PEFINDO affirmed its ratings of “idBBB” for PT Pembangunan Perumahan Persero (PBPR or the Company) and the Company's Bond II/2004 of IDR300 billion and at the same time assigned its rating of “idBBB(sy)” to PBPR's syariah medium term notes of IDR100 billion. The ratings reflect strong demand for construction business, the Company's good presence in construction business especially in building segment and moderate profitability. However, the ratings are mitigated by working capital pressure due to the delay payment from government projects, tightening competition, and the Company's aggressive financial leverage and below average cash flow protection. PBPR is one of the largest construction companies in Indonesia. As to date, PBPR is owned by Government of Indonesia (51% of shares ownership) and most of its employees through Koperasi Karyawan Pemegang Saham (49%).

Rating Period: September 1, 2005 - August 1, 2006
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