



PT United Tractors Tbk

Investor Bulletin, First Quarter 2018

United Tractors Recorded Net Income of Rp 2.5 Trillion

Operational:
Y.o.y Komatsu sales volume up 38%, coal production up 6%, overburden increased 22%, while coal sales volume rose 36%

Financial:
Consolidated revenue was Rp 19.0 trillion, with net income of Rp 2.5 trillion

United Tractors (UT/the Company) recorded consolidated net revenue for the first quarter 2018 grew by 39% to Rp19.0 trillion from Rp13.7 trillion in the same period 2017. The growth was driven by the Company's generated net revenue from all business segment. Increased in revenue and better profit margins boosted the Company's net profit to grow by 69% to Rp2.5 trillion compared to Rp1.5 trillion in the same period 2017.

Construction Machinery segment recorded an increase in Komatsu sales volume by 38% to 1,171 units from 847 units. Sales of spare parts and maintenance services were up 34% to Rp2.2 trillion. In total, Construction Machinery segment recorded 43% increase in revenue to Rp6.9 trillion. Mining Contracting business segment recorded 26% increase in net revenue to Rp8.0 trillion, with 26.5 million tons of coal production and 207.0 million bcm of overburden removal. Mining business segment recorded increased coal sales volume by 36% to 2.6 million tons, and net revenue increased by 66% to Rp3.5 trillion due to higher average coal selling price. The fourth segment, Construction Industry, recorded 45% net revenue growth to Rp734 billion.

Overall, to the Company's consolidated net revenue, Mining Contracting segment contributed 42%, followed by Construction Machinery with 36%, Mining with 18%, and Construction Industry with 4% contribution.

In Rupiah billion	3M 2018	3M 2017	Y/Y%	FY 2017
Exchange rate (Rp/US\$)	13,756	13,321	3%	13,548
Revenue Breakdown				
Construction Machinery	6,862	4,792	43%	24,711
Mining Contracting	7,954	6,299	26%	29,637
Mining	3,460	2,082	66%	7,181
Construction Industry	734	506	45%	3,031
Total Revenue	19,011	13,679	39%	64,559
Gross Profit	4,453	2,857	56%	14,483
Gross Profit Margin	23.4%	20.9%	12%	22.4%
Profit for the period	2,680	1,576	70%	7,673
Net Income	2,531	1,501	69%	7,403
Earnings Per Share (expressed in full Rp)	678	402	69%	1,985

Note: The Company's 3M 2018 & 3M 2017 report was unaudited

April 24, 2018



CONSTRUCTION MACHINERY Performance Overview

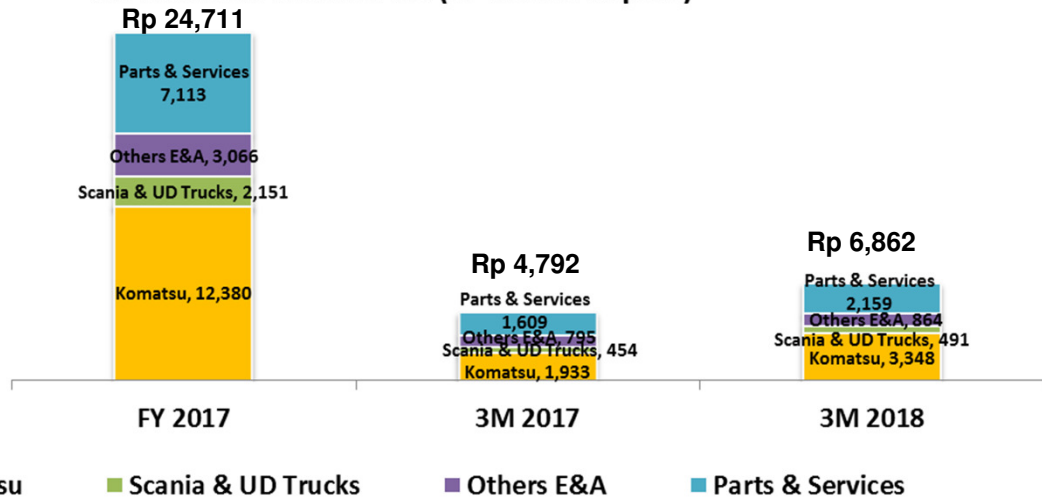
Komatsu sales volume was 1,171 units

Revenue was Rp 6.9 trillion, increased 43%

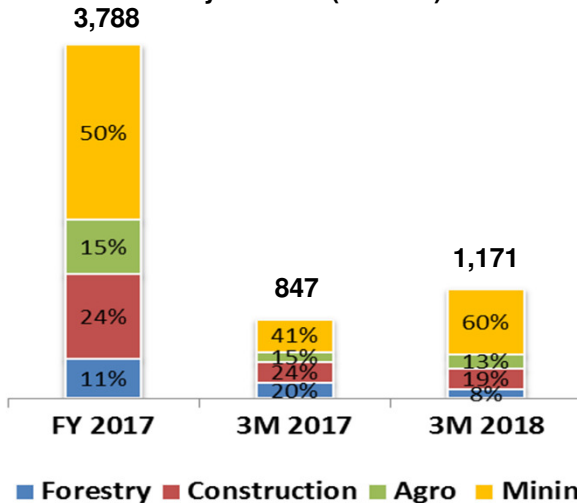
Until March 2018, Komatsu sales volume reached 1,171 units or grew by 38% compared to 847 units in the same period 2017. Such increase was driven by high demands from mining, plantation, and constructions sectors. Komatsu currently accounted for 34% of the largest market share for heavy equipment (based on to internal market research). Sales volume of UT's other distributed brands, such as UD Trucks was increased from 119 units to 202 units, and Scania products was increased from 256 units to 266 units.

In line with the growth of heavy equipment sales, spare parts and maintenance services also recorded an increase in revenue by 34% to Rp2.2 trillion due to customers' need to extend their heavy equipment's life cycle. In total, Construction Machinery business line recorded an increase in revenue by 43% to Rp6.9 trillion, compared to Rp4.8 trillion in the same period 2017.

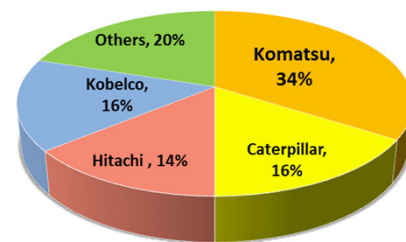
CM Revenue Breakdown (in billion Rupiah)



Komatsu Sales Volume By Sectors (in units)



Domestic Market Share 3M 2018



Source: Internal Market Research



MINING CONTRACTING Performance Overview

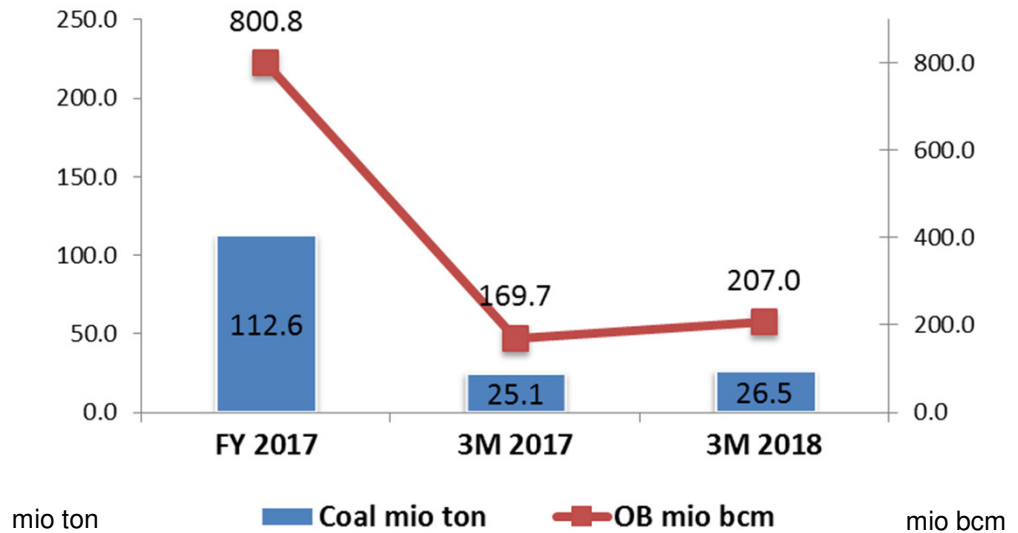
Pama coal production was 26.5 mio tons, up 6%, with overburden removal of 207.0 mio bcm, or up 22%

Revenue was Rp 8.0 trillion, up 26%

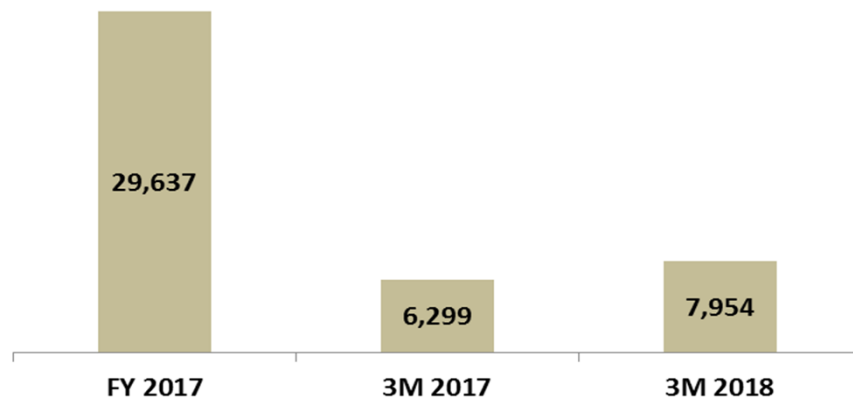
UT's Mining Contracting business line is carried out through PT Pamapersada Nusantara (PAMA). Subsidiary under PAMA that also provides additional support and services in mining contracting is PT Kalimantan Prima Persada (KPP).

During first quarter 2018, PAMA recorded 26% increase in net revenue from Rp6.3 trillion to Rp8.0 trillion, with total coal production volume up by 6% from 25.1 million tons to 26.5 million tons, while overburden removal volume was up 22% from 169.7 million bcm to 207.0 million bcm.

Coal and Overburden Removal



MC Revenue (Rupiah billion)





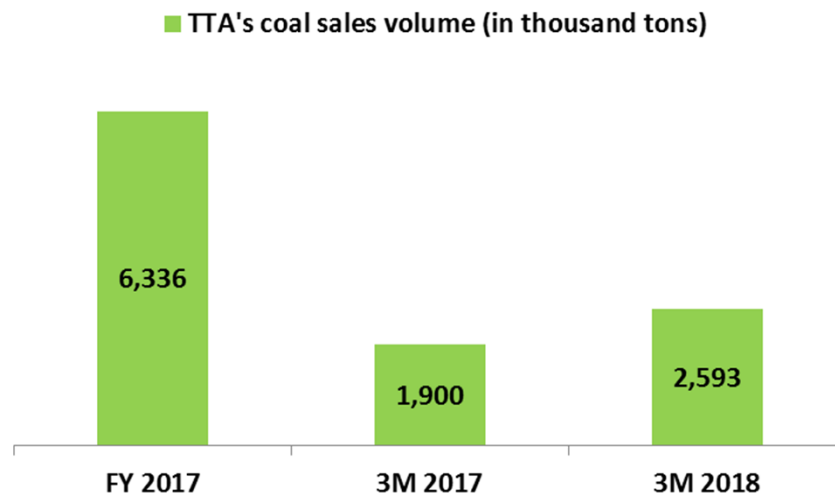
COAL MINING Performance Overview

Coal sales volume reached 2.6 million tons, increased 36%

Revenue was Rp 3.5 trillion, increased 66%

The Company's Mining business segment was operated by PT Tuah Turangga Agung (TTA). Currently, TTA operates coal mines under management of PT Asmin Bara Bronang (ABB), PT Telen Orbit Prima (TOP), and PT Suprabari Mapanindo Mineral (SMM). SMM which was acquired in March 2017 is a coking coal concession in Central Kalimantan, and has started its commercial production by the end of 2017.

Total coal sales volume as of March 2018 increased by 36% to 2.6 million tons including 111 thousand tons from SMM and 378 thousand tons from coal trading business, compared to 1.9 million tons in the same period 2017. Mining business revenue increased by 66% to Rp3.5 trillion from Rp2.1 trillion, due to higher average coal selling price.





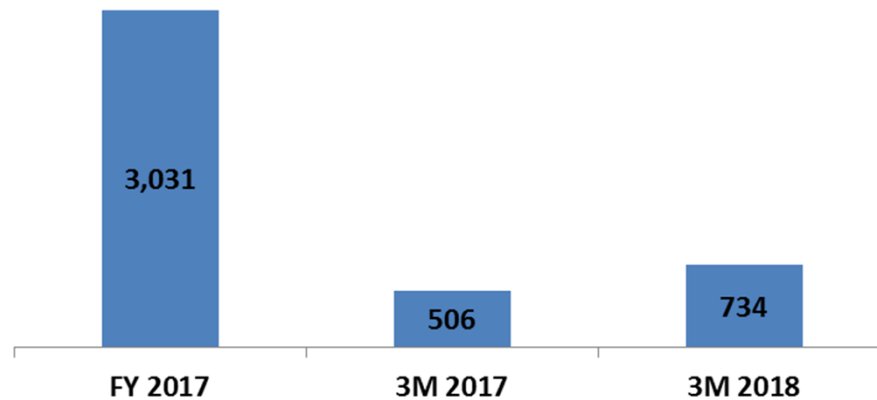
CONSTRUCTION INDUSTRY

Performance Overview

Revenue was Rp 734 billion, increased 45%, net income was Rp 39 billion, increased 27%

The Construction Industry business unit was represented by PT Acset Indonusa Tbk (ACSET). As of March 2018, ACSET booked revenue of Rp734 billion, compared to Rp506 billion in the same period 2017. In line with revenue increase, net profit rose by 27% to Rp39 billion from Rp31 billion in the same period 2017.

Construction Industry Revenue (Rupiah billion)



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Rate Rp/US\$: 31/03/2018 = 13,756 and 31/12/2017 = 13,548

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018 AND 31 DECEMBER 2017 (expressed in million of Rupiah, unless otherwise stated)

ASSETS	LIABILITIES AND STOCKHOLDERS' EQUITY	
	3/31/2018	12/31/2017
CURRENT ASSETS		
Cash and cash equivalents	18,422,350	20,831,489
Trade receivables:		
- Third parties	17,858,202	16,297,531
- Related parties	292,887	257,751
Non-trade receivables:		
- Third parties	979,501	942,539
- Related parties	746,465	689,822
Inventories	8,072,214	7,854,913
Project under construction		
- Third parties	350,481	344,763
Prepaid taxes:		
- Corporate income taxes	368,672	346,138
- Other taxes	1,928,044	1,745,417
Advances and prepayments	1,668,296	1,335,030
Other current assets	179,603	159,082
Other investments	399,147	397,725
Total Current Assets	51,265,662	51,202,200
NON-CURRENT ASSETS		
Trade receivables		
- Third parties	69,001	69,001
Non-trade receivables		
- Third parties	379,410	365,760
- Related parties	667,533	620,030
Restricted cash and time deposits	2,444,063	2,824,400
Advances	236,698	171,167
Investments in associates and jointly controlled entities	1,445,831	875,297
Other investments	255,892	234,292
Fixed assets	17,908,659	16,374,852
Mining properties	5,919,430	5,876,638
Investment properties	151,961	151,961
Deferred exploration and development expenditures	917,938	891,966
Production mining assets	335,004	343,515
Deferred charges	642,418	393,080
Goodwill	439,767	439,767
Deferred tax assets	1,358,673	1,428,167
Total Non-current Assets	33,172,278	31,059,893
TOTAL ASSETS	84,438,140	82,262,093
CURRENT LIABILITIES		
Trade payables:		
- Third parties	18,021,993	20,113,141
- Related parties	127,683	126,108
Non-trade payables:		
- Third parties	207,889	629,911
- Related parties	205,536	240,866
Taxes payables:		
- Corporate income taxes	1,365,385	1,089,304
- Other taxes	192,010	302,511
Accruals	3,334,578	2,431,218
Customer deposits		
- Third parties	687,554	784,648
- Related parties	15,039	24,558
Deferred revenue	542,897	494,434
Employee benefit obligations	609,302	223,854
Short-term bank loans	1,306,810	1,192,573
Current portion of long-term debt:		
- Bank loans	641,947	632,240
- Finance leases	41,247	51,350
- Other borrowings	31,070	39,846
Total Current Liabilities	27,330,940	28,376,562
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,330,761	1,442,159
Provision	164,544	160,672
Employee benefit obligations	1,921,379	1,859,089
Long-term debt, net of current portion:		
- Bank loans	2,751,200	2,709,600
- Finance leases	9,933	14,849
- Other borrowings	33,567	38,669
Deferred Revenue	1,978	2,260
Other long-term financial liabilities	121,655	120,308
Total Non-current Liabilities	6,335,017	6,347,606
TOTAL LIABILITIES	33,665,957	34,724,168
EQUITY		
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	35,320,608	32,787,260
Exchange difference on financial statements translation	2,328,315	2,245,246
Investment fair value revaluation reserve	192,816	171,216
Hedging reserve	104,632	(324,532)
Fixed assets fair value revaluation reserve	8,615	8,615
Difference due to acquisition of non-controlling interests in subsidiaries	(348,323)	(348,323)
	48,429,641	45,362,460
Non-controlling interest	2,342,542	2,175,465
TOTAL EQUITY	50,772,183	47,537,925
TOTAL LIABILITIES AND EQUITY	84,438,140	82,262,093

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017 (in million Rupiah, except earning per share)

	2018	2017
NET REVENUE	19,010,706	13,679,376
COST OF REVENUE	(14,558,181)	(10,822,762)
GROSS PROFIT	4,452,525	2,856,614
Selling expenses	(181,127)	(179,160)
General and administrative expenses	(732,921)	(592,501)
Other expenses	(124,945)	(178,730)
Other income	83,631	37,349
Finance income	196,943	272,650
Finance costs	(222,316)	(192,442)
Share of net profit of associates and jointly controlled entities	65,781	25,745
PROFIT BEFORE INCOME TAX	3,537,571	2,049,525
Income tax expense	(857,975)	(473,667)
PROFIT FOR THE YEAR	2,679,596	1,575,858
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that will not be reclassified to profit or loss		
Remeasurement of employee benefit obligations	3,363	3,806
Related income tax expense	(761)	(865)
	2,602	2,941
Items that will be reclassified to profit or loss		
Exchange difference from financial statements translation	126,414	(49,895)
Hedging reserves	22,662	-
Change in fair value of available for sale financial asset	21,600	6,300
Share of other comprehensive (expenses)/income of associates and jointly controlled entities, net of tax	410,862	113
Related income tax expense	(29,814)	8,502
	551,724	(34,980)
Other comprehensive (expense)/income for the period, net of tax	554,326	(32,039)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,233,922	1,543,819
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:		
- Owners of the parent	2,530,734	1,501,096
- Non-controlling interest	148,862	74,762
	2,679,596	1,575,858
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	3,067,181	1,477,045
- Non-controlling interest	166,741	66,774
	3,233,922	1,543,819
EARNINGS PER SHARE (expressed in full Rupiah)	678	402

Jakarta, 24 April 2018
PT UNITED TRACTORS Tbk
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THE BOARD OF DIRECTORS