

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED MARCH 31, 2014

April 30, 2014 - Jakarta - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited consolidated financial statements for the three-month period ended March 31, 2014.

- **Revenues of US\$241.4 million increased 30.3% YoY** from US\$185.4 million reported in 3M13 due mainly to higher revenues contribution from Tripatra's EPC Project (Mobil Cepu Ltd., Pertamina-Medco E&P Tomori Sulawesi, and ENI Muara Bakau B. V.).
- **Gross profit US\$50.6 million**, a 20.4% increase over US\$42.0 million reported in 3M13.
- **Operating profit US\$19.9 million**, significant improvement from US\$9.4 million reported in 3M13.
- **Equity in net profit of associates and jointly controlled entities declined 28.6% YoY** to US\$28.6 million due to lower contribution from Kideco as a result of the global decline in coal prices, where Kideco's ASP for 3M14 was US\$54.8 per ton against US\$60.4 per ton in 3M13.
- **Profit attributable to owners of the company US\$8.1 million**, declined 12.0% from US\$9.2 million reported in 3M13.
- **Adjusted EBITDA (LTM) reported in 3M14 was US\$265.0 million.**
- **Cash and other financial assets reported in 3M14 were US\$390.8 million.**
- **Capex realization for the period ended 3M14 was US\$14.1 million.**

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PT Indika Energy Tbk.

Description (in USD mn)	3M13	3M14	Changes (%)
	unaudited	unaudited	
Total revenues	185.4	241.4	30.3%
Tripatra	55.5	88.6	59.6%
Petrosea	91.0	81.5	-10.4%
MBSS	36.8	38.2	3.8%
Others	2.1	33.1	1508.8%
Gross profit	42.0	50.6	20.4%
General and administrative expenses	(32.7)	(30.7)	-5.9%
Operating profit	9.4	19.9	111.9%
Equity in net profit of associates & jointly-controlled entities	40.0	28.6	-28.6%
Investment income	1.8	2.0	7.1%
Finance cost	(25.5)	(17.5)	-31.4%
Amortization and impairment of intangible assets	(10.9)	(9.8)	-9.9%
Others- net	0.4	(7.6)	-1902.6%
(Loss) Income before tax	15.3	15.5	1.3%
(Loss) Profit for the year/period :	12.7	9.9	-21.7%
(Loss) Profit attributable to owners of the company	9.2	8.1	-12.0%
(Loss) Profit attributable to non-controlling Interest	3.5	1.9	-47.0%
LTM - Adjusted EBITDA*	244.9	265.0	8.2%
EPS (USD/share)	0.00176	0.00155	-12.0%
Gross margin	22.7%	21.0%	
Net margin	4.9%	3.3%	
LTM - Adjusted EBITDA margin	132.1%	109.8%	
ROA	1.4%	1.4%	
ROE	3.5%	3.4%	
ROCE	1.8%	1.7%	
Current assets	1029.8	787.2	-23.6%
Total assets	2600.8	2352.3	-9.6%
Current liabilities	290.6	380.6	31.0%
Total debt	1310.8	1020.5	-22.1%
Total equity	1038.6	960.4	-7.5%
Cash balance	653.3	390.8	-40.2%
Current ratio (X)	3.5	2.1	
Debt to equity (X)	1.2	1.0	
Net debt to equity (X)	0.6	0.6	

The company's revenues increased 30.3% to US\$241.4 million from US\$185.4 million reported in the corresponding period last year due mainly to:

- a) **Tripatra's revenues up 59.6%** YoY to US\$88.6 million in 3M14 primarily contributed by: **1)** EPC Project – Mobil, Cepu US\$46.3 million in 3M14 vs. US\$33.6 million in 3M13; **2)** Pertamina-Medco E&P Tomori Sulawesi US\$31.1 million vs. US\$3.6 million in 3M13; and **3)** US\$5.7 million on ENI Muara Bakau B. V., a new project together with PT Saipem Indonesia, Chiyoda International Indonesia and Hyundai Heavy Industries Co. Ltd.

- b) **MBSS' revenues up 3.8% YoY** to US\$38.2 million in 3M14 due to higher coal volume transported by both barging (+8.7% YoY from 8.5 million tons in 3M13 to 9.2 million tons in 3M14) and transshipment businesses (+6.6% YoY from 5.6 million tons in 3M13 to 6.0 million tons in 3M14).
- c) **Petrosea's revenues down 10.4% YoY** to US\$81.5 million in 3M14 primarily on the back of lower contributions from contract mining (-14.3% YoY from US\$81.5 million in 3M13 to US\$69.9 million in 3M14), with overburden removal volume down 8.4% YoY from 36.8 million BCM in 3M13 to 33.7 million BCM in 3M14 mainly contributed by the decline of overburden volume in Santan's mine from 9.5 million BCM in 3M13 to 1.2 million BCM in 3M14. Due to prolonged weakening in coal prices, Santan's management has temporarily stopped its mining activities at Uskap block and significantly reduce stripping ratio at Separi block. The declined in OB removal volume at Santan was minimized by the increased overburden removal volume at both Kideco's and ABN's sites. In addition, revenues from combined Petrosea Offshore Supply Base (POSB) and E&C businesses also increased by 23.6% YoY to US\$11.7 million.
- d) **Others revenue jumped from US\$2.1 million in 3M13 to US\$33.1 million in 3M14**, mainly contributed by: **1)** PT Kuala Pelabuhan Indonesia (KPI), US\$16.0 million, which was spin-off from Tripatra in April 2013; and **2)** Coal Trading – US\$16.9 million.

The cost of contracts and goods sold increased 33.2% to US\$190.8 million from US\$143.3 million in 3M13 mainly related to: **1)** Construction (+191.4% to US\$29.5 million); **2)** Materials (+70.8% to US\$30.4 million); **3)** Sub-contractors, installation, supplies, communication expenses and other direct cost (+19.1% to US\$5.7 million); **4)** Fuel (+17.8% to US\$8.0 million); **5)** Rental, repairs and maintenance (+9.8% to US\$3.8 million); **6)** Depreciation (+4.8% to US\$21.7 million); **7)** Salaries, wages and employee benefits slightly increased by 0.1 million (+0.4% to US\$35.6 million); and **8)** cost of sales from coal trading unit jumped from US\$1.7 million to US\$16.0 million in 3M14. Tripatra's EPC Projects – Mobil Cepu Ltd. & Pertamina-Medco E&P Tomori Sulawesi, accounted for the majority of

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the increase. However, these increases were pushed down with the declined in operation cost for heavy equipment & tools, which down by US\$7.2 million (-22.7% YoY) to US\$24.6 million, in line with lower overburden removal volume done by Petrosea.

As result of the above factors, gross margin contracted to 21.0% from 22.7%, Gross Profit increased to US\$50.6 million, increased 20.4% YoY from US\$42.0 million reported in 3M13.

General and administrative expenses decreased 5.9% YoY from US\$32.7 million in 3M13 to US\$30.7 million in 3M14, mainly due to the cancellation of heavy equipment rental related to MTU project delayed.

Equity in net profit of associates & jointly controlled entities declined 28.6% from US\$40.0 million in 3M13 to US\$28.6 million in 3M14 mainly due to lower earnings derived from Kideco which accounts for approximately 82.5% of the total.

- **Kideco reported net profit of US\$55.0 million** on revenue of US\$537.5 million in 3M14. Reported net profit was down 39.4% YoY from US\$90.8 million in 3M13 due to lower realised ASP (US\$ 54.8 per ton in 3M14 vs. US\$60.4 per ton in 3M13).
- **Santan reported net profit of US\$1.1 million** on revenue of US\$11.1 million in 3M14, an increase from US\$4.2 million net loss reported in 3M13. Santan realised ASP of US\$75.2 per ton with cash cost (including royalty) of US\$63.3 per ton, however sales volume declined 65.1% YoY from 0.4 million tons in 3M13 to 0.1 million tons in 3M14.
- **SBS reported net profit of US\$1.7 million** (+41.9% YoY) on revenue of US\$6.1 million (+8.6% YoY). Coal handled increased 2.4% YoY from 2.7 million tons in 3M13 to 2.8 million tons in 3M14.

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- **Cotrans reported net profit of US\$4.5 million** (+276.4% YoY) on revenue of US\$21.3 million (+24.4% YoY). Coal handled increased 12.0% YoY from 7.5 million tons in 3M13 to 8.4 million tons in 3M14.

Finance costs decreased by US\$8.0 million (-31.4% YoY) from US\$25.5 million in 3M13 to US\$17.5 million mainly due to lower interest coupon on the Notes (7% in 3M14 vs 9.75% in 3M13) and lower average debt (US\$1,020.5 million in 3M14 vs US\$1,310.8 million in 3M13) as a result of Liability Management Exercise completed in January 2013 and Early Redemption of 2016 Notes in November 2013.

Amortization of Intangible Assets decreased 9.9% to US\$9.8 million from US\$10.9 million in 3M13 as a result of West Kalimantan Project fully impaired in 2013.

The company registered profit attributable to the owners of the company in the amount of US\$8.1 million for the period ended March 31, 2014.

PT Kideco Jaya Agung

Description (in USD mn)	3M13 unaudited	3M14 unaudited	Changes (%)
Sales	549.2	537.5	-2.1%
Gross profit	170.1	101.0	-40.6%
Operating profit	164.5	93.6	-43.1%
Net income	90.8	55.0	-39.4%
Depreciation Expenses	6.8	8.1	17.8%
EBITDA	171.5	101.9	-40.6%
Current assets	643.8	570.1	-11.4%
Total assets	881.2	766.0	-13.1%
Current liabilities	392.7	335.2	-14.6%
Debt	-	-	-
Total equity	476.8	418.3	-12.3%
Cash balance	294.5	227.3	-22.8%
Current ratio (X)	1.6	1.7	
Debt to Equity (X)	-	-	
Net Debt to Equity (X)	Net cash	Net cash	

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Kideco's revenues declined 2.1% from US\$549.2 million in 3M13 to US\$537.5 million in 3M14 as results of a decline in ASP to US\$54.8 per ton in 3M14 compared to US\$60.4 per ton reported in the corresponding period last year. However, coal sales volume increased 7.9% YoY from 9.1 million tons to 9.8 million tons in 3M14.

With stable stripping ratio reported at 6.4X in 3M14, the cash cost per ton including royalty slightly increased 0.3% from US\$41.6 per ton in 3M13 to US\$41.8 per ton in 3M14.

PT Kideco Jaya Agung

Description (in USD mn)	3M13 unaudited	3M14 unaudited	Changes (%)
Production volume (in million tons)	8.9	10.3	14.8%
Sales volume (in million tons)	9.1	9.8	7.9%
Stripping ratio (X)	6.4	6.4	-0.1%
Average selling price (US\$/ton)	60.4	54.8	-9.3%

As a result net profit for Kideco of US\$55.0 million declined 39.4% YoY from US\$90.8 million reported in 3M13.

Latest development

April 2014

- Kideco declared total dividend of US\$191.0 million, representing 90.0% of FY2013 reported net profit of US\$212.2 million. Indika Energy portion US\$87.9 million.
- Petrosea declared total dividend of US\$7.0 million, representing 40.4% of FY2013 reported net profit of US\$17.7 million.

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PT Indika Energy Tbk ("Indika Energy") is Indonesia's leading integrated energy company through its strategic investments in the areas of **Energy Resources** – coal production (PT Kideco Jaya Agung, PT Santan Batubara, PT Multi Tambangjaya Utama, PT Mitra Energi Agung); **Energy Services** – EPC oil and gas (Tripatra); – EPC contract mining (PT Petrosea Tbk.); **Energy Infrastructure** – coal transport & logistic (PT Mitrahahtera Segara Sejati Tbk., PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services); – power generation (PT Cirebon Electric Power).

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