



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
June 13, 2011

PT Bakrieland Development Tbk.

PEFINDO affirmed its ratings on PT Bakrieland Development Tbk. (ELTY or the Company) and the Company's Bond I/2008 at "**idBBB+**". PEFINDO also affirmed its "**idBBB+(sy)**" ratings on the Company's Sukuk Ijarah I/2009 Serie A (will mature on 7 July 2011) and Sukuk Ijarah I/2009 Serie B. The outlook for the issuer ratings is "**negative**" reflecting ELTY's continuing weak cash flow protection ratios if the planned divestment of toll road business is not realized this year. ELTY plans to divest up to 75% of its ownership on PT Bakrie Toll Road, which currently operates Kanci-Pejagan toll road section. The ratings reflect the Company's strong business position as one of the country's largest property developers and its above average asset quality. These strengths are constrained by ELTY's aggressive business expansions, which were mostly financed by debts and the nature of property industry which is sensitive to macroeconomic condition.

ELTY is Bakrie Group's arm in property business. The Company's businesses are basically divided into four main areas: 1) City Property-has been developing Rasuna Epicentrum, a superblock in Kuningan, Jakarta, and Sentra Timur Residence apartment in East Jakarta; 2) Landed residential-has been developing several housing projects in Bogor, Malang, Batam, and Jonggol; 3) Hotel and Resort-runs a number of hotels in Bali, Bogor, Balikpapan, Lido and Lampung; and 4) Property related infrastructure such as toll road projects and water utility business. As of March 31, 2011, ELTY's shareholders were CGMI 1 Client Safekeeping Account (12.2%), Reksadana Danamas Stabil (9.02%), and public (78.78%). Bakrie Group has around 20%-30% of the Company's shares through several names.

Rating Period: June 9, 2011 – June 1, 2012

Contact Analyst: Vonny Widjaja & Rachmadi Kurniawan
vonny.widjaja@pefindo.co.id & rachmadi.kurniawan@pefindo.co.id

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Phone : (62-21) 7278 2380

Fax : (62-21) 7278 2370

PEFINDO Website: <http://www.pefindo.com>