



Putra Sumber Utama Timber

PEFINDO downgraded its ratings for PT Putra Sumber Utama Timber (PSUT or the Company) and the Company's Bond I/2003 of IDR200 billion to "**idBB+**" from "**idBBB-**". The Company's Bond I/B totaling IDR100 billion will be due in May 2006, while the remaining (Bond I/A) will be due in May 2008. The rating downgrades are mainly driven by the scarcity of raw material (logs), the Company's marginal cash flow protection and limited liquidity, as well as increasing flood risk exposure due to rainy season. The ratings, however, are still supported by relatively stable product demand from the export market. 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 Group has injected capital through debt to equity swap amounted to IDR38.50 billion as of September 2005. 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).

Rating Period: December 9, 2005 – April 1, 2006

Contact Analyst: Ronald Hertanto & Salyadi Saputra

ronald.hertanto@pefindo.co.id & salyadi.saputra@pefindo.co.id