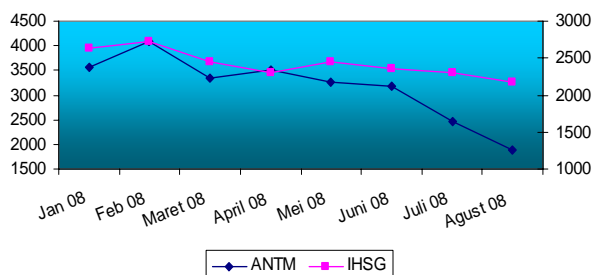
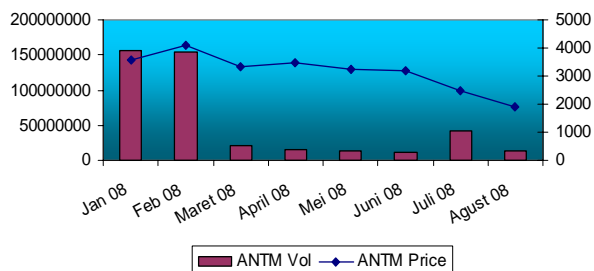


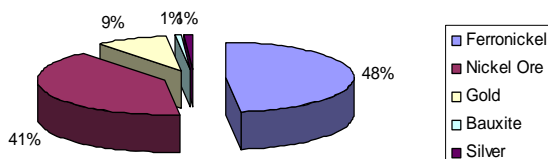
ANTM Price Vs IHSG



ANTM Price Vs Volume



ANTM Diverse Product Mix



Stock Overview :

| | |
|--------------------------|----------------------------|
| Current Price (16/09/08) | Rp. 1.050,- |
| Price Target | Rp. 1.945,- |
| Issued Share (Million) | 9.538 |
| Market Cap (Billion) | 10.015 |
| 52wk Range | Rp. 1.170,- Rp. 5.300,- |
| Major Stockholder | |
| - Government | 65% |
| - Public | 35% |

Analyst:
Parningotan Julio N.H
Adler Haymans Manurung

- Aneka Tambang Tbk (ANTM) is an Indonesian state owned, vertically integrated, mining and metals company. Its product are: ferronickel, nickel ore, gold, bauxite, and silver, with ferronickel and nickel ore as its main product.
- In 2007 ANTM experienced a high increasing profit condition which was caused by: substantial increase in its output of nickel contained in ferronickel, almost doubling in its nickel ore exports, and more over because of the record breaking in nickel prices.
- Even though ANTM experienced an amazing profit in 2007, it seems that ANTM won't be able to be repeat its high profit as in 2008. The declining trend of nickel price will reduce ANTM's profit in 2008. On the 1st semester 2008 ANTM's average nickel selling price is only about US\$ 12,38/lb declining around 31% from last year period.
- To overcome this nickel declining prices in order not to reduce ANTM's performance in 2008, ANTM intended to increase it's ferronickel selling target from 17.000 ton/year to 18.000 ton/year. But to meet this target ANTM need to work harder, because in the 1st semester 2008 ANTM can only sell ferronickel as much as 8.570 ton.
- We are using the Discounted Cash Flow Model (DCF) for valuating ANTM, and taking a couple of assumptions to be able to valuate ANTM. We calculated that ANTM has WACC rate around 28.13% and assumed ANTM forever growth rate is 6%.
- After calculating ANTM value with DCF model, we estimated that ANTM fair value up until the end of 2009 would be around Rp.1.945,-/share. With ANTM fair value calculation around Rp.1.050,-/share, it seems that ANTM current price (Rp.1.050) is under valued. This undervalued price of ANTM might be caused by the bearish trend of Indonesian market recently.

DISCLAIMER

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FORECASTS AND VALUATION

INCOME STATEMENT

| (Million Rupiah's) | 2005 | 2006 | 2007 | 2008 F | 2009 F |
|--|--------------------|----------------------|----------------------|----------------------|----------------------|
| Sales | 3,287,268,833 | 5,629,401,438 | 12,008,202,498 | 11,140,188,856 | 12,095,997,468 |
| Cost of Good Sold | (1,827,140,772) | (2,887,935,682) | (4,794,958,334) | (6,386,477,712) | (6,168,958,709) |
| Gross Profit | 1,460,128,061 | 2,741,465,756 | 7,213,244,164 | 4,753,711,144 | 5,927,038,759 |
| Operating Expenses | (324,324,172) | (337,772,143) | (417,152,629) | (777,547,950) | (464,199,224) |
| Income From Operations | 1,135,803,889 | 2,403,693,613 | 6,796,091,535 | 3,976,163,194 | 5,462,839,536 |
| Other Income-Net | 66,874,529 | (183,849,896) | 505,557,104 | 159,739,246 | 172,857,385 |
| Income Before Income Tax | 1,202,678,418 | 2,219,843,717 | 7,301,648,639 | 4,135,902,440 | 5,635,696,921 |
| Income Tax Expense-(Net) | 360,741,438 | 667,111,070 | 2,169,528,312 | 1,206,078,412 | 1,347,572,598 |
| Minority Interest in net income of Consolidated Subsidiary | (1,019) | (340) | 134,777 | 639,504 | 193,231 |
| Net Income | 841,935,961 | 1,552,732,307 | 5,132,460,443 | 2,930,463,536 | 2,614,346,727 |

Source: calculated by PT.FBI

BALANCE SHEET

| (Million Rupiah's) | 2005 | 2006 | 2007 | 2008 F | 2009 F |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|
| AKTIVA | | | | | |
| Current Assets | 2,087,511,802 | 3,317,602,798 | 8,048,099,750 | 1,326,998,281 | 4,904,314,818 |
| Non Current Assets | 4,315,202,326 | 3,974,539,449 | 3,989,817,172 | 4,082,209,482 | 4,085,612,571 |
| Total Assets | 6,402,714,128 | 7,292,142,247 | 12,037,916,922 | 5,409,207,763 | 8,989,927,390 |
| LIABILITY AND STOCKHOLDERS EQUITY | | | | | |
| Total Current Liabilities | 779,405,791 | 1,179,515,758 | 1,798,816,747 | 1,260,773,962 | 1,417,132,754 |
| Total Non-Current Liabilities | 2,593,662,838 | 1,831,021,079 | 1,474,300,753 | 1,415,699,682 | 1,437,534,543 |
| Total Liabilities | 3,373,068,629 | 3,010,536,837 | 3,273,117,500 | 2,676,473,644 | 2,854,667,297 |
| Minority interest in net asset of Consolidated Subsidiary | 2,595 | 2,935 | 1,220,484 | 1,220,484 | 1,220,484 |
| Total Sctockholder Equity | 3,029,642,904 | 4,281,602,475 | 8,763,578,938 | 5,358,274,772 | 6,134,039,609 |
| Total Liabilities and Stockholder Equity | 6,402,714,128 | 7,292,142,247 | 12,037,916,922 | 8,035,968,901 | 8,989,927,390 |

Source: calculated by PT.FBI

Main Ratio

| (Million Rupiah's) | 2005 | 2006 | 2007 | 2008 F | 2009 F |
|--------------------|---------------|---------------|----------------|----------------|----------------|
| Sales | 3,287,268,833 | 5,629,401,438 | 12,008,202,498 | 11,140,188,856 | 12,095,997,468 |
| Net Income | 841,935,961 | 1,552,732,307 | 5,132,460,443 | 2,930,463,536 | 2,614,346,727 |
| NI/Shares | 88 | 163 | 538 | 307 | 274 |
| ROA(%) | 13.15% | 21.29% | 42.64% | 54.18% | 29.08% |
| ROE(%) | 27.79% | 36.27% | 58.57% | 54.69% | 42.62% |
| PER | 8.1 | 9.8 | 8.3 | 3.4 | 3.8 |

Source: calculated by PT.FBI

