

PT ABM INVESTAMA TBK



PT ABM Investama Tbk.

A member of Tiara Marga Trakindo Group

www.abm-investama.com



2Q 2013 Result – Company Presentation

Jakarta, September 2013

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Business Updates

- Operational Highlights
- Financial Highlights
- Strategy and Mitigations
- Appendices

Business Updates

- January 28, 2013 – Media Djaya Bersama (MDB), parent company of Aceh-based coal producers Bara Energi Lestari and MIFA Bersaudara signed coal sales contract with cement producer PT. Lafarge Cement Indonesia (Lafarge), amounting maximum of 255,000 metric tons.
- March 14, 2013 – Reswara, coal holding company of ABM group, signed a term loan with total maximum amount of US\$150 million from Qatar National Bank (QNB), PT Bank QNB Kesawan Tbk (QNBK) and Indonesian Export Financing Institution (Indonesia Eximbank).
- March 18, 2013 – Mining contractor Cipta Kridatama (CK) signed a five-year mining service contract with Realita Jaya Mandiri (RJM), a South Sumatra-based IUP (Mining Authorization) contract holder, amounted about US\$ 225 million. RJM operates a coal mine in Musi Banyuasin, South Sumatera.
- June 12, 2013 – Mining contractor CK signed a five-year mining service contract with Kaltim Jaya Bara (KJB) worth about US\$ 428 million; An IUP (Mining Authorization) holder, KJB's coal mine concession is located in Berau, East Kalimantan.
- September 9, 2013 – Mining contractor CK signed a five year-mining service contract with Multi Harapan Utama (MHU) for US\$ 206 million. The contract has an option for CK to do its services until the expiration of the life of mine. MHU is a 1st generation Coal Contract of Work (CCOW) holder with mine concession area in East Kalimantan.

Company Overview and Updates



Operational Highlights

Financial Highlights

Strategy and Mitigations

Appendices

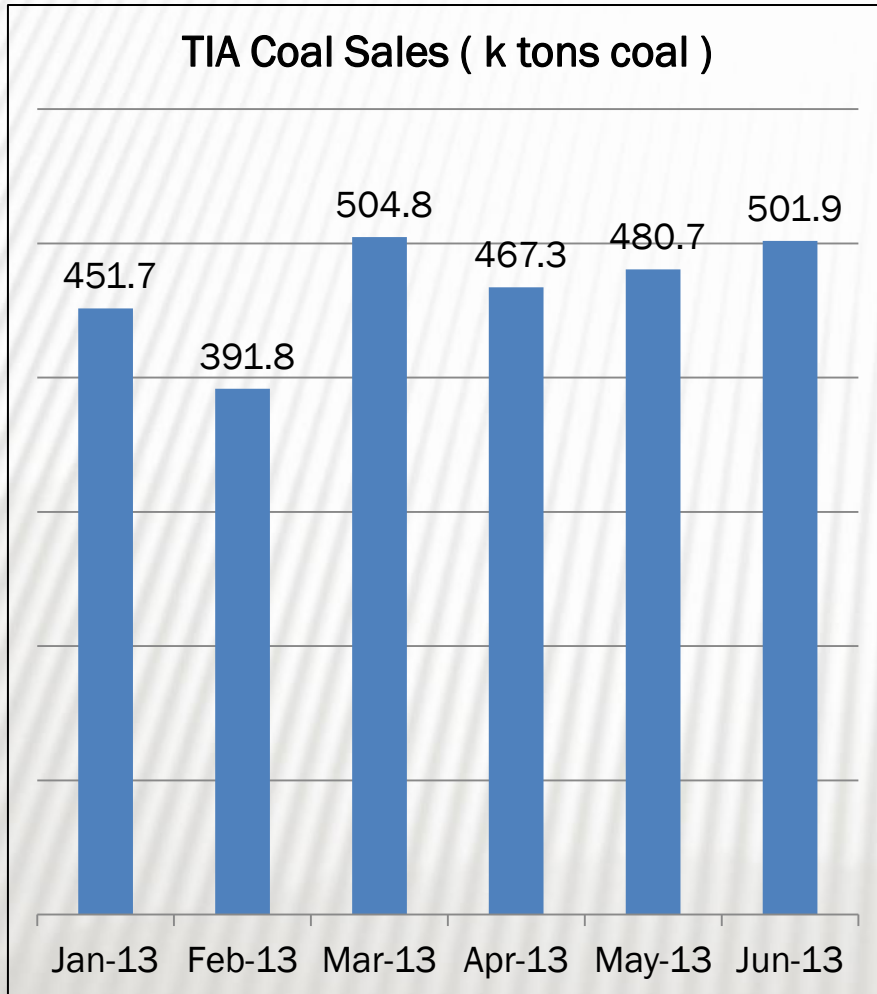
Reswara Minergi Hartama (Reswara) – Coal Mining

Overview and Updates:

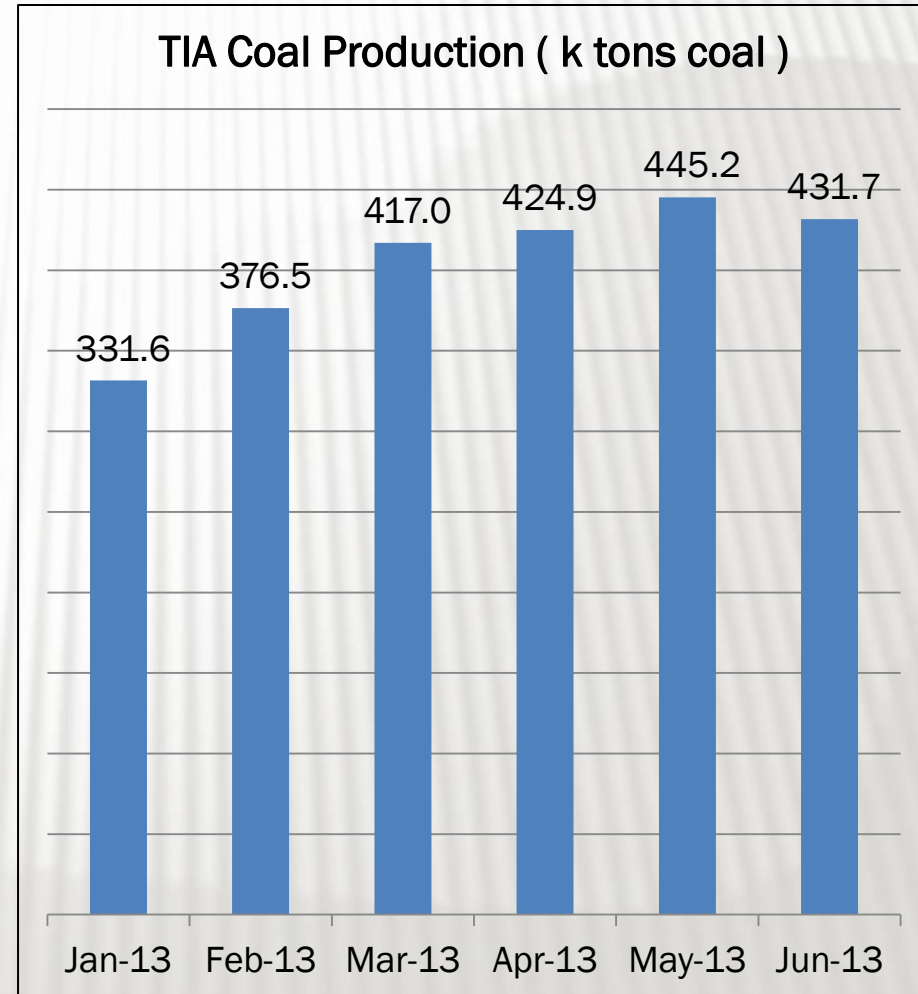
- **Reswara owns 3 coal mines in South Kalimantan (TIA, 100%) and Aceh (BEL, MIFA via MDB, 70.0%)**
- **Total estimated JORC coal reserves and resources (MDB at 100% basis): 221mn tons and 561mn tons**
- **TIA 1H 2013 coal sales volume: 2.8mn tons (+48% y-o-y)**
- **The MDB project expected to reach annual coal production capacity of 4.0mn tons by July 2013**

TIA: Monthly Sales Volume and Production Volume

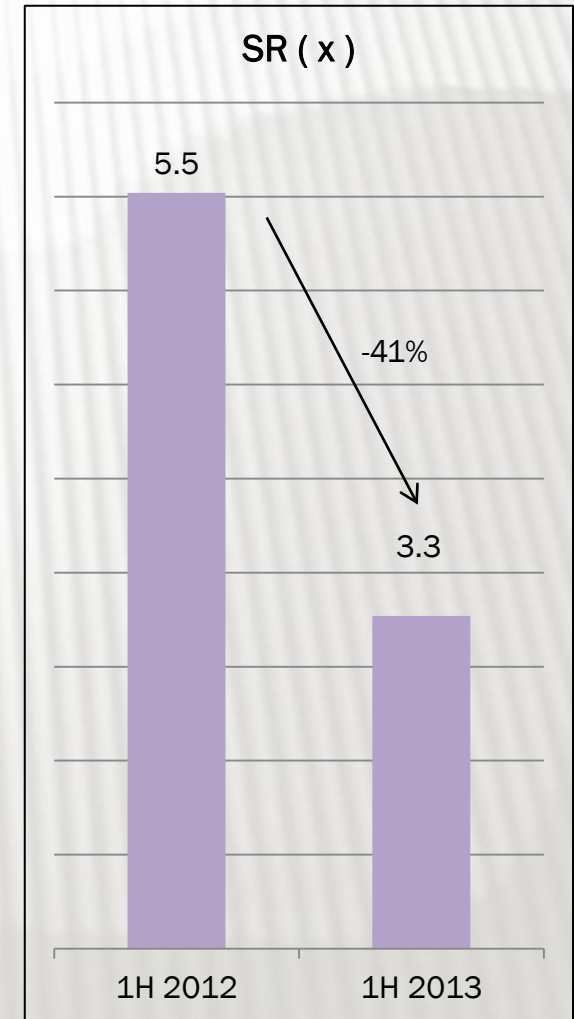
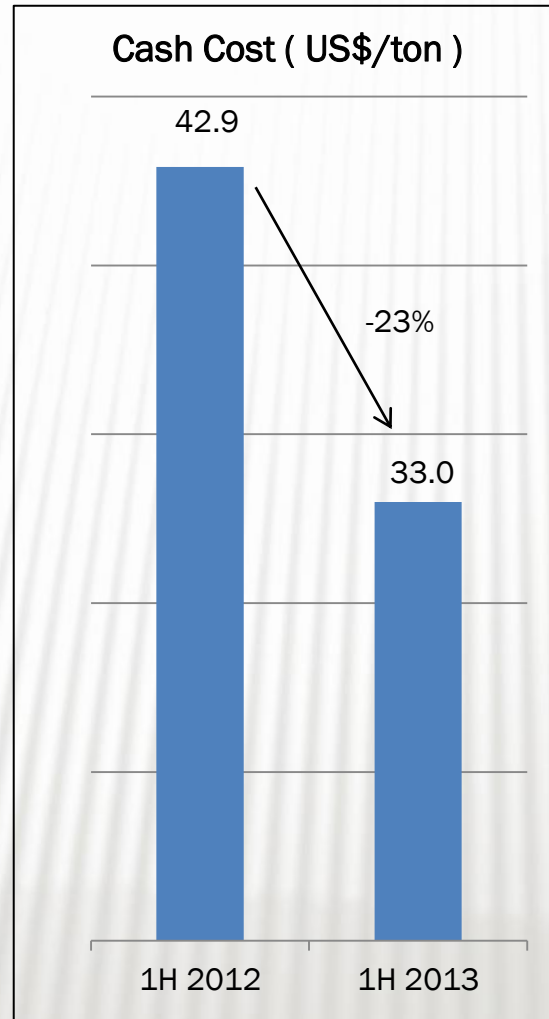
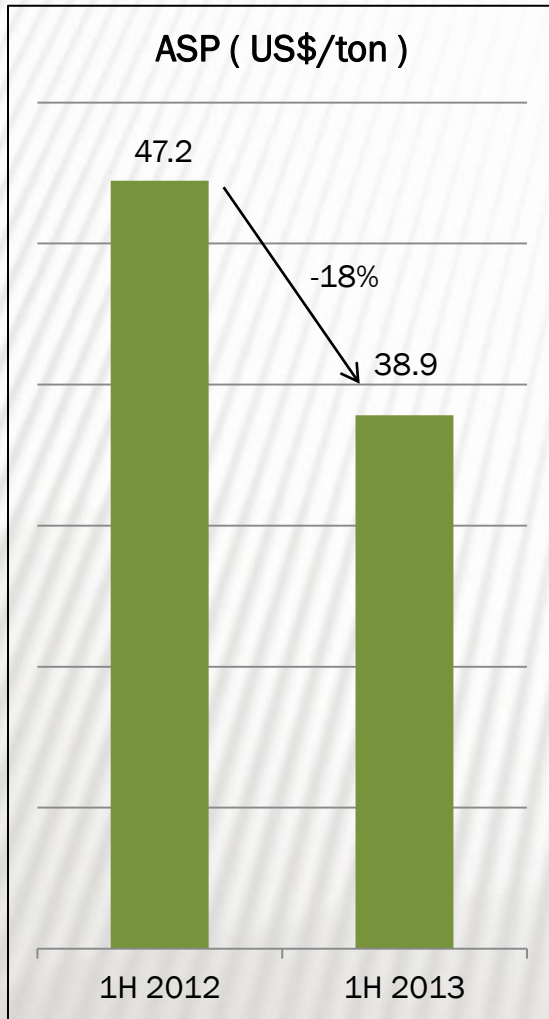
1H 2013 Coal Sales : 2.8 mn tons, +48% y-o-y



1H 2013 Coal Production : 2.4 mn tons, +64% y-o-y



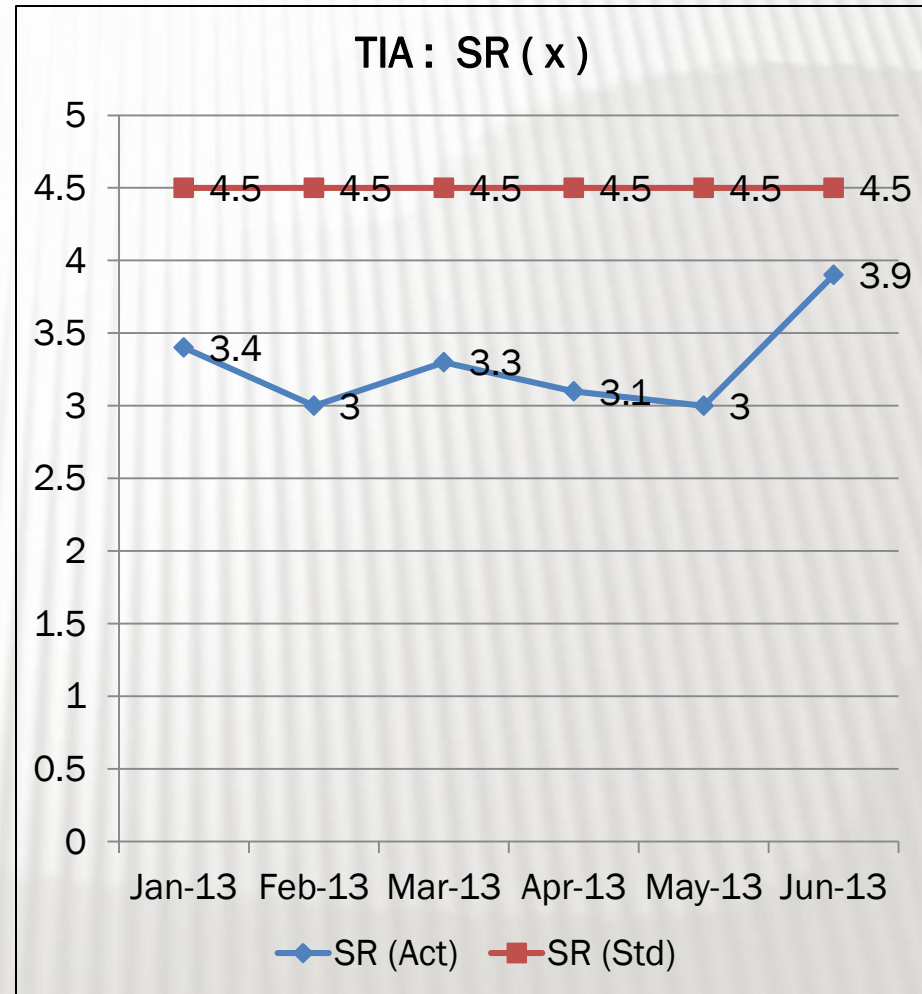
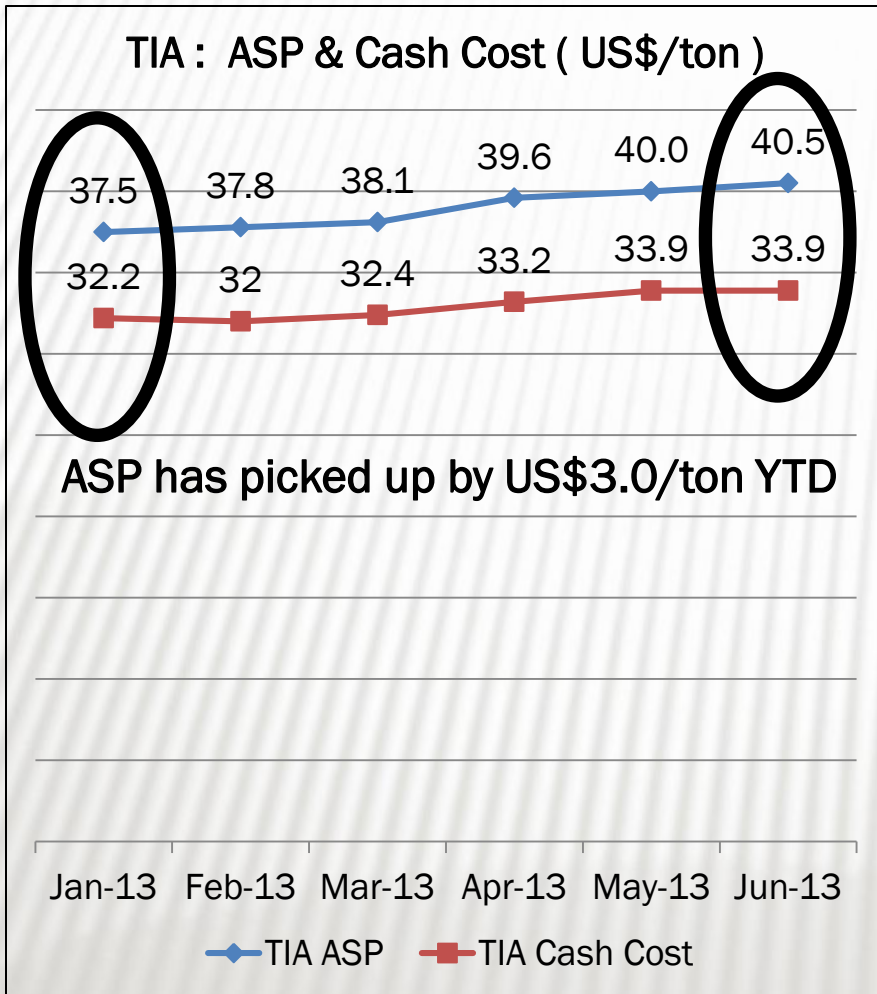
TIA: ASP, Cash Cost, Stripping Ratio (SR)



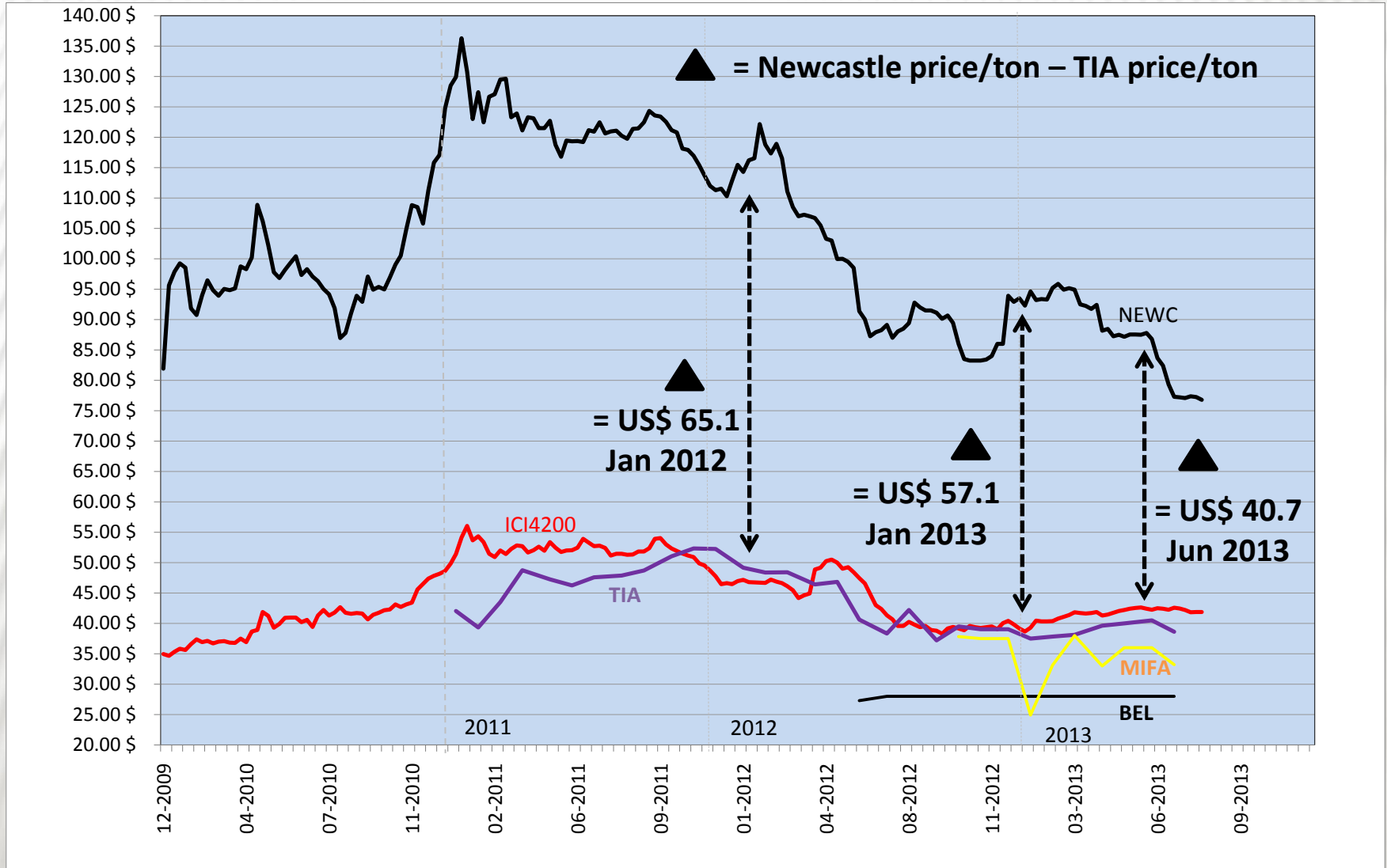
TIA: Monthly ASP, Cash Cost, and Stripping Ratio (SR)

1H 2013 ASP: USD38.9/ton, Cash Cost: USD33.0/ton

1H 2013 Average SR: 3.3x

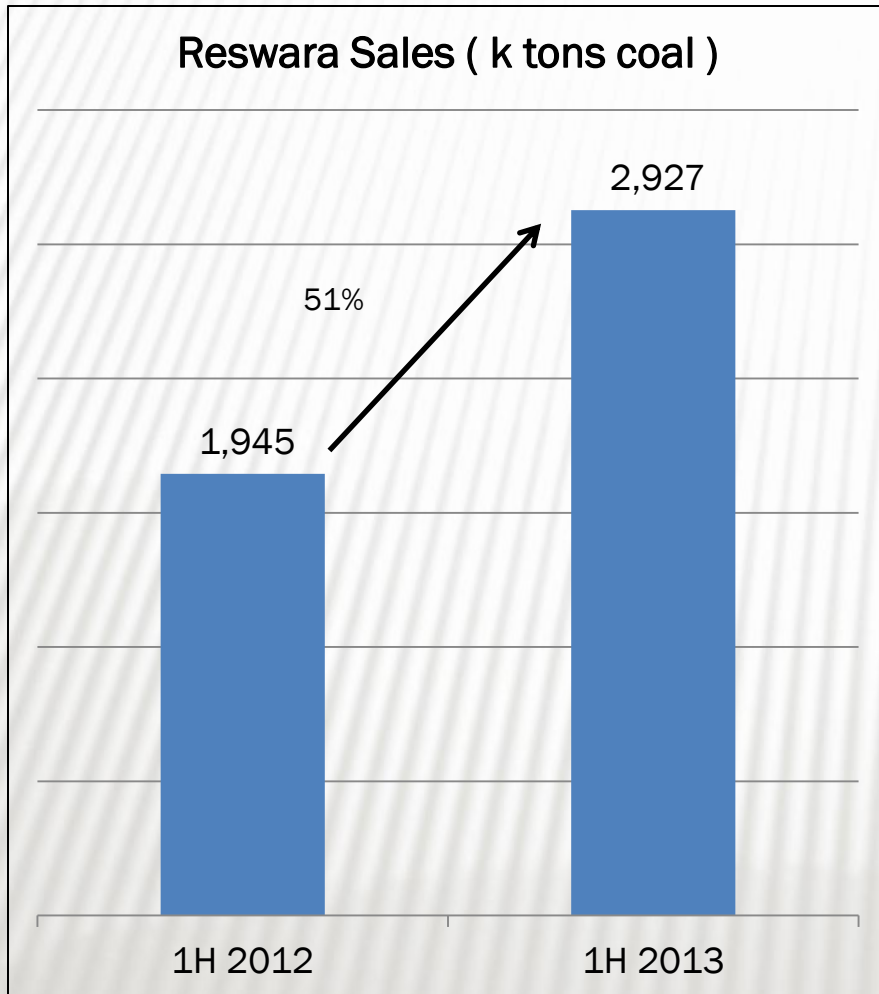


Benchmark Newcastle vs. TIA ASP: Narrowing Gap

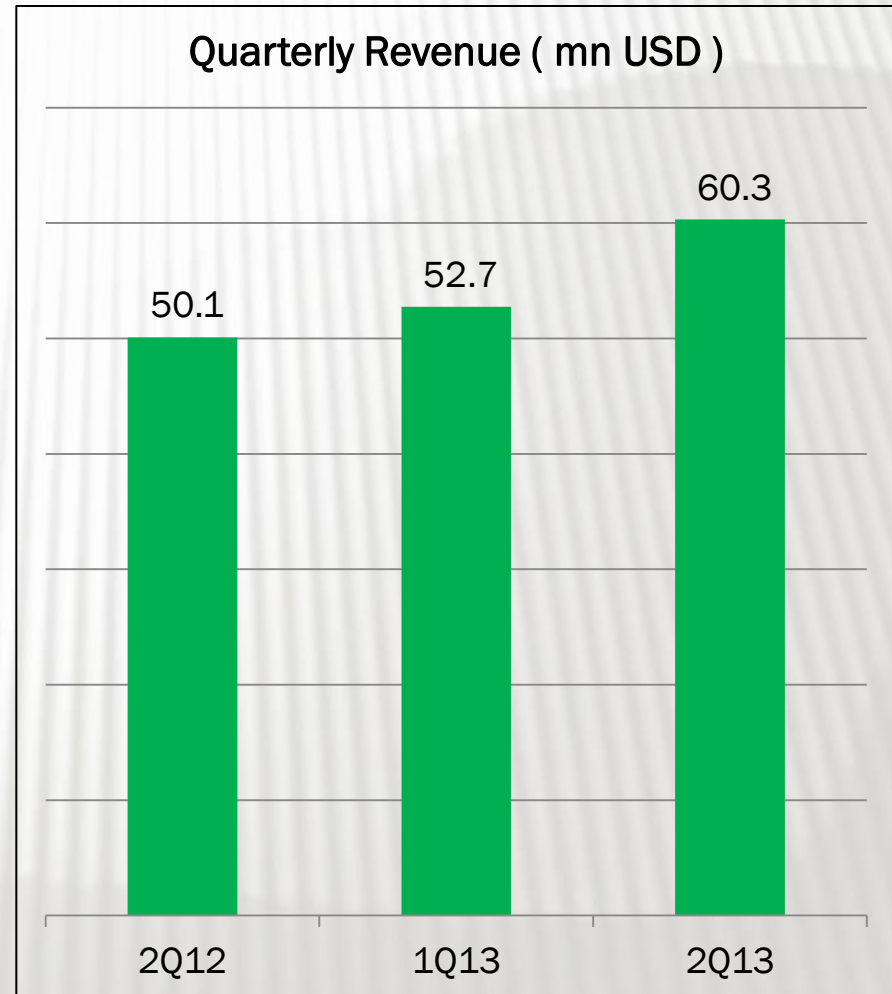


Reswara: Sales Volume and Revenues

1H 2013 sales volume: 2.9mn tons (100% basis)

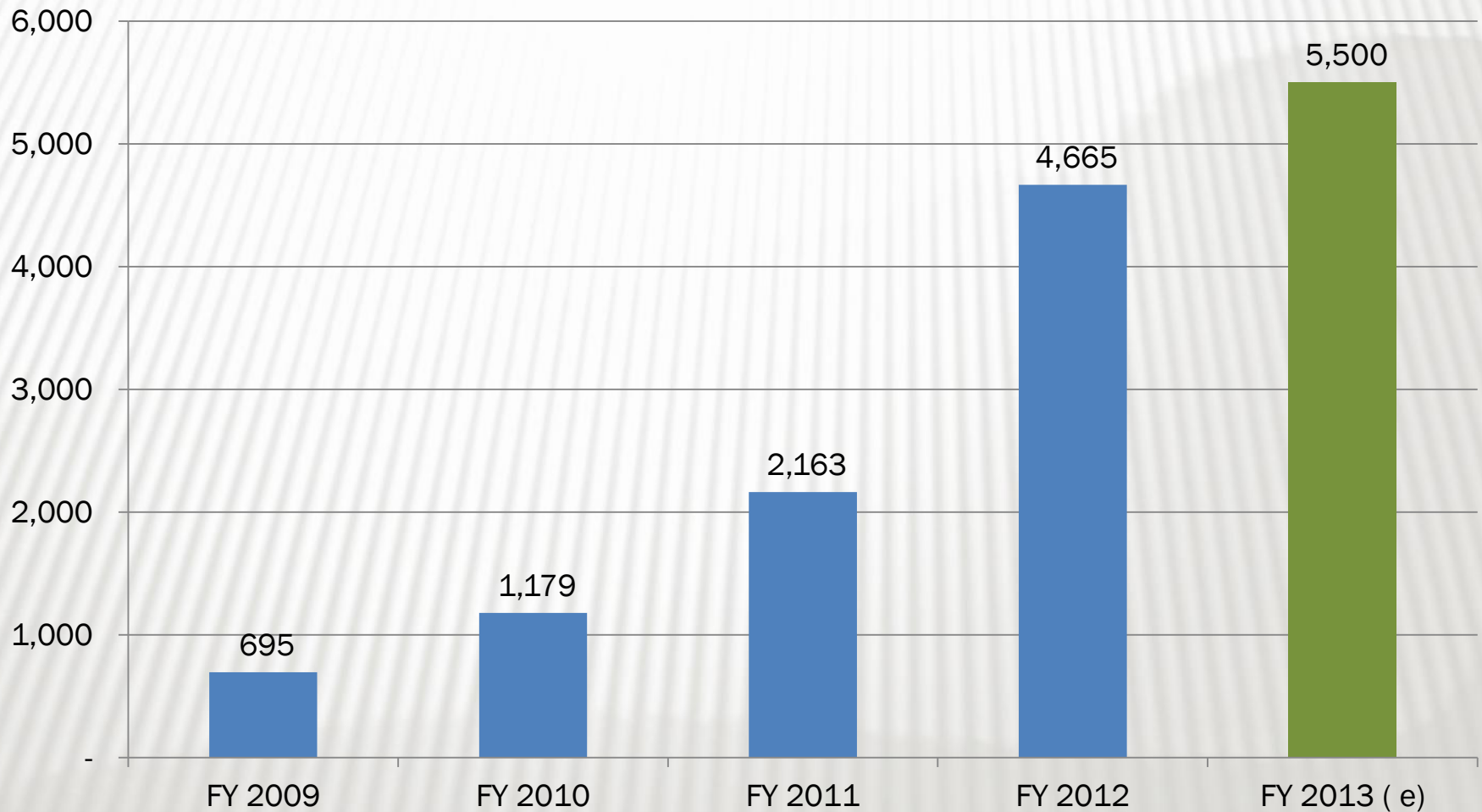


2Q13 Revenue: USD 60.3mn, +14% q-o-q, +20% y-o-y



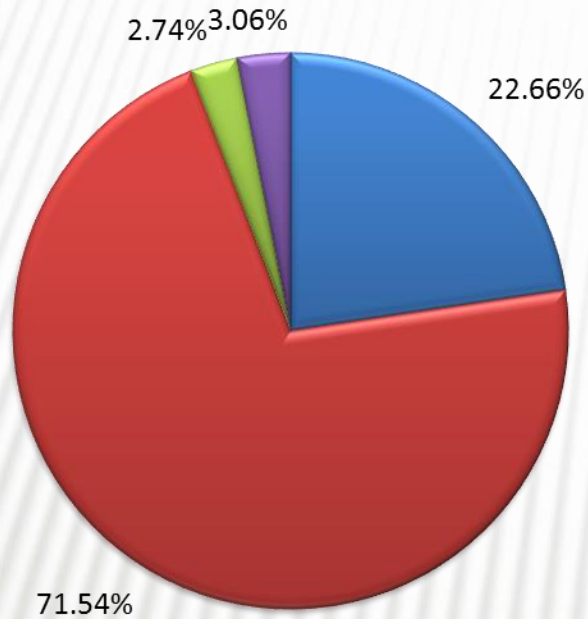
Reswara: Historical and Target Sales Volume

Reswara Sales Volume (k tons)



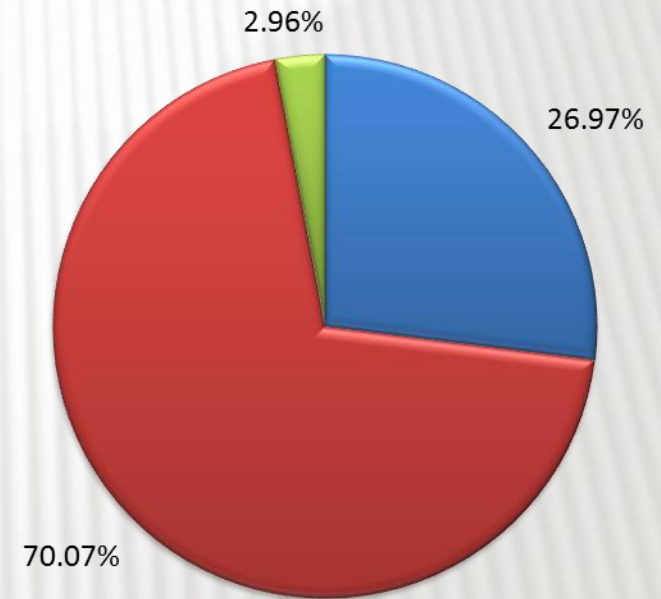
TIA: Coal Sales Destination

TIA 2012 Coal Sales Destination



■ INDIA
 ■ CHINA
 ■ DOMESTIC
 ■ PHILIPPINE

TIA 2013 Plan Sales Destination



■ INDIA
 ■ CHINA
 ■ DOMESTIC

MDB Project Update

Progress by Jun 2013:

1. Land Acquisition 67%
2. Port Construction 70%
3. Mining Site 55%



Cipta Kridatama (CK) - Mine Contractor

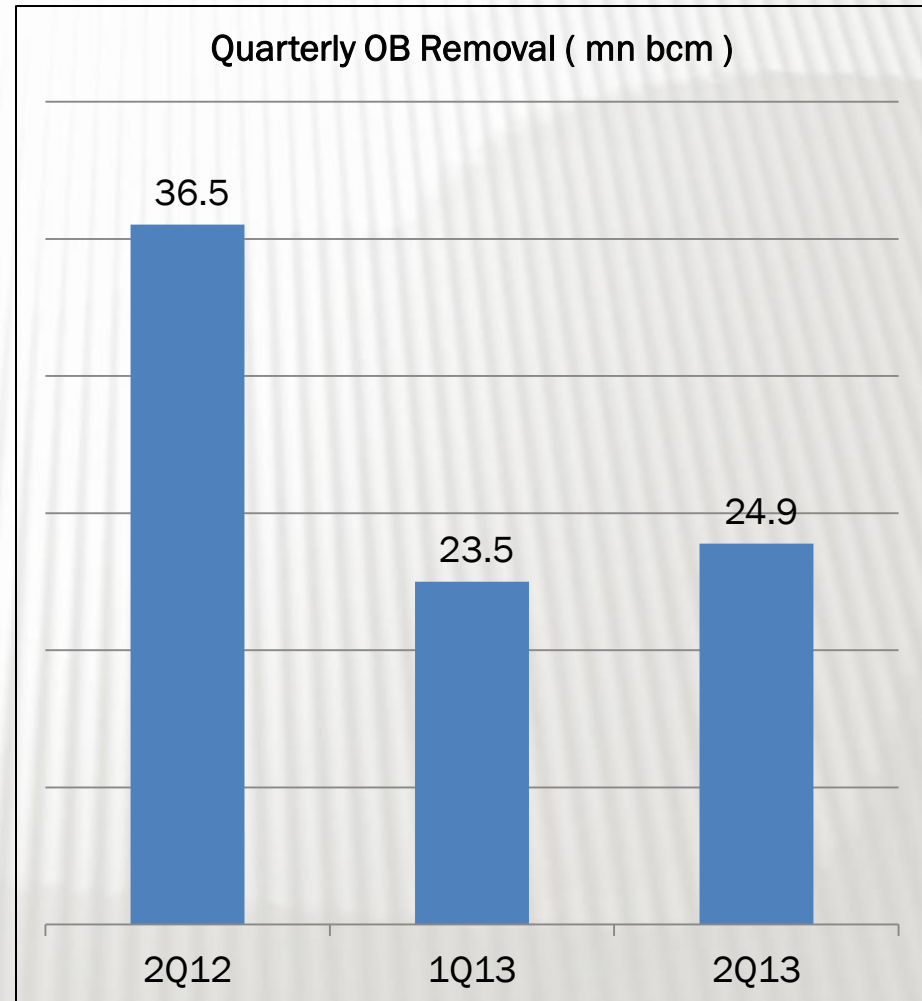
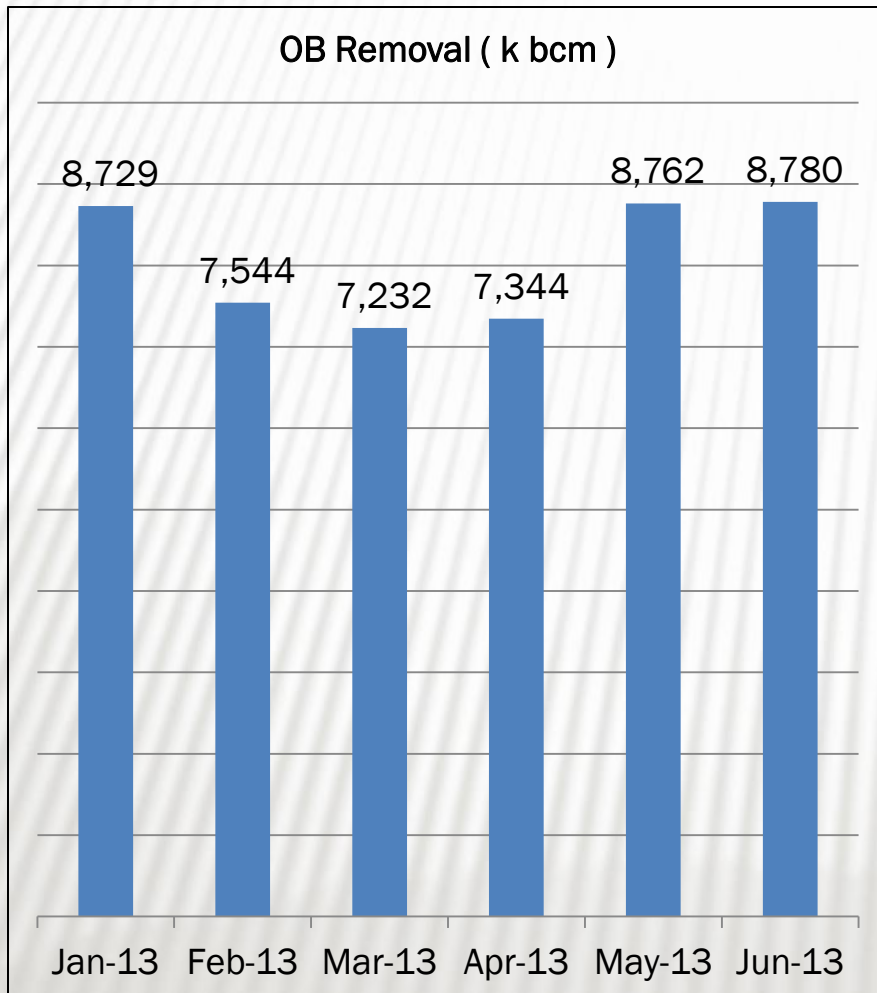
Overview and Updates:

- **Founded in 1997, CK offers pit-to-port services**
- **Currently CK is serving nine Indonesian mining companies, both IUP contract and Coal Contract of Work (CCOW) holders**
- **Recently signed 5-years contract with Multi Harapan Utama, a Coal Contract of Work (CCOW) holder, for US\$ 206mn**
- **Total contracts signed in 2013 worth almost US\$860mn**
- **1H 2013 OB Removal 48mn Bcm, Rental Services 6.9mn tons of coal**

OB Removal Volume

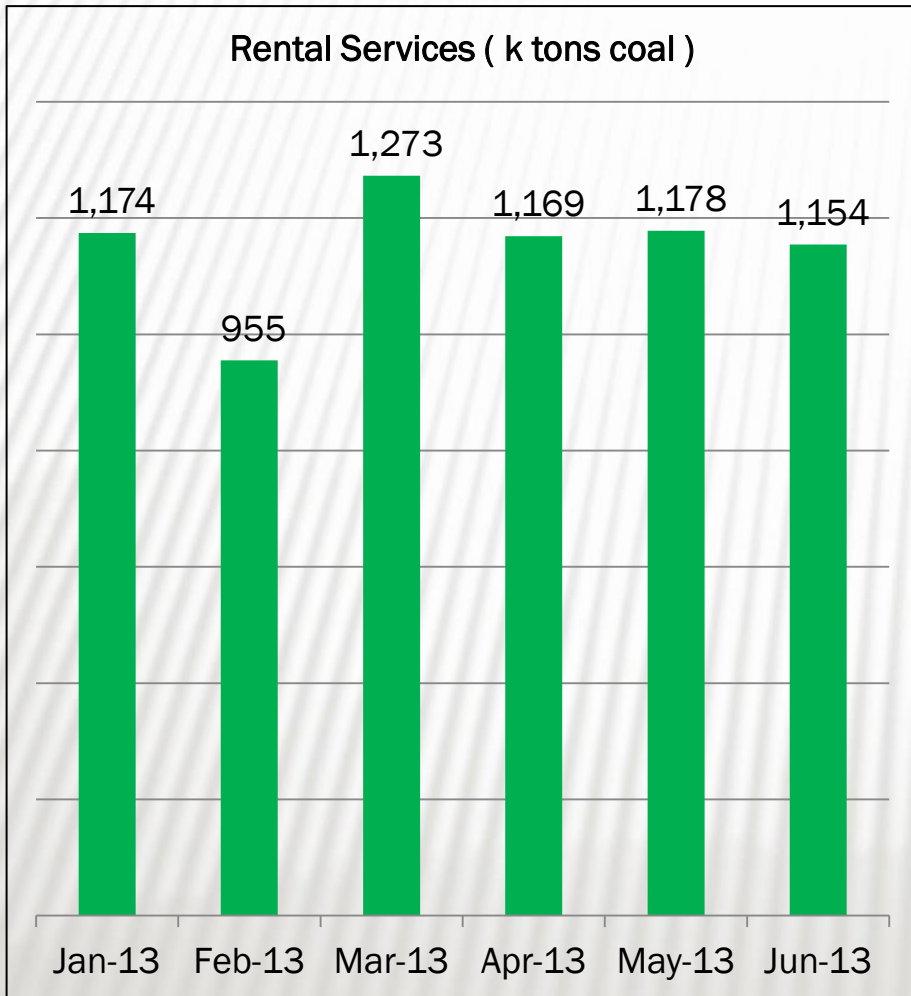
1H 2013 OB Removal: 48.4mn bcm, -25% y-o-y

2Q13 OB Removal: 24.9mn bcm, +6% q-o-q, -32% y-o-y

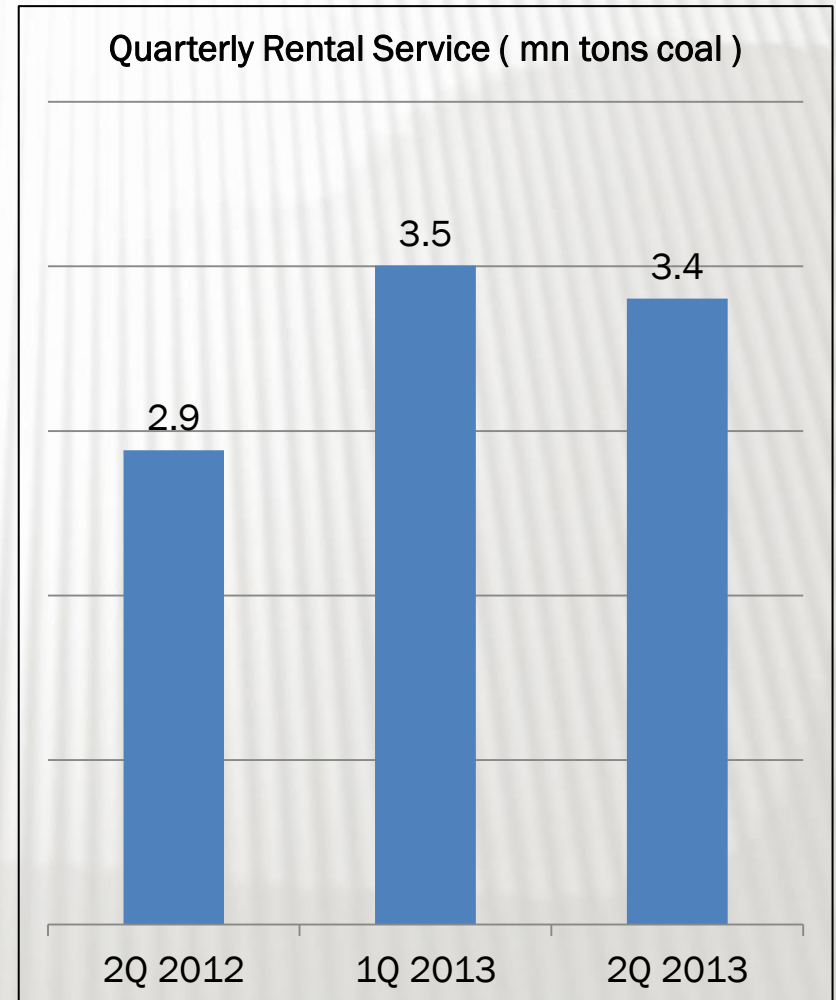


Rental Service Volume

1H 2013 Rental Services: 6.9mn tons coal, +28% y-o-y

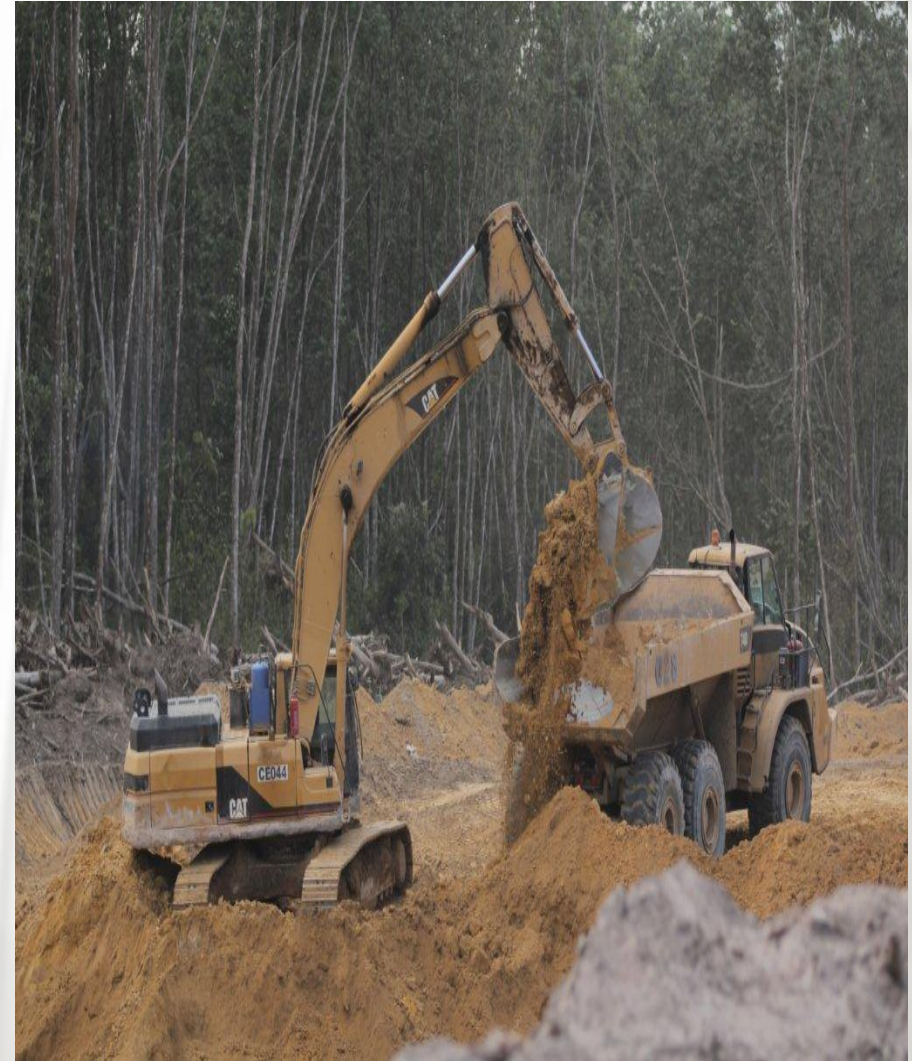
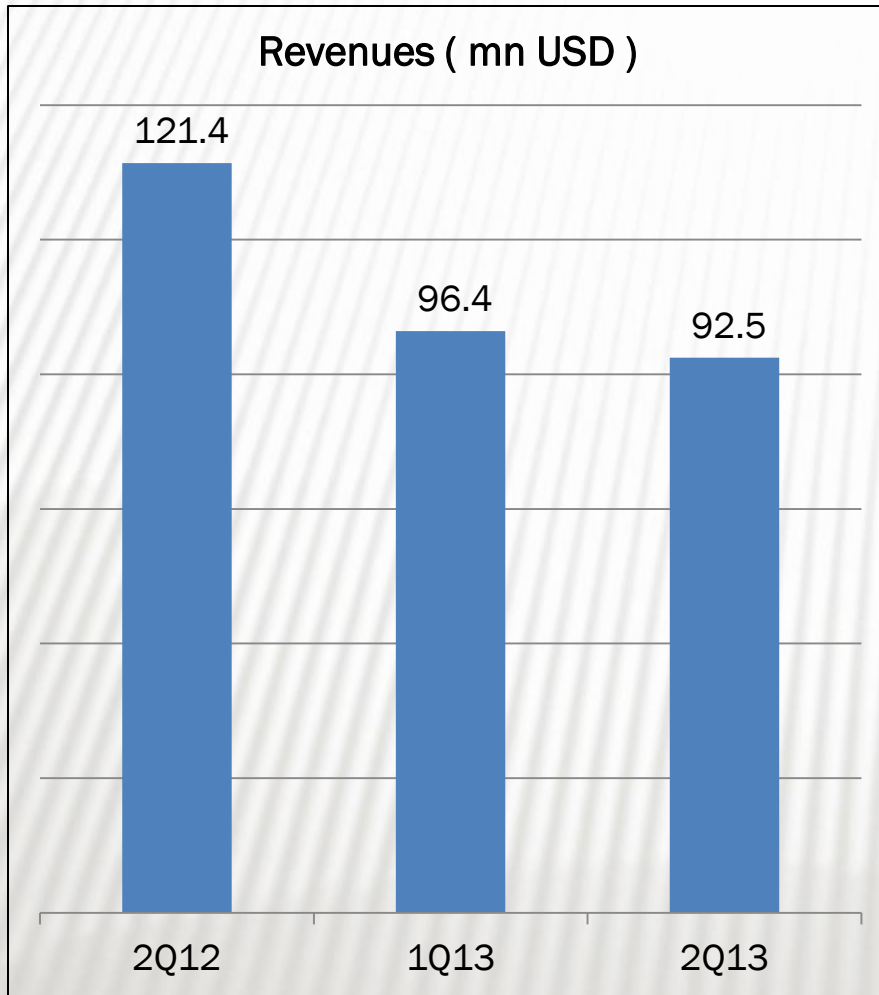


2Q13 Rental Service: 3.4mn tons, -3% q-o-q, +16% y-o-y



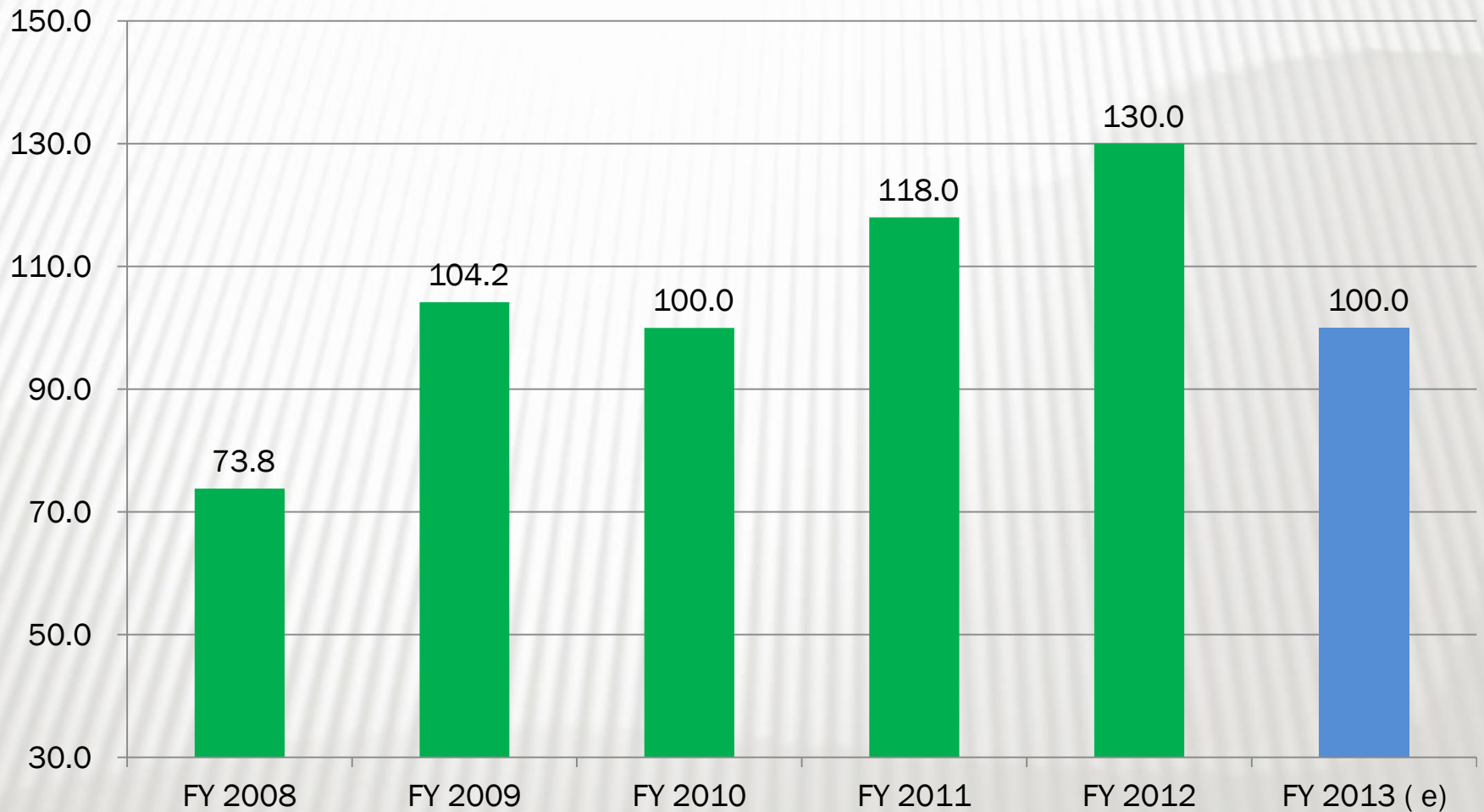
CK 2Q 2013 Revenues

2Q13 CK Revenues: USD 92.4mn, -4% q-o-q, -24% y-o-y



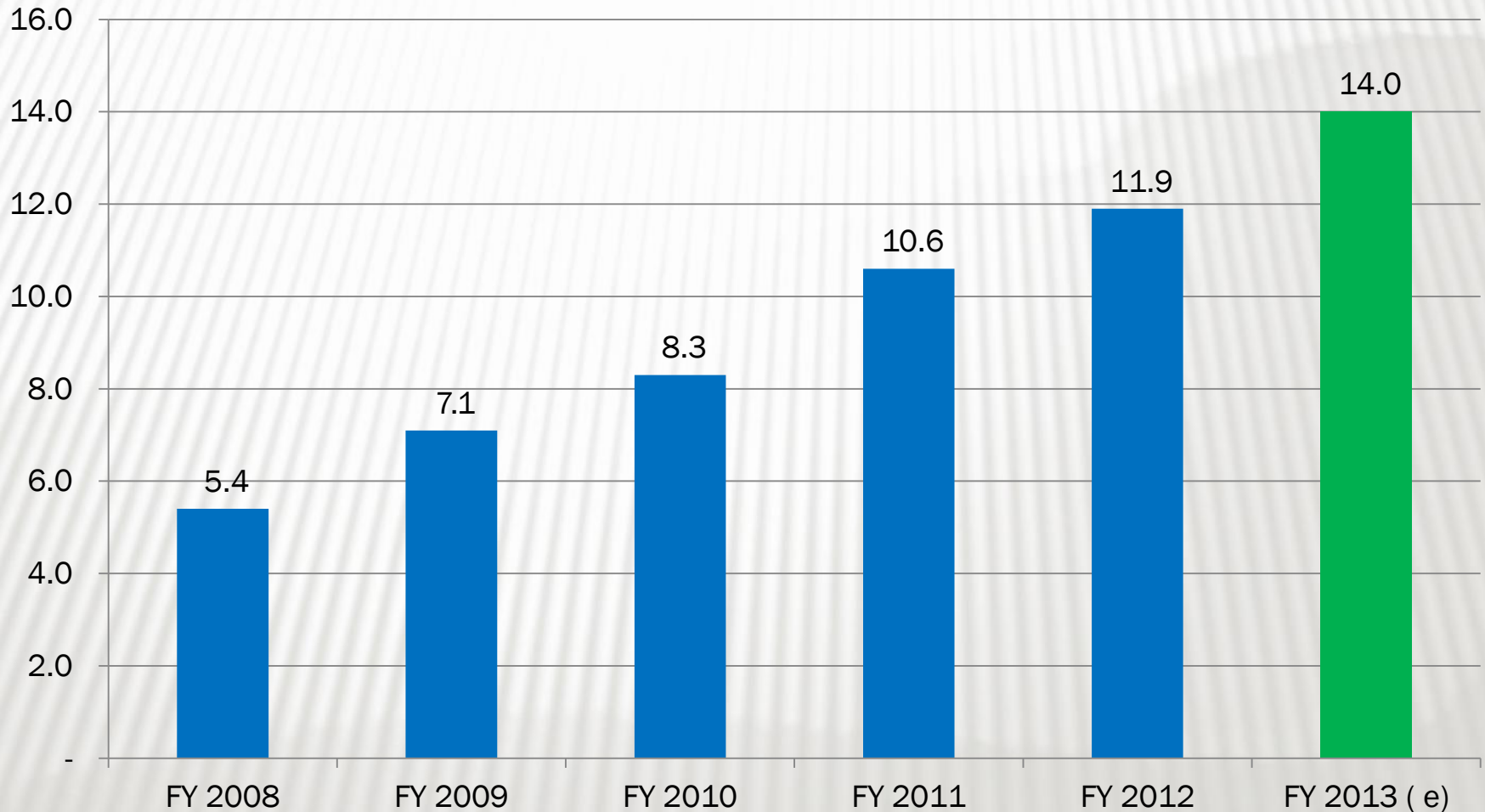
OB Removal Performance and Plan 2013

OB Removal (mn bcm)



Rental Service Performance and Plan 2013

Rental Service (mn tons coal)



Current Customers and Backlog

Operating Agreements as of Sep 15, 2013

Client	Mining Project Sites	Expected Contract Duration
MSJ 1	Separi, East Kalimantan	Jun 2004 - Sep 2015
MHU 2	Jongon, East Kalimantan	Sep 2013 - Aug 2018
TIA 3	Sebambam, Tanah Bumbu, South Kalimantan	Apr 2009 - Jul 2020
AI 4	Batulicin, South Kalimantan	2003 - life mine
TW 5	Ketaun, Bengkulu	Mar 2011 - Mar 2017
RBH 6	Siambul, Riau	Feb 2012 - Feb 2017
RK 7	Loan Janan, East Kalimantan	Jun 2012 - Jun 2017
TMJ 8	Batu Sopag, East Kalimantan	Nov 2012 - Nov 2017
RJM 9	Musi Banyuasin, South Sumatra	Mar 2013 - Mar 2018
KJB 10	Berau, East Kalimantan	Jun 2013 – May 2018

Kalimantan



Sumatra



Sumberdaya Sewatama (SS) – Power Solutions

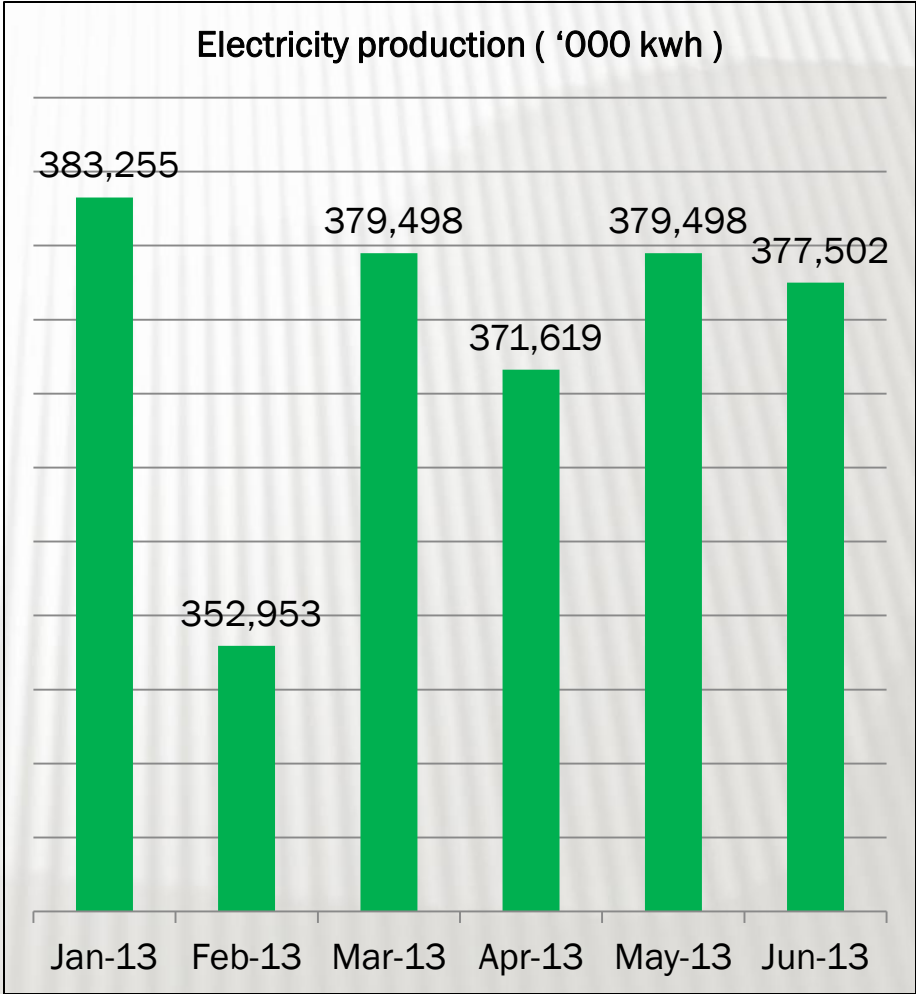
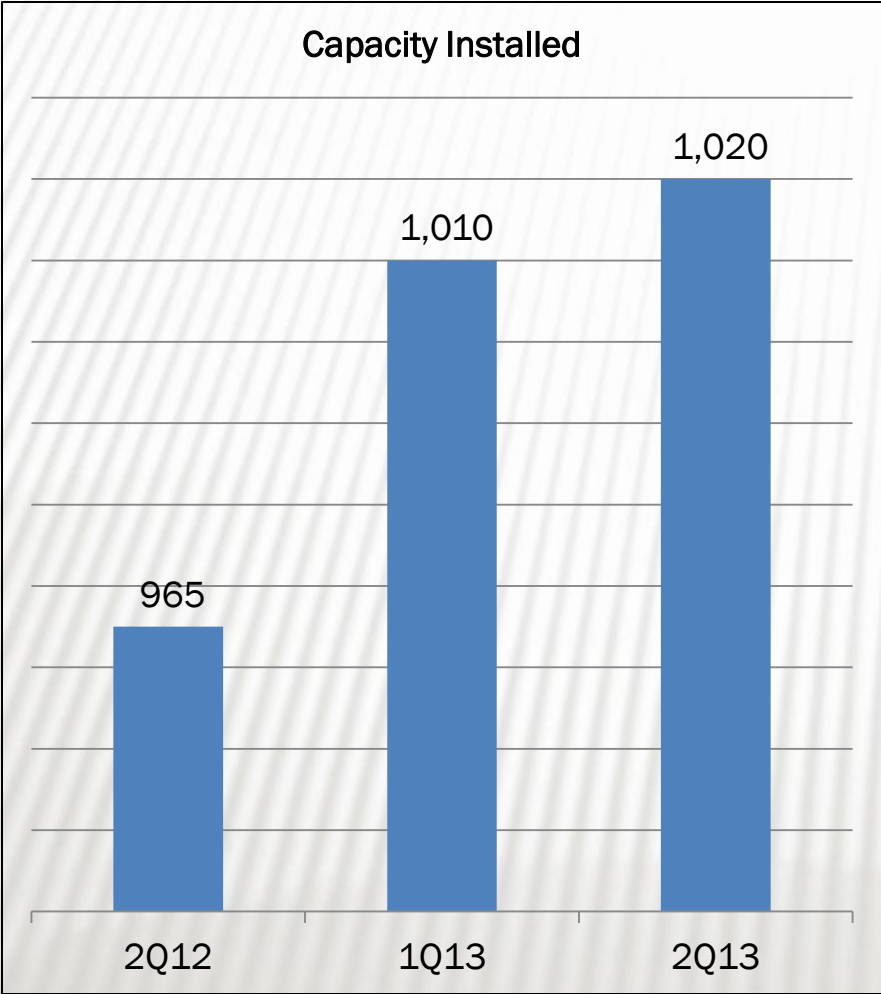
Overview and Updates:

- **SS engages in Temporary Power, Operation & Maintenance (O&M), Dewatering, Power Optimization, and IPP**
- **With installed capacity of over 1GW, SS ranks Indonesia's largest private temporary power enabler**
- **Indonesia's proven MFO-based power generator**
- **1H 2013 electricity production of 2.2bn Kwh**
- **Recently awarded 45MW diesel-fired power generator tender in Bali for APEC conference**

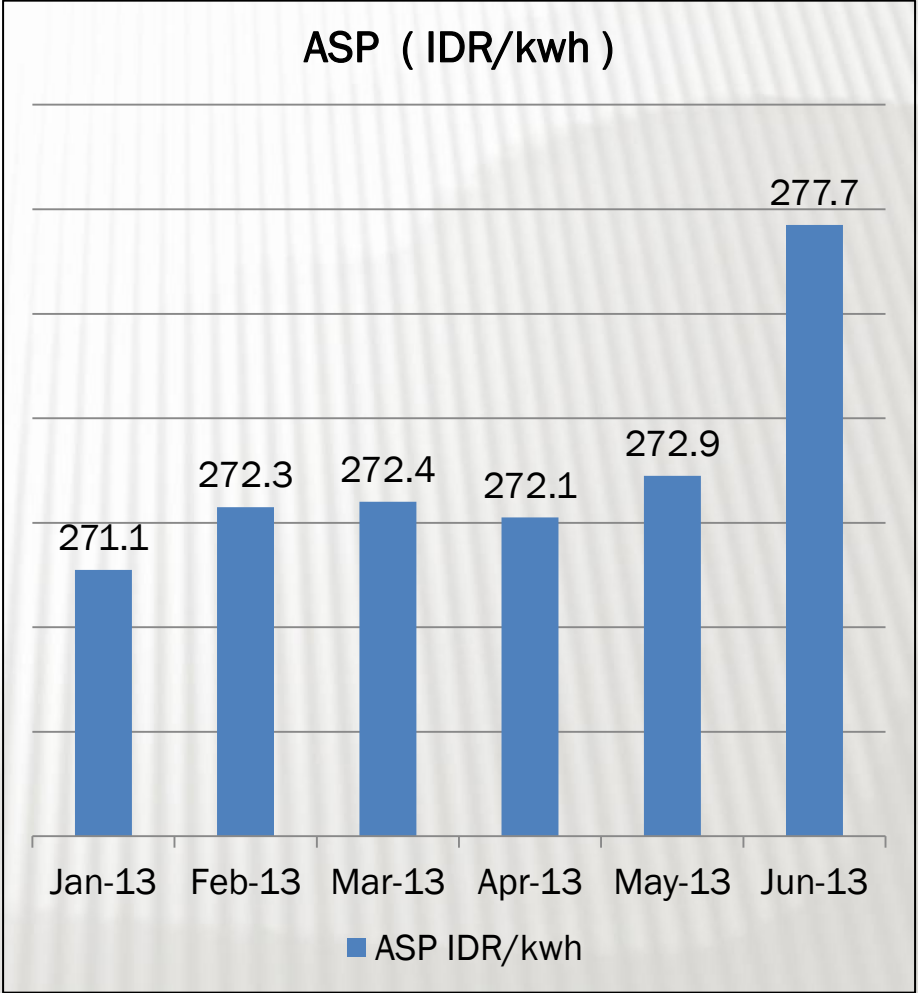
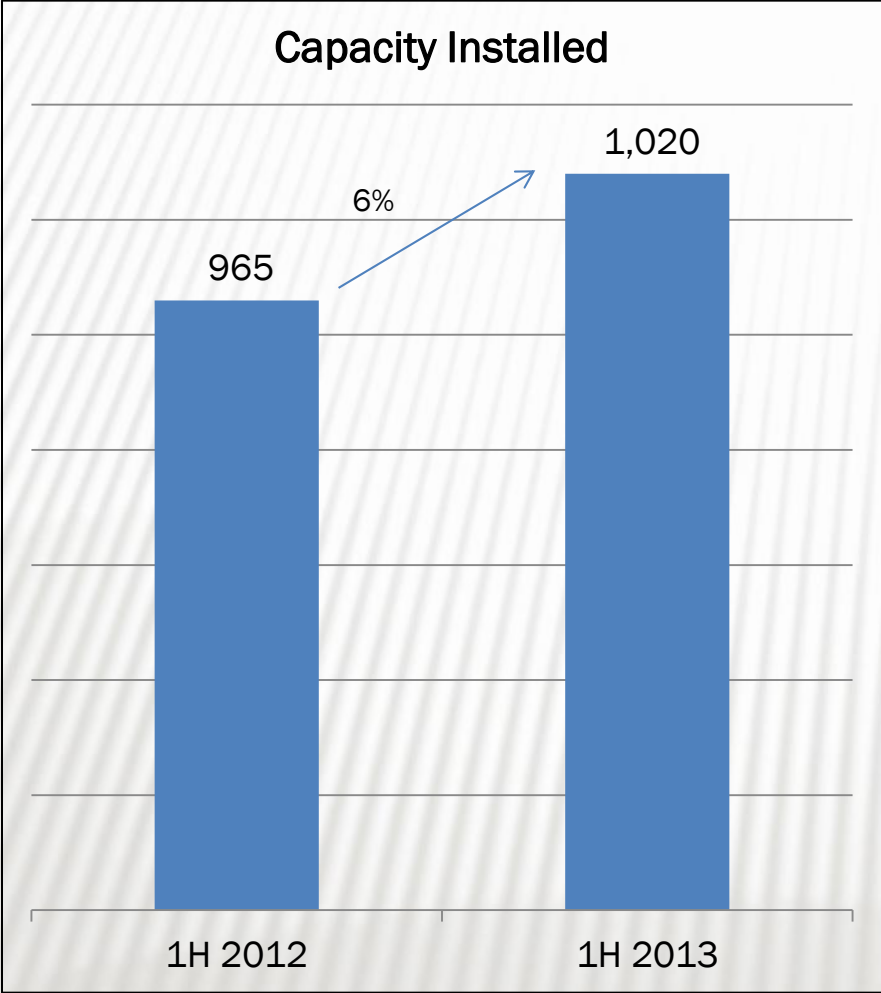
Capacity Installed and KWh Generated

2Q 2013 Temporary Power Capacity Installed : 1,020 MW

1H 2013 kWh generated : 2,244,324 ('000 kWh), +8% y-o-y

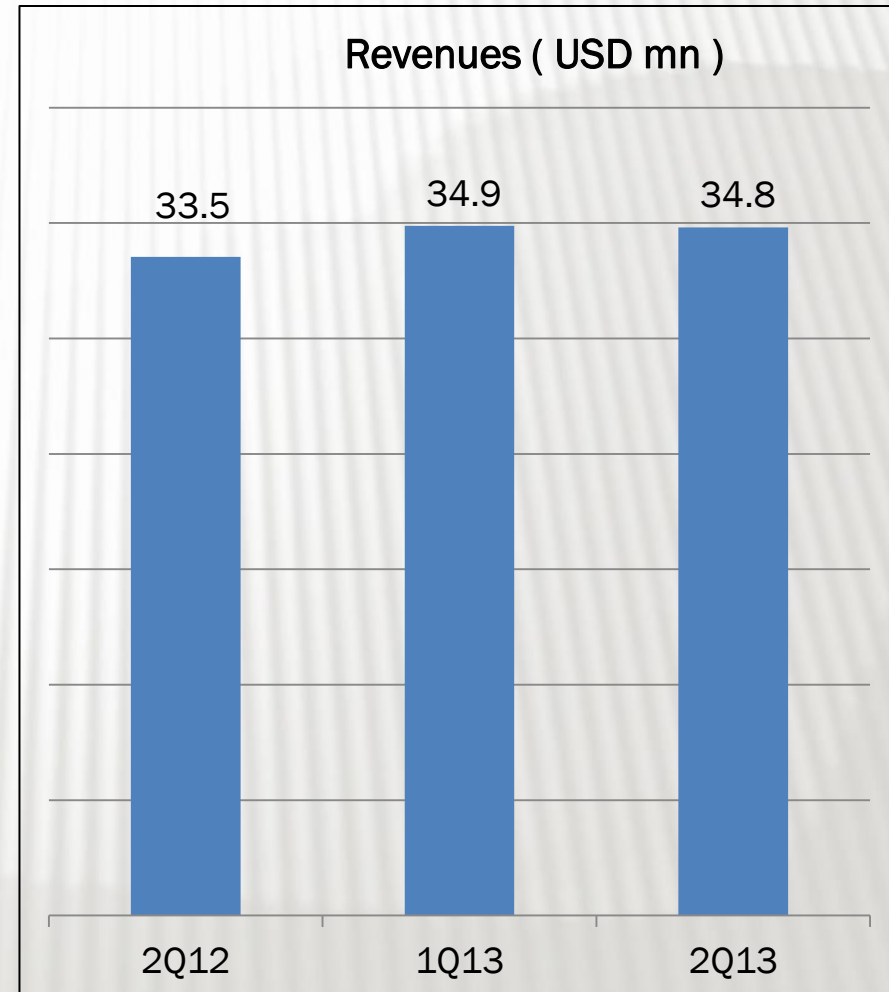
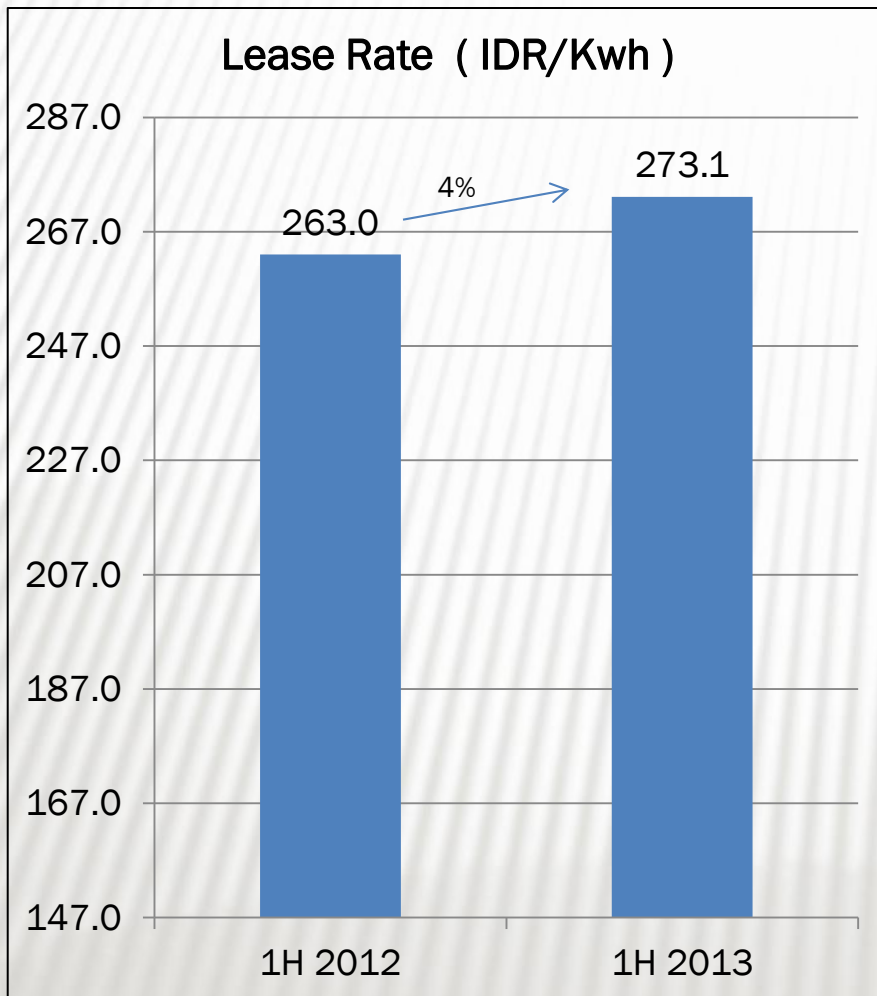


Capacity Installed and Lease Rate



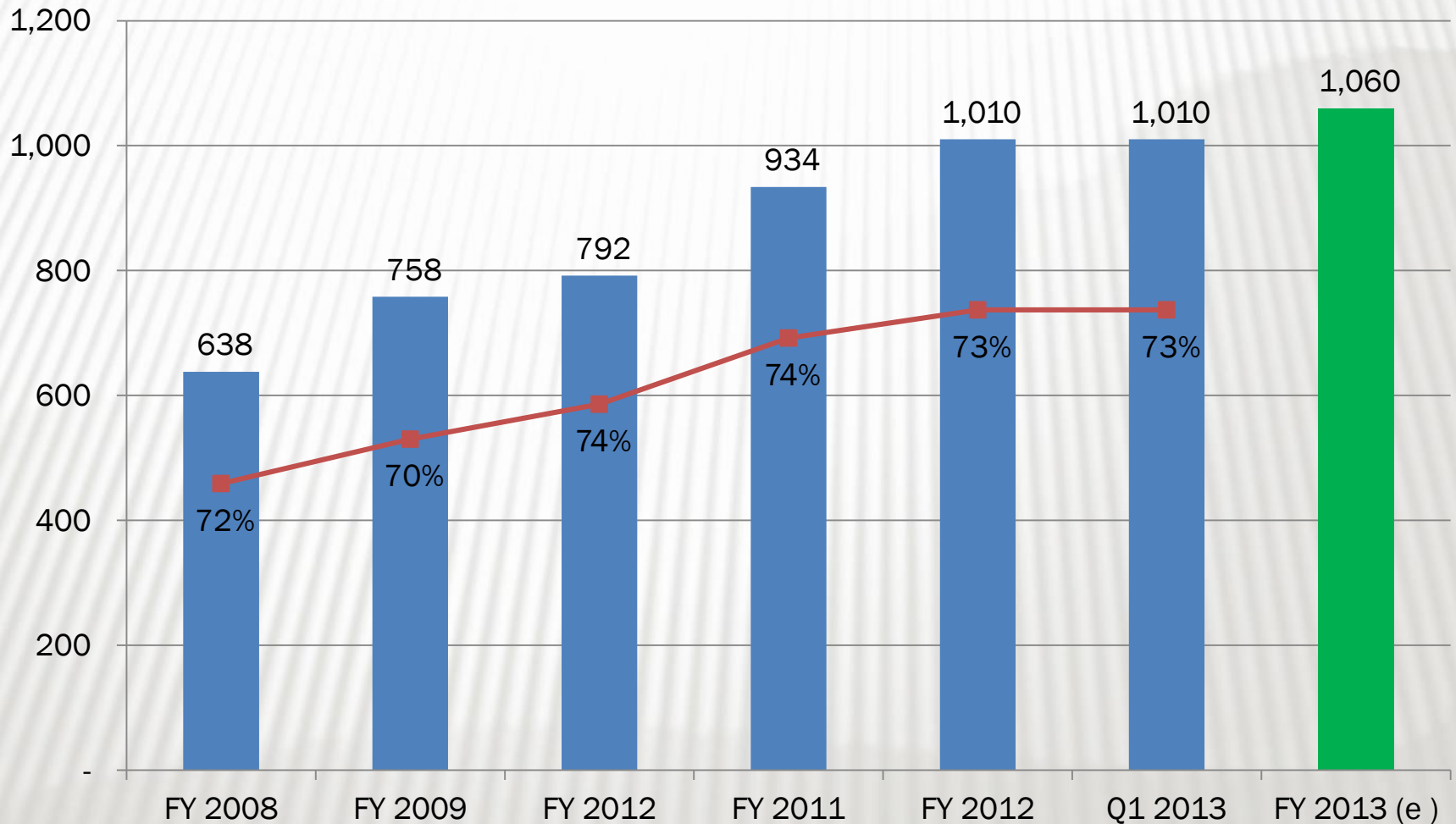
Lease Rate and Revenue

2Q13 SS Revenues: USD 34.8mn, +4% y-o-y, -0.3% q-o-q



Capacity Historical and Planned Installed and Utilization Rate

Capacity Installed (MW)



Overview and Updates:

- **SSB engages in the manufacture of equipment for oil & gas, mining and power generation, transport equipment, component remanufacture of heavy equipment and provides welding & machining services on-site**
- **Challenging mining industry overshadows SSB performance**
- **1H 2013 revenues reached US\$ 48.6mn**

Business Overview

Transport Equipment Division:

Designing, manufacturing and distributing products for transportation and material handling business

Site Service Division:

On-site repair, process plant maintenance and construction services

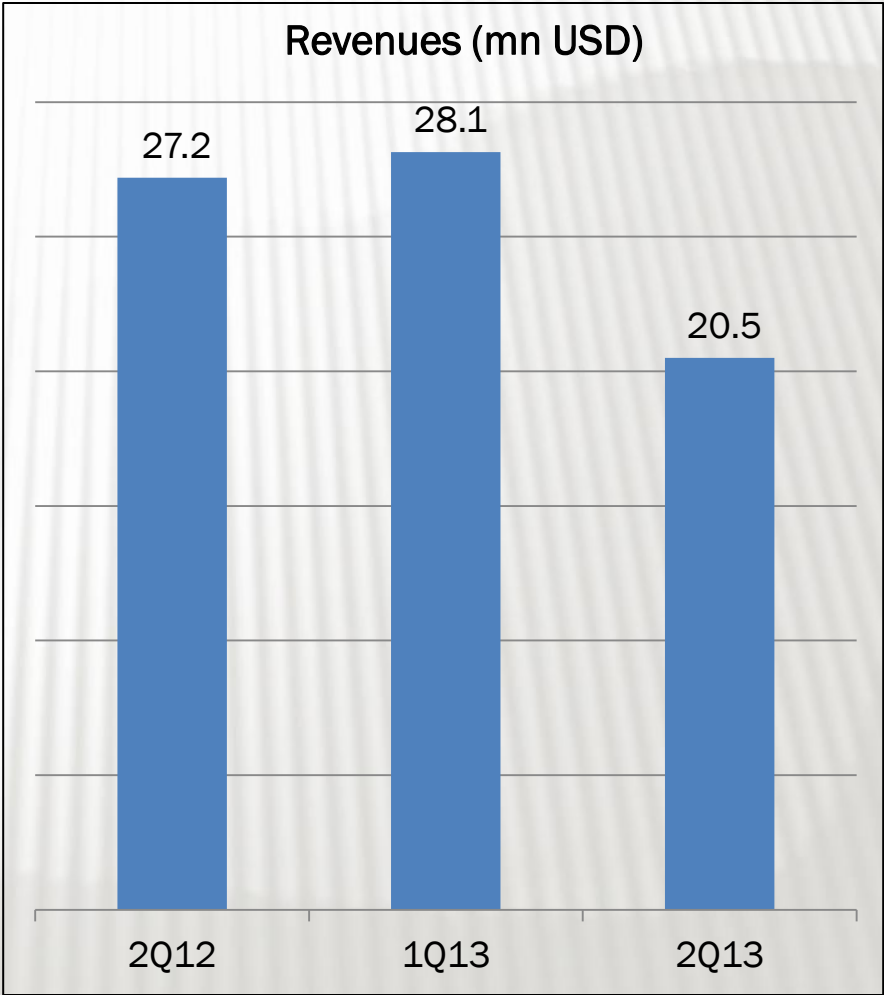
Fabrication Division:

Design and manufacture of process equipment, general fabrication, site construction and installation solutions

Remanufacturing Division:

Salvaging, remanufacturing and manufacturing of heavy equipment core components

2Q13 SSB Revenues: USD 20.5mn, -25% y-o-y, -27% q-o-q



All Divisions of Engineering Services

● = Percentage of 1H 2013 sales
● = 1H 2013 Operating Profit Margin

22.1%

23.6%

36.4%

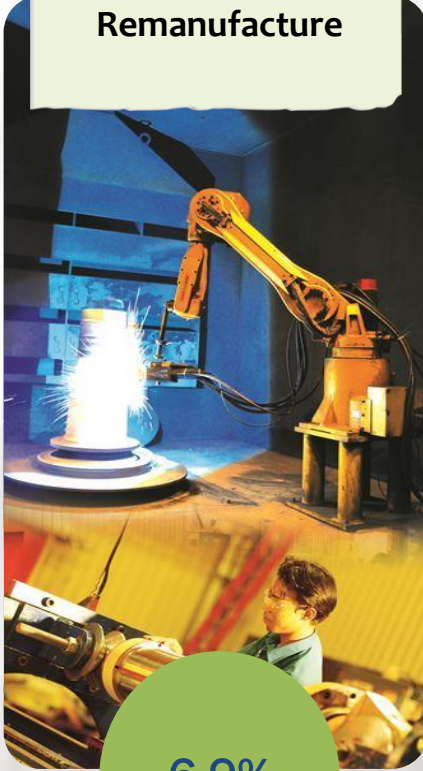
17.9%

Fabrication

Transport Division

Remanufacture

Site Services



-7.3%

11.3%

6.9%

14.0%

Cipta Krida Bahari (CKB) – Integrated Logistic

Overview and Updates:

- **CKB provides a full range of customized logistics services that include integrated logistics services, warehouse management, shore-base management, project logistics, industrial shipping, and coal logistics**
- **The shipping and coal logistics activities are managed under CKB's subsidiaries, PT Alfa Trans Raya (ATR) and PT Baruna Dirga Dharma (BDD)**
- **CKB generated 1H 2013 revenues of US\$ 64.8mn**
- **Coal transshipment expected to start by 2015**

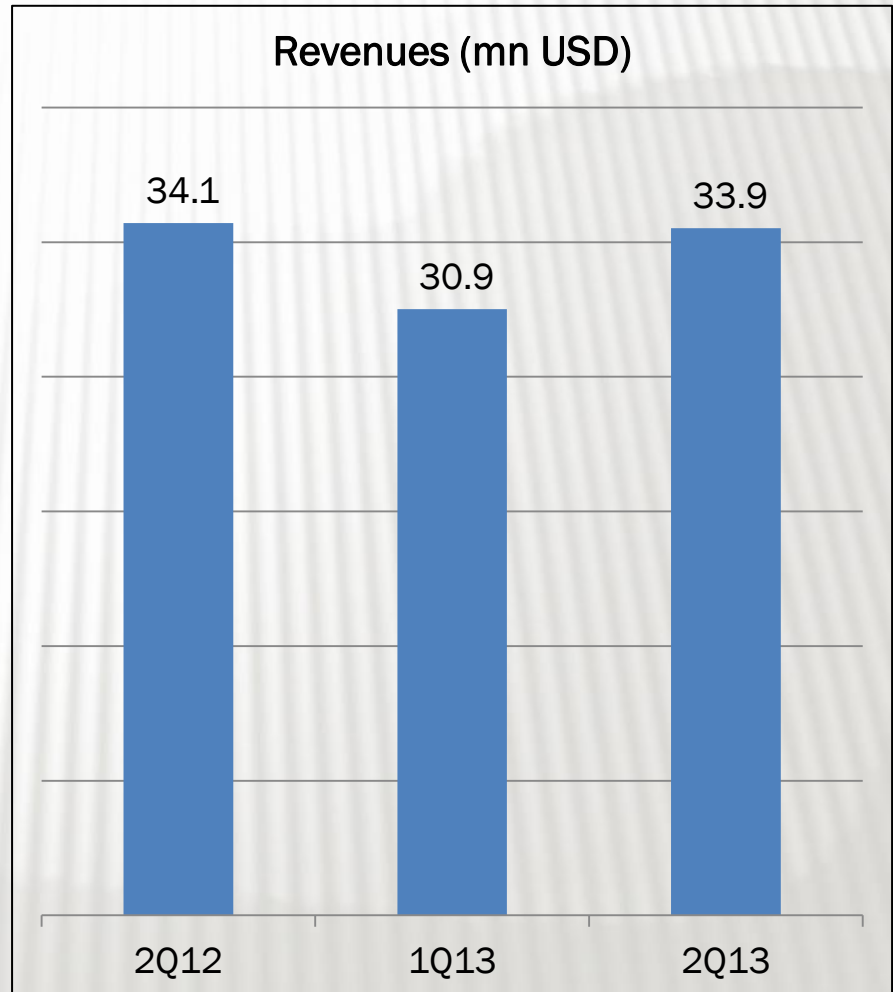
Cipta Krida Bahari (CKB) – Integrated Logistics

Business Overview

- Integrated logistics provider offering freight forwarding, project logistics, industrial / offshore and coal logistics shipping, warehouse and shorebase management services
- **Freight forwarding services:** Integrated logistics services via owner and third party operated freight services
- **Project logistics:** Transportation of over weight and over size cargo (heavy equipment, machines and engines)
- **Energy related logistics:** Industrial, offshore and coal logistics shipping and warehouse and shorebase management services
- PT Baruna Dirga Dharma (BDD) is our coal logistic.
- Provides through CKB and a third-party sub-contractor, barging services to TIA as a part of its coal logistics chain

—ISO 9001: 2008 and OHSAS 18001: 2007

2Q13 CKB Revenues: USD33.9mn, -0.6% y-o-y, +9.7% q-o-q



Project Logistics and Warehouse



Freight Forwarding & Coal Logistics

ATR owns 13 vessels



BDD owns 7 tug and barges



Company Overview and Updates

Operational Highlights



Financial Highlights

Strategy and Mitigations

Appendices

Financial Summary

(In thousand USD)

ABM Consolidated	1H - 2013	1H - 2012	Y-o-Y
Sales	422,850	430,398	-2%
COGS	(331,220)	(341,206)	-3%
Gross Profit	91,630	89,192	3%
Gross Profit Margin	22%	21%	
Operating Expenses	(66,726)	(52,598)	27%
Other operating	18,381	1,110	1,556%
Income from Operations	43,285	37,704	15%
Equity in net income of associated company	622	-	N/M
Finance expenses - net	(21,805)	(20,580)	6%
EBT	22,103	19,422	14%
EBITDA	99,262	94,523	8%
Tax	(2,390)	(6,322)	-62%
EAT	20,459	13,722	49%
EAT Margin	5%	3%	
EAT, excluding gain on sale of FA	5,703	13,722	-58%

Financial Position

(In thousand USD, unless otherwise stated)

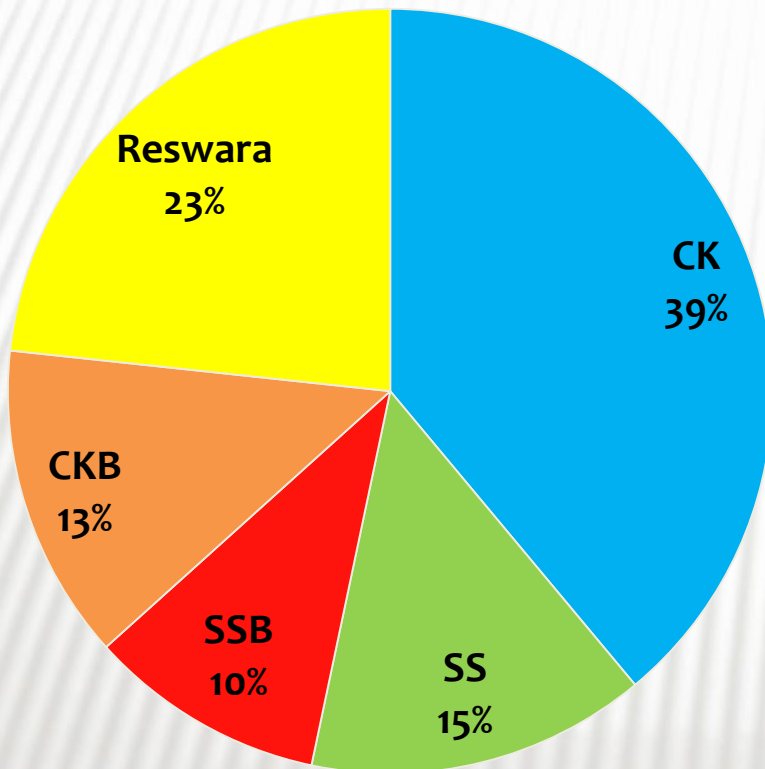
ABM Consolidated	30 Jun 2013	31 Dec 2012	Δ
Total Assets	1,265,074	1,263,398	0%
Cash & near Cash equivalents	132,399	128,049	3%
Total Liabilities	906,153	917,338	-1%
Short-term Interest bearing debts	166,857	172,120	-3%
Long-term Interest bearing debts	491,550	501,697	-2%
Total Interest bearing debts	658,407	673,817	-2%
Net Debts	526,008	545,768	-4%
Equity, including minority interest	358,921	346,060	4%
Net Debts / Total Equity	1.47 x	1.58 x	
Net Debts / EBITDA (Annualized)	3.32 x	3.56 x	

1H 2013 Capex

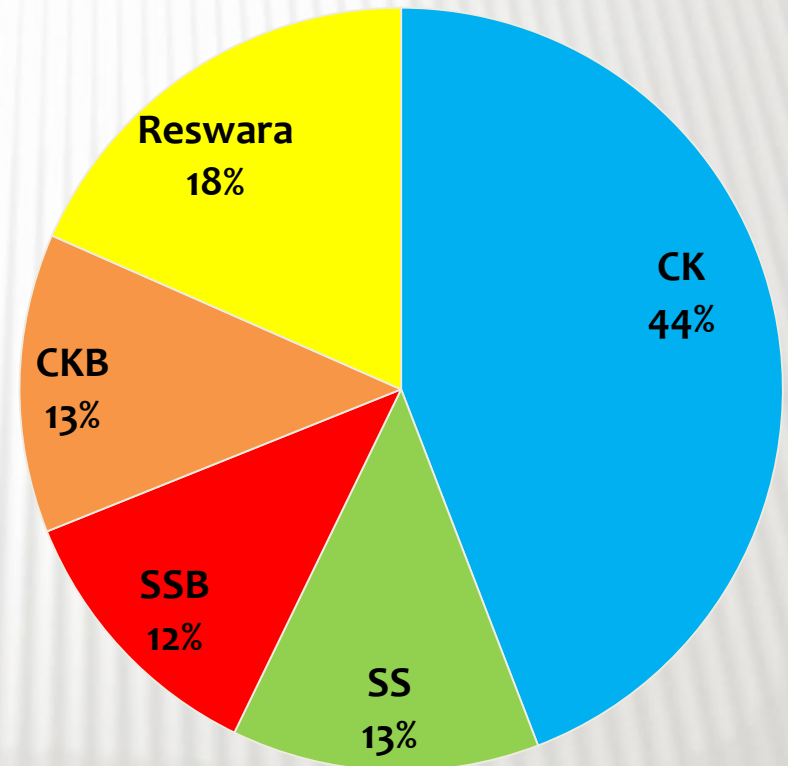
Companies	USD ('000)	Allocation in %
ABM	11	0.01%
CK	1,503	2.07%
SS	41,848	57.59%
SSB	464	0.64%
CKB	5,461	7.52%
Reswara	23,374	32.17%
Total	72,661	100.00%

Contribution from Subsidiaries - Revenues

1H - 2013

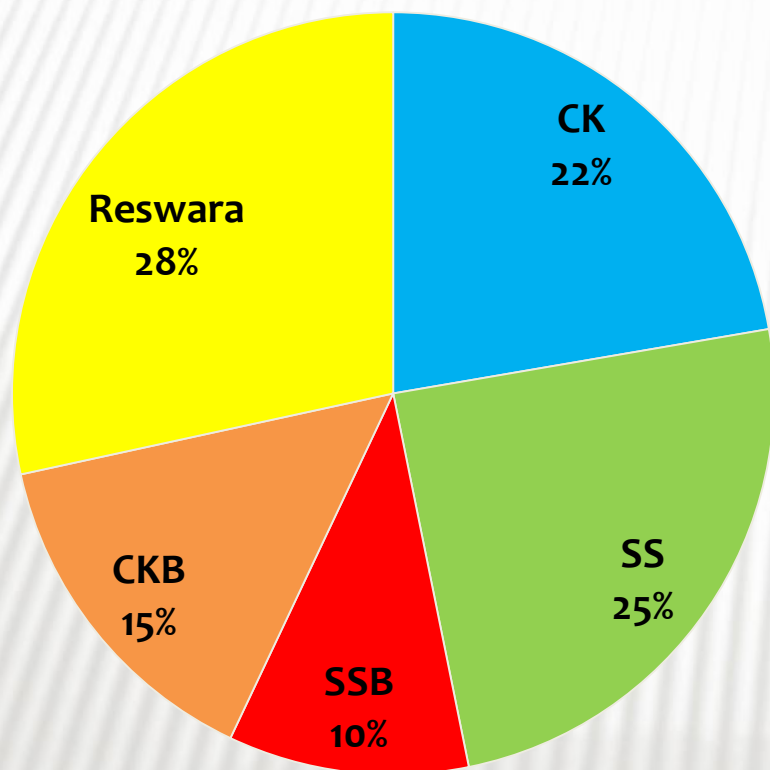


1H - 2012

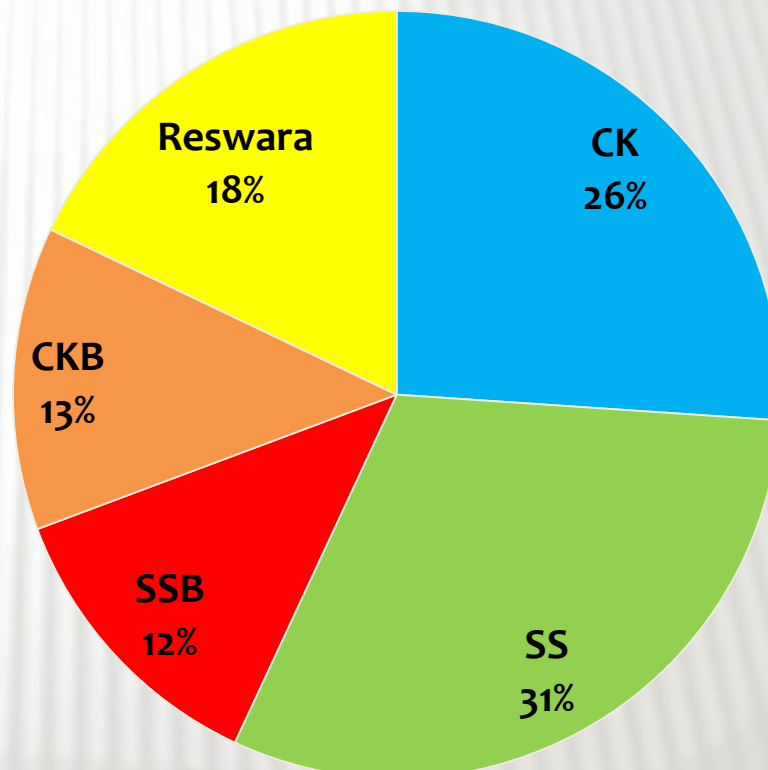


Contribution from Subsidiaries - Gross Profit

1H - 2013

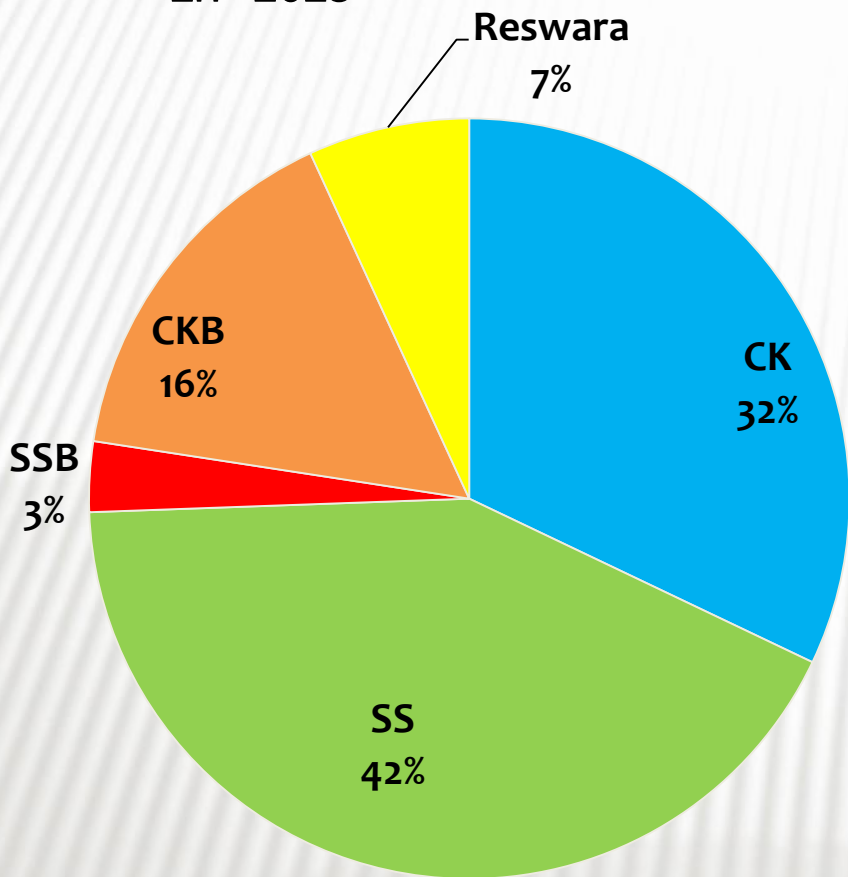


1H - 2012

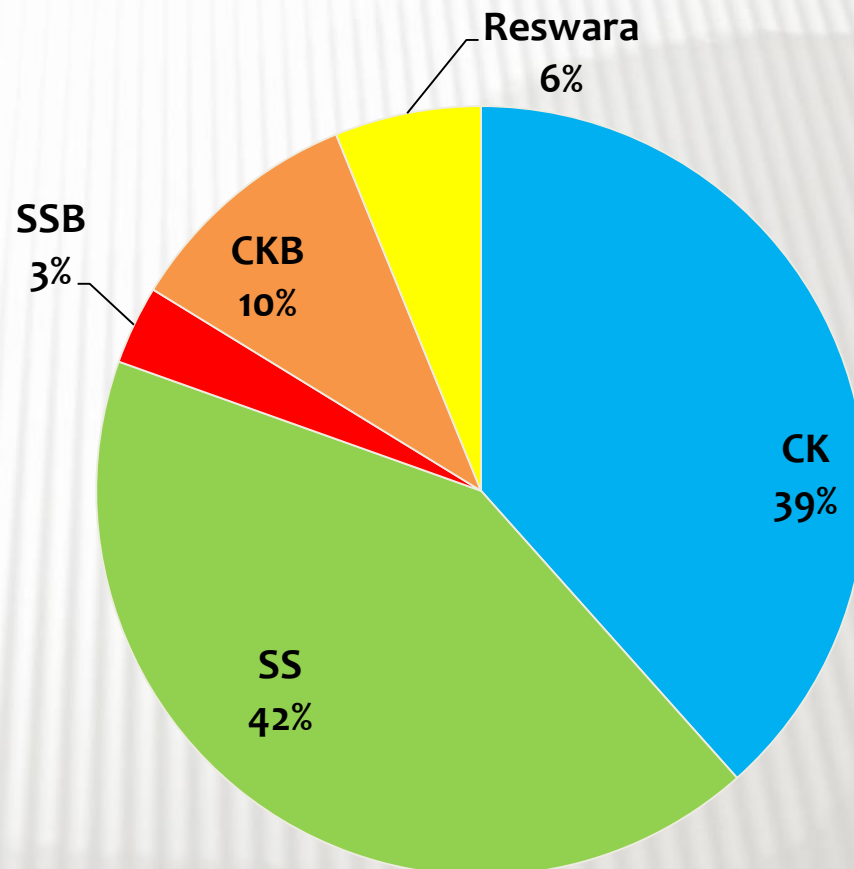


Contribution from Subsidiaries – Income from Operations

1H - 2013



1H - 2012



Contribution from Subsidiaries – Net Income

Segment / Subsidiary	1H 2013	1H 2012	Δ
Coal Mine / Reswara	-11%	-8%	-3%
Mine Contractor / CK	14%	46%	-32%
Power Solution / SS	24%	62%	-38%
Engineering Services / SSB	61%	-14%	75%
Integrated Logistics / CKB	12%	14%	-2%
Total	100%	100%	

- ❑ Company Overview and Updates
- ❑ Operational Highlights
- ❑ Financial Highlights



Strategy and Mitigations

- ❑ Appendices

Strategy and Mitigation

Given challenging global economy affecting all of our business segments, we focus on Cash Flow and Cost Efficiency at all of Strategic Business Units (SBUs)

- **Capital discipline to preserve cash flow**
 - * **Prioritize capex**
 - * **Reduce 2013 capex from US\$ 231mn to US\$ 128mn**
- **Asset optimization to generate cash flow**
 - * **Operational excellence at all SBUs**
 - * **Improve the working capital management**
- **Cost initiative programs in all SBUs**
- **Reduce cost and improve capital efficiency**

Strategy and Mitigation

Liquidity management:

By June 30, 2013

Cash and near cash equivalent	US\$ 132 mn
Total available bank facility	US\$ 187 mn
Estimated 2013 capex spending	US\$ 128 mn
Capex spent in 1H 2013	<u>US\$ (73) mn</u>
Estimated 2H 2013 capex spending	US\$ 55 mn

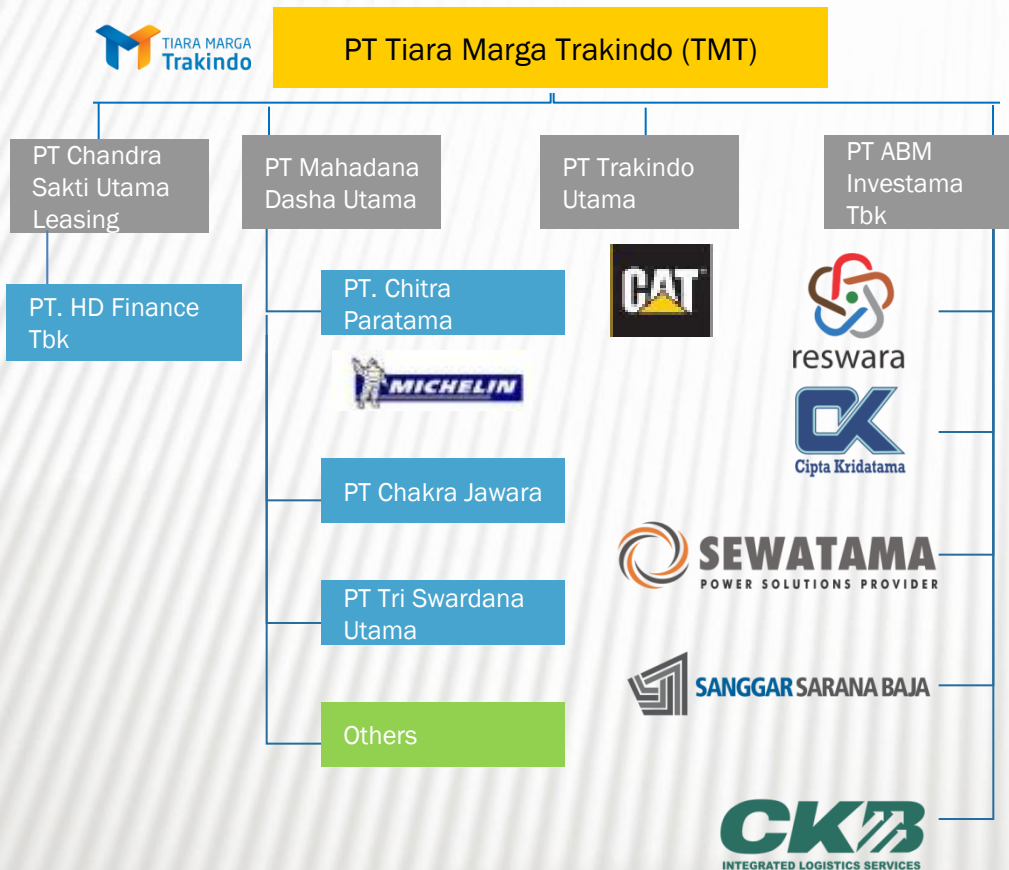
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Appendices

ABM Investama: A Member of Tiara Marga Trakindo Group

Tiara Marga Trakindo Group Structure



Overview of Tiara Marga Trakindo Group

- Established in 1970, Trakindo was founded by AHK Hamami
- Trakindo became the sole authorized dealer for Caterpillar in 1971 and now has more than 70 branches
- Over a 40 year period, Trakindo has developed into one of the largest national groups in Indonesia

Shareholder Value-Add

- TMT brings access to financial resources to support growth plans at ABM
- As an experienced player, TMT provides timely market intelligence as well as critical market access to ABM
- Being an important customer to ABM, TMT also refers their customers to ABM

ABM's Five Strategic Business Units (SBUs)



Coal Mining

- Established 2010
- 7,703 hectares concession area under 4 IUPs
- Estimated JORC coal reserves and resources of 221 and 561 million tons, respectively
- Employees: 361

Mine Contractor

- Established 1997
- Fleet of 474 heavy equipment serving 10 customers
- Backlog Overburden 632 million bcm and 29 million tons
- Employees: 3,414

Power Solutions

- Established 1992
- 833 generators (1,060 MW capacity)
- Manages more than 90 diesel power generation projects in Indonesia
- Employees: 1,624

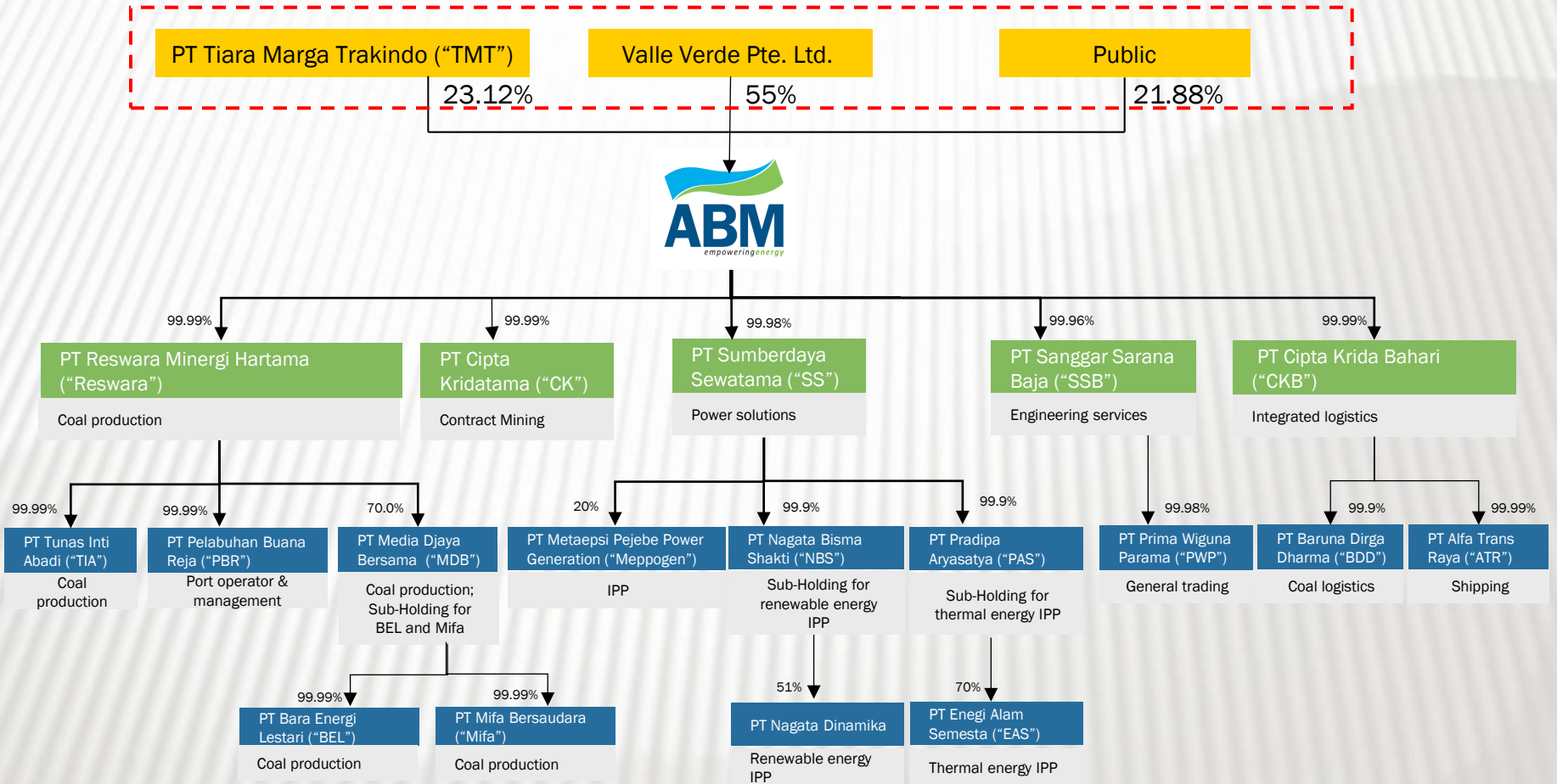
Engineering Services

- Established 1977
- 10 engineering services workshops providing fabrication, remanufacturing, transport equipment and site services
- Customers mainly in mining, oil and gas, petrochemical and power sectors
- Employees: 2,497

Integrated Logistics

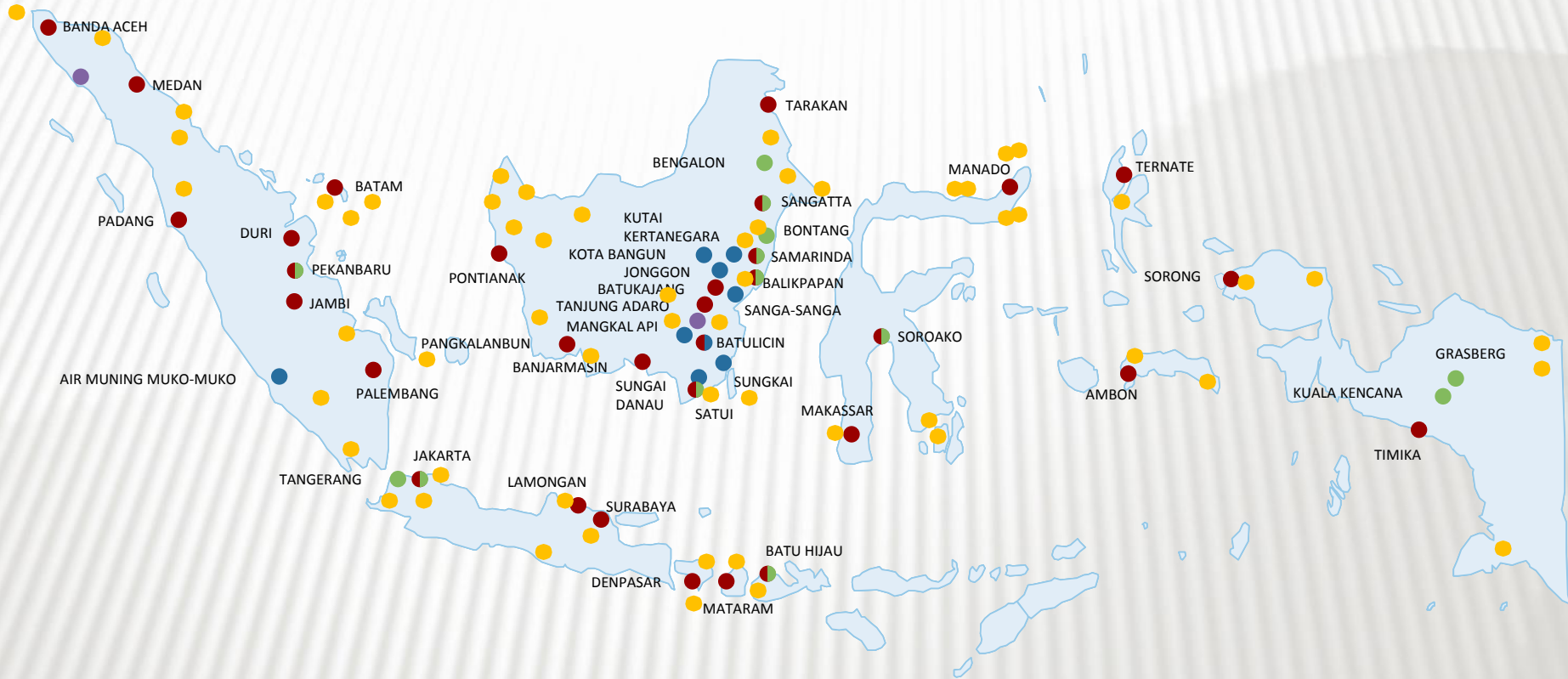
- Established 1997
- Operates fleet of vessels, trucks, loaders and dry containers
- Provides coal logistics, freight forwarding and project logistics
- 35 branches and offices located throughout Indonesia
- Employees: 504

ABM Group and Shareholding Structure



Comprehensive Footprint and Market Coverage in Indonesia

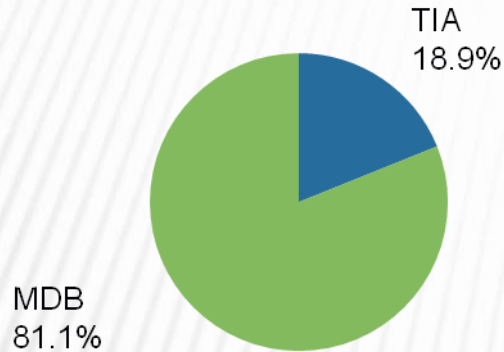
- Able to operate throughout the country; competitive advantage over competitors
- Difficult to replicate coverage strength and poses barriers to entry for new entrants



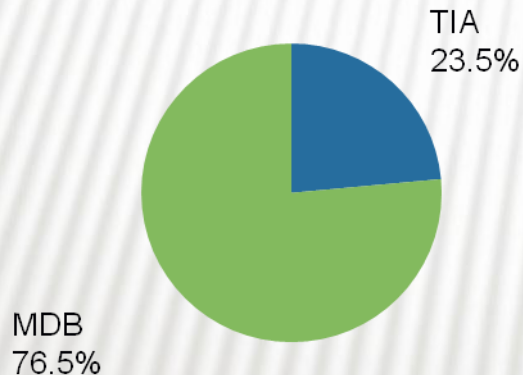
- CKB: Integrated Logistics Offices
- CK: Contract Mining Project Sites
- SSB: Engineering Services Main Operating Sites
- SS: Power Solutions Services
- Res: Coal Production

Reswara: Coal Reserves, Resources, and Concession

Total Resources: 561 Million Tons



Total Reserves: 221 Million Tons




	TIA	MDB	Total
Coal Reserves (MT)			
Proved Reserves	13	7	20
Probable Reserves	39	162	201
Total Reserves	52	169	221
Coal Resources			
Measured	32	18	50
Indicated	39	289	328
Inferred	35	148	183
Total	106	455	561
Concession (Ha)	3,074	4,629	7,703

- MDB: Based on Joint Ore Report (JORC) per Jun 20, 2011
- TIA: Based on Joint Ore Report (JORC) per Sep 1, 2011
- MDB as 100% basis

Reswara: Coal Quality Parameters, Mine Concession

Coal Characteristics

		TIA	MDB
Calorific Value (Adb)		5,500-5,300 kcal/kg	5,300-5,100 kcal/kg
Caloric Value (GAR)		4,100-3,900 kcal/kg	3,400-3,200 kcal/kg
Total Moisture (AR)		35-37%	43-45%
Ash Content (Adb)		5.7%	4.6%
Sulfur (Adb)		0.3-0.5%	0.2-0.4%

Concession Breakdown

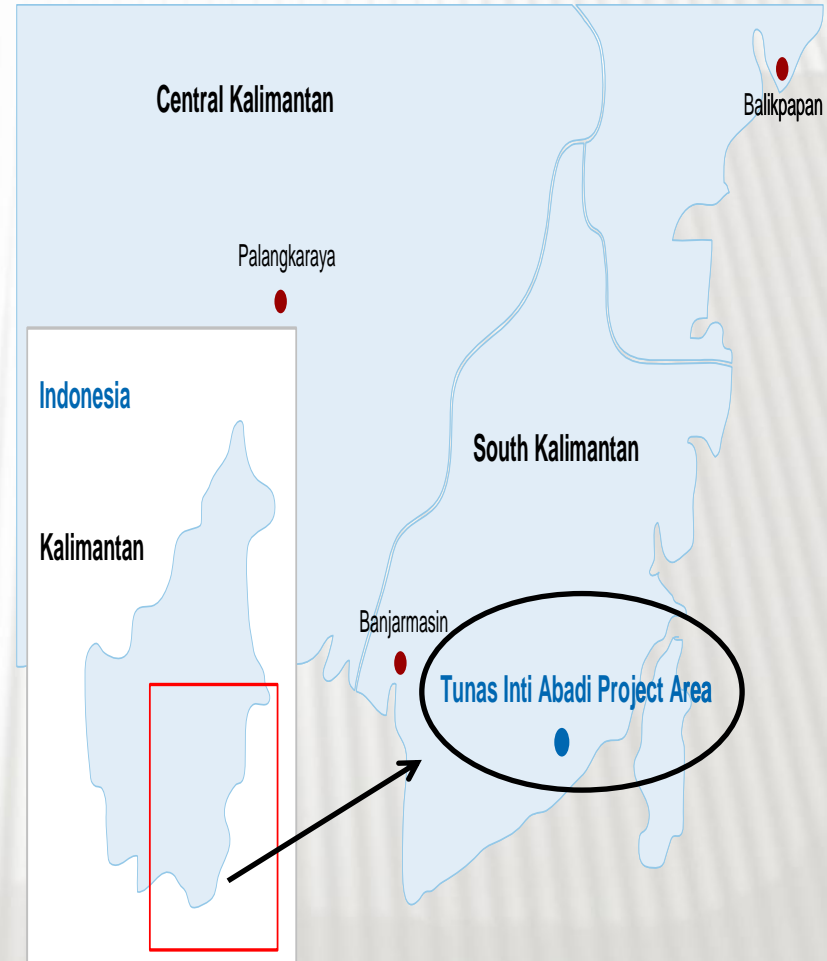
Entity	Concession Holding Company	Type of Concession	Location	Current Concession Area (ha)	Expiry Date of Current Phase
TIA	TIA	IUP	South Kalimantan	2,355	Mar 16, 2021
TIA	TIA	IUP	South Kalimantan	719	Mar 5, 2021
BEL	BEL	IUP	Aceh	1,495	Sep 26, 2017
Mifa	Mifa	IUP	Aceh	3,134	Apr 13, 2025

TIA: Mine and Infrastructure Profile

PT Tunas Inti Abadi (TIA)

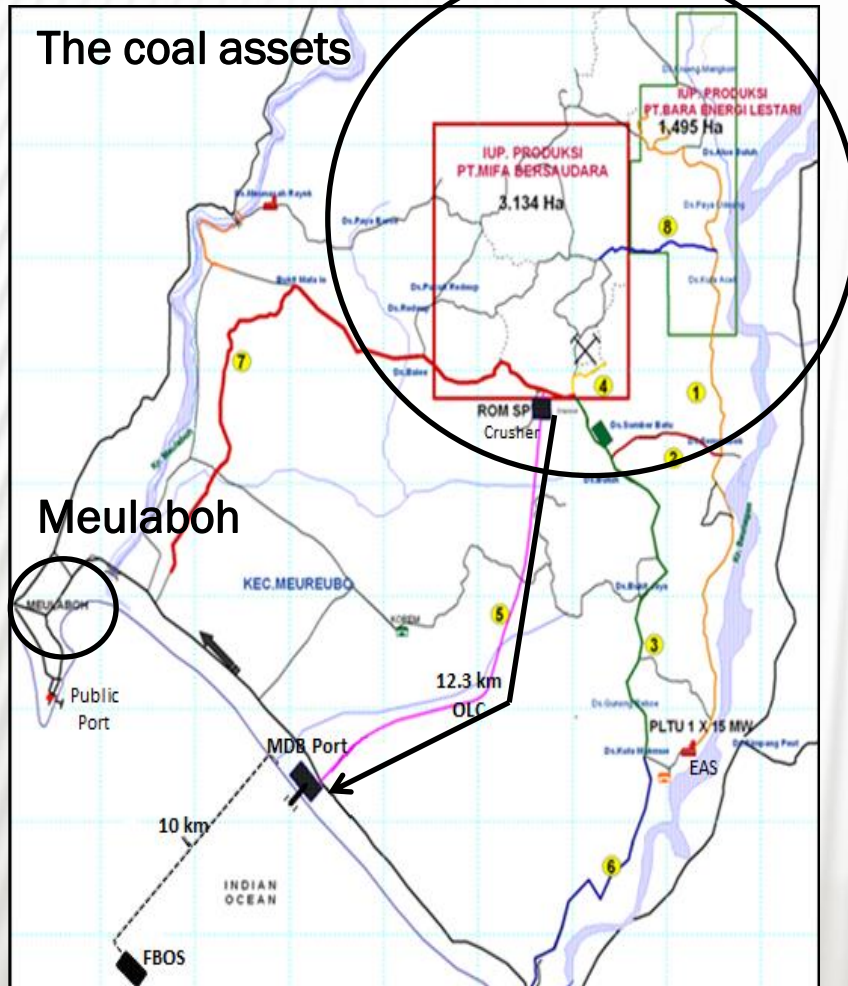
- ABMM acquired TIA in December 2007
- Commercial production at TIA started in August 2009 with coal sales delivery had commenced since October 2009
- Mining areas: Tanah Bumbu regency, approximately 200km north east of Banjarmasin, the capital city of South Kalimantan province
- TIA signed 2 IUP contracts up to 2021
- JORC reserves = 52mn tons
- Hauling distance of 27km pit-to-port
- Barge loading conveyor = 910m, capacity = 1,500 tons per hour
- Port to anchorage = 9-12 km
- Current production capacity: 5mn tons with 2014 target of 5.5mn tons

TIA Site (South Kalimantan Province)



MDB: Mine and Infrastructure Profile

MDB Site (Aceh Province)



PT Media Djaya Bersama (MDB)

- ABMM acquired 70% stake in MDB, parent company of two coal miners Bara Energi Lestari (BEL) and MIFA Bersaudara (MIFA) in June 2011
- BEL and MIFA coal mining areas are located about 14km north of Meulaboh, West Aceh, Sumatra
- JORC Reserves (100% basis): 169mn tons
- 2014 target production capacity of 4mn tons p.a.
- Advantages: Close to the West Asia market (India, Pakistan) and ASEAN market (Malaysia, Myanmar, Thailand), close to sea shore, about 12.3 km pit to port

CK: Heavy Equipment and Machinery Fleet

Type of equipment Jun 30, 2013	Capacity	Number of units	Average age (in years)
Excavator	250 - 350 tons	15	5.07
	20 - 100 tons	104	2.03
Truck	30 - 100 tons	334	3.1
Dozer		85	1.74
Grader	14 - 16 feet	46	2.27
Wheel loader		5	2.1
Compactor		12	2.16
Drill machine		1	2.7
Total		602	

SS: Generator Profile

Model	Number of Units as of Jun 30, 2013	Capacity (kW)	Average Useful Life (Yrs)	Average Age as of Jun 30, 2013 (Yrs)
Diesel Generator Sets	828	1,001,054	10	6
Gas Generator Sets	5	9,000	15	2
Total	833	1,010,054		



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