



# QUARTERLY REPORT PT ANTAM (PERSERO) TBK

For the Three Month Period Ended June 30, 2013

ARBN - 087 423 998

Securities Ticker: ASX: ATM; IDX: ANTM



*Feronickel III Plant, Pomalaa*



*Gold Plant, Pongkor*



*Sarolangun Coal Mine*

## HIGHLIGHTS

**Gold sales volume in the first semester of 2013 surges by 51% compared to the same period in 2012 to 5,493 kg**

**Gold sales in the first semester of 2013 amounts to Rp2.819 trillion or up 54% compared to the first semester of 2012**

**Gold is the largest contributor to ANTAM's total net sales in the first semester of 2013 with a 46% contribution**

**EPC Progress of the Tayan Chemical Grade Alumina (CGA) Project reaches 95.3% as at the end of June 2013**

FOR FURTHER INFORMATION PLEASE CONTACT:

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## CORPORATE INFORMATION

### Board of Commissioners

R. Sukhyar	President Commissioner
Robert Pakpahan	Commissioner
Zaelani	Commissioner
Velix Vernando Wanggai	Commissioner
Hikmahanto Juwana	Independent Commissioner
Laode M. Kamaluddin	Independent Commissioner

### Board of Directors

Tato Miraza	President Director
Djaja M. Tambunan	Finance Director
Tedy Badrujaman	Operatons Director
Hendra Santika	Development Director
Sutikno	Human Resources Director
I Made Surata	General Affairs andCSR Director

### Share Information

- PT Jamsostek (Persero) - JHT was ANTAM's largest shareholder after the Government of the Republic of Indonesia with a 2.2% ownership.
- ANTAM's market capitalization as at June 30, 2013 stood at Rp9.5 trillion.
- ANTAM's share price on the Indonesia Stock Exchange (IDX) hovered within the Rp940-Rp1,440 per share range during April—June 2013.
- ANTAM's average share price on the IDX during April-June 2013: Rp1,243 per share
- ANTAM's average share price on the Australian Securities Exchange (ASX) during April-June 2013: AU\$1.1 per CDI

### Top 10 Public Shareholders:

1. PT JAMSOSTEK (PERSERO) - JHT
2. PT TASPEN (PERSERO) - THT
3. PT JAMSOSTEK (PERSERO) - Non JHT
4. CITIBANK NEW YORK S/A DIMENSIONAL EMERGING MARKETS VALUE FUND
5. BBH BOSTON S/A VANGRD EMG MKTS STK INFD
6. JASA RAHARJA (PERSERO)
7. BNY S/A WISDOMTREE EMERGING MARKETS SMALL C
8. BNYM SA/NV AS CUST OF WISDTREE EMER MKTS
9. CITIBANK NEW YORK S/A EMERGING MARKETS C
10. CITIBANK LONDON S/A STICHTING PGGM DEPOS



## PRODUCTION VOLUME

COMMODITY	Unit	2Q12	1H12	2Q13	1H13	2Q13/ 2Q12	1H13/ 1H12
Ferronickel	TNi	4,379	8,009	5,159	10,166	18	27
High Grade Nickel Ore	Wmt	1,333,802	2,752,791	2,033,852	4,059,093	52	47
Low Grade Nickel Ore	Wmt	608,069	1,288,328	776,265	2,014,871	28	56
Total Nickel Ore	Wmt	1,941,871	4,041,119	2,810,117	6,073,964	45	50
Gold	Kg/toz	691/22,216	1,261/40,542	612/19,676	1,268/40,767	(11)	0,6
Silver	Kg/toz	5,515/177,311	9,929/319,225	4,363/140,274	8,959/288,038	(21)	(10)
Bauxite	Wmt	-	62,301	43,245	83,568	N/A	34
Coal	Ton	282,828	392,794	107,750	194,793	(62)	(50)

### OPERATION AND SALES

In the first semester of 2013 (1H13), ANTAM's unaudited sales revenue recorded a 37% increase to Rp6.125 trillion on the back of the surge in the sales of gold and nickel ore. Gold became the largest contributor to the revenue figure in the period, amounting to 46% of ANTAM's total net sales or equal to Rp2.819 trillion.

In the second quarter of 2013 (April-June 2013, 2Q13), ANTAM's net sales was recorded at Rp2.786 trillion, up 38% compared to the first quarter of 2012 (2Q12).

Pursuant to the ASX listing regulations, ANTAM's 1H13 financial statements are currently under limited review by Public Accountant Office Tanudiredja, Wibisana & Partners, a member firm of PricewaterhouseCoopers, and will be available on August 30, 2013 at the latest.

### FERRONICKEL

ANTAM's ferronickel production volume in

1H13 reached 10,166 tons of nickel contained in ferronickel (TNi) or up 27% compared to the first semester of 2012 (1H12). The increase was due the optimalization of the company's FeNi II plant in 1H12. ANTAM's ferronickel plants operated at optimal level during 1H13. The 1H13 ferronickel production achievement represents 56% of the 2013 target of 18,000 TNi. On a quarterly basis, the production volume of ferronickel in 2Q13 grew by 18% to 5,159 TNi compared to 2Q12.

In 1H13 ANTAM's ferronickel sales volume amounted to 7,028 TNi or reached 39% of the 2013 sales target of 18,000 TNi. The figure was exclusive of the 3,274 TNi of ferronickel cargoes that were in transit at the end of the period and whose revenue was yet to be recorded in the company's book. Given the in-transit inventory figure, ANTAM's total ferronickel shipment in 1H13 totalled to 10,302 TNi and equal to 57% of the 2013 target of 18,000 TNi. The 1H13 ferronickel sales volume grew by 4% compared to 1H12; while the 2Q13 sales volume of ferronickel recorded a 39% growth to



3,244 TNi compared to 2Q12.

Supported by the surge in the ferronickel sales volume amidst a 13% ebb in the average selling price of the commodity to US\$7.24 per pound compared to 1H12, ANTAM managed to only record a 3% decline in the sales revenue of ferronickel, which was wholly exported, to Rp1.098 trillion in 1H13.

## NICKEL ORE

ANTAM's 1H13 nickel ore production increased by 50% compared to 1H12 to 6,073,964 wmt, which was consisted of 4,059,093 wmt of high grade nickel ore and 2,014,871 wmt of low grade nickel ore. The increase in the nickel ore production was followed by a 41% surge in the sales volume of nickel ore to 4,497,579 wmt due to the sustained high demand of the commodity. The 1H13 nickel ore production represents 52% of the 2013 target of 11.6 million wmt; while the sales of the commodity in the period makes up 44% of the 2013 target of 10.3 million wmt. On the back of the unconducive global economy

condition beginning in 2Q13, ANTAM revised its nickel ore production target to 11.56 million wmt with sales target of 10.3 million wmt.

The total production of nickel ore in 2Q13 was recorded at 2,810,117 wmt, a 45% increase compared to 2Q12. While the sales volume of the commodity in 2Q13 reached 1,856,972 wmt, up 31% compared to 2Q12.

With the increase in the nickel ore sales volume, ANTAM's nickel ore sales revenue in 1H13 grew by 57% compared to 1H12 to Rp4.497 trillion.

## GOLD

ANTAM's gold production in 1H13 was recorded at 1,268 kg (40,767 toz), of which 856 kg (27,521 toz) was extracted from the Pongkor mine and 412 kg (13,246 toz) from the Cibaliung mine. The 1H13 production achievement relatively the same to that of the 1H12. ANTAM's gold production in 1H13 represents 45% of the company's 2013 gold production target of 2.8 ton (90,086 toz).

## SALES VOLUME

COMMODITY	Unit	2Q12	1H12	2Q13	1H13	2Q13/ 2Q12	1H13/ 1H12
Ferronickel	TNi	2,341	6,744	3,244	7,028	39	4
High Grade Nickel Ore	Wmt	942,013	2,127,940	1,528,144	2,614,444	62	23
Low Grade Nickel Ore	Wmt	479,196	1,062,918	328,828	1,883,135	(31)	77
Total Nickel Ore	Wmt	1,421,209	3,190,858	1,856,972	4,497,579	31	41
Gold	Kg/Toz	1,850/59,479	3,632/16,771	2,584/83,077	5,493/176,604	40	51
Silver	Kg	6,127	9,999	6,062	9,714	(1)	(3)
Bauxite	Wmt	31,402	31,402	27,850	53,961	(11)	72
Coal	Ton	169,569	325,518	179,488	179,488	6	(45)



The gold production in 2Q13 amounted to 612 kg (19,676 toz), 11% lower than 2Q12.

ANTAM's 1H13 gold sales was recorded at 5,493 kg (176,604 toz) or increased by 51% compared to 1H12, following the rise in demand. During 1H13, ANTAM's entire gold commodities were sold in the domestic market. The company's gold sales achievement for the period represents 67% of its 2013 sales target of 8,201 kg (263,668 toz).

In line with the rise in demand, ANTAM upgraded its 2013 sales target from 7,601 kg (244,378 toz) to 8,201 kg (263,668 toz).

The sales volume for 2Q13 reached 2,584 kg (83,077 toz) or up 40% compared to 2Q12.

Despite a 4% drop in its gold average selling price to US\$1,641.55 per toz, the higher sales volume allowed ANTAM to record a 46% increase in its gold sales revenue to Rp2,818 trillion, compared to 1H12.

## **BAUXITE**

In 1H13, ANTAM produced 83,568 wmt of bauxite from its Tayan mine with a sales volume of 53,961 wmt, which was wholly exported. The company's bauxite export revenue for the period was recorded at Rp18.8 billion, up 139% from the same period in 2012, in line with the increase in the sales volume.

## **COAL**

Through its subsidiary PT Indonesia Coal Resources, ANTAM produced 194,793 ton of coal with a sales volume of 179,488 ton

in 1H13. The revenue from the sales of the commodity in the period amounted to Rp48.5 billion.

## **EXPLORATION ACTIVITIES**

ANTAM's exploration activities during 1H13 were focusing on the company's main commodities, which were consisted of nickel, gold and bauxite, as well other industrial minerals such as coal and zircon. The total unaudited cost for these activities in 1H13 amounted to Rp105.05 billion.

## **NICKEL**

ANTAM conducted nickel exploration activities in Buli, North Maluku; Pomalaa, Southeast Sulawesi and Gag Island, West Papua with a total unaudited cost of Rp32.16 billion.

The exploration activities in Buli, North Maluku covered the Sangaji, Mornopo and Pakal Island regions. The nickel exploration activities in the North Sangaji region were carried out to increase the region's indicated resources to measured resources (25 m x 25 m); to increase the classification of the region's inferred resources to indicated resources (50 m x 50 m); and to obtain the inferred resources of the region's unexplored areas (100 m x 100 m). In Pakal Island, ANTAM re-evaluated its drilling program previously performed in the region to assess the thickness of the region's laterite body and to determine depth to bedrock; the company commenced a 100 m x 100 m drilling program in this region. Another drilling program with 12.5 m x 12.5 m spacing was also carried out in the Mornopo region.



In 1H13, ANTAM performed topographical measurement; drilling-surveys grid measurement; geophysical-surveys grid measurement; resistivity geophysical-surveys measurement; semi-detailed geological mapping; specific-gravity measurement; moisture-content measurement; petrology and mineralograph measurements; X-ray-Powder-Diffraction (XRD) measurement; testpitting measurement; drill logging; drill-core sampling; laboratory analysis; standard-sample analysis; as well as blank-sample analysis in the Buli region.

The nickel exploration activities in the Pomalaa region commenced in March 2013 with a focus to discover saprolite-nickel resources required for the production of ferronickel in FeNi 1, 2 and 3 plants. The target of these activities were 200.000 wmt of proven saprolite-nickel resources with minimum nickel content of 2.05%; 2 million wmt of measured saprolite-nickel resources with minimum nickel content of 2.2% and 10 million wmt of inferred saprolite-nickel resources with minimum nickel content of 1.8%.

The exploration activities in the Gag Island comprised of 50 m x 50 m, 100 m x 100 m drilling programs; drill-core sam-

pling; core logging; specific-gravity and moisture-content measurements; drilling-surveys grid measurement; drill re-measuring; survey-point labeling and measurement of limits of cultivated area.

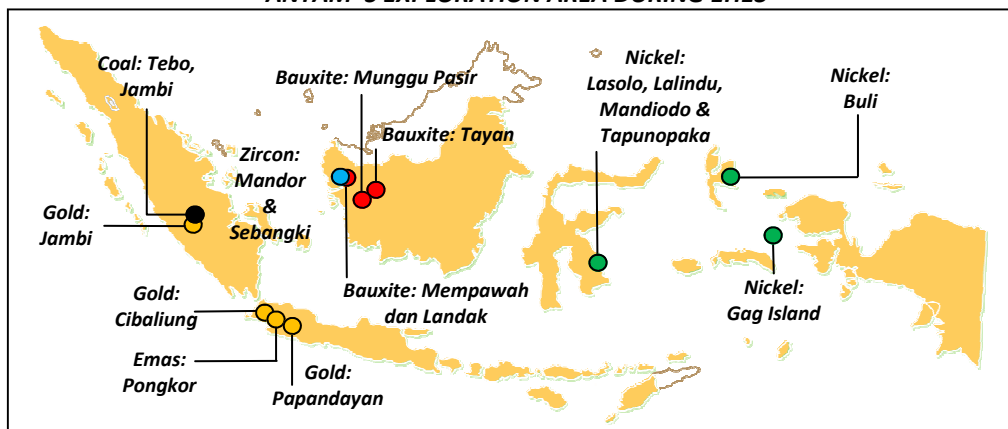
**GOLD**

ANTAM’s gold exploration activities were performed in Bujang and Batulicin, Jambi; Pongkor and Papandayan, West Java as well as Cibaliung, Banten with total unaudited exploration cost of Rp64,66 billion.

ANTAM’s gold exploration activities in the Bujang prospect had a focus to create an ore -deposit modeling by performing drill testing; whereas the objective of the gold exploration activities performed in the Batulicin prospect was to ascertain the region’s mineralization potentials and modeling by re-conducting detailed mapping using the anaconda method.

Gold exploration activities in Pongkor were carried out to obtain 5.1 ton of inferred gold resources in the Cisuren region; to prove the blind-ore resources and to acquire hypothetical resources in the Ciparigi region; and to acquire detailed surface and underground mapping of the Malasari region. Gold explo-

**ANTAM 'S EXPLORATION AREA DURING 1H13**



ration activities performed in Pongkor were comprised of detailed geological mapping; drill-track measurement; ground-magnetic survey; gravity geophysical survey; drilling program; logging core; core sampling; rock sampling; XRD/terraspec sampling; petrology and mineralograph measurements as well as soil and rock geochemical analysis.

In Cibaliung, ANTAM carried out gold exploration activities in to acquire a reading on the Ramada-Sompok prospect's underground mineralization potentials through drill testing as well to delineate surface mineralization potentials of the Sompok-Ciburial prospects. These activities were consisted of detailed geological mapping; trenching; fluid-inclusion analysis; as well as rock and XRD sampling.

### **BAUXITE**

In 1H13, ANTAM conducted bauxite exploration activities at Tayan, Mempawah, and Munggu Pasir, West Kalimantan, which included detailed geological mapping, grid measurement, test pitting, and sampling with total exploration cost of Rp7 billion.

### **COAL & ZIRCON**

ANTAM conducted coal exploration activities in Bangko, Jambi during 1H13 with total unaudited cost of Rp651.6 million. In addition, the company also carried out zircon exploration activities in the regions of Mandor and Sebangki, West Kalimantan with total unaudited cost of Rp283.8 million.

## **CORPORATE NEWS**

### **ANTAM'S GENERAL MEETING OF SHAREHOLDERS APPROVES CASH DIVIDEND AMOUNTING TO Rp448.97 BILLION**

ANTAM held its Annual General Meeting of Shareholders (AGM) at the Ritz Carlton Mega Kuningan Hotel, Jakarta on April 30, 2013.

For the first agenda of the AGM, ANTAM's shareholders approved the Annual Report of the Board of Directors, including the Audited Financial Statements and the Oversight Report of the Board of Commissioners for the year ended December 31st, 2012. ANTAM's shareholders also approved the Annual Report of the Partnership and Community Development Program for the year ended December 31st, 2012.

With regards to the company's dividend, which was the third agenda of the AGM, it was resolved to pay a cash dividend in the amount of Rp448,967,247,300.00 or 15% of ANTAM's income for the year attributable for owners of the parent of the year ended December 31st, 2012.

ANTAM's shareholders agreed with the recommendation to appoint the Public Accountant Firm Tanudiredja, Wibisana & Partner, member firm of PricewaterhouseCoopers International Limited, to audit ANTAM's financial statements for the fiscal year ended December 31st, 2013 and the financial statements of the Partnership and Community Development Program for the year ended December 31st, 2013.



ANTAM's shareholders ratified the appointment of Mr. Tato Miraza as ANTAM's President Director, replacing Mr. Alwingsyah Lubis who has served two terms. Under Indonesian Law No. 13/2003 on State Owned Enterprises, a person may only serve as a board member for a maximum of two five years terms. Mr. Tato Miraza previously served as ANTAM's Development Director. Meanwhile, Mr. Hendra Santika, who is President Director of PT Indonesia Chemical Alumina, ANTAM's subsidiary, was appointed as Director. Shareholders also appointed Mr. Djaja Tambunan as Director. Mr. Djaja Tambunan was previously ANTAM's Finance Director. Shareholders also appointed Mr. Tedy Badrujaman as Director. Mr. Tedy Badrujaman was previously ANTAM's Corporate Secretary Division Head. Mr. Sutikno who was Finance and Administration Director of PT Nusantara Regas was also appointed as Director. Meanwhile, Geomin Unit Head, Mr. I Made Surata, was appointed as Director.

ANTAM's shareholders also ratified the honorable discharge of Mr. Burhan Muhammad and Mr. Bambang PS Brodjonegoro as Commissioners, and were replaced by Mr. Robert Pakpahan and Mr. Velix Vernando Wanggai. Mr. Robert Pakpahan is currently Director General of Debt Management at the Ministry of Finance. Mr. Velix Vernando Wanggai is currently Special Staff to the President in Regional Development.

#### **ANTAM APPOINTS TRI HARTONO, S.T. AS THE NEW CORPORATE SECRETARY DIVISION HEAD**

On May 16, 2013, ANTAM appointed Mr. Tri Hartono, S.T. as the company's new Corporate Secretary Division Head, replacing Mr. Ir. Tedy Badrujaman, M.M., who was appointed by shareholders as the Company's

Director during the Company's Annual General Meeting of Shareholders held on April 30, 2013.

Mr. Tri Hartono received Metallurgical Mining Engineering degree from Bandung Institute of Technology in 1995. He joined ANTAM in 1996, holding previous key positions such as, among others, Vice President Operation of Southeast Sulawesi Nickel Mining Business unit from 2011 until 2012, Operation Division Head of Precious Metals Processing and Refinery Business Unit in 2013 and Logam Mulia Business Unit Head in 2013.

#### **ANTAM EXTENDS DEEPEST REGRETS ON THE ACCIDENT OCCURRING IN THE ILLEGAL MINERS' TUNNEL**

On May 23, 2013, ANTAM extends its regrets and condolences over the unfortunate accident occurred in one of the tunnels operated by illegal miners near the area of the level 700 Ciurug gold vein at ANTAM's Gold Mining Business Unit in Nanggul Village, Nanggung District, Bogor Regency, West Java. The accident resulting in the death of one illegal miner and injured five illegal miners. ANTAM's Emergency Response Group (ERG) team, together with the Nanggung police personnel and local community managed to evacuate all victims.

The accident occurred in one of the tunnels operated by illegal miners near the level 700 Ciurug gold vein which is no longer in operations and is used as ventilation tunnel. The 60 cm-wide illegal miners tunnel is located 25 meters below the surface. The tunnel collapsed as there were no tunnel reinforcements.





ANTAM has been improving its strategy to reduce illegal mining activities, the bulk of which are performed in the national park neighboring the Pongkor gold mine. The strategy includes proactive community development and social responsibility programs, including improvement of local economies, as well as increased communities approach with the support of local government officials, key community leaders and law enforcement personnel.

None of ANTAM's facilities were damaged by the accident. ANTAM's gold mining and smelter continue to operate normally.

ANTAM will continue to improve its efforts to prevent similar accidents to occur in the future through improvement of security measures in the areas surrounding the Gold Mining Business Unit. ANTAM also continues to warn local communities about the dangers of illegal mining.

### **ANTAM'S PERFORMANCE REMAINS SOLID**

On June 13, 2013, ANTAM announced that the Company's performance remains solid amidst concerns over global economic conditions. ANTAM remains focused on key growth projects to optimize the use of its cash position as well as emphasizing cash preservation as top priority. Constructions of ANTAM's key projects remain on track. Implementation of cost reduction programs also continues such as the negotiations to secure cheaper fuel price and evaluating all contracts, including mining services contracts with third parties.

### **ANTAM CONDUCTS CORPORATE GOVERNANCE LEADERSHIP TRAINING PROGRAM**

On June 18, 2013, ANTAM announced that the company has conducted the Corporate Governance Leadership Training Program on 7-8 June 2013 at Novotel Hotel, Bogor, West Java. The program is part of the Good Corporate Governance (GCG) induction program for members of the Board of Directors and Board of Commissioners of ANTAM and its subsidiaries. The program aims to improve and enhance the understanding of GCG implementation, in consideration of the triple bottom line principles: Environment, Society and Economy to achieve corporate sustainability.

### **ANTAM RECEIVES THREE AWARDS IN INDONESIA GREEN AWARDS 2013**

On June 26, 2013, ANTAM announced that the company receives three awards at the 2013 Indonesia Green Awards. The three awards were, The Forest Conservation Category, The Biodiversity Conservation Category, and The Pioneer in Food Development.

### **ANTAM RECEIVES AWARDS IN 9TH CORPORATE GOVERNANCE ASIA RECOGNITION AWARDS 2013 & ALPHA SOUTH-EAST ASIA 2013**

On June 28, 2013, ANTAM announced that the company received international recognition in Good Corporate Governance (GCG). ANTAM received three awards in two different events: the 9th Asian Recognition Awards 2013 and the Alpha Southeast Asia 2013. At the former event, ANTAM was nominated as Asian Out-



standing Company on Corporate Governance; while at the later event, the company received the Best Senior IR Management Support and the Best Compliance in the Corporate Governance awards.

### **ANTAM'S FINANCE DIRECTOR NAMED 2013 INDONESIAN BEST CHIEF FINANCIAL OFFICER**

On June 28, 2013, ANTAM announced that the company's Finance Director, Djaja M. Tambunan, was named 2013's Indonesian Best Chief Financial Officer (CFO). The award was bestowed by the SWA Magazine at the Hotel Gran Melia Jakarta on June 27, 2013.

The criteria used to assess the CFO contestants include problem-identification clarity; innovative strategies to achieve targets; skills applied; degree of result orientation; as well as presentation skill.

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*The material, information, as well as financial and operational data presented in this report are still under limited review; as such, actual results may differ materially from those presented herein.*

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Lukman Efendi, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Lukman Efendi is a full-time employee of the company. Mr. Lukman Efendi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lukman Efendi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

