

## PRESS RELEASE

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### Perkebunan Nusantara V

PEFINDO maintained the corporate and long term debt ratings of PT Perkebunan Nusantara V (PTP5 or the Company) and its bond I/2003 of IDR300 billion, respectively at “**idA**”, despite the on-going dispute on the landright tax obligation (*Bea Perolehan Hak Atas Tanah dan Bangunan/BPHTB*) between the Company and the regional tax office. PEFINDO views that such tax obligation should not significantly affect the Company's business and financial performance as well as the ratings. According to the regional tax office, the Company has an outstanding landright tax obligation amounted to IDR91.7 billion. However, based on the Ministry of Finance's Decree No.561/KMK.03/2004, PTP5, as one of the state owned companies, is entitled for a 50% reduction on the BPHTB. Moreover, as to date, the Company has made an installment of IDR11.4 billion for the tax obligation. The Company is currently in the process of appeal to recalculate the tax obligation as it is considered well too high. Nevertheless, with cash balance of IDR36 billion at the end of 2004 and an estimated operating cashflow of IDR150 billion, the Company should have no difficulty to make the full payment or installment payments for the remaining tax obligation.

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