

## APLN ratings affirmed at “idA”

PEFINDO has affirmed the ratings of PT Agung Podomoro Land Tbk (APLN) and its Bond I/2011, Bond II/2012, and Shelf-Registered Bond I/2013 at “idA”. However, we still maintained the outlook for the corporate rating as “**negative**” to anticipate a lower-than-projected cash flow protection measures and capital structure resulting from lower-than-projected revenue realization. The lower-than-projected revenue in 2014 was due to late issuance of construction permits. The ratings reflect APLN's strong market position in the industry, its favorable asset quality, and the high contribution from recurring income. The ratings, however, are constrained by its aggressive financial leverage resulting in weaker cash flow protection measures and the nature of property industry, which is sensitive to the changes in the macroeconomic condition.

APLN, part of Agung Podomoro Group, is the leading developer of mixed-use and/or high-rise developments, with projects mostly in Jakarta. It also has mixed-use development projects outside Jakarta in Karawang, Bogor and Bandung, and outside Java in Bali, Batam, Balikpapan, Medan, and Makassar. Current projects include Podomoro City Extension, Green Bay Pluit, Grand Taruma, Borneo Bay Residences, Podomoro City Deli Medan, and Pakubuwono Spring. As of December 31, 2014, its shareholders were PT Indofica (61.97%), PT Simfoni Gema Lestari (5.07%), Trihatma Kusuma Haliman (3.03%), the board of directors and commissioners, excluding Trihatma Kusuma Haliman, (0.07%) and the public (29.86%).

Rating Period: April 8, 2015 – April 1, 2016

Contact Analyst: Yogie Surya Perdana & Rian Gunawan  
[yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id) & [rian.gunawan@pefindo.co.id](mailto:rian.gunawan@pefindo.co.id)

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