



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE  
August 27, 2008

## 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 time, 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 statements, PTP7 has repurchased part of its Bond I/B amounting to IDR4 billion. The upgrades reflect favorable demand for palm oil and natural rubber, the Company's stronger financial performance and favorable product diversification. The ratings, however, are constrained by the Company's relatively elderly plantation profile for palm oil and natural rubber, exposure to fluctuation of production volume mostly due to unpredictable weather, and exposure to cyclical commodity price. PTP7 is a state-owned company, engaging in plantation and production of palm oil, rubber, sugar and tea. As of March 31, 2008, the Company's plantation area including plasma amounted to 131,686 hectares (ha), consisting of 55,398 ha of palm oil plantation, 47,614 ha of rubber plantation, 27,376 ha of sugar plantation and 1,298 ha of tea plantation. The Company also plans to list its shares this year to finance its replanting activities and land acquisition.

Rating Period: August 12, 2008 – Februari 1, 2009  
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