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30 April 2015

INDIKA ENERGY RESULTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

April 30, 2015- Jakarta -PT Indika Energy Tbk. (IDX: INDY) reported its unaudited financial statements for the 3-months ended March 31, 2015 with **Profit Attributable to Owners of the Company in the amount of US\$11.6 million**, higher by 44.3% from the same period last year of US\$8.1 million.

- **Revenues grew 30.2% yoy to US\$314.3 million** driven by sustained higher contribution from Tripatra's EPC Projects and significantly higher sales volume from coal trading activities.
- **Cost of Contracts and Goods Sold increased to US\$282.1 million (+46.4%yoy)** driven by the cost of project realization from Tripatra's EPC projects and the cost from coal trading activities. The change in the overall cost mix brought about by the above two business segments, coupled with lower capacity utilization at Petrosea and MBSS, resulted in **Gross Profit sliding to US\$32.3 million (33.7% yoy)**.
- **Operating Profit declined 50.3% yoy to US\$8.4 million** despite a US\$7.9 million drop in operating expenses (from US\$31.8 million to US\$23.9 million), as a result of continued overhead cost rationalization, including manpower and G&A expense reductions.
- **Equity in Net Profit of Associates and Jointly Controlled Entities increased by 7.9% to US\$30.8 million** mainly as a result of the steady earnings contribution from PT Kideco Jaya Agung ("Kideco"). Kideco's reported unaudited net profit of US\$60.2 million (+9.4% yoy) as a result of sustained selling prices and lower cash costs mainly due to lower stripping ratios. As such, Kideco accounted for about 83% of the Company's equity income. Contribution from logistic companies SBS and Cotrans increased by 28.2%, while contribution from 20% owned CEP I remained flat yoy.
- **Profit Attributable to Owners of the Company in the amount of US\$11.6 million** grew 44.3% from the previous year's profit of US\$8.1 million, as higher equity income and the reduction in tax expenses (mainly due to a one-off tax provision at Petrosea in 1Q14), more than mitigated the drop in operating income.
- **Adjusted EBITDA (LTM) was US\$219.3 million.**
- **Cash and Other Financial Assets reported were US\$372.2 million.**
- **Capex spent during 1Q15 was US\$15.5 million.**

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PT Indika Energy Tbk.

Description (in USD mn)	3M14 unaudited	3M15 unaudited	Changes
Total revenues	241.4	314.3	30.2%
Tripatra	88.6	125.3	41.5%
Petrosea	81.5	64.6	-20.7%
MBSS	38.2	26.2	-31.4%
Other	33.1	98.2	196.3%
Gross profit	48.7	32.3	-33.7%
General and administrative expenses	31.8	23.9	-24.9%
Operating profit	16.9	8.4	-50.3%
Equity in net profit of associates & jointly-controlled entities	28.6	30.8	7.9%
Investment income	2.0	2.0	-0.5%
Finance cost	17.5	17.8	2.0%
Amortization of intangible assets	8.8	8.8	-0.2%
Others- net	-0.9	1.5	-267.0%
Profit (Loss) Income before tax	22.1	13.1	-40.9%
Profit (Loss) for the year/period :	9.9	11.0	10.8%
Profit (Loss) attributable to owners of the company	8.1	11.6	44.3%
Profit (Loss) attributable to non-controlling Interest	1.9	-0.6	-132.9%
Adjusted EBITDA	47.4	34.8	-26.5%
LTM - Adjusted EBITDA*	265.0	219.3	-17.2%
EPS (USD/share)	0.002	0.002	37.5%
Gross margin	20.2%	10.3%	
Operating margin	7.0%	2.7%	
Net margin	3.3%	3.7%	
LTM - Adjusted EBITDA margin	109.8%	69.8%	
ROA	0.3%	0.5%	
ROE	0.8%	1.3%	
Current assets	786.7	967.5	23.0%
Total assets	2,352.4	2,375.3	1.0%
Current liabilities	380.6	480.8	26.3%
Total net interest bearing debt	1,020.5	1,102.8	8.1%
Shareholder equity	960.4	925.1	-3.7%
Cash balance**	390.8	372.2	-4.8%
Current ratio (X)	2.07	2.01	
Debt to equity (X)	1.04	1.18	
Net debt to equity (X)***	0.63	0.77	

*Including dividends from associates. (Last twelve months period ended 31 March 2015 (FCCR))

**Including restricted cash

***Total cash balance deducted from total debt divided by shareholders equity

The company's 1Q15 Revenues increased 30.2% yoy to US\$314.3 million as a result of:

- a) **Higher Revenues from Tripatra (+41.5%, +US\$36.8 million yoy) to US\$125.3 million**, driven by projects which are in full phase of development, namely Pertamina Tomori Sulawesi ("Senoro"), Eni Muara Bakau ("Jangkrik") and Exxon Mobil Cepu ("Exxon"). Collectively, the three EPC projects above represented about 95% of Tripatra's revenues in 1Q15. However, Exxon is nearing completion, thus revenue realization from this project is expected to wind down later in the year.
- b) **Coal trading business increasing substantially yoy.** The Company's coal trading business provided a lift to other revenues with coal trading volumes reaching 2.2 mt in 1Q15 versus 0.4 mt in 1Q14. This brought up 1Q15 other revenues to US\$98.2 million as compared to US\$33.1 million in 1Q14.

However, Company saw a decline in revenues as follows:

- c) **Petrosea's Revenues declined 20.7% (US\$16.9 million) to US\$64.6 million** primarily as a result of lower contributions from contract mining (-29.9% yoy from US\$69.9 million to US\$49.0 million). Overburden removal volume declined 36.1% yoy from 33.8 million BCM in 1Q14 to 21.6 million BCM in 1Q15 mainly because of non operation of Santan Batubara ("Santan") and PT Gunung Bayan Pratama ("GBP"), plus slower activities in ABN. Santan has temporarily suspended its mining activities at Uskap block while GBP opted for early termination of the project at the early 2015. However, non-contract mining revenues arising from its oil and gas services and E&C businesses increased by 34.2% yoy to US\$15.7 million in 1Q15.
- d) **MBSS' 1Q15 Revenues declined 31.4% (US\$12.0 million) to US\$26.2 million** vs. US\$38.2 million in 1Q14 mainly due to lower coal volume transported by barging (-33.7% yoy from 9.3 million tons to 6.1 million tons). Transshipment volumes also declined (-13.3% yoy from 6.0 million tons to 5.2 million tons in 1Q15).

The Cost of Contracts and Goods sold increased 46.4% yoy to US\$282.1 million mainly as result of Tripatra's business expansion in various EPC projects, which accounted for 40.6% of the consolidated cost of goods sold in 1Q15 and high cost from trading business.

As result of the above factors, Gross Profit decreased to US\$32.3 million, down 33.7% yoy from US\$48.7 million reported in the same period last year. The gross margin declined from 20.1% to 10.3% largely due to the impact of Tripatra's expansion and higher coal trading activity, since these two businesses carry lower gross margins as compared to MBSS and Petrosea.

General and Administrative expenses declined 24.9% yoy from US\$31.8 million to US\$23.9 million due to the sustained across-companies cost rationalization, including manpower and G&A, and downsizing of some business activities at both the subsidiaries and the holding levels.

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Equity in Net Profit of Aassociates & Jointly Controlled Entities increased 7.9% from US\$28.6 million to US\$30.8 million mainly due to higher earnings contribution from Kideco and logistic companies Cotrans and SBS. Kideco accounted for approximately 84.2% of the total equity profit. Kideco reported Net Profit of US\$60.2 million, up 9.4% yoy largely due to lower cash cost brought about by a lower stripping ratio and savings on fuel costs.

Finance Costs were relatively unchanged at US\$17.8 million (+2.0%yoy). Post-liability management exercise in 2013, financing cost has been relatively constant yoy.

Other Expense dropped 26.7% yoy to US\$0.9 million primarily due to loss on foreign exchange-net in 1Q15.

The company registered Profit Attributable to the Owners of the Company in the amount of US\$11.6 million in 1Q15, a 44.3% increase compared to US\$8.1 million in 1Q14.

PT KIDECO JAYA AGUNG

Kideco's Revenues declined 9.3% from US\$537.5 million in 1Q14 to US\$487.3 million in 1Q15 as result of a decline in ASP to US\$47.0 per ton from US\$52.4 per ton in 1Q14. 1Q15 coal sales volume was 10.4 Mt compared to 10.3 Mt in 1Q14.

However, cash cost including royalty improved from US\$43.7/Mt to US\$37.1/Mt primarily as a result of Kideco operating at a lower stripping ratio of 5.9x in 1Q15 versus 6.1x in 1Q14 as well as benefiting from lower fuel costs.

The resulting improvement in cash cost offset the drop in selling prices and Kideco posted a 9.4% increase in 1Q15 net profit to US\$60.2mm.

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PT Kideco Jaya Agung

Description	3M14 unaudited	3M15 unaudited	Changes
Sales	537.5	487.3	-9.3%
Gross profit	101.0	114.1	13.0%
Operating profit	93.6	108.4	15.7%
Net income	55.0	60.2	9.4%
Depreciation Expenses	8.1	7.5	-6.6%
EBITDA	101.9	116.1	13.9%
Gross margin	18.8%	23.4%	
Operating margin	17.4%	22.2%	
Net margin	10.2%	12.3%	
EBITDA margin	19.0%	23.8%	
ROA	28.7%	35.4%	
ROE	52.6%	62.2%	
ROCE	91.4%	107.7%	
Current assets	570.1	503.1	-11.8%
Total assets	766.0	679.0	-11.4%
Current liabilities	335.2	278.9	-16.8%
Debt	0.0	0.0	0.0%
Total equity	418.3	386.8	-7.5%
Cash balance	211.7	224.4	6.0%
Current ratio (X)	1.7	1.8	
Debt to Equity (X)	-00	-00	
Net Debt to Equity (X)	net cash	net cash	

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Description	3M14 unaudited	3M15 unaudited	Changes
Overburden (mn bcm)	59.6	58.0	-2.6%
Production volume (mn tons)	9.8	9.8	0.4%
Sales volume (mn tons)	10.3	10.4	1.1%
Stripping ratio (X)	6.1	5.9	-3.0%
Average selling price (US\$/ton)	52.4	47.0	-10.3%

Latest announcement

1. AGM Results (April 29, 2015)
 - a. Indika Energy reported the financial results of 2014.
 - b. Indika Energy will have no cash dividend payment in 2015.
 - c. Changes in the Board of Commissioner: appointed Mr. Muhammad Chatib Basri as an Independent Commissioner, replacing Mr. Anton Wahjosoedibjo.
2. Dividend to be received by Indika Energy in 2015:

Dividend Collection (in USD mn)	
PTRO	1.2
MBSS	8.2
Tripatra	14.6
Kideco	65.1
Total	89.1

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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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