



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
December 6, 2011

PT Malindo Feedmill Tbk

PEFINDO raised the rating of PT Malindo Feedmill Tbk's (MAIN or the Company) Bond I/2008 to “**idAAA_(bg)**” from “**idAA+_(bg)**”. The bond rating reflects the current corporate rating of PT Bank CIMB Niaga Tbk (BNGA) at “**idAAA**” 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 to build a new feedmill in Cikande, Banten (34%).

In addition, the Company's rating is “**idA-**” with a “**Stable**” outlook. The Company's rating reflects its improving business position, strong cash flow protection measures, and potential demand for poultry. However, it is partly offset by the Company's aggressive capital structure in the near term, the volatility of raw material cost, and the inherent risk of the poultry industry.

MAIN is engaged in producing of poultry feed, breeding and trading of commercial Day Old Chicks (DOC) and also broiler. As of September 30, 2011, MAIN's shareholders consisted of Dragon Amity Ltd, Mauritius (59.1%) and Public (40.9%). MAIN's ultimate shareholders include the Lau Brothers which also run poultry business in Malaysia namely Leong Hup Holdings Bhd and Emivest Bhd.

Rating Period: December 2, 2011 – December 1, 2012
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