



Press release

November 10, 2010

Banpu Reports 3Q/2010 Result

Banpu Public Company Limited (BANPU) reports its financial performance for the third quarter 2010, posting a net profit of THB 13,293 million, an increase of 249 percent from the same period last year as a result of gain from the divestment of its Indonesian subsidiary.

Mr. Chanin Vongkusolkit, Chief Executive Officer of Banpu said that a higher than two times increase of net profit in the third quarter compared to the same period last year was mainly due to a gain from the divestment of 8.72 percent shares in the Indonesian listed subsidiary, PT Indo Tambangraya Megah (ITM), accountable for 88 percent of the total net income.

The core business performance in the third quarter, he said, was marginally lower than the same quarter last year. The Company's total sales revenue was THB 13,688 million, a decrease of THB 193 million or 1 percent compared to the same period last year. Coal sales revenue, accountable for 92 percent of total sales revenue, was THB 12,607 million while sales of power and steam from the three combined heat and power plants in China, representing 8 percent of total sales revenue, was THB 1,081 million.

The Indonesian coal operations recorded a total coal sales volume of 5.05 million tonnes in the third quarter, weakened by 5 percent from the same period last year and 6 percent from the second quarter this year. This was due to the unseasonal rainfall in Kalimantan during the third quarter which affected production at Indominco and Trubaindo. Jorong mine's production of this quarter was lower than its normal output since it was granted with forestry permit to resume the operation in August. Meanwhile, the Chinese coal business contributed an equity income of THB 130 million, declining substantially from THB 618 million or 79 percent from the same period last year and THB 1,492 million or 92 percent from the second quarter this year. This was a result of the operational stoppage of Daning mine due to a delay of mining permit



renewal which lowered its production to 0.54 million tonnes in the third quarter. With a flat diesel price at USD 0.71 per litre, gross profit margin of coal business, therefore, remained firm at 47 percent.

The average coal selling price in this quarter, however, held up well at USD 87.18 per tonne, increasing 13 percent from the same period last year and 1 percent from the previous quarter as a result of the favorable market situation.

“As coal prices in the international market are favorable, we expect the average selling price for this year to be higher than that of last year at USD 71.7 per tonne. The coal sales volume target for this year will be a little bit lower than 23 million tonnes while total sales revenue is expected to be close to last year at around THB 58 billion” added Mr. Chanin.

The power business generated a sound performance in the third quarter when BLCP contributed a stable equity income of THB 1,128 (including foreign exchange gain of THB 311 million resulted from the appreciation of Thai Baht against US Dollar during the period.) The three combined heat and power plants in China continued to face with high coal price situation, resulting in a modest net profit profit of THB 24 million or 77 percent lower than the same period last year.

Banpu Public Company is one of leading energy companies in Asia-Pacific. As of 30 September 2010, Banpu’s assets totaled THB 185,753 million, an increase of THB 84,336 million or 88 percent compared to those of 31 December 2009. The Company recorded total liabilities of THB 109,207 million, an increase of THB 63,742 million or 140 percent. Net Debt to Equity ratio as of 30 September 2010 was 0.24 times compared to 0.16 times as of 31 December 2009. The third quarter’s earning per share (EPS) was THB 48.92 a share, an increase of 248 percent when compared to THB 14.02 a share of the same period last year.

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