



Press Release

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## Banpu reports 2008 results

### Net profit up from coal business boosted by favorable coal price

Banpu Public Company Limited (BANPU) reports its financial performance for the 2008 fiscal year, recording a net profit of THB 9,228 million, an increase of THB 2,573 million or 39 percent from the previous year, thanks to the sound performance of coal business which was boosted by favorable average selling price of USD 72 per tonne, 75 percent higher than that of 2007.

Mr. Chanin Vongkusolkit, Chief Executive Officer of Banpu Public Company Limited, said a net profit of THB 9,228 million consisted of THB 6,326 million from coal business and THB 2,902 million from power business, accountable respectively for 68.5 percent and 31.5 percent of the total earning. This reflected the strong improvement of the coal business performance which rose significantly last year due to favorable increase in coal selling prices together with the successful acquisition of Asian-American Coal Inc. (AACI) in middle of last year leading to higher net profit from coal business in China.

“The higher average selling price (which was up from USD 41.06 per tonne in 2007 to USD 72 per tonne in 2008) drove the gross profit margin from coal business to 48 percent from 37 percent in 2007 despite significant increase in diesel price and mining cost. Meanwhile, Daning and Hebi coal mines in China generated a net profit of THB 1,781 million, 4 times higher than 2007. This was mainly from rising domestic coal prices and the accounting consolidation of AACI since the second half 2008,” Mr. Chanin said.



The Company's total sales revenue in 2008 was THB 50,530 million, an increase of THB 18,088 million or 56 percent compared to last year, consisting of THB 45,976 million from coal sales, accountable for 91 percent of total sales revenue, of which THB 45,599 million was generated by Indonesian coal mines and THB 377 million from its Thailand's mines. Sales from power and steam business from the Chinese combined heat and power plants was THB 4,460 million, accountable for 9 percent of the total sales revenue.

"In 2008, the equity income from power business was lower including THB 3,165 million from BSCP power plant which was 22 percent lower than THB 4,076 million in 2007. This was mainly due to the weakened Thai Baht which caused BSCP a foreign exchange loss of THB 202 million. Additionally, the three combined heat and power plants in China was struggled with controlled electricity tariffs on the back of rising coal prices for most of the year lowering a net profit from power business in China to THB 160 million," Mr. Chanin added.

The Company's coal sale volumes in 2008 were 18.5 million tonnes, a decrease of 0.8 million tonnes or 4 percent down from the previous year affected by the wettest rainy season in Indonesia and a decrease in coal reserves of the Thai mines.

As of 31 December 2008, Banpu total assets were THB 89,362 million, an increase of THB 24,311 million or 37 percent while total liabilities stood at THB 43,828 million, an increase of THB 17,274 million or 65 percent compared to the year 2007. Net Debt to Equity ratio as of 31 December 2008 was 0.36 times compared to 0.14 times in 2007. Earning per share (EPS) for the year 2008 was at THB 33.96 per share, an increase of 39 percent from THB 24.49 per share in 2007.