

## APLN ratings downgraded to “idA-”

PEFINDO has lowered the ratings of PT Agung Podomoro Land Tbk (APLN) and its Bond I/2011, Bond II/2012, and Shelf-Registered Bond I/2013 to “idA-” from “idA”. The downgrade was driven by the Company's weakening capital structure and cash flow protection measures as a result of weak revenue recognition from its property development due to late permit issuance and a slower than expected ramped up progress. The outlook for the corporate rating has also been revised to “stable” from “negative” as the rating downgrade has already factored in our expectation that capital structure and cash flow protection will remain weak in the short to medium term. 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 City, Podomoro City Deli Medan, and Pakubuwono Spring. As of September 30, 2015, its shareholders were PT Indofica (64.76%), PT Prudential Life Assurance (6.56%), PT Simfoni Gema Lestari (5.07%), Trihatma Kusuma Haliman (3.03%), and the public (20.58%).

Rating Period: January 11, 2016 – April 1, 2016  
Contact Analyst: Yogie Surya Perdana & Haryo Koconegoro  
[yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id) & [haryo.koconegoro@pefindo.co.id](mailto:haryo.koconegoro@pefindo.co.id)

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