

Press Release

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Banpu Reports 1Q Performance 2003 and success in both Business strategy and Good Corporate Governance Policy

Banpu Public Company Limited reported the 2003 first quarter performance of a net profit of Baht 406 million with an increase of 86% sale volumes compared to last year. Though coal spot prices was decreased in this trimester, the company had been able to maintain its gross profit due to the company's strategies of reducing management cost, increasing production efficiency as well as adjusting marketing strategies. In addition, it was successful in implementing the good corporate governance policy, as a result of which it was widely recognized by the Asian institutional investors as well as the Thai government agencies monitoring the good corporate governance and the business ethics.

According to Mr. Chanin Vongkusolkit, Chief Executive Officer (CEO) of Banpu Public Company Limited, for 2003 first quarter, the company gained the total sale revenues of Baht 3,260 million, increased by Baht 1,504 million or 86% from same period last year. The company's gross profit of Baht 949 million or 29% of sale revenues due to the rising productions from its Indonesian coal operations. As a result, the company's combined coal production volumes from Thailand and Indonesia operations increased from 2.2 million ton to 3.4 million ton. The company's 2003 first quarter reported an operating profit of Baht 147 million and a net profit of Baht 406 million decreased from the previous year of Baht 139 million. The major difference was mainly from gain from selling investment of Baht 228 million and foreign exchange translation of Baht 212 million last year. Net profit per share (EPS) reported at Baht 1.60, compared with Baht 2.59 per share in the previous year and the consolidated net debt to equity ration decreased slightly to 0.70 times compared with 1.20 times as of December 31, 2002.

Banpu's total sale revenues for this quarter was Baht 3,260 million. The total coal sale revenues was Baht 3,204 million, accounted for 98% of total sales, increased Baht 1,541 million or 93%. Domestically produced coal sale in Thailand was Baht 236 million while imported coal sale in Thailand was Baht 218 million. Indonesian coal sale to international markets was valued Baht 2,750 million.

The company's equity income attributed by subsidiaries and affiliated was accounted for Baht 17 million. It was a result of realized gain from Tri Energy Company Limited at Baht 21 million, while equity loss from other associated companies was reported at Baht 4 million.

Due to its adherence to the principles of transparency, integrity and impartiality to all stakeholders and being a decent member to the society, as in line with the corporate governance policy formally announced last year, the company was well-accepted and rated by a number of reputable institutions in the region i.e. the Asset Magazine and Finance Asia Magazine. Lately, as one of the eight successful candidates screened and selected from more than 200 listed companies, the company has been granted the Board of the Year Award by the Thai Institute of Directors in collaboration with the Stock Exchange of Thailand and the other 4 related institutions.

In 2003, Banpu will carry on the focus in coal and power businesses. The coal sales management in both Thailand and Indonesian will continue to concentrate on increasing production efficiency and cost reduction. The company will also focus on the principle of good corporate governance by maintaining what the company has achieved and keep improving continuously.

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