Press Release
January 9, 2017

PT Marga Mandalasakti

Analysts: *Haryo Koconegoro / Rommy Sanjaya*
Phone/Fax/E-mail: *(62-21) 72782380 / 72782370 / haryo.koconegoro@pefindo.co.id / rommy.sanjaya@pefindo.co.id*

CREDIT PROFILE

Corporate Rating *idA+/Stable*

Rated Issues
n.a.

Rating Period
October 28, 2016 – October 1, 2017

Rating History
n.a.

FINANCIAL HIGHLIGHTS

As of/for the year ended	Sep-2016 (Unaudited)	Dec-2015 (Audited)	Dec-2014 (Audited)	Dec-2013 (Audited)
Total Adjusted Assets [IDR Bn]	2,328.0	2,182.3	2,223.0	1,901.2
Total Adjusted Debt [IDR Bn]	353.8	353.6	575.0	430.0
Total Adjusted Equity [IDR Bn]	1,406.9	1,458.9	1,285.0	1,126.2
Total Sales [IDR Bn]	734.6	828.2	922.7	928.1
EBITDA [IDR Bn]	424.3	510.7	487.4	437.3
Net Income after MI [IDR Bn]	282.8	332.1	312.6	281.4
EBITDA Margin [%]	57.8	61.7	52.8	47.1
Adjusted Debt/EBITDA [X]	*0.6	0.7	1.2	1.0
Adjusted Debt/Adjusted Equity [X]	0.3	0.2	0.4	0.4
FFO/Adjusted Debt [%]	*110.0	101.2	54.6	68.9
EBITDA/IFCCI [X]	15.2	11.3	8.7	11.0
USD Exchange Rate [IDR/USD]	12,998	13,795	12,440	12,189

FFO = EBITDA – IFCCI + 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 assigns "idA+" rating to PT Marga Mandalasakti

PEFINDO has assigned its **"idA+"** rating to PT Marga Mandalasakti (MMSI). The outlook for the corporate rating is **"stable"**.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The plus (+) sign in a particular rating indicates that it is relatively strong within its rating category.

The rating reflects MMSI's strategic importance to its Parent, steady toll revenue growth driven by higher traffic volume and regular tariff adjustments, and strong profitability indicators. However, the rating is constrained by its increasing financial leverage in the near to medium term, exposure to traffic risk with heavy vehicle traffic sensitive to economic conditions, and its aggressive dividend policy.

We are of the view that the possibility of MMSI's rating being raised in the next 12 months is limited, unless significantly higher-than-projected traffic volume occurs, which leads to higher operating efficiency and further improvement of capital structure and cash flow protection ratios. The rating could be lowered if it fails to achieve its targeted revenue and margin projection and/or its capital structure becomes substantially more aggressive. The rating will also be under pressure if a slowdown in economic growth negatively affects traffic volume, thus resulting in deteriorating revenue and profitability and/or if there is a significant decrease in support from the Group.

MMSI is part of the Astra Group (Astra International Tbk) (ASII), through the 79.3% ownership of Astratel Nusantara, a wholly owned subsidiary of ASII that focuses on infrastructure investment. It began commercial operations in 1990 and was granted the concession to operate the 72.45 kilometers Tangerang-Merak toll road up to 29 November 2047. As of September 30, 2016, its shareholders were Astratel Nusantara (79.3%), Capital Holding Investment Ltd (15.7%), and others (5.0%).

DISCLAIMER
PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents in this report or publication. PEFINDO cannot be held liable for its use, its partial use, lack of use, in combination with other products or used solely, nor can it be held responsible for the result from its use or lack of its use in any investment or other kinds of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the base of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO public ratings and analyses are made available on its Website, http://www.pefindo.com (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.