



PT SEMEN GRESIK (PERSERO) Tbk.

3M-2010 REPORT

Jakarta, 29 April 2010

PT Semen Gresik (Persero) Tbk.

JSX : SMGR
Reuters : SMGR.JK
Bloomberg : SMGR.IJ

Market Capitalization – as of March 31, 2010

Rp43,300,096,000,000

Issued shares – as of August 07, 2007

5,931,520,000 Shares

Share Price (Closing)

4 January 2010 Rp7,600
31 March 2010 Rp7,300
Hi/Lo (3 mo) Rp8,100/Rp7,300

Major Shareholders (per 31 March 2010)

Government of Indonesia 51.01%
Blue Valley Holdings Pte Ltd 24.90%
Public 24.09%

Board of Directors

President Director – Dwi Soetjipto
Vice President Director – Navin Sonthalia
Finance Director – Cholil Hasan
Production Director – Suparni
R & D and Operations Director – Suharto
Marketing Director – Irwan Suarly

Consolidated Subsidiaries

PT Semen Padang (99.99%)
PT Semen Tonasa (99.99%)
PT Kawasan Industri Gresik (65%)
PT Industri Kemasan Semen Gresik (60%)
PT United Tractors Semen Gresik (55%)

Website

<http://www.semengresik.com>

Financial Summary

For the three months ended 31 March 2010

Description (Rp bn)	3M-09	3M-10	Change (%)
Revenue	3,228	3,247	0.6
Cost of Revenue	1,850	1,705	-7.8
Gross Profit	1,378	1,541	11.9
Operating Expenses	512	530	3.6
Operating Income	866	1,011	16.8
EBITDA	974	1,125	15.5
Net Income	681	802	17.8
EPS (full amount)	116	135	16.5

Ratio (%)	Formula	3M-09	3M10
Ebitda Margin	Ebitda / Revenue	30.2	34.6
Interest Coverage (x)	Ebitda / Interest Expense	232.8	275.7
Total Debt to Equity ^{^)}	Total Debt / Total Equity	2.1	1.3
Total Debt to Asset ^{^)}	Total Debt / Total Asset	1.6	1.0

^{^)} Interest bearing debt

Business Highlights

- Net Income increased by 17.8% year-on-year amounting to Rp802 billion or equivalent to EPS of Rp135 (full amount).
- Total sales volume in 3M-10 was 4.1 million tons or an increase of 1.4% year-on-year.
- Domestic sales was 4.0 million tons or an increase of 6.5% year-on-year. Domestic sales account for 99.3% of total sales.
- Production cost per ton in 3M-10 declined by 5.4% compared to 3M-09 on the back of management's efforts to improve operations efficiency.
- Ebitda increased by 15.5% amounting to Rp 1,125 billion year-on-year. Ebitda margin was 34.6%, an increase of 4.4% from 30.2% in Q1 2009.
- As of 31 March 2010, the Company's LT Liabilities amounted to Rp 140 billion, with debt-to equity ratio decreasing from 2.1% in Q1 2009 to 1.3% in Q1 2010.
- Awarded Overall Best Managed Company 2009 in Indonesia for Medium-cap by Hong Kong's Asiamoney magazine, based on a clear business strategy, well-communicated business goals and dividend pay-out ratio.

Corporate Secretary

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**SMGR REPORTS UNAUDITED THREE MONTHS 2010 RESULTS**

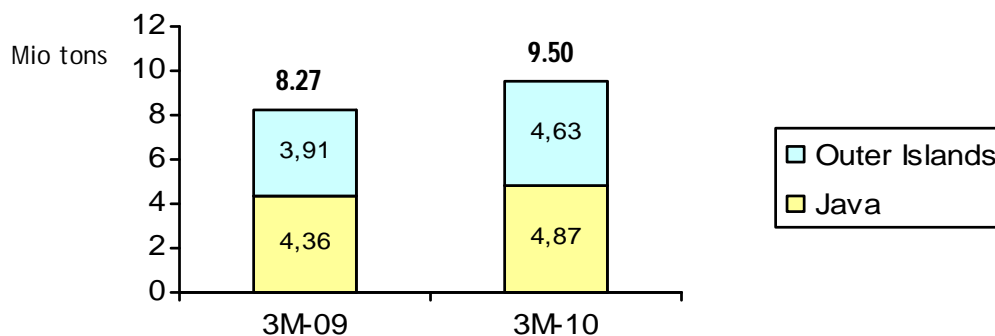
PT Semen Gresik (Persero) Tbk. ("SMGR" or "the Company") announced its un-audited and consolidated three-month 2010 financial statements. The Company recorded revenue and operating income for the period of Rp3,247 billion and Rp1,011 billion, respectively. Net income was recorded at Rp802 billion.

The unaudited financial statements were prepared in accordance with the Indonesian Generally Accepted Accounting Principles. For more detailed information, please refer to the Company's Consolidated Financial Statements as filed with Bapepam and the Exchanges on April 29, 2010.

FINANCIAL RESULTS**Sales and Revenues**

In the three-month 2010 (3M-10) domestic cement consumption (industry) reached 9.5 million tons, an increase of 15.0% compared 8.3 million tons during the same period in 2009. Cement exports declined from 0.8 million tons to 0.5 million tons. Total sales volume reached 10.0 million tons, an increase of 10.5% compared to 9.1 million tons during the same period in 2009.

Up to 31 March 2009, the total Company's sales volume recorded an increase of 1.4% year-on-year to 4.0 million tons comprising of a 6.5% increase in domestic sales (4.1 million tons) and 35.2% decrease in export sales (0.03 million tons). In the domestic market, the Company's market share was around 42.2%.



Source: The Company's data and ASI (Indonesia Cement Association)

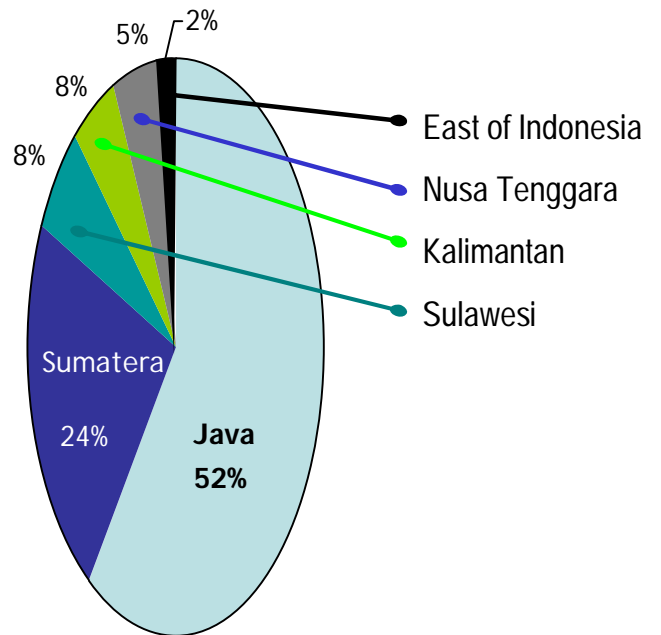
Semen Gresik Group plants are strategically located to cater all demands within Indonesia's archipelago: Semen Padang in Sumatra (western part of Indonesia), Semen Gresik in Java (central part of Indonesia) and Semen Tonasa in Sulawesi (eastern part of Indonesia).

The Company prioritizes its domestic market. Nevertheless, in order to utilize the production capacity in optimum level as well as to improve the production efficiency, the Company exports its excess capacity to several countries. The Company is targeting a 0.5 million incremental production capacity in 2010 through its Capacity Management Program: upgrading/de-bottlenecking project, product re-engineering, and optimizing of plant operations.

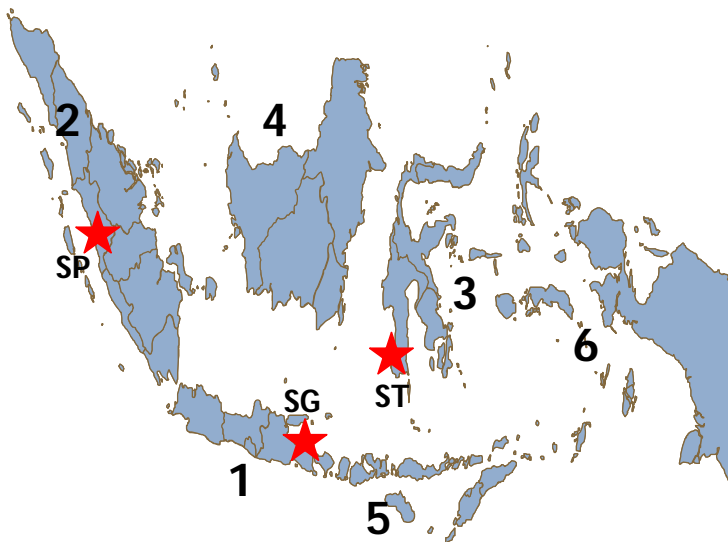


MARKET BY GEOGRAPHY (3M 2010)

Domestic Consumption - Java remains as the largest market¹⁾



Domestic Market Share¹⁾



REGION	MARKET SHARE (%)			
	SMGR	INTP	HOLCIM	OTHERS
1. JAVA	38.1	39.8	19.6	2.4
2. SUMATERA	44.6	15.4	9.3	30.6
3. SULAWESI	52.9	22.9	1.1	23.0
4. KALIMANTAN	49.4	29.9	11.6	9.1
5. NUSA TENGGARA	37.5	39.0	4.4	19.0
6. EASTERN IND.	62.4	22.5	0.9	14.1
TOTAL INDONESIA	42.2	31.4	13.7	12.6

¹⁾ Source: ASI (Indonesia Cement Association)

The Company's revenue in 3M-10 reported at Rp3,247 billion or an increase of 0.6 % year-on-year from Rp3,228 billion in 3M-09. Cement revenue contributes 99.2% of Company's revenue.

The Company's revenue in the domestic market in 3M-10 amounted to Rp3,232 billion, an increase of 4.2 % compared to the previous year of Rp3,102 billion, while export amounted to Rp15 billion or a decrease of 88.2% compared to the same period of last year.

Cost of Revenue

The cost of revenue decreased by 7.8% from previous year to Rp1,705 billion, primarily as a result of a decrease in energy, transportation and packaging costs. COGS per ton in 3M10 recorded Rp421,435 (full amount), a decrease of 5.4% year-on-year on the back of management's cost efficiency efforts.

Gross Profit

Gross profit increased by 11.9 % year-on-year amounting to Rp1,541 billion in 3M-10. Gross margin increased from 42.7% in 3M-09 to 47.5% in 3M10, on the back of management's ability to control production costs.

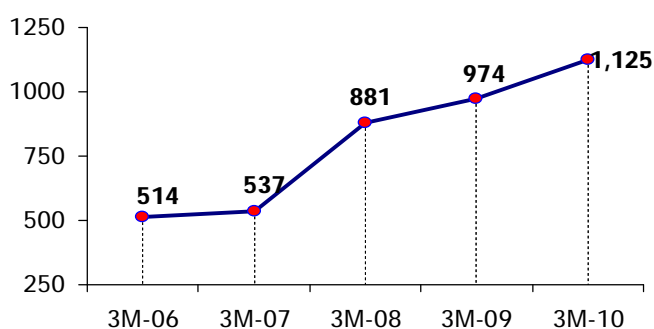
Operating Expenses

The Company's operating expenses increased by 3.6% from Rp512 billion in 2009 to Rp530 billion in 3M10 mainly due to an increase in selling expenses of 5.5% and general & administration expenses of 1.5%. The increase in selling expenses was driven by an increase in domestic sales volume.

EBITDA

Ebitda increased by 15.5% to Rp1,125 billion year-on-year, and Ebitda margin increased from 30.2% to 34.6% owing to increased efficiency in production costs and operating expenses.

Ebitda (Rp billion)



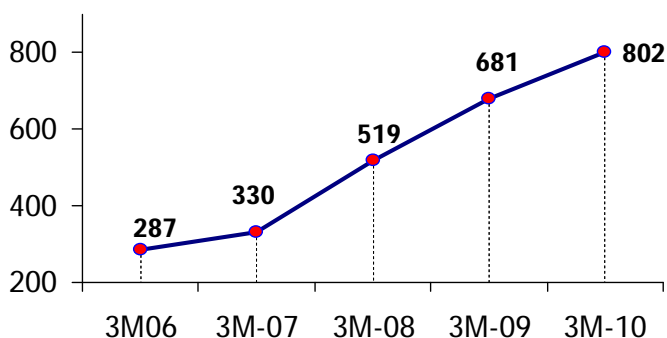
EBITDA Margin (%)

3M06	3M07	3M08	3M09	3M10
26.4%	25.5%	34.4%	30.2%	34.6%

Net Income

Net income rose 17.8% year-on-year to Rp802 billion and net margin rose 3.6% year-on-year to 24.7% in 3M-10.

Net Income (Rp billion)



Net Income Margin (%)

3M06	3M07	3M08	3M09	3M10
14.7%	15.7%	20.2%	21.0%	24.7%



RECENT SIGNIFICANT EVENTS

- On March 30, 2010 Blue Valley Holdings Pte Ltd ("BVH"), the holder of 24.90% shares of the Company informed that they intend to sell 1,403,101,056 shares representing 23.66% of the total shares in the Capital of the Company.

Based on the report of BVH to Capital Market and Financial Institutions Supervisory Board on March 31, 2010, they sold shares of the Company, with the following transaction details:

- Amount of shares : 1,403,101,056
- Average price per share : Rp7,000
- Date of transaction : March 31, 2010
- Purpose of transaction : Divestment

Based on the Company Shares Administration per April 9, 2010, BHV holds 1.25% shares of the Company, and the Company's shares ownership structure becomes as follow:

- Government of Republic of Indonesia : 51.01%
- Public : 48.99%

- Awarded Overall Best Managed Company 2009 in Indonesia for Medium-cap by Hong Kong's Asiamoney magazine, based on a clear business strategy, well-communicated business goal and dividend pay-out ratio.
- Honored with "the 2010 Green Industry" or Eco Product award from the State Ministry of Industry as acknowledgement of the company's achievement in implementing friendly environmental in its production process.
- Honored as one of the 2000 best and respected Companies in the world in 2010 by Forbes magazine. There were 10 Indonesian listed companies in the Forbes' list, and the Company was in the 1977th place.

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**CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2010 AND 2009**

(Expressed in thousands of Rupiah, unless otherwise stated)

AKTIVA	2010	2009	ASSETS
Aktiva lancar			Current assets
Kas dan setara kas	5,110,965,489	3,050,793,963	<i>Cash and cash equivalents</i>
Kas dan setara kas yang dibatasi penggunaannya	34,263,161	-	<i>Restricted cash and cash equivalents</i>
Investasi jangka pendek	403,948,040	1,230,250,000	<i>Short-term investments</i>
Piutang usaha setelah dikurangi penyisihan piutang ragu-ragu sebesar Rp 57.825.003 (2009: Rp 62.434.811)			<i>Trade receivables net of provision for doubtful accounts of Rp 57,825,003 (2009: Rp 62,434,811)</i>
- Pihak ketiga	1,240,278,750	1,177,793,967	<i>Third parties -</i>
- Pihak-pihak yang mempunyai hubungan istimewa	305,447,875	317,585,254	<i>Related parties -</i>
Piutang lain-lain setelah dikurangi penyisihan piutang ragu-ragu sebesar Rp 5.419.143 (2009: Rp 3.966.536)	14,834,251	24,669,934	<i>Other receivables net of provision for doubtful accounts of Rp 5,419,143 (2009: Rp 3,966,536)</i>
Persediaan setelah dikurangi penyisihan persediaan usang dan bergerak lambat sebesar Rp 44.914.313 (2009: Rp 35.098.247)	1,583,893,555	1,725,352,500	<i>Inventories net of provision for obsolete and slow moving inventory of Rp 44,914,313 (2009: Rp 35,098,247)</i>
Uang muka	79,878,401	176,120,873	<i>Advances</i>
Beban dibayar di muka	39,046,362	36,301,743	<i>Prepaid expenses</i>
Pajak dibayar di muka	1,038,032	13,203,129	<i>Prepaid taxes</i>
Jumlah aktiva lancar	8,813,593,916	7,752,071,363	Total current assets
Aktiva tidak lancar			Non-current assets
Kas dan setara kas yang dibatasi penggunaannya	-	12,454,451	<i>Restricted cash and cash equivalents</i>
Piutang lain-lain pihak-pihak yang mempunyai hubungan istimewa	5,814,534	10,295,604	<i>Other receivables from related parties</i>
Aktiva pajak tangguhan	129,972,443	89,822,562	<i>Deferred tax assets</i>
Investasi pada perusahaan asosiasi	68,272,059	62,457,118	<i>Investments in associates</i>
Properti investasi - bersih	16,870,312	13,250,761	<i>Investment property, net</i>
Aset tetap setelah dikurangi akumulasi penyusutan dan deplesi sebesar Rp 6.016.705.922 (2009: Rp 5.630.016.711)	4,192,669,242	3,367,745,571	<i>Fixed assets net of accumulated depreciation and depletion of Rp 6,016,705,922 (2009: Rp 5,630,016,711)</i>
Beban tangguhan setelah dikurangi akumulasi amortisasi sebesar Rp 18.552.442 (2009: Rp 16.624.236)	37,499,828	30,830,433	<i>Deferred charges net of accumulated amortisation of Rp 18,552,442 (2009: Rp 16,624,236)</i>
Uang muka pembangunan pabrik baru	516,637,618	-	<i>Advances for construction of new plants</i>
Aktiva lain-lain	17,357,754	17,464,150	<i>Other assets</i>
Jumlah aktiva tidak lancar	4,985,093,790	3,604,320,650	Total non-current assets
JUMLAH AKTIVA	13,798,687,706	11,356,392,013	TOTAL ASSETS



CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2010 AND 2009

(Expressed in thousands of Rupiah, except par value per share)

	2010	2009	
KEWAJIBAN DAN EKUITAS			LIABILITIES AND EQUITY
Kewajiban lancar			Current liabilities
Hutang usaha			Trade payables
- Pihak ketiga	854,042,464	698,378,233	Third parties -
- Pihak-pihak yang mempunyai hubungan istimewa	98,918,208	74,088,990	Related parties -
Hutang lain-lain	27,299,898	11,536,086	Other payables
Beban yang masih harus dibayar	894,181,859	838,927,685	Accrued expenses
Hutang pajak	416,624,297	433,443,026	Taxes payable
Uang muka penjualan	29,041,124	21,909,076	Sales advances
Hutang jangka panjang yang jatuh tempo dalam satu tahun			Current maturities of long-term liabilities
- Hutang bank	6,813,000	5,082,483	Bank loans -
- Pinjaman dari Pemerintah Republik Indonesia	15,412,618	29,122,592	Loan from the Government of the Republic of Indonesia -
- Hutang bunga dan denda	30,699,893	41,341,753	Interest and penalties payable -
- Hutang sewa pembiayaan	18,702,397	20,603,329	Finance lease liabilities -
Jumlah kewajiban lancar	2,391,735,758	2,174,433,253	Total current liabilities
Kewajiban tidak lancar			Non-current liabilities
Kewajiban pajak tangguhan	937,814	5,831,455	Deferred tax liabilities
Kewajiban imbalan kerja	214,039,938	150,115,180	Employee benefits liabilities
Hutang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun			Long-term liabilities - net of current maturities
- Hutang bank	26,574,995	21,654,467	Bank loans -
- Pinjaman dari Pemerintah Republik Indonesia	13,196,603	30,446,887	Loan from the Government of the Republic of Indonesia -
- Hutang bunga dan denda	10,350,599	24,119,814	Interest and penalties payable -
- Hutang sewa pembiayaan	59,318,520	75,849,185	Finance lease liabilities -
Kewajiban tidak lancar lainnya	25,882,198	16,031,862	Other non-current liabilities
Jumlah kewajiban tidak lancar	350,300,667	324,048,850	Total non-current liabilities
Jumlah kewajiban	2,742,036,425	2,498,482,103	Total liabilities
Hak minoritas atas ekuitas anak perusahaan	128,214,309	112,109,784	Minority interests in equity of subsidiaries
Ekuitas			Equity
Modal saham - nilai nominal Rp 100 (angka penuh) per saham Modal dasar - 20.000.000.000 saham			Share capital - par value of Rp 100 (full amount) per share (2009: Rp 1,000 per share)
Modal ditempatkan dan disetor penuh - 5.931.520.000 saham	593,152,000	593,152,000	Authorised - 20,000,000,000 shares
Tambahan modal disetor	1,458,257,900	1,247,355,440	Issued and fully paid 5,931,520,000 shares
Modal saham yang diperoleh kembali -	-	(198,672,291)	Additional paid-in capital
Keuntungan belum direalisasi atas kepemilikan efek	5,082,500	250,000	Treasury stock
Selisih atas lindung nilai arus kas	(73,826,025)	-	Unrealized gain on investment in securities
Saldo laba - dicadangkan	253,338,000	253,338,000	Cash Flow Hedge - Reserve
Saldo laba - belum dicadangkan	8,692,432,597	6,850,376,977	Retained earnings - appropriated
Jumlah ekuitas	10,928,436,972	8,745,800,126	Retained earnings - unappropriated
JUMLAH KEWAJIBAN DAN EKUITAS	13,798,687,706	11,356,392,013	Total equity
			TOTAL LIABILITIES AND EQUITY

CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2010</u>	<u>2009</u>	
Pendapatan	3,246,590,270	3,227,712,936	Revenue
Beban pokok pendapatan	1,705,150,507	1,850,186,171	Cost of revenue
Laba kotor	1,541,439,763	1,377,526,765	Gross profit
Beban usaha	530,093,875	511,615,970	Operating expenses
Laba usaha	1,011,345,888	865,910,795	Operating income
Penghasilan/(beban) lain-lain			Other income/(expense)
Penghasilan bunga	63,335,589	84,083,070	<i>Interest income</i>
Keuntungan/(kerugian) selisih kurs - bersih	2,986,244	(3,769,323)	<i>Foreign exchange gains/(loss)-net</i>
Beban bunga	(4,079,613)	(4,181,529)	<i>Interest expense</i>
Penghasilan lain-lain - bersih	6,628,065	4,772,593	<i>Other income - net</i>
Jumlah penghasilan lain-lain - bersih	68,870,285	80,904,811	<i>Total other income - net</i>
Bagian atas laba bersih perusahaan asosiasi	1,601,245	2,890,797	Equity in net income of associates
Laba sebelum pajak penghasilan	1,081,817,418	949,706,403	Profit before income tax
Beban pajak penghasilan	270,925,014	260,599,150	Income tax expense
Laba sebelum hak minoritas	810,892,404	689,107,253	Income before minority interests
Hak minoritas atas laba bersih anak perusahaan	8,405,935	7,980,590	Minority interests in net income of subsidiaries
Laba bersih	802,486,469	681,126,663	Net income
Laba bersih per saham dasar (dinyatakan dalam nilai penuh Rupiah per saham)	135	116	Basic earnings per share (expressed in Rupiah full amount per share)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009

(Expressed in thousands of Rupiah, unless otherwise stated)

	2010	2009	
Arus kas dari aktivitas operasi			Cash flows from operating activities
Penerimaan dari pelanggan	3,094,345,369	3,197,137,346	Receipts from customers
Pembayaran kepada pemasok	(1,757,265,894)	(1,966,193,984)	Payments to suppliers
Pembayaran kepada karyawan	(455,655,502)	(382,781,296)	Payments to employees
Kas yang dihasilkan dari operasi	881,423,973	848,162,066	Cash resulting from operations
Penghasilan bunga yang diterima	63,335,589	84,083,070	Interest income received
Pencairan/(penempatan) kas dan setara kas yang dibatasi penggunaannya	174,567	(2,594,110)	Withdrawal/(placement) of restricted cash and cash equivalents
Pembayaran pajak penghasilan	(325,261,315)	(291,810,904)	Payment of corporate income tax
Pembayaran bunga dan beban keuangan	(10,442,751)	(8,863,183)	Payment of interest and financing charges
Arus kas bersih yang diperoleh dari aktivitas operasi	609,230,063	628,976,939	Net cash flows provided by operating activities
Arus kas dari aktivitas investasi			Cash flows from investing activities
Perolehan aset tetap	(290,902,803)	(168,123,308)	Acquisition of fixed assets
Pencairan/(penempatan) kas dan setara kas yang dibatasi penggunaannya	790,000,000	-	Withdrawal/(placement) of restricted cash and cash equivalents
Pencairan/(penempatan) investasi jangka pendek	646,702,255	(1,140,500,000)	Withdrawal/(placement) of short-term investments
Uang muka pembangunan pabrik baru	(36,317,457)	-	Advances for construction of new plants
Penambahan beban tangguhan-bersih	(14,559,132)	(9,813,639)	Additions to deferred charges-net
Dividen yang diterima	1,828,975	-	Dividends received
Arus kas bersih yang diperoleh/(digunakan) untuk aktivitas investasi	1,096,751,838	(1,318,436,947)	Net cash flows provided by/(used in) investing activities
Arus kas dari aktivitas pendanaan			Cash flows from financing activities
Pembayaran kembali utang bank	(2,271,000)	(1,075,050)	Repayment of bank loans
Penerimaan utang bank	3,697,749	16,000,000	Proceeds from bank loans
Pembayaran kembali pinjaman dari Pemerintah Republik Indonesia	(7,667,255)	(5,946,094)	Repayment of loan from the Government of the Republic of Indonesia
Pembayaran hutang sewa pembiayaan	(5,190,574)	(6,603,792)	Payment of financial lease liabilities
Pembelian kembali saham yang diterbitkan	-	(8,157,046)	Payment for purchases of treasury stock
Penerimaan dari/(pembayaran kepada) kepada pihak yang mempunyai hubungan istimewa	6,151,272	(648,129)	Receipts from/(payment to) related parties
Arus kas bersih yang digunakan untuk aktivitas pendanaan	(5,279,808)	(6,430,111)	Net cash flows used in financing activities
Kenaikan/(penurunan) bersih kas dan setara kas	1,700,702,093	(695,890,119)	Net increase in cash and cash equivalents
Kas dan setara kas pada awal tahun	3,410,263,396	3,746,684,082	Cash and cash equivalents at the beginning of the period
Kas dan setara kas pada akhir periode	5,110,965,489	3,050,793,963	Cash and cash equivalents at the end of the period

