



# PT United Tractors Tbk

Investor Bulletin, First Half 2016

## United Tractors Recorded Net Revenue of Rp 22.6 Trillion

**Operational:**  
Y.o.y Komatsu sales volume fell 25%, coal production down 4% and overburden decreased 9%, while coal sales volume up 58%

**Financial:**  
Consolidated revenue was Rp 22.6 trillion, with net income of Rp 1.9 trillion

The Company's consolidated net revenue during the first half of 2016 was decreased by 10% to Rp22.6 trillion, compared to Rp24.9 trillion in the same period in 2015. Declining sales and profit margin, added with foreign exchange loss, resulted in net profit of Rp1.9 trillion, down 46% from Rp3.4 trillion.

Construction Machinery segment recorded a drop in Komatsu sales volume by 25% to 1,036 units from 1,375 units. In line with the decrease in heavy equipment sales, after sales services revenue also decreased by 10% to Rp2.8 trillion. Overall, Construction Machinery segment recorded a decrease in revenue by 6% to Rp6.9 trillion. Mining Contracting business segment, through PT Pamapersada Nusantara (PAMA) also recorded a decrease in net revenue by 22% to Rp1.6 trillion, driven by a decrease in coal production by 4% to 49.8 million tons, and lower overburden removal by 9% to 339.2 million bcm. Mining business segment recorded an increase in coal sales volume by 58% to 4.5 million tons, with net revenue increased by 35% to Rp3.2 trillion. The fourth segment, Construction Industry booked a revenue of Rp 944 billion.

Overall, revenue contribution from Mining Contracting, Construction Machinery, Mining, and Construction Industry was 51%, 30%, 14%, and 4% respectively.

| In Rupiah billion                         | FY 2015       | 6M 2015       | 6M 2016       | Y/Y%        |
|---|---------------|---------------|---------------|-------------|
| Exchange rate (Rp/US\$)                   | 13,795        | 13,332        | 13,180        | -1%         |
| <b>Revenue Breakdown</b>                  |               |               |               |             |
| Construction Machinery                    | 13,629        | 7,291         | 6,864         | -6%         |
| Mining Contracting                        | 30,545        | 14,741        | 11,563        | -22%        |
| Mining                                    | 3,817         | 2,370         | 3,193         | 35%         |
| Construction Industry                     | 1,357         | 546           | 944           | 73%         |
| <b>Total Revenue</b>                      | <b>49,347</b> | <b>24,949</b> | <b>22,564</b> | <b>-10%</b> |
| Gross Profit                              | 11,702        | 5,658         | 4,151         | -27%        |
| Gross Profit Margin                       | 23.7%         | 22.7%         | 18.4%         | -19%        |
| Profit for the period                     | 2,792         | 3,397         | 1,875         | -45%        |
| <b>Net Income</b>                         | <b>3,853</b>  | <b>3,406</b>  | <b>1,854</b>  | <b>-46%</b> |
| Earnings Per Share (expressed in full Rp) | 1,033         | 913           | 497           | -46%        |

Note: The Company's 6M 2016 report was unaudited

July 28, 2016



# CONSTRUCTION MACHINERY Performance Overview

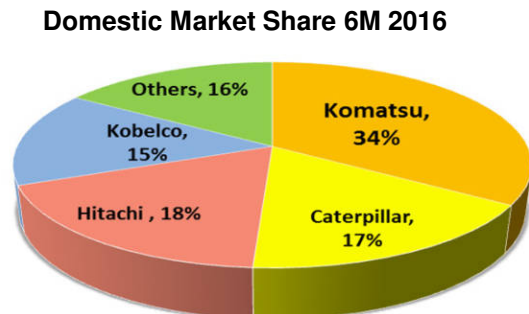
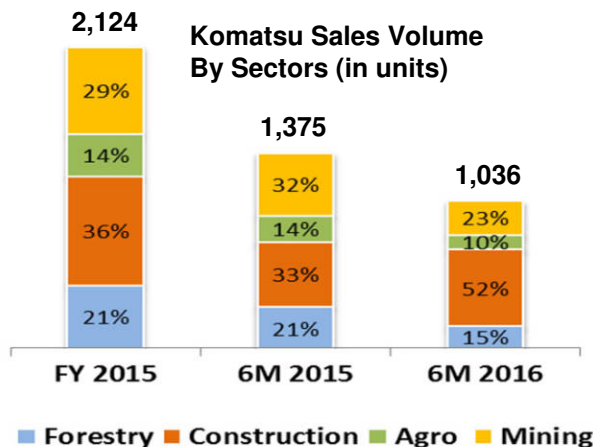
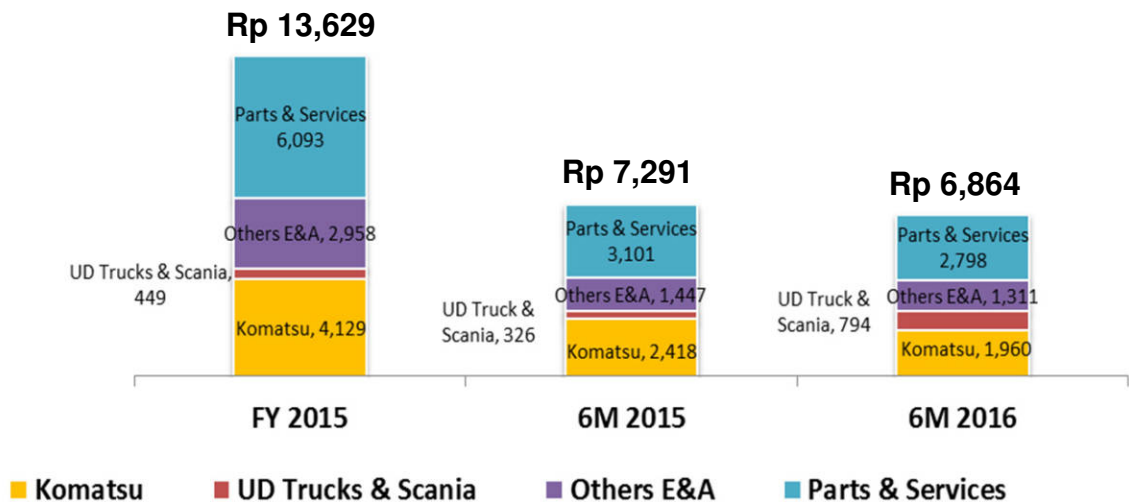
**Komatsu sales volume was 1,036 units, with 34% market share**

**Revenue was Rp 6.9 trillion, decreased 6%**

As of June 2016, Komatsu sales volume dropped by 25% to 1,036 units, lower compared to the sales volume in the same period last year of 1,375 units. The slowing down activity in mining, plantation, and forestry sectors caused continuous decline in the total domestic sales of heavy equipment which was down to 3,064 units for the first half of 2016 from 3,659 units. According to internal market research, Komatsu was able to maintain its market leader position with market share of 34%. On the other hand, sales volume of UT's other distributed brands such as UD Trucks was increased from 53 units to 217 units, and Scania products were increased from 188 units to 246 units.

In line with decreasing sales of heavy equipment, the revenue of spare parts and maintenance services decreased by 10% to Rp2.8 trillion. Overall, total revenue of Construction Machinery business segment during first half of 2016 recorded a decrease by 6% to Rp6.9 trillion, compared to Rp7.3 trillion in the same period last year.

## CM Revenue Breakdown (in billion Rupiah)



Source: Internal Market Research

July 28, 2016



# MINING CONTRACTING Performance Overview

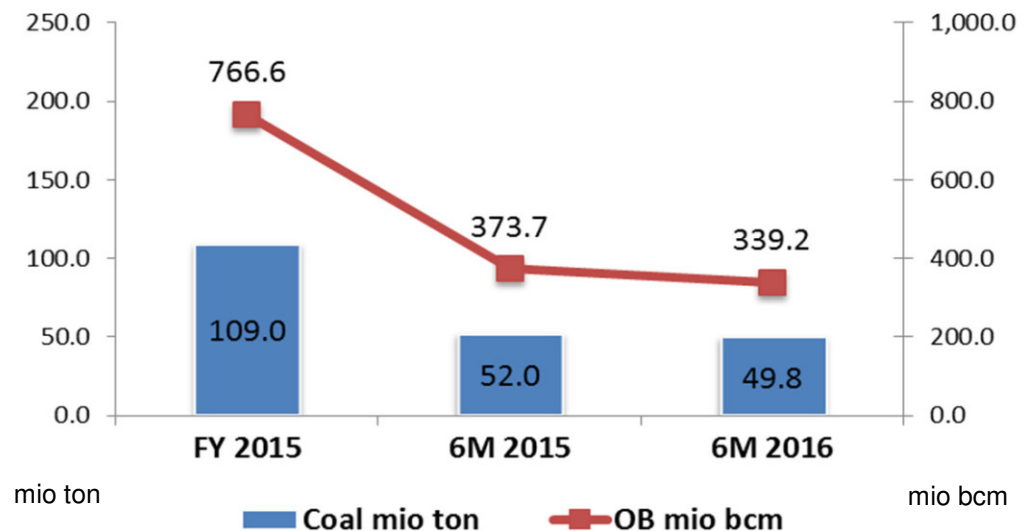
**Pama coal production was 49.8 mio tons, down 4%, with overburden removal of 339.2 mio bcm, or down 9%**

**Revenue was Rp 11.6 trillion, down 22%**

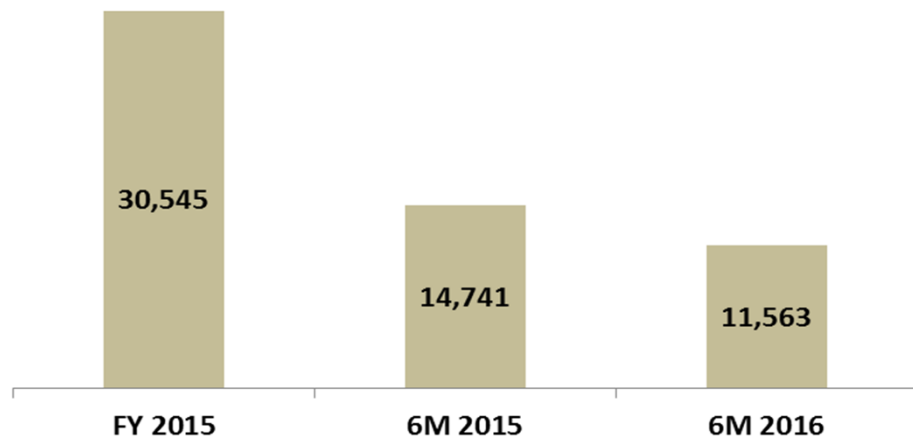
The Company operates its Mining Contracting business through PT Pamapersada Nusantara (PAMA). As of June 2016, PAMA was able to maintain 48% revenue market share (source: internal market research).

Until first half 2016, PAMA recorded a decrease in net revenue by 22% to Rp11.6 trillion, compared to Rp14.7 trillion in the same period last year. Coal production was down 4% to 49.8 million tons from 52.0 million tons, while overburden removal was down by 9% from 373.7 million bcm to 339.2 million bcm.

## Coal and Overburden Removal



## MC Revenue (Rupiah billion)



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## COAL MINING Performance Overview

**Coal sales volume reached 4.5 million tons, increased 58%**

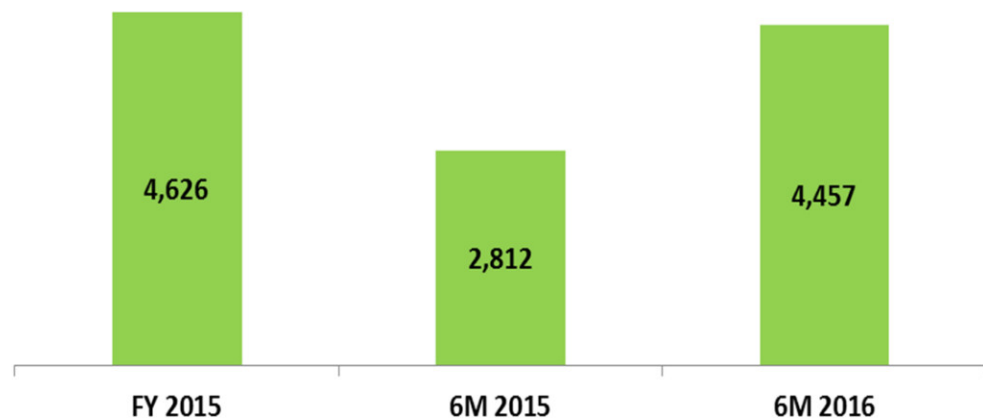
**Revenue was Rp 3.2 trillion, increased 35%**

The Company's Mining business segment was operated by PT Tuah Turangga Agung (TTA). At the moment, TTA only operates one coal mining concession namely PT Asmin Bara Bronang (ABB).

As of June 2016, total coal sales volume increased by 58% to a total of 4.5 million tons, compared to 2.8 million tons in the same period 2015. This has caused an increase in revenue of Mining business by 35%, from Rp2.4 trillion to Rp3.2 trillion.

The Company's Mining business was able to increase its coal sales volume by increasing the coal production capacity from Asmin Bara Bronang mine and expand the Company coal trading business.

■ TTA's coal sales volume (in thousand tons)



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# CONSTRUCTION INDUSTRY Performance Overview

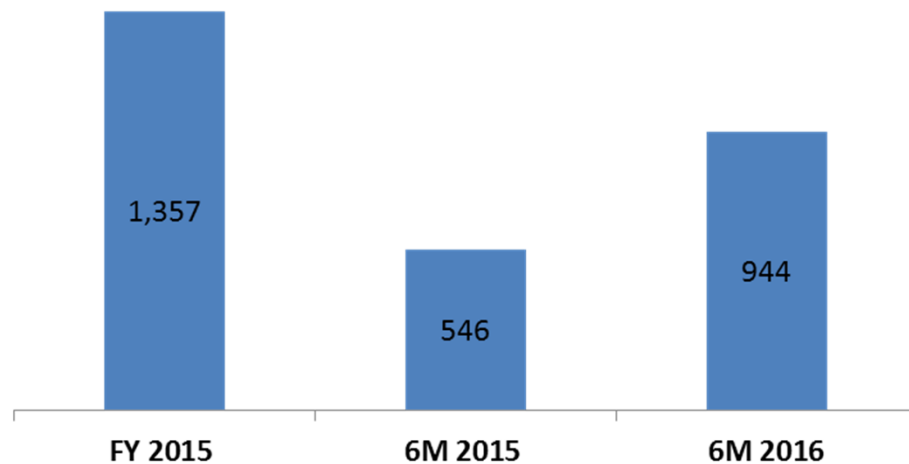
**Revenue was  
Rp 943.7 billion,  
increased 73%**

The Construction Industry business unit was represented by PT Acset Indonusa Tbk ("ACST"), which was acquired in 2015 with 50.1% share ownership. ACST is a public company and listed in the IDX since 2013.

As of June 2016, ACST booked net revenue of Rp944 billion and net profit of Rp33 billion. During first half of 2016, ACST succeeded in acquiring new contracts amounting to Rp2.4 trillion.

To support the growth of this business, ACST has raised capital of Rp600 billion, through rights issue in June 2016. The proceeds will be used for working capital and capital expenditures.

**Construction Industry Revenue (Rupiah billion)**



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Rate Rp/US\$: 30/06/2016 = 13,180 and 31/12/2015 = 13,795

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNI 2016 AND 31 DECEMBER 2015 (expressed in million of Rupiah, unless otherwise stated)

| ASSETS  |                   |                   | LIABILITIES AND STOCKHOLDERS' EQUITY  |                   |
|---|-------------------|-------------------|---|-------------------|
|   | 6/30/2016         | 12/31/2015        | 6/30/2016   | 12/31/2015        |
| <b>CURRENT ASSETS</b>                                     |                   |                   | <b>CURRENT LIABILITIES</b>  |                   |
| Cash and cash equivalents                                 | 14,608,856        | 15,413,210        | Trade payables:   |                   |
| Trade receivables:  |                   |                   | - Third parties   | 11,288,112        |
| - Third parties   | 11,650,512        | 11,391,542        | - Related parties   | 91,715            |
| - Related parties   | 201,520           | 88,169            | Non-trade payables:   |                   |
| Non-trade receivables:                                    |                   |                   | - Third parties   | 217,246           |
| - Third parties   | 835,822           | 462,558           | - Related parties   | 32,546            |
| - Related parties   | 381,913           | 227,355           | Taxes payables:   |                   |
| Inventories   | 7,039,058         | 8,328,331         | - Corporate income taxes  | 32,149            |
| Project under construction                                |                   |                   | - Other taxes   | 189,031           |
| - Third parties   | 343,802           | 300,720           | Accruals  | 1,795,283         |
| - Related parties   | 31,173            | 11,581            | Customer deposits   |                   |
| Prepaid taxes:  |                   |                   | - Third parties   | 562,814           |
| - Corporate income taxes                                  | 712,118           | 668,286           | - Related parties   | 32,115            |
| - Other taxes   | 1,007,947         | 1,198,036         | Deferred revenue  | 298,261           |
| Advances and prepayments                                  | 699,601           | 469,920           | Employee benefit obligations  | 357,602           |
| Other investments   | 948,679           | 700,000           | Short-term bank loans   | 368,579           |
|   |                   |                   | Current portion of long-term debt:  |                   |
| <b>Total Current Assets</b>                               | <b>38,461,001</b> | <b>39,259,708</b> | - Bank loans  | -                 |
|   |                   |                   | - Finance leases  | 298,092           |
| <b>NON-CURRENT ASSETS</b>                                 |                   |                   | - Other borrowings  | 34,747            |
| Non-trade receivables                                     |                   |                   | Current portion of other long-term financial liabilities  | 20,384            |
| - Third parties   | 1,150             | 89,250            |   |                   |
| - Related parties   | 91,259            | 89,250            | <b>Total Current Liabilities</b>  | <b>15,618,676</b> |
| Restricted cash and time deposits                         | 271,376           | 262,501           |   | <b>18,280,285</b> |
| Advances  | 127,872           | 184,353           | <b>NON-CURRENT LIABILITIES</b>  |                   |
| Investments in associates and jointly controlled entities | 518,975           | 498,712           | Deferred tax liabilities  | 992,640           |
| Other investments   | 654,890           | 1,438,217         | Provision   | 95,605            |
| Fixed assets  | 11,767,140        | 12,659,736        | Employee benefit obligations  | 1,658,193         |
| Mining properties   | 4,591,618         | 4,858,944         | Long-term debt, net of current portion:   |                   |
| Investment properties                                     | 52,746            | 52,746            | - Bank loans  | -                 |
| Deferred exploration and development expenditures         | 433,527           | 376,843           | - Finance leases  | 645,493           |
| Production mining assets                                  | 271,793           | 297,931           | - Other borrowings  | 38,374            |
| Deferred charges  | 117,729           | 146,063           | Deferred Revenue  | 36,796            |
| Goodwill  | 439,767           | 439,767           | Other long-term financial liabilities   | 291,971           |
| Deferred tax assets                                       | 1,189,546         | 1,150,628         |   |                   |
|   |                   |                   | <b>Total Non-current Liabilities</b>  | <b>3,759,072</b>  |
| <b>Total Non-current Assets</b>                           | <b>20,529,388</b> | <b>22,455,691</b> | <b>TOTAL LIABILITIES</b>  | <b>19,377,748</b> |
|   |                   |                   |   | <b>22,465,074</b> |
|   |                   |                   | <b>EQUITY</b>   |                   |
|   |                   |                   | Equity attributable to owners of the parent   |                   |
|   |                   |                   | Share capital:  |                   |
|   |                   |                   | Authorized capital 6,000,000,000 ordinary shares, issued and fully paid capital 3,730,135,136 ordinary shares, with par value of Rp 250 per share | 932,534           |
|   |                   |                   | Additional paid-in capital  | 9,703,937         |
|   |                   |                   | Retained earnings:  | 9,703,937         |
|   |                   |                   | - Appropriated  | 186,507           |
|   |                   |                   | - Unappropriated  | 25,281,731        |
|   |                   |                   | Hedging reserve   | (90)              |
|   |                   |                   | Investment fair value revaluation reserve   | 129,816           |
|   |                   |                   | Exchange difference on translating financial statements in foreign currencies   | 2,123,077         |
|   |                   |                   | Difference due to acquisition of non-controlling interest in subsidiaries   | (348,323)         |
|   |                   |                   |   | (348,323)         |
|   |                   |                   |   | <b>38,009,189</b> |
|   |                   |                   |   | <b>37,919,722</b> |
|   |                   |                   | <b>Non-controlling interest</b>   | <b>1,603,452</b>  |
|   |                   |                   |   | <b>1,330,603</b>  |

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNI 2016 AND 2015 (in million Rupiah, except earning per share)

|  | 2016             | 2015             |
|--|------------------|------------------|
| <b>NET REVENUE</b>   | 22,563,591       | 24,949,226       |
| <b>COST OF REVENUE</b>   | (18,412,507)     | (19,291,042)     |
| <b>GROSS PROFIT</b>  | <b>4,151,084</b> | <b>5,658,184</b> |
| Selling expenses   | (271,853)        | (249,748)        |
| General and administrative expenses  | (1,046,487)      | (1,208,364)      |
| Other expenses   | (614,932)        | (117,737)        |
| Other income   | 123,949          | 372,117          |
| Finance income   | 254,231          | 206,121          |
| Finance costs  | (195,695)        | (153,861)        |
| Share of net profit of associates and jointly controlled entities  | 30,274           | 35,046           |
| <b>PROFIT BEFORE INCOME TAX</b>  | <b>2,430,571</b> | <b>4,541,758</b> |
| Income tax expense   | (555,504)        | (1,145,169)      |
| <b>PROFIT FOR THE YEAR</b>   | <b>1,875,067</b> | <b>3,396,589</b> |
| <b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>  |                  |                  |
| Items that will not be reclassified to profit or loss  |                  |                  |
| Remeasurement of employee benefit obligations  | 10,972           | (1,994)          |
| Related income tax expense   | (2,667)          | 551              |
|  | <b>8,305</b>     | <b>(1,443)</b>   |
| Items that will be reclassified to profit or loss  |                  |                  |
| Exchange difference from financial statements translation  | (247,650)        | 548,528          |
| Hedging reserves   | (338)            | 514              |
| Change in fair value of available for sale financial asset   | 28,575           | (36,900)         |
| Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax | (606)            | 1,086            |
| Related income tax expense   | 49,180           | (109,768)        |
|  | <b>(170,839)</b> | <b>403,460</b>   |
| <b>Other comprehensive (expense)/income for the period, net of tax</b>                                   | <b>(162,534)</b> | <b>402,017</b>   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>1,712,533</b> | <b>3,798,606</b> |
| <b>PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:</b>  |                  |                  |
| - Owners of the parent   | 1,853,555        | 3,406,086        |
| - Non-controlling interest   | 21,512           | (9,497)          |
|  | <b>1,875,067</b> | <b>3,396,589</b> |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>   |                  |                  |
| - Owners of the parent   | 1,730,726        | 3,744,439        |
| - Non-controlling interest   | (18,193)         | 54,167           |
|  | <b>1,712,533</b> | <b>3,798,606</b> |
| <b>EARNINGS PER SHARE</b> (expressed in full Rupiah)   | <b>497</b>       | <b>913</b>       |

Jakarta, Juli 28, 2016