



PRESS RELEASE

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Banpu Reports 2013 Results

Banpu Public Company Limited (BANPU) reports its 2013 financial results with a net profit of USD 103 million (approximately THB 3,151 million), which is lower than the previous year. This was a result of lower net profit from the coal business affected by weakening global coal prices and a smaller gain from financial derivatives. The solid performance of the power business and success of the cost reduction program, however, helped cushion the impact from unfavorable coal prices.

Mr. Chanin Vongkusolkit, CEO of Banpu, said that in 2013 the coal industry across the world was overwhelmed by excess coal supply leading to the downturn in coal prices throughout the year. The Newcastle Export Index (NEX coal index) hit its lowest level of USD 77 per tonne in July 2013. The unfavorable market directly affected the Company's revenue from the coal business even though coal sales volume this year increased 1.22 million tonnes to 42.8 million tonnes. The average selling price (ASP) of Indonesian coal, which was most affected by this coal price downturn, dropped 17 percent from that of 2012. This resulted in a decrease of Banpu's ASP to USD 72.41 per tonne or 15 percent lower than the previous year.

In 2013, Banpu recorded a total sales revenue of USD 3,351 million (approximately THB 102,944 million), 11 percent lower than 2012. Of this total revenue, coal sales accounted for 93 percent or USD 3,128 million while sales of power and steam accountable for 6 percent was USD 192 million. The power business performed well providing a significant contribution to the Company's total earnings. In 2013, BLCP (in which Banpu holds a 50 percent stake), operated smoothly to generate an equity income of USD 82 million to Banpu. The Chinese power plants recorded a firm net profit of USD 23.53 million as a result of higher power demand during winter and a sound operational performance.

Last year, the coal business generated a net profit of USD 36.99 million to BANPU, a decrease of USD 192.24 million or 84 percent compared to 2012. Meanwhile, the power business had a net profit of USD 65.67 million, an increase of USD 23.22 million or 55 percent higher than the previous

year. The gain from financial derivatives this year declined USD 27 million to USD 79 million or 74.5 percent lower than that of USD 106 million in 2012.

"The lower net profit was a result of the softening coal prices together with the USD 27 million decrease in financial derivative gain. The solid net profit from power business, which provides a significant contribution to BANPU's earnings helped cushion the impact from the weakening coal prices. This also helped keep BANPU's 2013 gross profit margin at a satisfactory level of 32 percent", said Mr. Vongkusolkit.

Mr. Vongkusolkit added that Banpu has implemented several measures to lessen the impact from unfavorable external factors. These include boosting operational efficiency and reducing costs, adjusting the mine plan, improving coal handling and port management to minimize energy cost, streamlining coal flows from mines to ports, and better coordination of ship scheduling to reduce port demurrage. In 2013, the Company overall, was able to save USD 56 million in selling cost, a 2 percent lower than the previous year.

"The measures implemented helped increase the Indonesian coal sale volume by 7 percent to 29.21 million tonnes in 2013 whereas cost of sales for Indonesian operation reduced to USD 48.17 million or 6 percent lower than 2012. In addition, the changes in mine plan by the lower stripping ratios significantly reduced the production cost. The Indonesian coal mines' average stripping ratio decreased from 12.28 in 2012 to 11.06 in 2013", Mr. Vongkusolkit concluded.

Banpu Public Company Limited is an Asian energy company, managing coal and related businesses in six countries, namely Thailand, Indonesia, China, Australia, Laos and Mongolia. As of 31 December 2013, Banpu assets totaled USD 7,212 million (equivalent to THB 236,671 million) while total liabilities were USD 4,620 million (equivalent to THB 151,612 million). Net Debt to Equity ratio as of 31 December 2013 was 1.07 times compared to 0.79 times as of 31 December 2012. The Earnings per Share (EPS) for 2013 was at THB 1.22 per share compared with THB 3.106 per share in 2012.

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