



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
December 8, 2010

PT Malindo Feedmill Tbk

PEFINDO raised the rating of PT Malindo Feedmill Tbk's (MAIN or the Company) Bond I/2008 to "**idAA+(bg)**" from "**idAA-(bg)**". The outlook for the rating is "**stable**". The bond rating reflects the current rating of PT Bank CIMB Niaga Tbk (BNGA) at "**idAA+(pt)**" as the guarantor of the full amount of MAIN's bond principal and two times coupon payments at a maximum. The guarantee from BNGA is in the form of unconditional and irrevocable Standby Letter of Credit. The Company has utilized the bond proceeds to acquire PT Leong Ayamsatu Primadona, an affiliated company (48%) in 2008, for working capital (18%), and the remaining 34% is used this year to build a new feedmill in Cikande, Banten.

The Guarantor:

Established in 1955, BNGA is currently 97.9% controlled by CIMB Group Sdn Bhd of Malaysia. As of September 30, 2010 (3Q2010), BNGA was the 5th largest bank in the country with total assets of IDR129.1 trillion, total deposits of IDR106.6 trillion and total loans of IDR95.2 trillion. The corporate rating of BNGA from PEFINDO is "**idAA+(pt)**" with a "**stable**" outlook. The rating reflects BNGA's very strong support from CIMB Group Sdn Bhd as the controlling shareholder, very strong business position, and very strong asset quality indicators. However, it is constrained by tight competition in the industry.

The Issuer:

PT Malindo Feedmill Tbk (MAIN or the Company) is engaged in producing and trading poultry feed, commercial Day Old Chicks (DOC), and broiler. The Company also has 99% shares in PT Bibit Indonesia, a producer and marketer of parent stock DOC. In September 2007, MAIN established PT Prima Fajar, as a producer and marketer of broiler and breeder, where MAIN controlled 99% of its shares. The Company further expanded its business through the acquisition of PT Leong Ayamsatu Primadona, a broiler and DOC breeder in April 2008. As of September 30, 2010, MAIN's shareholders consisted of Dragon Amity Ltd, Mauritius (59.1%) and Public (40.9%). MAIN's ultimate owners are the Lau Brothers which also run a poultry business in Malaysia namely Leong Hup Holdings Berhad and Emivest Berhad. The Company's revenue has grown with a five-year CAGR of 23.4% to IDR1.9 trillion in 2009 from IDR0.8 trillion in 2005. Up to 3Q2010, MAIN's revenue has increased by 2.6% year on year (y-y) to almost IDR1.5 trillion from IDR1.4 trillion. Nevertheless, with revenue from poultry feed of IDR866.1 billion up to 3Q2010, MAIN's market share in this segment is still low at around 4%. Meanwhile, for DOC breeding, MAIN's market share is estimated at 9% with revenue of IDR332.2 billion.

Rating Period: December 2, 2010 – December 1, 2011 (GO Rating and Bond I/2008)

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