



# PT United Tractors Tbk

Investor Bulletin, First Quarter 2007

## Rebound of Heavy Equipment Market

### Y.o.Y domestic HE market was up 53%

Following its upsurge in 2006, Indonesia's heavy equipment market, particularly in non-mining sectors (agro, forestry and construction), continues its growth with vigor, indicated by 53% increase in total domestic equipment sales until March 2007. However, demand from mining sector was still lagged and lower by 8% when compared to the first quarter last year. Nevertheless, the market's overall positive mood during this quarter was reflected on the Company's 46% increase in Komatsu sales volume.

However, on mining contracting side, the Company endured some glitch in production due to a number of on-site accidents that forced the operation to stop several time. Attempt to pursue the target was further hampered by heavy rainfall during January and February. As a result, overburden removal work until March 2007 was much lower than last year.

### Consolidated revenue was Rp 3.73 trillion

As of the first three months of the year, the Company recorded a consolidated net revenue of Rp 3.73 trillion, or 7.6% higher than last year's revenue of Rp 3.46 trillion. Contribution from the Construction Machinery (CM) business unit was up from 48% to 51%, owing to higher volume in heavy equipment sales, while contribution from the Mining Contracting (MC) business unit was down from 52% to 49%.

### Consolidated net profit was Rp 248 billion

Consolidated gross profit was increased 8.3% from Rp 601 billion to Rp 651 billion. However, due to 27% increased in operating expense, the operating profit was only up by 4% from Rp 425 billion to Rp 442 billion. Furthermore, weakened Rupiah in March 2007 brought about higher interest expense and foreign exchange loss as compared to the foreign exchange gain the Company enjoyed last year. As a result, consolidated net profit on this first quarter was down 36.1% from Rp 388 billion to Rp 248 billion. Below is the highlights of the three-month results.

In bio Rp	3M 2007	3M 2006	% Increase
Sales	3,727	3,464	7.6
Construction Machinery	1,919	1,652	16.2
Mining Contracting	1,808	1,812	(0.2)
Gross Profit	651	601	8.3
Gross Profit Margin (%)	17.5	17.3	1.2
Operating Profit	442	425	4.0
Operating Profit Margin (%)	11.9	12.3	(3.2)
EBITDA	767	661	14.0
EBITDA Margin (%)	20.6	19.1	6.2
Net Income	248	388	(36.1)
Earnings (Losses) Per Share (Rp.)	87	136	(36.0)

April 30, 2007



# CONSTRUCTION MACHINERY Performance Overview

**CM revenue was up 16% to Rp 1.92 trillion**

For this first quarter, revenue contributed by the Construction Machinery (CM) business unit, or United Tractors, was Rp 1.92 trillion, or 16% higher than last year's revenue of Rp 1.65 trillion, particularly due to 11% and 37% increase of revenue from Komatsu sales and from after-sales service.

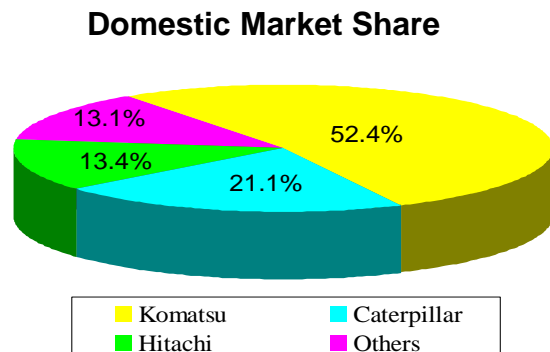
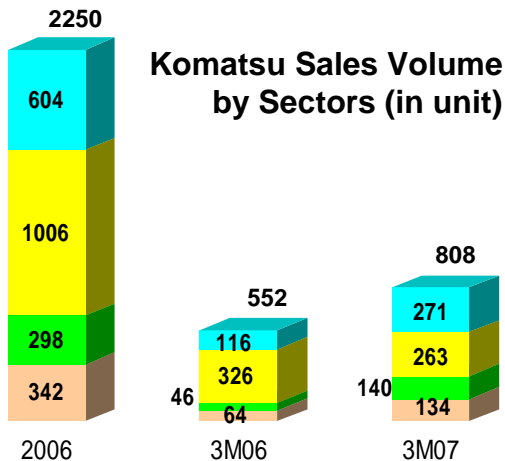
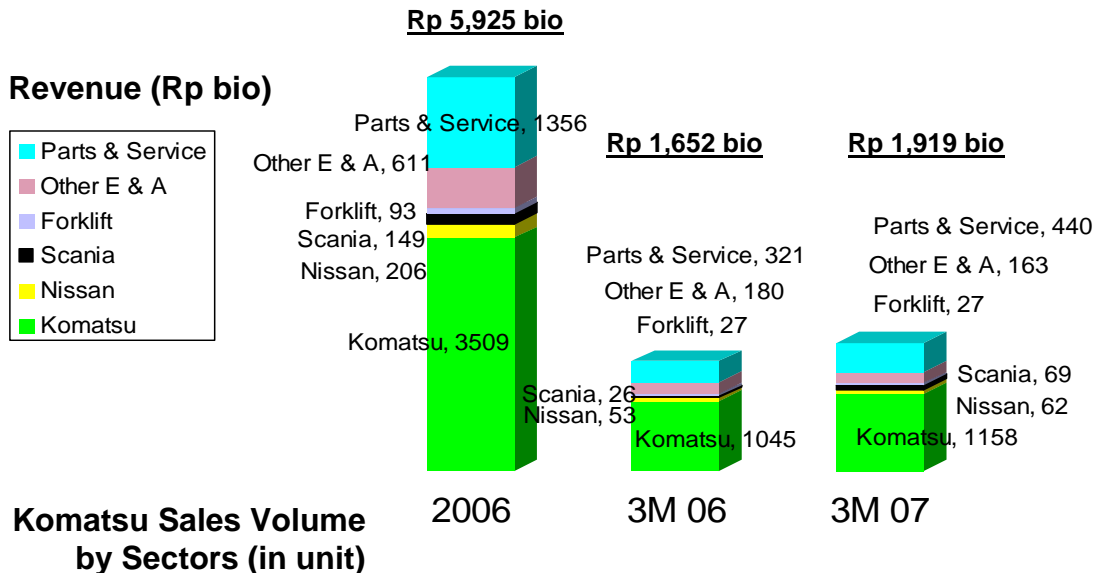
**Komatsu sales volume was 808 units, with 52% market share**

In term of volume, Komatsu sales was up 46% from 552 to 808 units. With the exception of 19% negative growth in mining sector, sales of Komatsu equipment to agro, forestry and construction sectors has doubled considerably. Overall, Komatsu domestic market share still leads at 52.4%.

Within category of complimentary products, sales of Nissan Diesel truck was slightly up from 83 to 87 units, Scania heavy-duty truck jumped from 36 to 65 units, while Komatsu forklift was slightly down from 150 to 146 units.

**Gross profit margin was 18.2% with operating margin of 11%**

Year on year, gross profit margin of the business unit was improved from 15.1% to 18.2%, driven by better margin from heavy equipment and spare parts sales, as well as stronger US dollar. Operating profit margin was also improved from 8.5% to 11%.



April 30, 2007



# MINING CONTRACTING

## Performance Overview

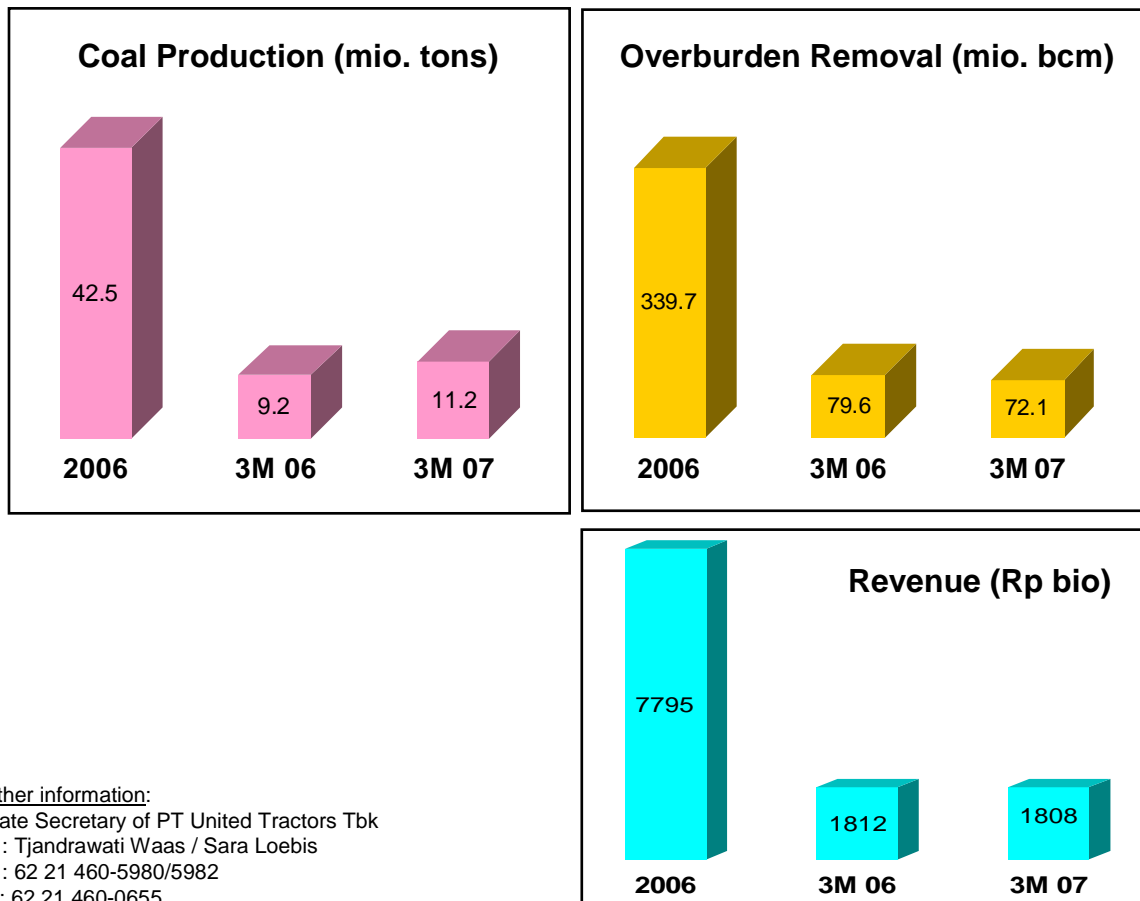
The Company's Mining Contracting (MC) business unit, conducted by Pamapersada Nusantara (Pama), went through the year's first quarter with a few setbacks in production, caused by operation incidents in Adaro, Indominco and Kaltim Prima Coal project sites, as well as unfavorable climate.

**22% increase in coal production, 9.4% decline in OB removal.**

Additional effort has been made to catch up the target, leading Pama to produce 11.2 million ton of coal, or 22% higher than the 9.2 million ton delivered last year. However, the work of overburden removal was still heavily slowed down and only managed to record 72.1 million bcm or down 9.4% from last year's overburden removal of 79.6 million bcm.

**Revenue was sustained at Rp 1.8 trillion**

Pama's revenue for this first quarter achieved Rp 1.81 trillion, including sales of about 600,000 ton of coal from the recently acquired coal concession. Gross profit margin was slightly down from 15% to 14%, because of the lower overburden removal. Increased in operating expense also pressed down the operating profit margin from 13.4% to 11%.



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April 30, 2007

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

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Rate Rp/US\$: 2007 = 9,118 and 2006 = 9,075

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2007 AND 2006 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2007	2006		2007	2006		2007	2006
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>	3,726,723	3,464,462
Cash and cash equivalents	1,074,934	706,099	Short - term loans	58,355	367,602	<b>COST OF REVENUE</b>	3,076,195	2,863,869
Trade receivables:			Trade payables			<b>GROSS PROFIT</b>	<b>650,528</b>	<b>600,593</b>
Third parties (net of allowance for doubtful accounts of Rp 505,914 in 2007 and Rp 212,662 in 2006)	2,466,594	2,567,896	Third parties	1,636,033	1,724,253	<b>OPERATING EXPENSES</b>		
Related parties	24,246	19,324	Related parties	475,927	508,594	Selling expenses	47,746	38,655
Other receivables : third parties (net of allowance for doubtful accounts of Rp 198 in 2006 and 2007)	19,859	91,713	Other payables			General and administration expenses	160,566	136,580
			Third parties	105,338	81,098	<b>Total Operating Expenses</b>	<b>208,312</b>	<b>175,235</b>
Inventories (net of allowance for inventory obsolescence of Rp 18,385 in 2007 and Rp 25,023 in 2006)	1,566,524	1,660,413	Taxes payable	130,295	125,999	<b>OPERATING INCOME</b>	<b>442,216</b>	<b>425,358</b>
Prepaid taxes	526,687	170,584	Accrued expenses	212,549	49,852	<b>OTHER INCOME (EXPENSES)</b>		
Advances and prepayments	239,231	248,259	Customer deposits	67,157	80,834	Foreign exchange loss/ gain	(29,330)	187,693
<b>Total Current Assets</b>	<b>5,918,075</b>	<b>5,464,288</b>	Deferred revenues	89,069	25,103	Interest and finance charges	(107,875)	(80,433)
			Current maturities of long-term loans:			Interest income	9,594	17,072
<b>NON-CURRENT ASSETS</b>			Bank loans	1,320,276	232,326	Gain on disposal of fixed assets	3,832	4,121
Restricted cash and time deposits	3,725	37,117	Finance leases	488,847	349,463	Other income - net	29,911	2,013
Amounts due from related parties	2,286	1,660	Related parties	1,300	800	<b>Total Other Income (Expenses)</b>	<b>(93,868)</b>	<b>130,466</b>
Loans receivables - third parties	-	286,770	<b>Total Current Liabilities</b>	<b>4,585,146</b>	<b>3,545,924</b>	<b>EQUITY IN NET INCOME OF ASSOCIATES</b>	<b>1,530</b>	<b>1,245</b>
Deferred tax assets	82,601	48,521				<b>PROFIT BEFORE INCOME TAX</b>	<b>349,878</b>	<b>557,069</b>
Long-term investments	163,444	147,003	<b>NON-CURRENT LIABILITIES</b>			<b>INCOME TAX EXPENSE</b>		
Fixed assets (net of accumulated depreciation of Rp 3,407,639 in 2007 and Rp 2,576,129 in 2005)	5,216,488	4,644,017	Trade payables - third parties	739,026	658,126	Current	(107,032)	(171,334)
Mining licenses (net of accumulated amortization of Rp 8,384)	301,149	-	Deferred tax liabilities	1,055	666	Deferred	9,451	4,091
Deferred charges	79,337	83,782	Long-term debt, net of current portion:			<b>Total Income Tax Expense</b>	<b>(97,581)</b>	<b>(167,243)</b>
Loans to officers and employees	40,977	38,253	Bank loans	805,470	1,145,056	<b>INCOME BEFORE MINORITY INTEREST</b>	<b>252,297</b>	<b>389,826</b>
Other assets	4,693	3,746	Finance leases	633,933	713,571	<b>MINORITY INTEREST</b>	(4,186)	(1,745)
<b>Total Non-Current Assets</b>	<b>5,894,700</b>	<b>5,290,869</b>	Amounts due to related parties	3,432	6,077	<b>NET INCOME BEFORE EXTRAORDINARY EXPENSE</b>	<b>248,111</b>	<b>388,081</b>
			Employee benefits obligation	128,723	135,636	<b>NET INCOME</b>	<b>248,111</b>	<b>388,081</b>
			Deferred gain from sale and leaseback transactions	18,320	24,074	<b>NET EARNINGS PER SHARE</b>	<b>87</b>	<b>136</b>
			<b>Total Non-Current Liabilities</b>	<b>2,329,959</b>	<b>2,683,206</b>			
			<b>MINORITY INTERESTS</b>	<b>50,944</b>	<b>43,953</b>			
			<b>EQUITY</b>					
			Share capital:					
			Authorized capital - 6,000,000,000 ordinary shares with a par value of Rp 250 per share, issued and fully paid - 2,851,609,100 shares	712,902	712,902			
			Additional paid-in capital	374,254	374,254			
			Exchange difference due to financial statements translation	136,460	132,811			
			Difference in the equity transactions of subsidiaries	29,635	17,035			
			Investment fair value revaluation reserve	82,114	82,114			
			Fixed assets revaluation reserve	22,750	22,750			
			Retained earnings :					
			Appropriated	71,290	40,000			
			Unappropriated	3,417,321	3,100,208			
			<b>Total Equity</b>	<b>4,846,726</b>	<b>4,482,074</b>			
<b>TOTAL ASSETS</b>	<b>11,812,775</b>	<b>10,755,157</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>11,812,775</b>	<b>10,755,157</b>			

Jakarta, March 31, 2007  
PT UNITED TRACTORS Tbk  
S.E. & O  
THE BOARD OF DIRECTORS