

## PT Agung Podomoro Land Tbk.

Analysts: Yogie Perdana / Haryo Koconegoro

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / [yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id) / [haryo.koconegoro@pefindo.co.id](mailto:haryo.koconegoro@pefindo.co.id)

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Sep-2016</b>	<b>Dec-2015</b>	<b>Dec-2014</b>	<b>Dec-2013</b>
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA-/Negative</i>	Total adjusted assets [IDR bn]	25,463.3	24,514.8	23,631.3	19,626.4
<b>Rated Issues</b>		Total adjusted debt [IDR bn]	6,476.6	6,315.9	6,486.3	5,458.4
<i>Bond II/2012</i>	<i>idA-</i>	Total adjusted equity [IDR bn]	9,602.7	9,028.3	8,375.2	7,129.8
<i>Shelf-Registration Bond I/2013</i>	<i>idA-</i>	Total sales [IDR bn]	4,142.1	5,971.6	5,296.6	4,901.2
<b>Rating Period</b>		EBITDA [IDR bn]	1,481.6	2,059.6	1,749.6	1,516.7
<i>April 12, 2017 – April 1, 2018</i>		Net income after MI [IDR bn]	432.9	809.0	851.8	851.4
<b>Rating History</b>		EBITDA Margin [%]	35.8	34.5	33.0	30.9
<i>APR 2016</i>	<i>idA-/Negative</i>	Adjusted debt to EBITDA [X]	3.3	3.1	3.7	3.6
<i>JAN 2016</i>	<i>idA-/Stable</i>	Adjusted debt to adjusted equity [X]	0.7	0.7	0.8	0.8
<i>APR 2015</i>	<i>idA-/Negative</i>	FFO to adjusted debt [%]	17.7	20.1	15.6	15.4
<i>NOV 2014</i>	<i>idA-/Negative</i>	EBITDA to IFCCI [X]	2.9	2.8	2.6	2.7
<i>APR 2014</i>	<i>idA/Stable</i>	USD exchange rate [IDR/USD]	12,998	13,795	12,440	12,189
<i>APR 2013</i>	<i>idA/Stable</i>					
<i>MAY 2012</i>	<i>idA/Stable</i>					
<i>AUG 2011</i>	<i>idA/Stable</i>					

FFO = EBITDA – IFCCI + gross interest income – current tax expense

EBITDA = operating profit + depreciation expense + amortization expense

IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)

MI = minority interest

The above ratios have been computed based on information from the company and published accounts. Where applicable, some mites have been reclassified according to PEFINDO's definitions.

### PEFINDO affirms "idA-" ratings to PT Agung Podomoro Land Tbk and its bonds

PEFINDO has affirmed the ratings of PT Agung Podomoro Land Tbk (APLN) and its Shelf-Registration Bond I/2013 at "idA-". At the same time, we have also affirmed the rating of its IDR1.2 trillion Bond II/2012 which will due on August 15, 2017 at "idA-". APLN intends to repay its maturing bond using a mix of internal cash as well as bank loans. We maintained our "negative" outlook to the corporate rating in anticipation of any material impact that could severely hurt APLN's financial prospects related to the uncertainties on its islet G reclamation following regulatory concerns. The status of the project is temporarily suspended and PT Muara Wisesa Samudra (MWS), subsidiary of APLN with indirect ownership through PT Kencana Unggul Sukses (KUS), which develops the project, is currently revising all necessary permits, including the environmental impact analysis (AMDAL), before it could proceed with any reclamation works towards the project.

An obligor rated idA indicates that the obligor has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The ratings continues to reflect APLN's strong market position in the industry, its favorable asset quality, and its increasing recurring income which should provide APLN a buffer in case of a muted property market. The ratings, however, are constrained by APLN's aggressive financial leverage resulting in a weak cash flow protection measures, execution risk related to its reclamation project, and the nature of the property industry which is sensitive to the changes in macroeconomic conditions.

We could lower the rating if APLN's reclamation project is completely ceased, which could significantly hampers its financial and liquidity profile due to the provisioning of such costs arising from and related to the project as well as cash refund of collection from the project's presales to customers. We would also consider downgrading the rating if APLN exhibits larger-than-expected debt without compensating it with higher revenue and EBITDA, resulting in a more aggressive financial leverage and weaker cash flow protection coverages. We could revised the outlook to stable if the continuity of its reclamation project becomes more certain and backed by further progress on the reclamation works while maintaining its credit metrics at levels we view commensurate with that of an "A" rating category.

APLN, a 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 Medan, Batam, Balikpapan, Bali, and Makassar. Current key projects include Podomoro City Extension, Soho Pancoran, Podomoro City Deli Medan, Borneo Bay City Balikpapan, The Pakubuwono Spring, and Podomoro Golf View Cimanggis. At September 30, 2016, its shareholders were PT Indofica (64.76%), PT Prudential Life Assurance (7.36%), PT Simfoni Gema Lestari (5.07%), Trihatma Kusuma Haliman (3.03%), the board of directors and commissioners (0.05%), and the public (19.73%).

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