



## Banpu reports Q1 Result

### Revenue increases, but net profit lessens due to higher oil price; 2006 income is expected to meet target

Banpu Public Company Limited recently reported its 2006 first quarter result (January 1, 2006 – March 31, 2006) with a net profit of THB 742 million, a decrease of THB 827 million or 53 per cent from the same period last year due to none divestment gain in this quarter. The 2006 performance, however, is expected to grow as planned despite floating diesel price in Indonesia and higher coal production cost. Additionally, the Company focuses on its key strategy by diversifying into power business as well as increasing its cost management efficiency in order to keep continual and sustainable growth.

“Cost management will become more challenging for coal producers this year. The floating diesel price in Indonesia has inflated production cost and eased gross profit margin while the export tax for Indonesian coal amounted THB 233 million was added into this quarter’s selling expenses. To manage cost efficiently and continuously, a number of measures have been actively pursued including a reduction of overburden-to-coal ratio, a deployment of a more efficient barge fleet, and an initiation of the energy saving program at every office and all mine sites. In addition, the Company is still emphasizing on its strategy to diversify its investment into the power business as a way to sustain the Company’s revenues,” said Mr. Chanin Vongkusolkit, Chief Executive Officer (CEO) of Banpu Public Company Limited.

During the first quarter of fiscal year 2006, Banpu’s sales revenue was at THB 7,582 million, increasing THB 2,561 million or 51 per cent from the same period last year due to appreciation of coal sales volume and selling price. Moreover, the power revenue from China where Banpu held where Banpu acquired 100 per cent stakes in Peak Pacific Investment Group (PPIC) in late February this year was consolidated in the Company’s first quarter net income statement, leading to an increase in the net income as well.

Banpu's Q1 revenue was mainly from coal sales of THB 7,253 million, accountable for 96 per cent of total sales revenue, comprising THB 6,662 million of sales from Indonesian coal mines and THB 591 million of sales from domestically produced coal. The power and steam revenue was at THB 259 million, accountable for 3 per cent of total sales revenue meanwhile another 1 per cent was from sales of industrial minerals and others totaled THB 70 million. Earning per share was recoded at THB 2.73 .

"The financial statement for the first quarter of 2006 reflected sound improvement in coal operation and marked the first period the Company realized income from investment in China's coal and power businesses. The Company's net profit for this quarter, however, decreased from the same period last year due to none divestment gain in this quarter," Mr. Chanin elaborated.

The Company's overall coal sales volumes in the first quarter of 2006 were up to 5.07 million tonnes, 31 per cent higher from the same period last year. The average coal-selling price was quite stable at USD 35.32 per tonne, increasing 11 per cent from the same period last year. The higher selling price was from realization of higher contracted coal prices during the past year. In 2006 the Company has a plan to produce 21 million tonnes of coal, an increase of 4 million tonnes from last year.

As at March 31, 2006, the Company's total assets was reported at THB 45,683 million, an increase of THB 595 million or 1 per cent compared to that of December 31, 2005. Meanwhile, liabilities were reported at THB 24,568 million, increasing THB 1,366 million or 6 per cent, compared with December 31, 2005. Net debt to equity on consolidated balance sheet as at March 31, 2006 was at 0.52 times, compared with 0.34 times as at December 31, 2005.

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