

PRESS RELEASE

Putra Sumber Utama Timber

PEFINDO upgraded the ratings for PT Putra Sumber Utama Timber (PSUT or the Company) and its Bond I/2003 of IDR200 billion to “**idBBB-**” from “**idBB+**”. The rating upgrades are supported by the settlement of sinking fund payment and improving operating cash flow due to improving productivity and high product selling prices. However, the upgrades are still constrained by the Company’s declining profitability, weakening capital structure and flood risk existence. PSUT is one of the leading manufacturing company in plywood and Laminated Veneer Lumber (LVL) in Indonesia. PSUT is a subsidiary of HASKO group, a group of companies focusing on timber related products. The Company has two production facilities in Jambi (Sumatera) and Asam-Asam (South Kalimantan) with total annual production capacity of 400,000 cubic meters (m³). Based on its bond covenant, PSUT will still be required to provide another IDR10 billion of sinking fund, which is scheduled to be paid at the latest in July 2005. Going forward, PEFINDO will closely monitor PSUT’s financial profile & funds adequacy to timely fulfill its financial obligation.

Rating Period: April 12, 2005 – April 1, 2006
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