



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
January 4, 2010

PT Perkebunan Nusantara VII (Persero)

PEFINDO reaffirmed at “**idA+**” the ratings of PT Perkebunan Nusantara VII (PERSERO), hereinafter referred to as PVII or the Company, and the Company’s series “B” Bond I/2004 amounting to IDR10bn due in March 2011. According to the Company’s latest audited financial statements, PVII has bought back part of its Bond I/2004 Seri B in the amount of IDR4 billion. At the same time, PEFINDO assigned “**idA+**” rating for the Company’s proposed MTN I/2009 due in 380 days in the amount of IDR300 billion to be used to refinance its short term bank loans. The outlook for the ratings is “**stable**”. The ratings reflect relatively stable demand of CPO, the Company’s relatively well diversified products and stable profitability margins. The ratings, however, are constrained by the Company’s relatively elderly palm oil and natural rubber plantation, exposure to cyclical price and unpredictable weather as well as aggressive financial leverage. PVII is a state-owned company, engaging in plantation and production of palm oil, rubber, sugar and tea. As of September 30, 2009, the Company’s self-owned planted area amounted to 82,678 hectares (ha) consisting of 33,503 ha for palm oil, 32,082 ha for rubber, 15,663 ha for sugar and 1,430 ha for tea while plasma plantation area was 31,376 ha consisting of 23,868 ha for palm oil and 7,508 ha for sugar.

Rating Period: November 30, 2009 – November 1, 2010

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