



QUARTERLY REPORT PT ANTAM (PERSERO) TBK

For the Three Month Period Ended June 30, 2014
ARBN - 087 423 998
Securities Ticker: ASX: ATM, IDX: ANTM



Pomalaa Ferronickel Smelters



Pongkor Gold Mine



Tayan CGA Project

HIGHLIGHTS

Ferronickel sales volume in the first semester of 2014 was recorded at 8,900 tons of nickel contained in ferronickel (TNi), 27% higher than the sales achievement in the first semester of 2013 of 7,028 TNi

Bauxite production volume in the first semester of 2014 grew significantly by 128% to 190,359 wet metric ton (wmt) compared to the first semester of 2013 in line with the preparation program for the operation of the Tayan Chemical Grade Alumina (CGA) plant

Gold and refinery segment was the largest contributor to ANTAM's unaudited revenue in the first semester of 2014, amounting to Rp2.07 trillion or 5% of the total net sales of Rp3.99 trillion

ANTAM and Indonesia Eximbank Signed Export Credit Facility Agreement

FOR FURTHER INFORMATION PLEASE CONTACT:

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CORPORATE INFORMATION

Board of Commissioners

R. Sukhyar	President Commissioner
Zaelani	Commissioner
Velix Vernando Wanggai	Commissioner
Robert Simanjuntak	Commissioner
Laode M. Kamaluddin	Independent Commissioner
Hikmahanto Juwana	Independent Commissioner

Board of Directors

Tato Miraza	President Director
Djaja M. Tambunan	Finance Director
Tedy Badrujaman	Operations Director
Hendra Santika	Development Director
Hari Widjajanto	Human Resources Director
I Made Surata	General Affairs & CSR Director

Shares Information

- ANTAM's market capitalization as at June 30, 2014 was Rp10.4 triliun
- ANTAM's share price on the Indonesia Stock Exchange (IDX) hovered within the range of Rp1,070-Rp1,265 per share during April-June 2014
- ANTAM's average share price on the IDX during April-June 2014 was Rp1,167 per share
- ANTAM's average share price on the Australian Securities Exchange during April-June 2014 was AU\$1.10 per CDI

Top 10 Public Shareholders:

1. BPJS KETENAGAKERJAAN-JHT
2. PT PRUDENTIAL LIFE ASSURANCE-REF
3. PT TASPEN (PERSERO) - THT
4. CITIBANK NEW YORK S/A DIMENSIONAL EMERGI
5. BPJS KETENAGAKERJAAN - JKK
6. BBH BOSTON S/A VANGRD EMG MKTS STK INFD
7. BPJS KETENAGAKERJAAN - BPJS
8. CITIBANK NEW YORK S/A EMERGING MARKETS C
9. JASA RAHARJA (PERSERO)
10. SSB WTAU S/A WISDOMTREE EMERGING MRKTS S

PRODUCTION VOLUME

Commodity	Unit	2Q13 (April-June) 2013	1H13 (January-June) 2013	2Q14 (April-June) 2014	1H14 (January-June) 2014
Ferronickel	TNi	5,159	10,166	4,258	7,579
High Grade Nickel Ore	Wmt	2,033,852	4,059,093	218,002	396,461
Low Grade Nickel Ore	Wmt	776,265	2,014,871	-	-
Total Nickel Ore	Wmt	2,810,117	6,073,964	218,002	396,461
Gold	Kg/oz	657/21,123	1,266/40,703	659/21,187	1,172/37,681
Silver	Kg/oz	5,818/187,053	8,905/286,302	5,437/174,804	9,290/298,680
Bauxite	Wmt	43,245	83,568	75,019	190,359
Coal	Ton	117,526	194,793	121,298	214,356

PRODUCTION AND SALES

In the first semester of 2014 (1H14), ANTAM's unaudited net sales was recorded at Rp3.99 trillion, or down 35% compared to the first half of 2013 (1H13) in line with the ebb in the selling prices of the company's main commodities of nickel and gold, and the government's mineral ore ban. Gold made up the largest share of 1H14 unaudited net sales with a 49% contribution or amounting to Rp1.95 trillion. ANTAM's financial reports for the first half of 2014 is currently under limited review and will be available on August 29, 2014, at the latest.

In the second quarter of 2014 (2Q14), ANTAM recorded an unaudited revenue of of Rp1.68 trillion, 40% lower compared to the same period in 2013.

FERRONICKEL

The production volume of ferronickel in 1H14 showed a 25% decline to 7,579 tons of nickel in ferronickel (TNi), in line with the implementation of the ore blending optimization.

During the period, ANTAM used the ore feed from its mine in Pakal which called for some adjustments at its ferronickel smelters, resulting in lowered production level. In second quarter of 2013, the parameters of the smelters showed signs of increased plant optimization and ANTAM hopes that the plants' productivity level will catch up in the midst of the third quarter of 2014.

The ferronickel sales in 1H14 amounted to 8,900 TNi, 27% higher than 1H13 due to the sales recognition of the ferronickel cargoes shipped at the closure of 2013.

The unaudited revenue from the sales of ferronickel in 1H14 grew by 58% to Rp1.74 trillion compared to the same period of 2013 due to higher sales volume and a 5% increase in the average selling prices of ferronickel in the period to US\$7.58 per pound.

The ferronickel production volume in 2Q14 contracted by 17% to 4,258 TNi due to the continuation of the implementation of the ore blending optimization. The 2Q14 sales of ferronickel was recorded at 3,377 TNi, 4%

higher than 2Q13.

The unaudited net sales of ferronickel in 2Q14 increased by 51% compared to the same period in 2013 to Rp759 billion in line with the commodity's higher sales volume and a 33% increase in the average selling prices of ferronickel in 2Q14 to US\$8.81 per pound.

NICKEL ORE

In line with the implementation of the Government's regulations that prohibit the export of raw mineral ore beginning on January 12, 2014, ANTAM's nickel ore production volume in 1H14 abated to 396,461 wmt, or 93% lower than 1H13. The bulk of the nickel ore production was used toward the smelting of ferronickel.

Due to the ban, ANTAM's 1H14 sales volume of nickel ore showed a 95% decline to 215,400 wmt compared to 1H13.

Correspondingly, the company's unaudited net sales of the commodity in 1H14 was recorded at Rp89 billion, 95% lower than the 1H13 sales achievement.

The 2Q14 production volume of nickel ore

declined by 92% to 218,002 wmt due to the Government's ore ban. ANTAM did not make any sales from nickel ore to comply with the regulations.

GOLD

ANTAM's production volume of gold, which was sourced from the Pongkor and Cibaliung mines, was recorded at 1,172 kg (37,681 oz) in 1H14 or a 7% decline compared to 1H13. The ebb in gold production was mainly attributed to the lower grade of the ores mined at the two mines.

Meanwhile, the sales volume of gold in 1H14 reached 3,926 kg (126,224 oz) or 29% lower than 1H13 following the subdued gold production level.

The decline in the sales volume of gold as well as lower selling prices of gold to US\$1,319.72 per oz drove down ANTAM's unaudited revenue from the sales of the commodity in 1H14 by 31% to Rp1.95 trillion. The 2Q14 gold production volume showed a modest increase to 659 kg (21,187 oz) while the sales volume of gold in the period contracted by 38% to 1,604 kg (51,570 oz).

BAUXITE

SALES VOLUME

Commodity	Unit	2Q13 (April-June) 2013	1H13 (January-June) 2013	2Q14 (April-June) 2014	1H14 (January-June) 2014
Ferronickel	TNi	3,244	7,028	3,377	8,900
High Grade Nickel Ore	Wmt	1,528,144	2,614,444	-	104,350
Low Grade Nickel Ore	Wmt	328,828	1,883,135	-	111,050
Total Nickel Ore	Wmt	1,856,972	4,497,579	-	215,400
Gold	Kg/oz	2,584/83,077	5,493/176,604	1,604/51,570	3,926/126,224
Silver	Kg/oz	6,062/194,898	9,714/312,312	6,826/219,461	10,727/344,881
Bauxite	Wmt	27,850	53,961	28,987	28,987
Coal	Ton	179,488	179,488	153,113	261,254



In preparation for the commercial operation of the Tayan CGA plant, ANTAM's 1H14 bauxite production grew significantly by 128% to 190,359 wmt with a sales volume of 28,987 wmt. The net sales of bauxite in the period was recorded at Rp9 billion.

COAL

Through its subsidiary, PT Indonesia Coal Resources, ANTAM posted a coal production result of 214,356 ton and recorded a sales of 261,254 ton of coal with an unaudited revenue of Rp73 billion.

EXPLORATION ACTIVITIES

ANTAM's exploration activities in 1H14 focused on gold and nickel commodities with total unaudited cost of Rp9.4 billion.

GOLD

ANTAM carried out gold explorations in Batangasai, Jambi; Air Niru and Telatang, Bengkulu; Pongkor dan Papandayan, West Java as well as Cibaliung, Banten with total unaudited cost of Rp9.2 billion in 1H14.

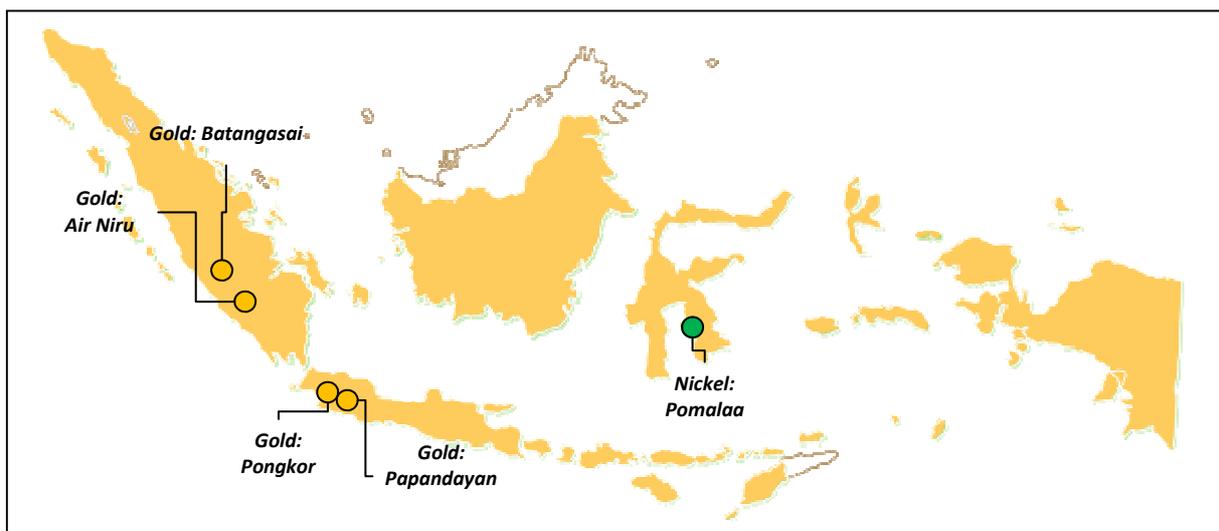
The objective of gold explorations in Batangasai, Jambi was to discover the potentials and localize the mineralization models by conducting detailed geological mapping, ground-magnet measurement, structure and alteration observations.

Gold explorations in Air Niru and Telatang, Bengkulu had an objective to localize the mineralization distribution vein system through semi detailed geological mapping, detailed geological mapping, trenching; sampling, mineral sampling, petrography, soil and IP geophysics mineragraphy as well as hand auger measurement.

Gold explorations in Pongkor, West Java included detailed geological mapping, trenching, rock and core sampling, drill track measurement and drilling.

Gold explorations in Papandayan, West Java had an objective to localize the mineralization distribution as well as to confine the gold vertical mineralization potentials. Exploration activities in Papandayan included detailed geological mapping, trenching, hand auger measurement,

ANTAM'S EXPLORATION AREAS IN 1H14



test spectral, geological, soil, rock and core samplings as well as core logging.

In Cibaliung, West Java, gold explorations activities had the objective to localize the mineralization distribution of the vein systems through detailed geological mapping, ground-magnet geophysical measurement, IP test, SWIR analysis, rock sampling, trenching, track measurement, and laboratory analysis.

NICKEL

In 1H14, nickel exploration activities were conducted in Pomalaa, Southeast Sulawesi with total unaudited cost reaching Rp180 million.

The objective of ANTAM's exploration activities in Pomalaa, Southeast Sulawesi was to secure nickel resources for the Pomalaa ferronickel smelters ore supply. In this region, ANTAM's exploration team conducted single drilling, semi detailed geological mapping, surface sampling as well as core sampling and logging, moisture-content, density, petrography, polygon and grid measurements.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Lukman Efendi, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Lukman Efendi is a full-time employee of the company. Mr. Lukman Efendi has sufficient experience which is relevant to the style of mineralization 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 Efendi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE NEWS

ANTAM IS COMMITTED TO UNDERTAKING A PRUDENT AND CONSERVATIVE APPROACH WITH REGARDS TO ITS CAPITAL SPENDING

On April 23, 2014 ANTAM announced that the company is committed to undertaking a prudent and conservative approach with regards to its capital spending. ANTAM is also committed to maintaining its position as a key mining entity in the global mining space supported with its vast mineral reserves and resources.

As ANTAM's balance sheet is currently being limited in terms of adding any unnecessary financial debt and further capital expenditure, ANTAM is evaluating its capital expenditure plans so that it is able to apply as little additional debt whilst still targeting to complete these projects which will result in value added capacity coming on stream as soon as possible. A number of potential joint venture partners are currently in discussion with ANTAM to secure a position in the downstream value added lines of business without overly burden the company with debt.

ANTAM will also continue to focus on expanding its ferronickel capacity as well as bringing down ferronickel cash cost. ANTAM is committed to regaining its position as one of the world's lowest cost producers of ferronickel. ANTAM's new Tayan Chemical Grade Alumina project with commercial operations expected to start this year, will capitalize on ANTAM's vast bauxite reserves and resources in West Kalimantan. The project will also allow ANTAM to better withstand economic turbulence given that bauxite, nickel and gold have different market dynamics and fulfill different needs of the consumer.



ANTAM's management also believes the Government's continued support through the ownership of the Series A-Dwi Warna share in the company, the privilege right over state reserve area and first right of refusal on shares divestment of contract of work companies. The 65% ownership by the Government as well as the company's status as State-owned Enterprise also reiterates the Government's commitment toward the company's sustainability. Furthermore, ANTAM's direct communication and relationship with the Government will ensure that ANTAM will continue to operate effectively going forward.

ANTAM OPENS LOGAM MULIA GOLD BOUTIQUE IN SEMARANG, CENTRAL JAVA

ANTAM opened Logam Mulia (LM) Gold Boutique in Semarang, Central Java on May 21, 2014. The opening is part of ANTAM's strategy to expand its domestic retail market to increase its gold sales.

ANTAM's Semarang LM Gold Boutique is located in Pemuda Mas Shopping Complex No.7A DP Mall, Pemuda Street No. 150, Semarang. It is the company's sixth gold boutique.

ANTAM AND INDONESIA EXIMBANK SIGNED EXPORT CREDIT FACILITY AGREEMENT

On May 23, 2014, ANTAM announced the signing of a US\$100 million export credit facility agreements at ANTAM's Head Office. The investment credit facilities were provided to ANTAM by Indonesia Eximbank. The agreements will be effective when certain conditions are met.

The investment credit facilities were pro-

vided to fund ANTAM's general purpose funding requirements as well to help fund the Pomalaa Ferronickel Plant Expansion Project. The US\$100 million facility agreement signed today was part of the total US\$160 million credit facilities provided to ANTAM with the Indonesia Eximbank provided a principle agreement over the remaining US\$60 million facility. The export credit facilities have a 10 year tenor with a grace period of two year and a balloon repayment structure.

ANTAM OPENS LOGAM MULIA GOLD BOUTIQUE IN BALIKPAPAN, EAST KALIMANTAN

ANTAM opened Logam Mulia (LM) Gold Boutique in Balikpapan, East Kalimantan on June 2, 2014. ANTAM's Balikpapan Gold Boutique is located at the Main Lobby of Panin Tower, Jenderal Sudirman Street No. 7, Balikpapan, East Kalimantan. It is the company's seventh gold boutique.

ANTAM OPENS LOGAM MULIA GOLD BOUTIQUE IN BANJARMASIN, SOUTH KALIMANTAN

ANTAM opened the Logam Mulia (LM) Gold Boutique in Banjarmasin, South Kalimantan. The Banjarmasin outlet is ANTAM's ninth Gold Boutique. ANTAM's Banjarmasin Gold Boutique is located on Ahmad Yani Street Kilometer 2, Sungai Baru, Banjar Timur, Banjarmasin, South Kalimantan.

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