PT Bakrie & Brothers Tbk

September 07 Newsletter

Bakrie & Brothers (ticker: BNBR) is one of Indonesian oldest and largest conglomerate that focuses on three core businesses: infrastructure, plantation & telecommunication. The company's infrastructure businesses consist of two steel pipe manufacturers, two steel fabrication and construction contractor, one automotive component manufacturer and one building materials manufacturer. The plantation business is represented by the listed Bakrie Sumatera Plantations (ticker: UNSP) that owns a sizable oil palm & rubber plantations, including several processing facilities. The telecommunication division mainly represented by the listed Bakrie Telecommunication (ticker: BTEL), which is one of the most prominent CDMA fixed wireless operator in the country.

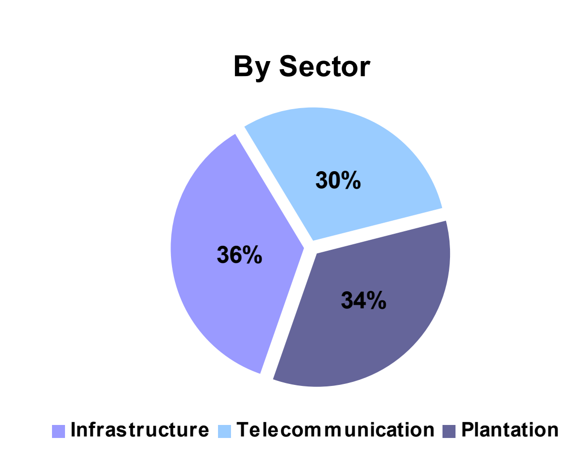
7M07 Revenues

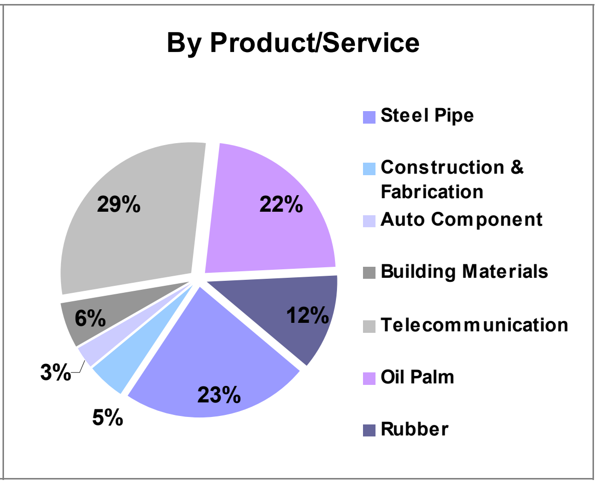
Sector	Year-on-Year (YoY)			Month-on-Month (MoM)		
	7M06	7M07	+/-	Jun 07	Jul 07	+/-
Infrastructure*	1,572.4	860.6	-45%	164.7	106.3	-36%
Plantation	559.5	808.6	45%	162.0	151.2	-7%
Telecom**	429.6	706.7	65%	103.1	122.9	19%
Total	**2,561.5**	**2,375.9**	**-7%**	**429.8**	**380.3**	**-12%**

***BPI, SEAPI, BCons, BCMI, BTJ & BBI** ****Excl. Bakrie Communications**

7M07 consolidated revenues experienced a slight decline yoy, following delay in several major gas pipeline as well as steel construction projects. While both plantation and telecommunication businesses booked double digit growth during the same period, inline with strong demand.

Revenue Mix





Infrastructure remained the biggest revenues contributor per sector in 1H07, mainly from steel pipe.

News of The Month

Bakrie & Brothers Secure Cimanggis – Cibitung Toll Road Project	Bakrie & Brothers, through Plus-Bakrie-Global consortium, has won the tender for Cimanggis – Cibitung toll road. This Rp 3.2 trillion, 25.4 km project is part of Jakarta Outer Ring Road batch II that will connect Jagorawi and Cikampek tollroad. Bakrie & Brothers hold 15% stakes in the project. Financial closing is expected to be in 3Q08.
Bakrie Pipe Industries (BPI)	7M07 revenues declined by 28% yoy, inline with lower sales volume that mostly attributed to delays in several pipeline tender. July 07 sales volume was also lower compare to the previous month, when BPI delivered around 3.9k tons of pipe for Conoco's North Belut project. The decline in average price was due to changes in product mix.
Bakrie Corrugated Metal Industries (BCMI)	BCMI experienced an 18% annual revenues increase during 7M07, due to higher sales volume that was enough to offset the impact of lower average price. July 07 revenues declined from the month before, when there was a Rp 10 billion delivery for the Mahakam Ulu bridge project.
Bakrie Tosanjaya (BTJ)	Following the recovery within the local automotive market, 7M07 revenues increased by 46% yoy. At the same time, the market was also willing to accept higher price, especially for the auto components, in order to compensate for higher raw materials price.
Bakrie Building Industry (BBI)	BBI posted 24% higher revenues in 7M07 when compared to the previous year, fueled by robust demand for roof & ceiling products. Sales of wall product for the period dropped due to lack of property project tendered throughout the period.
Bakrie Telecom Tbk (BTEL)	7M07 Revenues increased by 65% yoy on the back of strong subscriber growth. While higher traffic also led to 19% revenues increase mom.
Winner of International Direct Call Connection Tender	BTEL recently appointed a winner during international direct call connection tender. Now, the company has five years to complete the infrastructure development that is estimated to cost around Rp 223 billion. This will finally eliminate the duopoly that so far has been enjoyed by Telkom and Indosat.
Nationwide Rollout in Progress	BTEL began its nationwide rollout campaign late last month. Today, Esia service coverage already include six additional major cities in East Java, West Java and North Sumatera.
Bakrie Sumatera Plantation Tbk (BSP)	BSP 7M07 revenues increased by 45% yoy. This was mostly attributed to double-digit increase in sales volume for all oil palm products, which was enough to compensate for a lower rubber sales volume, following replanting program. Robust demand also kept oil palm product price buoyant during the period. After six consecutive month of increase, oil palm product price declined slightly in July.

Subsidiaries Highlights

Subsidiary	Year-on-Year (YoY)			Month-on-Month (MoM)		
	7M06	7M07	+/-	Jun 07	Jul 07	+/-
BPI						
Revenue (Rp bn)	752.3	539.8	-28%	116.9	61.5	-47%
Volume ('000 tons)	73.0	62.4	-15%	12.8	7.0	-45%
Ave. Price (Rp mn/ton)	10.3	8.7	-16%	9.2	8.7	-4%
Order in Hand ('000 tons)				14.0	12.8	-8%
SEAPI						
Revenue (Rp bn)	444.6	8.8	-98%	-	-	na
Volume ('000 tons)	31.9	0.9	-97%	-	-	na
Ave. Price (Rp mn/ton)	13.9	10.0	-29%	-	-	na
Order in Hand ('000 tons)						
BCons						
Revenue (Rp bn)	177.2	57.8	-67%	0.6	2.5	308%
Revenue (US$ mn)	19.2	6.3	-67%	0.1	0.1	88%
BCMI						
Revenue (Rp bn)	43.1	50.9	18%	15.0	10.8	-28%
Volume ('000 tons)	2.4	3.2	31%	0.7	0.7	9%
Ave. Price (Rp mn/ton)	17.9	15.9	-11%	22.1	14.6	-34%
Order in Hand ('000 tons)				2.5	2.0	-17%
BTJ						
Revenue (Rp bn)	47.6	69.5	46%	12.1	11.2	-7%
Volume ('000 tons)						
Auto Component	4.0	5.8	46%	0.9	1.1	17%
Others	0.2	0.6	184%	0.1	0.1	85%
Total	4.2	6.4	52%	1.0	1.2	22%
Ave. Price (Rp mn/ton)						
Auto Component	8.4	9.5	13%	9.6	9.8	2%
Others	8.4	8.6	3%	8.8	8.9	0%
BBI						
Revenue (Rp bn)	107.7	133.8	24%	20.1	20.3	1%
Volume ('000 tons)						
Roof & Ceiling Product	65.6	92.1	41%	13.7	14.0	2%
Wall Product	22.7	9.1	-60%	1.8	1.7	-5%
Total	88.3	101.2	15%	15.5	15.7	1%
Ave. Price (Rp mn/ton)						
Roof & Ceiling Product	1.4	1.4	-5%	1.4	1.4	1%
Wall Product	0.5	0.6	11%	0.8	0.6	-24%

Subsidiary	Year-on-Year (YoY) 7M06	7M07	+/-	Month-on-Month (MoM) Jun 07	Jul 07	+/-
BTEL						
Revenues (Rp bn)	429.6	706.7	65%	103.1	122.9	19%
BSP						
Revenue (Rp bn)						
Oil Palm	247.7	533.2	115%	114.8	110.1	-4%
Rubber	311.8	275.4	-12%	47.2	41.1	-13%
Total	559.5	808.6	45%	162.0	151.2	-7%
Volume ('000 tons)						
CPO	68.6	89.0	30%	16.5	16.3	-1%
Palm Kernel	12.4	18.9	52%	3.9	3.5	-10%
FFB	1.1	1.5	36%	0.5	0.2	-56%
Rubber	16.4	15.0	-9%	2.4	2.3	-4%
Ave. Price (Rp mn/ton)						
CPO	3.3	5.4	64%	6.2	6.1	-1%
Palm Kernel (PK)	1.8	2.9	58%	3.4	3.2	-6%
Rubber	19.0	18.3	-3%	19.9	18.2	-8%

Upcoming Events

November 2007	1 - 2	Credit Suisse Indonesia Resources Day (Singapore & Hong Kong)
	5 - 9	Macquarie 2007 Emerging Leader Conference (London & New York)
	13 - 14	11th German Equity Forum with Danareksa (Frankfurt)

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