



## NEWS RELEASE FROM ADARO ENERGY

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### **ADARO ENERGY RECORDED 6% INCREASE IN NET REVENUE TO US\$2.0 BILLION DUE TO 12% PRODUCTION GROWTH**

**Jakarta, October 28<sup>th</sup>, 2010** - PT Adaro Energy Tbk (**IDX: ADRO**) today announces consolidated unaudited net revenue for the nine month period ended 30<sup>th</sup> September 2010 increased 6% to US\$1.98 billion due to a 12% growth in production despite the 7% lower average selling price. Adaro Energy's production and sales volumes in 9M10 both increased 12% to 31.84 million tonnes and 32.36 million tonnes respectively.

Lower than expected coal production volumes were caused by heavy rainfall during the period. Due to higher mining costs, caused by a higher strip ratio and longer overburden hauling distances, Adaro Energy's cost of revenue increased 22% causing operating income to decline 16% to US\$593 million. Net income decreased 43% to US\$186 million, or a 52% decrease to Rp1,696 billion. Earnings per share decreased to Rp53.0 from Rp109.9.

Adaro Energy's President Director, Mr. Garibaldi Thohir said: **"It has been a difficult year due to unseasonal and unprecedented rainfall, but our long-term plans look better than before. We maintained a robust EBITDA of \$701 million and a solid industry topping margin of 35%. Our bright assessment of the future and financial strength means we will make long term investments and create maximum shareholder value."**

With net debt to equity at 0.45x and abundant access to cash of US\$1.2 billion, Adaro's prudent financial policies have created a robust capital structure and strong access to capital markets.

Adaro Energy continued pursuing its strategy of 1) continuing its annual organic production growth, 2) improving the efficiency of its vertically-integrated coal supply chain, which might include further downstream integration into power, and 3) acquiring or investing in large quality coal deposits within Indonesia.



### Financial Highlights of Adaro Energy's 9M10 Results:

- While production in third quarter tends to be above average, due to unseasonal bad weather, production decreased in 3Q10 to 10.22 million tonnes, lower than 11.36 million tonnes in 1Q10 and 10.26 million tonnes in 2Q10. In spite of this, in 9M10 Adaro Energy recorded a 12% increase in production and sales volumes to 31.84 million tonnes, resulting in 6% increase in net revenue to US\$1.98 billion (or 10% decrease to Rp18.1 trillion).
- Adaro's average selling price (ASP) in the third quarter of 2010 increased 6% over 2Q10, to US\$59.00 per tonne. Adaro's 3Q10 ASP was also 6% higher than 3Q09. However the 9M10 ASP of US\$56.54 per tonne was 7% below 9M09 due to the poor pricing conditions in the global recession of the first half of last year.
- Cash cost excluding royalties increased 9% to US\$33.25 per tonne at 9M10 compared to the same period last year due to the increase in planned stripping ratio and increased hauling distances. At the same time, cash cost in 9M10 increased 2% from US\$32.49 per tonne in 1H10 due to increased hauling distances.
- Due to unusual and unseasonal heavy rains which adversely affected Adaro's production output, coupled with the normal surge of demand in the third quarter dry season, Adaro Energy incurred higher than normal demurrage charges, recorded as an extraordinary item of US\$19 million net of tax.
- Effective 7th October 2010, Adaro Indonesia and Coaltrade successfully extended the US\$750 million syndicated loan facility from December 2012 to December 2015.
- To finance heavy equipment purchases, SIS withdrew the remaining US\$40 million of its US\$300 million senior credit facility in the third quarter of 2010.

Summary of Nine Months 2010 Operational Performance (in million tonnes)			
	9M 2010	9M 2009	% Change
Production volume	31.84	28.46	11.9%
Sales volume	32.36	28.97	11.7%



<b>Summary of Nine Months 2010 Financial Performance (in billion IDR)</b>			
	<b>9M 2010</b>	<b>9M 2009</b>	<b>% Change</b>
Net revenue	18,075	20,014	-9.7%
Cost of revenue	(12,027)	(11,598)	3.7%
Gross profit	6,048	8,415	-28.1%
Gross profit margin (%)	33.46%	42.05%	-8.6%
Operating income	5,410	7,576	-28.6%
Operating margin	29.93%	37.85%	-7.9%
Net income	1,696	3,515	-51.7%
EBITDA	6,400	8,419	-24.0%
EBITDA margin	35.41%	42.07%	-6.7%
Total assets	40,548	36,596	10.8%
Total liabilities	22,115	19,335	14.4%
Stockholders' equity	18,376	17,102	7.4%
Interest bearing debt	14,602	10,298	41.8%
Cash and cash equivalents	6,400	4,966	28.9%
Net debt	8,202	5,332	53.8%
Net debt to equity (x)	0.45	0.31	-
Annualised net debt to EBITDA (x)	1.0	0.48	-
Earnings Per Share (EPS) in Rupiah	53.0	109.9	-51.8%

<b>Summary of Nine Months 2010 Financial Performance (in million USD)</b>			
	<b>9M 2010</b>	<b>9M 2009</b>	<b>% Change</b>
Average Exchange Rates (IDR/USD)	9,126	10,718	-14.85%
Exchange Rates at Balance Sheet Date (IDR/USD)	8,924	9,681	-7.82%
Net revenue	1,981	1,867	6.1%
Cost of revenue	(1,318)	(1,082)	21.8%
Gross profit	663	785	-15.6%
Gross profit margin (%)	33.46%	42.05%	-8.6%
Operating income	593	707	-16.1%
Operating margin	29.93%	37.85%	-7.9%
Net income	186	328	-43.3%
EBITDA	701	786	-10.7%
EBITDA margin	35.41%	42.07%	-6.7%
Total assets	4,544	3,780	20.2%
Total liabilities	2,478	1,997	24.1%
Stockholders' equity	2,059	1,767	16.6%
Interest bearing debt	1,636	1,064	53.8%
Cash and cash equivalents	717	513	39.8%
Net debt	919	551	66.9%
Net debt to equity (x)	0.45	0.31	-
Annualised net debt to EBITDA (x)	1.0	0.53	-



## **Review of First Nine Months 2010 Performance**

### **Income Statement**

#### **Net Revenue**

Adaro Energy's business is almost entirely conducted in US Dollars (US\$). However, due to the strengthening Rupiah (Rp), in the first nine months of 2010, Adaro Energy's net revenue decreased 10% to Rp18.1 trillion. During 9M10 the average Rupiah/US\$ exchange rate strengthened 15% to Rp9,126 per US\$ from Rp10,718 per US\$ for 9M09. In US Dollar (US\$) terms Adaro Energy's net revenue increased 6% to US\$1,981 million from US\$1,867 million.

The increase in Adaro Energy's revenues is due to the 12% increase in sales volumes to 32.36 million tonnes, despite unseasonal and unprecedented heavy amounts of rainfall at the site throughout the period. The 12% sales volumes increase offset the 7% decline in ASP to US\$56.54 per tonne, caused by weak market conditions in the beginning of 2009 when some of the coal prices were determined. As of 9M10, Adaro sold 0.89 million tonnes of Envirocoal-Wara, which has a lower average ASP due to the lower calorific value and higher moisture of the coal. As there were no sales of Wara last year, this marginally contributed to lowering Adaro's consolidated ASP in 9M10.

Due to the global economic recovery, and related better pricing conditions, which began in the second half of last year, Adaro's 3Q10 ASP of US\$59.00 per tonne increased 6% over 2Q10 and was 6% higher than the ASP of 3Q09.

#### ***Coal Mining: Adaro Indonesia***

Adaro Energy's mining company, Adaro Indonesia, remained the largest contributor to revenue, as reflected in the coal mining and trading segment, which decreased 11% to Rp16.7 trillion (or up 4% to US\$1.8 billion). Due to the increased contribution of Adaro Energy's other business units, the contribution of the coal mining and trading division accounted for 92% of Adaro Energy's net revenue, down slightly from 94% in 9M09. During the first nine months of 2010, Coaltrade's coal sales, largely conducted on behalf of Adaro Indonesia, increased 39% to 2.74 million tonnes.

In line with Adaro's strategy of reducing customer concentration risk, Adaro maintains a geographically diversified customer base by supplying no more than 10% of its sales volume to any single customer. As of the nine months of 2010, none of Adaro's customer had transactions amounting to more than 10% of Adaro's total consolidated net revenue.

The proportion of Adaro's sales volumes to Asia rose 22% in 9M10 due to Adaro's long-term commitment to focus on Asian markets, which are expected to demand increasing tonnages of Adaro's Envirocoal.

#### ***Mining Services: SIS***

Due to continuing firm demand for coal, total revenues for the mining services division, which is made up of SIS, increased 14% to US\$221 million (or decreased

3% to Rp2,018 billion) in the nine months of 2010. After elimination, this translates to net revenue of US\$100 million, a 23% increase compared to last year (or up 5% to Rp914 billion). SIS contributed 5% to Adaro Energy's total and was the second largest revenue contributor.

***Others: IBT, Barging, Ship Loading, Water Toll***

The Others segment is made up of Adaro Energy's wholly owned subsidiaries. A coal terminal run by IBT, the barging and ship loading division and the water toll and dredging company SDM, as well as ATA. Total revenue from the Others segment increased 50% to US\$149 million (or 27% to Rp1,356 billion). After elimination, this translates to net revenue of US\$50 million, a 58% increase from the same period last year (or up 34% to Rp460 billion). ATA's fuel procurement activities contributed over half of Others revenue, with the remaining amount, came in descending order from IBT, the barging and loading division and SDM.

The barging and ship loading division increased coal transported and loaded compared to the 9M09 by 24% to 8.58 million tonnes and 18% to 9.17 million tonnes respectively.

Attributable to improved marketing initiatives as well as the new fuel tank terminal operated by Shell, third party traffic at IBT's port increased. IBT loaded 77 vessels, a 60% increase and handled 1.48 million tonnes of third party coal, a 152% increase.

**Cost of Revenue**

Adaro Energy's total cost of revenue increased 4% to Rp12.0 trillion (or 22% to US\$1.3 billion), attributable to a 12% increase of production volumes and the increase of the planned stripping ratio to 5.5x as Adaro mined coal from deeper parts of the mine, and hauling distances increased.

***Coal Mining and Processing***

Adaro directed mining activities conducted by Adaro Indonesia's five contractors to deeper parts of the pit and increased the planned stripping ratio to 5.5x from 5.0x. Together with the 12% increase in production volumes and longer hauling distances, the mining cost increased 7.7% to Rp5.5 trillion (or a 26% increase to US\$602 million).

Coal processing costs, which largely consist of coal crushing at Kelanis as well as other costs not borne by the mining contractors, such as repair and maintenance of the hauling road, increased 12% to Rp787 billion (or up 31% to US\$86 million) due largely to the 12% production increase.

Combined, the costs of coal mining and coal processing, which make up the total production cost of coal mining and trading, increased 8% to Rp6.3 trillion (or up 27% to US\$687 million) and accounted for 51% of Adaro Energy's total cost of revenue.

***Freight and Handling***

Freight and handling, which accounts for 15% of the total cost of revenue, decreased 14% to Rp1.8 trillion (or up 1% to US\$196 million) during the nine months of 2010.

The greater efficiency achieved through Adaro's acquisition of a barging and ship loading company was critical to sustaining the cost of freight and handling.

#### ***Royalties to the Government***

Royalties paid to the Government of Indonesia declined 14% to Rp1.7 trillion, in line with the 11% decrease in net revenue from coal mining. In US Dollar terms, royalties slightly increased by 1% to US\$190 million, due to the 4% increase in net revenue of coal mining. Royalties are calculated using a rate of 13.5% levied against the net sales price at Kelanis River Terminal, Adaro's final processing facility.

#### ***Purchases of Coal***

Purchases made by Coaltrade to buy third party coal for either blending or marketing purposes increased 36% to Rp270 billion (or a 60% increase to US\$29.6 million). Partly conducted to help Adaro's customers affected by shortfalls at Adaro's waterlogged Tutupan mine, Coaltrade's third party coal purchases increased 117% to 0.49 million tonnes.

#### ***Mining Services: SIS***

Cost of revenue from the mining services segment is associated with Adaro Energy's wholly owned mining contractor, SIS. Mining services costs, accounting for 7% of Adaro Energy's cost of revenues, increased 23% to Rp819 billion compared to the same period last year (up 44% to US\$89.8 million) due to increased third-party business and hence higher consumables, employee, repair and maintenance costs. Depreciation and amortization of SIS' heavy equipment rose 22% to Rp206 billion (43% to US\$22.5 million) as SIS continued to purchase heavy equipment as part of its growth plans.

#### ***Others: IBT, Barging, Ship Loading, Water Toll***

Adaro Energy's cost for the Others segment increased 84% to Rp375 billion (or 116% to US\$41 million) largely due to the 143% increase in consumables to Rp296 billion, for fuel purchased by ATA.

#### **Operating Expenses and Operating Income**

Operating expenses decreased 24% to Rp638 billion (or 11% to US\$70 million) mainly due to the 33% decrease in selling and marketing expenses. The restructuring of Coaltrade's sales agents' contracts reduced the sales commission fee 34% to Rp352 billion in 9M10, and contributed to the decline in selling and marketing expenses.

Operating income declined 29% to Rp5.4 trillion (or 16% to US\$592 million), despite slightly lower operating expenses, due to the 28% drop in gross profit.

#### **Other Income / Expenses**

Interest expense and finance charges increased 54% during the year from Rp552 billion in 9M09 to Rp853 billion in 9M10 (up 81% to US\$93 million), attributable to the interest expense of the US\$800 million 10-year Adaro bond, which Adaro issued in October 2009.

Due to the strengthening of the Rupiah and the weakening of the Euro against the US Dollar, Adaro Energy recorded a foreign exchange loss of Rp90 billion. The intention of Adaro's Euro-cash holdings is to cover foreign exchange exposure related to equipment purchases for the mine-mouth power plant project and to protect Adaro's budget. Due to the timing of the transaction, foreign exchange losses were recorded as Adaro bought Rupiah to protect the budget on an upcoming dividend payment. Adaro incurred a foreign exchange loss due to funds held in escrow for the acquisition of Adaro's 25% share in the IndoMet Coal Project (ICP).

Amortization of goodwill decreased 5% to Rp368 billion (or 12% to US\$40 million). The increase in US Dollar is linked to the increase of goodwill on the balance sheet to US\$958 million from US\$926 million.

Other expenses increased 560% to Rp79 billion due to tax adjustments of past tax years of ATA and IBT. Indonesian accounting rules (PSAK) require that a tax adjustment to past years resulting from a tax audit should be recorded as other expenses of the current year.

As a result of higher interest expenses, finance charges and foreign exchange losses, Adaro Energy's total other expenses for the 9M10 increased 73% to Rp1,385 billion compared to the same period last year.

### **Extraordinary Item**

Due to unseasonal and unprecedented heavy rains, which lowered production, Adaro Energy incurred an extraordinary demurrage charge, net of tax of Rp172 billion or US\$19 million. Before tax, Adaro expensed Rp313 billion or US\$34 million for the higher than normal demurrage charges. As of 9M10, Adaro Indonesia had incurred total demurrage charges of US\$45 million (with US\$34 million accounted for as extraordinary), due to the long vessel queues at the Taboneo anchorage. During 3Q10 Adaro notified its customers to delay shipments of their vessels and the queue began to shrink by the end of the quarter.

Average waiting times per vessel in the months of July, August and September were 8 days, 17 days and 12 days respectively all higher than the average waiting time during normal conditions of less than 3 days. As a result, Adaro Energy incurred demurrage charges of US\$9.3 million, US\$13.5 million and US\$13.6 million in July, August and September of 2010 respectively.

### **Net Income**

Due to extraordinary demurrage charges, lower gross profit as a result of higher costs and significantly higher interest expense and finance charges, net income decreased 43% to US\$186 million, or 52% to Rp1,696 billion.

Adaro Energy's effective tax rate rose to 53% in 9M10 compared with 47% last year. This is due largely to the non-deductibility of the amortization of goodwill, which grew relative to the declining pretax income, as well as the non-deductible tax adjustment of ATA and IBT.

## **Balance Sheet**

### **Total Assets**

Adaro Energy's total assets increased to Rp40.5 trillion by the end of 9M10, up 11% from the end of 9M09. The increase is mostly attributed to the increased amount of cash and cash equivalents and investments in the IndoMet Coal Project (ICP) which is reflected in the increase of investments in associates.

Additionally, advances and prepayments also increased due to advances of US\$47 million by ATA for the IndoMet Coal Project for use as an initial capital outlay.

### ***Cash and Cash Equivalents***

Adaro Energy's cash and cash equivalents at 9M10 increased 29% to Rp6.4 trillion from the corresponding period in 2009 (a 40% increase in US Dollar terms to US\$717 million) due largely to the strong operational cash flow generated throughout 2010 as well as due to the unutilized portion of the proceeds of Adaro Indonesia's 10-year \$800 million bond issued in October last year.

With an undrawn US\$500 million committed amortizing revolving credit facility (as of October 2010 the facility was reduced to US\$460 million), Adaro Energy had access to cash of US\$1.2 billion as at the end of 9M10. This allows Adaro to maintain ample liquidity and pursue strategic opportunities and investments that arise.

### ***Investments in Associates***

Adaro Energy's well-funded balance sheet allowed Adaro through its subsidiary PT Alam Tri Abadi (ATA) to complete the acquisition of 25% of the IndoMet Coal Project (75% held by BHP Billiton) which holds seven joint venture companies, each holding a concession in Central/East Kalimantan. One of Adaro's main strategies is to continually increase reserves and resources by investing and acquiring large quality deposits of coal in Indonesia.

### ***Advances and Prepayments***

The 196% percent increase in advances and prepayments of both current and non-current portions to Rp1.1 trillion was largely due to advances for investments in associates, which refers to funds placed by ATA for future development of ICP's coking coal project amounting to Rp420 billion or US\$47.1 million. Advances to suppliers also rose 59% to Rp374 billion due to advance payments for the steam turbine generators for the mine-mouth power plant, which have been ordered from Siemens and are currently under construction. MSW's 2x30 megawatt (MW) power plant is scheduled to be completed by end of 2011 or 2012 and is expected to consume approximately 300,000 tonnes of Envirocoal-Wara per year.

### **Liabilities**

Adaro Energy's total liabilities increased 14% to Rp22.1 trillion by the end of 9M10. This amount is equivalent to 55% of total assets. Current liabilities declined 25% due to the 82% reduction in taxes payable and full repayment of short-term loans, while non-current liabilities rose 38% due to the issuance of the US\$800 million guaranteed senior notes maturing in 2019.

***Short-term Bank Loans***

Adaro Energy fully repaid its US\$80 million syndicated short-term loan facility in February 2010 and as at the end of 9M10 Adaro had no short-term bank loans on its balance sheet.

***Accrued Expenses***

Accrued expenses rose to Rp691 billion from Rp225 billion last year due to the 1,029% or Rp243 billion increase in accrued interest as a result of the accrued interest expense of the bond, which is due to be paid semi-annually on 22<sup>nd</sup> of October and 22<sup>nd</sup> of April each year, as well as the 238% or Rp222 billion increase in accrued freight cost resulting from demurrage charges incurred in the third quarter due to long queues of customers' vessels.

***Taxes Payable***

Adaro Energy's taxes payable declined 82% to Rp382 billion compared to 9M09. This is due to the decline in Adaro's corporate income tax as a result of the lower net profit. As at the end of 9M10, Adaro and its subsidiaries had paid Rp3.9 trillion of income taxes, which included the final payment of 2009 corporate income taxes as well as provisional payments for 2010. Adaro Indonesia pays a 45% income tax rate in accordance with its Coal Contract Agreement (CCA).

***Current Maturities of Long-term Borrowings***

Adaro Energy's current maturities of long-term borrowings rose 18% to Rp1.7 trillion compared to the end of 9M09. Current maturities of long-term debt decreased significantly from Rp2.6 trillion at the end of 1H10 to Rp1.7 trillion as at the end of 9M10 due to the extension of Adaro's and Coaltrade's syndicated loan facility, which increased the maturity period from December 2012 to December 2015.

Adaro Indonesia and Coaltrade (the co-borrowers) received lenders' consent effective 7<sup>th</sup> October 2010 to extend the maturity profile and amortization schedule of the US\$750 million facility. With this extension, the revolving credit facility of US\$100 million has been converted into a term loan and the combined outstanding amount of the term loan is now US\$512.5 million.

***Long-term Borrowings***

Adaro Energy's bank loans decreased from US\$851 million in 9M09 to US\$755 million in 9M10 (or from Rp8.2 trillion in 9M09 to Rp6.7 trillion in 9M10). Following the issuance of the US\$800 million 10-year senior notes on 22<sup>nd</sup> October 2009, Adaro Energy's total long term borrowings rose 60% to US\$1.6 billion or Rp14.6 trillion.

## **Cash Flows**

### **Cash Flows from Operating Activities**

Net cash flows provided by operating activities for the nine months of 2010 were Rp1.9 trillion compared with Rp5.1 trillion in the same period last year. Increased sales volumes were offset by a lower ASP resulting in no increase of receipts from customers. Meanwhile payments to suppliers increased 8% to Rp10 trillion due to higher production volumes. Payments of royalties increased 30% to Rp1.1 trillion due to royalties made based on a combination of a portion of last year's net revenues which were at a historical high, as well as the current year's net revenue.

Payments made for corporate income taxes almost doubled to Rp3.9 trillion due to higher 2009 taxes that were paid in 2010. Lastly, payments for interest expense and finance charges increased 50% due to coupon payments of the 10-year US\$800 million bond, which are payable semi-annually on 22<sup>nd</sup> April and 22<sup>nd</sup> of October every year, the first of which was paid in April 2010.

### **Cash Flows from Investing Activities**

Net cash used in investing activities increased 1,712% to Rp5.0 trillion in the nine months of 2010, attributed to investments made to BHP Billiton of US\$350 million inclusive of tax for a 25% stake in the IndoMet Coal Project with BHP Billiton holding the remaining 75%, as well as payments made for initial capital expenditure on this coking coal project. As of 9M10, Adaro Energy had spent US\$146 million or Rp1.3 trillion on fixed asset purchases for heavy equipment and maintenance of the Kelanis crushing facility as well as the 80-km hauling road. Adaro is targeting approximately US\$200 million of capital expenditure this year for purchases in heavy equipment and maintenance.

### **Cash Flows from Financing Activities**

Net cash used in financing activities decreased 25% to Rp1,289 billion due to US\$40 million additional funds drawdown from an existing US\$300 million SIS' syndicated bank loan facility for heavy equipment purchases. Repayments of bank loans declined 19% compared to last year. These cash flows were partly offset by the 44% increase to Rp543 billion in dividend payments paid on 18 June 2010 (paid for the year 2009) compared to last year's payment of Rp377 billion (paid for the year 2008).

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/  
AND SUBSIDIARIES**

**Lampiran 1/1 Schedule**

**NERACA INTERIM KONSOLIDASIAN  
(TIDAK DIAUDIT)**

**30 SEPTEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,  
kecuali nilai nominal dan data saham)

**CONSOLIDATED INTERIM BALANCE SHEETS  
(UNAUDITED)**

**AS AT 30 SEPTEMBER 2010 AND 2009**

(Expressed in million Rupiah,  
except for par value and share data)

	Catatan/ Notes	30 September		
		2010	2009	
<b>ASET LANCAR</b>				<b>CURRENT ASSETS</b>
Kas dan setara kas	2a, 4	6,399,797	4,966,012	Cash and cash equivalents
Piutang usaha, setelah dikurangi penyisihan piutang ragu-ragu sejumlah Rp nihil (2009: Rp nihil)				Trade receivables, net of allowance for doubtful accounts of Rp nil (2009: Rp nil)
- Pihak ketiga	2d, 7	2,602,414	3,442,009	Third parties -
- Pihak yang mempunyai hubungan istimewa	2d, 7, 35	-	7,628	Related party -
Uang muka dan biaya dibayar dimuka - bagian lancar	8	596,281	361,473	Advances and prepayments - current portion
Persediaan, setelah dikurangi penyisihan persediaan usang sejumlah Rp nihil (2009: Rp nihil)	2e, 9	332,263	359,009	Inventories, net of provision for obsolete stock of Rp nil (2009: Rp nil)
Pajak dibayar dimuka	2r, 34a	192,837	295,394	Prepaid taxes
Pajak yang bisa dipulihkan kembali	2r, 34b	614,635	550,823	Recoverable taxes
Piutang lain-lain - pihak ketiga		10,744	12,637	Other receivables - third parties
Piutang derivatif	2t, 23	8,274	-	Derivative receivables
Kas dan setara kas yang dibatasi penggunaannya - bagian lancar	2a, 5	5,954	-	Restricted cash and cash equivalents - current portion
Aset lancar lain-lain		2,702	16,097	Other current assets
Jumlah aset lancar		10,765,901	10,011,082	Total current assets
<b>ASET TIDAK LANCAR</b>				<b>NON-CURRENT ASSETS</b>
Kas dan setara kas yang dibatasi penggunaannya - bagian tidak lancar	2a, 5	9,037	9,824	Restricted cash and cash equivalents - non-current portion
Piutang lain-lain - pihak yang mempunyai hubungan istimewa	2d, 35	-	3,084	Other receivables - related party
Biaya eksplorasi dan pengembangan yang ditangguhkan, setelah dikurangi akumulasi amortisasi sejumlah Rp 255.134 (2009: Rp 272.155)	2l, 10	72,384	104,541	Deferred exploration and development expenditure, net of accumulated amortisation of Rp 255,134 (2009: Rp 272,155)
Uang muka dan biaya dibayar dimuka - bagian tidak lancar	8	472,392	-	Advances and prepayments - non-current portion
Aset tetap, setelah dikurangi akumulasi penyusutan sejumlah Rp 3.215.212 (2009: Rp 2.530.337)	2i, 2j, 11	8,051,450	7,453,944	Fixed assets, net of accumulated depreciation of Rp 3,215,212 (2009: Rp 2,530,337)
Investasi pada perusahaan asosiasi	2f, 12	3,161,549	8,314	Investments in associates
Properti pertambangan, setelah dikurangi akumulasi amortisasi sejumlah Rp 1.087.923 (2009: Rp 581.673)	2b, 13	9,359,621	9,969,739	Mining properties, net of accumulated amortisation of Rp 1,087,923 (2009: Rp 581,673)
Goodwill, setelah dikurangi akumulasi amortisasi sejumlah Rp 1.259.753 (2009: Rp 814.243)	2b, 14	8,549,790	8,966,593	Goodwill, net of accumulated amortisation of Rp 1,259,753 (2009: Rp 814,243)
Aset pajak tangguhan	2r, 34e	38,208	42,231	Deferred tax assets
Aset tidak lancar lain-lain		67,558	26,923	Other non-current assets
Jumlah aset tidak lancar		29,781,989	26,585,193	Total non-current assets
<b>JUMLAH ASET</b>		40,547,890	36,596,275	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan interim konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan interim konsolidasian

The accompanying notes form an integral part of these consolidated interim financial statements

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/  
AND SUBSIDIARIES**

**Lampiran 1/2 Schedule**

**NERACA INTERIM KONSOLIDASIAN  
(TIDAK DIAUDIT)**

**30 SEPTEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,  
kecuali nilai nominal dan data saham)

**CONSOLIDATED INTERIM BALANCE SHEETS  
(UNAUDITED)**

**AS AT 30 SEPTEMBER 2010 AND 2009**

(Expressed in million Rupiah,  
except for par value and share data)

	Catatan/ Notes	30 September		
		2010	2009	
<b>KEWAJIBAN LANCAR</b>				<b>CURRENT LIABILITIES</b>
Hutang usaha				Trade payables
- Pihak ketiga	2k, 15	2,081,789	2,233,862	Third parties -
- Pihak yang mempunyai hubungan istimewa	2k, 15, 35	107,214	139,864	Related parties -
Beban yang masih harus dibayar	2s, 16	691,398	225,813	Accrued expenses
Hutang bank jangka pendek	17	-	387,240	Short-term bank loans
Hutang pajak	2r, 34c	381,920	2,146,612	Taxes payable
Hutang royalti	18	566,897	781,532	Royalties payable
Pinjaman jangka panjang yang akan jatuh tempo dalam satu tahun:				Current maturity of long-term borrowings:
- Hutang sewa pembiayaan	2m, 19	370,763	409,518	Finance lease payables -
- Hutang bank	2g, 20	1,313,334	1,015,282	Bank loans -
Hutang derivatif - bagian lancar	2t, 23	-	12,782	Derivative liabilities - current portion
Hutang lancar lain-lain		17,324	3,615	Other current liabilities
Jumlah kewajiban lancar		5,530,639	7,356,120	Total current liabilities
<b>KEWAJIBAN TIDAK LANCAR</b>				<b>NON-CURRENT LIABILITIES</b>
Pinjaman jangka panjang setelah dikurangi bagian yang akan jatuh tempo dalam satu tahun:				Long-term borrowings, net of current maturities:
- Hutang sewa pembiayaan	2m, 19	482,577	765,356	Finance lease payables -
- Hutang bank	2g, 20	5,421,907	7,225,263	Bank loans -
Notes	2g, 21	-	495,695	Notes
Senior Notes	2g, 22	7,013,154	-	Senior Notes
Hutang derivatif - bagian tidak lancar	2t, 23	184,136	172,155	Derivative liabilities - non-current portion
Biaya pengupasan tanah yang masih harus dibayar	2o, 24	432,983	227,637	Accrued stripping costs
Kewajiban pajak tangguhan	2r, 34f	2,886,290	2,977,211	Deferred tax liabilities
Hutang dari pihak yang mempunyai hubungan istimewa	35	4,462	11,002	Amounts due to related parties
Penyisihan imbalan karyawan	2q	99,468	50,091	Provision for employee benefits
Penyisihan untuk biaya reklamasi	2n	26,377	28,614	Provision for mine reclamation
Penyisihan untuk penutupan tambang	2n	33,467	26,215	Provision for mine closure
Jumlah kewajiban tidak lancar		16,584,821	11,979,239	Total non-current liabilities
<b>HAK MINORITAS</b>	2b, 25a	56,377	158,750	<b>MINORITY INTEREST</b>

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/  
AND SUBSIDIARIES**

**Lampiran 1/3 Schedule**

**NERACA INTERIM KONSOLIDASIAN  
(TIDAK DIAUDIT)**

**30 SEPTEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,  
kecuali nilai nominal dan data saham)

**CONSOLIDATED INTERIM BALANCE SHEETS  
(UNAUDITED)**

**AS AT 30 SEPTEMBER 2010 AND 2009**

(Expressed in million Rupiah,  
except for par value and share data)

	Catatan/ Notes	30 September		
		2010	2009	
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham - modal dasar 80.000.000.000 lembar; ditempatkan dan disetor penuh 31.985.962.000 lembar dengan nilai nominal per saham Rp 100	2w, 26	3,198,596	3,198,596	Share capital - authorised 80,000,000,000 shares; issued and fully paid 31,985,962,000 shares with par value of Rp 100 per share
Tambahan modal disetor	2w, 27	10,732,663	10,732,663	Additional paid-in-capital
Selisih kurs karena penjabaran laporan keuangan	2c	(426,328)	(66,744)	Exchange difference due to financial statement translation
Selisih nilai transaksi restrukturisasi entitas sepengendali	2x, 28	(191,843)	(191,843)	Difference in value from restructuring transactions of entities under common control
Selisih perubahan ekuitas anak perusahaan dan perusahaan asosiasi		4,188	4,188	Difference from equity changes in subsidiaries and associates
Cadangan nilai wajar		(121,854)	(134,038)	Fair value reserve
Laba ditahan				Retained earnings
- Dicadangkan	30	262,723	44,360	Appropriated -
- Belum dicadangkan		4,917,908	3,514,984	Unappropriated -
Jumlah ekuitas		<u>18,376,053</u>	<u>17,102,166</u>	Total equity
<b>JUMLAH KEWAJIBAN DAN EKUITAS</b>		<u><u>40,547,890</u></u>	<u><u>36,596,275</u></u>	<b>TOTAL LIABILITIES AND EQUITY</b>

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/  
AND SUBSIDIARIES**

**Lampiran 2 Schedule**

**LAPORAN LABA-RUGI INTERIM KONSOLIDASIAN  
(TIDAK DIAUDIT)  
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR  
30 SEPTEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,  
kecuali laba bersih per saham dasar)

**CONSOLIDATED INTERIM STATEMENTS OF INCOME  
(UNAUDITED)  
FOR THE NINE MONTH PERIODS ENDED  
30 SEPTEMBER 2010 AND 2009**

(Expressed in million Rupiah,  
except for basic earnings per share)

	Catatan/ Notes	30 September		
		2010	2009	
<b>Pendapatan usaha</b>	2s, 31	18,074,981	20,013,679	<b>Revenue</b>
<b>Beban pokok pendapatan</b>	2s, 32	(12,026,735)	(11,598,298)	<b>Cost of revenue</b>
<b>Laba kotor</b>		6,048,246	8,415,381	<b>Gross profit</b>
<b>Beban operasi</b>				<b>Operating expenses</b>
Penjualan dan pemasaran	2s, 33a	(367,812)	(547,341)	<i>Selling and marketing</i>
Umum dan administrasi	2s, 33b	(270,815)	(292,231)	<i>General and administrative</i>
Jumlah beban operasi		(638,627)	(839,572)	<i>Total operating expenses</i>
<b>Laba usaha</b>		5,409,619	7,575,809	<b>Operating income</b>
<b>Pendapatan/(beban) lain-lain</b>				<b>Other income/(expenses)</b>
Beban bunga dan keuangan		(852,911)	(552,537)	<i>Interest expenses and finance charges</i>
Pendapatan bunga		32,024	49,163	<i>Interest income</i>
Kerugian pelepasan aset tetap (Kerugian)/keuntungan selisih kurs, bersih	2i, 11 2c	(13,760) (90,457)	(16) 63,400	<i>Loss on disposal of fixed assets Foreign exchange (loss)/gain, net</i>
Bagian rugi bersih dari perusahaan asosiasi	2f, 12	(13,498)	-	<i>Share in net loss of associates</i>
Keuntungan penjualan efek yang tersedia untuk dijual	2g, 6	-	37,409	<i>Gain on sale of available-for-sale investments</i>
Biaya amortisasi goodwill	2b, 14	(367,707)	(385,195)	<i>Amortisation of goodwill</i>
Beban lain-lain, bersih		(78,961)	(11,962)	<i>Other expenses, net</i>
		(1,385,270)	(799,738)	
<b>Laba sebelum pajak penghasilan</b>		4,024,349	6,776,071	<b>Profit before income tax</b>
Beban pajak penghasilan	2r, 34d	(2,150,893)	(3,179,750)	<i>Income tax expense</i>
<b>Laba dari aktivitas normal</b>		1,873,456	3,596,321	<b>Profit from ordinary activity</b>
Pos luar biasa, bersih setelah pajak	43	(172,319)	-	<i>Extraordinary item, net of tax</i>
<b>Laba sebelum laba pra-akuisisi</b>		1,701,137	3,596,321	<b>Profit before pre-acquisition income</b>
Laba pra-akuisisi		-	(9,632)	<i>Pre-acquisition income</i>
<b>Laba sebelum hak minoritas</b>		1,701,137	3,586,689	<b>Profit before minority interest</b>
Hak minoritas atas laba bersih anak perusahaan	2b, 25b	(4,872)	(72,052)	<i>Minority interest in net income of subsidiaries</i>
<b>Laba bersih</b>		1,696,265	3,514,637	<b>Net income</b>
<b>Laba bersih per saham dasar</b>	2u, 36	53.0	109.9	<b>Basic earnings per share</b>

Catatan atas laporan keuangan interim konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan interim konsolidasian

The accompanying notes form an integral part of these consolidated interim financial statements

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/  
AND SUBSIDIARIES**

**Lampiran 4 Schedule**

**LAPORAN ARUS KAS INTERIM KONSOLIDASIAN  
(TIDAK DIAUDIT)  
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR  
30 SEPTEMBER 2010 DAN 2009**  
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED INTERIM STATEMENTS OF CASH  
FLOWS (UNAUDITED)  
FOR THE NINE MONTH PERIODS ENDED  
30 SEPTEMBER 2010 AND 2009**  
(Expressed in million Rupiah, unless otherwise stated)

	<b>30 September</b>		
	<u>2010</u>	<u>2009</u>	
<b>Arus kas dari aktivitas operasi</b>			<b>Cash flows from operating activities</b>
Penerimaan dari pelanggan	18,270,317	18,302,528	Receipts from customers
Pembayaran kepada pemasok	(10,191,250)	(9,420,456)	Payments to suppliers
Pembayaran kepada karyawan	(543,062)	(422,882)	Payments to employees
Pendapatan bunga	31,856	49,235	Receipts of interest income
Pembayaran royalti	(1,149,232)	(881,212)	Payments of royalties
Pembayaran pajak penghasilan	(3,966,496)	(2,170,027)	Payments of income taxes
Pembayaran beban bunga dan keuangan	(678,476)	(453,226)	Payments of interest expense and finance charges
Penerimaan lain-lain	<u>126,880</u>	<u>135,514</u>	Other receipts
<b>Arus kas bersih yang diperoleh dari aktivitas operasi</b>	<u>1,900,537</u>	<u>5,139,474</u>	<b>Net cash flows provided from operating activities</b>
<b>Arus kas dari aktivitas investasi</b>			<b>Cash flows from investing activities</b>
Pembelian aset tetap	(1,334,976)	(748,742)	Purchase of fixed assets
Pembelian tambahan kepemilikan pada anak perusahaan	(94,000)	-	Purchase of additional interest in subsidiary
Arus kas keluar bersih dari akuisisi anak perusahaan	-	(642,369)	Net cash outflow from acquisition of subsidiary
Pembayaran untuk investasi pada perusahaan asosiasi	(3,201,454)	-	Payments for investment in associates
Pembayaran uang muka investasi pada perusahaan asosiasi	(420,320)	-	Payment of advances for investments in associates
Hasil penjualan aset tetap	10,519	100	Proceeds from disposal of fixed assets
Hasil penjualan perusahaan asosiasi	83	-	Proceeds from sales of investments in associates
Hasil penjualan efek yang tersedia untuk dijual	<u>-</u>	<u>1,112,821</u>	Proceeds from sale of available-for-sale investments
<b>Arus kas bersih yang digunakan untuk aktivitas investasi</b>	<u>(5,040,148)</u>	<u>(278,190)</u>	<b>Net cash flows used in investing activities</b>
<b>Arus kas dari aktivitas pendanaan</b>			<b>Cash flows from financing activities</b>
Pembayaran hutang bank	(840,116)	(1,035,100)	Repayments of bank loans
Penerimaan hutang bank	365,040	-	Receipts from bank loans
Pembayaran biaya dibayar dimuka untuk jasa likuiditas	-	(4,766)	Payments of prepayments for liquidity services
Transfer ke kas yang dibatasi penggunaannya	(5,954)	-	Transfer to restricted cash
Pembayaran dividen	(543,761)	(377,434)	Payments of dividend
Penerimaan penambahan modal, setelah dikurangi biaya emisi saham	-	2,318	Proceeds from issuance of new shares, net of share issuance cost
Pembayaran hutang sewa pembiayaan	<u>(264,517)</u>	<u>(314,193)</u>	Payments of obligations under finance leases
<b>Arus kas bersih yang digunakan untuk aktivitas pendanaan</b>	<u>(1,289,308)</u>	<u>(1,729,175)</u>	<b>Net cash flows used in financing activities</b>
<b>(Penurunan)/kenaikan bersih kas dan setara kas</b>	<u>(4,428,919)</u>	<u>3,132,109</u>	<b>Net (decrease)/increase in cash and cash equivalents</b>
<b>Kas dan setara kas pada awal periode</b>	11,274,623	2,415,853	<b>Cash and cash equivalents at the beginning of the period</b>
<b>Efek perubahan nilai kurs pada kas dan setara kas</b>	<u>(445,907)</u>	<u>(581,950)</u>	<b>Effect of exchange rate changes on cash and cash equivalents</b>
<b>Kas dan setara kas pada akhir periode (lihat Catatan 4)</b>	<u>6,399,797</u>	<u>4,966,012</u>	<b>Cash and cash equivalents at the end of the period (refer to Note 4)</b>
<b>Aktivitas yang tidak mempengaruhi arus kas:</b>			<b>Non-cash activities:</b>
Perolehan aset melalui hutang sewa pembiayaan	349,220	360,711	Acquisition of assets under finance leases

Catatan atas laporan keuangan interim konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan interim konsolidasian

The accompanying notes form an integral part of these consolidated interim financial statements