



PT SEMEN GRESIK (PERSERO) Tbk.

3M-2011 REPORT

Jakarta, 02 May 2011

PT Semen Gresik (Persero) Tbk.

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

Market Capitalization – as of March 31, 2011:

Rp53,976,832,000,000

Issued shares – as of August 07, 2007:

5,931,520,000 Shares

Share Price (Closing):

3 January 2010 Rp9,850
31 March 2010 Rp9,100
Hi/Lo (3 mo) Rp10,000/Rp7,750

Major Shareholders (per 31 March 2011):

Government of Indonesia 51.01%
Public 48.99%

Board of Directors:

President Director – Dwi Soetjipto
Finance Director – Ahyanzaman
Production Director – Suparni
R & D and Operations Director – Suharto
Marketing Director – Irwan Suarly
HR Director – Bambang SSI
Strategy & Bus. Dev. Director – Erizal Bakar

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 2011

Description (Rp bn)	3M-2010	3M-2011	Change (%)
Revenue	3,247	3,553	9.5
Cost of Revenue	1,705	1,910	12.0
Gross Profit	1,541	1,644	6.6
Operating Expenses	530	586	10.5
Operating Income	1,011	1,058	4.6
EBITDA	1,125	1,185	5.3
Net Income	802	871	8.5
EPS (full amount)	135	147	8.5

Ratio (%)	Formula	3M-2010	3M-2011
Ebitda Margin	Ebitda / Revenue	34.6	33.3
Interest Coverage (x)	Ebitda / Interest Expense	275.7	187.7
Total Debt to Equity ¹⁾	Total Debt / Total Equity	5.4	6.8
Total Debt to Asset ¹⁾	Total Debt / Total Asset	4.2	5.3

¹⁾ Interest bearing debt

Business Highlights

- Net Income increased by 8.5% year-on-year amounting to Rp871 billion or equivalent to EPS of Rp147 (full amount).
- Total sales volume in 3M-11 was 4.34 million tons or an increase of 7.3% year-on-year.
- Domestic sales was 4.31 million tons or an increase of 7.0% year-on-year. Domestic sales volume account for 99.5% of total sales.
- Cost of revenue per ton in 3M-11 increased by 4.3% compared to 3M-10 mainly due to cost increased in raw material, electricity and transportation.
- Ebitda increased by 5.3% amounting to Rp1,185 billion year-on-year. Ebitda margin was 33.3%, a decrease of 1.3% from 34.6% in 3M-10.
- As of 31 March 2011, the Company's LT Liabilities amounted to Rp891 billion, with debt-to equity ratio increasing from 5.4% in 3M-10 to 6.8% in Q1-11.

Corporate Secretary

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**SMGR REPORTS UN-AUDITED THREE MONTHS 2011 RESULTS**

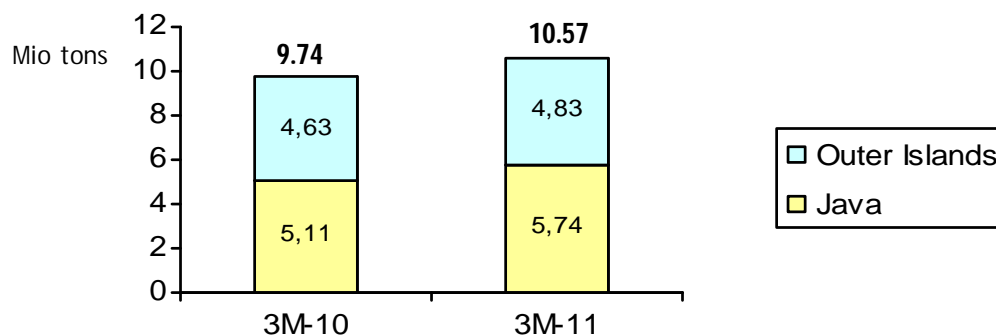
PT Semen Gresik (Persero) Tbk. ("SMGR" or "the Company") announced its un-audited and consolidated three-month 2011 financial statements. The Company recorded revenue and operating income for the period of Rp3,553 billion and Rp1,058 billion, respectively. Net income was recorded at Rp871 billion.

The un-audited 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 Indonesian Exchanges on April 29, 2011.

FINANCIAL RESULTS**Sales and Revenues**

In the three-month 2011 (3M-11) domestic cement consumption (industry) reached 10.6 million tons, an increase of 8.6% compared to 9.7 million tons during the same period in 2010. Cement exports decreased from 0.5 million tons to 0.4 million tons. Total sales volume reached 11.0 million tons, an increase of 7.0% compared to 10.3 million tons during the same period in 2010.

Java island experienced 12.3% growth, much higher compared to outer islands which increased by only 4.3% of total domestic growth. Higher growth in Java island supported by strong residential property development and infrastructure activities, mostly in capital city area of Jakarta and West Java.



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

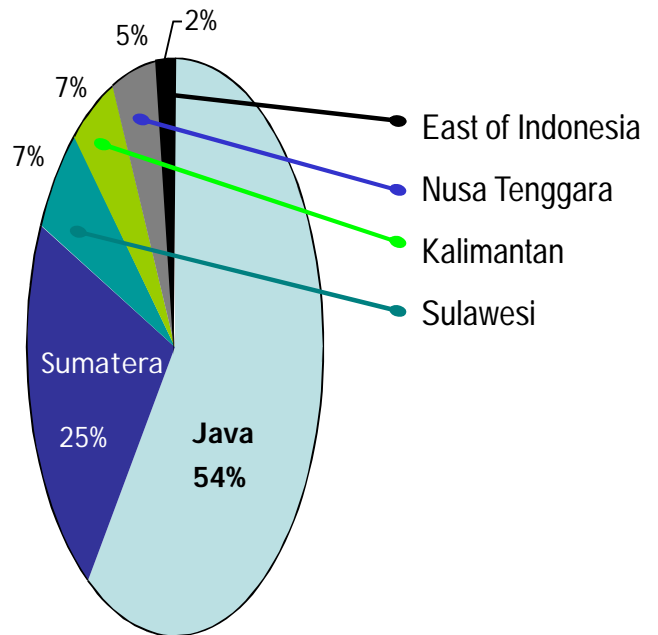
Up to 31 March 2010, total Company's sales volume recorded an increase of 7.3% year-on-year to 4.34 million tons comprising of a 7.0% increase in domestic sales (4.30 million tons) and 61% increase in export sales (from 22,970 tons to 36,948 tons). The Company controlling domestic market share of 40.7%.

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 targetting a 1,0 million incremental production capacity in 2011 through its Capacity Management Program: upgrading/de-bottlenecking project, product re-engineering, and optimizing of plant operations.

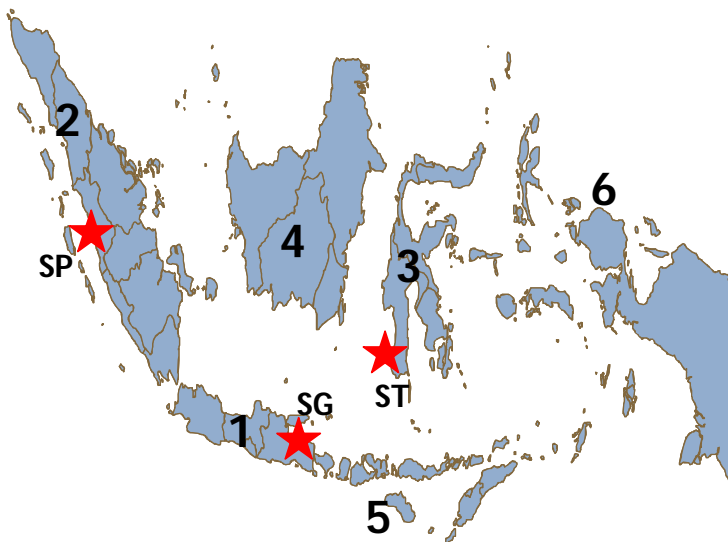


MARKET BY GEOGRAPHY (3M-2011)

Domestic Consumption - Java remains as the largest market^{*)}



Domestic Market Share^{*)}



REGION	MARKET SHARE (%)			
	SMGR	INTP	HOLCIM	OTHERS
1. JAVA	36.2	40.0	20.9	2.9
2. SUMATERA	41.0	15.6	11.8	31.6
3. SULAWESI	61.9	11.4	0.7	26.0
4. KALIMANTAN	51.3	27.5	11.1	10.1
5. NUSA TENGGARA	37.1	38.0	5.8	19.1
6. EASTERN IND.	60.8	21.4	0.6	17.2
TOTAL INDONESIA	40.7	30.7	15.4	13.2

^{*)} Source: ASI (Indonesia Cement Association)

Revenue

The Company's revenue in 3M-11 reported at Rp3,553 billion or an increase of 9.5% year-on-year from Rp3,247 billion in 3M-10. Cement revenue contributes 98.4% of total Company's revenue.

The Company's revenue in the domestic market in 3M-11 amounted to Rp3,535 billion, an increase of 9.4% compared to the previous year of Rp3,232 billion, while export amounted to Rp19 billion or an increase of 27.1% compared to the same period of last year.

Cost of Revenue

The cost of revenue increased by 12.0% from previous year to Rp1,910 billion, primarily as a result of an increase in raw material, electricity, transportation costs and purchasing of clinker, therefore COGS per ton increased 4.3% year-on-year.

Gross Profit

Gross profit increased by 6.6% year-on-year amounting to Rp1.644 billion in 3M-11. Gross margin decreased from 47.5% in 3M-10 to 46.3% in 3M-11.

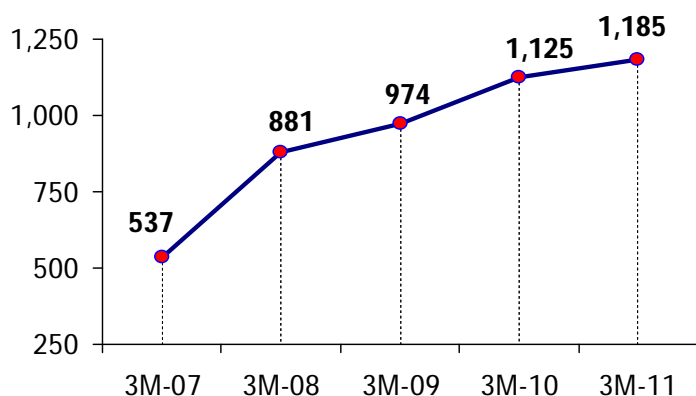
Operating Expenses

The Company's operating expenses increased by 10.5% from Rp530 billion in 2010 to Rp586 billion in 3M-11 mainly due to an increase in selling expenses of 13.6% and general & administration expenses of 6.8%. The increase in selling expenses was driven by an increase of transportation cost in domestic sales while general & administration expenses was driven by an adjustment in labor cost and an increase of education, training and development cost.

EBITDA

Ebitda increased by 5.3% to Rp1,185 billion year-on-year, and Ebitda margin decreased from 34.6% to 33.3% due to an increase of production costs and operating expenses.

Ebitda (Rp billion)

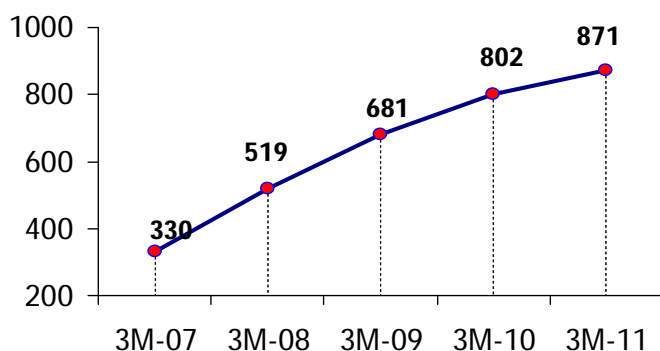


EBITDA Margin (%)				
3M07	3M08	3M09	3M10	3M11
25.5%	34.4%	30.2%	34.6%	33.3%

Net Income

Net income rose 8.5% year-on-year to Rp871 billion and net margin slightly decrease 0.2% year-on-year to 24.4% in 3M-11.

Net Income (Rp billion)



Net Income Margin (%)

3M07	3M08	3M09	3M10	3M11
15.7%	20.2%	21.0%	24.7%	24.4%

RECENT SIGNIFICANT EVENTS

On March 11, 2011 the Company held the Extraordinary General Meeting of Shareholders, with the single agenda of "Change of Company's Board of Directors and Commissioners", and among others stipulating the composition of the Board of Directors as follows:

- Dwi Soetjipto as President Director, term of office will end at GMS for year 2015
- Ahyanizzaman as Finance Director, term of office will end at GMS for year 2016
- Suharto as R & D and Operations Director, term of office will end at GMS for year 2015
- Erizal Bakar as Strategy and Business Development Director, term of office will end at GMS for year 2016
- Bambang Sugeng SI as Human Resources Director, term of office will end at GMS for year 2016
- Irwan Suarly as Marketing Director, term of office will end at GMS for year 2011
- Suparni as Production Director, term of office will end at GMS for year 2012

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEETS)****MARCH 31, 2011 AND DECEMBER 31, 2010**

(Expressed in thousands of Rupiah, unless otherwise stated)

	31 Maret / March 31, 2011 (Unaudited)	31 Desember / December 31, 2010 (Audited)	
ASET			ASSETS
Aset lancar			Current assets
Kas dan setara kas	3,867,204,726	3,664,278,065	Cash and cash equivalents
Kas dan setara kas yang dibatasi penggunaannya	99,973,872	124,887,688	Restricted cash and cash equivalents
Investasi jangka pendek	163,046,000	113,457,500	Short-term investments
Piutang usaha, setelah dikurangi penyisihan penurunan nilai sebesar Rp65.466.838 (31 Desember 2010: Rp65.406.865)			Trade receivables, net of allowance of impairment of Rp65,466,838 (December 31, 2010: Rp65,406,865)
- Pihak ketiga	1,281,041,958	1,362,699,365	Third parties -
- Pihak-pihak berelasi	335,928,113	353,882,829	Related parties -
Piutang lain-lain, setelah dikurangi penyisihan penurunan nilai sebesar Rp6.072.277 (31 Desember 2010: Rp6.094.749)			Other receivables, net of allowance of impairment of Rp6,072,277 (December 31, 2010: Rp6,094,749)
- Pihak ketiga	19,633,318	41,789,212	Third parties -
- Pihak-pihak berelasi	4,998,763	5,912,824	Related parties -
Persediaan, setelah dikurangi penyisihan persediaan usang dan bergerak lambat sebesar Rp51.450.807 (31 Desember 2010: Rp50.700.807)	1,730,861,980	1,624,219,125	Inventories, net of provision for obsolete and slow moving inventory of Rp51,450,807 (December 31, 2010: Rp50,700,807)
Uang muka	41,837,406	33,052,553	Advances
Beban dibayar di muka	17,403,905	13,744,011	Prepaid expenses
Pajak dibayar di muka	3,556,321	5,681,584	Prepaid taxes
Jumlah aset lancar	7,565,486,362	7,343,604,756	Total current assets
Aset tidak lancar			Non-current assets
Aset pajak tangguhan	115,847,837	95,684,353	Deferred tax assets
Investasi pada perusahaan asosiasi	74,490,644	71,893,257	Investments in associates
Properti investasi - bersih	21,079,870	21,752,700	Investment property, net
Aset tetap, setelah dikurangi akumulasi penyusutan dan depleksi sebesar Rp6.414.630.379 (31 Desember 2010: Rp6.291.093.193)	8,589,328,858	7,662,560,326	Fixed assets, net of accumulated depreciation and depletion of Rp6,414,630,379 (December 31, 2010: Rp6,291,093,193)
Beban tangguhan setelah dikurangi akumulasi amortisasi sebesar Rp24.043.099 (31 Desember 2010: Rp22.689.828)	19,935,857	21,341,764	Deferred charges, net of accumulated amortization of Rp24,043,099 (December 31, 2010: Rp22,689,828)
Uang muka pembangunan pabrik baru	405,034,524	328,959,912	Advances for construction of new plants
Aset lain-lain	15,348,794	17,201,878	Other assets
Jumlah aset tidak lancar	9,241,066,384	8,219,394,190	Total non-current assets
JUMLAH ASET	16,806,552,746	15,562,998,946	TOTAL ASSETS

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEETS)****MARCH 31, 2011 AND DECEMBER 31, 2010**

(Expressed in thousands of Rupiah, unless otherwise stated)

	31 Maret / March 31, 2011 (Unaudited)	31 Desember / December 31, 2010 (Audited)	
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
Liabilitas jangka pendek			Current liabilities
Utang usaha			Trade payables
- Pihak ketiga	851,148,452	691,944,608	Third parties -
- Pihak-pihak berelasi	179,729,163	200,077,260	Related parties -
Utang lain-lain			Other payables
- Pihak ketiga	197,539,431	387,005,456	Third parties -
- Pihak-pihak berelasi	125,655,835	95,237,787	Related parties -
Beban yang masih harus dibayar	909,068,286	801,896,787	Accrued expenses
Utang pajak	211,849,765	222,697,220	Taxes payable
Uang muka penjualan	52,071,705	32,024,628	Sales advances
Utang jangka panjang yang jatuh tempo dalam satu tahun			Current maturities of long-term liabilities
- Utang bank	21,932,423	28,095,179	Bank loans -
- Pinjaman dari Pemerintah Republik Indonesia	11,522,951	10,737,187	Loans from the Government of the Republic of Indonesia
- Utang bunga dan denda	22,015,261	24,473,453	Interest and penalties payable -
- Utang sewa pembiayaan	18,269,487	23,329,054	Finance lease liabilities -
Jumlah liabilitas jangka pendek	2,600,802,759	2,517,518,619	Total current liabilities
Liabilitas jangka panjang			Non-current liabilities
Liabilitas pajak tangguhan	15,128,063	6,679,515	Deferred tax liabilities
Liabilitas imbalan kerja	225,882,441	216,981,899	Employee benefits liabilities
Utang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun			Long-term liabilities, net of current maturities
- Utang bank	786,490,207	544,405,512	Bank loans -
- Pinjaman dari Pemerintah Republik Indonesia	1,561,762	1,561,762	Loans from the Government of the Republic of Indonesia
- Utang bunga dan denda	1,419,377	1,419,377	Interest and penalties payable -
- Utang sewa pembiayaan	50,900,671	52,239,245	Finance lease liabilities -
Liabilitas jangka panjang lainnya	101,677,027	82,440,129	Others non-current liabilities
Jumlah liabilitas jangka panjang	1,183,059,548	905,727,439	Total non-current liabilities
Jumlah liabilitas	3,783,862,307	3,423,246,058	Total liabilities
Ekuitas			Equity
Modal saham - nilai nominal			Share capital - par value of
Rp100 (angka penuh) per saham			Rp100 (full amount) per share
Modal dasar - 20.000.000.000 saham			Authorized - 20,000,000,000 shares
Modal ditempatkan dan disetor			Issued and fully paid
penuh - 5.931.520.000 saham	593,152,000	593,152,000	5,931,520,000 shares
Tambahan modal disetor	1,458,257,900	1,458,257,900	Additional paid-in capital
Keuntungan belum direalisasi atas kepemilikan efek	4,076,800	5,457,500	Unrealized gain on investment in securities
Cadangan atas lindung nilai arus kas	(4,908,055)	(4,965,035)	Cash flow hedge reserve
Saldo laba - dicadangkan	253,338,000	253,338,000	Retained earnings - appropriated
Saldo laba - belum dicadangkan	10,572,092,281	9,701,198,248	Retained earnings - unappropriated
	12,876,008,926	12,006,438,613	
Kepentingan non pengendali	146,681,513	133,314,275	Non-controlling interests
Jumlah ekuitas	13,022,690,439	12,139,752,888	Total equity
JUMLAH LIABILITAS DAN EKUITAS	16,806,552,746	15,562,998,946	TOTAL LIABILITIES AND EQUITY



**CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2011 AND 2010**

(Expressed in thousands of Rupiah, unless otherwise stated)

	31 Maret / March 31, 2011	31 Maret / March 31, 2010	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
Pendapatan	3,553,496,248	3,246,590,270	Revenue
Beban pokok pendapatan	(1,909,617,188)	(1,705,150,507)	Cost of revenue
Laba bruto	1,643,879,060	1,541,439,763	Gross profit
Beban penjualan	(322,930,971)	(284,171,808)	Selling expenses
Beban umum dan administrasi	(262,612,476)	(245,922,067)	General and administration expenses
Beban usaha	(585,543,447)	(530,093,875)	Operating expenses
Laba usaha	1,058,335,613	1,011,345,888	Operating income
Penghasilan/(beban) lain-lain			Other income/(expense)
Penghasilan bunga	53,422,829	63,335,589	Interest income
Keuntungan selisih kurs - bersih	4,358,644	2,986,244	Foreign exchange gain - net
Beban bunga	(6,311,844)	(4,079,613)	Interest expense
Penghasilan lain-lain - bersih	11,619,547	6,628,065	Other income - net
Bagian atas laba bersih perusahaan asosiasi	2,597,387	1,601,245	Equity in net income of associates
Laba sebelum pajak penghasilan	1,124,022,176	1,081,817,418	Profit before income tax
Beban pajak penghasilan	(239,158,909)	(270,925,014)	Income tax expense
Laba periode jalan	884,863,267	810,892,404	Current period income
Pendapatan komprehensif lain - setelah pajak			Other comprehensive income - after tax
Aset tersedia untuk dijual	(1,380,700)	-	Available for sale assets
Lindung nilai arus kas	56,980	-	Cashflow hedge reserve
Pendapatan komprehensif periode berjalan	(1,323,720)	-	Current period comprehensive income
Total laba komprehensif periode berjalan	883,539,547	810,892,404	Total current period comprehensive income
Laba yang dapat diatribusikan kepada :			Income attributable to :
Pemilik entitas induk	870,894,033	802,486,469	The owner of parent entity
Kepentingan non pengendali	13,969,234	8,405,935	Non-controlling interest
	884,863,267	810,892,404	
Laba komprehensif yang dapat diatribusikan kepada :			Comprehensive income attributable to :
Pemilik entitas induk	869,570,313	802,486,469	The owner of parent entity
Kepentingan non pengendali	13,969,234	8,405,935	Non-controlling interest
	883,539,547	810,892,404	
Laba bersih per saham dasar (dinyatakan dalam angka penuh Rupiah per saham)	147	135	Basic earnings per share (expressed in Rupiah full amount per share)



CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2011 AND 2010

(Expressed in thousands of Rupiah, unless otherwise stated)

	31 Maret / March 31, 2011 <i>(Unaudited)</i>	31 Maret / March 31, 2010 <i>(Unaudited)</i>	
Arus kas dari aktivitas operasi			Cash flows from operating activities
Penerimaan dari pelanggan	3,706,870,917	3,094,345,369	<i>Receipts from customers</i>
Pembayaran kepada pemasok	(2,127,718,840)	(1,941,685,697)	<i>Payments to suppliers</i>
Pembayaran kepada karyawan	(271,918,078)	(271,235,699)	<i>Payments to employees</i>
Kas yang dihasilkan dari operasi	1,307,233,999	881,423,973	<i>Cash resulted from operations</i>
Penghasilan bunga yang diterima	53,422,829	63,335,589	<i>Interest income received</i>
Pencairan kas dan setara			<i>Withdrawal of restricted</i>
kas yang dibatasi penggunaannya	24,913,816	174,567	<i>cash and cash equivalents</i>
Pembayaran pajak penghasilan	(223,343,809)	(325,261,315)	<i>Payment of corporate income tax</i>
Pembayaran bunga dan			<i>Payment of interest and</i>
beban keuangan	(8,770,036)	(10,442,751)	<i>financing charges</i>
Arus kas bersih yang diperoleh dari aktivitas operasi	1,153,456,799	609,230,063	Net cash flows provided by operating activities
Arus kas dari aktivitas investasi			Cash flows from investing activities
Perolehan aset tetap	(955,851,502)	(290,902,803)	<i>Acquisition of fixed assets</i>
Pencairan kas dan setara			<i>Withdrawal of restricted</i>
kas yang dibatasi penggunaannya	-	790,000,000	<i>cash and cash equivalents</i>
(Penempatan)/pencairan investasi			<i>(Placement)/withdrawal</i>
jangka pendek-bersih	(49,950,000)	646,702,255	<i>of short - term investments-net</i>
Uang muka pembangunan pabrik baru	(176,114,143)	(36,317,457)	<i>Project advances</i>
Penambahan beban tangguhan - bersih	-	(14,559,132)	<i>Additions to deferred charges - net</i>
Dividen yang diterima	947,648	1,828,975	<i>Dividends received</i>
Arus kas bersih yang (digunakan untuk)/diperoleh dari aktivitas investasi	(1,180,967,997)	1,096,751,838	Net cash flows (used in)/provided by investing activities
Arus kas dari aktivitas pendanaan			Cash flows from financing activities
Pembayaran kembali utang bank	(9,078,061)	(2,271,000)	<i>Repayment of bank loans</i>
Penerimaan utang bank	245,000,000	3,697,749	<i>Proceeds from bank loans</i>
Pembayaran kembali pinjaman dari			<i>Repayment of loan from the Government</i>
Pemerintah Republik Indonesia	-	(7,667,255)	<i>of the Republic of Indonesia</i>
Pembayaran utang sewa pembiayaan	(6,398,141)	(5,190,574)	<i>Payment of finance lease liabilities</i>
Penerimaan dari pihak-pihak berelasi-bersih	914,061	6,151,272	<i>Receipts from related parties-net</i>
Arus kas bersih yang diperoleh dari/ (digunakan untuk) aktivitas pendanaan	230,437,859	(5,279,808)	Net cash flows provided by/(used in) financing activities
Kenaikan bersih kas dan setara kas	202,926,661	1,700,702,093	Net increase in cash and cash equivalents
Kas dan setara kas pada awal tahun	3,664,278,065	3,410,263,396	Cash and cash equivalents at the beginning of the year
Kas dan setara kas pada akhir periode	3,867,204,726	5,110,965,489	Cash and cash equivalents at the end of the period
Pengungkapan tambahan			Supplemental disclosure
Aktivitas investasi yang tidak mempengaruhi kas:			
Utang bunga yang dikapitalisasi	22,509,916	-	<i>Non-cash investing activity: Unpaid interest capitalized</i>
Reklasifikasi uang muka pembangunan pabrik baru	100,039,531	-	<i>Reclassification of advances for construction of new plants</i>
