



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
<i>Construction Machinery</i>	2,892	1,937	49.3
<i>Mining Contracting</i>	2,925	2,305	26.9
<i>Mining (January – June '04)</i>	862	997	(13.5)
Gross Profit	1,339	874	53.2
<i>Gross Profit Margin (%)</i>	20.0	16.7	19.8
Operating Profit	889	550	61.6
<i>Operating Profit Margin (%)</i>	13.3	10.5	26.7
EBITDA	1,251	884	41.5
<i>EBITDA Margin (%)</i>	18.7	16.9	10.6
Net Income	834	389	114.4
Earnings (Losses) Per Share (Rp.)	390	251	55.4



PERFORMANCE OVERVIEW: CONSTRUCTION MACHINERY

CM revenue was up by 49%

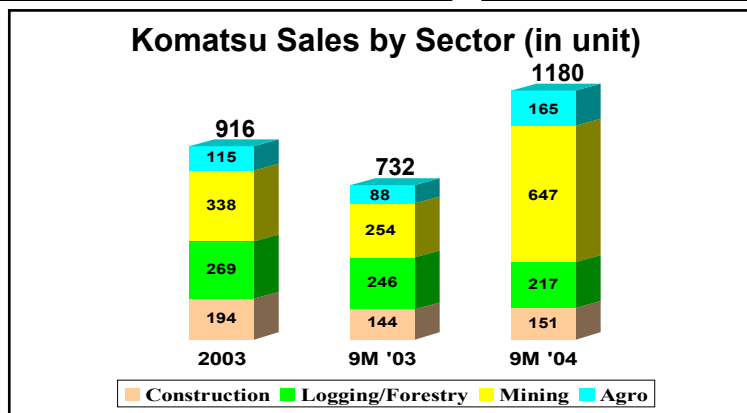
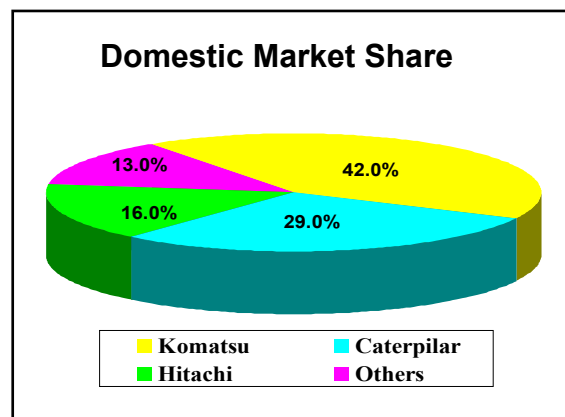
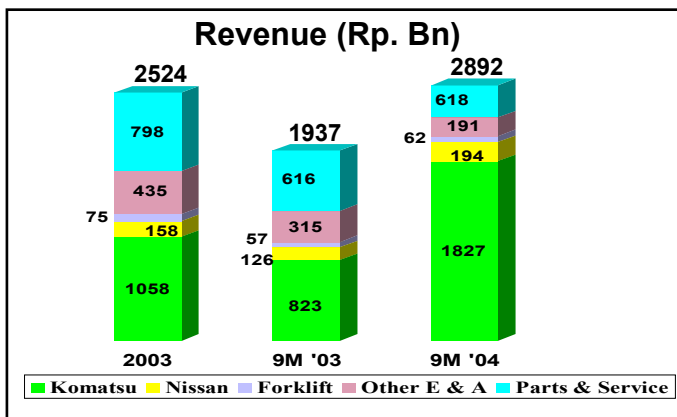
In the first nine months of 2004, Construction Machinery division (CM) recorded revenue of IDR 2.89 trillion, or 49% higher than IDR 1.94 trillion last year. The increase was due to more than 60% upsurge of Komatsu heavy equipment sales. However, sales of parts and services only showed a small growth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





PERFORMANCE OVERVIEW: MINING CONTRACTING

MC revenue reached IDR 2.9 trio

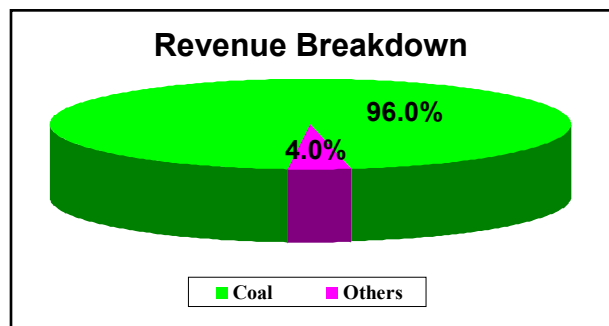
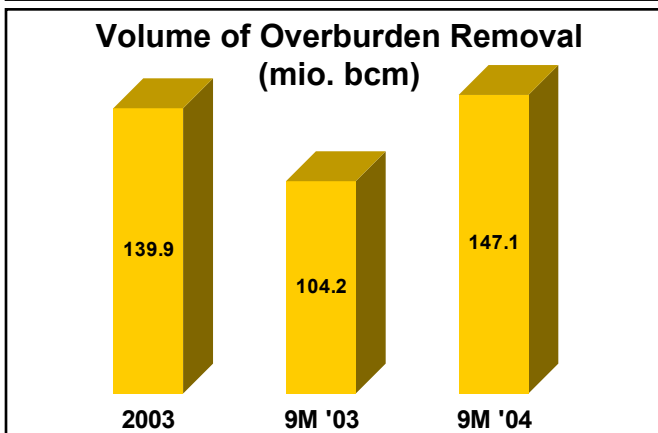
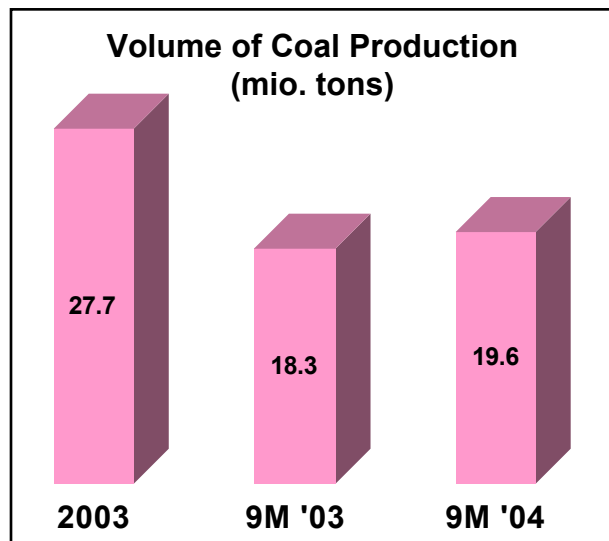
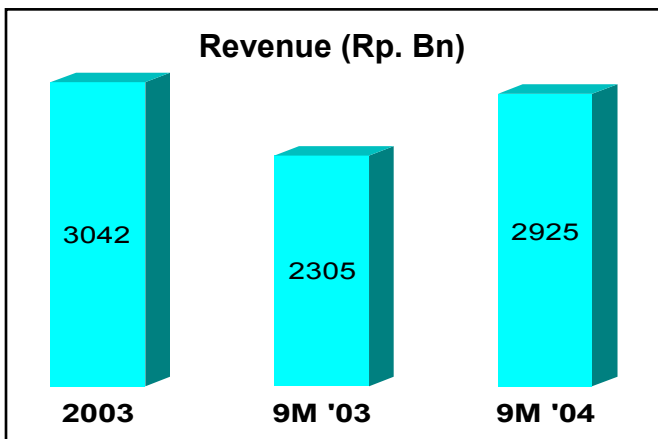
Mining Contracting division (MC) under PT Pamapersada Nusantara (Pama) recorded revenue of IDR 2.92 trillion, or 26.9% higher than IDR 2.30 trillion revenue of September 2003, contributed by the division's increasing production.

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.



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