



PT United Tractors Tbk

Investor Bulletin, Third Quarter 2017

United Tractors Recorded Net Income of Rp 5.6 Trillion

Operational:
Y.o.y Komatsu sales volume up 73%, coal production up 5%, overburden increased 12%.

The Company consolidated net revenue as of September 2017 recorded a 36% increase to Rp46.3 trillion from Rp33.9 trillion in the same period 2016, driven by improved performance in all business segment. Net profit jumped by 80%, which was Rp5.7 trillion compared to Rp3.1 trillion due to higher operational volumes and better profit margins. Earnings per share as of September 2017 was Rp1,512, a 80% increase from Rp838.

Construction Machinery segment recorded an increase in Komatsu sales volume by 73% to 2,744 units from 1,588 units. Sales of spare parts and maintenance services were up 21% to Rp5.1 trillion. In total, Construction Machinery segment recorded 64% increase in revenue to Rp17.4 trillion. Mining Contracting business segment recorded 20% increase in net revenue to Rp21.2 trillion, with 82.4 million tons coal production and 585.0 million bcm overburden removal. Mining business segment recorded coal sales volume decreased by 12% to 5.1 million tons due to lower volume from coal trading business, while net revenue increased by 34% to Rp5.6 trillion due to higher average coal selling price. The fourth segment, Construction Industry recorded 51% net revenue growth to Rp1.9 trillion.

Financial:
Consolidated revenue was Rp 46.3 trillion, with net income of Rp 5.6 trillion

Overall to the Company consolidated net revenue, Mining Contracting segment contributed 46%, followed by 38% from Construction Machinery, 12% from Mining, and 4% from Construction Industry.

In Rupiah billion	9M 2017	9M 2016	Y/Y%	FY 2016
Exchange rate (Rp/US\$)	13,492	12,998	4%	13,436
Revenue Breakdown				
Construction Machinery	17,441	10,649	64%	14,618
Mining Contracting	21,223	17,731	20%	24,003
Mining	5,646	4,226	34%	5,124
Construction Industry	1,949	1,290	51%	1,794
Total Revenue	46,258	33,897	36%	45,539
Gross Profit	10,439	6,580	59%	9,661
Gross Profit Margin	22.6%	19.4%	16%	21.2%
Profit for the period	5,898	3,182	85%	5,104
Net Income	5,638	3,127	80%	5,002
Earnings Per Share (expressed in full Rp)	1,512	838	80%	1,341

Note: The Company's 9M 2017 & 9M 2016 report was unaudited

October 31, 2017



CONSTRUCTION MACHINERY Performance Overview

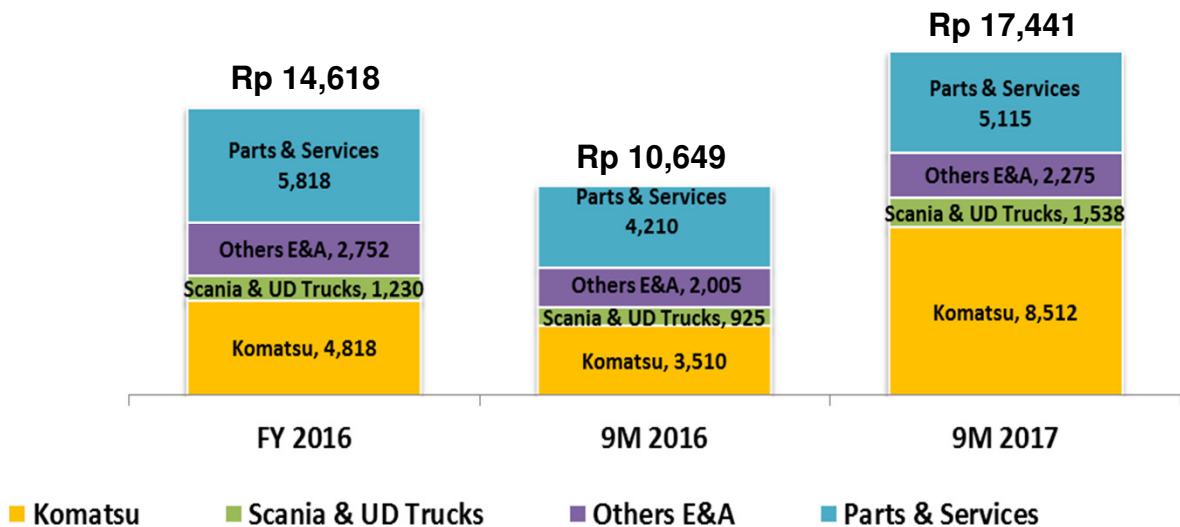
Komatsu sales volume was 2,744 units

As of September 2017, Komatsu sales volume reached 2,744 units, a 73% jump compared to 1,588 units in the same period 2016. Strong Komatsu sales volume was mainly driven by demand from mining and plantation sectors. Increase in mining sector activities also boosted sales volume of UT's other distributed brands, such as UD Trucks which rose from 266 units to 485 units, and Scania products from 330 units to 762 units.

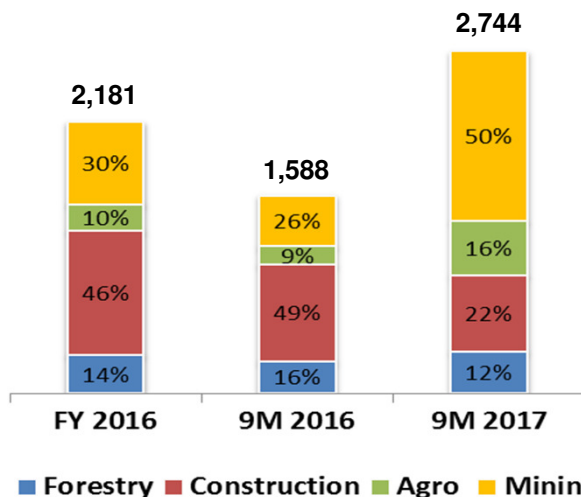
Revenue was Rp 17.4 trillion, increased 64%

Sales of spare parts and maintenance services increased by 21% to Rp5.1 trillion due to the growing need from the customers to maintain the life cycle of their heavy equipment. Overall, total revenue of Construction Machinery business segment in 2017 increased by 64% to Rp17.4 trillion, compared to Rp10.6 trillion in the same period 2016.

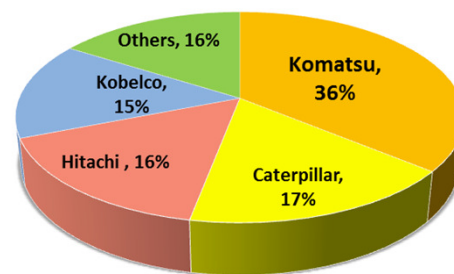
CM Revenue Breakdown (in billion Rupiah)



Komatsu Sales Volume By Sectors (in units)



Domestic Market Share 9M 2017



Source: Internal Market Research

October 31, 2017



MINING CONTRACTING

Performance Overview

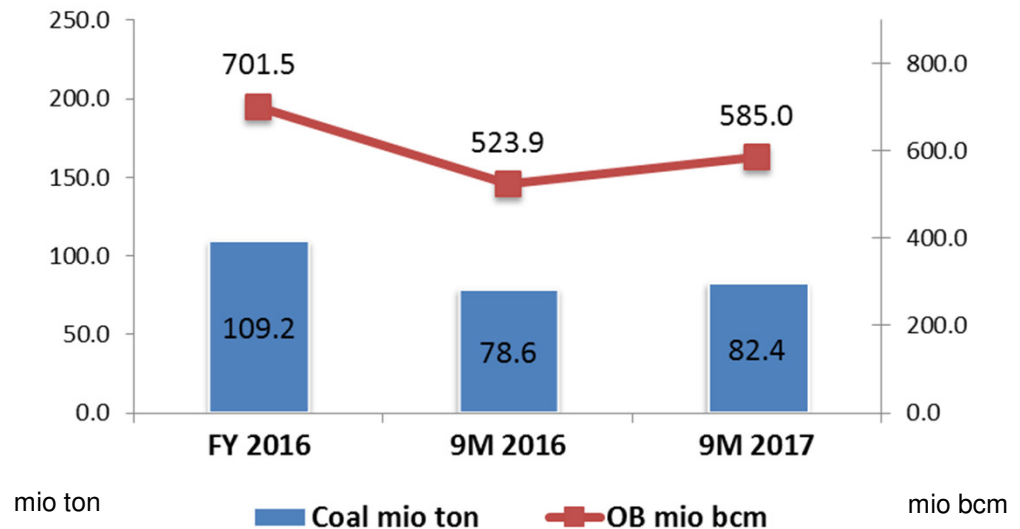
Pama coal production was 82.4 mio tons, up 5%, with overburden removal of 585.0 mio bcm, or up 12%

Revenue was Rp 21.2 trillion, up 20%

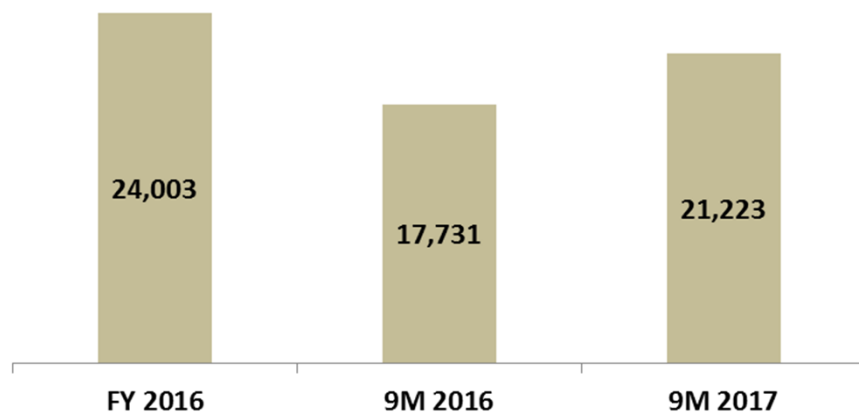
The Company operates its Mining Contracting business through PT Pamapersada Nusantara (PAMA). PAMA is now the largest mining contractor in Indonesia with notable 48% of revenue market share (source: internal market research).

Until September 2017, PAMA recorded 20% increase in net revenue of Rp21.2 trillion, compared to Rp17.7 trillion in the same period 2016, with total coal production volume up by 5% from 78.6 million tons to 82.4 million tons, and overburden removal volume rose 12% from 523.9 million bcm to 585.0 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)



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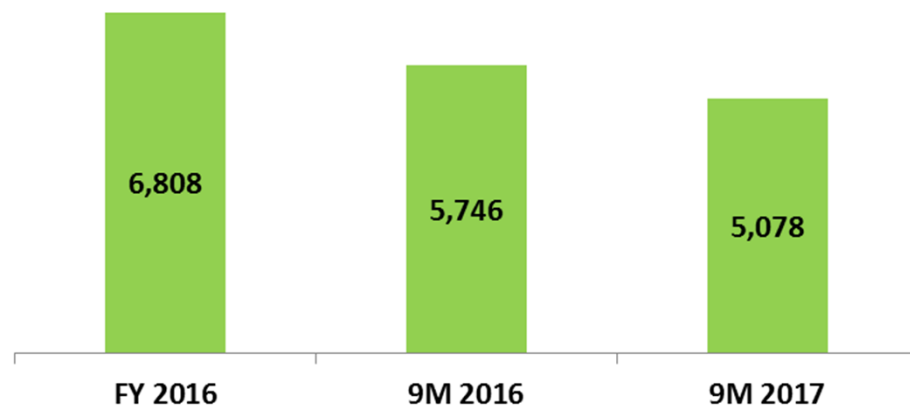
COAL MINING Performance Overview

Coal sales volume reached 5.1 million tons, decreased 12%

Revenue was Rp 5.6 trillion, increased 34%

The Company's Mining business segment was operated by PT Buah Turangga Agung (TTA). Total coal sales volume as of September 2017 recorded a decrease by 12% to 5.1 million tons from 5.7 million tons due to lower volume from coal trading business. Meanwhile, revenue of Mining business was increased by 34% to Rp5.6 trillion from Rp4.2 trillion, due to significantly ASP improvement.

■ TTA's coal sales volume (in thousand tons)





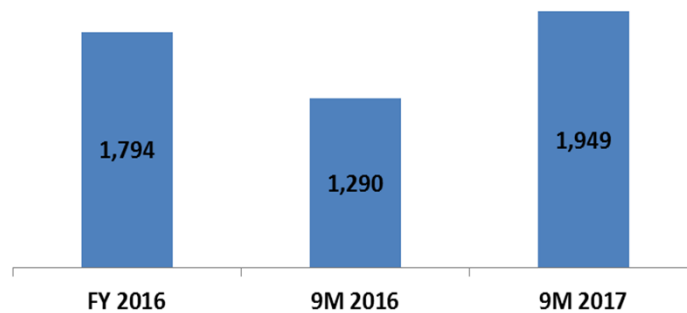
CONSTRUCTION INDUSTRY

Performance Overview

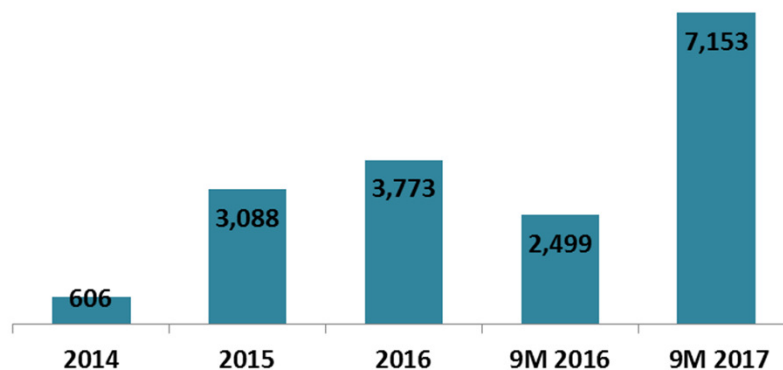
Revenue was Rp 1.9 trillion, increased 51%, net income was Rp 111 billion, increased 179%

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). Until September 2017, ACSET posted an increase in net revenue from Rp1.2 trillion to Rp1.9 trillion, with net income increased by 179% to Rp111 billion. ACSET has successfully obtained new contracts worth of Rp7.2 trillion compared to Rp2.5 trillion in the same period 2016.

Construction Industry Revenue (Rupiah billion)



New Contracts (Rupiah billion)



For further information:

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Rate Rp/US\$: 30/09/2017 = 13,492 and 31/12/2016 = 13,436

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017 AND 31 DECEMBER 2016

Expressed in million of Rupiah, unless otherwise stated

		LIABILITIES AND STOCKHOLDERS' EQUITY	
31/12/2016		30/09/2017	31/12/2016
CURRENT LIABILITIES			
19.460.864	Trade payables:		
	- Third parties	18.432.210	14.018.234
10.841.276	- Related parties	108.019	101.238
200.237	Non-trade payables:		
	- Third parties	612.325	232.140
779.470	- Related parties	873.130	253.069
293.528	Taxes payables:		
7.108.044	- Corporate income taxes	1.219.733	27.693
	- Other taxes	221.439	216.274
343.348	Accruals	2.907.226	1.305.414
24.713	Customer deposits		
	- Third parties	667.529	689.089
519.391	- Related parties	7.709	2.687
1.111.744	Deferred revenue	458.394	329.112
450.693	Employee benefit obligations	678.673	152.928
214.806	Short-term bank loans	747.598	304.397
849.209	Current portion of long-term debt:		
	- Bank loans	179.893	-
	- Finance leases	67.813	687.959
	- Other borrowings	30.058	35.714
42.197.323			
	Total Current Liabilities	27.211.749	18.355.948
480.324			
NON-CURRENT LIABILITIES			
221.352	Trade payables:		
216.122	- Related parties	-	230.355
242.395	Deferred tax liabilities	1.259.693	980.288
301.221	Provision	124.164	102.676
706.265	Employee benefit obligations	1.688.718	1.476.191
598.514	Long-term debt, net of current portion:		
12.072.399	- Bank loans	3.148.133	-
4.612.741	- Finance leases	19.694	64.891
121.680	- Other borrowings	3.108	20.327
409.278	Deferred Revenue	9.615	19.785
257.498	Other long-term financial liabilities	119.321	118.825
113.633	Total Non-current Liabilities	6.372.446	3.013.338
439.767	TOTAL LIABILITIES	33.584.195	21.369.286
1.000.717			
EQUITY			
21.793.906	Equity attributable to owners of the parent		
	Share capital:		
	Authorized capital 6,000,000,000 ordinary shares, issued and fully paid capital 3,730,135,136 ordinary shares, with par value of Rp 250 per share	932.534	932.534
	Additional paid-in capital	9.703.937	9.703.937
	Retained earnings :		
	- Appropriated	186.507	186.507
	- Unappropriated	31.138.872	28.015.375
	Exchange difference on financial statements translation	2.220.380	2.188.394
	Investment fair value revaluation reserve	154.566	173.016
	Hedging reserve	-	-
	Investment properties fair value revaluation reserve	8.615	8.615
	Exchange difference on translating financial statements in foreign currencies	(348.323)	(348.323)
		43.997.088	40.860.055
	Non-controlling interest	2.116.052	1.761.888
	TOTAL EQUITY	46.113.140	42.621.943
63.991.229	TOTAL LIABILITIES AND EQUITY	79.697.335	63.991.229

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016

(in million Rupiah, except earning per share)

	2017	2016
NET REVENUE	46.258.376	33.897.182
COST OF REVENUE	(35.819.332)	(27.316.916)
GROSS PROFIT	10.439.044	6.580.266
Selling expenses	(598.604)	(421.549)
General and administrative expenses	(1.870.697)	(1.567.866)
Other expenses	(430.842)	(881.292)
Other income	134.311	233.432
Finance income	765.054	447.866
Finance costs	(671.358)	(309.421)
Share of net profit of associates and jointly controlled entities	103.929	50.320
PROFIT BEFORE INCOME TAX	7.870.837	4.131.756
Income tax expense	(1.972.597)	(950.062)
PROFIT FOR THE YEAR	5.898.240	3.181.694
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that will not be reclassified to profit or loss		
Remeasurement of employee benefit obligations	3.806	(237.705)
Related income tax expense	(865)	56.988
	2.941	(180.717)
Items that will be reclassified to profit or loss		
Exchange difference from financial statements translation	45.898	(327.186)
Hedging reserves	-	(246)
Change in fair value of available for sale financial asset	(18.450)	45.900
Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	(41)	(438)
Related income tax expense	(7.860)	51.707
	19.547	(230.263)
Other comprehensive (expense)/income for the period, net of tax	22.488	(410.980)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5.920.728	2.770.714
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:		
- Owners of the parent	5.638.391	3.127.072
- Non-controlling interest	259.849	54.622
	5.898.240	3.181.694
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	5.654.874	2.768.362
- Non-controlling interest	265.854	2.352
	5.920.728	2.770.714
EARNINGS PER SHARE (expressed in full Rupiah)	1.512	838

Jakarta, October 31, 2017
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS