

FOR IMMEDIATE DISTRIBUTION

30 July 2015

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED JUNE 30, 2015

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

- **Revenues of US\$618.3 million increased 18.2% YoY** from US\$523.1 million reported in 6M14 due mainly to higher revenues contribution from Tripatra's EPC projects and from coal trading.
- **Gross profit** declined 30.9% to **US\$65.0 million** from US\$94.1 million reported in 6M14 driven by lower gross profit contributions from the operating subsidiaries. Gross profit from coal trading grew from US\$1.8 million in 6M14 to US\$11.2 million in 1H15.
- **Operating profit declined 63.8% to US\$10.1 million** from US\$28.0 million in 6M14.
- **Equity in profit of associates and jointly controlled entities declined 24.8% YoY** to US\$41.4 million from US\$50.0 million due mainly to lower contribution from Kideco. Kideco's ASP for 6M15 was US\$45.3 per ton vs. US\$52.8 per ton in 6M14 driven by the global decline in coal prices. In addition, Kideco's sales volumes dropped 5.3% in 6M15.
- The company registered a **US\$7.9 million loss attributable to the owners of the company** vs. a US\$8.5 million profit in 6M14.
- **Adjusted EBITDA (LTM) was US\$176.3 million** for the period ending June 30, 2015.
- **Cash and other financial assets were US\$409.4 million** as of June 30, 2015.
- **Capex realization for the period ended 6M15 was US\$32.2 million.**

NEWS RELEASE



PT Indika Energy Tbk.

Description (in USD mn)	6M14 unaudited	6M15 unaudited	Changes YoY
Total revenues	523.1	618.3	18.2%
Tripatra	191.5	263.5	37.6%
Petrosea	169.1	114.7	(32.1%)
MBSS	74.7	53.0	(29.0%)
Others	87.8	187.1	113.0%
Gross profit	94.1	65.0	(30.9%)
General and administrative expenses	66.1	54.9	(17.0%)
Operating profit	28.0	10.1	(63.8%)
Equity in net profit of associates & jointly-controlled entities	55.1	41.4	(24.8%)
Investment income	4.7	3.1	(34.2%)
Finance cost	35.0	35.7	2.0%
Amortization of intangible assets	18.4	17.5	(4.7%)
Others- net	7.2	6.4	(11.6%)
Profit (Loss) Income before tax	27.1	(4.9)	(118.2%)
Profit (Loss) for the year/period :	11.4	(10.2)	(189.7%)
Profit (Loss) attributable to owners of the company	8.5	(7.9)	(192.5%)
Profit (Loss) attributable to non-controlling Interest	2.9	(2.3)	(181.3%)
Adjusted EBITDA*	141.1	85.5	(39.4%)
LTM - Adjusted EBITDA*	266.2	176.3	(33.8%)
EPS (USD/share)	0.002	(0.002)	(192.6%)
Gross margin	18.0%	10.5%	
Net margin	1.6%	(1.3%)	
Adjusted EBITDA Margin	27.0%	13.8%	
LTM - Adjusted EBITDA margin	27.4%	14.6%	

* Includes dividends from associates (last twelve months period ended 30 Jun 2015 (FCCR))

Description (in USD mn)	6M14 unaudited	6M15 unaudited	Changes YoY
Current assets	843.7	988.5	17.2%
Total assets	2,316.9	2,390.2	3.2%
Current liabilities	361.0	531.4	47.2%
Total net interest bearing debt*	999.2	1,125.6	12.6%
Shareholder equity	954.3	895.9	(6.1%)
Cash balance**	468.7	409.4	(12.6%)
Current ratio (X)	2.3	1.9	
Debt to equity (X)	1.0	1.2	
Net debt to equity (X)	0.5	0.8	

* includes unamortized bond issuance costs

** includes restricted cash

The company's revenues increased 18.2% to US\$618.3 million from US\$523.1 million for 6M14 as higher revenues at Tripatra and coal trading were offset by lower revenue contribution from Petrosea and MBSS:

- a) **Tripatra grew revenues 37.6% to \$263.5 million from \$191.5 million in 1H14** driven by the following EPC projects: **1) Exxon Mobil-Cepu** US\$105.1 million in 6M15 vs. US\$94.3 million in 6M14; **2) ENI-Muara Bakau B.V.**, US\$54.8 million vs. \$1.6 million; **3) Pertamina-Medco E&P Tomori Sulawesi** US\$71.2 million vs. US\$72.6 million in 6M14.
- b) **Revenues from coal trading grew 182.0% to US\$154.9 million** from US\$54.8 million in 6M14. Traded coal volumes reached 4.4 mt in 6M15 versus 1.4 mt in 6M14.
- c) **Petrosea's revenues declined 32.1% to US\$114.7 million in 6M15 from \$169.1 million in 6M14.** Overburden removal volume declined 45.0% YoY (70.3mm BCM to 38.7mm BCM) and contract mining revenue declined 39.8% YoY (US\$146.0 million to US\$87.9 million). Petrosea's contract mining business was negatively affected by declining overburden volumes at PT Adimitra Baratama Nusantara ("ABN"), as Petrosea was under contract with ABN for only part of the second quarter. Revenues and OB volume from PT Gunung Bayan Pratama Coal Tbk. ("GBP") also declined as rising business at the Tabang mine did not fully offset lost business at GBP's legacy mine. Revenues from combined Petrosea Offshore Supply Base ("POSB") and E&C businesses increased by 16.0% to US\$26.8 million.
- d) **MBSS' revenues decreased 29.0% to US\$53.0 million** in 6M15 from US\$74.7 million in 6M14. Coal volumes transported by barging declined 38.8% to 11.4 mm tons and transshipment volumes declined 7.8% to 10.7 mm tons.

The cost of contracts and goods sold increased 29.0% to US\$553.3 million as a result of rapid growth at coal trading and Tripatra's business growth in various EPC projects.

Gross profit declined 30.9% to **US\$65.0 million** from US\$94.1 million reported in 6M14 driven by lower gross profit contribution from the operating subsidiaries, partially offset by higher contribution from the coal trading business. The gross profit margin declined from 18.0% in 6M14 to 10.5% in 6M15 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 17.0% YoY from US\$66.1 million in 6M14 to US\$54.9 million in 6M15 (down US\$11.2 million) due to cost saving initiatives across the companies.

Equity in profit of associates & jointly controlled entities declined 24.8% from US\$55.0 million in 6M14 to US\$41.4 million in 6M15 mainly due to lower earnings derived from Kideco.

- **Kideco** reported **net profit of US\$77.7 million** on revenue of US\$865.4 million in 6M15. Reported net profit declined 21.9% YoY from US\$99.5 million in 6M14. ASP declined 14.2% from US\$52.8 per ton in 6M14 to US\$45.3 per ton in 6M15 and sales volumes declined 5.3% from 20.2 mm tons to 19.1 mm tons.
- **SBS** reported **net profit of US\$3.8 million** (-6.7% YoY) on revenue of US\$13.3 million (+4.8% YoY). **Cotrans** reported **net profit of US\$10.7 million** (+23.6% YoY) on revenue of US\$39.8 million (-6.4% YoY).

Finance Costs were relatively unchanged at **US\$35.7 million** (+2.0% YoY).

Other expenses declined from **US\$7.2 million to US\$6.4 million**. In 2Q/15 Indika booked a one-time tax provision at Indika's Resources business.

The company registered a **US\$7.9 million loss attributable to the owners of the company** vs. a US\$8.5 million profit in 6M14.

NEWS RELEASE



PT Kideco Jaya Agung

Description (USDmn)	6M14 <i>unaudited</i>	6M15 <i>unaudited</i>	Changes YoY
Sales	1,064.5	865.4	(18.7%)
Gross profit	189.7	158.0	(16.7%)
Operating profit	174.4	144.2	(17.3%)
Net income	99.5	77.7	(21.9%)
EBITDA	190.9	158.7	(16.8%)
Gross margin	17.8%	18.3%	
Net margin	9.4%	9.0%	
EBITDA margin	17.9%	18.3%	
Overburden (mn bcm)	126.2	115.4	(8.6%)
Production volume (mn tons)	19.9	18.5	(7.2%)
Sales volume (mn tons)	20.2	19.1	(5.3%)
Stripping ratio (X)	6.3	6.2	(1.5%)
Average selling price (US\$/ton)	52.8	45.3	(14.1%)

Description (USDmn)	6M14 <i>unaudited</i>	6M15 <i>unaudited</i>	Changes YoY
Current assets	475.3	425.3	(10.5%)
Total assets	669.1	595.9	(11.0%)
Current liabilities	313.0	228.1	(27.1%)
Total equity	342.8	354.4	(3.4%)
Cash balance	136.5	168.2	23.2%
Current ratio (X)	1.5	1.9	
Net Debt to Equity (X)	net cash	net cash	

Kideco's Revenues declined 18.7% from US\$1,064.5 million in 6M14 to US\$865.4 million in 6M15. ASP declined 14.2% from US\$52.8 million per ton in 6M14 to US\$45.3 million per ton in 6M15 and sales volumes declined 5.3% from 20.2 mm tons to 19.1 mm tons.

Cash cost including royalty improved from US\$43.1/Mt to US\$37.5/Mt, for 6M/14 and 6M/15, correspondingly, mainly as a result of lower fuel costs and operational efficiencies.

Reported net profit declined 21.9% from US\$99.5 million in 6M14 to US\$77.7 million in 6M15.

Latest Development

Petrosea, through its subsidiary POSB Infrastructure Kalimantan, signed a conditional purchase agreement for the acquisition of a 51.25% stake in PT Mahaka Industri Perdana.

Petrosea and PT Freeport Indonesia signed a Construction Service Agreement to provide PT Freeport Indonesia in Papua with assistance in the construction of levees. The contract has a notional value of US\$160 million. PT Freeport has approved US\$109 million for the initial stage of the contract.

#

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).

www.indikaenergy.co.id

FURTHER INFORMATION

Retina Rosabai – Head of Investor Relations & Corporate Finance
Theodore Radoslavov, CFA – VP of Investor Relations

E investor.relations@indikaenergy.co.id

T +62 21 2557 9888

NEWS RELEASE



DISCLAIMER

Not for distribution or forwarding, directly or indirectly, into the United States of America, Canada or Japan.

This news release may contain certain financial information, projections, plans, strategies, and objectives of PT Indika Energy Tbk., that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law.

Neither PT Indika Energy Tbk., its affiliates nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements in this communication.

This news release is for information only and is not an offer to sell or an invitation to buy any securities and neither this news release nor anything herein forms the basis for any contract or commitment whatsoever. This news release is not an offer of securities for sale in the United States or to any U.S. person. Neither this news release nor any copy hereof may be taken into or distributed in the United States or to any U.S. person. The securities described in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to any U.S. person absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about Indika Energy and its management, as well as financial statements. Indika Energy does not intend to register any securities in the United States. Nothing in this news release shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. END