



# Press Release

**ANTAM CONSOLIDATED  
ITS EFFORTS TO  
STRENGTHEN ITS  
RESOURCES,  
BOTH OPERATIONALLY  
AND FINANCIALLY**

## For Immediate Release

**Jakarta, August 29, 2014** - PT ANTAM (Persero) Tbk (ASX - ATM; IDX – ANTM; ANTAM) announces the company has consolidated its efforts to strengthen its resources, both operationally and financially. In the first semester of 2014, ANTAM faced several challenges due to external conditions that were beyond the firm's control. There was a decline in base metal commodity prices. Furthermore, in the beginning of 2014, the Government introduced regulations that banned the exports of raw materials, such as the nickel and bauxite ore exported by ANTAM.

These challenges had a severe impact to ANTAM, resulting in a loss of Rp639 billion in the first semester of 2014 (1H14). ANTAM's 1H14 results were also negatively impacted from non operating components largely due to adjustments in the investment value at PT Nusa Halmahera Minerals and loss from PT Indonesia Chemical Alumina.

ANTAM's President Director, Tato Miraza said,

**"Although the second quarter of 2014 period saw higher commodity price levels, our financial performance remained lackluster in the first half of 2014 as a consequence of the government's policy to ban ore export coupled with lower average selling prices in the first quarter of 2014 which affected the overall commodity prices in the first half of 2014.**

**Despite the negative impact of the ore ban policy, it is expected to continue to boost commodity price level and as a result, we are confident the company's financial performance to remain positive.**

**As we have little control over commodity prices, our response is to continually implement efficiencies as our main priority as well as striving to increase sales for the commodities we produce. We also continue to remain prudent in terms of our capital spending for our development projects."**

**FOR MORE INFORMATION  
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In the first semester of 2014 (1H14), ANTAM's net sales was recorded at Rp3.99 trillion, or 35% lower compared to the first half of 2013 (1H13) in line with the government's mineral ore ban. Gold contributed the largest share of 1H14 net sales with a 49% share or amounting to Rp1.95 trillion.

In 1H14 ANTAM continued to focus on efficiencies as its main priority and was able to save Rp15.2 billion as of end of June 2014 or 74% of annual internal target of Rp20.5 billion. In 1H14, cost reduction programs were geared toward efficiency in fuel consumption, reduction in operating cost, negotiation with third parties, and use of local spare parts to replace imported material.

To support higher gold sales, ANTAM has opened nine retail gold outlets since 2013 as well as targeting higher ferronickel sales in 2014. As of end of June 2014, ANTAM's ferronickel sales grew 37% over similar period of 2013 to 8,900 TNi.

ANTAM also remained well placed to continue its growth through the development of Southeast Asia's first Chemical Grade Alumina plant in Tayan, Sanggau Regency, West Kalimantan. Furthermore, ANTAM is expanding its ferronickel plant capacity through the development of the Pomalaa Ferronickel Plant Expansion project which is scheduled to become operational in 2015. In the first half of 2014, ANTAM's commissioning of the Tayan CGA plant remained on track whilst EPC progress of the Pomalaa Ferronickel Plant Expansion Project was also in line with progress and reached 57% as at June 30, 2014.

In the first half of 2014, ANTAM's capital expenditure reached Rp1.01 trillion. The largest component of ANTAM's capex in the first half of 2014 went into development projects which amounted to Rp893.6 billion.

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