



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE  
December 27 , 2007

## PT Pabrik Kertas Tjiwi Kimia Tbk.

PEFINDO affirmed “**idBBB-**” ratings for PT Pabrik Kertas Tjiwi Kimia Tbk. (TKIM or the Company) and the Company’s Bond I/A amounting to IDR58.68 billion due in October 2014 and Bond I/B amounting to IDR100 billion due in October 2017. The ratings reflect relatively strong demand for paper products, vertically integrated operation within Group and relatively above average cash flow protection due to low interest rate and lenient loan maturity profile. However, the ratings are constrained by the Company’s highly leveraged capital structure, high receivables to related companies and inability to directly adjust selling price. The Company produces a wide variety of papers, stationary and packaging that are mostly sold to the export market. TKIM is a member company of Sinar Mas Group that is engaged in diversified businesses, including property, financial services, agriculture, forestry, mining, pulp and paper. PT Purinusa Ekapersada (PTPE) possesses about 63.4% of the Company’s shares, while the remaining are held by public (36.6%). PTPE also owns PT Pindo Deli Pulp & Paper Mills (PDPP), PT Indah Kiat Pulp & Paper Corp. (INKP) and PT Lontar Papyrus Pulp & Paper Industry (LOPA). TKIM’s operation activity is supported by 12 production facilities with total annual paper capacity of 1.14 million tons.

Rating Period: December 4, 2007 – October 1, 2008

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