ANTAM

A SOLID BRIGHT FUTURE

PT Antam Tbk

Quarterly Report to Shareholders (ASX: ATM, JSX: ANTM)

For the three months ending 31 March, 2003 ARBN - 087 423 998

FURTHER INFORMATION:
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FINANCIAL

- Antam's net profit jumps 50% to Rp62b (USD7m) on the back of higher prices and a steady cost of goods sold
- The improved performance widened Antam's operating margin to 23% and improved annualized return on equity to 12%.
- Antam's revenue increased 17% to Rp402 billion, a 62% increase in US Dollar terms to USD39 million
- Antam's cash from operations increased 491% to Rp67 billion

PRODUCTION

- Antam produced 1,800 tonnes of contained nickel in ferronickel, a 36% decrease compared to the previous quarter and a 17% decrease compared to the same quarter last year. The reduction was due to the shut down of FeNi I for spot lining repairs, which took place over 9 days in January
- Production of high grade nickel ore reached 684,577 wet metric tons (wmt), an 11% decrease compared to 4Q02 and an 8% decrease compared to last year
- Gold production was 7% above target at 1,033 kg on higher gold grades, while silver production reached 7,048 kg.

DEVELOPMENT

- Pomalaa Nickel Unit receives an Export and Management Award
- Antam and PT Inco Tbk. sign a Cooperative Resources Agreement to develop nearby nickel deposit
- Antam completes 9 days of spot lining repairs on FeNi I
- Antam resolves misunderstanding that led to a peaceful rally at Pongkor

EXPLORATION

- Antam conducts limited exploration activities on lateritic nickel and gold in Indonesia.
- Total exploration expenditures, excluding that spent on joint venture agreements, reached Rp5.14 billion

Dohar Siregar
Corporate Secretary
April 30, 2003

Shareholder Sum-Up: 1Q03 **Relative Share Price Performance over the Quarter (Arrow indicates comparison to previous quarter).**

During 1Q03 Antam's share price increased **39%** from Rp575 to Rp800

Source*: Bloomberg and Antam*

VS. PEERS...

PT Timah	-23	▼
PT Inco	-17	▼
Inco Ltd	72	▲
Falconbridge	34	▼
WMC Resources	61	▲
BHP-B Ltd	53	▲
Rio Tinto Plc	49	▲
AngloAmerican	45	▲
Harmony	105	▲
Barrick Gold	48	▲
Newcrest	61	▲
Alumina Ltd	72	▲

VS. INDICES...

LQ45	44	▲
JSE Composite	43	▲
JSE Mining Index	19	▲
ASX All Ordinaries	46	▲
DOW JONES	50	▲
TS Composite	48	▲
NASDAQ	44	▲
Hang Seng	51	▲
S&P 500	49	▲
DAX	78	▲
FTSE	54	▲
FTSE All Share Mine	50	▲

VS. COMMODITIES...

Gold	42	▲
Nickel	33	▲

Price at end of Quarter on the ASX: AUD0.16/CDI

Analyst Recommendations:

Bahana	Reduce	03/31	CLSA	Buy	02/21
Samuel Sekuritas	Accumulate	03/27	Bahana	Add	02/05
Danareksa	Buy	03/21	Samuel Sekuritas	Accumulate	02/05
GK Goh	Trading Buy	03/21	DBS Vickers	Hold	02/13
CLSA	Buy	03/03	Trimegah	Hold	02/11
Danareksa	Buy	02/24	Bahana	Add	01/29

Shares in Issue	1,907,691,950
Market Capitalization	Rp1,526bn (USD171.4m)
Price Range	Rp575-Rp875
Average Price	Rp742
Trading Volume	180.5m
Average Daily Volume	2,958,574

Major Shareholder:
Government of Indonesia (65%)
Substantial Shareholders:
OppenheimerFunds, Inc. USA (5.24%)
Dividend Payment Dates: (50% of the profit of 2001)
1 - August 23, 2002 2 - November 15, 2002
Dividend Amount:
1 - Rp Rp47.10/share, AUD0.05/CDI
2 – Rp Rp46.77/share, AUD0.05/CDI

Nickel Price on 03/31/03	US$3.52/lb
Nickel Price Range	US$3.37/lb (01/03/03) - US$4.13/lb (02/26/03)
Gold Price on 03/31/03	US$337.45/oz
Gold Price Range	US$326.05/oz (03/21/03) - US$381.25/oz (02/04/03)
Rupiah on 03/31/03	Rp8,902/US$
Rupiah Range	Rp8,830/US$(01/22/03) – Rp9,088/US$(03/19/03)

COMMISSIONERS AND DIRECTORS

Board of Commissioners

Firman MU Tamboen	President Commissioner
Supriatna Suhala	Commissioner
S. Suryantoro	Commissioner
Yap Tjay Soen	Independent Commissioner

Board of Directors

D. Aditya Sumanagara	President Director
Harsojo Dihardjo	Operations Director
KA Umar Tochfa	Finance Director
Ismail Tangka	General Affairs and Human Resources Director
Subagyo	Development Director

- Currently our largest shareholder aside from the Government is Oppenheimer Developing Market Fund with over 5% interest:
  - Antam has 141 foreign and foreign institutional shareholders, which account for 43% of the shares trading on the JSX.
  - Antam is held by 61 Foreign Institutions, which together have 15% of Antam's shares.
- The top 5 countries of origin for our foreign shareholders in terms of shares held:
  - 1 – USA
  - 2 – United Kingdom
  - 3 – Luxembourg
  - 4 – Germany
  - 5 – Singapore

Top 20 Shareholders (fifty percent are foreign investors):

1 - Government of Indonesia	11 – JPMCB US Resident (Norbax Inc.)
2 - Oppenheimer Developing Market Fund	12 – MS & Co. Inc. Client
3 - PLN Pension Fund	13 – SSB Commonwealth
4 - State Street Bank	14 – PT Askrindo
5 – Pertamina Pension Fund	15 – Equity Development Securities
6 – Bank Of New York Europe Ltd.	16 – Sucorinvest Central Gani
7 – CB Hong Kong – Equity Select Asia	17 – Bank of Tokyo-Mitsubishi, Luxembourg
8 – PT Jamsostek (Persero)	18 – Kas Depository Trust Company
9 – Bank Indonesia Pension Fund	19 – PT Pranata Invesindo
10 – CB International Plc. Luxembourg	20 – Telkom Pension Fund

As at April 30, 2003, the Price-to-Earning ratio was 6.85 with a Price-to-Book Value of 0.71. The dividend yield stood at 13% with a 5-year average of 10.4% Antam had an EV/EBITDA of 2.13 and Price-to-EBITDA of 3.17.

FINANCIAL

Jakarta, April 30, 2003 – PT Antam (ASX - ATM; JSX - ANTM) is pleased to announce unaudited consolidated net profit of Rp62 billion (USD7 million) and earnings per share (EPS) of Rp32.68 for the first quarter of 2003. The 50% increase over the same period last year is attributed to higher nickel and gold prices, increased gold and bauxite sales, and a steady cost of goods sold. The improved performance widened Antam's operating margin to 23% and improved annualized return on equity to 12%.

Antam's revenue in 1Q03 increased 17% to Rp402 billion, a 32% increase in US Dollar terms to USD45 million. Compared to the previous quarter, revenue decreased 30%, in Rupiah and US Dollar terms, due to lower nickel ore prices and decreased sales and production as Antam's fourth quarter activities are often ramped up to ensure annual targets are met.

Year on year, the 1Q03 sales price for ferronickel increased 33% to USD3.68/lb, while the average sales price for high grade nickel ore increased 70% to USD25.26/wmt, which offset lower nickel production results. With a 17% drop in sales volume due to a planned 9 day shut down of FeNi II for repairs, revenues of ferronickel decreased 2% to Rp117 billion. Meanwhile, nickel ore sales rose 30% to Rp126 billion, despite slight decreases in production and sales volumes. The contribution of the nickel division, SBU Nickel, rose 12% to Rp242 billion, largely through exports, yet fell as a portion of total sales from 63% to 60%.

Gold production surged 64% in 1Q03, as production last year was abnormally low due to the excavation of a low-grade area of the mine. In combination with a 22% higher gold price at USD350.06/oz, the contribution of the gold division, SBU Gold, which includes silver and precious metals refining, rose 36% to 121 billion, a jump in proportion of Antam's total sales to 30%, up from 26% last year. Whereas all of SBU Gold's revenue was domestic in the first quarter of last year, due to changes in the tax regime, the domestic portion of revenues was reduced to 37%.

Sales revenues from bauxite rose 15% to Rp34 billion on the back of a 30% increase in sales volumes. This increased the combined contribution of Antam's bauxite and iron sands divisions by 3% to Rp38 billion, which was a slight decrease in its proportion of Antam's total sales, to10%.

Meanwhile, the cost of goods sold held relatively steady, increasing 4% to Rp269 billion. Compared to the previous quarter, the cost of goods sold decreased 35% in line with reduced 1Q03 sales. The main component of Antam's cost of goods sold, materials used, which includes fuel and raw materials, fell 14% to Rp86 billion in line with decreased production and no silver sales. The second largest component, mine contractors, used primarily for nickel ore extraction and transportation, fell a negligible amount to Rp49billion due to lower nickel ore exports. In line with salary increases that came into effect in May 2002, labor costs increased 43% to Rp44 billion. The cost of depreciation rose 6% to Rp31 billion, while transportation fell 25%, in line with reduced production, to Rp 10 billion.

Antam's 1Q03 operating expenses increased 48% to Rp42 billion, due to higher salaries and increased payments for upcoming mine closure at the Gebe nickel mine. Compared to the previous quarter operating expenses dropped 25%. The increase is attributed to the Rp10 billion allocated for mine closure, an amount which is nearly six times higher than last year. As well, the increase is due to 47%

higher salary and employee benefits at Rp11 billion and a 26% higher amortization expense at Rp2.3 billion. Meanwhile Antam lowered the transportation component of its selling expense by 15% to Rp3 billion.

In 1Q03, Antam continued with its cost reduction program, which saved Rp18.5 billion in 2002. Antam's raised its 2003 target to Rp25 billion, excluding expected savings from Head Office. Antam's nickel division, SBU Nickel, has already saved 73%, or Rp8 billion of its full year target of Rp11 billion. Cost reduction strategies focus on efficient fuel and energy consumption, the use of local spare parts and more efficient use of raw materials. Antam is committed to maintain its position as a low cost producer.

The cost reduction program helped Antam increase the 1Q03 operating margin to 23%. This is supported by stronger operating margins from SBU Nickel and SBU Gold, improving to 26% and 33% respectively.

Antam incurred other charges of Rp3.6 billion, 13% less than the Rp4.1 billion charged last year, despite lower interest income and no dividend or insurance income, as the Rupiah remained relatively stable over the quarter. Due to a slightly stronger Rupiah, Antam booked an on paper loss of Rp2.8 billion versus the Rp34 billion foreign exchange loss of 1Q02. Antam also expensed Rp6.3 billion, or 25% of the expense incurred for the work conducted to secure financing for Antam's nickel expansion.

In 1Q03, Antam remained cash flow positive as cash from operations increased 491% to Rp67 billion due to 27% higher customer receipts at Rp445 billion and a 76% smaller income tax payment. Compared to the previous quarter, however, cash from operations decreased 50% as customer receipts dropped 14%, while payments for operating expenses only dropped 2%, to Rp370 billion. However, due to fewer acquisitions of property, plant and equipment, reduced debt repayments, and no dividend payment, Antam's cash and cash equivalents increased 4% to Rp668 billion.

Antam's made Rp31 billion in short term debt repayments, lowering short term bank loans to Rp76 billion, 49% less than at the end of the same period last year. Antam's long term debt, net of current maturities, was 58% lower than last year, although it remained the same as per the end of the previous quarter. Antam owes Rp34 billion to Newcrest for the interest in PT Nusa Halmahera Minerals, which operates the Gosowong mine, to be repaid using Gosowong dividends. Antam's debt to equity ratio was lowered to 23%. Liquidity remained strong with current ratio of 4.1x and working capital of Rp946 billion.

Key Financial Indicators
(based on unaudited results, except for 2002)

(%)	Year 2002	1Q 2002	1Q 2003
Return on Equity	10.5	2.2	3.2
Return on Asset	8.0	1.6	2.5
Current ratio	314.8	336.9	406.6
Debt to Equity Ratio	28.0	30.3	22.8
Debt to Asset Ratio	21.8	23.2	18.5
Gross Margin	**26.7**	**24.9**	**33.3**
Operating Margin	**16.9**	**16.6**	**22.8**
Net Margin	**11.8**	**12.2**	**15.5**

Summary of 1st Quarter 2003 and 2002

DESCRIPTION		2002			2003	Q/Q %	Y/Y %
		12 months	4th Quarter	1st Quarter	1st Quarter		
SALES PRICE							
Ferronickel	US$/Lb	3.05	3.22	2.76	3.68	14	33
Nickel Ore							
High grade							
- Pomalaa	US$/Wmt	21.07	24.17	15.75	25.61	6	63
- Gebe	US$/Wmt	18.84	28.09	14.35	24.09	(14)	68
- Gee	US$/Wmt	24.10	31.71	14.74	25.26	(20)	71
- Buli	US$/Wmt	22.61	31.76	14.53	26.08	(18)	79
Low grade							
- Pomalaa (LGSO)	US$/Wmt	11.49	14.26	5.10	12.56	(12)	146
- Buli	US$/Wmt	4.80	6.66	4.14	-	(100)	(100)
- Pomalaa	US$/Wmt	6.06	7.12	5.65	-	(100)	(100)
Gold	US$/Toz	312.22	322.49	287.42	350.06	9	22
Silver	US$/Toz	4.77	4.63	4.67	4.82	4	3
Bauxite	US$/Wmt	11.06	10.41	10.93	11.04	6	1
Iron Sands	IDR/Wmt	79,418	79,072	75,976	84,342	7	11
Exchange rate for sales revenue	IDR/US$	9,171	9,006	10,088	8,953	(1)	(11)

Note: please see note on nickel pricing at the end of this publication

DESCRIPTION	2002			2003		
	12 months	4th Quarter	1st Quarter	1st Quarter	Q/Q %	Y/Y %
SALES REVENUE (Rp. million)						
EXPORT SALES :						
Ferronickel	509,409	170,952	119,101	116,397	(32)	(2)
Nickel Ore						
High grade						
- Pomalaa	45,326	14,660	7,425	9,032	(38)	22
- Gebe	113,702	39,799	26,578	21,060	(47)	(21)
- Gee	168,130	67,467	21,841	39,643	(41)	82
- Buli	159,916	70,343	28,532	40,107	(43)	41
Low grade						
- Gebe	13,109	2,765	4,491	-	(100)	(100)
- Buli	14,294	2,983	6,282	-	(100)	(100)
- Pomalaa (LGSO)	48,007	35,723	2,218	15,839	(56)	614
Gold	166,048	36,332	-	67,197	85	
Bauxite	128,702	36,286	29,915	34,428	(5)	15
Silver	8,554	3,187	-	9,709	205	
Total export revenue	1,375,197	480,497	246,383	353,412	(26)	43
DOMESTIC SALES						
Gold	212,715	74,620	58,720	36,967	(50)	(37)
Silver	62,225	9,613	22,527	4,384	(54)	(81)
Ferronickel	285	10	-	286	2,760	-
Iron sands	27,039	4,521	7,404	3,972	(12)	(46)
Logam Mulia Services	32,988	9,218	7,812	3,078	(67)	(61)
Other	951	169	113	195	15	73
Total Domestic Sales	336,203	98,151	96,576	48,882	(50)	(49)
Total Sales Revenue	1,711,400	578,648	342,959	402,294	(30)	17

DESCRIPTION	2002			2003		
	12 months	4th Quarter	1st Quarter	1st Quarter	Q/Q %	Y/Y %
EXPORT SALES (Thousand US$)						
Ferronickel	55,369	19,017	11,788	12,976	(32)	10
Nickel Ore						
High grade						
- Pomalaa	4,974	1,620	724	1,001	(38)	38
- Gebe	12,288	4,420	2,626	2,364	(47)	(10)
- Gee	18,407	7,470	2,209	4,440	(41)	101
- Buli	17,430	7,810	2,846	4,492	(42)	58
Low grade						
- Pomalaa (LGSO)	5,335	3,979	227	1,778	(55)	683
- Gebe	1,404	300	444	-	(100)	(100)
- Buli	1,504	330	616	-	(100)	(100)
Gold	18,345	4,024	-	7,468	86	-
Bauxite	13,939	4,025	2,942	3,870	(4)	32
Silver	953	359	-	1,087	203	-
Total Export Sales	149,948	53,354	24,422	39,476	(26)	62

Hedge Book and Revenue

As at 31st March 2003, the following contracts were outstanding:

DESCRIPTION	T.OZ	RATE/T.OZ	AMOUNT
		IDR	IDR
Gold/IDR Forward	3,000	3,400,000	10,200,000,000
		USD	USD
Gold Spot Deferred Delivery	6,500	336.33	2,186,118.50
	9,500		

The following profits were realized during 1Q03:

DESCRIPTION	T.OZ	SALE PRICE/T.OZ (USD)	PURCHASE PRICE/T.OZ (USD)	PROFIT (LOSS)
Gold/IDR Forward Sales	4,000	377.70	356.17	86,134.35
Added to spot deferred price				-86,134.35
			TOTAL	**0.00**

Consolidated Balance Sheets (Unaudited)

	31/03/2003	31/03/2002	31/12/2002
Assets			
Current Assets			
Cash and cash equivalents	668,320	774,472	641,741
Proceeds account	22,625	72,030	41,689
Short-term investments - net	5,774	3,179	5,783
Accounts receivable			
Trade	95,393	131,096	138,611
Others	11,402	24,007	13,548
Inventories	359,967	289,855	336,080
Prepaid taxes	51,119	24,032	45,379
Prepaid expenses	15,892	15,386	6,997
Other current assets	24,668	12,699	26,962
Total Current Assets	**1,255,160**	**1,346,756**	**1,256,790**
Non-Current Assets			
Investment in shares of stock	30,929	30,929	30,929
Property, plant and equipment - net	1,006,674	1,036,891	1,022,583
Deferred exploration and development costs – net	132,203	111,834	130,174
Deferred charges – net	7,940	13,210	10,673
Deferred environmental protection and rehabilitation costs – net	6,816	7,765	7,053
Estimated claim for tax refund	920	5,194	1,267
Other non-current assets	24,290	6,439	27,641
Total Non-current Assets	**1,209,772**	**1,212,262**	**1,230,320**
Total Assets	**2,464,932**	**2,559,018**	**2,487,110**

	31/03/2003	31/03/2002	31/12/2002
Liabilities and Stockholders' Equity			
Current Liabilities			
Short-term bank loans	76,378	149,713	107,592
Accounts payable			
-Trade			
-Third parties	49,231	39,380	67,831
- Related parties	10,634	20,415	27,260
-Others	10,957	9,839	12,636
Accrued expenses	79,714	79,033	102,641
Taxes payable	28,221	10,696	25,409
Current maturities of long-term debts	45,270	87,770	46,443
Current portion of estimated liabilities for environmental protection and rehabilitation	8,286	2,883	9,439
Total Current Liabilities	**308,691**	**399,729**	**399,251**
Non-Current Liabilities			
Deferred tax liabilities - net	77,741	80,105	75,170
Long-term debts - net of current maturities	34,332	81,096	34,456
Estimated liabilities for environmental protection and rehabilitation net of current portion	35,101	32,960	33,204
Total Non-current Liabilities	**147,174**	**194,161**	**142,830**
Minority interests in consolidated subsidiaries	**5,866**	**5,572**	**5,687**

	31/03/2003	31/03/2002	31/12/2002
Stockholders' Equity			
Capital stock - Issues and fully paid	953,846	615,385	953,846
Additional paid-in capital in excess			
of par value	2,526	340,988	2,526
Difference in foreign currency translation	33,228	33,166	31,708
Unrealized holding gain on available			
-for-sale investments	373	396	381
Retained earnings			
- Appropiated	748,858	569,780	748,858
- Unappropiated	264,370	399,841	202,023
Total Stockholders' Equity	**2,003,201**	**1,959,556**	**1,939,342**
Total Liabilities and Stockholders' Equity	**2,464,932**	**2,559,018**	**2,487,110**

Consolidated Statements of Income (Unaudited)

	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002
Net sales	402,295	342,959	578,648
Cost of goods sold	268,550	257,422	412,212
Gross Profit	**133,745**	**85,537**	**166,436**
Operating expenses			
General and administration	34,141	20,791	42,149
Selling	6,051	6,648	8,349
Exploration	2,034	1,112	5,860
Total Operating Expenses	42,226	28,551	56,358
Income From Operations	**91,519**	**56,986**	**110,078**
Other income (charges)			
Interest income	5,535	11,875	7,399
Gain on derivative transactions - net	2,854	3,556	(2,434)
Insurance claim	-	7,924	-
Dividend income	-	6,765	-
Interest expense	(1,365)	(3,290)	(2,927)
ECA loan expenses	(6,305)	-	-
Geology service expense – net	(4,113)	(1,409)	(1,987)
Gain (loss) on foreign exchange – net	(2,838)	(33,745)	(1,363)
Amortization of deferred environmental protection and rehabilitation costs	(237)	(237)	(237)
Others – net	2,900	4,470	6,874
Other charges – Net	(3,569)	(4,091)	5,325
Income before provision for income tax	**87,950**	**52,895**	**115,403**
Provision for income tax	25,757	11,466	32,123
Income before minority interest	**62,193**	**41,429**	**83,280**
Minority interest in net loss of subsidiaries	154	256	(446)
Net Income	**62,347**	**41,685**	**82,834**

Consolidated Statements of Cash Flows (Unaudited)

	1st Quarter 2003	1st Quarter 2002	4th Quarter 2002
Cash Flows From Operating Activities			
Cash receipts from customers	445,776	349,655	515,524
Payments from operating expenses	369,631	284,377	375,272
Net operating cash flows	76,145	65,278	140,252
Interest income	5,665	11,955	8,066
Interest paid	(977)	(1,941)	(3,774)
Income taxes paid	(15,339)	(63,928)	(9,110)
Receipts from insurance	1,715	-	-
Net Cash Provided by Operating Activities	**67,209**	**11,364**	**135,434**
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	(16,605)	(18,546)	(23,848)
Proceeds from (Payment of)			
Deferred exploration and development costs	(4,250)	(4,695)	(8,982)
Deferred charges	(560)	(894)	(2,957)
Short-term investment	-	-	(120)
Other assets	(1,553)	920	(11,831)
Net Cash Used in Investing Activities	**(22,968)**	**(23,215)**	**(47,738)**
Cash Flows From Financing Activities			
Proceeds from (repayment of) short-term bank loans	(31,323)	27,712	(1,185)
Repayments of long-term debts	-	-	(46,443)
Payments of cash dividends	-	-	(88,633)
Deduction (addition) in proceeds account	19,064	327	4,588
Net Cash Used in Financing Activities	**(12,259)**	**28,039**	**(131,673)**
Effect of foreign exchange rate changes on cash and cash equivalents	(5,403)	(43,463)	880
Net Increase (Decrease) Cash and Cash Equivalents	26,579	(27,275)	(43,097)
Cash and Cash Equivalents at Beginning of period	641,741	801,747	684,838
Cash and Cash Equivalents at End of period	668,320	774,472	641,741

PRODUCTION & SALES (please refer to accompanying tables)

NICKEL

During 1Q03, Antam produced 1,800 tonnes of contained nickel in ferronickel, a 36% decrease compared to the previous quarter and a 17% decrease compared to the same quarter last year. The reduction was due to the shut down of FeNi I for spot lining repairs, which took place over 9 days in January, performed in order to achieve the year's target of 10,000 tonnes of contained nickel in ferronickel. The repair job reduced the power load of Power Unit I in January to an average of 8.42 megawatt hours (MWH) compared to the standard load of 17 MWH. Ferronickel production was also slightly impacted by a minor problem with Power Unit II, which resulted in an average power load of 12.70 MWH in January. Antam expects the power situation to improve in the second quarter of 2003 and is meanwhile considering viable alternatives to improve the reliability of the power load of its electricity generators.

Production of high grade nickel ore reached 684,577 wet metric tons (wmt), an 11% decrease compared to 4Q02 and an 8% decrease compared to last year. Production of low grade, which includes the new product Low Grade Saprolitic Ore (LGSO), decreased 38% to 225,459 wmt over the previous quarter. LGSO production reached 143,616 wmt, a decrease of 21% compared to previous quarter.

The average cash cost of production of ferronickel decreased to USD2.82 per lb while the cash cost of high grade ore was USD10.75 per. The cash cost for low grade ore and LGSO was USD5.28 per wmt. Compared to the company's internal target, the cash cost of production of ferronickel was slightly above expectations due to lower ferronickel production caused by spot lining repairs and lower average power output.

For SBU Nickel, cost reduction program has already saved Rp8 billion or 73% of the 2003 target of Rp11 billion. Savings were incurred with raw materials used and demurrage. Pomalaa facility has saved 28% of the year's corporate target, with savings in raw material used, plant consumables and grease usage.

GOLD

Gold production in the 1Q03 exceeded the quarterly target by 4%, reaching 1,033kg on higher ore grades at 12.53 gpt, or 7% above target. Inline with higher gold production, silver production exceeded the target by 13%, reaching 7,048 kg. Production was inline with management's expectations as Antam is on track to produce between 4,100-4,500 kg of gold in 2003. Meanwhile, gold ore production was 4% below target at 97,235 wmt. During the January quarter, gold's cash cost was USD142.2 per t.oz with production cost of USD198.4 per t.oz.

Development activities continued on Ciurug, Pamoyanan and Gudang Handak, following the discovery of new gold deposits by Antam's Geomin Unit in 2001. Drilling at Ciurug and Pamoyanan reached 898 metres and 14 metres, respectively. Drilling at Ciurug was 39% of the year's target while work at Pamoyanan reached 23% of the year's target.

Backfill work on the Ciurug vein continued during 1Q03 and completion is expected in April 2003. Backfill activities on other locations also continued, such as those at Kubang Cicau. Also, a ventilation problem previously encountered on L500 of Ciurug vein was solved.

Inline with company's concern for environmental safety and conservation, Antam's SBU Gold began constructing a new processing facility at Pongkor to destruct cyanide by commissioning the Inco Process Project. The process, patented by Inco Canada, uses sulfur dioxide to lower the cyanide content in the tailings pumping from the plant to the tailings dam, thus decreasing cyanide content from approximately 150 ppm to 2.7 ppm. In 1Q03, cyanide was measured at between 1-3 ppm. Antam will continue to improve the construction of the facility with a second commissioning expected in May 2003.

DESCRIPTION		**2002**			**2003**		
		12 months	**4th Quarter**	**1st Quarter**	**1st Quarter**	**Q/Q %**	**Y/Y %**
PRODUCTION VOLUME							
Ferronickel	Ton Ni	**8,804**	**2,818**	**2,158**	**1,800**	**(36)**	**(17)**
Nickel Ore :							
High grade							
- Pomalaa	Wmt	609,322	151,154	119,133	169,941	12	43
- Gebe	Wmt	694,773	134,805	193,946	108,690	(19)	(44)
- Gee	Wmt	1,148,444	226,942	256,935	268,919	18	5
- Buli	Wmt	800,799	259,766	172,132	137,027	(47)	(20)
Total High grade		**3,253,338**	**772,667**	**742,146**	**684,577**	**(11)**	**(8)**
Low grade							
- Pomalaa (LGSO)	Wmt	387,367	180,733	-	143,616	(21)	-
- Gebe	Wmt	517,216	121,905	139,790	81,843	(33)	(41)
- Buli	Wmt	248,093	62,529	65,699	-	(100)	(100)
Total Low grade		**1,152,676**	**365,167**	**205,489**	**225,459**	**(38)**	**10**
Total Nickel		**4,406,014**	**1,137,834**	**947,635**	**910,036**	**(20)**	**(4)**
Gold	Kg	**3,813**	**1,126**	**631**	**1,033**	**(8)**	**64**
Silver	Kg	**25,397**	**7,525**	**4,205**	**7,048**	**(6)**	**68**
Bauxite	Wmt	**1,283,485**	**302,148**	**321,150**	**331,519**	**10**	**3**
Iron Sands							
- Cilacap	Wmt	188,089	41,503	51,535	36,101	(13)	(30)
- Kutoarjo	Wmt	190,498	44,223	50,555	46,998	6	(7)
- Lumajang	Wmt	-	-	-	-		
Total Iron Sands		**378,587**	**85,726**	**102,090**	**83,099**	**(3)**	**(19)**

DESCRIPTION		2002			2003	Q/Q %	Y/Y %
		12 months	4th Quarter	1st Quarter	1st Quarter		
SALES VOLUME							
Ferronickel	Ton Ni	**8,227**	**2,676**	**1,935**	**1,601**	**(40)**	**(17)**
Nickel Ore							
High grade							
- Pomalaa	Wmt	236,013	67,007	45,994	39,100	(42)	(15)
- Gebe	Wmt	652,345	157,327	182,970	98,113	(38)	(46)
- Gee	Wmt	763,800	235,595	149,836	175,795	(25)	17
- Buli	Wmt	770,821	245,905	195,899	172,246	(30)	(12)
Total High grade		**2,422,979**	**705,834**	**574,699**	**485,254**	**(31)**	**(16)**
Low grade							
- Pomalaa (LGSO)	Wmt	464,164	279,053	44,494	141,553	(49)	218
- Gebe	Wmt	292,719	45,120	107,244	-	(100)	(100)
- Buli	Wmt	248,093	46,456	109,104	-	(100)	(100)
Total Low grade		**1,004,976**	**370,629**	**260,842**	**141,553**	**(62)**	**(46)**
Total Nickel		**3,427,955**	**1,076,463**	**835,541**	**626,807**	**(42)**	**(25)**
Gold	Kg.	**4,093**	**1,182**	**618**	**1,032**	**(13)**	**67**
Silver	Kg.	**49,139**	**9,528**	**14,675**	**10,177**	**7**	**(31)**
Bauxite	Wmt	**1,260,007**	**386,457**	**269,112**	**350,429**	**(9)**	**30**
Iron Sands:							
- Cilacap	Wmt	145,345	12,969	40,305	11,263	(13)	(72)
- Kutoarjo	Wmt	170,508	30,561	53,190	21,825	(29)	(59)
- Lumajang	Wmt	24,606	12,149	3,960	14,009	15	254
Total Iron Sands		**340,459**	**55,679**	**97,455**	**47,097**	**(15)**	**(52)**

EXPLORATION

COMPETENT PERSON

Where in the following report there are statements that relate to Antam's Mineral Resources or Ore Reserves, they are based on and accurately reflect information that has been compiled by Mr. Trenggono Sutioso. Mr. Sutioso is a member of the Australasian Institute of Mining and Metallurgy and has the appropriate experience to be considered a Competent Person as defined in the Australasian Code for Reporting on Identified Mineral

In 1Q03, Antam conducted limited exploration activities of lateritic nickel and gold. Total exploration expenditures excluding joint ventures, reached Rp5.14 billion, 4% less than the Rp5.37 billion spent during the same quarter last year, yet 61% less than the Rp13.4 billion spent in the previous quarter. Antam will increase exploration activities in the coming quarters so as to continue detailed activities on the existing prospects. Regional exploration activities will also be conducted to identify new prospects, especially for gold.

NICKEL

At the Buli KP - Halmahera, Antam conducted limited exploration activities for lateritic nickel. Antam also continued detailed drilling programs at Buli, including infill core drilling. Two of Antam's Buli areas, Tanjung Buli and Gee Island, already support active mining operations. Antam conducted 8,000 metres of drilling at Tanjung Buli Mine, Block A (Mornopo) and Sangaji.

Antam also continued exploration of lateritic nickel at South East Sulawesi, targeted to support ore feed for the Pomalaa facility. Antam identified two new prospects with limited inferred saprolitic mineral resources: Mandiodo prospect (a total of 4 million WMT @ 2.2 % Ni) and Tapunopaka prospect (total of 3 million WMT @ 2.3 %).

GOLD

The gold exploration activities were targeted at high grade epithermal vein systems at Pongkor, Cikidang, Papandayan and some other areas. In the January quarter, Antam commenced exploration activities on Papandayan, which was initially operated by Antam's subsidiary, Antam Resourcindo. Antam plans to continue exploration activities at several identified mineralisations at Papandayan in the second quarter of 2003.

DEVELOPMENT - Corporate, Mine, Joint Ventures

Antam's Pomalaa Nickel Unit receives Export and Management Award

On January 22nd, Antam's Pomalaa SBU Nickel, received the Primaniyarta award from the Department of Industry and Trade. The award recognizes top Indonesian exporters in the non-oil and gas sector. SBU Nickel also received the Tridharma Indonesia Award, which acknowledges Antam's commitment to produce the highest quality products, customer satisfaction, the environment and community development.

Antam and PT International Nickel Indonesia Tbk sign a Cooperative Resources Agreement

On February 1st, Antam announced the signing of a Cooperative Resources Agreement to develop nickel resources within the Contract of Work area held by PT Inco Tbk in East Pomalaa, Southeast Sulawesi. The development of the East Pomalaa nickel deposits is an assurance of nickel ore feed for Antam's smelting facilities. Antam will benefit from lower transportation costs, compared to acquiring ore from more distant sites at Gebe, Gee and Buli.

Antam complete spot lining repairs on FeNi I

On February 3rd, Antam announced the completion of spot relining repairs to its first ferronickel smelter, FeNi I. The planned repairs began January 19, 2003 and were completed in 9 days, on schedule and on budget. The smelter was switched back on January 29 and a full power load resumed three days later.

Antam resolved misunderstanding that led to a peaceful rally at Pongkor

Antam announced on March 10th, that management had resolved a misunderstanding that led to a peaceful rally earlier that same day at Kampung Pasir Gintung, Bogor Regency, which is located approximately 16 kilometres from Antam's Strategic Business Unit (SBU) Gold, at Pongkor. Tens of community members staged the peaceful rally to air grievances over the alleged unfairness of Antam's community development programs, requesting more attention to community welfare and more job opportunities for local residents. Neither production activities nor facilities were affected.

DEVELOPMENT – Joint Ventures

PT WEDA BAY (Antam 10%)
A scoping study completed by the company indicates that an integrated processing plant utilizing pressure acid leaching in conjunction with atmospheric leaching and neutralisation of acidic leached pulps with saprolite can produce up to 40,000 tonnes of nickel and 3,000 tonnes of cobalt per annum in an intermediate mixed sulphide product. The estimated capital cost of such a facility and associated infrastructure is USD600 million. This development scenario presents an opportunity for a lower capital cost facility than previously envisaged whilst still producing a quantity of nickel and cobalt required for a financially robust project.

Major fieldwork and project development activities remained in suspension pending an improvement in investment conditions sufficient to justify additional major expenditure. The Indonesian government officially approved an extension to the Contract of Work timeframe within which the company is obligated to complete its exploration, feasibility and project development activities.

Discussions continued with the Indonesian government on the resolution of issues related to the current ban on open pit mining in areas of forest reserve. PT Weda Bay Nickel is one of several companies that have been afforded priority consideration by the government.

Expenditure by the company during the period totaled approximately USD120,000.

PT GALUH CEMPAKA (Antam 20%)
Cempaka diamond project operator, BM Diamondcorp Inc. of Toronto ("BDI") and its wholly-owned subsidiary Ashton-MMC Pte Limited ("AMMC") announced during the quarter that they had reached agreement with Ocean Resources Capital Holdings Limited ("Ocean") of the UK to provide £1,750,000 in unsecured convertible loan notes to finance the commencement of production by PT Galuh Cempaka at the Cempaka diamond project in South Kalimantan, Indonesia.

The financing comprises the issuance to Ocean of £1,750,000 of (12%) Convertible Unsecured AMMC Loan Notes (2005). The face value of the notes equates to approximately USD2,885,000 or CAD4,370,000 and carry interest at an annual rate of 12% per cent per annum.

The note issue has been arranged to allow PT Galuh Cempaka to commence diamond production at Cempaka during 2003. Production is planned to commence at a rate of 47,000 carats per annum with associated credits of gold and platinum.

The Cempaka feasibility study forecasts average project cash flows of US$2.44 million per annum during the first five years of production based on average diamond prices of US$175 per carat and a gold price of US$310 per ounce. During 2002, PT Galuh Cempaka sold 4447.03 carats of Cempaka diamonds recovered during trial mining at an average sale price of US$182.39 per carat.

PT SORIKMAS MINING (Antam 25%)
Under the terms of the Option to Purchase Shares Agreement dated 13 January 2003, Excelsior resources Limited (a wholly owned subsidiary of Oropa Limited) commenced sole funding of the Pungkut Project during February 2003.

However, the Pungkut Contract of Work has remained suspended whilst Excelsior/Oropa continued to assess the Sihayo gold prospect during a ‘due-diligence’ period that ends on 31 May 2003 (unless extended).

Activities included a site visit by Oropa’s chief geologist, selection of initial drill targets at the Sihayo 1 South (Sambung) and Sihayo 2 prospects, maintenance of the field camp and clearing of access tracks within the Sihayo grid area.

Expenditure by PT Sorikmas Mining for the March Quarter 2003 was USD32,864.

PT NUSA HALMAHERA MINERALS (Antam 17.5%)
During 1Q03, Gosowong production was 9,910oz at a cash cost of AUD576 per oz and a total cost of AUD588 per oz. Toguraci permitting negotiations were ongoing.

Drilling activities at the Kencana prospect, 1 km south of the original Gosowong mine has resulted in the discovery of a significant zone of mineralisation. The mineralization lies in the mining production area of the Gosowong leasehold. The mineralisation at Kencana, is to the south-southeast of Gosowong mine. The mineralization has been defined by 9 holes and is contained in an envelope approximately 250 metres long, 100 metres down-dip and a thickness ranging from 3 to 20 metres. The mineralization is open in all directions. The trend of the mineralisation is west-northwest and oblique to the northerly orientation of the Gosowong and Toguraci mineralisation.

Drilling results are as follows:

Hole No.	Interval (metres down hole)	Gold grades (gpt)
DSD 5	10.55	20
DSD 7	23.45	110
DSD 9	13.5	29
DSD 10	3.5	105
DSD 11	10.4	34
DSD 12	28.4	7.4
DSD 13	8.9	31
DSD 14R	13.8	14
DSD 15	10.4	130
DSD 16	7.8	6.6
DSD 17	1.45	10
DSD 18 & 19	No significant result	No significant result
DSD 20	3.5	41

Hole 22-25 on the Kencana long section are in progress to further test the extremities of the mineralisation. As Newcrest reported last quarter, hole DSD5 also intersected the Gosowong structure, which returned 0.54/t Au over a downhole interval of 15.1m, in quartz vein breccia. Additional drilling is planned.

PT DAIRI PRIMA (Antam20%)
Prefeasibility Study activities continued throughout the quarter and will not now be completed until early May. The aim of the overall study is to demonstrate the viability of developing an underground mine and flotation concentrator based on the Anjing Hitam massive sulphide deposit in the Sopokomil Project Area.

Resource Estimation
Following completion of the recent drilling phase at end December, 2002, re-assessment of mineral resources was carried out using the better definition of the edges of the mineral horizons. In addition the denser drilling in sections has resulted in elevation in classification to measured for part of the Main Mineral Horizon (MMH) on which mining studies are being concentrated. The Measured and Indicated Resources total **7.1Mt @ 16.6% Zn, 10.2% Pb, 13g/t Ag with a zinc equivalent grade of 22.4%** using a 5% zinc equivalent cut off.

An initial resource assessment for the **Lae Jehe** sector, 1.5km NW of Anjing Hitam, has pointed to an inferred resource of **8.2Mt @ 7.7% Zn, 4.1% Pb, 5g/t Ag** from broadly spaced drilling. Modeling of DHEM and surface geophysics points to stronger anomalism at depth and provided viability can be demonstrated for the Anjing Hitam mine, this is likely to provide a future source of mill feed, provided viability can be demonstrated.

Other Studies
Final reports are to hand from Golder Associates on Mine Geotechnical, Site Geotechnical and Transportation Studies and from Western Metals Ltd on Metallurgical Testwork. The later suggests a primary grind of 36 micron and regrind of rougher flotation concentrates followed by conventional cleaner flotation to produce relatively high grade zinc and lead concentrates for shipment.

Mining studies are being undertaken by Snowden Mining Industry Consultants in conjunction with Frank Sibbel Associates. A cut and fill method using cemented paste tailings backfill is being planned with an extraction rate of 1Mt/year. Plant design and costing is being carried out by Ausenco Ltd with preliminary total direct capital costs for a 1 million t/year concentrator plus site power plant, tailings and roadworks estimated at AUD 58.1 million. Ausenco are also designing the paste tailings plant.

A NOTE ON NICKEL PRICING:
Sometimes you'll notice slight changes in the nickel prices of the current and previous quarter, in the corresponding quarterly reports (i.e the price of low grade nickel ore for 1Q02 as reported in the 1Q02 quarterly report is different from as reported in the 2Q02 quarterly report). This is because the latest figures reflect the prices of our nickel products as invoiced to customers in a professional invoice. Later, after the shipment arrives the cargo is re-analyzed for moisture content and nickel grade and the price may increase of decrease in the final invoice.
FOR YOUR REFERENCE:
The nickel ore price is calculated as follows:

- 1 WMT X Ni Content (2.24% to 2.28%) X MC (100-35%) X 2204.62 X LME price/lb X payable nickel (ave. 24%).
- The nickel payable is the discount to the nickel spot price as the nickel must be extracted from the ore.
- For high-grade the LME price that is used is the average price from the previous quarter.

1 ton of nickel in ferronickel is equivalent to about 75 wmt of ore.