



Press release

March 4, 2011



Banpu expects sales revenue to grow 40 percent in 2011

Banpu Public Company Limited (BANPU) expects its sales revenue to grow around 40 percent in 2011 due to higher coal sales volume and selling prices. The annual growth rate in the next five year is estimated to be approximately 12- 13 percent.

Mr. Chanin Vongkusokit, Banpu Chief Executive Officer, said during the press conference that the sales revenue in 2011 is expected to grow at around THB 90,000 million or 40 percent growth, compared to THB 65,285 million in 2010. The increase will derive from higher coal sales volume at around 44-45 million tonnes, increasing from 25.9 million tonnes last year after its successful acquisition in Centennial Coal in Australia. Meanwhile, the average selling price for this year is expected to be more than USD 80 per tonne, compared to USD 74.65 in the previous year as a result of strong market price and higher coal demand.

“Approximately 44-45 million tonnes of coal will be produced and sold this year, of which 26 million tonnes will be from Indonesian coal mines and 18-19 million tonnes from Australian mines. The selling price this year is expected to be favorable as well. This would lead our 2011 sale revenue to grow around 40 percent,” said Mr. Chanin.

In 2010, Banpu’s coal sales and other related coal revenue was reported at THB 60,420 million, of which THB 53,329 million was from Indonesian mines, THB 6,498 million from Australian coal mines and the rest THB 594 million from the Thai operation. Sales of power and steam revenue totaled THB 4,865 million. Meanwhile the net profit was THB 24,728 million, an increase of THB 10,499 million or 74 percent from last year. It was consisting of THB 6,103 million from coal business, THB 3,399 million from power business and THB 15,226 million from two strategic divestments including the partial dilution of 8.72 percent interest in ITM and disposal of 14.9 percent shares in Ratchburi Electricity Generating Holding PCL.



Mr. Chanin added that despite higher coal sales volume and selling price this year, the production cost is expected to move up from rising oil price, higher stripping ratio and higher mining cost including contractor and machinery cost. In addition, the net income realized from Australian coal business would not be seen much accelerating since the Company still has financial cost, amortization and depreciation. As a result, the profit from operation this year would not be much higher when compared with the sales revenue, but will be better than last year.

According to the Banpu's long-term strategic plan, focusing more on coal business in the next five years (2011-2015), the Company's growth rate is estimated at around 12-13 percent per year. By the end of 2015, it is expected that the coal business will account for around 85-90 percent of the Company's enterprise value while the power and new energy business will be around 10-15 percent.

"By the end of 2015, our business in Australia would account for around 35-36 percent of the enterprise value, while Indonesia, China and Thailand would account for around 33-34 percent, 20 percent and 10-15 percent respectively," he said.

This year, Banpu has set around USD 140 million out of USD 466 million long-term CAPEX to develop and expand its existing operations. USD 120 million will be used for Indonesia mines - Bharinto and Trubaindo, while the remaining USD 20 million will be spent for the last installment of Gaohe project in China, where the operation is expected to commence in the second half of 2011.

Banpu Public Company Limited is an energetic Asian energy company managing coal and related business, operating in 4 countries including Thailand, Indonesia, China and Australia. As of 31 December 2010, Banpu assets totaled THB 193, 598 million, an increase of 91 percent compared to 31 December 2009. The Company recorded total liabilities of THB 123, 885 million, or 172 percent higher than 2009. Net Debt to Equity ratio as of 31 December 2010 was 1.06 times compared to 0.16 times as of 31 December 2009. The 2010 earnings per share (EPS) was THB 91 a share, an increase of 74 percent when compared to THB 52.36 a share in 2009.

#