



PT United Tractors Tbk

Investor Bulletin, Fourth Quarter 2017

United Tractors Recorded Net Income of Rp 7.4 Trillion

Operational:
Y.o.y Komatsu sales volume up 74%, coal production up 3%, overburden increased 14%.

United Tractors (UT/the Company) closed the year of 2017 with consolidated net revenue of Rp64.6 trillion, or increased by 42% from Rp45.5 trillion in 2016, driven by improved performance in all business segment. In line with the revenue, the Company's net profit increased by 48% to Rp7.4 trillion compared to Rp5.0 trillion in 2016, mainly due to higher operational volumes and better profit margins. In 2017, earnings per share (basic and diluted) of UNTR stood at Rp1,985 up from Rp1,341 in 2016.

Financial:
Consolidated revenue was Rp 64.6 trillion, with net income of Rp 7.4 trillion

Construction Machinery segment recorded an increase in Komatsu sales volume by 74% to 3,788 units from 2,181 units. Sales of spare parts and maintenance services were up 22% to Rp7.1 trillion. In total, Construction Machinery segment recorded 69% increase in revenue to Rp24.7 trillion. Mining Contracting business segment recorded 23% increase in net revenue to Rp29.6 trillion, with 112.6 million tons of coal production and 800.8 million bcm of overburden removal. Mining business segment recorded decreased coal sales volume by 8% to 6.3 million tons due to lower volume in coal trading, while net revenue increased by 40% to Rp7.2 trillion due to higher average coal selling price. The fourth segment, Construction Industry, recorded 69% net revenue growth to Rp3.0 trillion.

Overall, to the Company's consolidated net revenue, Mining Contracting segment contributed 46%, followed by Construction Machinery with 38%, Mining with 11%, and Construction Industry with 5% contribution.

In Rupiah billion	FY 2017	FY 2016	Y/Y%
Exchange rate (Rp/US\$)	13,548	13,436	1%
Revenue Breakdown			
Construction Machinery	24,711	14,618	69%
Mining Contracting	29,637	24,003	23%
Mining	7,181	5,124	40%
Construction Industry	3,031	1,794	69%
Total Revenue	64,559	45,539	42%
Gross Profit	14,483	9,661	50%
Gross Profit Margin	22.4%	21.2%	6%
Profit for the year	7,673	5,104	50%
Net Income	7,403	5,002	48%
Earnings Per Share (expressed in full Rp)	1,985	1,341	48%

Note: The Company's FY 2017 & FY 2016 report was audited

February 27, 2018



CONSTRUCTION MACHINERY

Performance Overview

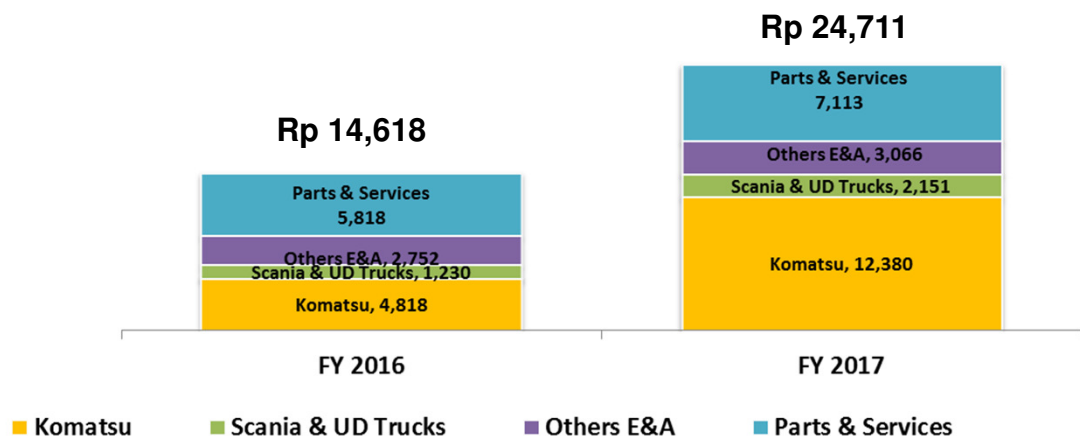
Komatsu sales volume was 3,788 units

Revenue was Rp 24.7 trillion, increased 69%

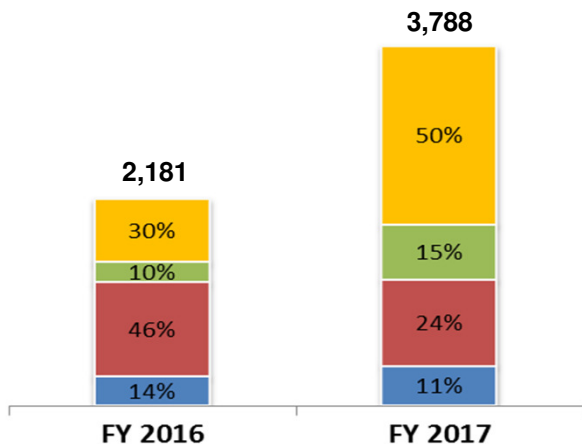
Construction Machinery recorded an increase in Komatsu sales volume by 74% from a total of 2,181 units in 2016 to 3,788 units. Such increase was due to sales increase particularly from mining and plantation sectors. Komatsu managed to maintain its position as market leader with 35% market share (according to internal market research). Sales volume of UT's other distributed brands, such as UD Trucks was increased from 361 units to 700 units, and Scania products sales was increased from 532 units to 1,116 units.

In line with the growth of unit sales, spare parts and maintenance services also recorded an increase in revenue by 22% to Rp7.1 trillion due to the growing need of customers to maintain and improve the life cycle of their equipment fleets. In total, Construction Machinery business line recorded an increase in revenue by 69% to Rp24.7 trillion, compared to Rp14.6 trillion in 2016.

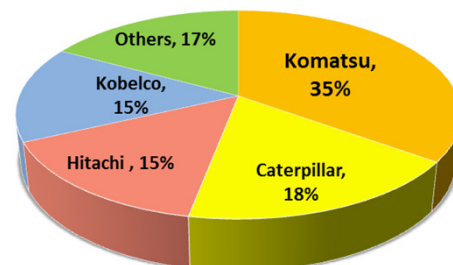
CM Revenue Breakdown (in billion Rupiah)



Komatsu Sales Volume By Sectors (in units)



Domestic Market Share FY 2017



Source: Internal Market Research

■ Forestry ■ Construction ■ Agro ■ Mining



MINING CONTRACTING Performance Overview

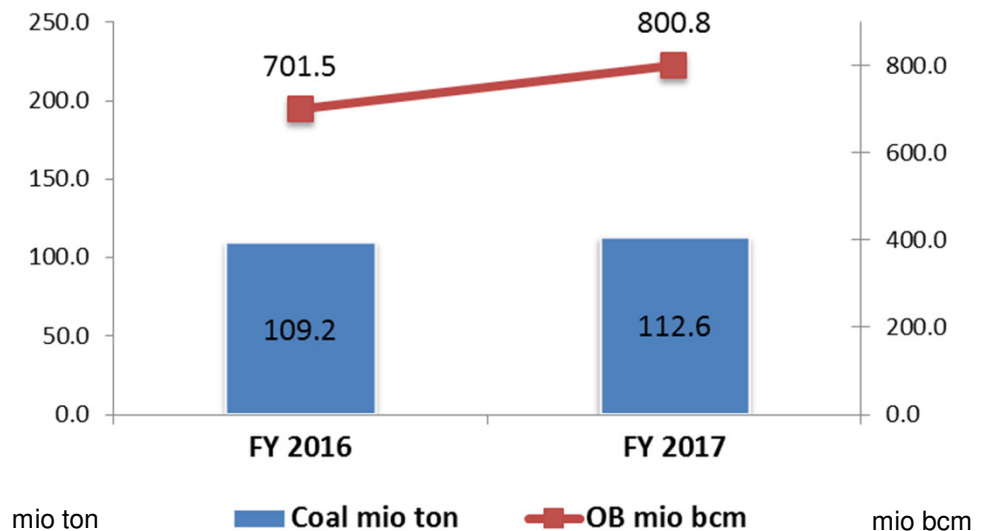
Pama coal production was 112.6 mio tons, up 3%, with overburden removal of 800.8 mio bcm, or up 14%

Revenue was Rp 29.6 trillion, up 23%

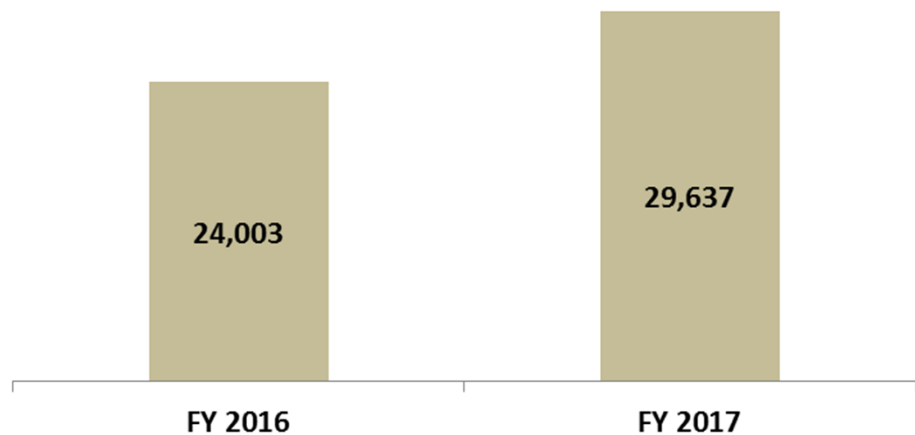
UT's Mining Contracting business line is carried out through PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

In 2017, PAMA recorded 23% increase in net revenue from Rp24.0 trillion to Rp29.6 trillion, with total coal production volume up by 3% from 109.2 million tons to 112.6 million tons, while overburden removal volume was up 14% from 701.5 million bcm to 800.8 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)





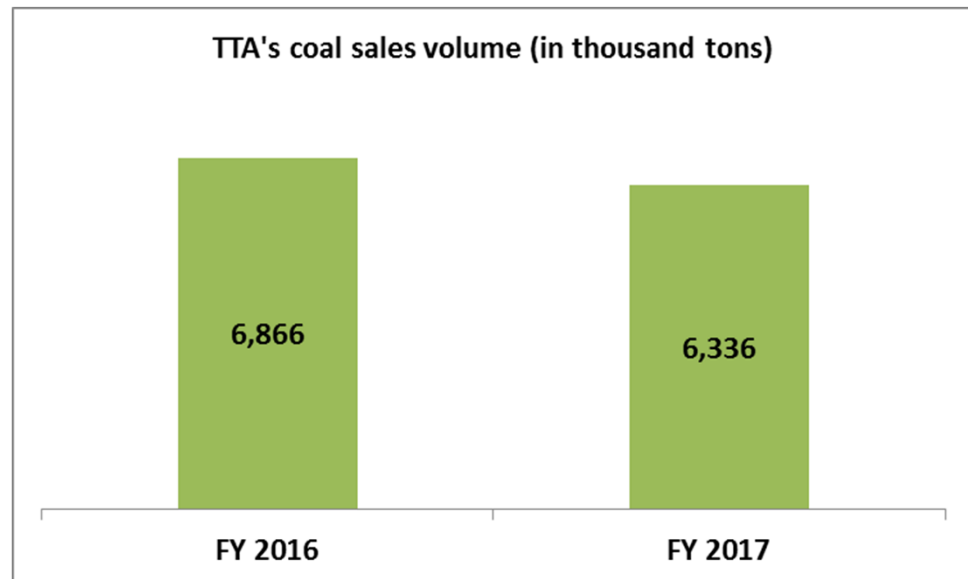
COAL MINING Performance Overview

Coal sales volume reached 6.3 million tons, decreased 8%

Revenue was Rp 7.2 trillion, increased 40%

The Company's Mining business segment was operated by PT Buah Turangga Agung (TTA). Currently, TTA operates coal mines under management of PT Asmin Bara Bronang (ABB), PT Telen Orbit Prima (TOP), and PT Suprabari Mapanindo Mineral (SMM). SMM which was acquired in March 2017 is a coking coal concession in Central Kalimantan, and has started its commercial production by the end of 2017.

Coal Mining business line recorded a decrease in volume sales by 8% to 6.3 million tons, compared to 6.9 million tons in 2016, due to lower volume in coal trading business. However, the revenue was increased by 40% to Rp7.2 trillion from Rp5.1 trillion, due to significantly higher average coal selling price.





CONSTRUCTION INDUSTRY

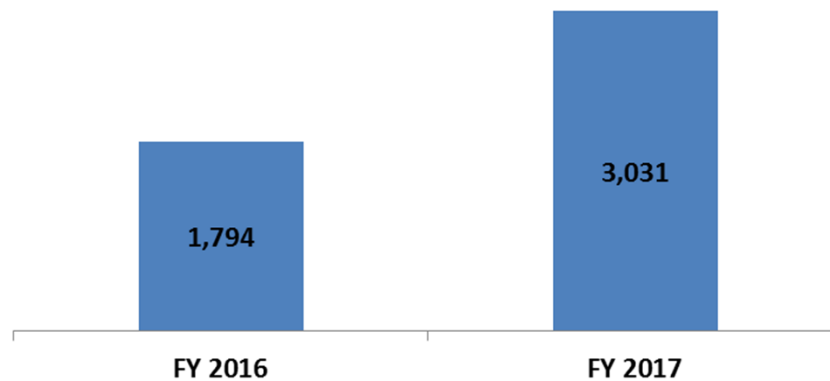
Performance Overview

Revenue was Rp 3.0 trillion, increased 69%, net income was Rp 154 billion, increased 126%

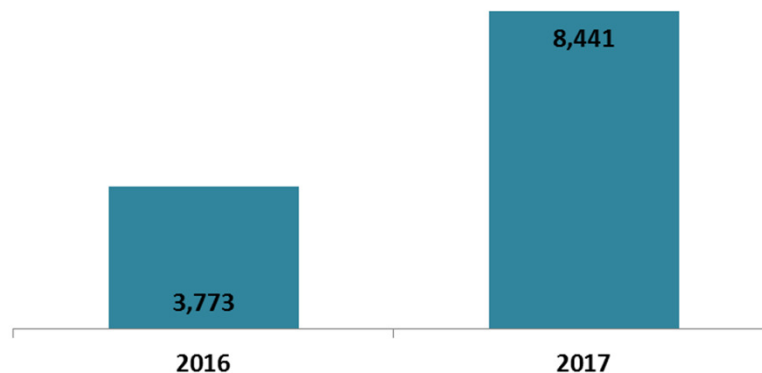
The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). By the end of December 2017, ACSET booked revenue of Rp3.0 trillion, compared to Rp1.8 trillion in 2016. In line with revenue increase, net profit rose by 126% from Rp68 billion in 2016 to Rp154 billion.

In 2017, ACSET was awarded new contracts with total project valuation of Rp8.4 trillion, compared to Rp3.8 trillion in 2016.

Construction Industry Revenue (Rupiah billion)



New Contracts (Rupiah billion)



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Rate Rp/US\$: 31/12/2017 = 13,548 and 31/12/2016 = 13,436

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 AND 2016 (expressed in million of Rupiah, unless otherwise stated)

ASSETS	LIABILITIES AND STOCKHOLDERS' EQUITY	
	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	20,831,489	19,460,864
Trade receivables:		
- Third parties	16,297,531	10,841,276
- Related parties	257,751	200,237
Non-trade receivables:		
- Third parties	942,539	779,470
- Related parties	689,822	293,528
Inventories	7,854,913	7,108,044
Project under construction		
- Third parties	344,763	343,348
- Related parties	-	24,713
Prepaid taxes:		
- Corporate income taxes	346,138	519,391
- Other taxes	1,745,417	1,111,744
Advances and prepayments	1,335,030	450,693
Other current assets	159,082	214,806
Other investments	397,725	849,209
Total Current Assets	51,202,200	42,197,323
NON-CURRENT ASSETS		
Trade receivables		
- Third parties	69,001	480,324
Non-trade receivables		
- Third parties	365,760	221,352
- Related parties	620,030	216,122
Restricted cash and time deposits	2,824,400	242,395
Advances	171,167	301,221
Investments in associates and jointly controlled entities	875,297	706,265
Other investments	234,292	598,514
Fixed assets	16,374,852	12,072,399
Mining properties	5,876,638	4,612,741
Investment properties	151,961	121,680
Deferred exploration and development expenditures	891,966	409,278
Production mining assets	343,515	257,498
Deferred charges	393,080	113,633
Goodwill	439,767	439,767
Deferred tax assets	1,428,167	1,000,717
Total Non-current Assets	31,059,893	21,793,906
TOTAL ASSETS	82,262,093	63,991,229
CURRENT LIABILITIES		
Trade payables:		
- Third parties	20,113,141	14,018,234
- Related parties	126,108	101,238
Non-trade payables:		
- Third parties	629,911	232,140
- Related parties	240,866	253,069
Taxes payables:		
- Corporate income taxes	1,089,304	27,693
- Other taxes	302,511	216,274
Accruals	2,431,218	1,305,414
Customer deposits		
- Third parties	784,648	689,089
- Related parties	24,558	2,687
Deferred revenue	494,434	329,112
Employee benefit obligations	223,854	152,928
Short-term bank loans	1,192,573	304,397
Current portion of long-term debt:		
- Bank loans	632,240	-
- Finance leases	51,350	687,959
- Other borrowings	39,846	35,714
Total Current Liabilities	28,376,562	18,355,948
NON-CURRENT LIABILITIES		
Trade payables:		
- Related parties	-	230,355
Deferred tax liabilities	1,442,159	980,288
Provision	160,672	102,676
Employee benefit obligations	1,859,089	1,476,191
Long-term debt, net of current portion:		
- Bank loans	2,709,600	-
- Finance leases	14,849	64,891
- Other borrowings	38,669	20,327
Deferred Revenue	2,260	19,785
Other long-term financial liabilities	120,308	118,825
Total Non-current Liabilities	6,347,606	3,013,338
TOTAL LIABILITIES	34,724,168	21,369,286
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	932,534
Additional paid-in capital	9,703,937	9,703,937
Retained earnings:		
- Appropriated	186,507	186,507
- Unappropriated	32,787,260	28,015,375
Exchange difference on financial statements translation	2,245,246	2,188,394
Investment fair value revaluation reserve	171,216	173,016
Hedging reserve	(324,532)	-
Investment properties fair value revaluation reserve	8,615	8,615
Exchange difference on translating financial statements in foreign currencies	(348,323)	(348,323)
Total Equity	45,362,460	40,860,055
Non-controlling interest	2,175,465	1,761,888
TOTAL EQUITY	47,537,925	42,621,943
TOTAL LIABILITIES AND EQUITY	82,262,093	63,991,229

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2017 AND 2016 (in million Rupiah, except earning per share)

	2017	2016
NET REVENUE	64,559,204	45,539,238
COST OF REVENUE	(50,075,332)	(35,878,274)
GROSS PROFIT	14,483,872	9,660,964
Selling expenses	(1,028,852)	(633,763)
General and administrative expenses	(2,698,558)	(2,320,891)
Other expenses	(732,690)	(742,362)
Other income	186,461	508,758
Finance income	1,016,075	682,184
Finance costs	(874,451)	(490,726)
Share of net profit of associates and jointly controlled entities	170,800	65,866
PROFIT BEFORE INCOME TAX	10,522,657	6,730,030
Income tax expense	(2,849,335)	(1,625,553)
PROFIT FOR THE YEAR	7,673,322	5,104,477
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that will not be reclassified to profit or loss		
Remeasurement of employee benefit obligations	(152,289)	166,155
Fixed assets fair value revaluation reserves	-	8,615
Related income tax expense	38,114	(39,519)
Items that will be reclassified to profit or loss		
Exchange difference from financial statements translation	83,705	(123,617)
Hedging reserves	(492)	(225)
Change in fair value of available for sale financial asset	(1,800)	71,775
Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	(324,283)	(10,006)
Related income tax expense	(16,643)	17,625
Other comprehensive (expense)/income for the period, net of tax	(259,513)	(44,448)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,299,634	5,195,280
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:		
- Owners of the parent	7,402,966	5,002,225
- Non-controlling interest	270,356	102,252
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	7,673,322	5,104,477
- Owners of the parent	7,020,246	5,115,001
- Non-controlling interest	279,388	80,279
EARNINGS PER SHARE (expressed in full Rupiah)	1,985	1,341

Jakarta, February 27, 2018
PT UNITED TRACTORS Tbk
S.E. & O

THE BOARD OF DIRECTORS