



KRAKATAU STEEL
PARTNERSHIP FOR SUSTAINABLE GROWTH

Q1 2012 RESULTS

Jakarta, April 2012

PT Krakatau Steel (Persero) Tbk.

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

Market Capitalization - as of March 31, 2012
(IDR million)
13,566,500

Issued shares - as of March 31, 2012
(million shares)
15,775

Share price (Closing), IDR

2 January 2012 840
31 March 2012 860
3 month high 920
3 month low 830

Shareholders composition - as of March 31, 2012

Government of Indonesia 80.00%
Public 20.00%

Board of Directors

President Director Fazwar Bujang
Operations Director Syahrir Syah Pohan
Finance Director Sukandar
Marketing Director Irvan Kamal Hakim
Logistics Director Yerry
Human Resources Director Dadang Danusiri

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 FIRST QUARTER 2012 RESULTS

Financial Highlights

Description (Rp bn)	Q1 2012	Q1 2011	Change (%)
Revenue	5,718	4,236	35.0
Cost of Revenues	5,237	3,814	37.3
Gross Profit	481	422	13.8
Operating Expenses	317	269	17.6
Operating Income	164	153	7.2
EBITDA	395	349	13.0
Net Income	58	142	-58.9
EPS (Rp/share)	4	9	-58.9
Total Assets	21,570	21,512	0.3

Ratio	Q1 2012	Q1 2011
Gross Margin	8.41%	9.97%
Operating Margin	2.87%	3.62%
Net Margin	1.02%	3.35%
EBITDA Margin	6.91%	8.25%
Debt to Equity	78.30%	70.61%
Debt to Assets	37.84%	33.99%
Return on Equity (ROE) *	0.56%	1.37%
Return on Assets (ROA) *	0.27%	0.73%

* return Q1 2012 & Q1 2011 in 3 months

- Net revenues in Q1 2012 rose 35.0% Year-on-Year (YoY) to Rp 5.7 trillion, triggered by a 34.0% YoY increase in steel sales volume.
- However, the increase in net revenues could not offset the higher cost of revenues, which rose 37.3% YoY. An 11.3% YoY increase in iron ore pellet prices to US\$240/ton contributed to the higher cost of revenues.
- Net income dropped 58.9% YoY to Rp 58 billion due to a 17.6% YoY increase in operating expenses and 59.3% YoY increase in interest expenses. Furthermore, the company posted a foreign exchange (forex) loss of Rp 26.7 billion in Q1 2012 compared to Rp 42.2 billion in forex gain during the same period last year.
- EBITDA grew 13.0% YoY to Rp 395 billion, consistent with an increase in operating income.

Investor Relations

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DISCLAIMER

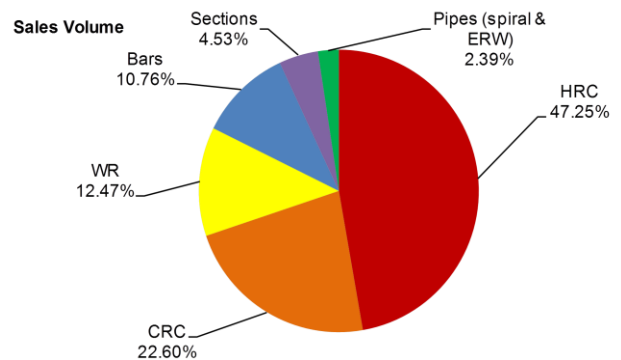
This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve 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

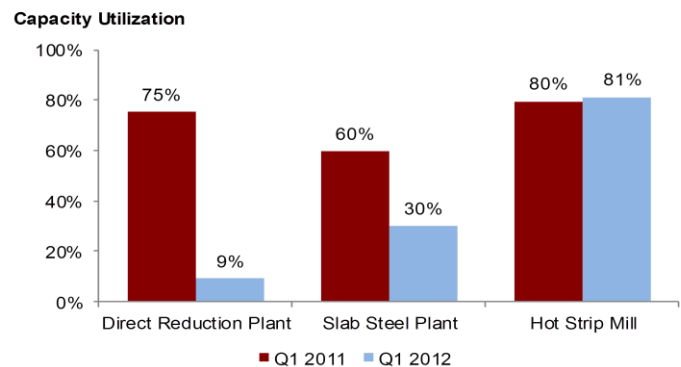
Steel Sales (tons)	Q1 2012	Q1 2011	Change (%)	Average Selling Price Rp/kg	Q1 2012	Q1 2011	Change (%)
HRC	306,646	241,236	27.1	HRC	7,184	7,815	-8.1
CRC	146,676	95,953	52.9	CRC	8,222	8,662	-5.1
WR	80,956	53,547	51.2	WR	7,013	6,798	3.2
Bars	69,806	44,639	56.4	Bars	6,316	5,832	8.3
Sections	29,418	30,542	-3.7	Sections	8,065	7,703	4.7
Pipes (spiral & ERW)	15,536	18,429	-15.7	Pipes (spiral & ERW)	11,986	10,139	18.2
Total	649,039	484,345	34.0				

- Economic growth in Asia is steady and steel demand since Chinese New Year has improved slightly. Like wise the steel demand in Indonesia has continue to grow in the first quarter of 2012. This has been supported by some positive figure in the economy.
- Prices of coils into Asia have risen slowly but consistently since January. Sentiment has been weak but improving, and demand should be strong during Q2. Prices are likely to increase further in the second quarter, and should then remain stronger for longer than in other regions.



OPERATIONAL RESULTS

Production (tons)	Q1 2012	Q1 2011	Change (%)
Sponge Iron	34,477	282,008	-87.8
Slab	135,646	268,456	-49.5
HRC	487,632	477,794	2.1



- Production of HRC in Q1 2012 increased 2.1% YoY to 487,632 tons. Utilization slightly rose to 81% as the Hot Strip Mill is currently working at full production capacity after the revitalization program that was completed in April 2011.
- Sponge iron and slab steel production, on the other hand, dropped 87.8% YoY and 49.5% YoY, respectively, during the same period due to the revitalization of the Direct Reduction Plant and the Slab Steel Plant.
- The revitalization of the Direct Reduction Plant and the Slab Steel Plant reached 96.7% and 84.3%, respectively, as of March 2012, and is expected to be completed in Q3 and Q4 2012.

BALANCE SHEET (in billion rupiah)

NERACA	3/31/2012	12/31/2011	BALANCE SHEET
	Unaudited	Audited As represented	
ASET			ASSETS
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	3,504	3,594	Cash & cash equivalents
Investasi jangka pendek	164	162	Short-term investments
Piutang Usaha - bersih	3,002	2,234	Trade receivables (net)
Piutang lain-lain - bersih	101	142	Other receivables (net)
Persediaan - bersih	5,722	6,804	Inventories (net)
Uang muka dan biaya dibayar dimuka	302	278	Advances and prepaid expenses
Pajak dibayar dimuka	85	-	Prepaid taxes
Jumlah Aset Lancar	12,881	13,213	Total Current Assets
ASET TIDAK LANCAR			NON CURRENT ASSETS
Taksiran tagihan pajak	584	506	Estimated claims for tax refund
Investasi pada saham - bersih	1,775	1,626	Investments in shares of stock (net)
Aset pajak tangguhan - bersih	33	30	Deferred tax assets (net)
Aset tetap - bersih	5,876	5,644	Fixed Asset (net)
Aset lain-lain	420	493	Other assets
Jumlah Aset Tidak Lancar	8,689	8,298	Total Non Current Assets
JUMLAH ASET	21,570	21,512	TOTAL ASSETS
LIABILITAS DAN EKUITAS			LIABILITIES
LIABILITAS LANCAR			Current Liabilities
Hutang bank jangka pendek	6,609	5,812	Short-term bank loans
Hutang usaha	1,163	2,009	Trade payables
Hutang lain-lain	217	345	Other payables
Hutang pajak	151	126	Taxes payable
Biaya yang masih harus dibayar	242	255	Accrued expenses
Uang muka penjualan dan lainnya	811	466	Sales and other advances
Bagian pinjaman jk panjang yg jth tempo 1 th	157	187	Current portion of LT loans
Bagian liabilities jk panjang yg jth tempo 1 th	3	4	Current portion of LT liability
Jumlah Liabilitas Lancar	9,353	9,205	Total Current Liabilities
LIABILITAS TIDAK LANCAR			NON CURRENT LIABILITIES
Liabilities pajak tangguhan - bersih	20	47	Deferred tax liabilities, net
Uang muka konstruksi, bagian jangka panjang	-	227	Advance for construction, long term portion
Pinjaman jk panjang stl dikurangi jth tempo 1 th	1,397	1,313	LT loans, net of current portion
Liabilities jk panjang stl dikurangi jth tempo 1 th	49	55	LT liabilities, net of current portion
Liabilities kesejahteraan	326	310	Estimated liabilities for employee benefits
Jumlah Liabilitas Tidak Lancar	1,792	1,952	Total Non Current Liabilities
JUMLAH LIABILITAS	11,145	11,157	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, 2011 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	7,888	7,888	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	1,016	1,016	Additional paid-in capital, net
Modal disetor lainnya	6	-	Other paid-in capital
Selisih transaksi perubahan ekuitas AP	25	18	Difference arising from transactions resulting in change in the equity of Subsidiary
Komponen ekuitas lainnya	(33)	(33)	Other equity components
Saldo laba			Retained earnings
Dicadangkan	1,344	1,344	Appropriated
Tidak dicadangkan	7	(52)	Unappropriated
Saldo laba, net	1,351	1,292	Retain Earning, net
Kepentingan Non Pengendali	174	174	Non-controlling interest
Total Ekuitas	10,425	10,355	Equities, net
JUMLAH LIABILITAS DAN EKUITAS	21,570	21,512	TOTAL LIABILITIES AND EQUITY

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



INCOME STATEMENT *(in billion rupiah)*

LAPORAN LABA RUGI	3/31/2012 (Unaudited)	3/31/2011 (Unaudited)	PROFIT & LOSS STATEMENT
Pendapatan bersih	5,718	4,236	Net Revenues
Beban pokok pendapatan	5,237	3,814	Cost of Revenues
Laba (rugi) kotor	481	422	Gross Profit
Beban Usaha			Operating Expenses
Distribusi dan Penjualan	100	68	Distribution and sales
Administrasi	217	202	Administration
Laba (rugi) operasi	164	153	Income from Operations
Penghasilan (beban) lain-lain			Other Income
Laba (rugi) selisih kurs	(27)	42	Gain on foreign exchange
Beban bunga	(112)	(70)	Interest Expense
Penjualan limbah produksi	1	11	Sales of waste products
Pendapatan bunga	26	32	Interest income
Laba pematangan tanah	6	-	Gain on site preparation work
Lain-lain bersih	8	32	Miscellaneous, net
Laba sebelum beban (manfaat) pajak	67	201	Income Before Tax
Beban (manfaat) pajak - bersih	8	59	Tax Expense (Benefit)
Total Pendapatan komprehensif tahun berjalan	58	142	Total comprehensive income for the year
Laba Per Saham Dasar dan Dilusian	3.70	8.99	Basic Income Per Share
(dalam Rupiah penuh)			(in full Rupiah amount)

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