



## **EXCELLENT PERFORMANCE, EXCELLENT NET PROFIT**

The September 2000 result has just been published, and the Company shows an exceptional growth by recording net revenue of Rp. 3.79 trillion, almost equal to 1999's full year revenue. The revenue increase can be attributed to dollar denominated revenue that benefited from the increase in the exchange rate. By comparison, this year-to-date revenue is 32% higher than the same period's revenue last year.

### **EBITDA reached Rp. 1.02 trillion**

With higher revenue, the gross profit and operating profit increased by 19% and 20%, respectively, from the first nine months of 1999. The EBITDA grows as well, reaching Rp. 1.02 trillion, 19% increase from Rp. 0.86 trillion in 1999. However, the cash and cash equivalent has decreased due to debt repayment, to Rp. 386.97 billion from Rp. 694.34 billion in 1999. Finally, the whole group finished its debt restructuring with the signing of UT's debt agreement on September 20, 2000.

### **Net profit of Rp. 87 billion**

On the lower note, the foreign exchange (forex) loss increased to Rp. 466.35 billion as compared to just Rp. 91.30 billion in 1999. The exchange rate has increased from Rp. 7,100/USD at the end of 1999 to Rp. 8,780/USD this quarter. Yet, this exchange rate represents only a small increase since the first half of this year when the Company recorded a small net loss, so that the Company was able to improve its performance in the meantime. Due to improvement in revenue, the Company is able to report a net profit of Rp. 86.99 billion for the third quarter of 2000.

### **Change in structure**

Considering that the Material Handling division produces complementary products to the Construction Machinery and contributes revenue less than 10% to the consolidated report, we decided to combine them into one division, the Construction Machinery, beginning from this quarter.

### **Highlights of the quarter's result**

In Rp. bn.	9M 2000	9M 1999	% Increase
Sales Construction Machinery	1,803	1,193	51
Mining Contracting	1,548	1,379	12
Mining	441	302	46
Total Sales	3,792	2,874	32
Gross Profit	1,003	844	19
Operating Profit	793	661	20
EBITDA	1,023	859	19
Net Income	87	228	(62)
Earnings (Losses) Per Share (Rp.)	257	1,649	(84)

*September 30, 2000*



# PERFORMANCE OVERVIEW: CONSTRUCTION MACHINERY

## Revenue grows by 51%

With the combination of Material Handling (MH) division into the Construction Machinery (CM), the revenue shows a 51% grow from Rp. 1.19 trillion to Rp. 1.80 trillion. The growth is mainly contributed by the sales of Komatsu (48%), followed by the sales of Parts & Services (27%). Other Equipment and Attachment sector consists of unit sales other than Komatsu and Nissan Diesel trucks, such as Bomag, Timberjack, Kenworth trucks, etc, plus the engine assembly, attachments and components produced and sold by the MH division. This new sector contributed 16% to CM's revenue.

## CM sold 623 units Komatsu

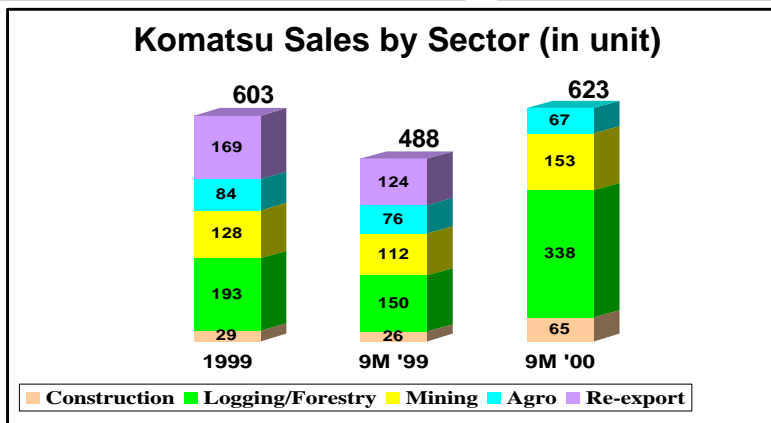
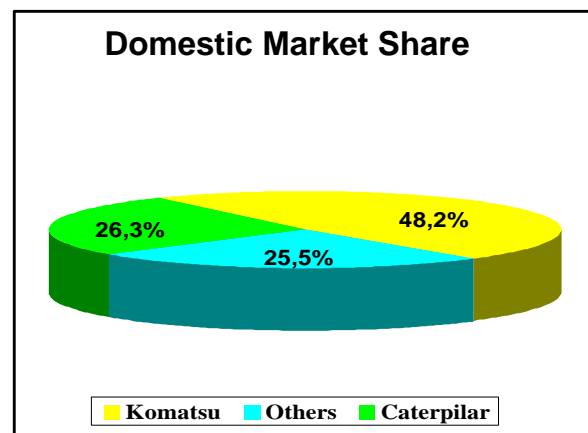
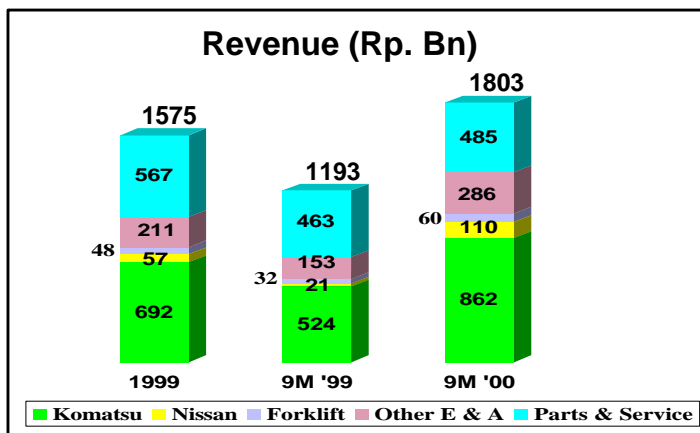
Operationally, up to September 2000, Komatsu sales reached 623 units, 28% improvement over a year ago and already surpassed last year's total sales. The big improvement is due to continuing excellent sales to the forestry/logging and mining sectors. The market share of Komatsu in Indonesia is increasing to 48.2%, much higher than its closest rival's.

## Other equipment sales are also rising

In addition, this division also sold 138 units of Nissan Diesel trucks and 330 units of forklift, as compared to 56 units of Nissan and 201 units of forklift in 1999.

## Better GPM and OPM

Overall, CM registered gross profit margin of 31%, or equal to the gross margin of the previous year. The operating income margin, however, actually increased to 22% from 19% in 1999.



September 30, 2000



## PERFORMANCE OVERVIEW: MINING CONTRACTING

### Pama produced 16.6 mio. tons of coal

The Mining Contracting (MC) division, through PT Pamapersada Nusantara (Pama), recorded net revenue of Rp. 1.55 trillion, 12% gain over a year ago. Up to this quarter, Pama has extracted 16.6 million tons of coal with 63.4 million bcm overburden, increased from 15.9 million tons of coal and 59.0 million bcm overburden in 1999. Pama has also produced 0.8 million bcm of gold with 4.8 million bcm waste as compared to 1.2 million bcm of gold and 5.2 million bcm waste the previous year.

### New equipment for replacement

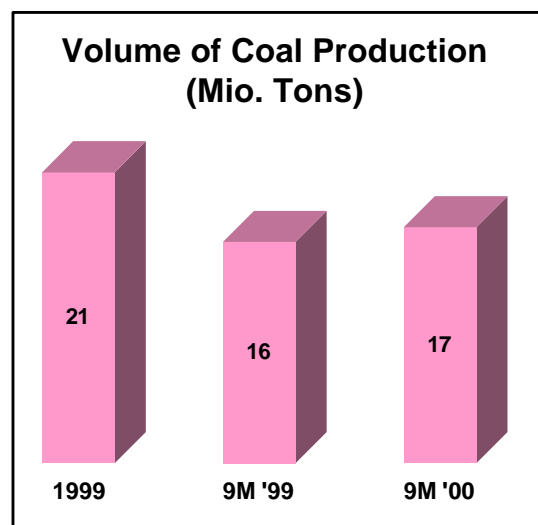
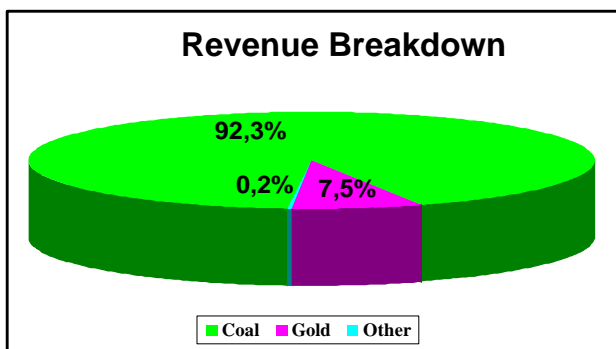
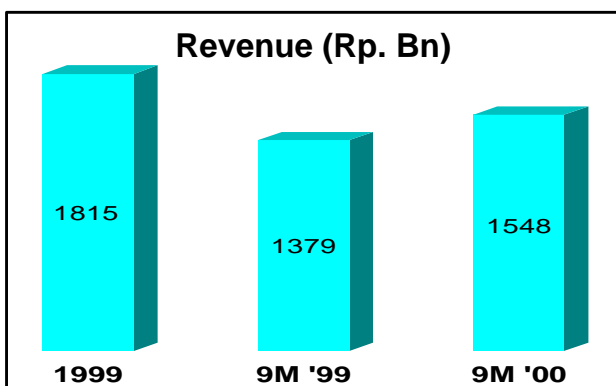
Up until September 2000, Pama has bought 41 units of Komatsu and 10 units of Kenworth trucks from UT to replace their older equipment. With newer equipment, Pama is expected to maintain its production level this year.

### Lower margins this year

After incurring high cost increase in the first half for unit overhauling and salary increase, Pama's gross profit margin and operating profit margin has improved to 24% and 22%, respectively, from 23% and 21% in the first half of 2000. However, these margins are lower than in 1999, when the gross profit margin and the operating profit margin reached 34% and 32%, respectively.

### Pama gets new project

Of important notes, Pama has just gotten new project, Petangis, starting in July 2000 up to June 2003. The project is estimated to have revenue of US\$ 11.5 million annually with estimated production of 1.3 million tons of coal and 7 million bcm overburden per annum. This new project will contribute significantly to the current revenue and strengthen Pama's position as the market leader for coal mining contracting in Indonesia.



September 30, 2000



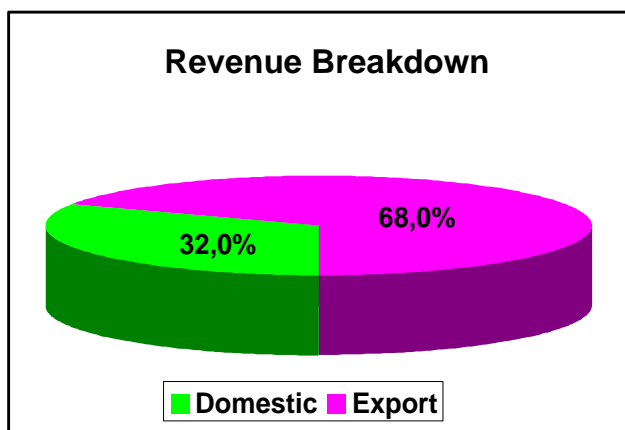
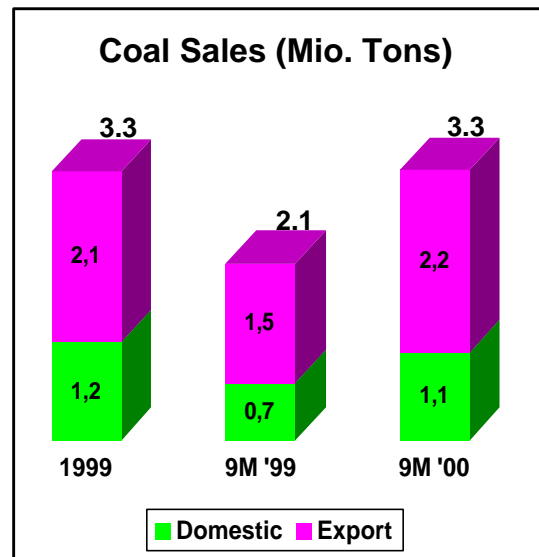
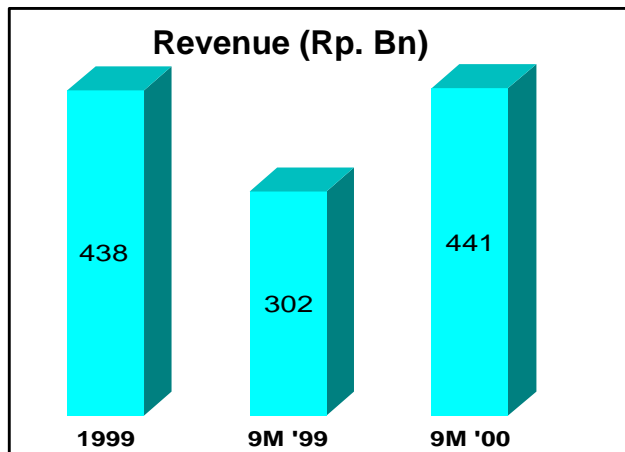
## PERFORMANCE OVERVIEW: COAL MINING

### Sales reached 3.3. mio. tons

The mining division, through PT Berau Coal (Berau), increased its revenue by 46% since a year ago, reaching Rp. 440.96 billion. This revenue already surpassed last year's full revenue. The much improved revenue is the result of higher coal sales, achieving 3.3 million tons, slightly more than what Berau sold the whole 1999. Of that amount, about 68% were directed for export. The sales were an 82% improvement from just 1.1 million tons of coal over the same period in 1999. Higher sales are as expected due to the increase demand from other countries' power plants and the new contracts gotten for the future. Currently, Berau is exporting to Taiwan, Hong Kong, Japan, Thailand, and to Europe as well.

### Berau is improving its margins

The increase in sales volume allows Berau to survive under currently low coal price. Higher volume translates into lower production costs so that the gross profit margin increased to 16%, much improved from just 2% the year before. The operating margin has improved as well to 11% as compared to negative 6% in 1999. More good news, there is indication that the coal price is starting to move up, starting for next year's delivery.



September 30, 2000



## UPDATE: DEBT RESTRUCTURING

### **UT signs debt agreement**

Finally, after two years in negotiation, UT finished its debt restructuring with the signing of the agreement on September 20, 2000, in Jakarta. The signing signified agreement with all of the 28 lenders. The total amount of the restructured loan is US\$ 278.5 million and Rp. 147 billion. The solution agreed to divide the payment into two tranches:

1. Tranch 1 is for the amount of US\$ 94.3 million and Rp. 49.78 billion, or equivalent to US\$ 100 million. The whole amount is to be paid fully by the end of year 2002 at the latest. The interest is paid quarterly, with margin stepping up from 1 to 2% above SIBOR for the US dollar loan and above the average 3-month deposit rate of government banks for the Rp loan.
2. Tranch 2 is for the amount of US\$ 184.2 million and Rp. 97.22 billion. There is initial payment of US\$ 5 million and Rp. 2.64 billion. There is amortization schedule semi-annually up to the end of year 2004, but can be extended for three more years. The interest is paid quarterly and the margin is stepping up from 1 to 3.75% above SIBOR for the US dollar loan and above the average 3-month deposit rate of government banks for the Rp loan.

### **The whole group has finished the restructuring**

The signing of UT's debt agreement concluded the debt restructuring for the whole group and started the new era. Previously, all of the subsidiaries, namely Berau, UT Pandu Engineering (UTE), Pandu Dayatama Patria (PDP), and Pama have reached agreements with their respective lenders for the amount totaling US\$ 95.23 million and Rp. 2 billion. Overall, the group has a total loan of US\$ 373.73 million and Rp. 149 billion.

### **Concentrating back to main business**

Finalization of the debt restructuring reflects high level of confidence from the lenders with the ability of UT group to grow toward the better and to repay the loans in the future without haircut nor debt-to-equity swap. For the future, the group is going to concentrate back to its operations mainly as the distributor of heavy equipment in Indonesia.

#### For further information:

Investor Relations of PT. United Tractors  
Attn. : Joseph Susilo / Thomas H. Aslim  
Ph. : 62 21 460-5980/5982  
Fax : 62 21 460-0655  
E-Mail : [ir@unitedtractors.com](mailto:ir@unitedtractors.com)  
<http://www.unitedtractors.com>

*September 30, 2000*

# PT UNITED TRACTORS Tbk and SUBSIDIARIES

Jl. Raya Bekasi Km. 22 - JAKARTA 13910

Phone (021) 4605959 - 4605979

Rate Rp/US\$: 2000 = 8,780 and 1999 = 8,386

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2000 AND 1999 (in million Rupiah)					CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999 (in million Rupiah)			
ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY						
	2000	1999		2000	1999		2000	1999
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>			<b>NET REVENUE</b>	3.792.444	2.874.146
Cash and cash equivalents	318.016	671.524	Short - term loans	5.294	577.857	<b>COST OF REVENUE</b>	2.789.738	2.030.263
Time deposits	68.957	22.816	Trade accounts payable			<b>GROSS PROFIT</b>	<b>1.002.706</b>	<b>843.883</b>
Trade account receivable - net			Third parties	379.249	179.701			
Third parties	1.076.911	728.352	Related parties	211.015	55.274	<b>OPERATING EXPENSES</b>		
Related parties	49.650	61.091	Other payables			General and administrative	174.240	154.412
Other receivables - net			Third parties	36.206	23.197	Selling	35.953	28.306
Third parties	106.802	107.360	Accrued expenses	207.660	215.214	<b>Total Operating Expenses</b>	<b>210.193</b>	<b>182.718</b>
Inventories - net	1.030.041	473.691	Taxes payable	51.637	76.843			
Advances	98.112	110.443	Customers' deposits	54.449	33.840	<b>INCOME FROM OPERATIONS</b>	<b>792.513</b>	<b>661.165</b>
Prepaid taxes and expenses	139.186	139.026	Current portion of long-term debts					
Bank loans			Bank loans	192.423	2.706.635	<b>OTHER CHARGES (INCOME)</b>		
Capital lease obligations			Capital lease obligations	158.148	186.333	Financing cost	264.368	225.955
<b>Total Current Assets</b>	<b>2.887.675</b>	<b>2.314.303</b>	<b>Total Current Liabilities</b>	<b>1.296.081</b>	<b>4.054.894</b>	Equity in net losses (incomes) of associated companies	(5.878)	32.258
<b>DUE FROM RELATED PARTIES</b>	<b>5.240</b>	<b>47.255</b>				Loss (gain) on foreign exchange and swap cost - net	466.351	91.299
<b>DEFERRED TAX ASSETS - Net</b>	<b>540.776</b>	<b>549.199</b>	<b>DUE TO RELATED PARTIES</b>	<b>99.053</b>	<b>98.667</b>	Interest income	(38.449)	(25.399)
<b>INVESTMENTS</b>	<b>112.370</b>	<b>107.702</b>	<b>DEFERRED TAX LIABILITIES - Net</b>	<b>8.484</b>	<b>1.360</b>	Gain on sale of:		
<b>PROPERTY, PLANT AND EQUIPMENT</b>			<b>LONG-TERM DEBTS - Net</b>			Investment in shares of stock	-	(4.827)
Carrying value	2.196.779	1.894.376	Bank loans	3.151.199	-	Property and equipment	(5.628)	(5.966)
Accumulated depreciation	865.540	628.808	Capital lease obligations	125.100	205.866	Miscellaneous - net	(9.429)	(6.622)
<b>Net Book Value</b>	<b>1.331.239</b>	<b>1.265.568</b>	<b>Total Long-Term Debts</b>	<b>3.276.299</b>	<b>205.866</b>	<b>Other Charges (Incomes) - Net</b>	<b>671.335</b>	<b>306.698</b>
<b>DEFERRED DEVELOPMENT AND EXPLORATION COST - Net</b>	<b>322.427</b>	<b>313.170</b>	<b>UNREALIZED INCOME - Net</b>	<b>12.947</b>	<b>9.749</b>	<b>INCOME (LOSS) BEFORE PROVISION FOR INCOME TAX</b>	<b>121.178</b>	<b>354.467</b>
<b>OTHER ASSETS</b>			<b>MINORITY INTEREST IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES</b>	<b>41.706</b>	<b>29.826</b>	<b>PROVISION FOR INCOME TAX</b>		
Estimated claims for tax refund	60.799	19.384	<b>STOCKHOLDERS' EQUITY</b>			Current	108.884	129.185
Deferred charges - net	69.905	79.542	Capital stock	386.400	138.000	Deferred	(78.977)	7.054
Patent - net	14.721	19.999	Additional paid-in capital	16.875	16.875	<b>Total Provision for Income Tax</b>	<b>29.907</b>	<b>136.239</b>
Loans to employees	16.421	11.055	Revaluation increment	22.750	271.150	<b>INCOME (LOSS) BEFORE MINORITY INTEREST IN NET LOSSES (INCOMES) OF SUBSIDIARIES</b>	<b>91.271</b>	<b>218.228</b>
Goodwill - net	2.457	2.698	Difference in equity transactions of associated companies	13.747	13.747	<b>MINORITY INTEREST IN NET LOSSES (INCOMES) OF SUBSIDIARIES</b>	<b>(4.279)</b>	<b>9.326</b>
Others	1.930	1.173	Cumulative translation adjustments	222.957	220.049	<b>NET INCOME (LOSS)</b>	<b>86.992</b>	<b>227.554</b>
<b>Total Other Assets</b>	<b>166.233</b>	<b>133.851</b>	Unrealized gain (loss) in investment	10.537	28.866			
			Deficit	(41.876)	(358.001)	<b>EARNINGS (LOSSES) PER SHARE*</b>		
			<b>Total Stockholders' Equity</b>	<b>631.390</b>	<b>330.686</b>	Income from operations per share (in Rupiah)	<b>2.340</b>	<b>4.791</b>
<b>TOTAL ASSETS</b>	<b>5.365.960</b>	<b>4.731.048</b>	<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>5.365.960</b>	<b>4.731.048</b>	Net Income (Loss) per share (in Rupiah)	<b>257</b>	<b>1.649</b>

The consolidated financial statement above is not audited nor checked by the Public Accountants.

\*Earning per share is calculated according to PSAK 56.

Jakarta, November 6, 2000  
PT UNITED TRACTORS Tbk  
S.E. & O

THE BOARD OF DIRECTORS