

Banpu reports its 2003 first half year performances

Banpu Public Company Limited today reported a total sales revenue of Baht 6,062 million, an increase of Baht 1,361 million or 29 per cent year-on-year, for the first six-month period of 2003 operation. This resulted from increases of coal sale volumes and average selling prices. The net profit increased to Baht 959 million, an increase of Baht 422 million compared to those of the same period last year. Even though the coal price has been decreasing and the coal market has become more competitive, the company realized a 3.8 per cent higher gross profit compared to the previous year. This was due mainly to the continued implementation of cost reduction program throughout Indonesian operations. In addition, due to its commitment to implementation of the good corporate governance policy and hard effort to ensure compliance with corporate governance principles and practices at all level of operation, the company recently won the 'Best Corporate Governance Report' at the SET AWARDS 2003.

Mr. Chanin Vongkusolkit, CEO of Banpu Public Company Limited announces that, for the first half of 2003, the company has a net profit of Baht 959 million. Net profit per share is reported at Baht 3.70/share, increased from Baht 2.54/share of the same period last year. The gross profit margin is Baht 1,829 million, accounts for 30 per cent of the sales revenue, increased from 29 per cent of the previous year. Net debt to equity on consolidated balance sheet as of 30 June 2003 decreased to 0.68 times, compared with 1.20 times as of 31 December 2002.

CEO of Banpu further states that during the first six-month period, the sales revenue was Baht 6,062 million, an increase of Baht 1,361 or 29 per cent from those of the same period in the previous year. Revenue from coal sale contributes 98 per cent of the total sales revenue or Baht 5,930 million, an increase of Baht 1,435 million or 32 per cent. Revenue of coal sales

includes sales of coal from its own mines in Indonesia, sales of domestically produced coal in Thailand and sales of imported coal in Thailand which accounts for Baht 4,564 million, Baht 406 million and Baht 960 million, respectively. Additionally, sale of industrial mineral and other services is reported at Baht 132 million which accounts for 2 per cent.

The company also realized a dividend income of Baht 326 million from Ratchburi Electricity Generating Holding Public Company Limited.

The equity income attributed by subsidiary and associated companies is reported at Baht 196 million, of which Baht 220 is a gain from Tri Energy Company Limited -- classified into an operating profit of Baht 116 million and a gain of Baht 104 from foreign exchange translation, and Baht 24 million is a loss from other associated companies.

During the first six months, the company has been adjusting and adapting in several aspects in order to enhance its flexibility and efficiency as well as ability to well cope with the changed environment. In term of financial management, the company continued to strengthen its capital structures and reduce financing costs. The company has fully redeemed its Euro Convertible Debenture and refinanced offshore loans of its Indonesian subsidiary.

Despite the declining in coal price during the first half of 2003, the success in continued implementation of cost reduction program throughout its Indonesian operations and adjustment of marketing strategy has been preventing the company from the hard impact of lower coal price.

For Thailand market, an enforcement of truck weight limit by government sector resulted in a higher transportation cost per tonnes, which consequently pushed up the domestic coal price and slightly decreased sales volume of domestic coal. The company's strategy to

counter the issue was to increase the volume of imported coal from its own mines in Indonesia while decrease those from others' coal mines.

The company also achieved another important milestone regarding the corporate governance policy. It was recently awarded the 'Best Corporate Governance Report' at the SET AWARDS 2003. The awardees were selected from listed companies, which are outstanding in reporting, based on good corporate governance practice.

For another half of the year, the company will carry on the same focus as the first half of the year, aiming to achievement of 15 million tonnes production capacity as plan.

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