

4th Quarter 2016

PT. Resource Alam Indonesia Tbk (“Resource Alam” or “the Company”) is an Indonesian coal mining company. Resource Alam focuses on the production and sales of thermal coal through its wholly owned subsidiary PT. Insani Bara Perkasa (“IBP”). IBP holds and operates a 24,477 hectare, 3rd Generation Coal Contract of Work (CCOW) concession in East Kalimantan.

Share Price Data:
 (As of 30 December 2016)

IDX : **KKGI**
 Bloomberg : **KKGI.IJ**
 Reuters : **KKGI.JK**

Price:
Rp 1,500

52 Weeks Hi/Lo:
Rp. 1,710/Rp. 392

Market Capitalization:
**Rp 1500 billion/
 US\$ 111.6 million**

Rp/US\$ (31 Dec 2016):
Rp13,436

Board of Commissioners:

- **HendroMartowardojo**
President Commissioner
- **Swandono Adijanto**
Commissioner
- **Ge Luiyanto Yamin**
Commissioner
- **Andrew J. Wilson**
Commissioner
- **Suria M. Tjahaja**
Commissioner

Board of Directors:

- **Pintarso Adijanto**
President Director
- **Bambang Prijonohadi**
Director
- **Chamilus Salimbo**
Director
- **AgoesSoegiarto**
Director
- **Wimpy Salim**
Director
- **Winanto**
Director

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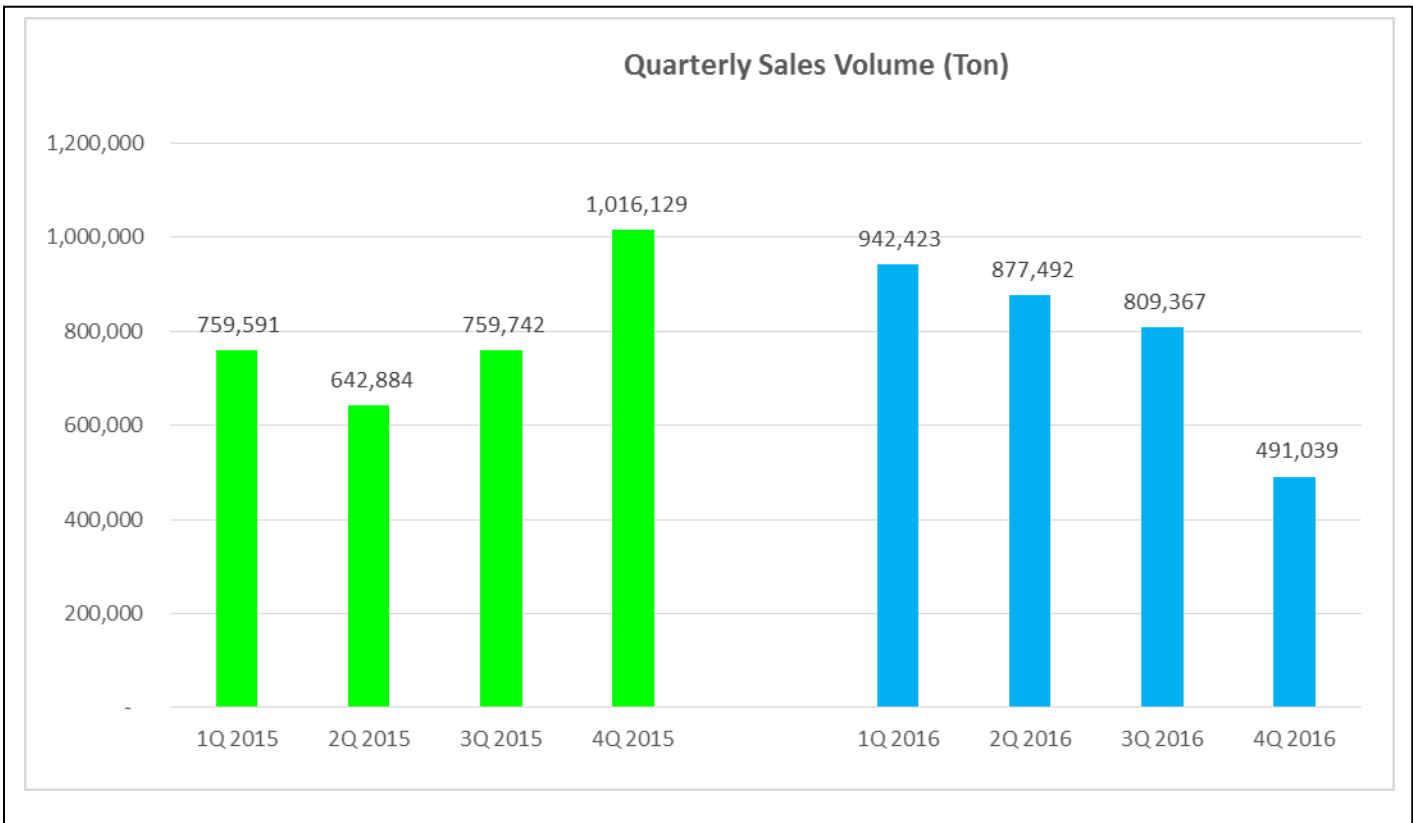
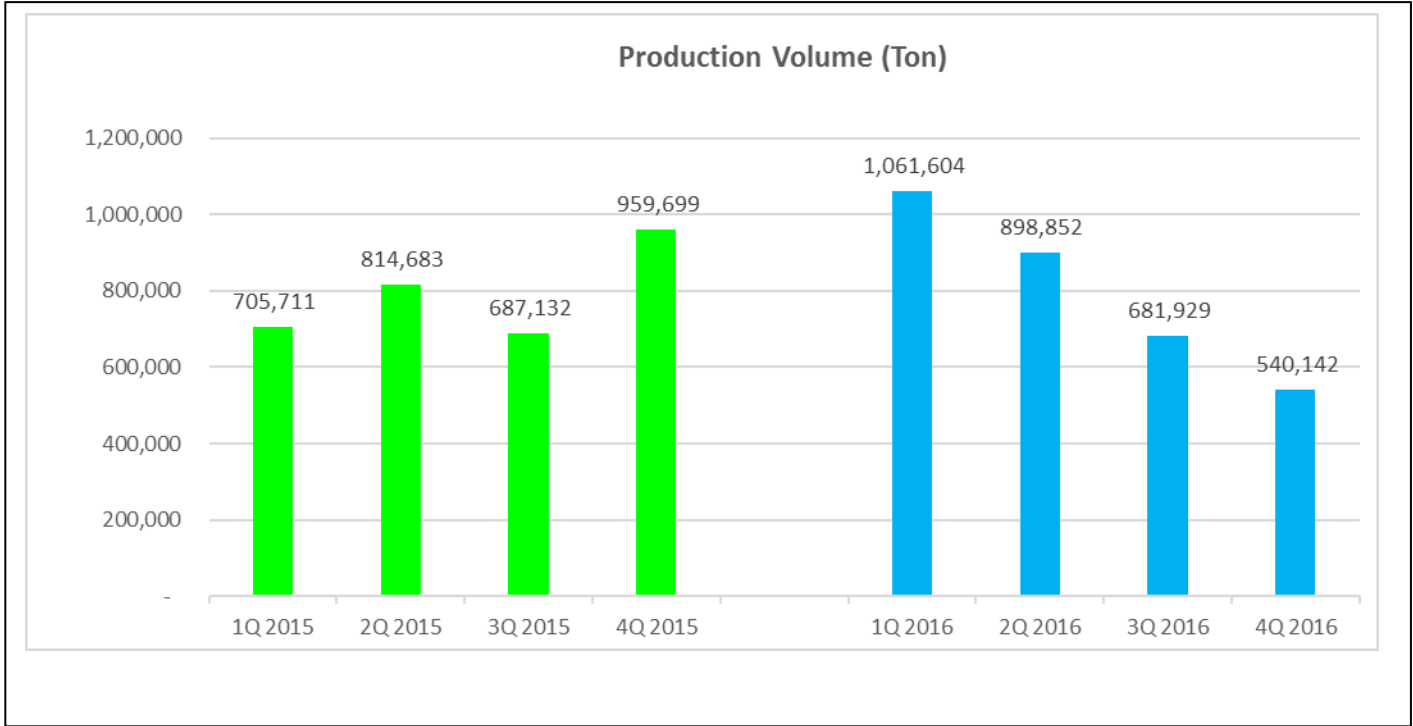
A. FINANCIAL HIGHLIGHTS

Financial (YTD)	4Q2015 USD Million	4Q2016 USD Million	Change	12M2015 USD Million	12M2016 USD Million	Change (%)
Revenue	32.6	20.2	-38.0%	111.0	92.6	-16.6
Gross Profit	7.48	7.49	0.1%	26.5	23.9	-9.8
Operating Profit	2.3	5.6	143.5%	9.1	14.5	59.3
Net Profit After Tax	1.6	2.3	43.8%	5.7	9.5	66.7
				31/12/15	31/12/16	Change (%)
Total Asset				98.5	98.7	0.2
Total Liability				21.8	14.3	-34.4
Equity				76.8	84.4	9.9
Debt ¹				0.50	0.42	-16.0
RATIOS	3Q2015	3Q2016		12M2015	12M2016	
Gross Margin	22.9%	37.1%		23.9%	25.8%	
Operating Margin	7.1%	27.7%		8.2%	15.7%	
NPAT Margin	4.9%	11.4%		5.1%	10.3%	
Return On Asset (ROA)				5.8%	9.6%	
Return On Equity (ROE)				7.4%	11.3%	
Debt to Equity				0.7%	0.5%	

Exchange rate USD/IDR: Dec. 2016 = 13,436; Dec 2015 = 13,788; ¹Interest bearing liabilities only (e.g: vehicle leasing, etc.)



B. OPERATIONAL HIGHLIGHTS



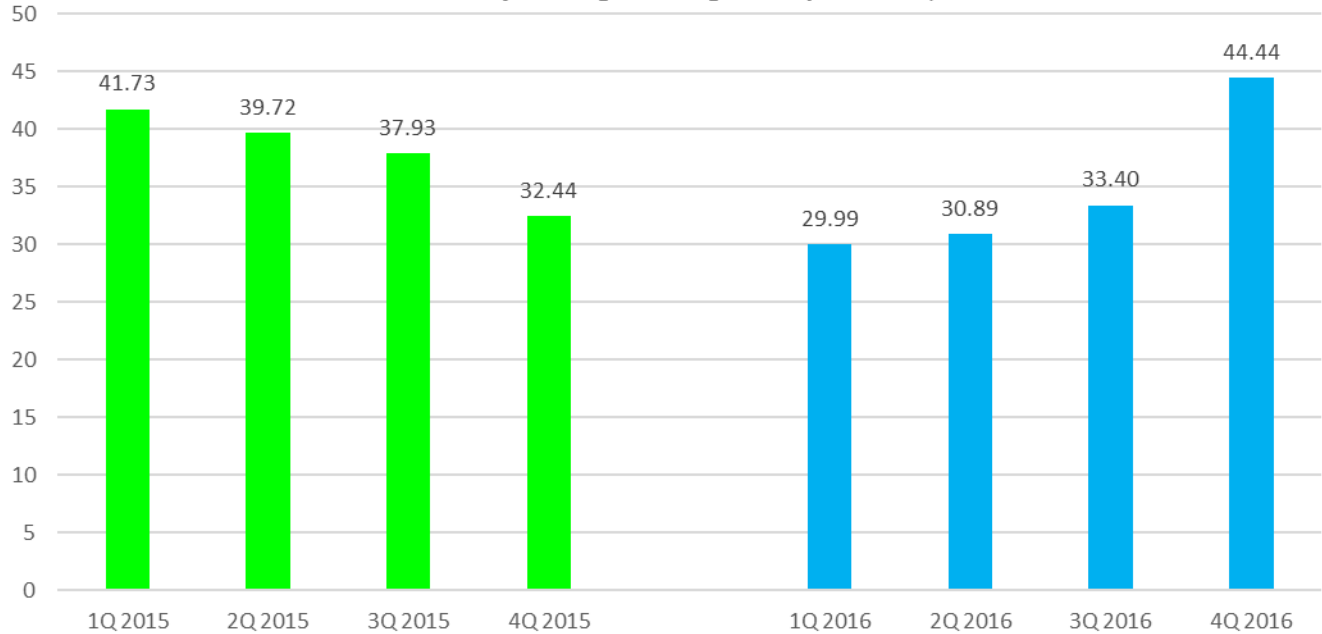


PT. RESOURCE ALAM INDONESIA, Tbk. (KKGI)

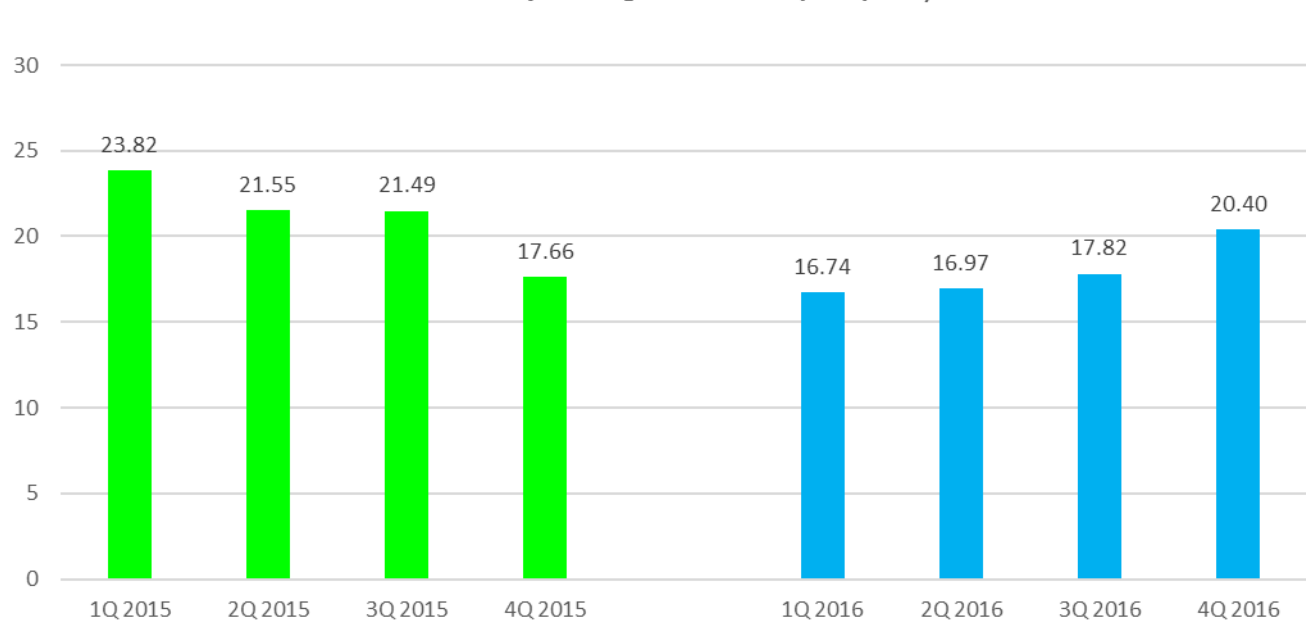
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NEWSLETTER

Quarterly Average Selling Price (USD/Ton)



Quarterly Average Cash Cost (USD/Ton)



C. PERFORMANCE SUMMARY / RINGKASAN KINERJA

- We are happy to report that the coal market is recovering, the Company's Average Selling Prices ASP in 2016 have steadily improved Quarter to Quarter, from Q1 USD29.99, Q2 USD 30.89, Q3 USD 33.40 and finished the year with a strong surge to Q4 USD 44.44.

For the first time in 2016, that quarterly ASP of the 4Q 2016 of USD 44.44 per MT was higher than USD 37.23 ASP of the previous year's quarter.

- Revenue posted in 4Q 2016 of USD 20.2 million was 38% lower compared to the USD 32.6 million of the same period of the previous quarter (Q on Q). This is mainly due to the lower sales volume, 491,039 MT in 4Q 2016 from previously 1,016,129 MT Q on Q.
- Despite the lower Revenue 4Q 2016, Operating Profit improved to USD 5.6 million during the 4Q 2016 from previously US\$ 2.2 million, a dramatic 144% improvements. This significant increase is mainly due to the higher Average Selling Price while cost components were relatively under control.
- Cash Cost in 4Q 2016 was USD 20.86 per MT, higher if compared to the USD 17.66 Q on Q.
- Net Profit After Tax in 4Q 2016 stood at USD 2.3 million, a 44% improvement from previously USD 1.6 million Q on Q. Net margin improved to 11.4% from previously 4.9%.

- Kami senang untuk dapat melaporkan bahwa pasar batu bara telah mulai membaik, terlihat dari peningkatan harga jual rata rata (ASP) kuartalan di tahun 2016 menjadi Q1 US\$ 29.99, Q2 US\$ 30.89, Q3 US\$ 33.40 dan mengakhiri tahun dengan kenaikan menjadi Q4 USD 44.44.

Harga ASP Q4 2016 USD 44.44 per MT adalah lebih tinggi dibanding ASP periode yang sama tahun sebelumnya sebesar US\$ 37.93 per MT.

- Omzet penjualan di 4Q 2016 berjumlah USD 20,2 juta lebih rendah dari USD 32,6 juta, penurunan 38%, bila di dibandingkan dengan periode yang sama tahun sebelumnya. Penurunan ini terutama dikarenakan lebih rendahnya volume penjualan menjadi 491.039 MT dari sebelumnya 1.016.129 MT.
 - Tidak berdampak dari lebih rendahnya omzet penjualan pada Q4 2016, Laba Usaha meningkat 144% menjadi US\$ 5,6 juta dari sebelumnya US\$ 2,3 juta. Peningkatan laba usaha ini dikarenakan oleh naiknya harga rata rata penjualan batu bara dan masih terkontrol dan stabilnya beban biaya.
- Biaya Kas pada Q4 2016 meningkat menjadi USD 20.86 per MT bila dibanding USD 17.66 per MT pada periode yang sama tahun sebelumnya.
- Seiring dengan peningkatan laba usaha, Laba Bersih Q4 2016 tercatat USD 2,3 juta, atau meningkat 44% dari periode sama sebelumnya USD 1,6 juta. Marjin bersih juga meningkat menjadi 11,4% dibandingkan sebelumnya 4,9%.

Full Year 2016

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52 Weeks High / Low: Rp 1,710 / Rp 392

Market Capitalization: Rp1,500billion / US\$ 111.6 million

Rp/US\$ Rate (Dec. 31): Rp.13,436

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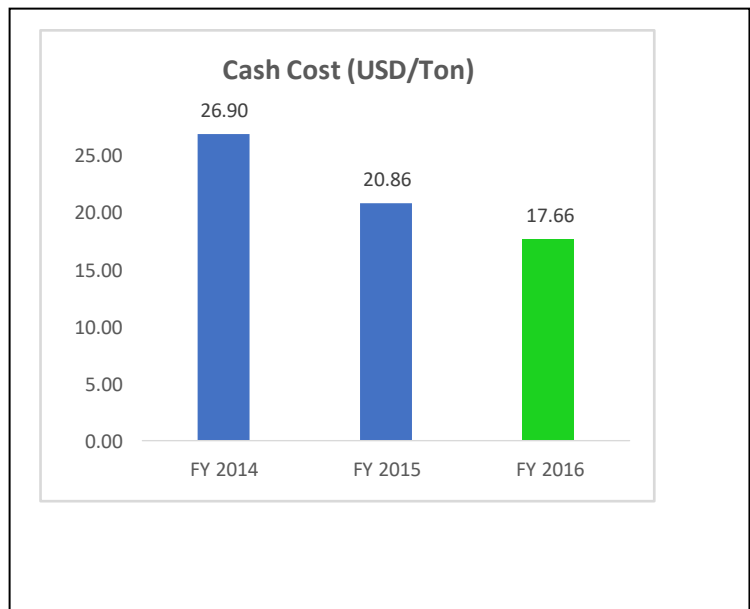
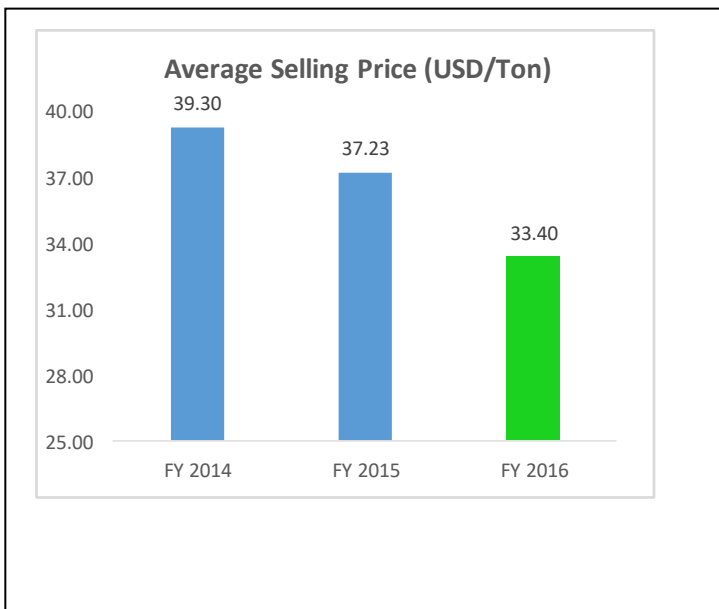
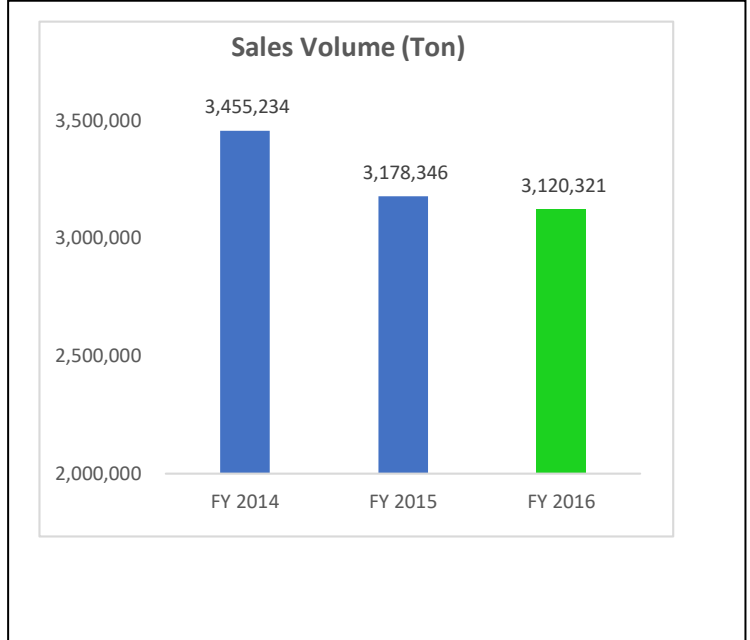
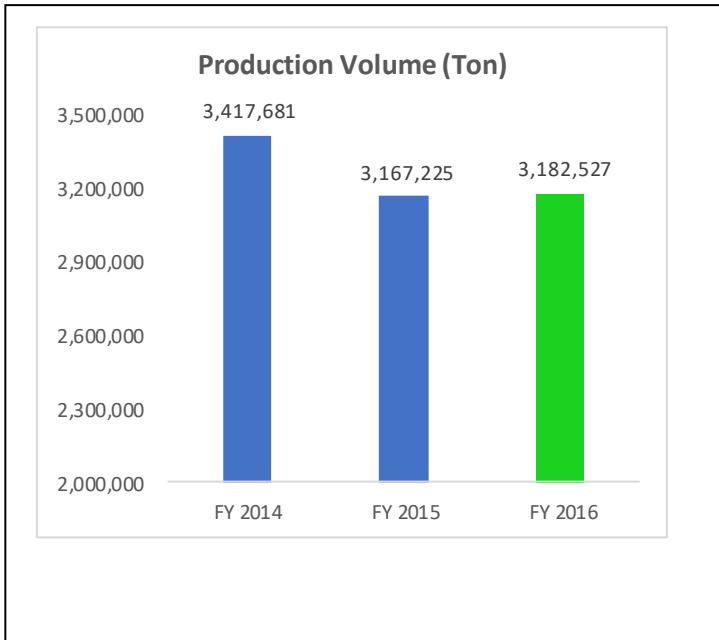
A. FINANCIAL HIGHLIGHTS

Financial (YTD)	FY2016 USD Million	FY2015 USD Million	Change (%)
Revenue	92.6	111.0	-16.6
Gross Profit	23.9	26.5	-9.8
Operating Profit	14.5	9.1	59.3
Net Profit After Tax	9.5	5.7	66.7
Total Asset	98.7	98.5	0.2
Total Liability	14.3	21.8	-34.4
Equity	84.4	76.8	9.9
Debt ¹	0.42	0.50	-16.0
RATIOS	FY2016	FY2015	FY2014
Gross Margin	25.8%	23.9%	16.4%
Operating Margin	15.7%	8.2%	9.4%
NPAT Margin	10.3%	5.1%	5.9%
Return On Asset (ROA)	9.6%	5.8%	8.0%
Return On Equity (ROE)	11.3%	7.4%	11.1%
Debt to Equity	0.5%	0.7%	0.7%

Exchange rate USD/IDR: Dec 2016 = 13,436; Dec 2015 = 13,788;

¹Interest bearing liabilities only (e.g: vehicle leasing, etc.)

B. OPERATIONAL HIGHLIGHTS



* Cash cost excludes depreciation, royalty, barging, and trans-shipment

C. PERFORMANCE SUMMARY/ RINGKASAN KINERJA

- We are excited to report the coal industry has improved considerably during the second half of 2016. In December 2016, our average coal selling price per ton climbed above USD 50 from USD 30 during the beginning of the year. The coal price increased mainly due to a depression in global coal supply, as the Chinese government closed risky and inefficient mine while lowering the maximum working hours per week for miners.

- In the year 2016, the Company achieved revenue of USD 92.6 million, 16.6% lower from the previous year of USD 111 million. Sales volume for 2016 and 2015 were relatively flat at 3.12 million and 3.17 million MT respectively.

During the same period, Average Selling Price for the whole of 2016 was USD 33.40 per MT, 10.2% lower when compared to the previous year's price of USD 37.23 per MT.

- Despite the lower revenue, we are happy to report that our Company's Net Profit in FY2016 jumped a significant 66.7% to USD 9.5 million from USD 5.7 million in FY2015. We attribute this achievement to our successful cash cost efficiency campaign, improving coal prices and continuous improving efficiency.
- To mitigate difficult coal market conditions during the earlier part of 2016, we successfully managed our costs by reducing our Stripping Ratio and other efficiency improvement campaigns. Our efforts paid off as demonstrated by the reduction in average Cash Cost in 2016 to USD 17.66 per MT from USD 20.86 per MT in FY 2015
- Due to the simultaneous increase in selling price and decrease in costs, our net profit margin doubled to 10.3% in 2016 from 5.1% in the previous year. Additionally, ROE and ROA improved to 11.3% and 9.6% respectively.

- Kami senang untuk dapat melaporkan bahwa kondisi industry batu bara pada paruh kedua 2016. Di bulan Desember 2016, harga jual batu bara kami mencapai USD 50 per MT, kenaikan yang drastis dari sebelumnya di bawah kisaran USD 30 per MT di awal tahun. Membaiknya pasar batu bara dunia, terutama dikarenakan pengurangan pasokan, disebabkan oleh penurunan jam kerja dan penutupan tambang batu bara yang berbahaya dan kurang efisien di China.

- Pada tahun 2016, omzet Perseroan tercatat USD 92,6 juta, 16,6% masih lebih rendah dari tahun lalu yang tercatat USD 111. Volume penjualan stabil 3,12 juta MT di tahun 2016 dari sebelumnya 3,17 juta MT.

Pada periode yang sama, harga jual rata rata, ASP adalah USD 33,40 per MT dibanding sebelumnya USD 37,23 per MT

- Tidak terpengaruh dari penurunan omzet penjualan, Laba Bersih Perseroan tercatat naik 66,7% menjadi USD 9,5 juta dibandingkan sebelumnya USD 5,7 juta. Kenaikan laba bersih yang drastis ini dikarenakan beban Biaya Kas yang lebih rendah dan peningkatan efisiensi secara keseluruhan.
- Dalam upaya menghadapi kondisi industry batu bara yang sulit, khususnya diawal awal 2016, Perseroan berhasil mengurangi Biaya Kas, tercatat USD 17,66 per MT pada tahun 2016 dari sebelumnya USD 20.86 MT.
- Akibat kenaikan harga jual batu bara, dan lebih rendahnya Biaya Kas, margin laba bersih ditahun 2016 menjadi 10,3%, kenaikan 2 kali lipat dari sebelumnya 5,1%. Pada saat yang bersamaan, ROE dan ROA tercatat 11,3% dan 9,6%.