



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
March 24, 2006

PT Perkebunan Nusantara VII

PEFINDO affirmed its ratings for PT Perkebunan Nusantara VII (PTP7 or the Company) and the Company's Bond I of IDR225 billion at "**idA-**", and at the same time affirmed its rating of "**idA-(sy)**" on the Company's syariah-mudharabah Bond of IDR75 billion. The ratings reflect favorable palm oil business and high rubber demand, the Company's favorable diversification and strong cash flow protection. The ratings, however, are mitigated by the Company's declining palm oil and rubber productivity, high dependency on raw materials from third parties and significant jump on general administration and other expenses. PTP7 is a state-owned company engaging in plantation and production of palm oil, rubber, sugar and tea. As of December 2005, the Company's plantation area totaled to 156,991 hectares (ha), consisting of 61,500 ha of palm oil plantation, 66,555 ha of rubber plantation, 27,465 ha of sugar plantation and 1,471 ha of tea plantation.

Rating Period: March 10, 2006 – February 1, 2007

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