



# PT United Tractors Tbk

## Investor Bulletin, Fourth Quarter 2010

### United Tractors Generated Rp 37.32 Trillion Net Revenue for 2010

**Operational:**  
**Komatsu sales volume increased 74%, coal production grew 15% and overburden increased 9%, while coal sales volume up 27%**

Recovery of the national economy which continues throughout 2010 has created numerous business opportunities. The Company's ability to take advantage of these opportunities was reflected in its performance which recorded 27.6% increase in consolidated revenue, from Rp 29.24 trillion in 2009 to Rp 37.32 trillion. To this total net revenue, Construction Machinery contributed 46.3%, while Mining Contracting contributed 45.4% and the remaining 8.3% was contributed by Mining.

However, due to slight unfavorable impact of the strengthened Rupiah, as well as swelled production costs in mining contracting business due to unusually heavy rainfall, had caused the Company's profit to grow less significant. The Company's gross profit was increased only 1.9% from Rp 6.67 trillion to Rp 6.80 trillion. Combined with some additional other expenses, the resulted net income was only slightly increased, from Rp 3.82 trillion to Rp 3.87 trillion.

**Financial:**  
**Consolidated revenue was Rp 37.32 trillion, with net income of Rp 3.87 trillion**

Total Komatsu sales volume by end of 2010 reached 5,404 unit, 74% above the total sales in 2009, representing a market share of 46%. Pama extracted 77.9 million tones of coal in 2010, a rise of 15%, while overburden removal increased by 9% to 651.5 million bcm. Coal sales volume from DEJ and TTA mines amounted to 3.1 million tones.

On 12 November 2010, the Company has distributed the interim dividend for 2010, in the total amount of Rp 532.3 billion, or Rp160 per share, while the final dividend will be proposed at the Company's Annual General Meeting of Shareholders in April 2011.

In Rupiah billion	12M 2010	12M 2009	Y/Y%
<b>Revenue Breakdown</b>			
Construction Machinery	17,275	10,981	57%
Mining Contracting	16,929	15,418	10%
Mining	3,121	2,843	10%
<b>Total Revenue</b>	<b>37,324</b>	<b>29,242</b>	<b>28%</b>
Gross Profit	6,796	6,671	2%
<i>Gross Profit Margin</i>	<i>18.2%</i>	<i>22.8%</i>	<i>-20%</i>
Operating Profit	5,163	5,266	-2%
<i>Operating Profit Margin</i>	<i>13.8%</i>	<i>18.0%</i>	<i>-23%</i>
<b>EBITDA</b>	<b>8,019</b>	<b>7,470</b>	<b>7%</b>
<i>EBITDA Margin</i>	<i>21.5%</i>	<i>25.5%</i>	<i>-16%</i>
<b>Net Income</b>	<b>3,873</b>	<b>3,818</b>	<b>1%</b>
Earnings (Losses) Per Share (Rp)	1,164	1,147	1%

February 24, 2011



# CONSTRUCTION MACHINERY Performance Overview

**Komatsu sales volume was 5,404 units, with 46% market share**

In 2010, Komatsu sales volume reached a new record up to 5,404 units, jump 74% from sales volume in 2009. The high demand for heavy equipment was a reflection of improved economic conditions in all sectors. In addition, other supporting products such as Nissan Diesel truck also increased from 634 units to 892 units, and Scania truck from 350 units to 464 units. Furthermore, revenue from spare parts sales and maintenance services continued to grow by 14% compared to the same period last year.

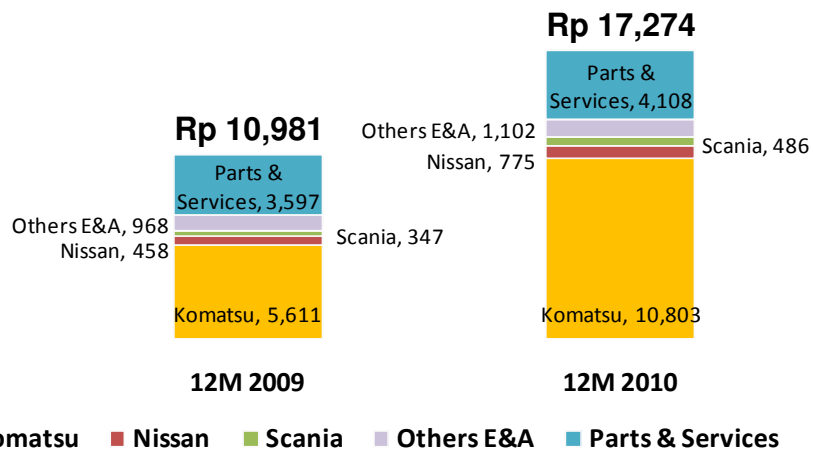
**Revenue was Rp 17.27 trillion, increased 57%**

This extraordinary increase in sales volume has pushed the net revenue of Construction Machinery to Rp 17.27 trillion, or up 57% compared to last year's figure of Rp 10.98 trillion. To this total revenue, sales of Komatsu equipment contributed 63% or Rp 10.80 trillion, while parts and service contributed 24% or Rp 4.11 trillion.

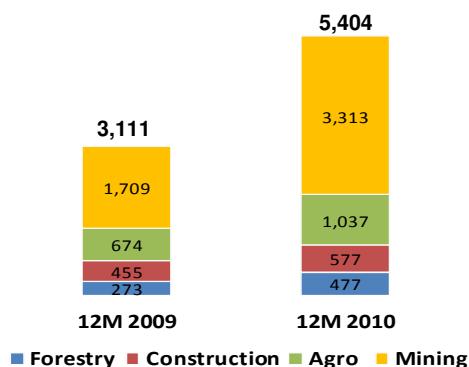
**Gross profit margin was 17.4% (before elimination)**

The product and sales mix (decreased portion of revenue of after sales service from 33% last year to 24% this year), added with strengthened IDR year-on-year, resulted in lower gross profit margin, from 19.1% to 17.4% (before elimination).

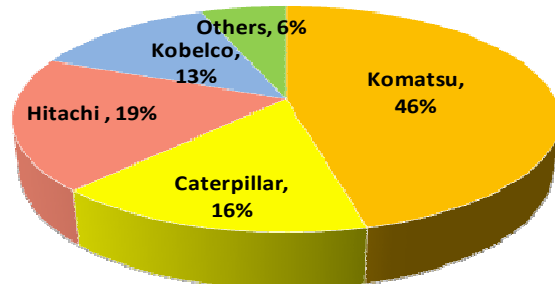
## CM Revenue Breakdown (Rupiah billion)



## Komatsu Sales Volume By Sectors (in units)



## Domestic Market Share 12M 10





## MINING CONTRACTING Performance Overview

**Pama coal production was 77.9 mio tons, up 15%, with overburden removal of 651.5 mio bcm, or up 9%**

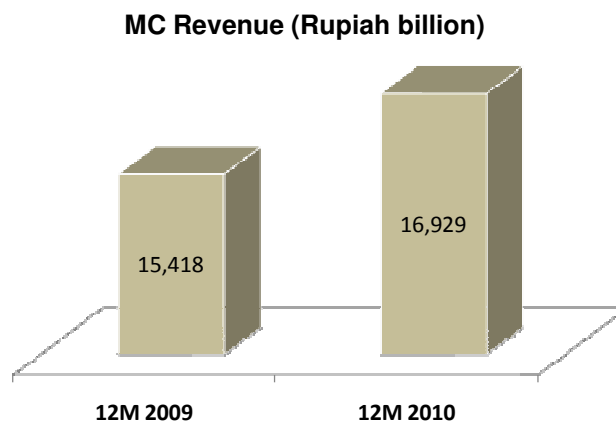
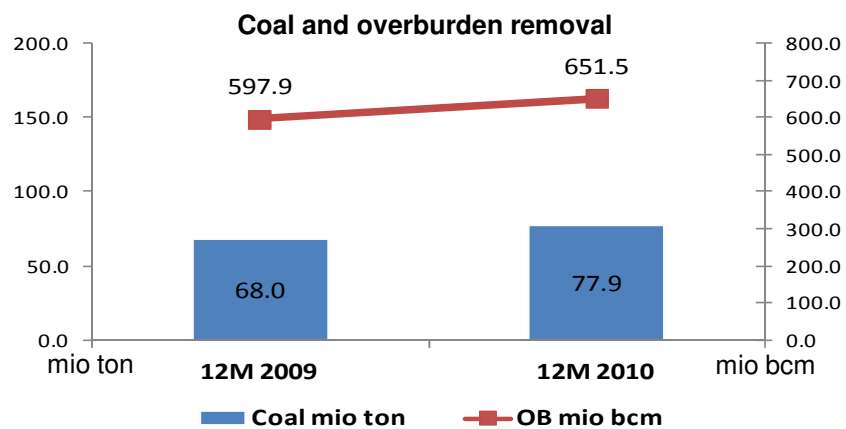
**Revenue was Rp 16.93 trillion, up 10%**

**Gross profit margin was 13.8% (before elimination)**

Despite constraints in the form of high rainfall, several precaution measures conducted by PT Pamapersada Nusantara (Pama), such as innovative approach in operation, such as mine design, all weather road, dewatering, mud handling, drilling and blasting, as well as productivity enhancement, has made Pama well set to increase volume in coal production by 15% and overburden removal by 9%, or from 68.0 million tons of coal and 597.9 million bcm overburden removal to 77.9 million tons and 651.5 million bcm in 2010.

Achievement of operational targets was also reflected in Pama's increased revenue, from Rp 15.42 trillion in 2009 to Rp 16.93 trillion, or rose by 10%. 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 were 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 21.4% to 13.8% (before elimination) year-on-year.





## COAL MINING Performance Overview

**Coal sales volume reached 3.05 million tons**

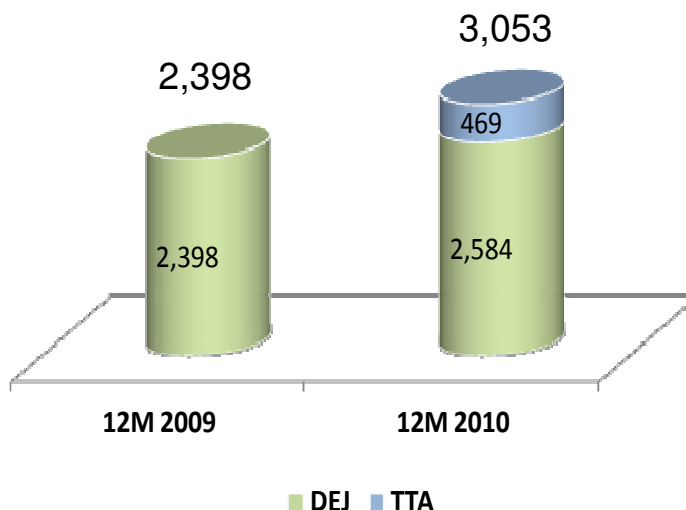
**Revenue was Rp 3.12 trillion, increased 10% due to higher average coal price**

The Company's Mining business unit is represented by Dasa Eka Jasatama (DEJ Mines) and PT Tuah Turangga Agung (TTA). In 2010, DEJ has sold 2.58 million tons of coal or increased 8% from 2.40 million tons recorded last year. The Company's second mine, TTA, located in Kapuas, Central Kalimantan, has started its commercial sales in May 2010 and for the full year has sold 469,144 tons of coal.

Despite the strengthened IDR against USD year-on-year, increased coal sales volume as well as higher average coal price, resulted in an escalation of revenue in this business unit by 10% from Rp 2.84 trillion to Rp 3.12 trillion.

Due to higher average coal price compared to last year, gross profit margin (before elimination) until fourth quarter 2010, slightly improved from 13.6% to 14.0%,.

**Coal Sales Volume (in thousand tons)**



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*February 24, 2011*

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Rate Rp/US\$: 2010 = 8,991 and 2009 = 9,400

CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2010 AND 2009 (in million Rupiah)			CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009 (in million Rupiah)		
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY			
	2010	2009		2010	2009
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and cash equivalents	1,343,220	2,769,187	Short - term bank loans	190,819	31,200
Trade receivables:			Trade payables		
- Third parties (net of allowance for doubtful accounts of Rp 82,643 in 2010 and Rp 67,272 in 2009)	5,169,075	4,419,648	- Third parties	4,877,238	3,842,143
- Related parties	45,806	42,958	- Related parties	654,149	322,173
Other receivables			Other payables		
- Third parties (net of allowance for doubtful accounts of 2010 and 2009: Rp 20,000)	89,372	86,960	- Third parties	87,468	100,012
- Related parties	45,435	20,432	- Related parties	30,913	32,766
Inventories (net of allowance for inventory obsolescence of Rp 41,504 in 2010 and Rp 22,746 in 2009)	6,931,631	3,966,358	Taxes payable	133,744	541,435
Prepaid taxes	1,170,065	506,224	Accrued expenses	652,143	664,172
Advances and prepayments	738,158	177,666	Customer deposit	407,718	210,143
			Deferred revenue	42,874	124,482
			Provision	51,466	52,690
			Current portion of long-term debt:		
			- Bank loans	2,011,371	869,478
			- Finance leases	324,930	212,979
			- Other borrowings	454,392	255,059
<b>Total Current Assets</b>	<b>15,532,762</b>	<b>11,989,433</b>	<b>Total Current Liabilities</b>	<b>9,919,225</b>	<b>7,258,732</b>
<b>NON-CURRENT ASSETS</b>			<b>NON-CURRENT LIABILITIES</b>		
Restricted cash and time deposits	14,863	7,057	Other liabilities	26,721	34,603
Other receivable - related parties	59,421	55,554	Deferred tax liabilities	456,477	497,932
Derivative financial instruments	26,512	-	Provision	434,242	295,159
Deferred tax assets	154,890	32,367	Long-term debt, net of current portion:		
Long-term investments	443,023	306,292	- Bank loans	1,966,376	1,433,242
Fixed assets (net of accumulated depreciation of Rp 9,991,722 in 2010 and Rp 7,356,977 in 2009)	13,261,374	11,835,726	- Finance leases	419,373	363,689
Investment property	30,336	22,291	- Other borrowings	313,094	570,391
Deferred exploration and development expenditures	101,641	88,894			
Deferred charges	76,092	67,214	<b>Total Non-Current Liabilities</b>	<b>3,616,283</b>	<b>3,195,016</b>
			<b>Total Liabilities</b>	<b>13,535,508</b>	<b>10,453,748</b>
<b>Total Non-Current Assets</b>	<b>14,168,152</b>	<b>12,415,395</b>	<b>MINORITY INTEREST</b>	<b>29,068</b>	<b>107,370</b>
			<b>EQUITY</b>		
			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	120,690	135,504
			Difference in the equity transactions of subsidiaries	197,662	132,981
			Investment fair value revaluation reserve	65,691	65,691
			Retained earnings :		
			- Appropriated	166,344	166,344
			- Unappropriated	10,972,668	8,729,907
			<b>Total Equity</b>	<b>16,136,338</b>	<b>13,843,710</b>
<b>TOTAL ASSETS</b>	<b>29,700,914</b>	<b>24,404,828</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>29,700,914</b>	<b>24,404,828</b>

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009 (in million Rupiah)		
	2010	2009
<b>NET REVENUE</b>	37,323,872	29,241,883
<b>COST OF REVENUE</b>	(30,528,174)	(22,570,824)
<b>GROSS PROFIT</b>	<b>6,795,698</b>	<b>6,671,059</b>
<b>OPERATING EXPENSES</b>		
Selling expenses	(358,470)	(272,315)
General and administrative expenses	(1,274,707)	(1,132,272)
<b>Total Operating Expenses</b>	<b>(1,633,177)</b>	<b>(1,404,587)</b>
<b>OPERATING INCOME</b>	<b>5,162,521</b>	<b>5,266,472</b>
<b>OTHER (EXPENSES)/INCOME</b>		
Foreign exchange gain/(loss), net	22,242	283,105
Interest and finance charges	(207,141)	(188,467)
Interest income	66,941	99,699
Gain on disposal of investments	52,020	-
Gain on disposal of fixed assets	37,312	48,996
Dividend income	4,815	3,971
Other expense, net	(100,041)	(78,642)
<b>Total Other (Expenses)/Income, net</b>	<b>(123,852)</b>	<b>168,662</b>
<b>SHARES OF RESULTS OF ASSOCIATES</b>	<b>22,591</b>	<b>9,104</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>5,061,260</b>	<b>5,444,238</b>
<b>INCOME TAX EXPENSE</b>	<b>(1,186,745)</b>	<b>(1,594,543)</b>
<b>INCOME BEFORE MINORITY INTEREST</b>	<b>3,874,515</b>	<b>3,849,695</b>
<b>MINORITY INTEREST</b>	<b>(1,584)</b>	<b>(32,154)</b>
<b>NET INCOME</b>	<b>3,872,931</b>	<b>3,817,541</b>
<b>NET BASIC EARNINGS PER SHARE</b>	<b>1,164</b>	<b>1,147</b>

Jakarta, December 31, 2010  
**PT UNITED TRACTORS Tbk**  
S.E. & O

THE BOARD OF DIRECTORS