

**Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk
And Subsidiaries**

Consolidated Financial Statements And Independent Auditors' Report
For The Years Ended December 31, 2000 And 1999
(Indonesian Currency)

Independent Auditors' Report

Report No. 35153S

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

We have audited the consolidated balance sheets of Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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, 2000 and 1999, and the results of their operations, changes in their stockholders' equity and their cash flows for the years then ended in conformity with accounting principles generally accepted in Indonesia.

As disclosed in Notes 21 and 3 to the consolidated financial statements, effective January 1, 2000, the Company changed its accounting policy for stock issuance costs in accordance with Rule No. VIII.G.7 of the Capital Market Supervisory Agency (BAPEPAM) dated March 13, 2000. Prior years' consolidated financial statements have been restated to conform with the change in accounting policy.

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. Resolution of the economic conditions depends on the measures that have been and will be undertaken by the Indonesian government, actions which are beyond the Company's and Subsidiaries' control, to achieve economic recovery. It is not possible to determine the future effect the economic conditions may have on the Company's and its Subsidiaries' liquidity and earnings.

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 Notes 33 and 34 to the consolidated financial statements.

PRASETIO, UTOMO & CO.

License No. 98.2.0024

Drs. Hari Purwantono
License No. 98.1.0065

March 23, 2001

NOTICE TO READERS

The accompanying consolidated financial statements are intended to present the financial position, results of operations, changes in stockholders' equity and cash flows in accordance with accounting principles and practices generally accepted in Indonesia and not those of any other jurisdiction. 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**

(Amounts In Thousands Of Rupiah, Except Per Share Data)

	December 31,	
	2000	1999 (As Restated - see Note 3)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (<i>Notes 2c, 4 and 18</i>)	Rp 706,778,196	Rp 393,567,972
Proceeds account (<i>Notes 5, 18 and 31</i>)	162,094,110	-
Short-term investments - net (<i>Notes 2d and 6</i>)	2,932,070	583,857
Accounts receivable		
Trade (<i>Notes 2e and 7</i>)	79,873,967	88,042,962
Others - Net of allowance for doubtful accounts of Rp 2,142,834 in 2000 and Rp 662,005 in 1999 (<i>Note 2e</i>)	14,313,543	39,161,791
Inventories - net (<i>Notes 2g, 8, 14 and 18</i>)	238,948,732	183,162,306
Prepaid taxes (<i>Note 9</i>)	41,450,880	24,868,323
Prepaid expenses and other current assets (<i>Note 2h</i>)	15,580,246	33,147,014
Total Current Assets	1,261,971,744	762,534,225
NON-CURRENT ASSETS		
Investment in shares of stock (<i>Notes 2b, 10 and 18</i>)	30,929,169	30,929,169
Property, plant and equipment - Net of accumulated depreciation and amortization of Rp 406,905,042 in 2000 and Rp 295,155,188 in 1999 (<i>Notes 2i, 2j, 2k, 2t, 11, 14, 18 and 28</i>)	1,080,546,909	1,093,479,478
Deferred exploration and development costs - net (<i>Notes 2n and 12</i>)	106,396,113	91,044,069
Deferred charges - net (<i>Notes 2l, 2m, 3 and 13</i>)	16,367,885	9,650,953
Deferred environmental protection and rehabilitation costs - net (<i>Note 2o</i>)	8,949,694	9,897,837
Prepaid pension expense (<i>Notes 2p and 25</i>)	-	23,628,441
Loans to employees	-	18,690,534
Other non-current assets	11,175,564	15,391,594
Total Non-Current Assets	1,254,365,334	1,292,712,075
TOTAL ASSETS	Rp 2,516,337,078	Rp 2,055,246,300

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
(Amounts In Thousands Of Rupiah, Except Per Share Data)

	December 31,	
	2000	1999 (As Restated - see Note 3)
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term bank loans (Notes 8, 11 and 14)	Rp 131,332,690	Rp 144,588,320
Accounts payable		
Trade (Notes 2f, 15 and 26)		
Third parties	41,750,398	30,385,873
Related parties	3,144,225	6,065,047
Others	5,729,351	11,663,298
Accrued expenses (Notes 2p, 16 and 25)	67,993,005	27,116,032
Taxes payable (Notes 2u and 17)	166,055,571	24,489,617
Current maturities of long-term debts (Notes 5, 8, 11 and 18)	79,957,993	64,070,704
Current portion of estimated liabilities for environmental protection and rehabilitation (Notes 2o, 19 and 29b)	2,971,542	1,648,133
Total Current Liabilities	498,934,775	310,027,024
NON-CURRENT LIABILITIES		
Deferred tax liabilities - net (Notes 2u and 17)	80,014,761	86,519,396
Long-term debts - Net of current maturities (Notes 5, 8, 11 and 18)	156,917,098	187,540,885
Estimated liabilities for environmental protection and rehabilitation - Net of current portion (Notes 2o, 19 and 29b)	21,131,764	13,918,132
Total Non-Current Liabilities	258,063,623	287,978,413
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES (Note 2b)	9,031,698	9,586,667

(Forward)

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
 (Amounts In Thousands Of Rupiah, Except Per Share Data)

	December 31,	
	2000	1999 (As Restated - see Note 3)
STOCKHOLDERS' EQUITY		
Capital stock - par value of Rp 500 for preferred stock and common stock (Note 20) Authorized - 1 preferred share and 3,199,999,999 common shares Issued and fully paid - 1 preferred share and 1,230,768,999 common shares	Rp 615,384,500	Rp 615,384,500
Additional paid-in capital in excess of par value (Notes 3 and 20)	340,987,784	340,987,784
Difference in foreign currency translation (Note 2b)	32,427,628	23,004,145
Unrealized holding gain on marketable securities (Note 2d)	149,569	-
Retained earnings (Notes 3 and 27)		
Appropriated	378,202,540	233,933,245
Unappropriated	383,154,961	234,344,522
Total Stockholders' Equity	<u>1,750,306,982</u>	<u>1,447,654,196</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>Rp 2,516,337,078</u>	<u>Rp 2,055,246,300</u>

See accompanying Notes to Consolidated Financial Statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME**

(Amounts In Thousands Of Rupiah, Except Per Share Data)

	For The Years Ended December 31,	
	2000	1999 (As Restated - see Note 3)
NET SALES (Notes 2r, 2s and 21)	Rp 1,566,308,952	Rp 966,145,426
COST OF GOODS SOLD (Notes 2r and 22)	860,274,905	547,727,091
GROSS PROFIT	706,034,047	418,418,335
OPERATING EXPENSES (Notes 2r and 23)		
General and administrative	106,248,714	68,136,758
Selling	34,932,562	26,955,747
Exploration (Note 2n)	15,273,576	5,309,993
Total Operating Expenses	156,454,852	100,402,498
INCOME FROM OPERATIONS	549,579,195	318,015,837
OTHER INCOME (CHARGES)		
Interest income	32,463,292	33,646,038
Gain (loss) on foreign exchange - net (Note 2f)	39,173,668	(13,685,853)
Pension income (cost) (Notes 2p and 35)	(31,813,567)	7,653,433
Interest expense	(25,420,640)	(29,038,627)
Write-off of other assets (Note 35)	(7,689,063)	(1,536,713)
Geology service expense - net	(7,434,869)	(7,114,748)
Amortization of deferred environmental protection and rehabilitation costs (Note 2o)	(948,143)	(1,850,958)
Others - net	(13,648)	(533,756)
Other Charges - Net	(1,682,970)	(12,461,184)
INCOME BEFORE EXTRAORDINARY ITEM	547,896,225	305,554,653
EXTRAORDINARY ITEM (Note 28)	-	14,239,110
INCOME BEFORE PROVISION FOR TAX EXPENSE (INCOME)	547,896,225	319,793,763
PROVISION FOR TAX EXPENSE (INCOME) (Notes 2u and 17)		
Current	173,869,437	53,041,463
Deferred	(6,504,635)	32,793,746
Total	167,364,802	85,835,209

(Forward)

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Continued)
(Amounts in Thousands Of Rupiah, Except Per Share Data)

	For The Years Ended December 31,	
	2000	1999 (As Restated - see Note 3)
INCOME BEFORE MINORITY INTERESTS IN NET LOSS OF SUBSIDIARIES	Rp 380,531,423	Rp 233,958,554
MINORITY INTERESTS IN NET LOSS OF SUBSIDIARIES (Note 2b)	2,623,538	385,968
NET INCOME	Rp 383,154,961	Rp 234,344,522
EARNINGS PER SHARE (Note 2v)	Rp 311.31	Rp 190.40

See accompanying Notes to Consolidated Financial Statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

(Amounts In Thousands Of Rupiah)

For The Years Ended December 31, 2000 And 1999

	Capital Stock	Additional Paid-in Capital in Excess of Par Value	Difference in Foreign Currency Translation	Unrealized Holding Gain on Marketable Securities	Retained Earnings		Total
					Appropriated	Unappropriated	
Balance, January 1, 1999 as previously reported	Rp 615,384,500	Rp 387,692,100	Rp 26,063,010	Rp -	Rp 27,609,003	Rp 319,598,677	Rp 1,376,347,290
Adjustment due to change in accounting policy (Note 3)	-	(46,704,316)	-	-	14,565,036	-	(32,139,280)
Balance, January 1, 1999 As Restated	615,384,500	340,987,784	26,063,010	-	42,174,039	319,598,677	1,344,208,010
Net income as previously reported	-	-	-	-	-	225,188,068	225,188,068
Adjustment due to change in accounting policy (Note 3)	-	-	-	-	-	9,156,454	9,156,454
Net income As Restated	-	-	-	-	-	234,344,522	234,344,522
Appropriation for general reserve	-	-	-	-	191,759,206	(191,759,206)	-
Difference in foreign currency translation (Note 2b)	-	-	(3,058,865)	-	-	-	(3,058,865)
Cash dividends declared (Note 27)	-	-	-	-	-	(127,839,471)	(127,839,471)
Balance, December 31, 1999 As Restated	615,384,500	340,987,784	23,004,145	-	233,933,245	234,344,522	1,447,654,196
Net income	-	-	-	-	-	383,154,961	383,154,961
Appropriation for general reserve	-	-	-	-	144,269,295	(144,269,295)	-
Difference in foreign currency translation (Note 2b)	-	-	9,423,483	-	-	-	9,423,483
Cash dividends declared (Note 27)	-	-	-	-	-	(90,075,227)	(90,075,227)
Unrealized holding gain on Marketable Securities	-	-	-	149,569	-	-	149,569
Balance, December 31, 2000	Rp 615,384,500	Rp 340,987,784	Rp 32,427,628	Rp 149,569	Rp 378,202,540	Rp 383,154,961	Rp 1,750,306,982

See accompanying Notes to Consolidated Financial Statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts In Thousands Of Rupiah)

	For The Years Ended December 31,	
	2000	1999 (As Restated - see Note 2a)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	Rp 1,585,480,714	Rp 932,923,908
Payments to suppliers and employees	(831,072,123)	(593,445,925)
Cash provided by operating activities	754,408,591	339,477,983
Payment of interest expense	(28,015,451)	(30,236,538)
Income taxes paid	(41,812,110)	(58,347,117)
Cash receipt from insurance	8,286,534	3,460,000
Foreign exchange adjustment of cash and cash equivalents	132,607,484	(35,490,164)
Net Cash Provided by Operating Activities	825,475,048	218,864,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(98,306,022)	(144,460,606)
Proceeds from (payment of):		
Deferred exploration and development costs	(32,658,897)	(25,365,037)
Deferred charges	(17,534,233)	(6,809,230)
Loans to employees	18,690,535	3,519,798
Other assets	4,216,029	4,136,489
Short-term investment	(2,304,147)	-
Net Cash Used in Investing Activities	(127,896,735)	(168,978,586)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) short-term bank loans	(53,670,079)	79,552,444
Repayments of long-term debts	(78,528,673)	(84,984,381)
Payments of cash dividends	(90,075,227)	(127,839,471)
Addition in proceeds account	(162,094,110)	-
Net Cash Used in Financing Activities	(384,368,089)	(133,271,408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	313,210,224	(83,385,830)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	393,567,972	476,953,802
CASH AND CASH EQUIVALENTS AT END OF YEAR	Rp 706,778,196	Rp 393,567,972

(Forward)

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts In Thousands Of Rupiah)

	For The Years Ended December 31,	
	2000	1999 (As Restated - see Note 2a)
Activities not affecting cash flows:		
Capitalization of foreign exchange gain to property, plant and equipment	Rp	(Rp 4,897,541)
Reclassification of property, plant and equipment to other assets		2,695,547
Reclassification of other assets to property, plant and equipment		337,639

See accompanying Notes to Consolidated Financial Statements which are an integral part of the consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Years Ended December 31, 2000 And 1999

(Amounts In Thousands of Rupiah, Except As Otherwise Stated)

1. GENERAL

Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk (the "Company") was established and began commercial operations on July 5, 1968 based on Government Regulation No. 22 of 1968, as published in the State Gazette No. 36 dated July 5, 1968, under the name Perusahaan Negara (PN) Aneka Tambang. On June 14, 1974, based on Government Regulation No. 26 of 1974, the status of Perusahaan Negara (PN) Aneka Tambang was changed from that of a state-owned corporation ("perusahaan negara") to that of a state-owned limited liability corporation ("perusahaan persero") and the Company has since been known as Perusahaan Perseroan (Persero) PT Aneka Tambang.

The Company's Articles of Association was last amended by Notarial Deed No. 29 of A. Partomuan Pohan, S.H., LL.M., dated July 29, 1999, concerning, among others, the change in its name to Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk, also known as PT Antam Tbk. This amendment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C-17329.HT.01.04-TH.99 dated October 6, 1999.

According to article 3 of the Company's Articles of Association, its scope of activities comprises mining of natural deposits, manufacturing, trading, transportation and other services related to the mining.

The Company's head office is located in Jakarta. Currently, the Company operates six mines located in Kijang, Bintan Island, Riau (bauxite); Pomalaa, Sulawesi Tenggara (nickel); Gebe Island, Maluku (nickel); Gee Island, Maluku (nickel); Cilacap, Central Java (iron sand); and Pongkor Mountain, Bogor, West Java (gold). In addition, PT Antam Resourcindo, the subsidiary of International Antam Resources Limited (IARL), the Company's subsidiary, owns and operates a gold mine in Cikidang, West Java. The Company also operates a precious metal refinery and a geology unit in Jakarta.

Since November 27, 1997, all the Company's shares are listed in the stock exchanges in Indonesia. Starting August 9, 1999, the Company's shares have also been traded in the Australian Stock Exchange (ASX) in "CHESS Units of Foreign Securities (CUFS)" where each unit of CUFS is equivalent to five (5) common shares. A total of 246,153,799 CUFS units could be traded in the ASX representing 1,230,768,999 series B common shares.

As of December 31, 2000, the members of the Company's boards of commissioners and directors are as follows:

Commissioners

- Dr. Ir. Rozik B. Soetjipto (President Commissioner)
- Drs. A. Gunawan Suratno
- Drs. Djoko Darmono
- Ir. Supriatna Suhala, MSc
- Ir. S. Suryantoro, MSc

Directors

- Ir. D. Aditya Sumanagara (President Director)
- Ir. Harsojo Dihadjo
- Drs. Ki Agus Umar Tochfa
- Drs. Ismail Tangka
- Ir. Subagyo

Salaries and other compensation benefits incurred for the Company's directors and commissioners amounting to Rp 6,017,122,376 (full amount) and Rp 8,173,448,087 (full amount) in 2000 and 1999, respectively.

The Company and Subsidiaries have 3,811 and 4,719 permanent employees (unaudited) in 2000 and 1999, respectively.

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Years Ended December 31, 2000 And 1999

(Amounts In Thousands Of Rupiah, Except As Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Consolidated Financial Statements

The consolidated financial statements have been prepared following accounting principles generally accepted in Indonesia (Indonesian GAAP), which vary in certain respects from those in Australia (Australian GAAP). A description of the significant difference between these two generally accepted accounting principles and its approximate effects on net income and stockholders' equity are set forth in Notes 33 and 34 in order to conform more closely to the form and content of financial statements required in filings with the ASX.

The consolidated financial statements have been prepared on the historical cost basis of accounting, except for gold and silver inventories which are valued at net realizable value and other inventories which are valued at the lower of cost or net realizable value, and certain property, plant and equipment which are stated at revalued amounts.

The consolidated statements of cash flows present cash receipts and payments classified into operating, investing and financing activities. Starting in 2000, the Company presents cash flows using the direct method as required by the Capital Market Supervisory Agency. Prior to 2000, the Company adopted the indirect method. The accompanying 1999 statement of cash flows has been restated to present cash flows using the direct method for comparative purposes.

b. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its 82%-owned subsidiary, IARL, a publicly-listed company in Canada engaged in the exploration and development of mineral properties. IARL owns 99.99% of PT Antam Resourcindo, a local company acting as IARL's Indonesian operating subsidiary.

The accounts of IARL are translated into Rupiah amounts on the following bases:

Balance sheet accounts	-	Middle rate at balance sheet date (Can\$ 1 to Rp 6,389 in 2000 and Rp 4,886 in 1999) (full amounts)
Profit and loss accounts	-	Average rate for 2000 and 1999 at Rp 5,729 and Rp 5,300 to Can\$ 1, respectively (full amounts)

The resulting difference arising from the translation of balance sheet and profit and loss accounts is presented as "Difference in Foreign Currency Translation" under the Stockholders' Equity section in the consolidated balance sheets.

All significant intercompany accounts and transactions have been eliminated.

Investments in Contract of Work (CoW) companies are recorded based on the fair value of assets transferred to CoW company or interest received by the Company, whichever is more determinable.

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Years Ended December 31, 2000 And 1999

(Amounts In Thousands Of Rupiah, Except As Otherwise Stated)

Investment in which the Company or its subsidiaries have an ownership interest of at least 20% but not exceeding 50% are accounted for by the equity method whereby the cost of investment is increased or decreased by the Company or subsidiaries' share in the net earnings (losses) of the investees since date of acquisition. Equity in net earnings (losses) is being adjusted for the straight-line amortization, over a 5-year period, of the difference between the cost of such investment and the Company or subsidiaries' proportionate shares in the underlying fair value of the net asset at date of acquisition (goodwill).

Investment in which the Company has an ownership interest of less than 20% is carried at cost.

c. Cash Equivalents

Time deposits with maturities of three months or less at the time of placement and not pledged as collateral for loans are considered as "Cash Equivalents".

d. Short-term Investments

In accordance with the Statement of Financial Accounting Standards (PSAK) No. 50 "Accounting for Certain Investments in Securities", securities held for trading or available for sale are stated at fair values. Any change in the market value of trading securities is credited or charged to operations, whereas any change in the market value of available for sale securities is presented as a separate component of the stockholders' equity and credited or charged to operations upon realization.

e. Allowance for Doubtful Accounts

The Company and its Subsidiaries provide allowance for doubtful accounts based on a review of the status of the individual receivable accounts.

f. Transactions with Related Parties

The Company and its Subsidiaries have transactions with certain parties related to them as defined under the Statement of Financial Accounting Standards (PSAK) No.7, "Related Party Disclosures". Transactions between the Company and other state-owned companies are not deemed necessary to be disclosed as related-party transactions.

All significant transactions with related parties, whether or not conducted under the same normal price and conditions as those with third parties, are disclosed in the related notes.

g. Inventories

Inventories, except gold and silver which are stated at net realizable value, are stated at the lower of cost or net realizable value. Cost is determined by the weighted-average method. Allowance for inventory obsolescence is provided to reduce the carrying value of inventories to their net realizable values.

h. Prepaid Expenses

Prepaid expenses are charged to operations over the periods benefited.

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Years Ended December 31, 2000 And 1999

(Amounts In Thousands Of Rupiah, Except As Otherwise Stated)

i. Property, Plant and Equipment

Property, plant and equipment are stated at cost, except for certain assets revalued in accordance with government regulation, less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Landrights	20
Buildings	10 to 20
Land improvements	10 to 20
Plant, machinery and equipment	8 to 25
Vehicles	4 to 8
Furniture, fixtures and equipment	4 to 8

Construction in progress is stated at cost. The accumulated costs will be reclassified to the appropriate property, plant and equipment accounts when construction is substantially complete and the asset is ready for its intended use.

The cost of maintenance and repairs is charged to income as incurred; significant renewals and improvements are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in income for the year.

j. Impairment on Asset Value

In compliance with PSAK No. 48, "Impairment on Asset Value", issued on June 19, 1998 and effective starting January 1, 2000, asset values are reviewed for any impairment and possible writedown to fair value whenever events or changes in circumstances indicate that the asset value may not be recoverable.

k. Capitalization of Borrowing Costs

In accordance with the revised PSAK No. 26, "Borrowing Costs", interest, amortization of discount or premium, amortization of the related costs to obtain the loans and foreign exchange differences on loans which are used to finance the construction of major facilities are capitalized. Capitalization of these borrowing costs ceases when the construction is substantially complete and the assets are ready for their intended use.

l. Deferred Stock Issuance Costs

Effective January 1, 2000, based on the Rule No. VIII.G.7 dated March 13, 2000 of the Capital Market Supervisory Agency (BAPEPAM), the expenses incurred in connection with the Company's offering of its shares to the public were charged to "Additional Paid-in Capital" to the extent of the total amount of the additional paid in capital generated from the shares offering, and the remainder is offset against/charged to retained earnings.

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Years Ended December 31, 2000 And 1999

(Amounts In Thousands Of Rupiah, Except As Otherwise Stated)

For comparative purposes, the consolidated financial statements for the year ended December 31, 1999 have been restated to reflect the retroactive application of the change in accounting policy.

m. Deferred Information System Development Cost

Cost of computer software purchased and the cost of subsequent updating thereof were deferred and are amortized on the straight-line method over 3 years.

n. Deferred Exploration and Development Costs

Exploration and development costs for potential significant area of interest associated with a mineral deposit where the mining right is still valid and (i) such costs are expected to be recovered through exploitation or sale of proven reserves, or (ii) activities that have not yet reached a stage permitting a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant exploration of the area of interest is continuing, are deferred and amortized upon commencement of commercial production using the unit of production method. These costs are expensed in the period during which the Company and its Subsidiaries determine that no future value is expected from the area of interest.

Management assesses the carrying value of deferred exploration and development costs annually. If the carrying value of deferred exploration and development costs is higher than its value computed based on the present value of estimated ore production during the remaining life of the mine or the period of the mining right whichever is shorter, the difference is charged to operations.

Costs relating to mining units currently being exploited and ongoing development expenditures to maintain production are charged to operations as incurred.

o. Environmental Protection and Rehabilitation

The Company and its Subsidiaries evaluate and accrue annually the costs of environmental protection and land rehabilitation programs related to their mining activities (shown under "Estimated Liabilities for Environmental Protection and Rehabilitation"), in compliance with the requirements of PSAK No. 33, "Accounting for General Mining". Costs related to mining activities during exploration and development stages are deferred and amortized upon the commencement of production based on the estimated economic life of the mine. Costs related to mining activities incurred during production are charged to current year's production expense. With the adoption of PSAK No. 33 in 1995, costs related to mining activities prior to 1995 were deferred and are amortized (charged to "Other Expenses") over the estimated economic life of the mine starting in 1995.

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p. Retirement Benefits

The Company has a defined benefit retirement plan covering substantially all of its qualified permanent employees. The plan is funded through contribution of the employees and the Company. Employee contributions are computed at 5% of the employees' annual salaries including representation allowance, if any, and the Company's contributions are based on actuarial computations. Past service cost and experience adjustments are amortized over the average expected remaining working lives of existing employees of 7.79 years.

q. Postretirement Health Care Plan

The Company has a defined contributory benefit postretirement health care plan covering substantially all of its qualified permanent employees. Contributions are funded and consist of the Company's contributions computed at 7.5% and the employees' contribution computed at 5% of the employees' annual salaries.

The Company will continue to provide additional funds to cover all its pensioners, including their eligible dependents. The cost of providing these benefits is recognized when incurred.

r. Revenue and Expense Recognition

Sales are recognized at the time of shipment when the title passes to the customer, while revenue from service is recognized at the time services are rendered. Sales of gold and silver are priced generally based on the London Bullion Market Association's quoted price at the date of transaction. Expenses are recognized when incurred (accrual basis).

s. Hedging Activities

Hedging agreements are entered into by the Company to hedge against the effect of price changes on the commodities produced. Gains and losses realized on such instruments are reflected in income for the year.

t. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded in Rupiah at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, assets and liabilities denominated in foreign currencies are adjusted to Rupiah to reflect the rate of exchange prevailing at such date. The resulting gains or losses are credited or charged to operations of the current year, except for foreign exchange losses capitalized as part of borrowing costs (see Notes 2k and 11) and those allowed to be capitalized into the carrying value of certain assets in accordance with the alternative treatment discussed in paragraph 32 of PSAK No. 10, "Transactions in Foreign Currencies".

At December 31, 2000 and 1999, the rates of exchange used are follows:

	2000		1999	
	Rp		Rp	
1 United States Dollar		9,595		7,100
100 Japanese Yen		8,357		6,947
1 Canadian Dollar		6,389		4,886

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u. Provision for Income Tax

Effective January 1, 1999, the Company and its Subsidiaries adopted PSAK No. 46, "Accounting for Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of assets and liabilities.

v. Earnings per Share

Net income per share is computed by dividing net income by the weighted average number of shares outstanding during the year, which is 1,230,769,000 shares.

3. CHANGE IN ACCOUNTING POLICY AND RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

As disclosed in Note 2l, the Company changed its accounting policy for stock issuance costs effective January 1, 2000. Prior year's consolidated financial statements have been restated to effect this change as follows:

	As Previously Reported		As Restated	
	Rp		Rp	
Deferred charges - net		36,873,884		9,650,953
Deferred tax liabilities - net		90,759,501		86,519,396
Additional paid - in capital		387,692,100		340,987,784
Retained earnings		444,556,277		468,277,767
Net income		225,188,068		234,344,522

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2000		1999	
	Rp		Rp	
Cash on hand (including US\$ 4,113 and ¥1,644,808 in 2000 and US\$ 16,850 and ¥ 407,542 in 1999)		331,891		500,625
Cash in banks				
PT Bank Mandiri (Persero) (including US\$ 25,990 in 2000 and US\$ 21,659 in 1999)		30,207,793		7,929,820
PT Bank Negara Indonesia (Persero) Tbk (including US\$ 1,427,812 and ¥ 1,060,096 in 2000 and US\$ 569,851 and ¥ 924,091 in 1999)		14,165,424		6,034,010
PT ING Indonesia Bank (including US\$ 350,696 in 2000 and US\$ 6,441,226 in 1999)		28,266,477		64,518,534

(Forward)

PERUSAHAAN PERSEROAN (PERSERO) PT ANEKA TAMBANG Tbk AND SUBSIDIARIES
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	2000	1999
Others (including US\$ 689,189 in 2000 and US\$ 51,550 in 1999)	Rp 7,140,996	Rp 6,116,654
Total cash in banks	79,780,690	84,599,018
Cash equivalents		
Time deposits		
PT Bank Mandiri (Persero) (including US\$ 34,250,000 in 2000 and US\$ 33,637,716 in 1999)	491,628,750	248,827,789
PT Bank Universal Tbk	30,000,000	-
Others	17,752,628	-
Total time deposits	539,381,378	248,827,789
Gold in Value		
NM Rothschild & Sons (US\$ 9,096,846 in 2000 and US\$ 8,400,076 in 1999)	87,284,237	59,640,540
Total cash equivalents	626,665,615	308,468,329
Total cash and cash equivalents	Rp 706,778,196	Rp 393,567,972

Annual interest ranged from 8.5% to 13.3% in 2000 and from 11% to 42% in 1999 for Rupiah time deposits and from 5.5% to 6.92% in 2000 and from 5.5% to 15% in 1999 for US Dollar deposits.

Cash which are placed in PT ING Indonesia Bank amounting to Rp 5,839,445 and US\$ 4,328,240 in 1999, are restricted to be used only for permitted payments which include, among others, operational costs, capital expenditures and fees as required by the Gold Project Facility (see Note 18).

Gold in value represents funds in the form of gold maintained in NM Rothschild & Sons which is restricted to be used only for payments of loan principal and interest installments required by the Gold Project Facility (see Note 18).

5. PROCEEDS ACCOUNT

As of December 31, 2000, this account consists of a current account amounting to Rp 162,094,110 (including US\$ 16,246,445) in PT ING Indonesia Bank representing the proceed from sales as required under Gold Project Facility. The proceeds, to the maximum amount of the loan equivalent to US\$ 10,921,903, may not be withdrawn until certain conditions are met (see Notes 18 and 31). Management is of the opinion that the conditions set forth in Notes 18 and 31 will be fulfilled in the near future.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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6. SHORT-TERM INVESTMENTS

This account consists of mutual fund units as follows:

	2000	1999
Melati US Dollar	Rp 2,411,656	Rp -
Yudistira	520,414	583,857
Total	Rp 2,932,070	Rp 583,857

As of December 31, 2000, investment in Melati US Dollar mutual fund consists of 2,257,579 units with net assets value (NAV) per unit of US\$ 0.111334.

Investment in Yudistira mutual fund consists of 1,324,749 units. As of December 31, 2000 and 1999, the NAV of the mutual fund per unit amounted to Rp 392.84 and Rp 440.73, respectively (full amounts).

The unrealized gains and losses on the market value of the short-term investments amounting to Rp 149,569 in 2000 are presented as "Unrealized Holding Gains on Marketable Securities" under the Stockholders' Equity. In 1999, the unrealized loss were charged to operations since the amount is immaterial.

7. ACCOUNTS RECEIVABLE - TRADE

This account consists of receivables arising from:

	2000	1999
Export sales (US\$ 6,998,406 in 2000 and US\$ 11,113,507 in 1999)	Rp 67,149,700	Rp 78,905,899
Domestic sales (including US Dollar denominated receivables of US\$ 453,313 in 2000 and US\$ 348,489 in 1999)	12,724,267	9,137,063
Total	Rp 79,873,967	Rp 88,042,962

The aging schedule of receivables stated above are as follows:

	2000	1999
0 – 30 days	Rp 75,277,780	Rp 81,163,945
30 – 90 days	4,576,026	2,581,745
over 90 days	20,161	4,297,272
Total	Rp 79,873,967	Rp 88,042,962

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The outstanding trade accounts receivable were derived mainly from sales of mining products to Shandong Aluminium Corp., Mitsui & Co., Sumitomo Corp., Queensland Nickel Pty. Ltd. and Newco AG.

Based on the review of the status of the individual receivable accounts at the end of the year, the Company's management has the opinion that all receivables as of December 31, 2000 and 1999 are collectible.

8. INVENTORIES

This account consists of:

	2000		1999
Mining inventories			
Gold and silver	Rp 66,481,125	Rp	47,273,603
Nickel ore	62,751,882		47,875,513
Bauxite ore	8,711,316		11,828,498
Iron sand	5,664,539		4,585,615
Gold and silver precipitates	4,721,147		3,181,232
Ferronickel	664,755		3,083,897
Other precious metals	962,638		206,941
Total mining inventories	149,957,402		118,035,299
Mining inventories in process	2,695,094		3,812,894
Spare parts and supplies	86,296,236		61,393,828
Total	238,948,732		183,242,021
Less allowance for obsolescence	-	(79,715))
Net	Rp 238,948,732	Rp	183,162,306

The inventories are covered by insurance against destruction caused by fire, vandalism or theft under policies, which in the Company management's opinion, is sufficient to cover possible losses from such risks.

In 2000, inventories, except those inventories in Gunung Pongkor Gold Mine, amounting to Rp 185,848,695 have been pledged as collateral to the Working Capital Credit Facility (see Note 14). In addition, inventories amounting to Rp 48,378,890 in Gunung Pongkor Gold Mine have been pledged as collateral to the Gold Project Facility (see Note 18).

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9. PREPAID TAXES

This account consists of:

	2000		1999	
Value-added tax	Rp	41,446,423	Rp	24,862,493
Others		4,457		5,830
Total	Rp	41,450,880	Rp	24,868,323

10. INVESTMENT IN SHARES OF STOCK

This account represents the Company's investment in PT Nusa Halmahera Minerals with 17.5% ownership. This investment is pledged as collateral to the loan advanced by Newcrest Singapore Holding Pte. Ltd. (see Note 18).

11. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	2000			
	Beginning Balance	Additions/ Reclassifications	Disposals/ Reclassifications	Ending Balance
<u>Carrying Value</u>				
Landrights	Rp 9,292,510	Rp 39,453	Rp -	Rp 9,331,963
Buildings	85,103,868	3,833,490	-	88,937,358
Land improvements	288,444,146	3,818,178	-	292,262,324
Plant, machinery and equipment	870,482,410	34,129,160	-	904,611,570
Vehicles	19,299,930	5,212,323	-	24,512,253
Furniture, fixtures and equipment	31,066,951	14,572,284	-	45,639,235
Sub-total	1,303,689,815	61,604,888	-	1,365,294,703
<u>Construction in progress</u>				
Buildings	804,482	973,080	874,454	903,108
Land improvements	81,668,231	16,657,480	1,647,113	96,678,598
Machinery and equipment 24,575,542		2,472,138	22,403,577	300,173
Sub-total	84,944,851	40,034,137	2,821,740	122,157,248
Total Carrying Value 1,487,451,951		1,388,634,666	101,639,025	2,821,740
<u>Accumulated Depreciation and Amortization</u>				
Landrights	46,315	13,877	-	60,192
Buildings	30,677,953	3,980,959	-	34,658,912
Land improvements	48,449,707	28,662,318	-	77,112,025
Plant, machinery and equipment	188,928,071	70,665,643	-	259,593,714
Vehicles	9,360,717	2,202,503	-	11,563,220
Furniture, fixtures and equipment	17,692,425	6,224,554	-	23,916,979
Total Accumulated Depreciation and Amortization	295,155,188	111,749,854	-	406,905,042

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Net Book Value
Rp 1,080,546,909

Rp 1,093,479,478

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	1999			
	Beginning Balance	Additions/ Reclassifications	Disposals/ Reclassifications	Ending Balance
<u>Carrying Value</u>				
Landrights	Rp 5,648,700	Rp 3,643,810	Rp -	Rp 9,292,510
Buildings	76,116,974	9,169,392	182,498	85,103,868
Land improvements	110,201,692	179,568,667	1,326,213	288,444,146
Plant, machinery and equipment	691,756,999	196,485,506	17,760,095	870,482,410
Vehicles	14,228,185	5,301,231	229,486	19,299,930
Furniture, fixtures and equipment	22,665,569	9,142,062	740,680	31,066,951
Sub-total	920,618,119	403,310,668	20,238,972	1,303,689,815
<u>Construction in progress</u>				
Buildings	98,526,546	1,237,847	98,959,911	804,482
Land improvements	119,532,576	68,878,209	106,742,554	81,668,231
Machinery and equipment		127,623,910	39,901,317	165,053,089
2,472,138				
Sub-total	345,683,032	110,017,373	370,755,554	84,944,851
Total Carrying Value		1,266,301,151	513,328,041	390,994,526
1,388,634,666				
<u>Accumulated Depreciation and Amortization</u>				
Landrights	32,532	13,783	-	46,315
Buildings	26,869,702	3,814,386	6,135	30,677,953
Land improvements	38,622,320	10,741,132	913,745	48,449,707
Plant, machinery and equipment	151,123,526	49,181,099	11,376,554	188,928,071
Vehicles	7,861,810	1,695,542	196,635	9,360,717
Furniture, fixtures and equipment	15,618,737	3,259,845	1,186,157	17,692,425
Total Accumulated Depreciation and Amortization	240,128,627	68,705,787	13,679,226	295,155,188
Net Book Value		Rp 1,026,172,524		
Rp 1,093,479,478				

Depreciation and amortization charged to operations amounted to Rp 111,163,417 in 2000 and Rp 68,023,851 in 1999. Addition to the accumulated depreciation in 2000 includes reclassification from other asset amounting to Rp 586,437. Depreciation expense of machinery and equipment amounting to Rp 344,297 was capitalized to land improvements in 1999.

Additions in 2000 include reclassification of construction in progress of Rp 2,821,740 to the related property, plant and equipment accounts. Additions in 1999 include the capitalization of borrowing costs of Rp 2,591,215, reclassification of construction in progress of Rp 370,755,554 to the related property, plant and equipment accounts and reclassification from other assets with carrying value and accumulated depreciation, both totaling Rp 337,639. Deductions in 1999 include the write-off and reclassification of building, machinery and vehicles with net book value totaling Rp 4,232,260 (with carrying value of Rp 18,003,783 and accumulated depreciation of Rp 13,771,523) and capitalization of foreign exchange differences of Rp 4,645,371.

Property, plant and equipment with net book value of Rp 482,473,326 as of December 31, 2000 located in Gunung Pongkor Gold Mine are pledged as collateral to the Gold Project Facility (see Note 18), while property, plant and equipment with net book value of Rp 480,401,028 located in

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Pomalaa Nickel Mine are pledged as collateral to the Working Capital Credit Facility from PT Bank Mandiri (Persero) (see Note 14).

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Property, plant and equipment are covered by insurance against destruction caused by fire or other risks under policies amounting to US\$ 365,257,520 which in the Company management's opinion, is sufficient to cover losses from such risks.

12. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

This account consists of exploration and developments costs for the following areas of interest where the mining right is still valid (see Note 2n):

	2000	1999
Active and significant exploration work is continuing:		
Buli Island	Rp 27,666,425	Rp 12,622,704
Papandayan	13,466,459	18,944,801
Tayan	7,052,506	4,638,277
Obi Island	6,621,906	6,419,939
Gag Island	644,941	624,761
Cibugis	-	993,414
Trenggalek	-	505,139
Others	212,461	2,135,281
Sub-total	55,664,698	46,884,316
Proven reserves were found during exploration work:		
Cikidang	42,904,189	33,808,495
Pongkor	14,722,758	13,692,776
Kijang	6,173,560	4,244,263
Gee Island	1,200,486	1,200,486
Lumajang	268,030	268,030
Sub-total	65,269,023	53,214,050
Accumulated amortization	(14,537,608)	(9,054,297)
Net	50,731,415	44,159,753
Total	Rp 106,396,113	Rp 91,044,069

Amortization of deferred exploration and development costs amounted to Rp 5,483,311 in 2000 and Rp 4,094,452 in 1999.

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13. DEFERRED CHARGES

This account consists of the following deferred charges:

	2000	1999 (As Restated, See Note 3)
<u>Acquisition costs</u>		
Information system development	Rp 14,374,211	Rp 4,570,920
Borrowing costs	7,076,170	7,076,170
Others	1,978,066	1,689,093
Total	<u>23,428,447</u>	<u>13,336,183</u>
<u>Accumulated Amortization</u>		
Information system development	1,929,659	-
Borrowing costs	4,342,195	3,055,619
Others	788,708	629,611
Total	<u>7,060,562</u>	<u>3,685,230</u>
Net	<u>Rp 16,367,885</u>	<u>Rp 9,650,953</u>

Amortization of deferred charges amounted to Rp 3,375,332 in 2000 and Rp 3,324,259 in 1999.

14. SHORT-TERM BANK LOANS

This account consists of loans from

	2000	1999
ABN-AMRO Bank N.V., Jakarta (US\$ 7,000,000)	Rp 67,165,000	Rp 49,700,000
PT Bank Mandiri (Persero) (US\$ 6,687,617 in 2000 and US\$ 13,364,552 in 1999)	64,167,690	94,888,320
Total	<u>Rp 131,332,690</u>	<u>Rp 144,588,320</u>

The promissory note issued to ABN-AMRO Bank N.V. bears interest at annual rate of 8.75% in 2000 and 8.5% to 10% in 1999.

The loan obtained from PT Bank Mandiri (Persero) in 1999, represents a working capital credit facility which bears annual interest at 8.92% in 2000 and 7.5% in 1999. The loan is secured by the Company's inventories, except those in Gunung Pongkor Gold Mine, and fixed assets in Pomalaa Nickel Mine (see Notes 8 and 11).

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15. ACCOUNTS PAYABLE

This account consists of payables arising from the purchases of goods and services from third parties and related parties.

16. ACCRUED EXPENSES

This account consists mainly of accruals for pension (see Note 25); royalty and retribution; salaries, wages and other employee benefits; contractor costs; housing subsidies; water, electricity and telephone and interest.

17. TAXES PAYABLE

This account consists of:

	2000		1999
Income taxes			
Article 21 (employee payroll tax)	Rp 12,725,834	Rp	4,033,971
Article 23/26 (withholding taxes)	2,837,335		2,555,318
Article 25 (corporate income tax)	3,500,000		4,008,878
Article 29 (corporate income tax final annual payment)	138,518,364		6,007,163
Value-added tax	8,474,038		7,383,616
Land and building tax	-		500,671
Total	Rp 166,055,571	Rp	24,489,617

A reconciliation between income before provision for income tax, as shown in the consolidated statements of income, and estimated taxable income for the years ended December 31, 2000 and 1999 follows:

	2000		1999 (As Restated, see Note 3)
Income before provision for income tax per consolidated statements of income	Rp 547,896,225	Rp	319,793,763
Loss of Subsidiaries	14,575,213		2,144,266
Adjustment due to change in accounting policy	-	(9,340,863)
Income before provision for income tax attributable to the Company	562,471,438		312,597,166
Positive corrections: Pension expense	39,977,276		-

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	2000	1999 (As Restated, see Note 3)
	<u> </u>	<u> </u>
Salaries, wages, bonus and employee benefits:		
- Post retirement health care expenses	Rp 16,000,000	Rp 1,000,000
- Other employee benefits	1,773,932	1,510,818
Mining closure cost	8,258,955	-
Write-off of property, plant and equipment	5,568,981	575,501
Entertainment	3,795,510	2,937,648
Professional fees	3,570,491	-
Social activities	3,496,272	2,851,604
Provision for bad debt expense	1,480,830	-
Books and magazines	1,400,609	1,102,811
Tax assessments and penalties	486,177	754,356
Education	387,226	172,560
Membership fee	318,247	324,761
Negative corrections:		
Depreciation and amortization	(31,300,904)(97,957,958
Interest income already subjected to final tax	(32,217,568)(33,298,040
Payment to pension fund	(5,873,512)(3,661,901
Actuarial pension income	-	(7,653,433
Liquidating dividends	-	(4,421,850
	<u> </u>	<u> </u>
Estimated taxable income	Rp 579,593,960	Rp 176,834,043
	<u> </u>	<u> </u>

The computation of provision for income tax is as follows:

	2000	1999
	<u> </u>	<u> </u>
Provision for income tax	Rp 173,869,437	Rp 53,041,463
Deferred tax expense (income) of temporary difference between expenses recognized for fiscal and Company's computation	(6,504,635) 32,793,746
	<u> </u>	<u> </u>
Total	Rp 167,364,802	Rp 83,835,209
	<u> </u>	<u> </u>

The computation of income tax payable is as follows:

	2000	1999
	<u> </u>	<u> </u>
Provision for income tax	Rp 173,869,437	Rp 53,041,463
Prepayments of income taxes:		
Article 22	1,541,708	1,257,295

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	2000	1999
Article 23	Rp 566,321	Rp 138,909
Article 25	33,243,044	45,638,096
Total prepayments of income taxes	35,351,073	47,034,300
Income tax payable Article 29	Rp 138,518,364	Rp 6,007,163

The computation of estimated deferred income tax on significant temporary differences between accounting and tax reporting purposes using the maximum tax rate of 30% is as follows:

	2000	1999 (As Restated See Note 3)
Deferred tax assets		
Accrued expenses	Rp 4,213,744	Rp -
Accrued mining closure cost	2,477,687	-
Allowance for doubtful accounts receivable	444,248	198,602
Allowance for inventory obsolescence	-	335,514
Total	7,135,679	534,116
Deferred tax liabilities		
Property, plant and equipment	87,150,440	81,737,188
Prepaid pension expense	-	5,316,324
Total	87,150,440	87,053,512
Deferred tax liabilities - net	Rp 80,014,761	Rp 86,519,396

18. LONG-TERM DEBT

This account comprises loans provided by:

	2000	1999
The Gold Project Facility (72,124.9 oz. of gold in 2000 and 100,974.8 oz. of gold in 1999)	Rp 188,684,248	Rp 208,552,437
Newcrest Singapore Holdings Pte. Ltd. (US\$ 3,854,102)	36,980,109	27,364,124
Government of the Republic of Indonesia (two-step loans obtained through contractors)	11,210,734	15,695,028
Total	236,875,091	251,611,589
Less current maturities	79,957,993	64,070,704
Long-term portion	Rp 156,917,098	Rp 187,540,885

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The Gold Project Facility

On December 4, 1996, the Company entered into a Gold Project Facility agreement (the "Agreement") with Rothschild Australia Limited [subsequently changed to NM Rothschild & Sons Limited (NMR)], Bayerische Vereinsbank AG., Commerzbank International S.A., PT ING Indonesia Bank, Republic Mase Australia Limited (collectively referred herein as the "Gold Lenders" and "Hedging Banks") with NMR, as the agent for the Gold Lenders (the "Agent"), whereby the Gold Lenders and Hedging Banks have severally agreed to make available to the Company the Gold Facility for an aggregate maximum gold value of US\$ 61,600,000 and a Hedging Facility. The facilities were obtained to finance the expansion of Gunung Pongkor Gold Mine (the "Project") and for other purposes as approved by the Gold Lenders.

Based on the Agreement, drawings under the Gold Project Facility during the period commencing on the date of the agreement up to the earliest of the Project completion date; June 30, 1998; or, early termination date, if any, (the "Availability Period") shall be repaid on each of the following repayment dates (the "Repayment Dates").

Repayment Dates	% of Outstanding Principal
June 30 and December 31, 2000 up to 2002	10.6250% on each repayment date
June 30, 2003	10.6250%

The Company may, on any day after the last day of the Availability Period up to the Repayment Date, switch the gold denominated outstanding liabilities to the US Dollar denominated liabilities after giving due written notice to the Agent.

Drawings under the facility bear interest at SIBOR plus Margin US Dollar denominated liability and LIBOR less Gold Forward (GOFO) plus Margin for gold-denominated liability, respectively. Margin shall be equivalent to 2.5% during the period up to 90 days after the Project completion date and 2% thereafter. The loan is secured, among others, by the assignment of rights in connection with the Project's Mining Right and the fiduciary transfer of proprietary rights, i.e., products, inventories, plant and equipment (see Notes 8 and 11).

Under the terms of the Gold Facility, the Company is required to observe certain negative covenants which include, among others, restrictions on the following: (i) merger or consolidation with other entities; (ii) purchase or redemption of any of its issued shares (iii) prior to the Project's completion date, declaration of dividends out of the proceeds of the Project, except those permitted payments to shareholders; (iv) disposal of the Project's assets, and (v) creation of security interest over the Project's assets. In addition, the Company is required to maintain certain financial ratios calculated using a computer model, including (i) loan life ratio of not less than 1.5 : 1.0; (ii) project life ratio of not less than 2.0 : 1.0; and (iii) annual debt service coverage ratio of not less than 1.25 : 1.0. The Company is also required to maintain a Proceeds and Debt Service Reserve Account. The money withdrawn from such account is restricted only to certain permitted payments (see Note 5). The Company is also required to meet the Project Completion Date of June 30, 1999 to be certified by independent engineers, or such later date as may be agreed upon by the majority of the Gold Lenders. The Company is also required to facilitate the completion of third party technical review on a regular basis.

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Based on its letter dated June 30, 1999, NMR has approved the extension of the Project Completion Date of June 30, 1999 to December 31, 2000 with additional requirements, among others, the opening of a second US Dollar Proceeds Account whereby the proceeds from sales and hedging in US Dollar currency will be credited to such account until the Project Completion Date. On March 23, 2001, the Company has received the extension of the Project Completion Date until June 30, 2001 (see Notes 5 and 31).

Newcrest Singapore Holdings Pte.Ltd.

In connection with the Joint Venture Agreement (Agreement) between the Company and Newcrest Singapore Holdings Pte. Ltd. (Newcrest), the Company's investment in the joint venture company, PT Nusa Halmahera Minerals (NHM), was advanced by Newcrest on behalf of the Company. The loan bears interest at LIBOR plus 2%, which has been accrued from the Bankable Feasibility Study Date. Until the Bankable Feasibility Study Date, Newcrest was solely and fully responsible for meeting all contributions for the expenditure of NHM and Newcrest had no recourse to the Company to have the Company contribute any funds whatsoever to such expenditure. Repayment of the loan together with accrued interest and any aggregate amount shall be made in installments which shall be due only at the time of payment of any dividends that will become payable to the Company. A portion of any dividend, which is equal to 80% due to the Company as declared by NHM, shall be used as an installment for the payment of the loan. In the event the agreement is terminated, obligation to repay advances and all interest thereon shall survive to the extent only of the Company's shareholdings in NHM. The loan is secured by the Company's shares in NHM (see Note 10).

Government of the Republic of Indonesia

These loans were obtained by the Government through contractors and then lent out to the Company (two-step loans). The loans were used to finance the purchase of materials and services for the expansion of the Company's ferronickel project in Pomalaa, South East Sulawesi. The loan drawdowns were recognized by the Company upon the receipt of invoices from the related suppliers and contractors which were subsequently settled by the Government. The loan was converted into Indonesian Rupiah based on the exchange rate at the date of drawdown which was used as the basis of the Company in the recognition of the amount of its loan to the Government. The loans bear interest at 1% above the three months' average interest rate for Bank Indonesia certificates determined every June 15 and December 15 of the year.

19. ESTIMATED LIABILITIES FOR ENVIRONMENTAL PROTECTION AND REHABILITATION

This account represents accrued liabilities for estimated costs of environmental protection and rehabilitation of areas related to the Company and its Subsidiaries' mining activities (see Notes 20 and 29b). The movements of this account are as follows:

	2000		1999	
	Rp		Rp	
Balance at beginning of year		15,566,265		15,699,840
Addition during the year		9,623,171		912,473
Payments for actual expenditures during the year	(1,086,130)	(1,046,048)
Balance at end of year		24,103,306		15,566,265

(Forward)

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	2000	1999
Less current portion (estimated provision to be applied next year)	Rp 2,971,542	Rp 1,648,133
Long-term portion	Rp 21,131,764	Rp 13,918,132

20. CAPITAL STOCK AND RELATED EQUITY ACCOUNTS

The details of share ownership are as follows:

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount (In Full Rupiah)
Preferred Stock (A Dwiwarna share)			
Government of the Republic of Indonesia	1	- %	Rp 500
Common Stock (B shares)			
Government of the Republic of Indonesia	799,999,999	65	399,999,999,500
Public (each below 5% ownership)	430,769,000	35	215,384,500,000
Total	1,230,769,000	100%	Rp 615,384,500,000

The Articles of Association provides the holder of the preferred stock with certain rights in addition to the rights held by a holder of common stock. Those rights include the right to vote on the election of the Directors and Commissioners and the right to approve amendments to the Articles of Association. The Stockholders' meeting may not proceed in the absence of the preferred stockholder. The preferred stock may not be transferred to any other party.

Additional paid-in capital represents the difference between the par value as stated in the Company's Articles of Association and the proceeds received from the stockholders in connection with the Company's initial public offering of its shares.

21. NET SALES

The details of net sales by type of products or services are as follows:

	2000	1999
Mining products		
Ferronickel	Rp 682,160,308	Rp 432,698,779
Gold	333,925,590	216,151,039
Nickel ore	332,825,577	151,336,145

(Forward)

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	2000	1999
Bauxite	Rp 119,898,087	Rp 89,423,174
Silver	50,958,576	33,953,376
Iron sand	20,308,606	24,476,350
Other precious metals	698,535	307,603
Sub Total	1,540,775,279	948,346,466
Service		
Purification of precious metals and other service	25,533,673	17,798,960
Total	Rp 1,566,308,952	Rp 966,145,426

The details of net sales by geographical area and customers are as follows:

	2000	1999
Export		
Newco AG.	Rp 324,704,838	Rp 221,983,942
SK Global Co. Ltd.	289,863,401	81,061,976
Pohang Steel Corp.	197,282,862	84,170,088
Others (below Rp 150,000,000)	674,593,858	515,028,165
Sub-total	1,486,444,959	902,244,171
Domestic	79,863,993	63,901,255
Total	Rp 1,566,308,952	Rp 966,145,426

22. COST OF GOODS SOLD

This account consists of:

	2000	1999
Production Cost		
Materials used	Rp 306,956,907	Rp 249,761,593
Salaries, wages, bonus and employee benefits	208,686,889	100,366,988
Depreciation	107,088,875	66,613,004
Exploitation fee	41,253,618	32,230,444
Rent	34,152,700	25,003,516
Ore exploitation services	28,594,861	26,994,826
Indirect labor	26,357,191	15,321,159
Transportation	21,494,336	15,608,897
Household appliances	17,519,566	13,310,626

(Forward)

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	2000	1999
Repairs and maintenance	Rp 16,123,972	Rp 12,081,580
Water and electricity	15,579,187	8,774,568
Insurance	9,339,908	7,999,256
Security	8,242,259	4,483,530
Amortization	6,737,821	7,403,981
Tax and retribution	5,044,829	2,945,649
Travel	3,737,925	2,350,323
Social activities	3,089,189	1,505,262
Others	31,079,175	12,165,211
Total	891,079,208	604,920,413
Work in Process		
Beginning of year	3,812,894	2,306,052
End of year	2,695,094	3,812,894
Cost of Production	892,197,008	603,413,571
Finished Goods		
Beginning of year	118,035,299	62,348,819
End of year	149,957,402	118,035,299
Cost of Goods Sold	Rp 860,274,905	Rp 547,727,091

23. OPERATING EXPENSES

This account consists of:

	2000	1999
General and Administrative		
Salaries, wages, bonus and employee benefits	Rp 52,068,213	Rp 26,469,276
Professional fees	11,851,829	11,774,036
Mining closure cost	8,258,955	-
Rent	5,034,751	5,301,792
Stationery and supplies	4,730,910	4,680,279
Depreciation	4,456,299	559,004
Travel	3,673,048	3,843,970
Service and maintenance	2,366,605	2,704,704
Office appliances	1,990,252	2,938,279
Bank charges	1,889,648	1,868,265
Postal and telecommunication	1,872,278	1,866,777
Water and electricity	807,564	940,008
Training	760,336	1,225,706

(Forward)

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	2000	1999
Social activities	Rp 632,450	Rp 734,764
Tax and retribution	178,052	413,608
Others	5,677,524	2,816,290
Total	106,248,714	68,136,758
Selling		
Transportation	21,192,521	15,516,724
Representative Office - Tokyo	9,394,410	8,877,816
Insurance	3,055,244	1,593,329
Others	1,290,387	967,878
Total	34,932,562	26,955,747
Exploration	15,273,576	5,309,993
Total Operating Expenses	Rp 156,454,852	Rp 100,402,498

Exploration expenses consist mainly of costs of feasibility study and preliminary exploration, licenses and administrative costs.

24. SEGMENT INFORMATION

The Company and its Subsidiaries classify their mining products into four core business segments: nickel, gold and refinery, bauxite and iron sand. Information concerning the business segments of the Company's and Subsidiaries' mining units is as follows:

Mining Unit	Net Sales		Gross Profit		Income (Loss) from Operations	
	2000	1999	2000	1999	2000	1999
Nickel	Rp 1,014,985,886	Rp 584,034,924	Rp 519,510,917	Rp 263,628,682	Rp 457,011,249	Rp 216,788,627
Gold and Refinery	411,116,373	268,210,978	148,991,273	109,276,781	131,035,905	92,849,065
Bauxite	119,898,087	89,423,174	44,511,267	40,563,932	31,647,507	36,037,399
Iron Sand	20,308,606	24,476,350	(6,979,410)	4,948,940	(7,200,296)	4,007,222
Geology	-	-	-	-	(397,103)	(798,248)
Head Office	-	-	-	-	(62,518,067)	(30,868,228)
Total	Rp 1,566,308,952	Rp 966,145,426	Rp 706,034,047	Rp 418,418,335	Rp 549,579,195	Rp 318,015,837
Mining Unit	Net Income (Loss)		Total Assets			
	2000	1999 (As Restated, see Note 3)	2000	1999 (As Restated, see Note 3)		
Nickel	Rp 446,590,901	Rp 212,048,013	Rp 740,116,914	Rp 779,089,203		
Gold and Refinery	103,008,842	92,172,646	702,349,190	648,111,297		
Bauxite	31,803,271	36,615,676	32,829,826	33,376,325		
Iron Sand	(8,720,293)	4,279,417	20,954,363	20,390,983		
Geology	(8,190,807)	(7,841,771)	10,281,124	12,611,988		
Head Office	(181,336,953)	(102,929,459)	1,009,805,661	561,666,504		
Total	Rp 383,154,961	Rp 234,344,522	Rp 2,516,337,078	Rp 2,055,246,300		

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25. PENSION BENEFITS

The Company has a defined benefit retirement plan covering substantially all of its qualified permanent employees. Under this plan, the retirement benefit will be paid based on the employees' latest salary and representation allowance, if any, and their number of years in service. Retirement benefits charged to operations, consisting of current service cost and amortization of past service cost and related adjustments, amounted to Rp 39,977,276 and Rp 7,653,433 in 2000 and 1999, respectively.

The pension costs for the year ended December 31, 2000 were based on the latest actuarial valuation dated March 23, 2001 of PT Wyatt Purbajaga, an independent firm of actuaries, using "Projected Unit Credit Method" with the following assumptions:

Annual discount rate	12% a year
Annual rate of increase in compensation	5% a year

The plan assets are being managed by Dana Pensiun Antam ("the Fund") established on July, 15 1997. The article of association of the Fund has been changed, the latest approved by Ministry of Finance of the Republic Indonesia in its the decision letter No. KEP-348/KM.17/2000 dated September 11, 2000. Based on the actuarial valuation mentioned above, the plan assets and actuarial liability are as follows:

	2000	1999
Actuarial liability	(Rp 204,961,912)	(Rp 189,634,243)
Fair value of plan assets	187,758,057	175,097,533
Excess of actuarial liability over the fair value of plan assets	(17,203,855)	(14,536,710)
Unamortized past service cost	34,330,053	38,527,615
Unamortized experience adjustments	(27,601,521)	(362,464)
Prepaid (accrued) pension expense	(Rp 10,475,323)	Rp 23,628,441

On June 20, 2000, the Indonesian Ministry of Manpower issued Decree No. Kep-150/Men/2000 regarding the Settlement of Work Dismissal and Determination of Separation, Appreciation and Compensation Payments by companies. The decree requires companies to pay termination, gratuity, and compensation benefits based on the employees' number of years of service provided the conditions set forth in the decree are met.

The Company's accrual already takes into account the impact of the implementation of the above mentioned decree.

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26. INTERCOMPANY ACCOUNTS BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company has engaged in transactions with related parties principally consisting of:

- a. Loan from the Government of the Republic of Indonesia (see Note 18).
- b. Rental of office space from and maintenance and cleaning service provided by PT Reksa Griya Antam, a subsidiary of Dana Pensiun Antam. Total costs incurred from these transactions amounted to Rp 3,829,363 in 2000 and Rp 3,981,364 in 1999 (see Note 15).
- c. Raw materials purchases and equipment rental made through Koperasi Karyawan dan Pensiunan Aneka Tambang. Total raw materials purchases and equipment rental amounted to Rp 32,020,369 in 2000 and Rp 14,991,873 in 1999 (see Note 15).
- d. Mining contractor costs from PT Minerina Bhakti, a subsidiary of Dana Pensiun Antam, amounting to Rp 53,808,577 in 2000 and Rp 39,797,129 in 1999 (see Note 15).
- e. Mining contractor costs from PT Minerina Cipta Guna, a subsidiary of Dana Pensiun Antam, amounting to Rp 14,664,195 in 2000 and Rp 14,223,761 in 1999 (see Note 15).

The balances of accounts payable to related parties from the above transactions are shown below:

	2000		1999
Accounts payable:			
Koperasi Karyawan dan Pensiunan			
Aneka Tambang	Rp 1,746,485	Rp	2,116,007
PT Minerina Cipta Guna	967,536		1,036,443
PT Minerina Bhakti	416,427		2,912,597
PT Reksa Griya Antam	13,777		-
Total	Rp 3,144,225	Rp	6,065,047
Long-term debt (including current portion)			
Government of the Republic of Indonesia	Rp 11,210,734	Rp	15,695,028

27. DISTRIBUTION OF INCOME AND APPROPRIATION OF RETAINED EARNINGS

As resolved during each of the Annual Stockholders' General Meetings in 2000 and 1999, the Company allocated its net income for the following purposes:

- Declaration of cash dividends to stockholders amounting to Rp 90,075,227 in 2000 and Rp 127,839,471 in 1999.
- Appropriation for general reserve including reserve for business development amounting to Rp 144,269,295 for 2000 and Rp 191,759,206 for 1999.

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28. EXTRAORDINARY ITEM

This account represents insurance claim relating to the fire incident on December 3, 1998, which damaged a part of the Company's gold mining facilities in Gunung Pongkor, West Java.

29. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Financial Obligations Under Various Mining Rights

As mining rights holders, the Company and its Subsidiaries are required to pay concession fees per hectare of mining rights explored, developed and extracted which are payable to the Indonesian Ministry of Mines and Energy. The amount of concession fees is based on the type of mineral and the quantity of production.

b. Environmental Matters

The operations of the Company and its Subsidiaries have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations. Their policy is to meet or, if possible, surpass the requirements of all applicable regulations issued by the Government of the Republic of Indonesia, by application of technically proven and economically feasible measures. Approvals were received from the Ministry of Mines and Energy of the Republic of Indonesia for the environmental reports entitled Environmental Evaluation Study, Environmental Management Plan and Environmental Monitoring Plan. These reports provided information and preliminary plans on the Company and its Subsidiaries' environmental program.

The Company and its Subsidiaries have made a provision for estimated environmental protection and rehabilitation costs (see Note 19).

c. Hedging Contract

In 1998, the Company entered into hedging sales agreements with Rothschild Australia Limited [subsequently changed to NM Rothschild & Sons (Australia) Limited (NMR)], whereby the Company agreed to sell gold and silver to, and buy Rupiah and US Dollar from NMR, at certain amounts based on mutual agreement, with total contract value amounting to Rp 267,500,000 and US\$ 7,648,000.

The agreements cover:

- 36 monthly contracts from May 29, 1999 to April 30, 2001 with assigned values of US\$ 320 for each troy ounce (Toz) of gold.
- 36 monthly contracts from March 30, 1999 to February 28, 2001 with assigned values of Rp 3,250 and Rp 55.5 for each troy ounce (Toz) of gold and silver, respectively.

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The outstanding quantity and contract value of gold and silver covered by the hedging sales agreements in 2001 are as follows:

	Quantity (Toz)	Contract Value	
Gold	2,700	US\$	864,000
	2,700	Rp	8,775,000
Silver	110,000	Rp	6,105,000

In 1999, the Company entered into additional hedging sales agreements with NMR, whereby the Company agreed to sell nickel to, and buy US Dollar from NMR, at certain amounts based on mutual agreement with total contract value in 2000 and 1999 amounting to US\$ 1,639,818 for 288 ton nickel and US\$ 12,155,190 for 1,914 ton nickel, respectively. This agreement is subject to automatic roll-over.

d. Company's Ownership in Contract of Work Companies

The Company has ownership interests in the following Contract of Work companies as follows:

	Percentage of Ownership	Status
PT Sorikmas Mining	25%	Continued detail exploration
PT Gag Nikel	25	Negotiation development on nickel project
PT Galuh Cempaka	20	Feasibility study
PT Dairi Prima Minerals	20	Exploration
PT Flores Barat Mining	20	Exploration
PT Gorontalo Minerals	20	Exploration
PT Nusratim Mining	20	Exploration
PT Sumbawa Timur Mining	20	Exploration
PT Uncak Kapuas Mining	20	Exploration
PT Ingold Maluku Satu	15	Exploration
PT Bima Wildcat Minahasa	15	Exploration
PT Pelsart Tambang Kencana	15	Exploration
PT Weda Bay Nickel	10	Exploration

e. Agreement for Feasibility Study and/or Establishment of Joint Venture to Undertake Exploration, Evaluation and Development Work

The Company has entered into a joint venture agreement (JVA) with Herald Mining Group to undertake exploration, evaluation and development work in relation to the Company's mining rights located in North Sumatera as follows:

Mining Rights	Location	Company's Interest
KW98A88035	Kendit	20%
KW99JLP005	Parongil	20%

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f. Sales Agreements

As of December 31, 2000, the Company has various commitments to sell certain products/commodities to various buyers at specified agreed volume amounts. The delivery of products will commence periodically between 1 month up to 13 years.

g. Agreements to Undertake Exploration and Development Work on the Mining Rights

IARL, a Subsidiary, entered into several memoranda of understanding (MoU)/joint venture agreements (JVA) to undertake exploration and development work in relation to its mining rights through its Subsidiary, PT Antam Resourcindo as follows:

No.	Partner	Date of MoU/JVA	Mining Rights	Location	Area (ha)
1.	PT Mitra Tambang Nusantara PT Yamabri Dwibakti Utama	November 15, 1996	DU.866 (KW.96PP0347)	West Java	28,600
2.	Atapa Mineral Ltd. PT Oceanic Union Marine	February 13, 1996	DU.870 (KW.96PP0456)	West Java	3,584
3.	PT Basya Tunggal Jaya Straits Resources Limited	May 17, 1996	DU.955 (KW.96PP00123)	West Java	71,190
4.	Atapa Mineral Ltd. PT Oceanic Union Marine	August 14, 1995	KW.96PP077	West Java	101,400
5.	Austindo Resources Corporation NL.	Maret 29, 1996	DU.1048 (KW.96PP019)	West Java	15,710
6.	Diadem Resources Ltd.	April 12, 1996	DU.1131 (KW.96PP0124)	West Java	33,010
7.	PT Panen Sumber Emas Agung	July 8, 1987	DU.813	West Java	2,475

h. Ferronickel III Project

On November 21, 2000, the Company appointed Tessag Industrie-Anlagen GmbH as the proposed contractors for Engineering, Procurement and Construction (EPC) Contract of the Company's ferronickel III expansion project (the "Project"). As of December 31, 2000, the Company is still in the process of finalizing the EPC contract and financing arrangement to achieve financial closure.

In relation with the Project, the Company has entered into an "advisory agreement" with IKB Deutsche Industriebank AG (IKB), Dusseldorf, as the arranger, wherein IKB will assist the Company in the following:

- Advice during the initial due diligence phase.
- Assistance during the arranging phase of the Project's debt financing through the development of cash flow related financing plan adapted to the specific requirements of the Project.
- Structure and execute the appropriate long-term loan funding for the Project.

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i. Lawsuit

The Company is a party to a lawsuit filed by PT Hardy & Kee Engineering ("Plaintiff") before the District Court of Central Jakarta, registered under Case No. 325/PDT.G/1999/PN.JKT.PST dated June 28, 1999. Pursuant to the said District Court decision dated December 7, 1999, the court decided and against the Company and required the Company to pay US\$ 4,268,076 in damages to the Plaintiff.

In response to such court decision, the Company's legal counsel presented to the said District Court, Memorandum of Appeal No. 379/SRT/PDT/BDG/1999/PN/JKT/PST dated December 13, 1999. On May 16, 2000, in its memorandum No. 137/PDT/2000/PT DKI, The Jakarta High Court decided the following among others:

- a. Cancellation of the Central Jakarta District Court Decision No. 325/PDT.G/1999/PN JKT. PST. dated December 7, 1999.
- b. Rejection of all the Plaintiff's claims.
- c. Declaration of the termination of the cooperation agreement between the Company and the plaintiff as set forth in the agreement No. 3530/912/DAT/1997 dated September 29,1997 and its attachment.

The Plaintiff appealed to the Supreme Court of the Republic of Indonesia through their letter No. 325/PDT.G/1999/PN.JKT.PST Jo No. 172/SRT.PDT.KAS/2000/PN JKT PST of October 26, 2000. The Company has also sent the contra memory of appeal to the Supreme Court of the Republic of Indonesia through the same registration number on November 8, 2000.

The Company's management is of the opinion that the settlement of this litigation will take considerable time and will not have a material adverse effect on the Company's future financial position and operating results.

30. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company and Subsidiaries have monetary assets and liabilities denominated in foreign currencies, as follows:

	2000		1999				
	Foreign Currencies	Rupiah Equivalent	Foreign Currencies	Rupiah Equivalent			
Assets							
Cash on Hand	US Dollar	4,113	Rp	39,463	16,850	Rp	119,635
	Japanese Yen	1,644,808		137,457	407,542		28,313
Cash in Banks	US Dollar	2,493,687		23,926,921	7,084,286		50,298,433
	Japanese Yen	1,060,096		88,592	924,091		64,198
Gold in value	US Dollar	9,096,846		87,284,237	8,400,076		59,640,540
Time Deposits	US Dollar	35,753,974		343,059,378	33,637,717		238,827,789
Proceeds Account	US Dollar	16,246,445		155,884,636	-		-
Accounts Receivable	US Dollar	7,451,719		71,499,240	11,461,996		81,380,174
Other Receivables	US Dollar	969,733		9,304,584	1,112,775		7,900,702
Sub-total				691,224,508			438,259,784

(Forward)

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	2000		1999		
	Foreign Currencies	Rupiah Equivalent	Foreign Currencies	Rupiah Equivalent	
Liabilities					
Short-term Bank Loans	US Dollar	13,687,618	Rp 131,332,690	20,364,552	Rp 144,588,320
Accounts Payable	US Dollar	202,640	1,944,335	129,837	921,840
Accrued Expenses	US Dollar	1,422,481	13,648,705	3,728,399	26,471,630
Long-term Loans	US Dollar	3,854,102	36,980,109	3,854,102	27,364,124
Gold in value	US Dollar	19,664,851	188,684,248	29,373,582	208,552,437
Sub-total			372,590,087		407,898,351
Net Assets			Rp 318,634,421		Rp 30,361,433

31. SUBSEQUENT EVENT

Based on the letter from NM Rothschild & Sons (NMR) dated March 23, 2001, it is stated that NMR, as Agent, has obtained formal approval from the Gold Loan Syndicate members to waive the Project Completion Date until June 30, 2001 (see Note 18), provided that no drawing shall be permitted from the Proceeds Account unless the loan has been fully provisioned, until:

- Independent Engineer Kilborn Engineering Pacific Limited completes its technical review of the Gunung Pongkor Gold Mine satisfactory to the Lenders.
- An updated computer model is agreed between the Agent and the Company.
- The Proceeds Account is shifted from Jakarta to Singapore.

32. ECONOMIC ENVIRONMENT

Over the past three years, Indonesia has experienced adverse economic conditions, mainly resulting from currency depreciation in the region, the principal consequences of which have been the lack of liquidity and volatile exchange and interest rates. Since the middle of 1999, economic conditions in Indonesia have improved as shown in the improvement in the Rupiah exchange rates and general decline in interest rates and inflation rates. However, the country's economic conditions will continue to be affected by uncertainties in the social and political situations. As of December 31, 2000 the Rupiah had weakened to Rp 9,595 to US\$ 1 compared to Rp 7,100 as of December 31, 1999.

The operations of the Company and its Subsidiaries have been affected by the economic conditions. Given the economic pressures on the Company's and its Subsidiaries' suppliers, the availability of certain materials and services used in the processing of the Company's and its Subsidiaries' products has tightened, thus, increasing related costs.

In response to the continuing adverse economic conditions, the Company and its Subsidiaries plan to adopt more stringent criteria in disbursing capital expenditures. Since a substantial portion of the Company's and its Subsidiaries' sales are made in US Dollar, the management believe that the cash flows to be generated from future operations will be adequate to fund repayment of debts as they mature.

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Resolution of the economic conditions depends on measures that have been and will be undertaken by the Indonesian government, actions which are beyond the Company and its Subsidiaries' control, to achieve economic recovery. It is not possible to determine the future effect the economic conditions may have on the Company's and its Subsidiaries' liquidity and earnings.

33. SIGNIFICANT DIFFERENCE BETWEEN INDONESIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND AUSTRALIAN GAAP

The Company's consolidated financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in Indonesia, which vary in certain respects with Australian GAAP. A significant difference, to the extent applicable to the transactions recorded in the accounts maintained by the Company and its Subsidiaries, is on the capitalization of foreign exchange loss.

Indonesian GAAP allow capitalization of foreign exchange losses incurred on loans used to finance acquisition of assets resulting from severe devaluation against which there is no practical means of hedging. Such exchange differences are capitalized to the carrying amount of the related asset, provided that the adjusted carrying amount does not exceed the lower of the replacement cost and the amount recoverable from the sale or use of the assets.

Australian GAAP do not allow capitalization of foreign exchange losses on borrowings arising from a severe depreciation of the currency. These foreign exchange losses are charged to income under Australian GAAP.

34. RECONCILIATION OF NET INCOME AND STOCKHOLDERS' EQUITY UNDER INDONESIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND AUSTRALIAN GAAP

The following is a summary of the significant adjustments to net income and stockholders' equity for the years ended December 31, 2000 and 1999 which would be required had Australian GAAP been applied instead of Indonesian GAAP to the consolidated financial statements.

	2000	1999 (As Restated See Note 3)
Net income per consolidated financial statements prepared under Indonesian GAAP	Rp 383,154,961	Rp 234,344,522
Australian GAAP adjustments		
Increase (decrease) due to:		
Depreciation of the capitalized foreign exchange losses based on Indonesian GAAP	9,063,859	9,063,859
Income tax	(2,719,158)	(5,521,417)
Net adjustments	6,344,701	3,542,442
Approximate net income in accordance with Australian GAAP	Rp 389,499,662	Rp 237,886,964
Net income per share (Full amount)	Rp 316	Rp 193

(Forward)

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	2000	1999 (As Restated See Note 3)
Stockholders' equity per consolidated financial statements prepared under Indonesian GAAP	Rp 1,750,306,982	Rp 1,447,654,196
Australian GAAP adjustments		
Increase (decrease) due to:		
Capitalization of foreign exchange losses - net	(85,472,428	94,536,287
Deferred tax liabilities	24,172,466	28,360,886
Net adjustments	(61,299,962	66,175,401
Approximate stockholders' equity in accordance with Australian GAAP	Rp 1,689,007,020	Rp 1,381,478,795

35. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 1999 consolidated financial statements have been reclassified to conform with the presentation of accounts in the 2000 consolidated financial statements. The reclassification is as follows:

	1999 Before reclassification	1999 After reclassification
Other income (charges)		
Pension income	Rp -	Rp 7,653,433
Write-off of other assets	-	(1,536,713
Others - net	5,582,964	(533,756