



Press Release

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Banpu Reports 2002 Performance and 2003 Business Direction, Focusing Good Corporate Governance Policy

Banpu Public Company Limited reported today a net profit of Baht 1,449 million for the 2002 fiscal year (January 1-December 31, 2002), increased by Baht 665 million or 85% from last year. The company's coal sales revenue was more than doubled, compared to last year, due to its further investment in Indonesian coal mining. As a result, the company's combined coal production volume from Thailand and Indonesian operations in 2002 increased from 6 million tons to 13 million tons. In addition, the company reported several business and management development during 2002. These included increasing of production efficiency, reduction of management cost, restructuring of marketing and logistic unit and focusing in the policy and practice of good corporate governance in order to enhance the confidence in the company from all stakeholders. Consequently, the company was voted the sixth good corporate governance in Thailand by investment analysts in Asia from a survey conducted by the Asset Magazine. Nevertheless, in January 2003, the company received "A" credit rating from TRIS. The achievement was partly resulted from the company's policy to buy political risk insurance to cover its investments in Indonesia as well as its capable and long experienced management team.

For 2003, the company will continue the business direction and policy similar to what were employed last year, with main focus in the increase of production efficiency, the cost reduction and the emphasis on good corporate governance practices.

According to Mr. Chanin Vongkusolkit, Chief Executive Officer (CEO) and Mr. Rawi Corsiri, Chief Operating Officer (COO) of Banpu Public Company Limited, for 2002 operational performance, the company gained a total profit of Baht 1,449 million, or Baht 6.82 of earnings per share, compared to Baht 3.73 per share the same period last year. The company's gross profit of Baht 2,823 million increased from the previous year of Baht 1,454 million due to increased coal sales volume and revenue.

Banpu's total sale revenues for 2002 fiscal year ended December 31, 2002, was Baht 10,909 million, increased by Baht 5,494 million or 101% compared to 2001. The total coal sale revenues was Baht 10,618 million, accounted for 97% of total sales, increased 155% from Baht 6,448 million. Domestically produced coal sales in Thailand was Baht 1,476 million while imported coal sales in Thailand was Baht 837 million. Indonesian coal sales to international markets was valued Baht 8,305 million.

Nonetheless, revenues from minerals business and other services were at Baht 291 million, accounted for 3% of total sales. The company consolidated other income of Baht 1,019 million mainly from divestment of non-core businesses, dividend income from Ratchburi Electricity Holding PLC and etc.

The company's equity income attributed by subsidiaries and affiliated was accounted for Baht 452 million. It was a result of realized gain from Tri Energy Company Limited at Baht 533 million, Baht 430 million of which from operation and Baht 103 million from foreign exchange gain, while equity loss from other associated companies was reported at Baht 81 million.

The company registered gain on foreign exchange of Baht 616 million compared to Baht 31 million gain in the same period last year. This was resulted from an appreciation of Indonesian Rupiah currency against US dollar.

Mr. Chanin revealed that, during 2002, Banpu had significantly improved and developed several management policy and practices. The company tuned up business strategy that focusing on coal and power business in order to increase management efficiency. At the same time, the company restructured marketing and logistic units for higher capability and competitiveness. The company also reassessed coal reserves and resources using international standard. In addition, the company focused in the principles of good corporate governance and brought it into practices at all operational level. Resulted from a survey conducted by The Asset Magazine with 144 analysts from leading institutional investor investing in Asia, Banpu ranked the sixth leader in good corporate governance in Thailand. The company also received "A" credit rating from TRIS, partly due to its political risk insurance to protect assets and investments in Indonesia as well as a capable and long experienced management team.

In 2003, Banpu will carry on the focus in coal and power businesses. The coal sales in both Thailand and Indonesian are targeted totaling at 15 million tons, 30% of which will be distributed in Thailand while the remaining 70% will be exported to other countries, mostly in Asia. The company will continue to concentrate in increasing the production efficiency, cost reduction as well as focusing in the principle of good cooperate governance.

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