

PRESS RELEASE

**PT INTERNATIONAL NICKEL INDONESIA TBK
REPORTS FOURTH QUARTER 2010 EARNINGS
OF US\$108.9 MILLION**



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JAKARTA, February 25, 2011 --- PT International Nickel Indonesia Tbk (“PTI”, or the “Company”, IDX: INCO) announces unaudited result for 4Q10.

PTI recorded net earnings of US\$108.9 million (US\$0.011 per share) in 4Q10, in line with 3Q10 result of US\$109.7 million (US\$0.011 per share).

Sales revenue was US\$329.2 million for the three months ended on December 31, 2010, slight increase from US\$327.9 million in 3Q10. In 4Q10, the average realized price for nickel matte was US\$18,011 per metric ton, an increase of 13.8% compared to US\$15,822 per metric ton during 3Q10. However, the nickel matte deliveries in 4Q10 were 18,280 metric tons compared to 20,725 metric tons in 3Q10, a decrease of 11.8%.

Production of nickel in matte in 4Q10 was 17,996 metric tons compared to 19,998 metric tons in 3Q10, a decrease of 10.0% mainly because of production impacts due to scheduled furnace#4 roof repair to improve its life time and partial reline of reduction kiln #3 and #4 but partially offset by higher nickel contained in the calcine.

The Company’s total cost of goods sold in 4Q10 decreased to US\$166.8 million from US\$172.5 million in 3Q10, primarily due to an 11.8% decrease in deliveries of nickel matte. The 4Q10 cost of goods sold per metric ton increased by 10% largely due to higher supplies and service and contract commitments related with the furnace#4 roof repair and partial reline of reduction kiln#3 and #4. PTI consumed 21,127 kilolitres of diesel fuel at an average cost of US\$0.68 per litre in 4Q10 compared to 16,339 kilolitres at an average cost of US\$0.62 per litre in 3Q10. In addition, the Company used 675,618 barrels of HSFO at an average cost of US\$74.7 per barrel compared to 700,094 barrels at an average cost of US\$73.6 per barrel in 3Q10. PTI continues to utilize hydro power generators, given sufficient water levels in its main catchment area.

PT INCO

The Karebbe hydroelectric power generating plant project is continuing as planned. Overall, the project was 78.10% completed at the end of 4Q10 and is expected to come on line in the second half of 2011 as per schedule. This third hydro generating facility will produce enough energy to displace all existing thermal power to feed electric furnaces at the Sorowako facility and is the main initiative in PTI's energy cost reduction program

The Company recorded total net earnings of US\$437.4 million (US\$0.044 per share) in 2010, an increase of 156.7% from last year net earnings of \$170.4 million (US\$0.017 per share). Total nickel matte delivered in 2010 was 77,035 metric tons, 13.7% higher than 67,782 metric tons nickel matte delivered in 2009. The average realized price was US\$16,568 per metric ton, 47.6% higher than average realized price of US\$11,227 per metric ton in 2009. Cost of goods sold was US\$8,467 per metric ton, an increase of 11.2% compared to US\$7,614 per metric ton in 2009 mainly because of the higher cost of diesel and HSFO. EBITDA in 2010 totalled US\$677.6 million, 107% higher than US\$327.8 million in 2009.

The Company's results are summarized below (unaudited) – all figures are in US\$ except for nickel in matte production and deliveries which are in metric tons.

	Fourth Quarter 2010	Third Quarter 2010	Full Year 2010	Full Year 2009 ^{*)}
Nickel in matte production:	17,996	19,998	75,989	67,329
Nickel matte deliveries:	18,280	20,725	77,035	67,782
Average realized price per metric ton	18,011	15,822	16,568	11,227
EBITDA – million	170.1	171.0	677.6	327.8
Net sales – million	329.2	327.9	1,276.3	761.0
Net earnings – million	108.9	109.7	437.4	170.4
Net earnings per share	0.011	0.011	0.044	0.017

^{*)} Audited



UNAUDITED CONDENSED FINANCIAL STATEMENTS ARE ATTACHED

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**PT INTERNATIONAL NICKEL INDONESIA Tbk
CONDENSED STATEMENTS OF EARNINGS**

(Unaudited)

(US\$ in Thousands except Net Earnings Per Share Amount)

	Fourth Quarter 2010	Third Quarter 2010	Full Year 2010	Full Year 2009^{*)}
Sales	329,235	327,903	1,276,323	760,952
Cost of Goods Sold	(166,827)	(172,547)	(652,245)	(516,059)
Gross Profit	162,408	155,356	624,078	244,893
Selling, General and Administration Expenses	(8,233)	(6,756)	(27,704)	(13,018)
Operating Profit	154,175	148,600	596,374	231,875
Interest Expense	-	-	(4)	(190)
Other (Expense)/Income, net	(8,584)	(1,284)	(15,027)	5,019
	(8,584)	(1,284)	(15,031)	4,829
Earnings Before Income Taxes	145,591	147,316	581,343	236,704
Income Taxes	(36,718)	(37,624)	(143,980)	(66,287)
Net Earnings	108,873	109,692	437,363	170,417
Basic Net Earnings Per Share	0.011	0.011	0.044	0.017

^{*)} Audited



PT INTERNATIONAL NICKEL INDONESIA Tbk

CONDENSED BALANCE SHEETS

(US\$ in Thousands)

	December 31, 2010 (Unaudited)	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
<u>ASSETS</u>			
Cash and Cash Equivalents	404,129	502,727	261,050
Trade Receivables – Related Parties	124,061	150,041	97,752
Other Receivables	10,893	11,022	8,310
Taxes Receivable	63,858	62,189	132,695
Inventories, net	101,986	88,558	117,649
Prepaid Expenses and Advances	6,768	10,547	11,780
Total Current Assets	711,695	825,084	629,236
Restricted Cash	1,211	303	-
Property, Plant and Equipment, net	1,464,508	1,427,535	1,379,103
Other Assets	12,821	12,549	19,217
Total Assets	2,190,235	2,265,471	2,027,556
<u>LIABILITIES AND EQUITY</u>			
Trade Payables – Related Parties	8,556	7,967	4,307
– Third Parties	32,864	14,741	28,597
Accrued Expenses	43,069	31,258	29,969
Taxes Payable	49,416	64,359	8,712
Current Maturities of Long-Term Liability:			
Finance Leases	-	-	1,708
Dividends Payable	828	199,593	1,229
Other Current Liabilities	23,364	13,087	12,440
Total Current Liabilities	158,097	331,005	86,962
Deferred Income Tax Liabilities, net	171,931	176,287	182,762
Long-Term Liability:			
Borrowings	140,561	140,299	139,556
Employee Benefits Liability	3,235	3,091	2,452
Asset Retirement Obligation	36,571	36,058	34,518
Other Non-Current Liabilities	-	7,764	-
Total Liabilities	510,395	694,504	446,250
Equity	1,679,840	1,570,967	1,581,306
Total Liabilities and Equity	2,190,235	2,265,471	2,027,556



**PT INTERNATIONAL NICKEL INDONESIA Tbk
CONDENSED STATEMENTS OF CASH FLOWS**

**(Unaudited)
(US\$ in Thousands)**

	Fourth Quarter 2010	Third Quarter 2010	Full Year 2010	2009^{*)}
Cash Flows from Operating Activities				
Receipts from Customers	355,215	297,224	1,250,014	726,766
Payments to Suppliers	(187,162)	(127,746)	(528,561)	(379,956)
Payments of Corporate Income Tax	(55,565)	(19,325)	(110,265)	(62,571)
Payments to Employees	(18,852)	(19,089)	(76,660)	(67,386)
Payments of Employee Benefits				
Contributions	(397)	(651)	(2,671)	(3,118)
Other Receipts	69,505	261	136,363	27,002
Other Payments	(10,480)	(6,769)	(27,376)	(34,284)
Net Cash Flows Provided by Operating Activities	153,058	123,905	640,844	206,453
Cash Flows from Investing Activities				
Payments for Property, Plant and Equipment	(52,213)	(35,664)	(153,108)	(137,927)
Net Cash Flows Used for Investing Activities	(52,213)	(35,664)	(153,108)	(137,927)
Cash Flows from Financing Activities				
Long Term Loan	-	-	-	150,000
Payments of Dividends	(198,727)	-	(338,829)	(106,912)
Payments of Finance Charges	(716)	(2,977)	(4,106)	(10,444)
Payments of Finance Leases	-	(13)	(1,708)	(6,017)
Payments of Interest	-	-	(14)	(210)
Net Cash Flows Used for Financing Activities	(199,443)	(2,990)	(344,657)	26,417
Net (Decrease)/Increase in Cash and Cash Equivalents	(98,598)	85,251	143,079	94,943
Cash and Cash Equivalents at the Beginning of the Period	502,727	417,476	261,050	166,107
Cash and Cash Equivalents at the End of the Period	404,129	502,727	404,129	261,050

^{*)} Audited