

PRESS RELEASE

Inti Fasindo Internasional

PEFINDO downgraded the ratings of PT Inti Fasindo Internasional (INFI or the Company) and its Bond I/2002 of IDR100 billion to “**idCCC**” with a stable outlook from “**idBB+**”. The downgrade reflects INFI’s cash flow problem, which made it have one-day late payment on its 8th coupon and unable to provide required sinking fund of IDR17 billion on 6 January 2005. This liquidity problem is primarily attributable to the Company’s weak working capital management indicated by its long days receivable and days inventory as well as its sales performance that has not been as good as expected partly caused by intense competition from imported garment products. For INFI’s sinking fund requirement, PT Bank Mega Tbk., the Trustee, has given 14 days grace period for the Company to pay.

Rating Period: January 13, 2005 – November 1, 2005

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