

# Quarterly Report

Further information:  
Bimo Budi Satriyo (Corporate Secretary)  
Email : corsec@antam.com

Tel : (6221) 780-5119  
Fax : (6221) 781-2822

For the Six Months Ending 30 June, 2010  
Securities Ticker: ASX: ATM; IDX: ANTM

ARBN - 087 423 998

## PRODUCTION AND SALES

- Antam produced 9,252 tons of contained nickel in ferronickel (TNi) in 1H10 or 50% of annual production target.
- Production of nickel ore in 1H10 reached 3,393,336 wet metric tons (wmt) or 55% of annual production target.
- In 1H10, Antam's gold production from Pongkor reached 1,382 kg or 54% of annual production target.
- Inline with lower precious metals trading activities which have low margins, Antam's 1H10 unaudited revenue of Rp4.3 trillion was relatively unchanged over 1H09. This was due to a 81% increase of revenue from the nickel segment (ferronickel and nickel ore) to Rp2.9 trillion due to higher sales volume and price.

## CORPORATE NEWS

- Antam signed MoU with the Southeast Sulawesi Provincial Government to improve health care facilities of the Southeast Sulawesi hospital.
- PT Indonesia Chemical Alumina selected the consortium of WIKA Group as the first candidate of EPC contractor for Tayan CGA project.
- Antam and the Jenderal Soedirman University signed MoU in Community Development Programs.
- Cibaliung Gold Mine begins to operate.
- Antam's Annual General Shareholders Meeting.
- Antam and BPKP signed MoU to augment implementation of GCG Principles.

## EXPLORATION

- In 2Q10, Antam conducted exploration activities of nickel, gold and bauxite in Indonesia.
- Total exploration cost during 2Q2010 amounted to Rp28.2 billion.

*Disclaimer:*

*The contents of this report must not be construed as any advice to you, on (a) whether to purchase any of our securities or, (b) if you hold an investment in our securities, the value of your investment or how or whether you can effect any trades relating to your investment.*

Bimo Budi Satriyo  
Corporate Secretary  
29 July 2010

## Shareholders' Sum-Up 2Q 2010

During 2Q 2010 Antam's share price decreased 19% from Rp2,400 to Rp1,940

### Relative Share Price Performance over the Quarter:

#### VS. PEERS...

PT Timah	-12
PT Inco	1
CVRD	7
Xstrata	19
BHP-B Ltd	-6
Rio Tinto Plc	9
AngloAmerican	1
Harmony	-30
Barrick Gold	-34
Newcrest	-22
Alumina Ltd	-6
Freeport	-18

#### VS. INDICES...

LQ45	-21
JSE Composite	-21
JSE Mining Index	-11
ASX All Ordinaries	-8
Dow Jones	-10
TS Composite	-13
NASDAQ	-8
Hang Seng	-14
S&P 500	-8
DAX	-16
FTSE	-6
FTSE All Share Mine	-6

#### VS. COMMODITIES...

Gold	-27
Nickel	3

#### Major Shareholder:

Government of Indonesia (65%)

#### Substantial Shareholders:

SSB oBIH ACF ISHARES MSCI EMERGING INDEX FUND (2.4%)

#### Final Dividend Payment Date:

July 1, 2010

#### Final Dividend Amount per Share:

Rp25.3830

CDI: Rp126.915 or AUD0.016739

### Analyst Recommendations (Released in 2Q 10)\*:

UBS	Buy	6/8	Danareksa	Buy	4/23
JP Morgan	Overweight	4/28	Bahana	Hold	5/25
Credit Suisse	Neutral	6/10	Mandiri	Neutral	6/15
UOB Kay Hian	Buy	6/29	CIMB-GK	Trading Buy	6/23

\*Excerpt from Bloomberg terminal, not all analysts included

### Trading Information

Shares in Issue	9,538,459,750
Market Capitalization	Rp18.5 tn (US\$2 billion)
Share Price Range	Rp1,650 – Rp2,575
Average Share Price	Rp2,151
End of quarter share price at ASX	A\$1,2/ CDI
Trading volume at IDX	2.31 billion shares
Average trading value at IDX	Rp80.6 billion

### Spot Prices of Nickel, Gold and the Rupiah Exchange Rate

Average Nickel Price during 2Q 10	US\$10.1/lb
Nickel Price Range	US\$8.1/lb - US\$12.4/lb
Average Gold Price during 2Q 10	US\$1,197/oz
Gold Price Range	US\$1,120/oz - US\$1,257/oz
Average Rupiah Exchange Rate during 2Q 10	Rp9,116/US\$
Rupiah Range	Rp9,008/US\$ – Rp9,378/US\$

Source: Bloomberg and Antam

### Board of Commissioners

Wisnu Askari Marantika	President Commissioner
Irwan Bahar	Commissioner
Mahmud Hamundu	Independent Commissioner
Hikmahanto Juwana	Independent Commissioner

### Board of Directors

Alwin Syah Loebis	President Director
Winardi	Operation Director
Tato Miraza	Development Director
Djaja M. Tambunan	Finance Director
Achmad Ardianto	Human Resources Director
Denny Maulasa	General Affairs and CSR Director

- At the end of the period, our largest shareholder aside from the Government was SSB oBIH S/A ISHARES MSCI EMERGING MARKETS INDEX FUND with 2.4% interest.
- Antam has 494 foreign shareholders, which account for 10.9 % of total Antam shares, while 30,608 domestic shareholders (excluding Government) together have 24.1%.
- 3 substantial shareholders group after Government of RI: domestic retail investors (12.2%), foreign institutional investors (10.6%) and domestic private companies (4.7%).

### Top 20 Shareholders (45% are foreign investors):

1. THE GOVERNMENT OF REPUBLIC OF INDONESIA	11. JPMCB-STICHTING PENSIOENFONDS ABP
2. SSB oBIH S/A ISHARES MSCI EMERGING MARKETS INDEX FUND	12. FORTIS EKUITAS
3. PT JAMSOSTEK (PERSERO) - JHT	13. JP MORGAN CHASE BANK RE ABU DHABI INVESTMENT AUTHORITY
4. PT JAMSOSTEK (PERSERO) - NON JHT	14. REKSA DANA SCHRODER DANA PRESTASI PLUS
5. PT. TASPEN	15. GIC S/A GOVERNMENT OF SINGAPORE
6. BBH BOSTON S/A VANGRD EMG MKTS STK INFD	16. BNYM SA/NV AS CUST OF MARKETS VECTORS INDONESIA INDEX ETF
7. CITIBANK NEW YORK S/A DIMENSIONAL EMERGING MARKETS VALUE FUND	17. RD FORTIS INFRASTRUKTUR PLUS
8. PERTAMINA PENSION FUND	18. BNI SECURITIES
9. PT AIA FINL - UL EQUITY	19. NYOTO SUHARDJO
10. CACEIS BANK S/A MUTUELLE ARCHITECTES FRANCAIS	20. MELLON BANK NA S/A PENSION RESERVES INVESTMENT TRUST FUND

## **PRODUCTION AND SALES**

Inline with lower precious metals trading activities which have low margins, Antam's 1H10 unaudited consolidated revenue of Rp4.3 trillion was relatively stable over 1H09. This was due to an 81% increase of revenue to Rp2.9 trillion from Antam's nickel segment which comprised of ferronickel and nickel ore, due to higher sales volume and prices. Antam's nickel segment was the biggest contributor to Antam's sales in 1H10.

### **NICKEL**

Due to the optimal load of the FeNi III smelter following the optimisation program which was completed in September 2009, ferronickel production at Pomalaa rose 74% at 2Q10 over 2Q09 to 4,841 TNi. Ferronickel production during 1H10 amounted to 9,252 TNi or 50% of annual production target. Inline with the arrival of ferronickel shipment at Antam's customers, sales during 2Q10 rose 37% over 2Q09 to 8,080 TNi. Sales of ferronickel in 1H10 increased 38% to 9,743 TNi over 1H09. As the average selling price of ferronickel rose 70% to US\$9.38 per lb., revenue from ferronickel in 1H10 rose 98% to Rp1.8 trillion.

The volume of nickel ore production in 2Q10 rose by 3% to 1,832,693 wmt. Production of nickel ore in 1H10 rose 20% over 1H09 to 3,393,336 wmt. Production during 1H10 was 55% of annual target. Sales of nickel ore rose 16% in 1H10 to 2,721,497 wmt. Nickel ore sales in 1H10 consisted of 1,832,256 wmt of high grade nickel ore, in which all came from Buli mine, and 889,241 wmt of low grade nickel ore. The revenue benefits from nickel ore were higher due to increased ore prices, generated Rp1.1 trillion in revenue in 1H10 or a 59% increase over first semester of 2009.

### **GOLD**

During 2Q10, production from Pongkor in 2Q10 rose 9% over 2Q09 to 701 kg. Production at Pongkor in 1H10 amounted to 1,382 kg, an increase of 2% over 1H09. Pongkor production in 1H10 was 54% of annual target. As Antam begins to operate the new Cibaliung gold mine since the end of May 2010, gold production from Cibaliung amounted to 30 kg in 1H10 with silver production of 120 kg. Inline with lower precious metals trading activities, Antam's gold sales decreased by 54% to 3,403 kg in 1H10. Management decided to limit gold trading activities inline with the gold price fluctuations which increased risks. Inline with lower sales, and despite a 25% higher gold price at US\$1,157.08 per toz., revenue from gold decreased by 55% to Rp1.2 trillion.

### **BAUXITE**

Antam's bauxite export of Rp23 billion in 1H10 was a 23% decrease over 1H09. Lower bauxite export was largely due to lower prices and a 7% decrease of bauxite sales volume of 136,911 wmt in 1H10.

### Production and Sales Summary - 1H09 and 1H10

DESCRIPTION		2Q 2009	1H 2009	1Q 2010	2Q 2010	1H 2010	2Q10/ 2Q09	1H10/ 1H09
<b>PRODUCTION VOLUME</b>							%	%
Ferronickel	Ton Ni	2,786	6,082	4,411	4,841	9,252	74	52
Nickel Ore:								
Total High Grade	Wmt	913,206	1,447,980	911,185	921,071	1,832,256	1	27
Total Low Grade	Wmt	863,869	1,375,443	649,458	911,622	1,561,080	6	13
Total Nickel Ore	Wmt	1,777,075	2,823,423	1,560,643	1,832,693	3,393,336	3	20
Gold – Pongkor	Kg	644	1,358	681	701	1,382	9	2
Gold – Cibaliung	Kg	-	-	-	30	30	N/A	N/A
Silver	Kg	5,544	11,794	4,877	5,253	10,130	(5)	(14)
Bauxite	Wmt	67,095	333,066	-	49,988	49,988	(25)	(85)
<b>SALES VOLUME</b>								
Ferronickel	Ton Ni	5,914	7,075	1,663	8,080	9,743	37	38
Nickel Ore:								
Total High Grade	Wmt	913,206	1,467,980	911,185	921,071	1,832,256	1	25
Total Low Grade	Wmt	632,780	879,945	390,284	498,957	889,241	(21)	1
Total Nickel Ore	Wmt	1,545,986	2,347,925	1,301,469	1,420,028	2,721,497	(8)	16
Gold - Pongkor	Kg	1,449	7,454	2,048	1,355	3,403	(6)	(54)
Gold – Cibaliung	Kg	-	-	-	-	-	-	-
Silver	Kg	9,718	33,719	14,191	10,412	24,602	7	(27)
Bauxite	Wmt	87,800	147,728	27,117	109,794	136,911	25	(7)
Coal	Ton	-	-	42,194	-	42,194	-	N/A

DESCRIPTION		2Q 2009	1H 2009	1Q 2010	2Q 2010	1H 2010	2Q10/ 2Q09	1H10/ 1H09
<b>AVERAGE SALES PRICE</b>							%	%
Ferronickel	US\$/Lb	5.66	5.51	9.38	9.38	9.38	66	70
Gold	US\$/Toz	922.76	925.61	1,121.68	1,173.25	1,157.08	27	25
Silver	US\$/Toz	14.36	12.35	17.14	17.90	17.64	25	43
Exchange rate (for I/S)	US\$/Rp	10,531	11,277	9,261	9,102	9,155	(14)	(19)

DESCRIPTION		2Q 2009	1H 2009	1Q 2010	2Q 2010	1H 2010	2Q10/ 2Q09	1H10/ 1H09
SALES REVENUE (Rp million)							%	%
EXPORT SALES								
Ferronickel	Rp	790,816	927,645	316,958	1,516,346	1,833,304	92	98
Nickel Ore:								
Total High Grade	Rp	333,990	548,582	424,546	468,558	893,104	40	63
Total Low Grade	Rp	106,128	150,762	108,125	114,193	222,318	8	47
Gold	Rp	125,686	1,237,684	33,409	278,210	311,618	121	(75)
Bauxite	Rp	16,517	30,363	3,627	19,640	23,268	19	(23)
Silver	Rp	13,325	40,355	10,688	28,759	39,447	116	(2)
Coal	Rp	-	-	23,780	-	23,780	-	N/A
TOTAL EXPORT SALES	Rp	1,386,462	2,935,391	921,133	2,425,706	3,346,839	75	14
DOMESTIC SALES								
Gold	Rp	328,604	1,327,070	658,023	196,216	854,239	(40)	(36)
Silver	Rp	32,595	116,452	62,141	27,047	89,188	(17)	(23)
Logam Mulia Services	Rp	6,956	12,569	11,517	4,171	15,689	(40)	25
Others	Rp	762	5,502	2,301	5,567	7,868	630	43
TOTAL DOMESTIC SALES	Rp	368,917	1,461,594	733,983	233,000	966,984	(37)	(34)
TOTAL SALES REVENUE	Rp	1,755,379	4,396,985	1,655,116	2,658,706	4,313,822	51	(2)

## EXPLORATION\*

In 2Q10, Antam continued its exploration on nickel, gold and bauxite in Indonesia. Total preliminary costs reported by Geomin Unit for exploration on above commodities reached Rp28.2 billion.

### Nickel

Antam conducted nickel exploration activities at Buli in Halmahera, Mandiodo and Lasolo in Southeast Sulawesi.

Antam conducted nickel exploration activities at Buli including Sangaji area with 50 m and 25 m drilling distance, topography and grid measurement, georadar track, resistivity, SG, MC, sampling activities and test pitting.

Nickel exploration activities at Mandiodo and Lasolo focused on improving resources classification. The activities included 50 m drilling distance, sampling, mapping, grid and drilling pit measurement.

Total cost for nickel exploration amounted to Rp9.5 billion.

### Gold

Antam conducted gold exploration activities at Muara Manderas in Jambi, Pongkor, Cibaliung and Papadayan in West Java, Wawonii and Koloni in Southeast Sulawesi and Mao in West Sulawesi.

Antam conducted exploration activities at Muara Manderas including drilling activities, Detailed Geological Mapping (DGM), opening, track measurements, opening and drilling spot measurement, collected rock samples, core samples, Fi samples, petro/ mineragraphy samples and XRD samples.

Exploration activities at Pongkor focused on core drilling activities, DGM, hand auger, track measurement, magnetic geophysics, CSAMT, collected core samples, soil samples, Fi samples, petrography samples, mineragraphy samples and XRD samples. At Cibaliung, Antam conducted DGM, Fi samples, rock samples, pet/min samples, core samples, drilling and track geophysics measurement. Exploration activities at Papandayan included DGM, opening, outcrop dan drilling spot measurement, drilling and also core, rock and XRD sampling.

Exploration activities at Wawonii and Koloni included Semi Detailed Geological Mapping (SDGM), DGM, drilling, opening, track measurement and drilling cut measurement and conducted rock, core, FI/XRD, petro/mineragraphy, hoarding and reforestation.

Activities at Mao, Batuisi and Karosa included SDGM, DGM, drilling, opening, sampling of core, rock, soil, hand auger and FI/Pet/XRD, track measurement and IP geophysics.

The total cost for gold exploration including preparation of exploration activities and analysis reached Rp13.7 billion.

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## **Bauxite**

Antam conducted bauxite exploration activities at Mempawah, Landak, Munggu Pasir and Tayan of West Kalimantan.

In general, exploration activities at West Kalimantan included grid measurement, test pitting and sampling to support efforts in increasing classification of both resources and reserves estimations.

Total cost of bauxite exploration reached Rp5 billion.

*\*Preliminary result, Antam also releases monthly exploration report.*



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## CORPORATE NEWS

### **Antam signed MoU with the Southeast Sulawesi Provincial Government to improve health care facilities of the Southeast Sulawesi hospital.**

On May 10, 2010, Antam signed a Memorandum of Understanding (MoU) with the Provincial Government of Southeast Sulawesi. The basis of the MOU is to provide Rp5 billion to improve the health care facilities of the Southeast Sulawesi Provincial Hospital.

### **PT Indonesia Chemical Alumina selected the consortium of WIKA Group as the first candidate of EPC Contractor for Tayan CGA project**

On May 24, 2010 PT Indonesia Chemical Alumina ("PT ICA") announced the appointment of the consortium of WIKA Group as the Engineering, Procurement and Construction (EPC) contractor of the Tayan Chemical Grade Alumina project. PT ICA is a joint venture company between Antam and its international partners, Showa Denko K.K. and Marubeni Corporation of Japan.

### **Antam and the Jenderal Soedirman University signed MoU in Community Development Programs**

On May 24, 2010 Antam signed a Memorandum of Understanding (MoU) with the Jenderal Soedirman University (Unsoed) of Purwokerto in the implementation of Corporate Social Responsibility (CSR) programs. Antam and Unsoed will cooperate in the field of education, research, human resources development, and community empowerment within Antam's mining operations as well as its post mining areas.

### **Cibaliung gold mine begins to operate**

On May 25, 2010 Antam announced the operation of the Cibaliung gold mine, located at Pandeglang Regency, Banten Province, Indonesia. The Cibaliung mine is an underground gold mine and is operated with a combination of mechanised "cut and fill" and "undercut and fill" mining methods. In April 2010, Antam began the commissioning of the Cibaliung mine. Following the operation of the mine, Antam expects production at Cibaliung to reach 500 kg (16,075 toz.) in 2010 with full production of 2,000 kg (64,301 toz.). The Cibaliung mine has an estimated mine life of six years with gold metal reserves of around 12,800 kg (411,530 toz.).

### **Antam's Annual General Meeting of Shareholders**

On May 27, 2010 Antam held its Annual General Meeting of Shareholders (AGM) at the Ritz Carlton Hotel-Pacific Place, Jakarta. During 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 31<sup>st</sup>, 2009. Antam's shareholders also approved the cash dividend in the amount of Rp241.7 billion, or 40% of Antam's profits after tax of the year ended December 31<sup>st</sup>, 2009. The dividend is equivalent to Rp25.3830 per share.

### **Antam and BPKP signed MOU to augment implementation of GCG Principles**

On June 25, 2010 Antam signed a Memorandum of Understanding (MoU) with the Indonesian Financial Development Comptroller (BPKP) in the implementation of Good Corporate Governance (GCG)

principles. Antam and BPKP will cooperate in areas such as Good Corporate Governance, Risk Management, Key Performance Indicator, Information Technology Governance and Audit.

## DEVELOPMENT – Joint Ventures

No.	Companies	Product/ Commodity	Antam's Shares	Partner	Status
1.	PT Nusa Halmahera Minerals	Gold	17.5%	Newcrest Singapore Holding Pte Ltd, a subsidiary of Newcrest (ASX Listed)	Production
2.	PT Galuh Cempaka	Alluvial Diamonds	20%	Ashton MMC, a subsidiary of Gem Diamond Ltd (LSE Listed)	Care and maintenance
3.	PT Dairi Prima Minerals	Lead/ Zinc	20%	Gain and Win Pte Ltd, a subsidiary of Herald Resources (ASX Listed)	Construction and Licensing request
4.	PT Weda Bay Nickel	Nickel	10%	Strand Minerals (Indonesia) Pte Ltd, a subsidiary of Eramet and Mitsubishi	Construction and FS optimization
5.	PT Sorikmas Mining	Gold & Base Metal	25%	Aberfoyle Pungkut Investment Pte Ltd, a subsidiary of Sihayo Gold Limited	Exploration
6.	PT Gorontalo Minerals	Gold & Base	20%	International Minerals Co LLC, a subsidiary of PT Bumi Resources	Feasibility Study
7.	PT Sumbawa Timur Mining	Gold & Base Metal	20%	Eastern Star Resource Pty Ltd	Exploration
8.	PT Pelsart Tambang Kencana	Gold	15%	Pelsart International NL, Australia	No Activities

### PT NUSA HALMAHERA MINERALS (Antam 17.5%)

*Excerpt from Newcrest Mining Limited's Quarterly Report ending 30 June 2010*

Gosowong's June quarter performance was a record 147,386 ounces of gold at a gross cash cost of A\$269 per ounce and a net cash cost of A\$267 per ounce. Gold production increased 31% due to significantly higher feed grades and increased mill throughput. A gold recovery rate exceeding 95% was maintained for the fourth consecutive quarter.

The Gosowong Expansion Project remains on schedule and under budgeted expenditure with the main process plant and mine development works now substantially complete. Commissioning activities have commenced and work on site continues to focus on ensuring a smooth handover to operations.

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**PT SORIKMAS MINING (Antam 25%)**

*Excerpt from Sihayo Gold Limited's ASX Announcement on 15 June 2010*

The Company announced that infill drilling of the Sihayo 1 North and Old Camp resource has continued to intersect significant widths of high grade gold within its 75% owned Sihayo Pungkut project in North Sumatra, Indonesia.

New results have been received for approximately 10 holes and these continue to show excellent continuity of gold mineralisation within the resource area.

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