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NEWS RELEASE FROM ADARO ENERGY

General Media:
For further information please contact:
Mr. Devindra Ratzarwin
Corporate Secretary
Tel: (6221) 521 1265
Fax: (6221) 5794 4687
Email: corsec@ptadaro.com

Financial Media:
For further information please contact:
Mr. Cameron Tough
Head of Investor Relations
Tel: (6221) 521 1265
Fax: (6221) 5794 4687
Email: cameron.tough@ptadaro.com

ADARO ENERGY'S EBITDA MARGIN AND LIQUIDITY STAND STRONG IN THE MIDST OF CHALLENGING COAL MARKET CONDITIONS

Recorded 25.6% EBITDA Margin despite 18% Decline in Average Selling Price

Jakarta, April 29th, 2013 – PT Adaro Energy Tbk (IDX: ADRO) announced today unaudited financial statements for the first quarter ended March 31st, 2013. Our net revenue decreased 19% year over year (y-o-y) to US$740.6 million from US$915.9 million as lower coal prices were reflected in our average selling price. Our EBITDA declined nearly 40% y-o-y to US$189.8 million from US$315.3 million, with an EBITDA margin of 25.6%. Meanwhile, our 1Q13 net income declined 66% y-o-y to US$41.6 million from US$121.8 million. We are on track to reach our EBITDA guidance for 2013 of US$850 million to US$1 billion.

Adaro Energy's President Director, Mr. Garibaldi Thohir said, **"The current market condition is a healthy correction against undisciplined supply growth and we expect robust demand in the Asia-Pacific region for moderate and low-rank coal to continue in the medium term. Mining is a long-term business and our low cost business model will allow us to weather the bad times and remain on track to create long-term value from Indonesian coal."**

We recorded production growth of 4% y-o-y to 11.42 million tonnes (Mt) and sales volume stayed relatively flat y-o-y at 11.23 Mt. During the first quarter, coal production from Paringin surged 310% y-o-y to 0.9 Mt and Wara increased 7% y-o-y to 1.77 Mt, while Tutupan decreased 4% y-o-y to 8.75 Mt. We are on track to achieve our annual production guidance of 50 to 53 Mt for 2013. Our overburden removal decreased 11% y-o-y to 62.25 Mbcm as we decided to reduce our average planned strip ratio from 6.4x in 2012 to 5.75x in 2013. Please refer to our 1Q13 Quarterly Activities Report for more details of our operations.

Our average selling price (ASP) in 1Q13 decreased 18% y-o-y as the weakness in global coal indices reflected in our pricing. Adaro Energy's coal cash cost (excluding royalty) decreased 4% y-o-y to US$37.10 per tonne, which is in line with our annual guidance of US$35 to US$38 per tonne, due to lower average planned stripping ratio and cost reduction initiatives.

Our balance sheet remained solid during 1Q13. Net debt to last twelve months EBITDA increased to 1.90x at the end of 1Q13 from 1.03x at 1Q12 and net debt to equity was 0.60x at the end of 1Q13, virtually flat y-o-y. Our liquidity remained robust with access to cash of nearly US$1 billion (including US$440 million of unutilized committed funding from long-term bank facilities). This allows us to maintain ample liquidity during the current cyclical downturn.

Summary of First Quarter 2013 Operational Performance			
	1Q 2013	1Q 2012	% Change
Production Volume (Mt)	11.42	10.96	4.2%
Sales Volume (Mt)	11.23	11.25	-0.2%
Overburden Removal (Mbcm)	62.25	69.54	-10.5%

Summary of First Quarter 2013 Financial Performance (US$ Million, Except Otherwise Stated)			
	1Q 2013	1Q 2012	% Change
Net Revenue	741	916	-19.1%
Cost of Revenue	(583)	(616)	-5.3%
Gross Profit	158	300	-47.5%
Gross Profit Margin (%)	21.3%	32.8%	-11.5%
Operating Income	121	258	-53.0%
Operating Margin (%)	16.4%	28.1%	-11.8%
Net Income	42	122	-65.8%
EBITDA	190	315	-39.8%
EBITDA Margin (%)	25.6%	34.4%	-8.8%
Total Assets	6,623	5,741	15.4%
Total Liabilities	3,583	3,172	12.9%
Stockholders' Equity	3,040	2,569	18.4%
Interest Bearing Debt	2,391	2,075	15.2%
Cash and Cash Equivalents	558	512	9.0%
Net Debt	1,833	1,563	17.2%
Net Debt to Equity (x)	0.60	0.61	-
Net Debt to Last 12 Months EBITDA (x)	1.90	1.03	-
Free Cash Flow (EBITDA - Capex)	142	188	-24.5%
Cash from Operations to Capex (x)	4.2	1.0	-
Basic Earnings Per Share (EPS) in US$	0.00127	0.00380	-66.6%

Review of First Quarter 2013 Performance

Income Statement

Net Revenue

Adaro Energy's revenue declined 19% y-o-y to US$740.6 million for the first quarter ended March 31, 2013 due to softer average selling price caused by challenging market conditions.

In 1Q13, coal production increased 4% y-o-y to 11.42 Mt, while sales volume was relatively flat y-o-y at 11.23 Mt. Due to the rainy season, which continues in the first quarter, production is typically lower than 25% of the full year target. We are on track to achieve our 2013 full year production target of 50 to 53 Mt.

Our average selling price decreased 18% y-o-y in 1Q13 as we experience a lag in our pricing, which reflected the weakness in global coal indices.

Coal Mining and Trading: Adaro Indonesia and Coaltrade

Our coal mining and trading division comprised 93.5% of revenues in 1Q13, with PT Adaro Indonesia (AI) accounting for most of revenues and our trading division, Coaltrade Services International Pte. Ltd. (CTI), contributing a small part to the segment. For 1Q13, net revenue from coal mining and trading decreased 18% to US$692 .1 million from US$845.7 million due to lower ASP as described above.

Mining Services: SIS

PT Saptaindra Sejati (SIS), our mining service division, net revenues after group elimination for 1Q13 decreased 32% y-o-y to US$34.8 million from US$50.9 million due to SIS's decision not to extend its contracts with two customers and customers' requests to reduce the stripping ratio. In 1Q13, overburden removal decreased 13% y-o-y to 36.2 Mbcm and coal extraction increased 13% y-o-y to 6.0 Mt. AI accounted for 61% of SIS's total overburden removal and 67% of total coal extraction. SIS is the second largest contributor to our overall revenue, accounting for 5% of net revenue.

Others (Adaro Logistics): Coal Terminal, Barging, Ship Loading and Dredging

Our other business segments include AE's subsidiaries PT Alam Tri Abadi (ATA), coal port operator PT Indonesia Bulk Terminal (IBT), the barging and ship loading division PT Maritim Barito Perkasa (MBP) and water toll contractor PT Sarana Daya Mandiri (SDM). Total revenue in 1Q13 from other business segments, net of eliminations, decreased 30% y-o-y to US$13.6 million from US$19.3 million, due to lower fuel sales to third party barging companies by ATA.

MBP increased total coal barged 53% y-o-y to 5.99 Mt as MBP took over volume from a third party barging contractor when the contractor's term expired in late 2012. Total coal loaded to ships for 1Q13 increased 21% y-o-y to 3.69 Mt due to higher volume from AI and more vessels loaded.

Our coal port operator, IBT, loaded 14 vessels and 0.99 Mt of coal for 1Q13, a decrease of 13% and 3%, respectively. AI's coal loaded surged 161% y-o-y to 0.95 Mt from 0.36 Mt and accounted 95% of total coal loaded at IBT. The economies of scale are more attractive to load vessels using floating cranes, but for periods of high volume or occasional unfavorable weather condition at the Taboneo anchorage, which occurred in 1Q13, we still rely on IBT.

Cost of Revenue and Cash Cost

Cost of revenue in 1Q13 decreased 5.3% y-o-y to US$582.9 million from US$615.5 million, due to lower average planned stripping ratio, cost reduction initiatives, lower royalties and no third party coal purchased by Coaltrade. Adaro Energy coal cash cost (excluding royalty) per tonne decreased 4% y-o-y to US$37.10 per tonne, due to lower average planned stripping ratio and cost reduction initiatives.

Coal Mining and Trading Costs: Adaro Indonesia and Coaltrade

Total cost of revenue in 1Q13 for Coal Mining and Trading decreased 3% y-o-y to US$533.5 million from US$547.7 million.

Coal mining costs increased slightly y-o-y to US$292.8 million due to larger production volumes, especially from higher cost mine in Tutupan and Paringin, which offset lower average planned strip ratio. Our average planned strip ratio, which measures the volume of overburden per tonne of coal, for 2013 was 5.75x compared to 6.4x in 2012.

We manage and procure the fuel for all of our mining contractors. To mitigate risks associated with oil price fluctuations, we enter a portion of our fuel needs into hedging agreements. In March 2013, we hedged approximately 80% of our remaining fuel needs for 2013 in the low US$0.80's per liter. Our hedged fuel prices were below the budget set at the beginning of 2013, aiding in our effort to meet our coal cash cost annual guidance of US$35 to US$38 per tonne. Coal mining accounted for 70% of our coal cash cost (excluding royalty).

Coal Processing
Coal processing costs decreased 6% to US$33.3 million from US$35.4 million. Coal processing costs consist of the cost to crush the coal at the Kelanis River Terminal and other costs not borne by mining contractors, including the cost for repair and maintenance of the hauling road. Coal processing accounted for 8% of our coal cash cost.

Royalties to Government
Our royalties to the Government of Indonesia decreased 11% y-o-y to US$77.2 million from US$86.4 million as revenues contracted. Royalties accounted for 13% of our total cost of revenue.

Freight and Handling
Our freight and handling cost increased 14% y-o-y to US$74.7 million from US$65.4 million as more of AI's coal was loaded at the IBT terminal due to unfavorable weather conditions at the Taboneo anchorage. Freight and handling accounted for 18% of our coal cash cost in 1Q13.

Purchase of Coal
We did not purchase coal in 1Q13 versus US$30 million in 1Q12 as Coaltrade did not buy any third party coal for either blending or marketing purposes.

Mining Services: SIS
Our mining services' cost is associated with our mining contractor, SIS. The cost of revenue from this segment after group elimination decreased 23% y-o-y to US$38.8 million from US$50.4 million due to the volume decrease in third party overburden removal, and the associated decrease in consumables, subcontractors, and repair and maintenance. SIS's cost of revenue for 1Q13 does not reflect its decision not to extend contracts with two customers since overhead cost takes more time to adjust than the decrease in revenue and due to additional cost for closing the projects.

SIS's repair and maintenance decreased 35% to US$9.1 million, consumables decreased 33% to US$8.1 million and subcontractors decreased 45% to US$2 million. Mining services accounted for nearly 7% of our cost of revenue.

Others (Adaro Logistics): Coal Terminal, Barging, Ship Loading and Dredging
The costs associated with our other subsidiaries, which are substantially all attributed to logistics, in 1Q13 decreased 39% y-o-y to US$10.5 million from US$17.4 million, corresponding to the decrease in third party revenue from this segment. The cost related to our other subsidiaries accounted for less than 2% of our total cost of revenue.

Operating Expenses, Other Expense and Operating Income
Operating expenses for 1Q13 increased 2% y-o-y to US$39.1 million from US$38.4 million primarily due to higher employee costs and other general and administrative (G&A) costs. Employee costs increased 14% y-o-y to US$16.2 million from US$14.3 million due to more employee benefits and a larger permanent workforce, while other G&A costs increased 35% y-o-y to US$13.8 million from US$10.2 million mainly due to the G&A of new companies acquired. Meanwhile, selling and marketing expenses decreased 34% y-o-y to US$9.1 million due to less coal sales to countries in which we use agents.

Operating income decreased 53% y-o-y to US$121 million from US$257.8 million. Operating margin reduced to 16.4% in 1Q13 from 28.1% in 1Q12 as revenues decreased more than costs.

EBITDA
Our EBITDA declined nearly 40% y-o-y to US$189.8 million in 1Q13 from US$315.3 million in 1Q12, with an EBITDA margin of 25.6%. We maintained amongst the best EBITDA margin for Indonesian thermal coal, due to our efforts to get the best price for our coal while also continuing to focus on cost discipline and efficiency.

Net Income
Our 1Q13 net income contracted 65.8% y-o-y to US$41.6 million. The decrease in net income was mainly due to lower revenues from lower average selling price as well as SIS's net profit loss. However, AI's net profit is still on track for 2013 due to good demand and production growth combined with our focus on reducing expenses and improving operational efficiencies. We incurred an income tax expense of US$51.7 million, a 50.5% decrease y-o-y.

Subsequent Event
On April 25th 2013, ATA entered into several shares sales and purchase agreement deeds with PT Terminal Batubara Indah (TBI), PT Industri Terminal Batubara (ITB), and PT Harapan Insani Millenia (HIM), whereby ATA purchases 75% interest in PCS from TBI for US$192,980 (Rp1.875 billion), 75% interest in SCM from ITB for US$192,980 (Rp1.875 billion) and 75.20% interest in PT Laskar Semesta Alam (LSA) from HIM for US$19,350 (Rp 188 million).

Balance Sheet

Total Assets

Adaro Energy's total assets increased 15% to US$6,622 million by the end of March 2013. The increase was attributable mostly to additional mining properties from the PT Bhakti Energi Persada (BEP) transaction and fixed asset purchased to support our growth plan.

Cash and Cash Equivalents

At end of 1Q13, cash and cash equivalents accounted for 8.4% of total assets. Adaro Energy recorded cash and cash equivalents 9% higher at US$557.8 million compared to US$511.6 million in 1Q12 largely due to good cash generation and less cash outflows from fixed assets, mining properties and payments to suppliers.

Trade Receivables

At the end of March 2013, trade receivables decreased 21% y-o-y to US$385 million. Trade receivables are mainly associated with AI's customers including blue chip utilities, cement and pulp and paper companies, as well as SIS's domestic third party customers such as the mine owners. Approximately 88% of the trade receivables were current and due within 30 days. Trade receivables account for 5.8% of total assets.

Fixed Assets

Fixed assets increased 15% y-o-y to US$1,755 million at the end of March 2013. During 1Q13, the growth in fixed assets included US$4.1 million for infrastructure, and US$30.7 million for construction in progress, which largely consisted of our 2x30 MW power plant and Overburden Out of Pit Crushing and Conveying System (OPCC). Fixed assets represented 26.5% of our total assets.

Advances and Prepayments

Advances and prepayments at the end of March 2013 decreased 31% y-o-y to US$123.8 million compared to previous corresponding period in 2012. Approximately, US$84.3 million consisted of advances to suppliers. Additionally, US$15.5 million for advances of fuel purchases and US$11.2 million were for prepayment for liquidity services. The remaining balance is for advances for prepayment for rent and insurance, and other.

Investments in Associates

Investment in associate at the end of 1Q13 increased to US$402.4 million (vs. US$392.9 million in 1Q12) with US$379.7 million related to our investment in the IndoMet Coal (IMC) project. The additional amount represents 35% stake in PT Servo Meda Sejahtera (US$18.4 million) as well as the investment in our 34% interest in PT Bhimasena Power Indonesia.

Mining Properties

Mining properties increased 56% y-o-y to US$1,921 million compared to previous corresponding period in 2012. This is primarily due to the consolidation of BEP into Adaro Energy.

Deferred Stripping Costs

The robust pricing environment from 2010 and to the beginning of 2012 supported our mine plan for higher overburden removal as we invested in our mining operations so we can continue to operate the mine safe, reliable and efficient. However, in order to preserve our margin during current challenging market conditions without jeopardizing our long-term growth, AI decided to lower the average planned stripping ratio slightly to 5.75x in 2013, averaged from the Tutupan, Wara and Paringin pits, from 6.4x in 2012.

Deferred stripping cost increased 49% y-o-y to US$63.6 million from US$42.7 million mainly due to the pending volume of 9 Mbcm as a contractor exceeded the overburden volume agreements in 2012. Due to variability and uncertainty of contractor performance as well as weather conditions, our actual strip ratio may deviate from our planned strip ratio on a quarterly basis. However, we seek to have our actual strip ratio meet our plan strip ratio at the end of year. If our actual strip ratio is not significantly different from our planned strip ratio, we could expense deferred stripping cost that we incurred for the year, to instill further emphasis on cost discipline throughout the company and maintain our strong balance sheet.

Total Liabilities

Adaro Energy's total liabilities increased 13% y-o-y to US$3,583 million at the end of March 2013. The current liabilities increased 10%, largely due to an increase of current bank loan maturities, whereas non-current liabilities increased 14% due to higher utilized bank loans and deferred tax liabilities.

Taxes Payable

Adaro Energy's taxes payable declined 66% y-o-y to US$29 million compared to previous corresponding period in 2012 because of Adaro Energy's lower net profit.

Current Maturities of Long-term Borrowings

Current financial obligations for 1Q13 increased 119% to US$299.7 million compared to US$136.6 million as of the end of March 2012 as long-term liabilities became current. Our cash flow from operation combined with our access to nearly US$1 billion of cash and undrawn credit facilities provides us ample liquidity to meet the maturity of our debt obligations. Furthermore, we are strengthening our capital structure through refinancing the existing facility. We made US$49.5 million of repayments of bank loans during 1Q13.

Long-term Borrowings

Adaro Energy's total long-term borrowings increased 8% y-o-y to US$2,091 million at the end of 1Q13.

With undrawn US$300 million from our ten-year unsecured loan facility, US$40 million from MBP's seven-year bank loan and US$100 million from SIS's seven-year syndicated bank loan, Adaro Energy has access to cash and undrawn credit facilities of nearly US$1 billion as at the end of March 2013. This allows us to maintain ample liquidity during the current cyclical downturn.

Cash Flows

Cash Flows from Operating Activities

Our operating cash flows for 1Q13 increased 63% or US$78.1 million to US$202.4 million from US$124.2 million. The increase was due to lower payments to suppliers, royalties and income taxes. Payment to suppliers decreased US$95.6 million to US$469.9 million, payments of royalties decreased US$34.2 million to US$34.2 million and payments of income taxes decreased US$16.1 million to US$76.3 million.

Cash Flows from Investing Activities

Our cash flows used in investing activities during 1Q13 decreased 61% or US$81.1 million to US$51.7 million from US$132.8 million. The majority of the decrease was due to a decrease of fixed assets purchases and mining properties to US$47.9 million from US$127.5 million. In order to preserve cash, we guided lower capital expenditure for 2013 of US$150 million to US$200 million from US$490 million spent during 2012. The capital expenditure will largely only be used for maintenance and land acquisition as our infrastructure projects are in their final stages and our current heavy equipment fleet provides us adequate capacity for our production target at least through 2013.

Cash Flows from Financing Activities

Net cash flow used in financing activities during 1Q13 increased 143%, or US$54.6 million, to US$92.7 million. We made loan repayment of US$49.5 million associated with AI and Coaltrade's loan installment, and SIS's revolver facility. In January 15th 2013, we made our second interim dividend payment of US$35.2 million based off our 2012 net income. As approved during AGMS, our dividend payout ratio was 30.38% of 2012 net income, or US$117.07 million.