



PEFINDO CREDIT RATING INDONESIA

# PRESS RELEASE

## December 13, 2011

### PT Perkebunan Nusantara VII (PERSERO)

PEFINDO reaffirms the ratings of PT Perkebunan Nusantara VII (PERSERO), hereinafter referred to as the Company or PVII, and its MTN IV/2010, MTN III/2010 series A&B at “**idA**”. The outlook of the Company's rating is “**stable**”. The ratings reflect favorable Crude Palm Oil (CPO) outlook, and favorable sales growth for almost all products, as well as PVII's relatively well diversified products. Nevertheless, the ratings are constrained by the Company's aggressive capital structure, higher dependence on external palm oil Fresh Fruit Bunch (FFB) and rubber supply, and exposure to the cyclicity of commodity price and unpredictable weather. PVII will use its internal cash to repay its maturing MTN IV/2010 amounting to IDR300 billion which is due in January 12, 2012.

PVII is a state-owned company engaging in plantation and production of CPO, rubber, sugar, and tea. The plantation and its processing facilities are spread in three provinces, which are Lampung, South Sumatera and Bengkulu. As of September 30, 2011, the self-owned planted area was 89,927 hectares (ha) consisting of 36,434 ha for palm oil, 34,932 ha for rubber, 17,123 ha for sugar, and 1,438 ha for tea while plasma plantation area was 30,492 ha consisting of 23,868 ha for palm oil and 6,624 ha for sugar.

Rating Period: December 7, 2011 – December 1, 2012  
Rating Period (MTN IV/2010): December 7, 2011 – January 12, 2012  
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