepentingan non-pengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasian, terpisah dari ekuitas pemilik entitas induk. Biaya yang terkait dengan akuisisi dibebankan pada saat terjadinya.

Selisih lebih antara imbalan yang dialihkan, jumlah setiap kepentingan non-pengendali dalam pihak yang diakuisisi, dan nilai wajar pada tanggal akuisisi dari kepemilikan ekuitas yang sebelumnya dimiliki oleh pihak pengakuisisi pada pihak yang diakuisisi, dibandingkan dengan nilai wajar bagian Grup atas aset bersih teridentifikasi yang diakuisisi, dicatat sebagai properti pertambangan dan/atau goodwill. Jika jumlah tersebut lebih kecil dari nilai wajar atas aset bersih teridentifikasi entitas anak yang diakuisisi dan pengukuran atas seluruh jumlah tersebut telah ditelaah, dalam hal pembelian dengan diskon, selisih tersebut diakui secara langsung pada laporan laba-rugi konsolidasian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of consolidation (continued)

i. Subsidiaries (continued)

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Non-controlling interest is reported as equity in the consolidated statement of financial position, separate from the owner of the parent's equity. Acquisition-related cost are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as mining properties and/or goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip-prinsip konsolidasi (lanjutan)

i. Entitas Anak (lanjutan)

Transaksi intra-perusahaan, saldo dan keuntungan yang belum direalisasi dari transaksi antara perusahaan dalam Grup dieliminasi. Kerugian yang belum direalisasi juga dieliminasi. Kebijakan akuntansi entitas anak telah diubah seperlunya untuk memastikan konsistensi penerapan kebijakan oleh Grup.

ii. Transaksi dan kepentingan non-pengendali

Grup memperlakukan transaksi dengan kepentingan non-pengendali sebagai transaksi dengan pemilik ekuitas dari Grup. Untuk pembelian dari kepentingan non-pengendali, selisih antara imbalan yang dibayarkan dan bagiannya atas jumlah tercatat aset bersih yang diperoleh, dicatat pada ekuitas. Keuntungan atau kerugian dari pelepasan kepada kepentingan non-pengendali juga dicatat pada ekuitas.

Ketika Grup kehilangan pengendalian atau pengaruh signifikan, maka sisa kepentingan dalam entitas diukur kembali pada nilai wajarnya, dengan perubahan pada jumlah tercatat diakui pada laba rugi. Nilai wajar tersebut menjadi jumlah tercatat awal, untuk keperluan akuntansi selanjutnya yang digunakan untuk mencatat sisa kepentingan sebagai perusahaan asosiasi, ventura bersama atau aset keuangan. Sebagai tambahan, jumlah yang sebelumnya diakui dalam pendapatan komprehensif lain yang terkait dengan entitas tersebut diakui seolah-olah Grup melepaskan secara langsung aset dan liabilitas terkait. Hal ini berarti jumlah yang sebelumnya diakui dalam pendapatan komprehensif lain direklasifikasi ke laba-rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of consolidation (continued)

i. Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii. Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount, for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip-prinsip konsolidasi (lanjutan)

iii. Entitas asosiasi

Entitas asosiasi adalah seluruh entitas dimana Grup memiliki pengaruh signifikan namun bukan pengendalian, biasanya melalui kepemilikan hak suara antara 20% dan 50%. Investasi entitas asosiasi dicatat dengan metode ekuitas. Di dalam investasi Grup atas entitas asosiasi termasuk *goodwill* yang diidentifikasi ketika akuisisi.

Jika kepemilikan kepentingan pada entitas asosiasi berkurang, namun tetap memiliki pengaruh signifikan, hanya suatu bagian proporsional atas jumlah yang telah diakui sebelumnya pada pendapatan komprehensif lainnya yang direklasifikasi ke laporan laba rugi.

Bagian Grup atas laba atau rugi entitas asosiasi pasca akuisisi diakui dalam laporan laba rugi dan bagian atas mutasi pendapatan komprehensif lainnya pasca akuisisi diakui di dalam pendapatan komprehensif lainnya dan diikuti dengan penyesuaian pada jumlah tercatat investasi. Dividen yang akan diterima dari entitas asosiasi diakui sebagai pengurang jumlah tercatat investasi. Jika bagian Grup atas kerugian entitas asosiasi sama dengan atau melebihi kepentingannya pada entitas asosiasi, termasuk piutang tanpa agunan, Grup menghentikan pengakuan bagian kerugiannya, kecuali Grup memiliki kewajiban atau melakukan pembayaran atas nama entitas asosiasi.

Pada setiap tanggal pelaporan, Grup menentukan apakah terdapat bukti objektif bahwa telah terjadi penurunan nilai pada investasi pada entitas asosiasi. Jika demikian, maka Grup menghitung besarnya penurunan nilai sebagai selisih antara jumlah yang terpulihkan dan nilai tercatat atas investasi pada perusahaan asosiasi dan mengakui selisih tersebut pada "bagian atas hasil bersih entitas asosiasi" di laporan laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of consolidation (continued)

iii. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate" in the profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Prinsip-prinsip konsolidasi (lanjutan)

b. Principles of consolidation (continued)

iii. Entitas asosiasi (lanjutan)

ii. Associates (continued)

Kebijakan akuntansi entitas asosiasi disesuaikan jika diperlukan untuk memastikan konsistensi dengan kebijakan yang diterapkan oleh Grup.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Kerugian yang belum direalisasi juga dieliminasi kecuali transaksi tersebut memberikan bukti penurunan nilai atas aset yang ditransfer. Kebijakan akuntansi entitas asosiasi disesuaikan jika diperlukan untuk memastikan konsistensi dengan kebijakan yang diterapkan oleh Grup.

Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Laba atau rugi yang dihasilkan dari transaksi hulu dan hilir antara Grup dengan entitas asosiasi diakui dalam laporan keuangan Grup hanya sebesar bagian investor lain dalam entitas asosiasi.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates.

Keuntungan dan kerugian dilusi yang timbul pada investasi entitas asosiasi diakui dalam laporan laba rugi.

Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

iv. Pengendalian bersama entitas

iv. Jointly controlled entities

Pengendalian bersama adalah persetujuan kontraktual untuk berbagi pengendalian atas suatu aktivitas ekonomi, dan ada hanya ketika keputusan keuangan dan operasional strategis terkait dengan aktivitas tersebut mensyaratkan konsensus dari seluruh pihak-pihak yang berbagi pengendalian.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Karakteristik umum seluruh ventura bersama adalah sebagai berikut:

The following characteristics are common to all joint ventures:

- (a) Dua atau lebih *venturer* terikat oleh suatu perjanjian kontraktual; dan
- (b) Perjanjian kontraktual tersebut membentuk pengendalian bersama.

- (a) *two or more venturers are bound by a contractual arrangement; and*
- (b) *the contractual arrangement establishes joint control.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip-prinsip konsolidasi (lanjutan)

**iv. Pengendalian bersama entitas
(lanjutan)**

Perjanjian kontraktual dapat dibuktikan dalam beberapa cara, misalnya melalui suatu kontrak antara para *venturer* atau notulen rapat antara para *venturer*. Dalam beberapa kasus, perjanjian tersebut dimasukkan dalam akte atau anggaran dasar dan anggaran rumah tangga dari ventura bersama. Apapun bentuknya, perjanjian kontraktual biasanya tertulis dan berkaitan dengan masalah-masalah seperti:

- (a) aktivitas, jangka waktu dan kewajiban pelaporan dari ventura bersama;
- (b) penetapan dewan direksi dan dewan komisaris atau organ setara dari ventura bersama dan hak suara *venture*;
- (c) kontribusi modal oleh *venturer*; dan
- (d) pembagian oleh *venturer* atas output, penghasilan, beban atau hasil dari ventura bersama.

Pengendalian bersama entitas memiliki karakteristik berikut:

- (a) Pengendalian bersama entitas adalah ventura bersama yang melibatkan pendirian suatu perseroan terbatas, persekutuan atau entitas lainnya yang mana setiap *venturer* mempunyai bagian partisipasi. Entitas tersebut beroperasi dalam cara yang sama seperti entitas lainnya, kecuali adanya perjanjian kontraktual antar *venturer* yang menciptakan pengendalian bersama atas aktivitas ekonomi entitas;

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of consolidation (continued)

**iv. Jointly controlled entities
(continued)**

The contractual arrangement may be evidenced in a number of ways, for example by a contract between the venturers or minutes of discussions between the venturers. In some cases, the arrangement is incorporated in the articles or other by-laws of the joint venture. Whatever its form, the contractual arrangement is usually in writing and deals with such matters as:

- (a) the activity, duration and reporting obligations of the joint venture;*
- (b) the appointment of the board of directors or equivalent governing body of the joint venture and the voting rights of the venturers;*
- (c) capital contributions by the venturers; and*
- (d) the sharing by the venturers of the output, income, expenses or results of the joint venture.*

Jointly controlled entities have the following characteristics:

- (a) A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity;*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip-prinsip konsolidasi (lanjutan)

**iv. Pengendalian bersama entitas
(lanjutan)**

(b) Pengendalian bersama entitas mengendalikan aset ventura bersama, menanggung liabilitas dan beban, dan memperoleh penghasilan. Entitas tersebut dapat mengadakan kontrak atas nama sendiri dan memperoleh pembiayaan untuk tujuan aktivitas ventura bersama. Setiap *venturer* berhak atas bagian laba dari pengendalian bersama entitas, meskipun beberapa pengendalian bersama entitas juga meliputi pembagian output ventura bersama; dan

(c) Pengendalian bersama entitas melakukan catatan akuntansi sendiri serta menyusun dan menyajikan laporan keuangan dengan cara yang sama seperti entitas lainnya;

Dalam metode akuntansi ekuitas, investasi pada ventura bersama pada awalnya diakui pada laporan posisi keuangan konsolidasi sebesar biaya perolehan dan selanjutnya disesuaikan untuk mengakui bagian Grup atas laba atau rugi setelah akuisisi dan mutasi pada pendapatan komprehensif lainnya masing-masing pada laporan laba rugi dan pendapatan komprehensif lainnya. Grup menerapkan metode akuntansi ekuitas untuk mencatat investasi pada entitas pengendalian bersama.

Ketika bagian atas rugi dari ventura bersama sama dengan atau melebihi investasi pada ventura bersama, Grup tidak mengakui kerugian lebih lanjut, kecuali memiliki kewajiban atau melakukan pembayaran atas nama ventura bersama.

Keuntungan yang belum terealisasi dari transaksi antara Grup dan ventura bersama dieliminasi sebesar bagian Grup pada ventura bersama. Kerugian yang belum terealisasi juga dieliminasi kecuali transaksi tersebut membuktikan adanya penurunan nilai dari aset yang ditransfer.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of consolidation (continued)

**iv. Jointly controlled entities
(continued)**

(b) A jointly controlled entity controls the assets of the joint venture, incurs liabilities and expenses and earns income. It may enter into contracts in its own name and raise finance for the purposes of the joint venture activity. Each venturer is entitled to a share of the profits of the jointly controlled entity, although some jointly controlled entities also involve a sharing of the output of the joint venture; and

(c) A jointly controlled entity maintains its own accounting records and prepares and presents financial statements in the same way as other entities;

Under the equity method of accounting, interests in joint ventures are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income in the profit or loss and in other comprehensive income, respectively. Group applied equity method accounting to record the investment in joint venture entity

When the share of losses in a joint venture equals or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

c. Penjabaran mata uang asing

(a) Mata uang fungsional dan penyajian

Item-item yang disertakan dalam laporan keuangan setiap entitas anggota Grup diukur menggunakan mata uang yang sesuai dengan lingkungan ekonomi utama di mana entitas beroperasi ("mata uang fungsional").

Laporan keuangan konsolidasian disajikan dalam Rupiah.

(b) Transaksi dan saldo

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada setiap tanggal pelaporan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah menggunakan kurs penutup. Kurs yang digunakan sebagai acuan adalah kurs yang dikeluarkan oleh Bank Indonesia. Keuntungan dan kerugian selisih kurs yang timbul dari penyelesaian transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing diakui di dalam laporan laba rugi, kecuali jika ditangguhkan di dalam ekuitas sebagai lindung nilai arus kas dan lindung nilai investasi bersih yang memenuhi syarat.

d. Piutang

Piutang adalah jumlah tagihan dari pelanggan untuk batubara yang dapat dijual yang diberikan dalam transaksi bisnis pada umumnya. Jika pembayaran piutang diharapkan selesai dalam satu tahun atau kurang (atau dalam siklus normal operasi dari bisnis jika lebih lama), piutang tersebut dikelompokkan sebagai aset lancar. Jika tidak, piutang tersebut disajikan sebagai aset tidak lancar.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

c. Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Rupiah.

(b) Transactions and balances

Foreign currency transactions are translated into Rupiah using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currency are translated into Rupiah using the closing exchange rate. The exchange rate used as a benchmark is the rate which is issued by the Bank of Indonesia. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

d. Receivables

Receivables are amounts due from customers for coal sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

d. Piutang (lanjutan)

Piutang pada awalnya diakui sebesar nilai wajar dan kemudian diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi dengan provisi untuk penurunan nilai. Kolektibilitas piutang usaha dan piutang non-usaha ditinjau secara berkala. Piutang yang diketahui tidak tertagih, dihapuskan dengan secara langsung mengurangi nilai tercatatnya. Akun penyisihan digunakan ketika terdapat bukti yang objektif bahwa Grup tidak dapat menagih seluruh nilai terutang sesuai dengan persyaratan awal piutang. Kesulitan keuangan signifikan yang dialami debitur, kemungkinan debitur dinyatakan pailit atau melakukan reorganisasi keuangan dan gagal bayar atau menunggak pembayaran merupakan indikator yang dianggap dapat menunjukkan adanya penurunan nilai piutang. Jumlah penurunan nilai piutang adalah sebesar selisih antara nilai tercatat aset dan nilai kini dari estimasi arus kas masa depan pada tingkat suku bunga efektif awal. Arus kas terkait dengan piutang jangka pendek tidak didiskontokan apabila efek diskonto tidak material.

Jumlah kerugian penurunan nilai diakui pada laporan laba rugi dan disajikan dalam "beban penurunan nilai". Ketika piutang usaha dan piutang non usaha, yang rugi penurunan nilainya telah diakui, tidak dapat ditagih pada periode selanjutnya, maka piutang tersebut dihapusbukkan dengan mengurangi akun penyisihan. Jumlah yang selanjutnya dapat ditagih kembali atas piutang yang sebelumnya telah dihapusbukkan, dikreditkan terhadap "beban penurunan nilai" pada laporan laba rugi.

e. Persediaan

Persediaan batubara diakui sebesar nilai yang lebih rendah antara harga perolehan dengan nilai realisasi bersih. Harga perolehan ditentukan berdasarkan metode rata-rata tertimbang atas biaya yang terjadi selama tahun berjalan dan terdiri dari biaya bahan baku, tenaga kerja, serta alokasi biaya *overhead* yang berkaitan dengan aktivitas penambangan. Nilai realisasi bersih adalah estimasi harga penjualan dalam kegiatan usaha normal dikurangi taksiran biaya penyelesaian dan biaya penjualan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Receivables (continued)

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade and non-trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amounts of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of accounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within "impairment charges". When a trade and non-trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against "impairment changes" in profit or loss.

e. Inventories

Coal inventories are valued at the lower of cost or net realisable value. Cost is determined on a weighted average cost incurred during the year and comprises materials, labour and depreciation and overheads related to mining activities. Net realisable value is the estimated sales amount in the ordinary course of business less the costs of completion and selling expenses.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

e. Persediaan (lanjutan)

Perlengkapan, bahan bakar, minyak pelumas, dan suku cadang diakui pada harga perolehan, ditentukan dengan metode rata-rata, setelah dikurangi penyisihan untuk persediaan usang. Penyisihan untuk persediaan usang dan bergerak lambat ditentukan berdasarkan estimasi penggunaan atau penjualan masing-masing jenis persediaan pada masa mendatang. Bahan pendukung kegiatan pemeliharaan dicatat sebagai beban produksi pada periode yang digunakan.

f. Aset keuangan

1.1 Klasifikasi

Grup mengklasifikasikan aset keuangan dalam kategori sebagai berikut (i) pinjaman dan piutang, (ii) aset keuangan yang tersedia untuk dijual. Klasifikasi ini tergantung pada tujuan saat aset keuangan tersebut diperoleh. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat pengakuan awal. Aset keuangan tidak diakui apabila hak untuk menerima arus kas dari suatu investasi telah berakhir atau telah ditransfer dan Grup telah mentransfer secara substansial seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut.

(i) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran yang tetap atau dapat ditentukan dan tidak mempunyai kuotasi harga di pasar aktif. Pinjaman yang diberikan dan piutang dimasukkan sebagai aset lancar, kecuali jika jatuh temponya melebihi 12 bulan setelah akhir periode pelaporan. Pinjaman yang diberikan dan piutang ini dimasukkan sebagai aset tidak lancar. Pinjaman yang diberikan dan piutang Grup terdiri dari "piutang usaha", "piutang non-usaha dari pihak berelasi" pada laporan posisi keuangan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

e. Inventories (continued)

Materials, fuel, lubricants and spare-parts are valued at cost, determined on an average basis, less provision for obsolete and slow moving inventory. A provision for obsolete and slow moving inventory is determined on the basis of estimated future usage or sale of individual inventory items. Supplies of maintenance materials are charged to production costs in the period in which they are used.

f. Financial assets

1.1 Classification

The Group classifies its financial assets into the categories of (i) loans and receivables, (ii) available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables" and "non-trade receivables from related parties" in the statement of financial position.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

f. Aset keuangan (lanjutan)

1.1 Klasifikasi (lanjutan)

- (ii) Aset keuangan yang tersedia untuk dijual

Aset keuangan tersedia untuk dijual adalah instrumen non-derivatif yang ditentukan pada kategori ini atau tidak diklasifikasikan pada kategori yang lain. Aset keuangan tersedia untuk dijual dimasukkan sebagai aset tidak lancar kecuali investasinya jatuh tempo atau manajemen bermaksud melepasnya dalam kurun waktu 12 bulan setelah akhir periode pelaporan.

1.2 Pengakuan dan pengukuran

Pembelian dan penjualan aset keuangan yang lazim (reguler) diakui pada tanggal perdagangan – tanggal dimana Grup berkomitmen untuk membeli atau menjual aset. Investasi pada awalnya diakui sebesar nilai wajarnya ditambah biaya transaksi untuk seluruh aset keuangan yang tidak diukur pada nilai wajar melalui laporan laba rugi. Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi pada awalnya dicatat sebesar nilai wajar dan biaya transaksinya dibebankan pada laporan laba rugi. Aset keuangan dihentikan pengakuannya ketika hak untuk menerima arus kas dari investasi tersebut telah jatuh tempo atau telah ditransfer dan Grup telah mentransfer secara substansial seluruh risiko dan manfaat atas kepemilikan aset. Aset keuangan tersedia untuk dijual dan aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi selanjutnya dicatat sebesar nilai wajar. Pinjaman yang diberikan dan piutang dicatat sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

f. Financial assets (continued)

1.1 Classification (continued)

- (ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives instrument that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

1.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus the transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

f. Aset keuangan (lanjutan)

1.2 Pengakuan dan pengukuran (lanjutan)

Perubahan nilai wajar efek moneter dan non-moneter yang diklasifikasikan sebagai tersedia untuk dijual diakui pada pendapatan komprehensif lainnya. Ketika efek diklasifikasikan sebagai tersedia untuk dijual telah dijual, akumulasi penyesuaian nilai wajar yang diakui pada ekuitas dimasukkan ke dalam laporan laba rugi sebagai "pendapatan keuangan" atau "beban keuangan".

Ketika efek diklasifikasikan sebagai tersedia untuk dijual mengalami penurunan nilai, akumulasi penyesuaian nilai wajar yang diakui pada ekuitas dimasukkan ke dalam laporan laba rugi sebagai bagian dari "beban keuangan".

Bunga atas efek yang tersedia untuk dijual dihitung dengan menggunakan metode bunga efektif yang diakui pada laporan laba rugi sebagai "penghasilan keuangan". Dividen dari instrumen ekuitas yang tersedia untuk dijual diakui pada laporan laba rugi sebagai bagian dari "penghasilan lain-lain" ketika hak Grup untuk menerima pembayaran sudah ditetapkan.

g. Penurunan nilai dari aset keuangan

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat bukti objektif bahwa aset keuangan atau kelompok aset keuangan telah mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai terjadi hanya jika terdapat bukti objektif bahwa penurunan nilai merupakan akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset ("peristiwa kerugian") dan peristiwa kerugian (atau peristiwa) tersebut memiliki dampak pada estimasi arus kas masa datang atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

f. Financial assets (continued)

**1.2 Recognition and measurement
(continued)**

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the profit or loss as "finance income" or "finance costs".

When securities classified as available-for-sale are impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as part of "finance costs".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of "finance income". Dividends on available-for sale equity instruments are recognised in the profit or loss as part of "other income" when the Group's right to receive payments is established.

g. Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss events (or events) have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**g. Penurunan nilai dari aset keuangan
(lanjutan)**

Untuk investasi pada instrumen ekuitas yang diklasifikasikan sebagai tersedia untuk dijual, penurunan nilai wajar efek yang signifikan dan berkepanjangan di bawah harga perolehan dapat dianggap sebagai indikator bahwa aset tersebut mengalami penurunan nilai.

(i) Aset tersedia untuk dijual

Jika terdapat bukti yang objektif atas penurunan nilai aset keuangan tersedia untuk dijual, kerugian kumulatif diukur sebagai selisih antara harga perolehan akuisisi dan nilai wajar kini, dikurangi kerugian penurunan nilai atas aset keuangan tersebut yang sebelumnya diakui pada laporan laba rugi dipindahkan dari ekuitas dan diakui pada laporan laba rugi. Kerugian penurunan nilai instrumen ekuitas yang diakui pada laporan laba rugi tidak dapat dipulihkan melalui laporan laba rugi.

Jika, pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan sebagai tersedia untuk dijual meningkat dan peningkatannya dapat dihubungkan secara objektif dengan peristiwa penurunan nilai diakui pada laporan laba-rugi, kerugian penurunan nilai dipulihkan melalui laporan laba-rugi.

h. Transaksi dengan pihak yang berelasi

Grup telah melakukan transaksi dengan pihak yang berelasi. Pihak yang berelasi adalah orang atau entitas yang terkait dengan Grup.

Orang atau anggota keluarga terdekat mempunyai relasi dengan Grup jika mereka:

- memiliki pengendalian atau pengendalian bersama atas Grup;
- memiliki pengaruh signifikan atas Grup; atau
- merupakan personil manajemen kunci Grup atau entitas induk Grup.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Impairment of financial assets (continued)

In the case of equity investments classified as available for sale, a significant and prolonged decline in the fair value of the security below its cost is considered as an indicator that the assets are impaired.

(i) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

h. Transactions with related parties

The Group has entered into transactions with related parties. Related parties are individuals or entities which are related to the Group.

An individual or family member is related to the Group if it:

- *has control or joint control over the Group;*
- *has significant influence over the Group; or*
- *is a member of the key management personnel of the Group or of a parent of the Group.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**h. Transaksi dengan pihak yang berelasi
(lanjutan)**

Suatu entitas berelasi dengan Grup jika memenuhi salah satu hal berikut:

- entitas dan Grup adalah anggota dari kelompok Grup yang sama (artinya entitas induk, entitas anak, dan entitas rekanan terkait dengan entitas lain);
- satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok Grup, yang mana entitas tersebut adalah anggotanya);
- entitas yang dikendalikan atau dikendalikan bersama oleh orang atau anggota keluarga terdekat yang memenuhi definisi pihak yang berelasi; atau
- orang atau anggota keluarga terdekat yang memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas).

Sifat transaksi yang berkaitan dengan pihak yang berelasi telah diungkapkan dalam laporan keuangan konsolidasian. Transaksi tersebut dilakukan dengan ketentuan yang telah disetujui oleh masing-masing pihak.

**i. Beban eksplorasi dan pengembangan
tanggungan**

Beban eksplorasi dan evaluasi diakumulasi untuk setiap *area of interest* dan ditangguhkan sebagai aset bila biaya-biaya tersebut diharapkan dapat diperoleh kembali melalui eksploitasi atau penjualan, atau kegiatan tersebut belum mencapai tahap yang dapat menentukan apakah kegiatan tersebut akan dapat menghasilkan cadangan terbukti yang secara ekonomis dapat diperoleh serta kegiatan yang aktif dan signifikan dalam *area of interest* terkait masih berlangsung. Pengembalian beban eksplorasi dan evaluasi yang ditangguhkan sangat tergantung pada keberhasilan eksploitasi dan pengembangan *area of interest* yang terkait.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**h. Transactions with related parties
(continued)**

An entity is related to the Group if any of the following conditions apply:

- *the entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);*
- *one entity is an associate or a joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);*
- *the entity is controlled or jointly controlled by a related person as identified above; or*
- *a person that has control or joint control over the entity that has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).*

The nature and extent of the transactions with related parties have been disclosed in the consolidated financial statements. Such transactions are conducted on terms agreed between both parties.

**i. Deferred exploration and development
expenditure**

Exploration and evaluation expenditure is accumulated for each area of interest and deferred as an asset when the costs are expected to be recouped through exploitation or sale, or where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area are continuing. Ultimate recovery of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation of the respective areas.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**i. Beban eksplorasi dan pengembangan
tanggungan (lanjutan)**

Beban pengembangan dikapitalisasi dan termasuk dalam biaya-biaya untuk mengembangkan *area of interest* sebelum dimulainya operasi dalam *area of interest* terkait. Beban eksplorasi dan pengembangan tanggungan diamortisasi dengan menggunakan metode unit produksi yang dihitung sejak tanggal dimulainya produksi komersial dari setiap *area of interest* terkait.

Nilai bersih tercatat beban eksplorasi dan pengembangan tanggungan untuk setiap *area of interest* ditelaah secara berkala dan apabila nilai tercatat melebihi nilai yang bisa diharapkan di masa akan datang, kelebihan tersebut disisihkan atau dihapuskan pada tahun saat ditentukan.

j. Penyisihan reklamasi lingkungan dan penutupan tambang

Restorasi, rehabilitasi, dan biaya lingkungan hidup lainnya yang timbul selama tahap produksi dibebankan sebagai bagian dari biaya produksi.

Grup memiliki kewajiban tertentu untuk restorasi dan rehabilitasi daerah pertambangan sesudah produksi selesai. Perusahaan menghitung besarnya kewajiban tersebut yang mencukupi untuk memenuhi kewajiban yang timbul ketika produksi sudah selesai. Perubahan taksiran biaya restorasi dan lingkungan hidup yang akan terjadi dihitung secara prospektif berdasarkan sisa umur tambang.

k. Aset tetap

Aset tetap diakui sebesar harga perolehan setelah dikurangi akumulasi penyusutan. Penyusutan alat tambang utama yang digunakan dalam operasi pertambangan dihitung dengan menggunakan metode unit produksi. Alat tambang utama terdiri dari *Bucket Wheel Excavator ("BWE")*, *Conveyor System ("CS")*, *Central Distribution Point ("CDP")*, *Spreader dan Stacker & Reclaimer ("SR")*. Kecuali tanah, semua aset tetap lainnya disusutkan berdasarkan metode garis lurus hingga mencapai nilai sisa, selama periode yang lebih rendah antara estimasi masa manfaat aset, umur tambang, atau masa IUP, yang dinyatakan sebagai berikut:

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**i. Deferred exploration and development
expenditure (continued)**

Development expenditure is capitalised and incorporates costs for developing an area of interest prior to the commencement of operations in the respective area. Deferred exploration and development expenditure are amortised using the unit-of-production method from the date of commencement of commercial production of each respective area of interest.

The net carrying value of each area of interest is reviewed regularly and to the extent this value exceeds its recoverable value, that excess is provided for or written off in the year in which this is determined.

**j. Provision for environmental reclamation
and mine closure**

Restoration, rehabilitation, and environmental expenditure to be incurred during the production phase of operations is charged as part of the cost of production.

The Group has certain obligations to restore and rehabilitate mining areas following the completion of production. Such obligations are being accrued, so that the accrual will be adequate to meet those obligations once production from the resource is completed. Changes in estimated restoration and environmental costs to be incurred are accounted for on a prospective basis over the remaining mine life.

k. Fixed assets

*Fixed assets are stated at cost less accumulated depreciation. Depreciation of the main mining equipment used in mining operations is calculated using the unit-of-production method. The main mining equipment consists of *Bucket Wheel Excavator ("BWE")*, *Conveyor System ("CS")*, *Central Distribution Point ("CDP")*, *Spreader, and Stacker and Reclaimer ("SR")*. Other fixed assets, except land, are depreciated using the straight-line method to their estimated residual value over the lesser of the estimated useful lives of the assets, the life of mine or IUP term as follows:*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

k. Aset tetap (lanjutan)

k. Fixed assets (continued)

	<u>Tahun/ Years</u>	
Bangunan	5 dan/and 20	<i>Buildings</i>
Mesin dan peralatan	5 sampai/to 20	<i>Machinery and equipment</i>
Kendaraan	4	<i>Vehicles</i>
Peralatan kantor dan rumah sakit	3 sampai/to 4	<i>Office and hospital equipment</i>

Biaya-biaya setelah pengakuan awal aset diakui sebagai bagian dari nilai tercatat aset atau sebagai aset yang terpisah, sebagaimana mestinya, hanya apabila kemungkinan besar Grup akan mendapatkan manfaat ekonomis masa depan berkenaan dengan aset tersebut dan biaya perolehan aset dapat diukur dengan handal. Nilai tercatat komponen yang diganti tidak lagi diakui. Biaya perbaikan dan pemeliharaan dibebankan ke dalam laporan laba-rugi konsolidasian dalam periode di mana biaya-biaya tersebut terjadi.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statements of income during the financial period in which they are incurred.

Biaya legal awal untuk mendapatkan hak legal diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak disusutkan. Biaya terkait dengan pembaruan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak.

Initial legal costs incurred to obtain legal rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognised as intangible assets and amortised during the period of the land rights.

Apabila aset tetap tidak digunakan lagi, maka harga perolehan dan akumulasi penyusutannya dikeluarkan dari aset tetap dan dicatat sebagai "Aset non-produktif". Nilai buku dari aset tetap yang dipindahkan diakui sebagai beban periode berjalan. Penghapusan dan penjualan aset tidak produktif harus mendapat persetujuan dari pemegang saham.

When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are transferred from fixed assets to "Non-productive assets". The carrying value of assets transferred is charged as an expense in the current period. Elimination and disposal of non-productive assets are required to be approved by shareholders.

Nilai sisa aset, masa manfaat dan metode penyusutan ditelaah dan jika perlu disesuaikan, pada setiap akhir periode pelaporan.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

Nilai tercatat aset segera diturunkan sebesar jumlah yang dapat dipulihkan jika nilai tercatat aset lebih besar dari estimasi jumlah yang dapat dipulihkan (lihat Catatan 2m).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 2m).

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

k. Aset tetap (lanjutan)

Keuntungan atau kerugian bersih atas pelepasan aset tetap ditentukan dengan membandingkan hasil yang diterima dengan nilai tercatat dan diakui pada "keuntungan/(kerugian) lain-lain – neto" dalam laporan laba rugi.

Akumulasi biaya konstruksi bangunan dan pabrik serta pemasangan mesin dikapitalisasi sebagai aset dalam penyelesaian. Biaya-biaya tersebut direklasifikasi ke akun aset tetap pada saat proses konstruksi atau pemasangan selesai. Penyusutan mulai dibebankan pada tanggal yang sama.

Biaya bunga dan biaya pinjaman lain, seperti biaya diskonto atas pinjaman baik yang secara langsung ataupun tidak langsung digunakan untuk mendanai proses pembangunan aset tertentu yang memenuhi syarat, dikapitalisasi sampai proses pembangunan tersebut selesai. Untuk pinjaman yang dapat diatribusi secara langsung pada suatu aset tertentu yang memenuhi syarat, jumlah yang dikapitalisasi adalah sebesar biaya pinjaman yang terjadi selama tahun berjalan, dikurangi pendapatan investasi jangka pendek dari pinjaman tersebut. Untuk pinjaman yang tidak dapat diatribusi secara langsung pada suatu aset tertentu yang memenuhi syarat, jumlah biaya pinjaman yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi dengan pengeluaran untuk aset tertentu yang memenuhi syarat. Tingkat kapitalisasi adalah rata-rata tertimbang biaya pinjaman dibagi dengan jumlah pinjaman dari suatu periode tertentu, tidak termasuk pinjaman yang secara khusus digunakan untuk perolehan aset tertentu yang memenuhi syarat.

l. Sewa

Penentuan apakah suatu perjanjian merupakan, atau mengandung, sewa dibuat berdasarkan substansi perjanjian itu sendiri dan penilaian apakah pemenuhan atas perjanjian bergantung dari penggunaan aset tertentu atau aset, dan apakah perjanjian memberikan hak untuk menggunakan aset.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

k. Fixed assets (continued)

Net gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) – net" in the profit or loss.

The accumulated costs of the construction of buildings and plant and the installation of machinery are capitalised as construction in progress. These costs are reclassified to fixed asset accounts when the construction or installation is complete. Depreciation is charged from that date.

Interest and other borrowing costs, such as discount fees on loans either directly or indirectly used in financing construction of a qualifying asset, are capitalised up to the date when construction is complete. For borrowings directly attributable to a qualifying asset, the amount to be capitalised is determined as the actual borrowing costs incurred during the year, less any income earned on the temporary investment of such borrowings. For borrowings that are not directly attributable to a qualifying asset, the amount to be capitalised is determined by applying a capitalisation rate to the amount expended on the qualifying asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the total borrowings outstanding during the period, excluding borrowings directly attributable to financing the qualifying asset under construction.

l. Leases

Determination whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

I. Sewa (lanjutan)

Sewa dimana sebagian besar risiko dan manfaat yang terkait dengan kepemilikan dipertahankan oleh *lessor* diklasifikasikan sebagai sewa operasi. Pembayaran sewa operasi (dikurangi insentif yang diterima oleh *lessor*) dibebankan pada laporan laba rugi dengan menggunakan metode garis lurus selama periode sewa.

Setiap pembayaran sewa dialokasikan antara bagian yang merupakan pelunasan liabilitas dan bagian yang merupakan beban keuangan sedemikian rupa sehingga menghasilkan tingkat suku bunga yang konstan atas saldo pembiayaan. Unsur bunga dalam beban keuangan dibebankan di laporan laba-rugi konsolidasian selama masa sewa sedemikian rupa sehingga menghasilkan suatu tingkat suku bunga periodik yang konstan atas saldo liabilitas setiap periode.

m. Penurunan nilai dari aset non-keuangan

Aset yang memiliki masa manfaat yang tidak terbatas – misalnya *goodwill* atau aset tak berwujud yang tidak siap untuk digunakan – tidak diamortisasi namun diuji penurunan nilainya setiap tahun, atau lebih sering apabila terdapat peristiwa atau perubahan pada kondisi yang mengindikasikan kemungkinan penurunan nilai. Aset yang tidak diamortisasi diuji ketika terdapat indikasi bahwa nilai tercatatnya mungkin tidak dapat dipulihkan. Penurunan nilai diakui jika nilai tercatat aset melebihi jumlah terpulihkan. Jumlah terpulihkan adalah yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakai aset. Dalam menentukan penurunan nilai, aset dikelompokkan pada tingkat yang paling rendah di mana terdapat arus kas yang dapat diidentifikasi (unit penghasil kas). Aset non-keuangan selain *goodwill* yang mengalami penurunan nilai diuji setiap tanggal pelaporan untuk menentukan apakah terdapat kemungkinan pemulihan penurunan nilai.

Pemulihan rugi penurunan nilai, untuk aset selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi, kecuali aset yang disajikan pada jumlah revaluasi sesuai dengan PSAK lain. Rugi penurunan nilai yang diakui atas *goodwill* tidak dibalik lagi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

I. Leases (continued)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the finance balance outstanding. The interest element of the finance cost is charged to the consolidated statements of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

m. Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortisation but tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating unit). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Reversal on impairment loss for assets other than goodwill would be recognised if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognised on profit or loss, except for assets measured using the revaluation model as required by other SFAS. Impairment losses relating to goodwill would not be reversed.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

n. Utang usaha

Utang usaha adalah kewajiban untuk membayar atas barang atau jasa yang telah diperoleh dari pemasok dalam transaksi bisnis pada umumnya. Utang usaha dikelompokkan sebagai liabilitas lancar apabila pembayaran jatuh tempo dalam waktu satu tahun atau kurang (atau dalam siklus normal operasi dari bisnis jika lebih lama). Jika tidak, utang usaha tersebut disajikan sebagai liabilitas tidak lancar.

Utang usaha pada awalnya diakui pada nilai wajar dan kemudian diukur pada harga perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

o. Properti pertambangan

Properti pertambangan dinyatakan sebesar biaya perolehan dan merupakan penyesuaian nilai wajar properti pertambangan pada tanggal akuisisi untuk IPC.

Saldo properti pertambangan terkait dengan IPC diamortisasi selama umur properti menggunakan metode unit produksi dimulai dari awal operasi komersial. Amortisasi tersebut menggunakan basis estimasi cadangan. Perubahan dalam estimasi cadangan dilakukan secara prospektif, dimulai sejak awal periode terjadinya perubahan.

p. Pendapatan dan beban

Pendapatan berasal dari penjualan produk Grup dan aktifitas perdagangan batubara.

Pendapatan dari penjualan produk diakui pada saat terpenuhinya seluruh kondisi berikut:

- (i) Grup telah memindahkan risiko dan manfaat kepemilikan barang secara signifikan kepada pembeli;
- (ii) Grup tidak lagi melanjutkan keterlibatan pengelolaan ataupun melakukan pengendalian efektif atas barang yang dijual;

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

n. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

o. Mining properties

Mining properties are stated at cost and represent the fair value adjustment of properties acquired at the date of acquisition of IPC.

The mining property balance related to IPC is amortised over the life of the property using the units of production method from the date of the commencement of commercial operations. The amortisation is based on estimated reserves. Changes in estimated reserves are accounted for on a prospective basis, from the beginning of the period in which the change occurs.

p. Revenue and expenses

Revenue represents revenue earned from the sale of the Group's products and coal trading activities.

Revenue from sales of coal is recognised when all the following conditions are met:

- (i) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) The Group retains neither continuing managerial involvement nor effective control over the goods sold;

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

p. Pendapatan dan beban (lanjutan)

- (iii) Jumlah pendapatan dapat diukur dengan andal;
- (iv) Dipastikan manfaat ekonomis dari transaksi penjualan akan mengalir kepada Grup; dan
- (v) Biaya yang terjadi atau yang akan terjadi sehubungan dengan transaksi penjualan dapat diukur dengan andal.

Beban diakui berdasarkan metode akrual. Beban pengupasan tanah dibebankan pada saat terjadinya.

q. Perpajakan

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Beban pajak kini dihitung berdasarkan peraturan perpajakan yang berlaku pada tanggal pelaporan keuangan, di negara di mana Perusahaan dan entitas anak beroperasi dan menghasilkan pendapatan kena pajak. Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi di mana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

Pajak penghasilan tangguhan diakui, dengan menggunakan metode *balance sheet liability* untuk semua perbedaan temporer antara dasar pengenaan pajak aset dan liabilitas dengan nilai tercatatnya pada laporan keuangan konsolidasian. Namun, liabilitas pajak penghasilan tangguhan tidak diakui jika berasal dari pengakuan awal *goodwill* atau pada saat pengakuan awal aset dan liabilitas yang timbul dari transaksi selain kombinasi bisnis yang pada saat transaksi tersebut tidak mempengaruhi laba rugi akuntansi dan laba rugi kena pajak. Pajak penghasilan tangguhan ditentukan dengan menggunakan tarif pajak yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan dan diharapkan diterapkan ketika aset pajak penghasilan tangguhan direalisasi atau liabilitas pajak penghasilan tangguhan diselesaikan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Revenue and expenses (continued)

- (iii) The amount of revenue can be measured reliably;
- (iv) It is probable that the economic benefits associated with the transaction will flow to the group; and
- (v) The costs incurred or to be incurred with respect to the sales transaction can be measured reliably.

Expenses are recognised as incurred on an accrual basis. Stripping costs are expensed as incurred.

q. Taxation

The tax expense comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at the reporting period and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

q. Perpajakan (lanjutan)

Aset pajak penghasilan tangguhan diakui hanya jika besar kemungkinan jumlah penghasilan kena pajak di masa depan akan memadai untuk dikompensasi dengan perbedaan temporer yang masih dapat dimanfaatkan.

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas pajak penghasilan tangguhan dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

r. Imbalan kerja

i. Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan.

ii. Imbalan pensiun dan imbalan pascakerja lainnya

Perusahaan memiliki program tabungan pensiun karyawan untuk semua karyawan tetapnya. Program tersebut dikelola oleh perusahaan asuransi jiwa. Kontribusi dihitung secara periodik oleh perusahaan asuransi. Para karyawan berkontribusi persentase tertentu dari gaji pokok dan sisa kontribusi ditanggung oleh Perusahaan.

Pada tanggal 21 Oktober 2002, Perusahaan memperoleh persetujuan dari Menteri Keuangan (No. KEP-245/KM.6/2002) untuk membentuk Lembaga (*Trust*) terpisah yang mengelola dana pensiun dalam bentuk Program Pensiun Manfaat Pasti ("PPMP") bernama Dana Pensiun Bukit Asam ("DPBA"), untuk mengelola, atas nama para anggota, semua kekayaan agar dapat memenuhi kewajiban pensiun dari Perusahaan. Jumlah kontribusi terdiri dari kontribusi karyawan dan Perusahaan yang masing-masing dihitung sebesar 4,5% dan 23% dari penghasilan dasar pensiun.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Taxation (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there are legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities where there is an intention to settle the balances on a net basis.

r. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are recognised when they are accrued to the employees.

ii. Pension benefits and other post-employment benefits

The Company has a contributory employee savings program covering all of its qualified permanent employees. The program is managed by a life insurance company. Contributions are computed periodically by the insurance company the employees contribute a certain percentage of their basic salary and the Company contributes the remaining balance of the required amount.

On 21 October 2002, the Company received approval from the Ministry of Finance (No. KEP-245/KM.6/2002) to establish a separate, trustee-administered pension fund as a defined benefit retirement plan ("PPMP"), named Dana Pensiun Bukit Asam ("DPBA"), to hold, on behalf of plan members, assets held to satisfy the pension obligations of the Company. Contributions consist of employees' and the Company's contributions that are computed as 4.5% and 23% of employees' basic pension income, respectively.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

r. Imbalan kerja (lanjutan)

r. Employee benefits (continued)

**ii. Imbalan pensiun dan imbalan
pascakerja lainnya (lanjutan)**

**ii. Pension benefits and other post-
employment benefits (continued)**

Grup harus menyediakan imbalan pensiun dengan jumlah minimal sesuai dengan Undang-Undang ("UU") Ketenagakerjaan No. 13/2003 dan Perjanjian Kerja Bersama ("PKB"), mana yang lebih tinggi. Karena UU Ketenagakerjaan atau PKB menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya program pensiun berdasarkan UU Ketenagakerjaan atau PKB adalah program pensiun imbalan pasti.

The Group is required to provide a minimum amount of pension benefits in accordance with Labour Law No. 13/2003 or the Group's Collective Labour Agreement ("CLA"), whichever is higher. Since the Labour Law and the CLA set the formula for determining the minimum amount of benefits, in substance pension plans under the Labour Law or the CLA represent defined benefit plans.

Liabilitas imbalan pensiun merupakan nilai kini kewajiban imbalan pasti pada tanggal neraca dikurangi dengan nilai wajar aset program dan penyesuaian atas biaya jasa lalu yang belum diakui. Kewajiban imbalan pasti dihitung sekali setahun oleh aktuaris independen dengan menggunakan metode *projected unit credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas keluar masa depan dengan menggunakan tingkat bunga obligasi pemerintah (dengan pertimbangan saat ini tidak ada pasar aktif untuk obligasi korporat berkualitas tinggi) dalam mata uang Rupiah sesuai dengan mata uang di mana imbalan tersebut akan dibayarkan dan yang memiliki jangka waktu yang kurang lebih sama dengan waktu jatuh tempo liabilitas imbalan pensiun yang bersangkutan.

The pension benefit obligation is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering currently there is no deep market for high quality corporate bonds) that are denominated in Rupiah in which the benefits will be paid and that have terms to maturity approximating the terms to the related pension obligation.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial dibebankan atau dikreditkan ke ekuitas pada pos pendapatan komprehensif lainnya pada periode terjadinya. Akibat dari perubahan metode pengakuan, kerugian atau keuntungan aktuarial dari periode sebelum 1 Januari 2012 diakui segera ke pos ekuitas pada pendapatan komprehensif lainnya.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Due to the change in method of recognition, actuarial gain or loss from period before 1 January 2012 are recognised immediately to equity in other comprehensive income.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

r. Imbalan kerja (lanjutan)

r. Employee benefits (continued)

**ii. Imbalan pensiun dan imbalan
pascakerja lainnya (lanjutan)**

**ii. Pension benefits and other post-
employment benefits (continued)**

Biaya jasa lalu diakui secara langsung di laporan laba-rugi konsolidasian, kecuali perubahan terhadap program pensiun tersebut tergantung pada karyawan yang masih tetap bekerja selama periode waktu tertentu (periode *vesting*). Dalam hal ini, biaya jasa lalu akan diamortisasi secara garis lurus sepanjang periode *vesting*.

Past service costs are recognised immediately in the consolidated statements of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Perusahaan memberikan imbalan pasca-kerja lainnya, seperti uang penghargaan, santunan kematian dan uang pisah. Imbalan berupa uang penghargaan diberikan apabila karyawan bekerja hingga mencapai usia pensiun. Santunan kematian diberikan bila pegawai dan anggota keluarga tertentu meninggal dunia. Nilai imbalan yang diberikan didasari pada peraturan Perusahaan. Sedangkan imbalan berupa uang pisah, dibayarkan kepada karyawan yang mengundurkan diri secara sukarela, setelah memenuhi minimal masa kerja tertentu. Imbalan ini dihitung dengan menggunakan metodologi yang sama dengan metodologi yang digunakan dalam perhitungan program pensiun imbalan pasti.

The Company also provides other post-employment benefits, such as long service reward, death allowance and separation reward. The long service reward is paid when the employees reach their retirement age. Death allowance is paid when the employee or the qualified family members pass away. The separation reward benefit is paid to employees in the event of voluntary resignation, subject to a minimum number of years of service. These benefits have been accounted for using the same methodology as for the defined benefit pension plan.

iii. Imbalan pelayanan kesehatan pensiun

iii. Post-retirement health care benefits

Perusahaan menyediakan imbalan kesehatan pascakerja untuk pensiunan. Hak atas imbalan ini pada umumnya diberikan apabila karyawan bekerja sampai usia pensiun dan memenuhi masa kerja minimum tertentu. Prakiraan biaya imbalan ini diakui sepanjang masa kerja karyawan, dengan menggunakan metode akuntansi yang sama, namun disederhanakan, dengan metode yang digunakan dalam perhitungan program pensiun imbalan pasti. Kewajiban ini dinilai setiap tahun oleh aktuaris independen yang memenuhi kualifikasi.

The Company provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar but simplified to that for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

r. Imbalan kerja (lanjutan)

r. Employee benefits (continued)

iv. Pesangon pemutusan kontrak kerja

iv. Termination benefits

Pesangon pemutusan kontrak kerja diakui sebagai beban ketika karyawan dihentikan sebelum usia pensiun normal. Grup mengakui pesangon pemutusan kontrak kerja ketika Grup menunjukkan komitmennya untuk memutuskan hubungan kerja dengan karyawan yang berdasarkan suatu rencana formal terinci yang kecil kemungkinannya untuk dibatalkan. Pesangon yang jatuh tempo lebih dari 12 bulan setelah tanggal pelaporan didiskontokan menjadi nilai kininya.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Group recognises termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan with low possibility of withdrawal. Benefits falling due more than 12 months after the balance sheet date are discounted to the present value.

v. Imbalan kerja jangka panjang lainnya

v. Other long-term employee benefits

Imbalan kerja jangka panjang lainnya, yang terdiri dari penghargaan masa kerja dan imbalan masa persiapan pensiun ("MPP") diakui di laporan posisi keuangan konsolidasian berdasarkan nilai kini dari liabilitas imbalan pasti. Keuntungan dan kerugian aktuarial dan biaya jasa lalu diakui secara langsung di laporan laba rugi konsolidasian.

Other long-term employee benefits, which consist of jubilee reward and pre-retirement period benefit ("MPP"), are recognised in the consolidated statements of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and the past service costs are recognised immediately in the consolidated statements of income.

s. Pelaporan segmen

s. Segment reporting

Sebuah segmen operasi adalah sebuah komponen dari perusahaan yang:

An operating segment is a component of an entity:

- a. Yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- b. Hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- c. Tersedia informasi keuangan yang dapat dipisahkan.

- a. *That engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses related to transactions between different components within the same entity);*
- b. *Whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance; and*
- c. *For which discrete financial information is available.*

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

s. Pelaporan segmen (lanjutan)

Grup melakukan segmentasi pelaporan berdasarkan informasi keuangan yang digunakan oleh pengambil keputusan operasi utama dalam mengevaluasi kinerja segmen dan menentukan alokasi sumber daya yang dimilikinya. Dewan Direksi adalah pengambil keputusan operasional Grup. Segmentasi berdasarkan jenis produk. Seluruh transaksi antar segmen telah dieliminasi.

t. Modal saham

Biaya tambahan yang secara langsung dapat diatribusikan kepada penerbitan saham biasa atau opsi disajikan pada ekuitas sebagai pengurang penerimaan, setelah dikurangi pajak.

Ketika entitas Grup membeli modal saham ekuitas entitas (saham treasury), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas entitas sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan pada ekuitas yang dapat diatribusikan kepada pemilik ekuitas entitas.

u. Laba bersih per saham dasar

Laba bersih per saham dihitung dengan membagi laba bersih yang tersedia bagi pemegang saham Grup dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun yang bersangkutan.

v. Dividen

Pembagian dividen kepada pemegang saham Grup diakui sebagai liabilitas dalam laporan keuangan konsolidasian Grup dalam periode dimana pembagian dividen diumumkan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

s. Segment reporting (continued)

The Group segments its financial reporting based on the financial information used by the chief operating decision-maker in evaluating the performance of segments and in the allocation of resources. The Board of Directors is the Group's chief operating decision-maker. The segments are based on the type of products. All transactions between segments have been eliminated.

t. Share capital

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

u. Basic earnings per share

Basic earnings per share is calculated by dividing net income by the weighted average number of ordinary shares outstanding during the year.

v. Dividends

Dividends distributed to the Group's shareholders are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are declared.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

w. Pinjaman

Pinjaman diakui pada awalnya pada nilai wajar, dikurangi dengan biaya transaksi yang terjadi. Pinjaman kemudian dinyatakan pada biaya perolehan diamortisasi; selisih antara hasil perolehan (dikurangi dengan biaya transaksi) dan nilai pelepasan diakui di dalam laba rugi selama periode pinjaman dengan menggunakan metode suku bunga efektif.

Biaya-biaya yang dibayarkan untuk mendapatkan fasilitas pinjaman diakui sebagai biaya transaksi dari pinjaman tersebut, apabila besar kemungkinan akan dilakukan penarikan atas sebagian atau seluruh fasilitas tersebut. Dalam hal ini, biaya tersebut ditangguhkan sampai dengan penarikan dilakukan. Apabila tidak ada bukti bahwa besar kemungkinan akan dilakukan penarikan atas sebagian atau seluruh fasilitas tersebut, biaya tersebut dikapitalisasi sebagai biaya dibayar di muka untuk jasa likuiditas dan diamortisasi selama periode dari fasilitas yang terkait.

3. MANAJEMEN RISIKO

Berbagai aktivitas yang dilakukan membuat Grup terekspos terhadap berbagai risiko keuangan, termasuk dampak nilai tukar mata uang asing, tingkat harga komoditas dan tingkat bunga. Sistem manajemen risiko keseluruhan yang diimplementasikan Grup ditujukan untuk menghadapi ketidakpastian harga komoditas dan untuk meminimalkan dampak yang tidak diharapkan pada kinerja keuangan Grup.

Manajemen risiko dijalankan oleh Dewan Direksi Grup. Dewan Direksi bertugas untuk menjamin kecukupan prosedur dan metodologi pengelolaan terhadap risiko-risiko keuangan, yang meliputi identifikasi risiko secara akurat, pengukuran, pemantauan, dan pengendalian risiko-risiko keuangan. Dewan Direksi menentukan prinsip manajemen risiko secara keseluruhan, sekaligus juga menetapkan kebijakan-kebijakan yang mencakup risiko-risiko dalam bidang tertentu, seperti risiko nilai tukar mata uang asing, risiko tingkat bunga, dan investasi kelebihan likuiditas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

w. Borrowings

Borrowings are recognised initially at fair value, net of the transaction cost incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3. RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates, commodity prices and interest rates. The Group's overall risk management system focuses on the unpredictability of commodity prices and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Group's Board of Directors. The Board ensures the sufficiency of all procedures and methodology of financial risk management, which consists of accuracy of risk identification, measurement, monitoring, and financial risks control. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and investing excess liquidity.

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3. MANAJEMEN RISIKO (lanjutan)

a. Risiko pasar

(i) Risiko mata uang asing

Sebagian pendapatan dari pengeluaran operasi Grup didenominasi dalam mata uang Dolar AS. Risiko nilai tukar mata uang asing timbul dari transaksi komersil di masa yang akan datang serta aset dan liabilitas yang diakui. Manajemen telah membuat kebijakan untuk mengelola risiko nilai tukar mata uang asing terhadap mata uang fungsional Perusahaan. Untuk mengelola risiko nilai tukar mata uang asing, Grup meminimalisasi jumlah aset yang dicatat dalam mata uang asing dengan mempertimbangkan jumlah kewajiban yang harus diselesaikan dalam mata uang asing pada waktu tertentu.

Pada tanggal 31 Desember 2012, jika mata uang melemah/menguat sebesar 1% terhadap Dolar AS dengan variabel lain konstan, laba setelah pajak untuk periode berjalan akan lebih tinggi/rendah sebesar Rp444 juta (2011: Rp246 juta) terutama diakibatkan keuntungan/(kerugian) dari penjabaran kas dan setara kas, piutang usaha, dan utang usaha yang didenominasikan dalam mata uang asing. Laba lebih sensitif terhadap pergerakan Rupiah/Dolar AS di tahun 2012 dibanding tahun 2011 karena peningkatan jumlah bersih aset yang didenominasikan dalam mata uang asing.

3. RISK MANAGEMENT (continued)

a. Market risk

(i) Foreign exchange risk

A portion of the Group's revenue and operational expenditure are denominated in US Dollars. Foreign currency exchange risk arises from future commercial transactions, and assets and liabilities which are recognised in a foreign currency. Management has set up a policy to require the Group's companies to manage their foreign exchange risk against their functional currency. To manage the foreign currency exchange rate, the Group retains a minimal amount of assets in foreign currency by considering the settlement of liabilities made in foreign currency within a specified period.

As at 31 December 2012, if the currency had weakened/strengthened by 1% against the US Dollar with all other variables held constant, post-tax profit for the period would have been Rp444 million (2011: Rp246million) higher/lower, mainly as a result of foreign exchange gains/(losses) on translation of cash and cash equivalents, accounts receivable, and accounts payable denominated in foreign currency. Profit is more sensitive to movement in Rupiah/US Dollar exchange rates in 2012 than 2011 because of the increased net amount of assets denominated in foreign currency.

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3. MANAJEMEN RISIKO (lanjutan)

a. Risiko pasar (lanjutan)

(ii) Risiko harga

Perusahaan menghadapi risiko harga komoditas karena batubara adalah produk komoditas yang diperjualbelikan di pasar batubara dunia. Harga batubara Grup ditentukan berdasarkan harga batubara dunia, yang cenderung sangat mengikuti siklus dan terpengaruh oleh fluktuasi yang signifikan. Sebagai produk komoditas, harga batubara dunia sangat tergantung pada dinamika pasokan dan permintaan batubara di pasar dunia. Grup tidak melakukan transaksi kontrak batubara dan belum mengadakan perjanjian jangka panjang kontrak harga batubara untuk melakukan lindung nilai terhadap fluktuasi harga batubara. Sebaliknya, Grup melakukan penjualan batubara dengan Grup PLN menggunakan harga tetap selama satu tahun untuk melindungi sebagian dari pendapatan untuk tiap tahunnya. Apabila harga batubara mengalami kenaikan atau penurunan sebesar 10% maka dampak terhadap pendapatan usaha Grup akan mengalami kenaikan atau penurunan sebesar Rp1,16 triliun.

(iii) Risiko suku bunga

Eksposur terhadap suku bunga Grup dinilai rendah apabila ditinjau dari laporan posisi keuangan.

Tabel berikut ini merupakan rincian dari aset dan liabilitas keuangan Grup yang dipengaruhi oleh suku bunga:

3. RISK MANAGEMENT (continued)

a. Market risk (continued)

(ii) Price risk

The Group faces commodity price risk because coal is a commodity product traded in the world coal markets. Prices for the Group's coal are based on global coal prices, which tend to be highly cyclical and subject to significant fluctuations. As a commodity product, global coal prices are principally dependent on the supply and demand dynamics of coal in the world export market. The Group did not engage in trading coal contracts and has not entered into long-term coal pricing agreements to hedge its exposure to fluctuations in the coal price. Instead, the Group entered into one-year fixed price coal contracts with PLN Group to safeguard a portion of its revenue for each year. If the average coal price increases or decreases by 10%, then this will result in the Group's revenue increasing or decreasing by Rp1.16 trillion.

(iii) Interest rate risk

The Group's interest rate exposure is minimal due to the composition of its current financial position.

The following table represents a breakdown of the Group's financial assets and liabilities upon which interest rates have an impact:

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3. MANAJEMEN RISIKO (lanjutan)

3. RISK MANAGEMENT (continued)

a. Risiko pasar (lanjutan)

a. Market risk (continued)

(iii) Risiko suku bunga (lanjutan)

(iii) Interest rate risk (continued)

31 Desember/December 2012

	Suku bunga mengambang/ <i>Floating rate</i>		Suku bunga tetap/ <i>Fixed rate</i>		Tidak berbunga/ <i>Non- interest bearing</i>	Total/ <i>Total</i>
	Kurang dari satu tahun/ <i>Less than one year</i>	Lebih dari satu tahun/ <i>More than one year</i>	Kurang dari satu tahun/ <i>Less than one year</i>	Lebih dari satu tahun/ <i>More than one year</i>		
Aset keuangan/ <i>Financial assets</i>						
Kas dan setara kas/ <i>Cash and cash equivalents</i>	403,495	-	5,513,258	-	281	5,917,034
Piutang usaha/ <i>Trade receivable</i>	-	-	-	-	1,545,556	1,545,556
Aset keuangan yang tersedia untuk dijual/ <i>Available for sale financial assets</i>	-	-	-	172,584	-	172,584
Aset lancar lainnya/ <i>Other current assets</i>	-	-	-	-	48,227	48,227
Total aset keuangan/<i>Total financial assets</i>	403,495	-	5,513,258	172,584	1,594,064	7,683,401
Liabilitas keuangan/ <i>Financial liabilities</i>						
Utang usaha/ <i>Trade payables</i>	-	-	-	-	149,776	149,776
Beban akrual/ <i>Accrued expenses</i>	-	-	-	-	977,715	977,715
Liabilitas imbalan kerja jangka pendek/ <i>Short-term employee benefits liabilities</i>	-	-	-	-	231,622	231,622
Pinjaman bank/ <i>Bank borrowings</i>	-	-	34,915	9,670	-	44,585
Utang lain-lain/ <i>Other payables</i>	-	-	-	-	3,660	3,660
Liabilitas keuangan/<i>Financial liabilities</i>	-	-	34,915	9,958	1,362,773	1,407,358

b. Risiko kredit

b. Credit risk

Pada tanggal 31 Desember 2012, jumlah maksimum eksposur dari risiko kredit adalah Rp7,46 triliun. Risiko kredit terutama berasal dari penjualan dengan memberikan kredit, penempatan dana pada bank, deposito berjangka.

As at 31 December 2012, total maximum exposure from credit risk was Rp7.46 trillion. Credit risk arises from sales under credit, cash in bank, time deposits.

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3. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

Pada tanggal 31 Desember 2012, saldo piutang usaha yang telah jatuh tempo lebih dari 30 hari sebesar Rp359 miliar yang merupakan 23% dari jumlah keseluruhan piutang usaha. Piutang usaha yang telah jatuh tempo tersebut merupakan piutang usaha dari PLN yang merupakan pihak berelasi dari Grup.

Manajemen yakin akan kemampuannya untuk terus mempertahankan eksposur yang minimal terhadap risiko kredit mengingat Perusahaan memiliki perjanjian yang jelas dengan pelanggan, perjanjian yang mengikat secara hukum untuk transaksi penjualan batubara dan secara historis mempunyai tingkat yang rendah untuk piutang usaha yang bermasalah. Kebijakan umum Grup untuk meminimalisasi risiko kredit yang mungkin muncul adalah sebagai berikut:

- memilih pelanggan yang memiliki kondisi keuangan yang kuat dan reputasi yang baik;
- menerima pelanggan baru dan penjualan batubara disetujui oleh pihak yang berwenang sesuai dengan delegasi kekuasaan Grup; dan
- meminta pembayaran dengan menggunakan *letter of credit* untuk pelanggan luar negeri dan dalam negeri selain dari transaksi dengan PLN Grup.

Pada tanggal neraca, risiko kredit Grup berasal dari piutang usaha. Pada tanggal neraca, 80% (2011: 71%) dari piutang usaha Grup merupakan piutang usaha dari pihak berelasi Grup. Risiko kredit yang signifikan tidak diharapkan akan terjadi. Risiko kredit maksimum adalah sebesar nilai tercatat dari setiap aset keuangan yang tercatat dalam neraca.

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3. RISK MANAGEMENT (continued)

b. Credit risk (continued)

As at 31 December 2012, the balance of trade receivables that had been overdue by more than 30 days amounted to Rp359 billion, which represents 23% of total trade receivables. Trade receivables which are past due consist of trade receivables from PLN, a related party of the Group.

Management is confident of its ability to maintain minimal exposure to credit risk given that the Company has clear agreements with customers, legally binding agreements in place for coal sales transactions and a historically low level of bad debts. The Group's general policies to minimise the potential credit risk which may arise are as follows:

- selecting customers with a strong financial condition and good reputation;
- acceptance of new customers and sales of coal are approved by the authorised personnel according to the Group's delegation of authority policy; and
- requesting payments by letter of credit for all customer except for transaction with PLN Group.

As at the balance sheet date, the Group's credit risk mainly comes from trade receivables. As at the balance sheet date 80% (2011: 71%) of trade receivables represent receivables from related parties of the Group. No significant credit risk is expected to arise. The maximum credit risk is represented by the carrying amount of each financial asset in the balance sheet

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3. MANAJEMEN RISIKO (lanjutan)

b. Risiko kredit (lanjutan)

Kualitas kredit aset keuangan baik yang belum jatuh tempo dan tidak mengalami penurunan nilai dapat dinilai dengan mengacu pada peringkat kredit eksternal (jika tersedia) atau mengacu pada informasi historis mengenai tingkat gagal bayar debitur:

	<u>2012</u>	<u>2011</u>
Piutang dagang		
Dengan pihak yang memiliki peringkat kredit eksternal (<i>Standard and Poors</i>)		
A+	19,681	-
BBB-	<u>-</u>	<u>19,088</u>
	<u>19,681</u>	<u>19,088</u>
Dengan pihak yang memiliki peringkat kredit eksternal (<i>Pefindo</i>)		
AA+	<u>796,437</u>	<u>455,393</u>
	<u>796,437</u>	<u>455,393</u>
Piutang usaha dengan pihak-pihak yang tidak memiliki peringkat rating kredit eksternal dijamin oleh bank korespondensi yang memiliki reputasi kredit yang baik.		
Jumlah piutang dagang yang tidak mengalami penurunan nilai	<u>1,545,556</u>	<u>1,180,195</u>
Kas pada bank dan deposito jangka pendek (Pefindo)		
AAA	2,674,649	2,596,723
AA	2,797,610	3,974,325
A	<u>378,757</u>	<u>215,660</u>
	<u>5,810,016</u>	<u>6,786,708</u>

3. RISK MANAGEMENT (continued)

b. Credit risk (continued)

The credit quality of financial assets that are neither overdue nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables
Counterparties with external credit rating (<i>Standard and Poors</i>)
A+
BBB-
Counterparties with external credit rating (<i>Pefindo</i>)
AA+
Trade receivables with other parties which do not have external credit rating are guaranteed by highly reputable correspondent banks.
Total unimpaired trade receivables
Cash at bank and short-term bank deposits (<i>Pefindo</i>)
AAA
AA
A

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3. MANAJEMEN RISIKO (lanjutan)

3. RISK MANAGEMENT (continued)

b. Risiko kredit (lanjutan)

b. Credit risk (continued)

	<u>2012</u>	<u>2011</u>	
Kas pada bank dan deposito jangka pendek (Standard and Poors)			Cash at bank and short-term bank deposits (Standard and Poors)
AA-	127	2,180	AA-
A+	59,844	1,517	A+
A	<u>5,929</u>	<u>775</u>	A
	<u>65,900</u>	<u>4,472</u>	
Kas pada bank dan deposito jangka pendek yang tidak memiliki peringkat kredit eksternal	<u>118</u>	<u>111</u>	Cash at bank and short-term bank deposits without external credit rating
	<u>118</u>	<u>111</u>	
Jumlah kas pada bank dan deposito jangka pendek	<u>5,917,034</u>	<u>6,791,291</u>	Total cash at bank and short term bank deposits
Surat berharga utang tersedia untuk dijual (Standard and Poors)			Available-for-sale debt securities (Standard and Poors)
BB+	<u>155,713</u>	<u>23,555</u>	BB+
Jumlah surat berharga utang tersedia untuk dijual	<u>155,713</u>	<u>23,555</u>	Total available-for-sale debt securities

c. Risiko likuiditas

c. Liquidity risk

Risiko likuiditas merupakan risiko yang muncul dalam situasi dimana posisi arus kas Grup mengindikasikan bahwa arus kas masuk dari pendapatan jangka pendek tidak cukup untuk memenuhi arus kas keluar untuk pengeluaran jangka pendek. Dalam kebijakan manajemen risiko likuiditas, Grup melakukan monitor dan menjaga level kas dan setara kas yang diperkirakan cukup untuk mendanai kegiatan operasional Grup dan mengurangi pengaruh fluktuasi dalam arus kas. Manajemen Grup juga secara rutin melakukan monitor atas perkiraan arus kas dan arus kas aktual, termasuk profil jatuh tempo pinjaman, dan secara terus-menerus menilai kondisi pasar keuangan untuk kesempatan memperoleh dana.

Liquidity risk is defined as a risk that arises in situations where the Group's cash flow indicates that the cash inflow from short-term revenue is not enough to cover the cash outflow of short-term expenditure. As part of its liquidity risk management policy, the Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operational activities and to mitigate the effect of fluctuations in cash flows. The Group's management also regularly monitors the projected and actual cash flows, including their loan maturity profiles, and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising.

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3. MANAJEMEN RISIKO (lanjutan)

c. Risiko likuiditas (lanjutan)

Tabel di bawah ini menggambarkan liabilitas keuangan Grup berdasarkan jatuh temponya. Jumlah yang terdapat di tabel ini adalah nilai kontraktual yang tidak terdiskonto:

	Kurang dari 3 bulan/ <i>Less than 3 months</i>	Antara 3 bulan sampai 1 tahun/ <i>Between 3 months and 1 year</i>	Antara 1 sampai 2 tahun/ <i>Between 1 and 2 years</i>	Jumlah/ <i>Total</i>
31 Desember/ December 2012				
Pinjaman bank/ <i>Bank borrowings</i>	-	34,915	9,670	44,585
Beban akrual/ <i>Accrued expenses</i>	977,715	-	-	977,715
Liabilitas imbalan kerja jangka pendek/ <i>Short-term employee benefits liabilities</i>	231,622	-	-	231,622
Utang usaha/ <i>Trade payables</i>	149,776	-	-	149,776
Utang jangka pendek lainnya/ <i>Other short-term payables</i>	<u>3,660</u>	<u>-</u>	<u>-</u>	<u>3,660</u>
Jumlah liabilitas/ <i>Total liabilities</i>	<u><u>1,362,773</u></u>	<u><u>34,915</u></u>	<u><u>9,670</u></u>	<u><u>1,407,358</u></u>

d. Manajemen permodalan

Tujuan Grup dalam pengelolaan permodalan adalah untuk mempertahankan kelangsungan usaha Grup guna memberikan imbal hasil kepada pemegang saham dan manfaat kepada pemangku kepentingan lainnya serta menjaga struktur modal yang optimal untuk mengurangi biaya modal.

Untuk mempertahankan atau menyesuaikan struktur modal, Grup menyesuaikan jumlah dividen yang dibayar kepada pemegang saham, pengembalian modal kepada pemegang saham, mengeluarkan saham baru atau membayar utang.

Nilai wajar adalah suatu jumlah dimana suatu aset dapat dipertukarkan atau suatu liabilitas diselesaikan antara pihak yang memahami dan berkeinginan untuk melakukan transaksi wajar.

3. RISK MANAGEMENT (continued)

c. Liquidity risk (continued)

The table below describes the Group's financial liabilities based on their maturities. The amounts disclosed in the table are the contractual undiscounted cash flows:

d. Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repay debt.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

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3. MANAJEMEN RISIKO (lanjutan)

e. Nilai wajar

Grup menganalisa aset keuangan yang dimiliki yang diukur pada nilai wajar. Grup menentukan nilai wajar dari aset keuangan tersedia untuk dijual berdasarkan harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1).

Aset keuangan tersedia untuk dijual merupakan aset Grup yang nilai wajarnya dikutip dari pasar yang aktif untuk aset identik disajikan sebesar Rp172,5 miliar dan Rp39,2 miliar pada 31 Desember 2012 dan 2011. Selain aset keuangan tersedia untuk dijual, Grup tidak memiliki aset keuangan lain yang nilainya disajikan dengan menggunakan nilai wajar.

Manajemen berpendapat bahwa nilai buku dari aset dan liabilitas keuangan mendekati nilai wajar aset dan liabilitas keuangan tersebut pada tanggal 31 Desember 2012.

3. RISK MANAGEMENT (continued)

e. Fair value

The Group analyses its financial assets which are measured at fair value. The Group determines the fair value of available-for-sale financial assets based on the quoted price (unadjusted) in the active market for identical assets or liabilities (level 1).

The assets of the Group which are stated at fair value comprise available-for-sale financial assets amounting to Rp172.5 billion and Rp39.2 billion as at 31 December 2012 and 2011. Other than available-for-sale financial assets, the Group does not have any other financial assets the value of which is disclosed at fair value.

Management is of the opinion that the carrying value of its financial assets and liabilities approximates the fair value of the financial assets and liabilities as at 31 December 2012

4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN PENGUNGKAPAN

i. Standar baru dan revisi yang diadopsi oleh Grup

- PSAK No. 10 (Revisi 2010), "Pengaruh Perubahan Kurs Valuta Asing"

Standar yang telah direvisi ini mensyaratkan entitas untuk menentukan mata uang fungsional dan menjabarkan seluruh mata uang asing ke mata uang fungsionalnya pada tanggal transaksi. Mata uang fungsional ditentukan dengan menggunakan hirarki faktor primer dan sekunder. Standar ini juga memberikan panduan mengenai penyajian laporan keuangan grup yang entitas anak, asosiasi dan ventura bersamanya memiliki mata uang fungsional berbeda.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

i. New and amended standards adopted by the Group

- SFAS No. 10 (Revised 2010), "The Effects of Changes in Foreign Exchange Rates"

The revised standard requires an entity to determine its functional currency and translate all foreign currency items into its functional currency on the transaction date. Functional currency is determined by using a hierarchy of primary and secondary factors. The standard also provides guidance on the presentation of the financial statements of a group whose subsidiaries, associates and joint ventures have different functional currencies.

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**4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN
PENGUNGKAPAN (lanjutan)**

**i. Standar baru dan revisi yang diadopsi oleh
Grup (lanjutan)**

- PSAK No. 10 (Revisi 2010), "Pengaruh Perubahan Kurs Valuta Asing" (lanjutan)

Grup telah melakukan penelaahan atas penerapan PSAK 10 pada laporan keuangan Grup. Tidak terdapat perubahan signifikan yang diakibatkan oleh penerapan standar ini bagi laporan keuangan Grup.

- Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 24 (Revisi 2010) "Imbalan Kerja"

Beberapa revisi penting pada standar ini yang relevan bagi Grup adalah sebagai berikut:

- (1) Pengakuan keuntungan/(kerugian) actuarial

Standar yang direvisi ini memperkenalkan alternatif metode baru untuk mengakui keuntungan/(kerugian) actuarial, yaitu dengan mengakui seluruh keuntungan/(kerugian) melalui pendapatan komprehensif lainnya.

- Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 24 (Revisi 2010) "Imbalan Kerja" (lanjutan)

- (2) Item-item pengungkapan

Standar yang direvisi ini mengemukakan beberapa persyaratan pengungkapan, antara lain:

- Presentase atau jumlah setiap kategori utama yang membentuk nilai wajar dari aset program;
- Deskripsi naratif mengenai dasar yang digunakan untuk menentukan ekspektasi tingkat imbal hasil aset program keseluruhan;

**4. CHANGES IN ACCOUNTING POLICIES AND
DISCLOSURE (continued)**

**i. New and amended standards adopted by the
Group (continued)**

- SFAS No. 10 (Revised 2010), "The Effects of Changes in Foreign Exchange Rates" (continued)

The Group has made an assessment regarding the implementation of SFAS 10 to the Group's financial statements. No significant changes to the Group's financial statements were required related with the implementation of this standard.

- Statement of Financial Accounting Standards ("SFAS") No.24 (Revised 2010), "Employee Benefits"

Several notable revisions which are relevant to the Group are as follows:

- (1) Recognition of actuarial gains/(losses)

The revised standard introduces a new alternative method to recognise actuarial gains/(losses), that is to recognise all actuarial gains/(losses) in full through other comprehensive income.

- Statement of Financial Accounting Standards ("SFAS") No.24 (Revised 2010), "Employee Benefits" (continued)

- (2) Disclosure items

The revised standard introduces a number of disclosure requirements including the disclosure of:

- The percentage or amount of each major category of investment making up total plan assets;
- A narrative description of the basis used to determine the overall expected rate of return on assets;

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**4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN
PENGUNGKAPAN (lanjutan)**

**i. Standar baru dan revisi yang diadopsi oleh
Grup (lanjutan)**

- Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 24 (Revisi 2010) "Imbalan Kerja" (lanjutan)

(2) Item-item pengungkapan

- Jumlah atas nilai kini kewajiban imbalan pasti dan nilai wajar aset program untuk periode tahun berjalan dan empat periode tahunan sebelumnya; dan
- Jumlah penyesuaian pengalaman yang muncul atas liabilitas program dan aset program untuk periode tahun berjalan dan empat periode tahunan sebelumnya.

Grup menerapkan metode alternatif untuk mengakui keuntungan/(kerugian) aktuarial untuk laporan keuangan yang berakhir pada 31 Desember 2012. Seluruh keuntungan/(kerugian) aktuarial yang belum diamortisasi pada 1 Januari 2012 dan tambahan keuntungan/(kerugian) aktuarial dari tahun berjalan diakui seluruhnya pada tahun berjalan melalui pendapatan komprehensif lain. Penerapan ini bersifat prospektif.

- PSAK 33 (Revisi 2011), "Aktivitas Pengupasan Lapisan Tanah dan Pengelolaan Lingkungan Hidup pada Pertambangan Umum"

Kegiatan pengembangan atau konstruksi

Perlakuan akuntansi untuk aktivitas pengembangan atau konstruksi sekarang diatur oleh PSAK 19, "Aset Takberwujud", PSAK 16, "Aset Tetap" dan "Kerangka Konseptual". Sebelum 1 Januari 2012 perlakuan akuntansi untuk aktivitas-aktivitas tersebut diatur oleh versi sebelumnya dari PSAK 33. Tidak terdapat perubahan signifikan terhadap kebijakan akuntansi dari perubahan ini.

**4. CHANGES IN ACCOUNTING POLICIES AND
DISCLOSURE (continued)**

**i. New and amended standards adopted by
the Group (continued)**

- Statement of Financial Accounting Standards ("SFAS") No.24 (Revised 2010), "Employee Benefits" (continued)

(2) Disclosure items

- The amounts for the current annual period and the previous four annual periods of present value of the defined benefit obligation and fair value of the plan assets; and
- The amounts for the current annual period and the previous four annual periods of experience adjustments arising on the plan liabilities and plan assets.

The Group implemented the alternative method for recognition of actuarial gains/(losses) for the financial statements for the year ended 31 December 2012. All unamortised actuarial gains/(losses) as at 1 January 2012 and the current period addition of actuarial gains/(losses) are recognised entirely in current period through other comprehensive income. This implementation is prospective.

- SFAS 33 (Revised 2011), "Stripping Activities and Environmental Management in General Mining"

Development or construction activity

The accounting treatment of development or construction activity is now addressed by SFAS 19, "Intangible Assets", SFAS 16, "Fixed Assets" and the "Conceptual Framework". Before 1 January 2012 the accounting treatment of these activities had been addressed by the previous version of SFAS 33. There are no significant changes to the accounting policy resulting from this.

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**4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN
PENGUNGKAPAN (lanjutan)**

**i. Standar baru dan revisi yang diadopsi oleh
Grup (lanjutan)**

- PSAK No. 60 "Instrumen Keuangan:
Pengungkapan"

Standar revisi ini mensyaratkan pengungkapan dalam laporan keuangan yang memungkinkan para pengguna untuk mengevaluasi signifikansi instrumen keuangan terhadap posisi dan kinerja keuangan; dan sifat dan luas risiko yang timbul dari instrumen keuangan yang mana entitas terekspos selama periode dan pada akhir periode pelaporan, dan bagaimana entitas mengelola risiko tersebut.

Grup telah mengadopsi kebijakan akuntansi yang konsisten dengan standar ini dan memastikan laporan keuangan telah disusun berdasarkan ketentuan pengungkapan standar ini.

- PSAK No. 64 "Eksplorasi dan Evaluasi
Sumber Daya Mineral"

Perlakuan akuntansi atas aktivitas eksplorasi dan evaluasi saat ini diatur oleh PSAK 64, "Eksplorasi dan Evaluasi Sumber Daya Mineral". Tidak terdapat perubahan atas jumlah biaya eksplorasi dan evaluasi yang dikapitalisasi oleh Grup. Hal ini dikarenakan kebijakan transisi PSAK 64 memungkinkan sebuah entitas untuk tetap melakukan kebijakan pengakuan awal sebelumnya (lihat Catatan 2i) dan Grup memutuskan untuk melakukannya.

**4. CHANGES IN ACCOUNTING POLICIES AND
DISCLOSURE (continued)**

**i. New and amended standards adopted by the
Group (continued)**

- SFAS No.60 "Financial Instruments:
Disclosures"

This revised standard requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

The Group has adopted an accounting policy which is consistent with this standard and ensured the financial statements have been prepared under the disclosure requirements based on this standard.

- SFAS No.64, "Exploration and Evaluation
of Mineral Resources"

The accounting treatment of exploration and evaluation activity is now addressed by SFAS 64, "Exploration and Evaluation of Mineral Resources". There has been no change to the actual amounts of exploration and evaluation expenditure capitalised by the Group. This is because SFAS 64 transitional provisions allow an entity to retain its previous initial recognition policy (refer to Note 2i) and the Group has decided to do so.

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**4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN
PENGUNGKAPAN (lanjutan)**

- ii. Penerapan dari standar, interpretasi baru/revisi standar berikut, tidak menimbulkan perubahan besar terhadap kebijakan akuntansi Grup dan efek material terhadap laporan keuangan konsolidasian:

Berikut ini adalah perubahan atas standar yang wajib diterapkan untuk pertama kali untuk tahun buku 1 Januari 2012 yang tidak memiliki dampak signifikan atau tidak relevan bagi laporan keuangan Grup.

- PSAK No. 13 (Revisi 2011), "Properti Investasi";
- PSAK No. 16 (Revisi 2011), "Aset Tetap";
- PSAK No. 18 (Revisi 2010), "Akuntansi dan Pelaporan Program Manfaat Purnakarya";
- PSAK No. 28 (Revisi 2010), "Akuntansi Kontrak Asuransi Kerugian";
- PSAK No. 30 (Revisi 2010), "Sewa";
- PSAK No. 34 (Revisi 2010), "Kontrak Konstruksi";
- PSAK No. 36 (Revisi 2010), "Akuntansi Kontrak Asuransi Jiwa";
- PSAK No. 45 (Revised 2010) "Laporan Keuangan Entitas Nirlaba";
- PSAK No. 46 (revisi 2010), "Pajak Penghasilan";
- PSAK No. 50 (Revised 2010), "Instrumen Keuangan: Penyajian";
- PSAK No. 53 (Revised 2010), "Pembayaran Berbasis Saham";
- PSAK No. 55 (Revised 2010), "Instrumen Keuangan: Pengakuan dan Pengukuran";
- PSAK No. 56 (Revisi 2011), "Laba Per Saham";
- PSAK No. 61, "Akuntansi Hibah Pemerintah dan Pengungkapan Bantuan Pemerintah";
- PSAK No. 62 (Revisi 2010), "Kontrak Asuransi";
- PSAK No. 63 (Revisi 2010), "Pelaporan Keuangan dalam Ekonomi Hiperinflasi";
- Interpretasi Standar Akuntansi Keuangan ("ISAK") No. 13, "Lindung Nilai Investasi Neto dalam Kegiatan Usaha Luar Negeri";

**4. CHANGES IN ACCOUNTING POLICIES AND
DISCLOSURE (continued)**

- ii. The adoption of the following new and revised standards and interpretations did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

The following amendments to standards are mandatory for the first time for the financial year beginning on 1 January 2012 which had no significant impact or were not relevant to the Group's financial statements.

- SFAS No. 13 (Revised 2011), "Investment Property";
- SFAS No. 16 (Revised 2011), "Fixed Assets";
- SFAS No. 18 (Revised 2010), "Accounting and Reporting by Retirement Benefit Plans";
- SFAS No. 28 (Revised 2010), "Accounting for Loss Insurance";
- SFAS No. 30 (Revised 2010), "Leases";
- SFAS No. 34 (Revised 2010), "Construction Contracts";
- SFAS No. 36 (Revised 2010), "Accounting for Life Insurance";
- SFAS No. 45 (Revised 2010), "Financial Reporting of Non-Profit Organizations";
- SFAS No. 46 (Revised 2010), "Income tax";
- SFAS No. 50 (Revised 2010), "Financial Instrument: Presentation";
- SFAS No. 53 (Revised 2010), "Share-based Payments";
- SFAS No. 55 (Revised 2010), "Financial Instruments: Recognition and Measurement";
- SFAS No. 56 (Revised 2011), "Earnings Per Share";
- SFAS No. 61, "Accounting for Government Grants and Disclosure of Government Assistance";
- SFAS No. 62 (Revised 2010), "Insurance Contracts";
- SFAS No. 63 (Revised 2010), "Financial Reporting in Hyperinflationary Economies";
- Interpretation of Financial Accounting Standard ("IFAS") No. 13, "Hedges of a Net Investment in a Foreign Operation";

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Lampiran 5/44 Appendix

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**4. PERUBAHAN KEBIJAKAN AKUNTANSI DAN
PENGUNGKAPAN (lanjutan)**

**4. CHANGES IN ACCOUNTING POLICIES AND
DISCLOSURE (continued)**

ii. Penerapan dari standar, interpretasi baru/revisi standar berikut, tidak menimbulkan perubahan besar terhadap kebijakan akuntansi Grup dan efek material terhadap laporan keuangan konsolidasian: (lanjutan)

ii. *The adoption of the following new and revised standards and interpretations did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods: (continued)*

- ISAK No. 15, "Batas Aset Imbalan Pasti, Persyaratan Pendanaan Minimum dan Interaksinya";
- ISAK No. 16, "Pengaturan Konsesi Jasa";
- ISAK No. 18, "Bantuan Pemerintah – Tidak Berelasi Spesifik dengan Aktivitas Operasi";
- ISAK No. 19, "Penerapan Pendekatan Penyajian Kembali dalam PSAK 63: Pelaporan Keuangan dalam Ekonomi Hiperinflasi";
- ISAK No. 20, "Pajak Penghasilan - Perubahan dalam Status Pajak Entitas atau Para Pemegang Sahamnya";
- ISAK No. 22, "Perjanjian Konsesi Jasa: Pengungkapan";
- ISAK No. 23, "Sewa Operasi – Insentif";
- ISAK No. 24, "Evaluasi Substansi Beberapa Transaksi yang Melibatkan Suatu Bentuk Legal Sewa";
- ISAK No. 25, "Hak Atas Tanah; dan
- ISAK No. 26, "Penilaian Ulang Derivatif Melekat".

- *IFAS No. 15, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction";*
- *IFAS No. 16, "Service Concession Arrangements";*
- *IFAS No. 18, "Government Assistance - No Specific Relation to Operating Activities";*
- *IFAS No. 19, "Implementation of Restatement Approach in SFAS 63: Financial Reporting in Hyperinflationary Economies";*
- *IFAS No. 20, "Income Taxes - Changes in the Tax Status of an Entity or its Shareholders";*
- *IFAS No. 22, "Service Concession Agreement: Disclosure";*
- *IFAS No. 23, "Operating Leases: Incentives";*
- *IFAS No. 24, "Evaluating the Substance of Transactions Involving the Legal Form of a Lease";*
- *IFAS No. 25, "Land Rights"; and*
- *IFAS No. 26, "Reassessment of embedded derivatives".*

iii. Pencabutan standar dan interpretasi ini tidak menyebabkan perubahan signifikan terhadap kebijakan akuntansi Grup dan tidak material atas jumlah yang dilaporkan atas tahun berjalan atau tahun sebelumnya:

iii. *The withdrawal of the following standards and interpretations did not result in significant changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years:*

- PSAK No. 11, "Penjabaran Laporan Keuangan dalam Mata Uang Asing";
- PSAK No. 27, "Akuntansi Koperasi";
- PSAK No. 29, "Akuntansi Minyak dan Gas Bumi";
- PSAK No. 39, "Akuntansi Kerja Sama Operasi";
- PSAK No. 47, "Akuntansi Tanah";
- PSAK No. 52, "Mata Uang Pelaporan"; dan
- ISAK No. 4, "Alternatif Perlakuan yang Diizinkan atas Selisih Kurs".
- ISAK No. 5, "Pelaporan Perubahan Nilai Wajar Investasi Efek dalam Kelompok Tersedia untuk Dijual";

- *SFAS No. 11, "Translation of Financial Statements in Foreign Currencies";*
- *SFAS No. 27, "Accounting for Cooperatives";*
- *SFAS No. 29, "Accounting for Oil and Gas";*
- *SFAS No. 39, "Accounting for Joint Operations";*
- *SFAS No. 47, "Accounting for Land";*
- *SFAS No. 52, "Reporting Currencies"; and*
- *IFAS No. 4, "Allowable Alternative Treatments of Foreign Exchange Differences".*
- *IFAS No. 5, "Reporting Changes in Fair Value of Securities Included in Available for Sale Investments"*

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unless otherwise stated)**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING**

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan manajemen untuk membuat estimasi dan asumsi yang mempengaruhi jumlah aset dan liabilitas yang dilaporkan dan pengungkapan aset dan liabilitas kontinjensi pada tanggal laporan keuangan konsolidasian, serta jumlah pendapatan dan beban selama periode pelaporan. Estimasi, asumsi dan penilaian tersebut dievaluasi secara terus menerus dan berdasarkan pengalaman historis dan faktor-faktor lainnya, termasuk harapan peristiwa di masa mendatang yang memungkinkan.

Grup telah mengidentifikasi kebijakan akuntansi penting berikut di mana dibutuhkan pertimbangan, estimasi dan asumsi signifikan yang dibuat dan di mana hasil aktual dapat berbeda dari estimasi tersebut berdasarkan asumsi dan kondisi yang berbeda dan dapat mempengaruhi secara material hasil keuangan atau posisi keuangan yang dilaporkan dalam periode mendatang.

Rincian lebih lanjut mengenai sifat dari asumsi-asumsi dan kondisi-kondisi tersebut dapat ditemukan dalam catatan yang relevan atas laporan keuangan konsolidasian.

(i) Estimasi cadangan

Cadangan adalah estimasi jumlah produk yang dapat secara ekonomis maupun legal diekstraksi dari aset Grup. Untuk memperkirakan cadangan batubara, perlu ditentukan asumsi mengenai faktor-faktor geologis, teknis dan ekonomis termasuk jumlah produksi, teknik produksi, nisbah kupas, biaya produksi, biaya transportasi, permintaan komoditas, harga-harga komoditas, dan nilai tukar mata uang.

Memperkirakan jumlah dan/atau nilai kalori cadangan batubara membutuhkan ukuran, bentuk dan kedalaman tubuh batubara atau lapangan yang akan ditentukan dengan menganalisis data geologi seperti "uji petik" (sampel) pengeboran. Proses ini mungkin memerlukan penilaian geologi yang kompleks dan sulit untuk menginterpretasikan data.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the consolidated financial statements.

(i) Reserve estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to estimate coal reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratio, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or calorific value of coal reserves requires the size, shape and depth of coal bodies or fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements to interpret the data.

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Lampiran 5/46 Appendix

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**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING
(lanjutan)**

(i) Estimasi cadangan (lanjutan)

Karena asumsi ekonomi yang digunakan untuk memperkirakan cadangan berubah dari waktu ke waktu, dan karena data geologi tambahan yang dihasilkan selama operasi, perkiraan cadangan dapat berubah dari waktu ke waktu. Perubahan cadangan yang dilaporkan dapat mempengaruhi hasil dan posisi keuangan Grup dalam berbagai cara, diantaranya:

- Nilai tercatat aset dapat terpengaruh akibat perubahan estimasi arus kas masa depan.
- Penyusutan dan amortisasi yang dibebankan ke dalam laporan laba-rugi konsolidasian dapat berubah apabila beban-beban tersebut ditentukan berdasarkan unit produksi, atau jika masa manfaat ekonomi umur aset berubah.
- Provisi untuk aktivitas purnaoperasi, restorasi lokasi aset, dan hal-hal yang berkaitan dengan lingkungan dapat berubah apabila terjadi perubahan dalam perkiraan cadangan yang mempengaruhi ekspektasi tentang waktu atau biaya kegiatan ini.
- Nilai tercatat aset/liabilitas pajak tangguhan dapat berubah karena perubahan estimasi pemulihan manfaat pajak.

(ii) Beban eksplorasi dan pengembangan

Kebijakan akuntansi Grup untuk biaya eksplorasi dan evaluasi mengakibatkan biaya tertentu dikapitalisasi untuk sebuah *area of interest* yang dianggap dapat dipulihkan oleh eksploitasi di masa depan atau penjualan atau di mana kegiatan tambang belum mencapai tahap tertentu yang memungkinkan dilakukan penilaian yang wajar atas keberadaan cadangan. Kebijakan ini mengharuskan manajemen untuk membuat estimasi dan asumsi tertentu atas peristiwa dan keadaan di masa depan, khususnya apakah operasi eksploitasi dapat dilaksanakan secara ekonomis.

**5. CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS (continued)**

(i) Reserve estimates (continued)

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- *Asset carrying values may be affected due to changes in estimated future cash flows.*
- *Depreciation and amortisation charged in the consolidated statements of income may change where such charges are determined on a units of production basis, or where the useful economic lives of assets change.*
- *Decommissioning, site restoration and environmental provision may change where changes in estimated reserves affect expectations about the timing or cost of these activities.*
- *The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.*

(ii) Deferred exploration and development expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established.

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Lampiran 5/47 Appendix

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**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING
(lanjutan)**

(ii) Beban eksplorasi dan pengembangan (lanjutan)

Setiap perkiraan dan asumsi tersebut dapat berubah seiring tersedianya informasi baru. Jika, setelah dilakukan kapitalisasi atas biaya berdasarkan kebijakan ini, suatu pertimbangan dibuat bahwa pemulihan biaya dianggap tidak dimungkinkan, biaya yang telah dikapitalisasi tersebut akan dibebankan ke dalam laporan laba-rugi konsolidasian.

Kegiatan pengembangan dimulai setelah dilakukan pengesahan proyek oleh tingkat manajemen yang berwenang. Pertimbangan diterapkan oleh manajemen dalam menentukan kelayakan suatu proyek secara ekonomis. Dalam melakukan pertimbangan ini, manajemen perlu membuat estimasi dan asumsi tertentu yang serupa dengan kapitalisasi biaya eksplorasi dan evaluasi yang dijelaskan di atas.

Setiap estimasi dan asumsi tersebut dapat berubah seiring tersedianya informasi baru. Jika, setelah kegiatan pengembangan dimulai, berdasarkan pertimbangan bahwa ternyata terjadi penurunan nilai aset dalam biaya pengembangan yang ditangguhkan, penurunan nilai tersebut akan dibebankan ke dalam laporan laba-rugi konsolidasian.

(iii) Provisi untuk reklamasi lingkungan dan penutupan tambang

Kebijakan akuntansi Grup atas pengakuan provisi untuk reklamasi lingkungan dan penutupan tambang membutuhkan estimasi dan asumsi yang signifikan seperti: persyaratan kerangka hukum dan peraturan yang relevan; besarnya kemungkinan kontaminasi serta waktu, luas dan biaya yang dibutuhkan untuk kegiatan reklamasi lingkungan dan penutupan tambang. Ketidakpastian ini dapat mengakibatkan perbedaan antara jumlah pengeluaran aktual di masa depan dari jumlah yang disisihkan pada saat ini. Jika jumlah pengeluaran pengelolaan lingkungan hidup yang terjadi pada tahun berjalan sehubungan dengan kegiatan periode lalu lebih besar daripada jumlah yang telah dibentuk, maka selisihnya dibebankan di periode kelebihan tersebut timbul. Provisi yang diakui pada setiap lokasi di tinjau secara berkala dan diperbarui berdasarkan fakta-fakta dan keadaan pada saat itu.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(ii) Deferred exploration and development expenditure (continued)

Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the consolidated statement of income.

Development activities commence after a project is sanctioned by the appropriate level of management. Judgement is applied by management in determining when a project is economically viable. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure.

Any such estimates and assumptions may change as new information becomes available. If, after development activity has commenced, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the consolidated statement of income.

(iii) Provision for environmental reclamation and mine closure

The Group's accounting policy for the recognition of environmental reclamation and mine closure provisions requires significant estimates and assumptions such as: requirements of the relevant legal and regulatory framework; the magnitude of possible contamination and the timing, extent and costs of required environmental reclamation and mine closure activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided. If total current year expenditure related to past activity is higher than the existing balance, the differences will be charged to the periods where the excess arises. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

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**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING
(lanjutan)**

- (iii) Provisi untuk reklamasi lingkungan dan penutupan tambang (lanjutan)

Jika tingkat inflasi berbeda 1% dari estimasi manajemen, nilai provisi untuk reklamasi lingkungan dan penutupan tambang akan lebih rendah sebesar Rp7,2 miliar atau lebih tinggi sebesar Rp13,6 miliar.

- (iv) Pajak penghasilan

Pertimbangan dan asumsi dibutuhkan dalam menentukan penyisihan modal dan pengurangan beban tertentu selama estimasi provisi pajak penghasilan untuk setiap perusahaan dalam Grup. Banyaknya transaksi dan perhitungan yang dapat menyebabkan ketidakpastian di dalam penentuan kewajiban pajak. Apabila terdapat perbedaan perhitungan pajak dengan jumlah yang telah dicatat, perbedaan tersebut akan berdampak pada pajak penghasilan dan pajak tangguhan dalam periode di mana penentuan pajak tersebut dibuat.

Aset pajak tangguhan, termasuk yang timbul dari rugi fiskal, penyisihan modal, dan perbedaan temporer, diakui hanya apabila dianggap lebih mungkin daripada tidak bahwa mereka dapat diterima kembali, dimana hal ini tergantung pada kecukupan pembentukan laba kena pajak di masa depan. Asumsi pembentukan laba kena pajak di masa depan bergantung pada estimasi manajemen untuk arus kas di masa depan. Hal ini bergantung pada estimasi produksi, volume penjualan barang atau jasa, harga komoditas, cadangan, biaya operasi, biaya penutupan dan rehabilitasi tambang, belanja modal, dividen dan transaksi manajemen lainnya di masa depan.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- (iii) Provision for environmental reclamation and mine closure (continued)

Were the discount rate used to differ by 1% from management's estimate, the estimated provision for environmental reclamation and mine closure would be Rp7.2 billion lower or Rp13.6 billion higher.

- (iv) Income taxes

Judgements and assumptions are required in determining capital allowances and the deductibility of certain expenses during the estimation of the provision for income taxes for the Group. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, these differences will have an impact on the income tax and deferred income tax provision in the period in which the determination is made.

Deferred tax assets, including those arising from unrecouped tax losses, capital allowances and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production, sales volumes or sales of service, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions.

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unless otherwise stated)**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING
(lanjutan)****(v) Penurunan nilai aset non-keuangan**

Sesuai dengan kebijakan akuntansi Grup, setiap aset atau unit penghasil kas dievaluasi pada setiap periode pelaporan untuk menentukan ada tidaknya indikasi penurunan nilai aset. Jika terdapat indikasi tersebut, akan dilakukan perkiraan atas nilai aset yang dapat kembali dan kerugian akibat penurunan nilai akan diakui sebesar selisih antara nilai tercatat aset dengan nilai yang dapat dipulihkan kembali dari aset tersebut. Jumlah nilai yang dapat dipulihkan kembali dari sebuah aset atau kelompok aset penghasil kas diukur berdasarkan nilai yang lebih tinggi antara nilai wajar dikurangi biaya untuk menjual dan nilai pakai aset.

Penentuan nilai wajar dan nilai pakai membutuhkan manajemen untuk membuat estimasi dan asumsi atas produksi yang diharapkan dan volume penjualan, harga komoditas (mempertimbangkan harga saat ini dan masa lalu, tren harga dan faktor-faktor terkait), cadangan (lihat 'Estimasi Cadangan' di atas), biaya operasi, biaya reklamasi lingkungan dan penutupan tambang serta belanja modal di masa depan. Estimasi dan asumsi ini terpapar risiko dan ketidakpastian; sehingga ada kemungkinan perubahan situasi dapat mengubah proyeksi ini, yang dapat mempengaruhi nilai aset yang dapat dipulihkan kembali. Dalam keadaan seperti itu, sebagian atau seluruh nilai tercatat aset mungkin akan mengalami penurunan nilai lebih lanjut atau terjadi pengurangan rugi penurunan nilai yang dampaknya akan dicatat dalam laporan laba-rugi komprehensif konsolidasian.

**5. CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS (continued)****(v) Impairment of non-financial assets**

In accordance with the Group's accounting policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of the recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves (see 'Reserve estimates' above), operating costs, environmental reclamation and mine closure costs, and future capital expenditure. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may affect the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired, or the impairment charge reduced, with the impact recorded in the consolidated statement of comprehensive income.

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**5. ESTIMASI DAN PENILAIAN AKUNTANSI PENTING
(lanjutan)**

(vi) Kewajiban pensiun

Nilai kini kewajiban pensiun tergantung pada sejumlah faktor yang ditentukan berdasarkan basis dari aktuarial dengan menggunakan sejumlah asumsi. Asumsi yang digunakan dalam menentukan beban/(pendapatan) bersih untuk pensiun termasuk tingkat diskonto, perubahan remunerasi masa depan, tingkat pengurangan karyawan, tingkat harapan hidup dan periode sisa yang diharapkan dari masa aktif karyawan. Setiap perubahan dalam asumsi-asumsi ini akan berdampak pada nilai tercatat atas kewajiban pensiun.

Grup menentukan tingkat diskonto yang sesuai pada setiap akhir tahun. Tingkat suku bunga inilah yang digunakan untuk menentukan nilai kini dari estimasi arus kas keluar masa depan yang akan dibutuhkan untuk memenuhi kewajiban pensiun. Dalam menentukan tingkat diskonto yang sesuai, Grup menggunakan tingkat suku bunga obligasi korporat berkualitas tinggi (atau obligasi pemerintah, dengan pertimbangan saat ini tidak ada pasar aktif untuk obligasi korporat berkualitas tinggi) dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan memiliki waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo kewajiban pensiun yang bersangkutan.

Asumsi kunci lainnya untuk kewajiban pensiun didasarkan sebagian pada kondisi pasar saat ini.

Jika tingkat diskonto berbeda 1% dari estimasi manajemen, nilai kini kewajiban diestimasi akan lebih rendah sebesar Rp278 miliar atau lebih tinggi sebesar Rp352 miliar.

**5. CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS (continued)**

(vi) Pension obligation

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, future remuneration changes, employee attrition rates, life expectancy and expected remaining periods of service of employees. Any changes in these assumptions will have an impact on the carrying amount of the pension obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligation. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds (or government bonds, if there is no deep market for high quality corporate bonds) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligation benefits are based in part on current market conditions.

Were the discount rate used to differ by 1% from management's estimates, the estimated present value of obligations would be Rp278 billion lower or Rp352 billion higher.

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6. AKUISISI

Pada tanggal 19 September 2008, Perusahaan mengakuisisi 51% kepemilikan saham IPC dengan jumlah pembayaran sebesar USD17,85 juta atau setara dengan Rp163,9 miliar dari pemegang saham lama PT Mega Raya Kusuma ("PTMRK") dan PT Rajawali Corpora ("PTRC").

Akibat akuisisi tersebut, Grup berharap dapat meningkatkan keberadaannya dalam pasar industri batubara dan mengurangi biaya melalui skala ekonomis.

Tabel berikut ini merupakan rekonsiliasi arus kas yang dibayarkan dan diperoleh dalam kombinasi bisnis.

6. ACQUISITION

On 19 September 2008, the Company acquired 51% of the shares of IPC with the total consideration paid of USD17.85 million or equivalent to Rp163.9 billion from the previous shareholders PT Mega Raya Kusuma ("PTMRK") and PT Rajawali Corpora ("PTRC").

As a result of the acquisition, the Group is expected to increase its presence in the coal industry market. It also expects to reduce costs through economies of scale.

The following table is a reconciliation of cash flow paid for and received from the business combination.

	<u>19 September/ September 2008</u>	
Imbalan kas yang dibayar	163,934	Cash consideration
Dikurangi saldo kas yang diperoleh:		Less balance of cash acquired
Kas	(299)	Cash
Arus kas keluar – aktivitas investasi	<u>163,635</u>	Cash outflow – investing activities

Perusahaan mengakui nilai wajar dari properti pertambangan yang diperoleh setelah mengalokasikan harga perolehan ke nilai wajar aset bersih teridentifikasi yang diperoleh setelah dikurangi alokasi *goodwill* negatif yang timbul ke aset non-moneter teridentifikasi seperti dirinci di bawah ini:

The Company recognised the fair value of the mining property acquired after purchase price allocation to the fair value of net identifiable assets acquired, net of negative goodwill allocation to the identifiable non-monetary assets as detailed below:

Harga perolehan	163,934	Purchase consideration
Alokasi harga perolehan:		Purchase price allocation:
- Aset lancar	375	Current assets -
- Aset tetap	83,198	Fixed assets -
- Properti pertambangan (lihat Catatan 14)	199,063	Mining property (refer to Note 14) -
- Aset tidak lancar lainnya	47,856	Other non-current assets -
- Liabilitas lancar	(163)	Current liabilities -
- Liabilitas jangka panjang	(9,401)	Non-current liabilities -
- Liabilitas pajak tangguhan	(49,766)	Deferred tax liabilities -
- Kepentingan non-pengendali	(59,714)	Non-controlling interest -
- <i>Goodwill</i> negatif yang dialokasikan ke aset non-moneter teridentifikasi	<u>(47,514)</u>	Negative goodwill allocated to the identifiable non-monetary assets
	<u>163,934</u>	

Nilai wajar dari kepentingan pengendali yang diakuisisi pada IPC, perusahaan yang tidak terdaftar di bursa, diestimasi dengan menggunakan valuasi nilai sekarang dari arus kas yang akan dihasilkan oleh IPC. Harga pembelian tersebut telah disesuaikan dengan kemampuan untuk dipasarkan yang akan dipertimbangkan oleh partisipan pasar dalam mengestimasi nilai wajar kepentingan pengendali pada IPC.

The fair value of the controlling interest acquired in IPC, an unlisted entity, was estimated through valuation of the present value of future cash flow which will be generated by IPC. This purchase price was adjusted for the lack of marketability that market participants would consider when estimating the fair value of the controlling interest in IPC.

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7. KAS DAN SETARA KAS

Kas dan setara kas terdiri dari:

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2012</u>	<u>2011</u>	
Kas	<u>281</u>	<u>217</u>	Cash on hand
Kas di bank			Cash in banks
Rupiah			Rupiah
Pihak ketiga			Third parties
- Deutsche Bank AG	35,137	13	Deutsche Bank AG -
- PT Bank Permata Tbk	4,930	568	PT Bank Permata Tbk -
- PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	1,757	157	PT Bank Pembangunan Daerah - Sumatera Selatan dan Bangka Belitung
- Citibank	359	174	Citibank -
- Bank Pembangunan Daerah Kalimantan Timur	118	111	Bank Pembangunan Daerah - Kalimantan Timur
- Standard Chartered Bank	5	9	Standard Chartered Bank -
- PT CIMB Niaga Tbk	-	4	PT CIMB Niaga Tbk -
Pihak yang berelasi (lihat Catatan 32a)	71,076	71,057	Related parties (refer to Note 32a)
Dolar Amerika Serikat			US Dollars
Pihak ketiga			Third parties
- Deutsche Bank AG	24,707	1,504	Deutsche Bank AG -
- PT Bank Permata Tbk	8,445	931	PT Bank Permata Tbk -
- Citibank	5,570	601	Citibank -
- Standard Chartered Bank	122	2,171	Standard Chartered Bank -
Pihak yang berelasi (lihat Catatan 32a)	<u>251,269</u>	<u>104,468</u>	Related parties (refer to Note 32a)
Total kas di bank	<u>403,495</u>	<u>181,768</u>	Total cash in bank
Deposito berjangka (jatuh tempo dalam jangka waktu 3 bulan)			Time deposits (maturity within three months)
Rupiah			Rupiah
Pihak ketiga			Third parties
- PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	377,000	210,000	PT Bank Pembangunan Daerah - Sumatera Selatan and Bangka Belitung
- PT Bank Pembangunan Daerah Kalimantan Timur	6,758	5,286	PT Bank Pembangunan Daerah - Kalimantan Timur
Pihak yang berelasi (lihat Catatan 32a)	4,839,400	6,258,000	Related parties (refer to Note 32a)
Dolar Amerika Serikat			US Dollars
Pihak yang berelasi	<u>290,100</u>	<u>136,020</u>	Related parties
Total deposito berjangka	<u>5,513,258</u>	<u>6,609,306</u>	Total time deposits
	<u><u>5,917,034</u></u>	<u><u>6,791,291</u></u>	

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7. KAS DAN SETARA KAS (lanjutan)

Informasi lainnya sehubungan dengan kas dan setara kas adalah sebagai berikut:

- Kas pada bank dapat ditarik setiap saat;
- Tingkat suku bunga kontraktual untuk kas pada bank dan deposito bank jangka pendek adalah sebagai berikut:

	<u>2012</u>
Deposito Rupiah	5.50% - 7.25%
Deposito Dolar Amerika Serikat	0.50% - 1.25%

Eksposur maksimum terhadap risiko kredit pada akhir periode pelaporan adalah senilai jumlah tercatat dari setiap kelas kas dan setara kas sebagaimana yang dijabarkan diatas.

7. CASH AND CASH EQUIVALENTS (continued)

Other information relating to cash and cash equivalents is as follows:

- Cash at bank can be withdrawn at anytime;
- Contractual interest rates on cash at bank and short term bank deposits are as follows:

	<u>2011</u>
Deposito Rupiah	6.50% - 8.25%
Deposito Dolar Amerika Serikat	0.50% - 2.75%

Rupiah deposits
US Dollar deposits

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents as mentioned above.

8. PIUTANG USAHA

Piutang usaha terdiri dari:

	<u>2012</u>
Pihak ketiga	
Rupiah	
- PT Masa Jaya Perkasa	11,320
- PT Risna Karya Wardhana International	9,231
- PT Dayaindo Resources International Tbk	-
- PT Artha Aneka Samudera	-
- Lain-lain (masing-masing di bawah Rp5.000)	40,594
Dolar Amerika Serikat	
- Phoenix Resources Inc.	129,158
- Dragon Energy Corp.	42,964
- Zhuhai Jindian Fuel Co. Ltd.	19,682
- Stemcor Pte Ltd	19,681
- Devi Trading Company Limited	18,810
- FDK Resources Sdn, Bhd	18,664
- Lianex Corp.	28,600
- Queda Corp. Sdn. Bhd.	5,186
- Sojitz Corp.	-
- GE Marine Sdn. Bhd.	-
- SMJ Corp. Sdn. Bhd.	-
- Lainnya (masing-masing di bawah Rp5.000)	11,626
	<u>355,516</u>

Dikurangi:
Penyisihan penurunan nilai

	<u>(44,197)</u>
	<u>311,319</u>

8. TRADE RECEIVABLES

Trade receivables consist of:

	<u>2011</u>
Pihak ketiga	
Rupiah	
- PT Masa Jaya Perkasa	5,690
- PT Risna Karya Wardhana International	14,693
- PT Dayaindo Resources International Tbk	9,938
- PT Artha Aneka Samudera	5,253
- Lain-lain (masing-masing di bawah Rp5.000)	36,430
Dolar Amerika Serikat	
- Phoenix Resources Inc.	83,077
- Dragon Energy Corp.	150,781
- Zhuhai Jindian Fuel Co. Ltd.	45,829
- Stemcor Pte Ltd	-
- Devi Trading Company Limited	-
- FDK Resources Sdn, Bhd	-
- Lianex Corp.	-
- Queda Corp. Sdn. Bhd.	6,051
- Sojitz Corp.	19,088
- GE Marine Sdn. Bhd.	6,246
- SMJ Corp. Sdn. Bhd.	5,724
- Lainnya (masing-masing di bawah Rp5.000)	7,259
	<u>396,059</u>

Third Parties
Rupiah
PT Masa Jaya Perkasa -
PT Risna Karya Wardhana International -
PT Dayaindo Resources International Tbk -
PT Artha Aneka Samudera -
Others (each below Rp5,000) -

US Dollar
Phoenix Resources Inc. -
Dragon Energy Corp. -
Zhuhai Jindian Fuel Co. Ltd. -
Stemcor Pte Ltd -
Devi Trading Company Limited -
FDK Resources Sdn, Bhd -
Lianex Corp. -
Queda Corp. Sdn. Bhd. -
Sojitz Corp. -
GE Marine Sdn. Bhd. -
SMJ Corp. Sdn. Bhd. -

Others (each below Rp5,000) -

Less:
Provision for impairment

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8. PIUTANG USAHA (lanjutan)

8. TRADE RECEIVABLES (continued)

	<u>2012</u>	<u>2011</u>	
Pihak yang berelasi (lihat Catatan 32a)			<i>Related parties (refer to Note 32a)</i>
Rupiah	1,226,221	837,360	<i>Rupiah</i>
Dolar Amerika Serikat	<u>8,016</u>	<u>6,988</u>	<i>US Dollars</i>
	<u>1,234,237</u>	<u>844,348</u>	
Total piutang usaha	<u>1,545,556</u>	<u>1,180,195</u>	<i>Total trade receivables</i>
Analisis umur piutang usaha adalah sebagai berikut:			<i>The ageing analysis of trade receivables is as follows:</i>
	<u>2012</u>	<u>2011</u>	
Jatuh tempo kurang dari 30 hari	1,230,490	1,080,842	<i>Overdue less than 30 days</i>
Jatuh tempo 30 – 60 hari	129,693	86,230	<i>Overdue 30 - 60 days</i>
Jatuh tempo 60 – 180 hari	171,144	1,128	<i>Overdue 60 - 180 days</i>
Jatuh tempo lebih dari 180 hari	<u>58,426</u>	<u>72,207</u>	<i>Overdue more than 180 days</i>
	1,589,753	1,240,407	
Dikurangi:			<i>Less:</i>
Penyisihan penurunan nilai	<u>(44,197)</u>	<u>(60,212)</u>	<i>Provision for impairment</i>
	<u>1,545,556</u>	<u>1,180,195</u>	

Pada tanggal 31 Desember 2012 piutang usaha sebesar Rp1,23 triliun (2011: Rp1,08 triliun) belum jatuh tempo dan tidak mengalami penurunan nilai. Piutang tersebut akan jatuh tempo dalam waktu 30 hari setelah tanggal laporan keuangan.

As at 31 December 2012, trade receivables of Rp1.23 trillion (2011: Rp1.08 trillion) are not yet past due nor impaired. Those receivables will be due within 30 days after financial statement date.

Pada tanggal 31 Desember 2012, piutang usaha sebesar Rp315 miliar (2011: Rp99 miliar) telah lewat jatuh tempo namun tidak mengalami penurunan nilai. Hal ini terkait dengan sejumlah pelanggan pihak berelasi maupun pihak ketiga yang tidak memiliki sejarah gagal bayar.

As at 31 December 2012, trade receivables of Rp315 billion (2011: Rp99 billion) were past due but not impaired. These relate to a number of related party and third party customers for whom there is no recent history of default.

Perubahan penyisihan penurunan nilai adalah sebagai berikut:

Changes in the amounts of the provision for impairment are as follows:

	<u>2012</u>	<u>2011</u>	
Penyisihan penurunan nilai – awal	60,212	37,083	<i>Provision for impairment – beginning</i>
Dibebankan ke laporan laba-rugi konsolidasian tahun ini	9,231	26,669	<i>Charge to the consolidated statement of income this year</i>
Penerimaan kembali atas piutang yang telah diturunkan nilainya	<u>(25,246)</u>	<u>(3,540)</u>	<i>Proceeds from previously impaired amounts</i>
Penyisihan penurunan nilai – akhir	<u>44,197</u>	<u>60,212</u>	<i>Provision for impairment – ending</i>

Berdasarkan hasil penelaahan dari masing-masing akun piutang usaha pada akhir tahun, manajemen Grup berkeyakinan bahwa nilai penyisihan penurunan nilai telah memadai untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang.

Based on a review of the status of the individual trade receivable accounts at year end, the Group's management believes that the provision for impairment is adequate to cover possible losses from the non-collection of the accounts.

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9. PERSEDIAAN

Persediaan terdiri dari:

	<u>2012</u>	<u>2011</u>
Persediaan batubara	627,906	578,197
Perlengkapan dan suku cadang	<u>170,369</u>	<u>108,278</u>
	798,275	686,475
Dikurangi:		
Penyisihan persediaan usang	<u>(32,311)</u>	<u>(41,642)</u>
	<u>765,964</u>	<u>644,833</u>

Mutasi penyisihan untuk persediaan usang adalah sebagai berikut:

	<u>2012</u>	<u>2011</u>
Saldo awal	41,642	43,224
Perubahan selama tahun berjalan:		
Penyisihan persediaan usang	-	1,241
Reklasifikasi ke persediaan tidak produktif	<u>(9,331)</u>	<u>(2,823)</u>
Saldo akhir	<u>32,311</u>	<u>41,642</u>

Persediaan perlengkapan dan suku cadang yang ditempatkan di gudang bersama-sama dengan aset tetap tertentu telah diasuransikan pada PT Asuransi Jasa Indonesia (Persero) dalam bentuk asuransi *All Risk*.

Manajemen berkeyakinan bahwa asuransi telah memadai untuk menutup kemungkinan kerugian yang terjadi dari risiko kehilangan persediaan dan risiko-risiko lain yang berhubungan.

Sebagian porsi persediaan PT IPC sebesar Rp27,15 miliar dijaminkan sebagai jaminan pinjaman (lihat Catatan 22).

9. INVENTORIES

Inventories consist of the following:

	<u>2012</u>	<u>2011</u>	
	627,906	578,197	<i>Coal inventories</i>
	<u>170,369</u>	<u>108,278</u>	<i>Materials and spare parts</i>
	798,275	686,475	
			<i>Less:</i>
	<u>(32,311)</u>	<u>(41,642)</u>	<i>Provision for obsolete inventories</i>
	<u>765,964</u>	<u>644,833</u>	

Movement of provision for obsolete inventory is as follows:

	<u>2012</u>	<u>2011</u>	
	41,642	43,224	<i>Beginning balance</i>
			<i>Movement during the year:</i>
	-	1,241	<i>Provision for obsolete inventories</i>
	<u>(9,331)</u>	<u>(2,823)</u>	<i>Reclassification to non-productive inventories</i>
	<u>32,311</u>	<u>41,642</u>	<i>Ending balances</i>

Materials and spare parts stored in the warehouse together with certain fixed assets are covered under All Risk insurance from PT Asuransi Jasa Indonesia (Persero).

Management believes that the insurance is adequate to cover possible losses arising from inventory loss and related risks.

A portion of PT IPC's inventory amounting to Rp27.15 billion is guaranteed as collateral (refer to Note 22).

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10. ASET KEUANGAN TERSEDIA UNTUK DIJUAL

Aset keuangan yang tersedia untuk dijual terdiri dari investasi di surat berharga pemerintah dan reksadana. Berikut adalah mutasi aset keuangan Perusahaan yang tersedia untuk dijual:

	<u>2012</u>	<u>2011</u>
Saldo awal aset keuangan yang tersedia untuk dijual	39,217	71,422
- Penambahan	922,030	460,000
- Pelepasan	(812,849)	(504,084)
- Realisasi keuntungan dari pelepasan aset keuangan tersedia untuk dijual	16,464	14,084
- Keuntungan/(kerugian) yang belum direalisasi dari aset keuangan yang tersedia untuk dijual	<u>7,722</u>	<u>(2,205)</u>
Saldo akhir	<u><u>172,584</u></u>	<u><u>39,217</u></u>

Aset keuangan tersedia untuk dijual terdiri dari:

	<u>2012</u>	<u>2011</u>
Pihak Berelasi		
Obligasi Negara		
- Obligasi Ritel Indonesia 009	124,616	-
- Sukuk Ritel 004	31,097	-
- Obligasi Ritel Indonesia 008	-	14,107
- Sukuk Ritel 003	-	9,448
Reksadana		
- METI Renewable Energy Fund	<u>16,871</u>	<u>15,662</u>
Saldo akhir	<u><u>172,584</u></u>	<u><u>39,217</u></u>

Seluruh aset keuangan tersedia untuk dijual didenominasikan dalam mata uang Rupiah.

Eksposur maksimum atas risiko kredit pada tanggal pelaporan adalah sebesar nilai tercatat efek utang dan reksa dana yang diklasifikasikan sebagai tersedia untuk dijual.

Tidak ada dari aset keuangan tersebut yang telah jatuh tempo atau mengalami penurunan nilai.

Manajemen berniat untuk menjual aset keuangan yang tersedia untuk dijual di periode mendatang bila harganya menguntungkan.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets consist of investments in government bonds and mutual fund. Below is the movement of available-for-sale financial assets of the Company:

Beginning balance of available for sale financial assets	
Additions -	
Disposals -	
Realisation of profit from -	
disposal of available-for-sale financial assets	
Unrealised gain/(loss) from -	
available-for-sale financial assets	
Ending balance	

Available-for-sale financial assets include the following:

Related Party	
Government Bond	
Obligasi Ritel Indonesia 009	-
Sukuk Ritel 004	-
Obligasi Ritel Indonesia 008	-
Sukuk Ritel 003	-
Mutual Fund	
METI Renewable Energy Fund -	
Ending Balance	

Available-for-sale financial assets are denominated in Rupiah currency.

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities and mutual fund which are classified as available-for-sale.

None of these financial assets are either overdue or impaired.

Management plans to sell the available-for-sale financial assets in the coming period, when the price is favourable.

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11. BIAYA DIBAYAR DI MUKA DAN UANG MUKA

Biaya dibayar di muka terdiri dari asuransi dibayar di muka, biaya dibayar di muka lainnya dan uang muka pihak ketiga.

11. PREPAYMENTS AND ADVANCES

Prepayments consists of prepaid insurance, other prepayments, and advances to third parties.

12. ASET LANCAR LAINNYA

Akun ini terdiri dari piutang non-operasional lainnya setelah dikurangi penyisihan.

12. OTHER CURRENT ASSETS

This account consists of non-operational receivables, net of provision.

13. INVESTASI

a. Investasi pada entitas asosiasi

PT Bukit Pembangkit Innovative ("BPI")

Akun ini terdiri dari investasi pada BPI dengan persentase kepemilikan Grup 59,75% pada tahun 2012 dan 2011.

Tambahan setoran modal saham yang dilakukan Perusahaan pada tahun 2008 telah disahkan melalui akte notaris Renny Astuti, S.H. No. 34 tanggal 8 Maret 2010. Hal ini menyebabkan persentase kepemilikan Perusahaan berubah menjadi 59,75%. Namun, perubahan persentase kepemilikan Perusahaan tidak disertai dengan adanya pengendalian terhadap BPI. Proses pengambilan keputusan dilakukan dengan hak suara dimana masing-masing pemegang saham memiliki satu hak suara yang sama. Oleh karena itu, Perusahaan masih memperlakukan BPI sebagai perusahaan asosiasi.

Berikut adalah mutasi investasi pada BPI:

	<u>2012</u>	<u>2011</u>
Saldo awal	397,659	261,555
Tambahan setoran modal	134,728	138,895
Bagian rugi neto	<u>(5,914)</u>	<u>(2,791)</u>
	<u>526,473</u>	<u>397,659</u>

PT Bukit Asam Transpacific Railway Infrastructure ("BATR")

Pada tanggal 5 Agustus 2008, Perusahaan melakukan investasi untuk memperoleh 10% kepemilikan atas saham BATR. BATR akan menyelenggarakan prasarana perkeretaapian batubara dan belum beroperasi pada tanggal 31 Desember 2012. Walaupun Grup hanya memiliki 10% kepemilikan Grup memiliki pengaruh signifikan pada BATR. Keberlangsungan usaha dari BATR tergantung sepenuhnya kepada komitmen pasokan batubara yang disediakan oleh Grup.

a. Investments in associates

PT Bukit Pembangkit Innovative ("BPI")

This account consists of investment in BPI with the Group's ownership being 59.75% in 2012 and 2011.

The additional paid in capital in 2008 has been approved as documented in Renny Astuti's Notarial Deed No. 34 dated 8 March 2010. Hence, the Company's ownership changed to 59.75%. However, change in ownership was not followed by control over BPI. The decision making is decided based on voting right where each shareholder have one equal voting right. Therefore, the Company still considers BPI as an associated company.

Below is the movement of investment in BPI:

	<u>2012</u>	<u>2011</u>
Saldo awal	397,659	261,555
Tambahan setoran modal	134,728	138,895
Bagian rugi neto	<u>(5,914)</u>	<u>(2,791)</u>
	<u>526,473</u>	<u>397,659</u>

PT Bukit Asam Transpacific Railway Infrastructure ("BATR")

On 5 August 2008, the Company made an investment to obtain 10% ownership of BATR. BATR will operate a coal railway infrastructure but is not yet in operation as of 31 December 2012. The Group has significant influence eventhough the Group only owns 10% of BATR. Going concern of BATR is fully dependent on the coal supply commitment provided by the Group.

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13. INVESTASI (lanjutan)

a. Investasi pada entitas asosiasi (lanjutan)

**PT Bukit Asam Transpacific Railway
Infrastructure ("BATR") (lanjutan)**

Berikut adalah mutasi investasi pada BATR:

	<u>2012</u>	<u>2011</u>
Saldo awal	5,424	5,424
Tambahan setoran modal	<u>-</u>	<u>-</u>
	<u>5,424</u>	<u>5,424</u>

b. Investasi pada entitas pengendalian bersama

PT Huadian Bukit Asam Power ("HBAP")

Pada tanggal 11 September 2012, Perusahaan melakukan investasi untuk memperoleh 45% kepemilikan atas saham HBAP dengan jumlah modal disetor sebesar Rp21,5 miliar. HBAP belum beroperasi sampai dengan 31 Desember 2012. Jumlah agregat komitmen penyertaan modal pada HBAP adalah sebesar USD178.978.797 (setara dengan Rp1.730.724.966,990 (nilai penuh) pada tanggal neraca). Setoran modal tersebut akan dilakukan secara bertahap mulai dari tahun 2012 sampai dengan tahun 2016.

Grup menggunakan metode ekuitas untuk mengakui bagian partisipasi bersama dalam HBAP. Sampai dengan tanggal 31 Desember 2012, HBAP masih dalam tahap pengembangan.

Grup memiliki pengendalian bersama atas HBAP melalui suatu perjanjian kontraktual untuk berbagi pengendalian atas aktivitas ekonomi dan keputusan keuangan operasional strategis terkait.

Berikut adalah mutasi investasi pada HBAP:

	<u>2012</u>	<u>2011</u>
Saldo awal	-	-
Setoran modal	<u>21,551</u>	<u>-</u>
	<u>21,551</u>	<u>-</u>

13. INVESTMENTS (continued)

a. Investments in associates (continued)

**PT Bukit Asam Transpacific Railway
Infrastructure ("BATR") (continued)**

Below is the movement of investment in BATR:

	<u>2012</u>	<u>2011</u>	
	5,424	5,424	<i>Beginning balance</i>
	<u>-</u>	<u>-</u>	<i>Additional paid-in capital</i>
	<u>5,424</u>	<u>5,424</u>	

b. Investment in joint venture

PT Huadian Bukit Asam Power ("HBAP")

On 11 September 2012, the Company made an investment to obtain 45% ownership of HBAP with total paid in capital of Rp21.5 billion. HBAP is not yet in operation as of 31 December 2012. The amount of aggregate capital investment commitment in HBAP is USD178,978,797 (equal to Rp1,730,724,966,990 (full amount) at the balance sheet date). Subscription of capital will be done in several stages, from 2012 to 2016.

The Group uses the equity method to record the portion of joint venture in HBAP until 31 December 2012, which is still under development stage.

The Group has joint control over HBAP through a contractual agreement to share control over economic activities as well as strategic financial and operational decisions.

Below is the movement of investment in HBAP:

	<u>2012</u>	<u>2011</u>	
	-	-	<i>Beginning balance</i>
	<u>21,551</u>	<u>-</u>	<i>Paid-in capital</i>
	<u>21,551</u>	<u>-</u>	

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13. INVESTASI (lanjutan)

**b. Investasi pada entitas pengendalian bersama
(lanjutan)**

Bagian Grup atas hasil entitas asosiasi utama dan entitas pengendalian bersama serta aset agregat (termasuk *goodwill*) dan liabilitas adalah sebagai berikut:

13. INVESTMENTS (continued)

c. Investment in joint venture (continued)

The Group's share of the results of its principal associates and joint venture as well as the aggregated assets (including *goodwill*) and liabilities, are as follows:

	Negara tempat domisili/ Country of domicile	Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Labal(rugi)/ Profit/(loss)	% kepemilikan/ % interest held
31 Desember/ December 2012						
Entitas asosiasi/ Associates						
BPI	Indonesia	1,718,124	841,128	-	9,898	59.75
BATR	Indonesia	54,564	-	-	-	10
Entitas pengendalian Bersama/Joint venture						
HBAP	Indonesia	45,725	-	-	-	45
31 Desember/ December 2011						
Entitas asosiasi/ Associates						
BPI	Indonesia	642,999	34,624	-	4,672	59.75
BATR	Indonesia	54,564	-	-	-	10
Entitas pengendalian Bersama/Joint venture						
HBAP	Indonesia	-	-	-	-	-

14. PROPERTI PERTAMBANGAN

14. MINING PROPERTIES

	2012	2011	
Nilai perolehan	199,063	199,063	Acquisition cost
Akumulasi amortisasi awal tahun	(24,239)	(11,521)	<i>Accumulated amortisation at the beginning of the year</i>
Beban amortisasi tahun berjalan	(20,488)	(12,718)	<i>Current year amortisation expense</i>
	<u>154,336</u>	<u>174,824</u>	

Properti pertambangan merupakan saldo yang timbul karena akuisisi kepemilikan atas IPC sebagai akibat dari penilaian wajar atas aset-aset yang diperoleh pada tanggal akuisisi.

Mining properties represent the balance arising from the acquisition of ownership in IPC, as a result of the fair valuation of the assets acquired at the date of acquisition.

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15. ASET TETAP

15. FIXED ASSETS

Aset tetap terdiri dari:

Fixed assets consist of the following:

31 Desember/December 2012						
	Saldo awal/ Beginning balance	Penambahan/ Additions*	Pengurangan/ Disposals	Transfer/ Transfers	Saldo akhir/ Ending balance	
Harga perolehan						Cost
Tanah	100,571	9,854	-	-	110,425	Land
Bangunan	369,702	816	(12,069)	60,223	418,672	Buildings
Mesin dan peralatan	982,551	22,303	(26,212)	195,582	1,174,224	Machinery and equipment
Kendaraan	25,334	35,770	-	-	61,104	Vehicles
Peralatan kantor dan rumah sakit	61,229	9,668	(326)	492	71,063	Office and hospital equipment
Aset tetap dalam penyelesaian	732,454	696,697	-	(256,297)	1,172,854	Construction in progress
	<u>2,271,841</u>	<u>775,108</u>	<u>(38,607)</u>	<u>-</u>	<u>3,008,342</u>	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(231,970)	(11,547)	10,479	-	(233,038)	Buildings
Mesin dan peralatan	(825,590)	(36,053)	20,739	-	(840,904)	Machinery and equipment
Kendaraan	(18,297)	(2,991)	-	-	(21,288)	Vehicles
Peralatan kantor dan rumah sakit	(56,560)	(3,431)	326	-	(59,665)	Office and hospital equipment
	<u>(1,132,417)</u>	<u>(54,022)</u>	<u>31,544</u>	<u>-</u>	<u>(1,154,895)</u>	
Nilai buku	<u>1,139,424</u>				<u>1,853,447</u>	Book value

* Termasuk selisih penjabaran laporan keuangan entitas anak yang tidak material untuk Grup

* Includes difference on translation of financial statements of subsidiary which is immaterial to the Group

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15. ASET TETAP (lanjutan)

15. FIXED ASSETS (continued)

31 Desember/December 2011						
Saldo awal/ Beginning balance	Penambahan/ Additions*	Pengurangan/ Disposals	Transfer/ Transfers	Saldo akhir/ Ending balance		
Harga perolehan						Cost
Tanah	80,746	4,886	-	14,939	100,571	Land
Bangunan	329,480	4,814	(2,030)	37,438	369,702	Buildings
Mesin dan peralatan	971,483	8,577	(2,102)	4,593	982,551	Machinery and equipment
Kendaraan	17,991	7,393	(50)	-	25,334	Vehicles
Peralatan kantor dan rumah sakit	57,841	2,931	(417)	874	61,229	Office and hospital equipment
Aset tetap dalam penyelesaian	548,577	241,721	-	(57,844)	732,454	Construction in progress
	<u>2,006,118</u>	<u>270,322</u>	<u>(4,599)</u>	<u>-</u>	<u>2,271,841</u>	
Akumulasi penyusutan						Accumulated depreciation
Bangunan	(222,156)	(11,197)	1,383	-	(231,970)	Buildings
Mesin dan peralatan	(796,472)	(31,220)	2,102	-	(825,590)	Machinery and equipment
Kendaraan	(15,636)	(2,711)	50	-	(18,297)	Vehicles
Peralatan kantor dan rumah sakit	(54,459)	(2,518)	417	-	(56,560)	Office and hospital equipment
	<u>(1,088,723)</u>	<u>(47,646)</u>	<u>3,952</u>	<u>-</u>	<u>(1,132,417)</u>	
Nilai buku	<u>917,395</u>				<u>1,139,424</u>	Book value

* Termasuk selisih penjabaran laporan keuangan entitas anak yang tidak material untuk Grup

* Includes difference on translation of financial statements of subsidiary which is immaterial to the Group

Penyusutan dibebankan ke:

Depreciation was charged to:

	2012	2011	
Beban pokok penjualan	25,111	20,702	Cost of sales
Beban di luar beban pokok penjualan	28,911	26,944	Expenses other than cost of sales
	<u>54,022</u>	<u>47,646</u>	

Jumlah tercatat bruto aset tetap yang pada tahun 2012 sudah disusutkan penuh tetapi masih digunakan oleh Grup adalah sebesar:

Gross amount of fully depreciated fixed assets as at 2012 still used by the Group amounts to:

	2012	2011	
Bangunan	129,636	131,187	Buildings
Mesin dan peralatan	355,217	257,155	Machinery and equipment
Kendaraan	13,649	11,925	Vehicles
	<u>498,502</u>	<u>400,267</u>	

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15. ASET TETAP (lanjutan)

Aset tetap tertentu termasuk alat tambang utama yang berada di Area Pertambangan Tanjung Enim, Dermaga Kertapati, Pelabuhan Tarahan, Dermaga Teluk Bayur, Area Pertambangan Ombilin, Unit Pengusahaan Briket dan beberapa lokasi lain yang memiliki total nilai sebesar Rp2,9 triliun telah diasuransikan pada PT Asuransi Jasa Indonesia (Persero) untuk *property all risks* dengan jumlah pertanggungan sebesar Rp3,1 triliun untuk periode 31 Desember 2011 sampai dengan 31 Desember 2012.

Manajemen berkeyakinan bahwa pertanggungan asuransi tersebut sudah memadai untuk menutup kemungkinan kerugian yang terjadi akibat risiko-risiko yang mungkin terjadi.

Jika aset tetap dicatat sebesar nilai wajar maka jumlahnya adalah sebesar:

	<u>Book value</u>	<u>Fair value</u>
Tanah	41,436	733,555
Bangunan	176,151	311,938
Mesin dan peralatan	<u>329,524</u>	<u>1,211,551</u>
Jumlah aset tetap	<u><u>547,111</u></u>	<u><u>2,257,044</u></u>

Selain tanah, bangunan, dan mesin dan peralatan tidak ada perbedaan yang signifikan antara nilai wajar aset tetap dengan nilai tercatatnya. Nilai wajar aset tetap di atas tidak termasuk nilai wajar aset tetap milik perusahaan anak yang tidak signifikan bagi Grup.

Aset dalam penyelesaian merupakan proyek yang masih belum selesai pada tanggal laporan posisi keuangan:

31 Desember/December 2012			
Aset dalam penyelesaian yang belum selesai pada tanggal neraca/ Construction in progress as at the balance sheet date	Persentase penyelesaian/ Percentage of completion	Akumulasi biaya/ Accumulated costs	Estimasi tanggal penyelesaian/ Estimated completion date
Fasilitas pembongkaran gerbong batubara/Coal wagon unloading facility	57%	519,080	September/ September 2013
PLTU 3x10 MW Banko Barat	97.38%	388,450	Maret/ March 2013
PLTU 2x8 MW Tarahan	78.05%	175,854	Maret/ March 2013
Lain-lain (masing-masing di bawah 5% dari nilai aset dalam penyelesaian/ Others (each below 5% of construction in progress)	5%-90%	89,470	Maret – Desember 2013/ March – December 2013
Nilai buku/Book value		<u><u>1,172,854</u></u>	

15. FIXED ASSETS (continued)

Certain fixed assets, including the main mining equipment located in the Tanjung Enim Mine Area, Kertapati Jetty, Tarahan Port, Teluk Bayur Jetty, Ombilin Mine Area, Coal Briquette Operating Unit, and several other locations amounting to Rp2.9 trillion were insured with PT Asuransi Jasa Indonesia (Persero) for all property risks with the sum insured amounting to Rp3.1 trillion for the period from 31 December 2011 to 31 December 2012.

Management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

If fixed assets were stated on the fair value basis, the amounts would be as follows:

	<i>Land</i>
	<i>Buildings</i>
	<i>Machinery and equipment</i>
Jumlah aset tetap	<i>Total fixed assets</i>

There is no significant difference between the fair value and carrying value of fixed assets, other than land, buildings, and machinery and equipment. Fair value of fixed assets above does not include fixed assets of subsidiaries which are not significant to the Group.

Construction in progress represents projects that have not been completed at the date of the statements of financial position:

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15. ASET TETAP (lanjutan)

15. FIXED ASSETS (continued)

31 Desember/December 2011			
Aset dalam penyelesaian yang belum selesai pada tanggal neraca/ Construction in progress as at the balance sheet date	Persentase penyelesaian/ Percentage of completion	Akumulasi biaya/ Accumulated costs	Estimasi tanggal penyelesaian/ Estimated completion date
Fasilitas pembongkaran gerbong batubara/ <i>Coal wagon unloading facility</i>	35%	47,041	Juni/June 2012
PLTU 3x10 MW Banko Barat	93.5%	368,521	Juli/July 2012
Relokasi BWE/ <i>BWE relocation</i>	98%	238,473	Juni/June 2012
Lain-lain (masing-masing di bawah 5% dari nilai aset dalam penyelesaian)/ <i>Others (each below 5% of construction in progress)</i>	5%-95%	78,419	Maret/March 2012 - Oktober/October 2013
Nilai buku/<i>Book value</i>		<u>732,454</u>	

Penyelesaian proyek fasilitas pembongkaran gerbong batubara di Tarahan mengalami keterlambatan yang disebabkan oleh kurangnya lahan yang tersedia akibat belum adanya kesepakatan penggunaan lahan yang dimiliki oleh PLN Tarahan yang terkena perluasan pembangunan proyek.

The completion of the coal wagon unloading facility in Tarahan was delayed due to insufficient area available since an agreement has not yet been reached between the Company and PLN Tarahan regarding the land use for extension of the project development.

Penyelesaian Pembangkit Listrik Banko Barat 3x10 MW terlambat dikarenakan kontraktor gagal menyelesaikan desain proyek tepat waktu. Keterlambatan tersebut juga disebabkan oleh penyelesaian pekerjaan sipil yang tidak selesai sesuai jadwal akibat terjadinya kelangkaan pasokan bahan baku sesuai spesifikasi kontrak.

Completion of Banko Barat Power Plant 3x10 MW was delayed due to the contractor failing to complete the project design on time. The delay was also caused by the completion of civil works, which were not completed on schedule as a result of the scarcity of materials supplied as specified in the contract.

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**16. BEBAN EKSPLORASI DAN PENGEMBANGAN
TANGGUHAN**

**16. DEFERRED EXPLORATION AND DEVELOPMENT
EXPENDITURE**

		31 Desember/December 2012			
		Saldo awal/ Beginning balance	Penambahan/ Additions*	Pelepasan/ Disposals	Saldo akhir/ Ending balance
Area yang telah menemukan cadangan terbukti					Areas with proven reserves
Nilai perolehan Perusahaan					Acquisition cost The Company
- Muara Tiga Besar	113,197	8,365	-	121,562	Muara Tiga Besar -
- Banko Tengah	167,540	201,052	-	368,592	Banko Tengah -
- Banko Barat	13,544	4,291	-	17,835	Banko Barat -
- Air Laya	169,959	-	-	169,959	Air Laya -
- Peranap - Riau	34,889	7,662	-	42,551	Peranap - Riau -
	499,129	221,370	-	720,499	
IPC					IPC
- Palaran	49,376	15,827	-	65,203	Palaran -
BBK					BBK
- Bukit Kendi	9,662	-	-	9,662	Bukit Kendi -
	<u>558,167</u>	<u>237,197</u>	<u>-</u>	<u>795,364</u>	
Akumulasi amortisasi Perusahaan					Accumulated amortisation The Company
- Muara Tiga Besar	25,808	2,716	-	28,524	Muara Tiga Besar -
- Banko Tengah	-	-	-	-	Banko Tengah -
- Banko Barat	-	2,983	-	2,983	Banko Barat -
- Air Laya	24,726	8,360	-	33,086	Air Laya -
- Peranap - Riau	-	-	-	-	Peranap - Riau -
	50,534	14,059	-	64,593	
IPC					IPC
- Palaran	7,951	8,284	-	16,236	Palaran -
BBK					BBK
- Bukit Kendi	9,662	-	-	9,662	Bukit Kendi -
	<u>68,147</u>	<u>22,343</u>	<u>-</u>	<u>90,491</u>	
Nilai buku bersih	<u>490,020</u>	<u>214,854</u>	<u>-</u>	<u>704,873</u>	Net book value

* Termasuk selisih penjabaran laporan keuangan entitas anak yang tidak material untuk Grup

* Includes difference on translation of financial statements of subsidiary which is immaterial to the Group

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**16. BEBAN EKSPLORASI DAN PENGEMBANGAN
TANGGUHAN (lanjutan)**

**16. DEFERRED EXPLORATION AND DEVELOPMENT
EXPENDITURE (continued)**

		31 Desember/December 2011			
		Saldo awal/ Beginning balance	Penambahan/ Additions*	Pelepasan/ Disposals	Saldo akhir/ Ending balance
Area yang telah menemukan cadangan terbukti					Areas with proven reserves
Nilai perolehan Perusahaan					Acquisition cost The Company
- Muara Tiga Besar	88,292	24,905	-	113,197	Muara Tiga Besar -
- Banko Tengah	49,524	118,016	-	167,540	Banko Tengah -
- Banko Barat	13,426	118	-	13,544	Banko Barat -
- Air Laya	169,959	-	-	169,959	Air Laya -
- Peranap - Riau	<u>17,970</u>	<u>16,919</u>	<u>-</u>	<u>34,889</u>	Peranap - Riau -
	339,171	159,958	-	499,129	
IPC					IPC
- Palaran	34,854	14,522	-	49,376	Palaran -
BBK					BBK
- Bukit Kendi	<u>9,662</u>	<u>-</u>	<u>-</u>	<u>9,662</u>	Bukit Kendi -
	<u>383,687</u>	<u>174,480</u>	<u>-</u>	<u>558,167</u>	
Akumulasi amortisasi Perusahaan					Accumulated amortisation The Company
- Muara Tiga Besar	25,808	-	-	25,808	Muara Tiga Besar -
- Banko Tengah	-	-	-	-	Banko Tengah -
- Banko Barat	-	-	-	-	Banko Barat -
- Air Laya	17,498	7,228	-	24,726	Air Laya -
- Peranap - Riau	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Peranap - Riau -
	43,306	7,228	-	50,534	
IPC					IPC
- Palaran	3,122	4,829	-	7,951	Palaran -
BBK					BBK
- Bukit Kendi	<u>9,662</u>	<u>-</u>	<u>-</u>	<u>9,662</u>	Bukit Kendi -
	<u>56,090</u>	<u>12,057</u>	<u>-</u>	<u>68,147</u>	
Nilai buku neto	<u>327,597</u>			<u>490,020</u>	Net book value

* Termasuk selisih penjabaran laporan keuangan entitas anak yang tidak material untuk Grup

* Includes difference on translation of financial statements of subsidiary which is immaterial to the Group

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17. UTANG USAHA

Utang usaha terdiri dari:

	<u>2012</u>	<u>2011</u>
Pihak ketiga		
Rupiah	118,185	96,846
Dolar Amerika Serikat	10,291	14,979
Euro	-	9
	<u>128,476</u>	<u>111,834</u>
Pihak yang berelasi (lihat Catatan 32a)		
Rupiah	<u>21,300</u>	<u>10,448</u>
Total utang usaha	<u>149,776</u>	<u>122,282</u>

Utang usaha berasal dari pembelian barang dan jasa. Tidak terdapat utang kepada pihak ketiga yang nilainya memerlukan penyajian terpisah. Semua utang usaha berstatus lancar.

17. TRADE PAYABLES

Trade payables consist of the following:

	<u>2012</u>	<u>2011</u>	
Third parties			
Rupiah	118,185	96,846	
US Dollars	10,291	14,979	
Euro	-	9	
	<u>128,476</u>	<u>111,834</u>	
Related parties (refer to Note 32a)			
Rupiah	<u>21,300</u>	<u>10,448</u>	
Total trade payables	<u>149,776</u>	<u>122,282</u>	

The trade payables arose from the purchase of goods and services. There are no payables to third parties which meet the threshold for separate disclosure. All trade payables are current.

18. BEBAN AKRUAL

a. Beban akrual

Beban akrual terdiri dari:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	
Jasa angkutan kereta api	230,886	240,317	185,211	Coal railway services
Aset dalam penyelesaian	210,593	67,117	34,342	Construction in progress
Jasa penambangan	195,856	348,738	125,038	Mining services
Sewa alat berat	112,096	108,956	47,148	Heavy equipment rental
Jasa angkutan kapal	63,948	41,413	43,033	Shipping and freight
Iuran produksi	34,042	49,453	65,886	Production fees
Jasa dermaga	39,529	28,200	22,101	Coal handling at port
Lainnya (masing-masing di bawah Rp20.000)	<u>90,765</u>	<u>111,301</u>	<u>99,431</u>	Others (each below Rp20,000)
	<u>977,715</u>	<u>995,495</u>	<u>622,190</u>	

b. Liabilitas imbalan kerja jangka pendek

Liabilitas imbalan kerja jangka pendek terdiri dari:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Bonus karyawan dan tantiem	<u>231,622</u>	<u>260,175</u>	<u>125,843</u>
	<u>231,622</u>	<u>260,175</u>	<u>125,843</u>

18. ACCRUED EXPENSES

a. Accrued expenses

Accrued expenses consist of the following:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	
Coal railway services	230,886	240,317	185,211	
Construction in progress	210,593	67,117	34,342	
Mining services	195,856	348,738	125,038	
Heavy equipment rental	112,096	108,956	47,148	
Shipping and freight	63,948	41,413	43,033	
Production fees	34,042	49,453	65,886	
Coal handling at port	39,529	28,200	22,101	
Others (each below Rp20,000)	<u>90,765</u>	<u>111,301</u>	<u>99,431</u>	
	<u>977,715</u>	<u>995,495</u>	<u>622,190</u>	

b. Short-term employee benefit liabilities

Short-term employee benefit liabilities consist of the following:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	
Employee bonus and tantiem	<u>231,622</u>	<u>260,175</u>	<u>125,843</u>	
	<u>231,622</u>	<u>260,175</u>	<u>125,843</u>	

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19. PERPAJAKAN

19. TAXATION

a. Pajak dibayar di muka

a. Prepaid taxes

	<u>2012</u>	<u>2011</u>
Perusahaan		
Kelebihan pembayaran		
pajak badan	61,791	-
Pajak Bumi dan Bangunan*	34,974	-
Pajak Pertambahan Nilai		
("PPN")	<u>100</u>	<u>834</u>
Entitas Anak		
Kelebihan pembayaran		
pajak badan		
- 2010	572	963
- 2009	<u>-</u>	<u>6,823</u>
	<u>97,437</u>	<u>8,620</u>

The Company
Overpayment of
corporate income tax
Land and Building Tax*
Value Added Tax ("VAT")

Subsidiaries
Overpayment of
corporate income tax
2010 -
2009 -

* Dalam proses banding, lihat Catatan 19f.

* In tax appeal process, refer to Note 19f.

b. Utang pajak

b. Taxes payable

	<u>2012</u>	<u>2011</u>
Perusahaan		
Pajak penghasilan		
Pasal 29	-	275,878
Pasal 25	84,720	62,542
Pasal 21	60,707	49,697
Pasal 23/26	1,343	16,115
PPN	<u>83,979</u>	<u>-</u>
	<u>230,749</u>	<u>404,232</u>
Entitas Anak		
Pajak penghasilan		
Pasal 25	5,783	7,495
Pasal 21	1,671	899
Pasal 23/26	533	497
Pasal 15	143	65
PPN	<u>22</u>	<u>29</u>
	<u>8,152</u>	<u>8,985</u>
Jumlah utang pajak	<u>238,901</u>	<u>413,217</u>

The Company
Income tax
Article 29
Article 25
Article 21
Article 23/26
VAT

Subsidiaries
Income tax
Article 25
Article 21
Article 23/26
Article 15
VAT

Total taxes payable

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19. PERPAJAKAN (lanjutan)

19. TAXATION (continued)

c. Beban pajak penghasilan

c. Income tax expense

	<u>2012</u>	<u>2011</u>	
Perusahaan			The Company
- Beban pajak kini - non final	961,525	1,034,270	Current tax expense - non final -
- Manfaat pajak tangguhan	<u>(42,853)</u>	<u>(70,676)</u>	Deferred tax benefit -
	918,672	963,594	
- Beban pajak kini - final	<u>65,544</u>	<u>81,696</u>	Current tax expense - final -
	<u>984,216</u>	<u>1,045,290</u>	
Entitas Anak			Subsidiaries
- Beban pajak kini - non final	13,336	7,397	Current tax expense – non final -
- Beban pajak tangguhan	<u>2,683</u>	<u>46</u>	Deferred tax expense -
	16,019	7,443	
- Beban pajak kini - final	<u>1,931</u>	<u>331</u>	Current tax expense - final -
	<u>17,950</u>	<u>7,774</u>	
Konsolidasian			Consolidated
- Beban pajak kini - non final	974,861	1,041,667	Current tax expense – non final -
- Manfaat pajak tangguhan	<u>(40,170)</u>	<u>(70,630)</u>	Deferred tax benefit -
	934,691	971,037	
- Beban pajak kini - final	<u>67,475</u>	<u>82,027</u>	Current tax expense - final -
Jumlah beban pajak penghasilan	<u>1,002,166</u>	<u>1,053,064</u>	Total income tax expense

Pajak atas laba Grup sebelum pajak berbeda dari nilai teoritis yang mungkin muncul apabila menggunakan rata-rata tertimbang tarif pajak terhadap laba pada entitas konsolidasian dalam jumlah sebagai berikut:

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	<u>2012</u>	<u>2011</u>	
Laba konsolidasian sebelum pajak	3,911,587	4,141,132	Consolidated profit before tax
Pajak dihitung dengan tarif pajak yang berlaku	977,897	1,038,006	Tax calculated at applicable tax rates
Dampak pajak penghasilan pada:			Effect of income tax on:
- Laba setelah pajak entitas asosiasi	1,478	698	Associates' results -
- Penghasilan tidak kena pajak	(72,769)	(105,159)	reported net of tax
- Beban yang tidak dapat dikurangkan untuk tujuan perpajakan	<u>28,085</u>	<u>37,492</u>	Income not subject to tax -
			Expenses not -
Beban pajak penghasilan kini – non final	934,691	971,037	deductible for tax purposes
Beban pajak penghasilan kini – final	<u>67,475</u>	<u>82,027</u>	Current income tax expenses – non final
			Current income tax expenses – final
Jumlah beban pajak penghasilan kini	<u>1,002,166</u>	<u>1,053,064</u>	Total current income tax expenses

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19. PERPAJAKAN (lanjutan)

19. TAXATION (continued)

c. Beban pajak penghasilan (lanjutan)

c. Income tax expense (continued)

Perhitungan pajak penghasilan badan kini
adalah sebagai berikut:

The calculation of current income tax is as
follows:

	<u>2012</u>	<u>2011</u>	
Laba sebelum pajak penghasilan konsolidasian	3,911,587	4,141,132	Consolidated profit before income tax
Dikurangi:			Less:
Laba/(rugi) sebelum pajak penghasilan entitas anak	<u>24,550</u>	<u>7,746</u>	Profit/(loss) before income tax of subsidiaries
Laba sebelum pajak penghasilan Perusahaan	<u>3,887,037</u>	<u>4,133,386</u>	Profit before income tax of the Company
Perbedaan waktu			Temporary differences
Provisi reklamasi lingkungan dan penutupan tambang	27,634	28,848	Provision for environmental reclamation and mine closure
Liabilitas imbalan pascakerja	134,635	268,800	Post-employment benefits obligation
Perbedaan nilai buku aset tetap komersial dan fiskal	6,201	(20,804)	Difference between commercial and tax net book value of fixed assets
Amortisasi beban eksplorasi dan pengembangan tangguhan	(6,631)	(15,732)	Amortisation of deferred exploration and development expenditure
Penyisihan penurunan nilai piutang	-	7,634	Provision for impairment of receivables
Penyisihan untuk persediaan usang	<u>(10,913)</u>	<u>1,241</u>	Provision for obsolete inventory
Total beda waktu	<u>150,926</u>	<u>269,987</u>	Total timing differences
Perbedaan tetap			Permanent differences
Beban kesejahteraan karyawan	83,517	1,906	Employee benefits in kind
Sumbangan	31,355	82,236	Donations
Pendapatan kena pajak final	(347,046)	(420,636)	Income subject to final tax
Bagian rugi bersih dari perusahaan asosiasi	5,914	2,791	Share in net loss of associate
Lain-lain	<u>34,400</u>	<u>67,410</u>	Others
	<u>(191,860)</u>	<u>(266,293)</u>	
Taksiran pendapatan kena pajak - (Perusahaan)	<u>3,846,103</u>	<u>4,137,080</u>	Estimated taxable income (the Company) -
Beban pajak penghasilan - kini (Perusahaan)	961,525	1,034,270	Income tax expense - current (the Company)
Dikurangi pembayaran pajak dimuka (Perusahaan)	<u>1,023,316</u>	<u>(758,392)</u>	Less prepaid taxes (the Company)
(Lebih)/kurang bayar pajak penghasilan/badan (Perusahaan)	<u>(61,791)</u>	<u>275,878</u>	(Overpayment)/underpayment of corporate income tax (the Company)

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19. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Perhitungan beban pajak penghasilan kini dilakukan berdasarkan taksiran pendapatan kena pajak. Nilai tersebut mungkin disesuaikan ketika SPT Tahunan disampaikan ke Direktorat Jenderal Pajak ("DJP").

Rekonsiliasi antara beban pajak penghasilan dengan hasil perkalian laba akuntansi sebelum pajak penghasilan dengan tarif pajak yang berlaku adalah sebagai berikut:

	<u>2012</u>	<u>2011</u>
Laba sebelum pajak penghasilan konsolidasian	3,911,587	4,141,132
Dikurangi:		
Laba/(rugi) sebelum pajak penghasilan entitas anak	<u>24,550</u>	<u>7,746</u>
Laba sebelum pajak penghasilan Perusahaan	3,887,037	4,133,386
Pajak dihitung pada tarif 25%	<u>971,759</u>	<u>1,033,347</u>
Tambah/(kurang):		
Perbedaan tetap		
Beban kesejahteraan karyawan	20,879	477
Sumbangan	7,839	20,559
Pendapatan kena pajak final	(86,762)	(105,159)
Bagian rugi bersih dari perusahaan asosiasi	1,478	698
Amortisasi properti pertambangan	(5,121)	(3,180)
Lain-lain	<u>8,600</u>	<u>16,852</u>
	<u>(53,087)</u>	<u>(69,753)</u>
Pajak penghasilan Perusahaan	<u>918,672</u>	<u>963,594</u>
Pajak penghasilan entitas anak	<u>16,019</u>	<u>7,443</u>
Beban pajak penghasilan - konsolidasi	<u><u>934,691</u></u>	<u><u>971,037</u></u>

19. TAXATION (continued)

c. Income tax expense (continued)

Current income tax computations are based on the estimated taxable income. The amounts may be adjusted when an annual tax return is filed to the Directorate General of Tax ("DGT").

The reconciliation between income tax expense and the theoretical tax amount on the Company's profit before income tax is as follows:

Consolidated profit before income tax
Less:
Profit/(loss) before income tax of subsidiaries
Profit before income tax of the Company
Income tax expense calculated at 25%
Add/(less):
Permanent differences
Employee benefits in kind
Donations
Income subject to final tax
Share in net loss of associates
Amortisation of mining properties
Others
Income tax expense of the Company
Income tax expense of subsidiaries
Income tax expense - consolidated

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19. PERPAJAKAN (lanjutan)

19. TAXATION (continued)

d. Aset/(liabilitas) pajak tangguhan

d. Deferred tax assets/(liabilities)

	<u>2011</u>	Dibebankan/ (dikreditkan) pada laporan laba-rugi konsolidasian/ Charged/ (credited) to consolidated statements of income	Dibebankan/ (dikreditkan) pada ekuitas Charged/ (credited) to equity	<u>2012</u>	
Provisi reklamasi lingkungan dan penutupan tambang	59,858	6,908	-	66,766	Provision for environmental reclamation and mine closure
Penyisihan untuk persediaan usang	7,084	(2,728)	-	4,356	Provision for obsolete inventory
Penyisihan persediaan tidak produktif	2,982	-	-	2,982	Provision for non-productive inventories
Perbedaan nilai buku aset tetap komersial dan fiskal	11,748	1,550	-	13,298	Difference between commercial and tax net book value of fixed assets
Penyisihan penurunan nilai piutang	5,383	-	-	5,383	Provision for impairment of trade receivables
Amortisasi beban eksplorasi dan pengembangan tangguhan	(2,595)	(1,658)	-	(4,253)	Amortisation of deferred exploration and development expenditure
Liabilitas imbalan pascakerja	<u>323,348</u>	<u>33,659</u>	<u>219,822</u>	<u>576,829</u>	Post-employment benefits obligations
Aset pajak tangguhan - Perusahaan	407,808	37,731	219,822	665,361	Deferred tax assets - the Company
Properti pertambangan	(43,706)	5,122	-	(38,584)	Mining properties
Aset pajak tangguhan-entitas anak	<u>35,035</u>	<u>(6,687)</u>	<u>-</u>	<u>28,348</u>	Deferred tax assets - subsidiaries
Aset pajak tangguhan, neto	399,137	36,166	219,822	659,129	Deferred tax assets, net
Aset pajak tangguhan yang tidak diakui - entitas anak	<u>(12,435)</u>	<u>4,004</u>	<u>-</u>	<u>(8,431)</u>	Unrecognised deferred tax assets - subsidiaries
Aset pajak tangguhan neto	<u><u>386,702</u></u>	<u><u>40,170</u></u>	<u><u>219,822</u></u>	<u><u>646,694</u></u>	Deferred tax assets - net

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19. PERPAJAKAN (lanjutan)

19. TAXATION (continued)

d. Aset/(liabilitas) pajak tangguhan (lanjutan)

d. Deferred tax assets/(liabilities) (continued)

	2010	Dibebankan/ (dikreditkan) pada laporan laba-rugi konsolidasian/ Charged/ (credited) to consolidated statements of income	2011	
Provisi reklamasi lingkungan dan penutupan tambang	52,646	7,212	59,858	Provision for environmental reclamation and mine closure
Penyisihan untuk persediaan usang	7,084	-	7,084	Provision for obsolete inventory
Penyisihan persediaan tidak produktif	2,672	310	2,982	Provision for non-productive inventories
Perbedaan nilai buku aset tetap komersial dan fiskal	16,949	(5,201)	11,748	Difference between commercial and tax net book value of fixed assets
Penyisihan penurunan nilai piutang	3,475	1,908	5,383	Provision for impairment of trade receivables
Amortisasi beban eksplorasi dan pengembangan tangguhan	1,338	(3,933)	(2,595)	Amortisation of deferred exploration and development expenditure
Liabilitas imbalan pascakerja	<u>256,148</u>	<u>67,200</u>	<u>323,348</u>	Post-employment benefits obligation
Aset pajak tangguhan - Perusahaan	340,312	67,496	407,808	Deferred tax assets - the Company
Properti pertambangan	(46,886)	3,180	(43,706)	Mining properties
Aset pajak tangguhan-entitas anak	<u>35,081</u>	<u>(46)</u>	<u>35,035</u>	Deferred tax assets - subsidiaries
Aset pajak tangguhan, neto	328,507	70,630	399,137	Deferred tax assets, net
Aset pajak tangguhan yang tidak diakui - anak perusahaan	<u>(12,435)</u>	<u>-</u>	<u>(12,435)</u>	Unrecognised deferred tax assets - subsidiaries
Aset pajak tangguhan bersih	<u><u>316,072</u></u>	<u><u>70,630</u></u>	<u><u>386,702</u></u>	Deferred tax assets - net

e. Administrasi

e. Administration

Berdasarkan peraturan perpajakan Indonesia, perusahaan yang berada di dalam Grup menghitung, menetapkan, dan membayar sendiri jumlah pajak yang terutang. DJP dapat menetapkan dan mengubah kewajiban pajak dalam batas waktu sepuluh tahun sejak tanggal terutangnya pajak, atau akhir tahun 2013, mana yang lebih awal.

Under the taxation laws of Indonesia, the companies within the Group submit tax returns on the basis of self-assessment. The DGT may assess or amend taxes within ten years of the time the tax becomes due, or until the end of 2013, whichever is earlier.

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unless otherwise stated)**19. PERPAJAKAN (lanjutan)****e. Administrasi (lanjutan)**

Ketentuan baru yang diberlakukan terhadap tahun pajak 2008 dan tahun-tahun selanjutnya menentukan bahwa DJP dapat menetapkan dan mengubah kewajiban pajak tersebut dalam batas waktu lima tahun sejak saat terutangnya pajak.

f. Pemeriksaan pajak

Pada tanggal 24 Juli 2012, KPP Pratama Prabumulih menerbitkan surat No. 33/WPJ.03/KP.1105/2012 perihal Surat Perintah Pemeriksaan yang ditujukan kepada Perusahaan. Pada tahun 2012 proses pemeriksaan pajak untuk masa pajak tahun 2011 telah selesai dilaksanakan. Berdasarkan Surat Ketetapan Pajak Kurang Bayar ("SKPKB") No. 00002/201/II/313/2012 tanggal 7 Desember 2012 ditetapkan bahwa PPh pasal 21 Perusahaan kurang bayar sebesar Rp3.133.543.105 (nilai penuh). Perusahaan telah melakukan pembayaran atas kurang bayar tersebut tanggal 21 Desember 2012. Selain itu, berdasarkan SKPKB No. 00001/203/II/313/2012 ditetapkan PPh pasal 23 Perusahaan kurang bayar sebesar Rp38.673.530.735 (nilai penuh). Atas hal tersebut Perusahaan telah mengajukan keberatan melalui surat No. 634.J/KU-02-02/XII/2012 tertanggal 20 Desember 2012 serta menyampaikan penjelasan dan bukti pendukung kepada Kantor Wilayah DJP Sumatera Selatan dan Bangka Belitung pada tanggal 8 Februari 2013. Sampai dengan tanggal pelaporan keuangan konsolidasian ini, belum ada tindak lanjut atas proses keberatan tersebut.

Sampai dengan tanggal pelaporan keuangan konsolidasian ini, proses pemeriksaan pajak atas BAP dan BBK untuk masa pajak tahun 2010 telah selesai dilaksanakan. Berdasarkan Keputusan DJP No. KEP-00035.PPH/WPJ.19/KP.0303/2012 tanggal 8 Mei 2012, tentang Pengembalian Kelebihan Pembayaran Pajak kepada BBK, ditetapkan bahwa kelebihan pembayaran PPh 25/29 Badan setelah dikompensasikan dengan sejumlah utang pajak adalah sebesar Rp600.305.949 (nilai penuh). Berdasarkan Surat Ketetapan Pajak Lebih Bayar ("SKPLB") dan Kurang Bayar (SKPKB) dari DJP tanggal 20 Juni 2012, ditetapkan bahwa kelebihan pembayaran PPh 25 Badan BAP adalah sebesar Rp4.545.689.6776 (nilai penuh).

19. TAXATION (continued)**e. Administration (continued)**

There are new rules applicable to the fiscal year 2008 and subsequent years stipulating that the DGT may assess or amend taxes within five years of the time the tax becomes due.

f. Tax audit

On 24 July 2012, the Pratama Prabumulih Tax Office issued letter No. 33/WPJ.03/KP.1105/2012 regarding tax audit of the Company. During 2012 the tax audit for the year 2011 was completed. Based on Tax Underpayment Decision Letter ("SKPKB") No. 00002/201/II/313/2012 dated 7 December 2012, the Company's underpayment of income tax article 21 is Rp3,133,543,105 (full amount). The underpayment has been paid on 21 December 2012. Based on SKPKB No. 00001/203/II/313/2012, the Company's underpayment of income tax article 23 is Rp38,673,530,735 (full amount). For this matter, the Company has filed an objection letter No. 634.J/KU-02-02/XII/2012 dated 20 December 2012 and related supporting documents on 8 February 2013 to DGT South Sumatera and Bangka Belitung. As at the date of these consolidated financial statements, there has been no progress about the objection.

As at the date of these consolidated financial statements, the tax audit process for the year 2010 for BAP and BBK has been completed. Based on the decision of the DGT No. KEP-00035.PPH/WPJ.19/KP.0303/2012 dated 8 May 2012, relating to the tax overpayment refund of BBK, the overpayment of income tax article 25/29 after being compensated with the amount of tax payable is Rp600,305,949 (full amount). Based on Tax Overpayment Decision Letter ("SKPLB") and SKPKB from the DGT dated 20 June 2012, the overpayment of income tax article 25 BAP amounted to Rp4,545,689,677 (full amount).

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**20. PROVISI REKLAMASI LINGKUNGAN DAN
PENUTUPAN TAMBANG**

Penyisihan dilakukan atas biaya reklamasi lingkungan dan penutupan tambang yang berhubungan dengan reklamasi dan bagian biaya penutupan tambang pada saat berakhirnya masa tambang. Estimasi manajemen atas jumlah biaya restorasi, rehabilitasi dan biaya penutupan tambang lainnya untuk Unit Pertambangan Tanjung Enim ("UPT") adalah sebesar Rp5.431 (nilai penuh) per ton batubara yang dihasilkan untuk periode yang berakhir pada 31 Desember 2012 (2011: Rp4.150 (nilai penuh)) sesuai dengan kebijakan pada Catatan 2j.

Mutasi nilai penyisihan untuk biaya restorasi dan penutupan tambang adalah sebagai berikut:

**20. PROVISION FOR ENVIRONMENTAL
RECLAMATION AND MINE CLOSURE**

The provision for reclamation and mine closure costs relates to the accrued portion of the reclamation and mine closure costs to be incurred at the end of the life of the mine. Management's estimate of the total restoration, rehabilitation and other mine closure costs for Unit Pertambangan Tanjung Enim ("UPT") is Rp5,431 (full amount) per tonne of coal produced for the period ended 31 December 2012 (2011: Rp4,150 (full amount)) which is being accrued over the life of the mine in accordance with the policy described in Note 2j.

Movements in the provision for restoration and mine closure costs were as follows:

		Penyisihan reklamasi lingkungan dan penutupan tambang/ Provision for environmental reclamation and mine closure			
Nama/ Name	Lokasi/ Location	Saldo awal 1 Januari 2012/Beginning balance as at 1 January 2012	Penambahan/ Addition	Pengeluaran reklamasi tahun berjalan/ Reclamation expenditure during the year	Saldo Akhir 31 Desember 2012/Ending balance as at 31 December 2012
IUP eksploitasi/ <i>exploitation</i> Airlaya	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	66,344	31,064	(17,686)	79,722
IUP eksploitasi/ <i>exploitation</i> MTBU/MTBS	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	79,749	5,662	(5,594)	79,817
IUP eksploitasi/ <i>exploitation</i> Banko Barat	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	86,935	21,942	(8,701)	100,176
IUP eksploitasi/ <i>exploitation</i> Sawah Lunto	Ombilin - Sumatera Barat/ <i>West Sumatera</i>	5,409	-	-	5,409
IUP eksploitasi/ <i>exploitation</i> Bukit Kendi	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	1,281	-	-	1,281
IUP eksploitasi/ <i>exploitation</i> Peranap	Peranap - Riau/ <i>Riau</i>	996	946	-	1,942
IUP eksploitasi dan produksi/ <i>exploitation and production</i> IPC	Palaran - Kalimantan Timur/ <i>East Kalimantan</i>	469	296	-	765
Total penyisihan/ Total provision		241,183	59,910	(31,981)	269,112

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**20. PROVISI REKLAMASI LINGKUNGAN
DAN PENUTUPAN TAMBANG (lanjutan)**

**20. PROVISION FOR ENVIRONMENTAL
RECLAMATION AND MINE CLOSURE (continued)**

		Penyisihan reklamasi lingkungan dan penutupan tambang/ <i>Provision for environmental reclamation and mine closure</i>			
Nama/ <i>Name</i>	Lokasi/ <i>Location</i>	Saldo awal 1 Januari 2011/ <i>Beginning balance as at 1 January 2011</i>	Penambahan/ <i>Addition</i>	Pengeluaran reklamasi tahun berjalan/ <i>Reclamation expenditure during the year</i>	Saldo Akhir 31 Desember 2011/ <i>Ending balance as at 31 December 2011</i>
IUP operasi produksi/ <i>operation production</i> Airlaya	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	61,791	24,898	(20,345)	66,344
IUP operasi produksi/ <i>operation production</i> MTBU/MTBS	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	67,550	14,055	(1,856)	79,749
IUP operasi produksi/ <i>operation production</i> Banko Barat	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	75,593	14,043	(2,701)	86,935
IUP operasi produksi/ <i>operation production</i> Sawah Lunto	Ombilin - Sumatera Barat/ <i>West Sumatera</i>	5,409	-	-	5,409
IUP operasi produksi/ <i>operation production</i> Bukit Kendi	Tanjung Enim - Sumatera Selatan/ <i>South Sumatera</i>	1,290	-	(9)	1,281
IUP eksploitasi/ <i>exploitation</i> Peranap	Peranap - Riau/ <i>Peranap - Riau</i>	-	996	-	996
IUP eksploitasi dan produksi/ <i>exploitation and production</i> IPC	Palaran - Kalimantan Timur/ <i>East Kalimantan</i>	231	238	-	469
Total penyisihan/ Total provision		211,864	54,230	(24,911)	241,183
		2012	2011		
Saldo penyisihan awal tahun		241,183	211,864	<i>Balance at beginning of year</i>	
Penyisihan pada tahun berjalan		59,910	54,230	<i>Provision made during the year</i>	
Pengeluaran reklamasi yang terjadi pada tahun berjalan		(31,981)	(24,911)	<i>Reclamation expenditure during the year</i>	
Saldo penyisihan akhir tahun		269,112	241,183	<i>Provision at the end of the year</i>	
Dikurangi: Bagian jangka pendek		36,615	36,319	<i>Less: Current portion</i>	
Penyisihan reklamasi lingkungan dan penutupan tambang - jangka panjang		232,497	204,864	<i>Provision for environmental reclamation and mine closure - long-term</i>	

Manajemen berkeyakinan bahwa pencadangan yang dilakukan telah mencukupi taksiran kewajiban yang akan timbul pada saat realisasi penutupan tambang.

Management believes that the provision is adequate to cover the liability that will arise at mine closure.

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21. KEWAJIBAN IMBALAN PASCAKERJA

Grup telah menerima persetujuan Menteri Keuangan Republik Indonesia dalam surat Keputusan No. Kep-245/KM.6/2003 tanggal 21 Oktober 2003 untuk mendirikan dana pensiun terpisah, Dana Pensiun Bukit Asam, dimana seluruh pekerja, setelah memenuhi periode bakti tertentu, berhak atas imbalan pasti saat pensiun, cacat atau kematian, serta imbalan kesehatan pascakerja.

Liabilitas imbalan pascakerja per 31 Desember 2012 dan per 31 Desember 2011 dihitung oleh PT Eldridge Consulting ("EC"), aktuaris independen melalui laporannya tertanggal 18 Pebruari 2013 dan 22 Pebruari 2012. Tabel berikut ini merupakan ringkasan dari penyisihan, beban, dan mutasi saldo penyisihan untuk imbalan pensiun, imbalan pascakerja lainnya dan imbalan jangka panjang lainnya.

21. POST-EMPLOYMENT BENEFITS OBLIGATION

The Group received approval from the Minister of Finance of the Republic of Indonesia in Decision Letter No. Kep-245/KM.6/2003 dated 21 October 2003 to establish a separate pension fund, Dana Pensiun Bukit Asam, from which all employees, after serving a qualifying period, are entitled to defined benefits upon retirement, disability or death, and also post-employment medical benefits.

The post-employment benefits obligation as at 31 December 2012 and 31 December 2011 was calculated by PT Eldridge Consulting ("EC"), independent actuaries and set out in its reports dated 18 February 2013 and 22 February 2012, respectively. The following table summarises the obligation, expenses, and movement in the obligation for pension benefits, other post-employment benefits and other long-term benefits.

	<u>2012</u>	<u>2011</u>	
Kewajiban posisi keuangan untuk:			<i>Financial position obligations for:</i>
Imbalan kesehatan pascakerja	1,240,005	859,130	<i>Post-employment</i>
Imbalan pensiun	536,646	72,431	<i>healthcare benefits</i>
Imbalan pascakerja jangka panjang lainnya	<u>530,662</u>	<u>361,829</u>	<i>Pension benefits</i>
	<u>2,307,313</u>	<u>1,293,390</u>	<i>Other long-term</i>
			<i>post-employment benefits</i>
Bagian jangka pendek	<u>96,332</u>	<u>68,575</u>	<i>Current portion</i>
	<u>2,210,981</u>	<u>1,224,815</u>	
Dibebankan pada laporan laba rugi untuk (lihat Catatan 29):			<i>Profit or loss charge for (refer to Note 29):</i>
Imbalan kesehatan pascakerja	122,627	220,879	<i>Post-employment healthcare benefits</i>
Imbalan pensiun	40,853	43,358	<i>Pension benefits</i>
Imbalan pascakerja jangka panjang lainnya	<u>71,743</u>	<u>68,799</u>	<i>Other long-term post-employment benefits</i>
	<u>235,223</u>	<u>333,036</u>	
Jumlah kumulatif kerugian aktuarial yang diakui sebagai kerugian komprehensif lainnya adalah sebagai berikut:			<i>Cumulative actuarial losses recognised in other comprehensive losses are as follows:</i>
	<u>2012</u>	<u>2011</u>	
Jumlah kumulatif pada 1 Januari	727,440	-	<i>Cumulative amounts as of 1 January</i>
Saldo kerugian aktuarial yang belum diakui pada 1 Januari 2012 yang dibebankan di tahun berjalan (Catatan 2r)	(727,440)	-	<i>Balance of unrecognised actuarial losses as of 1 January 2012 charged in the current year (Note 2r)</i>
Kerugian aktuarial tahun berjalan	<u>(151,848)</u>	-	<i>Actuarial losses for the year</i>
	<u>(879,288)</u>	<u>-</u>	

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

**21. POST-EMPLOYMENT BENEFITS OBLIGATION
(continued)**

a. Imbalan pensiun

a. Pension benefits

Jumlah yang diakui pada laporan posisi
keuangan ditentukan sebagai berikut:

*The amounts recognised in the statement of
financial position are determined as follows:*

	<u>2012</u>	<u>2011</u>	
Nilai kini kewajiban yang didanai	(975,446)	(740,655)	<i>Present value of funded obligation</i>
Nilai wajar aset program	<u>438,800</u>	<u>390,661</u>	<i>Fair value of plan assets</i>
Defisit program yang didanai	(536,646)	(349,994)	<i>Deficit of funded plans</i>
Nilai kini kewajiban yang belum didanai	(536,646)	(349,994)	<i>Present value of unfunded obligations</i>
Kerugian aktuarial yang belum diakui	-	277,563	<i>Unrecognised actuarial losses</i>
Biaya jasa lalu yang belum diakui	-	-	<i>Unrecognised past service costs</i>
Liabilitas pada laporan posisi keuangan	<u>536,646</u>	<u>72,431</u>	<i>Liability in the statement of financial position</i>

Mutasi kewajiban imbalan pasti selama tahun
berjalan adalah sebagai berikut:

*The movement in the defined benefit obligations
over the year is as follows:*

	<u>2012</u>	<u>2011</u>	
Pada awal tahun	740,655	533,786	<i>At beginning of the year</i>
Biaya jasa kini	26,437	25,413	<i>Current service cost</i>
Biaya bunga	58,973	50,421	<i>Interest cost</i>
Iuran pekerja	-	-	<i>Employee's contributions</i>
Kerugian aktuarial	1,043	6,943	<i>Actuarial losses</i>
Biaya jasa lalu	-	-	<i>Past service costs</i>
Imbalan yang dibayar	(6,985)	(5,316)	<i>Benefits paid</i>
Kurtailmen	-	-	<i>Curtailments</i>
Kerugian aktuarial tahun berjalan	<u>155,324</u>	<u>129,408</u>	<i>Current year actuarial losses</i>
Pada akhir tahun	<u>975,447</u>	<u>740,655</u>	<i>At end of the year</i>

Mutasi nilai wajar aset program selama tahun
berjalan adalah sebagai berikut:

*The movement in the fair value of plan assets
over the year is as follows:*

	<u>2012</u>	<u>2011</u>	
Pada awal tahun	390,661	358,937	<i>At beginning of the year</i>
Hasil yang diharapkan dari aset program	41,401	37,233	<i>Expected return on plan assets</i>
Kerugian aktuarial	(39,968)	(32,300)	<i>Actuarial losses</i>
Iuran pemberi pekerja	50,535	29,112	<i>Employer's contributions</i>
Iuran pekerja	3,156	2,995	<i>Employee's contributions</i>
Imbalan yang dibayar	<u>(6,985)</u>	<u>(5,316)</u>	<i>Benefits paid</i>
Pada akhir tahun	<u>438,800</u>	<u>390,661</u>	<i>At end of the year</i>

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

**21. POST-EMPLOYMENT BENEFITS OBLIGATION
(continued)**

a. Imbalan pensiun (lanjutan)

a. Pension benefits (continued)

Jumlah yang diakui pada laporan laba rugi
adalah sebagai berikut:

*The amounts recognised in the profit or loss
are as follows:*

	<u>2012</u>	<u>2011</u>	
Biaya jasa kini	26,437	22,418	<i>Current service cost</i>
Iuran karyawan ke dalam aset program	(3,156)	(2,995)	<i>Employee contribution to plan assets</i>
Biaya bunga	58,973	50,421	<i>Interest cost</i>
Hasil yang diharapkan dari aset program	(41,401)	(37,233)	<i>Expected return on plan assets</i>
Kerugian aktuarial neto yang diakui selama tahun berjalan	-	7,922	<i>Net actuarial losses recognised during the year</i>
Biaya jasa lalu	-	-	<i>Past service costs</i>
Kerugian kurtailmen	-	-	<i>Losses on curtailment</i>
Jumlah tercakup dalam biaya karyawan (lihat Catatan 29)	<u>40,853</u>	<u>40,533</u>	<i>Total, included in employee costs (refer to Note 29)</i>

Dari total beban, Rp20,5 miliar (2011: Rp21,8
miliar) dan Rp20,2 miliar (2011: Rp21,5 miliar)
masing-masing dimasukkan sebagai "beban
pokok penjualan" dan "beban administrasi".

*Of the total charge, Rp20.5 billion (2011:
Rp21.8 billion) and Rp20.2 billion (2011:
Rp21.5 billion) were included in "cost of
revenue" and "administrative expenses",
respectively.*

Hasil aktual aset program pada tanggal 31
Desember 2012 adalah Rp25,9 miliar (2011:
Rp42.1 miliar).

*The actual return on plan assets as at 31
December 2012 was Rp25.9 billion
(unaudited) (2011: Rp42.1 billion).*

Berikut asumsi pokok aktuarial yang
digunakan:

*Below are the principal actuarial assumptions
used:*

	<u>2012</u>	<u>2011</u>	
Tingkat bunga diskonto untuk manfaat pensiun	7.0%	8.0%	<i>Discount rate for retirement benefit</i>
Hasil aset program yang diharapkan	9.5%	10.0%	<i>Expected return on plan assets</i>
Kenaikan gaji masa datang	10.0%	10.0%	<i>Future salary increases</i>

Asumsi yang berhubungan dengan
pengalaman mortalitas masa depan
ditentukan berdasarkan saran aktuaris
menurut statistik yang telah diterbitkan dan
pengalaman di setiap wilayah. Di Indonesia,
asumsi mortalitas yang digunakan adalah
Tabel Mortalitas Indonesia 2011 (TMI III).

*Assumptions regarding future mortality
experience are set based on actuarial advice
in accordance with published statistics and
experience in each territory. In Indonesia, the
mortality assumptions used are based on the
Indonesian Mortality Table 2011 (TMI III).*

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

a. Imbalan pensiun (lanjutan)

Sensitivitas liabilitas pensiun secara keseluruhan terhadap perubahan asumsi utama adalah sebagai berikut:

	<u>Perubahan asumsi/ Change in assumptions</u>
Tingkat diskonto	kenaikan/increase by 1% penurunan/decrease by 1%
Tingkat pertumbuhan gaji	kenaikan/increase by 1% penurunan/decrease by 1%

b. Imbalan kesehatan pasca kerja

Grup memiliki beberapa skema imbalan kesehatan pascakerja. Metode akuntansi, asumsi dan frekuensi penilaian adalah sama dengan yang digunakan dengan skema pensiun imbalan pasti. Seluruh program ini didanai.

Berikut asumsi pokok aktuari yang digunakan:

	<u>2012</u>
Tingkat bunga diskonto untuk jaminan kesehatan	7.0%
Tren biaya kesehatan	7.5%

Grup telah memilih untuk mengakui keuntungan/(kerugian) aktuarial secara keseluruhan melalui pendapatan komprehensif lainnya pada laporan keuangan konsolidasi tahunan. Hal ini berbeda dari basis yang digunakan oleh Grup dalam pelaporan keuangan triwulan pertama sampai ketiga tahun 2012, dimana Grup menggunakan pendekatan *corridor* yang digunakan sejak tahun 2011. Jumlah yang diakui pada laporan posisi keuangan ditentukan sebagai berikut:

	<u>2012</u>	<u>2011</u>
Nilai kini kewajiban	(1,285,899)	(1,256,200)
Biaya jasa lalu	45,894	61,232
Kerugian aktuarial yang belum diakui	-	335,837
Nilai kewajiban yang diakui pada laporan posisi keuangan	<u>1,240,005</u>	<u>859,131</u>

21. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

a. Pension benefits (continued)

Sensitivity of the overall pension liability to changes in the weighted principal assumptions is as follows:

**Dampak terhadap liabilitas secara keseluruhan/
Impact on overall liability**

turun/decrease by Rp41 miliar/billion	Discount rate
naik/increase by Rp45 miliar/billion	
naik/increase by Rp48 miliar/billion	Salary growth rate
turun/decrease by Rp45 miliar/billion	

b. Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes. All of these plans are funded.

Below are the assumptions used:

	<u>2012</u>	<u>2011</u>
Tingkat bunga diskonto untuk jaminan kesehatan	8.0%	Discount rate for healthcare benefit
Tren biaya kesehatan	8.0% - 13.0%	Medical cost trend rates

The Group has elected to use the OCI approach for the recognition of actuarial gains/(losses) in its annual consolidated financial statement. This is different from the basis used by the Group in reporting the first three quarterly financial statements in 2012, whereby the Group had used the corridor approach carried forward from 2011. The amounts recognised in the statement of financial position are determined as follows:

Present value of obligation
Past service cost
Unrecognised actuarial losses
Liability in the statement of financial position

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

**21. POST-EMPLOYMENT BENEFITS OBLIGATION
(continued)**

b. Imbalan kesehatan pasca kerja

b. Post-employment medical benefits

Nilai kini jaminan kesehatan pascakerja
adalah sebagai berikut:

*Present value of post-employment healthcare
benefit is as follows:*

	<u>2012</u>	<u>2011</u>	
Pada awal tahun	1,256,200	1,071,677	<i>At beginning of the year</i>
Biaya jasa kini	5,740	8,712	<i>Current service cost</i>
Biaya bunga	99,878	101,075	<i>Interest cost</i>
Biaya jasa lalu	1,671	84,332	<i>Past service cost</i>
(Keuntungan)/kerugian aktuarial	(250,512)	(114,303)	<i>Actuarial (gains)/losses</i>
Imbalan yang dibayar	(15,462)	(15,452)	<i>Benefits paid</i>
Kerugian aktuarial tahun berjalan	<u>188,384</u>	<u>120,159</u>	<i>Current year actuarial losses</i>
Pada akhir tahun	<u>1,285,899</u>	<u>1,256,200</u>	<i>At end of the year</i>

Jumlah yang diakui pada laporan laba rugi
adalah sebagai berikut:

*The amounts recognised in the profit or loss
were as follows:*

	<u>2012</u>	<u>2011</u>	
Biaya jasa kini	5,740	8,712	<i>Current service cost</i>
Biaya bunga	99,878	101,075	<i>Interest cost</i>
Kerugian aktuarial neto yang diakui selama tahun berjalan	-	31,785	<i>Net actuarial losses recognised during the year</i>
Biaya jasa lalu yang diakui selama tahun berjalan	<u>17,009</u>	<u>79,307</u>	<i>Past service cost recognised during the year</i>
Jumlah termasuk dalam biaya pekerja (lihat Catatan 29)	<u>122,627</u>	<u>220,879</u>	<i>Total, included in staff costs (refer to Note 29)</i>

Dari total beban, Rp61,8 miliar (2011: Rp111,3 miliar) dan Rp60,8 miliar (2011: Rp109,6 miliar) masing-masing dimasukkan sebagai "beban pokok penjualan" dan "beban administrasi".

Of the total charge, Rp61.8 billion (2011: Rp111.3 billion) and Rp60.8 billion (2011: Rp109.6 billion) were included in "cost of revenue" and "administrative expenses", respectively.

Kontribusi yang diharapkan untuk program imbalan pasti untuk tahun yang berakhir pada 31 Desember 2013 adalah Rp53,5 miliar.

Expected contributions to defined benefit plan for the year ending 31 December 2013 are Rp53.5 billion.

Dampak pergerakan 1% asumsi tingkat biaya kesehatan adalah sebagai berikut:

The effect of a 1% movement in the assumed medical cost trend rate is as follows:

	<u>Kenaikan/ Increase</u>	<u>Penurunan/ Decrease</u>	
Dampak terhadap kewajiban imbalan pasti	(211,875)	278,522	<i>Effect on the defined benefit obligation</i>

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

c. Imbalan pasca kerja (pensiun dan kesehatan)

Aset program terdiri dari:

	2012	
	Nilai wajar/ Fair value	%
Instrumen ekuitas	221,764	51%
Instrumen utang	51,134	12%
Reksadana	36,723	8%
Properti	29,332	7%
Lain-lain	<u>99,847</u>	<u>22%</u>
Jumlah	<u><u>438,800</u></u>	<u><u>100%</u></u>

Investasi didiversifikasi dengan baik, sehingga kinerja buruk satu investasi tidak akan memberikan dampak material bagi seluruh kelompok aset. Proporsi terbesar aset investasi ditempatkan pada instrumen ekuitas, meskipun Grup juga berinvestasi pada reksadana, surat hutang negara, obligasi, deposito dan kas. Grup meyakini bahwa instrumen ekuitas memberikan imbal hasil yang paling baik dalam jangka panjang pada tingkatan risiko yang dapat diterima. Seluruh instrumen ekuitas merupakan portofolio perusahaan *blue chip* di Bursa Efek Indonesia yang telah teridentifikasi secara nasional.

Termasuk dalam aset program pensiun adalah saham biasa Perusahaan dengan nilai wajar sebesar Rp9 miliar (2011: Rp nihil) dan sebuah bangunan yang digunakan Grup dengan nilai buku Rp2,1 miliar (2011: Rp2,2 miliar).

Hasil yang diharapkan dari aset program ditentukan dengan mempertimbangkan imbal hasil yang diharapkan atas aset dengan mengacu pada kebijakan investasi. Hasil investasi bunga tetap didasarkan pada hasil pengembalian bruto pada tanggal pelaporan. Hasil yang diharapkan dari investasi ekuitas dan properti mencerminkan tingkat imbal hasil jangka panjang aktual yang terjadi untuk tiap-tiap pasar.

**21. POST-EMPLOYMENT BENEFITS OBLIGATION
(continued)**

c. Post-employment benefits (pension and medical)

Plan assets comprise the following:

	2011		
	Nilai wajar/ Fair value	%	
	122,163	31%	Equity instruments
	99,598	18%	Debt instruments
	69,313	25%	Mutual fund
	31,437	8%	Property
	<u>68,149</u>	<u>18%</u>	Others
Jumlah	<u><u>390,660</u></u>	<u><u>100%</u></u>	Total

Investments are well-diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in equities, the Group also invests in mutual funds, government bonds, commercial bonds, time deposits and cash. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. All equity instruments are listed on the Indonesian Stock Exchange in a diversified portfolio of national blue chip entities.

Pension plan assets include the Company's ordinary shares with a fair value of Rp9 billion (2011: Rp nil) and a building occupied by the Group with a book value of Rp2.1 billion (2011: Rp2.2 billion).

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

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21. KEWAJIBAN IMBALAN PASCAKERJA (lanjutan)

**21. POST-EMPLOYMENT BENEFITS OBLIGATION
(continued)**

**c. Imbalan pasca kerja (pensiun dan kesehatan)
(lanjutan)**

**c. Post-employment benefits (pension and
medical) (continued)**

Rincian dari nilai kini kewajiban imbalan pasti, nilai wajar aset program, penyesuaian pengalaman yang timbul pada liabilitas program dan penyesuaian pengalaman pada nilai wajar aset program untuk tahun buku yang berakhir 31 Desember 2012 dan empat periode tahunan sebelumnya adalah sebagai berikut:

Details of present value of the defined benefit obligation, fair value of plan assets, experience adjustments on plan liabilities and experience adjustments on plan assets for the year ended 31 December 2012 and the previous four annual periods are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	
Nilai kini kewajiban imbalan pasti	(2,740,156)	(2,412,469)	(1,964,144)	(1,891,631)	(803,182)	Present value of defined benefit obligation
Nilai wajar aset program	<u>438,800</u>	<u>390,661</u>	<u>358,936</u>	<u>280,850</u>	<u>184,045</u>	Fair value of plan assets
Defisit program	<u>(2,301,356)</u>	<u>(2,021,808)</u>	<u>(1,605,208)</u>	<u>(1,610,781)</u>	<u>(619,137)</u>	Deficit in the plan
Penyesuaian pengalaman pada liabilitas program	<u>(216,067)</u>	<u>(107,561)</u>	<u>208,662</u>	<u>307,709</u>	<u>(287,282)</u>	Experience adjustments on plan liabilities
Penyesuaian pengalaman pada aset program	<u>(39,968)</u>	<u>(32,300)</u>	<u>(6,884)</u>	<u>32,368</u>	-	Experience adjustments on plan assets

d. Program pensiun iuran pasti

d. Defined contribution pension plan

Perusahaan menyelenggarakan program pensiun iuran pasti untuk semua karyawan tetapnya. Program tersebut dikelola oleh dana pensiun lembaga keuangan BNI. Kontribusi dihitung secara periodik oleh dana pensiun lembaga keuangan. Para karyawan berkontribusi 2.5% dari gaji pokok dan perusahaan berkontribusi sebesar 15% dari gaji pokok karyawan untuk mencapai jumlah yang dibutuhkan. Jumlah kontribusi yang dibayar ke dana pensiun lembaga keuangan dimaksud pada tahun 2012 sebesar Rp 36 miliar (2011: Rp91 miliar).

The Company has a defined contribution pension program covering all of its qualified permanent employees. The program is managed by BNI Pension Fund. Contributions are computed periodically by the pension fund whereby the employees contribute 2.5% of their basic salary and the Company contributes 15% of the employee's basic salary to achieve the required amount. Total contributions paid to the pension fund in 2012 as explained above amounted to Rp36 billion (2011: Rp91 billion).

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22. PINJAMAN BANK

Nilai wajar pinjaman jangka pendek sama dengan jumlah tercatatnya karena dampak pendiskontoan tidak signifikan. Nilai wajar pinjaman jangka panjang dicatat pada nilai amortisasinya.

22. BANK BORROWINGS

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are recognised at amortised cost.

		2012		2011	
		Jumlah tercatat/ Carrying amount		Jumlah tercatat/ Carrying amount	
Kreditur/ Creditor	Mata uang/ Currency	Mata uang asal/ Original currency (dalam jutaan/ in millions)	Setara Rupiah/ Equivalent in Rupiah	Mata uang asal/ Original currency (dalam jutaan/ in millions)	Setara Rupiah/ Equivalent in Rupiah
PT BNI Tbk	Rupiah	-	27,315	-	-
PT Bank Mandiri Tbk	Rupiah	-	7,600	-	-
PT Bank Permata Tbk	Dolar AS/US Dollar	1,000	9,670	2,002	18,155
Jumlah/Total		1,000	44,585	2,002	18,155
Bagian lancar/ Current portion	Rupiah	-	(34,915)	(2,002)	18,155
Bagian jangka panjang/ Long-term portion	Dolar AS/US Dollar	1,000	9,670	-	-

Beberapa informasi lain yang signifikan terkait dengan pinjaman bank pada tanggal 31 Desember 2012 dan 2011 adalah sebagai berikut:

Other significant information related to bank borrowings as of 31 December 2012 and 2011 are as follows:

Kreditur/ Creditor	Mata uang/ Currency	Jumlah fasilitas/ Total facility (dalam jutaan/ in millions)	Periode pinjaman/ Loan term	Periode pembayaran bunga/ Interest payment period	Tingkat suku bunga per tahun/ Annual interest rate	Jaminan/ Collateral
Bank Permata	Dolar AS/US Dollar	1,000	19 Nop/Nov 12 - 19 Nop/Nov 14	Bulanan/Monthly	6.25%	a. Gadai Saham/Capital guarantee - Rp62,850,000 (PTBA) - Rp60,126,000,000 (PT Mega Raya Kusuma) b. Piutang usaha/Account receivables Rp82,450,000 c. Persediaan/Inventory - Rp27,150,000
Bank Mandiri	Rupiah	2,000	8 Nop/Nov 12 - 7 Nop/Nov 13	Bulanan/Monthly	7.25% atau 2% diatas suku bunga deposito berjangka/ 7.25% or 2% above time deposit interest rate	Deposito berjangka/Time deposit Rp3,000,000,000
	Rupiah	5,600	30 Nop/Nov 12 - 29 Nop/Nov 13	Bulanan/Monthly	6.25% atau 2% diatas suku bunga deposito berjangka/ 6.25% or 2% above time deposit interest rate	Deposito berjangka/Time deposit Rp5,000,000,000
Bank BNI	Rupiah	36,000	20 Okt/Oct 10 - 19 Jan 14	Bulanan/Monthly	10%	Piutang usaha/Account receivable Rp58,508,234,760

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22. PINJAMAN BANK (lanjutan)

Seluruh pinjaman yang diperoleh diperuntukkan untuk mendanai modal kerja anak-anak perusahaan Grup.

Eksposur pinjaman Grup atas perubahan tingkat suku bunga dan tanggal-tanggal perubahan harga kontraktual pada tanggal pelaporan adalah sebagai berikut:

	<u>2012</u>	<u>2011</u>
Suku bunga mengambang:		
- Kurang dari 6 bulan	-	-
- 6 sampai 12 bulan	34,915	18,155
- Lebih dari 1 tahun sampai 5 tahun	9,670	-
- Lebih dari 5 tahun	-	-
Suku bunga tetap	-	-
Jumlah	<u>44,585</u>	<u>18,155</u>

Grup memiliki fasilitas pinjaman berikut yang belum digunakan:

	<u>2012</u>	<u>2011</u>
Suku bunga mengambang:		
- Jatuh tempo dalam 1 tahun	<u>120,535</u>	<u>81,719</u>
Jumlah	<u>120,535</u>	<u>81,719</u>

Fasilitas pinjaman yang belum digunakan merupakan fasilitas pinjaman yang diperoleh IPC.

Fasilitas yang jatuh tempo dalam satu tahun adalah fasilitas tahunan yang ditinjau pada berbagai tanggal sepanjang 2012 dan 2013. Fasilitas lain telah disusun untuk membantu pembiayaan ekspansi aktivitas Grup.

22. BANK BORROWINGS (continued)

Purpose of the borrowings is to finance the working capital of the Group's subsidiaries.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates on the reporting dates are as follows:

<i>Floating rate:</i>	
<i>Less than 6 months -</i>	
<i>6 until 12 months -</i>	
<i>More than 1 year -</i>	
<i>up to 5 years</i>	
<i>Over 5 years -</i>	
<i>Fixed rate</i>	
<i>Total</i>	

The Group has the following undrawn borrowing facilities:

<i>Floating rate:</i>	
<i>Expiring within one year -</i>	
<i>Total</i>	

Undrawn borrowing facilities represent borrowing facilities obtained by IPC.

The facilities expiring within one year are annual facilities subject to review at various dates during 2012 and 2013. The other facilities have been arranged to help finance the proposed expansion of the Group's activities.

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23. KEPENTINGAN NON-PENGENDALI

**a. Kepentingan non-pengendali atas kekayaan
neto entitas anak**

	2012	2011
BBK		
Persentase kepemilikan 25%		
Nilai tercatat - awal	(1,036)	6,704
Bagian rugi netto	(1,519)	(7,740)
	<u>(2,555)</u>	<u>(1,036)</u>
BAP		
Persentase kepemilikan 0,01%		
Nilai tercatat - awal	14	13
Bagian laba netto	3	1
	<u>17</u>	<u>14</u>
IPC		
Persentase kepemilikan 49%		
Nilai tercatat - awal	76,923	66,953
Bagian laba netto	10,824	9,970
	<u>87,747</u>	<u>76,923</u>
BAB		
Persentase kepemilikan 35%		
Nilai tercatat - awal	842	842
Bagian rugi netto	-	-
	<u>842</u>	<u>842</u>
Jumlah kepentingan non-pengendali	<u>86,051</u>	<u>76,743</u>

**b. Kepentingan non-pengendali atas
laba/(rugi) entitas anak**

	2012	2011
BBK	(1,519)	(7,740)
BAP	3	1
IPC	10,824	9,970
Total	<u>9,308</u>	<u>2,231</u>

23. NON-CONTROLLING INTERESTS

**a. Non-controlling interests in the net assets
of subsidiaries**

BBK
Percentage of ownership 25%
Carrying amount - beginning
Share of net loss

BAP
Percentage of ownership 0.01%
Carrying amount - beginning
Share of net income

IPC
Percentage of ownership 49%
Carrying amount - beginning
Share of net income

BAB
Percentage of ownership 35%
Carrying amount - beginning
Share of net loss

Total non-controlling interests

**b. Non-controlling interests in the profit/
(loss) of subsidiaries**

BBK
BAP
IPC

Total

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24. MODAL SAHAM

24. SHARE CAPITAL

Kepemilikan saham di Perusahaan adalah sebagai berikut:

The share ownership of the Company is as follows:

31 Desember/December 2012				
Pemegang saham	Jumlah saham ditempatkan dan disetor/Number of issued and fully paid shares	Persentase kepemilikan/Percentage of ownership	Jumlah/Amount	Shareholders
Saham Preferen (Seri A Dwiwarna)				Preferred Stock (A Dwiwarna Share)
Pemerintah Indonesia	1	0.000%	0	Government of Indonesia
Saham Biasa (Seri B)				Common Stock (B Shares)
Pemerintah Indonesia	1,498,087,499	65.017%	749,044	Government of Indonesia
Milawarna (Direktur Utama)	60,000	0.003%	30	Milawarna (President Director)
Karyawan	8,000	0.000%	4	Employees
Badan usaha asing	432,122,173	18.754%	216,061	Foreign corporations
Lain-lain (Masing-masing kepemilikan di bawah 5%)	360,757,677	15.656%	180,379	Others (Each holding below 5%)
Jumlah saham beredar	2,291,035,350	99.432%	1,145,518	Total shares outstanding
Saham treasuri	13,096,500	0.568%	6,548	Treasury shares
Jumlah saham ditempatkan dan disetor penuh	2,304,131,850	100.000%	1,152,066	Number of shares issued and fully paid
31 Desember/December 2011				
Pemegang saham	Jumlah saham ditempatkan dan disetor/Number of issued and fully paid shares	Persentase kepemilikan/Percentage of ownership	Jumlah/Amount	Shareholders
Saham Preferen (Seri A Dwiwarna)				Preferred Stock (A Dwiwarna Share)
Pemerintah Indonesia	1	0.000%	0	Government of Indonesia
Saham Biasa (Seri B)				Common Stock (B Shares)
Pemerintah Indonesia	1,498,087,499	65.017%	749,044	Government of Indonesia
Milawarna (Direktur Utama)	60,000	0.003%	30	Milawarna (President Director)
Karyawan	25,000	0.001%	13	Employees
Badan usaha asing	431,838,807	18.742%	215,919	Foreign corporations
Lain-lain (Masing-masing kepemilikan di bawah 5%)	374,120,543	16.237%	187,060	Others (Each holding below 5%)
Total	2,304,131,850	100.000%	1,152,066	Total

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24. MODAL SAHAM (lanjutan)

24. SHARE CAPITAL (continued)

	Jumlah lembar saham/ Number of shares (thousands)	Nilai nominal/Nominal Amount			Jumlah/ Total	
		Saham biasa/ Ordinary shares	Tambahan modal disetor/ Additional paid-in capital	Saham treasury/ Treasury shares		
1 Januari 2011	2,304,131,850	1,152,066	30,486	-	1,182,552	1 January 2011
Pembelian saham treasury	-	-	-	-	-	Acquisition of treasury stock
31 Desember 2011	2,304,131,850	1,152,066	30,486	-	1,182,552	31 December 2011
Pembelian saham treasury	(13,096,500)	-	-	(189,526)	(189,526)	Acquisition of treasury stock
31 Desember 2012	2,291,035,350	1,152,066	(30,486)	(189,526)	993,026	31 December 2012

Saham biasa memberikan hak kepada pemegangnya untuk memperoleh dividen dan hasil dari pembubaran perusahaan sesuai dengan proporsi jumlah dan jumlah yang dibayarkan atas saham yang dimiliki.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Tambahan modal disetor terdiri dari:

Additional paid in capital consists of:

31 Desember/December 2012 dan/and 2011

Selisih antara pembayaran yang diterima dengan nilai nominal	32,574	Excess of proceeds over par value
Biaya emisi saham	(2,088)	Share issuance costs
	<u>30,486</u>	

Biaya emisi saham di atas merupakan beban atas pengeluaran saham baru sebanyak 31.500.000 lembar saham yang dihitung secara proporsional terhadap total beban emisi saham berdasarkan hasil kesepakatan antara Perusahaan dengan Pemerintah. Hal ini berkaitan dengan waran yang dilakukan di tahun 2003 sampai 2005 (lihat Catatan 1a).

The above share issuance costs represent expenses for the issue of 31,500,000 new shares, calculated proportionally to total share issue costs based on an agreement between the Company and the Government of Indonesia. This relates to warrants issued in 2003 until 2005 (refer to Note 1a).

25. SAHAM TREASURI

25. TREASURY SHARES

Pada RUPSLB yang diadakan tanggal 22 Desember 2011, pemegang saham menyetujui pembelian kembali saham yang dikeluarkan Perusahaan. Selama tahun 2012 Perusahaan telah melakukan pembelian kembali atas saham Perusahaan yang beredar di bursa efek. Total pembelian kembali saham perusahaan sampai dengan periode 31 Desember 2012 adalah sebesar Rp189,53 miliar, yang terdiri atas 13.096.500 lembar saham.

At the extraordinary GMS held on 22 December 2011, the shareholders approved a buyback of shares issued by the Company. Throughout 2012, the Company has bought back the Company's outstanding shares on the stock exchange. Total treasury shares up to 31 December 2012 is Rp189.53 billion, which consists of 13,096,500 shares.

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26. DIVIDEN

Dividen yang telah diumumkan selama tahun-tahun yang berakhir pada tanggal 31 Desember 2012 dan 2011 adalah sebagai berikut:

	<u>Tanggal dideklarasikan/ Date declared</u>	<u>Tanggal pembayaran/ Date paid</u>	<u>Dividen per lembar saham (nilai penuh)/ Dividend per share (full amount)</u>	<u>Jumlah/ Total</u>	
Dividen akhir 2011	3 Mei/ May 2012	18 Juni/ June 2012	700	1,613,116	Final dividend for 2011
Dividen interim 2011	7 Nopember/ November 2011	15 Desember/ December 2011	103	238,385	Interim dividend for 2011
Dividen akhir 2010	9 Juni/ June 2011	20 Juli/ July 2011	453	1,043,366	Final dividend for 2010

26. DIVIDENDS

Dividends declared during the years ended 31 December 2012 and 2011 were as follows:

27. CADANGAN UMUM DAN LAINNYA

Undang-Undang Perseroan Terbatas Republik Indonesia No. 1/1995 yang diterbitkan di bulan Maret 1995, dan telah diubah dengan Undang-Undang No. 40/2007 yang diterbitkan pada bulan Agustus 2007, mengharuskan pembentukan cadangan umum dari laba bersih sejumlah minimal 20% dari jumlah modal yang ditempatkan dan disetor penuh. Tidak ada batasan waktu untuk membentuk cadangan tersebut.

RUPS pada tanggal 3 Mei 2012 menyetujui alokasi dana cadangan umum sebesar Rp1,1 triliun atas laba bersih tahun 2011. Akumulasi saldo laba yang dialokasikan ke cadangan umum disajikan sebagai saldo laba dicadangkan pada laporan posisi keuangan.

Berdasarkan PER-05/MBU/2007 tentang Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan setiap BUMN diwajibkan untuk melaksanakan Program Kemitraan dan Bina Lingkungan ("PKBL"). Dana PKBL berasal dari penyisihan laba setelah pajak tahun sebelumnya. Pada tanggal 3 Mei 2012, RUPS menyetujui alokasi dana untuk program kemitraan sebesar 1% atau Rp31 miliar dan program bina lingkungan sebesar 3% atau Rp93 miliar.

27. GENERAL RESERVE AND OTHERS

Limited Liability Company Law of the Republic of Indonesia No. 1/1995 introduced in March 1995, and amended by Law No. 40/2007, issued in August 2007, requires the establishment of a general reserve from net income amounting to at least 20% of a company's issued and paid up capital. There is no time limit on the establishment of the reserve.

The Company's AGMS held on 3 May 2012 approved the allocation of Rp1.1 trillion in 2011 net profit to the general reserve. The accumulated profits allocated to the general reserve are disclosed as appropriated retained earnings in the statement of financial position.

Based on PER-05/MBU/2007 of Partnership Programme BUMN with Small Enterprise and Community Development, each BUMN must establish Program Kemitraan dan Bina Lingkungan ("PKBL"). The PKBL can be funded through the allocation of prior year income after tax. On 3 May 2012, the AGMS agreed to allocate funds for the partnership programme amounting to 1% or Rp31 billion and community development programme amounting to 3% or Rp93 billion.

28. PENJUALAN

Penjualan terdiri dari:

	<u>2012</u>	<u>2011</u>	
Pihak ketiga	5,696,146	4,458,014	Third parties
Pihak yang berelasi (lihat Catatan 32a)	5,897,911	6,123,556	Related parties (refer to Note 32a)
	<u>11,594,057</u>	<u>10,581,570</u>	

28. REVENUE

Revenue consists of the following:

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28. PENJUALAN (lanjutan)

Rincian pelanggan dengan transaksi melebihi 10%
penjualan neto:

	<u>2012</u>	<u>2011</u>
Pihak ketiga		
Lain-lain (masing-masing di bawah 10%)	<u>5,696,146</u>	<u>4,458,014</u>
Pihak yang berelasi		
PT PLN (Persero)	3,089,350	2,033,172
PT Indonesia Power	2,698,190	3,920,373
Lain-lain (masing-masing di bawah 10%)	<u>110,371</u>	<u>170,011</u>
	<u>5,897,911</u>	<u>6,123,556</u>
	<u>11,594,057</u>	<u>10,581,570</u>

Lihat Catatan 32a untuk rincian saldo dan transaksi
dengan pihak yang berelasi.

28. REVENUE (continued)

Details of customers having transactions more than
10% of net sales are as follows:

	<u>2012</u>	<u>2011</u>
Third parties		
Others (each below 10%)		
Related parties		
PT PLN (Persero)		
PT Indonesia Power		
Others (each below 10%)		

Refer to Note 32a for details of related party balances
and transactions.

29. BEBAN BERDASARKAN SIFAT

	<u>2012</u>	<u>2011</u>
Jasa angkutan kereta api	1,903,620	1,715,358
Jasa penambangan	1,495,830	1,015,395
Gaji, upah dan kesejahteraan karyawan	1,281,012	1,411,044
Pembelian batubara	741,361	414,623
Royalti dan retribusi ke Pemerintah	714,157	654,252
Sewa alat berat, kendaraan dan peralatan	663,290	644,168
Jasa angkutan kapal	364,841	299,294
Perubahan persediaan batubara	(49,709)	(279,366)
Lainnya (masing-masing di bawah Rp500.000)	<u>1,080,510</u>	<u>1,041,773</u>
Jumlah beban pokok penjualan, umum dan administrasi, penjualan dan pemasaran, dan eksplorasi	<u>8,194,912</u>	<u>6,916,541</u>

29. EXPENSES BY NATURE

	<u>2012</u>	<u>2011</u>
Coal railway services		
Mining services		
Salaries, wages and employee benefits		
Coal purchases		
Royalties and retributions to Government		
Rental of heavy equipment, vehicles and equipment		
Shipping and freight		
Changes in coal inventories		
Other expenses (each below Rp500,000)		
Total cost of sales, general and administrative expenses, selling and marketing expenses and exploration expenses		

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29. BEBAN BERDASARKAN SIFAT (lanjutan)

Berikut merupakan rekonsiliasi beban pokok penjualan selama tahun berjalan:

29. EXPENSES BY NATURE (continued)

The following is the reconciliation of cost of revenue during the year:

	<u>2012</u>	<u>2011</u>	
Jasa angkutan kereta api	1,903,620	1,715,358	Coal railway services
Jasa penambangan	1,495,830	1,015,395	Mining services
Pembelian batubara	741,361	414,623	Coal purchases
Royalti ke Pemerintah (iuran produksi)	714,157	654,252	Royalties to Government (production fee)
Gaji, upah dan kesejahteraan karyawan	601,045	684,482	Salaries, wages and employee benefits
Sewa alat berat, kendaraan dan peralatan	586,819	579,635	Rental of heavy equipment, vehicles and equipment
Perlengkapan dan suku cadang	116,082	116,385	Spare parts and materials used
Bahan bakar dan pelumas	105,532	167,092	Fuel oil and lubricants
Reklamasi lingkungan dan penutupan tambang	59,922	54,274	Environmental reclamation and mine closure
Pajak bumi dan bangunan	58,693	44,970	Land and buildings tax
Penyusutan dan amortisasi	48,686	34,262	Depreciation and amortisation
Listrik	35,737	35,306	Electricity
Amortisasi properti pertambangan	20,489	12,718	Mining properties amortisation
Lainnya (masing-masing di bawah 1.000)	<u>67,668</u>	<u>53,206</u>	Others (each below 1,000)
	<u>6,555,641</u>	<u>5,581,958</u>	
Kenaikan persediaan batubara	<u>(49,709)</u>	<u>(279,366)</u>	Increase in coal inventories
Beban pokok penjualan	<u>6,505,932</u>	<u>5,302,592</u>	Cost of revenue

Rincian jasa pihak ketiga dan jasa lainnya dengan transaksi melebihi 10% total biaya penjualan.

Details of third party services and other services having transactions more than 10% of total cost of revenue are as follows:

	<u>2012</u>	<u>2011</u>	
Pihak ketiga			Third parties
PT Pamapersada Nusantara	1,113,724	769,621	PT Pamapersada Nusantara
Lain-lain (masing-masing di bawah 10% dari jumlah beban pokok penjualan)	<u>3,232,599</u>	<u>2,542,355</u>	Others (each below 10% of total cost of sales)
	<u>4,346,323</u>	<u>3,311,976</u>	
Pihak yang berelasi			Related parties
PT Kereta Api Indonesia (Persero)	1,903,620	1,715,358	PT Kereta Api Indonesia (Persero)
Lain-lain (masing-masing di bawah 10% dari jumlah beban pokok penjualan)	<u>255,989</u>	<u>275,258</u>	Others (each below 10% of total cost of sales)
	<u>2,159,609</u>	<u>1,990,616</u>	
	<u>6,505,932</u>	<u>5,302,592</u>	

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30. PERJANJIAN PENTING DAN KOMITMEN

a. Perjanjian Jual Beli Batubara

PT Indonesia Power untuk PLTU Suralaya

Pada tanggal 2 Oktober 2002, Perusahaan menandatangani perjanjian dengan PT Indonesia Power - Unit Bisnis Pembangkitan Suralaya ("UBPS") 1-4 dan 5-7 (sebelumnya PLTU Suralaya) dengan perjanjian No. PLN: 161.PJ/061/IP/2002 dan No. PTBA: 017/K/DIRUT/PTBA-PTIP/2002 mengenai penjualan batubara jangka panjang dan berjangka waktu 10 tahun sejak tanggal 1 Januari 2003 sampai tanggal 31 Desember 2012. Berdasarkan perjanjian ini, tidak lagi terdapat pemisahan pasokan batubara antara UBPS unit 1-4 dengan unit 5-7.

Harga jual ke UBPS adalah sebesar Rp815.000 (nilai penuh) per metrik ton berdasarkan addendum XII untuk periode 1 Januari 2011 sampai 31 Januari 2012. Sedangkan untuk periode 1 Februari 2012 sampai 31 Desember 2012 berdasarkan addendum XIII adalah sebesar Rp825.000 (nilai penuh) per metrik ton. Namun berdasarkan notulen rapat tanggal 18 September 2012 harga batubara pengiriman Juli 2012 sampai Desember 2012 sebesar Rp809.000 (nilai penuh) per metrik ton.

Berdasarkan addendum XIII Perusahaan sepakat melakukan penjualan batubara ke UBPS tahun 2012 untuk mengirimkan batubara sebanyak 5.750.000 metrik ton (2011: 6.100.000 metrik ton).

Jumlah penjualan kepada UBPS sebesar Rp2,7 triliun dan Rp3,9 triliun masing-masing pada tahun 2012 dan 2011.

PT Perusahaan Listrik Negara (Persero) untuk PLTU Bukit Asam

Perusahaan membuat perjanjian penjualan dan pembelian batubara dengan PT Perusahaan Listrik Negara (Persero) ("PT PLN") untuk PLTU Bukit Asam, di mana Perusahaan bersedia menjual produksi batubaranya kepada PLTU Bukit Asam sejak bulan Januari 1994.

Perusahaan memperbaharui perjanjian jual beli batubara dengan PT PLN untuk PLTU Bukit Asam dengan perjanjian No. PLN: 0163-1.PJ/061/DIR/2004 dan No. PTBA: 017A/K/PM/PTBA-PLN/2004 tanggal 21 Mei 2004, dimana Perusahaan bersedia menjual produksi batubaranya kepada PLTU Bukit Asam sebanyak 9.860.000 ton terhitung tanggal 1 Januari 2004 sampai dengan 31 Desember 2013.

30. SIGNIFICANT AGREEMENTS AND COMMITMENTS

a. Coal Sales Agreements

PT Indonesia Power for PLTU Suralaya

On 2 October 2002, the Company entered into a long-term coal sales and purchase agreement with PT Indonesia Power - Unit Bisnis Pembangkitan Suralaya ("UBPS") 1-4 and 5-7 (previously PLTU Suralaya) with agreement No. PLN: 161.PJ/061/IP/2002 of PLN and No. 017/K/DIRUT/PTBA-PTIP/2002 of PTBA and for a period of ten years from 1 January 2003 until 31 December 2012. Based on the agreement, there is no segregation of coal supply between UBPS units 1-4 and units 5-7.

The selling price to UBPS was Rp815,000 (full amount) per metric tonne based on addendum XII for the period from 1 January 2011 to 31 January 2012. Meanwhile, for the period of 1 February 2012 until 31 December 2012, based on addendum XIII the UBPS selling price was Rp825,000 (full amount) per metric tonne. However based on minutes of meeting dated 18 September 2012 the selling price for the period July 2012 to December 2012 was Rp809,000 (full amount) per metric tonne.

Based on addendum XIII the Company entered into a coal sales agreement with UBPS for the year 2012 to deliver 5,750,000 tonnes of coal (2011: 6,100,000 metric tonnes).

Total sales to UBPS in 2012 and 2011 amounted to Rp2.7 trillion and Rp3.9 trillion, respectively.

PT Perusahaan Listrik Negara (Persero) for PLTU Bukit Asam

The Company entered into a coal sales and purchase agreement with PT Perusahaan Listrik Negara (Persero) ("PT PLN") for PLTU Bukit Asam, whereby the Company agreed to sell coal to PLTU Bukit Asam commencing in January 1994.

On 21 May 2004, the Company renewed the coal sales and purchase agreement with PT PLN for PLTU Bukit Asam, with agreement No. PLN: 01631.PJ/061/DIR/ 2004 of PLN and No. PTBA: 017A/K/PM/PTBA-PLN/2004 of PTBA, whereby the Company agreed to sell 9,860,000 tonnes of coal to PLTU Bukit Asam effective 1 January 2004 until 31 December 2013.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

a. Perjanjian Jual Beli Batubara (lanjutan)

**PT Perusahaan Listrik Negara (Persero)
untuk PLTU Bukit Asam (lanjutan)**

Berdasarkan amandemen I tanggal 18 Juni 2012, terhitung tanggal 1 Januari 2012 sampai dengan 31 Desember 2012, harga jual per ton adalah sebesar Rp592.348 (nilai penuh) (2011: Rp575.000 (nilai penuh)).

**PT Perusahaan Listrik Negara (Persero)
untuk PLTU Tarahan**

Perusahaan mengadakan perjanjian penjualan dan pembelian batubara dengan PT PLN untuk PLTU Tarahan, di mana Perusahaan bersedia menjual produksi batubaranya kepada PLTU Tarahan sejak bulan Nopember 2006.

Pada tanggal 9 Oktober 2007, Perusahaan memperbaharui perjanjian jual beli batubara dengan PT PLN untuk PLTU Tarahan, dimana Perusahaan bersedia menjual produksi batubaranya kepada PLTU Tarahan sebanyak 17.132.000 ton terhitung 1 April 2007 sampai dengan 31 Desember 2031. Harga jual per ton yang disepakati adalah sebesar Rp436.500 (nilai penuh). Berdasarkan amandemen I tanggal 18 Juni 2012, terhitung tanggal 1 Januari 2012 sampai dengan 31 Desember 2012, harga jual per ton telah diperbaharui menjadi Rp732.576 (nilai penuh) (2011: Rp729.325 (nilai penuh)).

Jumlah penjualan kepada PT PLN (Tarahan dan Bukit Asam) sebesar Rp746,8 miliar dan Rp795,9 miliar masing masing pada tahun 2012 dan 2011 (lihat Catatan 28).

**PT Perusahaan Listrik Negara (Persero)
untuk 15 PLTU di Indonesia**

Pada 22 September 2010, Perusahaan menandatangani Perjanjian Interim Jual Beli Batubara ("PIJBB") dengan PT PLN untuk beberapa PLTU yang berada di Indonesia, dimana Perusahaan bersedia menjual produksi batubaranya kepada 15 PLTU tersebut sebanyak 300.000 ton untuk periode 1 Oktober 2010 sampai dengan 31 Maret 2011 untuk keseluruhan PLTU. Harga jual per ton yang disepakati untuk perjanjian ini adalah sebesar Rp572.500 (nilai penuh).

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

a. Coal Sales Agreements (continued)

**PT Perusahaan Listrik Negara (Persero) for
PLTU Bukit Asam (continued)**

The agreed selling price per tonne based on amendment I dated 18 June 2012, was Rp592,348 (full amount) (2011: Rp575,000 (full amount)), effective from 1 January 2012 until 31 December 2012.

**PT Perusahaan Listrik Negara (Persero) for
PLTU Tarahan**

The Company entered into a coal sales and purchase agreement with PT PLN for PLTU Tarahan, whereby the Company agreed to sell coal to PLTU Tarahan commencing in November 2006.

On 9 October 2007, the Company renewed the coal sales and purchase agreement with PT PLN for PLTU Tarahan, whereby the Company agreed to sell 17,132,000 tonnes of coal to PLTU Tarahan effective from 1 April 2007 until 31 December 2031. The agreed selling price per tonne was Rp436,500 (full amount). Based on amendments dated 18 June 2012, effective from 1 January 2012 until 31 December 2012, the selling price per tonne has been amended to Rp732,576 (full amount) (2011: Rp729,325 (full amount)).

Total sales to PT PLN (Tarahan and Bukit Asam) in 2012 and 2011 amounted to Rp746.8 billion and Rp795.9 billion, respectively (refer to Note 28).

**PT Perusahaan Listrik Negara (Persero) for
15 PLTUs in Indonesia**

On 22 September 2010, the Company signed an Interim Coal Sales and Purchase Agreement ("PIJBB") with PT PLN for various PLTUs located in Indonesia, whereby the Company agreed to sell 300,000 tonnes of coal in total to these 15 PLTUs from 1 October 2010 until 31 March 2011. The agreed selling price per tonne was Rp572,500 (full amount).

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30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)

a. Perjanjian Jual Beli Batubara (lanjutan)

**PT Perusahaan Listrik Negara (Persero)
untuk 15 PLTU di Indonesia (lanjutan)**

Berdasarkan addendum V atas PIJBB tanggal 29 Mei 2012, Perusahaan sepakat untuk menyediakan dan menyerahkan batubara sebanyak ± 1.750.000 metrik ton untuk periode 1 Oktober 2010 sampai dengan 31 Desember 2011. Untuk periode 1 Januari 2012 sampai dengan 31 Desember 2012, disepakati sebanyak 2.300.000 metrik ton (± 10%) dengan harga jual per ton Rp727.302 (nilai penuh). Sedangkan untuk batubara yang akan diserahkan 1 Januari 2013 sampai dengan 31 Desember 2030 disepakati sebanyak ± 262.600.000 ton akan diatur dalam Perjanjian Jual Beli Batubara ("PJBB") yang akan diselesaikan sebelum berakhirnya masa berlaku PIJBB.

Adapun rincian PLTU-PLTU tersebut adalah sebagai berikut:

- PLTU NAD, Nagan Raya
- PLTU Labuan Angin
- PLTU 1 Riau, Bengkalis
- PLTU Sumbar, Teluk Sirih
- PLTU 3 Bangka, Bangka Baru
- PLTU Lampung, Tanjung Selaki
- PLTU 4 Bangka, Belitung
- PLTU 1 Jabar, Indramayu
- PLTU 1 NTB, Bima
- PLTU 2 NTT, Kupang
- PLTU 1 Kalbar, Parit Baru
- PLTU 2 Kalbar, Bengkayan
- PLTU Sulsel, Baru
- PLTU Gorontalo, Anggrek
- PLTU Sulut, Amurang

Jumlah penjualan kepada PT PLN sehubungan dengan perjanjian ini adalah sebesar Rp2.342,5 miliar dan Rp1.237,3 miliar masing masing pada tahun 2012 dan 2011.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

a. Coal Sales Agreements (continued)

**PT Perusahaan Listrik Negara (Persero) for
15 PLTUs in Indonesia (continued)**

Based on addendum V of PIJBB dated 29 May 2012, the Company agreed to provide and sell ± 1,750,000 metric tonnes of coal for a period from 1 October 2010 until 31 December 2011. For the period of 1 January 2012 until 31 December 2012 it was agreed that for 2,300,000 metric tonnes (± 10%) that the selling price per tonne was Rp727,302 (full amount). Meanwhile for coal to be transferred in the period 1 January 2013 until 31 December 2030 it was agreed that ± 262,600,000 tonnes of coal will be provided and sold. This will be further arranged through a Coal Sales and Purchase Agreement ("PJBB") which will be completed before the expiry of the PIJBB.

Details of these PLTUs are as follows:

Total sales to PT PLN under this agreement in 2012 and 2011 amounted to Rp2,342.5 billion and Rp1,237.3 billion, respectively.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

b. Perjanjian Jasa Pengangkutan Batubara

**Pengangkutan Batubara dari Tanjung Enim
ke Tarahan**

Perusahaan mengadakan perjanjian pengangkutan batubara dari Tanjung Enim ke Pelabuhan Tarahan dengan PT Kereta Api Indonesia (Persero) ("PTKA"), dimana PTKA menyetujui untuk mengangkut batubara Perusahaan dari stasiun pemuatan batubara di Tanjung Enim ke pelabuhan batubara di Tarahan, Lampung.

Tarif tahun 2012 berdasarkan perjanjian No. 083/PJJ/Eks-0100/HK.03/2011 tanggal 14 Desember 2011 adalah Rp383 (nilai penuh)/ton/kilometer tidak termasuk PPN. Namun berdasarkan notulen rapat tanggal 10 Agustus 2012 tarif angkutan batubara berdasarkan perubahan tarif bahan bakar bersubsidi disesuaikan menjadi sebesar Rp369,47 (nilai penuh)/ton/kilometer tidak termasuk PPN terhitung 1 Mei 2012. Tarif tahun 2011 berdasarkan addendum No. 024/ADD/Eks-0100/HK.03/2011 tanggal 21 April 2011 adalah Rp344 (nilai penuh)/ton/kilometer tidak termasuk PPN.

Jumlah biaya pengangkutan batubara dari Tanjung Enim ke Pelabuhan Tarahan sebesar Rp1.752,3 miliar dan Rp1.530 miliar masing-masing pada tahun 2012 dan 2011.

**Pengangkutan Batubara dari Tanjung Enim
ke Kertapati**

Perusahaan membuat perjanjian pengangkutan batubara dari Tanjung Enim ke Dermaga Kertapati dengan PTKA, dimana PTKA menyetujui untuk mengangkut batubara Perusahaan dari stasiun pemuatan batubara di Tanjung Enim ke dermaga batubara di Kertapati, Palembang.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

b. Coal Delivery Agreements

Coal Delivery from Tanjung Enim to Tarahan

The Company entered into an agreement with PT Kereta Api Indonesia (Persero) ("PTKA") for coal delivery from Tanjung Enim to Tarahan Port, whereby PTKA agreed to deliver coal from the Company's train loading station in Tanjung Enim to the Company's coal port in Tarahan, Lampung.

The 2012 tariff is based on agreement No. 083/PJJ/Eks-0100/HK.03/2011 dated 14 December 2011 which is Rp383 (full amount)/tonne/km excluding VAT. However, based on minutes of the meeting dated 10 August 2012, the tariff based on subsidised fuel was adjusted to Rp369.47 (full amount)/tonne/km excluding VAT commencing 1 May 2012. The 2011 tariff is based on addendum No. 024/ADD/Eks-0100/HK.03/2011 dated 21 April 2011 which is Rp344 (full amount)/tonne/km excluding VAT.

Total coal delivery expense from Tanjung Enim to Tarahan Port in 2012 and 2011 amounted to Rp1,752.3 billion and Rp1,530 billion, respectively.

Coal Delivery from Tanjung Enim to Kertapati

The Company entered into a coal delivery agreement with PTKA, whereby PTKA agreed to deliver the Company's coal from the Company's train loading station in Tanjung Enim to the Company's coal jetty in Kertapati, Palembang.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**b. Perjanjian Jasa Pengangkutan Batubara
(lanjutan)**

Tarif tahun 2012 berdasarkan perjanjian No. 083/PJJ/Eks-0100/HK.03/2011 tanggal 14 Desember 2011 adalah Rp493 (nilai penuh)/ton/kilometer tidak termasuk PPN. Namun berdasarkan notulen rapat tanggal 10 Agustus 2012 tarif angkutan batubara berdasarkan perubahan tarif bahan bakar bersubsidi disesuaikan menjadi sebesar Rp475,35 (nilai penuh)/ton/kilometer tidak termasuk PPN terhitung 1 Mei 2012. Tarif tahun 2011 berdasarkan addendum No. 023/ADD/Eks-0100/HK.03/2011 tanggal 21 April 2011, adalah Rp472 (nilai penuh)/ton/kilometer tidak termasuk PPN.

Jumlah biaya pengangkutan batubara dari Tanjung Enim ke Pelabuhan Kertapati sebesar Rp151,3 miliar dan Rp185 miliar masing-masing pada tahun 2012 dan 2011.

c. Satuan Kerja Perusahaan Briket

Berdasarkan Surat Menteri Pertambangan dan Energi No. 483/201/M.DJP/1993 tanggal 9 Februari 1993, Menteri Pertambangan dan Energi mengajukan permohonan kepada Menteri Keuangan untuk mendapat persetujuan atas "Crash Program" untuk mengembangkan briket batubara di Indonesia oleh Perusahaan. Pendanaan proyek ini akan menggunakan dana Perjanjian Karya Pengusahaan Pertambangan Batubara ("PKP2B") sebesar Rp85 miliar.

Kemudian berdasarkan Surat Menteri Keuangan No. S-226/KMK/1993 tanggal 19 Februari 1993, Menteri Keuangan menyetujui permohonan penggunaan dana PKP2B hasil operasi tahun 1992 tersebut. Berdasarkan Rapat Umum Pemegang Saham tanggal 31 Desember 1993, para Pemegang Saham memutuskan untuk mendistribusikan penghasilan PKP2B tahun 1992 sebesar Rp82,44 miliar untuk proyek pengembangan briket batubara.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

b. Coal Delivery Agreements (continued)

The 2012 tariff is based on agreement No. 083/PJJ/Eks-0100/HK.03/2011 dated 14 December 2011 which is Rp493 (full amount)/tonne/km excluding VAT. However, based on the minutes of the meeting dated 10 August 2012, the tariff based on subsidised fuel was adjusted to Rp475.35 (full amount)/tonne/km excluding VAT commencing 1 May 2012. The 2011 tariff is based on the addendum to the tariff No. 023/ADD/Eks-0100/HK.03/2011 dated 21 April 2011 which is Rp472 (full amount)/tonne/km excluding VAT.

Total coal delivery expense from Tanjung Enim to Kertapati Jetty in 2012 and 2011 amounted to Rp151.3 billion and Rp185 billion, respectively.

c. Coal Briquette Operating Unit

Based on Ministry of Mines and Energy letter No. 483/201/M.DJP/1993 dated 9 February 1993, the Ministry of Mines and Energy proposed to the Ministry of Finance for approval for a "Crash Program" for the Company to develop coal briquettes in Indonesia. This project will be financed by "Coal Cooperation Agreement" ("CCA") funds amounting to approximately Rp85 billion.

On 19 February 1993, based on letter No.S-226/KMK/1993, the Ministry of Finance approved this request by using the 1992 CCA funds. Based on the shareholder's meeting on 31 December 1993, the Shareholders decided to distribute the 1992 CCA income amounting to Rp82.44 billion to the coal briquette development project.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

c. Satuan Kerja Pengusahaan Briket (lanjutan)

Berdasarkan Peraturan Pemerintah No. 11, tanggal 9 Januari 1998, diputuskan bahwa penambahan sebesar Rp284,5 miliar ditambahkan dalam Penyertaan Modal Pemerintah.

Sejak tahun 2002, nama Proyek Pengembangan Briket Batubara sudah tidak berlaku lagi dan diganti dengan "Pengusahaan Briket". Hal ini didukung oleh Surat Keputusan Direksi Perusahaan No. 103/SK/PTBA-PERS/2002 tanggal 20 Mei 2002, dimana Direksi menetapkan struktur organisasi Satuan Kerja "Pengusahaan Briket" yang sekaligus menyatakan tidak berlakunya lagi Surat Keputusan Direksi Perusahaan No. 294/SK/PTBA-PERS/2001 tentang struktur organisasi dan pemegang jabatan satuan kerja Proyek Pengembangan Briket Batubara ("P2B2").

Efektif sejak tanggal 6 Juli 2004, izin unit usaha Gresik telah diperpanjang untuk masa lima tahun mendatang. Namun, penggantian izin tersebut baru terlaksana tanggal 16 Februari 2011 berdasarkan keputusan ESDM No. 262.K/30/DJB/2011 tentang Ijin Usaha Pertambangan ("IUP") Operasi Produksi khusus untuk pengelolaan dan pemurnian batubara. Keputusan ini berlaku sejak tanggal ditetapkan dengan ketentuan apabila di kemudian hari terdapat kekeliruan dalam penetapan keputusan ini akan diadakan perbaikan sebagaimana mestinya.

d. Perjanjian Jasa Penambangan Batubara

Jasa Penambangan di Banko Barat

Perusahaan mengadakan perjanjian pekerjaan pengupasan tanah dan penambangan batubara di tambang Banko Barat (Paket 06-006R) dengan PT Sumber Mitra Jaya ("SMJ") untuk periode 1 Juli 2008 sampai dengan 30 Juni 2013. Sesuai dengan perjanjian, SMJ bersedia untuk melakukan kegiatan pengupasan tanah dan penambangan batubara dengan target produksi yang harus dicapai adalah sebesar 29.200.000 BCM untuk tanah dengan jarak angkut rata-rata 3,47 km dan 9.300.000 ton batubara dengan jarak angkut 3,40 km. Jumlah biaya penambangan adalah USD34,36 juta dan Rp444,16 miliar (termasuk PPN).

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

c. Coal Briquette Operating Unit (continued)

Based on Government Regulation No. 11 dated 9 January 1998, Rp284.5 billion was added as Government Capital Investment.

From 2002, the name of the Coal Briquette Development Project was changed to the "Coal Briquette Operating Unit". This was supported by Board of Directors Decree No. 103/SK/PTBA-PERS/2002 dated 20 May 2002, in which the Board of Directors set out the organisational structure of Briquette Task Force, which means that Board of Directors Decree No. 294/SK/PTBA-PERS/2001 on the organisational structure of the Coal Briquette Development Project ("P2B2") task force was no longer applicable.

Effective from 6 July 2004, the operating permit for the coal briquette operating unit in Gresik was extended for the next five years. However, the replacement of the permit was only accomplished on 16 February 2011 based on the decision of the Minister of Energy and Mineral Resources No. 262.K/30/DJB/2011 regarding the Operation and Production Mining Business License for coal management and purification. The decision was effective from the date stipulated with a clause stating that if there are errors in the determination of this decision, amendments will be made as necessary.

d. Mining Service Agreements

Mining Service Agreements in Banko Barat

The Company entered into an agreement for stripping and coal mining in Banko Barat mine (package 06-006R) with PT Sumber Mitra Jaya ("SMJ") for the period from 1 July 2008 until 30 June 2013. Under this agreement, SMJ agreed to render stripping and mining activities targeted to achieve the production targets on schedule which are 29,200,000 BCM for soil with an average distance of 3.47 km and 9,300,000 tonnes for coal with an average distance of 3.40 km. The total mining cost is USD34.36 million and Rp444.16 billion (including VAT).

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**d. Perjanjian Jasa Penambangan Batubara
(lanjutan)**

Jasa Penambangan di Banko Barat (lanjutan)

Realisasi beban jasa pengupasan tanah dan penambangan batubara sebesar Rp129,4 miliar dan Rp103,76 miliar masing-masing pada tahun 2012 dan 2011.

**Jasa Penambangan di Muara Tiga Besar Utara ("MTBU"), Muara Tiga Besar Selatan ("MTBS"), Tambang Air Laya ("TAL")
Extention**

Perusahaan mengadakan perjanjian untuk pengupasan dan penambangan batubara MTBU, MTBS, TAL, dan lokasi lainnya dalam wilayah KP Eksploitasi (Paket 06-007) dengan PT Pamapersada Nusantara ("Pama") untuk periode 1 April 2007 sampai dengan 31 Maret 2012.

Target produksi yang harus dicapai adalah sebesar 76.190.000 BCM untuk tanah dengan jarak angkut rata-rata 2,32 km dan 17.500.000 ton untuk batubara dengan jarak angkut 3,09 km. Jumlah biaya penambangan adalah USD90,04 juta dan Rp977,02 miliar (termasuk PPN).

Berdasarkan addendum III tanggal 8 Juli 2011, target produksi Paket 06-007 ditingkatkan $\pm 10\%$ dari kontrak sebelumnya menjadi sebesar $\pm 99.000.000$ BCM total material dan periode pelaksanaan diubah menjadi 1 April 2007 hingga 31 Juli 2011.

Berdasarkan addendum IV tanggal 16 Desember 2011, jangka waktu pelaksanaan Paket 06-007 diperpanjang hingga 31 Mei 2012 dengan target produksi 16.339.000 BCM total material untuk periode 1 Agustus 2011 sampai dengan 31 Mei 2012.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

d. Mining Service Agreements (continued)

**Mining Service Agreements in Banko Barat
(continued)**

Realisation for stripping and coal mining expense in 2012 and 2011 amounted to Rp129.4 billion and Rp103.76 billion, respectively.

**Mining Service Agreements in Muara Tiga Besar Utara ("MTBU"), Muara Tiga Besar Selatan ("MTBS"), Tambang Air Laya ("TAL")
Extention**

The Company entered into an agreement for stripping and coal mining in MTBU, MTBS, TAL, and other locations within the Company's KP Exploitation (Package 06-007) with PT Pamapersada Nusantara ("Pama") for the period from 1 April 2007 until 31 March 2012.

The production targets that have to be achieved on schedule are 76,190,000 BCM for soil with an average distance of 2.32 km and 17,500,000 tonnes for coal with an average distance of 3.09 km. The total mining cost is USD90.04 million and Rp977.02 billion (including VAT).

Based on addendum III dated 8 July 2011, the production target of Package 06-007 was increased by $\pm 10\%$ from the previous contract to $\pm 99,000,000$ total materials BCM and the period was amended to 1 April 2007 until 31 July 2011.

Based on addendum IV dated 16 December 2011, service period for Package 06-007 is extended to 31 May 2012 with target production of 16,339,000 total materials BCM for a period of 1 August 2011 until 31 May 2012.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**d. Perjanjian Jasa Penambangan Batubara
(lanjutan)**

**Jasa Penambangan di Muara Tiga Besar Utara ("MTBU"), Muara Tiga Besar Selatan ("MTBS"), Tambang Air Laya ("TAL")
Extention (lanjutan)**

Pada tanggal 17 Nopember 2011, Perusahaan mengadakan perjanjian baru untuk jasa pemindahan tanah penutup dan sewa unit alat berat dan *dump truck* pada wilayah penggalian dan pengangkutan batubara di TAL dan MTB (Paket 10-200.R.2) dengan Pama melalui perjanjian No. 077/PJJ/EKS/0500/HK.03/2011 untuk periode 1 Agustus 2011 sampai dengan 31 Juli 2016. Target produksi yang harus dicapai adalah sebesar 145.987.500 BCM untuk tanah dengan jarak angkut rata-rata 4,5 km dan 39.850.000 ton untuk batubara dengan jarak angkut 3,0 km. Jumlah biaya penambangan adalah USD282,92 juta dan Rp3.160,43 miliar (termasuk PPN).

Pama wajib menyerahkan jaminan pelaksanaan kepada Perusahaan yang dikeluarkan oleh bank umum sebesar 5% dari total biaya pekerjaan (termasuk PPN) atau sebesar USD2,83 juta dan Rp31,61 miliar.

Beban jasa pengupasan tanah penutup dan penambangan batubara sebesar Rp1.113,7 miliar dan Rp769,91 miliar masing-masing pada tahun 2012 dan 2011.

e. Perjanjian Jasa Pengapalan Batubara

Perjanjian Jasa Pengapalan Batubara dengan PT Arpeni Pratama Ocean Line Tbk ("Arpeni") dan PT Pelayaran Bahtera Adhiguna (Persero) ("Bahtera")

Perusahaan melakukan perjanjian jasa pengapalan batubara dengan Arpeni dan Bahtera untuk pengiriman batubara dari pelabuhan Tarahan ke pelabuhan PLTU Suralaya.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

d. Mining Service Agreements (continued)

**Mining Service Agreements in Muara Tiga Besar Utara ("MTBU"), Muara Tiga Besar Selatan ("MTBS"), Tambang Air Laya ("TAL")
TAL Extention (continued)**

On 17 November 2011, the Company entered into a new agreement for top soil stripping service and rental of heavy equipment and *dump truck* for coal excavation and transportation area in TAL and MTB (Package 10-200.R.2) with Pama by agreement No. 077/PJJ/EKS/0500/HK.03/2011 for the period 1 August 2011 until 31 July 2016. The production targets which have to be achieved on schedule are 145,987,500 BCM for soil with an average distance of 4.5 km and 39,850,000 tonnes for coal with an average distance of 3.0 km. The total mining cost is USD282.92 million and Rp3,160.43 billion (including VAT).

Pama was required to submit a Performance Bond issued by a public bank to the Company amounting to 5% of the total service cost (including VAT) or in the amounts of USD2.83 million and Rp31.61 billion.

Related stripping and coal mining expense in 2012 and 2011 amounted to Rp1,113.7 billion and Rp769.91 billion, respectively.

e. Coal Shipment Agreements

Coal Shipment Agreement with PT Arpeni Pratama Ocean Line Tbk ("Arpeni") and PT Pelayaran Bahtera Adhiguna (Persero) ("Bahtera")

The Company entered into coal shipment agreements with Arpeni and Bahtera to deliver coal from the Company's port in Tarahan to PLTU Suralaya's port.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**e. Perjanjian Jasa Pengapalan Batubara
(lanjutan)**

**Perjanjian Jasa Pengapalan Batubara
dengan PT Arpeni Pratama Ocean Line Tbk
("Arpeni") dan PT Pelayaran Bahtera
Adhiguna (Persero) ("Bahtera") (lanjutan)**

Berdasarkan perjanjian dengan Arpeni (Paket 09-147) No. 050/P51258/PKP/EKS-0500/HK.03/2009 tanggal 12 Oktober 2009, Arpeni akan mengangkut 3.600.000 ton batubara per tahun selama tiga tahun, mulai 1 Juli 2009 sampai 30 Juni 2012 dengan tarif pengapalan adalah sebesar Rp23.375 (nilai penuh) per ton.

Sementara berdasarkan addendum II No. 019/ADD/P51258/EKS-0100/HK.03/2012 tanggal 3 Mei 2012, jangka waktu pelaksanaan pekerjaan diubah menjadi sampai dengan 31 Desember 2012.

Jumlah biaya pengapalan batubara dari pelabuhan Tarahan ke pelabuhan PLTU Suralaya sebesar Rp242,2 miliar dan Rp170 miliar (termasuk biaya *floating crane*, lihat Catatan 30f) masing-masing pada tahun 2012 dan 2011.

Berdasarkan perjanjian dengan Bahtera (Paket 11-019) No. 038/PJJ/P57739/EKS-0500/HK.03/2011 tanggal 31 Mei 2011, tarif pengapalan yang berlaku untuk periode 1 Januari 2011 sampai dengan 31 Desember 2012 adalah Rp23.000 (nilai penuh) per ton belum termasuk PPN.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

e. Coal Shipment Agreements (continued)

**Coal Shipment Agreement with PT Arpeni
Pratama Ocean Line Tbk ("Arpeni") and
PT Pelayaran Bahtera Adhiguna (Persero)
("Bahtera") (continued)**

Based on the agreement with Arpeni (Package 09-147) No. 050/P51258/PKP/EKS-0500/HK.03/2009 dated 12 October 2009, Arpeni shall deliver about 3,600,000 tonnes of coal annually for three years, from 1 July 2009 to 30 June 2012, with the rate for coal shipments of Rp23,375 (full amount) per tonne.

Meanwhile, based on addendum II No. 019/ADD/P51258/EKS-0100/HK.03/2012 dated 3 May 2012, the time period of task realisation was changed to 31 December 2012.

Total coal shipment cost from Tarahan port to PLTU Suralaya's port in 2012 and 2011 amounted to Rp242.2 billion and Rp170 billion (including floating crane, refer to Note 30f), respectively.

Based on agreement with Bahtera (Package 11-019) No. 038/PJJ/P57739/EKS-0500/HK.03/2011 dated 31 May 2011, the shipping tariff for the period from 1 January 2011 until 31 December 2012 was Rp23,000 (full amount) per tonne excluding VAT.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**f. Perjanjian Jasa Bongkar Muat Batubara
dengan Arpeni**

Perusahaan melakukan perjanjian jasa bongkar muat batubara dengan pengapalan batubara dengan Arpeni dari Terminal Muat Batubara PTBA Tarahan ke *Anchorage* Pelabuhan Muat PTBA Tarahan.

Berdasarkan perjanjian dengan Arpeni (Paket 09-086) No. 056/P51278/PKP/EKS-0500/HK.03/2009 tanggal 21 Oktober 2009, Arpeni akan melakukan pekerjaan Jasa Bongkar Muat Batubara dengan *floating crane* dan tongkang sebanyak 3.600.000 ton batubara per tahun selama tiga tahun, mulai 1 Juli 2009 sampai 30 Juni 2012 dengan tarif pengapalan adalah sebesar Rp33.550 (nilai penuh) per ton.

Berdasarkan addendum V No. 034/ADD/P51258/ EKS-0100/2012 tanggal 6 Agustus 2012, jangka waktu pelaksanaan pekerjaan serta tarif diubah menjadi Rp35.600 (nilai penuh) untuk periode 1 Juli 2012 sampai 31 Agustus 2012, serta Rp39.500 (nilai penuh) untuk periode 1 September 2012 sampai dengan jangka waktu pelaksanaan pekerjaan dinyatakan berakhir.

**g. Pembayaran Sumbangan Pihak Ketiga
dengan Pemerintah Daerah**

Pemerintah Daerah ("Pemda") Sumatera Selatan ("Sumsel") dengan persetujuan dari DPRD tingkat I Sumsel, menerbitkan Peraturan Daerah ("Perda") No.16/2002 tanggal 23 Desember 2002 tentang pembayaran sumbangan yang diberikan Perusahaan kepada Pemda Sumsel, Pemerintah Daerah Tingkat II Muara Enim ("Pemda Muara Enim") dan Pemerintah Tingkat II Lahat ("Pemda Lahat").

Selanjutnya, pada tahun 2012, berdasarkan kesepakatan bersama antara Perusahaan dan Pemda Sumsel No PTBA: 036/PJJ/Eks-0100/HK.03/V/2012 atau No Pemda Sumsel: 043/SPK/Dispenda/2012 tanggal 15 Mei 2012 mengenai peran serta dalam rangka peningkatan pembangunan di Propinsi Sumsel, Perusahaan akan memberikan bantuan sebesar Rp14,5 miliar untuk tahun 2012.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

**f. Coal Loading and Discharging Agreement
with Arpeni**

The Company entered into coal loading and discharging agreements with Arpeni from PTBA Tarahan coal loading terminal to PTBA Tarahan Anchorage Loading Port.

Based on the agreement with Arpeni (Package 09-086) No. 056/P51278/PKP/EKS-0500/HK.03/2009 dated October 21, 2009, Arpeni shall provide loading and discharging services through floating crane and barge amounting to 3,600,000 tonnes of coal annually for three years, from 1 July 2009 to 30 June 2012, with the rate for coal shipments of Rp33,550 (full amount) per tonne.

Based on addendum V No.034/ADD/P51258/EKS-0100/2012, time period of task realisation and tariff was changed to Rp35,600 (full amount) for the period 1 July 2012 to 31 August 2012, as well as Rp39,500 (full amount) for the period of 1 September 2012 until the completion of work agreed by both parties.

**g. Payment of Third Party Donation to the
Regional Government**

On 23 December 2002, the Regional Government ("Pemda") of South Sumatera ("Sumsel") as ratified by the Regional House of Representatives released Regional Government Regulation ("Perda") No.16/2002 regarding donations paid by the Company to South Sumatera Province ("Pemda Sumsel"), Muara Enim Regency ("Pemda Muara Enim") and Lahat Regency ("Pemda Lahat").

Furthermore, in 2012, based on mutual agreement between the Company and Pemda Sumsel No PTBA: 036/PJJ/Eks-0100/HK.03/V/2012 or No Pemda Sumsel: 043/SPK/Dispenda/2012 dated 15 May 2012 regarding participation in the development of Sumsel Province, the Company will give a contribution of Rp14.5 billion for 2012.

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**30. PERJANJIAN PENTING DAN KOMITMEN
(lanjutan)**

**g. Pembayaran Sumbangan Pihak Ketiga
dengan Pemerintah Daerah (lanjutan)**

Berdasarkan kesepakatan bersama antara Perusahaan dan Pemda Muara Enim No PTBA: 037/PJJ/Eks-0100/HK.03/V/2012 atau No Pemda Muara Enim: 970/517/PPKAD-2/2012 tanggal 15 Mei 2012 mengenai peran serta dalam rangka peningkatan pembangunan di Kabupaten Muara Enim, Perusahaan akan memberikan dana sebesar Rp16 miliar untuk tahun 2012.

Berdasarkan kesepakatan bersama antara Perusahaan dan Pemda Lahat No PTBA: 038/PJJ/Eks-0100/HK.03/V/2012 atau No Pemda Lahat: 58/Pemkab.Lahat/2012 tanggal 15 Mei 2012 mengenai peran serta dalam rangka peningkatan pembangunan di Kabupaten Lahat, Perusahaan akan memberikan dana sebesar Rp10 miliar untuk tahun 2012.

Sumbangan dana peran serta periode sampai dengan 31 Desember 2012 telah dibebankan oleh Perusahaan untuk setiap wilayah yaitu Pemda Sumsel, Pemda Lahat dan Pemda Muara Enim masing-masing sebesar Rp14,5 miliar, Rp10 miliar dan Rp16 miliar. Sumbangan tersebut dibebankan sebagai biaya umum dan administrasi pada laporan pendapatan konsolidasian sebagai donasi.

h. Iuran Produksi

Berdasarkan Peraturan Pemerintah No. 45/2003 seluruh perusahaan yang memiliki IUP diwajibkan untuk membayar iuran eksploitasi sebesar 3% sampai 7% dari nilai penjualan, setelah dikurangi beban penjualan. Perusahaan mengakui iuran ini dengan dasar akrual.

Jumlah iuran yang dibayarkan ke Pemerintah pada tahun 2012 adalah Rp714,2 miliar (2011: Rp611,1 miliar). Iuran tersebut dibebankan sebagai beban pokok penjualan pada laporan pendapatan konsolidasian.

**30. SIGNIFICANT AGREEMENTS AND
COMMITMENTS (continued)**

**g. Payment of Third Party Donation to the
Regional Government (continued)**

Based on a mutual agreement between the Company and Pemda Muara Enim No PTBA: 037/PJJ/Eks-0100/HK.03/V/2012 or No Pemda Muara Enim: 970/517/PPKAD-2/2012 dated 15 May 2012 regarding participation in development of Muara Enim, the Company was paid a contribution fund of Rp16 billion for 2012.

Based on mutual agreement between the Company and Pemda Lahat No PTBA: 038/PJJ/Eks-0100/HK.03/V/2012 or No Pemda Lahat: 58/Pemkab.Lahat/2012 dated 15 May 2012 regarding participation in development of Lahat, the Company has paid contribution fund of Rp10 billion for 2012.

The contribution funds up to 31 December 2012 have been paid by the Company to each of the local Governments of Pemda Sumsel, Pemda Lahat, and Pemda Muara Enim amounting to Rp14.5 billion, Rp10 billion, and Rp16 billion. The amounts were charged to general and administration expenses in the consolidated statements of income as donations.

h. Production Royalty

Based on Government Regulation No. 45/2003 all companies holding IUP have an obligation to pay exploitation fees ranging from 3% to 7% of sales, net of selling expenses. The Company recognises this fee on an accrual basis.

The royalty paid to the Government in 2012 was Rp714.2 billion (2011: Rp611.1 billion). The royalty is charged to cost of sales in the consolidated statements of income.

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31. ASET DAN LIABILITAS KONTINJENSI

Undang-Undang Pertambangan No. 4/2009

Pada tanggal 16 Desember 2008, Dewan Perwakilan Rakyat meloloskan Undang-Undang ("UU") Pertambangan Mineral dan Batubara, yang telah disetujui oleh Presiden pada 12 Januari 2009 menjadi UU No. 4/2009.

Setelah keluarnya Undang-Undang tersebut, Direktur Jenderal Mineral, Batubara dan Panas Bumi ("DJMBP") menerbitkan Surat Keputusan ("SK") No. 03.E/31/DJB/2009 sehubungan dengan Kuasa Pertambangan ("KP") yang menjadi dasar operasi Pemerintah. Beberapa diantaranya adalah:

- KP yang ada pada saat diberlakukannya Undang-Undang masih berlaku hingga jangka waktu berakhirnya KP tetapi wajib dikonversi menjadi IUP sesuai dengan Undang-Undang, paling lambat 11 Januari 2010.
- Tata cara penerbitan IUP akan diterbitkan oleh DJMBP (diasumsikan melalui peraturan pelaksana Undang-Undang No. 4/2009).
- Semua pemegang KP eksplorasi dan eksploitasi diwajibkan untuk menyerahkan rencana aktivitas seluruh KP hingga berakhirnya jangka waktu KP, paling lambat enam bulan setelah disahkannya Undang-Undang, yaitu 11 Juli 2009.

Pada bulan Pebruari 2010, Pemerintah Indonesia mengeluarkan dua peraturan pemerintah yaitu Peraturan Pemerintah No. 22/2010 dan 23/2010 ("PP No. 22" dan "PP No. 23"), sehubungan dengan penerapan Undang-Undang Pertambangan No. 4/2009. PP No. 22 mengatur tentang pembentukan area pertambangan dengan menggunakan ijin usaha pertambangan yang baru. PP No. 23 mengatur tentang prosedur-prosedur untuk memperoleh IUP baru. PP No. 23 juga mewajibkan agar KP diubah menjadi IUP dalam jangka waktu tiga bulan sejak diterbitkannya PP No. 23, akan tetapi tata laksana masih perlu diperjelas oleh pemerintah.

Grup terus memonitor perkembangan peraturan pelaksana Undang-Undang tersebut secara ketat dan akan mempertimbangkan dampak terhadap operasi Grup, jika ada, pada saat peraturan-peraturan pelaksana ini diterbitkan. Seperti yang telah disajikan pada Catatan 1b, sampai pada tanggal laporan keuangan konsolidasian ini diterbitkan Grup telah memperoleh IUP untuk sebagian besar area eksploitasi/pengembangan yang dimiliki.

31. CONTINGENT ASSETS AND LIABILITIES

Mining Law No. 4/2009

On 16 December 2008, the Indonesian Parliament passed Law on Mineral and Coal Mining (the "Law"), which received the assent of the President on 12 January 2009, becoming Law No. 4/2009.

Following the issuance of the Law, the Director General of Minerals, Coal and Geothermal ("DGMCG") issued Circular No. 03.E/31/DJB/2009 with respect to Mining Rights ("KP") under which the Company operates. The Circular states that, among others:

- *KPs in force at the time the law was enacted will remain valid until the expiry of the KP but must be converted to an IUP – the mining license under the Law by 11 January 2010 at the latest.*
- *The procedures for IUP issuance will be issued by the DGMCG (presumably through the upcoming implementing regulations for Law No. 4/2009).*
- *All existing exploration and exploitation KP holders are required to deliver an activities plan for the whole KP area covering the period until expiry of the KP term, at the latest within six months of the enactment of the Law, i.e. by 11 July 2009.*

In February 2010, the Government of Indonesia released two implementing regulations for Mining Law No. 4/2009, i.e. Government Regulations Nos. 22/2010 and 23/2010 ("GR No.22" and "GR No. 23"). GR No. 22 deals with the establishment of mining areas under the IUP. GR No. 23 provides clarifications surrounding the procedures to obtain new IUPs. GR No. 23 also requires a KP to be converted into an IUP within three months of the issue of GR No. 23, however, the details of the procedures remain to be specified.

The Group is closely monitoring the progress of the implementing regulations for the Law, and will consider the impact on its operations, if any, once these regulations are issued. As presented in Note 1b, as of the date of these consolidated financial statements, the Group has obtained IUPs for most of its exploitation/development areas.

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31. ASET DAN LIABILITAS KONTINJENSI (lanjutan)

**31. CONTINGENT ASSETS AND LIABILITIES
(continued)**

Keputusan Menteri No 34/2009

Ministerial Regulation No 34/2009

Pada bulan Desember 2009, Menteri ESDM mengeluarkan Peraturan Menteri No. 34/2009 yang memberikan dasar hukum yang mewajibkan perusahaan pertambangan untuk menjual sebagian hasil produksinya kepada pelanggan domestik ("Domestic Market Obligation" atau "DMO"). Sesuai dengan Keputusan Menteri ESDM No. 2360/K/30/MEM/2010, persentase batas minimal DMO untuk tahun 2012 adalah 24,17% (2011: 24,17%). Pada tahun 2012 total persentase penjualan ke pelanggan domestik adalah 53% (2011: 62%) dari total penjualan Grup.

In December 2009, the Minister of ESDM issued Ministerial Regulation No. 34/2009, which provides a legal framework to require mining companies to sell a portion of their output to domestic customers ("Domestic Market Obligation" or "DMO"). According to Ministerial Decree of Minister of ESDM No. 2360/K/30/MEM/2010, the minimum DMO percentage for 2012 is 24.17% (2011: 24.17%). As at 2012 total percentage of revenue to domestic customer are 53% (2011: 62%) from total revenue of the Group.

Peraturan Menteri ini menyediakan sistem 'cap and trade' dimana perusahaan pertambangan yang melebihi kewajiban DMO dapat menjual/mentransfer kredit DMO untuk perusahaan pertambangan lain yang tidak dapat memenuhi komitmen DMO. Mekanisme penetapan harga untuk kredit DMO akan ditentukan berdasarkan ketentuan komersial. Mekanisme perdagangan kredit DMO telah diklarifikasi dalam Surat Edaran No. DJMBP 5055/30/DJB/2010 tanggal 29 November 2010, yang mengatur bahwa kredit DMO dapat ditransfer antar perusahaan pertambangan dengan persetujuan Direktorat Jenderal Mineral, Batubara dan Panas Bumi, termasuk kredit yang dimiliki oleh pedagang atas nama perusahaan pertambangan

This regulation provides for a 'cap and trade' system whereby mining companies that exceed their DMO obligations may sell/transfer DMO credits to a mining company that is unlikely to meet its DMO commitment. The pricing mechanism for DMO credits is to be determined on commercial terms. The mechanism for trading DMO credits has been clarified in Circular Letter of DGMCG No. 5055/30/DJB/2010 dated 29 November 2010, which provides that DMO credits can be transferred between mining companies with the approval of the Directorate General of Minerals, Coal and Geothermal, including credits held by traders on behalf of a mining company.

Reklamasi Tambang dan Penutupan Tambang

Mine Reclamation and Mine Closure

Pada tanggal 20 Desember 2010, Pemerintah Indonesia mengeluarkan peraturan implementasi atas Undang-Undang Mineral No. 4/2009, yaitu Peraturan Pemerintah No. 78/2010 ("PP No. 78") yang mengatur aktivitas reklamasi dan pascatambang untuk pemegang IUP-Eksplorasi dan IUP-Operasi Produksi. Peraturan ini mengukuhkan keberlakuan Peraturan Menteri No. 18/2008 yang dikeluarkan oleh Menteri ESDM pada tanggal 29 Mei 2008.

On 20 December 2010, the Government of Indonesia released an implementing regulation for Mining Law No. 4/2009, i.e. Government Regulation No. 78/2010 ("GR No. 78") that deals with reclamation and post-mining activities for both IUP-Exploration and IUP-Production Operation holders. This regulation confirms Ministerial Regulation No. 18/2008 issued by the Minister of ESDM on 29 May 2008.

Pemegang IUP-Eksplorasi, ketentuannya antara lain, harus memuat rencana eksplorasi di dalam rencana kerja dan anggaran biaya eksplorasinya dan menyediakan jaminan reklamasi berupa deposito berjangka yang ditempatkan pada bank pemerintah.

IUP-Exploration holders, among other requirements, must include a reclamation plan in its exploration work plan and budget and provide a reclamation guarantee in the form of a time deposit placed at a state-owned bank.

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**Reklamasi Tambang dan Penutupan Tambang
(lanjutan)**

Pemegang IUP-Operasi Produksi, ketentuannya antara lain, harus menyiapkan (1) rencana reklamasi lima tahunan; (2) rencana pasca tambang; (3) menyediakan jaminan reklamasi yang dapat berupa rekening bersama atau deposito berjangka yang ditempatkan pada bank pemerintah, bank garansi, atau cadangan akuntansi (bila diijinkan), dan (4) menyediakan jaminan pasca tambang berupa deposito berjangka yang ditempatkan di bank pemerintah.

Penempatan jaminan reklamasi dan jaminan pasca tambang tidak menghilangkan kewajiban pemegang IUP dari ketentuan untuk melaksanakan aktivitas reklamasi dan pasca tambang.

Pada tanggal laporan keuangan konsolidasian ini, Grup telah menempatkan jaminan reklamasi tambang dalam bentuk cadangan akuntansi (lihat Catatan 20) dan akan melakukan penempatan deposito untuk penyisihan penutupan tambang. Berdasarkan peraturan ini Grup telah mengirimkan rencana penutupan tambangnya ke Gubernur Sumatera Selatan dan diharapkan untuk disetujui pada tahun 2013 dan penempatan deposito baru akan dilakukan pada tahun 2016, tiga tahun setelah dokumen rencana penutupan tambang disetujui oleh Gubernur Sumatera Selatan dan Bupati Muara Enim.

Keputusan Menteri No. 17/2010

Pada tanggal 23 September 2010, Menteri Energi dan Sumber Daya Mineral mengeluarkan Peraturan Menteri No. 17/2010 yang menjelaskan mekanisme untuk menentukan *Indonesian Minerals and Coal Benchmark Price* ("IMCBP"), sebagai salah satu peraturan pelaksana UU No. 4/2009. Peraturan ini berlaku efektif pada tanggal 23 September 2010.

Peraturan Menteri No. 17/2010 mengatur antara lain:

- penggunaan harga rata-rata mineral/batubara dari indeks pasar internasional dan penggunaan *free-on-board* ("FOB"), kapal induk sebagai titik penjualan untuk menentukan IMCBP;
- penerimaan beban tertentu sebagai penyesuaian untuk IMCBP (jika titik penjualan FOB yang sebenarnya bukan kapal induk); dan
- penggunaan pendekatan harga dasar (yaitu harga jual IMCBP vs harga jual aktual, mana yang lebih tinggi), untuk perhitungan Penerimaan Negara (contoh: royalti atau biaya eksploitasi).

**31. CONTINGENT ASSETS AND LIABILITIES
(continued)**

Mine Reclamation and Mine Closure (continued)

IUP-Production Operation holders, among other requirements, must prepare (1) a five-year reclamation plan; (2) a post-mining plan; (3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision (if eligible); and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities.

As at the date of these consolidated financial statements, the Group had placed reclamation guarantees in the form of accounting reserves (refer to Note 20) and plans to establish a time deposit for mine closure provision. Based on this regulation, the Group has submitted its mine closure plan to the Governor of South Sumatera and it is expected to be approved in 2013 and then followed by the placement of time deposit in 2016, three years after the issue of approval for mine closure plan by the Governor of South Sumatra and Muara Enim Regency Government.

Ministerial Regulation No. 17/2010

On 23 September 2010, the Minister of Energy and Mineral Resources issued Ministerial Regulation No. 17/2010 outlining the mechanism for determining the Indonesian Minerals and Coal Benchmark Price ("IMCBP"), as one of the implementing regulations to the Mining Law No. 4/2009. It has been effective from 23 September 2010.

Ministerial Regulation No. 17/2010 governs among others:

- *the use of the average mineral/coal price from international market indices and the use of free-on-board ("FOB") mother vessel as the sale point to determine the IMCBP;*
- *the acceptance of certain costs as adjustments to the IMCBP (if the actual sale point is not FOB mother vessel); and*
- *the use of a "floor" price approach (i.e. IMCBP vs. actual sales price, whichever is higher, for the Non-Tax State Revenue calculation (e.g. royalty or exploitation fee).*

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Keputusan Menteri No. 17/2010 (lanjutan)

Peraturan ini juga mengharuskan perusahaan pertambangan untuk:

- menggunakan kapal/perahu berbendera Indonesia untuk mengangkut mineral/batubara;
- mengutamakan penggunaan perusahaan asuransi nasional dimana syarat adopsi CIF digunakan; dan
- menggunakan surveyor yang ditunjuk oleh Direktorat DJMBP.

Royalti dan iuran eksploitasi akan dihitung berdasarkan harga jual aktual tertinggi dan IMCBP, seperti yang dijelaskan lebih lanjut dalam Peraturan Menteri No. 17/2010.

Peraturan Menteri No. 17/2010 memberikan masa transisi untuk merubah kontrak *spot* penjualan sampai dengan 22 Maret 2011 dan kontrak penjualan jangka panjang sampai dengan 22 September 2011.

Pada tanggal 3 Maret 2011, Menteri Energi dan Sumber Daya Mineral mengeluarkan Keputusan Menteri No. 0617 K/32/MEM/2011 tentang Harga Batubara untuk PLN Dalam Rangka Pengoperasian Pembangkit Listrik Tenaga Uap, yang antara lain mengatur:

- Harga pembelian batubara oleh PLN dalam rangka pengoperasian pembangkit listrik tenaga uap adalah sebesar harga patokan batubara pada saat tercapainya kesepakatan antara PLN dengan perusahaan PKP2B atau IUP Operasi Produksi Batubara;
- Harga kesepakatan pembelian batubara wajib disesuaikan setiap 12 bulan sekali dengan harga pembelian batubara sesuai dengan harga patokan batubara yang berlaku pada saat penyesuaian; dan
- Harga patokan batubara akan diatur lebih lanjut oleh peraturan Direktur Jenderal Mineral, Batubara dan Panas Bumi.

**31. CONTINGENT ASSETS AND LIABILITIES
(continued)**

Ministerial Regulation No. 17/2010 (continued)

This regulation also requires mining companies to:

- *use Indonesian flagged ships/vessels to transport minerals/coal;*
- *prioritise the use of a national insurance company where CIF sale terms are adopted; and*
- *use surveyors appointed by the DGMCG.*

Royalties and exploitation fees will be calculated based on the higher of the actual sales price and the IMCBP as further explained in Ministerial Regulation No. 17/2010.

Ministerial Regulation No. 17/2010 provides a transitional period until 22 March 2011 for spot sales contracts and 22 September 2011 for term sales contracts.

On 3 March 2011, Minister of Energy and Mineral Resources issued Ministerial Decision No. 0617 K/32/MEM/2011 on The Benchmark Price for PLN in Operation of Coal Fired Power Plant, which regulates:

- *Coal purchase price by PLN in their operation of coal fired power plant is the coal benchmark price at the time that agreement between PLN and CCA company or IUP Coal Production holder, was agreed;*
- *The agreed coal purchase price should be adjusted every 12 months with the coal purchase price based on coal benchmark price enacted at the date of adjustment; and*
- *The coal benchmark price will be regulated further by regulation of the Director General of Minerals, Coal and Geothermal.*

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Keputusan Menteri No. 17/2010 (lanjutan)

Pada tanggal 24 Maret 2011, Direktur Jenderal Mineral, Batubara dan Panas Bumi mengeluarkan Peraturan Direktur Jenderal No. 515.K/32/DJB/2011 tentang Formula untuk Penetapan Harga Patokan Batubara, yang antara lain mengatur:

- Menetapkan harga patokan batubara setiap bulan berdasarkan formula yang mengacu pada rata-rata beberapa indeks harga batubara;
- Harga patokan batubara wajib digunakan sebagai acuan dalam penjualan batubara; dan
- Untuk penjualan batubara yang dilakukan secara jangka tertentu (*term*), harga batubara mengacu pada rata-rata tiga harga patokan terakhir pada bulan dimana dilakukan kesepakatan harga.

Pada tanggal 26 Agustus 2011, Direktur Jendral Mineral, Batubara, dan Panas Bumi mengeluarkan Peraturan Direktur Jenderal No. 999.K/30/DJB/2011 mengenai Tata Cara Penetapan Besaran Biaya Penyesuaian Harga Batubara.

Pada peraturan tersebut juga ditetapkan besarnya biaya penyesuaian pada beberapa wilayah di Indonesia yang akan digunakan dalam penghitungan pengurangan Harga Patokan Batubara. Peraturan ini mulai berlaku sejak tanggal ditetapkan.

Manajemen berkeyakinan bahwa seluruh kontrak penjualan batubara jangka pendek yang dilakukan oleh Grup telah menggunakan harga jual yang sesuai dengan IMCBP. Untuk kontrak penjualan jangka panjang, harga yang ditetapkan akan disesuaikan setiap tahunnya berdasarkan harga IMCBP tahun tersebut.

Dalam melakukan perhitungan royalti, Grup juga telah menyesuaikan harga penjualan yang digunakan untuk menghitung royalti berdasarkan kalori dari masing-masing penjualan.

31. CONTINGENT ASSETS AND LIABILITIES (continued)

Ministerial Regulation No. 17/2010 (continued)

On 24 March 2011, the Director General of Minerals, Coal, and Geothermal issued Director General Regulation No. 515.K/32/DJB/2011 on the Formula for Setting the Coal Benchmark Price, which states that:

- *The coal benchmark price is set every month based on a formula which is the average of several coal price indices;*
- *The coal benchmark price should be used as the basis for coal sales; and*
- *For the coal sales on a term basis, the coal price is based on the average of the three last benchmarked prices at the month where the price was agreed.*

On 26 August 2011, Director General of Minerals, Coal, and Geothermal, issued Director General Regulation No. 999.K/30/DJB/2011 on Procedures for Determination of Coal Benchmark Price Adjustment.

The regulation also set out the cost adjustment for some areas in Indonesia which will be used in the calculation of Coal Benchmark Price Deduction. This regulation became effective from the date of its promulgation.

Management believes that sales price for all short-term coal sales contracts entered into by the Group is in line with the IMCBP. For the long-term coal sales contracts, the sales price will be revisited each year and will be adjusted in accordance with IMCBP of the respective period.

In calculating the royalty, the Group has also used the adjusted sales price for the royalty calculation based on the calorific value of each sale.

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31. ASET DAN LIABILITAS KONTINJENSI (lanjutan)

**31. CONTINGENT ASSETS AND LIABILITIES
(continued)**

Perkara-perkara dalam proses di Pengadilan

Outstanding court cases still in progress

Pada tahun 2003, Perusahaan diberikan KP untuk mengeksploitasi daerah Lahat. Pada tahun 2004, otoritas untuk memberikan KP dialihkan pengurusanannya oleh Gubernur Sumatera Selatan ke Bupati Lahat pada tahun 2004. Pada tanggal 29 Agustus 2005 melalui Pengadilan Tata Usaha Negara ("PTUN") Palembang, Perusahaan mengajukan gugatan kepada Bupati Lahat sehubungan dengan penerbitan beberapa KP kepada beberapa perusahaan swasta atas wilayah yang sama yang dimiliki oleh Perusahaan. Atas upaya hukum tersebut, PTUN Palembang menolak gugatan Perusahaan.

In 2003, the Company was given a KP to exploit the Lahat area. In 2004, the authority to grant KPs was transferred by the Governor of South Sumatera to the Lahat Regency Government. On 29 August 2005, through Palembang Administrative Court ("PTUN"), the Company filed a lawsuit against the Lahat Regency Government due to several overlapping KPs with other companies. Palembang PTUN refused to process the Company's claim.

Pada tanggal 14 Desember 2005, Perusahaan mengajukan upaya hukum banding ke Pengadilan Tinggi Tata Usaha Negara ("PTTUN") Medan. PTTUN menolak upaya hukum banding Perusahaan.

On 14 December 2005, the Company filed an appeal with the Medan Administrative High Court ("PTTUN"). PTTUN rejected the Company's appeal.

Pada tanggal 30 Juni 2006, Mahkamah Agung telah menerima upaya hukum kasasi dari Perusahaan. Pada tanggal 10 Mei 2007, Mahkamah Agung memutuskan untuk membatalkan putusan PTTUN Medan, menolak eksepsi tergugat tetapi juga menyatakan gugatan Perusahaan tidak dapat diterima.

On 30 June 2006, the Supreme Court received the Company's cassation. On 10 May 2007, the Supreme Court announced the cancellation of the PTTUN's decision, and refused both the exception of the defendant and the Company's cassation.

Pada tanggal 31 Januari 2008, masih terkait dengan kasus di atas, Perusahaan mengajukan gugatan perdata ke PN Lahat atas kerugian materiil akibat pemberian KP kepada pihak lain. Gugatan dilayangkan kepada beberapa pihak termasuk Bupati Lahat sebagai tergugat pertama.

On 31 January 2008, still in relation to the KP overlapping above, the Company filed a civil suit with PN Lahat due to commercial losses from KP overlapping with other parties. The suit is addressed to several parties, which include the Lahat Regency Government as first defendant.

Tanggal 12 Agustus 2008, PN Lahat mengeluarkan Putusan Sela, bahwa PN Lahat tidak berwenang mengadili perkara tersebut, dengan Putusan Sela tersebut Perusahaan mengajukan upaya hukum banding ke Pengadilan Tinggi ("PT") Palembang.

On 12 August 2008, PN Lahat announced its refusal to process the suit, on which the Company further appealed to the High Court ("PT") in Palembang.

Tanggal 16 Desember 2008 PT Palembang mengeluarkan Putusan Sela, menerima banding Perusahaan, membatalkan Putusan Sela PN Lahat serta memerintahkan PN Lahat untuk memeriksa dan mengadili perkara tersebut.

On 16 December 2008, PT Palembang issued a decision letter approving the Company's appeal and ordered PN Lahat to process the suit.

Dengan putusan sela PT Palembang tersebut para tergugat mengajukan upaya hukum kasasi ke Mahkamah Agung RI.

With the PT Palembang decision, the defendant appealed to the Indonesian Supreme Court.

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31. ASET DAN LIABILITAS KONTINJENSI (lanjutan)

**Perkara-perkara dalam proses di Pengadilan
(lanjutan)**

Tertanggal 9 Juli 2009 PN Lahat telah mengirimkan berkas perkara kasasi ke Mahkamah Agung RI.

Tanggal 2 Nopember 2009 berkas perkara telah diterima Mahkamah Agung RI.

Tanggal 28 Januari 2010 Mahkamah Agung RI, telah menerbitkan Putusan Kasasi dengan Amar Putusan Menolak Permohonan Kasasi para tergugat (Bupati Lahat dkk), yang relas pemberituannya diterima perusahaan tanggal 1 Desember 2010.

Para tergugat mengajukan Peninjauan Kembali ("PK") Perdata ke Mahkamah Agung RI. Perusahaan telah membuat tanggapan atas PK tersebut pada tanggal 20 Mei 2011 yang diserahkan kepada Mahkamah Agung RI melalui PN Lahat.

Bupati Lahat pada tanggal 20 Juni 2011 mengajukan PK terhadap perkara KP di PTUN Palembang.

Pada tanggal 11 Oktober 2011, Mahkamah Agung menerbitkan Putusan PK Tata Usaha Negara ("TUN") No. 109.KP/PTUN/2011 dalam Amar putusannya menerima PK TUN Bupati Lahat yang diterima oleh Perusahaan pada tanggal 16 Nopember 2011. Dengan demikian, sehubungan perkara di PTUN Palembang, Perusahaan berada di pihak yang dikalahkan.

Tanggal 25 Nopember 2011, Perusahaan mengajukan PK TUN kepada Mahkamah Agung RI melalui PTUN Palembang atas Putusan Kasasi TUN Mahkamah Agung RI No. 326K/TUN/2006 tanggal 10 Mei 2007.

Tanggal 16 Desember 2011, Ketua PTUN Palembang mengeluarkan Penetapan dimana permohonan PK TUN Perusahaan dinyatakan tidak dapat diterima. Tanggal 11 Januari 2012, Perusahaan mengajukan Kasasi atas Penetapan Ketua PTUN Palembang mengenai permohonan PK TUN.

Pada tanggal 16 April 2012 Perusahaan menerima putusan PK Perdata dari Mahkamah Agung No. 405.KP/PDT/2011 tanggal 10 Nopember 2011 dalam Amar putusannya mengabulkan permohonan PK para tergugat (Bupati Lahat).

**31. CONTINGENT ASSETS AND LIABILITIES
(continued)**

**Outstanding court cases still in progress
(continued)**

On 9 July 2009, PN Lahat sent the cassation files to the Indonesian Supreme Court.

On 2 November 2009, the cassation files were received by the Indonesian Supreme Court.

On 28 January 2010, the Indonesian Supreme Court issued a cassation decision rejecting the petition of the defendants (Lahat Regency Government), for which notice was received by the Company on 1 December 2010.

The defendant filed on appeal for a civil reconsideration ("PK") to the Indonesian Supreme Court. The Company has made a counter-response to the PK on 20 May 2011, which was sent to the Indonesian Supreme Court through PN Lahat.

On 20 June 2011, the Lahat Regency Government filed an appeal for PK of KP case at PTUN Palembang.

On 11 October 2011, the Supreme Court issued a PK Administrative ("TUN") decision letter No. 109.KP/PTUN/2011 approving PK TUN from the Lahat Regency Government which was received by the Company on 16 November 2011. Therefore, for the case in PTUN Palembang, the Company was not successful.

On 25 November 2011, the Company filed an appeal of PK TUN to the Indonesian Supreme Court through PTUN Palembang for TUN decision letter No. 326K/TUN/2006 dated 10 May 2007 issued by the Indonesia Supreme Court.

On 16 December 2011, Head of PTUN Palembang issued a decision stating that the Company's appeal could not be accepted. On 11 January 2012, the Company filed a cassation appeal in relation to this decision.

On 16 April 2012, the Company received a verdict from the Supreme Court review No. 405.KP/PDT/2011 dated 10 November 2011 approving PK petition of the defendants (Lahat Regency Government).

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32. INFORMASI PIHAK-PIHAK YANG BERELASI

32. RELATED PARTY INFORMATION

a. Transaksi dan saldo kepada pihak yang berelasi

a. Transactions and balances with related parties

Perusahaan dikendalikan oleh Pemerintah Indonesia. Transaksi dengan pihak yang berelasi adalah sebagai berikut:

The Company is controlled by the Government of Indonesia. Transactions with related parties are as follows:

	<u>2012</u>	<u>2011</u>
Penjualan produk		
- PT Perusahaan Listrik Negara (Persero)	3,089,350	2,033,172
- PT Indonesia Power	2,698,190	3,920,373
- PT Semen Baturaja (Persero)	68,375	82,905
- PT Semen Padang (Persero)	22,058	66,580
- PT Timah (Persero) Tbk	<u>19,938</u>	<u>20,526</u>
	<u>5,897,911</u>	<u>6,123,556</u>

Sale of goods	
PT Perusahaan Listrik Negara (Persero)	-
PT Indonesia Power	-
PT Semen Baturaja (Persero)	-
PT Semen Padang (Persero)	-
PT Timah (Persero) Tbk	-

(sebagai persentase terhadap jumlah penjualan)

51% 58%

(as a percentage of total sales)

Pembelian barang/jasa

- PT Kereta Api Indonesia (Persero)	1,903,620	1,715,358
- PT Pertamina (Persero)	128,590	187,151
- PT Bahtera Adhiguna (Persero)	64,898	29,124
- PT Perusahaan Listrik Negara (Persero)	60,368	57,073
- PT Asuransi Jasa Indonesia (Persero)	<u>2,133</u>	<u>1,910</u>
	<u>2,159,609</u>	<u>1,990,616</u>

Purchase of goods/services	
PT Kereta Api Indonesia (Persero)	-
PT Pertamina (Persero)	-
PT Bahtera Adhiguna (Persero)	-
PT Perusahaan Listrik Negara (Persero)	-
PT Asuransi Jasa Indonesia (Persero)	-

(sebagai persentase terhadap jumlah beban pokok penjualan dan beban usaha)

26% 29%

(as a percentage of total cost of sales and operating expense)

Pendapatan keuangan

PT Bank Mandiri (Persero) Tbk, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk dan PT Bank Negara Indonesia (Persero) Tbk	<u>274,067</u>	<u>382,690</u>
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Interest income	
PT Bank Mandiri (Persero) Tbk, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk and PT Bank Negara Indonesia (Persero) Tbk	

(sebagai persentase terhadap jumlah pendapatan keuangan)

84% 94%

(as a percentage of total financial income)

Pembayaran iuran dana pensiun

Dana Pensiun Bukit Asam	<u>53,690</u>	<u>28,492</u>
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Pension fund installment payment	
Dana Pensiun Bukit Asam	

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32. INFORMASI PIHAK-PIHAK YANG BERELASI
(lanjutan)

32. RELATED PARTY INFORMATION (continued)

a. Transaksi dan saldo kepada pihak yang berelasi (lanjutan)

a. Transactions and balances with related parties (continued)

	<u>2012</u>	<u>2011</u>
Aset		
Kas di bank		
Rupiah		
- PT Bank Negara Indonesia (Persero) Tbk	31,799	37,111
- PT Bank Mandiri (Persero) Tbk	30,710	31,905
- PT Bank Rakyat Indonesia (Persero) Tbk	8,567	2,041
Dolar Amerika Serikat		
- PT Bank Negara Indonesia (Persero) Tbk	194,897	84,695
- PT Bank Mandiri (Persero) Tbk	<u>56,372</u>	<u>19,773</u>
	<u>322,345</u>	<u>175,525</u>
Deposito berjangka (jatuh tempo dalam jangka waktu 3 bulan)		
Rupiah		
- PT Bank Mandiri (Persero) Tbk	1,625,000	2,175,000
- PT Bank Negara Indonesia (Persero) Tbk	1,135,400	2,640,000
- PT Bank Tabungan Negara (Persero) Tbk	1,125,000	1,075,000
- PT Bank Rakyat Indonesia (Persero) Tbk	954,000	368,000
Dolar Amerika Serikat		
- PT Bank Negara Indonesia (Persero) Tbk	<u>290,100</u>	<u>136,020</u>
	<u>5,129,500</u>	<u>6,394,020</u>
Piutang usaha		
- PT Perusahaan Listrik Negara (Persero)	796,437	455,393
- PT Indonesia Power	421,435	368,456
- PT Semen Baturaja (Persero)	8,349	7,786
- PT Timah (Persero) Tbk	8,016	6,988
- PT Semen Padang (Persero)	<u>-</u>	<u>5,725</u>
	<u>1,234,237</u>	<u>844,348</u>
Jumlah aset yang terkait dengan pihak yang berelasi	<u>6,686,082</u>	<u>7,413,893</u>
(sebagai persentase terhadap jumlah aset)	<u>53%</u>	<u>64%</u>

Assets	
Cash in bank	
Rupiah	
PT Bank Negara Indonesia (Persero) Tbk	-
PT Bank Mandiri (Persero) Tbk	-
PT Bank Rakyat Indonesia (Persero) Tbk	-
US Dollars	
PT Bank Negara Indonesia (Persero) Tbk	-
PT Bank Mandiri (Persero) Tbk	-
Time deposits (maturity within three months)	
Rupiah	
PT Bank Mandiri (Persero) Tbk	-
PT Bank Negara Indonesia (Persero) Tbk	-
PT Bank Tabungan Negara (Persero) Tbk	-
PT Bank Rakyat Indonesia (Persero) Tbk	-
US Dollars	
PT Bank Negara Indonesia (Persero) Tbk	-
Trade receivables	
PT Perusahaan Listrik Negara (Persero)	-
PT Indonesia Power	-
PT Semen Baturaja (Persero)	-
PT Timah (Persero) Tbk	-
PT Semen Padang (Persero)	-
Total assets associated with related parties	
(as a percentage of total assets)	

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32. INFORMASI PIHAK-PIHAK YANG BERELASI
(lanjutan)

32. RELATED PARTY INFORMATION (continued)

a. Transaksi dan saldo kepada pihak yang berelasi (lanjutan)

a. Transactions and balances with related parties (continued)

	<u>2012</u>	<u>2011</u>	
Liabilitas			Liabilities
Utang usaha			Trade payables
- PT Pertamina (Persero)	3,807	5,300	PT Pertamina (Persero) -
- PT Dahana (Persero)	2,542	-	PT Dahana (Persero) -
- PT Aneka Tambang (Persero) Tbk	10,085	-	PT Aneka Tambang (Persero) Tbk -
- PT Waskita Karya (Persero)	2,844	-	PT Waskita Karya (Persero) -
- PT Pindad (Persero)	-	1,189	PT Pindad (Persero) -
- PT Bahtera Adhiguna (Persero)	1,078	878	PT Bahtera Adhiguna (Persero) -
- Lainnya	944	3,081	Others -
	<u>21,300</u>	<u>10,448</u>	
 Beban akrual			 Accrued expenses
- PT Kereta Api Indonesia (Persero)	230,886	240,317	PT Kereta Api Indonesia (Persero) -
- Kementerian Energi dan Sumber Daya Mineral	34,042	49,453	Ministry of Energy and Mineral Resources -
- PT Bahtera Adhiguna (Persero)	25,204	1,052	PT Bahtera Adhiguna (Persero) -
- PT Indonesia Power	3,970	21,708	PT Indonesia Power -
- PT Perusahaan Listrik Negara (Persero)	1,266	3,712	PT Perusahaan Listrik Negara (Persero) -
	<u>295,368</u>	<u>316,242</u>	
Jumlah liabilitas kepada pihak yang berelasi	<u>316,668</u>	<u>326,690</u>	Total liabilities to related parties
 (sebagai persentase terhadap jumlah liabilitas)	<u>8%</u>	<u>10%</u>	 (as a percentage of total liabilities)

b. Kompensasi manajemen kunci

b. Key management compensation

Personil manajemen kunci adalah Dewan Komisaris, Dewan Direksi, dan karyawan kunci Grup. Kompensasi yang dibayar atau terutang pada manajemen kunci atas jasa kepegawaian adalah sebagai berikut:

Key management personnel are the Board of Commissioners, Board of Directors, and key employees of the Group. The compensation paid or payable to key management for employee services is shown below:

	<u>2012</u>								
	<u>Dewan Direksi/ Board of Directors</u>		<u>Dewan Komisaris/ Board of Commissioners</u>		<u>Pemegang saham utama yang juga bagian dari manajemen/ Shareholders that are part of management</u>		<u>Personil manajemen kunci lainnya/ Other key management personnel</u>		
	<u>%</u>	<u>Rp</u>	<u>%</u>	<u>Rp</u>	<u>%</u>	<u>Rp</u>	<u>%</u>	<u>Rp</u>	
Gaji dan imbalan karyawan jangka pendek lainnya	2.25	30,511	0.99	13,451	-	-	0.15	2,033	Salaries and other short term employee benefits
Imbalan pasca kerja	-	-	-	-	-	-	0.05	620	Post-employment benefits
Jumlah	<u>2.25</u>	<u>30,511</u>	<u>0.99</u>	<u>13,451</u>	<u>-</u>	<u>-</u>	<u>0.20</u>	<u>2,653</u>	Total

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32. INFORMASI PIHAK-PIHAK YANG BERELASI
(lanjutan)

32. RELATED PARTY INFORMATION (continued)

b. Kompensasi manajemen kunci (lanjutan)

b. Key management compensation (continued)

2011							
	Dewan Direksi/ Board of Directors		Dewan Komisaris/ Board of Commissioners		Pemegang saham utama yang juga bagian dari manajemen/ Shareholders that are part of management		Personil manajemen kunci lainnya/ Other key management personnel
	%	Rp	%	Rp	%	Rp	%
Gaji dan imbalan karyawan jangka pendek lainnya	1.63	23,113	0.64	9,118	-	-	0.12
Imbalan pasca kerja	-	-	-	-	-	-	0.07
Jumlah	1.63	23,113	0.64	9,118	-	-	0.19
							2,754
							Total

c. Sifat hubungan dengan pihak yang berelasi

c. The nature of the relationships

Sifat transaksi dan hubungan dengan pihak yang berelasi adalah sebagai berikut:

The nature of transactions and relationships with related parties is as follows:

Pihak yang berelasi/ Related parties	Sifat hubungan dengan pihak yang berelasi/ Relationship with the related parties	Transaksi/Transaction
PT Bank Rakyat Indonesia (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penempatan dana/ Funds placement
PT Bank Negara Indonesia (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penempatan dana/ Funds placement
PT Bank Mandiri (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penempatan dana/ Funds placement
PT Bank Tabungan Negara (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penempatan dana/ Funds placement
PT Waskita Karya (Persero)	Perusahaan di bawah entitas sepengendali/ Entities under common control	Konstruksi proyek/ Project construction
PT Kereta Api Indonesia (Persero)	Perusahaan di bawah entitas sepengendali/ Entities under common control	Pengangkutan batubara/ Coal transportation
PT Indonesia Power	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penjualan batubara/ Coal sales
PT Perusahaan Listrik Negara (Persero)	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penjualan batubara dan pemakaian listrik/ Coal sales and electricity usage
PT Semen Padang (Persero)	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penjualan batubara/ Coal sales
Dana Pensiun Bukit Asam	Perusahaan di bawah entitas sepengendali/ Entities under common control	Pengelolaan dana pensiun/ Pension fund management
PT Semen Baturaja (Persero)	Perusahaan di bawah entitas sepengendali/ Entities under common control	Penjualan batubara/ Coal sales

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32. INFORMASI PIHAK-PIHAK YANG BERELASI 32. RELATED PARTY INFORMATION (continued)
(lanjutan)

**c. Sifat hubungan dengan pihak yang berelasi
(lanjutan)**

Sifat transaksi dan hubungan dengan pihak
yang berelasi adalah sebagai berikut:

c. The nature of the relationships (continued)

*The nature of transactions and relationships with
related parties is as follows:*

Pihak yang berelasi/ Related parties	Sifat hubungan dengan pihak yang berelasi/ Relationship with the related parties	Transaksi/Transaction
PT Timah (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Penjualan batubara/ <i>Coal sales</i>
PT Bahtera Adhiguna (Persero)	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Pengapalan batubara/ <i>Coal shipping</i>
PT Antam (Persero) Tbk	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Pembelian emas/ <i>Gold purchase</i>
PT Dahana (Persero)	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Pembelian bahan peledak/ <i>Explosive material purchase</i>
PT Pertamina (Persero)	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Pembelian bahan bakar/ <i>Fuel supply</i>
PT Asuransi Jasa Indonesia (Persero)	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Premi asuransi/ <i>Insurance premium</i>
PT Asuransi Jiwasraya (Persero)	Perusahaan di bawah entitas sepengendali/ <i>Entities under common control</i>	Dana pensiun/ <i>Pension funds</i>

Kebijakan Grup terkait penetapan harga untuk
transaksi dengan pihak-pihak yang berelasi
adalah sebagai berikut:

*The Group's pricing policy related to the
transactions with related parties is as follows:*

- Penjualan batubara ke pihak yang berelasi ditetapkan berdasarkan kontrak-kontrak penjualan, yang pada umumnya menggunakan indeks internasional yang setara sebagai perbandingan dan disesuaikan dengan spesifikasi dari batubara dan lokasi pengiriman.
- Pengapalan dan pengangkutan batubara oleh pihak yang berelasi ditetapkan berdasarkan kontrak pengangkutan yang disepakati bersama berdasarkan hasil negosiasi dengan memperhatikan unsur-unsur biaya yang ada ditambah dengan margin tertentu.

- *Sales of coal to related parties are set based on sales contracts, which generally use international indices as benchmarks adjusted for coal specifications and location of deliveries.*
- *Coal shipping and transportation by related parties were determined based on contracts agreed by each party after considering the cost components plus a certain margin.*

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33. LABA BERSIH PER SAHAM DASAR

Laba bersih per saham dasar dihitung dengan membagi laba bersih yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang jumlah saham biasa yang beredar pada tahun yang bersangkutan termasuk pembelian kembali saham Perusahaan yang dilakukan selama tahun berjalan (lihat Catatan 25).

	<u>2012</u>	<u>2011</u>
Laba bersih yang dapat diatribusikan kepada pemilik entitas induk	2,900,113	3,085,837
Rata-rata tertimbang jumlah saham biasa yang beredar (lembar)	<u>2,297,913,719</u>	<u>2,304,131,850</u>
Laba bersih per saham dasar (nilai penuh)	<u>1,262</u>	<u>1,339</u>

Grup tidak memiliki efek yang bersifat dilutif pada tanggal 31 Desember 2012 dan 2011.

33. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year including buyback of the Company's shares made during the year (refer to Note 25).

*Net income attributable to owners of the parent
Weighted average number of ordinary shares outstanding
(number of shares)*

Net income per share (full amount)

The Group does not have any dilutive ordinary shares at 31 December 2012 and 2011.

34. INFORMASI SEGMENT USAHA

a. Aktivitas

Informasi tentang Grup adalah sebagai berikut:

Bidang industri tambang batubara, meliputi kegiatan penyelidikan umum, eksplorasi, eksploitasi, pengolahan, pemurnian, pengangkutan dan perdagangan, pemeliharaan fasilitas dermaga khusus batubara baik untuk keperluan sendiri maupun pihak lain, pengoperasian pembangkit listrik tenaga uap baik untuk keperluan sendiri ataupun pihak lain dan memberikan jasa-jasa konsultasi dan rekayasa dalam bidang yang ada hubungannya dengan industri pertambangan batubara beserta hasil olahannya.

34. SEGMENT INFORMATION

a. Activities

Information concerning the Group business is as follows:

Coal mining activities, including general surveying, exploration, exploitation, processing, refining, transportation and trading, maintenance of special coal port facilities for internal and external needs, operation of steam power plants for internal and external needs and providing consulting services related to the coal mining industry and production.

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34. INFORMASI SEGMENT USAHA (lanjutan)

34. SEGMENT INFORMATION (continued)

b. Informasi segmen usaha

b. Segment information

Berdasarkan informasi keuangan yang digunakan oleh pengambil keputusan operasional dalam mengevaluasi kinerja segmen dan menentukan alokasi sumber daya yang dimilikinya, manajemen menetapkan segmen Grup berdasarkan produk. Seluruh transaksi antar segmen telah dieliminasi.

Based on the financial information used by the chief operating decision-maker in evaluating the performance of segments and in the allocation of resources, management considers the Group's segments based on type of products. All transactions between segments have been eliminated.

Informasi menurut segmen usaha yang merupakan segmen primer adalah sebagai berikut:

Information concerning the business segments which are considered the primary segments is as follows:

	<u>2012</u>	<u>2011</u>
Informasi menurut produk penjualan		
Batubara	11,570,756	10,561,627
Briket	<u>23,301</u>	<u>19,943</u>
Total	<u><u>11,594,057</u></u>	<u><u>10,581,570</u></u>
Beban pokok penjualan		
Batubara	6,475,451	5,278,280
Briket	<u>30,481</u>	<u>24,312</u>
Total	<u><u>6,505,932</u></u>	<u><u>5,302,592</u></u>
Beban usaha		
Batubara	1,684,892	1,604,616
Briket	<u>4,088</u>	<u>9,333</u>
Total	<u><u>1,688,980</u></u>	<u><u>1,613,949</u></u>
Labarugil) usaha		
Batubara	3,410,412	3,678,731
Briket	<u>(11,267)</u>	<u>(13,702)</u>
Total	<u><u>3,399,145</u></u>	<u><u>3,665,029</u></u>
Total aset		
Batubara	12,665,155	11,423,235
Briket	<u>63,826</u>	<u>87,027</u>
Total	<u><u>12,728,981</u></u>	<u><u>11,510,262</u></u>
Informasi menurut lokasi geografis penjualan		
Ekspor	5,352,128	3,954,831
Domestik	<u>6,241,929</u>	<u>6,626,739</u>
Total	<u><u>11,594,057</u></u>	<u><u>10,581,570</u></u>

Information by sales product

Coal
Briquettes

Total

Cost of sales

Coal
Briquettes

Total

Operating expense

Coal
Briquettes

Total

Profit/loss) from operations

Coal
Briquettes

Total

Total assets

Coal
Briquettes

Total

Information by sales geographic location

Export
Domestic

Total

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35. ASET KEUANGAN DAN LIABILITAS KEUANGAN

**35. FINANCIAL
LIABILITIES**

ASSETS AND FINANCIAL

Berikut ini adalah kategori aset dan liabilitas keuangan dari Grup:

The information given below relates to the Group's financial assets and liabilities by category:

	Total/ Total	Pinjaman dan piutang/ Loans and receivables	Aset keuangan yang tersedia untuk dijual/ Available- for-sale financial assets	Aset dan liabilitas keuangan lainnya/ Other financial assets and liabilities
<u>31 Desember/December 2012</u>				
Aset keuangan/Financial assets				
Kas dan setara kas/Cash and cash equivalents	5,917,034	5,917,034	-	-
Piutang usaha/Trade receivables	1,545,556	1,545,556	-	-
Aset keuangan yang tersedia untuk dijual/ Available-for-sale financial assets	172,584	-	172,584	-
Aset lancar lainnya/Other current assets	48,227	48,227	-	-
Total aset keuangan/Total financial assets	7,683,401	7,510,817	172,584	-
Liabilitas keuangan/Financial liabilities				
Utang usaha/Trade payables	(149,776)	-	-	(149,776)
Beban akrual/Accrued expenses	(977,715)	-	-	(977,715)
Liabilitas imbalan kerja jangka pendek/ Short-term employee benefit liabilities	(231,622)	-	-	(231,622)
Pinjaman bank/Bank borrowings	(44,585)	-	-	(44,585)
Utang lain-lain/Other payables	(3,660)	-	-	(3,660)
Total liabilitas keuangan Total financial liabilities	(1,407,358)	-	-	(1,407,358)
	6,432,660	7,667,434	172,584	(1,407,358)

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**35. ASET KEUANGAN DAN LIABILITAS KEUANGAN
(lanjutan)**

**35. FINANCIAL ASSETS AND FINANCIAL
LIABILITIES (continued)**

	Total/ Total	Pinjaman dan piutang/ Loans and receivables	Aset keuangan yang tersedia untuk dijual/ Available- for-sale financial assets	Aset dan liabilitas keuangan lainnya/ Other financial assets and liabilities
<u>31 December/December 2011</u>				
Aset keuangan/Financial assets				
Kas dan setara kas/Cash and cash equivalents	6,791,291	6,791,291	-	-
Piutang usaha/Trade receivables	1,180,195	1,180,195	-	-
Aset keuangan yang tersedia untuk dijual/ Available-for-sale financial assets	39,217	-	39,217	-
Aset lancar lainnya/Other current assets	40,339	40,339	-	-
Total aset keuangan/Total financial assets	8,051,142	7,971,486	39,217	-
Liabilitas keuangan/Financial liabilities				
Utang usaha/Trade payables	(122,282)	-	-	(122,282)
Beban akrual/Accrued expenses	(995,495)	-	-	(995,495)
Liabilitas imbalan kerja jangka pendek/ Short-term employee benefit liabilities	(260,175)	-	-	(260,175)
Pinjaman bank/Bank borrowings	(18,155)	-	-	(18,155)
Utang lain-lain/Other payables	(4,195)	-	-	(4,195)
Total liabilitas keuangan/ Total financial liabilities	(1,400,302)	-	-	(1,400,302)
	6,800,601	8,161,686	39,217	(1,399,180)

36. PEMUSATAN RISIKO

Perusahaan menggunakan jasa angkutan kereta api dari PTKA untuk mengangkut batubara ke Pelabuhan Tarahan sebelum dilakukan pengapalan ke pelanggan utama Perusahaan. Perubahan yang signifikan dalam kinerja pengangkutan batubara dan strategi pemasaran PTKA bisa mempengaruhi kinerja Perusahaan secara signifikan. Akan tetapi, berdasarkan pengalaman masa lalu, Manajemen berkeyakinan bahwa kerjasama Perusahaan dengan PTKA akan tetap berkelanjutan dan percaya bahwa PTKA dapat menyediakan jasa yang diperlukan.

36. CONCENTRATION OF RISKS

The Company uses the railway services from PTKA to deliver coal to Tarahan port for shipment to its major customers. Significant changes in the coal delivery operation and marketing strategies of PTKA could significantly affect the operating results of the Company. However, based on past experience, the Company's management is confident that the Company will continue its business with PTKA and that PTKA will be able to provide the necessary services.

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36. PEMUSATAN RISIKO (lanjutan)

Dalam sektor pertambangan, Grup menghadapi tantangan sebagai berikut:

- ketidakpastian dalam kaitannya dengan penerapan undang-undang otonomi daerah dan ketidakpastian dalam kaitannya dengan adanya perubahan undang-undang pertambangan;
- perselisihan dengan masyarakat setempat yang mengajukan tambahan kompensasi dari Grup tambang yang beroperasi di wilayah tersebut; dan
- masalah keamanan berkaitan dengan kegiatan penambangan liar.

Secara umum, tantangan-tantangan ini telah mempengaruhi perusahaan tambang dalam kaitannya dengan hal-hal berikut:

- pemerintah daerah berusaha menerapkan pajak daerah pada perusahaan pertambangan untuk memenuhi target anggaran daerah;
- masalah dalam mencari tambahan dana baik dalam kaitannya dengan biaya dan/atau jumlah dana yang tersedia;
- investasi baru yang ditangguhkan atau dibatalkan;
- pemerintah daerah mengharapkan perusahaan tambang untuk mencadangkan dana tambahan dalam rangka pembangunan daerah;
- berkurangnya kemampuan akibat gangguan produksi dan dalam beberapa sektor terdapat kelebihan pasokan barang tambang; dan
- kesulitan dalam memastikan ketaatan terhadap kewajiban pengelolaan lingkungan akibat adanya penambangan liar.

Tantangan-tantangan di atas kemungkinan akan berdampak kepada kegiatan Grup dan hasil usahanya dan telah dipertimbangkan secara hati-hati oleh manajemen dalam melakukan evaluasi kegiatan sekarang dan masa yang akan datang serta dampak atau penurunan kegiatan usaha saat ini.

Berdasarkan pengalaman masa lalu, manajemen berkeyakinan bahwa sebagian tantangan yang dikemukakan di atas masih bisa diatasi dalam kaitannya dengan kelangsungan usaha Grup.

36. CONCENTRATION OF RISKS (continued)

In the mining sector, the Group is facing the following challenges:

- *uncertainty due to delays in finalising the implementation regulations for the regional autonomy laws and the uncertainty of changes in mining regulations;*
- *continued disputes with local communities who are requesting additional compensation from the Group operating in their areas; and*
- *security concerns in the industry due to illegal mining activities.*

In general, these challenges are adversely affecting companies in the following manner:

- *local governments try to apply local levies to mining companies in order to fund their budgets;*
- *problems in seeking additional finance both in terms of cost and/or the amounts of funding provided;*
- *new investment is either being postponed or cancelled;*
- *local governments are applying pressure to mining companies to contribute additional funds to development programs;*
- *decrease in performance due to production disruptions and in some sectors oversupply of mining products; and*
- *difficulties in ensuring compliance with environmental obligations as a result of illegal mining activities.*

The above challenges may, in time, affect the Group's operations and related results and have been carefully considered by management when evaluating the level of current and future activities in Indonesia as well as the impact or impairment on its existing operations.

Based on past experience, management believes that part of the above challenges can still be managed in relation to the Group's ability to continue as a going concern.

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**37. ASET DAN LIABILITAS MONETER DALAM MATA
UANG ASING**

Aset dan liabilitas moneter dalam mata uang asing pada 31 Desember 2012 telah dikonversikan ke dalam mata uang Rupiah dengan menggunakan kurs USD1 = Rp9.670 dan EUR1 = Rp12.809 (nilai penuh) berdasarkan kurs tengah Bank Indonesia.

Grup memiliki aset dan liabilitas moneter dalam mata uang asing sebagai berikut:

**37. MONETARY ASSETS AND LIABILITIES
DENOMINATED IN FOREIGN CURRENCIES**

At 31 Desember 2012, monetary assets and liabilities denominated in foreign currency had been translated into Rupiah using an exchange rate of US\$1 = Rp9,670 and EUR1 = Rp12,809 (full amount) based on the Bank Indonesia middle rate.

The Group had the following monetary assets and liabilities denominated in foreign currencies:

	Mata uang asing/ Foreign currency		2012	
	Nilai penuh/ Full amount		Rp	
Aset				Assets
Bank				Cash in bank
Pihak ketiga	USD	4,016,773	38,844	Third Parties
Pihak yang berelasi	USD	25,984,324	251,269	Related Parties
Deposito berjangka				Time deposits
Pihak yang berelasi	USD	30,000,000	290,100	Related Parties
Piutang usaha, bersih				Trade receivables, net
Pihak ketiga	USD	29,591,665	286,151	Third Parties
Pihak yang berelasi	USD	625,782	8,016	Related Parties
			<u>874,380</u>	
	Mata uang asing/ Foreign currency		2012	
	Nilai penuh/ Full amount		Rp	
Liabilitas				Liabilities
Utang usaha				Trade payables
Pihak ketiga	USD	1,064,265	10,291	Third Parties
Utang bank				Bank loans
Pihak ketiga	USD	1,000,000	9,670	Third Parties
Beban akrual				Accrued expenses
Pihak ketiga	USD	7,733,766	74,786	Third Parties
			<u>94,747</u>	
Aset moneter dalam mata uang asing bersih			<u><u>779,633</u></u>	Net monetary foreign currency assets

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38. REKLASIFIKASI AKUN

Pada tahun 2012 Grup menerapkan Keputusan Ketua BAPEPAM-LK No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik. Beberapa angka perbandingan di posisi laporan keuangan tanggal 31 Desember 2011 dan 1 Januari 2011 telah direklasifikasi agar sesuai dengan penyajian akun-akun dalam posisi laporan keuangan tanggal 31 Desember 2012

38. RECLASSIFICATION OF ACCOUNTS

In 2012 the Group adopted the Chairman of BAPEPAM-LK Decree No. KEP-347/BL/2012 regarding Presentation and Disclosure of Issuers or Public Companies. Certain comparative figures in the statements of financial position as at 31 December 2011 and 1 January 2011 have been reclassified to conform with the presentation in the statement of financial position as at 31 December 2012.

31 Desember/December 2011				
Laporan Posisi Keuangan/ Statement of Financial Position	Sebelum reklasifikasi/ Before reclassification	Reklasifikasi/ Reclassification	Pengukuran kembali*/ Remeasurement*	Setelah reklasifikasi/ After reclassification
Aset lancar/Current assets				
Biaya dibayar di muka dan uang muka/ Prepayments and advances	-	155,650	-	155,650
Pajak dibayar di muka/Prepaid tax				
- Pajak penghasilan badan/ Corporate income tax	-	7,786	-	7,786
- Pajak lainnya/ Other taxes	-	834	-	834
Aset lancar lainnya/ Other current assets	203,724	(164,270)	885	40,339
Liabilitas lancar/Current liabilities				
Beban akrual/Accrued expenses	1,249,680	(260,175)	4,990	995,495
Liabilitas imbalan kerja jangka pendek/Short-term employee benefit liabilities	-	260,175	-	260,175
1 Januari/January 2011				
Laporan Posisi Keuangan/ Statement of Financial Position	Sebelum reklasifikasi/ Before reclassification	Reklasifikasi/ Reclassification	Pengukuran kembali*/ Remeasurement*	Setelah reklasifikasi/ After reclassification
Aset lancar/Current assets				
Biaya dibayar di muka dan uang muka/ Prepayments and advances	-	53,974	-	53,974
Pajak dibayar di muka/Prepaid tax				
- Pajak penghasilan badan/ Corporate income tax	-	17,054	-	17,054
- Pajak lainnya/ Other taxes	-	378	-	378
Aset lancar lainnya/ Other current assets	99,600	(71,406)	862	29,056
Liabilitas lancar/Current liabilities				
Beban akrual/Accrued expenses	748,235	(125,843)	(202)	622,190
Liabilitas imbalan kerja jangka pendek/Short-term employee benefit liabilities	-	125,843	-	125,843

* Termasuk selisih penjabaran laporan keuangan entitas anak yang tidak material untuk Grup

* Includes difference on translation of financial statements of subsidiary which is immaterial to the Group

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39. TRANSAKSI NON-KAS

39. NON-CASH TRANSACTIONS

	<u>2012</u>	<u>2011</u>
Aktivitas yang tidak mempengaruhi arus kas:		
Pembiayaan aset tetap yang dibiayai melalui utang	210,593	67,117

Non-cash activities:
Acquisition of fixed assets
through incurring payable

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	2012	2011	
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	5,861,032	6,747,288	Cash and cash equivalents
Piutang usaha			Trade receivables
- Pihak ketiga	245,307	287,059	Third parties -
- Pihak yang berelasi	1,234,237	844,348	Related parties -
Persediaan	696,422	606,289	Inventories
Biaya dibayar dimuka dan uang muka	160,052	139,863	Prepayments and advances
Pajak dibayar dimuka			Prepaid taxes
- Pajak penghasilan badan	61,791	-	Corporate income tax -
- Pajak lainnya	35,074	834	Other taxes -
Aset keuangan tersedia untuk dijual	172,584	39,217	Available-for-sale financial assets
Aset lancar lainnya	8,885	36,906	Other current assets
Jumlah aset lancar	8,475,384	8,701,804	Total current assets
ASET TIDAK LANCAR			NON-CURRENT ASSETS
Investasi pada perusahaan anak dan perusahaan asosiasi	903,203	763,518	Investments in subsidiaries and associates
Aset tetap	1,736,742	1,065,440	Fixed assets
Beban pengembangan tangguhan	655,905	448,594	Deferred development expenditure
Aset pajak tangguhan	645,572	364,102	Deferred tax assets
Aset tidak lancar lainnya	89,491	49,226	Other non-current assets
Jumlah aset tidak lancar	4,030,913	2,690,880	Total non-current assets
JUMLAH ASET	12,506,297	11,392,684	TOTAL ASSETS

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	<u>2012</u>	<u>2011</u>	
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK			CURRENT LIABILITIES
Utang usaha			Trade payables
- Pihak ketiga	79,096	83,123	Third parties -
- Pihak yang berelasi	20,770	10,448	Related parties -
Beban akrual	948,056	1,011,249	Accrued expenses
Liabilitas imbalan kerja			Short-term employee
jangka pendek	217,487	243,998	benefit liabilities
Utang pajak			Taxes payable
- Pajak penghasilan badan	84,720	338,420	Corporate income tax -
- Pajak lainnya	146,029	66,394	Other taxes -
Provisi reklamasi			Provision for environmental
lingkungan dan			reclamation and
penutupan tambang	30,910	30,910	mine closure
Liabilitas imbalan			Current portion of post-
pascakerja jangka pendek	96,332	68,575	employment benefits obligation
Utang jangka pendek			
lainnya	<u>8,389</u>	<u>9,325</u>	Other current liabilities
Jumlah liabilitas jangka			
pendek	<u>1,631,789</u>	<u>1,862,442</u>	Total current liabilities
LIABILITAS JANGKA PANJANG			NON-CURRENT LIABILITIES
Provisi reklamasi			Provision for environmental
lingkungan dan			reclamation and
penutupan tambang	230,747	203,113	mine closure
Liabilitas imbalan pascakerja			Long-term portion of post-
jangka panjang	<u>2,210,982</u>	<u>1,224,441</u>	employment benefits obligation
Jumlah liabilitas jangka			
panjang	<u>2,441,729</u>	<u>1,427,554</u>	Total non-current liabilities
JUMLAH LIABILITAS	<u>4,073,518</u>	<u>3,289,996</u>	TOTAL LIABILITIES

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	2012	2011	
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk			Equity attributable to owners of the parent
Modal saham			
Modal dasar 1 lembar saham preferen dan 7.999.999.999 lembar saham biasa, modal ditempatkan dan disetor penuh 1 lembar saham preferen dan 2.304.131.849 lembar saham biasa, dengan nilai nominal Rp500 per lembar saham	1,152,066	1,152,066	Share capital Authorized 1 preferred share and 7,999,999,999 ordinary shares, issued and fully paid 1 preferred share and 2,304,131,849 ordinary shares with par value of Rp500 per share
Tambahan modal disetor	30,486	30,486	Additional paid-in capital
Saham treasuri	(189,526)	-	Treasury shares
Cadangan perubahan nilai wajar aset keuangan tersedia untuk dijual	6,939	(783)	Reserve for change in fair value of available-for-sale financial assets
Saldo laba			Retained earnings
- Dicapangkan	5,169,942	4,059,041	Appropriated -
- Belum dicapangkan	2,262,872	2,861,878	Unappropriated -
Jumlah ekuitas	8,432,779	8,102,688	Total equity
JUMLAH LIABILITAS DAN EKUITAS	12,506,297	11,392,684	TOTAL LIABILITIES AND EQUITY

INFORMASI TAMBAHAN/SUPPLEMENTARY INFORMATION

PT BUKIT ASAM (PERSERO) Tbk
INDUK PERUSAHAAN SAJA/PARENT COMPANY ONLY

Lampiran 2 Appendix

**LAPORAN PENDAPATAN KOMPREHENSIF
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011**
(Dinyatakan dalam jutaan Rupiah,
kecuali laba bersih per saham)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011**
(Expressed in millions of Rupiah,
except earnings per share)

	<u>2012</u>	<u>2011</u>	
Penjualan	10,860,747	10,234,919	Revenue
Beban pokok penjualan	<u>(5,944,402)</u>	<u>(5,062,688)</u>	Cost of revenue
Laba bruto	<u>4,916,345</u>	<u>5,172,231</u>	Gross profit
Beban umum dan administrasi	(876,502)	(900,733)	General and administrative expenses
Beban penjualan dan pemasaran	(643,750)	(612,316)	Selling and marketing expenses
Pendapatan lainnya	<u>169,358</u>	<u>104,326</u>	Other income
Laba usaha	3,565,451	3,763,508	Profit before income tax
Pendapatan keuangan	<u>261,131</u>	<u>323,601</u>	Finance income
Jumlah laba komprehensif tahun berjalan	3,826,582	4,087,109	Total comprehensive income for the year
Beban pajak penghasilan	<u>(918,672)</u>	<u>(963,594)</u>	Income tax expense
Laba tahun berjalan	2,907,910	3,123,515	Profit for the year
Pendapatan komprehensif lainnya			Other comprehensive income
Keuntungan yang belum direalisasi dari aset keuangan yang tersedia untuk dijual	7,722	(2,205)	Unrealised gain from available for sale financial assets
Kerugian aktuarial dari kewajiban imbalan kerja	(879,288)	-	Actuarial loss on employee benefit obligation
Beban pajak penghasilan terkait	<u>219,822</u>	-	Related income tax expense
Jumlah pendapatan komprehensif	<u>2,256,166</u>	<u>3,121,310</u>	Total comprehensive income

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Lampiran 3 Appendix

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011
(Dinyatakan dalam jutaan Rupiah)STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011
(Expressed in millions of Rupiah)

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	Saham treasury/ Treasury capital	Keuntungan/ (kerugian) yang belum direalisasi dari aset keuangan yang tersedia untuk dijual/ Unrealised gain/(loss) from available-for- sale financial assets	Saldo laba telah ditemukan penggunaannya/ Appropriated retained earnings	Saldo laba belum ditemukan penggunaannya/ Unappropriated retained earnings	Jumlah/ Amount
Saldo 1 Januari 2011	1,152,066	30,486	-	1,422	3,335,840	1,823,672	6,343,486
Laba bersih untuk tahun berjalan	-	-	-	-	-	3,123,515	3,123,515
Dividen kas	-	-	-	-	-	(1,281,752)	(1,281,752)
Penyisihan untuk cadangan umum	-	-	-	-	723,201	(723,201)	-
Program kemitraan	-	-	-	-	-	(40,178)	(40,178)
Program bina lingkungan	-	-	-	-	-	(40,178)	(40,178)
Pendapatan komprehensif lainnya:	-	-	-	-	-	-	-
Kerugian yang belum	-	-	-	-	-	-	-
direalisasi dari aset keuangan	-	-	-	-	-	-	-
yang tersedia untuk dijual	-	-	-	(2,205)	-	-	(2,205)
Saldo 31 Desember 2011	1,152,066	30,486	-	(783)	4,059,041	2,861,878	8,102,688
Laba bersih untuk tahun berjalan	-	-	-	-	-	2,907,910	2,907,910
Saham treasury	-	-	(189,526)	-	-	(189,526)	(189,526)
Dividen kas	-	-	-	-	-	(1,613,116)	(1,613,116)
Program kemitraan	-	-	-	-	-	(30,858)	(30,858)
Penyisihan untuk cadangan umum	-	-	-	-	-	(92,575)	(92,575)
Pendapatan komprehensif lainnya:	-	-	-	-	1,110,901	(1,110,901)	-
Kerugian yang belum	-	-	-	-	-	-	-
direalisasi dari aset keuangan	-	-	-	-	-	-	-
yang tersedia untuk dijual	-	-	-	7,722	-	-	7,722
Kerugian aktuarial dari kewajiban	-	-	-	-	-	(659,466)	(659,466)
imbalan kerja, setelah pajak	-	-	-	-	-	-	-
Saldo 31 Desember 2012	1,152,066	30,486	-	6,939	5,169,942	2,262,872	8,432,779

Balance at 1 January 2011

Net income for the year
Cash dividends
Appropriation to
general reserve
Partnership program
Development program
Other comprehensive income:
Unrealised loss from
available-for-sale
financial assets

Balance at 31 December 2011

Net income for the year
Treasury shares
Cash dividends
Partnership program
Development program
Appropriation to general reserve
Other comprehensive income:
Unrealised loss from
available-for-sale
financial assets
Actuarial loss on employee
benefit obligation, net of tax

Balance at 31 December 2012

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Lampiran 4 Appendix

LAPORAN ARUS KAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2012 DAN 2011
(Dinyatakan dalam jutaan Rupiah)STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2012 AND 2011
(Expressed in millions of Rupiah)

	2012	2011	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOW FROM OPERATING ACTIVITIES
Penerimaan dari pelanggan	10,499,485	9,993,863	Cash receipts from customers
Penerimaan operasional lainnya	153,512	81,808	Cash receipts from other operations
Pembayaran royalti	(714,157)	(659,767)	Payments of royalties
Pembayaran kepada pemasok dan karyawan	(6,710,235)	(5,188,467)	Cash paid to suppliers and employees
Pembayaran pajak	(1,382,205)	(937,552)	Payment for taxes
Penerimaan bunga	262,109	323,825	Interest receipts
Arus kas bersih yang diperoleh dari aktivitas operasi	2,108,509	3,613,710	Net cash provided from operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOW FROM INVESTING ACTIVITIES
Perolehan aset tetap	(498,474)	(220,194)	Payments for fixed assets
Pembayaran atas beban eksplorasi dan pengembangan tangguhan	(236,500)	(176,189)	Payments for deferred exploration and development expenditure
Perolehan aset keuangan yang tersedia untuk dijual	(922,030)	(460,000)	Acquisition of available for sale financial assets
Penerimaan dari pelepasan aset keuangan yang tersedia untuk dijual	796,385	505,334	Proceeds from disposal of available for sale financial assets
Penambahan investasi kepada entitas asosiasi	(134,728)	(138,895)	Acquisition of shares in associates
Penambahan investasi kepada entitas pengendalian bersama	(21,551)	-	Acquisitions of shares in joint venture
Transfer ke kas yang dibatasi penggunaannya	(39,600)	-	Transfer to restricted cash
Arus kas bersih yang digunakan untuk aktivitas investasi	(1,056,498)	(489,944)	Net cash used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOW FROM FINANCING ACTIVITIES
Penarikan sementara saham beredar	(189,526)	-	Purchase of treasury shares
Pembayaran dividen kepada pemegang saham	(1,613,116)	(1,281,752)	Payment of dividends to shareholders
Pembayaran atas program kemitraan dan bina lingkungan	(123,433)	(80,356)	Repayments for partnership program
Arus kas bersih yang digunakan untuk aktivitas pendanaan	(1,926,075)	(1,362,108)	Net cash used in financing activities
(PENURUNAN)/KENAIKAN BERSIH KAS DAN SETARA KAS	(874,064)	1,761,658	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS
DAMPAK SELISIH KURS TERHADAP KAS DAN SETARA KAS	(12,192)	(1,189)	EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN	6,747,288	4,986,819	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR
KAS DAN SETARA KAS PADA AKHIR TAHUN	5,861,032	6,747,288	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

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PT Bukit Asam (Persero) Tbk
Jl. Parigi No. 1 Tanjung Enim 31716
Sumatera Selatan, Indonesia
T. +62-734-451 096, 452 352
F. +62-734-451 095, 452 993

www.ptba.co.id