



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
August 15, 2012

Liquidity pressure triggered Bakrieland's rating downgrade to "idBB", Creditwatch with Negative Implication

PEFINDO lowered its ratings on PT Bakrieland Development Tbk. (ELTY or the Company) and the Company's Bond I/2008 to "idBB" from "idBB+" and still put ELTY's corporate rating on **Creditwatch with Negative Implication**. The rating action reflects our raising concern on the Company's liquidity pressure. The Company is facing liquidity pressure from the USD68.5 million loan from Beleggingsmaatschappij Broem B.V., one of the shareholders, that will fall due on October 7, 2012 and the IDR280 billion Bond I/2008 B series that will mature on March 11, 2013, while its cash balance was only IDR249.7 billion as of June 30, 2012. ELTY is in the process to extend the maturity of the loan from Beleggingsmaatschappij Broem B.V.. In addition, the Company has not finalized the re-profiling process of its IDR1.3 trillion loan from a bank syndication led by PT Bank Negara Indonesia (Persero) Tbk. The loans from Beleggingsmaatschappij Broem B.V. and bank syndication were used to finance Kanci-Pejagan toll road project, which has recorded less favorable performance. ELTY has planned to divest the toll road business, but up until now, the divestment has not been realized yet. The Company's rating will be further downgraded if the liquidity pressure could not be solved within three months.

ELTY is Bakrie Group's arm in property business. The Company's businesses are divided into four main areas: City Property, landed residential, hotel and resort, and property related infrastructure (mainly toll road projects). As of June 30, 2012, ELTY's shareholders were CGMI 1 Client Safekeeping Account (11.2%) and public (88.8%). Bakrie Group has around 30% of the Company's shares through several names.

Rating Period: August 15, 2012 – November 15, 2012
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