

28 July 2017

Share Price Data (as of 27 July 2017)

Ticker @IDX	DOID
Last Price (Rp)	740
Outstanding Shares (mn)	8,506
Market Capitalization (Rp bn)	6,294
Market Capitalization (USD mn)*	473

*based on exchange rate of Rp13,315

Shareholder Structure

Northstar Tambang Persada Ltd	38.4%
Public	61.6%

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Notes:

- 1) Cash position includes restricted cash in bank.
- 2) Debt includes only the outstanding contractual liabilities.
- 3) Margins are based on net revenues excluding fuel.
- 4) Free cash flow is cash flow before debt service, excluding financing proceeds.

Jakarta – PT Delta Dunia Makmur Tbk. (“DOID” or the “Company”) presents its newsletter with consolidated financial and operating results that include its primary and wholly-owned subsidiary, PT Bukit Makmur Mandiri Utama (“BUMA”).

The Company recorded a net profit of US\$9 million in the first half of 2017, an increase of 8% YoY, despite extended rainy season, progressing ramp-up process, and an extraordinary tax provision.

HIGHLIGHTS OF CONSOLIDATED RESULTS (in US\$M unless otherwise stated)				QUARTERLY RESULTS (in US\$M unless otherwise stated)							
Profitability	1H17	1H16	YoY	Volume	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	
EBITDA	131	81	62%	OB Removal (mbcm)	61.2	71.9	81.8	84.9	83.2	83.1	
EBITDA Margin ³⁾	38.0%	32.5%	5.5%	Coal (mt)	7.8	7.7	9.3	10.3	10.2	9.9	
Operating Profit	80	34	137%	Financials		1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Operating Margin ³⁾	23.1%	13.5%	9.6%	Revenue	127	132	159	193	181	180	
Net Profit (Loss)	9	8	8%	EBITDA	39	43	58	77	70	61	
EPS (in Rp)	Rp 14	Rp 13	6%	EBITDA Margin ⁴⁾	31.6%	33.4%	38.5%	42.1%	40.3%	35.7%	
Cash Flows				Operating Profit	15	19	35	53	44	35	
Capex	91	7	1288%	Operating Margin ⁴⁾	11.9%	14.9%	23.3%	29.1%	25.8%	20.4%	
Free Cash Flow ⁴⁾	36	43	-14%	Net Profit (Loss) ⁶⁾	3	5	17	12	24	(15)	
Balance Sheet				Jun-17	Dec-16	Δ					
Cash Position ¹⁾	82	96	(14)								
Net Debt ²⁾	491	497	(6)								

1H 2017 HIGHLIGHTS

- Overburden removal volume increased by 25% YoY from 133.1 million bcm to 166.3 million bcm in 1H 2017. Whereas coal production increased by 30% YoY from 15.5 million tonnes to 20.1 million tonnes.
- Net revenue increased by 39% in 1H 2017 to US\$361 million vs. US\$259 million for 1H 2016 from higher volume and rate. With prudent cost management, EBITDA was 62% higher YoY at US\$131 million for 1H 2017 vs. US\$81 million for 1H 2016. EBITDA was lower QoQ at US\$61 million for Q2 2017, mainly due to extended rain season and progressing ramp-up process which required higher cost upfront.
- Net income increased by 8% YoY to US\$9 million from US\$8 million, despite recording an extraordinary, accounting-based provision related to old tax receivable cases originated under previous ownership, for which the Company is still considering its next steps to recover. Recurring profit, however, was significantly higher at US\$39 million for 1H 2017 vs. US\$8 million for 1H 2016.
- Capital expenditure was US\$91 million for 1H 2017 vs. US\$7 million for 1H 2016, primarily on heavy equipment to accommodate volume growth and for replacement purposes.
- Free cash flow was US\$36 million in 1H 2017, 14% lower YoY against US\$43 million for 1H 2016, primarily on the back of higher capital expenditure in 1H 2017. Operating cash flow was US\$127 million for 1H 2017 vs. US\$46 million for 1H 2016.
- On June 30, 2017, net debt was US\$491 million with net debt to EBITDA ratio of 1.8x, as Company continued to deleverage.
- The Company will remain focused on executing production ramp-up in order to stay on track with delivering profitable and solid performance in 2017.

Exhibit 1: Quarterly Production

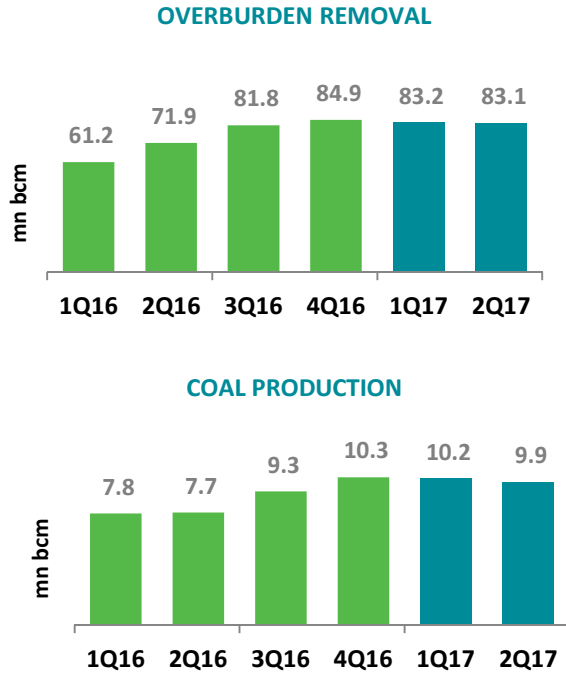


Exhibit 2: Net Debt

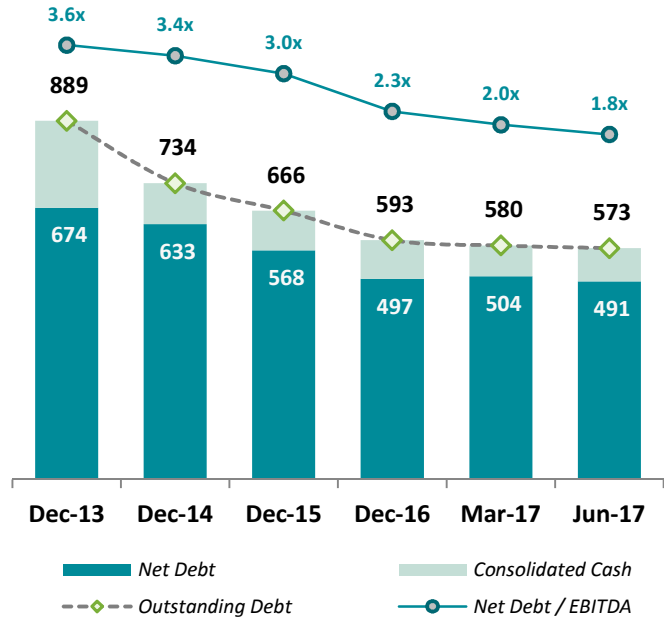


Exhibit 3: Consolidated Cash Flows²⁾

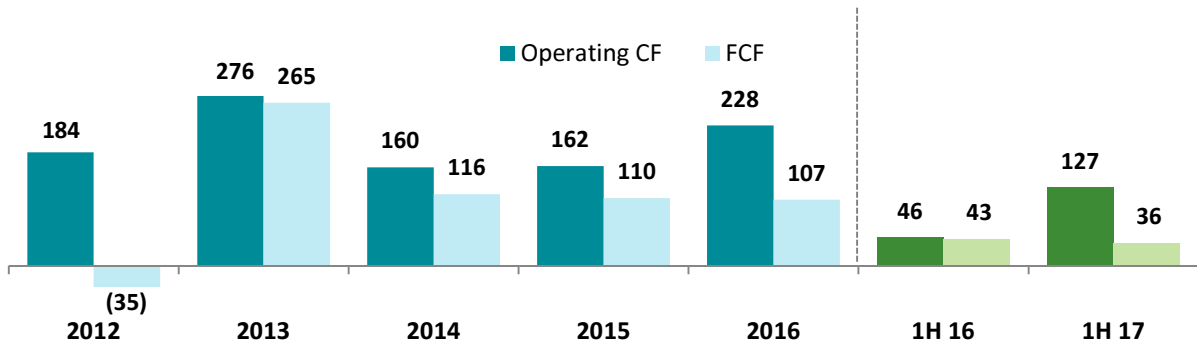
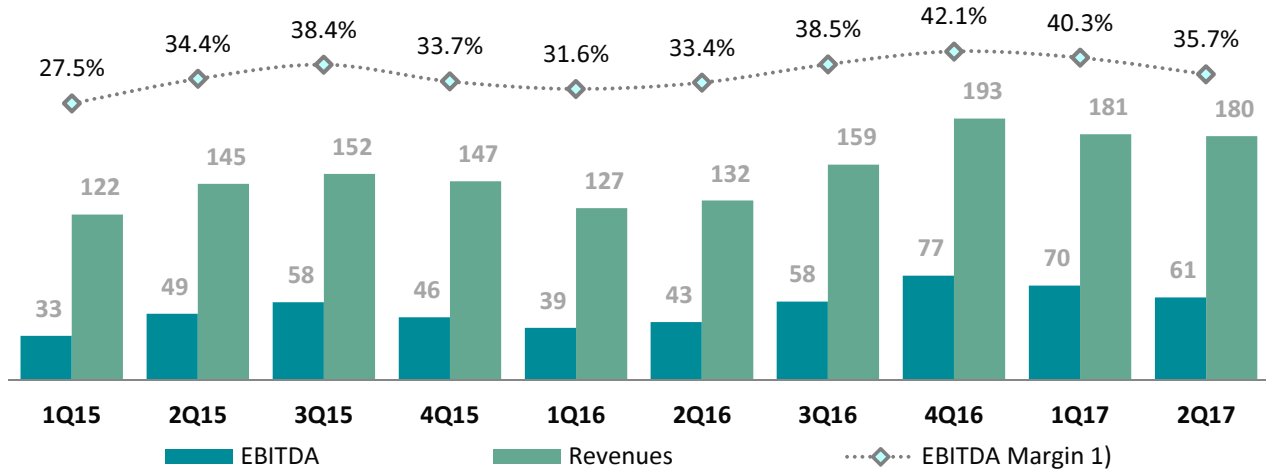


Exhibit 4: Quarterly Profitability Trend



Notes:

1) Margins are based on net revenues excluding fuel.

2) Free cash flows is defined before debt service, and excludes financing proceeds. Operational cash flows is free cash flows, before capital expenditures.

**DOID'S CONSOLIDATED STATEMENTS
OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

<i>In US\$ mn (unless otherwise stated)</i>	1H17	1H16	YoY
Net revenues	361	259	39%
<i>Revenue excl. fuel</i>	346	250	38%
Cost of revenues	258	208	24%
Gross profit	102	51	101%
Operating expenses	(22)	(17)	29%
Finance cost	(28)	(23)	20%
Others - net	(25)	3	-904%
Pretax profit	27	14	98%
Tax expense	19	6	224%
Profit for the period	9	8	8%
Other comprehensive income - net	(0)	2	-106%
Comprehensive income	9	10	-12%
EBITDA	131	81	62%
Basic EPS (in Rp) ³⁾	<i>Rp 14</i>	<i>Rp 13</i>	6%

**DOID'S CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION**

<i>In US\$ mn (unless otherwise stated)</i>	Jun-17	Dec-16	YTD
Cash and cash equivalents	71	67	6%
Restricted cash in bank - current	11	-	100%
Trade receivables - current	164	144	13%
Other current assets	108	88	23%
Restricted cash in bank	-	29	-100%
Fixed assets - net	446	406	10%
Other non-current assets	65	148	-56%
TOTAL ASSETS	865	882	-2%
Trade payables	84	80	6%
LT liabilities - current	71	106	-33%
Other current liabilities	44	34	30%
LT liabilities - non current	488	501	-3%
Other non-current liabilities	38	35	9%
TOTAL LIABILITIES	726	756	-4%
TOTAL EQUITY	139	126	10%

DOID'S FINANCIAL RATIOS ¹⁾

	1H17	1H16
Gross margin	29.5%	20.4%
Operating margin	23.1%	13.5%
EBITDA margin	38.0%	32.5%
Pretax margin	7.9%	5.5%
Net margin	2.5%	3.2%

DOID'S CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In US\$ mn (unless otherwise stated)</i>	1H17	1H16
Net CF from Operating Activities	97	25
Net CF from Investing Activities	(51)	2
Net CF from Financing Activities	(42)	(31)
Net change in cash & cash equivalents	4	(3)
Beginning balance cash & cash equivalents	67	71
Effect of foreign exchange rate changes	0	1
Ending balance cash & cash equivalents²⁾	71	68

Notes:

1) Margins are based on net revenues excluding fuel.

2) Excludes restricted cash in bank.

3) Reported EPS are translated into Rp using average exchange rate of Rp13,331 and Rp13,420 for 1H17 and 1H16, respectively.

**BUMA'S STATEMENTS
OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

<i>In US\$ mn (unless otherwise stated)</i>	1H17	1H16	YoY
Net revenues	361	259	39%
<i>Revenue excl. fuel</i>	346	250	38%
Cost of revenues	258	208	24%
Gross profit	102	51	101%
Operating expenses	(21)	(16)	33%
Finance cost	(28)	(23)	20%
Others - net	(25)	10	-352%
Pretax profit	29	22	29%
Tax expense	19	6	221%
Profit for the period	10	16	-39%
Other comprehensive income - net	(0)	2	-106%
Comprehensive income	10	18	-46%
EBITDA	133	83	60%

**BUMA'S STATEMENTS
OF FINANCIAL POSITION**

<i>In US\$ mn (unless otherwise stated)</i>	Jun-17	Dec-16	YTD
Cash	29	49	-40%
Restricted cash in bank - current	11	-	100%
Trade receivables - current	164	144	13%
Due from related party - current	150	182	-18%
Other current assets	108	88	23%
Restricted cash in bank	0	29	-100%
Fixed assets - net	445	405	10%
Other non-current assets	64	148	-57%
TOTAL ASSETS	972	1,045	-7%
Trade payables	84	80	6%
LT liabilities - current	71	106	-33%
Other current liabilities	44	35	25%
LT liabilities - non-current	488	501	-3%
Other non-current liabilities	38	35	9%
TOTAL LIABILITIES	726	757	-4%
TOTAL EQUITY	246	288	-15%

BUMA'S STATEMENTS OF CASH FLOWS

<i>In US\$ mn (unless otherwise stated)</i>	1H17	1H16
Net CF from Operating Activities	97	28
Net CF from Investing Activities	(51)	2
Net CF from Financing Activities	(66)	(31)
Net change in cash	(20)	(1)
Beginning balance cash	49	50
Ending balance cash¹⁾	29	49

Notes:

1) Excludes restricted cash in bank.

OTHER UPDATES

A. TAX RECEIVABLES

- ◆ Tax policies related to coal mining have historically resulted in tax overpayment for BUMA, the primary operating Subsidiary. Thus, the high tax receivables asset recorded on the balance sheet under “claims for tax refund”. BUMA consistently and diligently exerts every possible effort under prevailing tax law to recover all of its tax receivables.
- ◆ As of June 30, 2017, BUMA received US\$59 million year-to-date related to favorable outcome on various tax proceedings.
- ◆ Throughout June – July 2017, BUMA received unfavorable decisions from Supreme Court related to certain old, long-outstanding cases, which originated under previous ownership. These decisions do not affect BUMA’s cash flows, as all related tax liabilities has been previously settled. While BUMA is considering its next course of legal action to recover the respective tax receivables, US\$33 million has been provisioned as of June 30, 2017, in compliance with accounting standard.

B. DEBT FINANCING

- ◆ On February 14, 2017, BUMA, the primary operating subsidiary, completed the refinancing of its bank loan facilities, consisting of US\$603 million syndicated loan facilities, with SMBC as the Facility Agent (“SMBC Facility”), and US\$15 million loan facility with PT CIMB Niaga Tbk (“CIMB Facility”) with (i) the proceeds from BUMA’s 5-year 7.75% US\$350 million Senior Notes issuance (“Senior Notes”), (ii) US\$100 million LIBOR+3% loan facility from The Bank of Tokyo Mitsubishi UFJ, Ltd. (“BTMU Facility”), and (iii) BUMA’s internal cash. The refinancing allows for operational and financial flexibility to support BUMA’s future growth.
- ◆ As of June 30, 2017, outstanding debt was US\$573 million, whereas net debt was US\$491 million, with net debt to EBITDA ratio of 1.8x, which exhibited significant deleveraging over the past few years.