



PEFINDO CREDIT RATING INDONESIA

# PRESS RELEASE

## September 11, 2013

### Ratings of ANTM downgraded to “idAA-”

PEFINDO lowered its ratings for Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk. (ANTM) and its Shelf Registered Bond I/2011 up to IDR4 trillion to “idAA-” from “idAA”. The downgrade is mainly driven by the declining nickel price which could affect the Company’s cash flow protection measures. We maintain our “**Negative**” outlook to anticipate the implementation of mineral ores export ban by the Government of Indonesia (GOI) in 2014 of which around one-third of ANTM’s revenue comes from ores exports. ANTM is currently in progress to complete its expansion project of ferronickel (FeNi) processing plants. The ratings reflect the Company’s sizable amount and good quality of resources of its major products, vertically integrated operation, and good product diversification. However, the ratings are constrained by the decreasing margins due to the fluctuation of commodity price and the Company’s aggressive financial leverage in the near term to finance its downstream projects.

Founded in July 1968, the Company is a state-owned mining company in Indonesia producing nickel ores and ferronickel (FeNi), gold, bauxite, and coal. The Company’s operational activities are located in Southeast Sulawesi and Halmahera for nickel mines with three ferronickel processing plants in Pomalaa (Southeast Sulawesi), Pongkor (West Java) and Cibaliung (Banten) for gold mines and factories, Tayan (Kalimantan) for bauxite mine, and Sarolangun (Jambi) for coal mine to support its future coal fired power plant. As of June 30, 2013, ANTM’s shareholders were the GOI with 65% of ownership and the public (35%).

Rating Period: September 9, 2013 – September 1, 2014

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