

**Consolidated Financial Statements
With Independent Auditors' Report
December 31, 2002
With Comparative Figures for 2001
(Indonesian Currency)**

**PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES**

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PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2002
WITH COMPARATIVE FIGURES FOR 2001**

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This report is originally issued in Indonesian language.

Independent Auditors' Report

Report No. RPC-0319/02

The Stockholders and the Boards of Commissioners and Directors
Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk

We have audited the consolidated balance sheet of Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk and Subsidiaries as of December 31, 2002 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk and Subsidiaries for the year ended December 31, 2001 were audited by other independent auditors whose report dated March 4, 2002 expressed an unqualified opinion on those statements and included explanatory paragraphs that described the initial adoption of the Indonesian Statement of Financial Accounting Standards (PSAK) No. 55, "Accounting for Derivative Instruments and Hedging Activities"; the prevailing economic conditions in Indonesia; and the differences between generally accepted accounting principles in Indonesia and Australia.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk and Subsidiaries as of December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles in Indonesia.

Note 32 to the consolidated financial statements includes a summary of the effects of the economic conditions in Indonesia on the Company and its Subsidiaries as well as the measures the Company and its Subsidiaries have implemented and plan to implement in response to the economic conditions. The accompanying consolidated financial statements include the effects of the economic conditions to the extent they can be determined and estimated.

This report is originally issued in Indonesian language.

Generally accepted accounting principles in Indonesia vary in certain respects from those in Australia. A description of the significant difference between these two generally accepted accounting principles and the approximate effects of this difference on net income and stockholders' equity are set forth in Note 33 to the consolidated financial statements.

PRASETIO, SARWOKO & SANDJAJA

Dra. Juanita Budijani
License No. 00.1.0714

February 28, 2003

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in Indonesia.

PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2002
With Comparative Figures for 2001
(Expressed in thousands of Rupiah, except par value and share data)

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2c, 3, 17	641,741,341	801,746,726
Proceeds account	4, 17	41,689,393	72,356,325
Short-term investments - net	2d, 5	5,783,179	3,288,171
Accounts receivable			
Trade	2e, 6, 13	138,611,155	136,157,051
Others - net of allowance for doubtful accounts of Rp 2,142,834	2e	13,547,741	11,270,447
Inventories	2g, 7, 13, 17	336,080,092	256,503,829
Prepaid taxes	8	45,378,498	25,178,812
Prepaid expenses	2h	6,996,775	6,247,267
Other current assets		26,962,144	15,282,707
TOTAL CURRENT ASSETS		<u>1,256,790,318</u>	<u>1,328,031,335</u>
NON-CURRENT ASSETS			
Investment in shares of stock	2b, 9, 17	30,929,169	30,929,169
Property, plant and equipment - net of accumulated depreciation of Rp 629,191,397 in 2002 and Rp 504,316,871 in 2001	2i, 2j, 2k, 2t 10, 13, 17	1,022,583,074	1,048,841,922
Deferred exploration and development costs - net	2n, 11	130,173,686	111,186,728
Deferred charges - net	2l, 2m, 12	10,672,426	14,985,238
Deferred environmental protection and rehabilitation costs - net	2o	7,053,409	8,001,551
Claim for tax refund	2u, 16	1,266,745	-
Other non-current assets		27,641,192	13,534,911
TOTAL NON-CURRENT ASSETS		<u>1,230,319,701</u>	<u>1,227,479,519</u>
TOTAL ASSETS		<u><u>2,487,110,019</u></u>	<u><u>2,555,510,854</u></u>

The accompanying notes form an integral part of these consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)**

December 31, 2002

With Comparative Figures for 2001

(Expressed in thousands of Rupiah, except par value and share data)

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	6, 7, 10, 13	107,592,247	131,617,184
Accounts payable			
Trade	2f, 14, 26		
Third parties		67,830,911	44,509,890
Related parties		27,259,582	16,576,628
Others		12,636,273	10,102,590
Accrued expenses	2p, 15, 25	102,641,067	74,905,166
Taxes payable	2u, 16	25,409,258	64,760,447
Current maturities of long-term debts	2f, 4, 7, 10, 17	46,442,948	87,850,281
Current portion of estimated liabilities for environmental protection and rehabilitation	2o, 18, 30b	9,438,679	3,042,360
TOTAL CURRENT LIABILITIES		<u>399,250,965</u>	<u>433,364,546</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities - net	2u, 16	75,170,034	80,730,731
Long-term debts - net of current maturities	2f, 4, 7, 10, 17	34,455,672	84,007,801
Estimated liabilities for environmental protection and rehabilitation - net of current portion	2o, 18, 30b	33,203,918	31,475,702
TOTAL NON-CURRENT LIABILITIES		<u>142,829,624</u>	<u>196,214,234</u>
MINORITY INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES			
	2b	5,687,030	6,206,919

The accompanying notes form an integral part of these consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2002
With Comparative Figures for 2001
(Expressed in thousands of Rupiah, except par value and share data)

	Notes	2002	2001
STOCKHOLDERS' EQUITY			
Capital stock - par value of Rp 500 per share	19		
Authorized - 1 preferred share and 7,599,999,999 common shares in 2002 and 1 preferred share and 3,199,999,999 common shares in 2001			
Issued and fully paid - 1 preferred share and 1,907,691,949 common shares in 2002 and 1 preferred share and 1,230,768,999 common shares in 2001		953,845,975	615,384,500
Additional paid-in capital	19	2,526,309	340,987,784
Difference in foreign currency translation	2b	31,708,316	34,911,838
Unrealized gain on available-for-sale investments	2d, 5	381,288	505,670
Retained earnings	27		
Appropriated		748,857,692	569,780,020
Unappropriated		202,022,820	358,155,343
TOTAL STOCKHOLDERS' EQUITY		1,939,342,400	1,919,725,155
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		2,487,110,019	2,555,510,854

The accompanying notes form an integral part of these consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Year Ended December 31, 2002
With Comparative Figures for 2001
(Expressed in thousands of Rupiah, except earnings per share)

	Notes	2002	2001
NET SALES	2r, 20	1,711,399,817	1,735,224,110
COST OF GOODS SOLD	2r, 21	1,254,826,989	1,091,098,879
GROSS PROFIT		456,572,828	644,125,231
OPERATING EXPENSES	2r, 22		
General and administrative		120,646,451	96,235,749
Selling		32,620,807	38,887,622
Exploration	2n, 11	13,688,807	37,980,214
Total Operating Expenses		166,956,065	173,103,585
INCOME FROM OPERATIONS		289,616,763	471,021,646
OTHER INCOME (CHARGES)			
Interest income		39,021,959	51,288,121
Gain on derivative transactions - net	2s, 30c	9,213,609	16,394,145
Insurance claim	24	4,421,631	-
Dividend income	9, 17	6,562,691	-
Write-off of other assets		-	(7,459,846)
Amortization of deferred environmental protection and rehabilitation costs	2o	(948,143)	(948,143)
Geology service expense - net		(7,028,443)	(2,947,339)
Interest expense		(13,196,853)	(18,997,753)
Loss on foreign exchange - net	2t	(62,399,152)	(2,200,883)
Others - net		13,175,651	(2,301,930)
Other Income (Charges) - Net		(11,177,050)	32,826,372
INCOME BEFORE INCOME TAX PROVISION (BENEFIT)		278,439,713	503,848,018
INCOME TAX PROVISION (BENEFIT)	2u, 16		
Current		81,794,267	148,346,800
Deferred		(5,560,697)	715,969
Total		76,233,570	149,062,769
INCOME BEFORE MINORITY INTERESTS IN NET LOSS (INCOME) OF SUBSIDIARIES		202,206,143	354,785,249
MINORITY INTERESTS IN NET LOSS (INCOME) OF SUBSIDIARIES	2b	(183,323)	3,370,094
NET INCOME		202,022,820	358,155,343
EARNINGS PER SHARE	2w	105.90	187.74

The accompanying notes form an integral part of these consolidated financial statements.

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PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Year Ended December 31, 2002
With Comparative Figures for 2001
(Expressed in thousands of Rupiah, except share data)

	Notes	Capital Stock	Additional Paid-in Capital	Difference in Foreign Currency Translation	Unrealized Gain (Loss) on Available-for-Sale Investments	Retained Earnings		Total
						Appropriated	Unappropriated	
Balance, January 1, 2001		615,384,500	340,987,784	32,427,628	149,569	378,202,540	383,154,961	1,750,306,982
Net income		-	-	-	-	-	358,155,343	358,155,343
Appropriation for general reserve	27	-	-	-	-	191,577,480	(191,577,480)	-
Cash dividends declared (Rp155.66 per share)	27	-	-	-	-	-	(191,577,481)	(191,577,481)
Difference in foreign currency translation	2b	-	-	2,484,210	-	-	-	2,484,210
Unrealized gain on available-for-sale investments		-	-	-	356,101	-	-	356,101
Balance, December 31, 2001		615,384,500	340,987,784	34,911,838	505,670	569,780,020	358,155,343	1,919,725,155
Conversion of additional paid in capital to bonus shares	19	338,461,475	(338,461,475)	-	-	-	-	-
Net income		-	-	-	-	-	202,022,820	202,022,820
Appropriation for general reserve	27	-	-	-	-	179,077,672	(179,077,672)	-
Cash dividends declared (Rp 145.50 per share)	27	-	-	-	-	-	(179,077,671)	(179,077,671)
Difference in foreign currency translation	2b	-	-	(3,203,522)	-	-	-	(3,203,522)
Unrealized loss on available-for-sale investments		-	-	-	(124,382)	-	-	(124,382)
Balance, December 31, 2002		953,845,975	2,526,309	31,708,316	381,288	748,857,692	202,022,820	1,939,342,400

The accompanying notes form an integral part of these consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31, 2002
With Comparative Figures for 2001
(Expressed in thousands of Rupiah)

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,708,927,025	1,695,337,127
Payments to suppliers		(1,077,054,370)	(906,998,295)
Payments to employees		(229,584,613)	(195,654,856)
Cash provided by operating activities		402,288,042	592,683,976
Interest income		38,641,217	50,700,818
Payment of interest expense		(12,002,447)	(19,889,280)
Payment of income taxes		(127,790,252)	(241,066,151)
Proceeds from insurance claim		2,609,163	3,083,547
Net Cash Provided by Operating Activities		303,745,723	385,512,910
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(103,298,898)	(90,108,151)
Cash receipts from dividends		6,562,691	-
Net additions in:			
Deferred charges		(6,395,429)	(7,602,791)
Short-term investment		(2,285,437)	-
Other non-current assets		(14,106,281)	(2,359,347)
Deferred exploration and development costs		(32,845,450)	(26,470,413)
Net Cash Used in Investing Activities		(152,368,804)	(126,540,702)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in proceeds account		30,666,932	89,737,785
Repayment of short-term bank loans		(2,300,921)	(27,767,746)
Repayment of long-term debts		(89,177,905)	(90,640,648)
Payment of cash dividends	27	(179,077,671)	(191,577,481)
Net Cash Used in Financing Activities		(239,889,565)	(220,248,090)
Effect of foreign exchange rate changes on cash and cash equivalents		(71,492,739)	56,244,412
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(160,005,385)	94,968,530
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3	801,746,726	706,778,196
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	641,741,341	801,746,726

The accompanying notes form an integral part of these consolidated financial statements.