News Release

10th May 2016

1Q/2016 Results Highlight

Banpu has submitted to the SET its 1Q/016 financial performance with full details.

The financial statement of 1Q16 continues to reflect consistent improvement in productivity and cost control at Indonesian and Australian coal operations. Results from these measures help to minimize impact from the unfavorable coal market presently. Meanwhile the stable contribution from power business led to a sound operating performance for the company. EBITDA in this quarter is $120 million, flat QoQ and 21% decline YoY due to lower coal prices.

The Indonesian Coal reported a sale volume as planned at 6.88 million tonnes. The volume was 5% lower QoQ due to seasonal impact from rainy season. The Average Selling Price (ASP) was $49.17 per tonne which declined 12% QoQ. Effective cost control continued to lead improvement in operation with Cost of Goods Sold (COGS) declining substantially 9% QoQ to $32.58 per tonne. The lower cost is mainly attributed to falling diesel prices to USD 0.33 per litre (-31% QoQ). As a result, the average Gross Profit Margin (GPM) maintained at a sound level of 34%

The Australia Coal operation improved from higher coal sale at Mandalong which resumed full production after undergoing Longwall changeover in previous quarter. The total sale volume from Australia reported at 3.41 million tonnes or 22% increase from the previous quarter. The ASP was sustained at A$64.82 per tonne due to a lower proportion of coal sale into the less attractive export market while selling prices of domestic market held up well. The average COGS reduced 10% QoQ to A$49.62 per tonne due to the higher productivity of Longwall at Mandalong. The lower cost directly lifted up GPM to 23% from 17% in the previous quarter.

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For China Coal, unfavorable coal prices and weaker demand for processed coal in local market continued to result in subdued performance for Gaohe. In this quarter the equity income from China Coal reported a loss of $9.7 million which is a similar loss compared to the previous quarter.

Total EBITDA from coal business in this quarter is $78 million, which decreased 6% QoQ and decreased 35% YoY.

In Power business, BLCP reported a strong quarter with smooth operation and high dispatch rate. Its equity income was $20 million including an FX loss loss of $3 million. Hongsa operation was still in the ramp-up process with the last unit started commercial operation on March 2nd. It reported an equity income of 1.4 million for this quarter. Net profit contribution from China Power maintained at a solid level of $18 million

The EBITDA for Power business totaled at $42 million, 10% higher QoQ and 34% higher YoY.

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Summary of 1Q/2016 results

Year-end Dec ('M.USD)	1Q16	4Q15	1Q15	Note
Coal sales volume (M.Tonnes)	*10.294*	*10.078*	*10.775*	Indonesia 6.73mt (-6%QoQ, -5%YoY), Australia 3.41 mt (22%QoQ, -7%YoY)
Sales revenues	552.02	587.58	689.47	ASP Indo US$49.17/t, ASP Australia A$64.82/t
Cost of sales	(373.53)	(407.42)	(444.68)	
Gross profit	178.49	180.16	244.79	GPM from coal 30% (GPM Indocoal 34%, GPM Australia coal 23%)
GPM	***32%***	***31%***	***36%***	GPM from Power 49%
Adminstrative expenses	(24.80)	(31.88)	(28.00)	
Selling expenses	(42.45)	(56.88)	(62.55)	
Royalty	(51.98)	(47.65)	(69.38)	
Equity income	11.09	13.69	13.99	BLCP US$20.2 m , Hongsa US$1.4 m, China coal US$-9.7 m
Dividend income - Coal & Power	0.07	0.17	0.08	
Other income	7.45	9.39	4.41	
Other expenses - Operation	-	-	-	
EBIT	**77.87**	**67.00**	**103.33**	
EBIT margin	***14%***	***11%***	***15%***	
Interest expenses	(31.22)	(30.24)	(30.85)	
Financial expenses	(1.71)	(1.95)	(1.72)	
Income tax - Core business	(17.43)	(23.76)	(24.07)	
Minorities	(9.03)	5.74	(14.07)	
Net profit before extra items	**18.48**	**16.79**	**32.62**	
Non-recurring items	(4.72)	(31.85)	(0.51)	
Mining property	(7.08)	(6.13)	(7.04)	
Gain (Loss) on Derivatives Transact	(6.86)	(15.43)	(10.88)	
Income tax - Non core business	(5.58)	(15.98)	(13.42)	
Deferred tax income/expenses	15.12	12.40	11.03	
Net profit	**9.35**	**(40.20)**	**11.81**	
Net gains (losses) on exchange rate	(14.50)	(1.01)	(9.69)	Strengthening of THB
Net profit	**(5.15)**	**(41.21)**	**2.12**	China Power net profit US$18m
EPS (USD/share)	(0.002)	(0.016)	0.001	
Depreciation	35.43	47.96	41.98	
Amortization	6.88	5.94	6.86	
Depre & Amortization	42.31	53.90	48.75	
EBITDA	**120.18**	**120.90**	**152.08**	
EBITDA margin	***22%***	***21%***	***22%***	

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Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		1Q16	4Q15	1Q15
ROM Production (M. tonnes)				
INDO : (100% basis)				
Indominco - West Block		0.71	0.52	0.21
Indominco - East Block		2.81	2.98	3.23
Trubaindo		0.95	1.79	1.69
Bharinto		0.38	0.50	0.50
Jorong		0.26	0.31	0.30
Kitadin - Embalut		0.29	0.33	0.27
Kitadin - Tandung Mayang		-	-	0.62
Total production of Coal Indonesia		**5.41**	**6.44**	**6.81**
Total production of Coal Australia		**3.58**	**2.48**	**4.32**
Total ROM Production	**M.Ton**	**8.99**	**8.92**	**11.14**
Coal sales volume (M tonnes)				
Indominco - West Block		0.59	0.35	0.29
Indominco - East Block		3.27	2.79	3.25
Trubaindo		1.53	1.84	1.92
Bharinto		0.59	0.87	0.51
Jorong		0.43	0.31	0.30
Kitadin - Embalut		0.29	0.32	0.27
Kitadin - Tandung Mayang		0.04	0.64	0.56
Coal Sales - Coal Indonesia		**6.73**	**7.12**	**7.11**
Coal Sales - Coal Australia		**3.41**	**2.81**	**3.66**
Coal Sales - Coal Thai		**-**	**-**	**-**
Coal Sales - Other sources		**0.15**	**0.14**	**0.01**
Total sale volume	**M.Ton**	**10.29**	**10.08**	**10.78**
Sales revenue (M.USD)				
Indominco		173.80	162.82	194.27
Trubaindo		93.11	116.59	138.73
Bharinto		33.95	51.96	34.51
Jorong		15.52	12.25	12.66
Kitadin - Embalut		13.02	16.76	14.40
Kitadin - Tandung Mayang		1.37	35.79	35.40
Sales revenue - Coal Indonesia		**330.78**	**396.16**	**429.97**
Sales revenue - Coal Australia		**159.43**	**133.74**	**189.62**
Sales revenue - Coal Thai		**-**	**-**	
Sales revenue - Other Sources		**6.86**	**6.40**	**11.34**
Revenue from COAL business		**497.07**	**536.30**	**630.93**
Revenue from POWER business		**48.63**	**48.76**	**52.87**
Revenue from OTHER business		**6.32**	**2.52**	**5.66**
Total revenues	**M.USD**	**552.02**	**587.58**	**689.46**

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DETAIL OF PROFIT&LOSS STATEMENT		1Q16	4Q15	1Q15
Cost of sale (M USD)				
Indominco		(122.09)	(108.46)	(123.10)
Trubaindo		(55.00)	(68.98)	(82.82)
Bharinto		(22.04)	(33.46)	(21.81)
Jorong		(8.08)	(7.16)	(8.08)
Kitadin - Embalut		(10.81)	(12.23)	(10.41)
Kitadin - Tandung Mayang		(1.16)	(25.76)	(25.96)
Cost of sales - Coal Indonesia		**(219.17)**	**(256.06)**	**(272.19)**
Cost of sales - Coal Australia		**(122.05)**	**(111.52)**	**(132.89)**
Cost of sales - Coal Thai		**-**	**-**	
Cost of sales - Other Sources		**(4.55)**	**(6.22)**	**(0.34)**
COST OF SALE - COAL business		**(345.77)**	**(373.80)**	**(405.42)**
COST OF SALE - POWER business		**(24.57)**	**(28.60)**	**(30.50)**
COST OF SALE - OTHER business		**(3.19)**	**(5.02)**	**(8.76)**
Total cost of sale	**M.USD**	**(373.53)**	**(407.42)**	**(444.68)**
Gross profit (USD, million)				
Indominco		51.71	54.35	71.17
Trubaindo		38.12	47.61	55.91
Bharinto		11.91	18.50	12.69
Jorong		7.45	5.09	4.58
Kitadin - Embalut		2.21	4.53	4.00
Kitadin - Tandung Mayang		0.21	10.03	9.44
Gross profit - Coal Indnesia		**111.60**	**140.11**	**157.78**
Gross profit - Coal Australia		**37.38**	**22.22**	**56.73**
Gross profit - Coal Thai		**-**	**-**	**-**
Gross profit - Other Sources		**2.31**	**0.18**	**11.00**
Gross profit from COAL business		**151.30**	**162.51**	**225.52**
Gross profit from POWER business		**24.06**	**20.16**	**22.37**
Gross profit from OTHER business		**3.13**	**(2.50)**	**(3.10)**
Total Gross profit	M.USD	**178.49**	**180.16**	**244.79**
Gross profit margin				
Indominco		30%	33%	37%
Trubaindo		41%	41%	40%
Bharinto		35%	36%	37%
Jorong		48%	42%	36%
Kitadin - Embalut		17%	27%	28%
Kitadin - Tandung Mayang		16%	28%	27%
GPM - Coal Indnesia		**34%**	**35%**	**37%**
GPM -Coal Australia		**23%**	**17%**	**30%**
GPM -Coal Thailand		**-**	**-**	**0%**
GPM -Other Sources		**34%**	**3%**	**97%**
GPM from COAL business		**30%**	**30%**	**36%**
GPM from POWER business		**49%**	**41%**	**42%**
GPM from OTHER business		**50%**	**-99%**	**-55%**
GPM for Banpu group		**32%**	**31%**	**36%**

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