



# PT United Tractors Tbk

Investor Bulletin, First Quarter 2004

## Starting the Year with High Spirit

**Consolidated  
revenue of  
IDR 1.83 trio**

In the first three months of 2004, PT United Tractors Tbk (UT/ Company recorded consolidated net revenue of IDR 1.83 trillion, or 15% higher than IDR 1.59 trillion recorded in the same period of 2003. All business divisions show an increase in net revenue, leads by Mining Contracting (MC) division as the highest contributor with 43.9%, followed by Construction Machinery (CM) with 35.8% and Mining with 20.3%.

**EBITDA  
margin of  
14.6%**

Despite of the higher net revenue, current gross profit margin and operating profit margin was 16.0% and 7.9%, a slight decrease from 16.1% and 9.6%, respectively, during Q1 2003. EBITDA margin was also decreased from 16.5% to 14.6% this year. This was mainly due higher operating expense related to finalization of debt restructuring process.

This first quarter of 2004 was also marked with two important events, the signing of Shares Sale and Purchase Agreement between UT and PT Indika Inti Corpindo for the sale of UT's Mining division, PT Berau Coal; and the signing of a new contract between PT Kaltim Prima Coal and PT Pamapersada Nusantara, UT's Mining Contracting division, for coal exploitation.

### Highlights of the Quarter's Result

In Rp. bio.	3M 2004	3M 2003	% increase
Sales	1,831	1,587	15.4
<i>Construction Machinery</i>	656	584	12.3
<i>Mining Contracting</i>	804	693	16.0
<i>Mining</i>	371	311	19.3
Gross Profit	293	256	14.4
<i>Gross Profit Margin (%)</i>	16.0	16.1	(0.6)
Operating Profit	145	153	(5.2)
<i>Operating Profit Margin (%)</i>	7.9	9.6	(17.7)
EBITDA	268	262	2.3
<i>EBITDA Margin (%)</i>	14.6	16.5	(11.5)
Net Income	49	81	(39.5)
Earnings (Losses) Per Share (Rp.)	31	53	(41.5)

March 31, 2004



## PERFORMANCE OVERVIEW: CONSTRUCTION MACHINERY

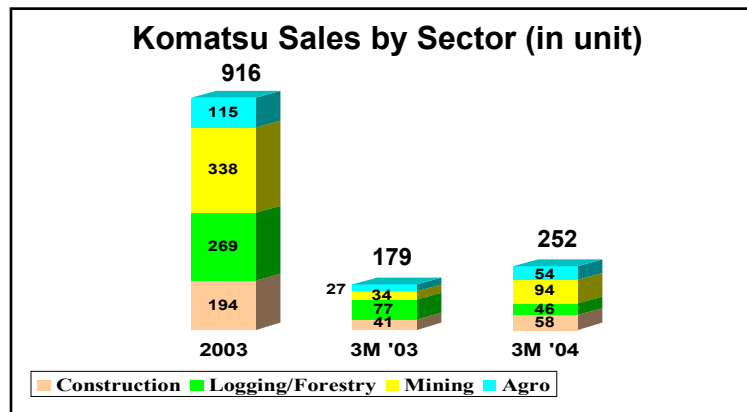
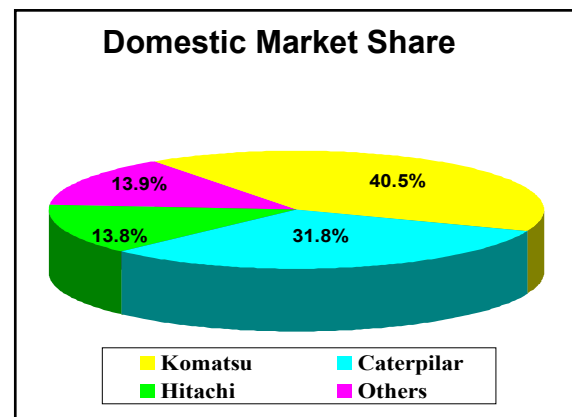
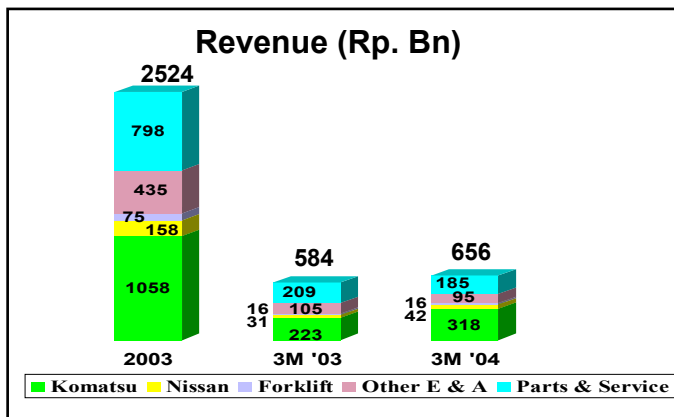
### CM's revenue up by 12%

As of March 2004, CM division recorded revenue after elimination of IDR 655.96 billion, or 12% higher than IDR 584.29 billion last year. The increase is attributed to the boost of sales in heavy equipment during this first quarter, especially in mining sector. However, there is a 12% decrease in sales of parts and service, from IDR 208.22 billion last year to IDR 185.21 billion this year.

### Komatsu still leads the market with 40.5% market share

Operationally, Komatsu sales up to March 2004 has reached 252 units, compared to 179 units last year, or has increased 41%. In terms of quantity, Komatsu market share is 40.5% as compared to 40.1% during first quarter 2003. Sales of Nissan trucks has also shown 73% increase from 37 units to 64 units, followed by 30% increased sales of Forklift from 77 units to 100 units.

Despite of the higher sales, CM's gross profit and operating profit margin was down to 17.7% and 3.0%, respectively, as compared to 20.8% and 8.7% recorded in Q1 2003, due to higher operating expense after finalization of debt restructuring process, and forex loss of IDR 13 billion compared to forex gain of IDR 4 billion in Q1 2003.



March 31, 2004



## PERFORMANCE OVERVIEW: MINING CONTRACTING

**IDR 803.8  
bio. revenue  
for Q1 2004**

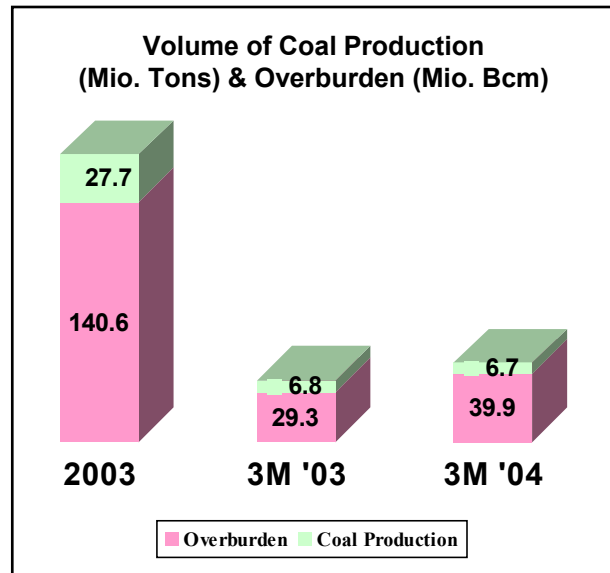
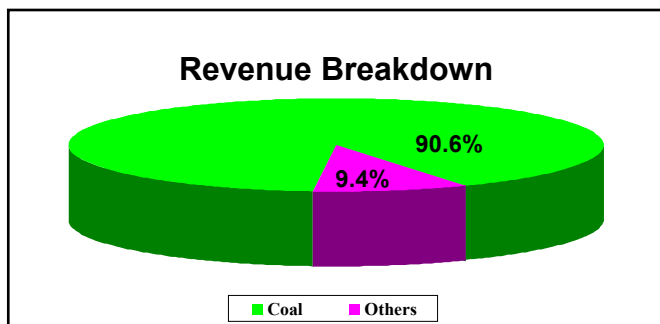
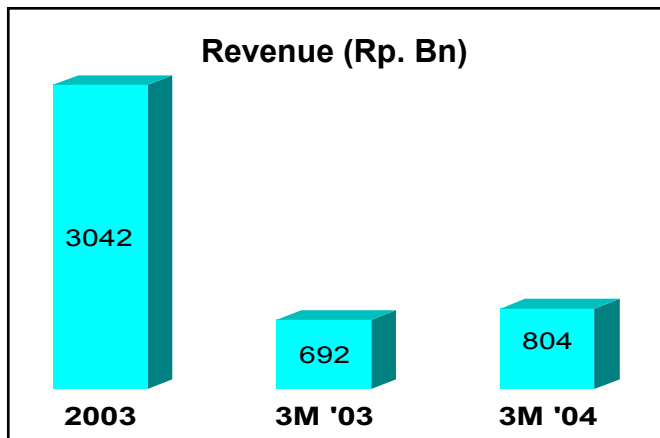
Up to March 2004, the Mining Contracting (MC) Division, represented by PT Pamapersada Nusantara (Pama) recorded a slight decrease in coal production, from 6.8 million tons coal with 29.3 million bcm overburden in Q1 2003, to 6.7 million tons coal with 39.9 million bcm overburden, currently. The decrease was due to delayed production because of heavy rainfall during the last three months. Despite of this, Pama still managed to post 16% increase in net revenue, from Rp 692.3 billion in Q1 2003 to Rp 803.8 billion.

**Lower  
margins in  
Q1 2004**

During the first quarter 2004, Pama incurred higher production cost due to higher depreciation cost and impact of IDR depreciation. As the result, gross profit and operating profit margin decreased to 12.5% and 9.6%, respectively, as compared to 15.0% and 12.3% in Q1 2003.

**New contract  
with Kaltim  
Prima Coal**

On April 8<sup>th</sup> 2004, Pama has signed a new contract with PT Kaltim Prima Coal (KPC) for coal exploitation located at Bendili, East Kalimantan. This new mining contract is estimated to be worth over USD 1 billion over the length of the contract. With the additional of this new big scale project, Pama is strengthening its position as the prime coal mining contractor in Indonesia.



**March 31, 2004**



## PERFORMANCE OVERVIEW: COAL MINING

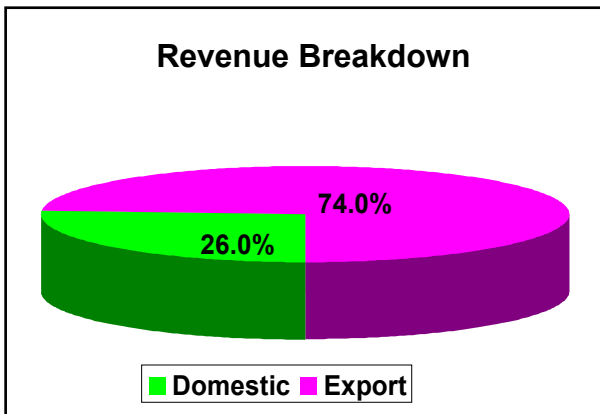
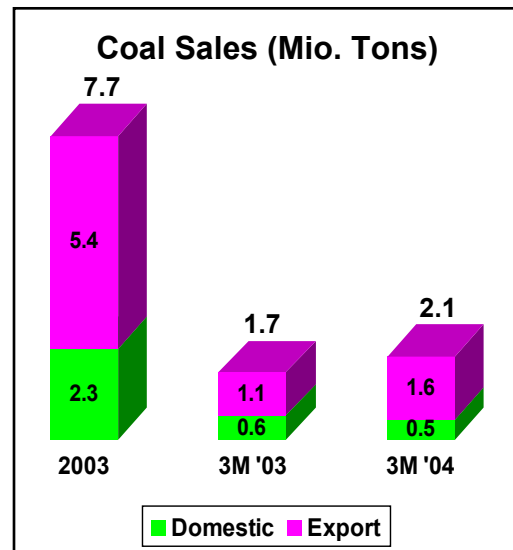
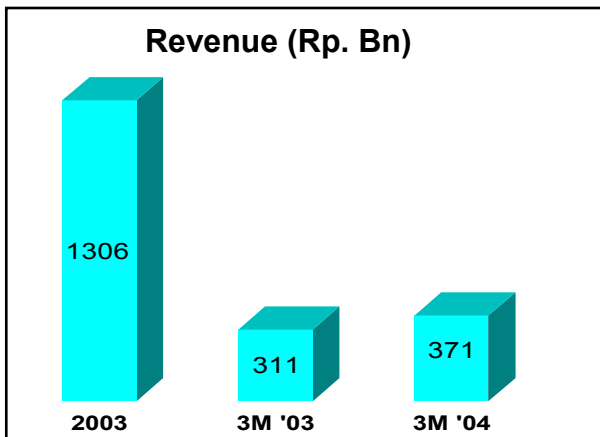
**Berau's revenue reached IDR 371 bio.**

PT Berau Coal (Berau) recorded a net revenue of IDR 371.28 billion in Q1 2004, or 20% higher than IDR 310.58 billion in Q1 2003. This was due to an increase in coal sales as high as 24%, with 2.1 million tons (74% export) as compared to 1.7 million tons (64% export) a year before. Aside from that, Berau also experienced a slight increase in average coal price, from USD 20.0 per ton in Q1 2003 to USD 20.6 per ton currently.

**GPM increased to 17.7%**

In terms of gross profit, Berau recorded an increase in GP margin from 10.0% last year to 17.7% in Q1 2004. As a result, the operating profit margin is also increased to 13.0% this year from 5.1% in Q1 2003.

On April 2<sup>nd</sup> 2004, UT has signed a Shares Sales and Purchase Agreement with PT Indika Inti Corpindo for the disposal of its shares in Berau Coal, as part of UT's debt restructuring process.



For further information:

Corporate Secretary of PT United Tractors Tbk  
Attn. : Tjandrawati Waas / Sara K. Loebis  
Ph. : 62 21 460-5980/ 5982  
Fax : 62 21 460-0655  
E-Mail : [ir@unitedtractors.com](mailto:ir@unitedtractors.com)  
<http://www.unitedtractors.com>

**March 31, 2004**

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910

Phone (021) 4605959 - 4605979

Rate Rp/US\$: 2004 = 8,587 and 2003 = 8,908

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2004 AND 2003 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2004	2003		2004	2003		2004	2003
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>	1,831,060	1,587,208
Cash and cash equivalents	562,353	433,192	Short - term loans	37,778	104,855	<b>COST OF REVENUE</b>	1,538,323	1,330,942
Short-term investments	6,975	5,175	Trade payables			<b>GROSS PROFIT</b>	<b>292,737</b>	<b>256,266</b>
Trade receivables - net			Third parties	620,000	600,956	<b>OPERATING EXPENSES</b>		
Third parties	1,617,688	1,336,069	Related parties	391,899	308,886	Selling	27,310	20,440
Related parties	8,751	12,285	Other payables	27,999	42,176	General and administrative	120,532	83,191
Other receivables - net	18,782	26,357	Accrued expenses	171,694	170,207	<b>Total Operating Expenses</b>	<b>147,842</b>	<b>103,631</b>
Inventories - net	816,070	944,316	Taxes payable	57,297	99,184	<b>INCOME FROM OPERATIONS</b>	<b>144,895</b>	<b>152,635</b>
Prepaid taxes	75,960	264,626	Customers' deposits	44,232	40,157	<b>OTHER INCOME (CHARGES)</b>		
Advances and prepayments	158,015	211,069	Current maturities of long-term debt			Gain (loss) on foreign exchange - net	(18,748)	1,377
Other assets	193	1,019	Bank loans	171,656	2,508,526	Interest and finance charges	(37,248)	(51,033)
<b>Total Current Assets</b>	<b>3,264,787</b>	<b>3,234,108</b>	Finance leases	152,480	95,741	Interest income	1,883	3,810
						Gain on sale of property, plant & equipment	2,843	13,434
<b>NON-CURRENT ASSETS</b>			<b>Total Current Liabilities</b>	<b>1,675,035</b>	<b>3,970,688</b>	Other income (expenses)	2,172	846
Restricted cash and time deposits	74,807	103,486	<b>NON-CURRENT LIABILITIES</b>			<b>Other Income - Net</b>	<b>(49,098)</b>	<b>(31,566)</b>
Due from related parties-net	5,709	1,085	Trade payables-third parties	146,288	164,185	<b>SHARE OF ASSOCIATES AND JOINT OPERATIONS'</b>		
Deferred tax assets - net	123,988	244,536	Due to related parties	58,412	60,947	<b>NET INCOME</b>	<b>1,062</b>	<b>102</b>
Investments in bonds	4,484	5,746	Deferred tax liabilities	34,957	3,277	<b>PROFIT BEFORE INCOME TAX</b>	<b>96,859</b>	<b>121,171</b>
Long-term investments	113,001	85,442	Deferred gain from sale-and-leaseback transactions	-	3,724	<b>INCOME TAX EXPENSE</b>	<b>(29,496)</b>	<b>(37,483)</b>
Property, plant and equipment - net	1,894,758	1,824,699	Long-term loans - net			<b>INCOME BEFORE MINORITY INTEREST</b>	<b>67,363</b>	<b>83,688</b>
Deferred exploration and development expenditure - net	305,707	317,933	Bank loans	2,210,000	301,981	<b>MINORITY INTERESTS IN NET INCOME OF SUBSIDIARIES</b>	(7,712)	(2,343)
Deferred stripping costs	127,699	132,183	Other loans	29,244	30,337	<b>NET INCOME BEFORE EXTRAORDINARY EXPENSE</b>	<b>59,651</b>	<b>81,345</b>
Deferred charges	6,599	1,390	Finance leases	93,829	117,446	<b>EXTRAORDINARY EXPENSE</b>	<b>(10,973)</b>	<b>-</b>
Loans to officers and employees	23,980	27,087	Accrued expenses	11,746	9,689	<b>NET INCOME</b>	<b>48,678</b>	<b>81,345</b>
Other assets	3,463	2,669	Provisions	64,132	38,647	<b>BASIC EARNINGS PER SHARE</b>	<b>31</b>	<b>53</b>
<b>Total Non-Current Assets</b>	<b>2,684,195</b>	<b>2,746,256</b>	<b>Total Non-Current Liabilities</b>	<b>2,648,608</b>	<b>730,233</b>			
			<b>MINORITY INTERESTS IN NET ASSETS OF SUBSIDIARIES</b>	<b>94,334</b>	<b>91,063</b>			
			<b>STOCKHOLDERS' EQUITY</b>					
			Share capital	393,494	386,400			
			Additional paid-in capital	35,061	30,521			
			Exchange difference due to financial statement translation	235,162	244,112			
			Difference in the equity transactions of associates	15,547	13,747			
			Investment fair value revaluation reserve	21,817	(6,381)			
			Property, plant and equipment revaluation reserve	22,750	22,750			
			Appropriated retained earnings	20,000	10,000			
			Unappropriated retained earnings	787,174	487,231			
			<b>Total Stockholders' Equity</b>	<b>1,531,005</b>	<b>1,188,380</b>			
<b>TOTAL ASSETS</b>	<b>5,948,982</b>	<b>5,980,364</b>	<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>5,948,982</b>	<b>5,980,364</b>			

Jakarta, March 31, 2004  
PT UNITED TRACTORS Tbk  
S.E. & O

THE BOARD OF DIRECTORS