



Bumi Serpong Damai

PEFINDO affirmed its “**idBBB-**” ratings for PT Bumi Serpong Damai (BSDI or the Company) and the Company’s Bond I/2003 of IDR250 bn. The ratings reflect the Company’s strong market position as the biggest developer in Serpong and nearby area. However, the Company’s relatively low operating margin has mitigated the ratings. Moreover, the recent increase in inflation and interest rate has raised concerns over the declining demand for property products in the near to medium terms, which could subsequently affect the business performance of BSDI in particular and property companies in general. BSDI was established by ten real estate companies in 1984. The Company obtained permits to develop about 5,950 hectares (ha) of land bank in Serpong area. With such abundant land bank, BSDI launched the concept of an integrated city, a residential place equipped with infrastructure, public utilities, and commercial and business areas. The city development was divided into 3 stages, where the first stage has been started since 1989 in the east region of Cisadane River. Up until 2004, approximately 1,300 ha land area has been converted into residential, commercial, and public utilities areas, supporting about 80,000 people living in the city. BSDI is majority owned by Sinar Mas Group, who controls the Company through several companies such as PT Paraga Artamida, PT Metropolitan Transcities Indonesia, PT Simas Tunggal Centre, PT Aneka Karya Amerta, PT Dian Swastatika Sentosa, and PT Bhinneka Karya Pratama.

Rating Period: December 5, 2005 – October 1, 2006

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