



Press Release

10 November 2008



Rising Coal Price Boosts Banpu's 3rd Quarter Net Profit Up

Banpu Public Company Limited (BANPU) reports its third quarter 2008 performance, recording an 81 percent net profit higher than the same period last year. The higher earning is bolstered by an increased net profit from coal business lifted by the rise in coal selling price and the consolidated net income from Chinese coal business after the acquisition of AACI in late June this year.

Mr. Chanin Vongkusolkit, Chief Executive Officer of Banpu Public Company Limited disclosed that in the third quarter 2008 (1 July – 30 September 2008) a net profit of THB 3,111 million, an increase of THB 1,392 million or 81 percent from the same period last year. The net income was consisted of a net profit of THB 2,231 million from coal business and THB 880 million from power business, accountable respectively for 72 percent and 28 percent of the total earning. The higher earning in the third quarter was a result of 96 percent higher average selling price from the same period last year and consolidation of net income from Chinese coal business – Asian American Coal Inc. The Company's sales revenue in the third quarter was THB 14,352 million, an increase of THB 5,711 million or 66 percent from the third quarter of 2007. Total sales revenue consisted of THB 13,382 million from coal business, of which THB 13,301 million was generated by Indonesian coal mines and THB 81 million from domestic mines. Sales from power and steam business from the Chinese combined heat and power plants was THB 942 million.

“The financial statement of the third quarter 2008 reflects strong improvement in our core businesses particularly in coal mining which was partly contributed by higher tonnages of premium coal sales as well as a net income from AACI which was firstly consolidated in this quarter, lifting the Company's net profit in the third quarter to the ever highest level. The power operation in overall remained stable. BLCP power plant reported smooth operation while BPIC's combined heat and power plants remain under pressure since increases in power tariffs are still out weighted by higher coal prices,” Mr. Chanin said.



Coal sales volume in the third quarter 2008 was 4.6 million tonnes, 3 percent higher than the second quarter, but 9 percent lower than the same period a year ago. This was because coal operations in Indonesia were unable to reach the full production scale due to persistent rainfall. The Company reckons that the impact from unusual rainfall during the period is likely to cut short this year's production from the original target of 20 million tonnes to 18.5 million tonnes. The 7 percent decrease in coal production volume, however, has minimal impact on income from coal business due to higher average selling price which has risen to around USD 72 per tonne this year compared to USD 41.05 per tonne last year. For the year 2009 Banpu has set a target coal production of 20.5 million tonnes and 47 percent of which has been priced.

Mr. Chanin said that the expected decrease in energy demand affected by the global economic recession would have small impact on Banpu business in 2009.

"I believe that we can cope with this global economic crisis by having good risk management and cautious financial management, not to let debts exceed appropriate level. In addition, many measures have been employed in our medium to long term business plan, based on an assumption that the coal price drops following a decline in energy consumption. Such measures include cost reduction in the production processes and the whole logistics system," Mr. Chanin concluded.

As of 30 September 2008, Banpu's assets totaled THB 86,697 million, an increase of THB 21,647 million or 33 percent while total liabilities was THB 42,771 million, an increase of THB 16,217 million from 31 December 2007. Its current net debt to equity ratio has increased to 0.37 times compared to 0.14 time at the end of 2007. Earning per share in the third quarter was THB 11.45 per share compared to THB 6.32 per share in the same quarter last year.

Further information, please kindly contact,

Maunfun Chiraiam, Corporate Communications & Public Affairs Department, Banpu Plc.

Tel: 02-694-6783 or Mobile: 083-244-4554