

# Income Statement

Year 1998

<b>PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk. AND            SUBSIDIARIES</b> <b>CONSOLIDATED STATEMENTS OF INCOME</b> <b>FOR THE YEAR ENDED DECEMBER 31, 1997 AND 1998</b> <b>(in Thousands of Indonesian Rupiah, except share data)</b>		
	1997 (Audited)	1998 (Audited)
<b>NET SALES</b>	<b>449.558.110</b>	<b>1.021.910.685</b>
<b>COST OF GOODS SOLD</b>	<b>252.284.300</b>	<b>450.750.517</b>
<b>GROSS PROFIT</b>	<b>197.273.810</b>	<b>571.160.168</b>
<b>OPERATING EXPENSES</b>		
General and administrative	36.874.952	57.336.417
Selling	11.831.467	34.482.036
Exploration	2.397.507	4.015.264
<b>Total Operating Expenses</b>	<b>51.103.926</b>	<b>95.833.717</b>
<b>INCOME FROM OPERATIONS</b>	<b>146.169.884</b>	<b>475.326.451</b>
<b>OTHER INCOME (CHARGES)</b>		
Interest income	8.740.052	120.984.281
Gain (loss) on foreign exchange - net	(35.197.509)	(141.091.138)
Interest expense	(30.929.936)	(54.559.710)
Amortization of :		
- Deferred environmental protection and rehabilitation costs	(1.850.959)	(1.850.959)
- Deferred share issuance costs	(710.940)	(9.429.582)
Geology service expense - net	(1.871.064)	(3.409.044)
Others - net	(3.400.893)	(4.869.332)

<b>Other Charges - Net</b>	(65.221.249)	(94.225.484)
<b>INCOME BEFORE EXTRAORDINARY ITEM</b>	80.948.635	381.100.967
<b>EXTRAORDINARY ITEM</b>	-	(2.383.971)
<b>INCOME BEFORE PROVISION FOR INCOME TAX</b>	80.948.635	378.716.996
<b>PROVISION FOR INCOME TAX</b>	11.313.179	57.871.043
<b>INCOME BEFORE MINORITY INTEREST</b>	69.635.456	320.845.953
<b>MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES</b>	(118.555)	(1.247.276)
<b>NET INCOME</b>	69.516.901	319.598.677
<b>EARNINGS PER SHARE</b>		
Income from operations per share	208,22	386,20
Net Income per share	99,03	

# Balance Sheet

Year 1998

<b>PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk. AND SUBSIDIARIES</b> <b>CONSOLIDATED BALANCE SHEETS</b> <b>DECEMBER 31, 1997 AND 1998</b> (in Thousands of Indonesian Rupiah, except share data)		
	Dec. 31, 1997 (Audited)	Dec. 31, 1998 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>	536.043.394	476.953.802
Cash and cash equivalents	1.000.000	517.487
Short-term investment	34.051.188	55.070.925
Account receivable-trade		
Other receivables - net of allowance for doubtful accounts of Rp. 662.005	18.977.551	28.712.101
Inventories	104.917.670	131.035.570
Prepaid taxes	7.761.252	1.560.625
Prepaid expenses and other current assets	2.897.079	16.028.860
<b>Total Current Assets</b>	705.648.134	709.879.370
<b>INVESTMENT IN SHARES OF STOCK</b>	-	30.929.169
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Carrying value	889.810.369	1.266.301.152
Accumulated depreciation and amortization	(198.627.323)	(240.128.628)
Net Book Value	691.183.046	1.026.172.524
<b>OTHERS ASSETS</b>		
Deferred charges - net	91.954.779	114.012.007
Estimated claims for tax refund	44.633.312	32.908.815
Loan to employees	37.240.200	22.210.333
Deferred environmental protection and rehabilitation costs - net	13.599.754	11.748.795
Prepaid pension expense	5.907.361	12.313.106

Others	10.620.396	16.663.236
<b>Total Others Assets</b>	203.955.802	209.856.292
<b>TOTAL ASSETS</b>	1.600.786.982	1.976.837.355
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Short - term loans	139.523.471	64.200.000
Account payable	25.082.242	19.532.533
Other Payables	9.644.034	5.340.584
Accrued expenses	14.192.633	34.243.970
Taxes payable	6.698.537	25.651.307
Dividends payable	16.987.039	-
Current maturities of long - term debts	40.200.549	87.475.994
Current portion of estimated liabilities for environmental protection and rehabilitation	1.419.000	1.308.932
<b>Total Current Liabilities</b>	253.747.505	237.753.320
LONG - TERM DEBTS - net of Current Maturities	204.236.450	279.551.581
ESTIMATED LIABILITIES FOR ENVIRONMENTAL PROTECTION AND REHABILITATION - Net of Current Portion	15.878.904	14.390.908
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	3.675.668	4.922.944
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock - par value of Rp 500 for preferred stock and common stock.		
Authorized - 1 preferred stock and 3.199.999.999 common stocks		
Issued and fullypaid - 1 preferred stock and 1.230.768.999 common stocks	615.384.500	615.384.500
Additional paid - in capital in excess of far value	387.692.100	387.692.100
Difference in foreign currency translation	13.805.604	31.784.158
Retained earnings	106.366.251	405.357.844
<b>Total Stockholders' Equity</b>	1.123.248.455	1.440.218.602
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	1.600.786.982	1.976.837.355

## Statement of Cash Flows

Year 1998

<b>PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk. AND            SUBSIDIARIES</b> <b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b> <b>FOR THE YEAR ENDED DECEMBER 31, 1997 AND 1998</b> (in Thousands of Indonesian Rupiah, except share data)		
	<b>1997 (Audited)</b>	<b>1998 (Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	69,516,901	319,598,677
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest in net earnings of subsidiaries	118,555	1,247,276
Decreasing in market value of short-term investment	-	482,513
Allowance for inventory obsolescence	-	1,118,380
Disposal of inventories	-	193,000
Depreciation and amortization of property, plant, and equipment	42,610,377	56,783,327
Amortization of Deferred environmental protection and rehabilitation, deferred charges, and deferred exploration and development costs.	3,495,843	17,456,866
Actuarial pension income	-	(2,880,230)
Provision for doubtful accounts	662,005	-
Loss on foreign exchange due to restatement of bank loans	72,004,259	169,296,503
Loss on disposal of property and equipment	-	2,190,971
Gain on partial disposal of mining rights	(3,381,698)	-
<b>Changes of operating assets and liabilities</b>		
Accounts receivable	(14,437,662)	(21,019,737)
Other receivables	(14,662,229)	(9,734,550)
Inventories	(27,776,314)	(27,429,280)
Prepaid taxes	2,972,542	6,200,626
Prepaid expenses and other current assets	217,820	(13,131,781)
Estimated claims for tax refund	(29,193,129)	11,724,497
Account payable	11,535,838	(5,549,710)
Other payables	5,670,790	(4,303,450)

Accrued expenses and estimated liability for environmental protection and rehabilitation	(4,181,729)	18,453,273
Taxes payable	2,870,215	18,952,770
<b>Net Cash Provided by Operating Activities</b>	118,042,384	539,649,943
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(77,619,477)	(254,589,395)
Decrease (increase) in		
Deferred charges	(76,070,789)	(37,663,136)
Loans to employees	(37,240,200)	15,029,868
Other assets	(2,349,751)	(1,397,468)
Prepaid pension expense	(1,596,208)	(3,525,515)
Difference in foreign currency translation	13,805,604	17,978,554
Placement in short term investment	(1,000,000)	
<b>Net Cash Used in Investing Activities</b>	(182,070,821)	(264,167,092)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds (repayment) of short-term loans	22,618,027	(211,425,667)
Proceeds (repayment) of long-term loans	(183,760,523)	(85,552,652)
Cash dividends	-	(37,594,123)
Development of small business entrepreneurs and cooperatives	(978,733)	-
Proceeds from issuance of capital stock :		
- Through initial public offering of shares	603,076,600	-
- From the Government of the Republic of Indonesia	150,000,000	-
Increase in minority interest in net assets of the subsidiaries	3,557,113	-
<b>Net Cash Provided From Financing Activities</b>	594,512,484	(334,572,442)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	530,484,047	(59,089,591)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		
Cash	5,559,346	33,043,394
Time deposits		503,000,000
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Cash	33,043,393	38,985,405
Time deposits	503,000,000	437,968,397

