



### Mining Contracting Shows Steady Growth

In the first three months of 2002, the consolidated revenue increased just by 2% or from IDR 1.50 trillion in Q1 2001 to IDR 1.53 trillion this year under strengthening IDR against USD. By division, only the Mining Contracting division shows an increased in net revenue of 25%, while the other two divisions recorded lower earnings. In terms of revenue contribution, Mining Contracting (MC) division also becomes the highest contributor with 51%, followed by Construction Machinery (CM) with 32% and Mining with 17%.

#### EBITDA reaches IDR 284 bio.

Under tighter condition, the gross profit and operating profit margins decreased from 20.5% and 14.4%, respectively, in Q1 2001 to currently 19.3% and 12.6%. The decrease is due to lower margins at MC and Mining that will be explained in the following pages. Overall, EBITDA has decreased as well to IDR 283.89 billion from previously IDR 300.00 billion a year before. Its margin has decreased as well from 20.0% to 18.6% this year.

#### Net profit improves to IDR 138 bio.

With the IDR strengthening from IDR 10,400 in March 2001 to IDR 9,655 in March 2002, the Company records foreign exchange (forex) gain of IDR 190.39 billion this year compared to forex loss IDR 281.18 billion in Q1 2001. As the result, the Company reported a net profit of IDR 138.37 billion for the quarter as compared to a loss of IDR 110.33 billion.

#### Highlights of the quarter's result

In Rp. bn.	3M 2002	3M 2001	% Increase
Sales	1,528	1,503	1.6
<i>Construction Machinery</i>	493	613	(19.5)
<i>Mining Contracting</i>	777	623	24.7
<i>Mining</i>	258	268	(3.6)
Gross Profit	295	308	(4.2)
<i>Gross Profit Margin (%)</i>	19.3	20.5	(5.9)
Operating Profit	192	216	10.9
<i>Operating Profit Margin (%)</i>	12.6	14.4	(12.5)
EBITDA	284	300	5.4
<i>EBITDA Margin (%)</i>	18.6	20.0	(7.0)
Net Income	138	(110)	225.4
Earnings (Losses) Per Share (Rp.)	90	(71)	225.4



# PERFORMANCE OVERVIEW: CONSTRUCTION MACHINERY

## Revenue reached IDR 613 bio.

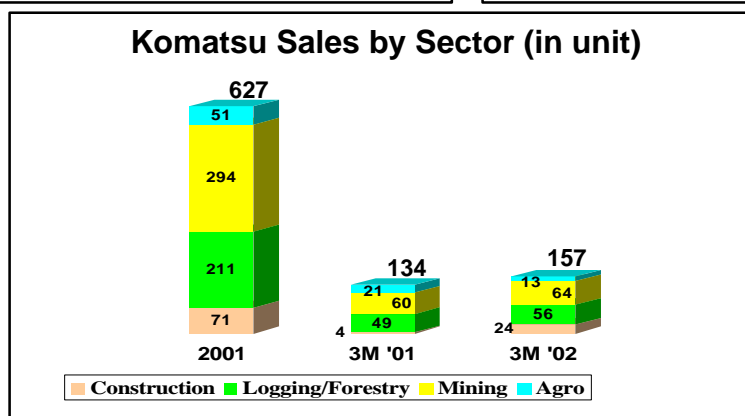
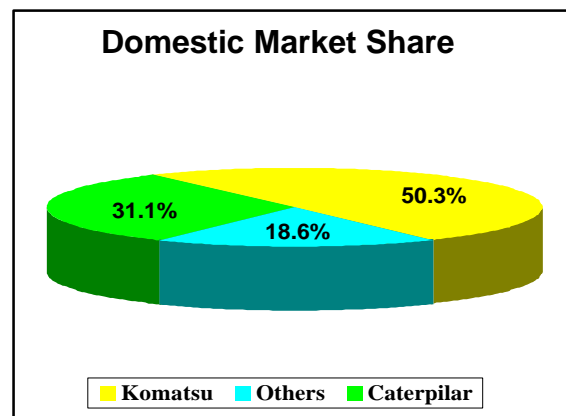
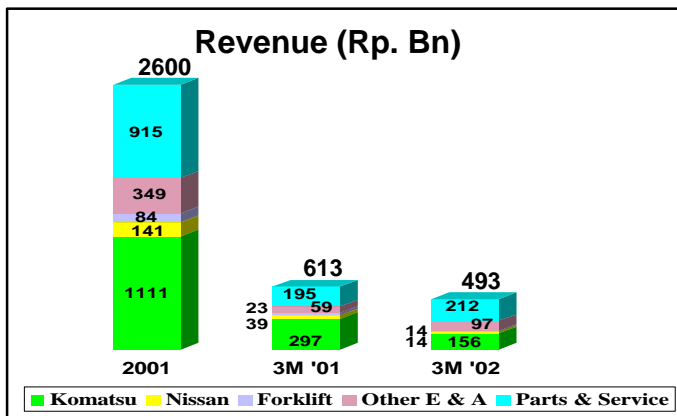
In the first quarter of 2002, the revenue of Construction Machinery decreased by 19.5% from IDR 612.75 billion to IDR 493.21 billion. The decrease was mainly due to: (1) lower sales to the logging/forestry sector because of low log price that affected the sales of heavy equipment and parts; (2) sales of smaller size Komatsu equipment; and (3) the strengthening of IDR. Overall, sales of parts & services managed to show growth of 8.4% y.o.y. However, unit revenue dropped by 32.6% in contrast.

## Komatsu's market share reached 50.3%

Operationally, up to March 2002 Komatsu sales reached 157 units or representing 17.2% growth over a year ago. In terms of quantity, Komatsu was still the market leader at 50.3%, far ahead of its closest rival. However, the Company expects that the market share should go back to normal at around 43% toward the end of year. In contrary, Nissan Diesel truck sales was highly affected by the trend at logging/forestry so that only 17 units were sold in the first quarter 2002, or lower from 41 units in 2001. Sales of Komatsu-Patria forklift also decreased from 102 units in Q1 2001 to 88 units this year.

## Higher GPM but lower OPM

Overall, CM registered gross profit margin and operating profit margin of 30% and 15%, respectively, as compared to 25% and 16% recorded in the previous year.



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## PERFORMANCE OVERVIEW: MINING CONTRACTING

### Pama increased revenue by 24.7%

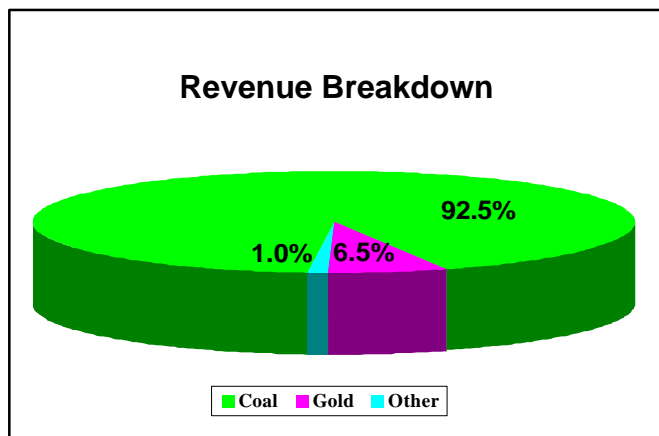
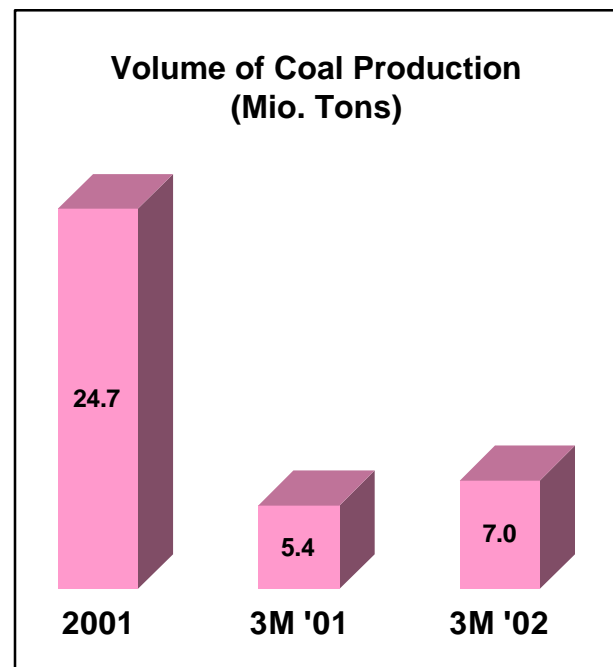
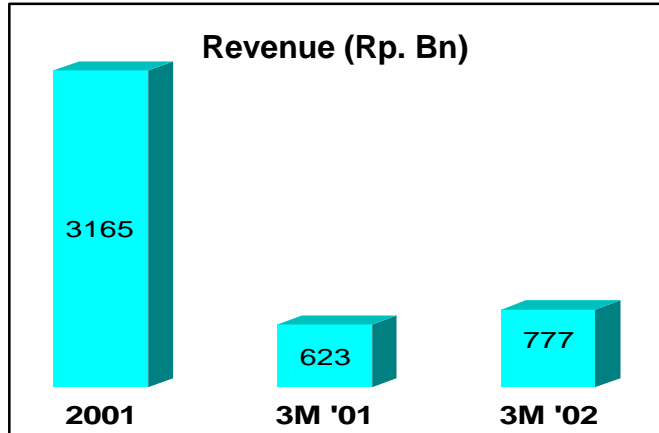
Up to March 2002, the Mining Contracting (MC) division, through PT Pamapersada Nusantara (Pama), was the only division that recorded revenue growth. The net revenue increased 24.7% to IDR 776.88 billion from IDR 623.12 billion in Q1 2001. The increase came from higher production that reached 7.0 million tons of coal with 30.1 million bcm overburden and 0.3 million tons gold ore with 1.4 million bcm waste for this year. For comparison, in Q1 2001, Pama produced 5.4 million tons coal with 23.1 million bcm overburden and 0.3 million tons gold ore with 2.0 million bcm waste.

### Lower margins in Q1 2002

During the first quarter 2002, Pama incurred higher production cost due to repair and maintenance (overhaul equipment), opening new mine at Kaltim Prima Coal (KPC), and higher sub contractor fees. As the result, the gross profit and the operating profit margin decreased to 14.4% and 12.3%, respectively, as compared to 18.1% and 14.1% in Q1 2001.

### Expansion from current project

So far, Pama has no new contracts. The Company is currently concentrating on working the on-hand projects. The expansion is expected to come from these projects.



March 31, 2002



# PERFORMANCE OVERVIEW: COAL MINING

**Berau's revenue reached IDR 258 bio.**

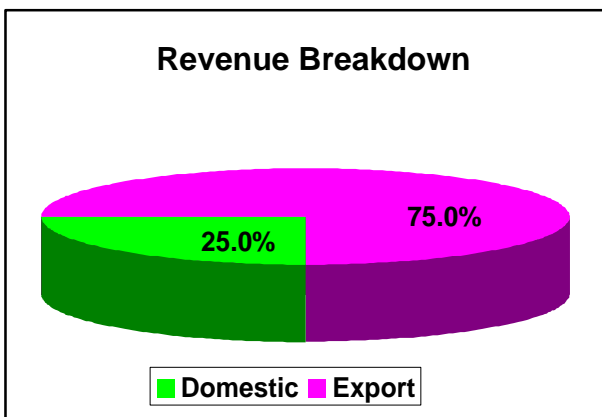
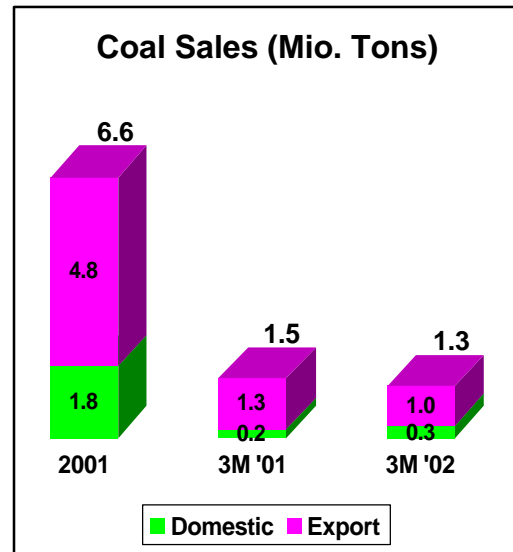
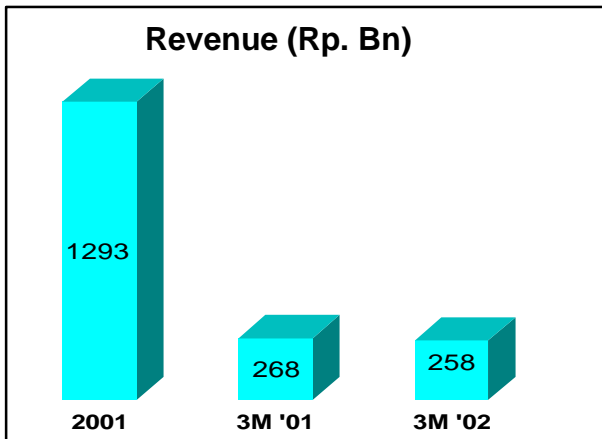
PT Berau Coal (Berau) experienced the effect of heavy rainfall at the beginning of 2002 that brought significant impact on its operations. As the result, its sales decreased to 1.26 million tons of coal (75% export) in Q1 2002 as compared to 1.55 million tons (85% export) a year before. Overall, the net revenue reached IDR 257.84 billion, or 3.6% lower than IDR 267.57 billion in Q1 2001. Berau's average coal price has actually increased from USD 17.49 per ton in Q1 2001 to USD 20.41 per ton currently. The price is expected to continue increasing toward the end of the year and decrease again afterward. Right now, Berau is still exporting mainly to Taiwan, Hong Kong, Japan, and Korea.

**GPM decreased to 13%**

Looking at the gross profit, its margin dropped to 13.1% as compared to 15.4% in Q1 2001. Berau incurred higher cost in Q1 2002 as the result of the increase fuel price. Following lower GPM, the operating profit margin also decreased to 9.1% this year from 11.7% in Q1 2001.

**No new development with the divestment**

Up to March 2002, divestment of Berau is not finalized yet. Currently, the advisor in the sales process is still communicating with the bidders to clarify several things. No new time limit has been set yet for this current development.



For further information:

Investor Relations of PT United Tractors Tbk  
Attn. : Tjandrawati Waas / Thomas H. Aslim  
Ph. : 62 21 460-5980/5982  
Fax : 62 21 460-0655  
E-Mail : ir@unitedtractors.com  
<http://www.unitedtractors.com>

March 31, 2002

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910

Phone (021) 4605959 - 4605979

Rate Rp/US\$: 2002 = 9,655 and 2001 = 10,400

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2002 AND 2001 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2002	2001		2002	2001		2002	2001
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>	1.527.925	1.503.443
Cash and cash equivalents	306.463	308.816	Short - term loans	226.293	85.128	<b>COST OF REVENUE</b>	1.232.785	1.195.378
Trade accounts receivable - net			Trade payables			<b>GROSS PROFIT</b>	<b>295.140</b>	<b>308.065</b>
Third parties	1.364.130	1.146.497	Third parties	759.914	536.494	<b>OPERATING EXPENSES</b>		
Related parties	25.812	51.002	Related parties	229.118	211.304	General and administrative	77.891	78.495
Other receivables - net	62.767	27.877	Others	22.329	23.119	Selling	25.114	13.870
Inventories - net	1.147.051	1.154.111	Accrued expenses	198.827	175.728	<b>Total Operating Expenses</b>	<b>103.005</b>	<b>92.365</b>
Prepaid taxes	288.387	186.200	Taxes payable	89.961	45.309	<b>INCOME FROM OPERATIONS</b>	<b>192.135</b>	<b>215.700</b>
Advances and prepayments	227.759	116.771	Customers' deposits	62.234	61.301	<b>OTHER CHARGES (INCOME)</b>		
<b>Total Current Assets</b>	<b>3.422.369</b>	<b>2.991.274</b>	Current maturities of long-term debt			Loss (gain) on foreign exchange - net	(190.387)	281.183
			Bank loans	1.193.515	213.751	Interest and finance charges	54.450	98.180
<b>NON-CURRENT ASSETS</b>			Obligations under finance leases	106.924	166.863	Interest income	(3.189)	(5.723)
Restricted cash and time deposits	76.122	104.306	<b>Total Current Liabilities</b>	<b>2.889.115</b>	<b>1.518.997</b>	Gain on sale of property, plant & equipment	(2.140)	146
Due from related parties-net	1.065	73.288	<b>NON-CURRENT LIABILITIES</b>			Miscellaneous	(6.543)	1.289
Deferred tax assets - net	540.895	687.075	Due to related parties	108.720	116.722	<b>Other Income - Net</b>	<b>(147.809)</b>	<b>375.075</b>
Investments in bonds	6.403	7.049	Deferred tax liabilities	3.922	7.287	<b>EQUITY IN NET INCOME (LOSSES) OF ASSOCIATES AND JOINT OPERATIONS</b>	<b>(62)</b>	<b>(8.425)</b>
Investments in associates and joint operations	85.374	84.369	Deferred gain from sale-and-leaseback transactions	12.013	6.780	<b>PROFIT BEFORE INCOME TAX</b>	<b>340.006</b>	<b>(150.950)</b>
Property, plant and equipment - net	1.665.198	1.484.867	Long-term debts - net			<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>(194.851)</b>	<b>47.580</b>
Deferred exploration and development expenditure - net	341.603	374.884	Bank loans	2.121.014	3.599.506	<b>INCOME BEFORE MINORITY INTEREST</b>	<b>145.155</b>	<b>(103.370)</b>
Deferred stripping costs	131.208	70.607	Obligations under finance leases	138.105	188.669	<b>MINORITY INTERESTS IN NET INCOME OF SUBSIDIARIES</b>	<b>(6.788)</b>	<b>(6.963)</b>
Deferred charges	14.724	51.348	Provision for restorations and mine closure	9.920	-	<b>NET INCOME</b>	<b>138.367</b>	<b>(110.333)</b>
Other assets	28.286	38.212	<b>Total Non-Current Liabilities</b>	<b>2.393.694</b>	<b>3.918.964</b>	<b>BASIC EARNINGS PER SHARE**</b>	<b>90</b>	<b>(71)</b>
<b>Total Non-Current Assets</b>	<b>2.890.878</b>	<b>2.976.005</b>	<b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>	<b>85.940</b>	<b>61.321</b>			
			<b>STOCKHOLDERS' EQUITY</b>					
			Share capital	386.400	386.400			
			Additional paid-in capital	30.521	22.360			
			Translation difference	128.848	138.326			
			Exchange difference due to financial statement translation	107.927	123.867			
			Capital transactions of affiliates	13.747	13.747			
			Unrealized gains (losses) on securities available for sale	668	(6.381)			
			Property, plant and equipment revaluation reserve	22.750	22.750			
			Retained earnings (accumulated losses)	253.637	(233.072)			
			<b>Total Stockholders' Equity</b>	<b>944.498</b>	<b>467.997</b>			
<b>TOTAL ASSETS</b>	<b>6.313.247</b>	<b>5.967.279</b>	<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>6.313.247</b>	<b>5.967.279</b>			

Jakarta, May 15, 2002  
PT UNITED TRACTORS Tbk  
S.E. & O

THE BOARD OF DIRECTORS