



**FOR IMMEDIATE RELEASE**



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## **EFFICIENCY & APPROPRIATE STRATEGY HAVE TRIGGERED POSITIVE PERFORMANCE IN THE 1<sup>ST</sup> SEMESTER OF 2015**

Jakarta, 31<sup>st</sup> August 2015 – Today the company delivers the first half financial report which ended on 30<sup>th</sup> June 2015. Up to mid 2015 the company successfully records positive performance. This is because of continual efficiency in all aspects, as well as appropriate strategy in spite of the decrease of tin metal price 26.37% in average compared to the previous year because of world's economy.

Implementation of the Regulation No.33/2015 brought a new hope for the tin industry in the country. The ambition of Indonesia to be the world's tin price maker can be realized by the more intensive involvement of the Regulator by the issuance of new regulations. This proves that previously made rules can be improved for the sake of a better goal. Regulation that has been effective on 1<sup>st</sup> August 2015 requires the mechanism of Clean & Clear (CnC) for those who haven't obtained Registered Exporter (ET) or for companies with expired ET, and for those with valid ET are able to export till 1<sup>st</sup> November 2015 proceeded by obtaining Export Approval (PE) from the Ministry of Trade. Requirement of CnC is adopted from the Ministry of Energy and Mineral Resources (KESDM) regulation for each tin business player in Indonesia, that finally tonnage number of export will be regulated and determined on RKAB of each exporter, and reviewed every 6 months, if this is executed in accordance with the regulation and technical instruction, expected impacts of the applied Regulation No.33/2015 include:

- ➔ Tin exports from Indonesia will be more orderly, because each production volume and sales volume will be checked according to IUP stated in the RKAB
- ➔ Royalties distributed to the Government will be better calculated
- ➔ Illegal mining in Bangka and Belitung is able to be minimized, because of the difference between legal and illegal
- ➔ Tin price is expected to be lifted

As the company that implements Good Corporate Governance (GCG), PT TIMAH successfully passed the assessment from an international audit institution and achieved the excellent category. It is certainly because of the Management's commitment to continue supporting the implementation of transparency, accountability, responsibility, independence and fairness within the company.



Healthy GCG implementation will certainly impact on the company, especially in business development efforts which stand on 4 pillars, namely (1) tin business and other associated minerals, (2) non-tin business, (3) downstream products, (4) competency based business. The development of competency based business has entered a take-off phase, such as a hospital managed by PT RSBT and is expected to contribute toward consolidated revenue by the end of 2015.

Construction establishment of Rare Earth Processing Plant at Industrial Park of Tanjung Ular Mentok has been finished and at the moment is entering the next phase. TINS believes this project will make a positive contribution for the company as a strategic object.

Establishment of property business in cooperation with construction SOE named PT Timah Adhi Wijaya has completed its legal status. The subsidiary will latter build one of the company's assets located at Kota Legenda Bekasi with area of 176 Ha and other idle company's assets, as well as positive contribution from all subsidiaries, is intended to encourage the positive performance of the company and will likely be better than the previous year.

#### **Operational Overview**

- ➔ Production of tin ore in the first half of 2015 increased by 0.21% to 14,383 ton, compared to the first half of 2014 at 14,352 ton
- ➔ Tin production increased by 31.95% to 14,261 metric ton, compared to the same period last year of 10,808 metric ton
- ➔ Sales of tin increased by 45.88% to 14,096 metric ton, compared to the first half of the previous year 9,633 metric ton

#### **Financial Overview**

- ➔ PT TIMAH's revenue in the first half of 2015 increased by 16.96% to Rp3.22 trillion
- ➔ In the same period, the cost of business (HPU) has decreased 19.34% to US\$13,810
- ➔ Profit of PT TIMAH is reduced due to the decline in average selling price of 26.37% in the first half of 2015 to US\$17,076

On the next page, our Financial Statement of PT TIMAH in the first half of 2015 ended 30<sup>th</sup> June 2015 is available

\*\*\*\* the end of press release \*\*\*\*

\*) Consolidated Financial Statements of PT TIMAH (Persero) Tbk and Subsidiaries for the 1<sup>st</sup> semester of 2015 and 2014 also available on Capital Market Electronic Library (ICaMEL), Indonesia Stock Exchange Building



## PT TIMAH (Persero) Tbk and Subsidiaries

Summary of Performance Result

Period of Semester I of 2015 and 2014

	Semester I	
	30 June 2015	30 June 2014
	Unaudited	Unaudited
<b>Tin-in-concentrate (ton Sn)</b>		
▶ On Shore	5.792	4.823
▶ Off Shore	8.591	9.528
Total – Mton	14.383	14.352
<b>Refined tin production – Mton</b>	<b>14.261</b>	<b>10.808</b>
<b>Sales of refined tin - Mton</b>	<b>14.096</b>	<b>9.663</b>
Average selling price – US\$/Mton	17.076	22.565
<b>Inventory</b>		
▶ Tin ore – ton	3.042	2.604
▶ Slag – ton	8.014	8.814
▶ Refined – ton	7.327	4.473
▶ Tin solder – ton	15	20



## PT TIMAH (Persero) Tbk and Subsidiaries

Interim Consolidated Statement of Comprehensive Income

Period of Quarter II and Semester I of 2015 and 2014

(In billion Rupiah, unless otherwise per share data stated in full Rupiah)

	Quarter II		Semester I	
	2015	2014	2015	2014
Revenue	1.859,98	1.512,21	3.215,80	2.749,58
Cost of Sales and Direct Cost	1.743,16	1.185,39	2.953,03	2.097,36
<b>Gross Profit</b>	<b>116,82</b>	<b>326,82</b>	<b>262,77</b>	<b>652,22</b>
General and Administration Expense	154,67	133,79	273,27	259,27
Selling Expense	22,74	9,40	48,22	31,82
Exploration Expenses	0,00	0,00	0,00	0,00
Operating Expenses	177,41	143,19	321,49	291,09
<b>Operating Profit</b>	<b>(60,59)</b>	<b>183,63</b>	<b>(58,72)</b>	<b>361,12</b>
Finance Charge	(33,05)	(22,75)	(64,22)	(43,07)
Finance Income	2,12	3,42	4,79	9,86
Other Income - neto	126,32	54,88	132,96	89,96
Gain/(Loss) of Associates	(8,91)	(0,41)	(0,89)	1,90
Profit before Income Tax	25,89	218,78	13,93	419,78
Tax Expenses	4,47	(25,89)	(2,65)	(85,42)
Income for The Year from Continuing Operations	<b>30,36</b>	<b>192,89</b>	<b>11,28</b>	<b>334,36</b>
Discontinued Operations				
→ (Loss) Profit for The Year from Discontinued Operations	(2,92)	15,61	(6,26)	0,30
<b>Profit for The Year</b>	<b>27,44</b>	<b>208,50</b>	<b>5,02</b>	<b>334,66</b>
Other Comprehensive Income:				
Accounts that won't be reclassified to P/L				
→ Reassessment of Post-Employment Reward	861,70	(28,87)	861,70	(28,87)
Accounts that will be reclassified to P/L				
→ Exchange Difference due to Financial Statement Translation	(20,36)	7,38	(18,58)	(14,38)
→ Unrealized Gain (Loss) from Available for Sale Securities	0,00	(0,11)	0,04	0,55
Benefit of Tax Income	14,95	7,57	14,95	7,57
<b>Total Comprehensive Income for The Period</b>	<b>883,73</b>	<b>194,48</b>	<b>863,12</b>	<b>299,53</b>
Net Income Attributable to:				
→ Owner of The Entities	24,13	239,64	5,03	334,66
→ Non-Controlling Interest	(0,01)	(0,06)	(0,01)	0,00
	<b>24,12</b>	<b>239,58</b>	<b>5,02</b>	<b>334,66</b>
Comprehensive Income Attributable to:				
→ Owner of The Entities	883,74	155,62	863,13	229,53
→ Non-Controlling Interest	(0,01)	(0,06)	(0,01)	0,00
	<b>883,73</b>	<b>155,56</b>	<b>863,12</b>	<b>229,53</b>
Comprehensive Profit (Loss) Attributable to Shareholders from				
→ Continuing Operations	882,79	139,96	869,38	229,53
→ Discontinued Operations	(2,39)	15,60	(6,26)	0,30
	<b>880,40</b>	<b>155,56</b>	<b>863,12</b>	<b>229,53</b>
Basic Earnings per Share for:				
→ Continuing Operations	0,12	0,02	0,00	0,05
→ Discontinued Operations	(0,00)	0,00	(0,00)	0,00
	<b>0,12</b>	<b>0,02</b>	<b>0,00</b>	<b>0,025</b>



## PT TIMAH (Persero) Tbk and Subsidiaries

Interim Consolidated Statement of Financial Position

Period of Quarter II and Semester I of 2015 and 2014 (In billion Rupiah)

	Year		
	30 Jun 2015	31 Dec 2014	1 Jan 2014
<b>Current Assets</b>			
▶ Cash and Cash Equivalent	254,28	346,50	613,70
▶ Other Financial Assets	1,41	1,45	1,40
▶ Trade Account Receivables	451,57	1.453,35	1.055,18
▶ Other Account Receivables			
➔ Third Party	29,12	23,89	21,67
➔ Related Party	8,78	7,08	4,89
▶ Inventories – net	3.550,88	3.384,03	2.344,51
▶ Prepaid Taxes	932,14	797,03	820,60
▶ Other Current Assets	196,60	254,05	83,35
▶ Assets Classified as Held for Sale	240,34	230,15	265,16
<b>Total Current Assets</b>	<b>5.665,12</b>	<b>6.497,52</b>	<b>5.210,46</b>
<b>Non-Current Assets</b>			
▶ Other Receivables			
➔ Receivables Related Parties	13,04	10,82	23,49
➔ Receivables Third Parties	82,21	81,74	62,15
▶ Investment in Associates	170,89	173,24	131,98
▶ Fixed Assets	2.212,17	2.017,07	2.005,35
▶ Investment Properties	746,09	638,59	432,40
▶ Mining Properties	186,15	176,13	167,39
▶ Prepaid Taxes Non-Current	62,55	37,96	32,56
▶ Deferred Tax Assets	114,21	83,29	157,56
▶ Other Non-Current Assets	115,88	127,48	209,61
<b>Total Non-Current Assets</b>	<b>3.703,18</b>	<b>3.346,31</b>	<b>3.222,46</b>
<b>Total Assets</b>	<b>9.368,30</b>	<b>9.843,82</b>	
<b>Short Term Liabilities:</b>			
Trade Payables:	569,61	851,10	405,53
Short Term Bank Loans	2.447,67	2.334,22	1.354,76
Dividend Payables	0,64	0,97	1,03
Tax Payables	97,51	55,20	157,74
Royalties Payables	0,00	0,00	3,19
Accrual Expenses	38,00	184,55	417,91
Provision for Environmental Rehabilitation – Current	17,69	13,88	38,00
Liabilities Directly Associated with Assets Held for Sale	61,73	54,46	44,41
Other Payables	45,06	20,32	17,01
<b>Total Current Liabilities</b>	<b>3.277,92</b>	<b>3.514,71</b>	<b>2.439,59</b>
<b>Non-Current Liabilities:</b>			
Provision for Environmental Rehabilitation – Non Current	266,38	276,14	226,11
Deferred Tax Liabilities	0,00	0,00	0,40
Post Employment Reward	652,47	1.553,17	1.354,56
<b>Total Non-Current Liabilities</b>	<b>918,86</b>	<b>1.829,31</b>	<b>1.581,06</b>
<b>Equities</b>			
Share Capital	372,39	372,39	251,65
Additional Paid in Capital	0,06	0,06	120,79
Retained Earnings	0,00	0,00	0,00
Appropriated	4.634,59	4,188,01	3.956,23
Unappropriated	427,99	1.060,94	903,01
Other Comprehensive Loss	(263,58)	(1.121,69)	(819,51)
Equities Attributable to Owner of The Entities	5.171,44	4.499,70	4.412,17
Non-Controlling Interest	0,09	0,10	0,00
<b>Total Equities</b>	<b>5.171,53</b>	<b>4.499,80</b>	<b>4.412,17</b>



**PT TIMAH (Persero) Tbk and Subsidiaries**

Interim Consolidated Statement of Cashflow

Period of Quarter II and Semester I of 2015 and 2014 (In billion Rupiah)

	Quarter		Semester	
	2015	2014	2015	2014
<b>Operating Activities</b>				
Receipts from Customers	2.051,69	1.156,33	4.217,26	3.111,46
Cash Payment to:				
▶ Suppliers	(1.327,97)	(1.223,62)	(2.730,85)	(2.385,18)
▶ Employees	(244,18)	(308,27)	(458,59)	(485,49)
Restitution of Tax	82,14	224,21	263,23	349,18
Receipts from Finance Income	2,12	3,52	4,79	9,87
Payment of Pension Distribution	(17,67)	(12,91)	(31,68)	(28,89)
Payment of Dividend	(191,39)	(283,35)	(191,39)	(283,41)
Payment of Taxes and Royalties	(424,96)	(324,27)	(702,65)	(605,53)
<b>Net Cash Flow Provided by Operating Activities</b>	<b>(70,22)</b>	<b>(768,35)</b>	<b>370,12</b>	<b>(314,99)</b>
<b>Investing Activities</b>				
Proceeds from Disposal of Other Assets	0,39	0,00	0,39	9,36
Payment for Acquisition of Mining Properties	(3,79)	(22,30)	(17,97)	(22,30)
Acquisition of Fixed Assets	(196,31)	(106,91)	(410,21)	(207,36)
Restricted Cash	0,00	10,43	0,00	(9,75)
<b>Net Cash Flow Used in Investing Activities</b>	<b>(199,71)</b>	<b>(118,79)</b>	<b>(427,79)</b>	<b>(230,05)</b>
<b>Financing Activities</b>				
Payment of Bank Loans	(824,51)	0,91	(1.454,38)	(583,41)
Receipts of Bank Loans	1.184,96	831,78	1.473,98	929,23
Interest Paid	(33,05)	(27,61)	(64,22)	(47,93)
<b>Net Cash Flow Used in Financing Activities</b>	<b>327,40</b>	<b>805,07</b>	<b>(44,61)</b>	<b>297,89</b>
Increase (Decrease) in Cash and Cash Equivalents	57,47	(82,06)	(102,28)	(247,15)
Cash and Cash Equivalent – Beginning of The Period	194,98	434,29	346,50	613,70
Effect of Exchange Rate on Cash and Cash Equivalents	1,84	4,74	10,07	(9,57)
<b>Cash and Cash Equivalent – End of The Period</b>	<b>254,28</b>	<b>356,97</b>	<b>254,28</b>	<b>356,97</b>