



KRAKATAU STEEL
PARTNERSHIP FOR SUSTAINABLE GROWTH

Q1 2013 RESULTS

Jakarta, May 2013

PT Krakatau Steel (Persero) Tbk.

IDX : KRAS
Reuters : KRAS.JK
Bloomberg : KRAS.IJ

Market Capitalization - as of March 31, 2013
(IDR million)
10,411,500

Issued shares - as of March 31, 2013
(million shares)
15,775

Share price (Closing), IDR

2 January 2013 640
31 March 2013 660
3 month high 680
3 month low 640

Shareholders composition - as of March 31, 2013

Government of Indonesia 80.00%
Public 20.00%

Board of Directors

President Director Irvan Kamal Hakim
Production Director Hilman Hasyim
Finance Director Sukandar
Marketing Director Yerry
Logistics Director Imam Purwanto
Human Resources Director Dadang Danusiri
Technology and Business Development Director Widodo Setiadharmaji

Consolidated Subsidiaries

PT Krakatau Wajatama
PT KHI Pipe Industries
PT Meratus Jaya Iron & Steel
PT Krakatau Daya Listrik
PT Krakatau Tirta Industri
PT Krakatau Bandar Samudera
PT Krakatau Industrial Estate Cilegon
PT Krakatau Engineering
PT Krakatau Information Technology
PT Krakatau Medika

Website

<http://www.krakatausteel.com>

ANNOUNCEMENT OF FULL YEAR 2012 RESULTS

Description (USD mn)	Q1 2013	Q1 2012	Change (%)
Revenue	616.0	598.9	2.9
Cost of Revenues	564.0	566.8	-0.5
Gross Profit	51.9	32.1	61.9
Operating Expenses	43.7	38.5	13.4
Operating Income	15.6	1.2	1,237.1
EBITDA	39.8	22.8	74.3
Net Income	9.1	10.9	-16.4
EPS (Rp/share)	0.0	0.0	-16.4
Total Assets	2,490.6	2,561.9	-2.8
Interest Expenses	(9.7)	(12.2)	-20.7

Ratio	Q1 2013	Q1 2012
Gross Margin	8.43%	5.36%
Operating Margin	2.53%	0.19%
Net Margin	1.48%	1.82%
EBITDA Margin	6.47%	3.82%
Debt to Equity	88.39%	88.11%
Debt to Assets	39.99%	38.38%
Return on Equity (ROE) *	0.81%	0.98%
Return on Assets (ROA) *	0.36%	0.44%

* return Q1 2013 & Q1 2012 in 3 months

- Starting from FY 2012, the company changed the presentation currency of the consolidated financial statements from Rupiah to US Dollar in accordance with the adoption of PSAK No. 10.
- Net revenues in Q1 2013 increased 2.9% Year-on-Year (YoY) to US\$ 616.0 million, triggered by a 2.3% YoY increase in steel sales volume and contribution from non-steel revenues, mainly from the engineering and construction services.
- Cost of revenues, on the other hand, decreased 0.5% YoY to US\$ 564.0 million due to lower inventory of finished goods. As a result, the company posted a 61.9% YoY increase in gross profit despite lower average selling prices.
- Net income decreased 16.4% YoY to US\$ 9.1 million due to lower foreign exchange gain and share in loss of associates of US\$ 1.6 million.
- EBITDA grew 74.3% YoY to US\$ 39.8 million, in line with an increase in operating income.

Investor Relations

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DISCLAIMER

This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risk and uncertainty that could cause actual results and development to differ materially from those expressed or implied in these statements. PT Krakatau Steel (Persero) Tbk does not guarantee that any action, which should have been taken in reliance on this document will bring specific results as expected.

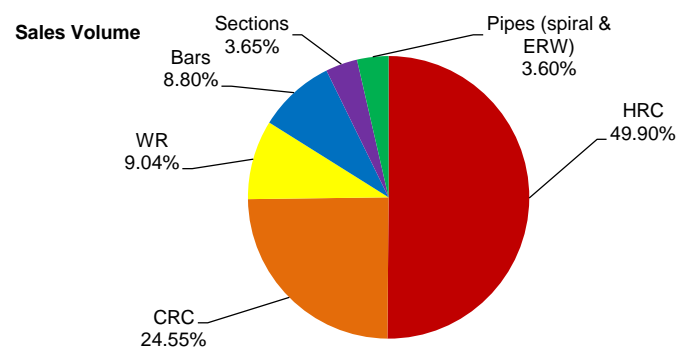


MARKETING RESULTS

Steel Sales (tons)	Q1 2013	Q1 2012	Change (%)	Average Selling Price USD/ton	Q1 2013	Q1 2012	Change (%)
HRC	334,485	306,646	9.1	HRC	716	738	-2.9
CRC	164,554	146,676	12.2	CRC	818	848	-3.5
WR	60,598	80,956	-25.1	WR	719	767	-6.2
Bars	58,984	69,806	-15.5	Bars	718	695	3.3
Sections	24,492	29,418	-16.7	Sections	784	887	-11.7
Pipes (spiral & ERW)	24,106	15,536	55.2	Pipes (spiral & ERW)	1,205	1,167	3.2
Others	3,123	0					
Total	670,342	649,039	3.3				

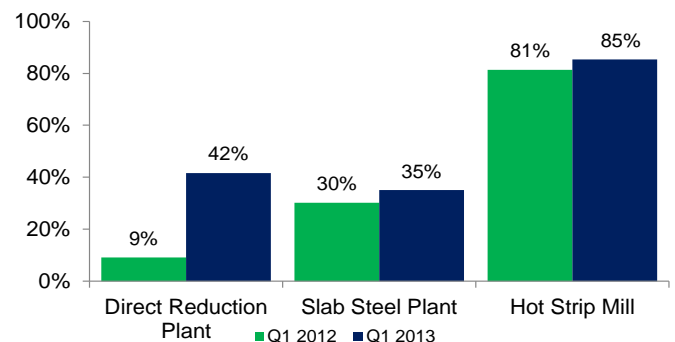
Market Analysis

- Steel prices started to pick up in Q4 2012 and continued to Q1 2013. However, prices remained lower compared to Q1 2012.
- Steel demand in the domestic market remained strong and triggered the increase in the company's steel sales volume.



OPERATIONAL RESULTS

Production (tons)	Q1 2013	Q1 2012	Change (%)
Sponge Iron	156,094	34,477	352.7%
Slab	157,841	135,646	16.4%
HRC	512,077	487,632	5.0%



- Production of HRC in Q1 2013 increased 5.0% YoY to 512,077 tons and utilization rose to 85%. Production of sponge iron and slab steel rose 352.7% YoY and 16.1% YoY to 156,094 tons and 157,841 tons, respectively.
- The company decreased slab steel production due to lower sponge iron supply from the Direct Reduction Plant (DRP) and purchased slabs to substitute the decrease in slab steel supply.

BALANCE SHEET (in million US dollar)

NERACA	3/31/2013 Unaudited	12/31/2012 Audited	BALANCE SHEET
ASET			ASSETS
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	217.9	270.3	Cash & cash equivalents
Investasi jangka pendek	16.2	7.8	Short-term investments
Deposito yang dibatasi penggunaannya	4.1	4.1	Restricted time deposits
Piutang Usaha - bersih	414.5	391.6	Trade receivables (net)
Piutang lain-lain - bersih	32.4	20.9	Other receivables (net)
Persediaan - bersih	534.6	652.4	Inventories (net)
Uang muka dan biaya dibayar dimuka	54.9	40.9	Advances and prepaid expenses
Pajak dibayar dimuka	25.9	11.6	Prepaid taxes
Jumlah Aset Lancar	1,300.5	1,399.7	Total Current Assets
ASET TIDAK LANCAR			NON CURRENT ASSETS
Taksiran tagihan pajak	84.9	77.0	Estimated claims for tax refund
Investasi pada saham - bersih	249.7	244.4	Investments in shares of stock (net)
Aset pajak tangguhan - bersih	22.8	20.1	Deferred tax assets (net)
Aset tetap - bersih	794.0	748.9	Fixed Asset (net)
Aset lain-lain	38.7	71.9	Other assets
Jumlah Aset Tidak Lancar	1,190.1	1,162.3	Total Non Current Assets
JUMLAH ASET	2,490.6	2,561.9	TOTAL ASSETS
LIABILITAS DAN EKUITAS			LIABILITIES
LIABILITAS LANCAR			Current Liabilities
Hutang bank jangka pendek	814.7	807.4	Short-term bank loans
Hutang usaha	177.1	264.5	Trade payables
Hutang lain-lain	19.7	14.7	Other payables
Hutang pajak	36.0	29.5	Taxes payable
Biaya yang masih harus dibayar	22.4	24.6	Accrued expenses
Liabilitas imbalan kerja jangka pendek	11.0	11.0	Short-term employee benefits liabilities
Uang muka penjualan dan lainnya	58.4	71.2	Sales and other advances
Bagian pinjaman jk panjang yg jth tempo 1 th	16.8	21.1	Current portion of LT loans
Bagian liabilities jk panjang yg jth tempo 1 th	0.4	0.4	Current portion of LT liability
Jumlah Liabilitas Lancar	1,156.6	1,244.4	Total Current Liabilities
LIABILITAS TIDAK LANCAR			NON CURRENT LIABILITIES
Liabilities pajak tangguhan - bersih	3.4	2.1	Deferred tax liabilities, net
Uang muka konstruksi, bagian jangka panjang	-	-	Advance for construction, long term portion
Pinjaman jk panjang stl dikurangi jth tempo 1 th	164.5	154.8	LT loans, net of current portion
Liabilities jk panjang stl dikurangi jth tempo 1 th	7.8	6.9	LT liabilities, net of current portion
Liabilitas imbalan kerja jangka panjang	31.6	37.7	LT employee benefits liabilities
Jumlah Liabilitas Tidak Lancar	207.2	201.5	Total Non Current Liabilities
JUMLAH LIABILITAS	1,363.8	1,446.0	TOTAL LIABILITIES
EKUITAS			SHAREHOLDER'S EQUITY
Modal saham			Share capital
nominal Rp.500 (angka penuh) per saham pada tanggal 30 September 2010 dan 31 Desember 2010			Par value Rp.500 (full amount) per share as of September 30, 2010 and December 31, 2010
nominal Rp.1.000.000 (angka penuh) per saham pada tanggal 1 Januari 2010/31 Desember 2009			par value Rp.1,000,000 (full amount) per share as of January 1, 2010/December 31, 2009
Modal dasar			Authorized capital
40.000.000.000 saham pada tahun 2011 dan 2010			40.000.000.000 shares in 31/3/2011 and 31/12/2010
8.000.000.000 saham pada 31 Maret 2010			8.000.000.000 shares in 31 Maret 2010
Modal ditempatkan dan disetor penuh	856.0	856.0	Issued and fully paid
15.775.000.000 saham pada tahun 2011 dan 2010			15.775.000.000 shares in 31/3/2011 dan 31/12/2010
2.000.000 saham pada 31 Maret 2010			2.000.000 shares in 31 Maret 2010
Tambahan modal disetor	117.0	117.0	Additional paid-in capital, net
Pendapatan komprehensif lainnya	(2.5)	(5.3)	Other comprehensive income
Saldo laba			Retained earnings
Dicadangkan	146.8	146.8	Appropriated
Tidak dicadangkan	(9.3)	(18.4)	Unappropriated
Saldo laba, net	137.6	128.5	Retain Earning, net
Kepentingan Non Pengendali	18.8	19.9	Non-controlling interest
Total Ekuitas	1,126.8	1,116.0	Equities, net
JUMLAH LIABILITAS DAN EKUITAS	2,490.6	2,561.9	TOTAL LIABILITIES AND EQUITY

See accompanying notes to consolidated financial statements, which form an integral part of the consolidated financial statements.



INCOME STATEMENT (in million US dollar)

LAPORAN LABA RUGI	3/31/2013	3/31/2012	PROFIT & LOSS STATEMENT
	Unaudited	Unaudited	
Pendapatan bersih	616.0	598.9	Net Revenues
Beban pokok pendapatan	564.0	566.8	Cost of Revenues
Laba (rugi) kotor	51.9	32.1	Gross Profit
Beban penjualan	(14.2)	(11.5)	Selling expenses
Beban umum dan administrasi	(25.8)	(23.2)	General and administrative expenses
Penjualan limbah produksi	3.0	2.5	Sales of waste products
Laba pengalihan aset tetap	-	-	Gain on transfer of fixed asset
Laba pematangan tanah	-	-	Gain on site preparation work
Pendapatan lain-lain	1.3	1.9	Other income
Beban lain-lain	(0.6)	(0.6)	Other expenses
Laba operasi	15.6	1.2	Income from Operations
Bagian laba (rugi) dari entitas asosiasi	(1.6)	0.0	Share in profit (loss) of associates
Pendapatan keuangan	1.3	2.4	Finance income
Laba selisih kurs, neto	8.5	17.5	Gain on foreign exchange, net
Beban keuangan	(9.7)	(12.2)	Finance expenses
Laba sebelum beban (manfaat) pajak	14.2	8.9	Income Before Tax
Beban (manfaat) pajak - bersih	5.9	(1.8)	Tax Expense (Benefit)
Laba (rugi) tahun berjalan	8.3	10.7	Profit (loss) for the year
Pendapatan komprehensif lain			Other comprehensive income
Selisih kurs karena penjabaran laporan keuangan			Difference in foreign currency translation
Entitas Anak - neto	2.8	(2.0)	of the financial statements of Subsidiaries
Total pendapatan (rugi) komprehensif	11.1	8.7	Total comprehensive income (loss)
Total laba (rugi) yang dapat diatribusikan kepada:			Total profit (loss) attributable to:
Pemilik entitas induk	9.1	10.9	Owners of the parent entity
Kepentingan non pengendali	(0.8)	(0.2)	Non-controlling interests
Total	8.3	10.7	
Laba Per Saham Dasar dan Dilusian	0.0005	0.0007	Basic Income Per Share

See accompanying notes to consolidated financial statements, which form an integral part of the consolidated financial statements.