PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
December 21, 2005

Ultrajaya Milk Industry & Trading Company Tbk.

PEFINDO affirmed its "$_{id}$**BBB+**" ratings for both PT Ultrajaya Milk Industry & Trading Company Tbk. (ULTJ or the Company) and the Company's Bond II/2001 of IDR163.3 billion. The ratings reflect ULTJ's sound position in UHT drinks market and good capital structure, yet mitigated by low profitability indicators and moderate cash flow coverage. The Company's Bond II/2001 will mature on March 14, 2006, but the Company's liquidity as of September 30, 2005 (3Q05) is still inadequate to fully repay the maturing bond, since its cash balance as well as sinking fund of the Bond at 3Q05 was only IDR106.22 billion. However, the Company has prepared additional funds with several credit facilities from various banks totaling IDR214 billion to cover the anticipated shortage. ULTJ is Indonesia's leading manufacturer of long-life aseptic drinks with Ultra-High Temperature (UHT) that packed in *Tetra Brik* and dairy products, with its major brands of *Ultra Milk, Buavita, Gogo, Teh Kotak* and Sweet Condensed Milk (SCM) *Cap Sapi, Cap Manis* and *Ultra* etc. As of September 30, 2005, ULTJ's shareholders consisted of PT Prawirawidjaja Prakarsa (21.4%) and Public (78.6%).

Rating Period: December 13, 2005 – November 1, 2006

Contact Analyst: Niken Indriarsih & Vonny Widjaja
niken.indriarsih & vonny.widjaja@pefindo.co.id