

### Closing in to the Year's Target

Driven by the country's relentless demand of heavy equipments, sales of 1180 Komatsu units during the first nine months of 2004 have exceeded the total number of units sold for the whole year 2003 of 916 units. This achievement presents an assurance and confidence for PT United Tractors Tbk (UT/ Company) to be able to attain the targeted sales volume at the end of the year.

A contribution of 43.3% from CM to the consolidated revenue As of September 2004, the Company recorded consolidated net revenue of IDR 6.68 trillion, or 27.5 % higher than IDR 5.24 trillion recorded in the same period of 2003. The respectable consolidated revenue was contributed 43.3% from Construction Machinery division (CM), drawing near to 43.8% contribution from Mining Contracting division (MC), and 12.9% from the first six-months performance of Mining division.

Better margins as compared to last year

Margins of gross profit and operating profit have increased from 16.7% and 10.5%, respectively, to currently 20.0% and 13.3%, while EBITDA margin also has improved from 16.9% last year to 18.7%. Bottom line, the consolidated net profit has grown to IDR 833.7 billion this year, due to the Company's better performance and extraordinary gains received from asset divestments, as compared to last year's profit of IDR 389.2 billion.

A significant lower debt position at parent level During this third quarter, the Company has succeeded to conduct asset divestment by selling all of its stakes in PT Berau Coal and PT Pandu Dayatama Patria, as well as part of the stakes in PT Komatsu Indonesia Tbk. Proceeds of this divestment were utilized for debt prepayment, allowing UT (parent) to reduce its debt from an equivalent of USD 175 million to USD 96.2 million. Below is the highlight of the quarter's results.

In Rp. bn.	9M 2004	9M 2003	% Increase
Sales	6,679	5,239	27.5
Construction Machinery	2,892	1,937	49.3
Mining Contracting	2,925	2,305	26.9
Mining (January – June '04)	862	997	(13.5)
Gross Profit	1,339	874	53.2
Gross Profit Margin (%)	20.0	16.7	19.8
Operating Profit	889	550	61.6
Operating Profit Margin (%)	13.3	10.5	26.7
EBITDA	1,251	884	41.5
EBITDA Margin (%)	18.7	16.9	10.6
Net Income	834	389	114.4
Earnings (Losses) Per Share (Rp.)	390	251	55.4

### CM revenue was up by 49%

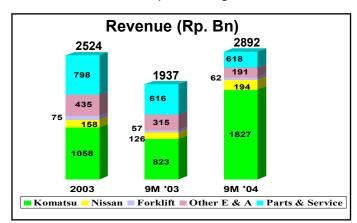
In the first nine months of 2004, Construction Machinery division (CM) recorded revenue of IDR 2.89 trillion, or 49% higher than IDR 1.94 trillion last year. The increase was due to more than 60% upsurge of Komatsu heavy equipment sales. However, sales of parts and services only showed a small growth of 11.3% y.o.y.

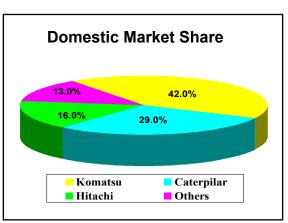
# Sales of Komatsu equipment were raised by 61.2%

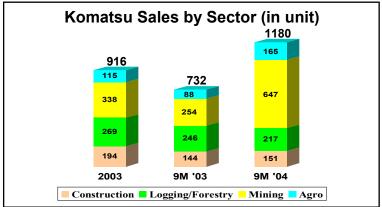
Exceptional growth in mining sector serves as the main driver of Komatsu sales. As of September 2004, UT has sold 1180 units of Komatsu, a significant increase from 732 units sold on September 2003. In terms of market share, Komatsu still leads by taking in 41.6% of the market. Compared to last year, agro and construction sectors have shown increased sales volume, while sales to forestry was slightly lower. Sales of Nissan Diesel truck continues its strengthening pattern, reaching 283 units, or a grow by 41% y.o.y, while sales of Komatsu and Patria forklifts has only managed to show a small increase of 3%, from 363 units last year to 374 units, due to strong market competition.

## A slight decrease in margins

Despite the high equipment sales, CM recorded lower gross profit and operating profit margin of 17.0% and 7.2%, respectively, as compared to 17.8% and 7.4% recorded in September 2003. The decrease was contributed by the increased portion of sales equipment and lower gross profit margin in service business.







MC revenue reached IDR 2.9 trio

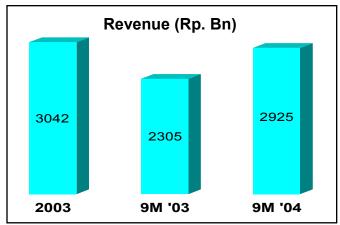
Mining Contracting division (MC) under PT Pamapersada Nusantara (Pama) recorded revenue of IDR 2.92 trillion, or 26.9% higher than IDR 2.30 trillion revenue of September 2003, contributed by the division's increasing production.

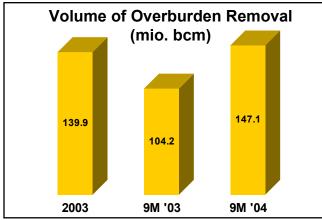
Production of coal increased by 7% y.o.y

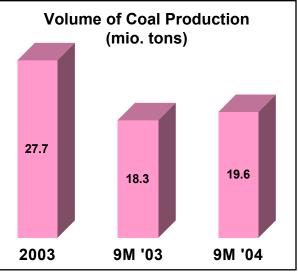
Of Pama's total revenue, 96% was contributed by coal production. As of September 2004, Pama has produced 19.6 million tons of coal and 127.9 million bcm overburden, as compared to 18.3 million tons of coal and 91.1 million bcm overburden last year.

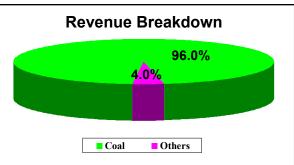
Improvement in margins

During this first nine months, Pama recorded higher gross profit and operating profit margins of 18.9% and 16.2%, respectively, as compared to 16.4% and 13.8% for the same period in 2003, due to increased production and USD strengthening.









For further information:

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#### PT UNITED TRACTORS Tbk and SUBSIDIARIES

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Rate Rp/US\$: 2004 = 9,170 and 2003 = 8,389

2003

5,238,539

4,364,922

873,617

67,629

255,640

323,269

550,348

116,176 (147,057)

14,657

17,001

20,147

20,924

1,122

572,394

(169,502)

402,892

(13,716) 389,176

389,176 251

CONSCIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2004 AND 2003   CONFIDENCE   CONFI	2004 6,678,976 5,340,160 1,338,816 91,843 349,635 441,478	
CURRENT ASSETS	2004 6,678,976 5,340,160 1,338,816 91,843 349,635 441,478	
CURRENT ASSETS	6,678,976 5,340,160 1,338,816 91,843 349,635 441,478	
Cash and cash equivalents	5,340,160 1,338,816 91,843 349,635 441,478	
Cash and cash equivalents	5,340,160 1,338,816 91,843 349,635 441,478	
Short-term investments   7,650   5,175   Trade payables   Trade precisables - net   Tridy parties   1,950,932   1,598,953   Related parties   1,950,932   1,598,953   Related parties   1,950,932   1,598,953   Related parties   2,950   19,451   Related parties   1,950,932   1,598,953   Related parties   2,950   19,451   Related parties   2,950   Relat	91,843 349,635 441,478	
Triade receivables - net   Third parties   1,950,932   1,598,953   Related parties   1,950,932   1,598,953   Related parties   29,050   19,451   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   192,009   194,651   194,654	91,843 349,635 <b>441,478</b>	
Third parties   1,950,932   1,588,953   Related parties   2,950   19,451   Selling   General and administrative   Selling   General and administrative   Selling   General and administrative   Takes payable   General and administrative   General and administrative   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and administrative   Takes payable   General and administrative   General and administrative   Takes payable   General and	349,635 <b>441,478</b>	
Related parties   11,451   8,438   Other payables   29,050   19,451   192,009   194,511   192,009   194,511   192,009   194,511   192,009   194,511   192,009   194,511   192,009   194,511   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,000   194,	349,635 <b>441,478</b>	]
Other receivables - net 10,345 7,187 Acrued expenses 132,153 192,009 Inventories - net 889,410 847,159 Taxes payable 107,541 78,828 Total Operating Expenses 153,393 100,121 Outside Expenses 17,746 1,018 Current Assets 173,630 98,679 Current maturities of long-term debt 373,7495 3,405,589 Total Current Assets 373,7495 3,405,589 Total Current Assets 77,466 2,338,208 Total Current Assets 141,402 120,165 Total Current Assets 141,402 120,165 Trade payables-thrift parties 15,389 Trade payables	349,635 <b>441,478</b>	
Inventories - net	441,478	١
Prepaid taxes		
Advances and prepayments		ī
Other assets   355   3,405,589   Bank loans   77,466   2,338,208   141,402   120,165		ī
NON-CURRENT ASSETS   Restricted cash and time deposits   61,255   91,031   Trade payables-third parties   Due from related parties-net   19,813   179,967   Investments in bonds   66,245   1,946,642   1,964   2,328,921   1,946,642   1,964   2,328,921   1,946,642   1,964   2,328,921   1,946,642   1,967   Deferred dary light parties   1,987   Deferred stripping costs   1,997   Deferred charges   1,141,402   120,165   Characteristics   1,049,665   Charac		
NON-CURRENT ASSETS Restricted cash and time deposits Due from related parties-net Deferred tax assets - net Investments in bonds Long-term investments Deferred exploration and development expenditure - net Deferred stripping costs Deferred stripping costs Deferred day assets Deferred charges Deferred tax liabilities Due to related parties Deferred tax liabilities Deferred tax lia	897,338	l
NON-CURRENT ASSETS   Restricted cash and time deposits   61,255   91,031   Trade payables-third parties   19,813   179,967   Investments in bonds   10,945		1
Restricted cash and time deposits   61,255   91,031   Due from related parties-net   371,944   5,389   Trade payables-third parties   441,964   254,168   Interest and finance charges		i
Due from related parties-net   371,944   5,389   Trade payables-third parties   441,964   254,168   Interest income   Gain on disposal of investment   Gain on disp	(151,961)	i
Deferred tax assets - net	(112,925)	i
Deferred tax assets - net	14,496	i
Investments in bonds	438,097	i
Long-term investments	59,058	i
Property, plant and equipment - net	34,743	i
Deferred exploration and development   expenditure - net   299,600   Bank loans   969,169   274,568   NET INCOME	281,508	П
expenditure - net		ī
Deferred stripping costs		i
Deferred charges	3,562	i
Loans to officers and employees         21,548         26,540         Accrued expenses         -         10,466         INCOME TAX EXPENSE		
Loans to officers and employees         21,548         26,540         Accrued expenses         -         10,466         INCOME TAX EXPENSE	1,182,408	i
	, ,	i
	(309,905)	i
Total Non-Current Assets 2,889,565 2,803,116 Total Non-Current Liabilities 1,673,500 813,582		П
INCOME BEFORE MINORITY INTEREST	872,503	i
MINORITY INTERESTS IN NET ASSETS OF	,	i
SUBSIDIARIES 34,329 97,547 MINORITY INTERESTS IN NET INCOME OF		i
SUBSIDIARIES	(31,338)	i
STOCKHOLDERS' EQUITY NET INCOME BEFORE EXTRAORDINARY EXPENSE	841,165	i
Share capital 711,024 391,574 EXTRAORDINARY EXPENSE	(7,457)	l
Additional paid-in capital 372,395 33,832 NET INCOME	833,708	i
Exchange difference due to financial statement BASIC EARNINGS PER SHARE	390	7
translation 146,097 231,982		
Difference in the equity transactions of associates 6,234 13,747		
Investment fair value revaluation reserve 23,317 13,005		
Property, plant and equipment revaluation reserve 22,750 22,750 Jakarta, September 30, 2004		
Appropriated retained earnings 30,000 20,000 PT UNITED TRACTORS Tbk		
Unappropriated retained earnings 1,562,204 785,062 S.E. & O		
Total Stockholders' Equity 2,874,021 1,511,952 THE BOARD OF DIRECTORS		
TOTAL ASSETS 6,627,060 6,208,705 TOTAL LIABILITIES & STOCKHOLDERS' EQUITY 6,627,060 6,208,705		