



PT United Tractors Tbk

Investor Bulletin, Third Quarter 2010

Heavy Rainfall Continues to Create Pressure

Operational:
Komatsu sales volume increased 84%, coal production grew 17% and overburden increased 10%, while coal sales volume up 9%

The Indonesian economy continued to grow until third quarter 2010, as reflected in the heavy equipment market which grew by 94% to over 8,800 units. Following the growth rate sales of Komatsu has increased by 84%, representing a market share of 46%. On the Mining Contracting side, Pama still showed its commitment to achieve the production target and delivered 17% increase in coal production and 10% in overburden removal. While on the Mining business unit, coal sales volume was booked at 1.97 million tons or grew 9% year-on-year.

Financial:
Consolidated revenue was Rp 27.81 trillion, with net income of Rp 2.96 trillion

As the result, the Company's consolidated revenue was increased by 31%, from Rp 21.30 trillion to Rp 27.81 trillion as of September 2010. To this total net revenue, Construction Machinery contributed 47%, while Mining Contracting contributed 45% and the remaining 8% was contributed by Mining.

Despite the significant increase in net revenue, the Company recorded a pressure in gross and net profit, primarily due to higher production costs and lower productivity in Mining Contracting business, affected by heavy rainfall that occurs for the last six months, as well as the unfavorable impact of strengthened Rupiah. As the result, the Company only booked 2% increase in gross profit, from Rp 4.95 trillion to Rp 5.06 trillion. Added with some additional other expenses, the Company reported a flat consolidated net income of Rp 2.96 trillion.

In Rp billion	9M 2010	9M 2009	Y/Y%
Revenue Breakdown			
Construction Machinery	13,166	8,092	63%
Mining Contracting	12,519	10,989	14%
Mining	2,128	2,221	-4%
Total Revenue	27,814	21,302	31%
Gross Profit	5,062	4,953	2%
<i>Gross Profit Margin</i>	<i>18.2%</i>	<i>23.3%</i>	<i>-22%</i>
Operating Profit	3,927	3,982	-1%
<i>Operating Profit Margin</i>	<i>14.1%</i>	<i>18.7%</i>	<i>-24%</i>
EBITDA	5,992	5,574	7%
<i>EBITDA Margin</i>	<i>21.5%</i>	<i>26.2%</i>	<i>-18%</i>
Net Income	2,960	2,963	-0.1%
Earnings (Losses) Per Share (Rp)	890	891	-0.1%

Note: The Company's 9M 2010 report was unaudited

October 28, 2010



CONSTRUCTION MACHINERY Performance Overview

Komatsu sales volume was 4,114 units, with 46% market share

Revenue was Rp 13.17 trillion, increased 63%

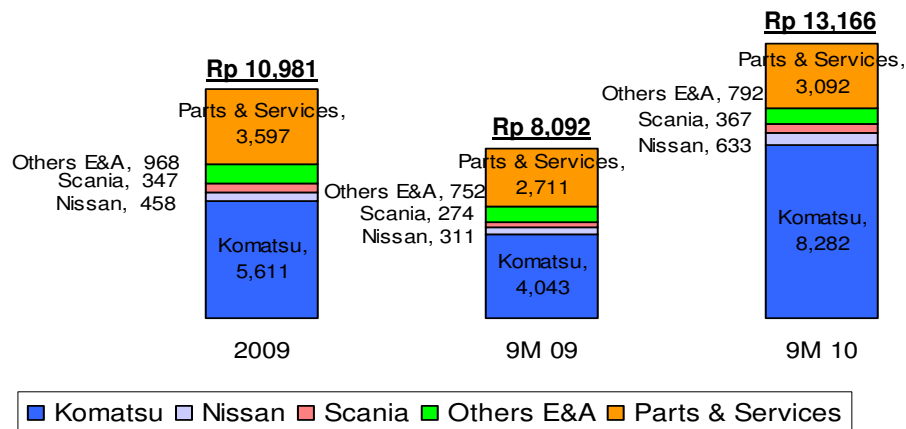
Gross profit margin was 17.6% (before elimination)

Komatsu sales volume during the first nine months of 2010 was 4,114 units, or up 84% from 2,237 sales volumes achieved on the same period last year, due to strong demand from mining and plantation sectors. With current sales rate, by the end of this year the Company expects to set new record in Komatsu sales volume and value. In addition, other products such as Nissan Diesel truck also showed extraordinary increased from 431 units to 717 units, and Scania truck from 272 units to 349 units. Furthermore, sales of parts and service showed a growth with an increase of 14%, from Rp 2.71 trillion to Rp 3.09 trillion (after elimination).

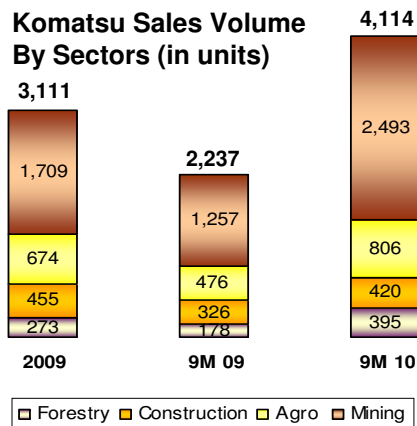
This significant increase in sales volume has pushed the net revenue of Construction Machinery to Rp 13.17 trillion, or up 63% compared to last year's figure of Rp 8.09 trillion. To this total revenue, sales of Komatsu equipment contributed 63% or Rp 8.28 trillion, while parts and service contributed 23% or Rp 3.09 trillion.

The product and sales mix (decreased portion of revenue from after sales service from 34% last year to 23% this year), added with strengthened IDR year-on-year, resulted in lower gross profit margin, from 19.7% to 17.6% (before elimination).

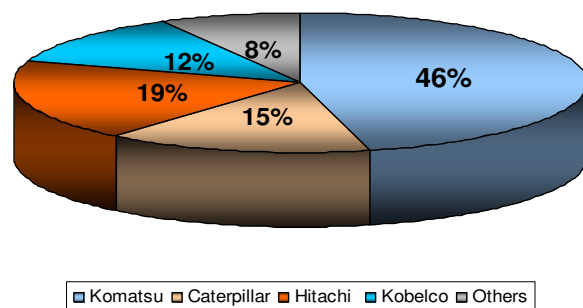
CM Revenue Breakdown (Rp bio)



Komatsu Sales Volume By Sectors (in units)



Domestic Market Share 9M 10





MINING CONTRACTING Performance Overview

Pama coal production was 56.8 mio tons, up 17%, with overburden removal of 480.2 mio bcm, or up 10%

Revenue was Rp 12.52 trillion, up 14%

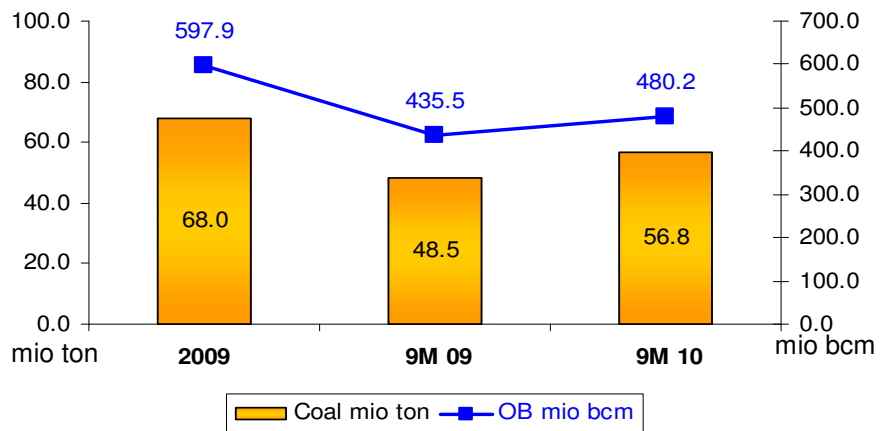
Gross profit margin was 14% (before elimination)

Despite being hampered by heavy rainfall, PT Pamapersada Nusantara (Pama) was still able to deliver 56.8 million tons of coal in the first nine months of 2010, or 17% higher than last year's production, with overburden removal of 480.2 million bcm or grew by 10%.

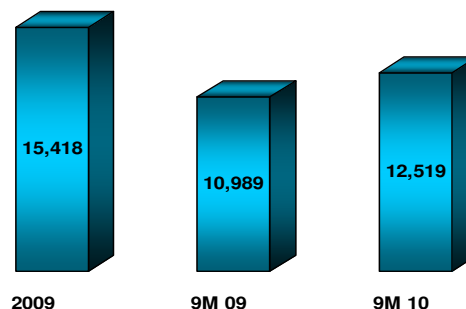
The higher production and overburden removal are also reflected in Pama's increased revenue, from Rp 10.99 trillion on the same period last year to Rp 12.52 trillion this year, or grew by 14%. The amount of revenue equates to 45% of the Company's total consolidated revenues.

However, the heavy rainfall resulted in an increase of production cost and lower operational productivity. The additional costs among others are for managing water levels within mine pit as well as heavier road maintenance. Added with the impact of strengthened IDR against USD, created a pressure to Pama's gross profit margin, from 21.7% to 14.1% (before elimination).

Coal and overburden removal



MC Revenue in Rp billion





COAL MINING

Performance Overview

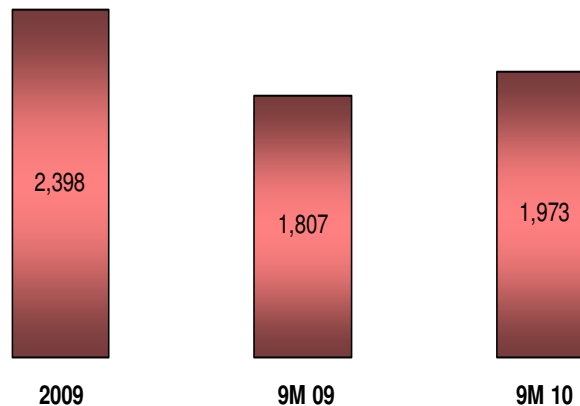
Coal sales volume reached 1.97 million tons

Revenue was Rp 2.13 trillion, declined 4% due to weakened USD

The Company's Mining business unit is represented by Dasa Eka Jasatama (DEJ Mines) and PT Tuah Turangga Agung (TTA). Until third quarter 2010, DEJ has sold 1.81 million tons of coal or equal to the same period last year. The Company's second mine, TTA, located in Kapuas, Central Kalimantan, has started its commercial sales in May 2010 and until this quarter has sold 164,251 tons of coal.

Despite the increased coal sales volumes, the Mining business unit booked a decline in revenue by 4% from Rp 2.22 trillion to Rp 2.13 trillion, due to the strengthened IDR against USD year-on-year. However, gross profit margin (before elimination) for third quarter 2010 has improved from 13.5% to 14.8%, due to higher average coal price compared to last year.

Coal Sales Volume (in thousand tons)



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Rate Rp/US\$: 2010 = 8,924 and 2009 = 9,681

CONSOLIDATED BALANCE SHEETS AS AT SEPTEMBER 30, 2010 AND 2009 (in million Rupiah)

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED SEPTEMBER 30, 2010 AND 2009 (in million Rupiah)

ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY			CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED SEPTEMBER 30, 2010 AND 2009 (in million Rupiah)		
	2010	2009		2010	2009		2010	2009
CURRENT ASSETS			CURRENT LIABILITIES			NET REVENUE	27,813,500	21,301,590
Cash and cash equivalents	1,610,008	2,379,411	Short - term bank loans	38,976	150,066	COST OF REVENUE	(22,751,819)	(16,348,765)
Trade receivables:			Trade payables			GROSS PROFIT	5,061,681	4,952,825
- Third parties (net of allowance for doubtful accounts of Rp 81,409 in 2010 and Rp 78,273 in 2009)	5,569,964	4,699,062	- Third parties	3,881,726	2,716,954	OPERATING EXPENSES		
- Related parties	70,423	45,979	- Related parties	757,171	137,376	Selling expenses	(249,924)	(183,641)
Other receivables - third parties (net of allowance for doubtful accounts of 2010 and 2009: Rp 20,000)	83,443	87,675	Other payables			General and administrative expenses	(885,043)	(786,738)
Inventories (net of allowance for inventory obsolescence of Rp 42,783 in 2010 and Rp 33,946 in 2009)	4,915,317	3,458,339	- Third parties	235,273	49,416	Total Operating Expenses	(1,134,967)	(970,379)
Prepaid taxes	936,578	493,150	Taxes payable	125,591	451,905	OPERATING INCOME	3,926,714	3,982,446
Advances and prepayments	645,774	312,856	Accrued expenses	845,117	773,028	OTHER INCOME (EXPENSES)		
Total Current Assets	13,831,507	11,476,472	Customer deposit	214,692	243,189	Foreign exchange gain/(loss), net	70,265	216,190
			Deferred revenue	45,617	99,461	Interest and finance charges	(156,487)	(144,003)
NON-CURRENT ASSETS			Provision	51,355	26,807	Interest income	55,369	83,475
Restricted cash and time deposits	14,374	1,333	Current portion of long-term debt:			Gain on disposal of investments	52,020	-
Other receivable - related parties	105,667	78,495	- Bank loans	1,761,034	1,677,688	Gain on disposal of fixed assets	14,707	30,729
Deferred tax assets	100,508	57,608	- Finance leases	275,463	204,312	Dividend income	4,200	3,355
Long-term investments	406,039	274,774	- Other borrowings	450,791	235,918	Other (expense)/income, net	(79,943)	10,764
Fixed assets (net of accumulated depreciation of Rp 9,320,891 in 2010 and Rp 6,883,870 in 2009)	13,114,817	11,345,240	Total Current Liabilities	8,682,806	6,766,120	Total Other Expenses, net	(39,869)	200,510
Investment property	29,727	-				EQUITY IN NET INCOME OF ASSOCIATES	17,106	5,937
Deferred exploration and development expenditures	103,019	79,319	NON-CURRENT LIABILITIES			PROFIT BEFORE INCOME TAX	3,903,951	4,188,893
Deferred charges	75,827	69,273	Other liabilities	37,990	100,799	INCOME TAX EXPENSE	(941,058)	(1,200,133)
Total Non-Current Assets	13,949,978	11,906,042	Deferred tax liabilities	470,312	489,764	INCOME BEFORE MINORITY INTEREST	2,962,893	2,988,760
			Provision	363,287	261,988	MINORITY INTEREST	(2,791)	(25,303)
			Long-term debt, net of current portion:			NET INCOME	2,960,102	2,963,457
			- Bank loans	1,600,686	1,478,501	NET BASIC/ DILUTED EARNINGS PER SHARE	890	891
			- Finance leases	490,553	231,051			
			- Amounts due to related parties	29,806	21,582			
			- Other borrowings	357,637	543,285			
			Total Non-Current Liabilities	3,350,271	3,126,970			
			Total Liabilities	12,033,077	9,893,090			
			MINORITY INTEREST	31,934	86,514			
			EQUITY					
			Share capital:					
			Authorized - 6,000,000,000 ordinary shares with a par value of Rp 250 per share, issued and fully paid 3,326,877,283 shares	831,720	831,720			
			Additional paid-in capital	3,781,563	3,781,563			
			Exchange difference from financial statements translation	118,372	145,842			
			Difference in the equity transactions of subsidiaries	160,645	103,433			
			Investment fair value revaluation reserve	65,691	65,691			
			Retained earnings:					
			Appropriated	166,344	166,344			
			Unappropriated	10,592,139	8,308,317			
			Total Equity	15,716,474	13,402,910			
TOTAL ASSETS	27,781,485	23,382,514	TOTAL LIABILITIES & EQUITY	27,781,485	23,382,514			

Jakarta, September 30, 2010
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS