



News release

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## **BANPU 2007 Sales Revenue Expected to Exceed THB 33 Billion**

Banpu Public Company Limited (“Banpu”) reports 2006 operating result with total sales revenue of THB 33.378 billion, an increase of THB 8.170 billion or 32 percent higher than the same period a year ago. The increase was due largely to a significant production increase from its two Indonesian coal mines, Indominco-Bontang and Trubaindo, and a first time consolidation of revenue from power business in China. The net profit, however, declined to THB 3.610 billion, a decrease of THB 1.948 billion or 35 percent from the previous year as a result of lower profit from coal business affected by higher production cost from rising fuel prices as well as higher tax payment resulted from the imposition of export tax for a certain period last year by the Indonesian government. The divestment gain from its non-core businesses was lower as well.

In 2006, Banpu managed to sell a total of 21.7 million tonnes of coal, or a 28 percent increase of 4.7 million tonnes. Coal sales revenue was THB 30.434 billion accountable for 91 percent of total sales revenue, which included THB 28.767 billion of coal sales from Indonesian mines and THB 1.667 billion of coal sales from Thai mines. In addition, sales of power and steam were THB 2.808 billion or 8 percent of total sales revenue while other revenue totaled THB 136 million or 0.4 percent of total sales revenue. Meanwhile, Banpu’s average coal selling price in 2006 was USD 35.82 per tonne, increasing USD 0.60 per tonne or 2 percent.

As of 31 December 2006, Banpu’s total assets were THB 49.386 billion, an increase of THB 4.298 billion or 10 percent. Total liabilities were THB 27.043 billion, rising by 16 percent or THB 3.755 billion. Banpu’s net debt to equity ratio as of 31 December 2006 was 0.66 times, compared to 0.34 times in 2005. The Company’s Earning per Share (EPS) is THB 13.29 per share compared to THB 20.46 per share in 2006.



In 2007, Banpu targets to produce 21 million tonnes of coal as it did in the previous year thanks partly to the increasing production from Trubaindo Mine in Indonesia, which is considered a positive factor for Banpu's average coal selling price this year since Trubaindo's coal has been recognized as a high grade coal. Additionally, the increasing production of coal from Trubaindo Mine will substitute a depleting coal reserve from Banpu's Thai coal mines of which its concession will be expired in the next 1-2 years.

"We expect our revenue in 2007 will be better, thanks to the increasing production of high grade coal from Trubaindo Mine and the recognition of profit from BLCP Power Plant which will materially increase. During the next 3-5 years, the power and coal businesses will generate about 40 and 60 percent respectively to Banpu's profit," Mr. Chanin Vongkusolkit, Banpu's Chief Executive Officer, said.

Mr. Chanin added that following the Company's strategy on risk mitigation/ diversification, Banpu has expanded its operations to Indonesia and China. In order to balance the revenue from power and coal businesses and to secure the consistent revenue in long-term, Banpu seeks to diversify its investment to the regional power business. With this strategy, Banpu's revenue from power business will take a clearer shape this year, especially with regard to realization of income from the BLCP Power Plant and the three combined heat and power plants in China.

In 2007, Banpu continues focusing on cost management. This includes the electrification program where power will be generated for use in the production process to substitute fuel at Indominco-Bontang Mine, and a program to improve Banpu's logistics capability especially an expansion and improvement of coal handling capability at Bontang Coal Terminal from the current rate of 12.5 million tonnes up to 18 million tonnes in 2008



For more information, please contact

Miss Maunfun Chiraiam

Corporate Communications Officer

Tel. 02 – 694 - 6783 Fax. 02 – 207 - 0697