



**PEFINDO CREDIT RATING INDONESIA**

**PRESS RELEASE**  
**June 3, 2010**

## PT Perkebunan Nusantara VII (PERSERO)

PEFINDO reaffirmed at “**idA+**” the ratings of PT Perkebunan Nusantara VII (PERSERO), hereinafter referred to as PVII or the Company, and the Company’s MTN I/2009 amounting to IDR300 billion due in January 2011 and series “B” Bond I/2004 amounting to IDR10 billion due in March 2011. At the same time, PEFINDO assigned “**idA+**” rating for the Company’s proposed 4-year MTN II/2010 amounting to IDR500 billion to finance its replanting program. However, the outlook for the ratings is revised to “**negative**” from “**stable**” to anticipate the upward trend of the financial leverage and the downward trend of cash flow protection. The ratings reflect stable demand of crude palm oil (CPO), stable demand of natural rubber, and the Company’s relatively well diversified products. The ratings, however, are constrained by the Company’s more aggressive financial leverage, its high dependence external CPO and rubber supply as well as its exposure to the cyclical nature of commodity price and unpredictable weather. PVII is a state-owned company, engaging in plantation and production of palm oil, rubber, sugar and tea. As of December 31, 2009, the Company’s self-owned planted area amounted to 90,342 hectares (ha) consisting of 37,905 ha for palm oil, 35,186 ha for rubber, 15,664 ha for sugar and 1,588 ha for tea while plasma plantation area was 31,376 ha consisting of 23,868 ha for palm oil and 7,508 ha for sugar.

Rating Period: May 14, 2010 – May 1, 2011

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