



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
July 22, 2011

PT Perkebunan Nusantara II (Persero)

PEFINDO affirmed its 'idBBB' rating of PT Perkebunan Nusantara II (Persero), hereafter referred to as PTP2 or the Company. At the same time PEFINDO also assigned its 'idBBB' rating of the Company's proposed medium term notes (MTN) II/2011 amounting to a maximum of IDR250 billion. The outlook of the issuer rating is 'stable'. The ratings reflect PTP2's moderate cash flow protection measures, strong crude palm oil (CPO) demand, and favorable sugar price. However, the ratings are offset by PTP2's aggressive capital structure, low productivity from the Company's self-owned plantation, and its exposure to unfavorable weather.

PTP2 is a state-owned plantation company, engaged in oil palm, sugarcane, rubber, and tobacco plantations and processing. At the end of December 2010, the Company's land bank area was amounted to 123,131 hectares (ha) consisting of 63,857 ha plantation acreage and 59,275 ha other area. PTP2 is now supported by 17,646 employees, equipped with six palm oil mills, two rubber processing factories, and two sugar factories.

Rating Period: May 10, 2011 – May 1, 2012 (General Obligation & MTN II/2011)
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