

Mining Sector

Berdiri : 21 April 1994
 Listing : 20 Juli 2001
 Market Capitalization : 966.224.393.750
 Number of Listed Shares : 19.324.487.875

PT Dayaindo Resources International Tbk is originally an Indonesia-based property management company. The company's principal activities are the construction and development of real estate with concentration on housing projects for low and average income earners.

Since June 29th 2007, the company changed the business to become mining and trading in mining product and also changed the management company. There is no anymore for business property.

In addition, the company is also engaged in the coal mining, processing and trading, energy and infrastructure industries. The company has two subsidiaries, which are PT Lembah Seni Rejeki and PT Elok Asri Indah Permai, are engaged in real estate sector, while its other subsidiary, PT Risna Karya Wardhana Mandiri, is engaged in coal trading and mining business.

This company's majority trading activity is in South Kalimantan. The company currently has agreements with offtakers including Glencore, Bukit Asam, Guandong, Zhenrong Energy and PLN (Indonesia state owned electricity enterprise) etc.

Last year (2010), the company took corporate action to issue share that raised fund of Rp1.9 Trillion

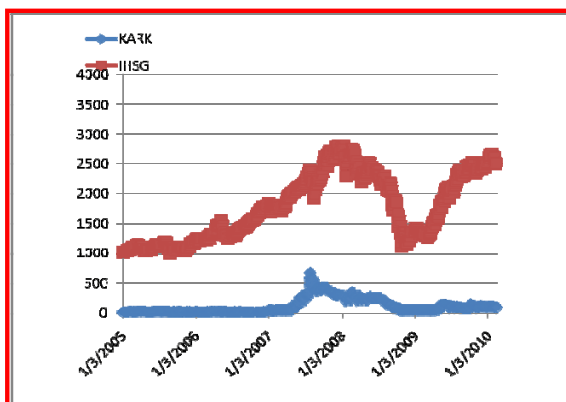
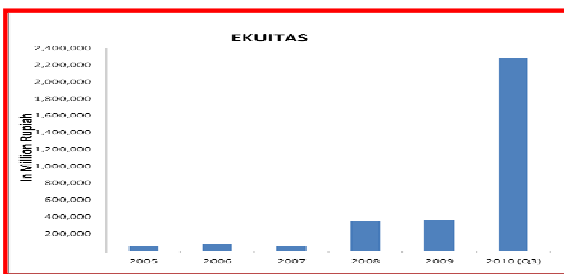
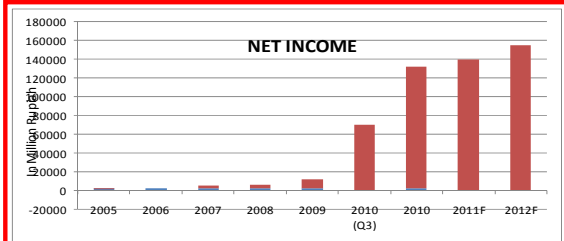
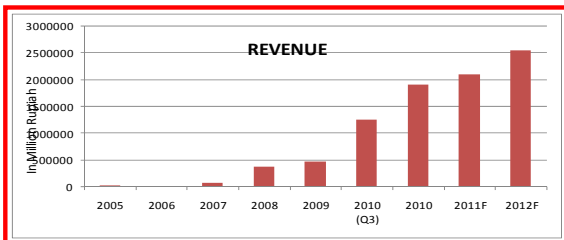
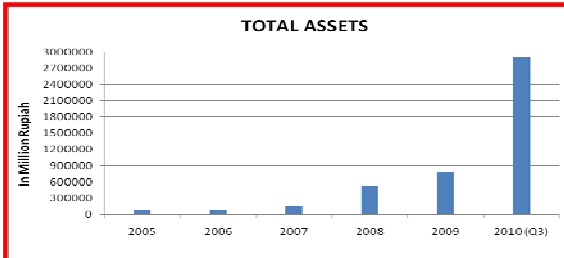
The fund to buy Nickel mining with value Rp350 billion to get 70% share of the company. And to buy Coal Terminal with value of Rp100 billion that company has share 80%.

Coal Terminal has capacity 30 million metric ton per annum. Capital Expenditure for Coal Terminal is US\$ 150 billion, with payback period 10 years.

The revenue growth for the next 3 years is expected to be 15.5% per annum and 9,2% per annum for net income.

For Coal mining, the company has margin US\$ 12/metric ton, and cost production Nickel Mining US\$ 16/metric ton. The Revenue of Nickel depend to price of Nickel on LME (London Metal Exchange). Margin for Nickel with low grade is US\$ 4 – 5 /metric ton, and high grade is US\$15 – 20/metric ton.

Based on valuation and contemplating of company's performance, we used earning discounted approach with WACC 11.5%. The stock price at the end of 2011 around Rp 65 and Rp 75 for 2012.



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Financial Highlights and Valuation

PT Dayaindo Resources International Tbk

Balance Sheet

	2008	2009	2010 (Q3)
Cash and Bank	8,017	4,928	3,017
Short-term investments	2,466	1,028	1,403,625
Total assets	520,468	777,201	2,902,201
Total liabilities	163,587	350,116	450,182
Total Equity	355,258	364,971	2,283,240

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Income Statement Projection

	2008	2009	2010 (Q3)	2010	2011F	2012F
Revenue	374,535	470,774	1,261,762	1,917,000	2,108,700	2,560,058
Gross Profit	14,861	44,157	131,150	244,080	255,960	289,271
Tax expenses/(benefit)	(2,182)	(6,143)	(27,048)	(58,822)	(64,613)	(73,572)
Net Income	4,304	9,713	70,018	130,082	139,564	155,133
EPS	2.56	5.78	23.26	6.73	7.22	8.03
PER	19.52	19.54	2.15	7.43	6.92	6.23

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