



News Release

**ANTAM TO ISSUE
RUPIAH-DENOMINATED
BONDS TO FINANCE
INVESTMENTS AND
BUSINESS
DEVELOPMENTS**

**Pefindo's _{id}AA Rating
reflects Antam's
financial strength**

For Immediate Release

Jakarta, 10 November 2011 – PT ANTAM (Persero) Tbk (Antam; ASX - ATM; IDX - ANTM) is pleased to announce its intention to issue Rupiah-denominated bonds to fund the company's investments and business developments to maximize shareholders' value.

Antam plans to raise fund from Sustainable Public Offering with the bonds issuance up to Rp4 trillion. The first stage of this bonds issuance targets up to Rp1.5 trillion. Antam's first stage bonds issuance will be issued in two series with duration of seven and ten years respectively. Antam plans to list the bonds at the Indonesia Stock Exchange (IDX).

Antam's President Director, Alwinskyah Lubis said:

"Inline with our strategic plan to move downstream, we believe using corporate bonds will provide us with the optimum way of financing. The _{id}AA rating from Pefindo reflects Antam's strong financial position."

Antam plans to use 20% of the bonds proceeds of Rp4 trillion or equal to Rp800 billion, after deduction from related issuance charges, to finance routine investments at its business units to support operational performance and maintain production stability through investments in infrastructure and production machineries and tools. Antam plans to use the remaining 80% of the proceeds or equal to Rp3.2 trillion to finance business developments, such as opening of new mines, existing projects development, and future projects. Antam's development projects aim to augment the company's reserves and resources through processing and refining, in anticipation of Law No. 4/2009 on Minerals and Coal Mining .

In relation to the first stage of the bonds with a value of up to Rp1.5 trillion, Antam plans to use Rp450 billion or 30% of the bonds proceeds to finance routine investments at its business units to support operational performance and maintain production stability through investments in infrastructure and production machineries and tools, in which 9% will be spent at the

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Southeast Sulawesi Nickel Mining Business Unit, 11% will be spent at the North Maluku Nickel Mining Business Unit and 10% will be spent at the Gold Mining Business Unit. From the remaining Rp1,050 trillion or up to 70% of the proceeds, Antam will use up to Rp990 billion or 66% for the renovation, upgrades, modernization and optimization of the Pomalaa ferronickel smelters and the remaining will be spent toward opening of new nickel mines in North Maluku and/or Southeast Sulawesi and/or bauxite mines in West Kalimantan to support the company's existing operations and growth projects .

Antam's corporate bonds received "idAA" rating from Pefindo with a "Stable" outlook. Supporting factors for the ratings are sizable amounts and good quality of resources of major products, vertically integrated operations and good product diversification. Constraining factors include fluctuation of nickel price and aggressive capital structure in the medium term to finance its downstream projects.

Antam is Indonesia's leading mining and metals company. Antam's strengths include significant reserves and resources at strategic locations; high quality and diversified products; strong and stable customer base with long term contracts; and prioritizing work safety and health as well as solid environmental management and community development.

Antam has the expertise in developing downstream growth projects. Antam begins its downstream processing capability with the development of the ferronickel smelter, FeNi I in 1976, FeNi II in 1995 and FeNi III in 2007. Antam is also successful in developing the underground gold mine of Pongkor since 1994.

During the first nine months of 2011 (9M11), Antam's income attributable to the parent company grew by 64% compared to the income of the same period in 2010 (9M10) to Rp1.56 trillion. The earnings per share of the period (EPS) recorded at Rp163.60 compared to 9M10's EPS of Rp99.81. The increase was mainly due to the increases in the sales volumes and selling prices of ferronickel and gold. Following increases in the demand of ferronickel which boosted sales volumes, Antam's unaudited revenue for 9M11 grew by 36% compared to 9M10 to Rp7.8 trillion. Ferronickel was the largest contributor to the revenue, accounting for 40% of the total sales or Rp3.1 trillion. Export markets remained the main destination of Antam's main commodities with 73% of the total company's products worth of Rp5.7 trillion being exported. With cash and cash equivalents amounting to Rp2 trillion and investment loans value of Rp112 billion, Antam still holds a robust net cash position to support the funding of its growth projects.

Antam expects the corporate bonds will receive effective statement from the Indonesia Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) on 2 December 2011. The bookbuilding period will begin from 10 until 24 November 2011 with the public offering period to be held from 6 until 9 December 2011. Antam expects the bonds to be listed at the IDX on 15 December 2011.

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