PT Pembangunan Perumahan (Persero)

PEFINDO downgraded its ratings for PT Pembangunan Perumahan Persero (PBPR or the Company) and the Company’s Bonds II/2004 of IDR250 billion due September 2007 to “idBBB-” from “idBBB”, and at the same time downgraded the rating for the Company’s syariah medium term notes (MTN) of IDR100 billion to “idBBB-(sy)”. A half of the MTN amount will mature this year and the remaining IDR50 billion will due in 2007. The downgrades are mainly driven by the Company’s high exposure to pre-financing projects, weakening cash flow protection and tightening competition. However, the ratings are still supported by the Company’s strong existence in building construction business. PBPR is one of the largest construction companies in Indonesia and as to date, the Company is still owned by Government of Indonesia (51%) and most of its employees through Koperasi Karyawan Pemegang Saham (49%).

Rating Period: August 4, 2006 – August 1, 2007
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