

Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk.

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2017	Dec-2016	Dec-2015	Dec-2014	
		(Limited Review)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB+/Stable</i>	Total adjusted assets [IDR bn]	29,402.7	29,062.2	29,461.3	21,144.0
Rated Issues		Total adjusted debt [IDR bn]	9,602.2	9,904.6	10,110.3	8,015.2
<i>Shelf-Registration Bonds I/2011</i>	<i>idBBB+</i>	Total adjusted equity [IDR bn]	17,030.0	17,489.4	17,421.1	11,189.8
Rating Period		Total sales [IDR bn]	3,011.1	9,106.3	10,531.5	9,420.6
<i>September 11, 2017 – September 1, 2018</i>		EBITDA [IDR bn]	146.9	678.4	62.9	661.9
Rating History		Net income after MI [IDR bn]	(496.1)	64.8	(1,440.9)	(743.5)
<i>SEP 2016</i>	<i>idBBB+/Stable</i>	EBITDA Margin [%]	4.9	7.4	0.6	7.0
<i>SEP 2015</i>	<i>idA-/Negative</i>	Adjusted debt to EBITDA [X]	*32.7	14.6	160.7	12.1
<i>SEP 2014</i>	<i>idA-/Negative</i>	Adjusted debt to adjusted equity [X]	0.6	0.6	0.6	0.7
<i>APR 2014</i>	<i>idA-/Negative</i>	FFO to adjusted debt [%]	*(0.8)	5.1	(3.8)	4.0
<i>JAN 2014</i>	<i>idAA-/C.W. Negative</i>	EBITDA to IFCCI [X]	0.5	1.3	0.1	1.6
<i>SEP 2013</i>	<i>idAA-/Negative</i>	USD exchange rate [IDR/USD]	13,319	13,436	13,795	12,440
<i>SEP 2012</i>	<i>idAA-/Negative</i>					
<i>SEP 2011</i>	<i>idAA-/Stable</i>					
<i>SEP 2002</i>	<i>idAA-/Stable</i>					
<i>SEP 2000</i>	<i>idAA-/Stable</i>					

FFO = EBITDA – IFCCI + gross interest income – current tax expense
EBITDA = operating profit + depreciation expense + amortization expense
IFCCI = gross interest expense + other financial charges + capitalized interest; FX loss not included;
*MI = minority interest; * = Annualized*
The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO affirms its “idBBB+” ratings for PT Aneka Tambang Tbk and its bond

PEFINDO has affirmed its “idBBB+” ratings for Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk (ANTM) and its Shelf-Registration Bond I/2011. The outlook for the corporate rating is “stable” despite its weaker financial ratios during the first half of 2017 as we expect higher cash flow and improved profitability from its resumed nickel ore exports, which could lessen the burden on its credit profile, interest coverage in particular.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The Plus (+) sign in a particular rating indicates that the rating is relatively strong within the respective rating category.

The ratings, in our view, continue to reflect ANTM's sizable amount of resources and reserves of its major products, its vertically integrated mining operation, and its diverse mining products. The ratings, however, are still constrained by its aggressive financial leverage, weak cash flow protection measures, and its exposure to fluctuating commodity prices.

We could raise the rating if ANTM could significantly improve its cash flow protection and capital structure measures as reflected by debt to EBITDA ratio of below 5.0x on a sustained basis, supported by its continuous efficiency measures to maintain low cash cost position, higher cash flow generation from nickel ore sales, as well as a sustained and favorable nickel price. Conversely, we may lower the rating if ANTM's financial profiles, both capital structure and cash flow protection measures, deteriorate as a result of lower-than-expected commodity prices, particularly nickel, rise in fuel price, which may increase its cash cost position, and if it fails to meet the targeted sales volume of its products. The rating could also be under pressure if ANTM incurs higher-than-projected debt and fails to complete its expansion projects as scheduled. We could also lower the rating if the evaluation on ANTM's investments in PT Indonesia Chemical Alumina (ICA), which operates an alumina plant in Tayan, West Kalimantan, negatively impacts its financials.

Founded in July 1968, ANTM is a state-owned mining company in Indonesia producing nickel ores and ferronickel, gold, bauxite, and coal. As of June 30, 2017, ANTM was 65% owned by the Government of Indonesia, and the rest was held by the public (35%).

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