



# QUATERLY REPORT PT ANTAM (PERSERO) TBK

For the Three Month Period Ended March 31, 2012

ARBN - 087 423 998

Securities Ticker: ASX: ATM; IDX: ANTM



*Ferronickel Plant III, Pomalaa*



*Gold Plant, Pongkor*



*Gold Plant, Cibaliung*

## HIGHLIGHTS

**Ferronickel sales in the first quarter of 2012 hikes by 99% to 4,402 TNi compared to 2,209 TNi in the same period last year**

**Production volume of nickel ore in first quarter of 2012 amounting to 2,118,473 wmt increases by 5% compared to first quarter of 2011**

**Gold sales in first quarter of 2012 grows by 3% to 1,783 kg from last year's 1,739 kg**

**Antam Signs Mandate Letter for Financial Arrangement Of East Halmahera Ferronickel Project**

**Antam Switches On Feni II Smelting Plant**

FOR FURTHER INFORMATION PLEASE CONTACT:

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## CORPORATE INFORMATION

### Board of Commissioners

Wisnu Askari Marantika	President Commissioner
Irwan Bahar	Commissioner
Sri Mulyanto	Commissioner
Bambang Permadi Soemantri Brodjonegoro	Commissioner
Mahmud Hamundu	Independent Commissioner
Hikmahanto Juwana	Independent Commissioner

### Board of Directors

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

### Share Information

- As at March 31, 2012, Antam's market capitalisation stood at Rp17.2 trillion.
- Antam's share price hovered within the Rp1,610 per share to Rp2,025 per share range during the period from January 2012 until March 2012.
- Antam's average share price at the Indonesia Stock Exchange (IDX) during the period from January 2012 until March 2012 was Rp1,830,79 per share.
- On the Australia Stock Exchange (ASX), the average price of Antam's shares during the period from January 2012 to March 2012 was AU\$1.25 per CDI.

## **PRODUCTION VOLUME**

<b>Commodity</b>	<b>Unit</b>	<b>1Q11 (January-March 2011)</b>	<b>1Q12 (January-March 2012)</b>	<b>1Q12/1Q11 (%)</b>
Ferronickel	TNi	4,836	3,631	(25)
High Grade Nickel Ore	Wmt	909,442	1,418,989	56
Low Grade Nickel Ore	Wmt	1,098,706	699,484	(36)
Total Nickel Ore	Wmt	2,008,148	2,118,473	5
Gold	Kg	588	570	(3)
Silver	Kg	4,389	4,415	1
Bauxite	Wmt	-	62,301	100
Coal	Tonne	63,287	124,310	96

### **OPERATION AND SALES**

In the first quarter of 2012 (1Q12), Antam's unaudited net sales was recorded at Rp2.5 trillion, up 24% compared to 2011 (1Q11). The increase was primarily attributable to the increase in sales of ferronickel, nickel ore, and gold commodities.

As in 1Q11, gold remains the largest component of Antam's 1Q12 revenue, accounting for 37% of the Company's net sales in 1Q12 or amounting to Rp910.8 billion. In 1Q12, ferronickel sales had the second largest contribution to Antam's total revenue after that of the gold (31%).

### **FERRONICKEL**

The production volume of ferronickel during 1Q12

totalled to 3,631 tonnes of nickel contained in ferronickel (TNi), down 25% compared to 1Q11's production tonnage of 4,836 TNi. The lower production volume was due to the temporary shut down of Ferronickel II Plant in Pomalaa, which was part of the implementation of the Ferronickel Plants Modernisation and Optimisation Project, as well as the consideration of the 2011's in-transit ferronickel sales, whose revenue was recognized in 1Q12. The 1Q12's ferronickel production achievement accounted for 20% of Antam's 2012 ferronickel production target of 18,000 TNi.

In terms of sales, the sales of ferronickel hiked by 99% to 4,402 TNi, following the arri-

val of Antam's ferronickel shipments at the customers' premises, which was dispatched at the end of 2011 and/or beginning of 2012. The 1Q12's ferronickel sales reached 23% of the 2012's sales-volume target of 19,500 TNi.

Despite the downward trend in global nickel prices, the 1Q12's unaudited ferronickel net sales showed a 44% increase compared to the same amount in 1Q11 of Rp538 billion.

The increase in nickel ore net sales was mainly due to the period's higher sales volume.

## NICKEL ORE

In aggregate, Antam successfully produced 2,118,473 wmt of nickel ore in 1Q12, which consisted of 1,418,989 wmt of high grade nickel ore and 699,484 wmt of low grade nickel ore. The production achievement showed a 5% increase over the 1Q11's production volume of 2,008,148 wmt, in line with the period's prolonged high demand of nickel ore.

The 1Q12 nickel ore production achievement was followed by the sales of 1,769,649 wmt of nickel ore. This sales achievement increased by 9% compared to last year's sales volume of 1,626,806 wmt. Nonetheless, with the decline in global nickel prices, the increase in nickel ore sales volume only

contributed a modest increase of 1% to the Company's nickel ore net sales, from Rp654.2 billion in 1Q11 to Rp663 billion in 1Q12.

## GOLD

The gold production achievements during 1Q12 decreased by 3%, from 588 kg in 1Q11 to 570 kg in 1Q12. From the current production figure, the Pongkor mine contributed 371,24 kg of gold while the balance was extracted from the Cibaliung mine. The gold-production degradation in 1Q12 was chiefly caused by the decreasing gold content of the gold ore mined from these two locations. Gold content is one of the Company's uncontrollable factors, taking into account the fact that the Pongkor and

Cibaliung mines are both underground mines.

In contrast with gold production volume, the 1Q12 gold sales increased by 3% to 1,783 kg from 1,730 in 1Q11. The striking difference between Antam's gold production and sales volumes was caused by the sales of gold from third party's refining. The 1Q12's gold production and sales volume represents, respectively, 18% and 25% of the 2012 gold production and sales targets of 3,109 kg and 5.898 kg, respectively.

## BAUXITE

During 1Q12 Antam recorded a bauxite ore production volume of 62,301 wmt, which was obtained from the Tayan

## SALES VOLUME

Commodity	Unit	1Q11 (January-March 2011)	1Q12 (January-March 2012)	1Q12/1Q11 (%)
Ferronickel	TNi	2,209	4,402	99
High Grade Nickel Ore	Wmt	755,381	1,185,927	57
Low Grade Nickel Ore	Wmt	871,425	583,722	(33)
Total Nickel Ore	Wmt	1,626,806	1,769,649	9
Gold	Kg	1,730	1,783	3
Silver	Kg	6,680	3,872	(42)
Bauxite	Wmt	130,218	-	N/A
Coal	Tonne	-	155,949	100

mine, West Kalimantan. This achievement accounted for 62% of the 2012's targeted bauxite-production volume of 100,000 wmt. The reason behind the modest target was the preservation of Antam's bauxite reserves for the raw material of the chemical grade alumina processing plant in Tayan, which is scheduled to be in production in 2014.

## COAL

Through its subsidiary, PT Indonesia Coal Resources, Antam had successfully mined 124,310 tonne of coal from the Sarolangun mine, which was acquired at the beginning of 2011, or up by 96% compared to the 1Q11's production volume of 63,287 tonne. The production achievement was followed by sales of 155,959 tonne of coal. The 1Q12's production and sales volumes represent 12% and 16% of the 2012 production and sales targets, respectively.

## EXPLORATION ACTIVITIES

Antam's exploration activities in 1Q12 were focused on nickel, gold, bauxite, coal, and limestone. As of March 2012, Antam's total

preliminary cost of exploration activities had reached Rp39.4 billion.

### NICKEL

Nickel exploration activities were conducted in Buli, North Maluku; Lasolo, Lalin-du, Mandiodo, and Tapun-opaka, Southeast Sulawesi; and Pulau Gag, West Papua. In general, Antam conducted grid measurement, topography measurement, drilling, drill track and holes measurement, core logging, sampling, test pitting, detailed geologic mapping, resistivity testing and sample preparation during its nickel exploration activities.

As of March 2012, Antam had spent Rp14.5 billion on nickel exploration activities.

### GOLD

Antam conducted gold exploration activities at West Java, Banten, Jambi, West Sulawesi, and Papua. Antam had spent Rp22,8 billion as of March 2012 for gold exploration activities.

Exploration activities at Pongkor included, among others, detailed geological

mapping (DGM), core logging, hand-auger survey, sampling of rock, core, and soil, drilling, drill track measurement, geophysical survey with magnetic, gravity, and Controlled Source Audio Frequency Magneto-Telluric (CSMAT) methods, as well as geological modeling.

In Papandayan, West Java, Antam performed DGM, core logging, test pitting, core sampling and drilling, geotechnical drilling, drill track measurement, and geophysical survey using magnetic, gravity, and CSMAT methods.

At Cibaliung, Antam conducted DGM, trenching, sampling, core drillings, drill track measurement, as well as geophysics survey.

Meanwhile, at Batang Asai, Jambi, Antam performed DGM, trenching, hand-auger survey, Fi and core sampling, petrographic and mineragraphic testing, core logging, magnetic geophysical survey, as well as trench and drill hole measurement.

At Mao, Batuisi and Karosa, West Sulawesi, Antam conducted DGM, rock sampling, drill track measurement using geodetic GPS.

Antam conducted DGM, semi detailed geological mapping, trenching and rock sampling at Oksibil, Papua.

## COAL AND LIMESTONE

In 2012, Antam performed field surveys at coal and limestone prospects. The initial surveys for coal exploration were conducted in Sintang, West Kalimantan; South Barito, Central Kalimantan; and Bangko, Jambi. Early survey works with limestone target were carried out in Sangaji, North Maluku. The total cost of these activities as of March 2012 had reached Rp394.2 billion.

## BAUXITE

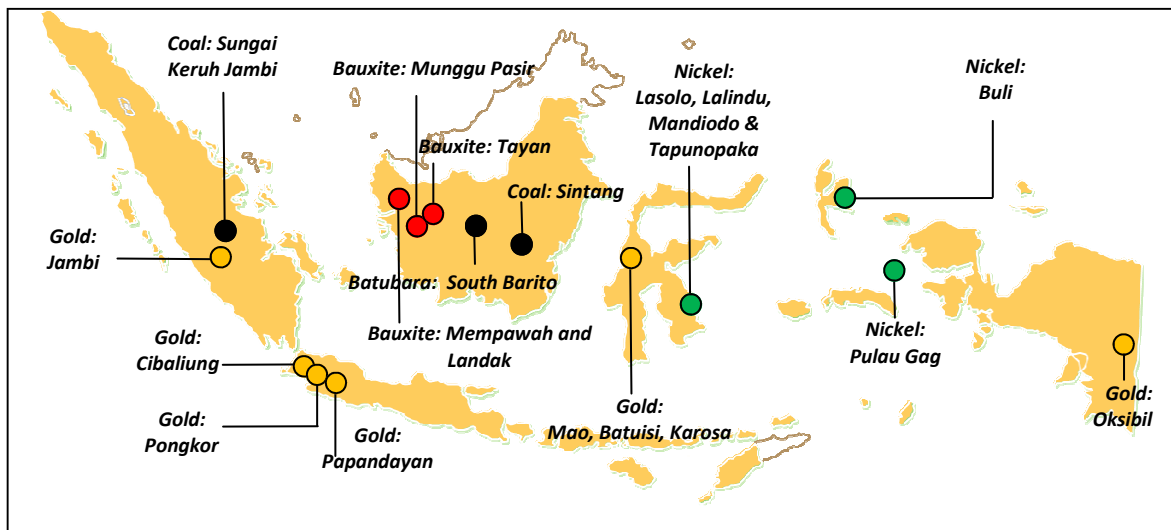
Antam conducted bauxite exploration activities at Mempawah, Landak, Tayan, and Munggu Pasir, West Kalimantan. Total exploration activities for bauxite as of March 2012 amounted to Rp1.8 billion.

Antam performed grid measurement, test pitting, sample, and sample preparation as part of its bauxite exploration activities.

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Lukman Effendi, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Lukman Effendi is a full-time employee of the company. Mr. Lukman Effendi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lukman Effendi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### ANTAM'S EXPLORATION AREAS DURING 1Q12





## CORPORATE NEWS

### **ANTAM SIGNS MANDATE LETTER FOR THE FINANCIAL ARRANGEMENT OF EAST HALMAHERA FERRONICKEL PROJECT**

Antam has signed a Mandate Letter with Bank Mandiri, Bank Rakyat Indonesia, Standard Chartered Bank and Sumitomo Mitsui Banking Corporation, as the lead arrangers to arrange financing for the East Halmahera Ferronickel (FeNi) Project. Bank Mandiri, Bank Rakyat Indonesia, Standard Chartered Bank and Sumitomo Mitsui Banking Corporation are part of a larger consortium of banks, which also includes Mandiri Sekuritas, Goldman Sachs, and Deutsche Bank, selected in August 2011 to assist Antam in receiving the optimum combination of financing for its projects. and assess financing options, including to formulate an optimal financial plan and financing strategy of the project. The lead arrangers will use their best effort to arrange financing for the East Halmahera FeNi project of up to US\$650 million. The project financing may consist of commercial banking and/or export credit agency facilities.

### **ANTAM SWITCHES ON FENI II SMELTING PLANT**

Antam has switched on the FeNi II ferronickel smelter following the completion of its optimisation program. The optimisation on FeNi II began January 21, 2012. Switch on of the smelter begins today on April 12, 2012 during an official ceremony held at Antam's Southeast Sulawesi Nickel Mining Business Unit at Pomalaa in Southeast Sulawesi. The optimisation program finished earlier than expected and costing less than the budgeted Rp187 billion. Antam partially funded the optimisation program from the Rupiah denominated bonds issued at the end of last year. Following the switch on, the load will gradually be increased and a return to full load is expected by May 2012. Antam aims to increase the operational efficiency and safety level of the smelter following the optimisation program.



**MOPP PROJECT'S ACTIVITIES**