



PT SEMEN GRESIK (PERSERO) Tbk.

Jakarta, 30 July 2010

PT Semen Gresik (Persero) Tbk.

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

Market Capitalization – as of June 30, 2010

Rp51,900,800,000,000

Issued shares – as of August 07, 2007

5,931,520,000 Shares

Share Price (Closing)

5 January 2009 Rp7,600
As of 30 June 2009 Rp8,750
Hi/Lo (6 mo) Rp9,000/Rp7,300

Major Shareholders

Government of Indonesia 51.01%
Public 48.99%

Board of Directors

President Director – Dwi Soetjipto
Vice President Director – -
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>

1st Half 2010 Results

Financial Summary For the 1st half ended June 30, 2010

Description (Rp bn)	1H-09	1H-10	Change (%)
Revenue	6,767	6,661	(1.6)
Cost of Revenue	3,774	3,500	(7.3)
Gross Profit	2,993	3,161	5.6
Operating Expenses	1,079	1,111	3.0
Operating Income	1,914	2,050	7.1
EBITDA	2,129	2,273	6.8
Net Income	1,514	1,627	7.5
EPS (full amount)	258	274	6.3

Ratio (%)	Formula	1H-09	1H-10
Ebitda Margin	Ebitda / Revenue	31.5	34.1
Interest Coverage (x)	Ebitda / Interest Expense	196.8	284.9
Total Debt to Equity	Total Debt / Total Equity	2.1	2.0
Total Debt to Asset	Total Debt / Total Asset	1.4	1.5

Business Highlights

- Net Income increased by 7.5 % year on year amounting to Rp1,627 billion or equivalent to EPS of Rp274 (full amount).
- Semen Gresik's total sales volume in 1H-10 reached 8.4 million tons of cement or a decrease of 3.0% year-on-year.
- Domestic sales volume was 8.36 million tons of cement or a decrease 0.2% year on year. Domestic sales accounts for 99.2% of total sales.
- Semen Gresik, Semen Padang and Semen Tonasa each contributed 53.23%, 29.34% and 19.48% to consolidated net revenues.
- Production cost per tons in 1H-2010 was 2.9 % lower than that in 1H-2009 as part of management's efforts in cost management, especially in energy cost.
- Ebitda increased by 6.8% amounting to Rp2,273 billion year-on-year.
- As of 30 June 2010, the Company's LT Liabilities amount to Rp209 billion, with debt-to equity ratio decreased to 2.0% from 2.1% in 2009.

Corporate Secretary

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**SEMEN GRESIK REPORTS UNAUDITED CONSOLIDATED FIRST HALF 2010 RESULTS**

PT Semen Gresik (Persero) Tbk. ("SMGR" or "the Company") announced its unaudited and consolidated 1st half 2010 financial statements. The Company recorded revenue and operating income for the period of Rp6,661 billion and Rp2,050 billion, respectively. Net income was recorded at Rp1,627 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 July 30, 2010.

FINANCIAL RESULTS**Sales Volumes**

In the first half 2010 domestic cement consumption reached 19.6 million tons or increased by 9.3% compared to the same period 2009 of 17.9 million tons, while exported cement and clinker decreased from 2.0 million tons to 1.3 million tons. The total sales volume reached 20.9 million tons or increased by 4.9% compared to the same period 2009 of 19.9 million tons.

As at the end of June 2010, the total Company's sales volume recorded 3.5% lower growth year-on-year to 8.4 million tons, comprising 0.2% of domestic lower growth (8.36 million tons) and 80.8% lower growth of export sales (0.07 million tons). In the domestic market, Semen Gresik was able to maintain its market share to around 42.7%.

Sales Volume 1H-2010 (tons) *)

Company	Domestic	Growth (% yoy)	Export	Growth (% yoy)	Total	Growth (% yoy)
Semen Gresik	4,204,998	2.0	-	-	4,204,998	2.0
Semen Padang	2,511,449	(0.5)	32,706	(90.6)	2,544,155	(9.7)
Semen Tonasa	1,643,888	(4.9)	36,350	156	1,680,238	(2.7)
Total	8,360,335	(0.2)	69,056	(80.8)	8,429,391	(3.5)
Industry	19,599,493	9.3	1,314,682	(34.9)	20,914,175	4.9

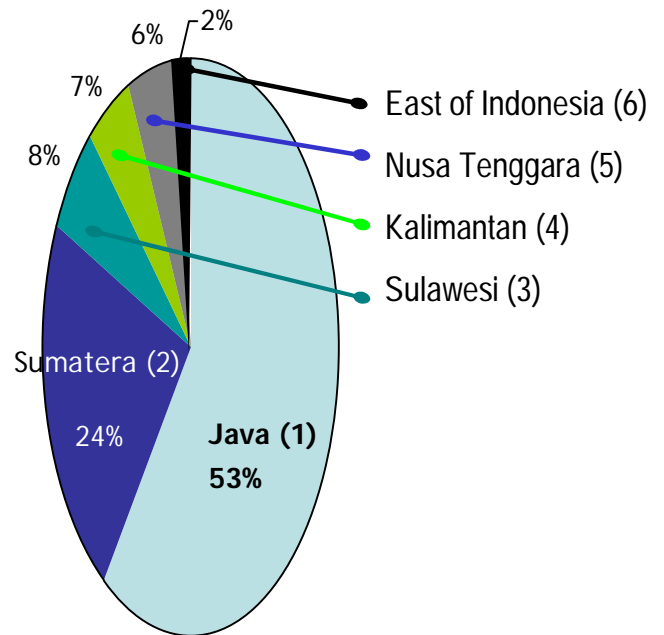
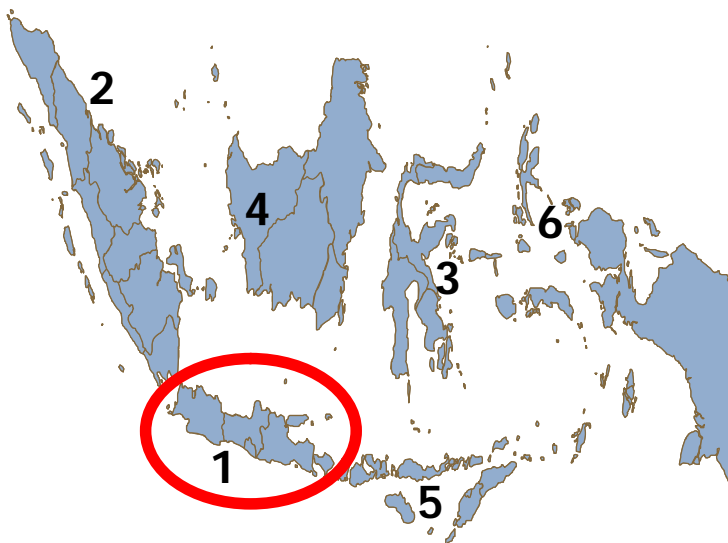
The Company prioritizes its domestic market. Nevertheless, in a small volume the Company is still conducting export to maintain relationship with its traditional export market.

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.

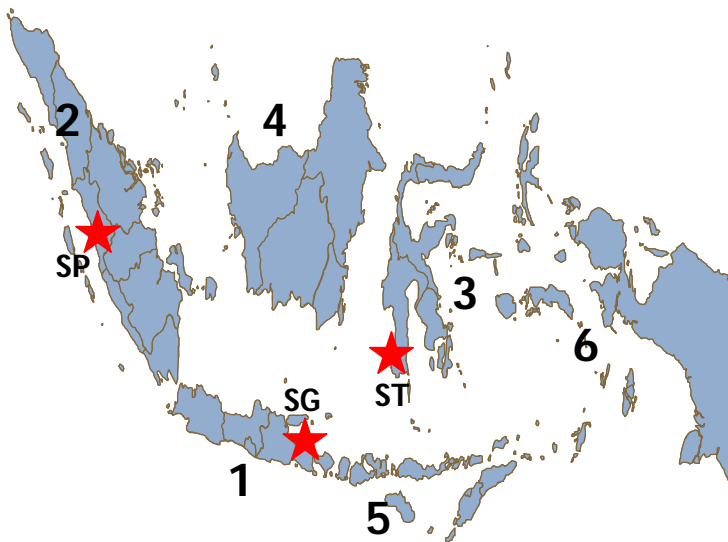
*) Source: The company data and Indonesian Cement Association

MARKET BY GEOGRAPHY (1H 2010)

Domestic Consumption - Java remains as the largest market¹⁾



Domestic Market Share¹⁾



REGION	MARKET SHARE (%)			
	SMGR	INTP	HOLCIM	OTHERS
1. JAVA	37.6	40.5	19.4	2.5
2. SUMATERA	44.5	15.9	9.4	30.2
3. SULAWESI	58.1	17.7	0.9	23.4
4. KALIMANTAN	52.9	27.1	11.4	8.6
5. NUSA TENGGARA	38.6	37.5	4.4	19.5
6. EASTERN IND.	66.8	18.4	0.9	13.9
TOTAL INDONESIA	42.7	31.2	13.7	12.4

¹⁾ Source: ASI (Indonesia Cement Association)

**Net Revenues**

The Company's total sales revenue in 1H10 reported at Rp6,661 billion or decreasing 1.6% year-on-year from Rp6,767 billion. Cement sales contribute 99.3% of revenue and others 0.7%.

The Company's net sales in the domestic market in 1H-10 amounting to Rp6,623 billion, an increase of 0.7% compared to the previous year of Rp6,574 billion, while export amounting to Rp38 billion or an decrease of 80.1% year-on-year. The domestic average selling price was flat year-on-year, while the export average selling price increased 4.0%.

Cost of Revenue

The cost of revenue decreased by 7.3% from Rp3,774 billion in 1H-09 to Rp3,500 billion in 1H-10, primarily as a result of a decrease in energy and packaging. The Company is able to manage overall COGS per ton at around Rp419,482 in 1H-10, a decrease of 3.0% compare to the same period of 2009.

Operating Expenses

The Company's operating expenses increased by 3.0% from Rp1,079 billion in 2009 to Rp1,111 billion in 2010, mainly due to the increase in general & administration expenses of 2.7% and in selling expenses of 3.2%. The increase in selling expenses mainly due to an increase of distribution expenses.

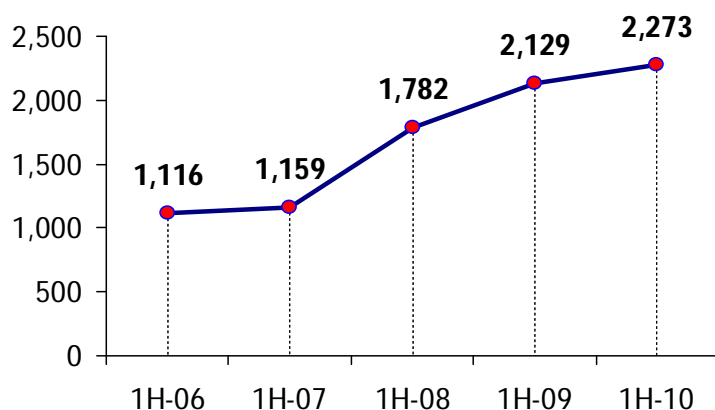
Gross Profit

Gross profit increased by 5.6% year-on-year amounting to Rp3,161 billion in 1H-2010. Gross margin increase from 44.2% % in 2009 to 47.5% in 2010.

EBITDA

Ebitda increased 6.8% to Rp2,273 billion year-on-year, and Ebitda margin increased by 2.6% to 34.1% due to the management's effort in cost management and efficiency.

Ebitda (Rp billion)

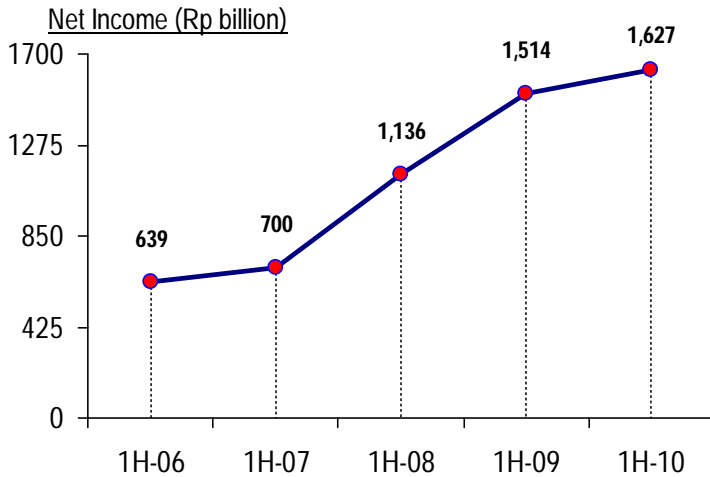
**EBITDA Margin (%)**

1H-06	1H-07	1H-08	1H-09	1H-10
27.3%	26.2%	31.3%	31.5%	34.1%



Net Income

Net income rose 7.5% year-on-year to Rp1,627 billion and net profit margin rose 2.1% year-on-year to 24.4% in 1H-10.



Net Income Margin (%)

1H-06	1H-07	1H-08	1H-09	1H-10
15.6%	15.8%	19.9%	22.3%	24.4%

RECENT SIGNIFICANT EVENTS

- Awarded Best Managed Company from FinanceAsia in the following category: Best CSR (#6), Most Committed to A Strong Dividend Policy (#6), Best Investor Relations (#10).
- Awarded as "Indonesia's Best Wealth Creators 2010" (ranking# 8) from SWA Magazine in cooperation with Stern Stewart & Co, management consultants.
- 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 JUNE 30, 2010 AND 2009

(Expressed in thousands of Rupiah, unless otherwise stated)

AKTIVA	2010	2009	ASSETS
Aktiva lancar			Current assets
Kas dan setara kas	4,898,382,861	3,976,434,029	Cash and cash equivalents
Kas dan setara kas yang dibatasi penggunaannya	34,446,151	-	Restricted cash and cash equivalents
Investasi jangka pendek	267,944,505	774,500,000	Short-term investments
Piutang usaha, setelah dikurangi penyisihan piutang ragu-ragu sebesar Rp5.668.897 (2009: Rp61.553.572)			Trade receivables net of provision for doubtful accounts of Rp 57,668,897 (2009: Rp 61,553,572)
- Pihak ketiga	1,274,846,510	1,333,943,941	Third parties -
- Pihak-pihak yang mempunyai hubungan istimewa	332,630,856	345,716,323	Related parties -
Piutang lain-lain, setelah dikurangi penyisihan piutang ragu-ragu sebesar Rp5.386.586 (2009: Rp3.966.536)	18,221,964	22,790,897	Other receivables net of provision for doubtful accounts of Rp 5,386,586 (2009: Rp 3,966,536)
Persediaan, setelah dikurangi penyisihan persediaan usang dan bergerak lambat sebesar Rp46.829.303 (2009: Rp34.063.145)	1,985,180,679	1,600,778,719	Inventories net of provision for obsolete and slow moving inventory of Rp 46,829,303 (2009: Rp 34,063,145)
Uang muka	129,069,637	174,587,288	Advances
Beban dibayar di muka	30,892,133	33,596,078	Prepaid expenses
Pajak dibayar di muka	2,649,060	-	Prepaid taxes
Jumlah aktiva lancar	8,974,264,356	8,262,347,275	Total current assets
Aktiva tidak lancar			Non-current assets
Kas dan setara kas yang dibatasi penggunaannya	-	14,432,516	Restricted cash and cash equivalents
Piutang lain-lain pihak-pihak yang mempunyai hubungan istimewa	10,111,788	13,551,318	Other receivables from related parties
Aktiva pajak tangguhan	107,292,980	89,795,849	Deferred tax assets
Investasi pada perusahaan asosiasi	68,243,222	61,009,202	Investments in associates
Properti investasi - bersih	16,330,510	12,737,823	Investment property, net
Aset tetap, setelah dikurangi akumulasi penyusutan dan deplesi sebesar Rp6.127.527.536 (2009: Rp5.735.274.543)	4,511,021,777	3,481,311,021	Fixed assets net of accumulated depreciation and depletion of Rp 6,127,527,536 (2009: Rp 5,735,274,543)
Beban tangguhan setelah dikurangi akumulasi amortisasi sebesar Rp20.145.995 (2009: Rp16.216.328)	20,446,340	32,391,153	Deferred charges net of accumulated amortisation of Rp 20,145,995 (2009: Rp 16,216,328)
Uang muka pembangunan pabrik baru	675,467,411	-	Advances for construction of new plants
Aktiva lain-lain	17,377,367	23,872,498	Other assets
Jumlah aktiva tidak lancar	5,426,291,395	3,729,101,380	Total non-current assets
JUMLAH AKTIVA	14,400,555,751	11,991,448,655	TOTAL ASSETS



CONSOLIDATED BALANCE SHEETS

AS AT JUNE 30, 2010 AND 2009

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

KEWAJIBAN DAN EKUITAS			LIABILITIES AND EQUITY		
Kewajiban lancar			Current liabilities		
Hutang usaha			Trade payables		
- Pihak ketiga	988,067,964	635,385,619	Third parties	-	
- Pihak-pihak yang mempunyai hubungan istimewa	142,615,085	100,952,944	Related parties	-	
Hutang lain-lain	36,312,831	22,679,132	Other payables		
Beban yang masih harus dibayar	763,892,857	795,300,818	Accrued expenses		
Hutang pajak	134,737,655	307,276,868	Taxes payable		
Hutang deviden	1,485,549,184	1,261,763,983	Dividend payable		
Uang muka penjualan	25,557,300	17,848,301	Sales advances		
Hutang jangka panjang yang jatuh tempo dalam satu tahun			Current maturities of long-term liabilities		
- Hutang bank	4,233,854	3,199,433	Bank loans	-	
- Pinjaman dari Pemerintah Republik Indonesia	17,219,405	26,159,485	of the Republic of Indonesia		
- Hutang bunga dan denda	32,250,326	29,432,185	Interest and penalties payable	-	
- Hutang sewa pembiayaan	15,247,860	15,758,565	Finance lease liabilities	-	
Jumlah kewajiban lancar	3,645,684,321	3,215,757,333	Total current liabilities		
Kewajiban tidak lancar			Non-current liabilities		
Kewajiban pajak tangguhan	17,339,819	15,036,568	Deferred tax liabilities		
Kewajiban imbalan kerja	191,309,718	160,795,482	Employee benefits liabilities		
Hutang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun			Long-term liabilities - net		
- Hutang bank	107,802,418	23,854,467	Bank loans	-	
- Pinjaman dari Pemerintah Republik Indonesia	7,501,695	24,736,540	of the Republic of Indonesia		
- Hutang bunga dan denda	5,884,988	28,957,807	Interest and penalties payable	-	
- Hutang sewa pembiayaan	57,127,591	78,479,913	Finance lease liabilities	-	
Kewajiban tidak lancar lainnya	25,299,503	15,880,170	Other non-current liabilities		
Jumlah kewajiban tidak lancar	412,265,732	347,740,947	Total non-current liabilities		
Jumlah kewajiban	4,057,950,053	3,563,498,280	Total liabilities		
Hak minoritas atas ekuitas anak perusahaan	120,533,242	110,191,064	of subsidiaries		
Ekuitas			Equity		
Modal saham - nilai nominal Rp100 (angka penuh) per saham Modal dasar - 20.000.000.000 saham Modal ditempatkan dan disetor penuh - 5.931.520.000 saham	593,152,000	593,152,000	Share capital - par value of Rp 100 (full amount) per share (2009: Rp 1,000 per share) Authorised - 20,000,000,000 shares	5,931,520,000 shares	
Tambahan modal disetor	1,458,257,900	1,247,355,440	Additional paid-in capital		
Modal saham yang diperoleh kembali	-	(198,672,291)	Treasury stock		
Keuntungan belum direalisasi atas kepemilikan efek	5,337,500	1,500,000	Unrealized gain on investment in securities		
Cadangan atas lindung nilai arus kas	(119,676,312)	-	Cash Flow Hedge - Reserve		
Saldo laba - dicadangkan	253,338,000	253,338,000	Retained earnings - appropriated		
Saldo laba - belum dicadangkan	8,031,663,368	6,421,086,162	Retained earnings - unappropriated		
Jumlah ekuitas	10,222,072,456	8,317,759,311	Total equity		
JUMLAH KEWAJIBAN DAN EKUITAS	14,400,555,751	11,991,448,655	TOTAL LIABILITIES AND EQUITY		

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2010</u>	<u>2009</u>	
Pendapatan	6,661,185,897	6,767,275,637	<i>Revenue</i>
Beban pokok pendapatan	<u>3,499,711,012</u>	<u>3,774,019,512</u>	<i>Cost of revenue</i>
Laba kotor	3,161,474,885	2,993,256,125	<i>Gross profit</i>
Beban usaha	<u>1,111,031,226</u>	<u>1,078,972,410</u>	<i>Operating expenses</i>
Laba usaha	2,050,443,659	1,914,283,715	<i>Operating income</i>
Penghasilan/(beban) lain-lain			<i>Other income/(expense)</i>
Penghasilan bunga	126,571,272	172,340,257	<i>Interest income</i>
Kerugian selisih kurs - bersih	(1,987,614)	(9,755,965)	<i>gains/(loss)-net</i>
Beban bunga	(7,978,679)	(10,815,708)	<i>Interest expense</i>
Penghasilan lain-lain - bersih	<u>7,831,652</u>	<u>17,621,721</u>	<i>Other income - net</i>
Jumlah penghasilan lain-lain - bersih	<u>124,436,631</u>	<u>169,390,305</u>	<i>Total other income - net</i>
Bagian atas laba bersih perusahaan asosiasi	<u>5,591,073</u>	<u>5,249,547</u>	<i>Equity in net income of associates</i>
Laba sebelum pajak penghasilan	2,180,471,363	2,088,923,567	<i>Profit before income tax</i>
Beban pajak penghasilan	<u>540,215,500</u>	<u>561,908,414</u>	<i>Income tax expense</i>
Laba sebelum hak minoritas	1,640,255,863	1,527,015,153	<i>Income before</i>
Hak minoritas atas laba bersih anak perusahaan	<u>12,989,439</u>	<u>13,415,322</u>	<i>Minority interests in net income of subsidiaries</i>
Laba bersih	<u>1,627,266,424</u>	<u>1,513,599,831</u>	<i>Net income</i>
Laba bersih per saham dasar (dinyatakan dalam angka penuh Rupiah per saham)	<u>274</u>	<u>258</u>	<i>Basic earnings per share (expressed in Rupiah full amount per share)</i>



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 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	6,443,813,192	6,563,086,394	Receipts from customers
Pembayaran kepada pemasok	(4,179,403,066)	(3,974,847,464)	Payments to suppliers
Pembayaran kepada karyawan	(723,132,238)	(669,225,866)	Payments to employees
Kas yang dihasilkan dari operasi	1,541,277,888	1,919,013,064	Cash resulting from operations
Penghasilan bunga yang diterima	126,571,272	172,340,257	Interest income received
Penempatan kas dan setara kas yang dibatasi penggunaannya	(8,423)	(4,572,175)	cash and cash equivalents
Pembayaran pajak penghasilan	(873,859,290)	(732,395,036)	Payment of corporate income tax
Pembayaran bunga dan beban keuangan	(17,256,995)	(22,568,937)	Payment of interest and financing charges
Arus kas bersih yang diperoleh dari aktivitas operasi	776,724,452	1,331,817,173	Net cash flows provided by operating activities
Arus kas dari aktivitas investasi			Cash flows from investing activities
Perolehan aset tetap	(727,785,130)	(385,739,754)	Acquisition of fixed assets
Pencairan kas dan setara kas yang dibatasi penggunaannya	790,000,000	-	Withdrawal/(placement) of restricted cash and cash equivalents
Pencairan/(penempatan) investasi jangka pendek	782,960,790	(683,500,000)	Withdrawal/(placement) of short-term investments
Uang muka pembangunan pabrik baru	(195,147,250)	-	Advances for construction of new plants
Penambahan beban tangguhan - bersih	-	(12,571,108)	Additions to deferred charges-net
Dividen yang diterima	1,828,975	-	Dividends received
Arus kas bersih yang diperoleh/(digunakan) untuk aktivitas investasi	651,857,385	(1,081,810,862)	Net cash flows provided by/(used in) investing activities
Arus kas dari aktivitas pendanaan			Cash flows from financing activities
Pembayaran kembali hutang bank	(4,850,147)	(2,958,100)	Repayment of bank loans
Penerimaan hutang bank	84,925,173	18,200,000	Proceeds from bank loans
Pembayaran kembali pinjaman dari Pemerintah Republik Indonesia	(11,555,376)	(14,619,547)	Repayment of loan from the Government of the Republic of Indonesia
Pembayaran hutang sewa pembiayaan	(10,836,040)	(8,817,828)	Payment of financial lease liabilities
Pembelian kembali saham yang diterbitkan	-	(8,157,046)	Payment for purchases of treasury stock
Penerimaan dari/(pembayaran kepada) pihak yang mempunyai hubungan istimewa	1,854,018	(3,903,843)	Receipts from/(payment to) related parties
Arus kas bersih yang diperoleh/(digunakan) untuk aktivitas pendanaan	59,537,628	(20,256,364)	Net cash flows used in financing activities
Kenaikan bersih kas dan setara kas	1,488,119,465	229,749,947	Net increase in cash and
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	4,898,382,861	3,976,434,029	Cash and cash equivalents at the end of the period

