



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
March 12, 2007

PT Perkebunan Nusantara VII

PEFINDO upgraded the ratings for PT Perkebunan Nusantara VII (PTP7 or the Company) and the Company's Bond I of IDR225 billion to "idA" from "idA-" with a **Stable** outlook. At the same, the Company's syariah-mudharabah Bond of IDR75 billion is upgraded to "idA(sy)" from "idA-(sy)". According to the Company's latest audited financial statement, PTP7 has repurchased part of its Bond I/B amounting to IDR4.0 billion. The ratings reflect favorable palm oil and natural rubber businesses and the Company's favorable diversification as well as strengthening financial performance. The ratings, however, are mitigated by the Company's relatively old palm oil plantation profile, declining natural rubber and sugar cane production and exposure to cyclicity of commodity prices. PTP7 is a state-owned company, engaging in plantation and production of palm oil, rubber, sugar and tea. As of December 2006, the Company's plantation area totaled to 146,133 hectares (ha), consisting of 61,929 ha of palm oil plantation, 55,636 ha of rubber plantation, 26,995 ha of sugar plantation and 1,573 ha of tea plantation.

Rating Period: March 5, 2007 – February 1, 2008

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