Pefindo assigned “idA-” ratings for PT Pembangunan Perumahan (Persero) Tbk

PEFINDO assigned “idA-” ratings for PT Pembangunan Perumahan (Persero) Tbk hereinafter referred to as “the Company or PTPP” and its proposed MTN XVII/2012 for a maximum amount of IDR600 billion. The Outlook of the Company’s rating is “stable”. The ratings reflect the Company’s strong presence in the national construction business, stable business opportunities from government-related projects and improving cash flow protection. However, the ratings are constrained by PTPP’s aggressive plan to increase exposure in Engineering Procurement and Construction (EPC) business despite its limited experience, moderate refinancing risk, and relatively volatile business environment.

Established in 1953, PTPP is one of the largest construction companies in Indonesia. Currently, it expands its business into property and realty business as well as in infrastructure. As of June 30, 2012, the Company’s shareholders were Government of Indonesia with 51.0% of ownership, followed by the Employees Cooperatives (Kopkar) with 16.6%, and the public 32.4%.

Rating Period: October 5, 2012 – October 1, 2013
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