

## FOR IMMEDIATE DISTRIBUTION

30 October 2015

### INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015

**Jakarta** - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited consolidated financial statements for the nine-month period ended September 30, 2015.

- **Revenues of US\$845.3 million increased 7.6% YoY** from US\$785.3 million reported in 9M14 due mainly to higher revenues contribution from Tripatra's EPC projects and from coal trading.
- **Gross profit** declined 37.1% to **US\$79.7 million** from US\$126.6 million reported in 9M14.
- **Operating profit declined to US\$1.1 million** from US\$27.3 million in 9M14.
- **Equity in profit of associates and jointly controlled entities declined 4.0%** YoY to US\$61.0 million from US\$63.6 million due to lower contribution from Kideco. Kideco's ASP for 9M15 was US\$44.0 per ton vs. US\$52.1 per ton in 9M14 driven by the global decline in coal prices. In addition, Kideco's sales volumes dropped 2.8% to 29.2 million for the 9M15-period.
- The company registered a **US\$25.4 million loss attributable to the owners of the company** vs. a US\$9.7 million loss in 9M14.
- **Adjusted EBITDA (LTM) was US\$198.1 million** for the period ending **September 30, 2015**.
- **Cash and other financial assets were US\$391.6 million** as of **September 30, 2015**.
- **Capex spending was US\$36.8 million** for the 9M15-period.

## PT Indika Energy Tbk.

Descriptions (in USD mn)	9M14 <i>unaudited</i>	9M15 <i>unaudited</i>	Changes YoY
Total revenues	785.3	845.3	7.6%
Tripatra	284.6	356.7	25.3%
Petrosea	264.6	164.6	-37.8%
MBSS	103.2	71.5	-30.7%
Coal trading	84.8	205.4	142.2%
Others	48.2	47.2	-2.1%
Gross profit	126.6	79.7	-37.1%
General and administrative expenses	99.3	78.6	-20.9%
Operating profit	27.3	1.1	-96.0%
Equity in net profit of associates & jointly-controlled entities	63.6	61.0	-4.0%
Investment income	9.3	7.9	-14.2%
Finance cost	(52.1)	(53.7)	3.0%
Amortization of intangible assets	(27.6)	(26.3)	-4.8%
Others- net	(9.0)	(15.2)	69.9%
Profit (Loss) Income before tax	11.4	(25.2)	
Profit (Loss) for the year/period :	(9.9)	(34.6)	248.2%
<b>Profit (Loss) attributable to owners of the company</b>	<b>(9.7)</b>	<b>(25.4)</b>	<b>162.2%</b>
Profit (Loss) attributable to non-controlling Interest	(0.2)	(9.1)	
Adjusted EBITDA*	158.3	124.1	-21.7%
LTM - Adjusted EBITDA*	235.8	198.1	-16.0%
EPS (USD/share)	(0.002)	(0.005)	
Gross margin	16.1%	9.4%	
Net margin	-1.2%	-3.0%	
Adjusted EBITDA Margin	20.2%	14.7%	
LTM - Adjusted EBITDA margin	23.2%	16.9%	

\* Includes dividends from associates (last twelve months period ended 30 Sep. 2015 (FCCR))

Descriptions (in USD mn)	9M14 <i>unaudited</i>	9M15 <i>unaudited</i>	Changes YoY
Cash balance*	413.4	391.6	-5.3%
Current assets	854.6	910.8	6.6%
Total assets	2,318.3	2,311.2	-0.3%
Current liabilities	395.3	489.8	23.9%
Total net interest bearing debt**	983.8	1,080.1	9.8%
Shareholder equity	933.5	870.6	-6.7%
Current ratio (X)	2.2	1.9	
Debt to equity (X)	1.0	1.2	
Net debt to equity (X)	0.6	0.8	

\* includes restricted cash

\*\* includes unamortized bond issuance costs

**The company's revenues increased 7.6% to US\$845.3 million** from US\$785.3 million for 9M14 as higher revenues at Tripatra and coal trading were offset by lower revenue contribution from Petrosea and MBSS:

- a) **Tripatra grew revenues 25.3% to \$356.7 million from \$284.6 million in 9M14** driven by the following EPC projects: **1) Exxon Mobil-Cepu US\$153.6 million** in 9M15 vs. US\$135.6 million in 9M14; **2) ENI-Muara Bakau B.V., US\$79.8 million** vs. \$25.5 million; **3) Pertamina-Medco E&P Tomori Sulawesi US\$77.6 million** vs. US\$108.9 million in 9M14. Tripatra completed the Pertamina-Medco project during the quarter and there will be limited revenues from the project going forward.
- b) **Revenues from coal trading grew 142.2% to US\$205.4 million** from US\$84.8 million in 9M14. Traded coal volumes reached 6.1 mt in 9M15 versus 2.2 mt in 6M14, while realized ASP declined from \$38.5/mt to \$33.8/mt.
- c) **Petrosea's revenues declined 37.8% to US\$164.6 million in 9M15 from \$264.6 million in 9M14.** Overburden removal volume declined 49.7% YoY (103.4mn BCM to 52.0mn BCM) and contract mining revenue declined 48.1% YoY (US\$227.8 million to US\$118.2 million). Petrosea's contract mining business was negatively affected by declining overburden volumes at PT Adimitra Baratama Nusantara ("ABN") and PT Gunung Bayan Pratama Coal Tbk. ("GBP"). ABN's contract was terminated in 2Q/15 and there will be no future revenues from that contract. GBP's Tabang mine, although ramping overburden volume in 2015, offset only partially the lost business at GBP's legacy mine, which has been closed in 2015. Revenues from Petrosea Offshore Supply Base ("POSB") remained flat YoY at \$25.5 million. Petrosea's Engineering and Construction business almost doubled revenues from \$11.0 million in 9M14 to \$21.0 million in 9M15 as the company moved forward with work on new civil engineering projects.
- d) **MBSS' revenues decreased 30.7% to US\$71.5 million** in 9M15 from US\$103.2 million in 9M14. Coal volumes transported by barging declined 34.7% to 15.7 mt and transshipment volumes declined 12.9% to 15.1 mt.

**The cost of contracts and goods sold increased 16.2% to US\$765.6 million** as a result of growth at Tripatra's EPC projects.

**Gross profit** declined 37.1% to **US\$79.7 million** from US\$126.6 million reported in 9M14 driven by lower gross profit contribution from Tripatra, MBSS and Petrosea, partially offset by higher contribution from the coal trading business. The gross profit margin declined from 16.1% in 9M14 to 9.4% in 9M15 due to lower gross margins across the operating subsidiaries and a substantially higher revenue contribution from the lower margin coal trading business.

**General and administrative expenses decreased 20.9%** YoY from US\$99.3 million in 9M14 to US\$78.6 million in 9M15 (down US\$20.7 million) due to continuing savings across the companies.

**Equity in profit of associates & jointly controlled entities declined 4.0%** from **US\$63.6 million in 9M14 to US\$61.0 million in 9M15** due to lower earnings derived from Kideco.

- **Kideco** reported **net profit of US\$114.8 million** on revenue of US\$1283.7 million in 9M15. Reported net profit declined 11.6% YoY from US\$129.6 million in 9M14. ASP declined 15.6% from US\$52.1 per ton in 9M14 to US\$44.0 per ton in 9M15 and sales volumes declined 2.8% from 30.0 Mt to 29.2 Mt.
- **SBS** reported **net profit of US\$6.4 million** (+44.6% YoY) on revenue of US\$21.2 million (+7.3% YoY). **Cotrans** reported **net profit of US\$14.1 million** (+17.6% YoY) on revenue of US\$61.6 million (-2.5% YoY).

**Finance Costs** grew 3.0% YoY to **US\$53.7 million** from \$52.1 million.

**Other expenses** jumped 69.9% from **US\$9.0 million to US\$15.2 million**. In 3Q/15 Indika booked US\$8.9 million in other expenses (vs. US\$1.7 million in 3Q/14), consisting of a US\$4.0 million loss on foreign exchange at Tripatra, a US\$2.6 million provision for loss from asset disposal at MBSS, and a US\$2.5 million impairment loss on accounts receivable at Petrosea.

The company registered a **US\$25.4 million loss attributable to the owners of the company** vs. a US\$9.7 million loss in 9M14.

## PT Kideco Jaya Agung

Descriptions (USD mn)	9M14 <i>unaudited</i>	9M15 <i>unaudited</i>	Changes YoY
Sales	1,564.9	1,283.7	-18.0%
Gross profit	250.6	230.7	-7.9%
Operating profit	228.1	210.3	-7.8%
<b>Net income</b>	<b>129.6</b>	<b>114.8</b>	<b>-11.4%</b>
EBITDA	252.8	231.8	-8.3%
Gross margin	16.0%	18.0%	
Operating margin	16.4%	16.7%	
Net margin	8.3%	8.9%	
EBITDA margin	16.2%	18.1%	
Cash balance	222.3	151.2	-32.0%
Current assets	559.7	450.3	-19.5%
Total assets	746.5	614.6	-17.7%
Current liabilities	361.1	259.8	-28.0%
Total equity	372.9	341.5	-8.4%
ROA*	29.8%	26.1%	
ROE*	58.1%	43.9%	
Current ratio (X)	1.6	1.7	
Net Debt to Equity (X)	net cash	net cash	

\* annualized

Descriptions (USD mn)	9M14 <i>unaudited</i>	9M15 <i>unaudited</i>	Changes YoY
Overburden (mn bcm)	196.0	183.1	-6.6%
Production volume (mn tons)	30.0	29.2	-2.8%
Sales volume (mn tons)	30.0	29.2	-2.8%
Stripping ratio (X)	6.5	6.3	-3.4%
Average selling price (US\$/ton)	52.1	44.0	-15.5%

**Kideco's Revenues declined 18.0%** from US\$1,564.9 million in 9M14 to US\$1,283.7 million in 9M15. ASP declined 15.6% from US\$52.1 million per ton in 9M14 to US\$44.0 million per ton in 9M15 and sales volumes declined 2.8% from 30.0 mm tons to 29.2 mm tons.

Cash cost including royalty improved from US\$42.9/Mt to US\$35.4/Mt, for 9M/14 and 9M/15, correspondingly, mainly as a result of lower fuel costs and some operational efficiencies.

**Reported net profit** declined 11.4% from **US\$129.6 million in 9M14 to US\$114.8 million in 9M15.**

## Major Developments

On October 23, 2015, CEPR (PT Cirebon Energi Prasarana), in which Indika has a 25% stake through PEC (PT Prasarana Energi Cirebon), signed a 25-year Power Purchase Agreement (PPA) with PT PLN (Persero). CEPR will build and operate a 1x1000 MW coal-fired power plant (CEP-2).

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## ABOUT PT INDIKA ENERGY TBK.

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 & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk.), and **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrabahtera Segara Sejati Tbk., PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); coal-fired power plant (PT Cirebon Electric Power).

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## FURTHER INFORMATION

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