PT ABM INVESTAMA TBK


ABM
empoweringenergy

PT ABM Investama Tbk.
A member of Tiara Marga Trakindo Group
www.abm-investama.com



3Q 2013 Result – Company Presentation

Jakarta, November 2013

Cautionary Statements

DISCLAIMER: This presentation has been prepared by PT ABM Investama Tbk (“ABMM” or the "Company") solely for general information. By attending the meeting where the presentation is made, or by reading the presentation slides, you acknowledge and agree to the limitations and notifications as stated herein. This presentation is for informational purposes only and does not constitute and should not be construed as, an offer to sell or issue, or invitation to purchase or subscribe for or the solicitation of an offer to buy, acquire or subscribe for, any securities of the Company or any of its subsidiaries, joint ventures or affiliates in any jurisdiction or an inducement to enter into investment activity. We disclaim any responsibility or liability whatsoever arising which may be brought or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither PT ABM Investama Tbk and/or its affiliated companies and/or their respective Management Boards and employees accepts liability for any errors, omissions, negligent or otherwise, in this presentation and any inaccuracy here in or omission here from which might otherwise arise. You will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

FORWARD-LOOKING STATEMENTS: This presentation may include "forward-looking statements", which are based on current expectations and projections about future events and include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "plans", "could", "predicts", "projects", "estimates", "foresees" or similar expressions or the negative thereof. Such forward-looking statements, as well as those included in any other material discussed at the presentation, concern future circumstances and results and involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company and its subsidiaries present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date as of which they are made, and none of the Company, the selling shareholders or any of their respective Management Boards, employee, agents, or advisors intends or has any duty or obligation to supplement, amend, update or revise any such forward-looking statements to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based or whether in the light of new information, future events or otherwise. Given the aforementioned risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. Some of the information in this presentation is subject to change without notice. The opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

Business Updates

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

ABM 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.

Reswara Minergi Hartama (Reswara) – Coal Mining

reswara

Overview and Updates:

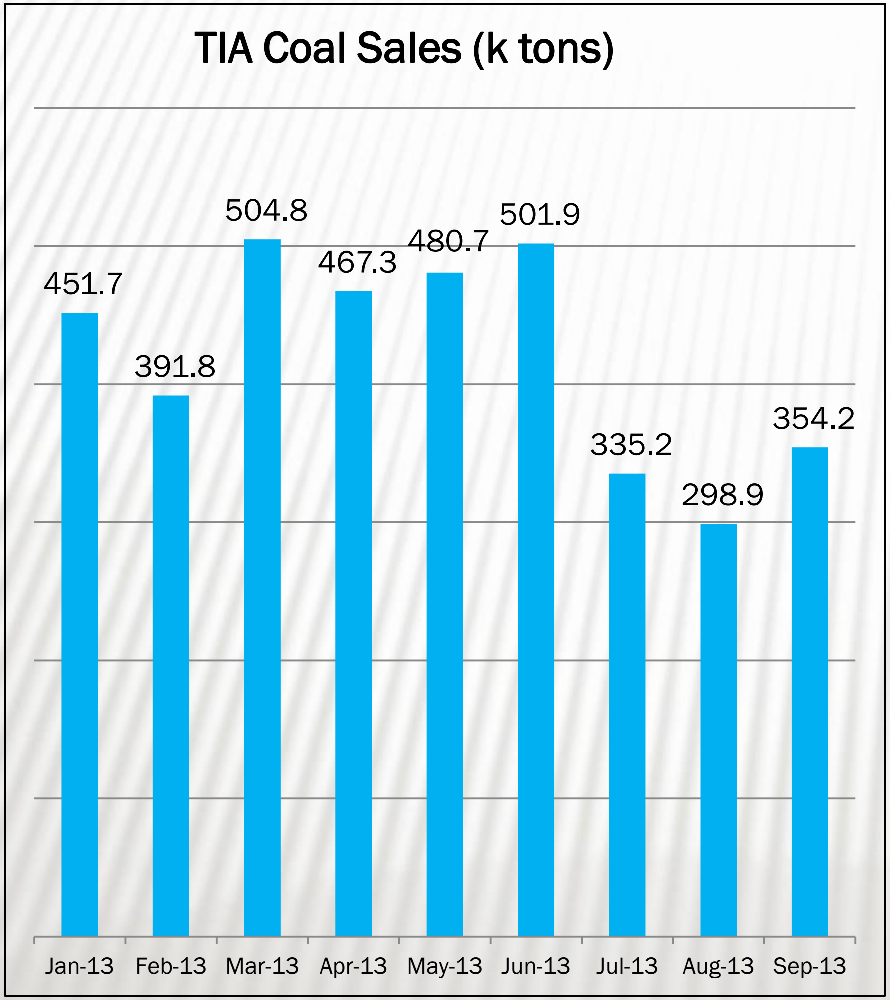
- Reswara operates 3 coal mines in South Kalimantan (TIA) and Aceh (BEL, MIFA)
- Total estimated JORC coal reserves and resources (at 100% basis): 221mn tons and 561mn tons
- About 70% for TIA coal tonnage already contracted
- TIA 9M 2013 coal sales volume: 3.8mn tons (+24% y-o-y)
- Committed to continue the Aceh-based MDB project

Coal Production at TIA, South Kalimantan

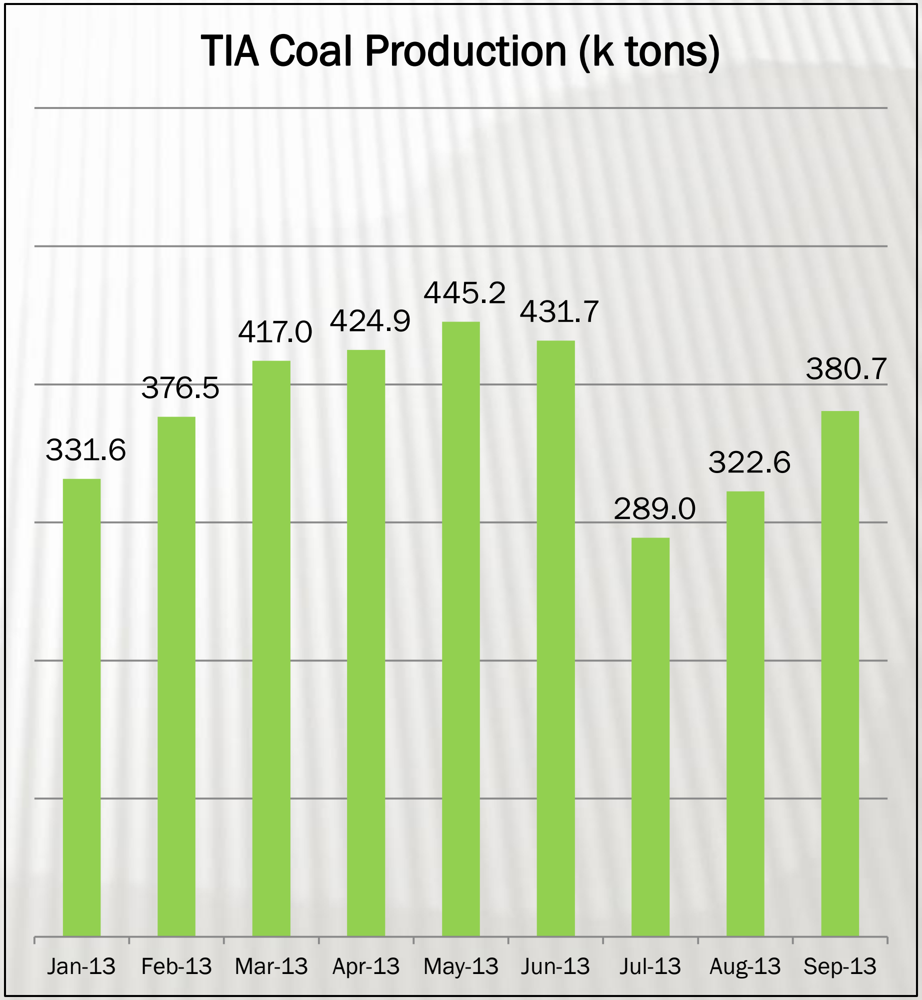
Barge Conveyer at TIA, South Kalimantan

TIA: Sales Volume and Production Volume

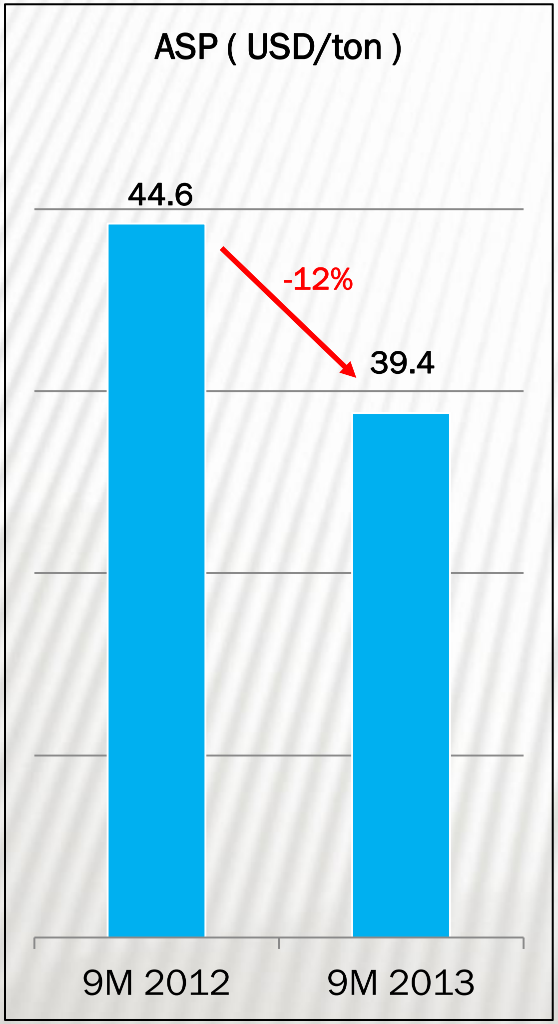
9M 2013 Coal Sales : 3.8 mn tons, +24% y-o-y

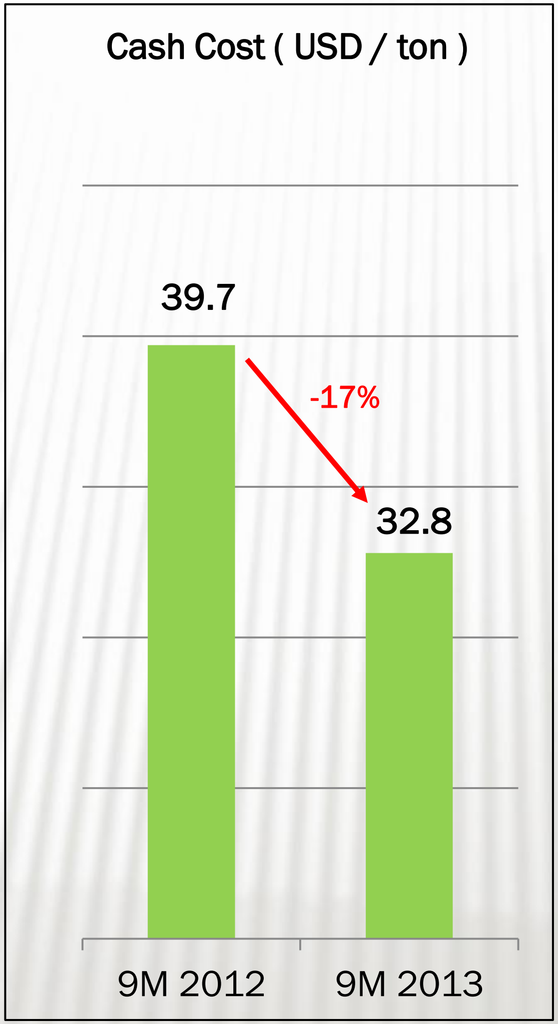


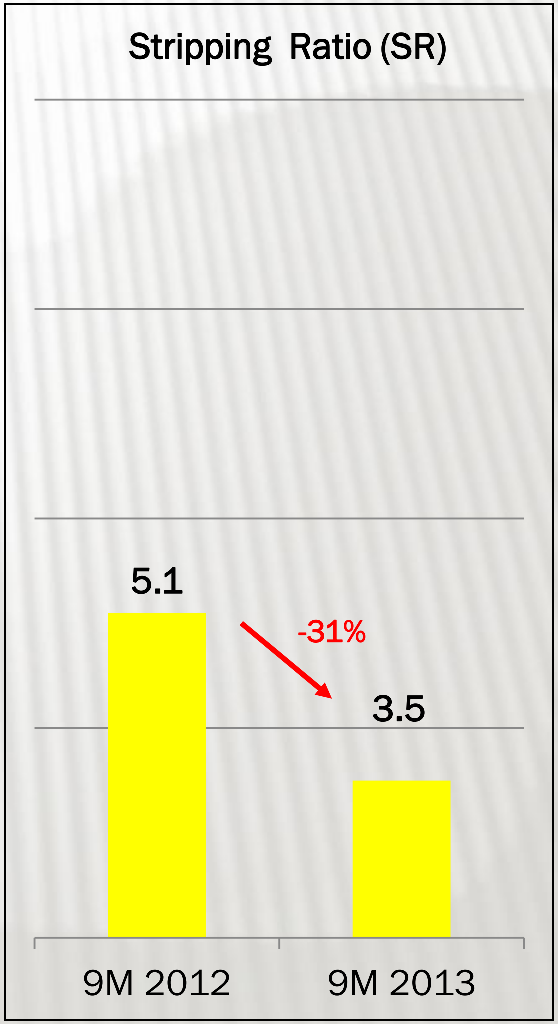
9M 2013 Coal Production : 3.4 mn tons, +62% y-o-y



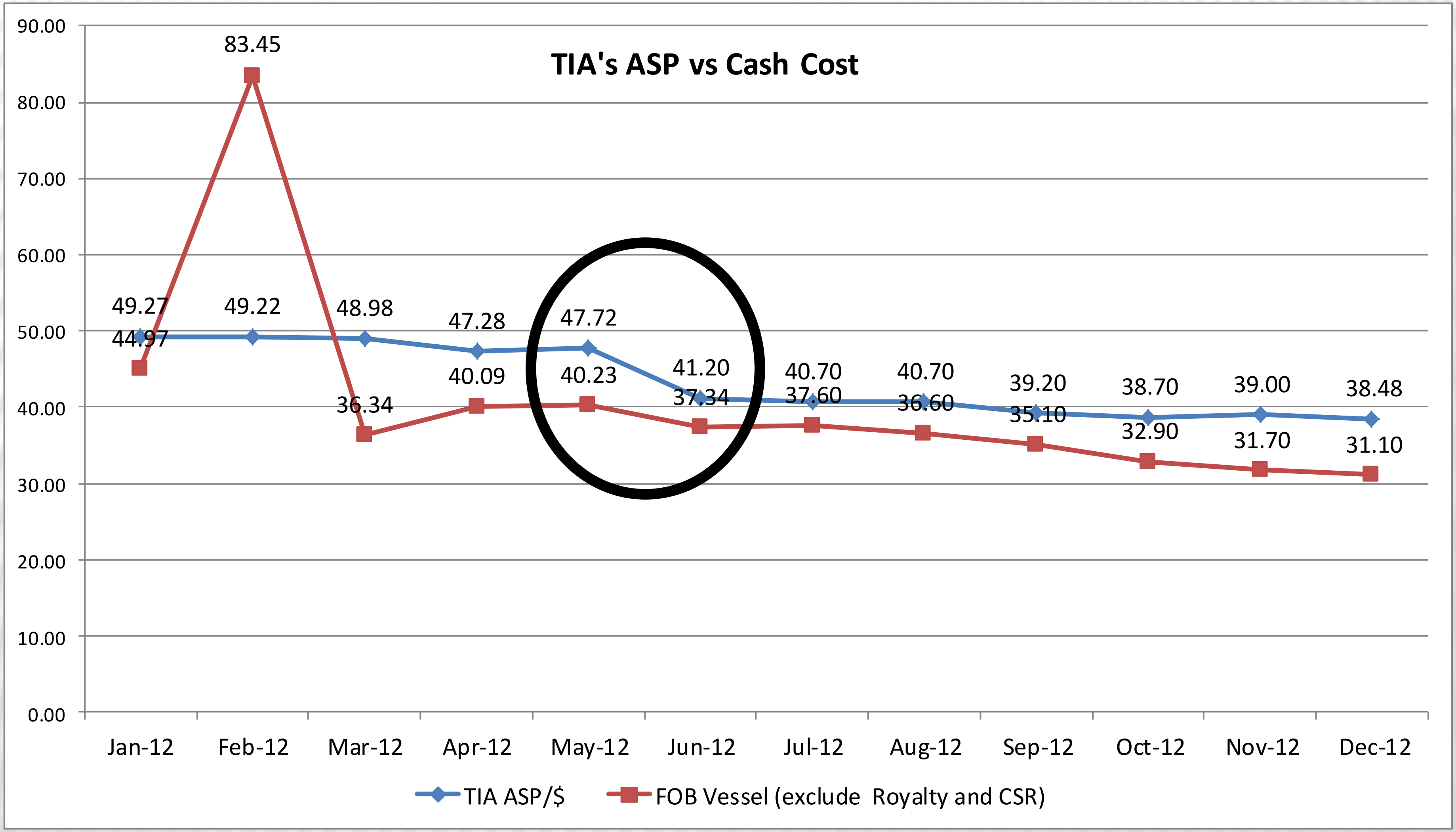
TIA: ASP, Cash Cost, Stripping Ratio (SR)





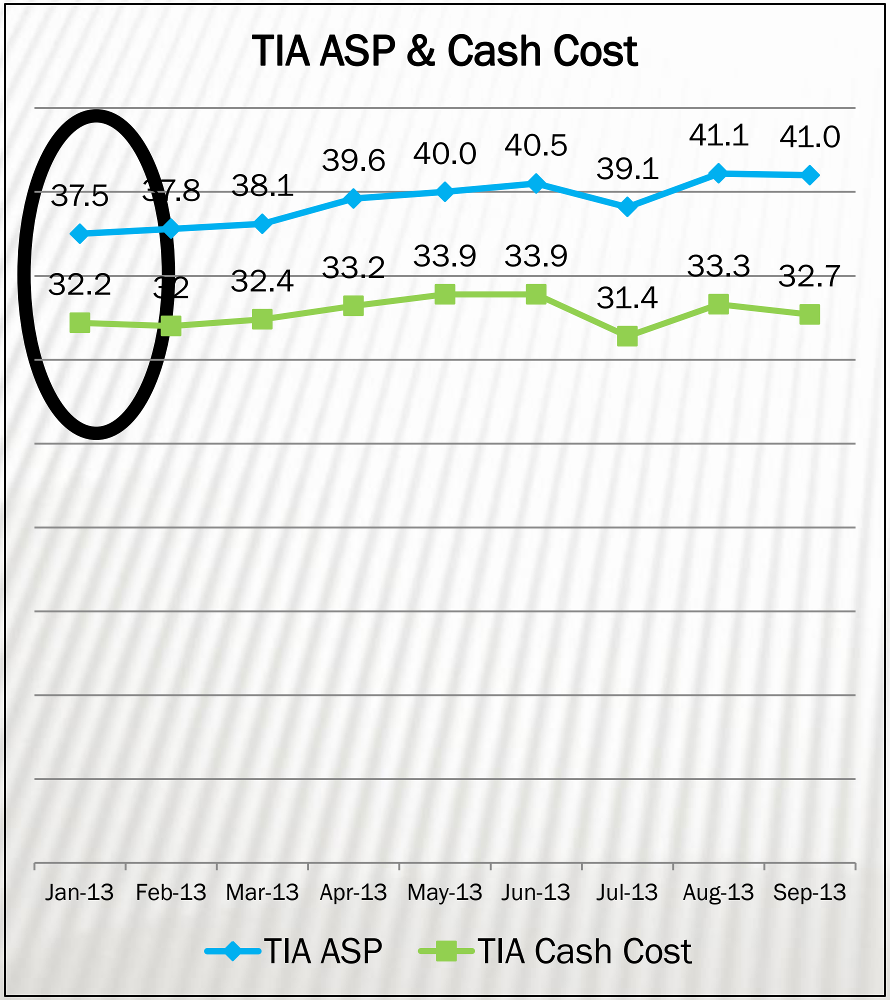


TIA : FY 2012 ASP USD 42.3/ton and Cash Cost USD 36.31/ton

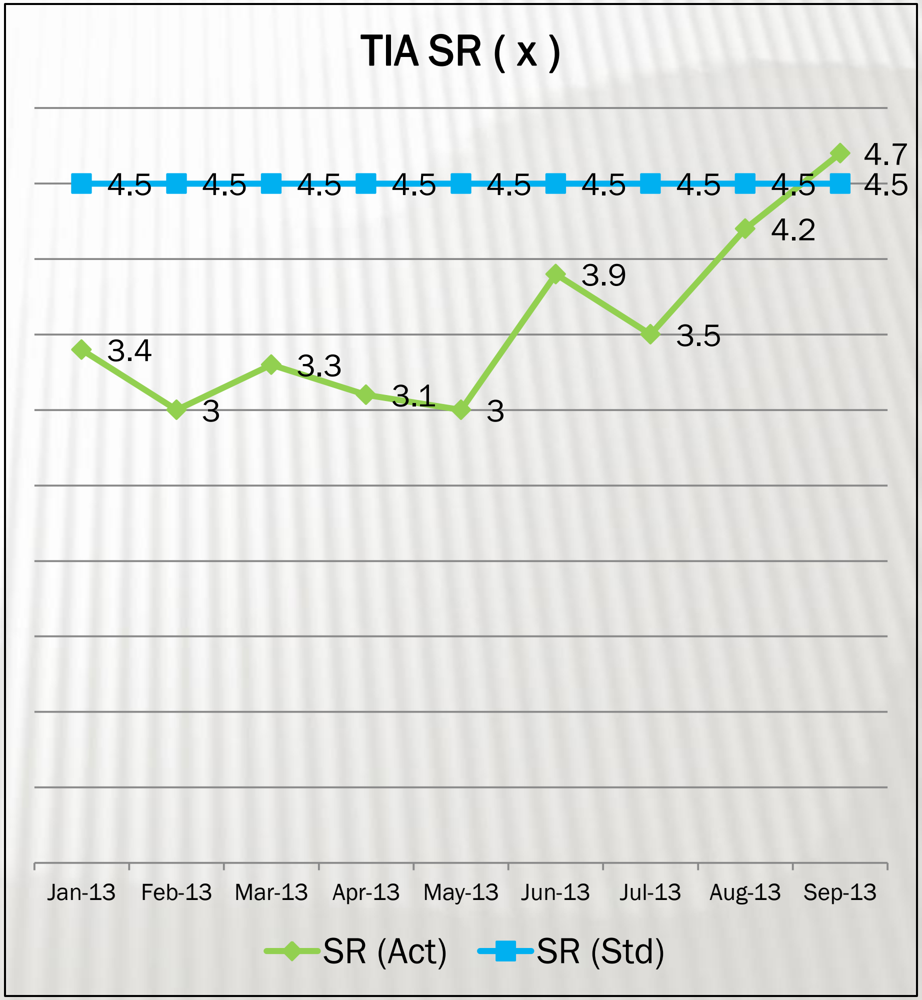


TIA: Monthly ASP, Cash Cost, and Stripping Ratio (SR)

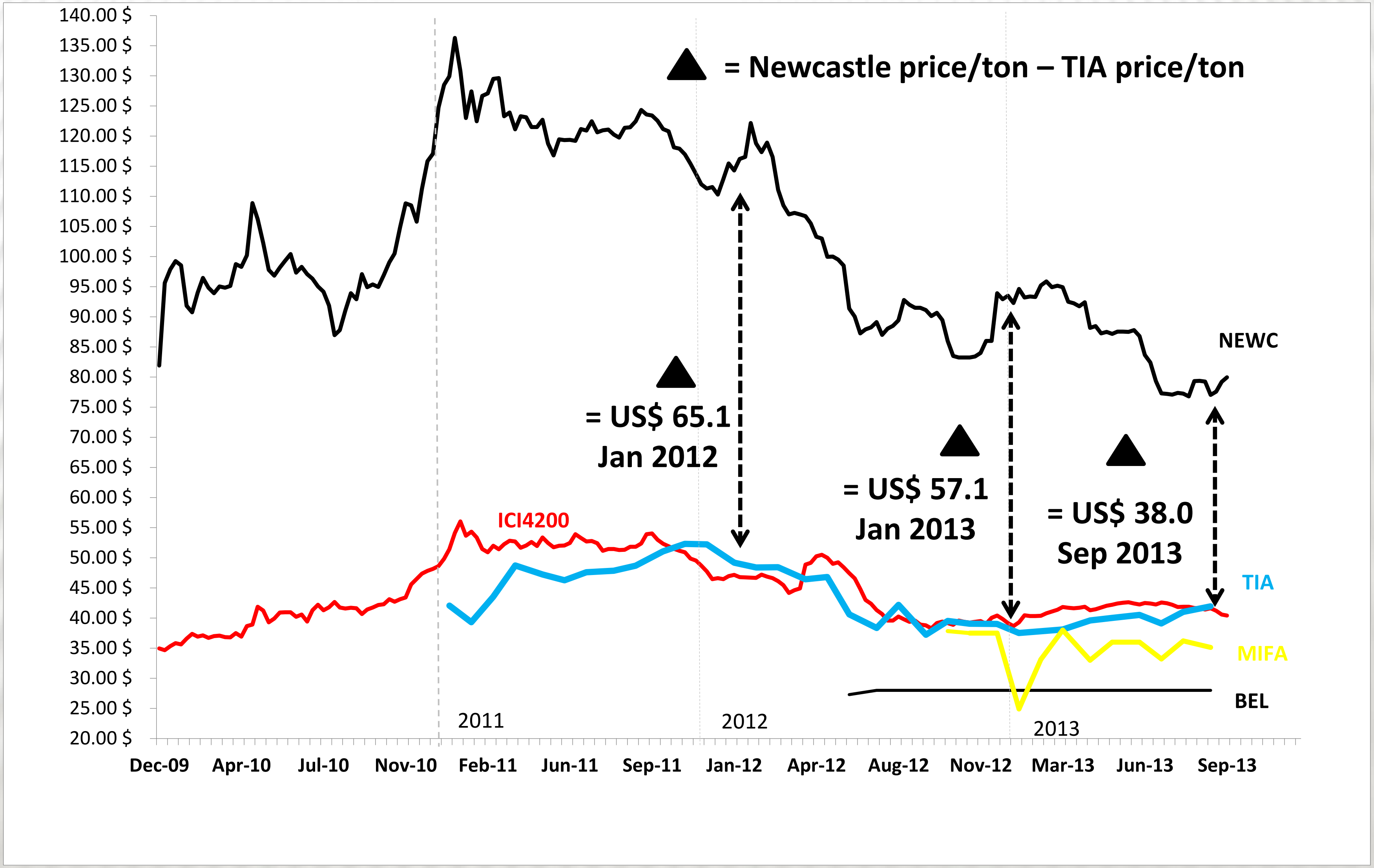
9M 2013 ASP: USD39.4/ton, Cash Cost: USD32.8/ton



9M 2013 average SR: 3.6 x

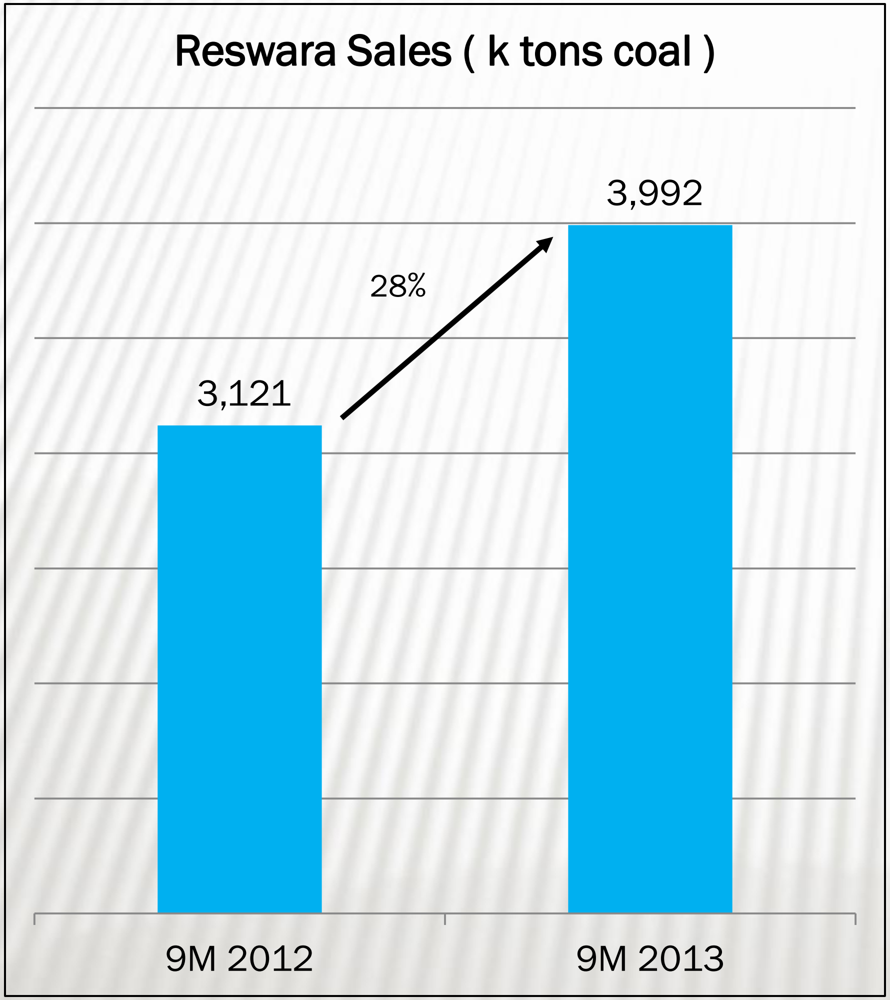


Coal Price Index vs. Reswara ASP

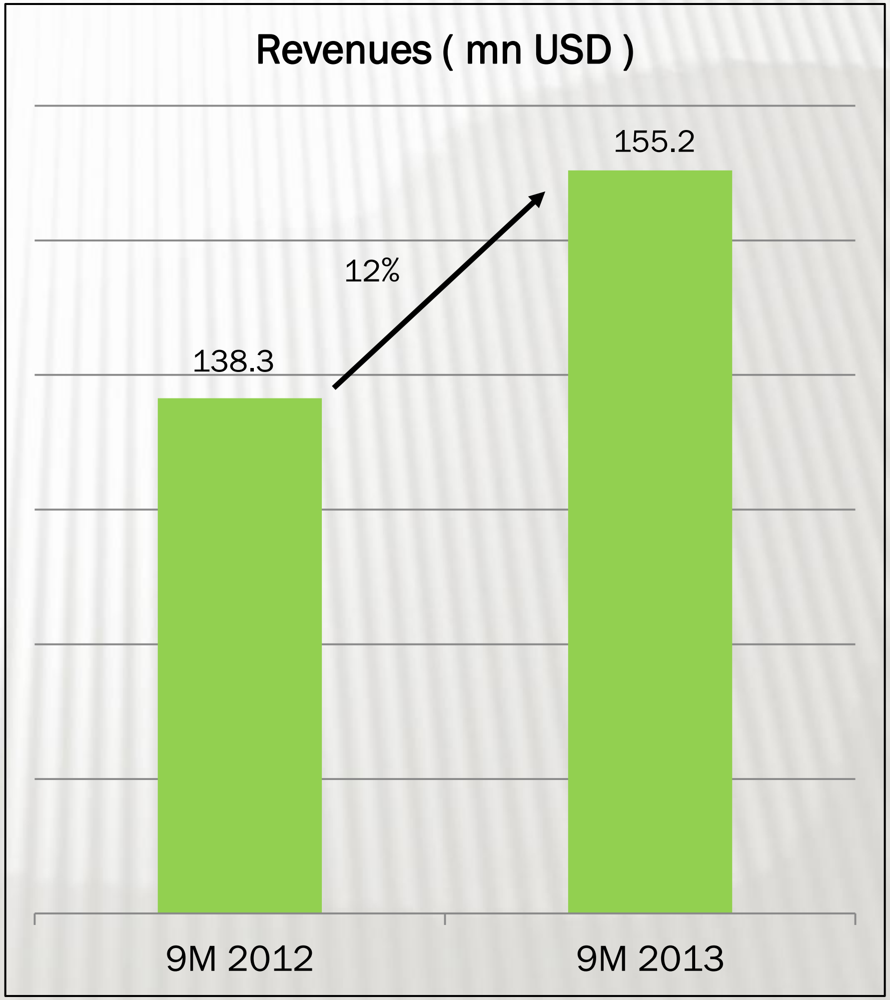


Reswara: Sales Volume and Revenues

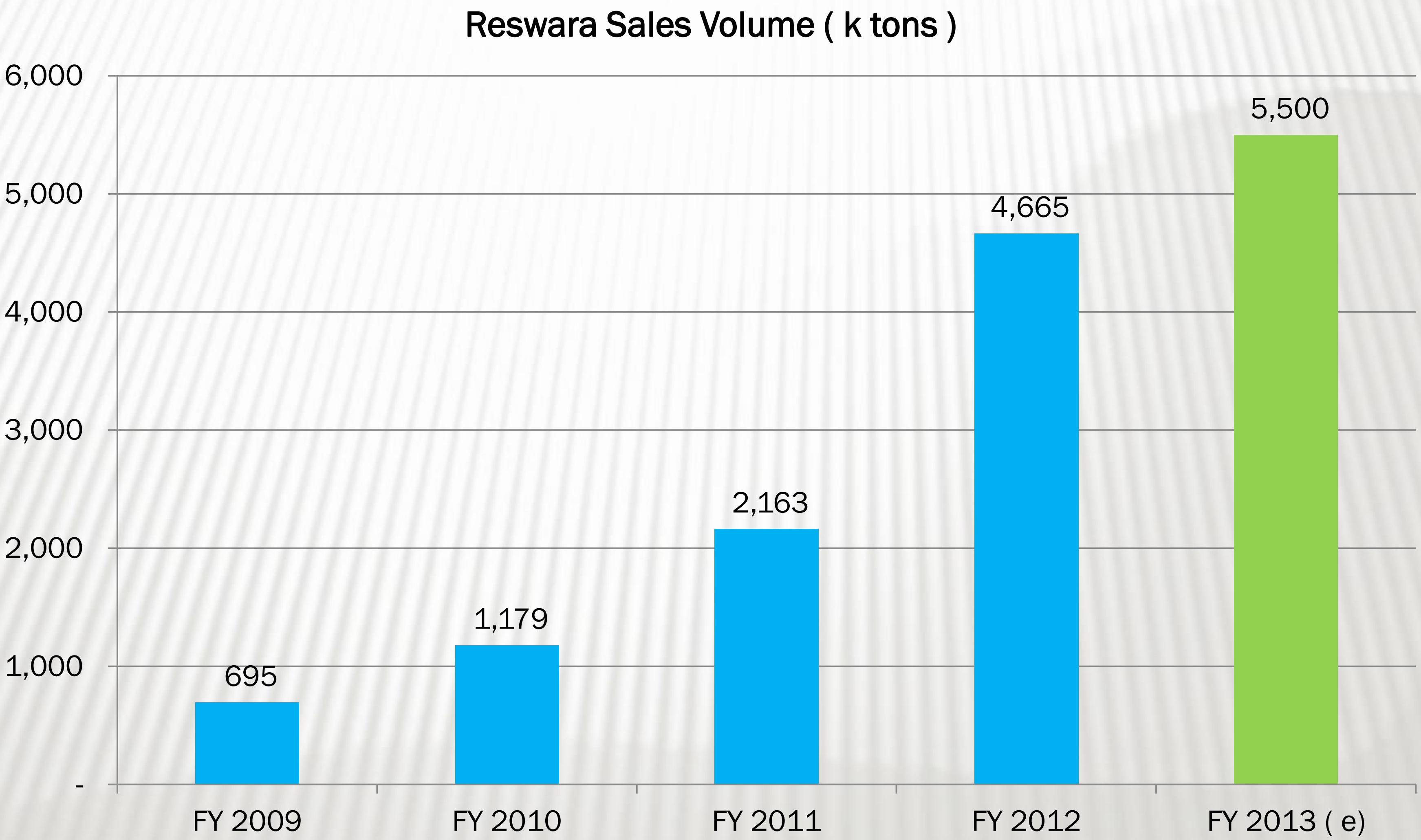
9M 2013 Sales Volume: 4.0mn tons (100% basis)



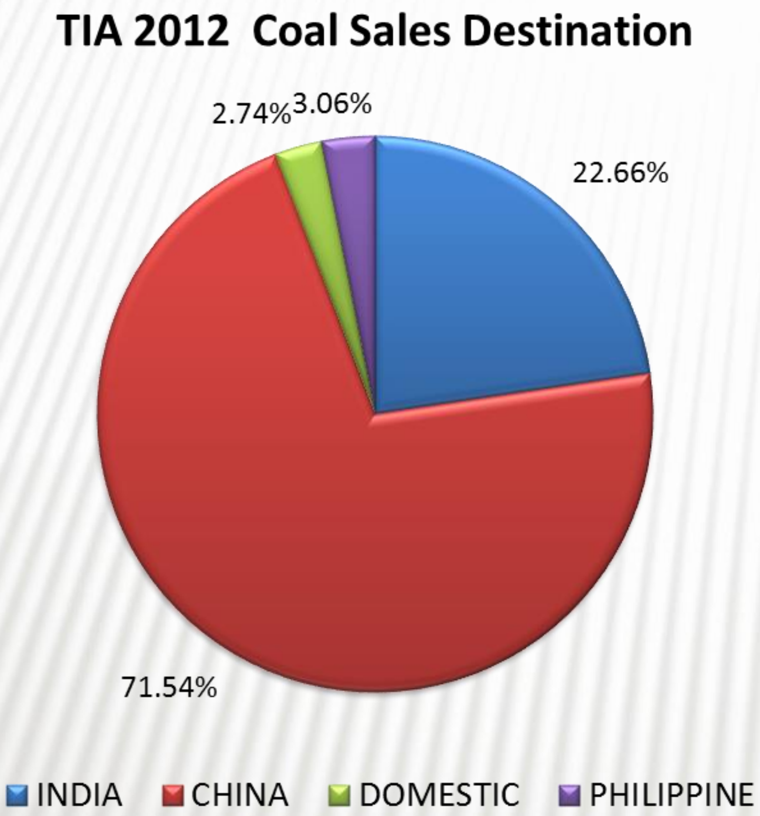
9M 2013 Revenues: USD 155.2mn, +12% y-o-y

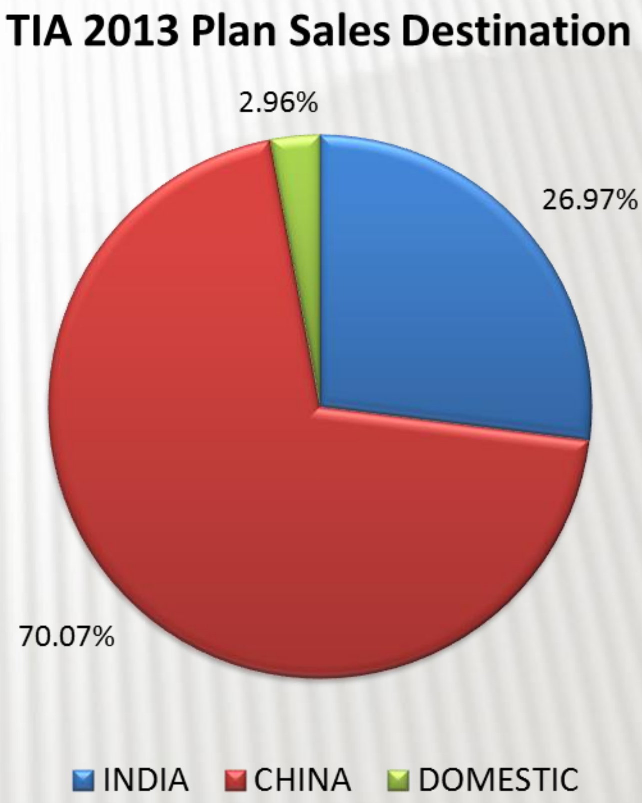


Reswara: Historical and Target Sales Volume



TIA: Coal Sales Destination





MDB Project Update

Progress by September 30, 2013 (June 30, 2013):

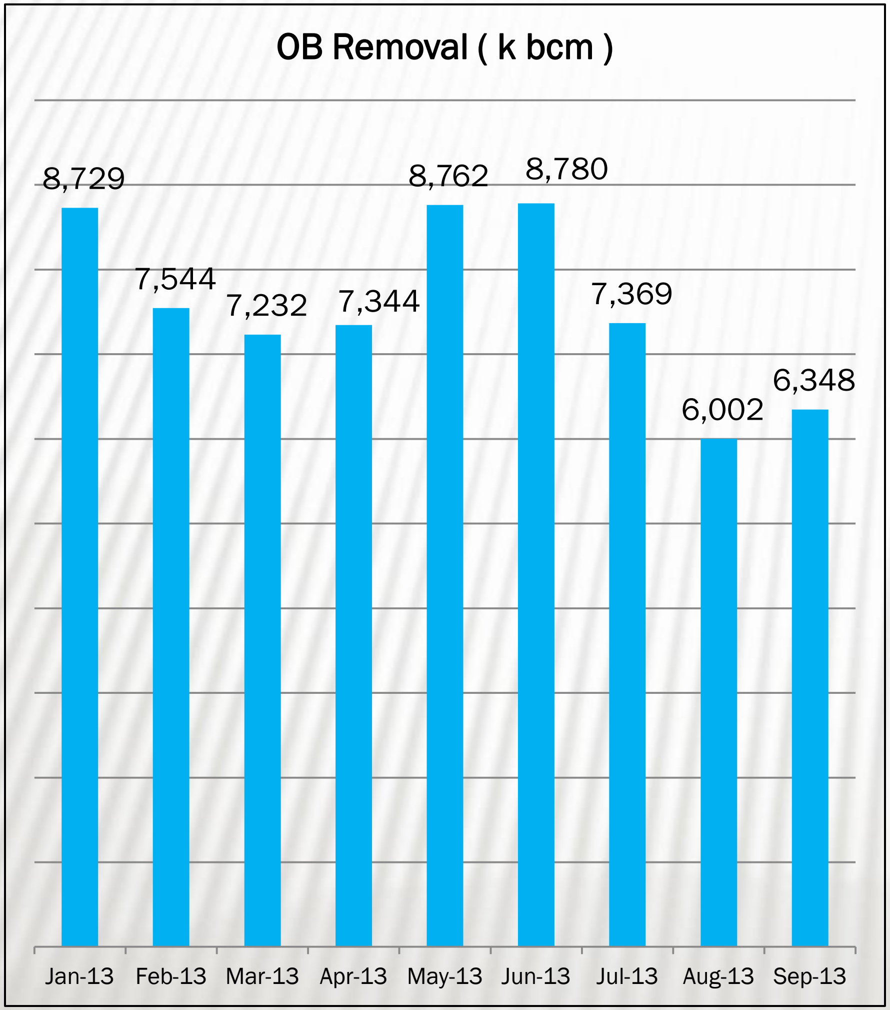
1. Land Acquisition 79% (67%)
2. Port Construction 74% (70%)
3. Mining Site 61% (55%)

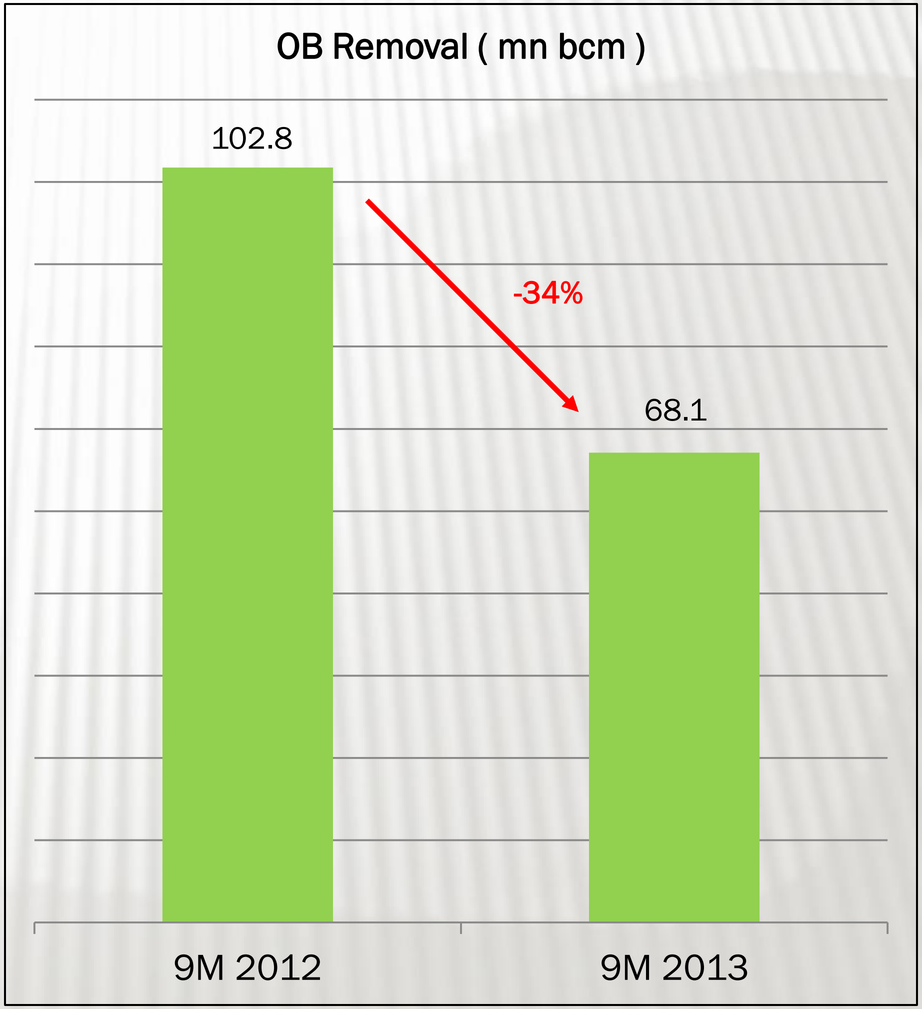
Cipta Kridatama (CK) - Mine Contractor

Overview and Updates:

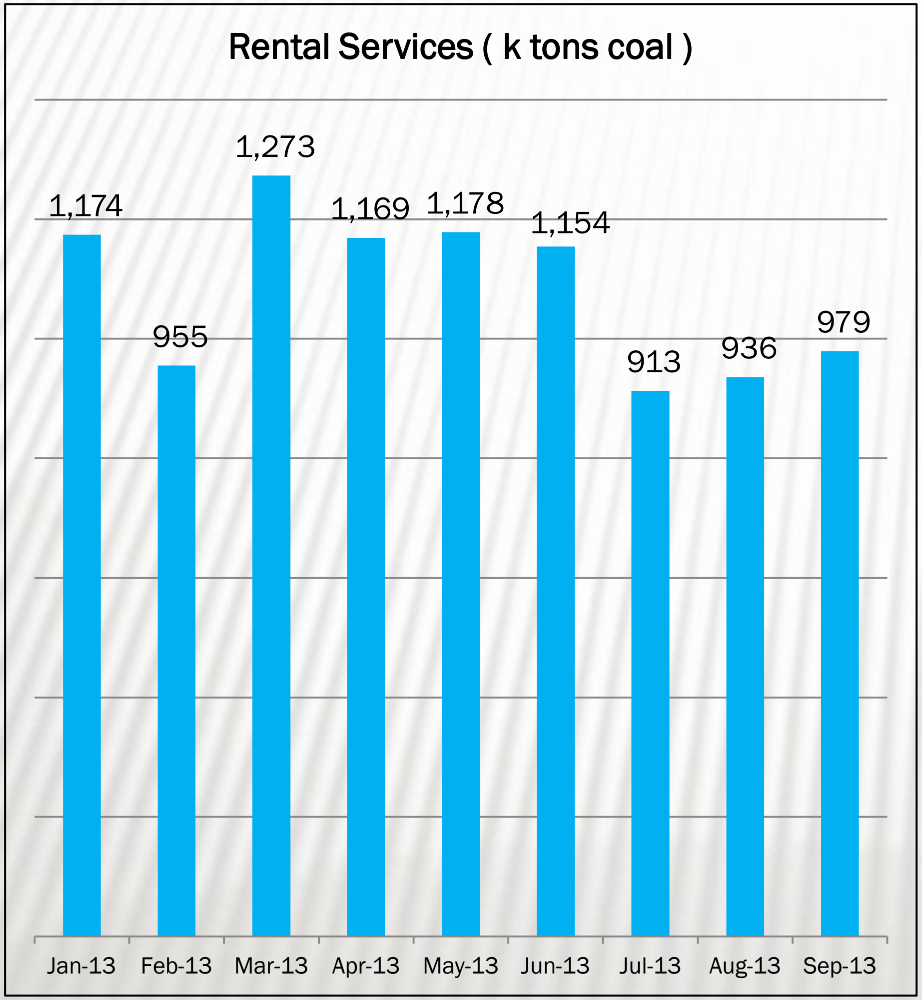
- Founded in 1997, CK offers pit-to-port services
- Currently CK is serving nine Indonesian mining companies, both IUP contract and Coal Contract of Work (CCOW) holders
- Recently signed 5-years contract with Multi Harapan Utama, a Coal Contract of Work (CCOW) holder, for US$ 206mn
- Total contracts signed in 2013 worth almost US$860mn
- 9M 2013 OB Removal 68mn Bcm, Rental Services 9.7mn tons of coal

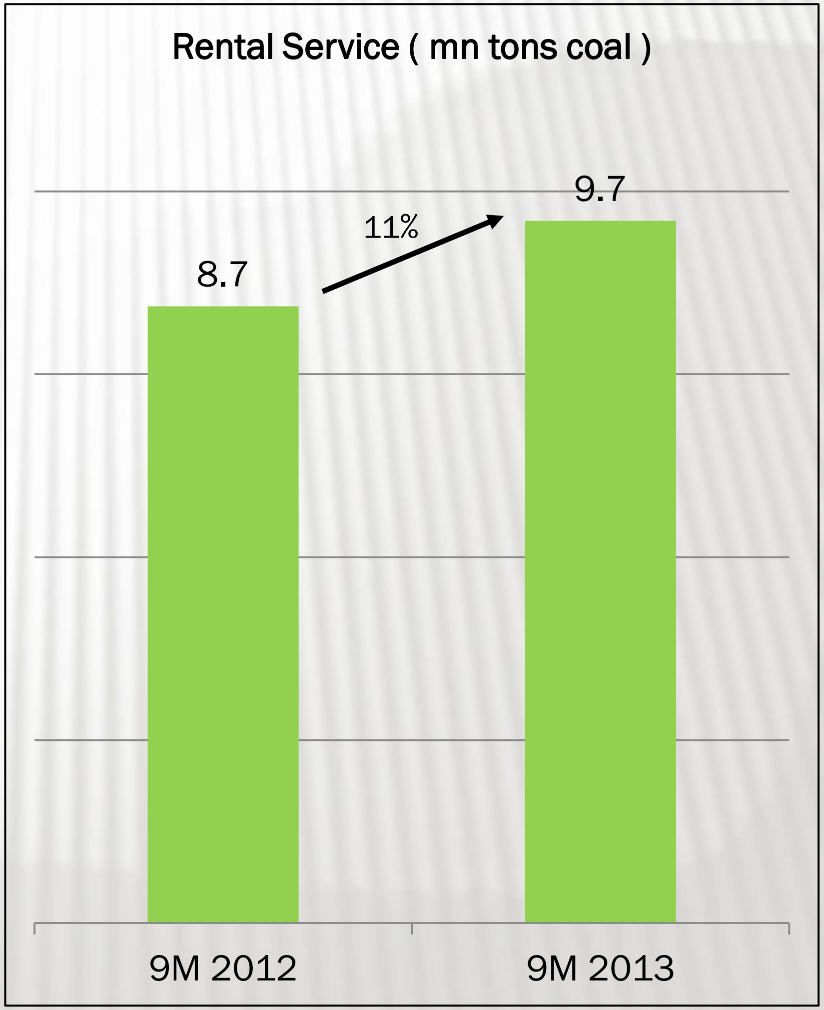
OB Removal Volume



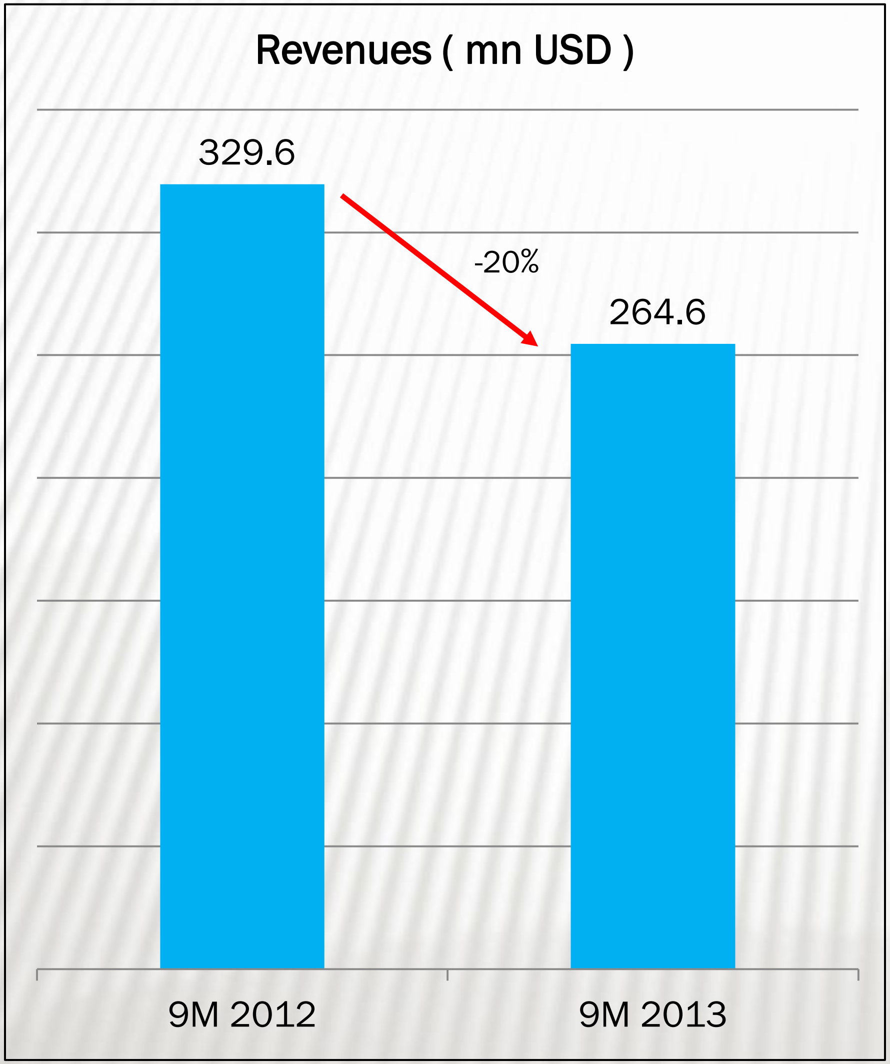


Rental Service Volume

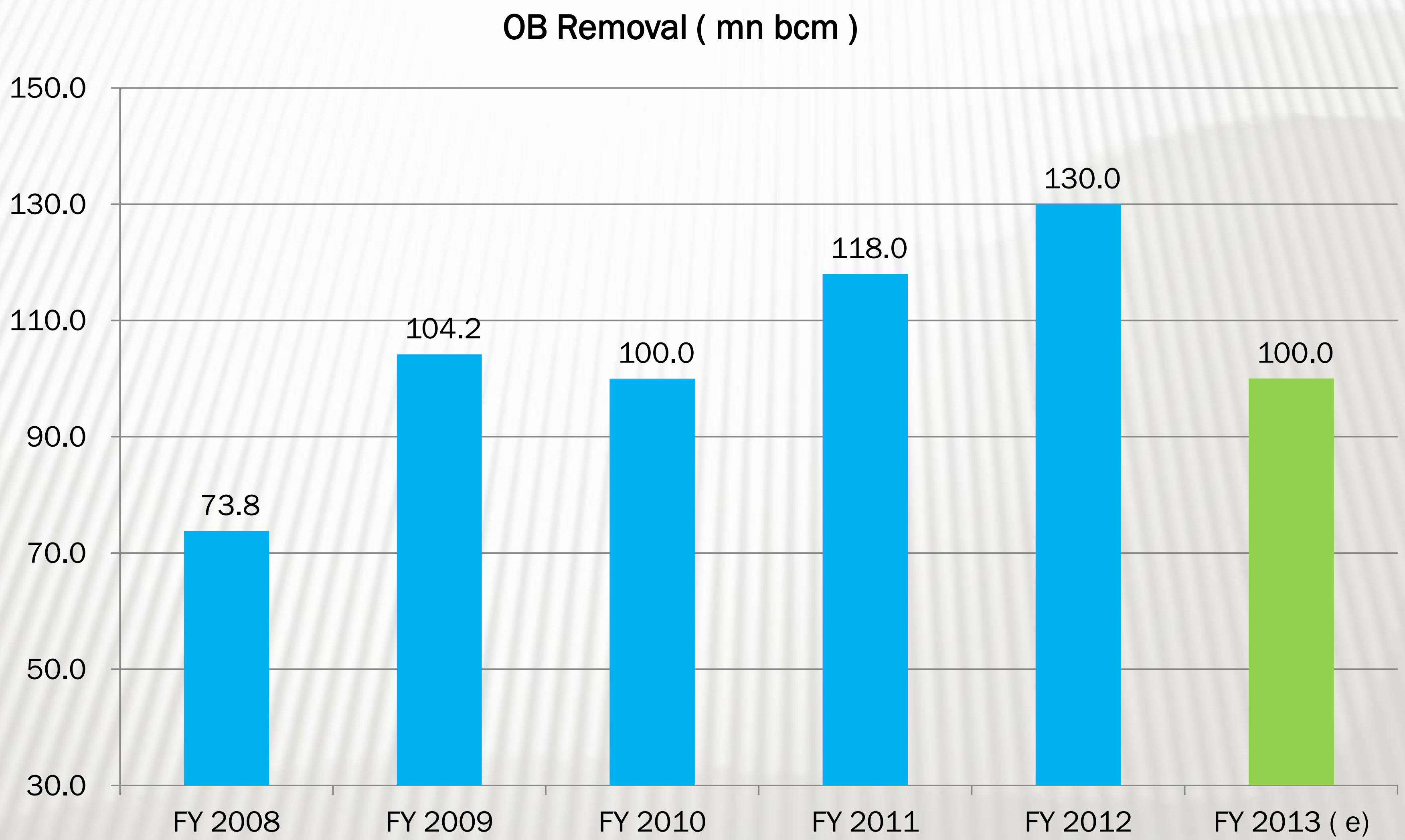




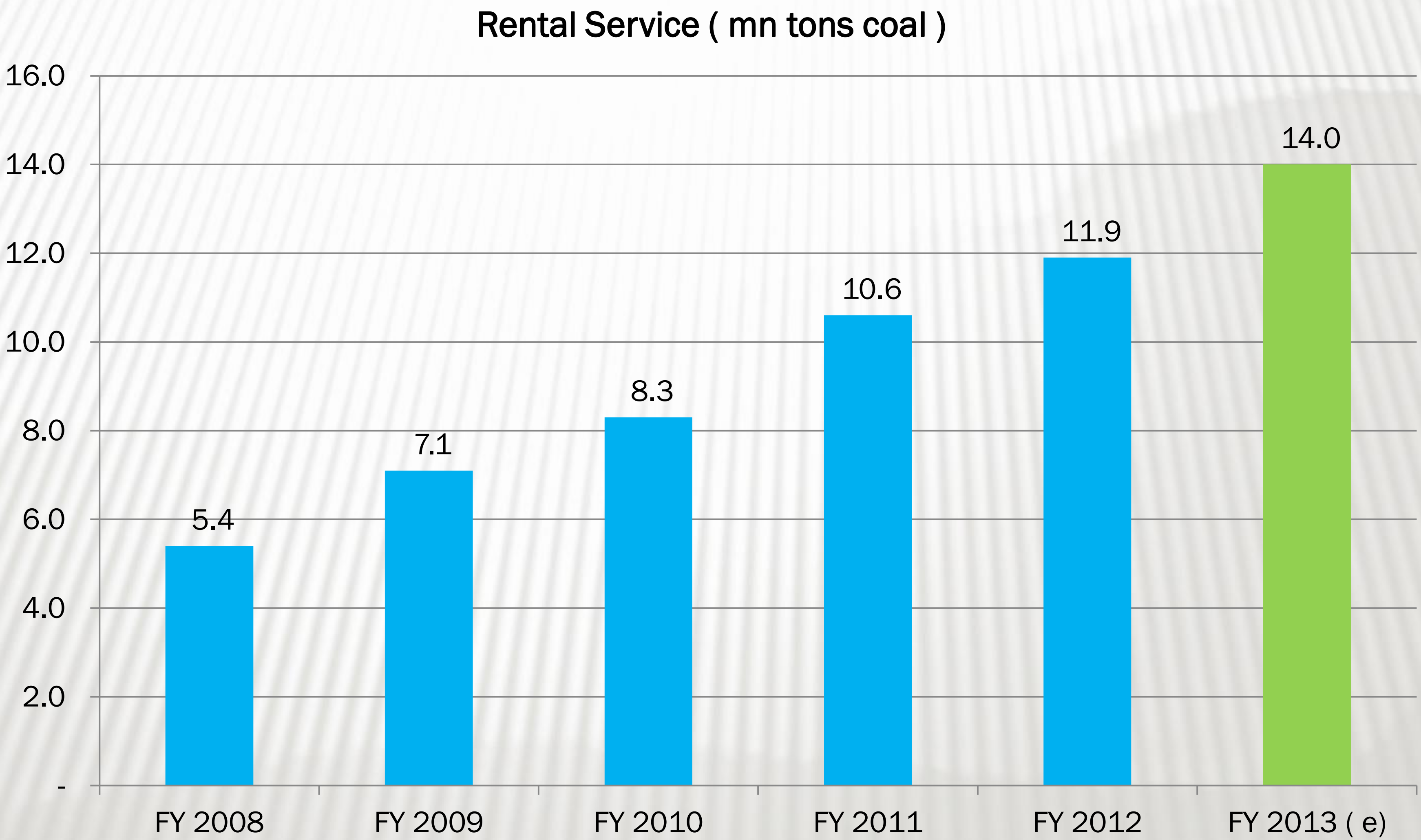
CK 9M 2013 Revenues



OB Removal Performance and Plan 2013



Rental Service Performance and Plan 2013

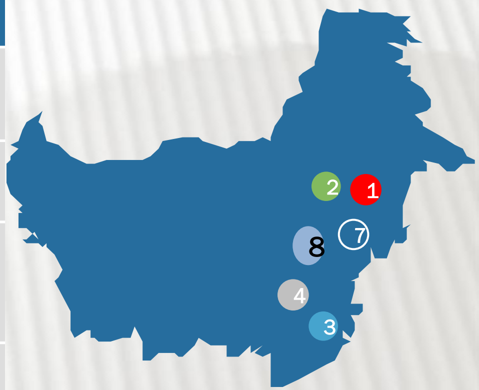


Current Customers and Backlog

Operating Agreements as of Sep 30, 2013

Client	Mining Project Sites	Expected Contract Duration	Backlog (bcm/ton)
MSJ 1	Separi, East Kalimantan	Jun 2004 - Sep 2015	72.5 / 7.5
MHU 2	Jongon, East Kalimantan	Nov 2007 - Oct 2015	69.2 / 5
TIA 3	Sebambam, Tanah Bumbu, South Kalimantan	Apr 2009 - Jul 2020	125 / 21
AI 4	Batulicin, South Kalimantan	2003 - life mine	12/ 2
TW 5	Ketaun,Bengkulu	Mar 2011 - Mar 2017	84 / -
RBH 6	Siambul, Riau	Feb 2012 - Feb 2017	92 / -
RK 7	Loan Janan, East Kalimantan	Jun 2012 - Jun 2017	69/-
TMJ 8	Batu Sopag, East Kalimantan	Nov 2012 - Nov 2017	135
RJM 9	Musi Banyuasin, South Sumatra	Mar 2013 - Mar 2018	90
Total			**750 / 36.2**

Kalimantan



Sumatra

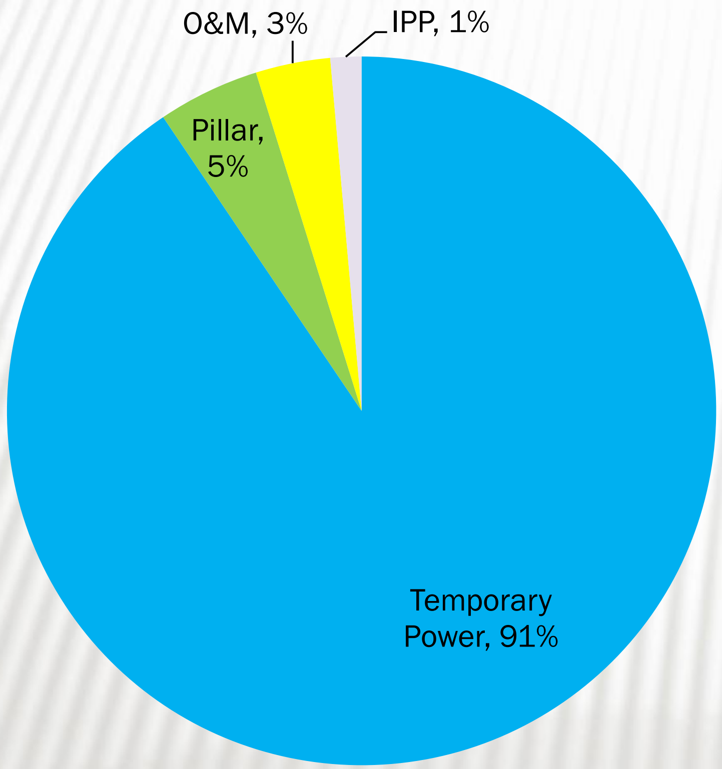
Sumberdaya Sewatama (SS) – Power Solutions

Overview and Updates:

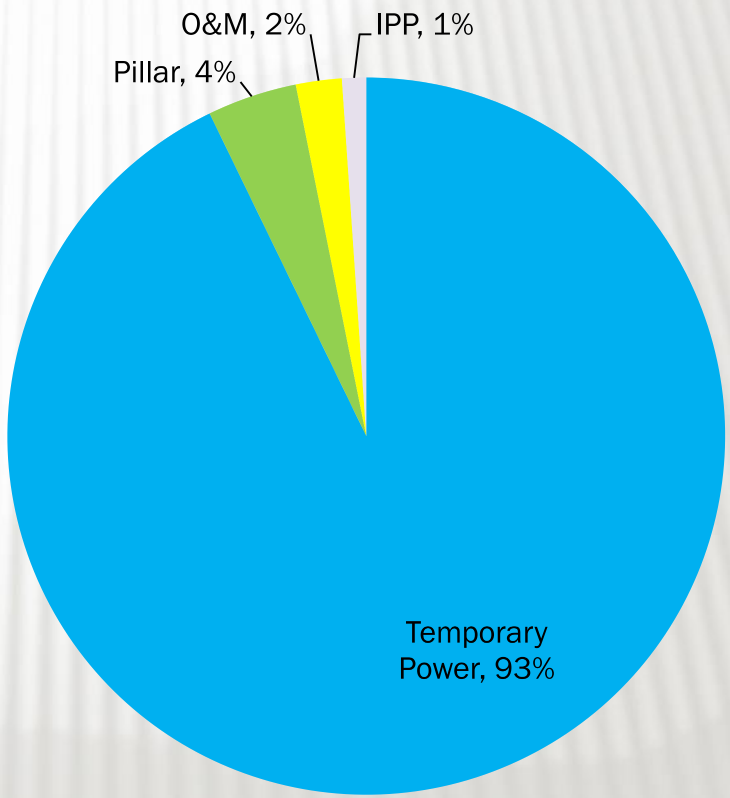
- SS engages in Temporary Power, Operation & Maintenance (O&M), Dewatering, Power Optimization, and IPP
- With installed capacity of over 1GW, SS ranks Indonesia's largest private temporary power enabler
- Indonesia's proven MFO-based power generator
- 9M 2013 electricity production of 3.4bn KwH
- Recently awarded 50MW diesel-fired power generator tender in Bali for APEC conference

Revenues Breakdown

9M 2013

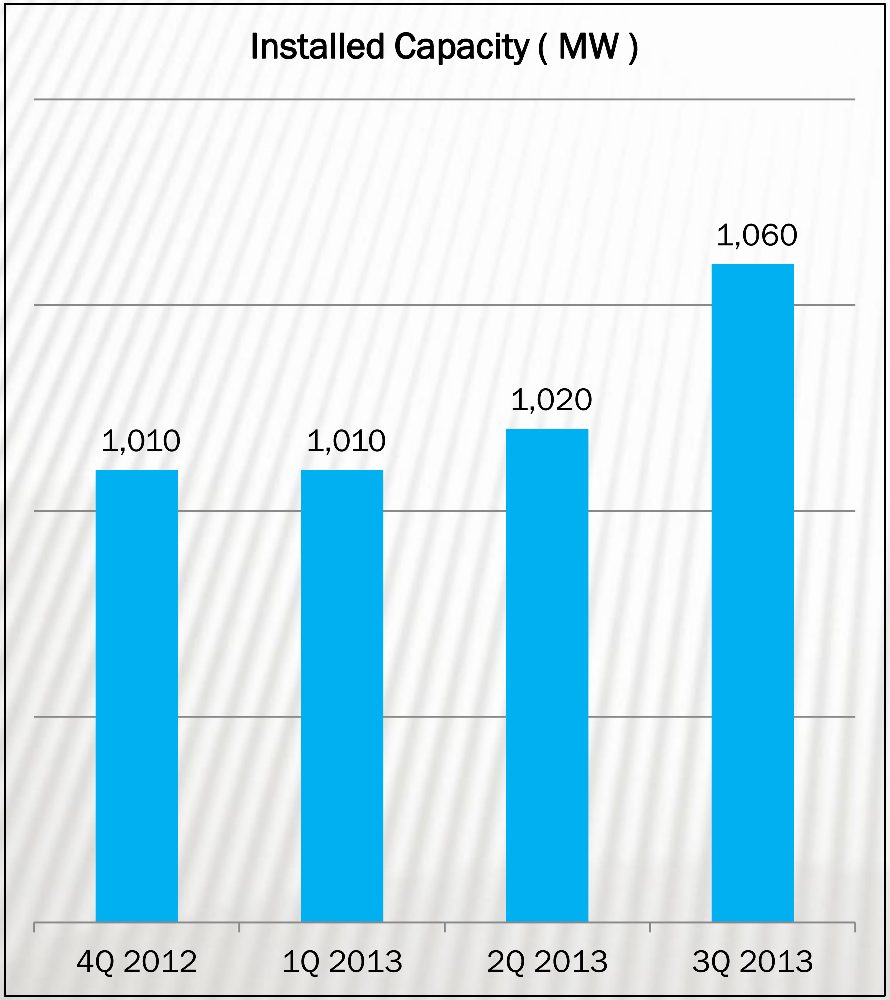


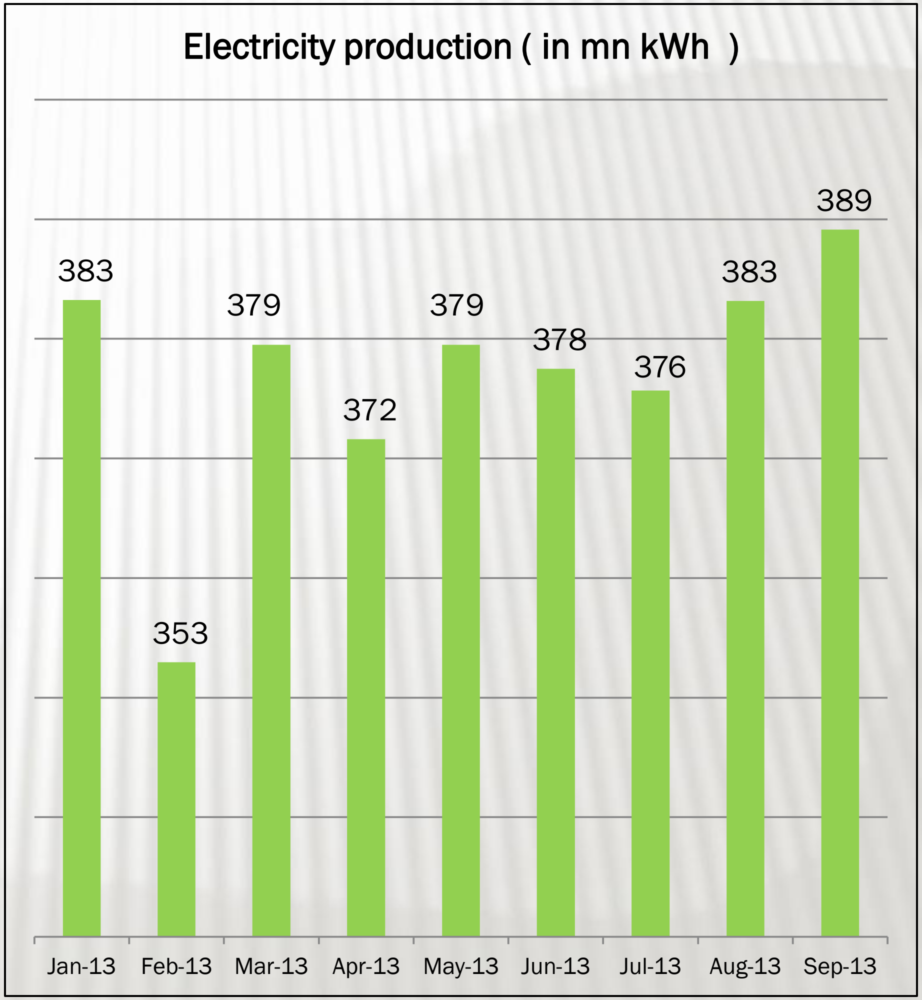
9M 2012



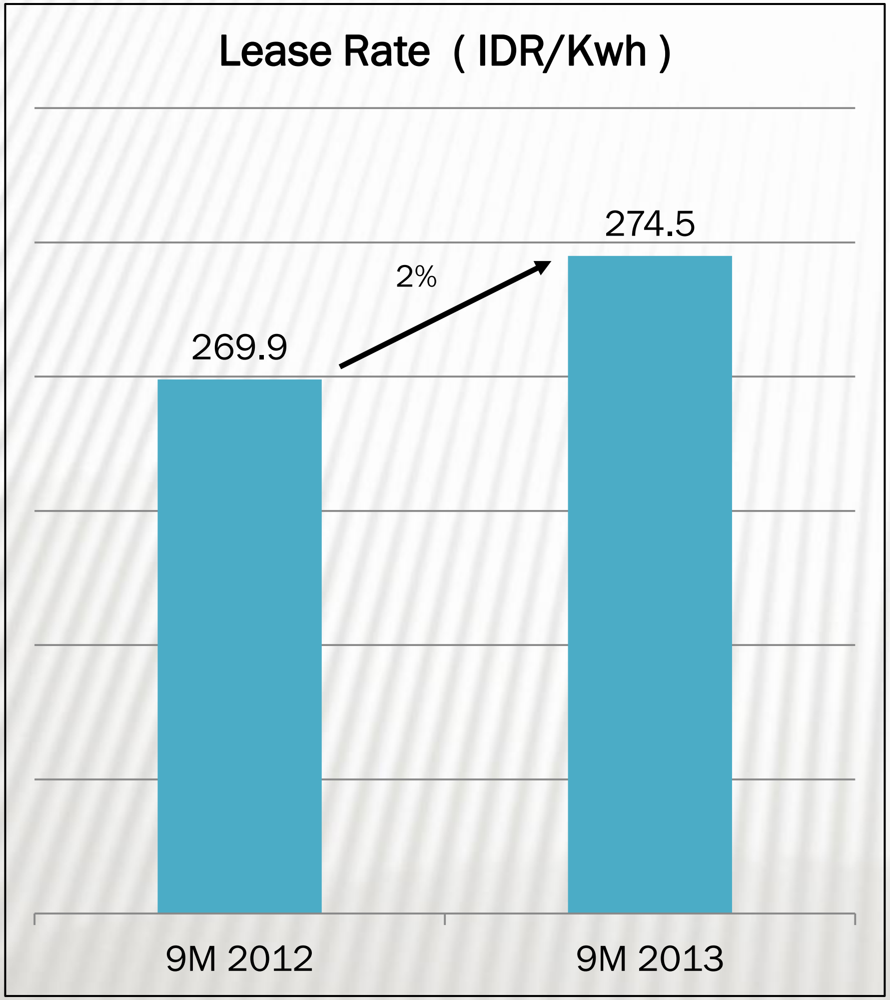
Temporary Power: Capacity & Generated KwH

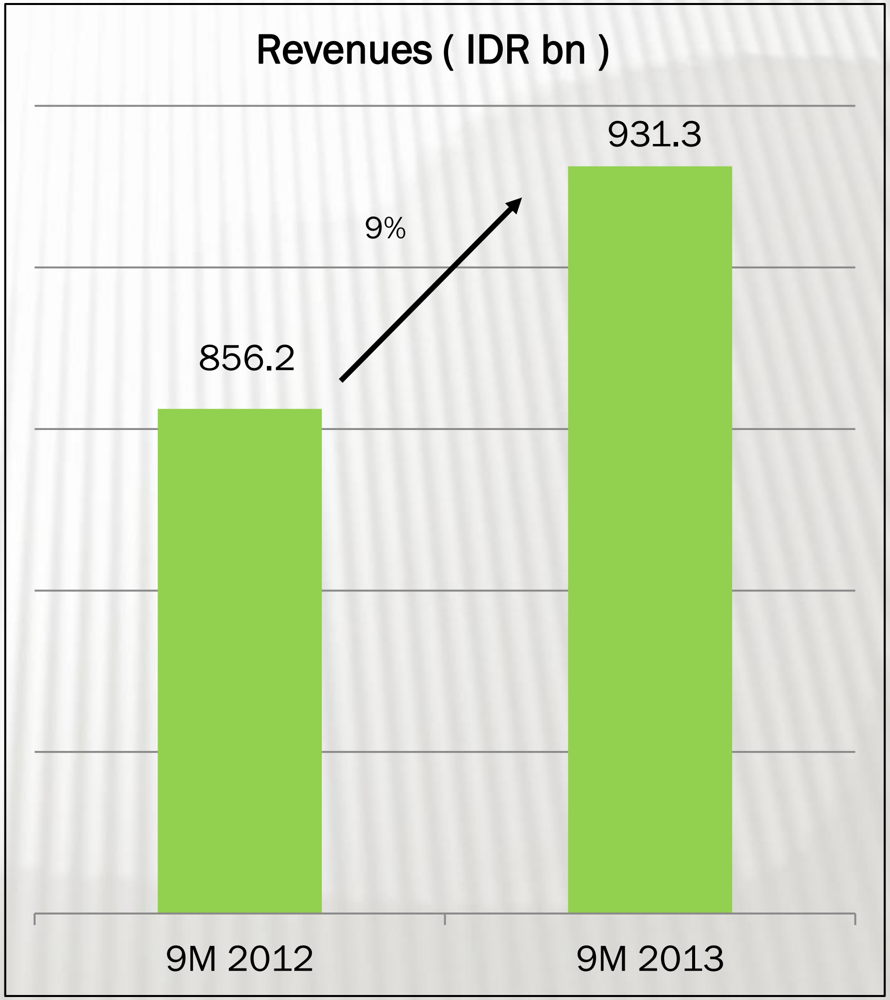
kWh generated 9M 2013 : 3,392 (mn kWh), +47% y-o-y



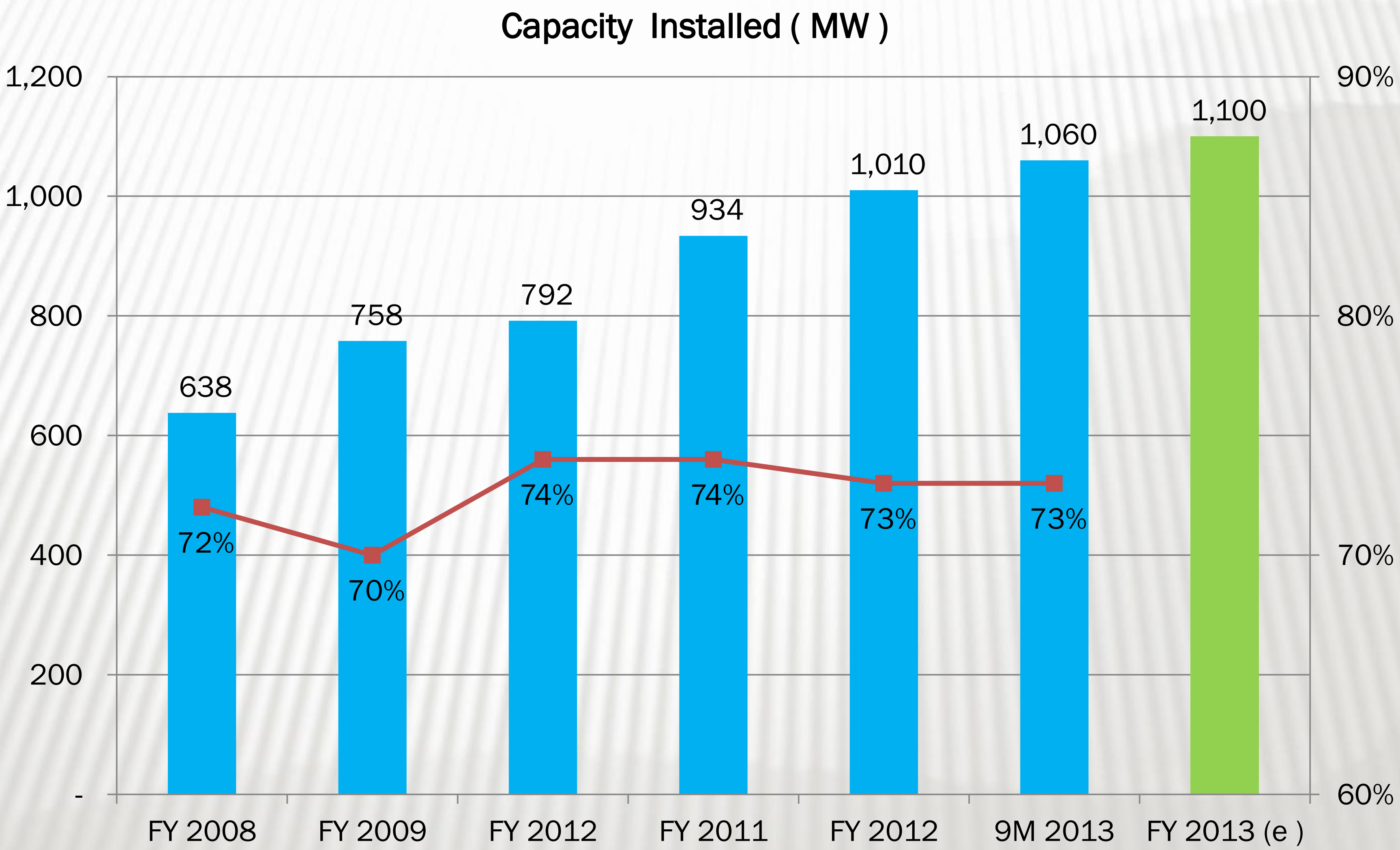


Temporary Power: Lease Rate and Revenues





Temporary Power: Capacity and Utilization Rate



Sanggar Sarana Baja (SSB) – Engineering Services

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
- 9M 2013 revenues reached US$ 70.7mn

PT. Sanggar Sarana Baja (SSB) – Engineering Services

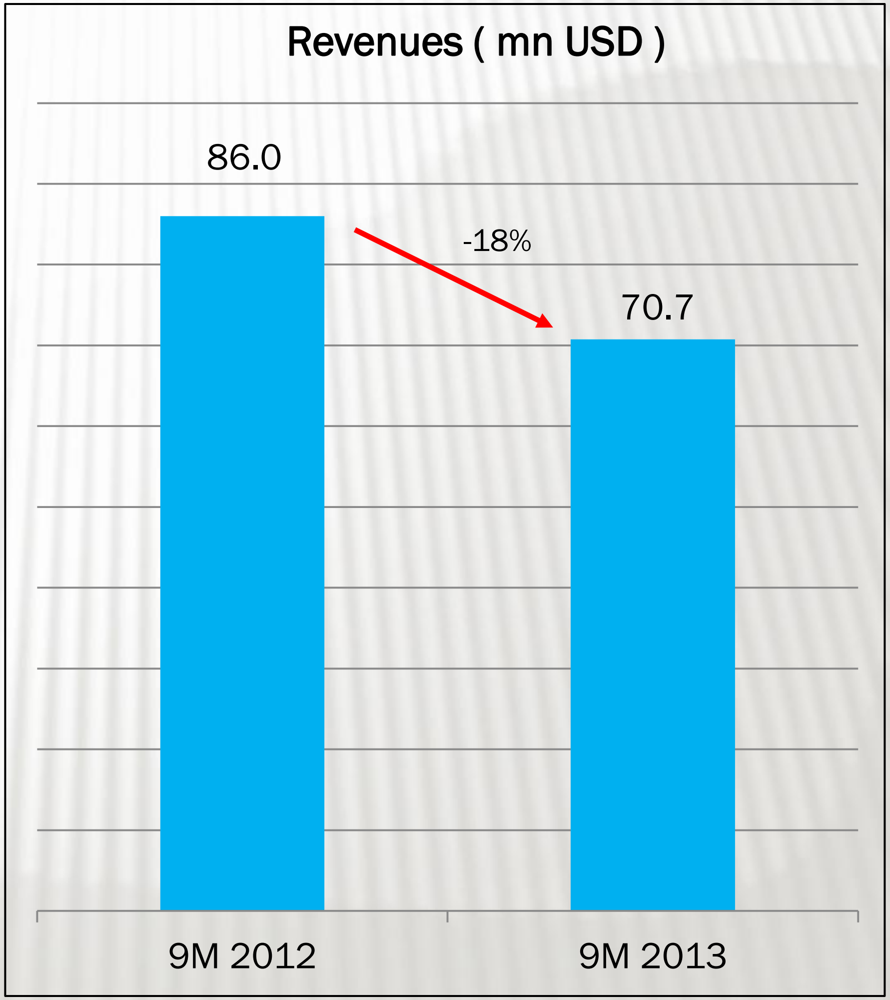
Business Overview

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



All Divisions of Engineering Services

= Percentage of 9M 2013 Revenues

= 9M 2013 Gross Profit Margin

19.8%

Fabrication

-9.6%

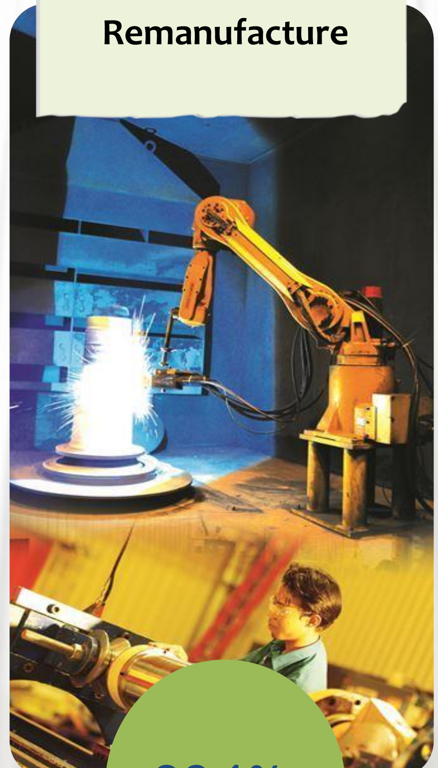
24.8%

Transport Division

21.8%

18.3%

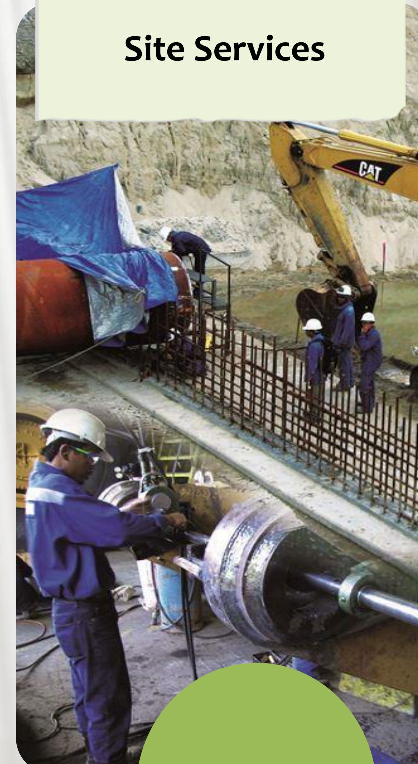
Remanufacture



26.1%

39.9%

Site Services



26.1%

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, Alfa Trans Raya (ATR) and Baruna Dirga Dharma (BDD)

- CKB generated 9M 2013 revenues of US$ 96.7mn

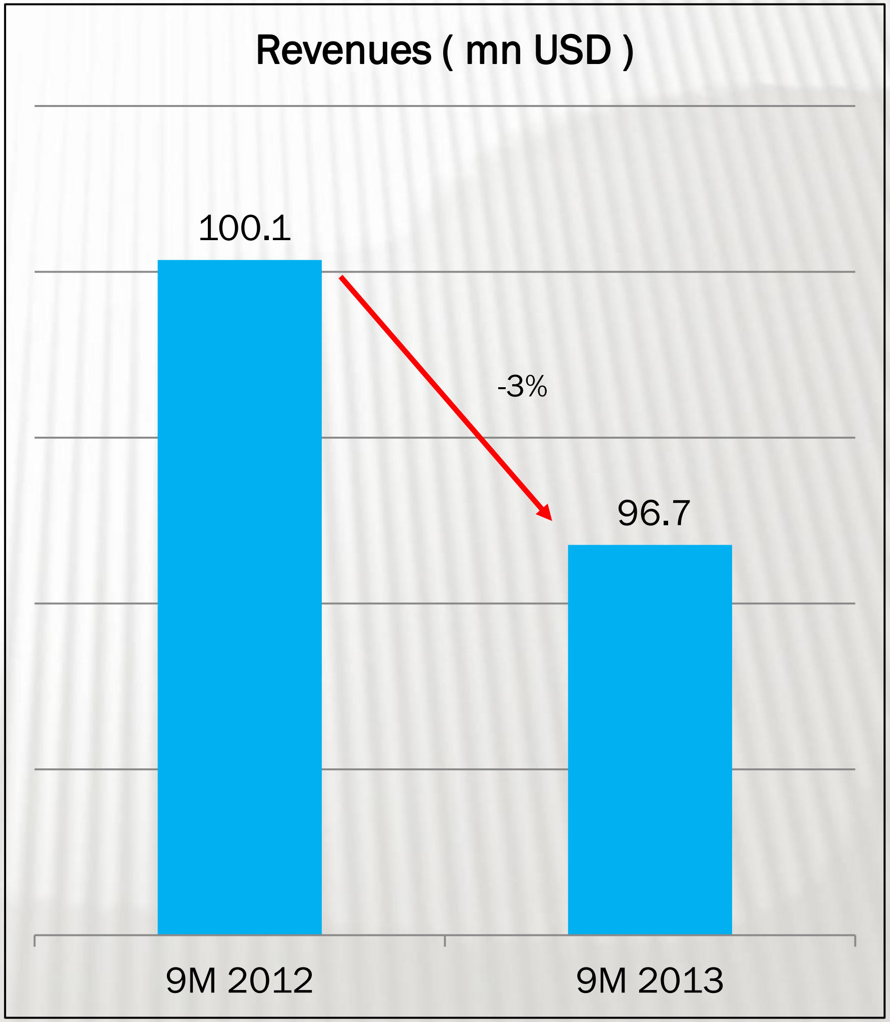
- Coal transshipment expected to start by 2015

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 logistics
- 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



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 Highlights: P&L

In thousand USD	9M 2013	9M 2012	Y-o-Y	Δ
Revenues	**599,664**	**655,343**	**-8%**	**(55,679)**
COGS	(460,788)	(514,978)	-11%	54,190
Gross Profit	**138,876**	**140,365**	**-1%**	**(1,489)**
Operating Expenses	(96,893)	(83,145)	17%	(13,748)
Operating Profit	**41,983**	**57,220**	**-27%**	**(15,237)**
Equity in net income of associated company	1,133	-	N/A	1,133
Interest Income	3,350	7,927	-58%	(4,578)
Interest Expense	(32,807)	(29,428)	11%	(3,379)
Gain (Loss) on Foreign Currencies	(13,885)	(11,444)	21%	(2,441)
Others	17,973	3,399	429%	14,574
Pre-tax Profit	**17,747**	**27,674**	**-36%**	**(9,927)**
Income Tax	(2,537)	(9,576)	-74%	7,039
Minority Interests	1,188	977	22%	211
Net Profit (Loss) Attributable to Parent	**16,398**	**19,075**	**-14%**	**(2,677)**
Core Net Profit (Loss) Attributable to Parent	**12,894**	**24,337**	**-47%**	**(11,442)**
EBITDA	**116,047**	**143,459**	**-19%**	**(27,412)**

Financial Position

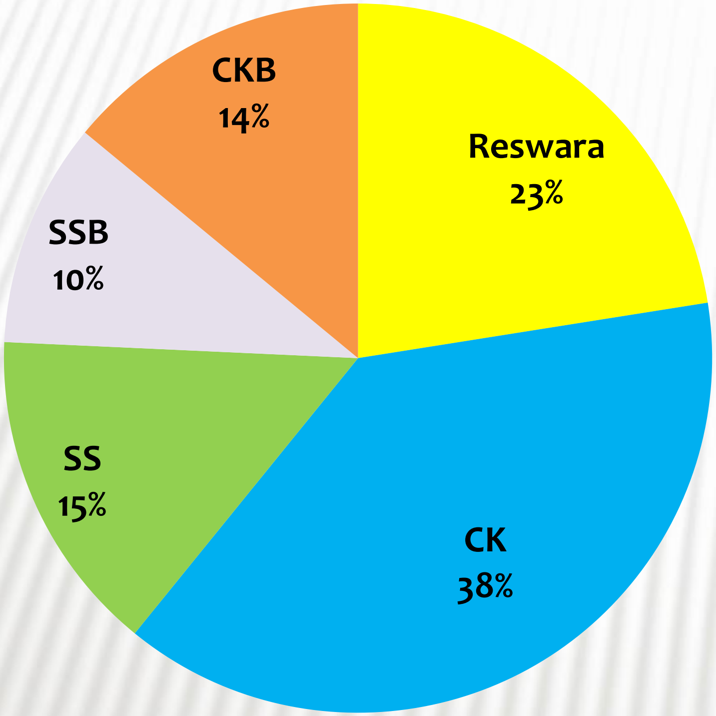
In thousand USD, unless otherwise stated	30 Sep 2013	31 Dec 2012	Δ
Short-term loans, include Leasing	165,770	172,120	(6,350)
Long-term loans, include Leasing	454,070	501,697	(47,627)
Total loans, include Leasing	619,840	673,817	(53,977)
Cash & near Cash equivalents	124,444	128,049	(3,605)
Net Debts, include Leasing	495,396	545,768	(50,372)
Equity	**338,275**	**344,949**	**(6,674)**
Gearing (x)	1.83	1.95	
Net Gearing (x)	1.46	1.58	

9M 2013 Capex

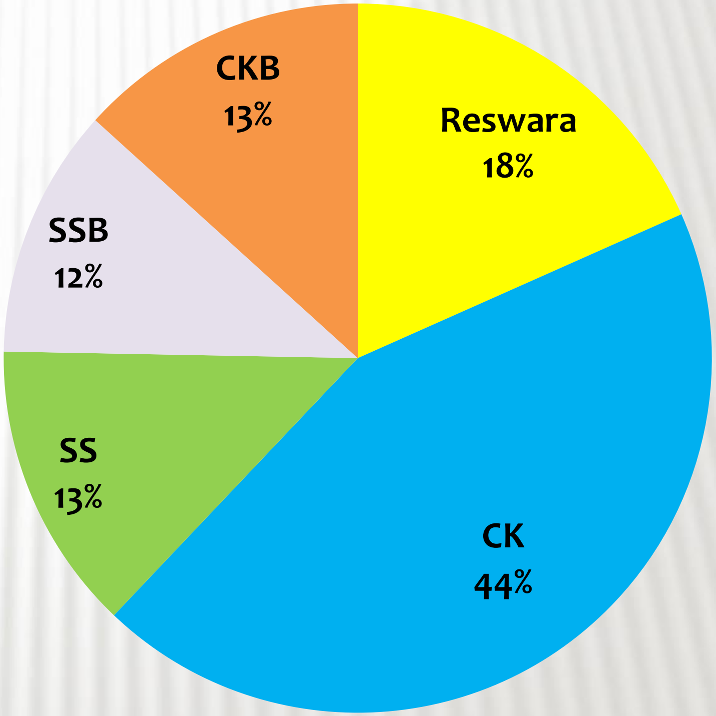
Companies	USD ('000)	Allocation
ABM	171	0.1%
Reswara	42,158	35.2%
CK	5,380	4.5%
SS	61,993	51.8%
SSB	636	0.5%
CKB	9,334	7.8%
Total	119,673	100.0%

Contribution from Subsidiaries - Revenues

9M 2013

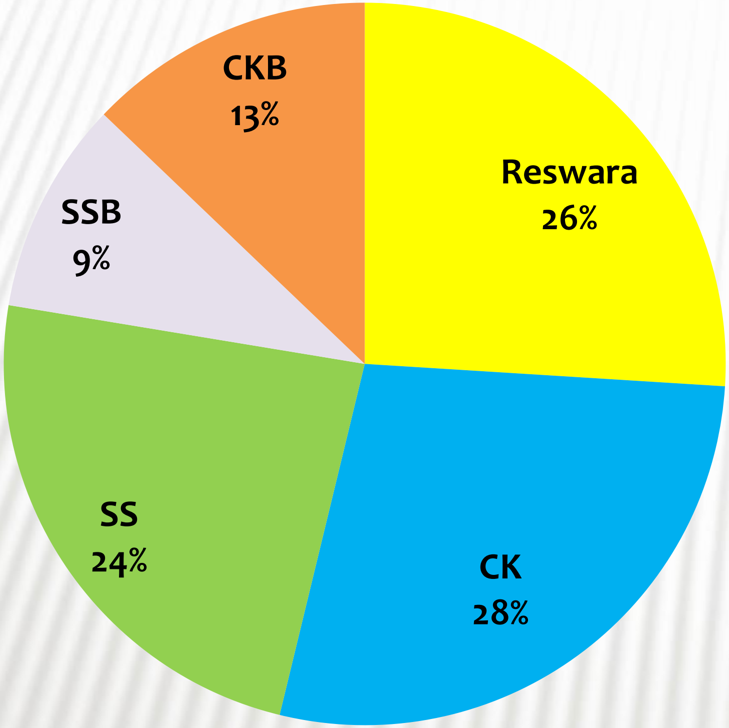


9M 2012

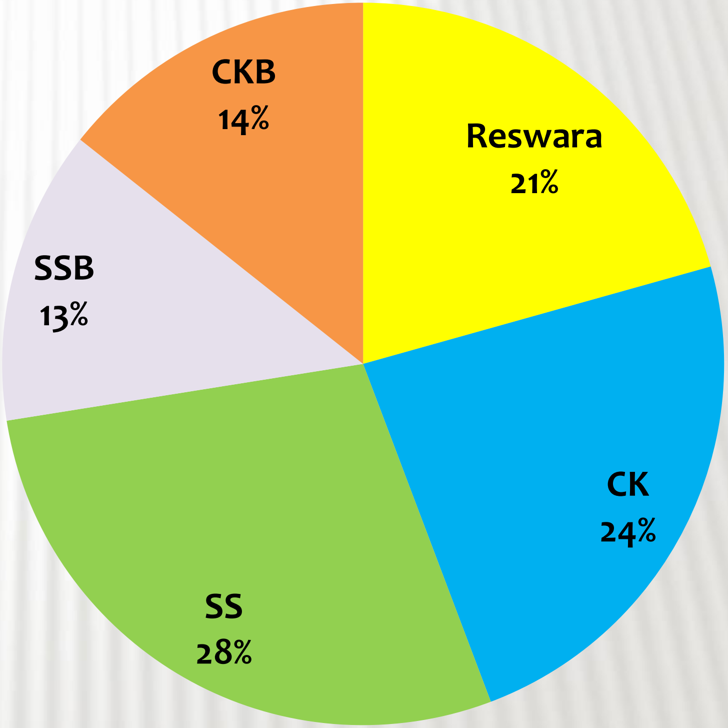


Contribution from Subsidiaries - Gross Profit

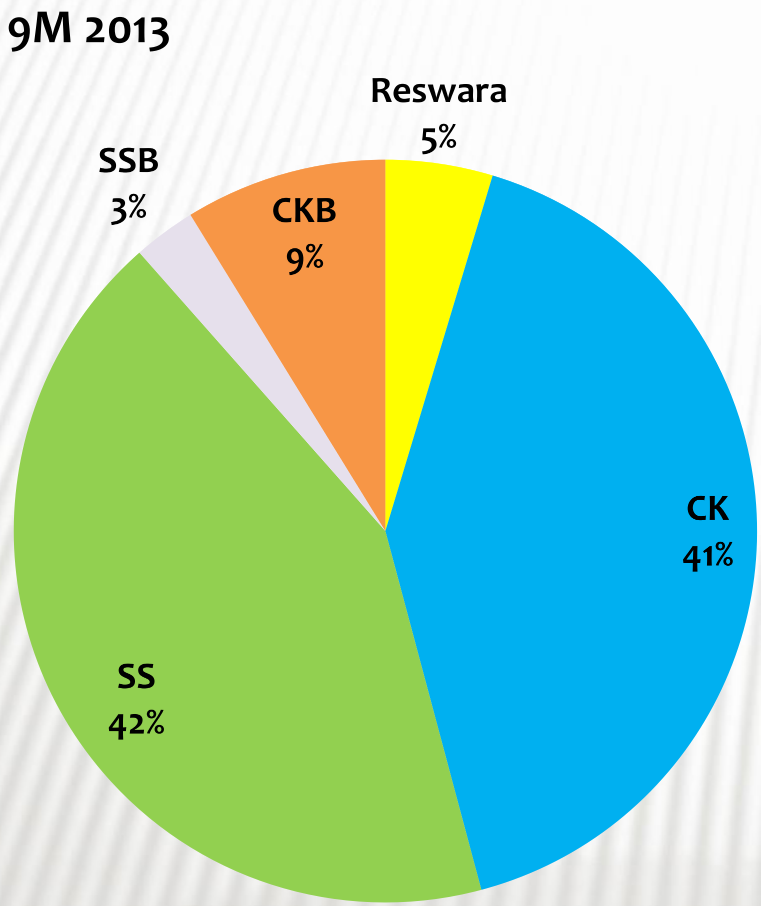
9M 2013

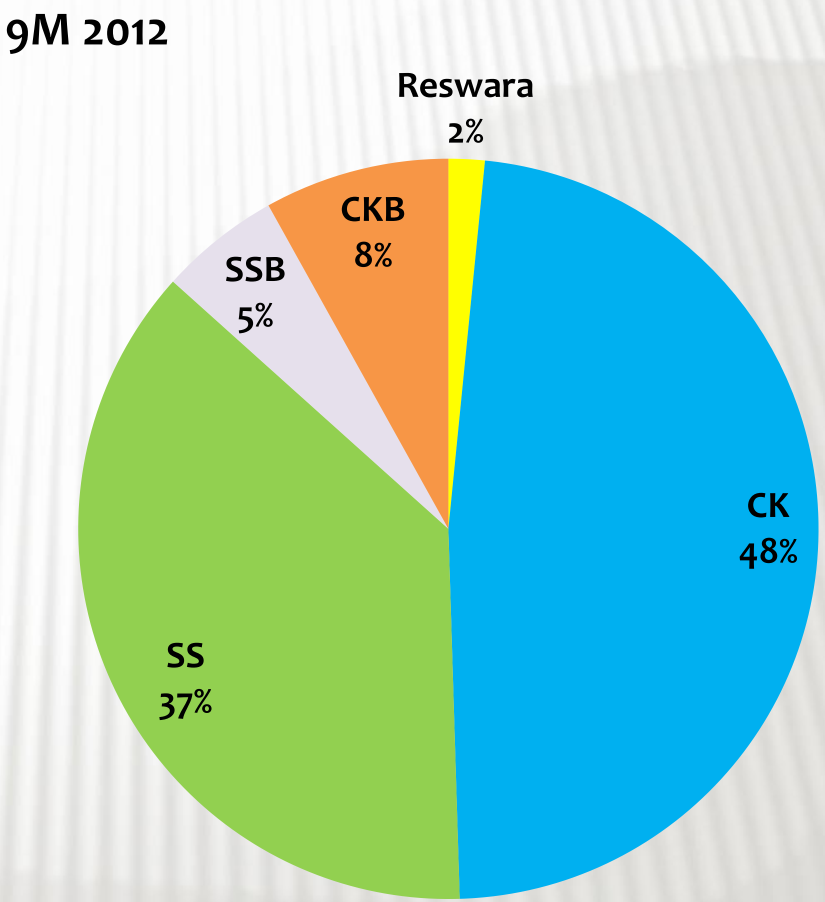


9M 2012



Contribution from Subsidiaries – EBITDA





Contribution from Subsidiaries – Net Income

Segment / Subsidiary	9M 2013	9M 2012	Δ
Coal Mine / Reswara	-10%	-13%	4%
Mine Contractor / CK	38%	36%	1%
Power Solution / SS	24%	59%	-35%
Engineering Services / SSB	40%	-4%	45%
Integrated Logistics / CKB	8%	23%	-15%
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:

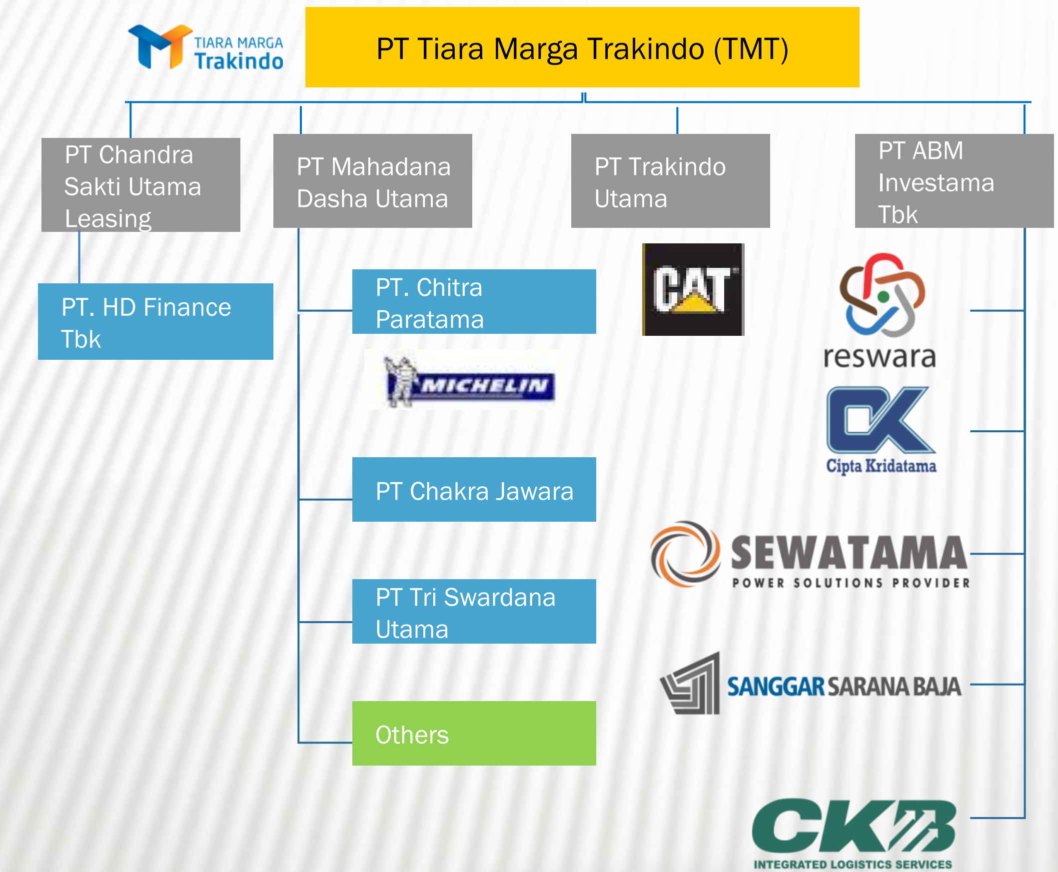
By September 30, 2013

Cash and near cash equivalent	US$ 124 mn
Total available bank facility	US$ 187 mn
Estimated 2013 capex spending	US$ 128 mn
Capex spent in 9M 2013	US$ (120) mn
Estimated 4Q 2013 capex spending	US$ 8 mn

- Company Overview and Updates
- Operational Highlights
- Financial Highlights
- Strategy and Mitigations
- **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

- Access to financial resources to support growth plans
- Timely market intelligence and access
- TMT refers customers and is itself an important customer 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 11 customers
- Backlog Overburden 632 million bcm and 29 million tons
- Employees: 3,414

Power Solutions

- Established 1992
- 833 generators (1,020 MW capacity)
- Manages more than 90 diesel power generation projects in Indonesia
- Employees: 1,624

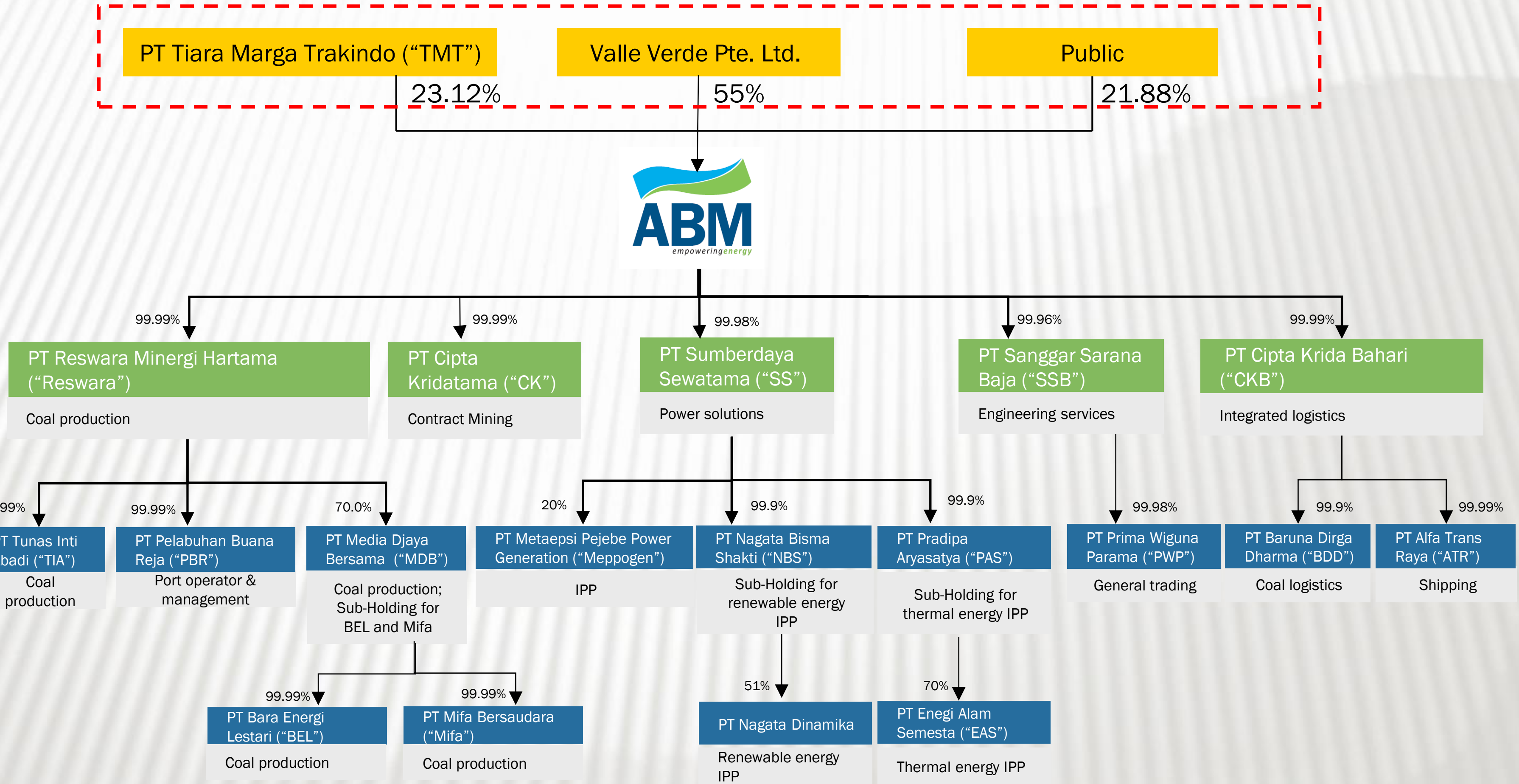
Engineering Services

- 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

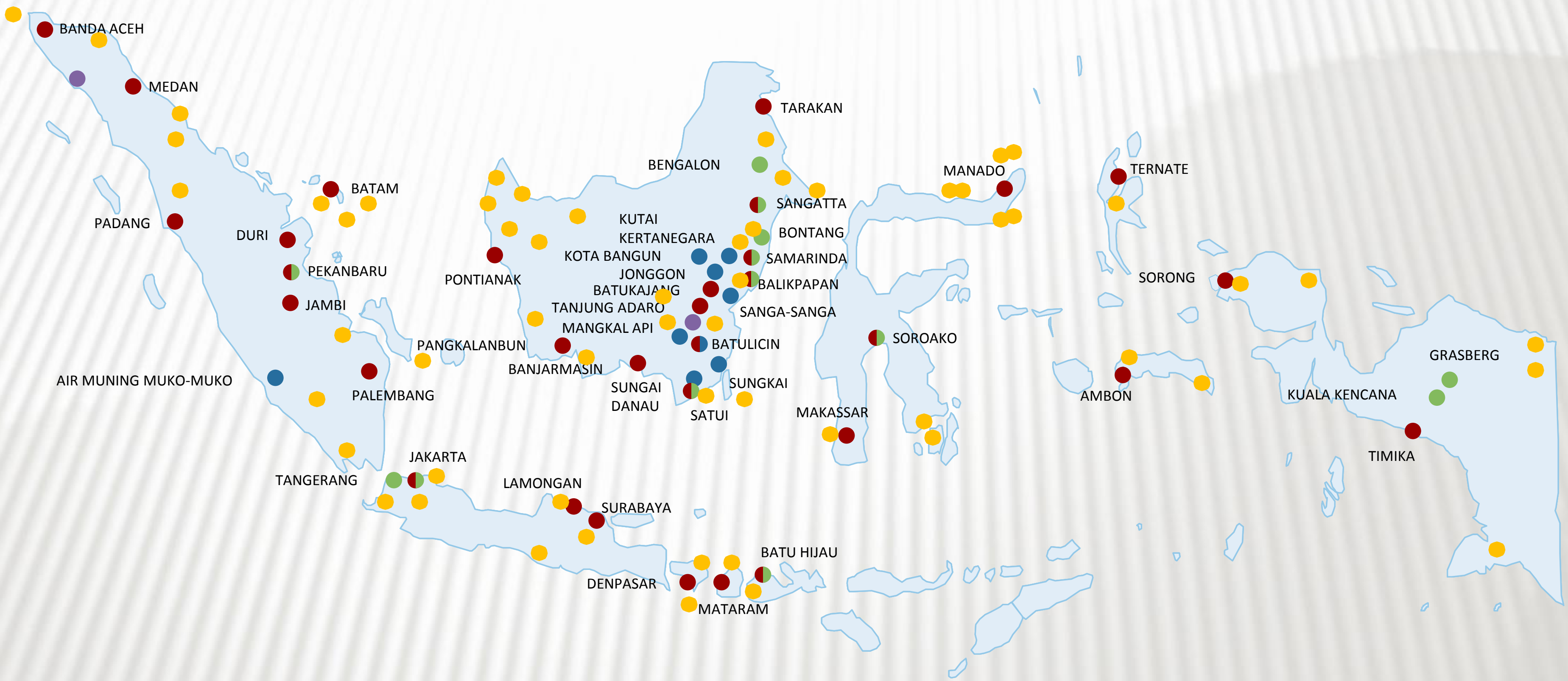
- Established 1997
- Operates fleet of vessels, trucks, loaders and dry containers
- Provides coal logistics, freight forwarding and project logistics
- 35 branches and offices located throughout Indonesia
- Employees: 504

ABM Group and Shareholding Structure



Comprehensive Footprint and Market Coverage in Indonesia

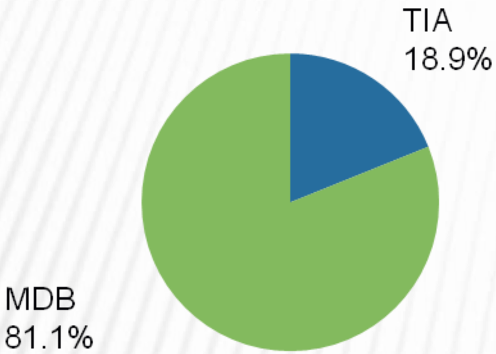
- Able to operate throughout the country; competitive advantage over competitors
- Difficult to replicate coverage strength and poses barriers to entry for new entrants



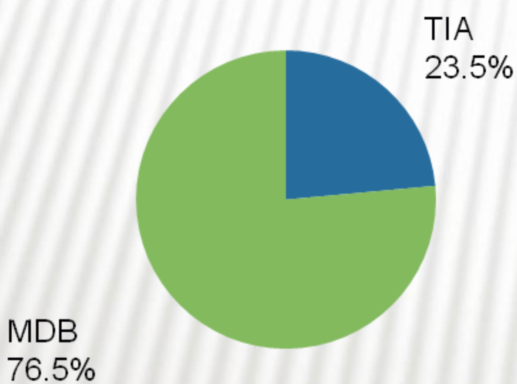
- CKB: Integrated Logistics Offices
- CK: Contract Mining Project Sites
- SSB: Engineering Services Main Operating Sites
- SS: Power Solutions Services
- Res: Coal Production

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**

- Based on Joint Ore Report (JORC) per Jun 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

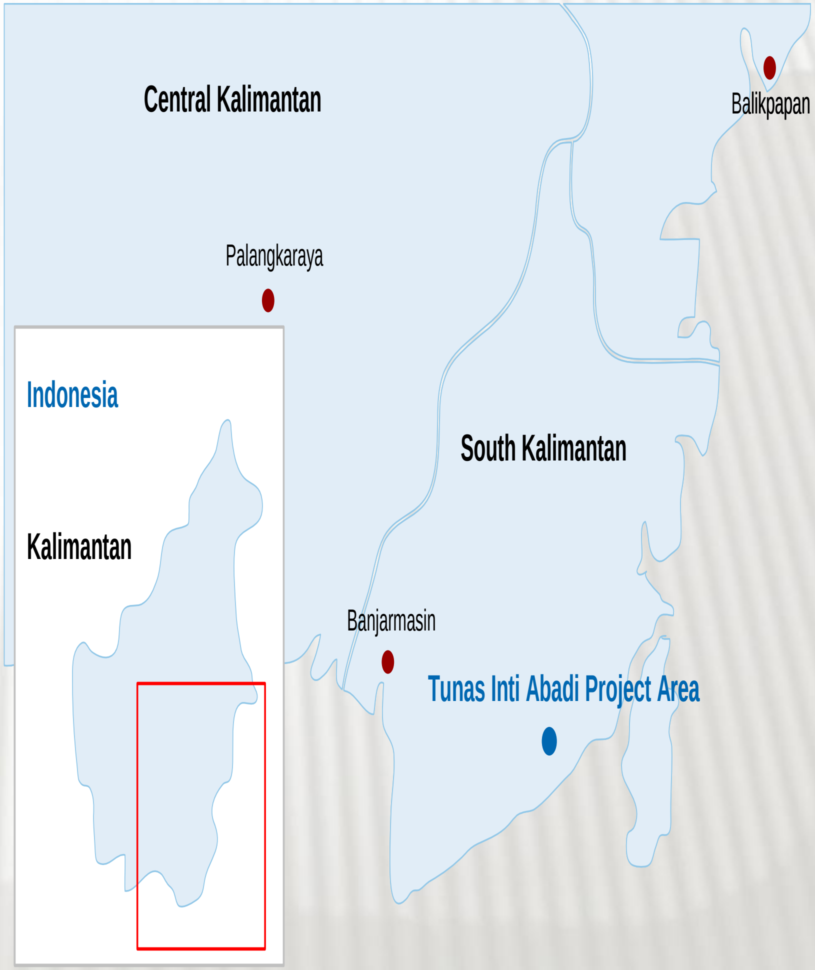
Entity	Concession Holding Company	Type of Concession	Location	Current Concession Area (ha)	Expiry Date of Current Phase
TIA	TIA	IUP	South Kalimantan	2,355	Mar 16, 2021
TIA	TIA	IUP	South Kalimantan	719	Mar 5, 2021
BEL	BEL	IUP	Aceh	1,495	Sep 26, 2017
Mifa	Mifa	IUP	Aceh	3,134	Apr 13, 2025

TIA: Mine and Infrastructure Profile

PT Tunas Inti Abadi

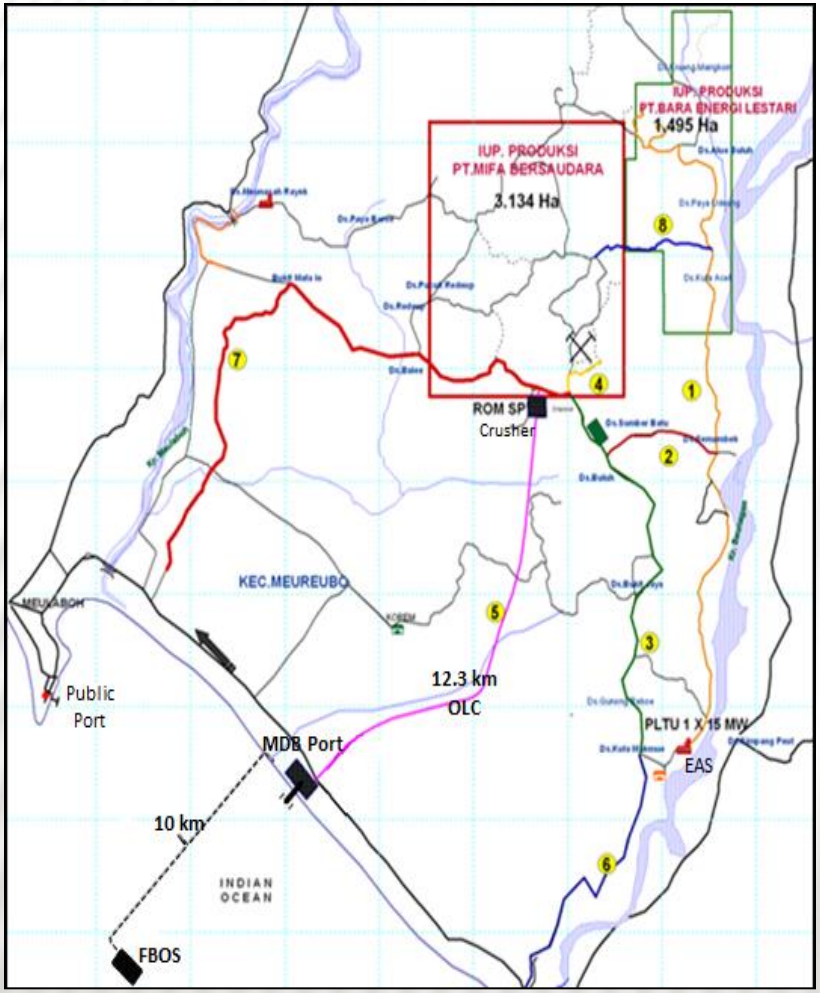
- TIA was acquired in Dec 2007, commenced commercial production in Aug 2009 and coal sales in Oct 2009
- Coal mining is contracted to ABM subsidiary, CK
    - 27 km from pit to port at Bunati
    - 9-12 km from port to anchorage point at Bunati
    - 8,000 tons barge loading capacity at jetty
    - 120,000 tons temporary pile facility at the mining pit
    - Logistic advantages: Close to the Ocean

TIA Site (South Kalimantan Province)



MDB: Mine and Infrastructure Profile

MDB Site (Aceh Province)



PT Media Djaya Bersama

- 70% ownership in MDB
- To begin coal production in 2012 by using existing infrastructure and begin construction of own infrastructure in 2012
- Intends to sell coal to Indian power plants for blending
- Logistic advantages: Close to the Ocean – 12.3 km pit to port
- Plan to build land conveyer belt for logistic

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**		

NOTES

PT ABM Investama Tbk.
A member of Tiara Marga Trakindo Group
www.abm-investama.com

Gedung TMT 1, 18th Fl, Suite 1802
Jl Cilandak KKO No.1
Jakarta 12560 - Indonesia

Contact
Investor Relations
Adi Hartadi
Tel:6221-2997-6767 Ext.1874
Fax : 6221-2997-6768
Email : adi.hartadi@abm-Investama.co.id
Email : ir@abm-investama.co.id
Website : www.abm-investama.com

A member of Tiara Marga Trakindo Group