

### Q1 2014

PT. Resource Alam Indonesia Tbk (“Resource Alam” or “the Company”) is an Indonesian coal mining company. Resource Alam focuses on the production and sales of thermal coal through its wholly owned subsidiary PT. Insani Bara Perkasa (“IBP”). IBP holds and operates a 24,477 hectare, 3<sup>rd</sup> Generation Coal Contract of Work (CCOW) concession in East Kalimantan.

#### A. FINANCIAL HIGHLIGHTS

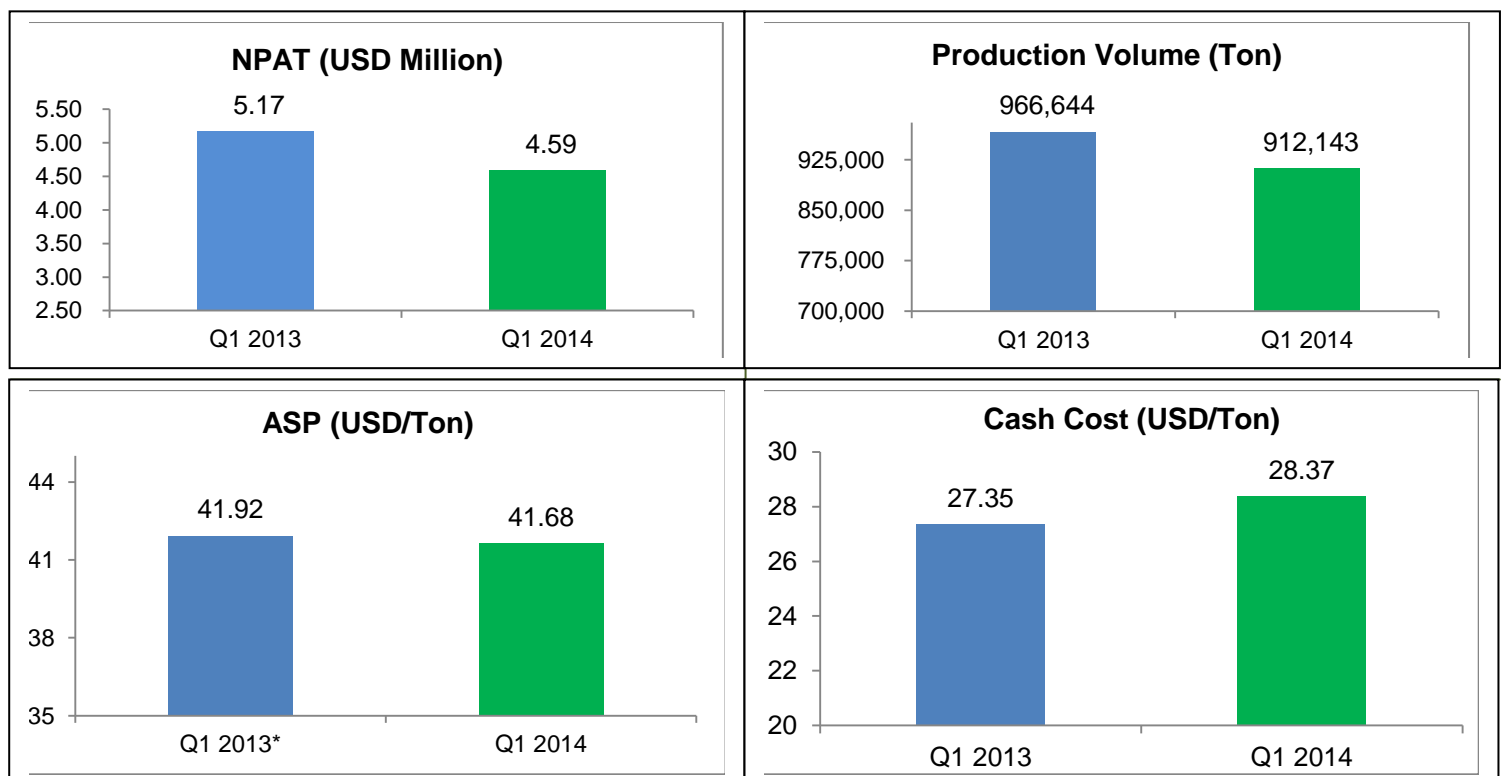
Financial (YTD)	Q1 2014 USD Million	Q1 2013 USD Million	Change (%)
Revenue	40.06	54.64	-26.68
Gross Profit	6.81	15.34	-55.61
Operating Profit	4.88	7.58	-35.75
Net Profit After Tax	4.59	5.17	-11.22
Total Asset	109.83	106.09	3.53
Total Liability	30.67	32.74	-6.32
Equity	79.16	73.35	8.04
Debt <sup>1</sup>	0.82	0.88	-6.82

Exchange rate USD/IDR: 31Mar 2014 = 11,404; 31 Mar 2013 = 9,718;

<sup>1</sup>Interest bearing liabilities only (vehicle leasing, consumer financing)

RATIOS	Q1 2014	Q1 2013
Gross Margin	17.0%	28.1%
Operating Margin	12.2%	13.9%
NPAT Margin	11.5%	9.5%
Return On Asset (ROA)	16.7%	19.5%
Return On Equity (ROE)	23.2%	28.2%
Debt To Equity	1.0%	1.2%

#### B. OPERATIONAL HIGHLIGHTS



\* ASP for Q1 2013 was restated to FOB Barge (from previously FOB Vessel of 47.22); Cash Cost excludes barging, trans-shipment and royalty



Share Price Data:  
**(As of 28 March 2014)**

IDX : **KKGI**  
Bloomberg : **KKGI.IJ**  
Reuters : **KKGI.JK**

Price:  
**Rp 1,750**

52 Weeks Hi/Lo:  
**Rp 3,100/Rp 1,260**

Market Capitalization:  
**Rp1,750 billion /**  
**US\$ 154.3million**

Rp/US\$ (average):  
**Rp11,404**

### **Board of Commissioners:**

- **Hendro Martowardojo**  
*President Commissioner*
- **Swandono Adijanto**  
*Commissioner*
- **Ge Luyanto Yamin**  
*Commissioner*
- **Andrew J. Wilson**  
*Commissioner*
- **Suria M. Tjahaja**  
*Commissioner*

### **Board of Directors:**

- **Pintarso Adijanto**  
*President Director*
- **Agoes Soegiarto**  
*Director*
- **Bambang Prijonohadi**  
*Director*
- **Chamilus Salimbo**  
*Director*
- **Wimpy Salim**  
*Director*
- **Winanto**  
*Director*

For further information, please contact:

**Agoes Soegiarto**  
*Director, Investor Relations*

Email : [investor.relations@raintbk.com](mailto:investor.relations@raintbk.com)  
Phone : (6221) 633 3036  
Fax : (6221) 6333802

Visit us at [www.raintbk.com](http://www.raintbk.com)

### **C. PERFORMANCE SUMMARY**

- As some of our Mining Contractors are moving from the “mined out” pits to new pit areas, production volume during the first quarter of 2014 was 912,143 MT, slightly lower if compared to 966,644 MT YoY. Hence, the Company’s sales volume also declined to 957,960 MT from 1,158,490 MT YoY. Moving forward, with the additional production starting to come on stream from the newer Northern Blocks (Separi and Perangat Blocks), we expect production volume and coal quality to increase.
- During the period under review, the Company’s revenue for Q1 2014 was USD 40.06 million, twenty seven percent lower if compared to the USD 54.64 million in Q1 2013. This significant decline mainly caused by the lower ASP of USD 41.68 MT in Q1 2014 from USD 47.22 per MT. However, worth noting that this ASP reduction, resulted from the change in revenue reporting in Q1 2013, from initially FOB Vessel to FOB Barge. If based on the restated number to FOB Barge, the ASP would be stable at USD 41.68 per MT in Q1 2014 and USD 41.92 per MT in Q1 2013. This change in the revenue recognition is in compliance to the Government’s regulations, specifically for the royalty calculation. Hence, moving forward all of our revenue calculations will be based on FOB Barge.
- As a result of the lower revenue, Q1 2014 gross profit declined to USD 6.81 million from previously USD 15.34 million. In percentage terms, Gross Margin in Q1 2014 declined to 17% from previously 28%. This lower margin attributed from the lower Average Selling Price and the higher Cash Cost (to USD 28.37 in Q1 2014 from USD 27.35 YoY). The higher Cash Cost largely due to the higher average Stripping Ratio (SR) for Q1 2014 of USD 8.6 from USD 7 in Q1 2013.
- In tandem to the lower gross profit, the Company’s Q1 2014 Operating Profit also declined to USD 4.87 million from previously USD 7.58 million YoY.
- For the First Quarter of 2014, KKGI’s Net Income After Tax was USD 4.6 million, lower if compared to USD 5.2 million YoY. In terms of Net Profit Margin, the margin for Q1 2014 of 11.5% was larger than that of Q1 2013 of 9.5%. This higher margin was caused by the foreign exchange gains booked in Q1 2014.

\*\*\*\*\*