

## Ratings for PT Tunas Baru Lampung Tbk, its Bond II/2012, and MTN affirmed at “*id*A”

PEFINDO has affirmed its “*id*A” ratings for PT Tunas Baru Lampung Tbk (TBLA), its Bond II/2012, and MTN I/2014. The outlook for the corporate rating is “**stable**”. The ratings reflect the Company’s well-diversified products and areas, its vertically integrated operation, and the potential growth from its sugar business in the near term. However, the ratings are constrained by the Company’s aggressive capital structure due to its business expansion, as well as its vulnerability to unfavorable weather and the fluctuation of global commodity prices.

TBLA produces crude palm oil (CPO) and its related downstream products, with operations mainly in Lampung, southern Sumatra and West Kalimantan. TBLA is a member of the Sungai Budi Group, one of the largest agriculture business groups in Indonesia. As of June 30, 2015, the Company’s shareholders consisted of PT Sungai Budi (26.5%), PT Budi Delta Swakarya (27.8%), and others, including the public (45.7%). The Company has a vertically integrated operation with oil palm plantations and a variety of CPO-derivative products. TBLA has 60,015 hectares (ha) of planted area consisting of 53,516 ha oil palm plantation, 43 ha for pineapple, and 6,456 ha for sugar cane. It also has a sugar refinery mill and on the process of constructing a new sugar mill in Lampung.

Rating Period: August 7, 2015 – August 1, 2016  
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