



## Quarterly Report to Shareholders

For the three months ending 30 June, 2001

ARBN - 087 423 998

### EXPLORATION

- On exploration, Antam spent a total of Rp 10.69 billion in 2Q01, by comparison with the Rp. 4.45 billion spent in the previous quarter.
- The result of surveys at Mt Liman was positive for guiding test drilling for gold. In the next quarter, Antam intends to review the possibility of test drilling in this block.
- A total of 16,095 m of drilling was carried out at an expense of Rp 4.47 billion at Antam's new Sangaji nickel prospect in Halmahera.

### DEVELOPMENT

- During the AGM it was ratified to form a selection panel to be chaired by Jos Luhukay of Ernst & Young, as an independent consultant, to select and nominate candidates for an Independent member of Antam's Board of Commissioners. As well it was determined the total dividend payment will be Rp 191.57 billion or Rp 156 per share.
- On May 18<sup>th</sup>, Antam won the Best Listed Company from Investors Magazine during a ceremony attended by former Coordinating Min. for the Economy, Rizal Ramli.
- Good news for the FeNi III project as a letter of support received from the Export Credit Agency on June 18th, 2001. Hermes, acting on behalf of the German Government will later consider granting export credit for the major part of the foreign content of the Engineering Procurement and Construction (EPC) contract, which was awarded to Tessag Industrienlagen GmbH.

### PRODUCTION

- Operations have successfully begun at Tanjung Buli in Halmahera. 300,000wmt of high grade and 375,000 wmt of low grade are to be shipped starting August and September 2001 respectfully.
- Antam's production results are on target and largely the same as the previous year with differences of 3-6% as compared to last year. The biggest increase is with low grade nickel ore, which increased 30%.
- In addition to gold, the sales volumes for high grade and low grade nickel ore, silver and iron sand were also up respectively 30%, 2%, 8% and 45%. While, sales of bauxite decreased.

### FINANCIAL

- Consolidated net income of Rp 263 billion (approximately US\$25 million) for the first half of 2001 on net sales of Rp 831.76 billion, up 15% from Rp 725.26 billion last year.
- Summary of Consolidated Balance Sheet, Cash Flow and Income Statements for the first half of 2001 available with this report. Financial Statements and Notes will be available by August 31<sup>st</sup>, 2001

Dohar Siregar  
Corporate Secretary  
31<sup>st</sup> July, 2001

● Shareholder Sum-Up: 2Q01  
Relative Share Price Performance over the Quarter  
(Arrow indicates comparison to previous quarter).

During 2Q01 Antam's share price rose 25% from Rp800 to Rp1000.

VS. PEERS...

PT Timah	6.9	▲
PT Inco	41.7	▲
Inco Ltd	10.2	▲
Falconbridge	32.8	▲
WMC Ltd	7.5	▲
BHP Ltd	15.9	▲
Rio Tinto Plc	18.1	▲
AngloAmerican	12.6	▼
Harmony	-0.3	▲
Barrick Gold	19.1	▲
Newcrest	-.05	▲

VS. INDICES...

LQ45	3.4	▲
JSE Composite	7.1	▲
JSE Mining Index	8.0	▲
ASX All Ordinaries	14.6	▲
ASX Gold Index	0.4	▲
ASX Metals Index	22.8	▲
DOW JONES	16.4	▲
TSE 300	23.5	▲
NASDAQ	3.1	▼
FTSE All Share Mine	14.3	▲

VS. COMMODITIES...

Gold	17.9	▲
Nickel	23.9	▲

VS. RUPIAH	15	▲
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KEY Analyst Recommendations:

KEY D A T A	Jardine Fleming	Buy	5/3/01	Trimegah	Buy	6/7/01
	Vicker Ballas (1)	Hold	5/18/01	Danareksa	Sell	6/21/01
	ING Barings	Buy	6/1/01	Kim Eng	Buy	6/18/01
	Vicker Ballas (2)	Buy	6/1/01	UBS Warburg	Hold	6/18/01
	SG	Buy	6/7/01	Bomar	Buy	6/25/01
	BNP Paribas	Sell	6/7/01			

Shares in Issue	1,231m	-
Market Capitalization	Rp 1.2trn (US\$108m)	▲
Price Range	Rp 750 - Rp 1025	▲
Average Price	Rp 871	▼
Trading Volume	131m	▲
Average Daily Volume	2,122,718	▲

Major Shareholder:

Government of Indonesia (65%)

**Dividend Payment Date:** (1999)

28<sup>th</sup> June, 2000

**Dividend Amount:**

Rp73.19/share or AUD\$0.07/CUFS

(40% of Net Income)

**Dividend Yield:** 5.2%

Nickel Price on 6/29/01	US\$2.76/lb	▲
Nickel Price Range	US\$2.73/lb (4/3/01) - US\$3.40/lb (5/16/01)	▲
Gold Price on 6/29//01	US\$270.85/oz	▲
Gold Price Range	US\$255.55/oz (4/2/01) - US\$287.55/oz (5/18/01)	▲
Rupiah on 6/29//01	Rp 11,390/US\$	▲
Rupiah Range	Rp 10,430/US\$ (4/2/01) - Rp 12000/US\$ (4/26/01)	▲

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## **EXPLORATION**

In 2Q01, Antam's exploration still focused on lateritic nickel at Buli Prospect on Halmahera Island and Bahubulu Island Prospect in South East Sulawesi. The saprolitic (high grade) type of lateritic nickel prevalent in these deposits will feed Antam's smelter plants and fulfill export orders. The limonitic ore type of the lateritic nickel is allocated for export.

Antam continued the drilling program at Gudang Handak prospect on Pongkor Gold Mine in West Java to increase the resource classification. Gold exploration also conducted in some areas on Sumatra, Java and Kalimantan.

Antam spent a total of Rp 10.69 billion in 2Q01, by comparison with the Rp. 4.45 billion spent in the previous quarter. The increased expenditure is due to outstanding expenses related to 1Q01 and increased exploration activity.

## **NICKEL**

### **SOUTHEAST SULAWESI**

Bahubulu Island is located at southeast Sulawesi, relatively closed to Antam's smelter plant at Pomalaa. Pre-feasibility study and environmental assessment (AMDAL) will be conducted in a short time on the Bahubulu Prospect. The prospect is located within a protected forest, but Antam, supported by local government, is negotiating with the Indonesian Forestry Department to obtain full access.

In 2Q01, Antam continued the drilling programs in grid spacing of 50 m by 50 m west of the prospect block. In Southeast Sulawesi, Antam also conducted test drilling in wide spacing in Boenaga, Kabaena and Lalindu, to delineate the lateritic nickel potential of these areas.

The exploration programs will continue with drilling using spacing of 50 m by 50 m in the east block prospect of Bahubulu Island. Antam spent total of 1.97 billion Rupiahs in this quarter to explore lateritic nickel in these areas.

### **BULI**

Antam has an aggressive lateritic nickel exploration program at Buli, in the eastern part of Halmahera Island, and it has delineated a number of deposits at Gee, that are currently being mined and deposits at Tanjung Buli which will start commercial operations in a few months.

The exploration activities included drilling, geophysical and topographical surveys. Initially the drill hole spacing was 100 m by 100 m and closed down to 25 m by 25 m by infill drill holes in detailed prospects to increase the mineral resources classification. The resistivity method of geophysical survey was carried out to predict laterite thickness.

In the new prospects of Sangaji, Antam continue exploration with drilling using spacing up to 500 m, geophysical surveys and geological mapping. Significant inferred mineral resources totaled of 51 million wmt saprolite and 67 million wmt limonite, has been identified as at 31 March 2001. A total

of 16,095 m of drilling was carried out at an expense of Rp 4.47 billion. The total drilling of 2Q01 increased 54 % over the previous quarter. The exploration program will continue in the next quarter both at the detailed prospects and the Sangaji area.

## GOLD

### MT LIMAN

In previous exploration, Antam observed evidence of gold mineralisation associated with an epithermal vein system on Mt. Liman in East Java. The main difficulty with the exploration is that the vein was observed as floats, but no outcrop was observed. In 2Q01, geochemical surveys of soil sampling and IP and ground magnetic geophysical surveys were carried out on Toyomerto Block. The result of surveys was positive for guiding test drilling in this area. In the next quarter, Antam intend to review the possibility of test drilling in this block.

### GUDANG HANDAK

Recent drilling at Gudang Handak prospect located within the exploitation license of Antam's Pongkor Gold Mine in West Java resulted in continuing good grades of gold on vein intercepts. Total of 2,800 meters of drill holes were infill drilled and extended drilling programs were carried out during 2Q01.

*The significant drill intercepts conducted on 2Q01 were:*

No	Hole No	Depth (m)		Grade (gpt)		Intercept Width (m)
		From	To	Au	Ag	
1	GH 16B	158.05	162.9	7.11	97.74	4.5
		162.9	167.8	4.86	75.33	11.7
2	GH 19 B	145.5	149.70	5.88	93.62	4.2
		153.75	169.90	4.35	54.86	16.15
3	GH 19 B/A	117.80	120.00	5.6	54.83	2.2
4	GH 19 B/B	157.80	161.35	27.43	116.4	3.55
5	GH 20	204.45	207.65	4.34	17.805	3.2
		208.35	212.10	8.78	93.85	3.75
6	GH 20A	176.30	178.90	9.126	64.18	2.6
7	GH 21	160.60	162.05	12.41	88.94	1.45
		167.30	175.75	4.21	82.8	10.2
8	GH 23	120.20	120.65	12.8	81.74	0.45
9	GH 23A	132.50	133.60	4.52	51.048	1.1

Antam also conducted exploration at other prospects at Pongkor, namely Pamoyanan, Cimanganten and Cikatumiri. Drilling programs and geophysical surveys were conducted in these prospects, the best result was an intercept of 2.45 m @ 23.13 gpt Au at the Pamoyanan prospect. The exploration expenditure during this quarter reached 2.12 billion Rupiah.

## **DEVELOPMENT (Corporate and Mine - ANTAM and Joint Ventures)**

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On May 18<sup>th</sup>, Antam wins Best Listed Company from Investors Magazine during a ceremony attended by former Coordinating Min. for the Economy, Rizal Ramli.

### **Annual General Shareholders Meeting (AGM) for 2000**

Held June 21<sup>st</sup> in Jakarta's Regent Hotel, among other routine matters, Antam's shareholders resolved to allocate a dividend of 50% of the Company's net profit after tax. The total payment will thus be Rp 191.57 billion or Rp 156 per share. The remainder of the Company's net income was allocated to Retained Earnings to fund business developments such as the ferronickel expansion project, FeNi III. Antam's profits soared 64% in 2000 to Rp 383 billion due to strong sales and high nickel prices.

During the AGM, the 2000 audited financial statements as prepared by Public Accountants Prasetio Utomo & Co. were ratified by shareholders and Prasetio Utomo & Co were appointed as the external auditor for fiscal year 2001. In addition, the AGM adopted the Company's Corporate Planning Scheme for 2000 - 2004. The scheme includes corporate targets for growth in terms of production, development and earnings.

Also accepted at the AGM was the formation of a selection panel to be chaired by Jos Luhukay of Ernst & Young, as an independent consultant, to select and nominate candidates for an Independent member of Antam's Board of Commissioners, to represent minority shareholders. It is expected the candidate selected by the panel will be put forth for approval at the next General Shareholders Meeting. Furthermore, it is anticipated this Independent Commissioner will serve as the chairperson for the Company's new Audit Committee, installed to further ensure good corporate governance.

### **FENI III Nickel Expansion Project and the associated Power Plant Project**

The due diligence process by IKB, the financial arranger, to complete the Project Information Memorandum (PIM) to submit for loan coverage to Export Credit Agency (ECA) Hermes Kreditversicherungs-AG continued during 2Q01:

- Environmental studies conducted by International Mining Consultants (IMC) completed.
- Marketability study, including nickel price projections, completed by Brook Hunt.
- Reconfirmation received for the 2 longterm offtake agreements, each for a duration of 10 years from the start of commercial operations
- A letter of support received from the ECA on June 18th, 2001. Hermes, acting on behalf of the German Government will later consider granting export credit for the major part of the foreign content of the Engineering Procurement and Construction (EPC) contract, which was awarded to Tessag Industrienlagen GmbH.

- The PIM is expected by August 2001 and final approval from Hermes is expected by October 2001
- Pre-construction site preparations for plant construction will commence following approval for loan coverage from Hermes

## **DEVELOPMENT - JV**

### **PT UNCAK KAPUAS MINING**

On April 2000, PT Uncak Kapuas Mining, a joint venture between Pacific Amber Resources and Antam which held Contract of Work 96PKO051 covering an area of 112,600 Ha in West Kalimantan, was terminated after Pacific Amber resigned. In June 2001, Antam began exploring on some prospects in this area to evaluate the possibility of continuing the project independently.

### **PT GAG NIKEL**

PT Gag Nikel (PTGN) is an Indonesian registered joint venture company involving BHPBilliton and Antam. The joint venture holds Contract of Work signed in February 1998 to explore and if feasible will develop nickel mine on Gag Island, 160 kilometers west of Sorong in Papua Province. Currently the project is in the evaluation stage for the lateritic nickel on Gag Island, with significant work in exploration to determine the quality of the resource. If the venture proves to be commercially feasible, Gag Island resource could support a mine producing up to 60,000 tpy of nickel over three decades.

Total workforce for PTGN project as March 2001 was 91 with total investment expended was more than US\$ 42 million. The project also continues to experience an excellent lost time injury free record with more than 1.1 million man-hours without accident. PTGN is also continuing its community development programs with emphasis on income generating projects, education programs, fishing projects and health programs. A report recommending a series of preventive health measures was issued to include the implementation of PTGN community efforts around Gag Island.

The total expenditure for 2Q01 was US\$ 607,501. Work completed includes:

- The continuation of environmental trial programs at Pit 3, Pit 4 and over access tracks used in previous drilling.
- Further detailed geological mapping of the camp 1 creek in areas that are labeled as protected forest.
- Revision of a joint BHP/Falconbridge draft scope of work for the continuation of the deposit drilling and geologic evaluation.
- Re-establishing the nickel laboratory and assembly of the pilot plant facilities at BHP's Newcastle Laboratories. The new atmospheric leach pilot plant has been completed, tested and is ready to accept Gag ore brought from Reno. Two operation teams have been trained.
- A BHP technical team visited Falconbridge to discuss process technology and a work plan going forward for the BHP - Falconbridge joint venture. After this initial discussion a comprehensive

multi-discipline team was convened to synthesize an overall work plan that would commence once the forest problem is resolved.

- An assessment of PTGN assets was completed and submitted for review.
- Clarify Gag Island's status as a protected forest and PTGN's ability to ultimately use surface mining methods, proceed to modify the status to allow development if appropriate
- Perform hydrologic test to determine the groundwater characteristics of the island
- Conduct mine design work to establish the limit of mine disturbance and 20 year production plan

### **PT DAIRI PRIMA**

PT Dairi Prima is 20% held by Antam, International Annax Ventures, Inc, which is 71% owned by Herald Resources, hold the remainder. Current exploration drilling program at the Dairi Project in Sumatra is continuing to outline additional zinc-lead mineralization. Drilling is focusing in the Lae Jahe and Bongkaras zones located approximately 1.2 and 2.2 kilometres north along the Sopokomil Trend from the Project's 10 million tonnes high grade Anjing Hitam zinc-lead deposit.

Sufficient drilling at the Anjing Hitam deposit has now been completed to allow initiation of a preliminary feasibility study. Drilling is continuing with two rigs. Results will be reported on a regular basis.

### **PT WEDA BAY**

Antam has a 10% carried interest in PT Weda Bay, held together with Strand Minerals Indonesia, which is majority owned by Weda Bay Minerals Inc (WDA).

WDA has completed its Pre-Feasibility Study for a nickel/cobalt pressure acid leach project based on its extensive laterite deposits on Halmahera Island, Indonesia, held under its Seventh Generation Contract of Work. The study, undertaken by a Joint Venture of Kvaerner Process (Australia) Pty Ltd. and Hatch Associates Pty. Ltd. was completed on time and within budget.

The results of the study demonstrate the Weda Bay Project is robust at varying capital costs and production levels. The base case in the Pre-Feasibility Study yields average annual production of 48,000 tonnes of nickel and 4,600 tonnes of cobalt over a 20 year project life. Peak production occurs in years 3 to 5 when 52,600 tonnes of nickel and 5,100 tonnes of cobalt are produced each year. The operating cost averages 97 cents per pound of nickel, exclusive of cobalt credit, in a mixed sulphide intermediate product.

\*as taken from June 14, 2001 WDA press release

### **PT SORIKMAS MINING**

During the June quarter 2001, activity included limited prospecting in catchment areas in the northern block of the Pungkut COW area, North Sumatra. No results of significance were received. By the end of the quarter the project had entered an essentially care and maintenance phase. Expenditure by PT Sorikmas Mining for the quarter was US\$ 21,443.

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## **PRODUCTION** (please refer to accompanying tables)

Antam's production results are on target and largely the same as the previous year with differences of 3-6% as compared to last year. The biggest increase is with low grade nickel ore, which increased 30%.

### **Nickel Production**

The production volume of ferronickel increased 7.1% compared with the previous quarter and was nearly same with the second quarter last year. This brings first half production to 5,037 tons or 49% of Antam's target for the year.

Saprolitic (high grade) nickel ore production from Pomalaa, Gebe and Gee totaled 983,722 wmt or 46% of the revised 2001 target. Antam's yearly target was recently increased by 300,000 wmt as operations have successfully begun at Tanjung Buli in Halmahera, North Maluku. The first shipment will be delivered in August to Pacific Metals Co. (Pamco). The production volume of nickel high grade ore from Gebe increased by 41% and 60% compared with first quarter 2001 and same quarter last year as operations have normalized following reduced operation from staff who left the island to attend to security issues on neighboring Halmahera. Weather at Gebe is volatile as well and can have an adverse impact on operations.

Limonitic (low grade) nickel ore production from Gebe increased by 6% and 34 % compared with first quarter 2001 and same quarter last year. This is slightly less than the initial target of 975,000 wmt. This target has been increased following the beginning of mine operations at Tanjung Buli, which adds 375,000 wmt to forecast production, now targeted at 1,350,000wmt. Exporting of nickel ore will begin in September to QNI of Australia.

### **Nickel Sales**

Ferronickel sales volumes were 4,547 tons of contained nickel in ferronickel, which is 44% of the annual sales target of 10,300 tons. The decrease is due to shipments shifting to July 2001. The high grade nickel ore sales volume increased by 27% and 25% compare with the previous quarter and the same quarter last year.

The sales volume from Pomalaa increased 108% and 156% compared with the previous and same quarter last year due to the sale of surplus stock from the end of 2000. Increased orders have come from Nippon Yakkin and Pamco. The sales volume of high grade nickel ore from Gebe decreased 24% and 33% compared with the previous and same quarter from last year due to bad weather which caused rough seas making loading of ships difficult. As well anchorage restrictions combined with only 3 out of 4 operational tug boats further hampered loading times. Antam will rent a replacement tug to help handle loading difficulties. The sales volume of low grade nickel ore from Gebe also decreased. Thus, first half exports of low grade ore reached 42% of the 1,100,000 wmt target for the year.



Thus total nickel ore sales volume is about 40% of the 3,060,000 wmt target for this year. However the variance is due to increased forecasts for both saprolitic and limonitic following the beginning of nickel ore exports from Tanjung Buli. Although exporting from Tanjung Buli was delayed by 2-3 months, Antam will make its best effort to see the revised targets met.

### **Gold Production and Sales**

Gold production increased 22% and 18% compared with previous quarter and same quarter last year and is set to reach the 4,102 kg target for 2001. Silver production also increased. Ore derived through reclamation activities in the nearby Mt. Halimun National Park has supplemented production underground. The grade is very small however and did not contribute significantly. The bulk of outcrop throughput was acquired within Antam's mine area and is likely to be exhausted in August. The rehabilitation program will be completed in July or August.

Gold sales increased 43% and 18% compared with the previous quarter this year and the same quarter last year on the back of increasing robust local sales and increased exports. Antam anticipates it will meet the 2001 sales target.

### **NICKEL**

<b>PRODUCTION VOLUME</b>		<b>2000</b>	<b>2001</b>		
		<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>1H</b>
<b>Ferronickel (ton Ni)</b>	<b>T O T A L</b>	2,596	2,433	2,604	5,037
<b>Nickel ore (wmt) :</b>					
High Grade	Pomalaa	152,669	172,980	170,366	343,346
	Gebe	131,150	149,560	210,184	359,744
	Gee	139,052	143,131	137,551	280,682
	<b>Sub total</b>	<b>422,871</b>	<b>465,671</b>	<b>518,101</b>	<b>983,772</b>
Low Grade	Gebe	182,279	229,752	244,482	474,234
	Gee	-	-	-	-
	<b>Sub total</b>	<b>182,279</b>	<b>229,752</b>	<b>244,482</b>	<b>474,234</b>
	<b>T O T A L</b>	<b>605,150</b>	<b>695,423</b>	<b>762,583</b>	<b>1,458,006</b>

<b>SALES VOLUME</b>		<b>2000</b>	<b>2001</b>		
		<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>1H</b>
<b>Ferronickel (ton Ni)</b>	<b>T O T A L</b>	2,808	1,741	2,806	4,547
<b>Nickel ore (wmt) :</b>					
High Grade	Pomalaa	106,075	130,770	271,892	402,662
	Gebe	239,125	208,937	159,893	368,830
	Gee	-	-	-	-
	<b>Sub - total</b>	<b>345,200</b>	<b>339,707</b>	<b>431,785</b>	<b>771,492</b>
Low Grade	Gebe	245,959	227,451	228,477	455,928
	Gee	-	-	-	-
	<b>Sub - total</b>	<b>245,959</b>	<b>227,451</b>	<b>228,477</b>	<b>455,928</b>
	<b>T O T A L</b>	<b>591,159</b>	<b>567,158</b>	<b>660,262</b>	<b>1,227,420</b>

**GOLD****PONGKOR GOLD MINE**

<b>PRODUCTION VOLUME</b>		<b>2000</b>	<b>2001</b>		
		<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>1H</b>
<b>Ore Throughput:</b>					
	<b>Underground</b> (wmt)	45,186	57,745	60,114	117,859
	<b>Out crop</b> (wmt)	41,617	37,235	45,643	82,878
	<b>TOTAL</b>	86,803	94,980	105,757	200,737
<b>Gold</b>	(kg)	937	905	1,109	2,014
		30,109	29,110	35,636	64,746
<b>Silver</b>	(kg)	6,787	6,833	7,820	14,653
		218,194	219,674	251,418	471,104
<b>Gold content</b> (g/t)		13.32	11.78	12.12	11.96
<b>Silver content</b> (g/t)		182.38	147.35	154.43	151.22

**CIKOTOK GOLD MINE** (International Antam Resources Limited)

<b>PRODUCTION VOLUME</b>		<b>2000</b>	<b>2001</b>		
		<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>1H</b>
<b>Gold</b>	(kg)	14.62	53.79	58.52	112.31
	(oz)	470	1,729	1,881	3,611
<b>Silver</b>	(kg)	97.01	278.53	322.12	600.65
	(oz)	3,119	8,955	10,356	19,311
<b>Gold content</b> (g/t)		13.63	8.71	9.16	8.71
<b>Silver content</b> (g/t)		127.44	71.82	44.84	71.82

<b>SALES VOLUME</b>		<b>2000</b>	<b>2001</b>		
		<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>1H</b>
<b>Gold</b>	(kg)	992	870	1,123	1,993
	(oz)	31,893	27,971	36,105	64,076
<b>Silver</b>	(kg)	6,461	5,668	9,995	15,663
	(oz)	207,726	182,230	321,346	503,576

## BAUXITE AND IRON SAND

PRODUCTION VOLUME		2000	2001		
		2Q	1Q	2Q	1H
<b>Bauxite (wmt)</b>	<b>T O T A L</b>	292,914	317,097	327,140	644,237
<b>Iron sand (wmt)</b>	<b>Cilacap</b>	63,833	53,720	58,644	112,364
	<b>Kutoarjo</b>	43,424	45,587	47,321	92,908
	<b>Lumajang</b>	20,857	18,689	18,975	37,664
	<b>T O T A L</b>	128,114	117,996	124,940	242,936

SALES VOLUME		2000	2001		
		2Q	1Q	2Q	1H
<b>Bauxite (wmt)</b>	<b>T O T A L</b>	380,531	315,514	255,642	571,156
<b>Iron sand (wmt)</b>	<b>Cilacap</b>	34,717	74,048	41,904	115,952
	<b>Kutoarjo</b>	33,862	54,526	55,837	110,363
	<b>Lumajang</b>	23,975	5,902	15,224	21,126
	<b>T O T A L</b>	92,554	134,476	112,965	247,441

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## FINANCIAL

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### ***Consolidated Financial Statements for 1H01 will be released by August 31, 2001.***

Antam booked consolidated net income of Rp 263 billion (approximately US\$25 million) for the first half of 2001. The result is a 24% increase over the Rp 213 billion of the first half of 2000. This increase is mainly due to the weakening of the Rupiah against the US\$, which was on average 35% weaker over the first semester.

Net sales in 2001 reached Rp 831.76 billion, up 15% from Rp 725.26 billion last year. The cost of goods sold rose 17% over 1H00, resulting in a 49% gross margin. Upwards of 98% of the Company's sales revenues are US Dollar denominated, while operating costs are largely Rupiah-based.

Antam's customers come from throughout Asia and Europe and include SK Global and UOB Singapore for gold and Krupp Thyssen Nirosta, Newco, Sumitomo and Posco for nickel.

Lower sales prices of core products did not prevent higher earnings. The average sales price of ferronickel decreased from US\$ 4.05/lb last year to US\$ 2.82/lb; the sales price of gold decreased from US\$288.47/t.oz to US\$269.12/t.oz and silver decreased 12% to US\$ 4.48/t.oz

For further detailed information please see the attached table.

**Summary for 1st Quarter 2001 and 2000**

DESCRIPTION		2000		2001		
		(12 months)	2Q	1Q	2Q	(6 months)
<b>SALES PRICE</b>						
Ferronickel Nickel Ore High grade	US\$/Lb	3.73	4.17	2.97	2.74	2.82
- Pomalaa	US\$/Wmt	28.30	29.08	25.94	22.75	23.79
- Gebe	US\$/Wmt	26.01	25.68	23.37	19.66	21.76
Low grade						
- Gebe	US\$/Wmt	7.49	9.40	4.38	5.51	4.95
Gold	US\$/Toz	279.82	280.65	264.67	272.57	269.12
Silver	US\$/Toz	4.99	5.03	4.67	4.37	4.48
Bauxite	US\$/Wmt	11.25	11.05	10.83	11.24	11.01
Iron Sand	IDR/Wmt	50,381	48,962	64,581	71,978	67,958
Exchange rate (for sales revenue)	IDR/US\$	8,516	8,312	9,892	11,368	10,720
<b>SALES REVENUE (Rp million)</b>						
<b>EXPORT SALES :</b>						
Ferronickel Nickel Ore High grade		715,845	216,856	112,391	192,479	304,870
- Pomalaa		101,525	24,882	32,978	68,667	101,645
- Gebe		179,768	49,893	48,188	35,590	83,778
Low grade						
- Gebe		51,533	19,438	9,851	16,426	26,277
- Gee		-	-	-	-	-
Gold		300,134	69,667	53,739	82,222	135,961
Bauxite		119,898	35,185	33,457	32,347	65,804
Silver		26,260	5,310	-	-	-
Hedging Revenue		(8,518)	(15,048)	2,032	1,320	3,352
<b>Total export revenue</b>		<b>1,486,445</b>	<b>406,183</b>	<b>292,636</b>	<b>429,051</b>	<b>721,687</b>
<b>DOMESTIC SALES</b>						
Gold		16,130	3,279	19,881	28,862	48,743
Silver		15,719	3,322	8,516	15,774	24,290
Ferronickel		1,474	-	722	-	722
Iron sand		20,308	4,532	8,685	8,131	16,816
Logam Mulia		25,534	5,929	10,376	8,587	18,963
Services						
Other		699	237	136	399	535
<b>Total Domestic</b>		<b>79,864</b>	<b>17,299</b>	<b>48,316</b>	<b>61,753</b>	<b>110,069</b>

<b>Sales</b>						
<b>Total Sales Revenue</b>		1,566,309	423,482	340,952	490,804	831,756
<b>EXPORT SALES (Thousand US\$)</b>						
Ferronickel		83,654	25,814	11,306	16,923	28,229
Nickel Ore						
High grade						
- Pomalaa		12,136	3,084	3,392	6,187	9,579
- Gebe		21,053	6,141	4,884	3,142	8,026
Low grade						
- Gebe		5,986	2,312	997	1,259	2,256
- Gee		-	-	-	-	-
Gold		35,653	8,553	5,362	7,272	12,634
Bauxite		13,916	4,206	3,416	2,874	6,290
Silver		3,182	647	-	-	-
Hedging Revenue		(1,028)	(1,887)	226	83	309
<b>Total Export Sales</b>		<b>174,552</b>	<b>48,870</b>	<b>29,583</b>	<b>37,740</b>	<b>67,323</b>

**Performance Summary For 1st Half 2001 and 2000**

	1st Half 2001	1st Half 2000	Year 2000
Realized average foreign exchange rate (IDR/US\$)	10,720	7,912	8,516
<b>Ferronickel</b>			
Production (ton Ni in ferronickel)	5,037	5,002	10,111
Sales (ton Ni in ferronickel)	4,547	5,002	10,200
Realized average selling price (US\$/lb)	2.82	4.05	3.73
<b>Nickel Ore</b>			
High grade			
Production (wet metric ton - wmt)	983,772	934,456	2,107,514
Sales (wet metric ton - wmt)	771,492	594,213	1,238,366
Realized average selling price (US\$/wmt)	22.82	25.23	26.80
Low grade			
Production (wet metric ton - wmt)	474,234	365,484	931,355
Sales (wet metric ton - wmt)	455,928	446,345	799,417
Realized average selling price (US\$/wmt)	4.95	8.15	7.49
<b>Gold</b>			
Production (kg)	2,014	2,072	4,021
Sales (kg)	1,993	1,933	4,172
Sales (t.oz)	64,076	62,147	134,133
Realized average selling price (US\$/t.oz)	269.12	288.47	279.82
<b>Other Commodities</b>			
<b>Bauxite</b>			
Production (wet metric ton - wmt)	644,237	605,350	1,150,776
Sales (wet metric ton - wmt)	571,156	604,386	1,237,359
Realized average selling price (US\$/wmt)	11.01	11.00	11.25
<b>Iron sand</b>			
Production (ton)	242,936	255,520	489,126
Sales (ton)	247,441	170,372	403,099
Realized average selling price (Rp/ton)	67,958	48,999	50,381
<b>Silver</b>			
Production (kg)	14,653	14,329	27,650
Sales (kg)	15,663	14,538	31,220
Sales (t.oz)	503,577	467,407	1,003,746
Realized average selling price (US\$/toz)	4.48	5.10	4.99

**Consolidated Balance Sheets**  
(in million Rp)

	June 30th 2001 <i>(Unaudited)</i>	June 30th 2000 <i>(Unaudited)</i>	December 31st 2000 <i>(Audited)</i>
<b>Assets</b>			
Cash and cash equivalent	711,976	630,407	706,778
Other current Assets	787,824	356,428	555,194
Investment in shares of stock	30,929	30,929	30,929
Fixed assets - net	1,053,328	1,084,509	1,080,547
Other assets	170,461	158,647	142,889
<b>Total Assets</b>	<b>2,754,517</b>	<b>2,260,919</b>	<b>2,516,337</b>
<b>Liabilities and Stockholders' Equity</b>			
Liabilities :			
Current liabilities	621,938	344,574	498,935
Deferred tax liabilities	82,673	86,293	80,015
Long-term liabilities	208,347	240,332	178,049
<b>Total Liabilities</b>	<b>912,958</b>	<b>671,199</b>	<b>756,998</b>
<b>Minority interest in Consolidated Subsidiaries</b>	10,933	10,930	9,032
<b>Stockholders' Equity</b>	1,830,627	1,578,791	1,750,307
<b>Total Liabilities and Stockholders' Equity</b>	<b>2,754,517</b>	<b>2,260,919</b>	<b>2,516,337</b>



**Consolidated Statements of Income**  
(in million Rp)

	<i>Unaudited</i> 1st Half 2001	<i>Unaudited</i> 1st Half 2000	<i>Audited</i> Year 2000
Net sales	831,756	725,261	1,566,309
Cost of goods sold	427,036	365,629	860,275
<b>Gross Profit</b>	<b>404,719</b>	<b>359,631</b>	<b>706,034</b>
Operating expenses			
General and administrative	41,166	33,812	106,249
Selling	19,164	13,864	34,933
Exploration	5,510	8,815	15,274
Total Operating Expenses	<b>65,840</b>	<b>56,491</b>	<b>156,455</b>
<b>Income From Operations</b>	<b>338,879</b>	<b>303,140</b>	<b>549,579</b>
Other income (charges)	33,811	(838)	(1,683)
<b>Income before extraordinary items</b>	<b>372,691</b>	<b>302,303</b>	<b>547,896</b>
Extraordinary items	-	-	-
<b>Income before provision for income tax</b>	<b>372,691</b>	<b>302,303</b>	<b>547,896</b>
Provision for income tax	109,571	90,030	167,365
<b>Income before minority interest</b>	<b>263,119</b>	<b>212,273</b>	<b>380,531</b>
Minority interest in net loss (earnings) of subsidiaries	(43)	508	2,624
<b>Net Income</b>	<b>263,076</b>	<b>212,780</b>	<b>383,155</b>

**Consolidated Statements of Cash Flows**  
(in million Rp)

	<i>Unaudited</i> 1st Half 2001	<i>Unaudited</i> 1st Half 2000	<i>Audited</i> Year 2000
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers	819,755	750,651	1,585,481
Payment for operating expenses	465,585	345,462	831,072
Net operating cash flows	354,169	405,189	754,409
Interest paid	(12,540)	(16,837)	(28,016)
Income taxes paid	(168,533)	(25,854)	(41,812)
Receipts from insurance	3,084	5,602	8,287
Exchange rate adjustments	84,530	88,585	132,607
Cash flows from operating activities	<b>260,710</b>	<b>456,686</b>	<b>825,475</b>

<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(39,096)	(38,801)	(98,306)
Decrease (increase) in :			
Deferred exploration and development costs	(18,559)	(9,626)	(32,659)
Deferred charges	(5,216)	(7,133)	(17,534)
Loans to employees	-	2,647	18,690
Other assets	5,978	622	4,216
Short-term investment	-	-	(2,304)
<b>Net cash used in investing activities</b>	<b>(56,894)</b>	<b>(52,291)</b>	<b>(127,897)</b>
<b>Cash flows from financing activities</b>			
Proceeds from (repayment of) short-term bank loans	(54,898)	(38,931)	(53,670)
Repayments of long-term debts	(39,979)	(38,550)	(78,529)
Payments of cash dividends	-	(90,075)	(90,075)
Addition in proceeds account	(103,742)	-	(162,094)
<b>Net cash used in financing activities</b>	<b>(198,619)</b>	<b>(167,556)</b>	<b>(384,368)</b>
<b>Net Increase (Decrease) Cash and Cash Equivalent</b>	<b>5,197</b>	<b>236,839</b>	<b>313,210</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>706,778</b>	<b>393,568</b>	<b>393,568</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>711,976</b>	<b>630,407</b>	<b>706,778</b>

### Hedge Book

As at 30<sup>st</sup> June 2001, the following contract was outstanding:

DESCRIPTION	T.OZ	RATE/T.OZ	AMOUNT
Gold/Rp flat forward	20,000	Rp 3,385,000	Rp 67,700,000,000

### Hedging revenue for three months ended June 30, 2001

The following profits/loss were realized during 2Q01:

DESCRIPTION	T.OZ	SALE PRICE/T.OZ	PURCHASE PRICE/T.OZ	PROFIT (LOSS)
Gold/US\$ flat forward sales	675	US\$320.00	US\$263.10	US\$38,407.50
Gold/Rp flat forward sales at Rp 3,385,000	4,000	US\$296.15	US\$276.58	US\$78,310.09
			TOTAL	US\$116,717.59

## **COMPETENT PERSON**

Where in the above report there are statements that relate to Antam's Mineral Resources or Ore Reserves, they are based on and accurately reflect information that has been compiled by Mr. Trenggono Sutioso. Mr. Sutioso is a member of the Australasian Institute of Mining and Metallurgy and has the appropriate experience to be considered a Competent Person as defined in the Australasian Code for Reporting on Identified Mineral Resources and Ore Reserves.

## **FURTHER INFORMATION:**

**Should you require any further information, please contact:**

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