



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE  
July 27, 2006

## PT Lautan Luas Tbk.

PEFINDO affirmed its “**idA-**” ratings for PT Lautan Luas Tbk. (LTLS or the Company) and the Company's Bond II/2003 of IDR300 billion due 2008. According to the Company's audited financial statement as of December 31, 2005, the outstanding Bond II were IDR244.9 billion, since the Company has partly bought back the bonds. The ratings reflect the Company's well-diversified products and market as well as integrated operation. However, the ratings are still mitigated by the Company's exposure to foreign exchange fluctuation, which could weaken profitability margins during the IDR appreciation against USD since the Company's book is in IDR. LTLS is a leading distributor and manufacturer of basic and specialty chemicals in Indonesia. The Company's majority products that are distributed and manufactured are specialty chemicals, which represented 73% of total revenues in 2005. Currently, LTLS distributes over 1,000 products supplied by more than 100 international principals to over 2,000 industrial end-users through LTLS' distribution network, consists of 4 branch offices and 8 representative offices as well as its subsidiaries in Singapore and Thailand. As of March 31, 2006, LTLS' shareholders consisted of PT Caturkarsa Megatunggal (63.03%), management (3.64%), and the public (33.33%).

Rating Period: July 13, 2006 – June 1, 2007

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