

NEWS RELEASE

Jakarta, October 31, 2017



For further information please contact:

Mahardika Putranto, Head of Corporate Secretary & Investor Relations Division

mahardika.putranto@adaro.com

Febriati Nadira, Head of Corporate Communication Division

febriati.nadira@adaro.com

Adaro's Royalty and Tax Contribution Increase on the back of Continuous Improvement in Operations and Improving Market Condition

Jakarta, October 31, 2017 – PT Adaro Energy Tbk (IDX: ADRO) today released its consolidated financial statements for the first nine months of 2017, as well as quarterly activities report for the third quarter of 2017, demonstrating a strong and efficient operations coupled with improving coal price environment.

Adaro Energy's President Director and Chief Executive Officer, Mr. Garibaldi Thohir, said:

“Our strong results reflect our continuous focus on operational excellence across Adaro's businesses combined with stronger coal prices as coal market improves. Our mining services and logistics businesses delivered strong performance while our power projects continue to make good progress. Our contributions to the country through royalty and tax have increased and we remain committed to help build the nation through all of our growth pillars. We are on track to achieve our annual target for 2017 and well positioned to capture opportunities as well as facing challenges to pursue strong near-term and long-term earnings.”

9M17 Financial Highlights:

- Operational EBITDA increased 61% to US\$1,006 million, demonstrating the strength and efficiency of our vertically integrated business model supported by rising coal prices and continued cost discipline.
- Core earnings, our profit excluding non-operational items, increased 76% year-on-year to US\$495 million reflecting the quality after tax operational earnings of the company.
- We maintained a strong liquidity of US\$1,598 million, providing flexibility in facing market uncertainties and optionality in executing our strategy.
- Our balance sheet continued to strengthen as we have achieved net cash position.
- As of 9M17, AE had contributed US\$254 million in royalty and US\$325 million in tax to Indonesia.

Financial Performance

<i>(US\$ million, except otherwise stated)</i>	9M17	9M16	% Change
Net Revenue	2,439	1,778	37%
Cost of Revenue	(1,579)	(1,313)	20%
Gross Profit	860	466	85%
Operating Income	729	382	91%
Core Earnings ¹	495	281	76%
Operational EBITDA ²	1,006	625	61%
Total Assets	6,852	6,134	12%
Total Liabilities	2,790	2,606	7%
Stockholders' Equity	4,062	3,528	15%
Interest-Bearing Debt	1,377	1,475	-7%
Cash	1,259	964	31%
Net Debt (Cash) ³	(141)	511	-128%
Capital Expenditure ⁴	106	41	159%
Free Cash Flow ⁵	623	352	77%
Basic Earnings Per Share (EPS) in US\$	0.01164	0.00654	78%

Financial Ratios

	9M17	9M16	% Change
Gross Profit Margin (%)	35.3%	26.2%	35%
Operating Margin (%)	29.9%	21.5%	39%
Operational EBITDA Margin (%)	41.2%	35.2%	17%
Net Debt to Equity (x)	Net cash	0.14	-
Net Debt to last 12 months Op.EBITDA (x)	Net cash	0.65	-
Cash from Operations to Capex (x)	11.99	6.81	-

¹ Profit for the period, excluding non-operational items net of tax (amortization of mining properties and prior year tax assessment).

² EBITDA excluding foreign exchange loss/gain and prior year tax assessment.

³ Cash including financial assets available for sale.

⁴ Regular spending defined as: purchase of fixed assets – proceed from disposal of fixed assets + payment for addition of mining properties + addition of fixed assets under finance leases.

⁵ Operational EBITDA – taxes – change in net working capital – capital expenditure.

Operating Segment

<i>(US\$ million)</i>	Revenue			Profit for the period		
	9M17	9M16	% Change	9M17	9M16	% Change
Coal mining & trading	2,283	1,653	38%	403	200	102%
Mining services	109	78	40%	14	19	-26%
Others	47	47	0%	62	54	15%
Elimination	-	-	-	(65)	(62)	5%
Adaro Energy Group	2,439	1,778	37%	414	211	96%

FINANCIAL PERFORMANCE ANALYSIS FOR THE FIRST NINE MONTHS OF 2017

Revenue, Average Selling Price and Production

Revenue increased by 37% compared to the same period last year to US\$2,439 million due to a 42% increase in ASP. Our coal mining and trading division generated 94% of our revenue. We produced 39.36 Mt and sold 39.44 Mt of coal in 9M17.

Cost of Revenue

Cost of revenue increased 20% year over year to US\$1,579 million mainly driven by higher mining cost because of higher fuel prices combined with higher strip ratio, and also higher royalty payment as a result of rising ASP.

Our strip ratio for the period was 4.65x, below our guidance of 4.85x for 2017 as we experienced heavy rains at our mining operations which extended into the third quarter of this year. As part of our cost control measures, we have hedged approximately 50% of our fuel requirements for the rest of 2017 at prices below our budget to mitigate risks associated with fuel price fluctuations.

Royalties to Government

Royalties to the Government of Indonesia increased 41% to US\$254 million as a result of higher revenue from sales of coal prompted by higher ASP.

Operational EBITDA

Our Operational EBITDA, which excludes non-operational items, increased 61% to US\$1,006 million as a result of higher ASP and continued cost discipline. This leads to a solid operational EBITDA margin of 41%, showcasing our efficient operations in sustaining the margin for a period of time. We have achieved our operational EBITDA guidance for 2017, and are gearing towards the higher end of US\$900 million to US\$1,100 million guidance.

Core Earnings

Core earnings rose 76% to US\$495 million demonstrating solid core business performance. Our core earnings excludes non-operational items net of tax.

Total Assets

Total assets of US\$6,852 million were 12% higher than the same period last year. Current assets increased by 47% to US\$2,092 million, mainly due to higher cash balance. Non-current assets increased slightly by 1% to US\$4,761 million.

Total Liabilities

Total liabilities increased 7% compared to the same period last year to US\$2,790 million. Current liabilities increased by 41% to US\$819 million to some extent due to higher trade payables and taxes payable. Non-current liabilities declined by 3% to US\$1,971 million mainly due to lower long term borrowings positions as we continued to pay down our debt.

Current Maturity of Long-term Borrowings

The current portion of long-term borrowings increased 24% compared to the same period last year to US\$185 million.

Long-term Borrowings, net of Current Maturity

The non-current portion of long-term borrowings, largely consisting of long-term bank loans, decreased by 10% compared to the same period last year to US\$1,192 million.

Debt Management and Liquidity

We brought down bank loans by 8% compared to the same period last year to US\$1,279 million as we carried out regular loan payments. During the period, we repaid US\$96 million of bank loans, and thus lowered interest-bearing debt. Combined with higher operating cash flow, this enabled us to achieve net cash position.

We secured an adequate level of liquidity of US\$1,598 million, consisting of US\$1,259 million in cash, US\$259 million in financial assets available for sale, and US\$80 million in undrawn committed loan facilities. Our average debt repayment schedule from 2017 to 2019 is at a manageable level of around US\$171 million per year.

Cash Flows from Operating Activities

Cash flows from operating activities increased 51% to US\$817 million demonstrating robust cash flow generation due to higher cash inflows from customers driven by robust ASP.

Cash Flows from Investing Activities

We booked US\$327 million in net cash flows used in investing activities, mainly for the purchase of financial assets available for sale and purchase of fixed assets.

Capital Expenditure and Free Cash Flow

We spent US\$106 million in capital expenditure in 9M17 for regular maintenance, heavy equipment, and development of our metallurgical coal asset.

We generated free cash flow of US\$623 million on the back of robust operational EBITDA and disciplined capital spending.

Cash Flows from Financing Activities

Net cash flow used in financing activities was US\$306 million. Financing activities include among others, repayment of bank loans totaling US\$96 million and payment of dividends to our shareholders amounting US\$101 million.

QUARTERLY ACTIVITIES REPORT 3Q17

Review of thermal coal market in 3Q17

The coal market experienced a condition where market balance was tighter-than-expected in the third quarter of 2017. This situation was driven by a combination of tight supply due to weather disruption and industrial action in major coal producing countries, as well as higher seasonal demand.

Industrial actions (labor strikes) affected several coal mines in Australia and constrained coal output from the country. In Indonesia, weather conditions continued to be challenging in the third quarter. Kalimantan experienced heavy rains during the quarter, which hampered coal production and transportation from the island. Thermal coal supply constraint in Indonesia and Australia has provided support to international coal prices, as seen in Global Coal Newcastle (GCN) prices which reached high US\$90s in August and September. GCN averaged US\$94.69 per tonne in 3Q17, 19% higher than 2Q17 average. While in 9M17, GCN averaged US\$85.32 per tonne. Early October 2017, Glencore and Tohoku reached a settlement for Japanese Power Utilities October start contract price at US\$94.75 per tonne, or 11.5% higher than the April 2017 start contract.

On the demand side, domestic coal consumption in Indonesia continued to grow. As of 8M17, Indonesia domestic consumption increased by 15% compared to the same period in 2016 due to the commissioning of power plant and increased demand for electricity. PLN reported that up until September 2017, Indonesia's electricity consumption increased 2.8% y-o-y.

In China, power demand hit a record high in the quarter driven by strong industrial performance and hot summer, which then triggered higher demand for coal. However, China's domestic coal supply struggled to catch up with the strong demand as government continued to implement strict safety and environmental inspection following several mining accidents. Therefore in order to fulfill the demand, China turned to imported coal increasing its thermal coal import by 20% y-o-y in 9M17. There are expectations that China's coal supply will be constrained in October as the government stopped operations from several coal mines due to the Chinese National Congress taking place.

India's demand in the quarter was tepid as monsoon season encouraged switch to hydro power. However, as monsoon season ceases, India is expected to return to the market. In South Korea, safety checks conducted at all nuclear plants across the country have put approximately 6.6 GW of nuclear power capacity on halt and is expected to improve electricity generation from gas and coal.

Review of Adaro Energy (AE) operations

In the third quarter of 2017, we produced 14.23 million tonnes (Mt) of coal from PT Adaro Indonesia (AI), Balangan Coal Companies and Adaro MetCoal Companies (AMC) a 6% increase compared to the third quarter of 2016. AE's total coal production for 9M17 reached 39.36 Mt, flat y-o-y. Overburden removal in 3Q17 increased by 12% to 71.40 million bank cubic meter (Mbcm) compared to 3Q16. The blended average strip ratio for the quarter was 5.02x and

4.65x for 9M17. We expect our blended average strip ratio to reach guidance of 4.85x. In the quarter, we sold 14.17 Mt of coal, 6% higher compared to 3Q16. Total sales volume for 9M17 was 39.44 Mt, a 2% decline compared to 9M16.

	Units	3Q17	2Q17	3Q17 vs. 2Q17	3Q16	3Q17 vs. 3Q16	9M17	9M16	9M17 vs. 9M16
Coal Production	Mt	14.23	13.27	7%	13.47	6%	39.36	39.33	0%
Sales Volume	Mt	14.17	13.24	7%	13.32	6%	39.44	40.45	-2%
Overburden Removal	Mbcm	71.40	57.02	25%	63.55	12%	183.17	174.78	5%

Our sales destination in 9M17 was dominated by developing countries in Asia. Domestic market continued to be a priority for AE, and Indonesia accounted for 20% of AE's sales in 9M17. Our sales portion to China and South Korea increased to 14% and 10%, respectively, in-line with both countries' move to use imported coal to fulfill increased demand.

The chart below shows geographical breakdown of our customers in 9M17 based on tonnage.

Geographical breakdown 9M17	%
Indonesia	20%
China	14%
Malaysia	14%
Japan	10%
South Korea	10%
Hong Kong	8%
India	7%
Taiwan	6%
Spain	5%
Philippines	3%
Others	3%
Total	100%

MINING ASSETS

PT Adaro Indonesia (AI)

In 3Q17, AI produced 13.13 Mt and sold 13.93 Mt of coal, 1% and 5% increase compared to 3Q16, respectively. For the 9M17 period, AI produced 36.32 Mt and sold 38.09 Mt, 5% and 4% lower compared to 9M16, respectively.

Total overburden removal at AI's Tutupan, Paringin and Wara pits was 67.13 Mbcm in 3Q17, 7% higher than 3Q16. AI's total overburden removal in 9M17 was 173.73 Mbcm, 1% higher than 9M16. This translated to a strip ratio of 5.11x for 3Q17 and 4.78x for 9M17. AI experienced higher than average rain hours (hour) and rainfall volume (mm) at its operations which lasted through 3Q17. Even with the operational challenge from bad weather, AI continued to maintain high safety and environmental standards.

There are three contractors working at AI's operations, including PT Saptaindra Sejati (SIS), a subsidiary of AE. The following table shows the breakdown of overburden removal and coal production activities of AI's mining contractors in 9M17.

Contractors	Overburden Removal	Coal Production
SIS	42%	55%
PAMA	40%	33%
BUMA	18%	12%

Balangan Coal Companies

PT Semesta Centramas (SCM), PT Laskar Semesta Alam (LSA) and PT Paramitha Cipta Sarana (PCS) (Balangan Coal Companies) each separately have an IUP over an area of 7,500 ha that covers the Balangan Coal Companies deposit. AE has 75% equity stake in each company.

During 3Q17, we produced 0.88 Mt of coal from Balangan Coal Companies, 80% higher compared to 0.49 Mt in 3Q16. Total coal production from Balangan Coal Companies in 9M17 reached 2.37 Mt, more than double its 9M16 production of 1.15 Mt. Total overburden removal from Balangan Coal Companies in 3Q17 was 2.62 Mbcm, 162% higher than 3Q16. Overburden removal for 9M17 was 5.48 Mbcm, 75% higher than 9M16. Actual strip ratio for Balangan Coal Companies was 2.98x for the quarter and 2.31x for 9M17.

Adaro MetCoal Companies (AMC)

In 3Q17, AMC produced 0.22 Mt of semi-soft coking coal and high grade thermal coal. Total production from AMC in 9M17 was 0.67 Mt. AMC delivers coal to customers in Europe, Japan and Indonesia, and in 3Q17 AMC sold 0.24 Mt of coal. Up until 9M17, AMC had sold 0.62 Mt of coal.

Overburden removal at AMC was 1.66 Mbcm in 3Q17 and 3.97 Mbcm in 9M17 which resulted in a strip ratio of 7.55x and 5.93x for 3Q17 and 9M17, respectively.

MINING SERVICES & LOGISTICS

PT Saptaindra Sejati (SIS)

SIS production and overburden removal volume for the quarter increased by 7% y-o-y to 10.18 Mt, and 10% y-o-y to 51.15 Mbcm, respectively. Out of SIS's total volume in 3Q17, production volume from Adaro Energy Group accounted for 87% and 61% for overburden removal volume.

	Units	3Q17	2Q17	3Q17 vs. 2Q17	3Q16	3Q17 vs. 3Q16	9M17	9M16	9M17 vs. 9M16
Overburden Removal	Mbcm	51.15	44.57	15%	46.40	10%	135.68	119.52	14%
Coal Production	Mt	10.18	8.64	18%	9.52	7%	26.34	25.67	3%

PT Maritim Barito Perkasa (MBP)

In 3Q17, MBP increased its total coal barging volume by 15% year on year to 12.15 Mt, aligned with production increase from its customers. In 9M17, MBP's total coal barging volume was 32.06 Mt, 17% higher year on year. Coal volume from Adaro Energy Group accounted for 95% of MBP's total coal barging volume.

	Units	3Q17	2Q17	3Q17 vs. 2Q17	3Q16	3Q17 vs. 3Q16	9M17	9M16	9M17 vs. 9M16
Coal barging	Mt	12.15	10.19	19%	10.56	15%	32.06	27.32	17%

POWER

Engineering, Procurement and Construction (EPC) activities at PT Bhimasena Power Indonesia (BPI) and PT Tanjung Power Indonesia (TPI) reached 29% and 78%, respectively, at the end of 3Q17.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

In 3Q17, AE recorded a strong safety performance with five lost time injuries (LTI). Our lost time injury frequency rate (LTIFR) for 3Q17 was 0.20 and severity rate (SR) was 4.98. Total man-hours worked during the quarter were 24,682,223 hours.

CORPORATE NEWS

Awards for the Best CFO in Indonesia & for Adaro Energy

Mr David Tendian, CFO of Adaro Energy, was awarded as the “Best CFO in Indonesia” in the 7th Annual Institutional Investor Awards for Corporates organized by Alpha Southeast Asia Magazine. In addition to the Best CFO in Indonesia Award, Adaro Energy also fared well in the award and was top three in the following categories:

1. Most Organized Investor Relations (3rd rank).
2. Best Senior Management Investor Relations Support (1st rank).
3. Strongest Adherence to Corporate Governance (2nd rank).
4. Most Consistent Dividend Policy (3rd rank).
5. Best Strategic Corporate Social Responsibility (3rd rank).



Mr Siddiq Bazarwala (left), CEO/Publisher of Alpha Southeast Asia, handing over the trophy of Best CFO in Indonesia to Mr David Tendian (right).

SHAREHOLDER INFORMATION

In 3Q17, AE’s share price opened at Rp1,630 and closed at Rp1,825. During the period, share price peaked at Rp1,965, and reached its lowest price at Rp1,580. AE’s average market capitalization was US\$4.3 billion in 3Q17, an increase of 60% from average of US\$2.7 billion in 3Q16, and this was 13% higher from 2Q17 average market capitalization of US\$3.8 billion. Average daily trading value for AE’s share in 3Q17 was US\$4.9 million, a 1% increase from y-o-y from 3Q16 and 7% higher than 2Q17. At the end of 3Q17, consensus rating for AE’s share was 4.52, as a result of 23 buys, 2 holds, and 2 sells recommendations.

At the end of September 2017, total public shareholders were 35.30% out of AE’s total shares. Of the public shareholders, 32.68% were domestic holders, a slight increase from 32.36% at the end of September 2016, and the rest were foreign holders.

AE remained active in its investor outreach program in 3Q17. On top of regular conferences in Jakarta, Singapore and Hong Kong, AE conducted a public expose in the Indonesian Stock Exchange attended by AE's CFO, David Tendian.



PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 1/1 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN INTERIM
30 SEPTEMBER 2017 DAN 31 DESEMBER 2016**
(Dinyatakan dalam ribuan Dolar AS,
kecuali nilai nominal dan data saham)

**INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
30 SEPTEMBER 2017 AND 31 DECEMBER 2016**
(Expressed in thousands of US Dollars,
except for par value and share data)

	<u>Catatan/ Notes</u>	<u>30 September 2017</u>	<u>31 Desember/ December 2016</u>	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	5	1,258,978	1,076,948	Cash and cash equivalents
Deposito berjangka yang dibatasi penggunaannya - bagian lancar	6	34	34	Restricted time deposits - current portion
Aset keuangan tersedia untuk dijual	7	259,321	-	Financial assets available-for-sale
Piutang usaha	8	377,007	300,689	Trade receivables
Persediaan	10	82,338	73,417	Inventories
Pajak dibayar dimuka - bagian lancar	34a	69,688	102,614	Prepaid taxes - current portion
Pajak yang bisa dipulihkan kembali	34b	12,591	10,489	Recoverable taxes
Piutang lain-lain		1,094	4,399	Other receivables
Instrumen keuangan derivatif	19	4,264	3,954	Derivative financial instruments
Uang muka dan biaya dibayar dimuka - bagian lancar	9	22,997	19,287	Advances and prepayments - current portion
Aset lancar lain-lain		<u>3,285</u>	<u>884</u>	Other current assets
Total aset lancar		<u>2,091,597</u>	<u>1,592,715</u>	Total current assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Deposito berjangka yang dibatasi penggunaannya - bagian tidak lancar	6	8,101	3,084	Restricted time deposits - non-current portion
Investasi pada ventura bersama	12	31,849	46,675	Investment in joint ventures
Uang muka dan biaya dibayar dimuka - bagian tidak lancar	9	54,768	37,497	Advances and prepayments - non-current portion
Pajak dibayar dimuka - bagian tidak lancar	34a	27,533	37,940	Prepaid taxes - non-current portion
Properti pertambangan	13	2,360,815	2,436,565	Mining properties
Aset tetap	11	1,449,530	1,544,187	Fixed assets
Goodwill	14	793,610	793,610	Goodwill
Aset pajak tangguhan	34e	6,920	3,766	Deferred tax assets
Aset tidak lancar lain-lain		<u>27,393</u>	<u>26,218</u>	Other non-current assets
Total aset tidak lancar		<u>4,760,519</u>	<u>4,929,542</u>	Total non-current assets
TOTAL ASET		<u>6,852,116</u>	<u>6,522,257</u>	TOTAL ASSETS

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 1/2 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN INTERIM
30 SEPTEMBER 2017 DAN 31 DESEMBER 2016**
(Dinyatakan dalam ribuan Dolar AS,
kecuali nilai nominal dan data saham)

**INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
30 SEPTEMBER 2017 AND 31 DECEMBER 2016**
(Expressed in thousands of US Dollars,
except for par value and share data)

	<u>Catatan/ Notes</u>	<u>30 September 2017</u>	<u>31 Desember/ December 2016</u>	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang usaha	15	275,260	207,794	Trade payables
Utang dividen	28	-	70,927	Dividends payable
Beban yang masih harus dibayar	17	46,392	28,969	Accrued expenses
Liabilitas imbalan kerja jangka pendek		1,729	1,551	Short-term employee benefit liabilities
Utang pajak	34c	269,024	118,981	Taxes payable
Utang royalti	16	23,502	42,041	Royalties payable
Bagian lancar atas pinjaman jangka panjang:				Current maturity of long-term borrowings:
- Utang sewa pembiayaan	20	36,260	30,876	Finance lease payables -
- Utang bank	21	149,143	122,850	Bank loans -
Utang lain-lain		17,815	20,566	Other liabilities
Total liabilitas jangka pendek		819,125	644,555	Total current liabilities
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Pinjaman dari pihak ketiga	18	15,892	15,541	Loans from a third party
Pinjaman jangka panjang setelah dikurangi bagian yang akan jatuh tempo dalam satu tahun:				Long-term borrowings, net of current maturities:
- Utang sewa pembiayaan	20	45,881	39,224	Finance lease payables -
- Utang bank	21	1,129,971	1,241,198	Bank loans -
Liabilitas pajak tangguhan	34e	623,718	653,364	Deferred tax liabilities
Liabilitas imbalan pasca kerja	22	57,523	49,527	Post-employment benefits liabilities
Provisi rehabilitasi, reklamasi dan penutupan tambang	23	97,942	92,966	Provision for mine rehabilitation, reclamation and closure
Total liabilitas jangka panjang		1,970,927	2,091,820	Total non-current liabilities
TOTAL LIABILITAS		2,790,052	2,736,375	TOTAL LIABILITIES

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 1/3 Schedule

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN INTERIM
30 SEPTEMBER 2017 DAN 31 DESEMBER 2016**
(Dinyatakan dalam ribuan Dolar AS,
kecuali nilai nominal dan data saham)

**INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
30 SEPTEMBER 2017 AND 31 DECEMBER 2016**
(Expressed in thousands of US Dollars,
except for par value and share data)

	<u>Catatan/ Notes</u>	<u>30 September 2017</u>	<u>31 Desember/ December 2016</u>	
EKUITAS				EQUITY
Ekuitas yang diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the parent entity
Modal saham - modal dasar 80.000.000.000 lembar; ditempatkan dan disetor penuh 31.985.962.000 lembar dengan nilai nominal Rp100 per saham	24	342,940	342,940	Share capital - authorised 80,000,000,000 shares; issued and fully paid 31,985,962,000 shares at par value of Rp100 per share
Tambahan modal disetor, neto	25	1,154,494	1,154,494	Additional paid-in capital, net
Selisih transaksi dengan pihak non-pengendali	26	7,135	7,135	Difference in value from transaction with non-controlling interest
Saldo laba (Rugi)/penghasilan komprehensif lain	27 2i	1,958,765 (8,782)	1,627,609 14,280	Retained earnings Other comprehensive (loss)/income
Total ekuitas yang diatribusikan kepada pemilik entitas induk		<u>3,454,552</u>	<u>3,146,458</u>	Total equity attributable to owners of the parent entity
Kepentingan non-pengendali	29	<u>607,512</u>	<u>639,424</u>	Non-controlling interests
TOTAL EKUITAS		<u>4,062,064</u>	<u>3,785,882</u>	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		<u>6,852,116</u>	<u>6,522,257</u>	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 2/1 Schedule

LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR
PADA TANGGAL 30 SEPTEMBER 2017 DAN 2016

(Dinyatakan dalam ribuan Dolar AS,
kecuali laba bersih per saham dasar dan dilusian)

INTERIM CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2017 AND 2016

(Expressed in thousands of US Dollars,
except for basic and diluted earnings per share)

	Catatan/ Notes	30 September		
		2017	2016	
Pendapatan usaha	30	2,438,921	1,778,271	Revenue
Beban pokok pendapatan	31	(1,579,491)	(1,312,696)	Cost of revenue
Laba bruto		859,430	465,575	Gross profit
Beban usaha	32	(128,120)	(108,103)	Operating expenses
(Beban)/pendapatan lain-lain, neto	33	(2,242)	24,752	Other (expense)/income, net
Laba usaha		<u>729,068</u>	<u>382,224</u>	Operating income
Biaya keuangan		(40,524)	(38,093)	Finance costs
Pendapatan keuangan		11,536	6,337	Finance income
Bagian atas keuntungan/(kerugian) neto entitas asosiasi dan ventura bersama		7,177	(1,162)	Share in net profit/(loss) of associates and joint ventures
		<u>(21,811)</u>	<u>(32,918)</u>	
Laba sebelum pajak penghasilan		707,257	349,306	Profit before income tax
Beban pajak penghasilan	34d	(293,498)	(138,425)	Income tax expense
Laba periode berjalan		<u>413,759</u>	<u>210,881</u>	Profit for the period
Penghasilan komprehensif lain periode berjalan:				Other comprehensive income for the period:
Pos-pos yang akan direklasifikasi ke laba rugi:				Items that may be subsequently reclassified to profit or loss:
Selisih kurs karena penjabaran laporan keuangan		(1,588)	3,490	Exchange difference due to financial statements translation
Aset keuangan tersedia untuk dijual		249	-	Financial assets available-for-sale
Bagian atas kerugian komprehensif lain dari entitas ventura bersama		(22,002)	-	Share of other comprehensive loss of joint ventures
Bagian efektif dari pergerakan instrumen lindung nilai dalam rangka lindung nilai arus kas	19	891	3,401	Effective portion of movement on hedging instruments designated as cash flow hedges
Pajak penghasilan terkait pos-pos yang akan direklasifikasi ke laba rugi	34d	(586)	(1,531)	Income tax relating to items that may be reclassified to profit or loss
		<u>(23,036)</u>	<u>5,360</u>	
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified to profit or loss:
Pengukuran kembali liabilitas imbalan pasca kerja		(1,329)	-	Remeasurement of post-employment benefit obligations
Pajak penghasilan terkait pos ini	34d	333	-	Income tax relating to this item
		<u>(996)</u>	<u>-</u>	
		<u>(24,032)</u>	<u>5,360</u>	
Total penghasilan komprehensif periode berjalan, setelah pajak		<u>389,727</u>	<u>216,241</u>	Total comprehensive income for the period, net of tax

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 2/2 Schedule

LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR
PADA TANGGAL 30 SEPTEMBER 2017 DAN 2016

(Dinyatakan dalam ribuan Dolar AS,
kecuali laba bersih per saham dasar dan dilusian)

INTERIM CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2017 AND 2016

(Expressed in thousands of US Dollars,
except for basic and diluted earnings per share)

	Catatan/ Notes	30 September		
		2017	2016	
Laba periode berjalan yang dapat diatribusikan kepada:				Profit for the period attributable to:
Pemilik entitas induk		372,454	209,108	Owners of the parent entity
Kepentingan non-pengendali	29	<u>41,305</u>	<u>1,773</u>	Non-controlling interests
Laba periode berjalan		<u>413,759</u>	<u>210,881</u>	Profit for the period
Total penghasilan komprehensif periode berjalan yang dapat diatribusikan kepada:				Total comprehensive income for the period attributable to:
Pemilik entitas induk		348,396	214,011	Owners of the parent entity
Kepentingan non-pengendali	29	<u>41,331</u>	<u>2,230</u>	Non-controlling interests
Total penghasilan komprehensif periode berjalan		<u>389,727</u>	<u>216,241</u>	Total comprehensive income for the period
Laba bersih per saham	36			Earnings per share
- Dasar		0.01164	0.00654	Basic -
- Dilusian		0.01084	0.00608	Diluted -

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 3 Schedule

LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL
30 SEPTEMBER 2017 DAN 2016

(Dinyatakan dalam ribuan Dolar AS)

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2017 AND 2016

(Expressed in thousands of US Dollars)

	Ditribusikan kepada pemilik entitas induk/Attributable to owners of the parent entity											Total ekuitas/ Total equity	
	Modal saham/ Share capital	Tambah modal disetor, neto/ Additional paid-in capital, net	Selisih transaksi dengan pihak non-pengendali/ Difference in value from transaction with non-controlling interest	Saldo laba/Retained earnings		Translasi mata uang asing/ Foreign currency translation	Lindung nilai arus kas/ Cash flow hedges	Bagian pendapatan komprehensif lain dari entitas ventura bersama/ Share of other comprehensive income of joint ventures	Cadangan perubahan nilai wajar aset keuangan tersedia untuk dijual/ Reserve for changes in fair value of financial assets available-for-sale	Kepentingan non-pengendali/ Non-controlling interests	Total		
				Dicadangkan/ Appropriated	Belum dicadangkan/ Unappropriated								
Saldo pada 1 Januari 2016	342,940	1,154,494	-	51,182	1,335,827	(18,555)	-	-	-	2,865,888	487,155	3,353,043	Balance as at 1 January 2016
Total penghasilan komprehensif periode berjalan	-	-	-	-	209,108	3,032	1,871	-	-	214,011	2,230	216,241	Total comprehensive income for the period
Pencadangan saldo laba	-	-	-	1,525	(1,525)	-	-	-	-	-	-	-	Appropriation of retained earnings
Dividen (Catatan 28)	-	-	-	-	(40,302)	-	-	-	-	(40,302)	(1,038)	(41,340)	Dividends (Note 28)
Saldo pada 30 September 2016	342,940	1,154,494	-	52,707	1,503,108	(15,523)	1,871	-	-	3,039,597	488,347	3,527,944	Balance as at 30 September 2016
Saldo pada 1 Januari 2017	342,940	1,154,494	7,135	52,707	1,574,902	(17,434)	1,179	30,535	-	3,146,458	639,424	3,785,882	Balance as at 1 January 2017
Total penghasilan komprehensif periode berjalan	-	-	-	-	371,458	(1,531)	434	(22,002)	37	348,396	41,331	389,727	Total comprehensive income for the period
Penerbitan saham entitas anak kepada kepentingan non-pengendali (Catatan 29)	-	-	-	-	-	-	-	-	-	-	770	770	Issuance of subsidiaries' shares to non-controlling interests (Note 29)
Pencadangan saldo laba	-	-	-	3,346	(3,346)	-	-	-	-	-	-	-	Appropriation of retained earnings
Dividen (Catatan 28)	-	-	-	-	(40,302)	-	-	-	-	(40,302)	(74,013)	(114,315)	Dividends (Note 28)
Saldo pada 30 September 2017	342,940	1,154,494	7,135	56,053	1,902,712	(18,965)	1,613	8,533	37	3,454,552	607,512	4,062,064	Balance as at 30 September 2017

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT ADARO ENERGY Tbk DAN ENTITAS ANAKNYA/AND ITS SUBSIDIARIES

Lampiran 4 Schedule

LAPORAN ARUS KAS KONSOLIDASIAN INTERIM
UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR
PADA TANGGAL 30 SEPTEMBER 2017 DAN 2016
(Dinyatakan dalam ribuan Dolar AS)

INTERIM CONSOLIDATED STATEMENTS OF
CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2017 AND 2016
(Expressed in thousands of US Dollars)

	<u>30 September</u>		
	<u>2017</u>	<u>2016</u>	
Arus kas dari aktivitas operasi			Cash flows from operating activities
Penerimaan dari pelanggan	2,389,803	1,713,310	Receipts from customers
Pembayaran kepada pemasok	(997,910)	(872,211)	Payments to suppliers
Pembayaran kepada karyawan	(121,554)	(100,206)	Payments to employees
Penerimaan pendapatan bunga	10,612	6,337	Receipts of finance income
Pembayaran royalti	(257,039)	(164,748)	Payments of royalties
Pembayaran pajak penghasilan badan dan pajak penghasilan final	(186,347)	(45,556)	Payments of corporate income tax and final income tax
Penerimaan restitusi pajak penghasilan	11,346	16,512	Receipts of income tax refund
Pembayaran beban bunga dan keuangan	(35,866)	(33,512)	Payments of interest and finance costs
Pembayaran pajak penjualan	(4,089)	-	Payments of sales tax
Penerimaan lain-lain, neto	7,603	19,761	Other receipts, net
Arus kas bersih yang diperoleh dari aktivitas operasi	<u>816,559</u>	<u>539,687</u>	Net cash flows provided from operating activities
Arus kas dari aktivitas investasi			Cash flows from investing activities
Pembelian aset tetap	(69,483)	(71,896)	Purchase of fixed assets
Hasil penjualan aset tetap	6,499	251	Proceeds from disposal of fixed assets
Pembelian aset keuangan tersedia untuk dijual	(259,194)	-	Purchases of financial assets available-for-sale
Pembayaran atas penambahan properti pertambangan	(5,131)	(7,620)	Payment for addition of mining properties
Arus kas bersih yang digunakan untuk aktivitas investasi	<u>(327,309)</u>	<u>(79,265)</u>	Net cash flows used in investing activities
Arus kas dari aktivitas pendanaan			Cash flows from financing activities
Pembayaran utang bank	(96,130)	(109,000)	Repayments of bank loans
Pembayaran dividen kepada pemegang saham Perusahaan	(101,075)	(75,487)	Payments of dividends to the Company's shareholders
Pembayaran dividen kepada kepentingan non-pengendali	(85,295)	(1,038)	Payments of dividends to non-controlling interests
Pembayaran utang sewa pembiayaan	(25,521)	(30,913)	Payments of finance lease payables
Transfer ke deposito berjangka yang dibatasi penggunaannya	(5,017)	(792)	Transfer to restricted time deposits
Penerimaan setoran modal dari kepentingan non-pengendali	134	-	Receipt of capital injection from non-controlling interests
Penerimaan utang bank	6,784	15,000	Proceeds from bank loans
Arus kas bersih yang digunakan untuk aktivitas pendanaan	<u>(306,120)</u>	<u>(202,230)</u>	Net cash flows used in financing activities
Kenaikan bersih kas dan setara kas	<u>183,130</u>	<u>258,192</u>	Net increase in cash and cash equivalents
Kas dan setara kas pada awal periode	1,076,948	702,452	Cash and cash equivalents at the beginning of the period
Efek perubahan nilai kurs pada kas dan setara kas	<u>(1,100)</u>	<u>3,567</u>	Effect of exchange rate changes on cash and cash equivalents
Kas dan setara kas pada akhir periode (Catatan 5)	<u><u>1,258,978</u></u>	<u><u>964,211</u></u>	Cash and cash equivalents at the end of the period (Note 5)

Lihat Catatan 38 untuk penyajian transaksi non-kas Grup.

Refer to Note 38 for presentation of the Group's non-cash transactions.

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian interim secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.