



NEWS RELEASE FROM ADARO ENERGY

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ADARO ENERGY RECORDED ITS SECOND STRONGEST YEAR IN HISTORY WITH NET REVENUE OF US\$2.70 BILLION DUE TO 4% PRODUCTION GROWTH

Jakarta, March 30th, 2011 - PT Adaro Energy Tbk (**IDX: ADRO**) today announced that consolidated audited net revenue for the year ended December 31st, 2010 increased 4.9% to US\$2.72 billion. The increase is attributed to the 4% and 6% increase in production and sales volumes respectively, despite the 3% decline in average selling price.

Adaro Energy's President Director, Mr. Garibaldi Thohir said, **"Despite unprecedented and unseasonably heavy rainfall adversely affecting our operations, we continued to increase production and maintain our track record of delivering another year of consecutive annual production growth over nineteen years."**

Cost of revenue increased 22% to US\$1.87 billion (or 7% to Rp17.0 trillion) due to higher planned stripping ratio, longer overburden hauling distances and additional weather related costs. As a result, gross profit declined 20% to US\$851 million (or 30% to Rp7.7 trillion) as the increase in cost of revenue outpaced the increase in net revenue.

The decline in gross profit coupled with higher finance costs, increased amortization of goodwill as well as extraordinary demurrage charges incurred during the year have resulted in Adaro Energy's net profit to decline 42% to US\$243 million (or 49% to Rp2.2 trillion in 2010). Adaro Energy's 2010 basic earnings per share was Rp 69.0, down from Rp136.5 the previous year. The earnings per share excluding mining rights (Rp496 billion) and goodwill amortization (Rp490 billion) was Rp 99.8.

Adaro Energy's President Director, Mr. Garibaldi Thohir said, **"With outlook for coal remaining more robust than ever, we look forward to deliver a strong performance and solid EBITDA margin in 2011. The acquisition of 25% stake in IndoMet coal project enables us to diversify our product portfolio with metallurgical coal."**

Adaro's vertically integrated coal supply chain as well as its efforts in continuous efficiency improvement helped Adaro to generate a solid industry topping EBITDA

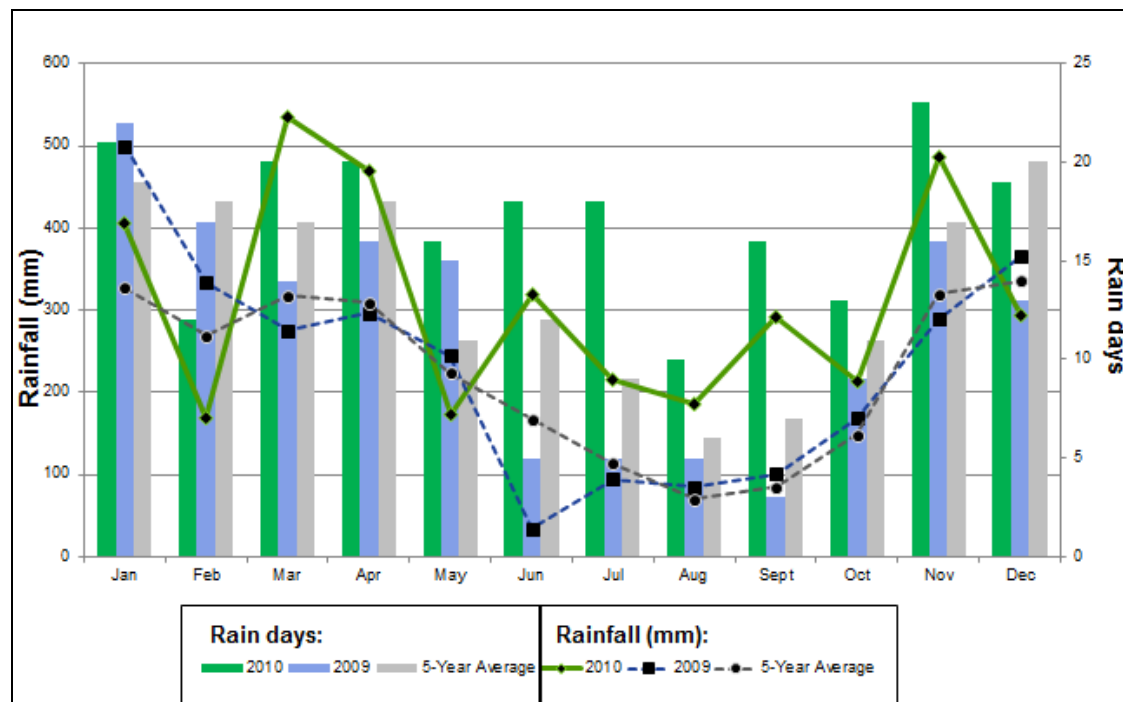
margin of 33% and EBITDA of US\$884 million for the full year of 2010. Adaro Energy's balance sheet as at the end of December 31st 2010 remained in strong condition as Adaro continued to optimize its capital structure and maintain flexible liquidity. Net debt to equity increased to 0.48x from 0.26x the previous year due to the reduction of cash and cash equivalents by half despite total shareholders equity rising 11% to US\$2.07 billion (or 7% to Rp18.6 trillion). Net debt to EBITDA also increased to 1.1x by the end of 2010, compared to 0.4x last year. The cash was used for acquisition of ICP, capital expenditure, loan repayment and dividend payment.

Adaro Energy's Finance Director, Mr. David Tendian said, **“Our hard work to continue to exercise financial discipline and strengthening our balance sheet post 2005 LBO puts us in a solid position to capture opportunity such as acquisition of new reserves and moving further downstream into power by partnering with international, blue chip power companies. We expect the funding for power projects to be project finance non recourse to Adaro Energy.”**

Guidance for 2011:

- Production volume: 46-48 million tonnes, including 4-5 million tonnes of Envirocoal-4000
- Stripping Ratio: 5.9x (blended)
- EBITDA: US\$1.1 – 1.3 billion

Unprecedented Volume of Rainfall and Number of Raindays in 2010



Despite the record-setting high volume of rainfall of 3,761 mm and number of raindays of and 206 days in 2010 at Tutupan mining area, Adaro was able to increase overburden removal by 8% and production volume by 4%



Financial Highlights of Adaro Energy's Full Year 2010 Results:

- Despite the record-setting high volume of rainfall and number of raindays, Adaro Energy's production volume increased 4% to 42.2 million tonnes in 2010, with 2.5 million tonnes coming from the new Wara pit, and sales volume increased 6% to 43.84 million tonnes. As a result, net revenue increased 5% to US\$2.7 billion (*see page 4*).
- Adaro's average selling price (ASP) in the fourth quarter of 2010 was US\$58.26. As a result, Adaro's ASP for the full year 2010 slightly decreased 3% over full year 2009 to US\$57.18 per tonnes due to the rescheduling of some higher-end priced contracts and quality adjustment to 2011. The rescheduling was a result of unable to produce enough to meet the strong demand (*see page 5*).
- Cash cost excluding royalties for the full year 2010 increased 17% over full year 2009 to US\$35.29 per tonne due to the increase in planned stripping ratio, longer hauling distances, additional weather related costs and higher than normal demurrage fee (*see page 7*).
- Demurrage charges for the full year 2010 accounted for US\$63 million, of which US\$34 million was accounted for as an extraordinary item (*see page 9*).
- Net profit for the year of 2010 decreased 42% over 2009 to US\$243 million (or 49% to Rp2.2 trillion) mainly due to lower ASP, higher cash cost and demurrage charges. Earnings per share was Rp69.0 compared to Rp136.5 the previous year. The earnings per share excluding mining rights (Rp496 billion) and goodwill amortization (Rp490 billion) was Rp 99.8. (*see page 10*).
- Effective 18th February 2011, SIS successfully refinanced its existing US\$300 million five-years term loan with US\$400 million seven-years loan with twelve relationship banks (*see page 13*).

Summary of Full Year 2010 Operational Performance (in million tonnes)			
	FY 2010	FY 2009	% Change
Production volume	42.20	40.59	4%
Sales volume	43.84	41.42	6%

Summary of Full Year 2010 Financial Performance (in billion IDR)			
	FY 2010	Fy 2009	% Change
Net revenue	24,689	26,938	-8%
Cost of revenue	-16,957	-15,900	7%
Gross profit	7,732	11,038	-30%
Gross profit margin (%)	31%	41%	-10%
Operating income	6,774	9,928	-32%
Operating margin	27%	37%	-10%
Net income	2,207	4,367	-49%
EBITDA	8,034	11,017	-27%
EBITDA margin	33%	41%	-8%
Total assets	40,601	42,360	-4%
Total liabilities	21,970	24,848	-12%
Stockholders' equity	18,576	17,445	6%
Interest bearing debt	14,316	15,751	-9%
Cash and cash equivalents	5,460	11,275	-52%
Net debt	8,856	4,476	98%
Net debt to equity (x)	0.48	0.26	-
Net debt to EBITDA (x)	1.1	0.4	-
Earnings Per Share (EPS) in Rupiah full amount	69.0	136.5	-49%

Summary of Full Year 2010 Financial Performance (in million USD)			
	FY 2010	FY 2009	% Change
Average Exchange Rates (IDR/USD)	9,085	10,398	-13%
Exchange Rates at Balance Sheet Date (IDR/USD)	8,991	9,400	-4%
Net revenue	2,718	2,591	5%
Cost of revenue	(1,867)	(1,529)	22%
Gross profit	851	1,062	-20%
Gross profit margin (%)	31%	41%	-10%
Operating income	746	955	-22%
Operating margin	27%	37%	-10%
Net income	243	420	-42%
EBITDA	884	1,059	-17%
EBITDA margin	33%	41%	-8%
Total assets	4,516	4,506	0%
Total liabilities	2,444	2,643	-8%
Stockholders' equity	2,066	1,856	11%
Interest bearing debt	1,592	1,676	-5%
Cash and cash equivalents	607	1,199	-49%
Net debt	985	476	107%
Net debt to equity (x)	0.48	0.26	-
Net debt to EBITDA (x)	1.1	0.4	-



Review of Full Year 2010 Performance

Income Statement

Net Revenue

As Adaro Energy's business is almost entirely conducted in US Dollars, it would be relevant to discuss Adaro's 2010 financial performance in US Dollar terms as it better represents and reflects the performance of the company.

Adaro Energy's net revenue in full year 2010 increased 5% to US\$2,718 million from US\$2,591 million. However, due to the strengthening of Rupiah (Rp) in 2010, Adaro Energy's net revenue declined 8% to Rp24.7 trillion. During 2010, the average Rupiah/US\$ exchange rate strengthened 13% from Rp10,398 per US\$ to Rp9,085 per US\$.

The growth in net revenue in 2010 is attributable to the 4% and 6% increase in production and sales volume despite unseasonably wet weather patterns throughout the year at the site. The 6% increase in sales volumes is more than offset by the 3% decline in ASP to US\$57.18 per tonne.

Initially, Adaro expected its 2010 ASP to be similar with 2009 as the continuing global economic recovery in the 4Q09 was anticipated to further boost Adaro's 4Q10 ASP. However, Adaro's 4Q10 ASP of US\$58.26 did not follow the positive ASP trend of previous quarters due to two main reasons. With the wet weather condition restricting coal supply from the mine, Adaro was only able to deliver some of the higher-end priced contracts at the beginning of 2011 impacting the 4Q10 ASP. In addition, the heavy rainfall also had the impact of increasing total moisture content of the coal, thus some of the Envirocoal products incurred a discount adjustment as a result of the lower energy content on an "as received" basis. Further, the seemingly lower ASP was also due to the inclusion of the price of Envirocoal-4000.

The year 2010 was notable as it was the first year of commencement of production of Envirocoal-4000, a lower calorific value and higher moisture coal compared to Envirocoal-5000, thereby commanding a lower ASP. This new product continues to receive strong demand from countries such as India, China, South Korea and Indonesia. Adaro sold 2.05 million tonnes of Envirocoal-4000 and that will be the key in Adaro's goal of reaching 80 million tonnes in the medium term, with 25-30 million tonnes being expected from this coal by 2014.

Coal Mining and Trading: Adaro Indonesia and Coaltrade

In full year 2010, the combined revenues from coal mining and trading segment, which were substantially all from Adaro Indonesia, slightly increased 3% to US\$2.5 billion (or 10% decrease to Rp23 trillion). As a result of increased revenue contribution from Adaro Energy's other business units, the contribution of coal mining and trading division accounted for 92% of Adaro Energy's total revenues in full year 2010, slightly less compared to 94% contribution in the previous year.



In line with Adaro's strategy of reducing customer concentration risk, Adaro maintains a geographically diversified customer base by supplying no more than 10% of its sales volume to any single customer. To capitalize and take advantage of the geographical proximity to customers located in the region, Adaro had focused on developing its customer base in Asia as shown by the proportion of Adaro's sales volumes to Asia including Indonesia further rising to 86% in 2010 compared to 84% in 2009. In addition, Adaro continued to be the largest supplier to domestic market with 10.4 million tonnes being sold domestically during the year.

Mining Services: SIS

Adaro mining services division, conducted by Adaro Energy's mining contractor SIS, generated revenues of US\$304 million, a 15% increase over 2009 (or 1% to Rp2.8 trillion). After elimination of inter-company transactions, SIS generated revenue of US\$141 million, a 26% increase due to increased volumes, reflecting improving economic condition and continuing firm demand for coal in spite of challenging operating conditions throughout the year due to bad weather.

Revenue from the mining service segment remained the second largest revenue contributor after coal mining and trading segment at 5% of Adaro Energy's total revenues.

Others (Adaro Logistics): Coal terminal, Barging, Ship Loading, Dredging and Fuel trading

Adaro Energy's other independent subsidiaries make up the Others segment which includes Adaro Energy's port facility and coal terminal operation run by IBT, the barging and ship loading division operated by OML, HBI and MBP, the dredging company run by SDM, and fuel trading managed by ATA.

Total revenue from Adaro logistics segment increased 37% to US\$204 million (or 20% to Rp1.9 trillion). After elimination of inter-company transactions, this translates to net revenue of US\$69 million, a 50% increase from the previous year (or 31% to Rp628 billion).

The barging and shiploading division increased coal transported and loaded by 12% and 11% to 11.59 million tonnes and 12.65 million tonnes respectively.

Meanwhile, total coal shipped at IBT port increased 34% to 6.23 million tonnes and the number of vessels loaded increased to 95 vessels from 72 vessels compared to last year due to increased marketing efforts and the opening of IBT's fuel tank terminal operated in cooperation with Shell at Pulau Laut terminal in August 2010.

Cost of Revenue

Adaro Energy's cost of revenue for the year ended December 31st, 2010 increased 22% to US\$1,867 million (or 7% to Rp16,957 billion) attributable to a 4% increase in production volume, increase in planned stripping ratio, longer hauling distances and additional weather related costs. Higher than normal demurrage fees also contributed to the cost of revenue increase. As a result, Adaro Energy's cash cost excluding



royalties increased 17% to US\$35.29 per tonne in 2010 compared to US\$30.26 in 2009.

Coal Mining and Processing

Coal mining cost increased 21% to US\$826 million (or 6% to Rp7,501 billion), reflecting longer hauling distances and the increase to the stripping ratio at Tutupan pit from 5.0x to 5.5x. Adaro also incurred additional weather related costs during 4Q10 due to pit dewatering efforts, construction of pipelines as well as settling ponds. Despite record-setting high volume of rainfall and number of raindays, Adaro was able to increase overburden removal and coal production by 8% and 4% respectively.

Similarly due to production increase, coal processing costs also increased 28% to US\$125 million (or 12% to Rp1,136 billion). Coal processing costs largely consisted of coal crushing at Kelanis as well as other costs not borne by the mining contractor including cost for repair and maintenance of the hauling road.

The costs of coal mining and coal processing increased 22% to US\$ 951 million (or 6% to Rp8,637 billion) and accounted for nearly half of Adaro Energy's total cost of revenue at 51%.

Freight and Handling

Cost of freight and handling, which accounts for 15% of total cost of revenue, increased 6% to US\$274 million (or 8% decrease to Rp2,489 billion).

All barging and shiploading contractors' cycle time improved during 4Q10 due to the shipment schedule being better matched with production which helped reducing the average demurrage rate per vessel compared to the previous quarter. In 4Q10, freight and handling costs increased 39% to US\$78 million or Rp698 billion compared to 3Q10 as demurrage fees was accounted for as part of freight and handling cost. Unlike 3Q10, demurrage fees incurred during 4Q10 were not recorded as an extraordinary item since fourth quarter has traditionally and historically been the wet season of the year. Adaro incurred demurrage fees of US\$10.8 million, US\$4.8 million and US\$2.5 million in the months of October, November and December respectively, totaling to US\$18 million during 4Q10.

In addition to the higher demurrage fees incurred in 2010, the 3% increase in total coal transported during the year to 42.44 million tonnes and 5% increase in total coal loaded using floating crane to 23.96 million tonnes also contributed to the increase in cost of freight and handling.

As part of executing Adaro's strategy of continuously improving the efficiency of its coal supply chain, on November 18th 2010, Adaro Indonesia signed three new innovative long term barging contracts which would improve flexibility and efficiency of the barging operation. It is expected that freight rates will decrease by up to 15% on the associated tonnages covered by the new contract due to higher utilization of the existing and future barge fleets.

Royalties to the Government

Royalties paid to the Government of Indonesia slightly increased 1% to US\$264 million (or 11% decrease to Rp2,399 billion), in line with the 3% increase in net revenue of coal mining. In accordance with the agreements specified in the Coal Cooperation Agreement (CCA), royalties are to be calculated using a rate of 13.5% levied against the net sales price at Kelanis River Terminal, Adaro's final coal processing facility.

Purchases of Coal

Purchases made by Coaltrade to buy third party coal for either blending or marketing purposes rose by 382% to US\$86 million (or 321% to Rp778 billion). Partly conducted to help Adaro's customers affected by shortfalls at Adaro's waterlogged Tutupan mine, Coaltrade's third party coal purchases rose 305% to 1.39 million tonnes.

Mining Services: SIS

Adaro Energy's mining services division is associated with the company's mining contractor, SIS. The cost of revenue from this segment increased 36% to US\$121 million (or 19% to Rp1,101 billion) due to increased third-party business and hence higher consumables, employee cost, repair and maintenance costs.

Depreciation and amortization of SIS' heavy equipment also increased 35% to US\$29 million (18% to Rp263 billion) as SIS continued to purchase newer and larger sized fleets of heavy equipment as part of its growth plans.

Others (Adaro Logistics): Coal Terminal, Barging, Ship Loading, Dredging and Fuel Trading

The costs associated with the other businesses account for 3% of the total cost of revenues. Largely due to the 93% increase in consumables to US\$45 million (or 69% to Rp407 billion) for fuels purchased by ATA. Adaro Energy's cost of revenue for the Others segment increased 62% to US\$57 million (or 41% to Rp521 billion).

Operating Expenses and Operating Income

Total operating expenses in 2010 slightly declined 1% to US\$105 million (or down 14% to Rp958 billion). This is due to the decrease in selling and marketing expenses, despite being slightly offset by the increase in general and administrative cost.

Selling and marketing expenses declined 11% to US\$55 million (or 22% to Rp498 billion) due to the restructuring of Coaltrade's sales agents' contracts which reduced sales commission fee by 12% to US\$52 million in 2010.

General and administration expenses increased 12% to US\$51 million (or decrease 3% to Rp460 billion) due to the 38% increase of employee costs to US\$28 million in 2010. Adaro Energy and its subsidiaries continuously recruits highly skilled and qualified people to support the growth and have increased its permanent workforce to 6,242 people in 2010 from 6,004 in 2009.



Operating income declined 22% to US\$746 million (or 32% to Rp6.7 trillion) due to the 20% drop in gross profit. Subsequently, operating margin declined to 27% in 2010 from 37% the previous year as the 22% rate of growth in cost of revenue outpaced the 5% growth in net revenue due to higher mining costs, longer overburden hauling distances, increased stripping ratio, additional weather related costs and higher demurrage fees incurred.

Other Income / Expenses

Adaro Energy's Other Expenses increased 46% in 2010 to US\$190 million (or 28% to Rp1,724 billion). The increase is mainly due to the higher finance costs and foreign exchange losses recorded during the year.

Finance costs increased 31% during the year from US\$88 million in 2009 to US\$115 million in 2010 (or 14% to Rp1.1 trillion), attributable to the first full year impact of the interest expense of the US\$800 million 10-year senior notes Adaro Indonesia issued in October 2009 which were the first 10-year US dollar private sector corporate bond out of Indonesia after the Asian Financial crisis and the country's largest ever 10-year US Dollar bond.

Due to the strengthening of the Rupiah and the weakening of the Euro against the US Dollar, Adaro Energy recorded a foreign exchange loss of US\$3 million or Rp28 billion. The intention of Adaro's Euro-cash holdings is to cover foreign exchange exposure related to equipment purchases for the mine-mouth power plant project and to protect Adaro's budget. Due to the timing of the transaction, foreign exchange losses were also recorded as Adaro bought Rupiah to make the budgeted annual dividend payment. Furthermore, Adaro also provided (accounting losses while presenting accounts in IDR) a foreign exchange loss due to funds held in escrow for the acquisition of Adaro's 25% share in the IndoMet Coal Project (ICP).

Loss on disposal of fixed assets increased 782% to US\$5.6 million due to the sales of older heavy equipments made by SIS as the company purchased and utilized more of the new and larger sized fleets of heavy equipment.

Amortization of goodwill increased 11% to US\$54 million (or 3% decrease to Rp490 billion). Adaro Energy's goodwill reflects the acquisition activities carried out to complete Adaro's vertically integrated coal supply chain, and the differences between the acquisition price and the book value of various subsidiaries which were acquired.

Extraordinary Item

Unseasonably high amounts of rainfall and raindays, especially between July and September 2010 adversely affected production and delayed coal loading and shipment. Due to long vessel queues, Adaro Energy incurred extraordinary demurrage charges, net of tax of US\$19 million (or Rp172 billion). Before tax, Adaro expensed US\$34 million (or Rp312 billion) for the higher than normal demurrage charges incurred during 3Q10. In 2010, Adaro Indonesia incurred total demurrage charges of US\$63 million (with US\$34 million accounted for as extraordinary) due to long vessel queues at Taboneo anchorage.



Adaro began sending letters to notify its customers to delay shipments of their vessels since 3Q10 and the queue had gradually shrunk by the end of the year. Average waiting times per vessel in the months of October, November and December were 11 days, 8 days and 5 days respectively, all higher than the average waiting time during normal conditions, but better than the average waiting times in the months of 3Q10 as some shipments had been pushed back and rescheduled for 2011 deliveries.

Net Income

Despite being slightly offset by the 6% higher sales volume in 2010, the 3% decline in Adaro's average ASP as well as higher mining costs resulted in 20% lower gross profit for the year to US\$851 million.

The decline in gross profit coupled with higher finance costs, increased amortization of goodwill following the acquisition of OML, as well as extraordinary demurrage charges incurred during the year have resulted in Adaro Energy's net profit to decline 42% to US\$243 million (or 49% to Rp2,207 billion) in 2010.

Adaro Energy's effective tax rate rose to 53% compared with 48% last year. This is largely due to the non-deductibility of amortization of goodwill, which grew relative to the declining pretax income, as well as the non-deductible tax adjustment of ATA and IBT.

Balance Sheet

Total Assets

Adaro Energy's total assets remained flat at US\$4,516 million by the end of 2010 (or 4% decrease to Rp40.6 trillion) due to the 20%, or US\$556 million increase in total non-current assets being offset by the 33%, or US\$547 million decrease in total current assets.

Total non-current assets increased 20% to US\$3.4 billion (or 14% to Rp30.4 trillion) largely due to investments for 25% stake Adaro made in May 2010 which was reflected in the increase of investments in associates. Additionally, advances and prepayments also increased due to remaining advances of US\$47 million as at the end of 2010 placed by ATA for the ICP project for use as an initial capital outlay.

Total current assets declined 33% to US\$1.1 billion (or 35% to Rp10.2 trillion) due to the utilization of cash and cash equivalents by half from US\$1.2 billion at the end of 2009 to US\$607 million at the end of 2010.

Cash and Cash Equivalents

Adaro Energy's cash and cash equivalents at the end of 2010 decreased by 49% to US\$607 million (or 52% to Rp5.5 trillion) compared to the same period last year. The decline in the amount of cash was due to payment for 25% stake in the ICP project, capital expenditure, repayment of bank loan and dividend payment.



As most of Adaro Energy's business operations are conducted in US Dollars, Adaro held the majority or 82% of its cash and cash equivalents in US Dollars, with the remaining 10% held in Rupiah, 7% held in Euro and 1% held in Singapore Dollars.

Combined with an undrawn US\$460 million committed standby amortizing revolving credit facility, which will help Adaro to maintain ample liquidity, Adaro Energy had access to cash of more than US\$1 billion as at the end of 2010, allowing Adaro to seize on strategic investments opportunities that may arise in the future.

Trade Receivables

In 2010, trade receivables declined 10% to US\$275 million (or 14% to Rp2.5 trillion). These receivables are largely associated with Adaro Indonesia's customers and SIS' domestic third party customers from different industries ranging from cement, pulp and paper as well as blue chip power utilities.

Owing to strong and loyal customer base Adaro Indonesia had built over the years, Adaro had minimal issues with regards to payments from customers as evidenced by 98% of the total trade receivables being current or less than 30 days overdue as at December 31st, 2010 and even for the remaining amount, the management remains comfortable on its collectability .

Advances and Prepayments

Advances and prepayments for both current and non-current portions rose 141% to US\$119 million (or 131% to Rp1,067 billion) largely due to advances for investments in associates, which refer to remaining funds placed by ATA for future development of ICP's coking coal project amounting to US\$47 million or Rp423 billion as at the end of 2010.

Advances to suppliers also increased 60% to US\$36 million (or 53% to Rp325 billion) due to advance payments for the steam turbine generators for the mine-mouth power plant, which had been ordered from Siemens and was on delivery to the site, as well as for heavy equipments. MSW's 2x30 megawatt (MW) power plant was on track to commence by 2012 and is expected to consume approximately 300,000 tonnes of Envirocoal-4000 per year.

Fixed Assets

Adaro Energy's fixed assets grew 24% to US\$980 million (or 19% to Rp8.8 trillion) during the year. In 2010, Adaro Energy spent US\$119 million (Rp1,080 billion) on purchases of new heavy equipments, machineries and vehicles, US\$30 million (Rp274 billion) to upgrade its crushing and processing facility at Kelanis, and US\$42 million (Rp385 billion) for additional leased operational equipments.

As part of its risk management effort, Adaro Energy's fixed assets were adequately insured from all risks for damage with total coverage of approximately US\$1 billion (Rp9.1 trillion), which also included the mine mouth power plant project being constructed by MSW. The exception was for certain fixed assets that could not be insured such as land, Barito channel dredging and parts of construction in progress.



Investments in Associates

In executing one of Adaro's main strategies to continually increase its reserves and resources by investing in large quality deposits of coal in Indonesia, Adaro Energy, through its subsidiary, PT Alam Tri Abadi (ATA) finalized the acquisition of 25% of the IndoMet Coal Project (ICP) in May 2010 following confirmation of Government approval, with the remaining 75% held by BHP Billiton. The ICP comprises seven joint venture companies, each holding a Coal Cooperation Agreement (CCA) across Central/East Kalimantan.

This deal allowed Adaro to diversify its asset portfolio to include metallurgical coal operations. Adaro Energy, together with BHP Billiton continued the study phase to determine development options of this world class coking coal asset, which is expected to generate significant shareholder value.

Adaro Energy continues to look for potential acquisitions and investments of coal deposits within Indonesia using three selection criteria: size, location and quality of assets.

Liabilities

Adaro Energy's total liabilities declined 8% to US\$2,444 million by the end of 2010 (or 12% to Rp22 trillion), which is equivalent to 54% of total assets. Current liabilities declined 24% to US\$644 million (or 27% to Rp5.8 trillion) due to the reduction in taxes payable and full repayment of short-term bank loans despite being slightly offset by increase in accrued expenses, while non-current liabilities remained flat at US\$1.8 billion or Rp16.2 trillion.

Trade Payables

Adaro Energy third party trade payables grew 19% to US\$256 million (or 14% to Rp2.3 trillion), while related party trade payables declined 20% to US\$12 million (or 24% to Rp109 billion). Most of the trade payables arose from purchases of fuel, coal mining services, coal transportation services, spare parts as well as repair and maintenance services.

Accrued Expenses

Accrued expenses rose 155% to US\$82 million (or 144% to Rp738 billion) due to an increase in excess of five times in accrued freight cost to US\$54 million (or Rp482 billion). This was a result of demurrage charges incurred especially during 3Q10 when there were long queues of customers' vessels as a result of production constraint affected by wet weather.

Short-term Bank Loans

Adaro fully repaid its US\$80 million syndicated short-term loan facility on its maturity in February 2010, and as at the end of 2010 Adaro had no short-term bank loans on its balance sheet.

Taxes Payable



Adaro Energy's taxes payable declined significantly by 94% to US\$15 million compared to 2009 (or 94% to Rp136 billion), due to the decline in Adaro's corporate income tax as a result of the lower net profit.

By the end of 2010, Adaro and its subsidiaries had paid US\$555 million or Rp5.0 trillion of income taxes, which included the final payment of 2009 corporate income taxes as well as provisional payments for 2010. Adaro Indonesia pays a 45% income tax rate in accordance with its Coal Cooperation Agreement (CCA).

Current Maturities of Long-term Borrowings

By the end of 2010, Adaro Energy's current maturities of long-term borrowings declined 17% to US\$191 million (or 21% to Rp1.7 trillion) compared to the end of 2009. This is a result of the 23% reduction in current maturity of long-term bank loans to US\$150 million (or Rp1.3 trillion) after the increase in the maturity profiles of Adaro Indonesia and Coaltrade's syndicated bank loan.

Effective October 7th 2010, Adaro Indonesia and Coaltrade successfully extended the maturity profile and amortization schedule of its US\$750 million facility from December 2012 to December 2015 after receiving lenders' consent. With this extension, the outstanding term loan of US\$412.5 million and revolving credit facility of US\$100 million have been converted into a term loan and the combined outstanding amount of the term loan is now US\$487.5 million per December 31st 2010.

SIS also refinanced its existing US\$300 million five-years term loan entered in 2008 with a US\$400 million seven-year loan effective February 18th, 2011. The loan consists of US\$300 million term loan and US\$100 million step down revolving facility and is secured by Adaro's mining contract with SIS. This long-term source of funding is guaranteed by Adaro Energy and will be used for capital expenditure needs and refinancing all SIS's existing loans. The transaction was supported by 12 banks. Banks involved in this new financing include existing lenders such as Oversea-Chinese Banking Corporation Ltd., The Hongkong and Shanghai Banking Corporation Ltd., DBS Bank Ltd., Sumitomo Mitsui Banking Corporation, PT Bank UOB Buana, The Bank of Tokyo-Mitsubishi UFJ, Ltd., PT Bank Mandiri (Persero) Tbk, PT ANZ Panin Bank, Credit Agricole Corporate and Investment Bank, Standard Chartered Bank, (all as Mandated Lead Arrangers) and Chinatrust Commercial Co., Ltd., and Societe Generale (as Lead Arrangers).

Long-term Borrowings

Adaro Energy's long term borrowings declined 4% to US\$1.6 billion (or 8% to Rp14.3 trillion). This is due to the repayment of bank loans by Adaro. Adaro Energy's outstanding bank loans as at the end of 2010 declined 9% to US\$717 million (or 13% to Rp6.5 trillion) compared to the end of 2009.

Derivative Liabilities

Adaro Energy's derivative liabilities for both current and non-current portions declined 9% to US\$16 million (or 13% to Rp146 billion), due to the decline in derivative liabilities from interest rate swap for syndicated loan.



To minimize interest rate exposure and ensure Adaro's financing costs were fixed within the pre-determined budget, Adaro entered into interest rate swaps from variable to fixed rates with its relationship banks. For instances, Adaro entered into interest rate swap in March 2008 with US\$750 million syndicated loan facility and in January 2009 with US\$300 million senior credit facility as the underlying assets to lock into a fixed interest rate payment to hedge against fluctuation of a floating LIBOR rate.

Accrued Stripping Costs

Adaro Indonesia's planned stripping ratio at Tutupan had been increased from 5.0x at the end of 2009 to 5.5x in 2010 as Adaro directed its five mining contractors to excavate from deeper areas of the Tutupan pit.

In 2010, Adaro Indonesia increased overburden removal 8% to 225 million bank cubic meter (Mbcm). Accordingly, actual average stripping ratio at Tutupan increased from 5.13x in 2009 to 5.52x in 2010. Despite the rise in stripping ratio, it was still well below the average of Indonesian coal mines, which is one of the reasons Adaro had been able to maintain its position as one of the lowest cost coal producers.

As the actual average stripping ratio in 2009 and 2010 were both higher than the planned stripping ratio, this had the effect of gradually reducing Adaro's accrued stripping costs and as at December 31st, 2010, Adaro Energy's accrued stripping costs declined 12% to US\$34 million (or 16% to Rp308 billion) compared to the previous year.

Cash Flows

Cash Flows from Operating Activities

In 2010, net cash flows provided by operating activities decreased 58% to US\$285 million (or 64% to Rp2.6 trillion) due to the increase in payment for income taxes, finance costs, royalties payment and payment to suppliers, despite being partly offset by the increased receipts from customers.

Payments to suppliers increased 21% to US\$1.6 billion (or 6% to Rp14.1 trillion) attributed to higher production volume and increased purchase of third party coal by Coaltrade. The demurrage fee related payment caused by unprecedented wet weather also contributed to the increase in payment to suppliers.

Due to the addition of new employees and salary increases as Adaro continued its business expansion, payments to employees increased 35% to US\$82 million (or 18% to Rp741 billion).

Payments of royalties increased 23% to US\$165 million (or 7% to Rp1.5 trillion) due to royalties made based on the combination of a portion of 2009's net revenues which were at a historical high, as well the majority of 2010's net revenue. Similarly, payments of corporate income taxes doubled to US\$555 million (or up 76% to Rp5.0 trillion), partly due to high 2009 income taxes that were paid in 2010.



Payments of finance costs increased 68% to US\$118 million (or 47% to Rp1.0 trillion) due to coupon payments of the senior notes which are paid on 22nd April and 22nd of October every year, the first of which was paid in April 2010. As of December 31st, 2010 Adaro had made two coupon payments for its senior notes.

Combined with higher net revenues from SIS and other Adaro Energy's businesses, the 6% increase in sales volume generated by Adaro Indonesia had resulted in 11% increase in receipts from customers to US\$2.8 billion, despite being slightly offset by a lower ASP.

Cash Flows from Investing Activities

Net cash used in investing activities soared 465% in 2010 to US\$656 million (or 394% to Rp6 trillion) due to investments made to BHP Billiton for the 25% shareholding in the IndoMet Coal Project (ICP), and payment made for initial capital expenditure needs on ICP's undeveloped coking coal project in Central/East Kalimantan, and 133% increase in capital expenditure in 2010.

Capital expenditure for the full year 2010 amounted to US\$297 million or Rp2.7 trillion, which is more than double 2009 total capital expenditure of US\$137 million or Rp1.4 trillion. This amount included spending for purchases made for new heavy equipments to support Adaro's expansion plans, and maintenance of Kelanis crushing facility as well as maintenance of Adaro's 80-km privately owned hauling road connecting Adaro's mining site at Tanjung and Kelanis crushing river terminal.

Cash Flows from Financing Activities

Net cash used in financing activities in 2010 amounted to US\$225 million or Rp2.0 trillion, in contrast with proceeds of US\$349 million or Rp3.6 trillion generated from financing activities from the previous year. The decrease is due to the 79% or US\$154 million decrease in receipt from bank loans as well as the issuance of the 10-year bond which generated proceeds of US\$785 million or Rp7.4 trillion in October 2009, later to be used for Adaro's coal supply chain improvement projects.

In 2010, SIS withdrew US\$40 million (Rp363 billion) from the existing US\$300 million SIS syndicated bank loan facility to fund SIS' heavy equipment purchases.

In 2010, Adaro had increased its dividend payment by 29% to US\$95 million (or 13% to Rp859 billion), which were paid on 18th June 2010 (final dividend of Rp543 billion paid for the year 2009) and 10th December 2010 (interim dividend payment of Rp315 billion for the year 2010).

These cash outflows were partly offset by the 65% decrease in repayment of bank loans in 2010 and the payment of notes redemption in 2009. On 21st October 2009, Adaro made full repayment for OML's senior credit facility amounting to US\$85 million, as well as full repayment for OML's \$40 million notes, which reflected the payment of notes redemption in 2009 of US\$40 million or Rp395 billion and repayment of bank loans of US\$380 million or Rp3.9 trillion in 2009.

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**NERACA KONSOLIDASIAN
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah,
except for par value and share data)

	Catatan/ Notes	2010	2009	
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	2a, 4	5,459,971	11,274,623	Cash and cash equivalents
Piutang usaha, setelah dikurangi provisi untuk penurunan nilai sejumlah Rp nihil (2009: Rp nihil)				Trade receivables, net of provision for impairments of Rp nil (2009: Rp nil)
- Pihak ketiga	2d, 6	2,476,369	2,882,459	Third parties -
Uang muka dan biaya dibayar dimuka - bagian lancar	7	595,131	393,629	Advances and prepayments - current portion
Persediaan, setelah dikurangi penyisihan persediaan usang sejumlah Rp nihil (2009: Rp nihil)				Inventories, net of provision for obsolete stock of Rp nil (2009: Rp nil)
Pajak dibayar dimuka	2e, 8	288,732	250,450	Prepaid taxes
Pajak yang bisa dipulihkan kembali	2r, 32a	643,190	304,782	Recoverable taxes
Piutang lain-lain - pihak ketiga	2r, 32b	705,007	653,329	Other receivables - third parties
Kas dan deposito berjangka yang dibatasi penggunaannya - bagian lancar				Restricted cash and time deposits - current portion
	2a, 5	2,534	-	
Aset lancar lain-lain		<u>1,390</u>	<u>23,515</u>	Other current assets
Jumlah aset lancar		<u>10,200,290</u>	<u>15,803,947</u>	Total current assets
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Kas dan deposito berjangka yang dibatasi penggunaannya - bagian tidak lancar				Restricted cash and time deposits - non-current portion
	2a, 5	9,099	9,484	
Biaya eksplorasi dan pengembangan yang ditangguhkan, setelah dikurangi akumulasi amortisasi sejumlah Rp 258.569 (2009: Rp 263.978)				Deferred exploration and development expenditure, net of accumulated amortisation of Rp 258,569 (2009: Rp 263,978)
	2l, 9	71,408	81,010	
Uang muka dan biaya dibayar dimuka - bagian tidak lancar	7	471,567	68,561	Advances and prepayments - non-current portion
Aset tetap, setelah dikurangi akumulasi penyusutan sejumlah Rp 3.386.721 (2009: Rp 2.633.331)				Fixed assets, net of accumulated depreciation of Rp 3,386,721 (2009: Rp 2,633,331)
	2i, 2j, 10	8,810,252	7,415,677	
Investasi pada perusahaan asosiasi	2f, 11	3,212,904	4,776	Investments in associates
Properti pertambangan, setelah dikurangi akumulasi amortisasi sejumlah Rp 1.210.851 (2009: Rp 721.198)				Mining properties, net of accumulated amortisation of Rp 1,210,851 (2009: Rp 721,198)
	2b, 12	9,245,886	9,791,657	
Goodwill, setelah dikurangi akumulasi amortisasi sejumlah Rp 1.387.451 (2009: Rp 922.548)				Goodwill, net of accumulated amortisation of Rp 1,387,451 (2009: Rp 922,548)
	2b, 13	8,462,275	9,091,776	
Aset pajak tangguhan	2r, 32e	44,293	37,587	Deferred tax assets
Aset tidak lancar lain-lain		<u>72,947</u>	<u>55,872</u>	Other non-current assets
Jumlah aset tidak lancar		<u>30,400,631</u>	<u>26,556,400</u>	Total non-current assets
JUMLAH ASET		<u><u>40,600,921</u></u>	<u><u>42,360,347</u></u>	TOTAL ASSETS

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/
AND SUBSIDIARIES**

Lampiran 1/2 Schedule

**NERACA KONSOLIDASIAN
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah,
except for par value and share data)

	Catatan/ Notes	2010	2009	
KEWAJIBAN LANCAR				CURRENT LIABILITIES
Hutang usaha				Trade payables
- Pihak ketiga	2k, 14	2,303,985	2,025,321	Third parties -
- Pihak yang mempunyai hubungan istimewa	2k, 14, 33	109,144	142,783	Related parties -
Beban yang masih harus dibayar	2s, 15	737,982	302,161	Accrued expenses
Hutang bank jangka pendek	16	-	188,000	Short-term bank loans
Hutang pajak	2r, 32c	135,857	2,252,058	Taxes payable
Hutang royalti	17	682,473	738,044	Royalties payable
Pinjaman jangka panjang yang akan jatuh tempo dalam satu tahun:				Current maturity of long-term borrowings:
- Hutang sewa pembiayaan	2m, 18	368,641	335,803	Finance lease payables -
- Hutang bank	2g, 19	1,346,980	1,823,127	Bank loans -
Hutang derivatif - bagian lancar	2t, 21	90,810	127,163	Derivative liabilities - current portion
Hutang lancar lain-lain		17,659	28,654	Other current liabilities
Jumlah kewajiban lancar		<u>5,793,531</u>	<u>7,963,114</u>	Total current liabilities
KEWAJIBAN TIDAK LANCAR				NON-CURRENT LIABILITIES
Pinjaman jangka panjang setelah dikurangi bagian yang akan jatuh tempo dalam satu tahun:				Long-term borrowings, net of current maturities:
- Hutang sewa pembiayaan	2m, 18	429,406	475,755	Finance lease payables -
- Hutang bank	2g, 19	5,102,587	5,548,196	Bank loans -
Senior Notes	2g, 20	7,068,256	7,379,848	Senior Notes
Hutang derivatif - bagian tidak lancar	2t, 21	55,127	40,505	Derivative liabilities - non-current portion
Biaya pengupasan tanah yang masih harus dibayar	2o, 22	308,425	365,980	Accrued stripping costs
Kewajiban pajak tangguhan	2r, 32f	2,981,363	2,933,399	Deferred tax liabilities
Hutang dari pihak yang mempunyai hubungan istimewa	33	4,495	4,700	Amounts due to related parties
Penyisihan imbalan karyawan	2q	142,191	90,419	Provision for employee benefits
Penyisihan untuk biaya reklamasi	2n	46,354	27,784	Provision for mine reclamation
Penyisihan untuk penutupan tambang	2n	38,634	18,713	Provision for mine closure
Jumlah kewajiban tidak lancar		<u>16,176,838</u>	<u>16,885,299</u>	Total non-current liabilities
HAK MINORITAS	2b, 23a	<u>54,111</u>	<u>67,043</u>	MINORITY INTEREST

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/
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Lampiran 1/3 Schedule

**NERACA KONSOLIDASIAN
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,
kecuali nilai nominal dan data saham)

**CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah,
except for par value and share data)

	Catatan/ Notes	2010	2009	
EKUITAS				EQUITY
Modal saham - modal dasar				<i>Share capital - authorised</i>
80.000.000.000 lembar;				<i>80,000,000,000 shares;</i>
ditempatkan dan disetor penuh				<i>issued and fully paid</i>
31.985.962.000 lembar dengan				<i>31,985,962,000 shares with</i>
nilai nominal per saham Rp 100				<i>par value of Rp 100 per share</i>
Tambahan modal disetor	2w, 24 2w, 25	3,198,596 10,732,663	3,198,596 10,732,663	<i>Additional paid-in-capital</i>
Selisih kurs karena penjabaran				<i>Exchange difference due to</i>
laporan keuangan	2b, 2c	(440,097)	(214,163)	<i>financial statement</i>
Selisih nilai transaksi				<i>translation</i>
restrukturisasi entitas				<i>Difference in value from</i>
sepengendali	2x, 26	(191,843)	(191,843)	<i>restructuring transactions of</i>
Selisih perubahan ekuitas anak				<i>entities under common</i>
perusahaan dan perusahaan				<i>control</i>
asosiasi		4,188	4,188	<i>Difference from equity</i>
Cadangan nilai wajar		(103,683)	(112,677)	<i>changes in subsidiaries</i>
Laba ditahan				<i>and associates</i>
- Dicadangkan	28	262,723	44,360	<i>Fair value reserve</i>
- Belum dicadangkan		5,113,894	3,983,767	<i>Retained earnings</i>
		<u>18,576,441</u>	<u>17,444,891</u>	<i>Appropriated -</i>
				<i>Unappropriated -</i>
Jumlah ekuitas		<u>18,576,441</u>	<u>17,444,891</u>	<i>Total equity</i>
JUMLAH KEWAJIBAN DAN EKUITAS		<u>40,600,921</u>	<u>42,360,347</u>	TOTAL LIABILITIES AND EQUITY

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/
AND SUBSIDIARIES**

Lampiran 2 Schedule

**LAPORAN LABA-RUGI KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah,
kecuali laba bersih per saham dasar)

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED
31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah,
except for basic earnings per share)

	<u>Catatan/ Notes</u>	<u>2010</u>	<u>2009</u>	
Pendapatan usaha	2s, 29	24,689,333	26,938,020	Revenue
Beban pokok pendapatan	2s, 30	<u>(16,957,291)</u>	<u>(15,900,123)</u>	Cost of revenue
Laba kotor		7,732,042	11,037,897	Gross profit
Beban operasi				Operating expenses
Penjualan dan pemasaran	2s, 31a	(497,646)	(637,457)	Selling and marketing
Umum dan administrasi	2s, 31b	<u>(460,118)</u>	<u>(471,993)</u>	General and administrative
Jumlah beban operasi		<u>(957,764)</u>	<u>(1,109,450)</u>	Total operating expenses
Laba usaha		<u>6,774,278</u>	<u>9,928,447</u>	Operating income
Pendapatan/(beban) lain-lain				Other income/(expenses)
Beban keuangan		(1,048,252)	(915,813)	Finance costs
Pendapatan keuangan		42,377	68,185	Finance income
Kerugian pelepasan aset tetap (Kerugian)/keuntungan selisih kurs, bersih	2i, 10	(51,235)	(6,650)	Loss on disposal of fixed assets Foreign exchange (loss)/ gain, net
Bagian rugi bersih dari perusahaan asosiasi	2c	(28,286)	100,215	
Keuntungan penjualan efek yang tersedia untuk dijual	2f, 11	(13,485)	(19)	Share in net loss of associates Gain on sale of available-for- sale investments
Biaya amortisasi <i>goodwill</i>	2g	-	37,409	
Beban lain-lain, bersih	2b, 13	(490,045)	(507,117)	Amortisation of goodwill Other expenses, net
		<u>(1,724,360)</u>	<u>(1,350,066)</u>	
Laba sebelum pajak penghasilan		5,049,918	8,578,381	Profit before income tax
Beban pajak penghasilan	2r, 32d	<u>(2,668,668)</u>	<u>(4,119,101)</u>	Income tax expense
Laba dari aktivitas normal		2,381,250	4,459,280	Profit from ordinary activity
Pos luar biasa, bersih setelah pajak	41	<u>(171,544)</u>	-	Extraordinary item, net of tax
Laba sebelum rugi/(laba) pra-akuisisi		2,209,706	4,459,280	Profit before pre-acquisition loss/(income)
Rugi/(laba) pra-akuisisi	2b, 3	<u>200</u>	<u>(43,469)</u>	Pre-acquisition loss/(income)
Laba sebelum hak minoritas		2,209,906	4,415,811	Profit before minority interest
Hak minoritas atas laba bersih anak perusahaan	2b, 23b	<u>(2,593)</u>	<u>(48,559)</u>	Minority interest in net income of subsidiaries
Laba bersih		<u>2,207,313</u>	<u>4,367,252</u>	Net income
Laba bersih per saham dasar	2u, 34	<u>69.0</u>	<u>136.5</u>	Basic earnings per share

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

The accompanying notes form an integral part of these consolidated financial statements

**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/
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Lampiran 4/1 Schedule

**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED
31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah, unless otherwise stated)

	2010	2009	
Arus kas dari aktivitas operasi			Cash flows from operating activities
Penerimaan dari pelanggan	25,056,231	25,865,653	Receipts from customers
Pembayaran kepada pemasok	(14,134,714)	(13,353,699)	Payments to suppliers
Pembayaran kepada karyawan	(740,775)	(627,951)	Payments to employees
Penerimaan pendapatan keuangan	33,876	67,295	Receipts of finance income
Pembayaran royalti	(1,496,687)	(1,395,926)	Payments of royalties
Pembayaran pajak penghasilan	(5,039,939)	(2,867,312)	Payments of income taxes
Pembayaran beban keuangan	(1,068,719)	(729,260)	Payments of finance costs
Penerimaan lain-lain	99,382	138,475	Other receipts
Arus kas bersih yang diperoleh dari aktivitas operasi sebelum pos luar biasa	2,708,655	7,097,275	Net cash flows provided from operating activities before extraordinary item
Pembayaran denda labuh kapal luar biasa	(119,027)	-	Payments for extraordinary demurrage
Arus kas bersih yang diperoleh dari aktivitas operasi	2,589,628	7,097,275	Net cash flows provided from operating activities
Arus kas dari aktivitas investasi			Cash flows from investing activities
Pembelian aset tetap	(2,250,548)	(1,106,262)	Purchase of fixed assets
Pembelian tambahan kepemilikan pada anak perusahaan	(94,000)	(170,832)	Purchase of additional interest in subsidiary
Pembayaran beban yang ditangguhkan	-	(8,079)	Payments of deferred expenses
Arus kas keluar bersih dari akuisisi anak perusahaan	(352)	(1,017,893)	Net cash outflow from acquisition of subsidiary
Pembayaran untuk investasi pada perusahaan asosiasi	(3,203,195)	-	Payments for investment in associates
Pembayaran uang muka investasi pada perusahaan asosiasi	(449,544)	-	Payment of advances for investments in associates
Hasil penjualan aset tetap	34,518	6,286	Proceeds from disposal of fixed assets
Hasil penjualan perusahaan asosiasi	83	-	Proceeds from sales of investments in associates
Hasil penjualan efek yang tersedia untuk dijual	-	1,088,814	Proceeds from sale of available-for-sale investments
Arus kas bersih yang digunakan untuk aktivitas investasi	(5,963,038)	(1,207,966)	Net cash flows used in investing activities
Arus kas dari aktivitas pendanaan			Cash flows from financing activities
Pembayaran hutang bank	(1,180,632)	(3,904,703)	Repayments of bank loans
Penerimaan hutang bank	363,400	2,013,300	Receipts from bank loans
Pembayaran beban keuangan	-	(109,068)	Payments of finance charges
Penerimaan dari penerbitan Notes, setelah dikurangi biaya penerbitan	-	7,440,270	Receipts from issuance of Notes, net of issuance cost
Pembayaran penarikan Notes	-	(395,000)	Payments of Notes redemption
Penerimaan dari penerbitan saham baru, setelah dikurangi biaya emisi saham	-	2,318	Receipts from issuance of new shares, net of share issuance cost
Transfer ke kas yang dibatasi penggunaannya	(2,534)	-	Transfer to restricted cash
Pembayaran dividen	(858,823)	(761,266)	Payments of dividend
Pembayaran hutang sewa pembiayaan	(361,763)	(656,978)	Payments of obligations under finance leases
Arus kas bersih yang (digunakan untuk)/diperoleh dari aktivitas pendanaan	(2,040,352)	3,628,873	Net cash flows (used in)/provided from financing activities
(Penurunan)/kenaikan bersih kas dan setara kas	(5,413,762)	9,518,182	Net (decrease)/increase in cash and cash equivalents

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian

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**PT ADARO ENERGY Tbk DAN ANAK PERUSAHAAN/
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Lampiran 4/2 Schedule

**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2010 DAN 2009**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED
31 DECEMBER 2010 AND 2009**

(Expressed in million Rupiah, unless otherwise stated)

	2010	2009	
Kas dan setara kas pada awal tahun	11,274,623	2,415,853	Cash and cash equivalents at the beginning of the year
Efek perubahan nilai kurs pada kas dan setara kas	(400,890)	(659,412)	Effect of exchange rate changes on cash and cash equivalents
Kas dan setara kas pada akhir tahun (lihat Catatan 4)	<u>5,459,971</u>	<u>11,274,623</u>	Cash and cash equivalents at the end of the year (refer to Note 4)
Aktivitas yang tidak mempengaruhi arus kas:			Non-cash activities:
Perolehan aset melalui hutang sewa pembiayaan	384,805	347,640	<i>Acquisition of assets under finance leases</i>
Penambahan investasi pada perusahaan asosiasi melalui konversi uang muka investasi	26,068	-	<i>Addition of investment in associates through conversion of advance for investments</i>