

Indika Putting Profits Toward Expansion

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Indika Energy, an integrated coal miner, reported higher first-half profit on rising revenue.

The Jakarta-based company said its net income rose to \$79.6 million in the January-June period from \$55.3 million in the same period a year earlier, according to a brief prospectus published in Investor Daily on Tuesday. Revenue increased 47 percent to \$334 million.

The company said revenue from contracts and services rose to \$326 million this year from \$209.4 million last year, while revenue from coal fell by more than half to \$7.9 million this year from \$18.2 million in the same period a year earlier.

Higher costs have hurt revenue. The cost of goods sold climbed to \$247.2 million this year from \$186.3 million in the same period a year earlier, the prospectus showed.

Indika president director Arsjad Risjad said last month that the company wanted to put \$442 million this year toward its subsidiaries' expansion plans.

Indika will spend \$256.2 million to expand Petrosea and Mitrabahtera Segara Sejati. On top of that, it will use \$130 million to expand Multi Tambangjaya Utama in the next five years. It will also spend \$55.8 million for Mitra Energi.

Indika completed the \$136 million acquisition of MTU on May 31.

Shares of Indika closed unchanged at Rp 1,720 on the Indonesia Stock Exchange (IDX) on Tuesday. They have fallen 52 percent in the past 12 months.

Source: <http://www.thejakartaglobe.com/archive/indika-putting-profits-toward-expansion/>