

PRESS RELEASE

Semen Gresik (Persero) Tbk.

PEFINDO affirmed the ratings of “**idA+**” for PT Semen Gresik (Persero)-parent only (SMGR or the Company) as well as its Bond I/2001 series B amounting to IDR447.5 billion due July 12, 2006. The ratings are based on SMGR's parent only figures to anticipate the possibility of subsidiaries spin-off, PT Semen Padang (SMPD) and PT Semen Tonasa (SMTN). The assigned ratings reflect SMGR's sound market position, conservative capital structure and strong financial coverage. Nevertheless, the ratings are mitigated by prolonged settlement of Cemex dispute and spin-off as well as slightly weakened operating profit margin. SMGR is one of the largest cement companies in Indonesia with operating facilities in Gresik and Tuban, East Java. As to date, the Company's major shareholders are still GOI and Cemex Asia Holdings Ltd. that respectively hold 51.01% and 25.53% ownerships.

Rating Period: May 9, 2005 – July 12, 2006
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