

| TICKERS   |         | MARKET CAPITALIZATION          | ISSUED SHARES                     | SHARE PRICE    |     |              | SHAREHOLDERS |        |     |
|-----------|---------|--------------------------------|-----------------------------------|----------------|-----|--------------|--------------|--------|-----|
| IDX       | KRAS    | (IDR million, as of 3/31/2016) | (million shares, as of 3/31/2016) | (closing, IDR) |     |              | Government   | 80%    |     |
| Bloomberg | KRAS.IJ | 7,477,350                      | 15,775                            | 1 January 2016 | 285 | 3 month high | 500          | Public | 20% |
| Reuters   | KRAS.JK |                                |                                   | 31 March 2016  | 474 | 3 month low  | 280          |        |     |

Jakarta, April 2016

### Krakatau Steel Reports First Quarter Results

- **Total sales volume increased 32.3% YoY to 572,450 tons in Q1 2016.**
- **The company posted gross and operating profit during the period as the decrease in net revenues was offset by lower cost of revenues.**
- **The company also returned to positive EBITDA of US\$44.9 million, in line with the operating profit.**

### Financial Results

| Description (USD mn)                                  | Q1 2016 | Q1 2015 | Change (%) | Ratio  | Q1 2016 | Q1 2015 |
|---|---------|---------|------------|--|---------|---------|
| Revenue   | 311.2   | 352.0   | -11.6      | Gross Margin   | 13.65%  | 0.86%   |
| Cost of Revenues                                      | (268.7) | (349.0) | -23.0      | Operating Margin   | 2.43%   | -8.41%  |
| Gross Profit  | 42.5    | 3.0     | 1,309.1    | Net Margin   | -20.19% | -12.19% |
| Operating Expenses <sup>1</sup>                       | (39.8)  | (35.4)  | 12.3       | EBITDA Margin  | 14.42%  | -2.13%  |
| Operating Profit (loss)                               | 7.6     | (29.6)  | -          | Debt to Equity <sup>3</sup>                                      | 0.88x   | 0.90x   |
| EBITDA <sup>2</sup>                                   | 44.9    | (7.5)   | -          | Debt to Assets <sup>3</sup>                                      | 0.43x   | 0.44x   |
| Profit (loss) Attributable to Owners of Parent Entity | (59.8)  | (42.3)  | 41.4       | 1 : Selling expenses + general and administrative expenses       |         |         |
| Total Comprehensive Income                            | 50.1    | (46.0)  | -          | 2 : EBITDA figures exclude share of loss in associates           |         |         |
| Attributable to Owners of Parent Entity               |         |         |            | 3 : Balance sheet items for Q1 2015 are based on FY 2015 figures |         |         |
| Total Assets <sup>3</sup>                             | 3,735.9 | 3,702.1 | 0.9        |  |         |         |
| Interest Expenses                                     | (29.7)  | (20.0)  | 48.5       |  |         |         |

- PT Krakatau Steel (Persero) Tbk. booked a 32.3% Year-on-Year (YoY) in total steel sales volume to 572,450 tons in Q1 2016 from 432,579 tons in the same period last year. Increases in sales of HRC (+53.2% YoY to 292,209 tons), wire rod (+59.8% YoY to 52,747 tons), and sections (+40.2% YoY to 19,643 tons) contributed to the higher sales volume.
- Gross profit increased to US\$42.5 million from US\$3.0 million in Q1 2015 as the decline in cost of revenues exceeded the decrease in net revenues. Cost of revenues was 23.0% Year-on-Year (YoY) lower at US\$268.7 million, while net revenues decreased 11.6% YoY to US\$311.2 million. The lower cost of revenues was attributable to a 32.0% YoY decrease in cost of production. Raw materials and manufacturing costs declined 37.8% YoY and 18.5% YoY, respectively, and contributed to the lower cost of production. As a result of the higher gross profit, the company was able to post an operating profit of US\$7.6 million in Q1 2016 compared to operating loss of US\$29.6 million in the same period last year.
- The 11.6% YoY decline in net revenues to US\$311.2 million in Q1 2016 was due to lower average selling price despite an increase in total sales volume. Average selling price declined by 25.8% Year-on-Year (YoY) to 34.2% YoY, which was due to low steel prices in the global market as a result of the ongoing steel oversupply over the past 12 months.
- The improvement in the company's operating performance was also reflected in an EBITDA of US\$44.9 million compared to negative US\$7.5 million in Q1 2015.
- Despite the improving results at operating level, the company still recorded loss attributable to owners of parent entity of US\$59.8 million in Q1 2016 from US\$42.3 million in Q1 2015. The higher net loss was due to an increase in share of loss in associates to US\$22.9 million, of which US\$23.4 million came from major affiliated company and due to foreign currency loss of US\$26.2 million compared to foreign currency gain of US\$26.3 million in Q1 2015.

#### Investor Relations

Cilegon Office  
Gedung ADB CRM, Jl. Industri No. 5 P.O.Box 14  
Cilegon, Banten 42435

Phone : (+62 254) 372301  
Fax : (+62 254) 372303  
Email : ir@krakatausteel.com

#### DISCLAIMER

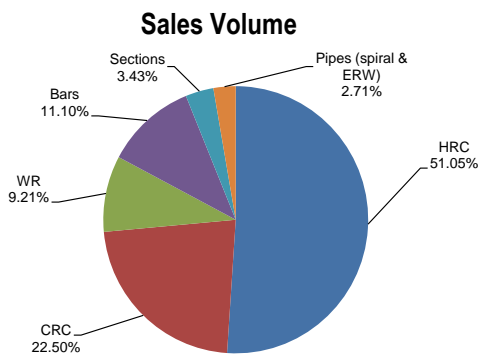
This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve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

- The company booked other comprehensive income of US\$108.3 million in Q1 2016 due to a surplus of fixed assets revaluation in line with the appreciation of Rupiah exchange rate against the U.S. Dollar. It made an improvement in total comprehensive income attributable to owners of the parent entity to US\$50.1 million as of March 31, 2016, from a loss of US\$45.9 million in Q1 2015.
- Net cash provided by the company's operating activities jumped to positive US\$31.3 million in Q1 2016 from a deficit of US\$61.9 million during the same period last year.

## Marketing Results

| Steel Sales<br>(tons) | Q1 2016        | Q1 2015        | Change (%)  | Average Selling Price<br>USD/ton | Q1 2016 | Q1 2015 | Change (%) |
|-----------------------|----------------|----------------|-------------|----------------------------------|---------|---------|------------|
| HRC                   | 292,209        | 190,677        | 53.2        | HRC                              | 402     | 597     | -32.7      |
| CRC                   | 128,826        | 136,170        | -5.4        | CRC                              | 516     | 698     | -26.1      |
| WR                    | 52,747         | 33,008         | 59.8        | WR                               | 370     | 562     | -34.2      |
| Bars                  | 63,539         | 46,313         | 37.2        | Bars                             | 404     | 564     | -28.4      |
| Sections              | 19,643         | 14,015         | 40.2        | Sections                         | 495     | 668     | -25.8      |
| Pipes (spiral & ERW)  | 15,487         | 12,395         | 24.9        | Pipes (spiral & ERW)             | 692     | 998     | -30.6      |
| Others                | 0              | 0              |             |                                  |         |         |            |
| <b>Total</b>          | <b>572,450</b> | <b>432,579</b> | <b>32.3</b> |                                  |         |         |            |

Source: Company data



Source: Company data

- China HRC export price rebounded earlier this year on the back of stronger domestic prices in the country. However, the rebound may be short lived as steel demand remained weak. (*Platts, GMO Jan 2016*)
- China steel prices rose US\$25/ton due to improved steel industry, inventory restocking, and expected seasonal recovery in February – June. (*WSD Inside Track #145, Jan 2016*)

## Progress of Strategic Projects

- Construction of the company's Blast Furnace complex has reached 94.4% as of March 31, 2016 and is expected to start operations in Q3 2016. The project is expected to reduce raw materials cost, electricity consumption, and to balance upstream and downstream production facilities.
- The company has planned to build Hot Strip Mill (HSM) #2 with a capacity of 1.5 million tons per year. The mill, which is scheduled to start operations in Q1 2019, is expected to increase the company's production capacity and revenue as well as to improve product quality.

## BALANCE SHEET *(in thousand US dollar)*

### PT KRAKATAU STEEL (PERSERO) Tbk DAN ENTITAS ANAKNYA

#### LAPORAN POSISI KEUANGAN KONSOLIDASIAN INTERIM Tanggal 31 Maret 2016 (Disajikan dalam ribuan Dolar AS, kecuali dinyatakan lain)

### PT KRAKATAU STEEL (PERSERO) Tbk AND ITS SUBSIDIARIES

#### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION As of March 31, 2016 (Expressed in thousands of US Dollar, unless otherwise stated)

|  | Catatan/<br>Notes                | 31 Mar. 2016/<br>Mar. 31, 2016 | 31 Des. 2015/<br>Dec. 31, 2015 |                                     |
|--|----------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| <b>ASET LANCAR</b>                                     |                                  |                                |                                | <b>CURRENT ASSETS</b>               |
| Kas dan setara kas                                     | 2d,2f,2g,2h<br>4,8,32,36         | 133.565                        | 132.589                        | Cash and cash equivalents           |
| Kas dan deposito berjangka yang dibatasi penggunaannya | 2d,2f,2g,2h<br>5,8,14,32         | 30.020                         | 40.099                         | Restricted cash and time deposits   |
| Piutang usaha, neto                                    | 2f,2h,3,6                        |                                |                                | Trade receivables, net              |
| Pihak ketiga   | 14,21,32,36                      | 99.941                         | 115.574                        | Third parties                       |
| Pihak berelasi   | 2d,8                             | 77.185                         | 95.677                         | Related parties                     |
| Piutang lain-lain, neto                                | 2f,2h,7,                         |                                |                                | Other receivables, net              |
| Pihak ketiga   | 17,32,36                         | 3.124                          | 2.744                          | Third parties                       |
| Pihak berelasi   | 2d,8                             | 16.443                         | 18.066                         | Related parties                     |
| Persediaan, neto                                       | 2i,3,9,14,21                     | 413.012                        | 408.870                        | Inventories, net                    |
| Uang muka dan biaya dibayar di muka                    | 2j,10                            | 39.600                         | 55.263                         | Advances and prepaid expenses       |
| Pajak dibayar di muka                                  | 2t,18                            | 31.339                         | 23.658                         | Prepaid taxes                       |
| <b>Total Aset Lancar</b>                               |                                  | <b>844.229</b>                 | <b>892.540</b>                 | <b>Total Current Assets</b>         |
| <b>ASET TIDAK LANCAR</b>                               |                                  |                                |                                | <b>NON-CURRENT ASSETS</b>           |
| Estimasi tagihan pajak                                 | 2t,18                            | 44.842                         | 42.341                         | Estimated claims for tax refund     |
| Penyertaan saham, neto                                 | 2f,2h,2j,11,32                   | 179.499                        | 197.268                        | Investments in shares of stock, net |
| Aset pajak tangguhan, neto                             | 2t,3,18                          | 109.880                        | 97.983                         | Deferred tax assets, net            |
| Aset tetap, neto                                       | 2l,3,12,14,21                    | 2.473.985                      | 2.359.077                      | Fixed assets, net                   |
| Aset lain-lain   |                                  |                                |                                | Other assets                        |
| Piutang jangka panjang                                 | 2d,2h,13,32                      | 10.028                         | 9.969                          | Long-term receivables               |
| Aset real estat  | 2m                               | 15.449                         | 13.944                         | Real estate assets                  |
| Aset yang tidak digunakan dalam operasi                | 2l,12                            | 1.146                          | 1.246                          | Assets not used in operations       |
| Kas dan Deposito berjangka yang dibatasi penggunaannya | 2d,2f,2g,2h<br>21,32,36<br>2h,2l | 33.912                         | 34.447                         | Restricted cash and time deposits   |
| Lain-lain  | 32,34,36                         | 22.947                         | 53.329                         | Others                              |
| <b>Total Aset Tidak Lancar</b>                         |                                  | <b>2.891.687</b>               | <b>2.809.604</b>               | <b>Total Non-Current Assets</b>     |
| <b>TOTAL ASET</b>                                      |                                  | <b>3.735.916</b>               | <b>3.702.144</b>               | <b>TOTAL ASSETS</b>                 |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**BALANCE SHEET (in thousand US dollar)**

**PT KRAKATAU STEEL (PERSERO) Tbk  
DAN ENTITAS ANAKNYA**

**LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN INTERIM (lanjutan)  
Tanggal 31 Maret 2016  
(Disajikan dalam ribuan Dolar AS,  
kecuali dinyatakan lain)**

**PT KRAKATAU STEEL (PERSERO) Tbk  
AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)  
As of March 31, 2016  
(Expressed in thousands of US Dollar,  
unless otherwise stated)**

|  | Catatan/<br>Notes                | 31 Mar. 2016/<br>Mar. 31, 2016 | 31 Des. 2015/<br>Dec. 31, 2015 |  |
|--|----------------------------------|--------------------------------|--------------------------------|--|
| <b>LIABILITAS DAN EKUITAS</b>  |                                  |                                |                                | <b>LIABILITIES AND<br/>SHAREHOLDER'S EQUITY</b>            |
| <b>LIABILITAS JANGKA PENDEK</b>  |                                  |                                |                                | <b>CURRENT LIABILITIES</b>                                 |
| Pinjaman bank jangka pendek  | 2d,2f,2h,5,6,8<br>9,12,14,32,36  | 1.029.705                      | 1.143.888                      | Short-term bank loans                                      |
| Utang usaha  | 2f, 2h                           |                                |                                | Trade payables   |
| Pihak ketiga   | 15,32,36                         | 101.063                        | 97.904                         | Third parties  |
| Pihak berelasi   | 2d,8                             | 12.463                         | 54.153                         | Related parties  |
| Utang lain-lain  | 2f,2h                            |                                |                                | Other payables   |
| Pihak ketiga   | 16,32,36                         | 10.198                         | 19.734                         | Third parties  |
| Pihak berelasi   | 2d,8                             | 2.627                          | 2.690                          | Related parties  |
| Utang pajak  | 2t,3,18                          | 18.577                         | 10.013                         | Taxes payables   |
| Beban akrual   | 2f,2h,19,32,36                   | 38.231                         | 29.887                         | Accrued expenses   |
| Liabilitas imbalan kerja jangka pendek   | 2h,2s,3,23                       | 2.166                          | 7.947                          | Short-term employee benefits liabilities                   |
| Uang muka penjualan dan lainnya  | 2d,2f,8,20,36                    | 30.810                         | 25.592                         | Sales and other advances                                   |
| Bagian pinjaman jangka panjang yang jatuh tempo dalam waktu satu tahun                               | 2d,2f,2h,6,8<br>9,12,21,32,36    | 63.431                         | 65.372                         | Current maturities of long-term loans                      |
| Bagian liabilitas keuangan jangka panjang yang jatuh tempo dalam waktu satu tahun                    | 2f,2h,22,<br>32,36               | 7                              | 7                              | Current maturities of long-term financial liabilities      |
| <b>Total Liabilitas Jangka Pendek</b>  |                                  | <b>1.309.279</b>               | <b>1.457.187</b>               | <b>Total Current Liabilities</b>                           |
| <b>LIABILITAS JANGKA PANJANG</b>   |                                  |                                |                                | <b>NON-CURRENT LIABILITIES</b>                             |
| Liabilitas pajak tangguhan, neto   | 2t,3,18                          | 52                             | 14                             | Deferred tax liabilities, net                              |
| Uang muka konstruksi, bagian jangka panjang  | 2f,20,36                         | 13.206                         | 2.038                          | Advances for construction, long-term portion               |
| Pinjaman jangka panjang, setelah dikurangi bagian yang jatuh tempo dalam waktu satu tahun            | 2d,2f,2h<br>6,8,9,12<br>21,32,36 | 526.899                        | 405.489                        | Long-term Loans, net of current maturities                 |
| Liabilitas keuangan jangka panjang, setelah dikurangi bagian yang jatuh tempo dalam waktu satu tahun | 2f,2h,22,<br>32,36               | 13.648                         | 13.158                         | Long-term financial liabilities, net of current maturities |
| Liabilitas Imbalan kerja jangka panjang  | 2s,3,23                          | 37.622                         | 36.154                         | Long-term employee benefits liabilities                    |
| <b>Total Liabilitas Jangka Panjang</b>   |                                  | <b>591.426</b>                 | <b>456.853</b>                 | <b>Total Non-Current Liabilities</b>                       |
| <b>TOTAL LIABILITAS</b>  |                                  | <b>1.900.705</b>               | <b>1.914.040</b>               | <b>TOTAL LIABILITIES</b>                                   |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**BALANCE SHEET (in thousand US dollar)**

| <b>PT KRAKATAU STEEL (PERSERO) Tbk<br/>DAN ENTITAS ANAKNYA</b>   | <b>PT KRAKATAU STEEL (PERSERO) Tbk<br/>AND ITS SUBSIDIARIES</b>   |  |  |   |
|--|---|--|--|---|
| <b>LAPORAN POSISI KEUANGAN<br/>KONSOLIDASIAN INTERIM (lanjutan)<br/>Tanggal 31 Maret 2016<br/>(Disajikan dalam ribuan Dolar AS,<br/>kecuali dinyatakan lain)</b> | <b>INTERIM CONSOLIDATED STATEMENT OF<br/>FINANCIAL POSITION (continued)<br/>As of March 31, 2016<br/>(Expressed in thousands of US Dollar,<br/>unless otherwise stated)</b> |  |  |   |
|  | <u>Catatan/<br/>Notes</u>   | <u>31 Mar. 2016/<br/>Mar. 31, 2016</u> | <u>31 Des. 2015/<br/>Dec. 31, 2015</u> |   |
| <b>EKUITAS</b>   |   |  |  | <b>EQUITY</b>   |
| <b>EKUITAS YANG DAPAT<br/>DIATRIBUSIKAN KEPADA PEMILIK<br/>ENTITAS INDUK</b>   |   |  |  | <b>EQUITY ATTRIBUTABLE TO<br/>OWNERS OF THE PARENT<br/>ENTITY</b>   |
| Modal saham  |   |  |  | Share capital   |
| Nilai nominal Rp500 (angka penuh)<br>per saham   |   |  |  | par value Rp500 (full amount)<br>per share..Authorized capital -  |
| Modal Dasar - 40.000.000.000 saham<br>yang terdiri dari 1 saham Seri A<br>Dwiwarna dan 39.999.999.999<br>saham Seri B  |   |  |  | 40,000,000,000 shares which<br>consist of 1 Series A Dwiwarna<br>share and 39.999.999.999<br>Series B shares                            |
| Modal ditempatkan dan disetor<br>penuh - 15.775.000.000 saham<br>yang terdiri dari 1 Seri A<br>Dwiwarna dan 15.774.999.999<br>saham Seri B                       |   | 855.968                                | 855.968                                | Issued and fully paid -<br>15,775,000,000 shares which<br>consist of 1 Series A Dwiwarna<br>share and 15.774.999.999<br>Series B shares |
| Tambahan modal disetor, neto   | 25  | 116.263                                | 116.263                                | Additional paid-in capital, net   |
| Pendapatan komprehensif lain   | 1b,2p,26  | 1.276.570                              | 1.166.639                              | Other comprehensive income  |
| Saldo laba (akumulasi kerugian)  | 2l,2s,12,13,23  |  |  | Retained earnings (accumulated<br>losses)   |
| Dicadangkan  |   | 146.834                                | 146.834                                | Appropriated  |
| Tidak dicadangkan  |   | (564.506)                              | (504.705)                              | Unappropriated  |
| <b>Total Ekuitas Yang Dapat Diatribusikan<br/>Kepada Pemilik Entitas Induk</b>   |   | <b>1.831.129</b>                       | <b>1.780.999</b>                       | <b>Total Equity Attributable to<br/>Owners of the Parent Entity</b>   |
| Kepentingan Nonpengendali  | 2c,24   | <b>4.082</b>                           | <b>7.104</b>                           | Non-controlling Interests   |
| <b>EKUITAS, NETO</b>   |   | <b>1.835.211</b>                       | <b>1.788.104</b>                       | <b>EQUITY, NET</b>  |
| <b>TOTAL LIABILITAS DAN EKUITAS</b>  |   | <b>3.735.916</b>                       | <b>3.702.144</b>                       | <b>TOTAL LIABILITIES AND EQUITY</b>   |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**INCOME STATEMENT (in thousand US dollar)**

**PT KRAKATAU STEEL (PERSERO) Tbk  
DAN ENTITAS ANAKNYA**

**LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN INTERIM**  
Periode Tiga Bulan Yang Berakhir Pada Tanggal  
31 Maret 2016  
(Disajikan dalam ribuan Dolar AS,  
kecuali dinyatakan lain)

**PT KRAKATAU STEEL (PERSERO) Tbk  
AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
Three-Month Period Ended March 31, 2016  
(Expressed in thousands of US Dollar,  
unless otherwise stated)

|   | 31 Mar. 2016/<br><u>Mar. 31, 2016</u> | Catatan/<br>Notes       | 31 Mar. 2015/<br><u>Mar. 31, 2015</u> |   |
|---|---------------------------------------|-------------------------|---------------------------------------|---|
| <b>PENDAPATAN NETO</b>  | 311.206                               | 2d,2q,8,<br>28,37       | 352.029                               | <b>NET REVENUES</b>   |
| <b>BEBAN POKOK PENDAPATAN</b>   | (268.722)                             | 2d,2l,2q,8,<br>29,37    | (349.014)                             | <b>COST OF REVENUES</b>   |
| <b>LABA BRUTO</b>   | <u>42.484</u>                         |                         | <u>3.015</u>                          | <b>GROSS PROFIT</b>   |
| Beban Penjualan   | (7.577)                               | 2d,2j,2l,<br>2q,2s,8,30 | (7.495)                               | Selling expense   |
| Beban umum dan administrasi   | (32.198)                              | 2q,2s,8,30              | (27.925)                              | General and Administrative expenses   |
| Penjualan limbah produksi   | 214                                   | 2d,2j,2l,<br>2q,2s,8,30 | 878                                   | Sales of waste products   |
| Pendapatan lain-lain  | 4.968                                 | 2h,2q,12                | 2.505                                 | Other income  |
| Beban lain-lain   | (325)                                 | 12,18                   | (569)                                 | Other expenses  |
| <b>LABA (RUGI) OPERASI</b>  | <u>7.566</u>                          |                         | <u>(29.591)</u>                       | <b>OPERATING PROFIT (LOSS)</b>  |
| Bagian rugi dari entitas asosiasi   | (22.971)                              | 11                      | (21.606)                              | Share in loss of associates   |
| Pendapatan keuangan   | 965                                   |                         | 1.847                                 | Finance income  |
| Pajak terkait pendapatan keuangan   | (161)                                 |                         | (308)                                 | Tax relating to finance income  |
| Laba (rugi) selisih kurs, neto  | (26.203)                              | 2f,2h,16                | 26.276                                | Gain (loss) on foreign exchange, net  |
| Beban keuangan  | (29.701)                              | 14,21                   | (20.006)                              | Finance expense   |
| <b>RUGI SEBELUM PAJAK<br/>FINAL DAN BEBAN (MANFAAT)<br/>PAJAK PENGHASILAN</b>                   | <u>(70.504)</u>                       |                         | <u>(43.387)</u>                       | <b>LOSS BEFORE FINAL TAX<br/>AND INCOME TAX<br/>EXPENSE (BENEFIT)</b>                         |
| Pajak final   | (1.058)                               | 2t,18                   | (337)                                 | Final tax   |
| <b>RUGI SEBELUM BEBAN<br/>(MANFAAT) PAJAK PENGHASILAN</b>                                       | <u>(71.562)</u>                       |                         | <u>(43.724)</u>                       | <b>LOSS BEFORE INCOME<br/>TAX EXPENSE (BENEFIT)</b>   |
| <b>BEBAN (MANFAAT) PAJAK<br/>PENGHASILAN</b>  |                                       | 2t,18                   |                                       | <b>INCOME TAX EXPENSE (BENEFIT)</b>   |
| Pajak kini  | 2.185                                 |                         | 5.377                                 | Current tax   |
| Pajak tangguhan, neto   | (10.907)                              |                         | (6.181)                               | Deferred tax, net   |
| <b>Manfaat Pajak, Neto</b>  | <u>(8.722)</u>                        |                         | <u>(804)</u>                          | <b>Tax Benefit, net</b>   |
| <b>RUGI PERIODE BERJALAN</b>  | <u>(62.840)</u>                       |                         | <u>(42.920)</u>                       | <b>LOSS FOR THE PERIOD</b>  |
| <b>PENGHASILAN KOMPREHENSIF LAIN</b><br>Pos-pos yang tidak akan direklasifikasi<br>ke laba rugi |                                       |                         |                                       | <b>OTHER COMPREHENSIVE INCOME</b><br>Items that will not be reclassified<br>to profit or loss |
| Surplus revaluasi aset tetap  | 108.279                               | 2b,2l,11,12             | -                                     | Revaluation surplus of fixed assets   |
| Pengukuran kembali program<br>imbalan pasti   | -                                     | 2b,2s                   | 425                                   | Remeasurement of defined<br>benefits program  |
| Pajak penghasilan terkait pos-pos yang<br>tidak akan direklasifikasi ke laba rugi               | -                                     |                         | (106)                                 | Income tax relating to items that<br>not be reclassified to profit or loss                    |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## INCOME STATEMENT *(in thousand US dollar)*

### PT KRAKATAU STEEL (PERSERO) Tbk DAN ENTITAS ANAKNYA

LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN INTERIM  
(lanjutan)  
Periode Tiga Bulan Yang Berakhir Pada Tanggal  
31 Maret 2016  
(Disajikan dalam ribuan Dolar AS,  
kecuali dinyatakan lain)

|  | 31 Mar. 2016/<br><i>Mar. 31, 2016</i> | Catatan/<br>Notes | 31 Mar. 2015/<br><i>Mar. 31, 2015</i> |
|--|---------------------------------------|-------------------|---------------------------------------|
| <b>Pos yang akan direklasifikasi ke laba rugi</b>  |                                       |                   |                                       |
| Selisih kurs karena penjabaran laporan keuangan Entitas Anak dan Asosiasi-neto                           | 1.668                                 | 2c,2k             | (3.965)                               |
| <b>TOTAL PENGHASILAN (RUGI) KOMPREHENSIF PERIODE BERJALAN</b>  | <b>47.106</b>                         |                   | <b>(46.566)</b>                       |
| <b>RUGI PERIODE BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:</b>  |                                       |                   |                                       |
| Pemilik entitas induk  | (59.801)                              |                   | (42.280)                              |
| Kepentingan nonpengendali  | (3.039)                               | 2c,24             | (640)                                 |
| <b>TOTAL</b>   | <b>(62.840)</b>                       |                   | <b>(42.920)</b>                       |
| <b>TOTAL PENGHASILAN (RUGI) KOMPREHENSIF PERIODE BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:</b>           |                                       |                   |                                       |
| Pemilik entitas induk  | 50.129                                |                   | (45.959)                              |
| Kepentingan nonpengendali  | (3.022)                               | 2c,24             | (607)                                 |
| <b>TOTAL</b>   | <b>47.106</b>                         |                   | <b>(46.566)</b>                       |
| <b>RUGI PER SAHAM DASAR YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (dalam Dolar AS penuh)</b> | <b>(0,0038)</b>                       | 2u,31             | <b>(0,0027)</b>                       |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

### PT KRAKATAU STEEL (PERSERO) Tbk AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER  
COMPREHENSIVE INCOME *(continued)*  
Three-Month Period Ended March 31, 2016  
*(Expressed in thousands of US Dollar,  
unless otherwise stated)*

|  | 31 Mar. 2015/<br><i>Mar. 31, 2015</i> |
|--|---------------------------------------|
| <b>Item that may be reclassified to profit or loss</b>   |                                       |
| Difference in foreign currency translation of the financial statements of Subsidiaries and Associates, net | (3.965)                               |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>  | <b>(46.566)</b>                       |
| <b>LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>  |                                       |
| Owners of the parent entity  | (42.280)                              |
| Non-controlling interests  | (640)                                 |
| <b>TOTAL</b>   | <b>(42.920)</b>                       |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>                                   |                                       |
| Owners of the parent entity  | (45.959)                              |
| Non-controlling interests  | (607)                                 |
| <b>TOTAL</b>   | <b>(46.566)</b>                       |
| <b>BASIC LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY (in full US Dollar amount)</b>         | <b>(0,0027)</b>                       |

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**STATEMENT OF CASH FLOWS (in thousand US dollar)**

**PT KRAKATAU STEEL (PERSERO) Tbk  
DAN ENTITAS ANAKNYA**

**LAPORAN ARUS KAS KONSOLIDASIAN INTERIM**  
Periode Tiga Bulan Yang Berakhir Pada Tanggal  
31 Maret 2016  
(Disajikan dalam ribuan Dolar AS,  
kecuali dinyatakan lain)

**PT KRAKATAU STEEL (PERSERO) Tbk  
AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF  
CASH FLOWS**  
Three-Month Period Ended March 31, 2016  
(Expressed in thousands of US Dollar,  
unless otherwise stated)

|   | 31 Mar. 2016/<br>Mar. 31, 2016 | Catatan/<br>Note | 31 Mar. 2015/<br>Mar. 31, 2015 |  |
|---|--------------------------------|------------------|--------------------------------|--|
| <b>ARUS KAS DARI AKTIVITAS OPERASI</b>  |                                |                  |                                | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |
| Penerimaan dari pelanggan   | 386.822                        |                  | 419.215                        | Receipts from customers                                    |
| Penerimaan dari tagihan pajak   | 1.598                          |                  | 556                            | Receipts from claims for tax refund                        |
| Penerimaan dari pendapatan bunga  | 1.227                          |                  | 1.747                          | Receipts from interest income                              |
| Pembayaran kepada pemasok dan lainnya   | (294.607)                      |                  | (394.478)                      | Payments to suppliers and others                           |
| Pembayaran beban usaha dan lainnya  | (3.866)                        |                  | (11.392)                       | Payments for operating expenses and others                 |
| Pembayaran kepada karyawan  | (21.620)                       |                  | (20.777)                       | Payments to employees                                      |
| Pembayaran untuk pajak  | (30.481)                       |                  | (53.068)                       | Payments for taxes   |
| Pembayaran untuk beban bunga dan beban bank                                   | (7.753)                        |                  | (3.732)                        | Payments for interest and bank charges                     |
| <b>Kas neto yang diperoleh dari (digunakan untuk) aktivitas operasi</b>       | <b>31.320</b>                  |                  | <b>(61.930)</b>                | <b>Net cash provided by (used in) operating activities</b> |
| <b>ARUS KAS DARI AKTIVITAS INVESTASI</b>                                      |                                |                  |                                | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |
| Penarikan (penempatan) kas dan deposito berjangka yang dibatasi penggunaannya | 10.614                         |                  | (23.825)                       | Withdrawal of restricted cash and time deposits            |
| Penambahan penyertaan pada saham  | (4.977)                        | 11               | (3.600)                        | Additional investments in shares of stock                  |
| Penambahan aset tetap   | (19.850)                       |                  | (118.931)                      | Purchase of fixed assets                                   |
| <b>Kas neto yang digunakan untuk aktivitas investasi</b>                      | <b>(14.214)</b>                |                  | <b>(146.356)</b>               | <b>Net cash used in investing activities</b>               |
| <b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>                                      |                                |                  |                                | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |
| Penerimaan (pembayaran) pinjaman bank jangka pendek, neto                     | (114.153)                      | 14               | 161.980                        | Proceed (repayment) from Short-term bank loans, net        |
| Penerimaan Pinjaman Jangka Panjang  | 154.039                        |                  | 24.612                         | Proceeds from Long-term loans                              |
| Pembayaran Pinjaman Jangka Panjang  | (34.735)                       |                  | (7.038)                        | Repayments of Long-term loans                              |
| Pembayaran untuk beban bunga  | (20.833)                       |                  | (12.848)                       | Payments for interest                                      |
| <b>Kas neto yang diperoleh dari (digunakan untuk) aktivitas pendanaan</b>     | <b>(15.682)</b>                |                  | <b>166.705</b>                 | <b>Net cash provided by (used in) financing activities</b> |
| <b>KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS</b>                           | <b>1.425</b>                   |                  | <b>(41.580)</b>                | <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>    |
| <b>KAS DAN SETARA KAS AWAL TAHUN</b>  | <b>132.589</b>                 | <b>4</b>         | <b>236.689</b>                 | <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>      |
| Dampak perubahan selisih kurs   | (449)                          |                  | (2.407)                        | Effect on foreign changes rate changes                     |
| <b>KAS DAN SETARA KAS AKHIR PERIODE</b>                                       | <b>133.565</b>                 | <b>4</b>         | <b>192.701</b>                 | <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>          |

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.