



PT United Tractors Tbk

Investor Bulletin, Third Quarter 2016

United Tractors Recorded Net Revenue of Rp 33.9 Trillion

Operational:
Y.o.y Komatsu sales volume fell 12%, coal production down 3% and overburden decreased 12%, while coal sales volume up 46%

Financial:
Consolidated revenue was Rp 33.9 trillion, with net income of Rp 3.1 trillion

As of September 2016, the Company recorded net revenue of Rp33.9 trillion or down 11%, compared to Rp38.3 trillion in the same period in 2015. Lower operational performance and profit margin, particularly in Construction Machinery and Mining Contracting, added with foreign exchange loss, resulted in net profit amounted to Rp3.1 trillion, a decrease of 44% from Rp5.6 trillion.

Construction Machinery segment recorded a decrease in Komatsu sales volume by 12% to 1,588 units from 1,799 units. Following the decline in heavy equipment sales, spare parts and maintenance services revenue also decreased by 10% to Rp4.2 trillion. Meanwhile the sales of other brands such as UD Trucks and Scania were increased. Overall, Construction Machinery segment recorded a decrease in revenue by 1% to Rp10.6 trillion. Mining Contracting business segment also recorded a decrease in coal production by 3% to 78.6 million tons, and lower overburden removal by 12% to 524.2 million bcm. As a result, Mining Contracting recorded a decrease in revenue by 24% to Rp17.7 trillion. Mining business segment recorded an increase in coal sales volume by 46% to 5.7 million tons, with net revenue increased by 27% to Rp4.2 trillion. The fourth segment, Construction Industry booked a revenue of Rp 1.3 trillion.

Overall, revenue contribution was mostly from Mining Contracting that is 52%, followed by 31% from Construction Machinery, 13% from Mining, and 4% from Construction Industry.

In Rupiah billion	9M 2016	9M 2015	Y/Y%	FY 2015
Exchange rate (Rp/US\$)	12,998	14,657	-11%	13,795
Revenue Breakdown				
Construction Machinery	10,649	10,754	-1%	13,629
Mining Contracting	17,731	23,368	-24%	30,545
Mining	4,226	3,320	27%	3,817
Construction Industry	1,290	853		1,357
Total Revenue	33,897	38,295	-11%	49,347
Gross Profit	6,580	8,931	-26%	11,702
Gross Profit Margin	19.4%	23.3%	-17%	23.7%
Profit for the period	3,182	5,552	-43%	2,792
Net Income	3,127	5,572	-44%	3,853
Earnings Per Share (expressed in full Rp)	838	1,494	-44%	1,033

Note: The Company's 9M 2016 report was unaudited

October 31, 2016



CONSTRUCTION MACHINERY Performance Overview

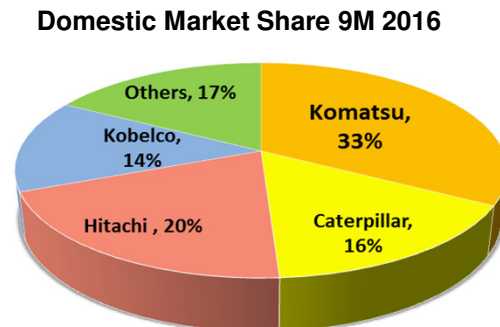
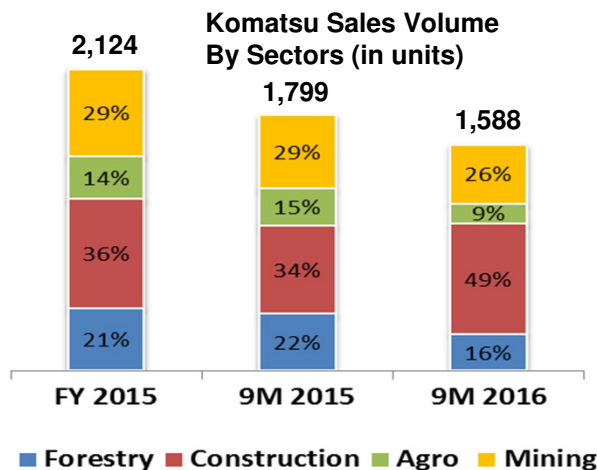
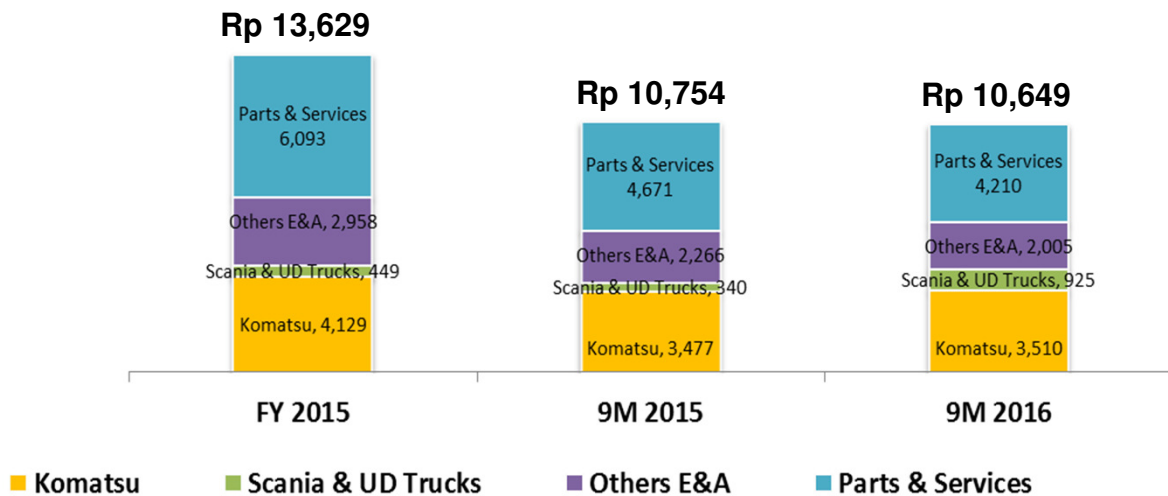
Komatsu sales volume was 1,588 units, with 33% market share

Revenue was Rp 10.6 trillion, decreased 1%

As of September 2016, Komatsu sales volume dropped by 12% to 1,588 units, lower compared to the sales volume in the same period last year of 1,799 units. United Tractors' internal market research has estimated that the overall heavy equipment market in Indonesia was slightly down, from total sales volume of 4,820 units to 4,796 units. Komatsu was able to maintain its market leader position with market share of 33%. On the other hand, sales volume of UT's other distributed brands such as UD Trucks was increased from 54 units to 266 units, and Scania products were increased from 189 units to 330 units. The increase was driven by the increased sales in the segment of on-road truck and Scania bus.

In line with decreasing sales of heavy equipment, the revenue of spare parts and maintenance services decreased by 10% to Rp4.2 trillion. Overall, total revenue of Construction Machinery business segment in the first nine months 2016 recorded a decrease by 1% to Rp10.6 trillion, compared to Rp10.7 trillion in the same period last year.

CM Revenue Breakdown (in billion Rupiah)



Source: Internal Market Research

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MINING CONTRACTING Performance Overview

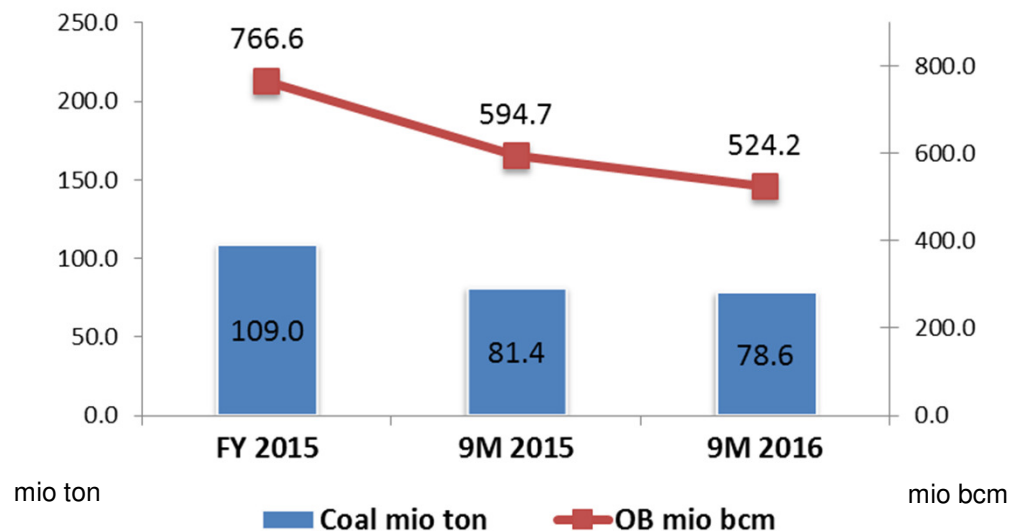
Pama coal production was 78.6 mio tons, down 3%, with overburden removal of 524.2 mio bcm, or down 12%

Revenue was Rp 17.7 trillion, down 24%

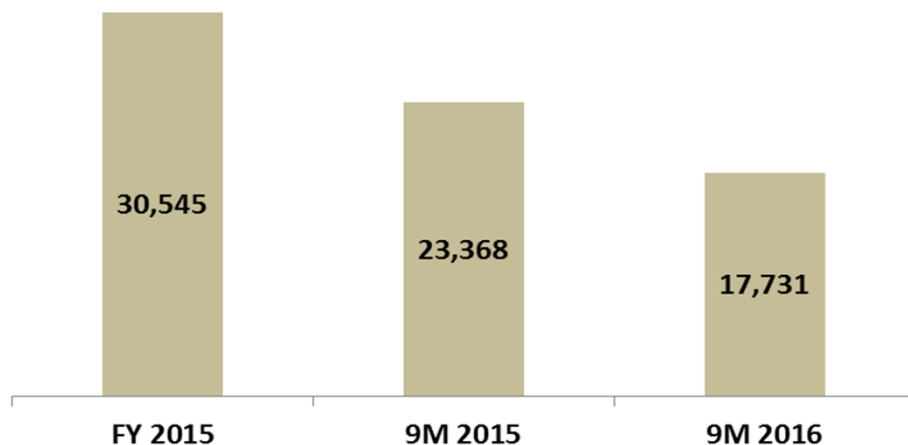
The Company operates its Mining Contracting business through PT Pamapersada Nusantara (PAMA). As of September 2016, PAMA was able to maintain 48% revenue market share (source: internal market research).

Until September 2016, PAMA recorded a decrease in net revenue by 24% to Rp17.7 trillion, compared to Rp23.4 trillion in the same period last year. Coal production was down 3% to 78.6 million tons from 81.4 million tons, while overburden removal was down by 12% from 594.7 million bcm to 524.2 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)



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COAL MINING Performance Overview

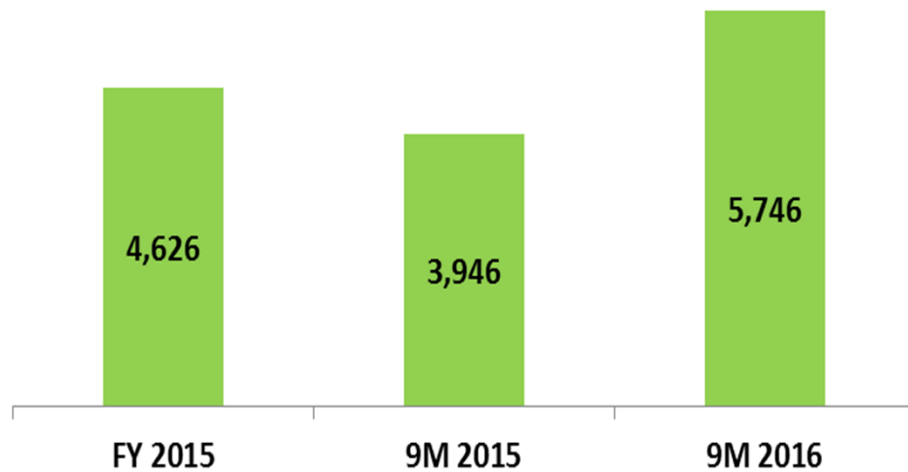
Coal sales volume reached 5.7 million tons, increased 46%

Revenue was Rp 4.2 trillion, increased 27%

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).

Total coal production was able to increase by increasing the production capacity and higher contribution from coal trading business, causing an increase in coal sales volume by 46% or a total of 5.7 million tons, compared to 3.9 million tons in same period 2015. This has caused an increase in revenue of Mining business by 27%, from Rp3.3 trillion to Rp4.2 trillion.

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





CONSTRUCTION INDUSTRY

Performance Overview

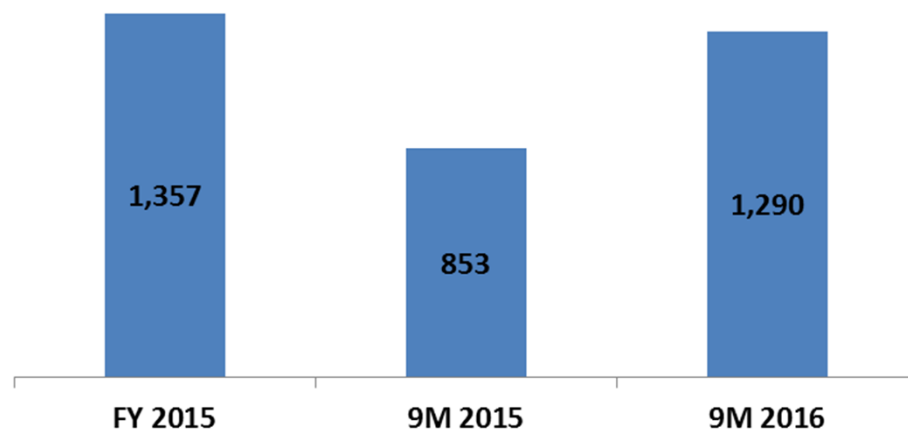
Revenue was Rp 1.3 trillion, increased 51%

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

As of September 2016, ACSET booked net revenue of Rp1.3 trillion and net profit of Rp40 billion. In the first nine months 2016, ACSET succeeded in acquiring new contracts amounting to Rp2.5 trillion.

To support the growth of this business, ACSET 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)



For further information:

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Rate Rp/US\$: 30/09/2016 = 12,998 and 31/12/2015 = 13,795

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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
CURRENT ASSETS			CURRENT LIABILITIES	
Cash and cash equivalents	17,334,137	15,413,210	Trade payables:	
Trade receivables:			- Third parties	11,726,546
- Third parties	11,584,587	11,391,542	- Related parties	105,907
- Related parties	195,960	88,169	Non-trade payables:	
Non-trade receivables:			- Third parties	369,710
- Third parties	565,516	462,558	- Related parties	358,833
- Related parties	343,886	227,355	Taxes payables:	
Inventories	6,559,503	8,328,331	- Corporate income taxes	101,032
Project under construction			- Other taxes	162,554
- Third parties	414,040	300,720	Accruals	1,865,144
- Related parties	14,518	11,581	Customer deposits	
Prepaid taxes:			- Third parties	640,447
- Corporate income taxes	663,257	668,286	- Related parties	7,732
- Other taxes	1,056,607	1,198,036	Deferred revenue	321,647
Advances and prepayments	587,859	469,920	Employee benefit obligations	503,184
Other investments	948,795	700,000	Short-term bank loans	274,643
			Current portion of long-term debt:	
Total Current Assets	40,268,665	39,259,708	- Bank loans	-
			- Finance leases	739,183
NON-CURRENT ASSETS			- Other borrowings	35,203
Non-trade receivables			Current portion of other long-term financial liabilities	20,102
- Third parties	100,356	-		
- Related parties	189,175	89,250	Total Current Liabilities	17,231,867
Restricted cash and time deposits	260,229	262,501		
Advances	145,453	184,353	NON-CURRENT LIABILITIES	
Investments in associates and jointly controlled entities	478,091	498,712	Deferred tax liabilities	964,759
Other investments	679,691	1,438,217	Provision	99,654
Fixed assets	11,372,389	12,659,736	Employee benefit obligations	1,993,728
Mining properties	4,514,667	4,858,944	Long-term debt, net of current portion:	
Investment properties	52,746	52,746	- Bank loans	-
Deferred exploration and development expenditures	453,372	376,843	- Finance leases	72,713
Production mining assets	261,574	297,931	- Other borrowings	29,398
Deferred charges	433,300	146,063	Deferred Revenue	22,830
Goodwill	439,767	439,767	Other long-term financial liabilities	287,939
Deferred tax assets	1,249,082	1,150,628		
			Total Non-current Liabilities	3,471,021
Total Non-current Assets	20,629,892	22,455,691	TOTAL LIABILITIES	20,702,888
				22,465,074
			EQUITY	
			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	25,833,091
			Hedging reserve	(21)
			Investment fair value revaluation reserve	147,141
			Exchange difference on translating financial statements in foreign currencies	2,058,548
			Difference due to acquisition of non-controlling interest in subsidiaries	(349,848)
				(348,323)
				38,511,889
				37,919,722
			Non-controlling interest	1,683,780
				1,330,603

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

(in million Rupiah, except earning per share)

	2016	2015
NET REVENUE	33,897,182	38,294,590
COST OF REVENUE	(27,316,916)	(29,363,538)
GROSS PROFIT	6,580,266	8,931,052
Selling expenses	(421,549)	(403,019)
General and administrative expenses	(1,567,866)	(1,779,934)
Other expenses	(881,292)	(189,871)
Other income	233,432	936,445
Finance income	447,866	(238,597)
Finance costs	(309,421)	286,187
Share of net profit of associates and jointly controlled entities	50,320	58,361
PROFIT BEFORE INCOME TAX	4,131,756	7,600,624
Income tax expense	(950,062)	(2,048,595)
PROFIT FOR THE YEAR	3,181,694	5,552,029
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that will not be reclassified to profit or loss		
Remeasurement of employee benefit obligations	(237,705)	(1,994)
Related income tax expense	56,988	551
	(180,717)	(1,443)
Items that will be reclassified to profit or loss		
Exchange difference from financial statements translation	(327,186)	1,347,640
Hedging reserves	(246)	519
Change in fair value of available for sale financial asset	45,900	(61,875)
Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	(438)	2,612
Related income tax expense	51,707	(273,391)
	(230,263)	1,015,505
Other comprehensive (expense)/income for the period, net of tax	(410,980)	1,014,062
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,770,714	6,566,091
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:		
- Owners of the parent	3,127,072	5,572,333
- Non-controlling interest	54,622	(20,304)
	3,181,694	5,552,029
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	2,768,362	6,431,540
- Non-controlling interest	2,352	134,551
	2,770,714	6,566,091
EARNINGS PER SHARE (expressed in full Rupiah)	838	1,494

Jakarta, Oktober 31, 2016