



## **INCREASING SALES FOR MINING RELATED BUSINESS**

In the first half 2001, the Company managed to record increase in net revenue from IDR 2.32 trillion to IDR 3.54 trillion, or representing a 52.6% growth since a year ago. The increase was attributed to dollar denominated revenue that benefited from the increase in the exchange rate, and better performance from the mining and mining contracting business lines. Overall, the Mining division led the growth by expanding 124%, followed by Mining Contracting (MC) with 52%, and the Construction Machinery (CM) with 36%.

### **EBITDA reached IDR 746 bio.**

Looking more deeply, the gross profit and operating profit increased by 24% and 13%, respectively, from the first half of 2000. However, the margins have dropped due to lower unit margin at CM, more overburden cost at Mining sector, and increasing fuel price for industry. Nonetheless, the EBITDA has grown to IDR 745.55 billion, better than IDR 632.67 billion in the first half 2000.

### **Net loss of IDR 174 bio.**

During the six months time span, the IDR has grown weaker, reaching IDR 11,440/US\$ from previously IDR 8,735/US\$ in June 2000. As the results, the foreign exchange (forex) loss increased to Rp. 618.37 billion as compared to IDR 449.18 billion in 2000. Thus, the Company reported a net loss of Rp. 174.48 billion for the first half 2001.

### **Highlights of the quarter's result**

<b>In Rp. bn.</b>	<b>6M 2001</b>	<b>6M 2000</b>	<b>% Increase</b>
Sales	3,542	2,322	52.6
<i>Construction Machinery</i>	1,499	1,101	36.2
<i>Mining Contracting</i>	1,473	967	52.3
<i>Mining</i>	570	254	124.2
Gross Profit	767	618	24.2
<i>Gross Profit Margin (%)</i>	21.7	26.6	(18.4)
Operating Profit	553	490	12.8
<i>Operating Profit Margin (%)</i>	15.6	21.1	(26.1)
EBITDA	746	633	17.8
<i>EBITDA Margin (%)</i>	21.0	27.2	(22.8)
Net Income	(174)	(58)	(203.3)
Earnings (Losses) Per Share (Rp.)	(113)	(37)	(205.4)

**June 30, 2001**



# PERFORMANCE OVERVIEW: CONSTRUCTION MACHINERY

## Revenue grows by 36%

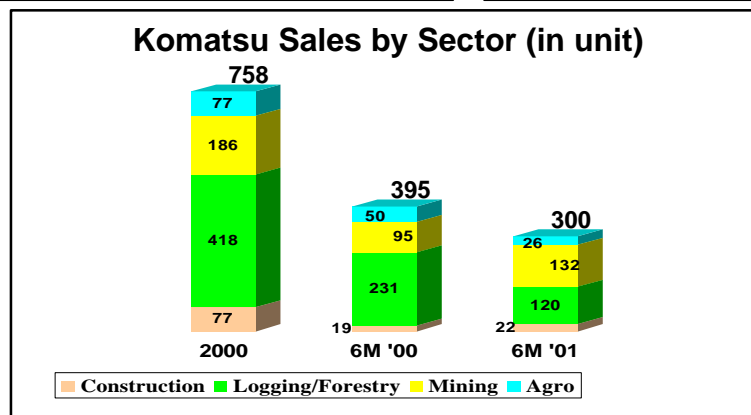
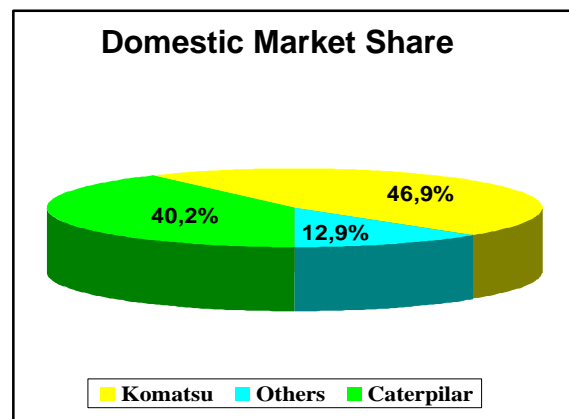
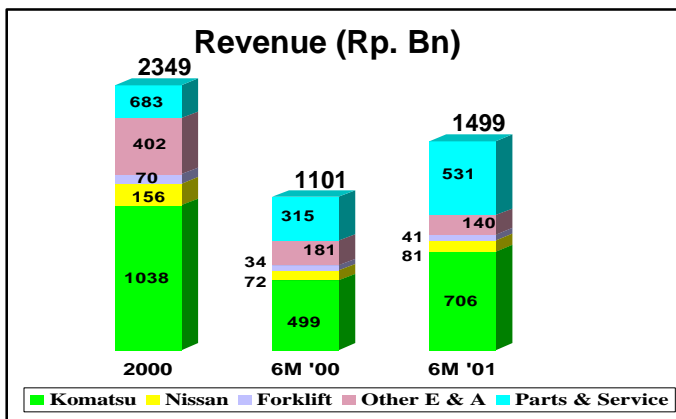
As of June 2001, the revenue of Construction Machinery reached IDR 1.50 trillion from previously IDR 1.10 trillion in 2000. This division has grown by 36% in a year time of which Komatsu sales contributed 47%, followed by Parts & Services sales of 35%. On the other hand, the sales of Other Equipment and Attachment (E & A) sector, consisting of unit sales other than Komatsu and Nissan Diesel trucks, such as Bomag, Timberjack, Kenworth trucks, etc, plus the engine assembly, attachments and components, posted sales decrease of 23% and contributed 9% to CM's revenue.

## Lower HE sales

Operationally, in the first half of this year, sales of heavy equipment grew weaker. Komatsu sales reached 300 units, way under what UT sold last year. Lower sales is due to several customers postponing the purchase because of weakening IDR and lower market demand in overall. The total market itself dropped by 23% this year. However, Komatsu is able to maintain its market share in Indonesia, taking in 46.9% of the market. The CM division also has sold 83 units of Nissan Diesel trucks and 211 units of forklift, as compared to 91 units of Nissan and 217 units of forklift in 2000.

## Lower GPM and OPM

In overall, CM registered gross profit margin and operating margin of 23.3% and 14.4%, respectively, down from 32.4% and 23.8% recorded in the previous year.



June 30, 2001



## PERFORMANCE OVERVIEW: MINING CONTRACTING

### Pama increased revenue by 52%

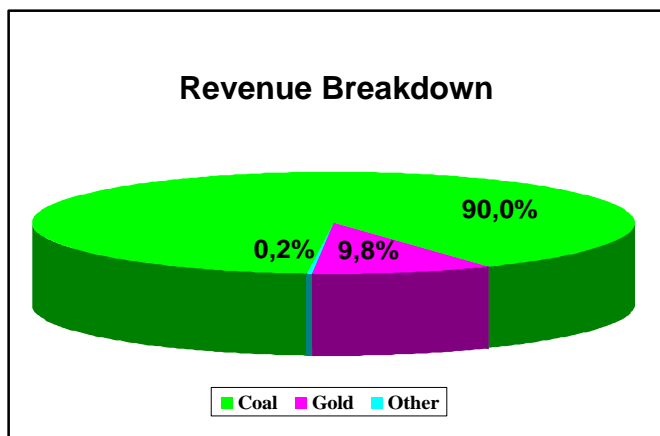
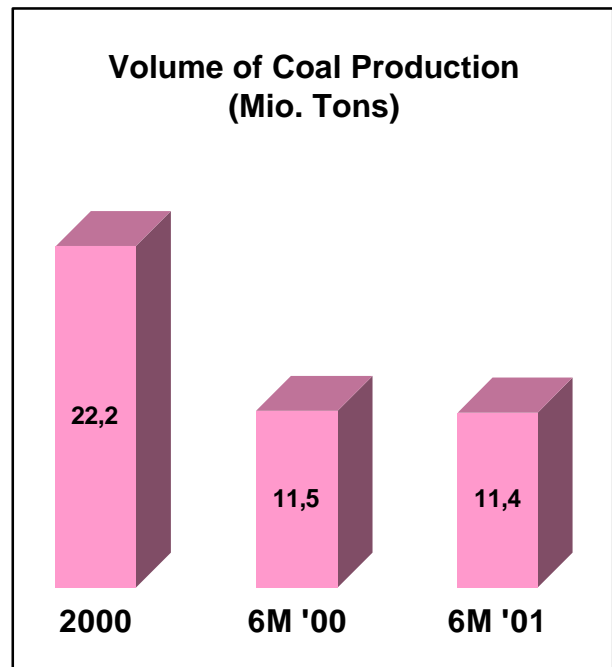
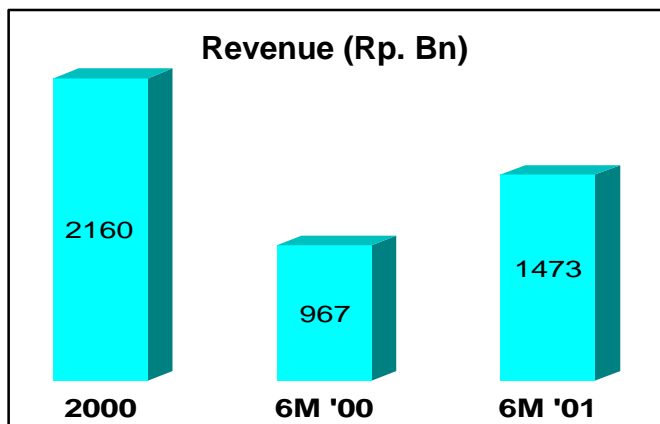
The Mining Contracting (MC) division, through PT Pamapersada Nusantara (Pama), recorded net revenue of IDR 1.47 trillion, an increase of 52% from IDR 0.97 trillion a year ago. In this half, Pama has extracted 11.4 million tons of coal with 52.2 million bcm overburden, as compared to first half 2000 production of 11.5 million tons of coal and 39.8 million bcm overburden. In addition, Pama has also produced 0.6 million ton of gold with 4.2 million bcm waste as compared to 0.8 million ton of gold and 2.8 million bcm waste the previous year. The overburden and waste have increased this year due to the opening of new area (KPC) and mining work movement to higher stripping ratio areas.

### EBITDA reached IDR 415 bio.

While the gross profit margin stayed at 23%, the operating margin has dropped to 19% this half from previously 21% in the first half 2000 due to increase for miscellaneous expenses. Nonetheless, Pama's EBITDA has increased by 28% to IDR 414.55 billion for the first six months of 2001 as compared to IDR 300.56 billion a year ago.

### Pama postponed IPO

On May 29, 2001, Pama published the preliminary short prospectus. However, due to unfavorable market condition, the plan to do IPO has been postponed in June 2001 until more favorable time.



June 30, 2001



## PERFORMANCE OVERVIEW: COAL MINING

### Coal sales volume increased 58%

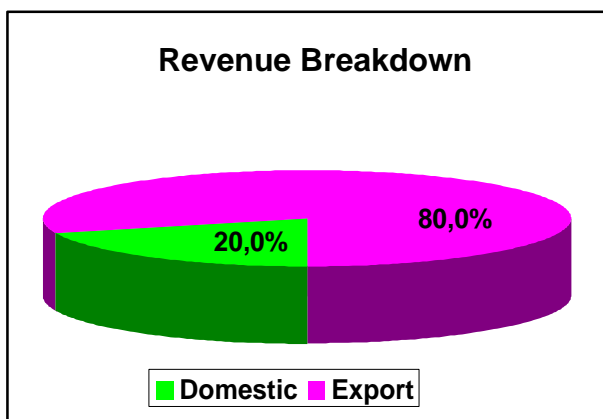
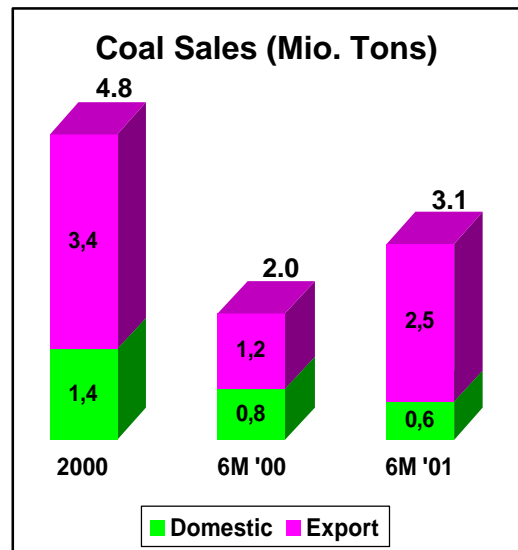
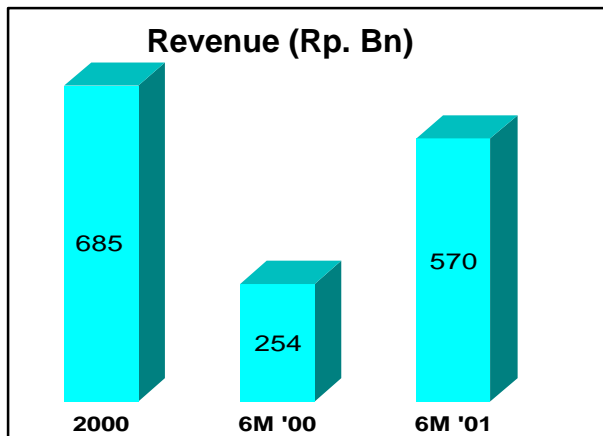
The mining division, through PT Berau Coal (Berau), has grown steadily this year, increasing its revenue by 124% since a year ago. Berau recorded revenue of IDR 570.39 billion, up from IDR 254.38 billion in first half 2000. The increase in revenue is due to higher coal sales, achieving 3.1 million tons or better than 2.0 million tons sold last year. Of that amount, 80% were for export market such as to Taiwan, Hong Kong, Japan, and Thailand. In addition, the price of coal is improving.

### New marketing strategy

Berau now sells its coal under four brands, with each brand named after a famous tree from Indonesia to promote its environmental concern. Each brand has different kind of quality, ranging from caloric value of 4,900 to 5,700.

### Operating margin increased to 10%

Overall, the gross profit margin decreased to 13% from previously 14% in the first half 2000 due to higher overburden cost in opening new area at Sambarata which has not fully operated yet. However, the operating margin improved to 10% as compared to 9% in 2000. This is due to the ability of Berau's management to keep its operating expense as efficient as possible. As the result, the EBITDA has increased to US\$ 8.16 million this year from previously US\$ 5.72 million in the first half 2000.



For further information:  
Investor Relations of PT. United Tractors  
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>

June 30, 2001

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910

Phone (021) 4605959 - 4605979

Rate Rp/US\$: 2001 = 11,440 and 2000 = 8,735

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2001 AND 2000 (in million Rupiah)				CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000 (in million Rupiah)				
ASSETS				LIABILITIES AND STOCKHOLDERS' EQUITY				
	2001	2000		2001	2000		2001	2000
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>	3.542.244	2.321.750
Cash and cash equivalents	245.435	517.881	Short - term debts	178.954	487.947	<b>COST OF REVENUE</b>	2.775.136	1.704.134
Restricted cash	3.383	-	Trade accounts payable			<b>GROSS PROFIT</b>	<b>767.108</b>	<b>617.616</b>
Time deposits	99.408	49.391	Third parties	597.474	245.515	<b>OPERATING EXPENSES</b>		
Trade accounts receivable - net			Related parties	358.497	308.511	General and administrative	174.991	107.876
Third parties	1.477.169	895.464	Others	48.481	9.452	Selling	39.495	19.610
Related parties	30.918	64.168	Accrued expenses	263.934	241.466	<b>Total Operating Expenses</b>	<b>214.486</b>	<b>127.486</b>
Other receivables - net	18.824	37.879	Taxes payable	66.334	33.386	<b>INCOME FROM OPERATIONS</b>	<b>552.622</b>	<b>490.130</b>
Inventories - net	1.234.981	916.889	Customers' deposits	75.688	55.860	<b>OTHER CHARGES (INCOME)</b>		
Prepaid taxes	139.386	126.520	Current maturities of long-term debts			Loss (gain) on foreign exchange - net	618.373	449.180
Prepaid expenses	5.369	4.239	Bank debts	288.717	2.190.092	Financing cost	185.122	178.687
Advances	146.135	100.614	Obligations under capital lease	155.167	169.709	Interest income	(10.572)	(23.495)
<b>Total Current Assets</b>	<b>3.401.008</b>	<b>2.713.045</b>	<b>Total Current Liabilities</b>	<b>2.033.246</b>	<b>3.741.938</b>	Gain on sale of:		
<b>NON-CURRENT ASSETS</b>			<b>NON-CURRENT LIABILITIES</b>			Property and equipment	(2.260)	(2.762)
Due from related parties-net	29.134	79.083	Due to related parties	130.981	102.970	Investment in associated companies	-	-
Deferred tax assets - net	779.576	659.409	Deferred tax liabilities	6.099	100.744	Cash dividend income	-	-
Investments in bonds	7.588	5.928	Unrealized income from sale-and-lease back transactions	8.147	13.908	Miscellaneous - net	(6.115)	(442)
Investments in associated companies	109.920	124.831	Long-term debts - net			<b>Other Charges - Net</b>	<b>784.548</b>	<b>601.168</b>
Property, plant and equipment - net	1.677.021	1.254.303	Bank debts	3.795.059	716.531	<b>EQUITY IN NET LOSSES OF ASSOCIATED COMPANIES</b>	<b>15.703</b>	<b>(10.389)</b>
Deferred development and exploration cost - net	407.593	322.645	Obligations under capital lease	195.413	151.316	<b>INCOME BEFORE PROVISION FOR TAX INCOME (EXPENSE)</b>	<b>(247.629)</b>	<b>(100.649)</b>
Estimated claims for tax refund	122.627	82.320	<b>Total Non-Current Liabilities</b>	<b>4.135.699</b>	<b>1.085.469</b>	<b>PROVISION FOR TAX INCOME (EXPENSE)</b>		
Deferred charges - net	116.522	93.261	<b>MINORITY INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES</b>	<b>70.101</b>	<b>38.388</b>	Current	(73.399)	(62.424)
Others	39.011	34.420	<b>STOCKHOLDERS' EQUITY</b>			Deferred	160.905	105.888
<b>Total Non-Current Assets</b>	<b>3.288.992</b>	<b>2.656.200</b>	Capital stock	386.400	386.400	<b>Total Provision for Income Tax</b>	<b>87.506</b>	<b>43.464</b>
<b>TOTAL ASSETS</b>	<b>6.690.000</b>	<b>5.369.245</b>	Additional paid-in capital	22.360	16.875	<b>INCOME BEFORE MINORITY INTERESTS IN NET LOSS (INCOME) OF CONSOLIDATED SUBSIDIARIES</b>	<b>(160.123)</b>	<b>(57.185)</b>
			Difference in foreign currency translation	293.435	222.968	<b>MINORITY INTERESTS IN NET LOSS (INCOME) OF CONSOLIDATED SUBSIDIARIES</b>	<b>(14.356)</b>	<b>(341)</b>
			Difference in equity transactions of associated companies	13.747	13.747	<b>NET INCOME (LOSS)</b>	<b>(174.479)</b>	<b>(57.526)</b>
			Unrealized gain on stock available for sale	9.480	27.104	<b>BASIC EARNINGS (LOSSES) PER SHARE**</b>	<b>(113)</b>	<b>(37)</b>
			Revaluation increment in property, plant and equipment	22.750	22.750			
			Deficits	(297.218)	(186.394)			
			<b>Total Stockholders' Equity</b>	<b>450.954</b>	<b>503.450</b>			
			<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>6.690.000</b>	<b>5.369.245</b>			

The consolidated financial statements above are not audited nor checked by the Public Accountants.

Jakarta, August 10, 2001  
PT UNITED TRACTORS Tbk  
S.E. & O

THE BOARD OF DIRECTORS