



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE February 24, 2014

Pupuk Sriwidjaja Palembang's Rating Affirmed at "idAA+"

PEFINDO has affirmed its "idAA+" rating for PT Pupuk Sriwidjaja Palembang (PPSR). The outlook for the rating is "stable". The rating reflects strong support from the government given the strategic importance of the fertilizer industry to the country, the Company's strong market position in the domestic fertilizer industry, and its strong liquidity position. However, the rating is constrained by the Company's moderate capital structure and relatively high gas consumption ratio.

PPSR is one of the largest urea producers in the country with production facilities located in Palembang, South Sumatra. The Company's production facilities consist of four urea plants with a total annual capacity of 2.3 million tons and four ammonia plants with a total annual capacity of 1.3 million tons. In December 2010, the Company was spun off from PT Pupuk Indonesia (Persero), currently known as Pupuk Indonesia Holding Company (PIHC), the state-owned holding company for the fertilizer sector. As of September 30, 2013, PT Pupuk Indonesia (Persero) owned 99.99% of the Company's shares.

Rating Period: February 5, 2014 – February 1, 2015

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