

## **PEFINDO assigned “*id*A-” rating to PPRO’s bond issuance plan**

PEFINDO has affirmed its “*id*A-” ratings to PT PP Properti Tbk (PPRO or the Company), its Medium Term Note (MTN) Year 2015, and its MTN Year 2016 of IDR300.0 billion. PEFINDO has also assigned its “*id*A-” rating to PPRO’s proposed Bond I Year 2016 of IDR600.0 billion. The proceeds of the Bond will be used to finance the Company’s development projects, investments, and inject capital to subsidiaries. The outlook for the corporate rating is “**stable**”. The ratings reflect PPRO’s strategically important position to its Parent, PT Pembangunan Perumahan (Persero) Tbk (PTPP, *id*A/Stable), its favorable asset quality and relatively diversified property locations. However, the ratings are constrained by its high financial leverage, a limited proportion of recurring income, and sensitivity to changes in macroeconomic conditions.

PPRO started in 1991 as PTPP’s property division and was established as a separate entity in December 2013. It develops and sells apartments and landed houses, and also generates recurring income from hotels and mall. As of March 31, 2016, PPRO’s shareholders were PTPP (64.96%), the public (34.98%), and PTPP’s employees’ welfare foundation (0.06%).

Rating Period: March 23, 2016 – March 1, 2017  
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