Antam

A Solid Bright Future

***Public Expose* 2003**
Jakarta, 14 November 2003

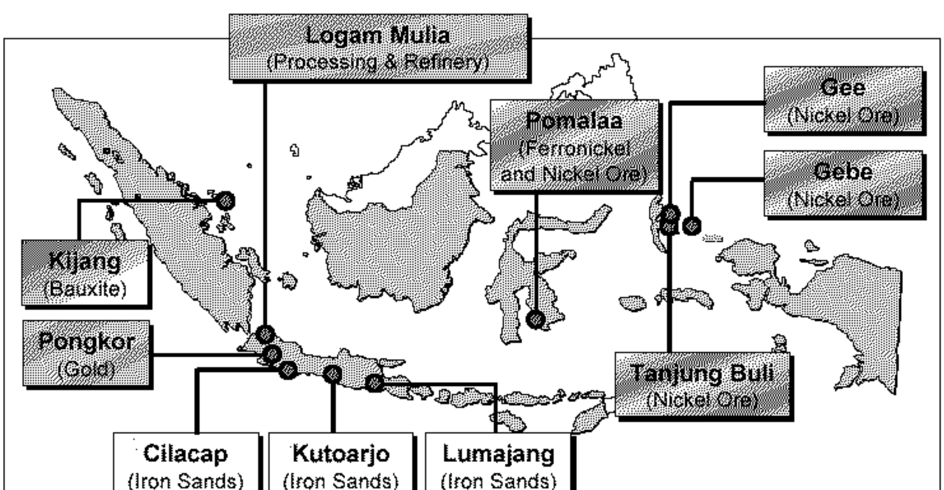
Agenda

- **Overview**
- Operation and Financial Performance
- Growth Strategy
- Shareholders' Information
- Environment, Social Responsibilities and Good Corporate Governance

Highlights Antam

- A Mining Company of International Standards
- Competitive position
  - Nickel: Competitive cost producer
  - Gold: Low cost producer
- Strong and solid financial performance
- Vast reserves and resources with 2.7 million hectares of licensed territories
- Focus on maximising shareholders' value

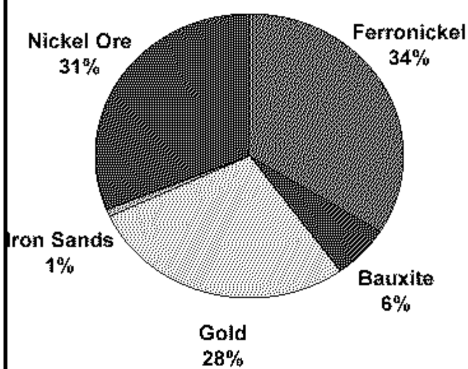
Antam = Diversified and Vertically Integrated



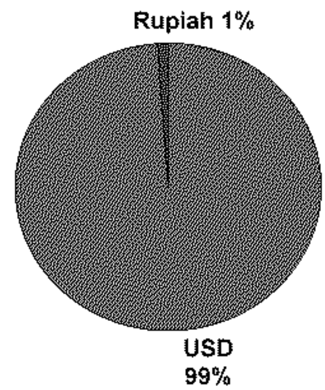
Antam's main activities are the exploring, developing, extracting, smelting, refining and marketing of minerals resources

Antam's Revenues are largely US$ denominated; Nickel and Gold > 90%

9M03 Sales Breakdown



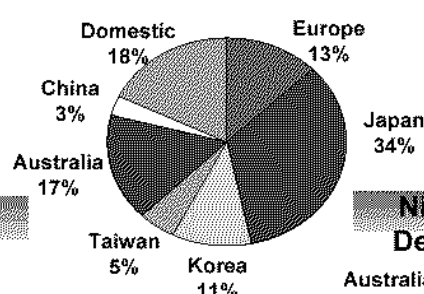
9M03 Revenue Denomination



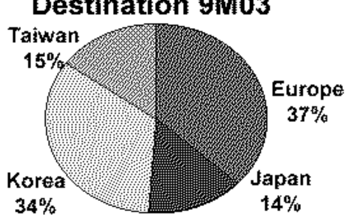
Nickel and gold are Antam's main commodities

Diversified Market; Europe, Japan, Taiwan, Korea and Australia

Sales by Destination 9M03



Ferronickel Sales Destination 9M03



Nickel Ore Sales Destination 9M03

With a diverse international customer base, Antam does not depend on a single company or country

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9M03 Profit and Loss Highlights

9M 2003 and 9M 2002 Performance

(Rp Billion)	9M02	9M03	YoY
Sales	1,133	1,427	26%
Gross Profit	271	438	62%
Operating Profit	174	320	83%
Net Profit	123	167	36%

Improved 9M03 performance is mainly attributed to increased production and higher selling prices

9M03 Balance Sheet Highlights

9M 2003 and 9M 2002 Performance

(Rp Billion)	9M02	9M03	YoY
Total Asset	2,508	2,516	0.3%
Total Liabilities	643	501	-22%
Total Equity	1,860	2,009	8%
Long-term Bank Loans	89	0	n.a.
Working capital	760	933	23%

As of September 30 2003, Antam records zero long term bank loan

9M03 Cash Flow Highlights

9M 2003 and 9M 2002 Performance

(Rp Billion)	9M02	9M03	YoY
Net Cash provided by Operating Activities	168	297	77%
Net Cash Used in Investing Activities	(105)	(103)	-2%
Net Cash Used in Financing Activities	(147)	(112)	-24%
Cash and Cash Equivalents at End of Year	646	683	6%*

**Compared to position as of December 31st 2002*

9M03 Selected Financial Ratios

9M 2003 and 9M 2002 Performance

(Rp Billion)	9M02	9M03	YoY
Return on Investment (ROI)	6.38%	10.07%	58%
Return on Equity (ROE)	6.49%	8.48%	31%
Return on Assets (ROA)	4.85%	6.69%	38%
Debt to Equity Ratio	34.55%	24.95%	-28%
Operating Margin	15.40%	22.42%	46%

Ferronickel

Highlights

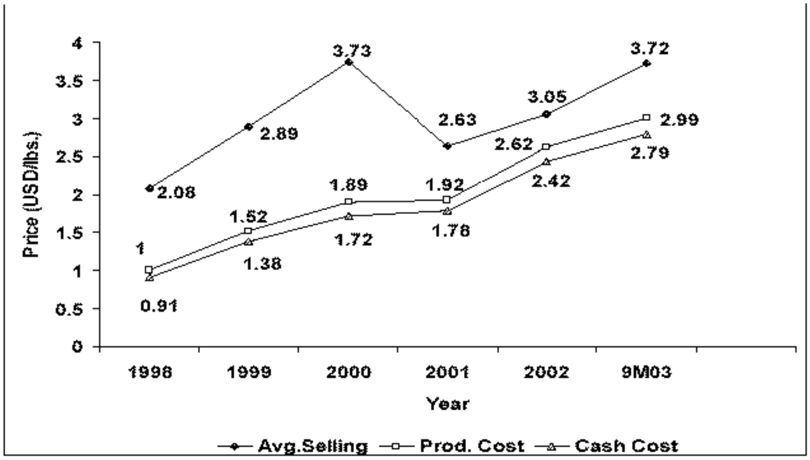
- SBU Nickel processes its nickel ore into ferronickel at Pomalaa using two smelter furnaces with a combined capacity of 11,000 tonnes Ni per year
- Long term contracts and with a diversified international customer base
- Toll smelting agreement to guarantee on time product deliveries
- *Cost Reduction Program* (CRP) to anticipate high cost environment

To ensure consistent power supply, Antam entered into contracts with GE Energy Products and GE Energy Rentals to rent and provide power supply

OPERATIONAL - PERFORMANCE

Ferronickel

Cost and Selling Price



Improved 9M03 production over 9M02 is due to increased power output and toll smelting agreement with Pamco

OPERATIONAL - PERFORMANCE

Nickel Ore

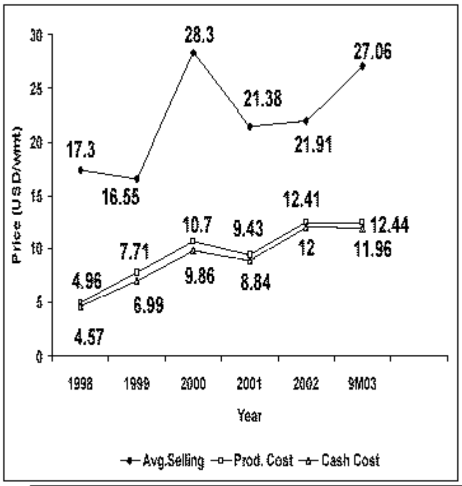
Highlights

- 3 types of lateritic nickel ores:
  - Saprolite (high grade)
  - Limonite (low grade)
  - Low Grade Saprolite Ore (LGSO)
- Operates 4 nickel mines: Pomalaa, Gebe, Gee and Buli
- High grade nickel ore is exported to Japan; LGSO and low grade nickel ore are exported to Australia

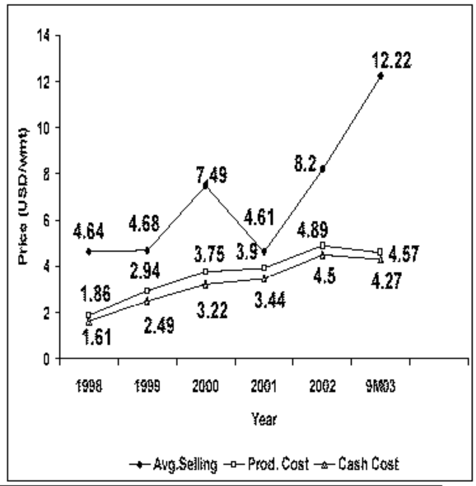
Antam currently prepares to open Mornopo nickel mine to replace the 26 years old Gebe nickel mine

Nickel Ore – Cost and Selling Price

High Grade Nickel Ore



Low Grade Nickel Ore



9M03 nickel ore production is relatively stable over 9M02 production

Gold

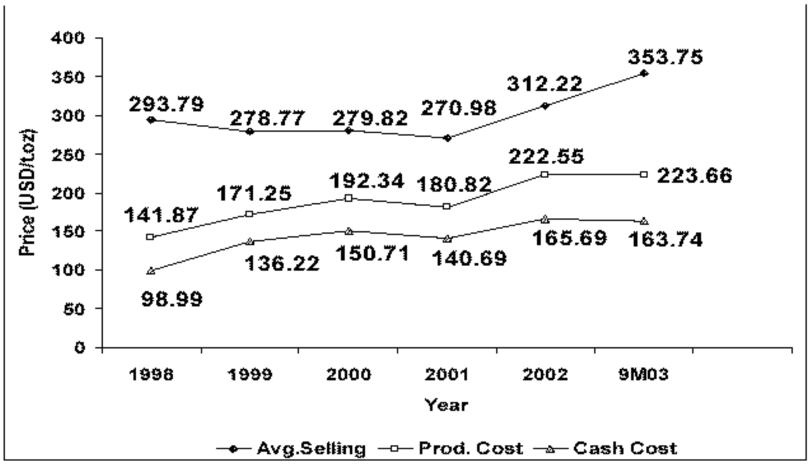
Highlights

- The only underground gold mine in Indonesia
- Pongkor's plant has a capacity of 5 tonnes per year
- Supported by SBU Logam Mulia to refine to gold and silver as a by-product; SBU Logam Mulia is the only Indonesian refinery service capable of producing 99.99% fine gold
- Gold products are LBMA accredited
- Pongkor gold mine is accredited with ISO9002 Quality Management and ISO14001 Enviromental Management

OPERATIONAL - PERFORMANCE

Gold

Cost and Selling Price



9M03 gold production improved over 9M02 on higher gold grades

OPERATIONAL - PERFORMANCE

Bauxite

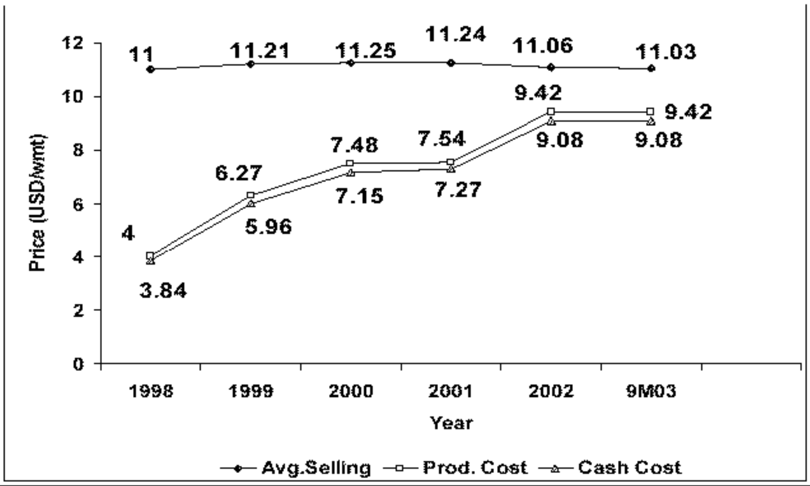
Highlights

- **Washed bauxite ores are exported to Japan and China**
- **Antam intends to develop bauxite resources at Tayan, West Kalimantan to replace Kijang**
- **The Tayan project involves the exploitation of bauxite and production of Chemical Grade Alumina**

Antam intends to increase its non core commodities-based revenue with the development of Tayan bauxite resources

Bauxite

Cost and Selling Price



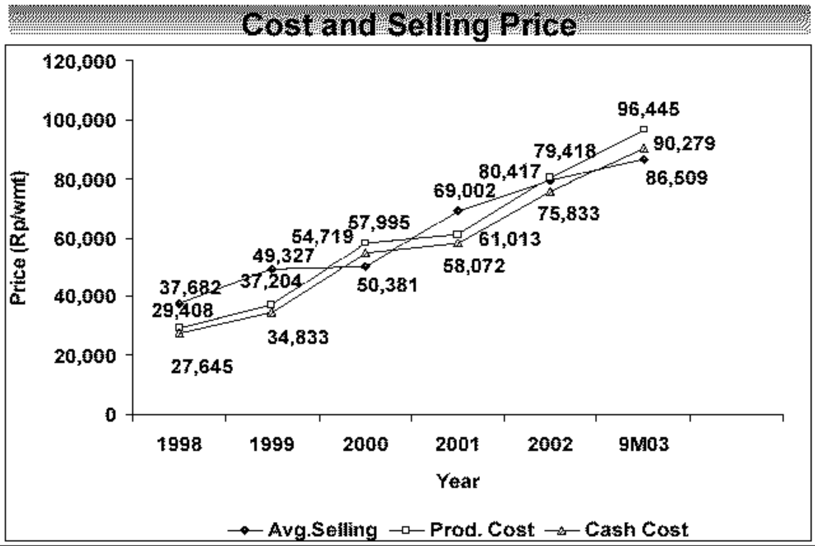
9M03 bauxite production decreased in line with plans to close the Kijang bauxite mine

Iron Sands

Highlights

- Since 1971, Antam has produced virtually all of Indonesia's domestic iron sands
- Antam operates three iron sands mine: Cilacap, Kutoarjo dan Lumajang
- Iron sands are sold domestically under renewable annual contracts
- Antam currently prepares mine closure program for Cilacap which has been operational since 1971
- Sales of irons sands is relatively small on low market demand

Iron Sands



9M03 iron sands production decreased in line with lower sales

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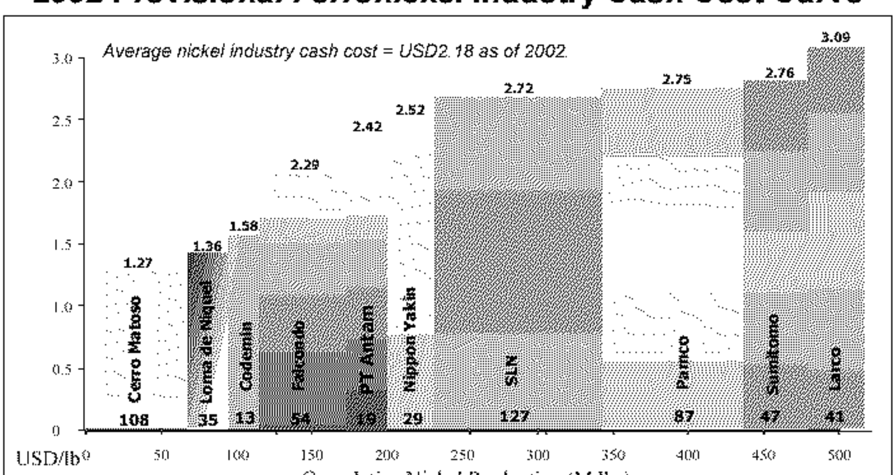
Strategy Forward

1. To operate in the most efficient manner through cost reduction measures
2. Sustainable growth through expansion projects, strategic alliances and increasing quality reserves

Competitive Position - Ferronickel

2002 Provisional Ferronickel Industry Cash Cost Curve



Antam intends to retain its position as one of the lowest cost producers in the world

Low Cost Position - Gold

2002 Cash Cost of Top 5 World's Biggest Gold Producer

Antam	**163.74**
Newmont	**178**
Anglogold	**161**
Barrick	**177**
Gold Fields	**178**
Harmony	**192**

Antam positions itself competitively

Source: Gold Fields Mineral Services, August 2003, in USD per tr.oz

Cost Reduction Program, CRP

- **Reduction on operational costs**
- **More efficient fuel and energy use**
- **Reduction on power consumption**
- **Incorporating technology to increase the efficiency of electricity usage**
- **Porcuring locally made spare parts**

Antam implements CRP to anticipate high cost environment

CRP Programs – 9M03 Highlights

CRP Programs*

SBU	2002	9M03
SBU Nickel	11.7	21.1
SBU Gold	4.2	4.1
SBU Logam Mulia	0.9	0.3
SBU Bauxite	0.8	1.6
Iron Sands Mining Unit	0.8	0.7
Unit Geomin	-	3.6

**In Billion Rupiah*

Strategy Forward

1. To operate in the most efficient manner through cost reduction measures

2. Sustainable growth through expansion projects, strategic alliances and increasing quality reserves

Expansion Project: FeNi III

- Key project for Antam's growth and sustainability
- Increased production scale and efficiency through economics of scale
- The project will more than double Antam's annual contained nickel capacity from 11,000 tonnes Ni per year to 26,000 tonnes Ni per year
- Secured marketing through long term off take agreement
- Investment to include development of the new smelter and power plant
- EPC contract of the smelter has been signed with an unincorporated consortium of Mitsui Co. Ltd. and Kawasaki Heavy Industries

FeNi III project will cost around USD330 million

FeNi III Project – Latest Development

- Financing strategy:
  - Notes issue of USD200 million by Mauritius-based subsidiary, Antam Finance Ltd.
  - BCA loan of USD60 million
  - Internal cash of USD60-70 million
- Effective date of contract for smelter construction began on October 3 2003
- Commercial operation is expected to start in 1st quarter of 2006

- Notes details:
  - Coupon rate of 7.375% and Yield of 7.875%
  - 7 years duration
  - Redemption option after Year-4 or 2007
  - Solid notes rating:
    - S&P: B
    - Moody's: B3

- BCA loan details:
  - Interest rate of 7.13% fixed on Year-1 and Year-2
  - Interest rate at 1% below Annual Prime Lending Rate on Year-3 until Year-7
  - 7 years tenor

"Capacity expansion will materially improve Antam's cost profile" - S&P

Expansion Project: Bauxite Tayan

- Involves the exploitation of bauxite and production of Chemical Grade Alumina (CGA)
- Production is planned at 850,000 wmt of washed bauxite per year resulting in production of 300,000 tons of chemical grade alumina per tahun
- Construction is expected to take approximately 33 months
- Bankable feasibility study is expected to be competed at the end of 2003
- Preliminary estimate of project costs is approximately USD200 million

Joint Venture and Strategic Alliances

- A cost effective and beneficial means of exploring and developing its 2.7 million hectares of properties
- Party to 9 active JVs
- Normally, Antam will transfer the rights to develop and explore a property to a JV in exchange for a "free" and loan carried interest in the project
- Many of Antam's JVs are on care and maintenance or performed limited activities

Few of Antam's projects such as Gag and Weda Bay were expected to receive waiver from the government with regards to land status

East Pomalaa Cooperative Resources Agreement with PT Inco Tbk.

- Cooperation Resources Agreement (CRA) to develop nickel deposits in East Pomalaa with PT Inco Tbk.
- Cooperation area of 3,000 Ha.
- Production is expected to be used as ore feed for the new FeNi III smelter
- Production is planned to reach 1,000,000 wmt per year
- Nickel deposits potential is estimated at 8,000,000 wmt

The development of East Pomalaa nickel deposits as ore feed source for Antam's smelters will benefit Antam in terms of lower transportation costs

Exploration – Key to the Future

Geomin Unit

- Unit Geomin handles all of Antam's greenfield and brownfield exploration activities and associated assay laboratory work
- Geomin's laboratory is ISO accredited
- Exploration budget can reach up to 5% of previous year's export revenues
- Discovery of the Pongkor Gold Mine
- Resources and reserves are classified based on JORC Code

Resources and Reserves

	2001 Total (' 000 wmt)	2002 Total (' 000 wmt)	YoY
High Grade Nickel Ore	62,790	64,260	2.34%
Low Grade Nickel Ore	78,520	76,510	-2.55%
Gold	5,624	6,628	17.8%
Bauxite	103,205	109,701	6.3%

Unit Geomin focuses its exploration activities on lateritic nickel and gold

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Analysts' Recommendation

As of November 10 2003*		
GK Goh	Trading Buy	3 November
CLSA	Buy	6 October
Danareksa	Hold	25 September
Trimegah Securities	Long-term Buy	25 September
Kim Eng Ong	Buy	11 September
GK Goh	Trading Buy	2 September
Samuel Sekuritas	Accumulate	2 September

**Source: Bloomberg, since September 2003*

Shareholders' Composition

- Antam's largest shareholder aside from the Government is Oppenheimer Developing Market Funds USA with a 4.97% interest
- The top 5 countries of origin for Antam's foreign shareholders in terms of shares held:
  - USA
  - UK
  - Luxembourg
  - Switzerland
  - France

Majority of Antam's shareholders are foreign institution

**As of 31 October 2003*

Use of IPO Funds

As of 30 September 2003

DESCRIPTION	Total Funds	Percentage	Realised*
FeNi III Project	406.152	73%	57.123
Construction of Pomalaa Power Plant	50.074	9%	-
Repair and Modernisation FeNi I	44.510	8%	127.998
BDN Loan Repayment	29.243	+/-5%	29.243
Business Development Logam Mulia	26.394	+/-5%	17.486

**In Billion Rp*

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Environment and Social Responsibilities

- **In 9M03 Antam distributed funds of Rp2.9 billion to small-scale enterprises and cooperatives in the forms of working capital assistance and grants**
- **In 9M03, Antam rehabilitated 112.90 ha of former mine sites through landscaping and revegetation**
- **Mine waste processing utilising Inco Process at Pongkor**
- **Antam spent Rp4.3 billion for environmental management and monitoring in 9M03**

Illegal Mining

Antam's proactive community development has drastically reduced illegal mining activities around the Pongkor gold mine

- **The number of illegal miners is currently estimated at below 100 people**
- **Programs to reduce illegal mining is executed through all encompassing approach**
- **Better community development initiatives, improved law enforcement and community support has largely eliminated the problem of illegal mining**

Current illegal mining actitivy is relatively small and has no significant impact on Antam's operation

Good Corporate Governance at Antam

- **Antam is committed to operating ethically and transparently and in a way that is accountable, especially to its shareholders, but also to other key stakeholders**
- **Operating transparently helps to build the credibility of the company, which has the long term benefit of lowering the cost of capital**
- **Establishment of board committees to examine various issues and make recommendations to the Board of Commissioners:**
  - Corporate Governance Committee
  - Risk Management Committee
  - Nomination, Remuneration and HR Development Committee
  - Audit Committee
  - Mine Closure Committee
- **Creation of Corporate Policy Manual, Code of Ethics, Committees Charters, Audit Committee Charter and Internal Audit Charter**
- **GCG Socialization to SBUs**

Antam – A Solid Bright Future

- Vast, high quality reserves and resources
- More than 35 years experience in the mining industry
- USD-based revenue
- Strong and solid financial and operational performance
- Competitive cost producer
- Focus on maximising shareholders' value
- Responsible social and environmental management
- Adherence to international standards of disclosure, transparency and good corporate governance

Recognitions and Accolades

- One of World's Best Companies with Under USD1 billion Asset, Forbes magazine, 2002 & 2003
- Best Annual Report Award, 2002 & 2003
- Best BUMN Award in Good Corporate Governance Implementation, 2002 & 2003
- Asia's Best Companies 2003 survey in March 2003, Finance Asia magazine:
  - Best Investor Relations
  - Most Committed in Creating Shareholders' Value
- Working Capital Survey 2002 on 830 Companies from 11 Asian Countries, CFO Magazine, November 2002 :
  - Antam tops the "Other Metals" category
  - Antam ranks 23rd Overall

Antam

A Solid Bright Future

Thank You

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