

PRESS RELEASE
 For Immediate Release

INDOCEMENT – OVERVIEW STRONG RESULTS IN 2009

- Unexpected strong domestic demand in 2nd semester 2009
- Better margin mainly due to a clear focus on optimizing work force, procurement, and supply chain operations
- Strong and healthy Balance Sheet
- Completed acquisition of aggregates and shipping businesses in 2009
- Positive outlook 6% national growth in 2010

Financial Highlights in 2009

Unexpected strong domestic demand in 2nd semester 2009

Description	2009	2008	Variance	
	IDR Bio	IDR Bio	IDR Bio	%
<i>Total Sales Volume (thousands tons)</i>	13,455	14,662	(1,207)	-8.2%
<i>Domestic Sales Volume (thousand tons)</i>	11,843	12,324	(481)	-3.9%
<i>Export Sales Volume (thousand tons)</i>	1,612	2,338	(726)	-31.1%
Net Revenues	10,576	9,781	796	8.1%
Cost of Revenues	5,468	5,756	(288)	-5.0%
GROSS PROFIT	5,108	4,025	1,084	26.9%
<i>% of Net Revenues</i>	48%	41%		
Operating Expense	1,415	1,565	(150)	-9.6%
INCOME FROM OPERATIONS	3,693	2,460	1,234	50.2%
<i>% of Net Revenues</i>	35%	25%		
EBITDA	4,263	3,059	1,204	39.4%
<i>% of Net Revenues</i>	40%	31%		
Interest Expenses	(40)	(124)	84	-67.7%
Forex Gains / (Losses)	(8)	(73)	65	-89.0%
NET INCOME	2,747	1,746	1,001	57.3%

PT Indocement Tunggal Prakarsa Tbk. (the “Company”) has recorded a very good result both in terms of financial performance as well as in optimizing the Company’s overall positioning in the market place as a leading provider of competitively priced quality cement products. The Company did an excellent job of anticipating and preparing for the downturn of the Indonesian cement market especially in the first semester 2009.

In the second semester 2009, the domestic market in particular after the fasting month was robust and rebounding very significant. Such strong consumption can offset the negative growth in the first semester of -7%, therefore, total domestic cement consumption in full year of 2009 was still slightly growing by 0.9% comparing 2008.

The Company’s domestic cement sales volume in full year of 2009 were 4% below prior year (2009 - 11,8 mt vs 2008 -12,3mt) but it’s a substantially improve from negative growth by 14% in the first half 2009. As the result, the Company’s market share in 2009 declined to 30.2% compared to the same period last year at 31.7%.

Clinker export sales in 2009 were lower than prior year by 32%. Lower export is mainly due to higher competition from other cement producers in Europe and Japan that use intensively waste-fuel for clinker burnings (low-cost cement producers) with over-supply condition in their countries due to down-turn economy.

Total sales volume in 2009 was 13.5 million tons or lower by 8.2% (previous year: 14.7 million tons).

Better margin due to a clear focus on optimizing work force, procurement, and supply chain operations

The management has achieved better margin in 2009 compared to last year mainly due to the clear focus of the Company to optimize its work force by reducing some of outsourcing works as well as to optimize the procurement and supply chain operations to cope with the escalating cost in almost every aspect of operation. Meanwhile, the Company also put strong efforts to maintain the domestic selling price although with the consequence of loss market share in the Company's home market..

Thanks to the appreciation of IDR against USD, as over 60% of the Company's purchases are in USD equivalent, so the production costs per ton only increase by 4%. In addition, better sales mix proportion (higher domestic sales volume than last year) caused the Company's net revenues higher by 8% to Rp10,576 billion from Rp 9,781 billion achieved in 2008. The gross profit margin improved to 48% from 41% or in the amount of Rp5,108 billion (previous year: Rp4,025 billion).

Operating expenses declined by 9.6% to Rp1,415 billion (previous year: Rp1,565 billion) in line with lower sales volume as well as lower logistic costs. Thus, income from operations rose by 50.2% to Rp3,693 billion (previous year: Rp2,460 billion) while operating margin advanced to 35% from 25%.

EBITDA also increased by 39.4% to Rp4,263 billion (previous year: Rp3,059 billion). Meanwhile, EBITDA margin expanded to 40% from 31%.

Due to the lower existing debt level amounting to USD25 million only, the interest expense and other financial charges lessened by -67.7% to Rp40 billion from Rp124 billion. On the other hand, as a result of Rupiah appreciation, the Company experienced foreign exchange loss of Rp8 billion compared to foreign exchange loss of Rp73 billion last year.

On the bottom line, net income increased by 57.3% to Rp2,747 billion (previous year: Rp1,746 billion).

Strong and healthy Balance Sheet

As of December 31, 2009, the Company continue to record net cash position with cash and cash equivalent at Rp2,623 billion. The management's tight working capital management is also one of the key to achieve strong and solid balance sheet.

Capital expenditures for the full year of 2009 is about IDR700 billion, including its major expenses for the new cement mills in Cirebon factory with capacity of 1.5 million tons planned to be completed by first quarter of 2010.

Description	2009	2008	Variance	
	IDR Bio	IDR Bio	IDR Bio	%
Current Assets	5,323	3,471	1,852	53.4%
Non-Current Assets	7,953	7,815	138	1.8%
Current Liabilities	1,771	1,944	(173)	-8.9%
Non-Current Liabilities	801	821	(20)	-2.4%
Shareholders Equity + Minority Interest	10,704	8,522	2,182	25.6%
Total Assets = Total Liabilities + Shareholders Equity + Minority Interest	13,276	11,287	1,989	17.6%

Completed acquisition of aggregates and shipping businesses in 2009

In December 2009, the company had fully finalized its purchase of PT Mandiri Sentra Sejahtera, an andesit quarry in Purwakarta, West Java with estimated aggregate reserves of about 95 million tons. The acquisition had led the Company as a market leader in aggregate supply operations with the total 115 million tons reserves.

In order to support cement inter island distribution and costs efficiency, in December 2009, the Company acquired additional 50% shares of PT Bahana Indonor from Gearbulk Shipping a Norwegian company to fully control this company. PT Bahana Indonor is a shipping company that has two assets (a vessel & a special barge):

1. the MV Tiga Roda, a 10,000 DWT pneumatic cement carrier and
2. the MV Quantum One, a 8,000 tons capacity barge / floating terminal with bag and bulk discharging capabilities.

Mr. Daniel Lavallo as the President Director of the Company remarked:

“Indocement’s short and medium-term will focus on increasing cement grinding capacity of its existing facilities to create an equilibrium with the Company’s current excess clinker capacity and will continue to pursue a prudent long-term strategy which appropriately balances margin with growth. Operational efficiency will remain the overarching strategy which derives profits as well as strategy to maintain prices at a level which can enable an adequate return on investment in accordance with the principles of Internal Rate of Return”

Jakarta, March 19, 2010

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