



## BANPU Announces 1Q/2014 Results

Banpu Public Company Limited (BANPU) announces its 1Q/2014 result with significant increase in net profit. This was due to the strong performance of coal operations in Indonesia and Australia and a decline in production cost. Gains from financial derivatives in this quarter also helped double the net profit yielded when compared with the same period last year.

Mr. Chanin Vongkusolkit, BANPU Chief Executive Officer, said that in the first quarter 2014, the Company posted a net profit of USD 55 million (approximately THB 1,800 million), an increase of USD 30 million or 120 percent from the same quarter in 2013. This was due mainly to gains from financial derivatives of USD 30 million (approximately THB 1,049 million). In addition, coal operations in Indonesia and Australia contributed sound performance even though coal prices remain unfavorable. At the same time, the Company booked an equity income from affiliates of USD 26 million, consisting of USD 20 million from BLCP (in which BANPU holds 50 percent stake) and USD 4.7 million from its China coal business, respectively.

In the first quarter of this year, BANPU recorded a strong increase in sales volume from coal mines in Indonesia and Australia by 10 percent, to a total of 10.93 million tonnes, 0.95 million tonnes higher than the 9.98 million tonnes in 1Q/2013. The continuous softening coal prices have resulted in a lower average selling price (ASP) of the Indonesian coal (when compared to the same quarter in 2013). The Australian coal operations' ASP, however, increased to AUD 75.40 per tonne, compared to AUD 65.56 per tonne in 1Q/2013, due to greater allocation of higher domestic coal contracts. Moreover, an increase in export coal volume plus the depreciation of the AUS dollar to the US dollar were favorable for the Australian dollar coal price.

Mr. Vongkusolkit added that production efficiency enhancement and continuing production cost management have contributed greatly to a decrease in production costs in both Indonesian and Australian operations. In the first quarter this year, the production cost of Indonesian coal mines was USD 44.78 per tonne, 17 percent lower than the USD 53.70 per tonne in the same quarter last year while Australian operations' production cost was AUD 52.98 per tonne, 9 percent lower when compared to AUD 58.41 per tonne in the first quarter 2013.

"The ability to well manage sales cost to stay at positive levels resulted in the higher gross profit margins (GPM) in the coal business in this quarter, which increased 35 percent from 27 percent from the same period last year. Meanwhile, softening coal prices helped lower production cost in the power business and was favorable to its GPM this quarter, which rose to 33 percent from 29 percent in the same period last year." Mr. Vongkusolkit concluded.

In the first quarter of 2014, BANPU recorded a total sales revenue of USD 831 million (around THB 27.14 billion), 1 percent lower than the same period last year. Coal sales (accountable for 93 percent of the total revenue) were at USD 771 million (THB 25.18 billion) while the remaining 7 percent, or USD 54 million (THB 1.76 billion) was from sales of power and steam from the three combined heat and power plants in China.

Banpu Public Company Limited is an Asian energy company, managing coal and related businesses in six countries, namely Thailand, Indonesia, China, Australia, Laos and Mongolia. As of 31 March 2014, BANPU's total assets were USD 7,309 million, an increase of USD 180 million from that of 31 December 2013. The net debts as of 31 March, 2014 were USD 2,693 million while Net Debt to Equity ratio was 1.01 times compared to 1.10 times at 31 December 2013. The Earnings per Share (EPS) for the first quarter of 2014 was at USD 0.021 per share (THB 0.70 per share) compared with USD 0.009 per share (THB 0.28 per share) in the same period last year. This showed a 130 percent increase.

#

**Note:** Exchange Rate: USD 1 = THB 32.66