



**Banpu PLC**

## **Quarterly Performance Review**

**16 May 2002**



"Some statements made in this presentation are forward-looking statements, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue", "plan" or other similar words. The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements."



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## Major events

- Consolidation of Indocoal, starting 1 March 2002
- Completed Port business divestment with Bt228m profit
- Entered into sales agreement of Minerals business with Imerys SA
- Proposed to extend foreign ownership limit from 30% to 40% (completed in May 2002)
- Redemption of ECD#2 by US\$5m

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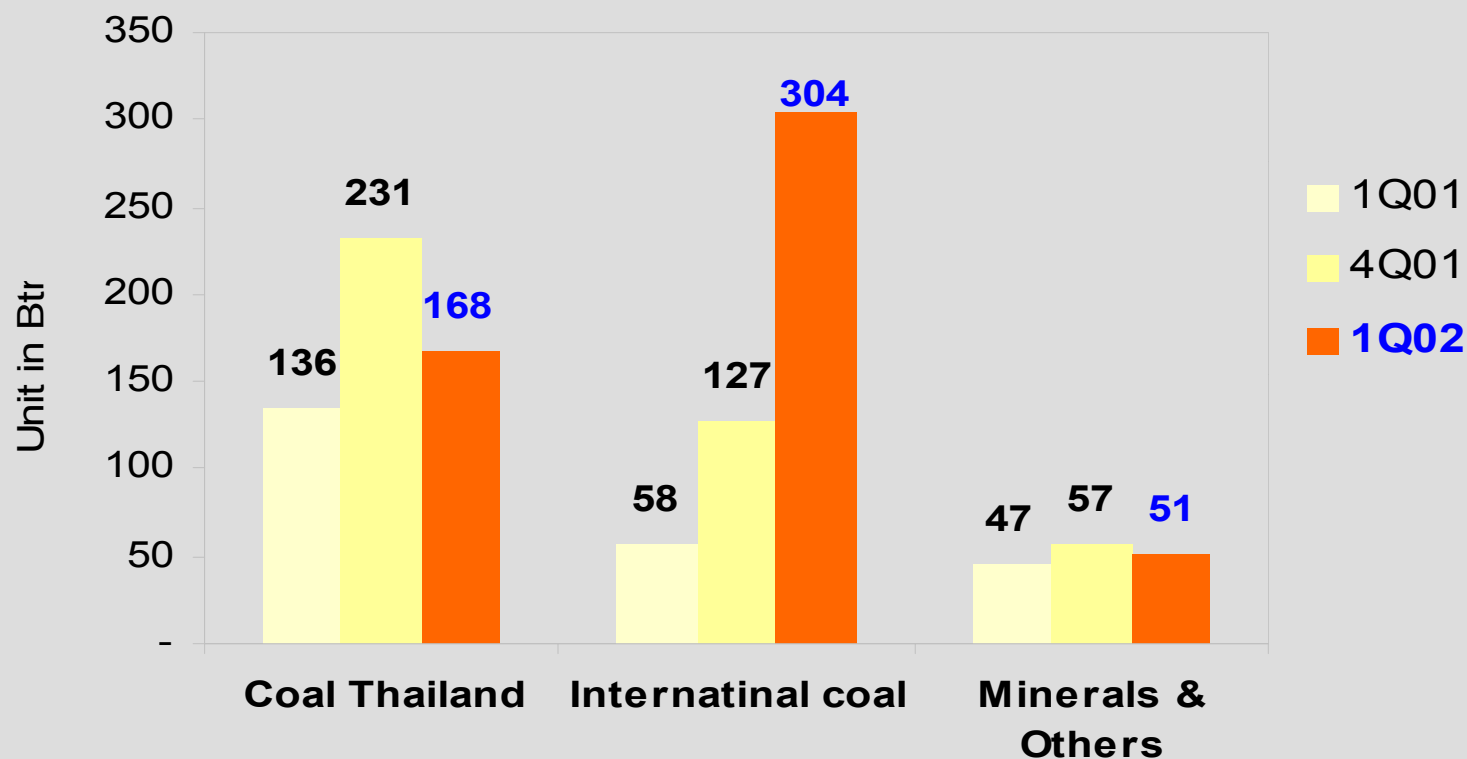
Outlook

# Quarterly earnings summary

<b>CONSOLIDATED</b>			
Y/E Dec (Btm)	1Q02	4Q01	1Q01
<b>Sales revenues</b>	<b>1,756</b>	<b>1,252</b>	<b>1,305</b>
<b>Operating gross profit</b>	<b>523</b>	<b>407</b>	<b>227</b>
Other income	78	107	63
SG&A	316	192	406
Royalty	113	66	51
<b>EBIT (Operating)</b>	<b>172</b>	<b>256</b>	<b>(166)</b>
Interest expenses	142	131	101
<b>EBT (Operating)</b>	<b>30</b>	<b>125</b>	<b>(267)</b>
Equity income	191	100	(95)
Bond redemption expense	87	29	0
FX gain(loss)	212	(51)	150
Minority interests	23	8	5
Taxes	7	11	206
<b>Net profit (recurring)</b>	<b>316</b>	<b>125</b>	<b>(423)</b>
Gain from divestment	228	0	1,077
<b>Reported net profit</b>	<b>544</b>	<b>125</b>	<b>654</b>

- Consolidated sales increased 40% q-q
- A slight drag on gross profit margin in 1Q02 due mainly from decreased profit margin of coal Thailand. However, a healthy contribution from international coal
- Increased SG&A in 1Q02 upon Indocoal consolidation
- Strong equity income from power affiliates
- Recurring profit increased more than two times in this quarter

# Operating profit contributions by product group



Source: Banpu

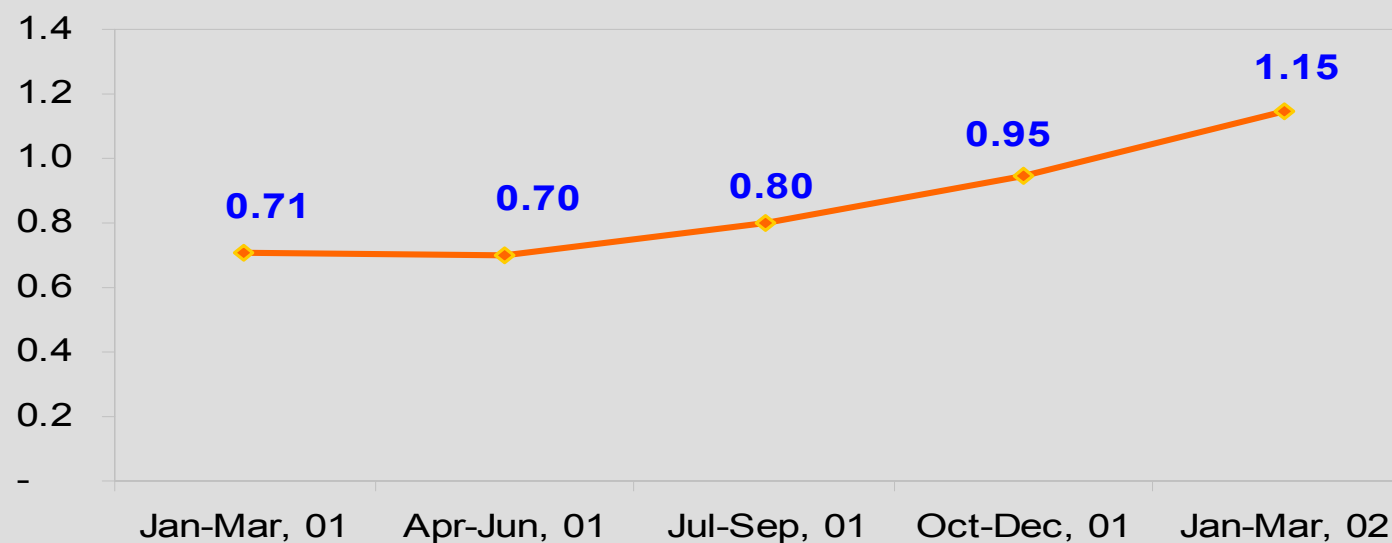
# Segmentation profile

Jan-Mar, 02	Domestic coal	Imported coal from others	Imported coal from Jorong	Int'l from Jorong	Total Jorong sales	Int'l from Indominco	Int'l from Kitadin	Minerals & Other services	Grand total
Sales volume ('000 tonnes)	757	174	107	458	565	393	197		2,086
Net sales (Btm)	338	281	103	278	381	445	189	122	1,756
Gross profit (Btm)	144	7	17	133	150	129	43	51	523
EBIT (Btm)	115	(16)	(2)	80	77	36	7	42	338
GPM (%)	42.5	2.4	16.7	47.7	39.3	29.0	22.4	42.4	29.8
EBITDA margin (%)	75.2	(5.5)	22.2	53.1	44.7	17.4	10.9	41.1	31.7

- Despite a slight dip in overall margin, total gross profit improved substantially in absolute term

# Balance sheet

## Net gearing profile



Source: Banpu

(Btm)	Jan-Mar, 01	Apr-Jun, 01	Jul-Sep, 01	Oct-Dec, 01	Jan-Mar, 02
Total assets	14,877	17,118	16,397	15,799	23,291
Total liabilities	7,514	9,351	8,980	8,988	15,246
Net debts	5,237	5,431	5,932	6,456	9,238
Shareholders' equity	7,364	7,767	7,417	6,811	8,045



# Debt portfolio: 31 March 2002

Debentures	ECD#2	BANPU#3	BANPU#4	BANPU#5	BANPU#6												
Amount	US\$17.51m	Bt937.5m	Bt750m	Bt2,500m	Bt500m												
Issue Date	10-Apr-97	3-Nov-99	3-Nov-99	4-Apr-01	4-Apr-01												
Maturity Date	10-Apr-03	3-Nov-02	3-Nov-04	4-Apr-06	4-Apr-08												
Coupon Rate	2.75%	8.125%	MLR-0.25%	5.80%	MLR-0.375%												
Put & Call Option	-	-None-	-None-	-None-	-None-												
Rating	-	-	-	"A-" (TRIS)	"A-" (TRIS)												
<table><tr><td>Bank Loans</td><td><u>Amount</u></td><td><u>Maturity</u></td><td><u>Interest Rate</u></td></tr><tr><td>Long-term</td><td>Bt2,060m</td><td>Jan-07</td><td>MLR-0.5%</td></tr><tr><td>Short-term</td><td>Bt900m</td><td>Oct 02</td><td>4.625%</td></tr></table>						Bank Loans	<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	Long-term	Bt2,060m	Jan-07	MLR-0.5%	Short-term	Bt900m	Oct 02	4.625%
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# Indocoal financial highlights

## Centralink's consolidated

(Btm)

(1-31 Mar 2002)

Tonnage sales ('000 tonnes) : Jan-Mar, 02

- Indominco	1,271
- Kitadin	591

Total assets	8,934
Net liabilities	5,271
Shareholders' loan	1,777
Total liabilities	7,706
Shareholders' equity	1,228
Net sales	634
Cost of sales	462

Note: FX conversion of Rp9,655/US\$

# TECO: Financial highlights

TECO quarterly earnings summary			
Y/E Dec (Btm)	1Q02	4Q01	1Q01
Revenues	2,303	2,182	1,899
Cost of sales	1,671	1,640	1,373
SG&A	33	35	41
Swap cost	122	77	0
Legal fee	0	48	0
Interest expenses	122	151	297
Net operating profit	355	231	189
FX (gain)/loss	(190)	(43)	404
Reported net profit	545	274	(215)

# Capital Expenditure

Planned CAPEX 2002-2006					
(US\$m)	2002E	2003E	2004E	2005E	2006E
Coal Thailand	—	1	2	1	—
Coal Indonesia	12	3	6	1	2
Indocoal	11	4	3	4	2
Power	27	6	0	21	49
<b>Total</b>	<b>50</b>	<b>14</b>	<b>11</b>	<b>27</b>	<b>53</b>

Note: Excluding potential investment in RECO

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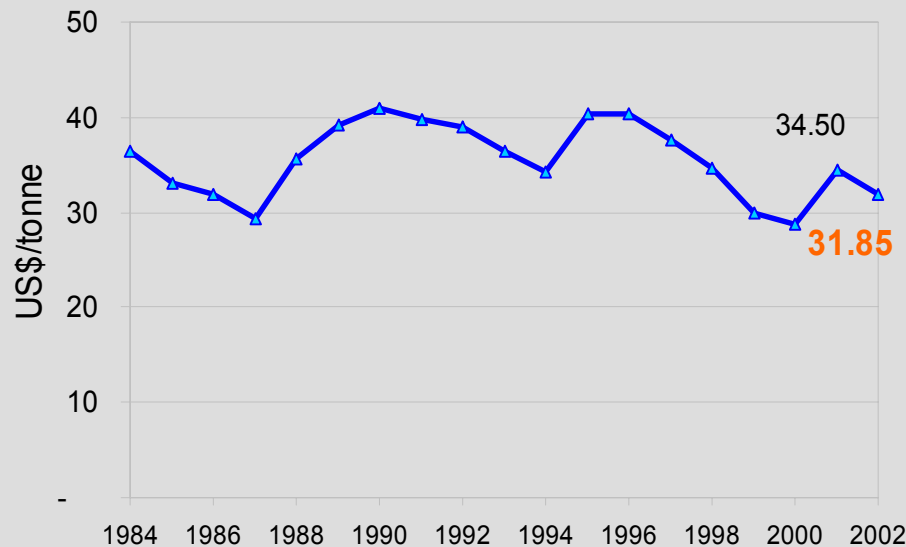
**Business review**

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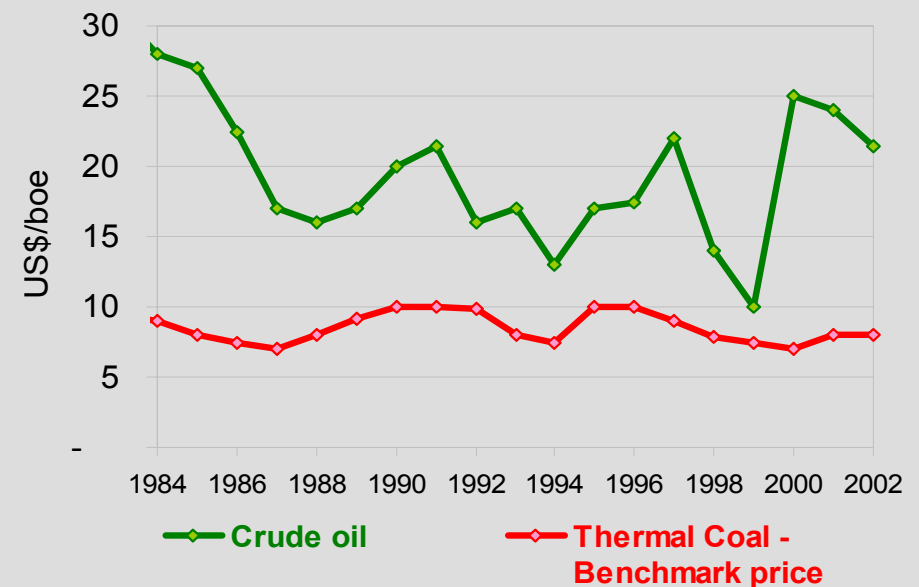
# Benchmark price

## Japanese Benchmark



Source: McCloskey's Coal News

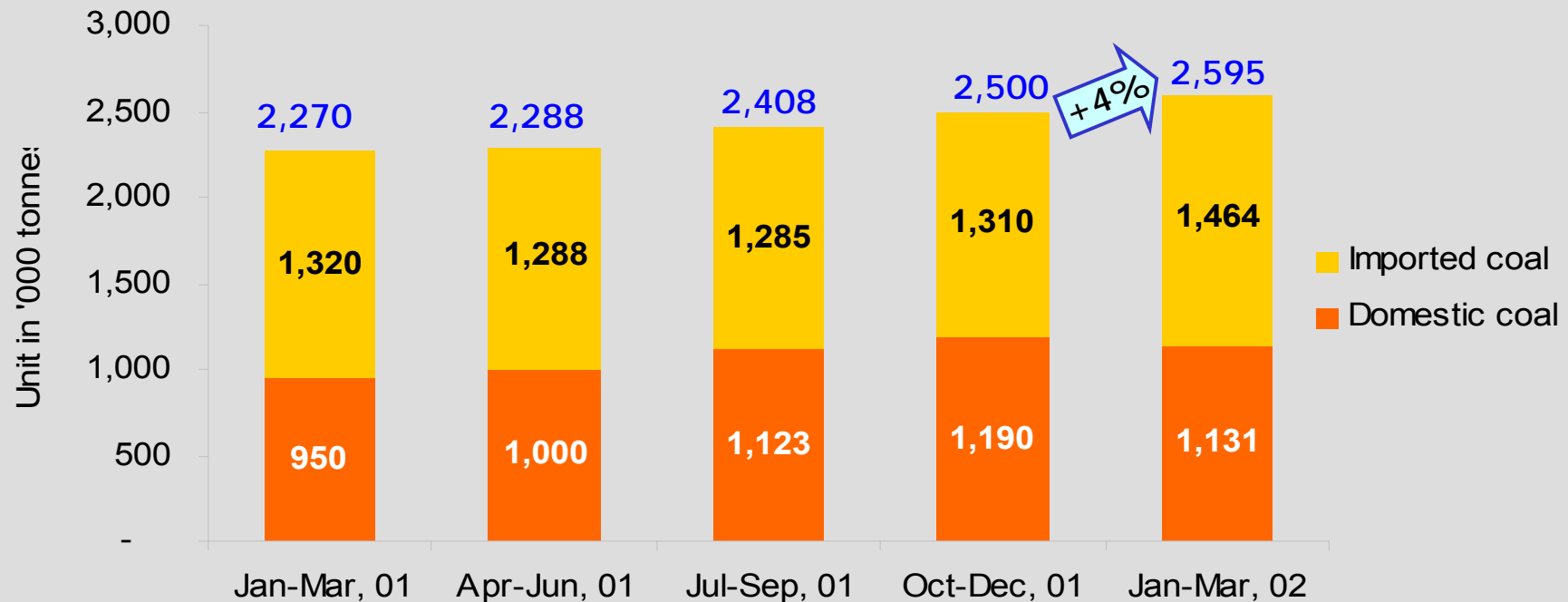
## Crude oil vs. coal



Source: World Energy Statistics; monthly reports

- Newly announced JBP of US\$31.85/tonne represents 7.7% y-y decline. The decrease is in-line as a result of the overall slump in global energy prices
- However, demand from major coal importing countries remains stable

# Domestic coal demand



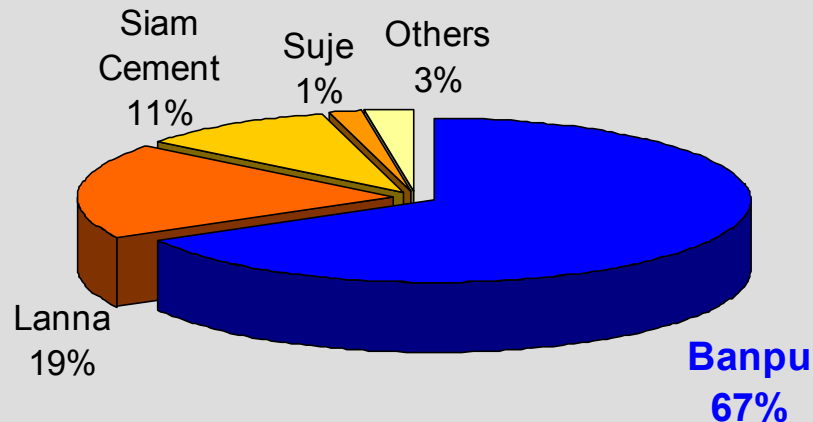
Source: Banpu

Note: EGAT's Mah Moh is excluded

- Domestic demand increased 4% q-q driven by cement industry
- However, domestic volume declined due to higher portion of imported coal

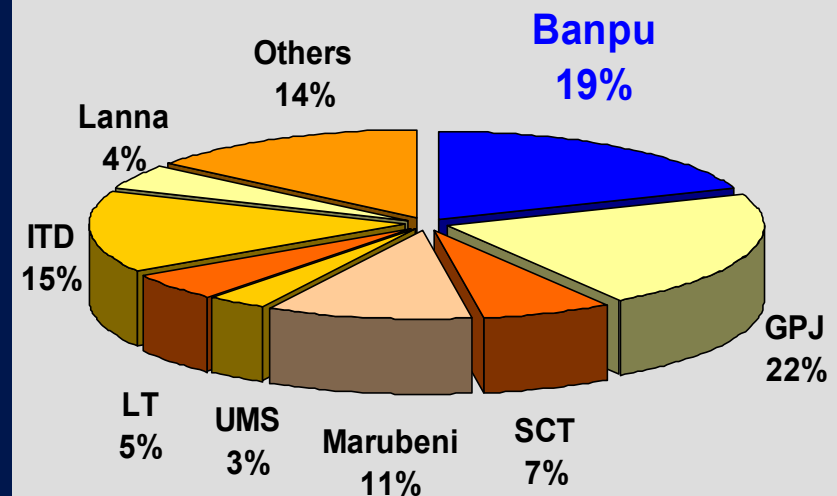
# Domestic market share

Domestic coal sales in Thailand  
(Jan-Mar, 2002)



- Continued to dominate domestic coal market with market share of 67%

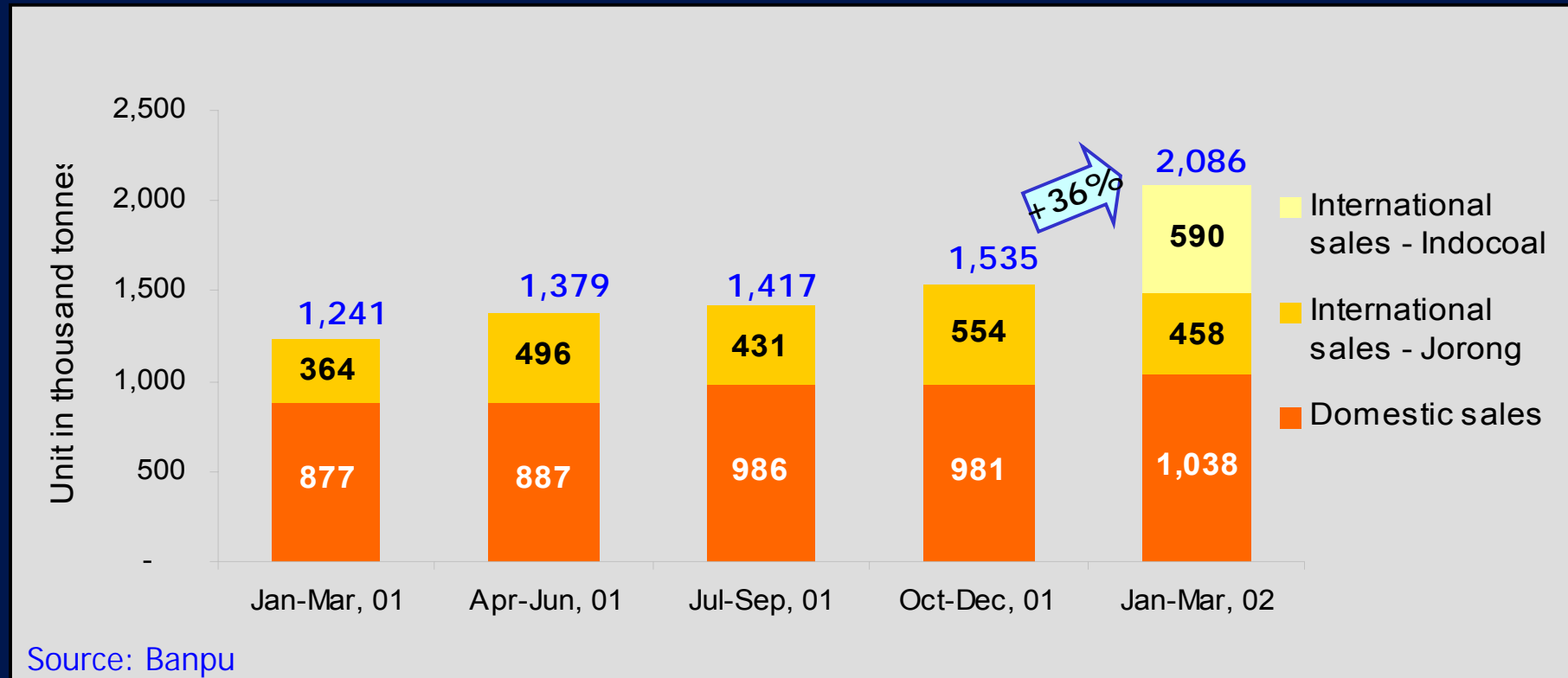
Imported coal sales in Thailand  
(Jan-Mar, 2002)



- And maintained a major share of imported coal

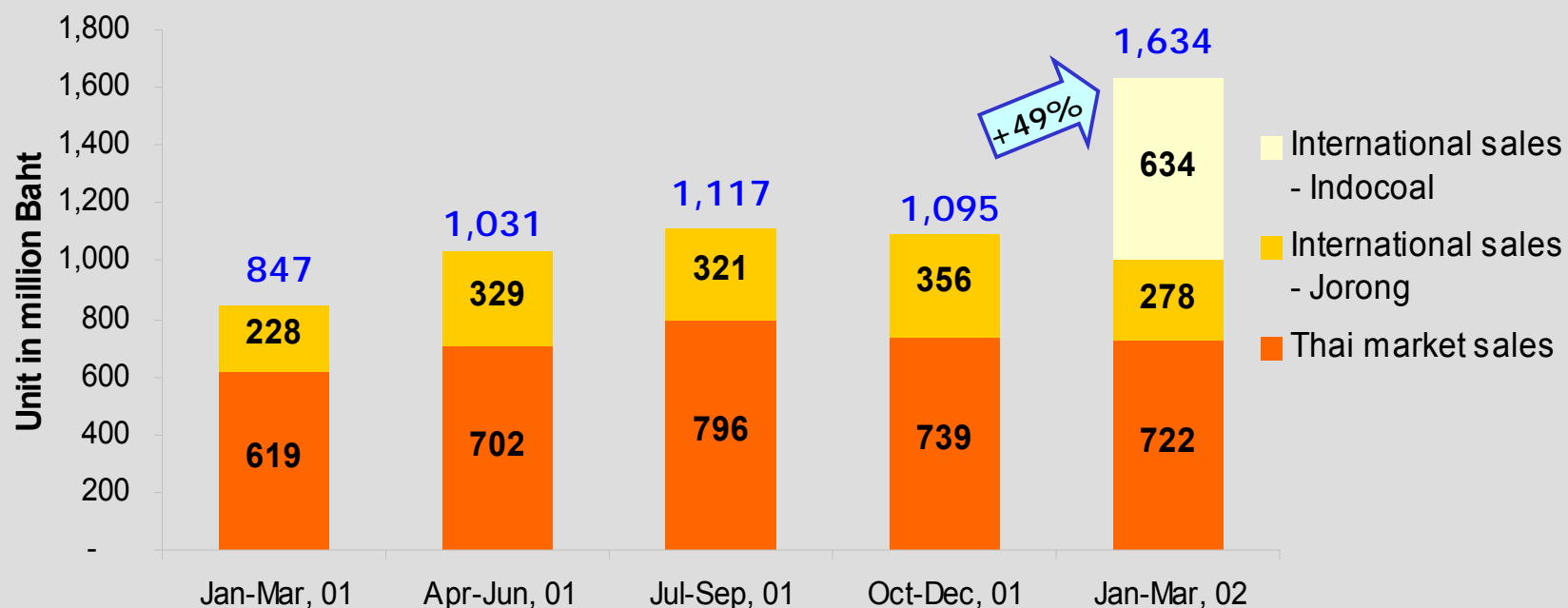


# Banpu total tonnage sales



- An increase of 36% q-q in total tonnage sales
- Growth was primarily driven by Indocoal as well as strong domestic demand

# Banpu sales revenues



Source: Banpu

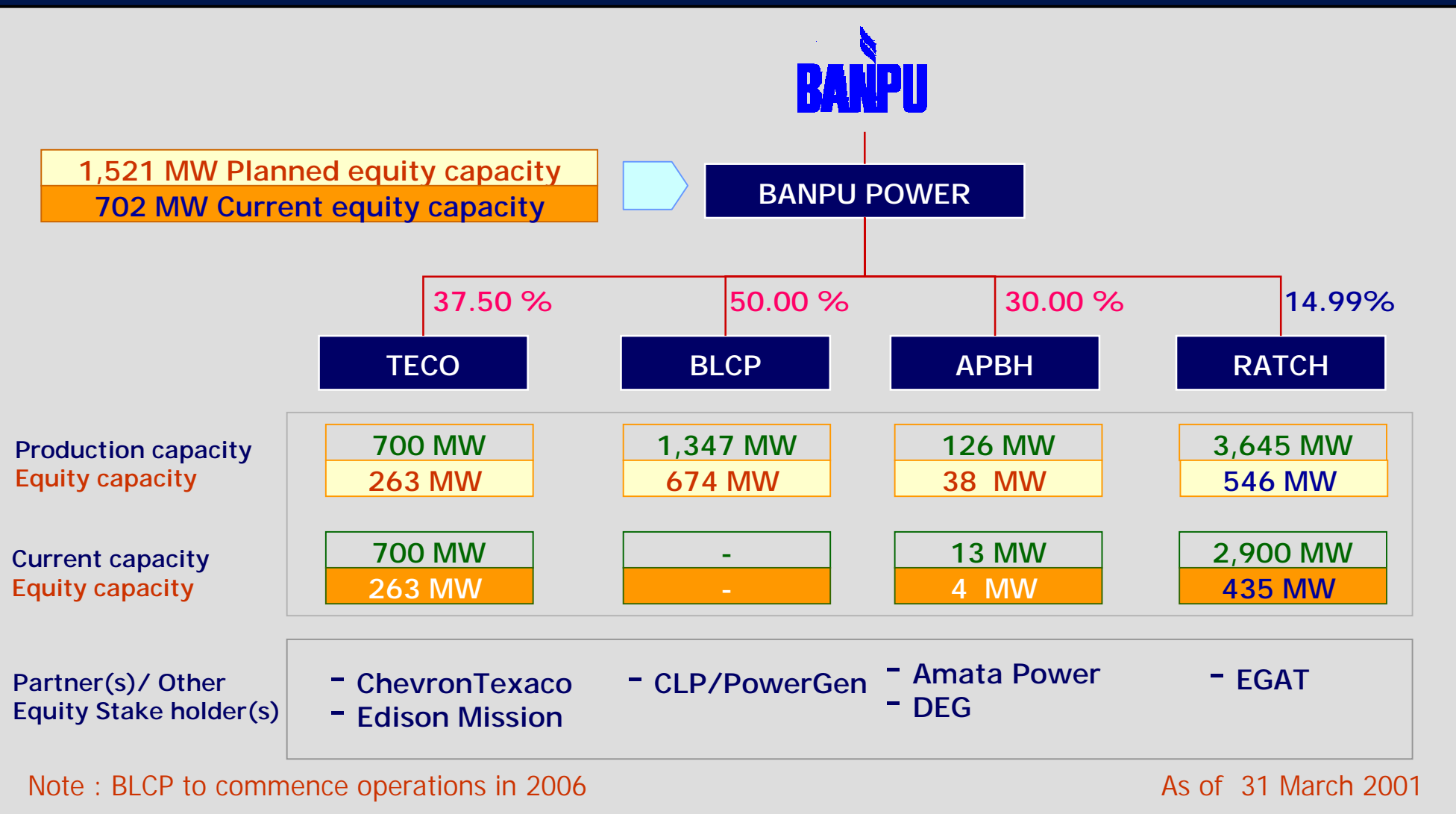
- Sales revenues from coal hike 52% q-q mainly from additional sales of Indocoal

# Reserves and production

Asset	Status	Reserves (m tonnes)	Type	Quality GCV KCal/Kg	S(ad) %	Production Current mtpa	Full cap. mtpa
As of Mar-02							
<b>Coal Indonesia</b>							
Jorong	Operational	43.6	Sub-bituminous	5,300-5,500	<0.3	3.0	3.5
Indominco	Operational	41.5	Bituminous	6,300-6,700	<0.8	5.8	6.0
Kitadin	Operational	20.5	Bituminous	6,000-6,300	<0.8	2.6	3.0
Trubaindo	COD in 2004	22.0	Bituminous	6,500-6,700	<0.8	0.0	4.0
MPN	Project	18.5	Bituminous	6,300-6,500	<0.6	0.0	0.0
Barasentosa	Project	87.0	Sub-bituminous	5,000-5,300	<0.4	0.0	0.0
<b>Indonesia sub-total</b>		<b>233.2</b>				<b>11.4</b>	<b>16.5</b>
<b>Coal Thailand</b>							
Lamphun (BP-1)	Operational	0.7	Sub-bituminous	4,850	1.5	0.5	1.0
Lampang (LP-2)	Operational	12.5	Sub-bituminous	5,200	2.0	1.5	2.0
Payow (CMMC)	Operational	2.4	Sub-bituminous	4,600	1.0	0.7	0.8
<b>Thailand sub-total</b>		<b>15.6</b>				<b>2.7</b>	<b>3.8</b>
<b>TOTAL</b>		<b>248.8</b>				<b>14.1</b>	<b>20.3</b>



# Power business structure



## Power business review

- Banpu increased shareholding in RATCH to 14.99%, as of 31 March 2002
- TECO is well operating and according to plan
- On-going negotiation of the proposed acquisition of Rayong Energy (both BANPU and seller have right to cancel the transaction)
- BLCP project development is in progress, expect conclusion of financing package in 2003 and COD by October 2006

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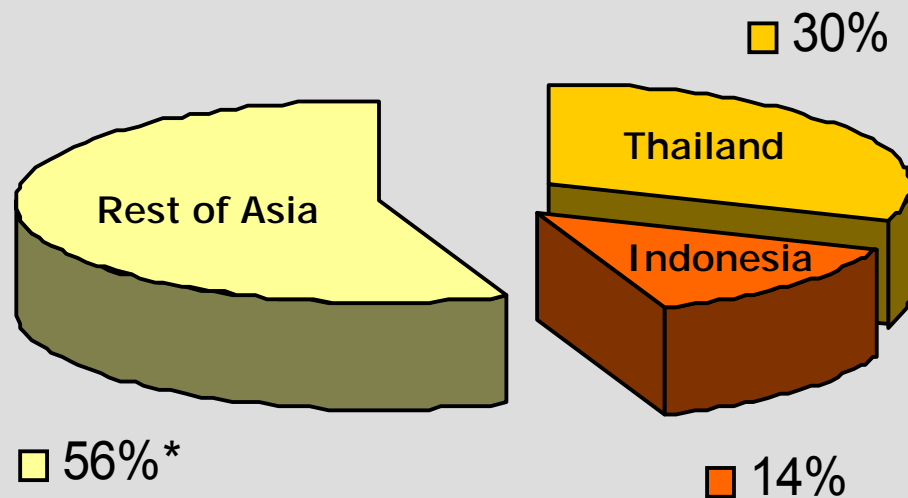
# Planned coal production

Banpu planned coal production (2002-2006)					
('000 tonnes)	2002E	2003E	2004E	2005E	2006E
<b>Planned production</b>	<b>13,400</b>	<b>13,500</b>	<b>14,500</b>	<b>17,500</b>	<b>17,500</b>
Domestic	2,800	2,500	2,500	2,500	2,500
Jorong	3,000	3,000	3,000	3,000	3,000
Indocoal (1)	7,600	8,000	9,000	12,000	12,000

(1) Trubaindo COD in 2004 with ramp up capacity to 4mtpa in 2006

# Planned coal marketing

## 2002E Target Markets



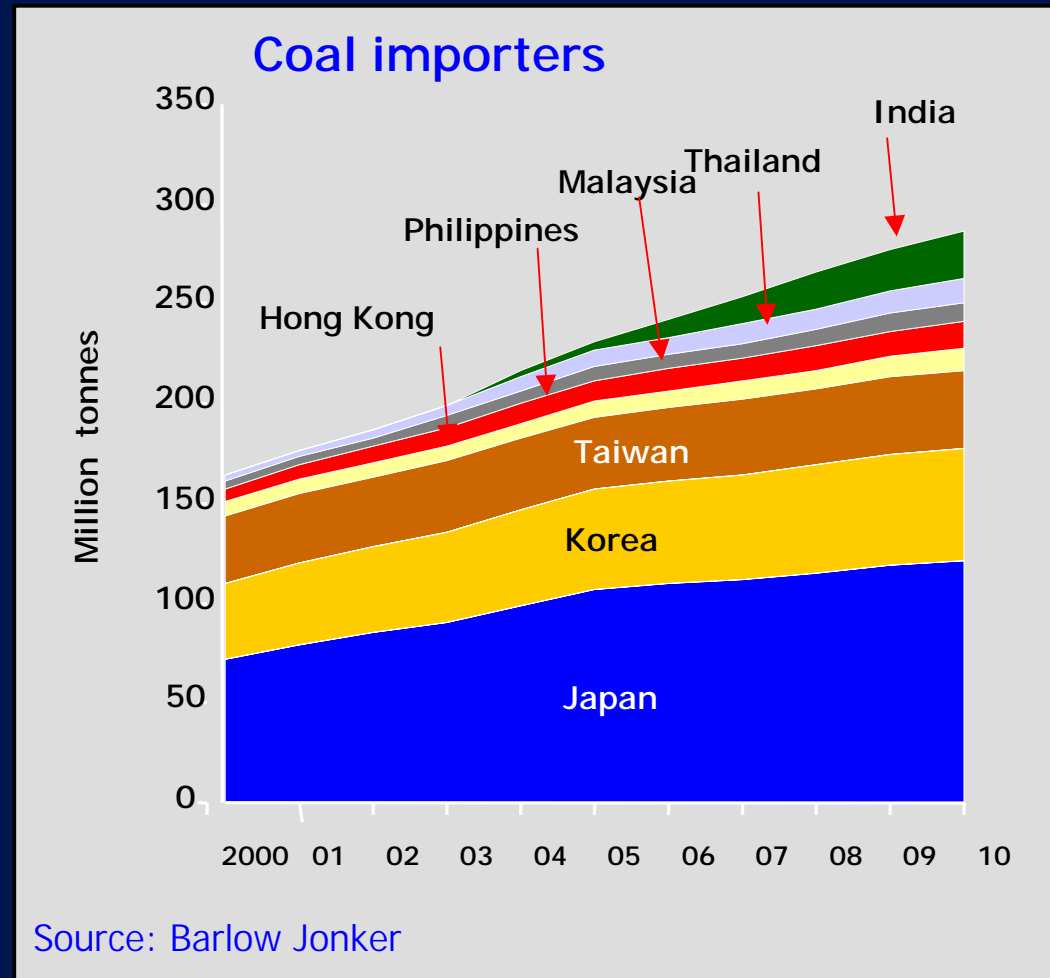
- Expect to expand and diversify customer base in Asia, in addition to SE Asia, to North Asian markets via INDOCOAL
- Continue to dominate domestic market with local coal
- Use Jorong coal to penetrate niche market (low sulfur/low ash specification) in Indonesia

\* Japan, Taiwan, Hong Kong, Philippines, Malaysia, Korea, Europe

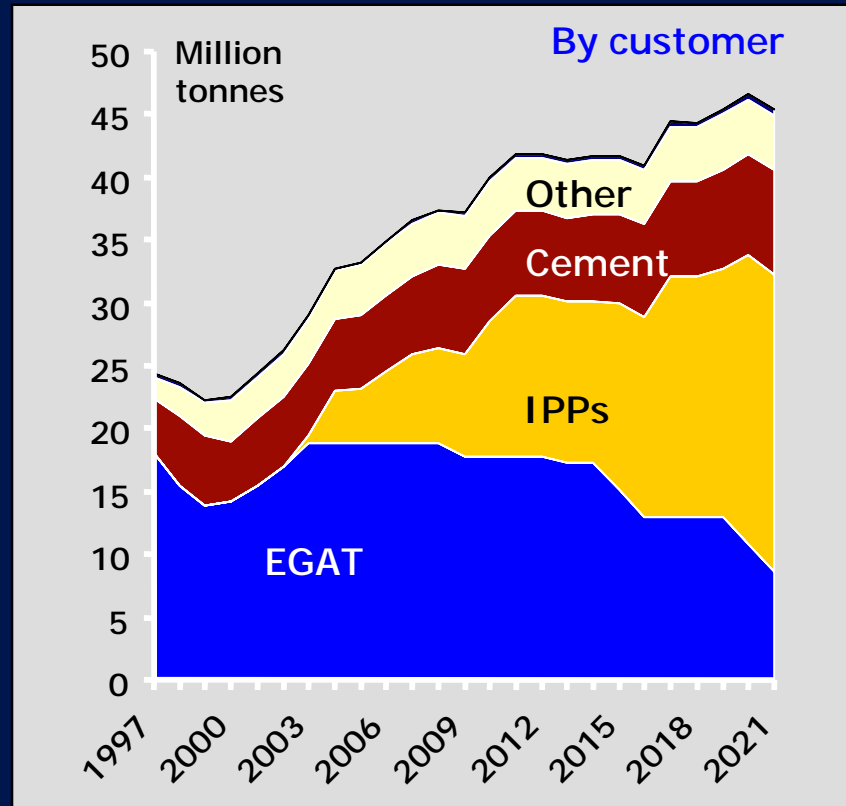


# Asian coal demand

- Asian coal demand expected to continue to grow 5-7% in 2002
- Growth mainly driven by demand from India, China and Japan
- Japan expected to increase coal imports from Indonesia and China to decrease dependence on Australia
- China rumored to increase its coal exports by 4-5% in 2002
- But recent tightness in China's domestic coal supplies puts export growth into question
- Competitiveness of China largely depends on transportation cost

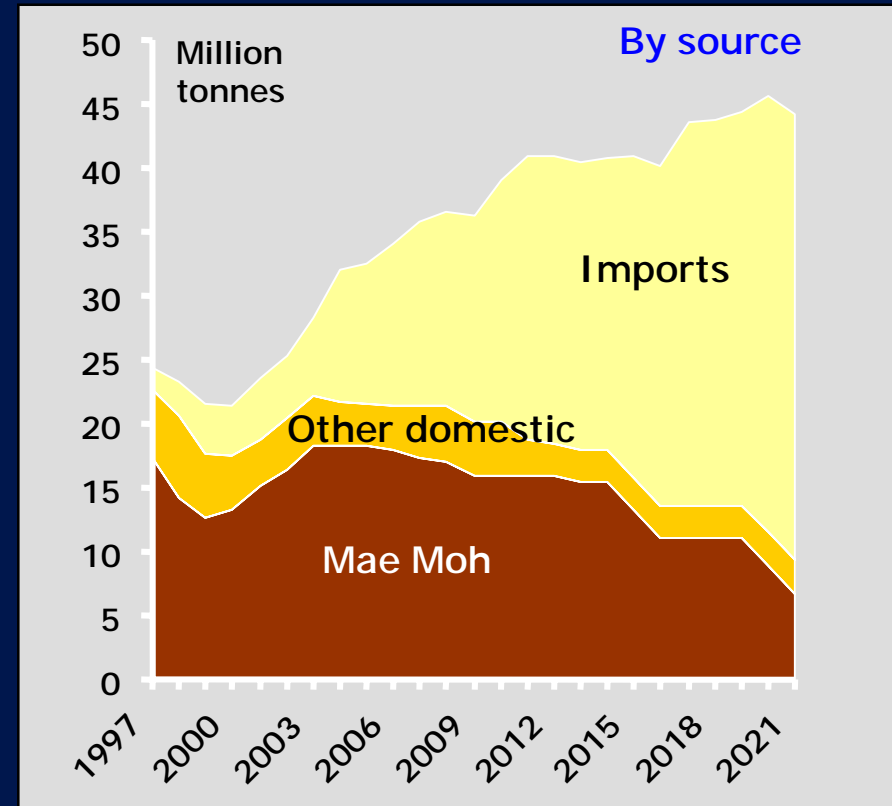


# Thai coal demand and supply



Source: NEPO

- Thai coal demand forecast to double by 2020 (to 45mtpa)
- New IPP coal-fired plants will be primarily supplied by imports



- Main source of imports likely to be Indonesia (low sulphur content and freight competitiveness)
- Banpu currently controls 19% of imports

## Upcoming events

- Redemption of ECD#2 (Outstanding of US\$5m -- as of April 2002)
- TECO's 3-week maintenance on combustion inspection and hot-gas path inspection
- RATCH's dividend of Bt196m
- LANNA's dividend of Bt11m
- Conclusion of Minerals business sales
- ESOP Exercised in April 2002 (Paid-up capital increased to 212.6m shares - proceeds of Bt64m)

# Questions & Answers