

## PRESS RELEASE



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### **PGN FIRST QUARTER 2009 OPERATING REVENUES INCREASED BY 62% CONTINUING THE OPERATING PERFORMANCE GROWTH IN 2008**

(Jakarta, 30/04/2009) PT Perusahaan Gas Negara (Persero) Tbk (“PGN” or Company) has submitted the consolidated financial statements for the Year Ended 31 December 2008 with independent auditors’ report by KAP Purwantono, Sarwoko & Sandjaja – A member firm of Ernst & Young Global Limited, and the un-audited Financial Statements for the period ended 31 March 2009.

Prior to the submission of the Financial Reports for the year 2008, PGN sought clarification on the application of Financial Standard Accounting Interpretation (ISAK) Number 4 on the capitalization of translation loss into fixed assets. Bapepam later confirmed that ISAK Number 4 cannot be applied due to some considerations, among others the IAI (Indonesia’s Accounting Board) plan to adopt IAS Number 21.

The financial reports represented the Company’s performance and the capability to deliver a strong operating performance in the midst of global financial crisis. The performance was a result of the dedication and support from all stakeholders during the year 2008.

In the year 2008, the Company reported operating revenues of Rp12.79 trillion or a growth of 45% from the operating revenues for the year 2007. The trend continues in first quarter 2009 in which the Company reported operating revenues of Rp4.48 trillion or an increase of 62% from the same period in 2008.

Distributed gas volume in 2008 rose by 37% compared to the volume in 2007 to 578 MMScfd. The strong growth of distributed gas volume continued in 1Q-2009 to 721 MMScfd or an increase of 37% from volume distributed in 1Q-2008. The increase was mainly due to the increase of natural gas usage by industrial customers, in particular the power generating sector. Transportation business also grew to 758 MMScfd in 2008 compared to 736 MMScfd in 2007, it then reached 779 MMScfd in the first quarter of 2009.

The strong operating performance was also showed by the faster growth of Company’s operating income than the growth of its operating revenues. In 2008, the Company recorded an increase in the income from operations by 51% to Rp 4.7 trillion compared to the income from operations in 2007. EBITDA also grew by 56% from the prior year to Rp 6.4 trillion. The strong growth was well-maintained in first quarter 2009

as income from operations grew by 78% and EBITDA increased by 65% compared to the first quarter 2008.

#### PGN's Financial Highlights

| (IDR Billion)           | 2007<br>(restated) | 2008   | Growth<br>(%) | 1Q - 2008<br>(restated) | 1Q - 2009 | Growth<br>(%) |
|-------------------------|--------------------|--------|---------------|-------------------------|-----------|---------------|
| <b>Revenue</b>          | 8,802              | 12,794 | 45            | 2,768                   | 4,478     | 62            |
| ▪ <b>Distribution</b>   | 7,594              | 11,275 | 48            | 2,447                   | 4,013     | 64            |
| ▪ <b>Transmission</b>   | 1,208              | 1,519  | 26            | 320                     | 462       | 44            |
| ▪ <b>Fiber Optic</b>    | -                  | -      | -             | -                       | 4         | -             |
| <b>Operating Income</b> | 3,082              | 4,657  | 51            | 1,125                   | 1,997     | 78            |
| <b>EBITDA</b>           | 4,094              | 6,375  | 56            | 1,470                   | 2,430     | 65            |
| <b>Net Income</b>       | 1,165              | 634    | (46)          | 570                     | 1,219     | 114           |
| <b>Total Assets</b>     | 20,445             | 25,551 | 25            | 20,935                  | 28,038    | 34            |
| ▪ <b>Cash</b>           | 1,232              | 3,499  | 184           | 1,881                   | 5,407     | 187           |
| <b>Equity</b>           | 5,937              | 7,075  | 19            | 6,985                   | 8,529     | 22            |

#### PGN's Operational Performance

| (MMScfd)                   | 2007   | 2008   | Growth<br>(%) | 1Q - 2008 | 1Q - 2009 | Growth<br>(%) |
|----------------------------|--------|--------|---------------|-----------|-----------|---------------|
| <b>Gas Volume :</b>        |        |        |               |           |           |               |
| ▪ <b>Distribution</b>      | 422    | 578    | 37            | 527       | 721       | 37            |
| ▪ <b>Transmission</b>      | 736    | 758    | 3             | 716       | 779       | 9             |
| <b>Number of Customers</b> | 83,635 | 84,720 | 1             | 84,027    | 85,337    | 2             |

Due to the volatility of exchange rate in the fourth quarter of 2008, the Company recorded a significant translation loss of Rp2.5 trillion. As rupiah stabilized in 1Q -2009, the translation loss declined by 33% from same period in 2008 to Rp134 billion,

The translation loss that was reported in accordance with Statement of Financial Accounting Standard 10 (PSAK 10), it was a non-cash loss mainly caused by the long term loans in foreign currency while the Company financial reports was in Rupiah,

To manage its exposures emanating from the Company's long term obligations payable in Japanese Yen, the Company enters into currency swap of Japanese Yen to US Dollar contract. It is not based on speculative objectives and is intended to partially cover a specific underlying transaction.

Following a significant increase in operating performance and the relatively stable exchange rate in first quarter 2009, PGN recorded net income of Rp 1.2 trillion, a significant increase of 114% from the first quarter 2008.

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*This press release may contain forward-looking information based on current information and expectations of the Company that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause the actual results to differ materially are industry conditions, prices of crude oil and natural gas, the Company's ability to obtain and the timing of new projects, and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual outcomes could vary materially from those indicated.*

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