

# Quarterly Report

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**For the three months ending 31 March, 2010**

**ARBN - 087 423 998**

**Securities Ticker: (ASX: ATM; IDX: ANTM)**

## **PRODUCTION**

- Antam produced 4,411 tonnes of contained nickel in ferronickel (TNi) in 1Q10 or 24% of annual production target.
- Production of nickel ore in 1Q10 reached 1,560,643 wet metric tons (wmt) or 25% of annual production target.
- In 1Q10 Antam's gold production reached 681 kg or 26% of annual production target.

## **SALES**

- During 1Q10, Antam recorded unaudited sales of Rp1.6 trillion, a 37% decrease over Rp2.6 trillion in 1Q09 due to lower precious metals trading activities.
- Ferronickel sales increased 43% over 1Q09 to 1,663 TNi inline with higher demand.
- Similar to ferronickel, sales of nickel ore increased by 62% over 1Q09 to 1,301,469 wmt due to higher demand.
- Gold sales decreased by 66% to 2,048 kg during 1Q10 inline with lower trading activities. Antam decided to limit trading activities inline with the fluctuation of gold price which increased risks.

## **CORPORATE NEWS**

- Antam helps to fund restoration of betawi traditional houses
- Antam and Identrust Security International sign an agreement related to point of delivery for gold futures contract
- Antam builds clean water facilities for the communities surrounding the Cibaliung gold project
- Antam and PT LEN Industri sign MOU to provide solar energy facilities for the communities

## **EXPLORATION**

- In 1Q 2010, Antam conducted exploration activities of nickel, gold and bauxite in Indonesia.
- Total exploration cost during 1Q2010 amounted to Rp19.5 billion.

## Shareholders' Sum-Up 1Q 2010

During 1Q 2010 Antam's share price increased **4.3%** from Rp2,300 to Rp2,400

### Relative Share Price Performance over the Quarter:

#### VS. PEERS...

PT Timah	-7
PT Inco	-14
CVRD	-8
Xstrata	-3
BHP-B Ltd	3
Rio Tinto Plc	-7
AngloAmerican	0
Harmony	16
Barrick Gold	13
Newcrest	14
Alumina Ltd	14
Freeport	4

#### VS. INDICES...

LQ45	-2
JSE Composite	-3
JSE Mining Index	-3
ASX All Ordinaries	4
Dow Jones	2
TS Composite	3
NASDAQ	0
Hang Seng	7
S&P 500	1
DAX	3
FTSE	1
FTSE All Share Mine	-4

#### VS. COMMODITIES...

Gold	5
Nickel	-21

#### Major Shareholder:

Government of Indonesia (65%)

#### Substantial Shareholders:

SSB OBIH ACF ISHARES MSCI EMERGING INDEX FUND (2.32%)

#### Final Dividend Payment Date:

It will be determined during the AGM

#### Final Dividend Amount:

It will be decided during the AGM

### Analyst Recommendations (Released in 1Q 10)\*:

UOB	Buy	3/23	CIMB	Underperform	1/19
NISP	Buy	3/22	Morgan Stanley	Overwt/ In-line	3/30
Danareksa	Buy	2/16	Bahana	Hold	3/29
Mandiri	Neutral	3/22	JP Morgan	Overweight	3/22

\*Excerpt from Bloomberg terminal, not all analysts included

### Trading Information

Shares in Issue	9,538,459,750
Market Capitalization	Rp22.89 tn (US\$2.5 billion)
Share Price Range	Rp1,950 – Rp2,400
Average Share Price	Rp2,156
End of quarter share price at ASX	A\$1,14/ CDI
Trading volume at IDX	1.72 billion shares
Average trading value at IDX	Rp61.4 billion

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

Average Nickel Price during 1Q 10	US\$9.1/lb
Nickel Price Range	US\$7.7/lb - US\$11.3/lb
Average Gold Price during 1Q 10	US\$1,110/oz
Gold Price Range	US\$1,062/oz - US\$1,151/oz
Average Rupiah Exchange Rate during 1Q 10	Rp9,262/US\$
Rupiah Range	Rp9,090/US\$ – Rp9,428/US\$

Source: Bloomberg and Antam

## Board of Commissioners

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

## Board of Directors

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

- At the end of the period, our largest shareholder aside from the Government was SSB 0BIH ACF ISHARES MSCI EMERGING INDEX FUND with 2.32% interest.
- Antam has 480 foreign shareholders, which account for 10.9 % of total Antam shares, while 31,151 domestic shareholders (excluding Government) together have 24.1%.
- 3 substantial shareholders group after Government of RI: domestic retail investors (12.2%), foreign institutional investors (10.6%) and domestic private companies (4.7%).

## Top 20 Shareholders (55% are foreign investors):

1. THE GOVERNMENT OF REPUBLIC OF INDONESIA	11. JPMCB-STICHTING PENSIOENFONDS ABP
2. SSB 0BIH S/A ISHARES MSCI EMERGING MARKETS INDEX FUND	12. JP MORGAN CHASE BANK RE ABU DHABI INVESTMENT AUTHORITY
3. PT JAMSOSTEK (PERSERO) - JHT	13. RD FORTIS INFRASTRUKTUR PLUS
4. PT JAMSOSTEK (PERSERO) - NON JHT	14. REKSA DANA SCHRODER DANA PRESTASI PLUS
5. PT. TASPEN	15. GIC S/A GOVERNMENT OF SINGAPORE
6. FORTIS EKUITAS	16. BNYM SA/NV AS CUST OF MARKETS VECTORS INDONESIA INDEX ETF
7. CACEIS BANK S/A MUTUELLE ARCHITECTES FRANCAIS	17. UBS AG LONDON BRANCH A/C IPB CLIENT SEGREGATED
8. PERTAMINA PENSION FUND	18. CITIBANK NEW YORK S/A DIMENSIONAL EMERGING MARKETS VALUE FUND
9. PT AIA FINL - UL EQUITY	19. MELLON BANK NA S/A PENSION RESERVES INVESTMENT TRUST FUND
10. BBH BOSTON S/A VANGRD EMG MKTS STK INFD	20. NYOTO SUHARDJO

## **PRODUCTION AND SALES**

Antam's first quarter of 2010 (1Q10) unaudited consolidated revenue decreased 37% to Rp1.6 trillion compared to Rp2.6 trillion in first quarter of 2009 (1Q09) inline with lower trading activities. Sales of nickel segment which comprised of ferronickel and nickel ore, was the biggest contributor to Antam's sales with 51% contribution or equal to Rp850 billion.

### **NICKEL**

Sales of ferronickel increased 43% to 1,663 TNi due to higher demand in the first quarter of 2010 over the same period in 2009. The ferronickel sales would have been higher if production in transit to Antam's customers had arrived before the end of the quarter. During the first quarter of 2010, Antam shipped 4,177 TNi of ferronickel, and most were exported in February and March. Ferronickel production at Pomalaa rose 34% to 4,411 TNi due to the optimal load of the FeNi III smelter following the optimisation program which was completed in September 2009. Production of ferronickel in 1Q10 was 24% of annual production target whilst ferronickel shipment in 1Q10 reached 22% of annual sales target. As the average selling price of ferronickel rose 99% to US\$9.38 per lb., revenue from ferronickel rose 132% to Rp317 billion.

Inline with higher demand, Antam increased the volume of nickel ore sales over last year by 62% to 1,301,469 wmt. Sales of nickel ore consisted of 911,185 wmt of high grade nickel ore, in which all came from Buli mine, and 390,284 wmt of low grade nickel ore. Around 68% of low grade nickel ore sales came from Buli mine. Production of nickel ore increased 49% over 1Q09 to 1,560,643 wmt. Production of nickel ore in 1Q10 was 25% of annual target whilst sales of nickel ore in 1Q10 amounted to 24% of annual sales target. The revenue benefits from nickel ore were higher due to increased ore prices, generated Rp533 billion in revenue or a 105% increase over first quarter of 2009.

### **GOLD**

Meanwhile, Antam's gold sales for the first three month of 2010 decreased by 66% to 2,048 kg due to lower trading activities. Management decided to limit gold trading activities inline with the gold price fluctuations which increased risks. Gold production only decreased by 5% to 681 kg in the first quarter of 2010. Gold production and sales reached 26% of Antam's annual target of 2010. Inline with lower sales, and despite a 22% higher gold price at US\$1,133.15 per toz., revenue from gold decreased by 67% to Rp691 billion.

### **BAUXITE**

Antam's bauxite export of Rp3.6 billion in 1Q10 was a 74% decrease over 1Q09. Lower bauxite export was largely due to a 55% decrease of bauxite sales volume of 27,117 wmt in 1Q10. Sales of bauxite came from Antam's inventory at the Kijang bauxite mine.

## Production and Sales Summary - 1Q09 dan 1Q10

DESCRIPTION		1Q 2009	1Q 2010	1Q10/1Q09
				(%)
<b>PRODUCTION VOLUME</b>				
Ferronickel	Ton Ni	3,296	4,411	34
<b>Nickel Ore:</b>				
Total High Grade	Wmt	534,774	911,185	70
Total Low Grade	Wmt	511,574	649,458	27
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>1,046,348</b>	<b>1,560,643</b>	<b>49</b>
Gold Ore	Wmt	102,244	81,192	(21)
Gold Grade	gpt	8.83	10.79	22
Gold	Kg	715	681	(5)
Silver	Kg	6,250	4,877	(22)
Bauxite	Wmt	265,971	-	(100)
<b>SALES VOLUME</b>				
Ferronickel	Ton Ni	1,161	1,663	43
<b>Nickel Ore:</b>				
Total High Grade	Wmt	554,774	911,185	64
Total Low Grade	Wmt	247,165	390,284	58
<b>Total Nickel Ore</b>	<b>Wmt</b>	<b>801,939</b>	<b>1,301,469</b>	<b>62</b>
Gold	Kg	6,015	2,048	(66)
Silver	Kg	24,001	14,190	(41)
Bauxite	Wmt	59,928	27,117	(55)

DESCRIPTION		1Q 2009	1Q 2010	1Q09/1Q08
				(%)
<b>AVERAGE SALES PRICE</b>				
Ferronickel	US\$/Lb	4.72	9.38	99
Gold	US\$/Toz	925.31	1,133.15	22
Silver	US\$/Toz	12.35	17.23	39
Exchange rate (F/S)	US\$/Rp	11,575	9,115	(21)

DESCRIPTION		1Q 2009	1Q 2010	1Q10/1Q09
				(%)
<b>SALES REVENUE (Rp million)</b>				
<b>EXPORT SALES</b>				
<b>Ferronickel</b>	Rp	136,830	316,958	132
<b>Nickel Ore:</b>				
<b>Total High Grade</b>	Rp	214,593	424,546	98
<b>Total Low Grade</b>	Rp	44,633	108,125	142
<b>Gold</b>	Rp	1,111,998	33,409	(97)
<b>Silver</b>	Rp	27,029	10,688	(60)
<b>Bauxite</b>	Rp	13,846	3,627	(73)
<b>Coal</b>	Rp	-	23,780	N/A
<b>TOTAL EXPORT SALES</b>	Rp	1,548,930	921,133	(40)
<b>DOMESTIC SALES</b>				
<b>Gold</b>	Rp	998,466	658,024	(34)
<b>Silver</b>	Rp	83,857	62,141	(26)
<b>Logam Mulia Services</b>	Rp	5,614	11,517	105
<b>Others</b>	Rp	4,740	2,301	(51)
<b>TOTAL DOMESTIC SALES</b>	Rp	1,092,677	733,983	(33)
<b>TOTAL SALES REVENUE</b>	Rp	2,641,607	1,655,116	(37)

## **EXPLORATION\***

In 1Q10, Antam continued its exploration on nickel, gold and bauxite in Indonesia. Total preliminary costs reported by Geomin Unit for exploration on above commodities reached Rp19.5 billion.

### **Nickel**

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

Antam conducted nickel exploration activities at Buli including Sangaji area with 50 m and 25 m drilling distance and also 100 m drilling distance at Tanjung Buli area. As well, Antam conducted measurement of topography, grid, georadar track and sampling activities.

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

Activities at Gag Island included 25 m drilling distance, modeling, core sampling and also track and drilling pit measurement.

Total cost for nickel exploration amounted to Rp6.6 billion.

### **Gold**

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

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

Exploration activities at Pongkor focused on core drilling activities, track measurement, IP, magnetic and CSAMT geophysics, collected rock samples, core samples, Fi samples, petrography samples, mineragraphy samples and XRD samples. At Cibaliung, Antam conducted coring drilling, core sampling, surface and trenching description. Exploration activities at Papandayan included DGM, opening, geophysics and polygon track measurement, opening and drilling spot measurement, IP geophysics, magnetic geophysics, drilling and also core and rock sampling.

Exploration activities at Wawonii and Koloni included DGM, drilling, opening, conducted core, rock, Fi/ XRD and petro/ mineragraphy sampling, track measurement and drilling cut measurement.

Activities at Mao, Batuisi and Karosa included DGM, drilling, opening, sampling of core, rock, FI/XRD and petro/ mineragraphy and also conducted track, drilling cut and IP geophysics measurement.

The total cost for gold exploration including preparation of exploration activities and analysis reached Rp10.1 billion.

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## **Bauxite**

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

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

Total cost of bauxite exploration reached Rp2.8 billion.

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



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## **CORPORATE NEWS**

### **Antam helps to fund restoration of Betawi traditional houses**

On January 26th, 2010, Antam announced its participation in the restoration of Betawi traditional houses located at Srengseng Sawah area, South Jakarta. Betawi is Jakarta's indigenous people. The Betawi traditional houses will be allocated for the less fortunate communities living in the area. Antam hopes the program will also help to provide a safe and healthy shelter for the community. The program has completed renovation works on 10 Betawi traditional houses located in the Betawi Cultural Village at Srengseng Sawah, South Jakarta. Antam allocates Rp500 million for the program.

### **Antam and Identrust Security International sign an agreement related to point of delivery for gold futures contract**

On March 1, 2010, Antam and PT Identrust Security International (ISI) signed an agreement related to point of delivery for gold futures contract. Antam's Logam Mulia Precious Metals Processing and Refinery Unit (UBPP Logam Mulia) will serve as a point of delivery for gold futures trade at Indonesia Commodities and Derivatives Exchange (ICDX).

### **Antam builds clean water facilities for the communities surrounding the Cibaliung gold project**

On March 23rd, 2010, Antam announced its participation in the construction of the Clean Water Facilities (SAB) for the communities of Mangkualam and Padasuka villages, located near Antam's Cibaliung gold mine project at Pandeglang, Banten. The installation costs Rp1 billion and will provide clean water supply to around 300 families or 1,000 villagers.

### **Antam and PT LEN Industri sign MOU to provide solar energy facilities for the communities**

On March 31st, 2010, Antam announced that it had signed a Memorandum of Understanding (MOU) with PT LEN Industri (PT LEN). The basis of the MOU with LEN is to provide solar energy facilities as part of Antam's Corporate Social Responsibility (CSR) program. Antam and PT LEN will cooperate in providing small scale solar power facilities in six villages in Eastern Halmahera, North Maluku. The facilities will generate electricity for public facilities, such as government offices, schools, religious facilities, community health centers, and street lighting.

## DEVELOPMENT – Joint Ventures

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

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

*From Newcrest Mining Limited's Quarterly Report ending 31 March 2010*

Gosowong's March quarter performance was 112,883 ounces of gold at a net cash cost of A\$282 per ounce. Gold production increased 24% as mining reached the higher grade ore zones and the recent increases in mill throughput and gold recoveries were maintained. Quarterly unit cash costs declined 14% reflecting the higher gold production during the quarter.

The Gosowong Expansion Project remains on schedule with construction expected to be completed during the June quarter 2010.

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

*From Sihayo Gold Limited's ASX Announcement on 10 March 2010*

In line with the Company's stated aim to complete a DFS by the end of 2010 and move into production by late 2011 or early 2012, the Company currently has seven diamond drill rigs conducting infill drilling of the Sihayo Inferred Resource. The Company is planning to complete the infill drilling by April ahead of the previously scheduled May 2010 completion with the objective of upgrading the confidence in the resource estimate from Inferred to Indicated and Measured status under the JORC code by June 2010. The current total project inferred resource is estimated to be 1.01M oz of gold grading 2.4g/t.

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