



PT United Tractors Tbk

Investor Bulletin, First Quarter 2006

Delivering Steady Results

Consolidated revenue was increased 25% to IDR 3.46 trillion

The early period of 2006 was highly tinted by cautious atmosphere that has influenced many industries in formulating and implementing their business strategy. By the same attitude, PT United Tractors Tbk (UT/ the Company) also has prepared a careful forecast of its performance for the year, based on close analysis over heavy equipment market and mining contracting business in 2006. And up to now, indication of the Company's operational progress still lines up with this forecast, delivering measured, yet steady results.

Gross and operating profit margin were 17.3% and 12.3%

During the first three months of the year, the Company recorded a consolidated net revenue of IDR 3.46 trillion, or 25% higher than the IDR 2.76 trillion recorded in the same period of 2005. This was achieved in spite of lower heavy equipment sales volume by Construction Machinery (CM) business unit compared to last year's sales volume. Meanwhile, the Company's second business unit, Mining Contracting (MC), has been productively delivered an increase in its coal production and overburden removal. Both business units experienced a raise in revenues, whose each contributed 48% and 52% to the total net revenue, respectively.

Consolidated net profit was IDR 388 billion

The Company's consolidated gross profit was increased 23% to IDR 601 billion, while operating profit was increased 19% to IDR 425 billion. EBITDA was also improved by 31% to IDR 661 billion. Combined with foreign exchange gain of IDR 188 billion as the result of strengthened Rupiah, by the end of March 2006 the Company achieved a consolidated net profit of IDR 388 billion, or 65% above last year's net profit of IDR 235 billion. Below is the highlights of the three-month results.

In bio Rp	3M 2006	3M 2005	% Increase
Sales	3,464	2,764	25.0
<i>Construction Machinery</i>	1,652	1,645	0.4
<i>Mining Contracting</i>	1,812	1,119	61.9
Gross Profit	601	488	23.2
<i>Gross Profit Margin (%)</i>	17.3	17.7	(2.3)
Operating Profit	425	356	19.4
<i>Operating Profit Margin (%)</i>	12.3	12.9	(4.6)
EBITDA	661	505	30.9
<i>EBITDA Margin (%)</i>	20.0	18.3	9.3
Net Income	388	235	65.1
Earnings (Losses) Per Share (Rp.)	136	82	65.8



CONSTRUCTION MACHINERY

Performance Overview

CM revenue was IDR 1.65 trillion

As of March 2006, the business unit of Construction Machinery (CM), conducted by United Tractors, recorded revenue of IDR 1.65 trillion, or slightly above last year's revenue of IDR 1.64 trillion. Despite lower Komatsu sales volume, higher revenue was achieved due to mixed equipment models sold mainly to mining sector. In addition, there were also revenue increases from spare parts and service by 30%, as well as from other equipment & attachment.

Komatsu sales volume was 552 units, with 54.7% market share

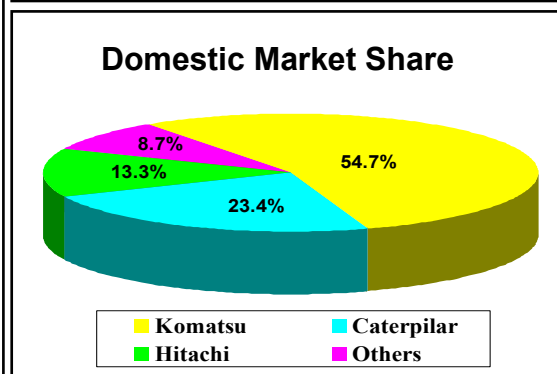
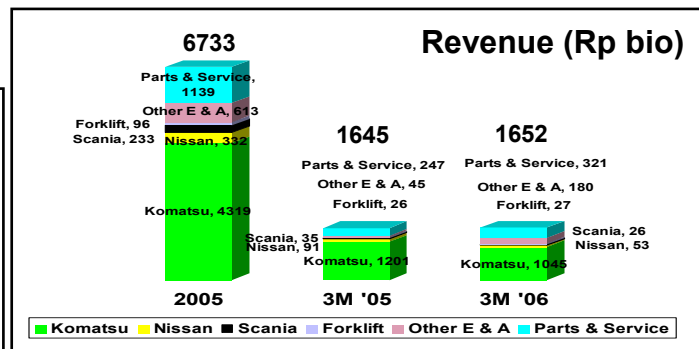
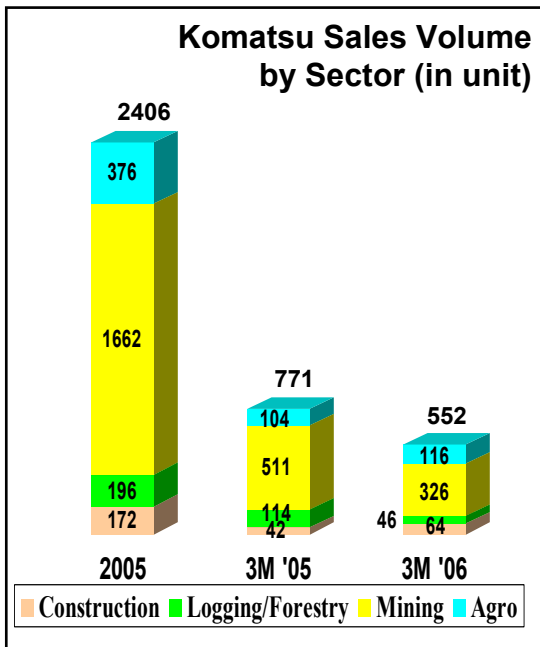
Komatsu sales volume up to March 2005 reached 552 units. The unsurprisingly lower sales was corresponding to the Company's forecast on heavy equipment market for the year. With the exception to the uncommonly high volume of 771 units achieved last year, this quarter actually delivered the highest volume ever, compared to the same period in 2004 and a few years back. From the perspective of equipment size, percentage of big machines to the total equipment volume was higher than last year, shifting from 25% to 38%, all delivered to the mining sector. In term of market share, Komatsu leads with 54.7%.

Slow sales in complimentary products

Within category of complimentary products, sales was rather slow, with Nissan Diesel truck experienced a decline in sales volume, from 114 to 83 units. Slight increase in sales was found in Scania heavy-duty truck, from 29 to 36 units, as well as in Komatsu forklift, from 146 to 150 units.

Gross profit margin was 15.1% with operating margin of 8.5%

Due to strengthened IDR year on year, the business unit recorded lower gross profit margin, from 18.0% to 15.1%, mainly affected by margin from heavy equipment sales. Operating profit margin was also lower, from 12.4% to 8.5%, due to increased operating expense, such as freight and insurance.





MINING CONTRACTING

Performance Overview

16% increase in coal production;
41% increase in overburden

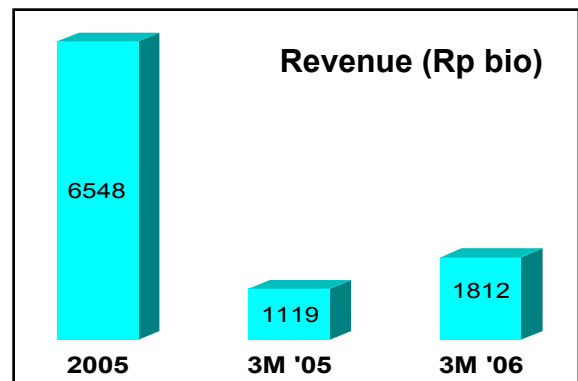
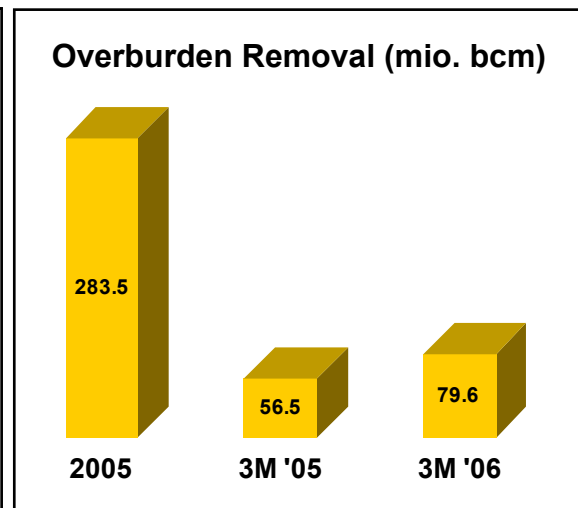
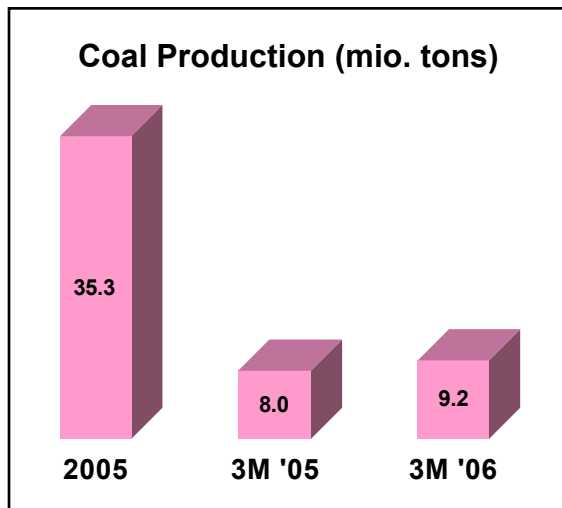
The Company's Mining Contracting (MC) business unit, represented by Pamapersada Nusantara (Pama) has managed to deliver more coal production as compared to its achievement in the same period last year. The business unit recorded 16% increase in coal production, from 8 million to 9.2 million ton of coal, and 41% increase in overburden removal, from 56.5 million to 79.6 million bcm.

Revenue up 62% to IDR 1.8 trillion

Accordingly, revenue of the business unit increased as much as 62%, from IDR 1.12 trillion to IDR 1.81 trillion. Current largest contributors to the revenue were the coal mining projects for Adaro Indonesia and for Indominco Mandiri.

Improved gross and operating profit margin

Despite the increasing cost such as for fuel, tyre and depreciation, the increased revenue combined with efforts of efficiency applied across the contracting projects has resulted in better gross profit margin as compared to last year, from 12.9% to 15.0%, as well as increased operating profit margin from 10.6% to 13.4%.



For further information:

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PT UNITED TRACTORS Tbk and SUBSIDIARIES

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Rate Rp/US\$: 2006 = 9,075 and 2005 = 9,480

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2006 AND 2005 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2006	2005		2006	2005		2006	2005
CURRENT ASSETS			CURRENT LIABILITIES			NET REVENUE	3,464,462	2,764,347
Cash and cash equivalents	706,099	1,091,120	Short - term loans	367,602	337,116	COST OF REVENUE	2,863,869	2,275,952
Short-term investments	18,450	13,680	Trade payables			GROSS PROFIT	600,593	488,395
Trade receivables:			Third parties	1,724,253	877,938	OPERATING EXPENSES		
Third parties (net of allowance for doubtful accounts of Rp 212,662 in 2006 and Rp 32,061 in 2005)	2,567,896	2,018,448	Related parties	508,594	661,776	Selling expenses	38,655	28,056
Related parties	19,324	20,383	Other payables			General and administration expenses	136,580	103,859
Other receivables : (net of allowance for Third parties (net allowance for doubtful accounts of Rp 198 in 2006 and Rp 75,757 in 2005)	91,713	34,070	Third parties	81,098	39,906	Total Operating Expenses	175,235	131,915
Related parties	1,660	3,464	Related parties	4,777	-	OPERATING INCOME	425,358	356,480
Inventories (net of allowance for inventory obsolescence of Rp 25,023 in 2006 and Rp 23,090 in 2005)	1,660,413	1,411,904	Taxes payable	125,999	95,423	OTHER INCOME (EXPENSES)		
Prepaid taxes	170,584	59,672	Accrued expenses	49,852	107,727	Foreign exchange loss/ gain	187,693	(12,965)
Advances and prepayments	248,259	219,587	Customer deposits	80,834	100,042	Interest and finance charges	(80,433)	(34,203)
Other assets	-	84	Deferred revenues	25,103	-	Interest income	17,072	15,840
Total Current Assets	5,484,398	4,872,412	Current maturities of long-term loans:			Gain on disposal of property, plant and equipment	4,121	1,955
			Bank loans	232,326	46,810	Other income - net	2,014	4,527
			Finance leases	349,463	155,759	Total Other Income (Expenses)	130,467	(24,846)
			Related parties	800	700	SHARE OF ASSOCIATES AND JOINT OPERATIONS' NET INCOME	1,244	984
			Total Current Liabilities	3,550,701	2,423,197	PROFIT BEFORE INCOME TAX	557,069	332,618
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES			INCOME TAX EXPENSE		
Restricted cash and time deposits	37,117	70,521	Trade payables - third parties	658,126	385,159	Current	(171,334)	(66,227)
Other receivables - third parties	286,770	379,200	Deferred gain from sales and leaseback	24,074	-	Deferred	4,091	(28,620)
Deferred tax assets	48,521	31,078	Deferred tax liabilities	666	3,149	Total Income Tax Expense	(167,243)	(94,847)
Long-term investments	128,553	102,920	Long-term loans, net of current maturities:			INCOME BEFORE MINORITY INTEREST	389,826	237,771
Property, plant and equipment (net of accumulated depreciation of Rp 2,576,129 in 2006 and Rp 1,824,213 in 2005)	4,644,017	2,426,169	Bank loans	1,145,056	1,430,534	MINORITY INTEREST IN NET INCOME SUBSIDIARIES	(1,745)	(3,060)
Deferred charges	83,782	24,397	Related parties	1,300	3,259	NET INCOME BEFORE EXTRAORDINARY EXPENSE	388,081	234,711
Loans to officers and employees	38,253	26,195	Finance leases	713,571	210,676	NET INCOME	388,081	234,711
Other assets	3,746	919	Provisions	135,636	80,515	BASIC EARNINGS PER SHARE	136	82
Total Non-Current Assets	5,270,759	3,061,399	Total Non-Current Liabilities	2,678,429	2,113,292			
			MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	43,953	39,554			
			SHAREHOLDERS' EQUITY					
			Share capital:					
			Authorized capital - 6,000,000,000 ordinary shares with a par value of Rp 250					
			Issued and fully paid capital - 2,851,609,100 ordinary shares in 2006 and - 2,849,165,500 ordinary shares in 2005	712,902	712,370			
			Additional paid-in capital	374,254	373,913			
			Difference in the equity transactions of subsidiaries and associates	17,035	12,265			
			Property, plant and equipment revaluation reserve	22,750	22,750			
			Investment fair value revaluation reserve	82,114	59,945			
			Exchange difference due to financial statements translation	132,811	140,644			
			Appropriated retained earnings	40,000	30,000			
			Unappropriated retained earnings	3,100,208	2,005,881			
			Total Shareholders' Equity	4,482,074	3,357,768			
TOTAL ASSETS	10,755,157	7,933,811	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	10,755,157	7,933,811			

Jakarta, March 31, 2006
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS