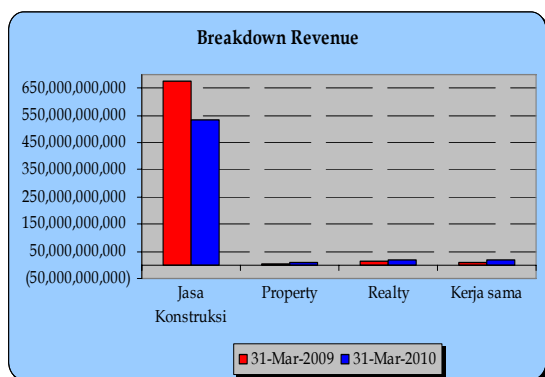
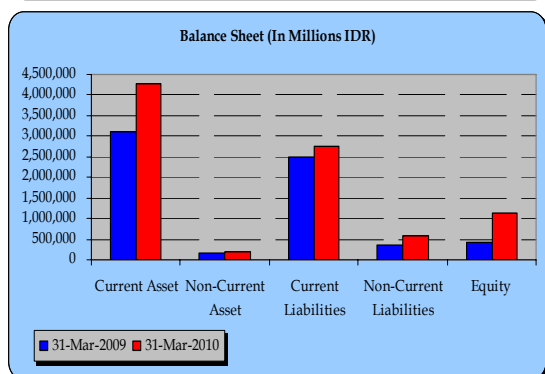
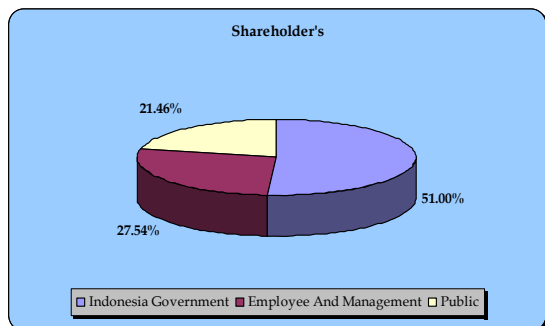


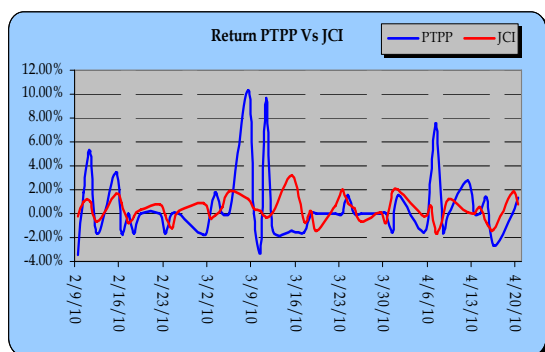
Normal Value:
Rp 595 / Share

PT. Pembangunan Perumahan (Persero) Tbk

Construction Sector



Source: Company



Source: Research Department PT. FBI

Company Highlight:

- Another BUMN at construction sector has established its position as a public listed company on February 2010. It is PT. Pembangunan Perumahan (Persero) Tbk with a trade ticker PTPP. It offered 1.04 billions units (21,46%) of its 4.84 billions total shares outstanding, yet still Government of Indonesia as majority shareholders for 51% followed by Employee or Management ownership about 27,54%.
- The company successfully collected funds from IPO gross IDR 581.94 billions that will be used to Support Company's strategic plan to be the largest and construction and Investment Company in Indonesia. It is also expected that company revenues will be fourfold in the future.
- As of March 31, 2010 compare to same period last year, its current asset increase IDR 1.15 trillions (36,95%), non-current asset increase IDR 49 billions (33.44%), current liabilities increase IDR 274.84 billions (11,05%), non-current liabilities increased IDR 235.3 billions (68,43%), and equity increase IDR 692.38 billions (158,42%).
- Meanwhile from Income Statement, revenue's slightly decrease 18,93% or IDR 130.93 billions from IDR 691.82 billions last year to IDR 560.89 billions at first quarter. Though, revenue decreasing company still able to book positive net income of IDR 15.79 billions an increase of 26,24% from IDR 12.16 billions last year.
- Company business divided into four lines which are Construction Service as core, Property, Realty, Joint Operation. At first quarter, business line from construction service decrease 20,67% for IDR 139.59 billions, but other business lines such as Property, Realty, Joint operation are increase respectively 133,59% for IDR 3.75 billions, 35,91% for IDR 4.9 billions, 209,03% for IDR 14.14 billions.
- As information for investor, company has become the largest construction company in term of market capitalization worth IDR 2.7 trillions at the moment and the stock cumulative return up to now around 20,89%. We also calculated the normal price of PTPP shares using *Free Cash Flow to Equity* Method by assuming a growth rate of 5% resulted in firm value of IDR 2.87 trillions or IDR 595 per shares. Therefore our conclusion is overvalued.

Analyst:

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FORECASTS AND VALUATION

Key Forecast

| | 31-Mar-2010 | 31-Mar-2011 | 31-Mar-2012 | 31-Mar-2013 | 31-Mar-2014 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EPS | 3 | 3 | 3 | 4 | 4 |
| PER | 208.02 | 218.42 | 229.35 | 240.81 | 252.85 |
| ROE | 1.36% | 1.43% | 1.50% | 1.57% | 1.65% |
| ROA | 0.34% | 0.36% | 0.38% | 0.40% | 0.42% |
| ROIC | 2.69% | 2.82% | 2.96% | 3.11% | 3.27% |
| Net Profit Margin | 2.74% | 2.88% | 3.02% | 3.17% | 3.33% |
| Current Ratio | 1.55 | 1.63 | 1.71 | 1.79 | 1.88 |
| Cash Ratio | 0.19 | 0.20 | 0.21 | 0.22 | 0.23 |
| Debt Ratio | 0.75 | 0.78 | 0.82 | 0.87 | 0.91 |
| Assets Turn Over | 0.13 | 0.13 | 0.14 | 0.15 | 0.15 |
| EV/EBITDA | 41.21 | 43.28 | 45.44 | 47.71 | 50.10 |
| EV/Sales | 6.39 | 6.71 | 7.04 | 7.39 | 7.76 |
| EV/FCFF | 2.33 | 2.45 | 2.57 | 2.70 | 2.83 |

Source: Research Department PT. Finansial Bisnis Informasi

Proforma Balance Sheet

| | 31-Mar-2010 | 31-Mar-2011 | 31-Mar-2012 | 31-Mar-2013 | 31-Mar-2014 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current Asset | 4,275,134,380,619 | 4,488,891,099,650 | 4,713,335,654,632 | 4,949,002,437,364 | 5,196,452,559,232 |
| Non-Current Asset | 195,534,656,274 | 205,311,389,088 | 215,576,958,542 | 226,355,806,469 | 237,673,596,793 |
| Total Asset | 4,470,669,036,893 | 4,694,202,488,738 | 4,928,912,613,175 | 5,175,358,243,833 | 5,434,126,156,025 |
| Current Liabilities | 2,762,075,408,828 | 2,900,179,179,269 | 3,045,188,138,233 | 3,197,447,545,145 | 3,357,319,922,402 |
| Non-Current Liabilities | 579,159,143,237 | 608,117,100,399 | 638,522,955,419 | 670,449,103,190 | 703,971,558,349 |
| Equity | 1,129,434,484,828 | 1,185,906,209,069 | 1,245,201,519,523 | 1,307,461,595,499 | 1,372,834,675,274 |
| Total Liabilities & Equity | 4,470,669,036,893 | 4,694,202,488,738 | 4,928,912,613,175 | 5,175,358,243,833 | 5,434,126,156,025 |

Source: Research Department PT. Finansial Bisnis Informasi

Proforma Income Statement

| | 31-Mar-2010 | 31-Mar-2011 | 31-Mar-2012 | 31-Mar-2013 | 31-Mar-2014 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sales Revenue | 560,898,310,187 | 588,943,225,696 | 618,390,386,981 | 649,309,906,330 | 681,775,401,647 |
| COGS | (513,022,719,492) | (538,673,855,467) | (565,607,548,240) | (593,887,925,652) | (623,582,321,935) |
| Gross Profit | 47,875,590,695 | 50,269,370,230 | 52,782,838,741 | 55,421,980,678 | 58,193,079,712 |
| Income From Joint Operation | 20,911,727,788 | 21,957,314,177 | 23,055,179,886 | 24,207,938,881 | 25,418,335,825 |
| Gross Profit After Joint Operation | 68,787,318,483 | 72,226,684,407 | 75,838,018,628 | 79,629,919,559 | 83,611,415,537 |
| Operating Expenses | 24,704,943,536 | 25,940,190,713 | 27,237,200,248 | 28,599,060,261 | 30,029,013,274 |
| Operating Profit | 44,082,374,947 | 46,286,493,694 | 48,600,818,379 | 51,030,859,298 | 53,582,402,263 |
| Other Income (Expenses) | (12,921,958,977) | (13,568,056,926) | (14,246,459,772) | (14,958,782,761) | (15,706,721,899) |
| Profit Before Income Taxes | 31,160,415,970 | 32,718,436,769 | 34,354,358,607 | 36,072,076,537 | 37,875,680,364 |
| Income Taxes | 15,796,703,051 | 16,586,538,204 | 17,415,865,114 | 18,286,658,369 | 19,200,991,288 |
| Net Income | 15,363,712,919 | 16,131,898,565 | 16,938,493,493 | 17,785,418,168 | 18,674,689,076 |

Source: Research Department PT. Finansial Bisnis Informasi

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