



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
February 20, 2007

PT Hanjaya Mandala Sampoerna Tbk.

PEFINDO affirmed its ratings for PT Hanjaya Mandala Sampoerna Tbk. (HMSP or the Company) and the Company's Bond II/2000 and Bond III/2004 totaling IDR1.6 trillion at "id~~id~~**AA+**" with a **stable** outlook. The favorable ratings reflect HMSP's strong market position in the industry and favorable financial performance. Those strengths, however, have been slightly mitigated by less supportive Government regulations for the cigarette industry. HMSP is one of the largest cigarette producers in Indonesia, which produces hand-rolled clove cigarettes (*sigaret kretek tangan*) and machine-made clove cigarettes (*sigaret kretek mesin*). In addition to its cigarette business that contributed around 85% to the total consolidated sales during 2005, HMSP and its subsidiaries engage in various businesses such as printing and packaging, property, as well as distribution. In September 2006, the Company completed the sales of all its shares at PT Sumber Alfaria Trijaya and PT Alfa Retailindo Tbk. (both are retail companies) for IDR675 billion. As of September 30, 2006, the Company's major shareholder was PT Philip Morris Indonesia with 97.95% of ownership.

Rating Period: February 9, 2007 – October 1, 2007

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