



Press Release

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Banpu Records Higher Profits Boosted by Power Business and Better Coal Prices

Banpu Public Company Limited (BANPU) announced its financial performance for the 2007 fiscal year, recording a net profit of THB 6,654 million, an increase of THB 3,044 million or 84 percent from the previous year thanks to an increase of equity income from the BLCPP power plant and a rise of profits from its coal business which witnessed price increases from a year before by 17 percent. In addition, the revenue for the year 2008 is expected to grow around 25 percent from 2007 as an average coal selling price is edging up.

Mr. Chanin Vongkusolkit, Chief Executive Officer of Banpu Public Company Limited, said a net profit of THB 6,654 million in 2007 consisted of a net profit from its core businesses of coal and power totaling THB 5,920 million, which increased 61 percent from a year before; and gain on investment of THB 734 including a profit recognition resulted from a selling of share capital of its subsidiary, PT Indo Tambangraya Megah Tbk (ITM) and a disposal of 10 percent of its investment in a listed coal company. However, its total costs of sales also increased 1 percent due to oil price hike and an increase in mining stripping ratio.

In 2007, Banpu's total sales revenues accounted for THB 32,442 million, or a 3 percent fall totaling THB 936 million from the same period a year ago. This was due to a decline in coal sales volume, which fell from 21.7 million tonnes in 2006 to 19.3 million tonnes in 2007, or a decline of 2.4 million tonnes or 11 percent, as well as an appreciation of Thai Baht. Banpu's 2007 total sales revenue consisted of THB 28,429 million from coal sales accounting for 88 percent of its total sales revenue, of which THB 27,712 million was generated by Indonesian coal mines and THB 717 million from its Thailand's mines. Sales from power and steam business from the Chinese combined heat and power plants was THB 3,865 million, accountable for 12 percent of its total revenues.



“The amount of coal sold in 2007 was down 11 percent from the previous year and it was lower than our target set earlier at 20 million tonnes, most of which was due to declining production of Trubaindo Mine which was affected by the unusually severe rainfall. Besides, our coal mines in Thailand which are about to be depleted by this year also saw a dropping in production and sales volumes. Yet, an average selling price rose from USD 35.23 per tonne in 2006 to USD 41.06 per tonne in 2007 or 17 percent, which helped compensating the declining sales amounts,” Mr. Chanin said.

Banpu’s CEO expects to see an improvement of Banpu’s coal production in 2008 when the firm plans to produce 20 million tonnages of coal, most of which will come from its mines in Indonesia to replace the declining production of Banpu’s mines in Thailand, which will be closed by this year. In addition, Banpu expects to see its total sales revenue growing approximately 25 percent due to a rise of an average coal selling price to about USD 60 per tonne this year.

In 2008, Banpu will remain focusing at its coal and power investments in Indonesia and China by developing and adding more values to its existing businesses there while seeking for new opportunities. Banpu intends to expand its coal and power businesses more aggressively in China where it plans to enlarge its Chinese business to the same or at least a similar proportion of its operations in Thailand and Indonesia by the end of the year. In Indonesia, Banpu will continue focusing on an ongoing and efficient cost management. This includes a construction of 2 coal-fired power plants totaling 14 MW at Bontang Coal Terminal where the power will be used both to run the port and to replace fuel at Indominco-Bontang Mine, expected to complete and run by the second half of this year. Banpu also plans to increase its coal transportation capacity to accommodate the expansion of its coal business and to gain a competitive edge. In this regard, the Bontang Port will be upgraded to increase its loading capacity from handling 12.5 million tonnes of coal to 18.5 million tonnes. The upgrade of Bontang port is also scheduled to complete this year.

As of 31 December 2007, Banpu’s assets totaled THB 65,051 million or an increase of 32 percent, which accounted for THB 15, 664 million. The Company recorded total liabilities of THB 26,554 million, a 2 percent decrease of THB 489 million. Its Debt to Equity ratio as of 31 December 2007 was 0.14, which was lower than 0.66 in 2006. Its EPS was THB 24.49 a share as compared to THB 13.29 a share in 2006.