



# PT BUKIT ASAM (PERSERO) TBK

Our Vision: "An Environmentally Conscious World Class Energy Company"



[www.ptba.co.id](http://www.ptba.co.id)

Reuters: PTBA.JK

Bloomberg: PTBA IJ

Exchange: JKT

Ticker: PTBA

## CORPORATE PRESENTATION APRIL 2014





1. Introduction
  2. Operational Review
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- Appendices



## Company's Key Milestones

### Indonesia's Oldest and Most Experienced Coal Producer



During the Dutch colonial period, the first open-pit at Airlaya mine, in Tanjung Enim, South Sumatera started operating.



PN TABA was converted into a limited corporation and its name changed to PT Tambang Batubara Bukit Asam (PTBA). This date is officially considered as the base of the commemoration of the company's anniversary.



PTBA was publicly listed on the Jakarta Stock Exchange with 35% of shares held by the public. It traded with the initial stock price of IDR575 under the code PTBA.

1876

Coal Mine in Ombilin, West Sumatera, started in operation.



1919

1950

The company changed into an Indonesian state owned company which was called "PN Tambang Arang Bukit Asam" (TABA). PN is abbreviation of Perusahaan Negara, means "State Company".



2 Mar 1981

1990

Another state owned coal company, "Perusahaan Umum Tambang batubara" merged with PT Bukit Asam (PTBA). Since then, PTBA become the only state owned coal mining in Indonesia.



During the period 1991-1995, on the behalf of the Indonesian government, PTBA acted as the domestic coal regulator for Coal Contract of Works (CCoW).

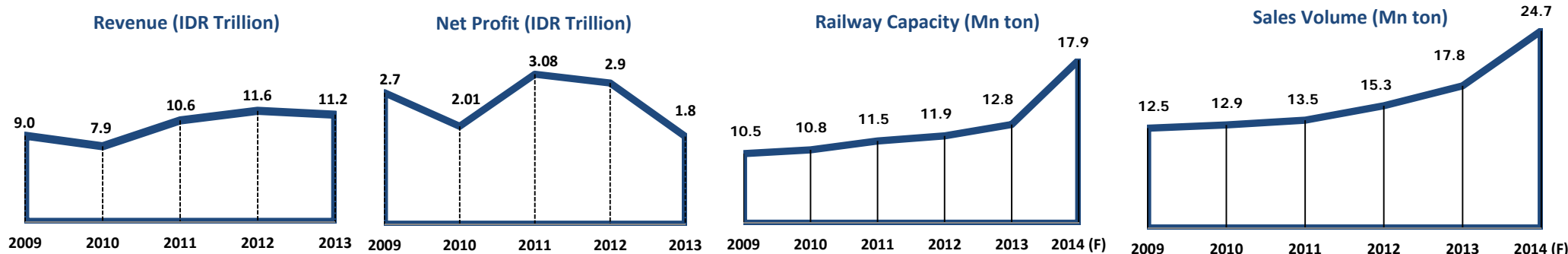
23 Dec 2002

#### Subsidiaries:

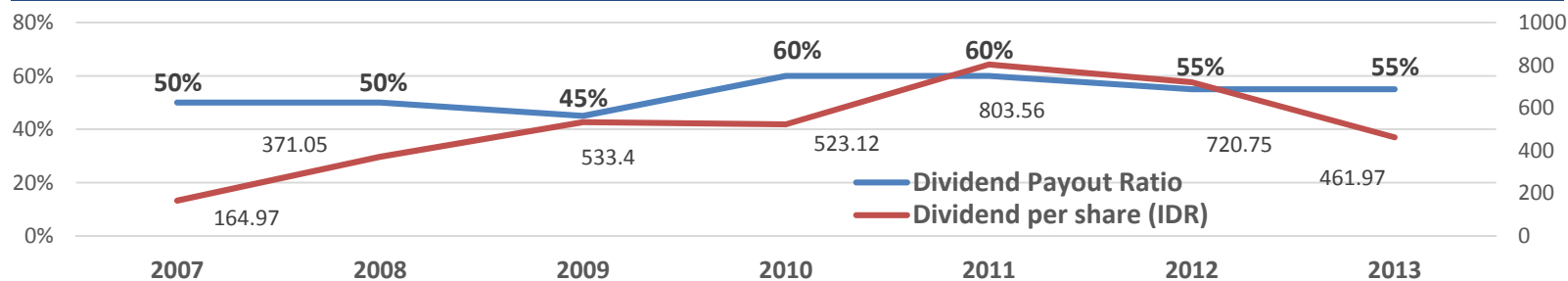
Coal Business	Coal Trading	Power Generation	Logistic	CBM Gas
 PT. BATUBARA BUKIT KENDI	 Prima	 PT BUKIT PEMBANGKIT INNOVATIVE	 BUKITASAM TRANSPACIFIC RAILWAYS	 PT. BUKIT ASAM METHANA ENIM
 PT INTERNASIONAL PRIMA COAL		 HUADIAN BUKIT ASAM POWER		 BukitAsam Metana Ombilin
 PT Bukit Asam Banko				 BukitAsam Metana Peranap

# Operational Review

## Operational Highlights

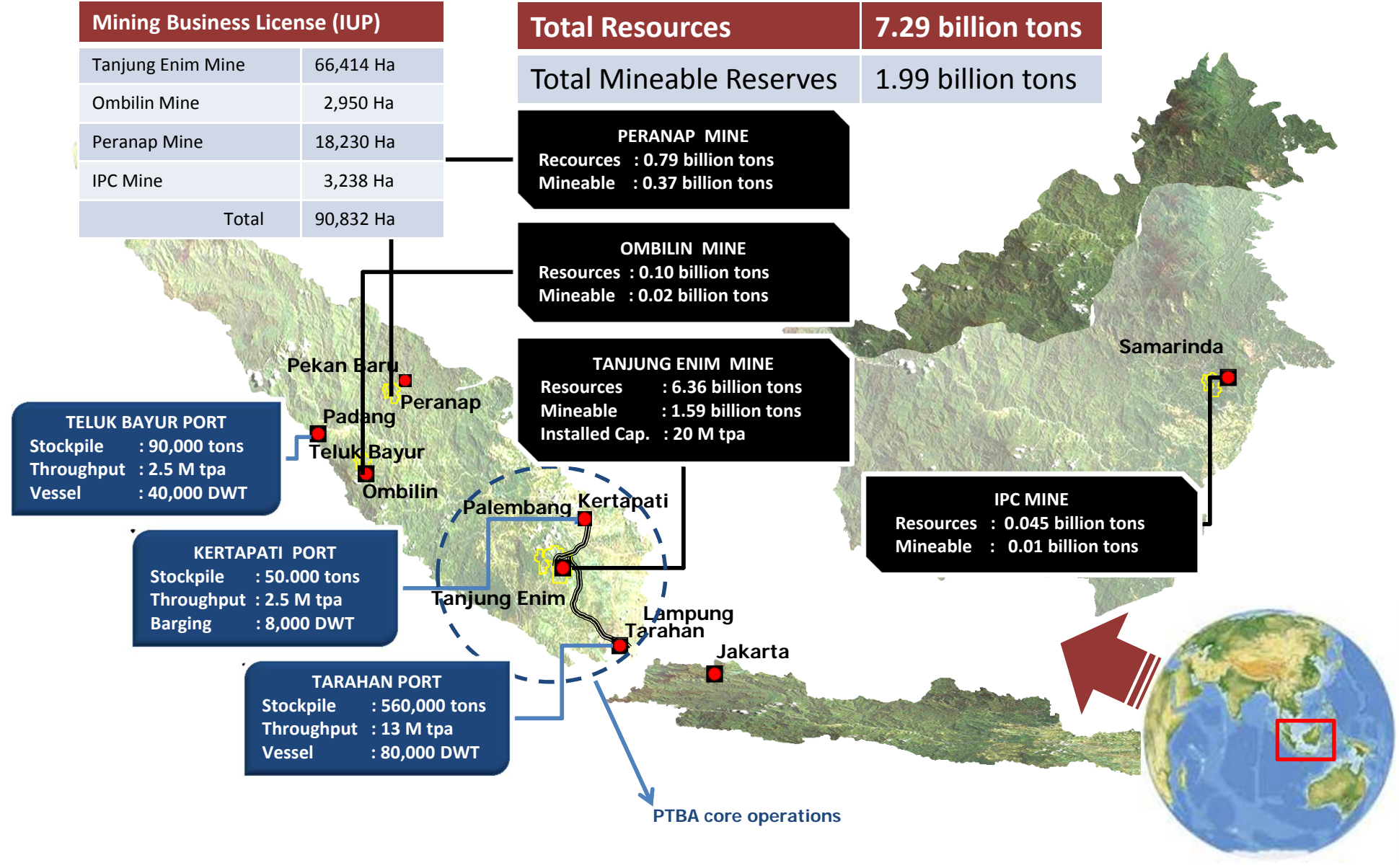


	FY13(A) a	FY14(F) b	% c=b/a	3M13 d	3M14 e	% f=e/d
▪ SALES VOLUME (MT)	17.8	24.7	139%	4.51	4.21	93%
▪ PRODUCTION (MT)	15.1	19.8	131%	2.92	3.29	113%
▪ COAL PURCHASE (MT)	2.7	3.9	144%	0.69	0.47	68%
▪ RAILWAY (MT)	12.8	17.9	140%	3.15	3.41	108%
▪ REVENUES (IDR TN)	11.2			2.78	3.09	111%
▪ NET PROFIT (IDR TN)	1.8			0.49	0.54	109%





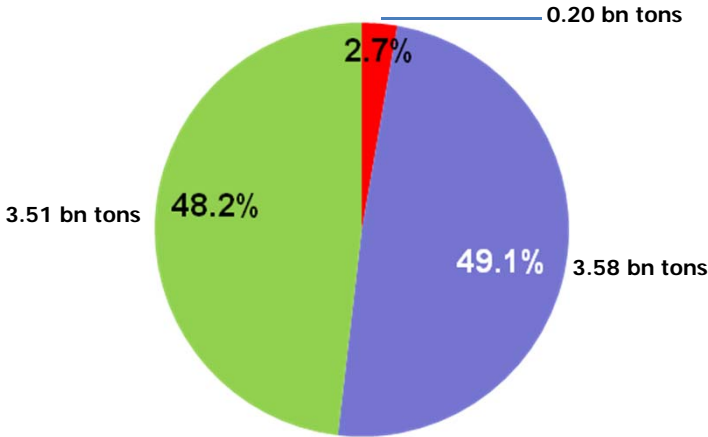
## Operations Location



## Resources & Reserves

### Coal Resources

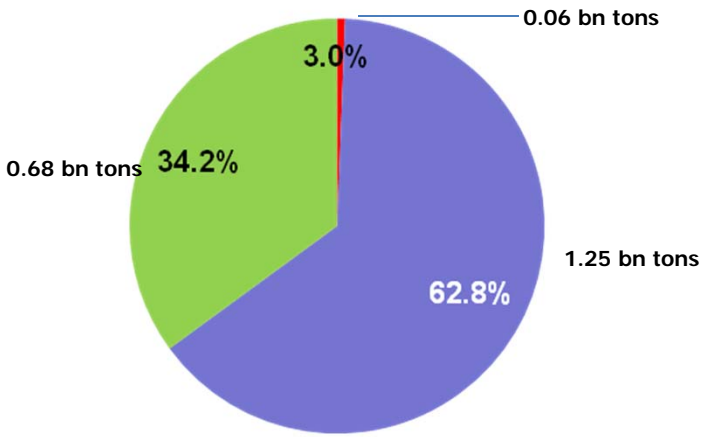
Total: 7.29 billion tons



■ Bituminous ■ Sub-Bituminous ■ Lignite

### Coal Mineable Reserves

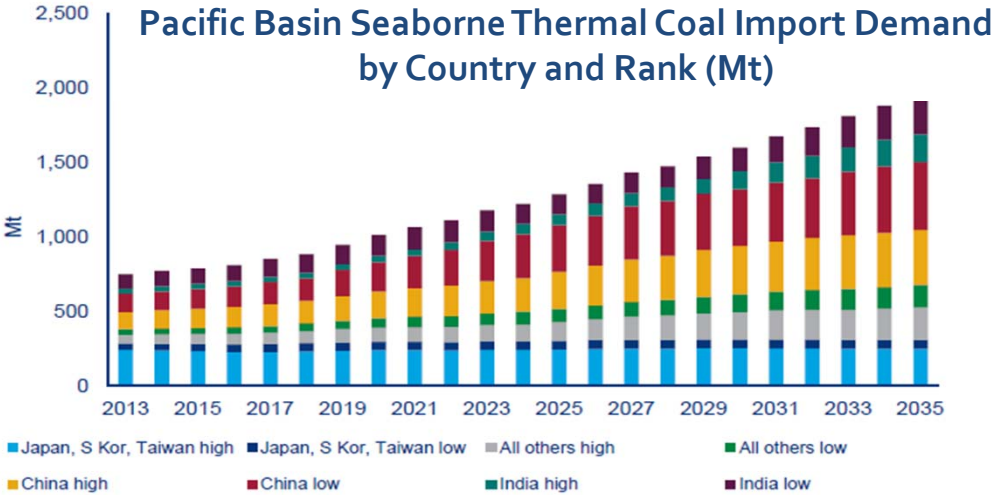
Total: 1.99 billion tons



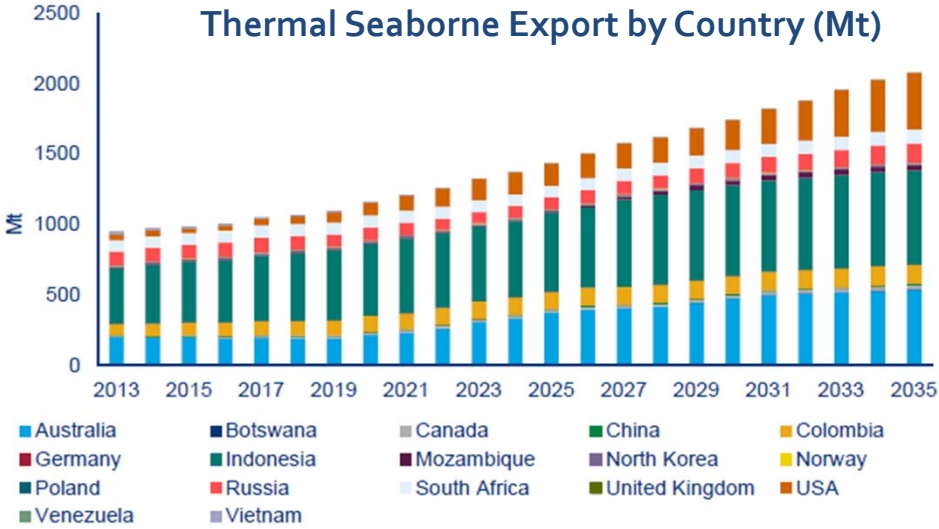
■ Bituminous ■ Sub-Bituminous ■ Lignite

Parameter	BITUMINOUS	SUB BITUMINOUS	LIGNITE
TM (% ar)	< 18	18 -30	> 35
CV (KCal/Kg adb)	> 6,400	4,900 – 6,400	< 4,900
(KCal/Kg ar)	5,800 – 7,950	4,400 – 5,800	< 4,400

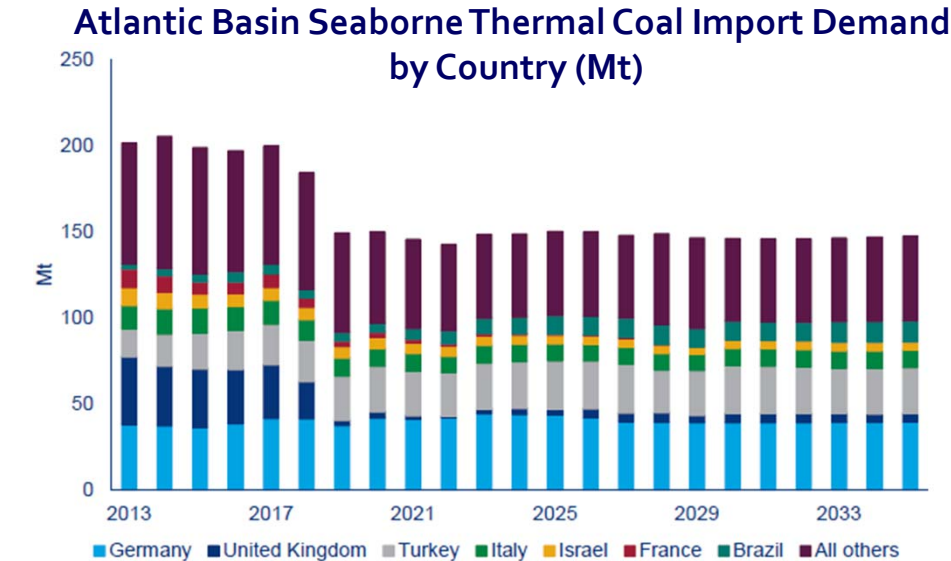
## Global Coal Review



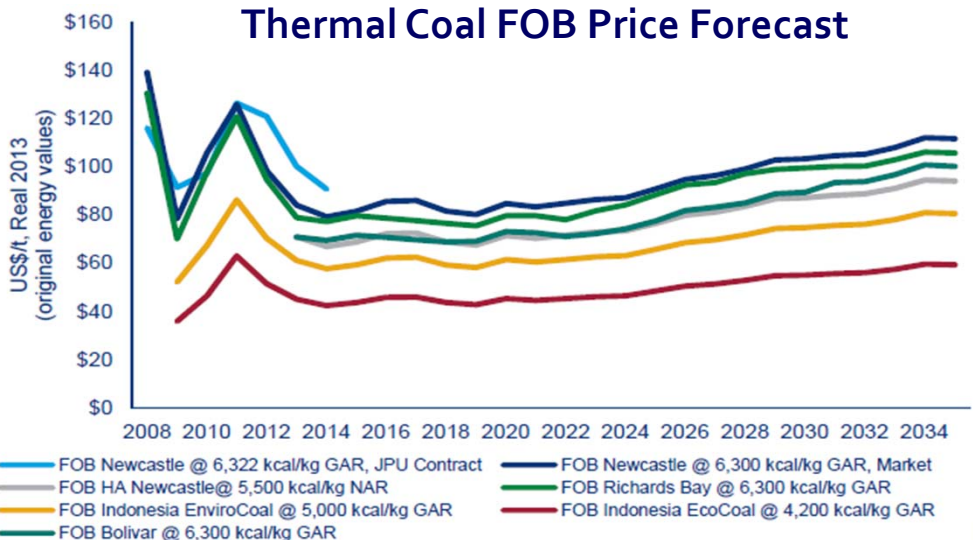
Source: Wood Mackenzie Coal Market Service, November 2013



Source: Wood Mackenzie Coal Market Service, November 2013

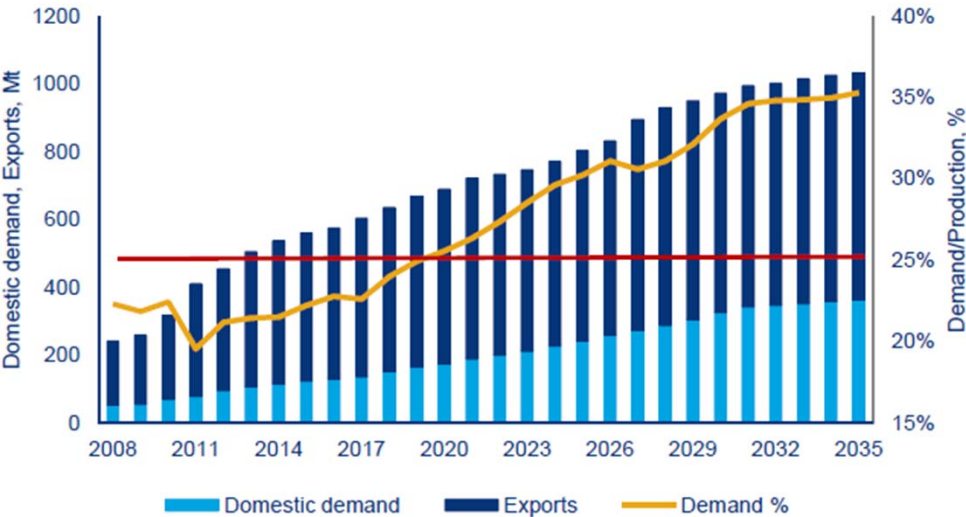


Source: Wood Mackenzie Coal Market Service, November 2013



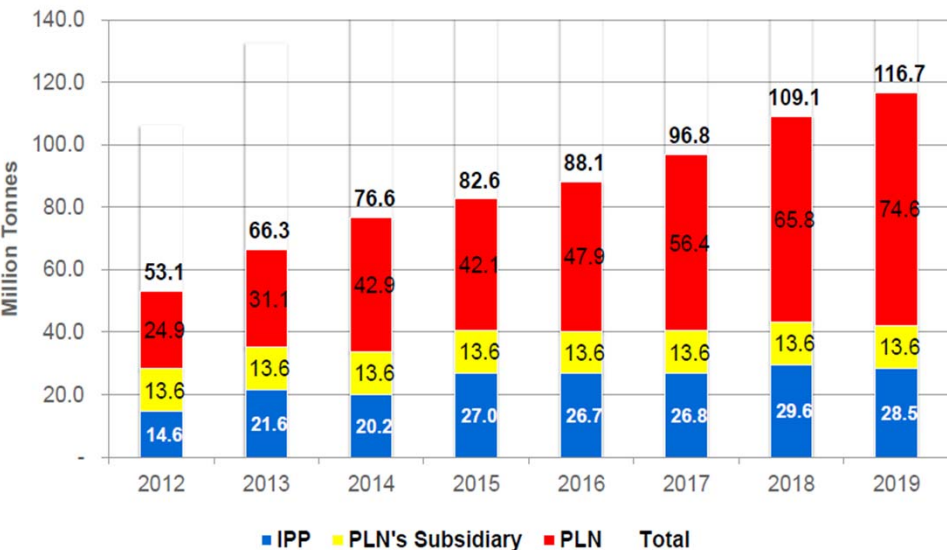
Source: globalCOAL and Indonesian Govt (History), Wood Mackenzie Coal Market Service, November 2013

## Indonesian Domestic Demand Vs Exports (Mt)



Source: Wood Mackenzie Coal Market Service, November 2013

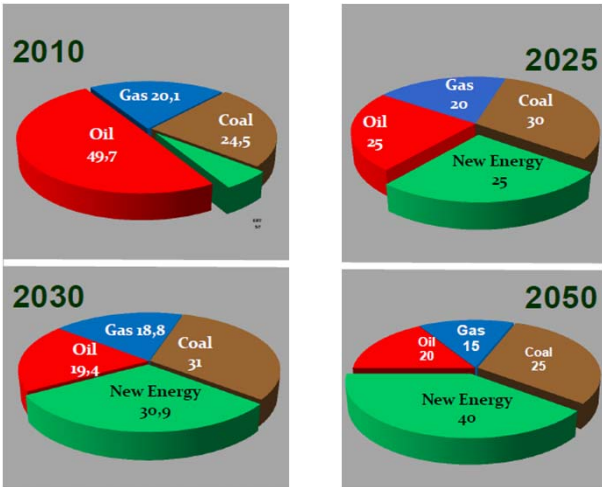
## Coal Consumption Guidance for Electricity



Source : PLN, 2013

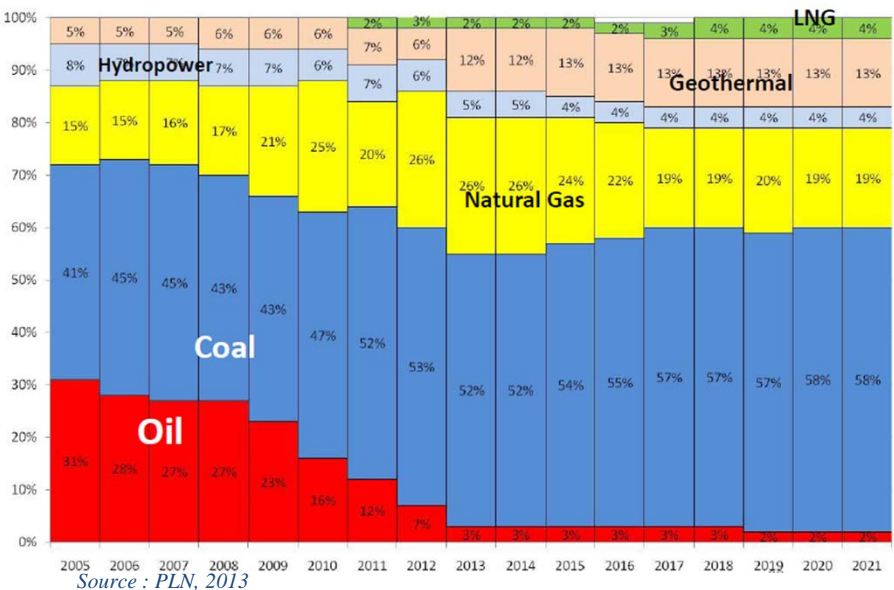
## National Coal Review

### National Energy Mix Planning (%)



Source: Ministry of Energy and Mineral Resources, 2013

### Fuel Mix 2005-2021 : For Power Generation



Source : PLN, 2013



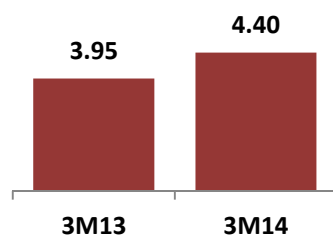
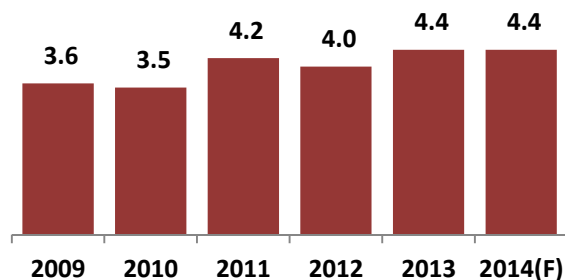
## Costs & Prices

### Total Cash Cost (FOB)

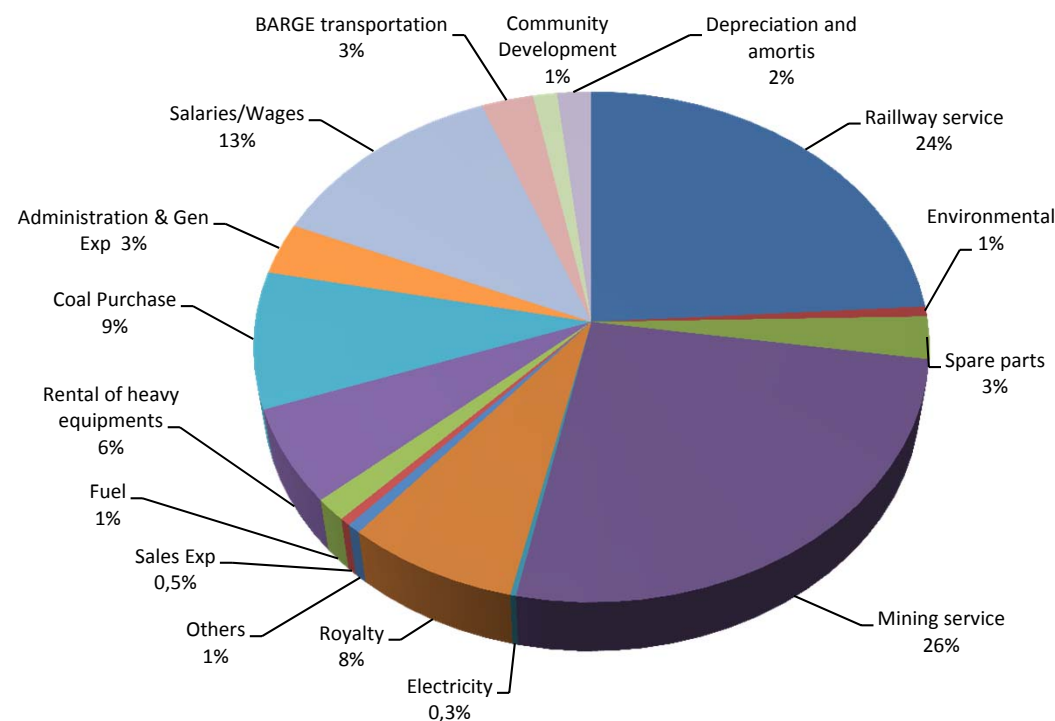
Tanjung Enim System *)	3M13	3M14	YoY
Ex Royalty (IDR)	559,987	521,510	93%
Total (IDR)	602,417	567,939	94%

\*) Note: Total cash cost include COGS, G&A, Selling Expenses, inventory

### Weighted Average Strip Ratio



### 3M14 Total Cost Breakdown



### Average Selling Price (ASP)

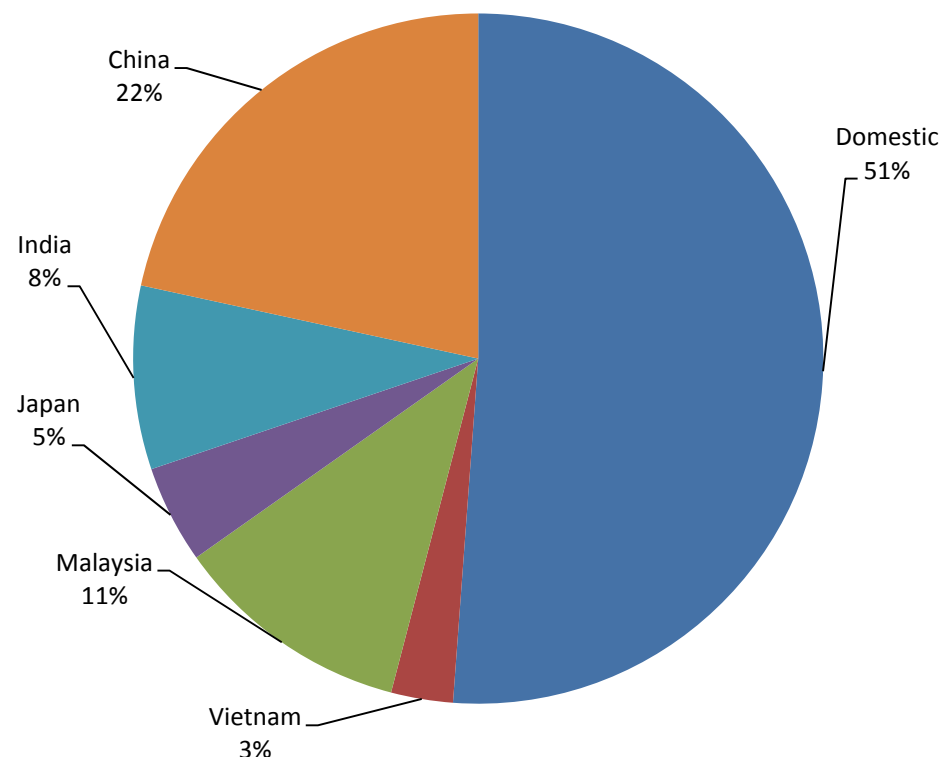
	FY13	3M13	3M14	YoY
Weighted ASP (IDR/Ton)	631,145	613,810	733,400	19%
Export (USD/Ton)	74.33	76.81	73.88	(4%)
Domestic (IDR/Ton)	582,581	600,330	663,980	11%

## Coal Brand & Sales Breakdown

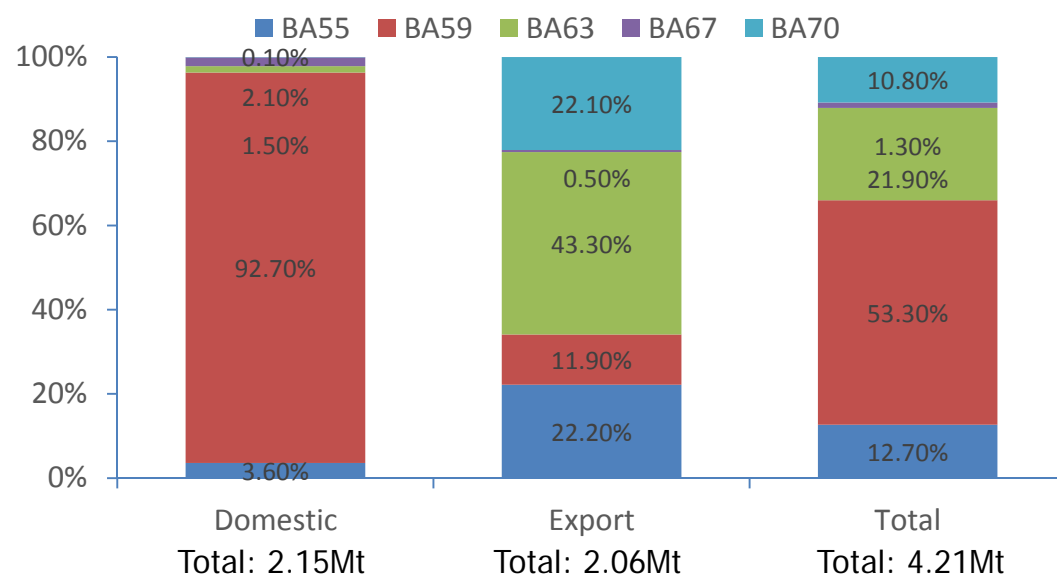
Type Of Coal Brand

Coal Brand	CV		TM	IM	Ash	VM	FC	TS max	HGI
	Kcal/Kg,adb	Kcal/Kg,ar	%ar	%adb	%adb	%adb	%adb	%adb	
IPC 53	5,300	-	34	15	8	39	40	0.5	-
BA 55	5,500	4,550	30	15	8	39	38	0.8	50
BA 59	5,900	5,000	28	14	6	39	40	0.6	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	-

3M14 Sales Breakdown by country

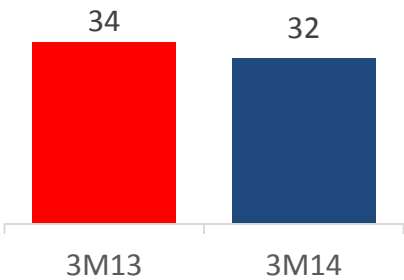


3M14 Sales Breakdown by Brand

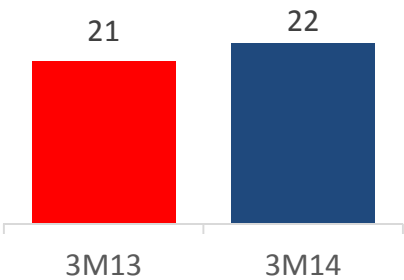


## Financial Ratios

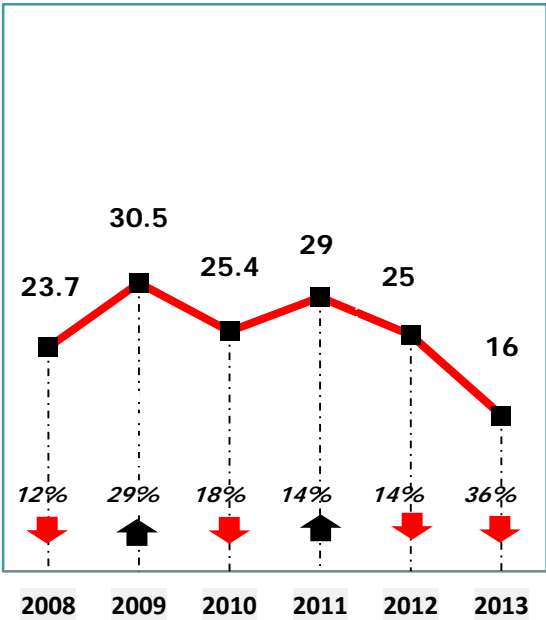
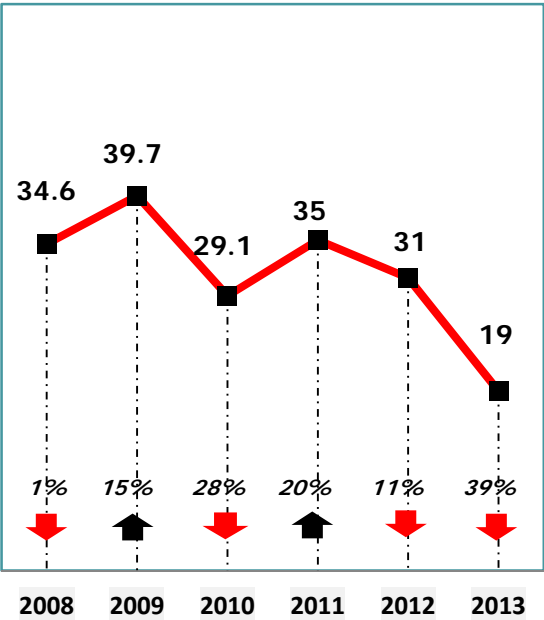
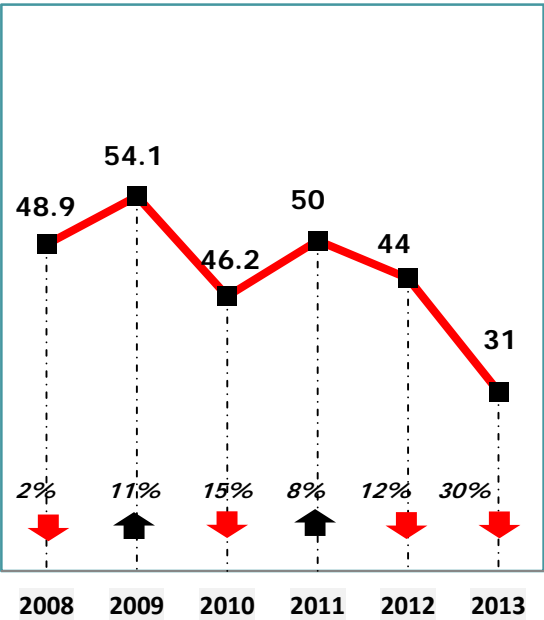
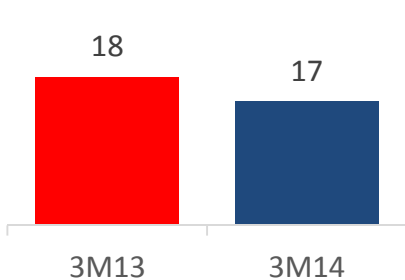
GROSS PROFIT MARGIN (%)



OPERATING PROFIT MARGIN (%)

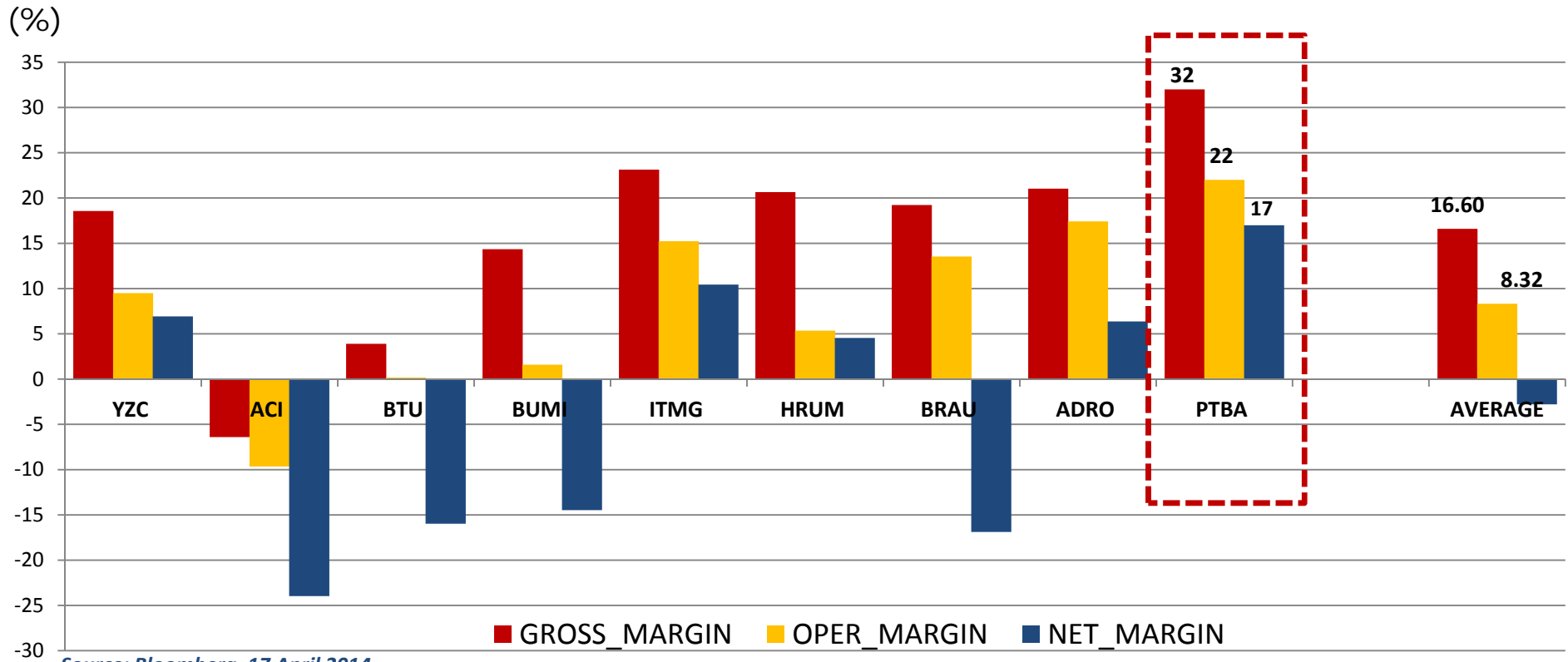


NET PROFIT MARGIN (%)





## PTBA Versus Global & Local Peers



Source: Bloomberg, 17 April 2014

YZC : Yanzhou Coal Mining -U.S (YZC)

ACI : Arch Coal Inc. – USA (NYSE)

ADRO : PT Adaro Energi – IDX

HRUM : PT Harum Energi – IDX

BRAU : PT Berau coal – IDX

ITMG : PT Indo Tambangraya Megah – IDX

BTU : Peabody Energy Corp. – USA (NYSE)

PTBA : PT Bukit Asam – IDX

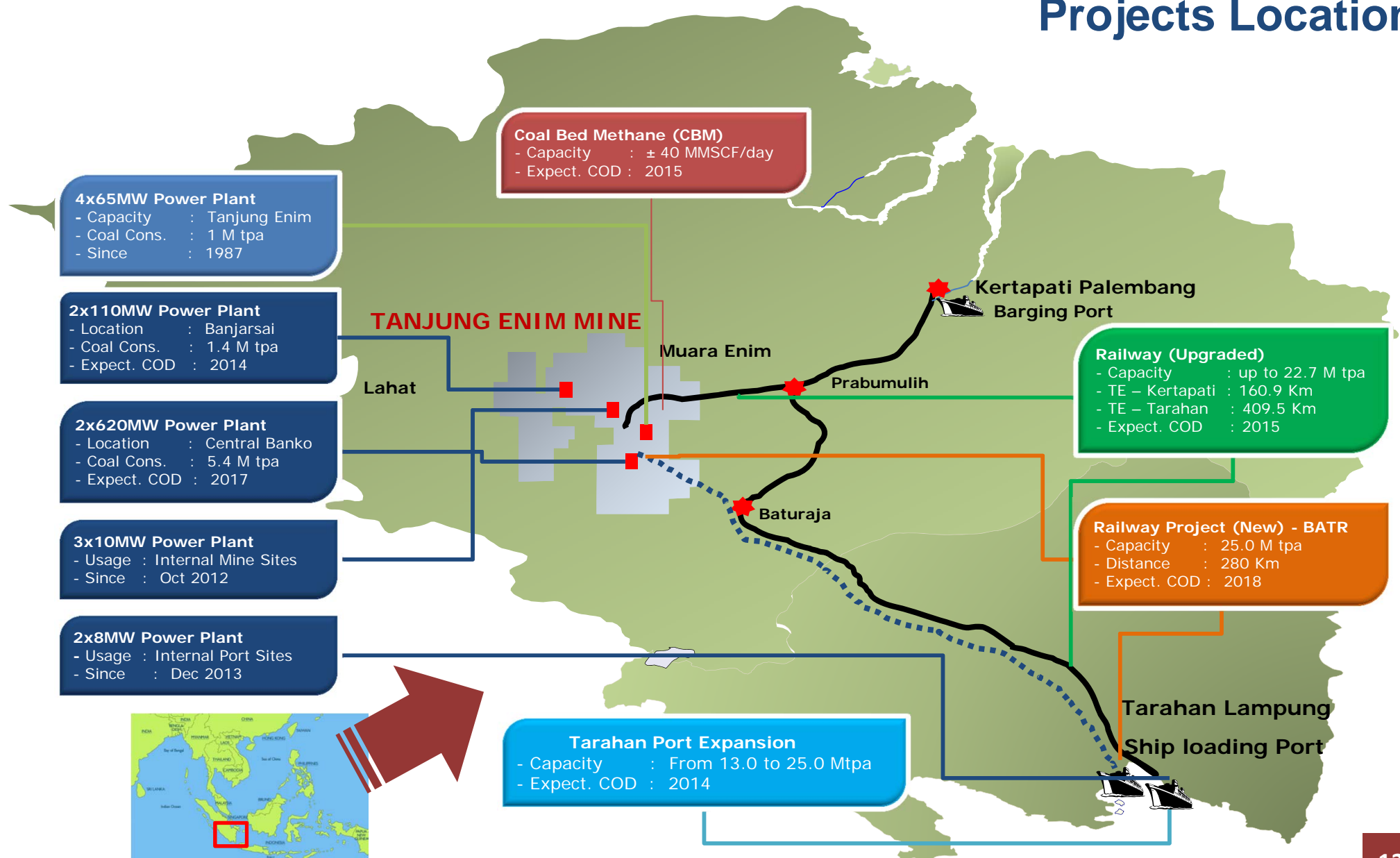
BUMI : PT Bumi Resources – IDX

BYAN : PT Bayan Resources – IDX

## Summary Financial Performance

(IDR bn)	FY13	3M13	3M14	YoY
<b>Sales</b>	11.209	2.777	3.093	111%
<b>COGS</b>	7.745	1.823	2.095	115%
<b>EBITDA</b>	2.530	671	751	112%
<b>Net Income</b>	1.826	493	536	109%
<b>Assets</b>	11.677	13.426	12.150	90%
<b>Cash</b>	3.343	6.024	3.573	59%
<b>Net Margin</b>	16%	17.8%	17.3%	97%
<b>Return On Asset</b>	16%	4%	4.2%	105%
<b>Return On Equity</b>	24%	6.9%	8%	116%
<b>Return On Investment</b>	21%	6.9%	7.5%	108%

## Projects Location





## Railway Projects

	PT KA – Existing Railway	BATR - New Railway Project (BukitAsam Transpacific Railway)
Location	Tanjung Enim – Tarahan Port (410 Km) Tanjung Enim – Kertapati Port (161 Km)	Tanjung Enim – New Port in Lampung (280 Km)
Shareholders	PTKA (State Railway Company) 100%	<ul style="list-style-type: none"> <li>- PTBA 10%</li> <li>- Rajawali Asia Resources 80%</li> <li>- China Railway Engineering 10%</li> </ul>
Status	<ul style="list-style-type: none"> <li>- PTBA and PTKA have signed Coal Transportation Agreement (CTA) in December 2011</li> <li>- Completed Addendum CTA (Long term Tariff 2012 - 2016)</li> <li>- 41 New Locomotives (2015)</li> <li>- 230 New Wagons (2013)</li> <li>- 600 New Wagons (April 2014)</li> <li>- Till April 2014, total 3071 Wagons</li> </ul>	<ul style="list-style-type: none"> <li>- Project Investment : USD 2 billion</li> <li>- EPC contract (USD 1.3 billion) signed in March 2010</li> <li>- Alignment design approval obtained from the regencies (July 2011)</li> <li>- Signed “Frame Work Agreement” funding with China Banking Consortium in 18 November 2011</li> <li>- Finalization for Mining JV Restructuration</li> </ul>
Capacity	22.7 M tpa in 2015 and beyond (Gradually Increased)	25.0 M tpa (Gradually Increased)
Target	2015-2029 : 22.7 million tons	1 <sup>st</sup> year : 7.5 million tons 2 <sup>nd</sup> year : 15.0 million tons 3 <sup>rd</sup> year : 20.0 million tons 4 <sup>th</sup> year : 25.0 million tons (up to 20 <sup>th</sup> year)
Expected COD	2015	2018

## Production Infrastructure & CBM Projects

	Production Infrastructure Expansion	Coal Bed Methane (CBM)
Location	Tanjung Enim / Kertapati port / Tarahan port	Tanjung Enim
Shareholders	PTBA (100%)	PTBA (27.5%), Pertamina (27.5%), Dart Energy (45%)
Objective	To increase and expand the existing capability production at Tanjung Enim Mine, port capability at Kertapati as well as loading capacity at Tarahan port from the Panamax size 80.000 DWT up to the Capesize 200,000 DWT	To underpin the coal based energy business which is in line with the company's vision
Status	Under Construction: <ul style="list-style-type: none"> <li>Tanjung Enim Mine: (Rail Re-loop TLS 1, TLS2, CHF at MTB, and building TLS4)</li> <li>Kertapati Port: (CHF refurbishment)</li> <li>Tarahan Port : (building RCD3 &amp; RCD4, new jetty &amp; shiploader, new stockpile 2 x 150,000 t, new office)</li> </ul>	<ul style="list-style-type: none"> <li>- Production Sharing Contract between consortium and government signed in August 2009.</li> <li>- Joint Operation Agreement signed in February 2011.</li> <li>- Pilot/Production well drilling #1, #2 &amp; #3 completed</li> <li>- Preparation of production well drilling for production gas output</li> </ul>
Capacity	Mainly to support for handling the throughput capacity from 12.5 M tpa up to 25 M tpa at Tarahan port	± 40 MMSCF/day (million cubic feet per day) With potential reserve of 0.8 Trillion cubic feet (TCF)
Target	From Q3-2008 to Q2-2014 all infrastructures at mine and at ports will be completed in parallel. Jetty II at Tarahan port expected to be completed in September 2014, to accommodate a vessel size of up to 200,000DWT	<ul style="list-style-type: none"> <li>- The completion of the drilling of Three (3) Pilot Well</li> <li>- Dewatering Process, First Gas Flare</li> <li>- Process of Getting Sales Purchase Agreement</li> <li>- In 2014 will carry out the drilling of Three (3) new core holes and one new production well</li> </ul>
Investment	Tanjung Enim Mine = USD 110 Million Kertapati Port = USD 18 Million Tarahan Port = USD 158 Million Total Cost = USD 286 Million	USD 14.48 million (the first three years)
Expected COD	2014	2015

## Power Generation Projects

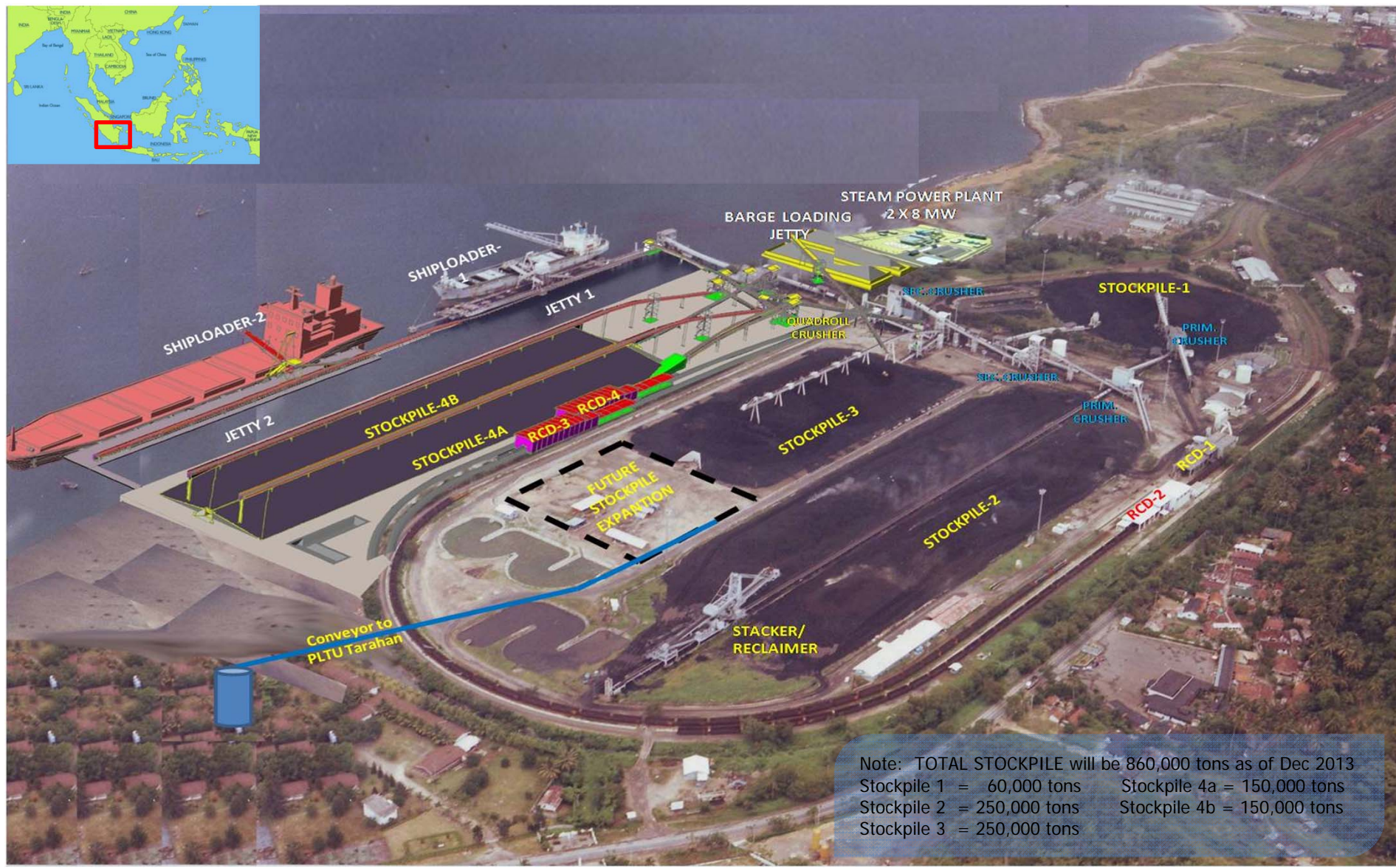
	Banjarsari Mine Mouth Power Plant	Banko Tengah Mine Mouth Power Plant	Peranap Mine Mouth Power Plant
Location	Tanjung Enim Mine	Tanjung Enim Mine	Peranap Riau
Objective	To underpin the coal based energy company	To underpin the coal based energy company	To underpin the coal based energy company
Shareholders	<ul style="list-style-type: none"> <li>- PTBA 59.75%,</li> <li>- PJB 29.15%,</li> <li>- NII 11.10%</li> </ul>	<ul style="list-style-type: none"> <li>- PTBA 45%,</li> <li>- CHDHK 55% (China Huadian Hong Kong Company Limited)</li> </ul>	<ul style="list-style-type: none"> <li>- PTBA (Majority in Mining JV)</li> <li>- PLN (Majority in Power Plant JV)</li> <li>- TNB (Majority in Transmission JV)</li> </ul>
Status	<ul style="list-style-type: none"> <li>- Land Acquisition Completion: 100%</li> <li>- Addendum PPA completed in Juli 2011</li> <li>- Ground Breaking in Juli 2011</li> <li>- Project will complete in 2nd half of 2014</li> </ul>	<ul style="list-style-type: none"> <li>- LOI from PLN for the development of the 2x620MW received on 8 December 2011</li> <li>- 5 September 2012, Joint Venture Company (JVC) established, PT Huadian Bukit Asam Power</li> <li>- PPA signed in September 2012</li> <li>- Financial Closing in 2014</li> </ul>	<ul style="list-style-type: none"> <li>- MOU Signed in June 2012</li> <li>- JDA signed in 15 October 2012</li> <li>- Finalization TOR for procurement of Owner Engineer, Transaction Advisor and Seabed Survey Contract.</li> <li>- Finalization for pre-FS of the Power Plant (by PLN) and starting for soil investigation</li> <li>- Preparation for the FS of Power Plant &amp; Transmission</li> </ul>
Capacity	2 x 110 MW	2 x 620 MW	800 - 1200 MW
Investment	USD 320 million	USD 1.59 billion	USD 1.80 billion
Coal Consumption	1.4 million tpa	5.4 million tpa	Up to 8.4 million tpa
Expected COD	2014	2017	2018



## Internal Power Generation Projects

	Power Plant For Internal Use	Power Plant For Internal Use
Location	Tanjung Enim	Tarahan Port
Objective	Efficiency and Cost Reduction	Efficiency and Cost Reduction
Status	In Operation	In Operation
Capacity	3 x 10 MW	2 x 8 MW
Investment	USD 42 million	USD 29.12 million
Commisioning Full Operation	Since October 2012	Since December 2013

## The New Look of Tarahan Port in 2014



## PTBA Structure

PTBA operates a fully integrated large coal mining in Tanjung Enim (South Sumatera), Ombilin (West Sumatera), Peranap (Riau), and East Kalimantan with Total Resources & Reserves are 7.29 billion tons and 1.99 billion tons respectively



The Indonesian Government owns 65% of Total Shares

The Subsidiaries:

Coal	Trading	Power	Logistic	Gas
<ul style="list-style-type: none"><li>• Bukit Kendi (75%), coal mining, South Sumatera</li><li>• International Prima Coal (51%), East Kalimantan</li><li>• Bukit Asam Banko (65%), South Sumatera</li></ul>	<ul style="list-style-type: none"><li>• Bukit Asam Prima (99.99%)</li></ul>	<ul style="list-style-type: none"><li>• Bukit Pembangkit Innovative (59.75%)</li><li>• Huadian Bukit Asam Power (45%)</li></ul>	<ul style="list-style-type: none"><li>• Bukit Asam Transpacific Railway (10%)</li></ul>	<ul style="list-style-type: none"><li>• Bukit Asam Metana Enim (99.99%)</li><li>• Bukit Asam Metana Ombilin (99.99%)</li><li>• Bukit Asam Metana Peranap (99.99%)</li></ul>
  		 		  



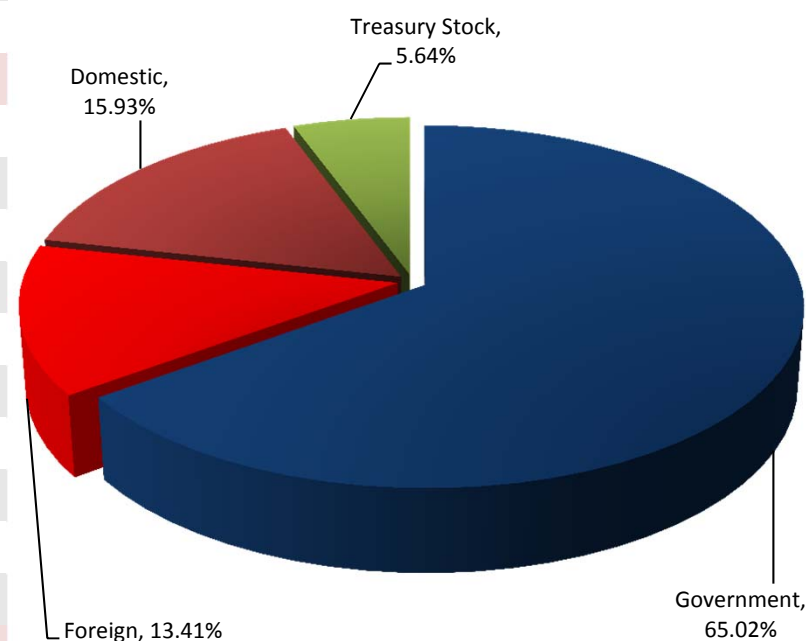
## Shareholders Information

**The Top Twenty Public Shareholders of PTBA as 22 April 2014**

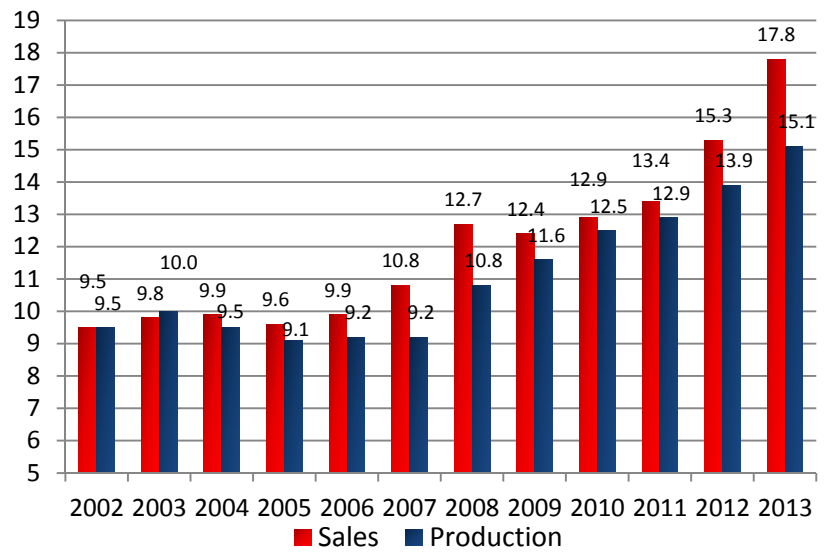
No	Shareholders\Investors	%
1	Tambang Batubara Bukit Asam (Persero), Tbk PT	5.64
2	BPJS Ketenagakerjaan - JHT	2.32
3	Taspen (Persero) – THT, PT	1.54
4	BBH Boston S/A Vangrd EMG MKTS STK INFD	0.72
5	Prudential Life Assurance – Ref, PT	0.49
6	BPJS Ketenagakerjaan - JKK	0.47
7	Pamapersada Nusantara, PT	0.39
8	JP Morgan Chase Bank, Re Abu Dhabi Investment Authority	0.37
9	BPJS Ketenagakerjaan - BPJS	0.37
10	SSB 4545 S/A Lazard Emerging Markets Equity Portfolio	0.36
11	Bank Julius Baer and Co Ltd	0.36
12	BBH Luxembourg S/A Fidelity FD SICAV FID FDS ASEAN FD	0.29
13	The NT TST CO S/A Somerset Small Mid Cap EM All Country Fund LLC	0.28
14	SSB WTAS S/A Wisdomtree Emerging Mrkts Eq In Fund	0.28
15	SSB TRLD SSL C/O SSB, Boston Trilogy Investment Funds Plc	0.28
16	SSB 1BA9ACF MSCI Equity Index Fund B-Indonesia	0.27
17	SSB OBIH S/A Ishares MSCI Emerging Markets	0.26
18	BNYM SA/NV AS Cust of Employees Provident Fund	0.26
19	Reksadana Dana Schroder Dana Prestasi Dinamis	0.24
20	The Northern Trust and Company S/A Future Fund Board of Guardians	0.23

*Note: Total outstanding shares of 2,304,131,850*

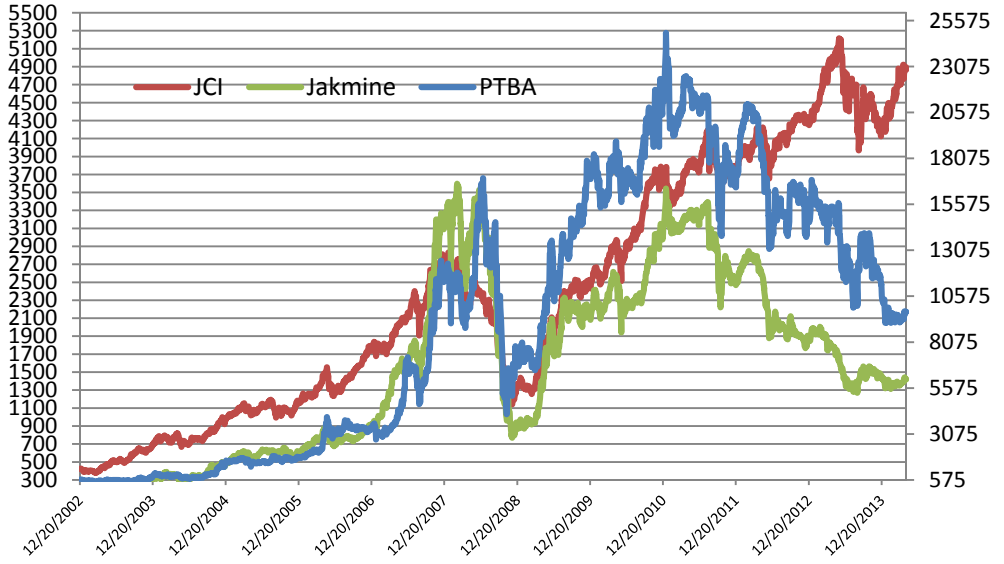
## Share Holders Breakdown



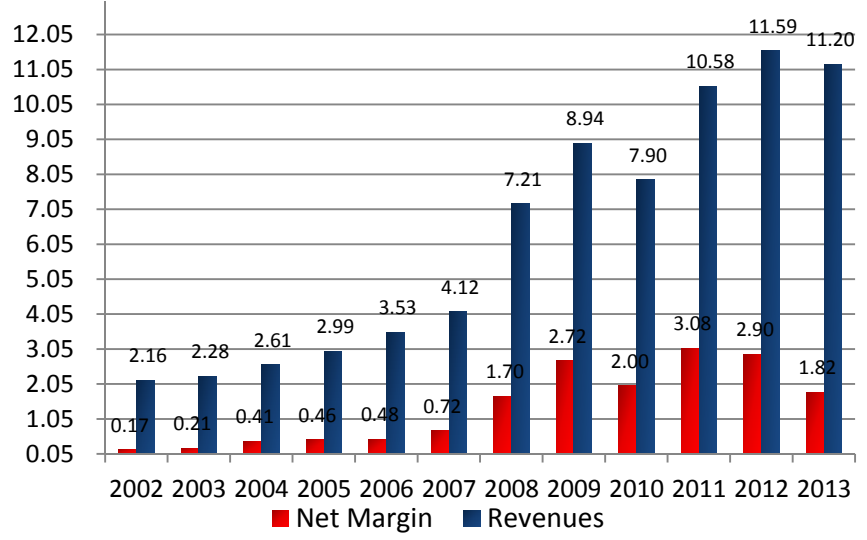
### PTBA Production Vs Sales 2002 - 2013



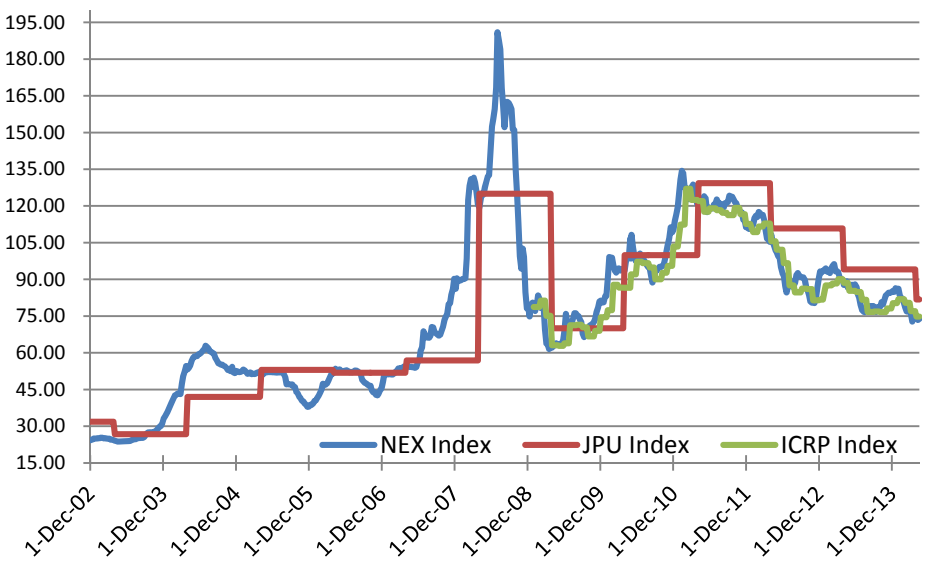
### Index Movement Dec'02 – Apr'14



### PTBA Revenues Vs Net Margin 2002 - 2013

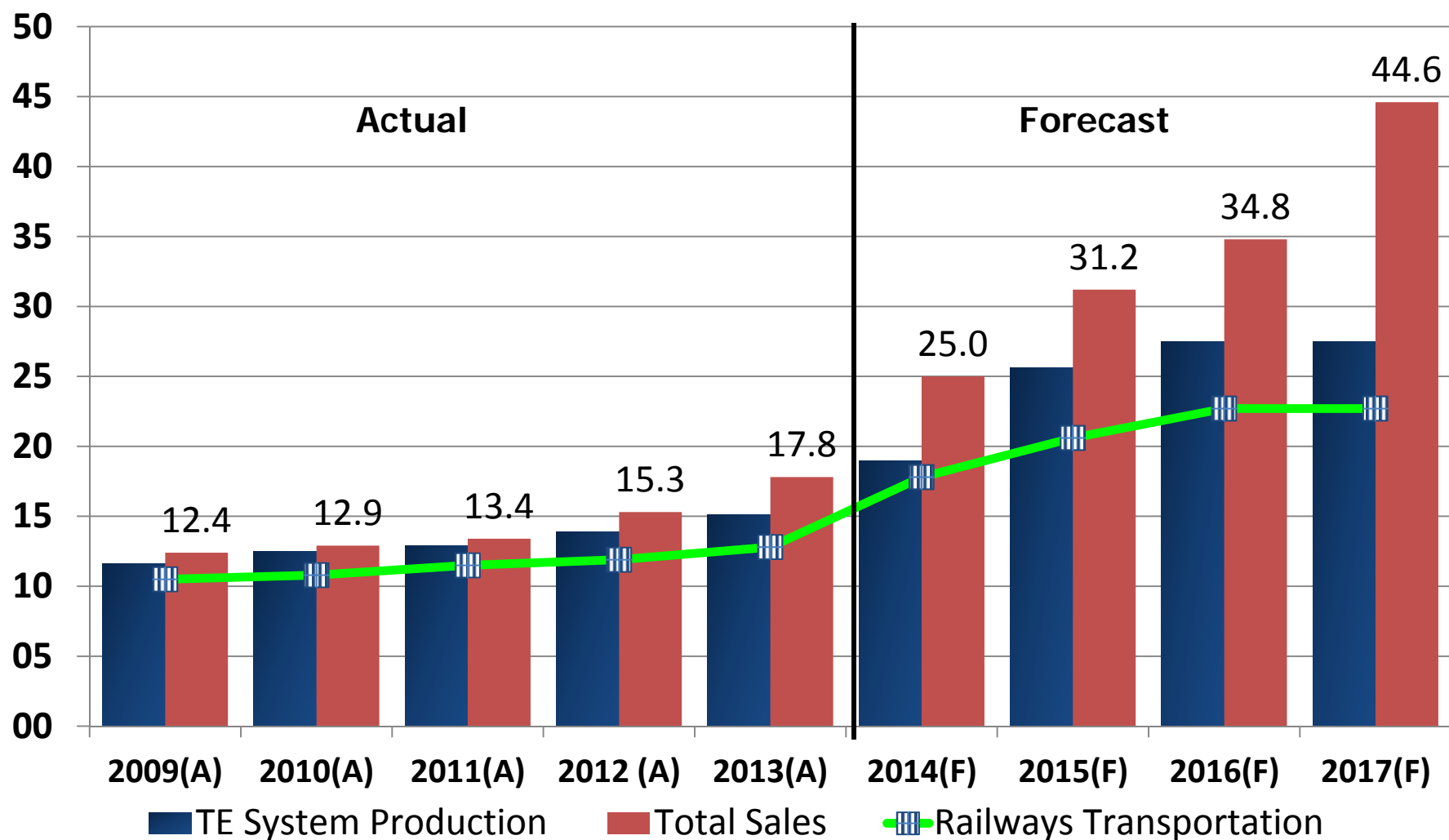


### Coal Price Indexes Dec'02 – Apr'14



## Projected Sales Volume to 2017

In Million Ton



Source: The Company's Business Plan 2014

## Supporting National Energy Policy

□ Having A Total Long Term Coal Supply with:		<u>Committed Volume</u>
○ National Power Company\PLN (2010 – 2030)	:	262 Mt
○ Indonesia Power (2013 – 2022)	:	52 Mt
○ Huadian Bukit Asam Power\Power Plant (25 Years)	:	150 Mt
○ Bukit Pembangkit Innovative\Power Plant (30 Years)	:	36 Mt
○ Indonesia Fertilizer (30 Years)	:	69 Mt
○ Cilacap Power Plant (4 Years)	:	5 Mt
Total		: 574 Mt
□ Supporting Power Plants Projects Development for:		<u>Coal Consumption</u>
○ 3x10MW Power Plant, Muara Enim (In Operation)	:	0.15 Mtpa
○ 2x8MW Power Plant, Lampung (In Operation)	:	0.10 Mtpa
○ 2x110MW Banjarsari Power Plant (Under Completion)	:	1.40 Mtpa
○ 2x610MW Banko Tengah Power Plant (In Progress)	:	5.40 Mtpa
○ 800 – 1200MW Peranap (Under Development Process)	:	8.40 Mtpa
○ 1800MW Sumsel 9-10 Power Plant (Under Tender Process)	:	8.10 Mtpa

**Disclaimer:**

This presentation contains forward-looking statements based on assumptions and forecasts made by PT Bukit Asam (Persero) Tbk management. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and speak only as of the date they are made. We undertake no obligation to update any of them in light of new information or future events.

These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.

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