



PT United Tractors Tbk

Investor Bulletin, Third Quarter 2005

Securing Financial Strength

Mining sector still performs as the market driver

During the year's third quarter, impact of exchange rate fluctuation, higher interest rate and increased fuel price has started to affect domestic heavy equipment sales, including Komatsu. Although market demand is still high, most customers are compelled to postpone their equipment purchase in order to secure their working capital. Nevertheless, mining sector – particularly coal mining – is still persistently strong, driven by favorable commodity price and proven to sustain equipment sales and mining contracting operations.

46% increase of nine-month consolidated revenue

For the nine-month performance this year, PT United Tractors Tbk (UT/ Company) recorded a consolidated net revenue of IDR 9.78 trillion, or 46.4% higher than IDR 6.68 trillion recorded in the same period of 2004. With the divest of PT Berau Coal as the Company's Mining division last year, the current revenue figure represents the performance result of the Company's two remaining divisions: Construction Machinery (CM) with 52.3% contribution, and Mining Contracting (MC) with 47.7% contribution.

Consolidated net profit at IDR 809 bio

Altogether, the Company's consolidated gross and operating profit margin were increased from 20.0% and 13.4%, respectively, to 20.7% and 14.4%, while EBITDA margin also has improved from 18.2% to 19.8%. Bottom line, the consolidated net profit for this third quarter reached IDR 809 billion, or slightly lower than last year's IDR 834 billion that had included gains from asset divestment. Below is the highlights of the nine-month results.

| In Rp. bn. | 9M 2005 | 9M 2004 | % Increase |
|------------------------------------|---------|---------|------------|
| Sales | 9,779 | 6,679 | 46.4 |
| <i>Construction Machinery</i> | 5,113 | 2,895 | 76.6 |
| <i>Mining Contracting</i> | 4,666 | 2,923 | 59.6 |
| <i>Mining (Jan-Sep '04)</i> | -- | 861 | -- |
| Gross Profit | 2,023 | 1,339 | 51.1 |
| <i>Gross Profit Margin (%)</i> | 20.7 | 20.0 | 3.5 |
| Operating Profit | 1,404 | 897 | 56.5 |
| <i>Operating Profit Margin (%)</i> | 14.4 | 13.4 | 7.5 |
| EBITDA | 1,935 | 1,216 | 59.1 |
| <i>EBITDA Margin (%)</i> | 19.8 | 18.2 | 8.8 |
| Net Income | 809 | 834 | -3.1 |
| Earnings (Losses) Per Share (Rp.) | 284 | 390 | -37.3 |

September 30, 2005



CONSTRUCTION MACHINERY

Performance Overview

77% increase of revenue

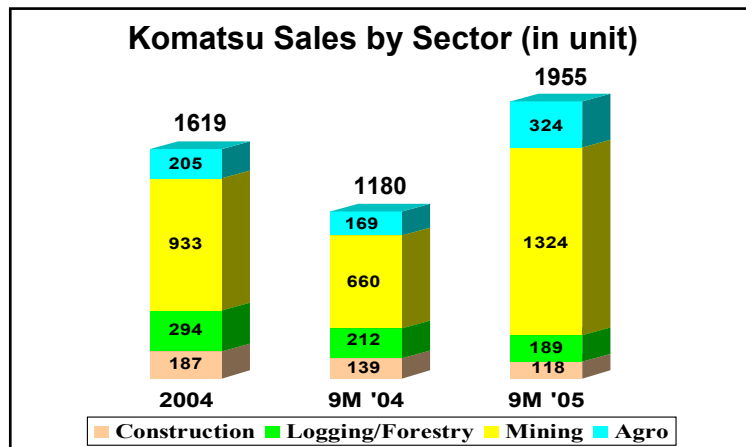
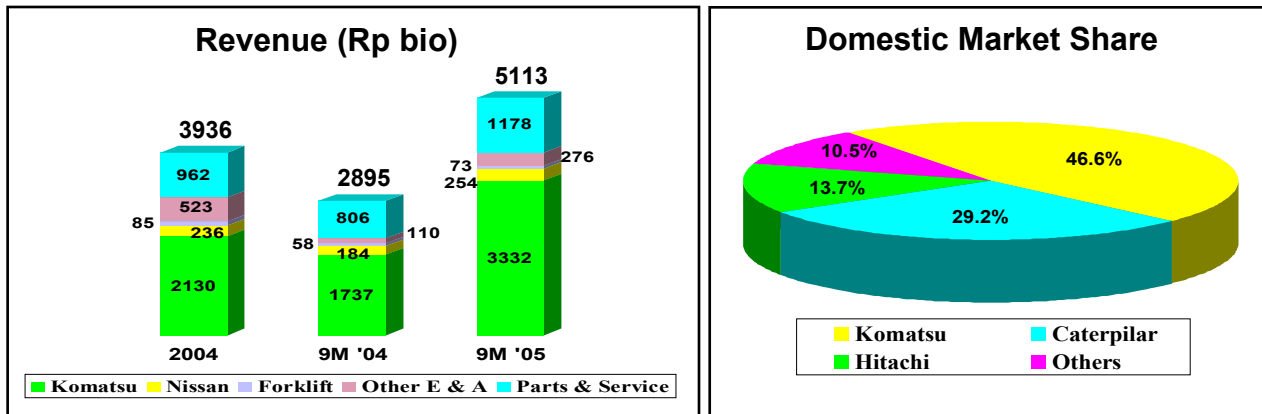
By September 2005, Construction Machinery (CM) division recorded a revenue of IDR 5.11 trillion, or 76.8% higher than IDR 2.89 trillion last year, mainly contributed by more than 95% revenue increase from equipment sales.

Y.o.y. Komatsu sales volume was increased by 66%

Sales volume of Komatsu until third quarter this year has achieved 1,955 units, or 65.7% higher than 1,180 units sold in the same period last year. Due to exchange rate fluctuation, increased fuel price and higher interest rate, equipment purchase – particularly from construction and forestry sector – was indeed slower than the first half this year. Nevertheless, Komatsu market share still leads by 46.6%. Among complimentary products, y.o.y. sales of Nissan Diesel truck was increased from 270 units to 372 units, while Scania bus & truck delivery has strongly progressed to 117 units as compared to the initial sales of 3 units last year. Sales of Komatsu forklift was also improved from 374 units to 387 units.

Gross profit margin of 18.4%

As the result of increased sales, the nine-month performance of CM managed to deliver a gross profit of 18.4% as compared to 17.0% recorded in the same period last year.



September 30, 2005



MINING CONTRACTING Performance Overview

59.9% higher revenue y.o.y

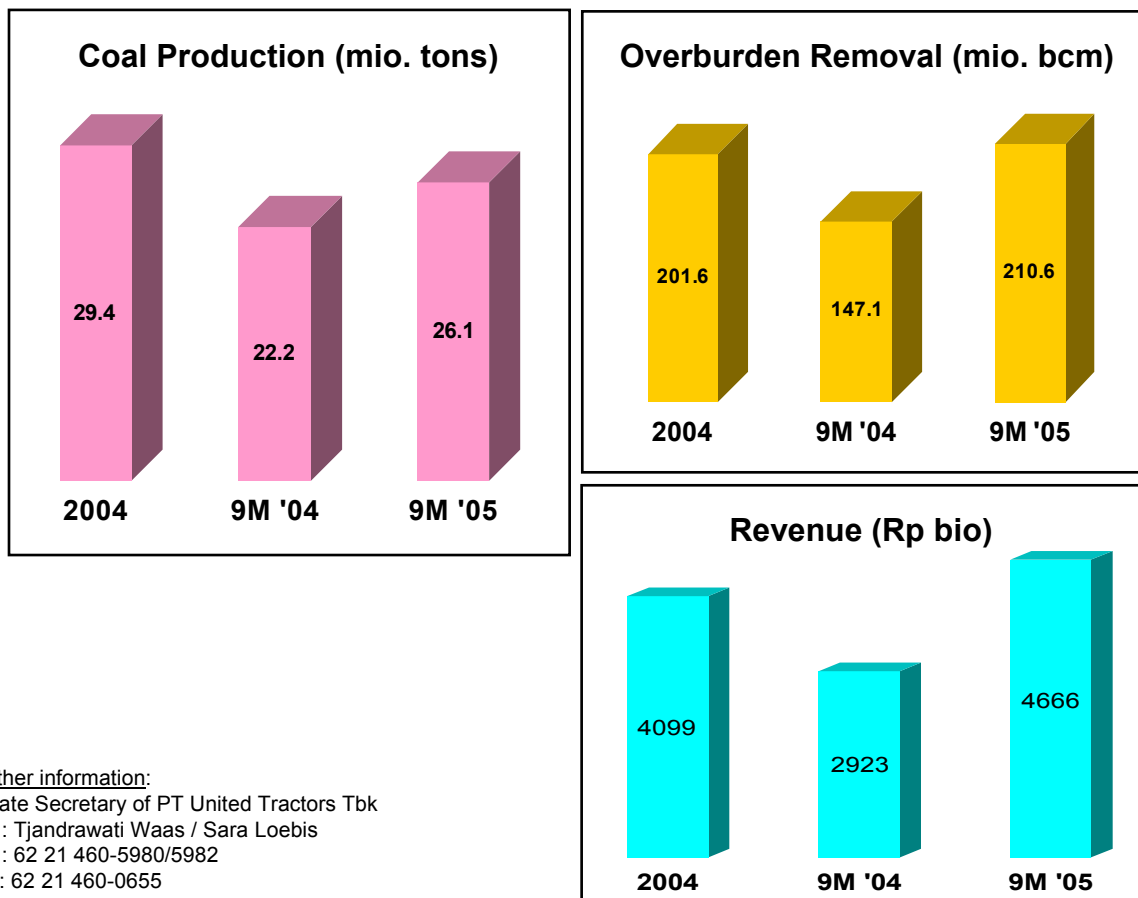
With steady working progress during this third quarter, Mining Contracting division (MC) under PT Pamapersada Nusantara (Pama) achieved a net revenue of IDR 4.67 trillion, or 59.9% higher than IDR 2.92 trillion revenue recorded in the third quarter last year.

Coal production was increased 17.7%

Major portion of the revenue was contributed by 17.7% increased production of coal and 43.1% increased volume of overburden removal. Until September 2005, Pama has delivered 26.1 million tons of coal and 210.6 million bcm overburden, as compared to 22.2 million tons of coal and 147.1 million bcm overburden last year.

Gross profit margin at 18.4%

As the result of higher coal and overburden production, as well as strengthened rate of US dollar during the last three months, Pama managed to gain a better gross profit margin of 18.4% than what was expected. Nevertheless, the figure was still slightly lower than the 18.9% margin recorded last year, due to Pama's forefront investment for Kaltim Prima Coal project.



For further information:

Corporate Secretary of PT United Tractors Tbk
Attn. : Tjandrawati Waas / Sara Loebis
Ph. : 62 21 460-5980/5982
Fax : 62 21 460-0655
E-Mail : ir@unitedtractors.com
<http://www.unitedtractors.com>

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PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910
Phone (021) 4605959 - 4605979

Rate Rp/US\$: 2005 = 10,310 and 2004 = 9,170

| CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2005 AND 2004 (in million Rupiah) | | | | | CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004 (in million Rupiah) | | | |
|--|-------------------|--------------------------------------|---|-------------------|---|--|------------------|------------------|
| ASSETS | | LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| | 2005 | 2004 | | 2005 | 2004 | | 2005 | 2004 |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | | NET REVENUE | 9,778,666 | 6,678,976 |
| Cash and cash equivalents | 499,891 | 640,329 | Short-term bank loans | 451,372 | 178,195 | COST OF REVENUE | 7,755,359 | 5,340,160 |
| Short-term investments | 14,670 | 7,650 | Trade payables: | | | GROSS PROFIT | 2,023,307 | 1,338,816 |
| Trade receivables: | | | Third parties | 1,525,804 | 862,781 | OPERATING EXPENSES | | |
| Third parties (net of allowance for doubtful accounts of Rp 184,936 in 2005 and Rp 28,203 in 2004) | 2,947,283 | 1,950,932 | Related parties | 1,101,413 | 438,748 | Selling expenses | 104,911 | 92,625 |
| Related parties | 27,293 | 11,451 | Other payables - third parties | 52,792 | 29,050 | General and administration expenses | 514,126 | 348,853 |
| Other receivables - third parties (net of allowance for doubtful accounts of Rp 75,757 in 2004) | 33,435 | 10,345 | Taxes payable | 165,613 | 107,541 | Total Operating Expenses | 619,037 | 441,478 |
| Inventories (net of allowance for inventory obsolescence of Rp 22,283 in 2005 and Rp 18,967 in 2004) | 2,334,809 | 889,410 | Accrued expenses | 153,515 | 132,153 | OPERATING INCOME | 1,404,270 | 897,338 |
| Prepaid taxes | 81,684 | 53,393 | Customer deposits | 143,050 | 77,874 | OTHER INCOME (EXPENSES) | | |
| Advances and prepayments | 298,877 | 173,630 | Current maturities of long-term debt: | | | Foreign exchange loss - net | (184,745) | (151,961) |
| Other assets | 12 | 355 | Bank loans | 182,680 | 77,466 | Interest and finance charges | (136,436) | (112,925) |
| | | | Finance leases | 161,378 | 141,402 | Interest income | 57,509 | 14,496 |
| Total Current Assets | 6,237,954 | 3,737,495 | Amounts due to related parties | 1,981 | 600 | Gain on discontinued operation | - | 380,400 |
| | | | | | | Gain on disposal of investments | - | 57,697 |
| NON-CURRENT ASSETS | | | NON-CURRENT LIABILITIES | | | Gain on sale of fixed assets | 10,376 | 59,058 |
| Restricted cash and time deposits | 83,892 | 61,255 | Trade payables - third parties | 724,006 | 441,964 | Other income - net | 14,598 | 34,743 |
| Amount due from related parties (net allowance for doubtful accounts of Rp 653 in 2005 and 2004) | 4,440 | 5,144 | Deferred tax liabilities | 2,943 | 2,591 | Total Other Income (Expenses) | (238,698) | 281,508 |
| Loan receivable - third party | 412,400 | 366,800 | Long-term loans, net of current maturities: | | | EQUITY IN NET INCOME OF ASSOCIATES AND JOINT OPERATIONS | 4,118 | 3,562 |
| Deferred tax assets | 65,898 | 19,813 | Bank loans | 1,573,058 | 969,169 | PROFIT BEFORE INCOME TAX | 1,169,690 | 1,182,408 |
| Investments in bonds | - | 3,958 | Finance leases | 237,699 | 204,372 | INCOME TAX BENEFIT (EXPENSE) | | |
| Long-term investments | 126,091 | 66,245 | Amounts due to related parties | 2,800 | 2,851 | Current | (355,851) | (164,924) |
| Fixed assets (net accumulated depreciation of Rp 2,187,927 in 2005 and Rp 1,556,105 in 2004) | 3,538,313 | 2,328,921 | Provisions | 146,968 | 51,953 | Deferred | 5,846 | (144,981) |
| Deferred charges | 34,220 | 14,142 | | | | Total Income Tax Expense | (350,005) | (309,905) |
| Loans to officers and employees | 37,374 | 21,548 | Total Non-Current Liabilities | 2,687,474 | 1,672,900 | INCOME BEFORE MINORITY INTEREST | 819,685 | 872,503 |
| Other assets | 2,247 | 1,739 | | | | MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES | (10,749) | (31,338) |
| | | | MINORITY INTERESTS IN EQUITY OF SUBSIDIARIES | 44,975 | 34,329 | NET INCOME BEFORE EXTRAORDINARY EXPENSE | 808,936 | 841,165 |
| Total Non-Current Assets | 4,304,875 | 2,889,565 | SHAREHOLDERS' EQUITY | | | EXTRAORDINARY EXPENSE | - | (7,457) |
| | | | Share capital: | | | NET INCOME | 808,936 | 833,708 |
| | | | Authorized capital - 6,000,000,000 ordinary shares with a par value of Rp 250 | | | BASIC EARNINGS PER SHARE | 284 | 390 |
| | | | Issued and fully paid capital - 2,851,609,100 ordinary shares in 2005 and - 2,844,094,600 ordinary shares in 2004 | 712,902 | 711,024 | | | |
| | | | Additional paid-in capital | 374,254 | 372,395 | | | |
| | | | Exchange difference from financial statements translation | 155,173 | 146,097 | | | |
| | | | Difference in the equity transactions of affiliates | 13,255 | 6,234 | | | |
| | | | Investment fair value revaluation reserve | 82,114 | 23,317 | | | |
| | | | Fixed assets revaluation reserve | 22,750 | 22,750 | | | |
| | | | Appropriated retained earnings | 40,000 | 30,000 | | | |
| | | | Unappropriated retained earnings | 2,470,334 | 1,562,204 | | | |
| | | | Total Shareholders' Equity | 3,870,782 | 2,874,021 | | | |
| | | | | | | | | |
| TOTAL ASSETS | 10,542,829 | 6,627,060 | TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 10,542,829 | 6,627,060 | | | |

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