



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE

March 1, 2013

Ratings of Bakrieland and its Bond I/2008-B Series are lowered to “*idCCC*”

PEFINDO lowered its ratings on PT Bakrieland Development Tbk. (ELTY or the Company) and the Company’s Bond I/2008-B Series to “*idCCC*” from “*idB*”, and still put ELTY’s corporate rating on **Creditwatch with Negative Implication**. The ratings downgrade reflects our increasing concern on the Company’s liquidity pressure to repay its IDR280 billion Bond I/2008-B series that will mature on March 11, 2013. Until now, the Company has only allocated IDR160 billion funds for the bond repayment, while the remaining fund of IDR120 billion from the asset divestment has not been materialized. The Company is still waiting for the completion of the divestment administration before being able to receive the payments from the buyers. PEFINDO will closely monitor the realization of the cash payment from the buyers.

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. As of Dec. 31, 2012, ELTY’s shareholders were CGMI 1 (Custodian Code of Avenue Luxembourg SARL) with 10.41% ownership, Special-Purpose Mutual Fund Syailendra Multi Strategy Fund I (6.59%) and public (83.0%). Bakrie Group has around 30% of the Company’s shares through several names.

Rating Period: February 28, 2013 – March 11, 2013
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