



PT United Tractors Tbk

Investor Bulletin, First Half 2008

On Target

Operational:
Komatsu volume increased 44% Y-o-Y, coal production grew by 23% and coal sales increased by 31% Y-oY

The Indonesia market for heavy equipment up until June 2008 remained robust. Komatsu sales volume grew 44% from last year's first half, which represents a record first half performance for the Construction Machinery Division ("CM").

Demand from coal operators to accelerate production has helped Pama build on last year's coal production and overburden removal targets. Better operating conditions also assisted the Mining Contracting Division ("MC") to achieve coal production and overburden removal that increased 23% and 32% respectively from last year's corresponding half.

Coal production from the Mining Division ("M"), of which DEJ mines is currently the only mines in operation, increased 31% from the same half last year. This was driven by the increase of stripping ratio at the site.

Financial:
First half consolidated revenue is Rp 12.6 trillion, with net income of Rp 1.2 trillion

The high sales growth in CM translates to Rp. 6.4 trillion, up 53% from the same half last year. Sales revenue from MC was Rp. 5.0 trillion, or 48% growth year-on-year. Finally, M sales revenue was Rp. 1.2 trillion, or a 90% increase from the same period a year ago due to more coal produced.

The current product mix from CM and improved cost control from MC has pushed the Company's gross profit to Rp. 2.5 trillion, or 81% growth from last year's first half. The combination of higher revenue and good management of expenses have resulted in net income of Rp. 1.2 trillion, a jump of 118% year-on-year.

In Rp billion	H1 2008	H1 2007	Y/Y%	Q2 2008	Q1 2008	Q/Q%
Revenue Breakdown						
Construction Machinery	6,364	4,168	53%	3,581	2,783	29%
Mining Contracting	5,037	3,400	48%	2,803	2,234	25%
Mining	1,191	626	90%	667	524	27%
Total Revenue	12,592	8,194	54%	6,807	5,541	23%
Gross Profit	2,458	1,360	81%	1,431	1,027	39%
<i>Gross Profit Margin</i>	19.5%	16.6%	2.9%	21.0%	18.5%	2.5%
Operating Profit	1,931	932	107%	1,151	780	48%
<i>Operating Profit Margin</i>	15.3%	11.4%	4.0%	16.9%	14.1%	2.8%
EBITDA	2,687	1,579	70%	1,603	1,084	48%
<i>EBITDA Margin</i>	21.3%	19.3%	2.1%	23.5%	19.6%	4.0%
Net Income	1,206	552	118%	689	517	33%
Earnings (Losses) Per Share (Rp)	423	194	118%	242	181	34%

Note: The Company's H1 2008 report was unaudited

July 29, 2008



CONSTRUCTION MACHINERY Performance Overview

Driven by the Commodity Boom

CM revenue was Rp 6.4 trillion, up 53%

In the first half, the sales revenue contribution from the Construction Machinery Division accounted for Rp 6.4 trillion, a 53% increase from the same period last year. This equates to 51% of total consolidated revenue. Of this total, Parts & Services contributed Rp 1.5 trillion, increasing 58% year-on-year. Komatsu, our main brand, contributed Rp 3.9 trillion, a 49% increase from H1 2007.

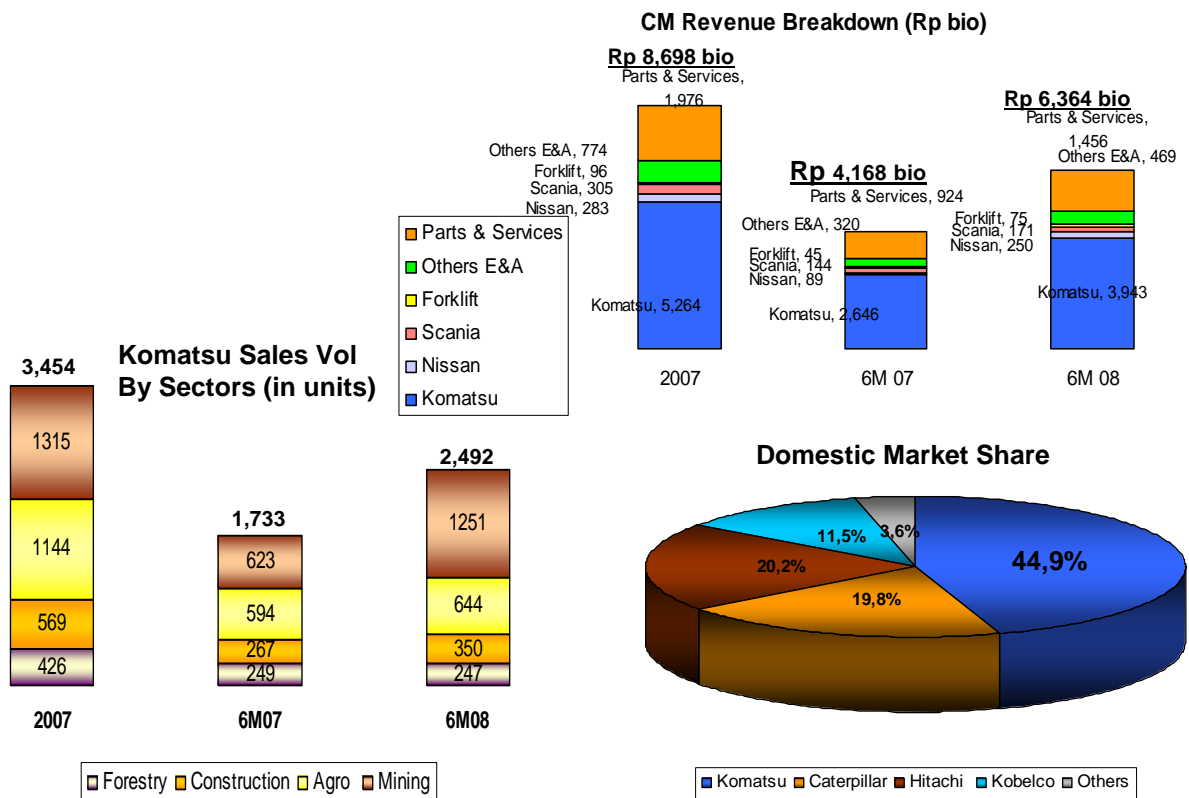
Komatsu sales volume was 2,492 units, with 44.9% market share

Komatsu sales volume in the first half of 2008, achieved a record first half performance of 2,492 units, an increase of 44% year-on-year from 1,733 units in first half 2007. The increase was predominantly driven by demand from the Mining sector. Agribusiness and Construction also showed signs of growth, only the Forestry sector remained flat.

In addition, our other brands also had good growth. Sales volume of Nissan Diesel trucks and Scania trucks were up to 364 units and 175 units, representing growth of 201% and 23% respectively from the same period last year.

Gross profit margin was 18%

The present product and sales mix, in addition to a higher average selling price, has allowed the division to record a higher gross profit margin (before elimination) of 18.0%, up from 17.6% last year.



July 29, 2008



MINING CONTRACTING Performance Overview

Higher Coal Production

MC revenue was Rp 5.0 trillion, up 48%

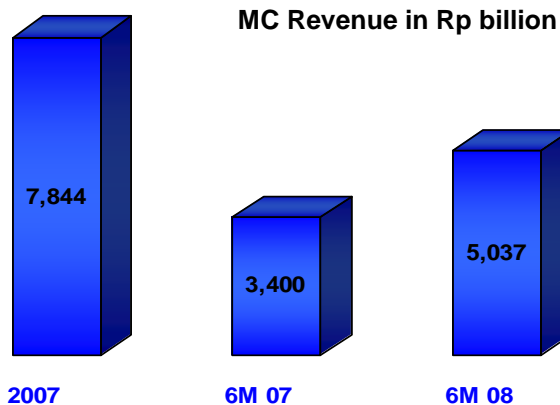
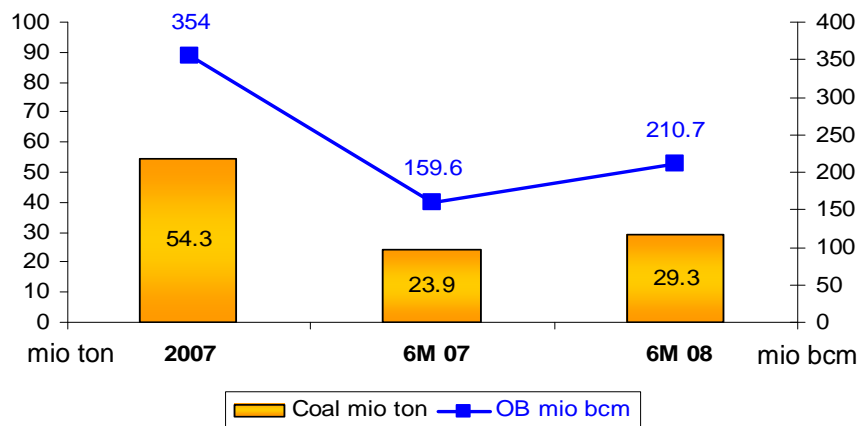
First half revenue from the Mining Contracting Division, conducted by Pamapersada Nusantara (“Pama”), increased to Rp 5.0 trillion from Rp 3.4 trillion a year ago, a 48% jump. This equates to 40% of total consolidated revenue. The good performance was helped by favorable weather conditions, on top of optimized fleet utilization to maximize productivity.

Pama coal production was 29.3 mio tons, up 23%

The upward trend is dictated by the growing demands of coal operators who have asked Pama to increase production at a number of sites. This first half, Pama produced 29.3 million tons of coal an increase of 23% from 23.9 million tons in H1 2007. Overburden removal went up to 210.7 million bcm from 159.6 million bcm last year, a 32% increase.

Due to higher production, mostly contributed by all site, has allowed the division to record higher gross profit margin of 21.4%, up from 13.3% last year.

Coal and overburden removal





COAL MINING

Performance Overview

Higher Stripping Ratio

M revenue was Rp 1.2 trillion, up 90%

The Mining Division contributed Rp 1.2 trillion, up from Rp 0.6 trillion a year ago. This is an increase of 90% year-on-year, which now represents 9% of consolidated Company revenue. The high growth has been driven by increasing output at the site, to its maximum present capacity. On the flip side, costs associated with operations have also increased.

DEJ coal sold reached 2 million tons

The division sold 2.0 million tons of coal from 1.5 million tons a year ago, which is an increase of 31% from the same period last year. This reason is due to better optimization of fleet and a higher stripping ratio.

Gross profit margins have remained tight; however, with the renegotiated selling price with a significant counterparty taking effect in H2, the Company is looking forward to an improvement from this division by the year end.

The division's performance is currently still represented by Dasa Eka Jasatama ("DEJ Mines"), which is the only operational mine currently. Our recent acquisition, Tuah Turangga Agung ("TTA") is still in the process of infrastructure development. The forecast production target for TTA in 2009 remains the same at 1.0 million tons by the year end. No sales contract has yet been signed.

DEJ Coal Sales Volume ('000 tons)



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Rate Rp/US\$: 2008 = 9,225 and 2007 = 9,054

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2008 AND 2007 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2008 AND 2007 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2008	2007		2008	2007		2008	2007
CURRENT ASSETS			CURRENT LIABILITIES			NET REVENUE	12,591,793	8,193,753
Cash and cash equivalents	972,722	848,367	Short - term bank loans	1,506,635	13,944	COST OF REVENUE	(10,133,627)	(6,833,625)
Trade receivables:			Dividend payables	-	246,875	GROSS PROFIT	2,458,166	1,360,128
- Third parties (net of allowance for doubtful accounts of Rp 223,025 in 2008 and Rp 499,244 in 2007)	4,198,371	3,337,964	Trade payables					
- Related parties	77,643	17,931	- Third parties	2,183,547	1,448,628	OPERATING EXPENSES		
Other receivables : third parties (net of allowance for doubtful accounts of Rp 114 in 2008 and Rp 146 in 2007)	52,989	29,812	- Related parties	563,934	432,759	Selling expenses	(126,931)	(99,237)
Inventories (net of allowance for inventory obsolescence of Rp 19,349 in 2008 and Rp 17,881 in 2007)	2,908,132	1,660,868	Other payables			General and administration expenses	(400,062)	(329,271)
Prepaid taxes	195,891	440,154	- Third parties	132,254	92,811	Total Operating Expenses	(526,993)	(428,508)
Advances and prepayments	807,698	292,688	Taxes payable	405,251	184,126			
Total Current Assets	9,213,446	6,627,784	Accrued expenses	542,062	249,214	OPERATING INCOME	1,931,173	931,620
			Customer deposits	385,965	298,341	OTHER INCOME (EXPENSES)		
NON-CURRENT ASSETS			Deferred revenue	77,175	96,463	Interest and finance charges	(146,756)	(221,674)
Restricted cash and time deposits	5,432	3,890	Employee benefits obligation, current	48,943	46,016	Foreign exchange gain/(loss), net	47,778	(9,940)
Amounts due from related parties	8,296	5,009	Current portion of long-term debt:			Interest income	15,896	15,587
Deferred tax assets	40,115	85,618	- Bank loans	1,213,690	1,415,676	Gain on disposal of fixed assets	14,203	51,280
Long-term investments	280,964	189,648	- Finance leases	475,206	487,271	Dividen income	-	806
Fixed assets (net of accumulated depreciation of Rp 4,863,614 in 2008 and Rp 3,659,196 in 2007)	7,398,423	5,407,336	- Amounts due to related parties	-	1,300	Other income, net	500	19,857
Deferred exploration and development expenditures	34,993	-	- Other borrowing	448,421	469,994	Total Other Expenses, net	(68,379)	(144,084)
Deferred charges	84,991	67,521						
Loans to employees	46,125	39,217	Total Current Liabilities	7,983,083	5,483,418	EQUITY IN NET INCOME OF ASSOCIATES	1,879	2,772
Other assets	9,612	2,921				PROFIT BEFORE INCOME TAX	1,864,673	790,308
Total Non-Current Assets	7,908,951	5,801,160	NON-CURRENT LIABILITIES			INCOME TAX EXPENSE	(648,836)	(230,576)
			Deferred tax liabilities	495,818	977	INCOME BEFORE MINORITY INTEREST	1,215,837	559,732
			Long-term debt, net of current portion:			MINORITY INTEREST	(9,761)	(7,386)
			- Bank loans	1,283,030	669,682	NET INCOME	1,206,076	552,346
			- Finance leases	173,105	549,789	NET BASIC/ DILUTED EARNINGS PER SHARE	423	194
			- Amounts due to related parties	6,585	3,870			
			- Other borrowing	433,274	633,842			
			Derivative payable	5,771	-			
			Employee benefits obligation, non-current	100,488	88,908			
			Deferred gain from sale and leaseback transactions	9,438	16,464			
			Estimated liability for restoration and rehabilitation	20,474	-			
			Total Non-Current Liabilities	2,527,983	1,963,532			
			Total Liabilities	10,511,066	7,446,950			
			MINORITY INTERESTS	67,146	49,656			
			EQUITY					
			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	136,265	132,324			
			Difference in the equity transactions of subsidiaries	142,145	57,535			
			Investment fair value revaluation reserve	57,480	82,114			
			Fixed assets revaluation reserve	-	22,750			
			Retained earnings :					
			Appropriated	142,580	142,580			
			Unappropriated	4,978,559	3,407,879			
			Total Equity	6,544,185	4,932,338			
TOTAL ASSETS	17,122,397	12,428,944	TOTAL LIABILITIES & EQUITY	17,122,397	12,428,944			

Jakarta, July 31, 2008
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS