



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
August 29, 2006

PT Maspion

PEFINDO affirmed its “**idA-**” ratings for PT Maspion (MSPN or the Company) and the Company's Bond I/2003 of IDR308 billion, but changed the ratings outlook to “**negative**” from “**stable**”. The ratings reflect the Company's strong market position in domestic consumer durable products, favorable product diversification and strong marketing and distribution network. The mitigating factors for the ratings are volatile domestic demand and below average profitability and cashflow protection indicators. The change in the outlook is to reflect PEFINDO's concerns over the continued deterioration of the Company's business and financial profiles, which is mainly driven by people's weakening purchasing power. MSPN produces metal kitchenware, plastic houseware and electrical home appliances. As to date, the Company is still fully controlled by the founder's family, which is also engaged in property, banking and other household products.

Rating Period: August 2, 2006 – June 1, 2007

Contact Analyst: Salyadi Saputra & Niken Indriarsih

salyadi.saputra@pefindo.co.id & niken.indriarsih@pefindo.co.id