



PT United Tractors Tbk

Investor Bulletin, Second Quarter 2005

Making Headway

Indonesia's first semester economic condition was characterized by the decline of IDR which was largely contributed by current high oil price. With added burden of recent electricity and fuel shortage across the region, the government has to deal with substantial challenges to attest its capability.

57% revenue contribution from CM to the consolidated revenue

Fortunately, these setbacks did not affect the six-month performance of PT United Tractors Tbk (UT/ Company). As of June 2005, the Company has managed to record a consolidated net revenue of IDR 5.93 trillion, or 38% higher than IDR 4.29 trillion recorded in the same period of 2004. With the divest of PT Berau Coal as the Company's Mining division on July 2004, the current revenue figure represents the performance result of the Company's two remaining divisions: Construction Machinery (CM) with 57% contribution, and Mining Contracting (MC) with 43% contribution.

Consolidated net profit at IDR 558 bio

The Company's consolidated gross and operating profit margin were increased from 19.3% and 12.5%, respectively, to 20.3% and 14.8%, while EBITDA margin also has improved from 18.0% to 20.2%. Bottom line, the consolidated net profit for this semester reached IDR 558 billion, higher than IDR 191 billion recorded last year. Below is the highlights of the semester's results.

In Rp. bn.	6M 2005	6M 2004	% Increase
Sales	5,932	4,293	38.1
<i>Construction Machinery</i>	3,386	1,604	111.1
<i>Mining Contracting</i>	2,546	1,478	72.3
Gross Profit	1,206	827	45.8
<i>Gross Profit Margin (%)</i>	20.3	19.3	5.2
Operating Profit	878	536	63.8
<i>Operating Profit Margin (%)</i>	14.8	12.5	18.4
EBITDA	1,198	772	55.0
<i>EBITDA Margin (%)</i>	20.2	18.0	12.2
Net Income	558	191	192.1
Earnings (Losses) Per Share (Rp.)	196	107	83.2

June 30, 2005



CONSTRUCTION MACHINERY Performance Overview

CM revenue increased 111%

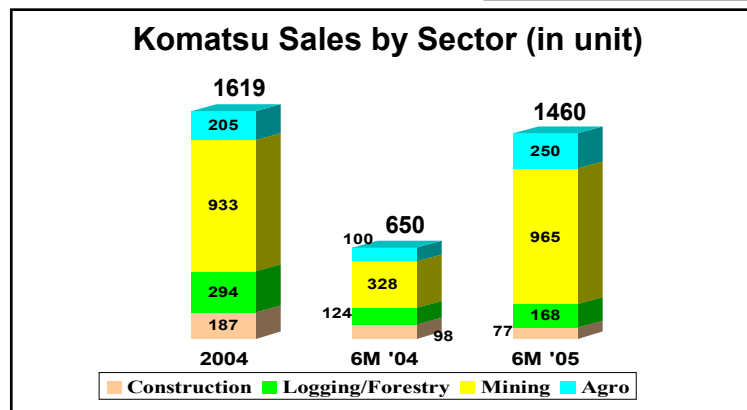
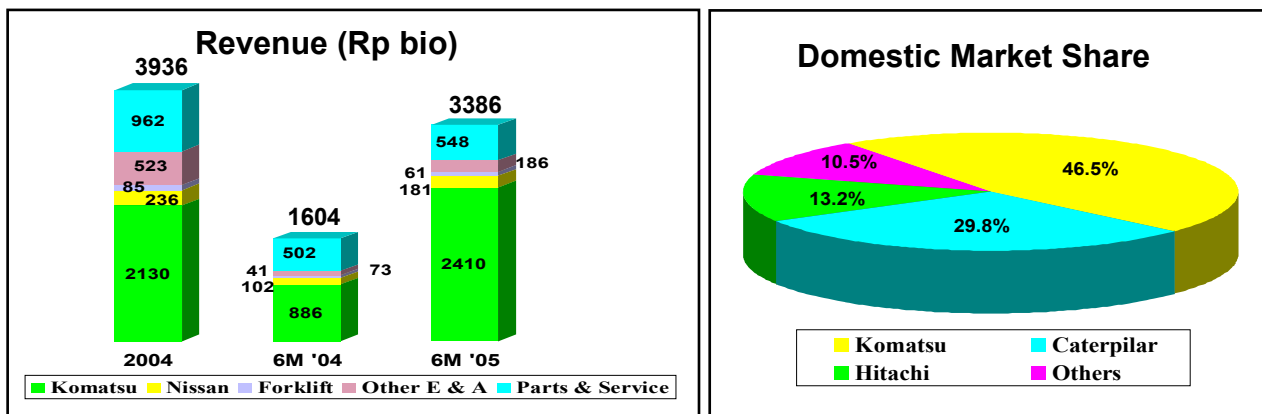
Until first half this year, Construction Machinery (CM) division recorded revenue of IDR 3.39 trillion, or 111% higher than IDR 1,60 trillion last year. The growth was due to more than 150% revenue increase from equipment sales.

Komatsu sales volume increased 125%

On the operation side, by June 2005 CM has sold 1460 Komatsu units, or 124.6% higher sales volume than 650 units sold on the same period last year. While sales to the construction sector has yet to show any sign of increased demand from the upcoming infrastructure projects, sales to the other sectors have been exceptionally good, particularly in mining. Among the upsurge of heavy equipment sales in domestic market, Komatsu leads by 46.5% market share. Sales of other products such as Nissan Diesel truck and Komatsu forklift have also improved this year to 234 units and 297 units, respectively, as compared to 149 units and 247 units in the first half of 2004.

Better in gross & operating profit margin

Overall, CM registered better gross profit margin and operating profit margin of 18.6% and 12.9%, respectively, as compared to 17.8% and 6.7% recorded in 2004, due to CM's increased sales and higher efficiency.



June 30, 2005



MINING CONTRACTING

Performance Overview

39.3% increase of revenue y.o.y

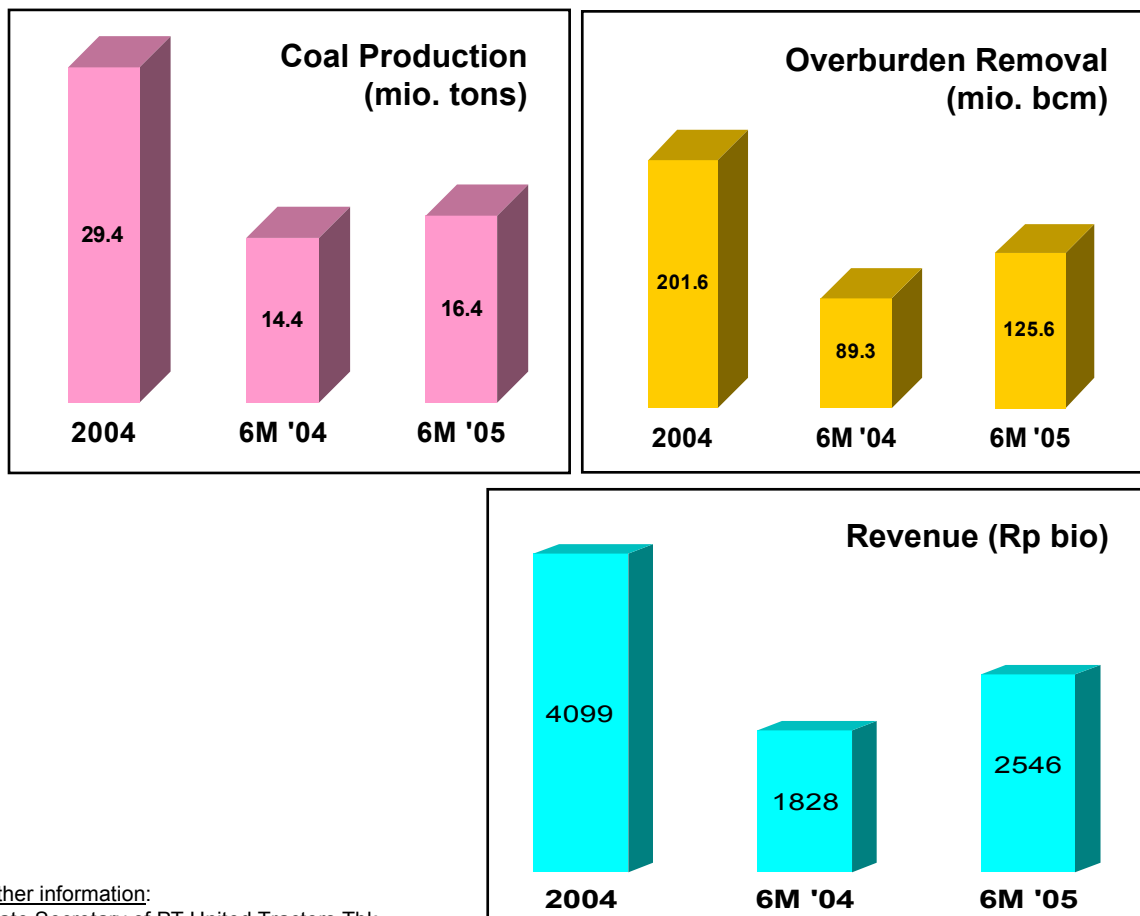
Mining Contracting division (MC) under PT Pamapersada Nusantara (Pama) recorded net revenue of IDR 2.55 trillion, or 39.3% higher than IDR 1.83 trillion revenue of first half 2004, contributed by 13.9% increased production of coal and 40.6% increased volume of overburden.

Coal production was increased 13.9%

As of June 2005, Pama has produced 16.4 million tons of coal and 125.6 million bcm overburden, as compared to 14.4 million tons of coal and 89.3 million bcm overburden last year.

Margins were better than expectation

Gross profit margin for the first half this year was 17.5%, or better than 15.9% margin recorded last year, due to higher coal production. Operating profit margin was also better at 14.9%, as compared to last year's 13.3%. These results were better than what was expected and able to overcome the impact of Pama's higher cost at its new project for PT Kaltim Prima Coal.



For further information:

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June 30, 2005

PT UNITED TRACTORS Tbk and SUBSIDIARIES

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Rate Rp/US\$: 2005 = 9,713 and 2004 = 9,415

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2005 AND 2004 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 2005 AND 2004 (in million Rupiah)			
ASSETS		2005	2004	LIABILITIES AND STOCKHOLDERS' EQUITY				
				2005	2004	2005	2004	
CURRENT ASSETS				CURRENT LIABILITIES		NET REVENUE	5,932,001	4,292,863
Cash and cash equivalents	620,035	960,548	Short-term bank loans	173,655	77,541	COST OF REVENUE	4,725,614	3,466,215
Short-term investments	14,310	6,075	Dividend payable	99,772	-	GROSS PROFIT	1,206,387	826,648
Trade receivables:			Trade payables:			OPERATING EXPENSES		
Third parties (net of allowance for doubtful accounts of Rp 80,886 in 2005 and Rp 25,203 in 2004)	2,288,215	2,004,243	Third parties	1,299,844	1,048,526	Selling expenses	64,879	64,643
Related parties	22,815	9,949	Related parties	690,270	517,176	General and administration expenses	263,001	226,306
Other receivables - third parties (net of allowance for doubtful accounts of Rp 75,757 in 2005 and 2004)	52,186	19,596	Other payables - third parties	37,885	53,537	Total Operating Expenses	327,880	290,949
Inventories (net of allowance for inventory obsolescence of Rp 25,930 in 2005 and Rp 18,160 in 2004)	1,664,574	979,164	Taxes payable	137,721	119,228	OPERATING INCOME	878,507	535,699
Prepaid taxes	107,684	82,113	Accrued expenses	167,947	253,295	OTHER INCOME (EXPENSES)		
Advances and prepayments	257,112	152,636	Customer deposits	112,590	80,513	Foreign exchange loss - net	(53,783)	(170,852)
Other assets	84	324	Current maturities of long-term debt:			Interest and finance charges	(76,455)	(83,300)
Total Current Assets	5,027,015	4,214,648	Bank loans	65,077	254,873	Interest income	36,823	7,519
			Finance leases	198,258	133,840	Gain on sale of fixed assets	6,347	26,328
			Amounts due to related parties	700	600	Other income - net	505	28,560
			Total Current Liabilities	2,983,719	2,539,129	Total Other Income (Expenses)	(86,563)	(191,745)
NON-CURRENT ASSETS						EQUITY IN NET INCOME OF ASSOCIATES AND JOINT OPERATIONS	2,553	2,571
Restricted cash and time deposits	82,651	119,773	NON-CURRENT LIABILITIES			PROFIT BEFORE INCOME TAX	794,497	346,525
Amount due from related parties (net allowance for doubtful accounts of Rp 653 in 2005 and 2004)	1,558	5,853	Trade payables - third parties	668,618	233,355	INCOME TAX EXPENSE		
Loan receivable - third party	388,520	-	Deferred tax liabilities	3,045	79,188	Current	(213,207)	(86,853)
Deferred tax assets	44,011	131,629	Long-term loans, net of current maturities:			Deferred	(16,002)	(32,786)
Investments in bonds	-	3,576	Bank loans	1,510,574	1,678,882	Total Income Tax Expense	(229,209)	(119,639)
Long-term investments	113,164	110,984	Finance leases	249,042	81,096	INCOME BEFORE MINORITY INTEREST	565,288	226,886
Fixed assets (net accumulated depreciation of Rp 1,932,071 in 2005 and Rp 1,765,313 in 2004)	3,377,520	2,159,808	Amounts due to related parties	8,576	63,120	MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES	(7,557)	(28,690)
Deferred exploration and development expenditure (net of accumulated amortisation of Rp 96,987 in 2004)	-	336,340	Other loans	-	32,064	NET INCOME BEFORE EXTRAORDINARY EXPENSE	557,731	198,196
Deferred stripping costs	-	125,674	Accrued expenses	-	13,499	EXTRAORDINARY EXPENSE	-	(7,457)
Deferred charges	34,197	6,382	Provisions	42,878	80,424	NET INCOME	557,731	190,739
Loans to officers and employees	35,382	25,222	Total Non-Current Liabilities	2,482,733	2,261,628	BASIC EARNINGS PER SHARE	196	107
Other assets	2,459	3,069	MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES	44,052	121,256			
Total Non-Current Assets	4,079,462	3,028,310	SHAREHOLDERS' EQUITY					
			Share capital:					
			Authorized capital - 6,000,000,000 ordinary shares with a par value of Rp 250					
			Issued and fully paid capital - 2,849,888,000 ordinary shares in 2005 and - 2,838,526,100 ordinary shares in 2004	712,702	709,632			
			Additional paid-in capital	374,126	371,504			
			Exchange difference from to financial statements translation	145,751	234,886			
			Difference in the equity transactions of affiliates	12,895	14,647			
			Investment fair value revaluation reserve	68,620	18,291			
			Fixed assets revaluation reserve	22,750	22,750			
			Appropriated retained earnings	40,000	30,000			
			Unappropriated retained earnings	2,219,129	919,235			
			Total Shareholders' Equity	3,595,973	2,320,945			
TOTAL ASSETS	9,106,477	7,242,958	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	9,106,477	7,242,958			

Jakarta, June 30, 2005
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS