

# Pakuwon Jati

## *Results Presentation – 1H 2017*



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## Section 1

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# Results summary



# Results summary

<i>(Rp bn unless otherwise stated)</i>	1H 2017	1H 2016	Variance	Comments
<b>Revenue</b>	<b>2,951</b>	<b>2,441</b>	<b>+20.9%</b>	14% increase in recurring revenues and 28% increase in development revenue recognition. Pakuwon Permai contributed Rp 464bn (16%) of revenues.
<b>Gross Profit<sup>1</sup></b>	<b>1,688</b>	<b>1,393</b>	<b>+21.2%</b>	
<i>Gross Profit Margin (%)</i>	<i>57.2%</i>	<i>57.1%</i>		
<b>EBITDA<sup>1</sup></b>	<b>1,616</b>	<b>1,334</b>	<b>+21.2%</b>	
<i>EBITDA Margin (%)</i>	<i>54.8%</i>	<i>54.6%</i>		
<b>Net Income for the Period<sup>2</sup></b>	<b>1,169</b>	<b>874</b>	<b>+33.7%</b>	
<i>Net Income Margin (%)</i>	<i>39.6%</i>	<i>35.8%</i>		
<b>Net Income Attributable to Owners<sup>2</sup></b>	<b>1,096</b>	<b>808</b>	<b>+35.6%</b>	
<b>Earning Per Share (Rp)<sup>2</sup></b>				
Basic	22.76	16.79	+35.6%	

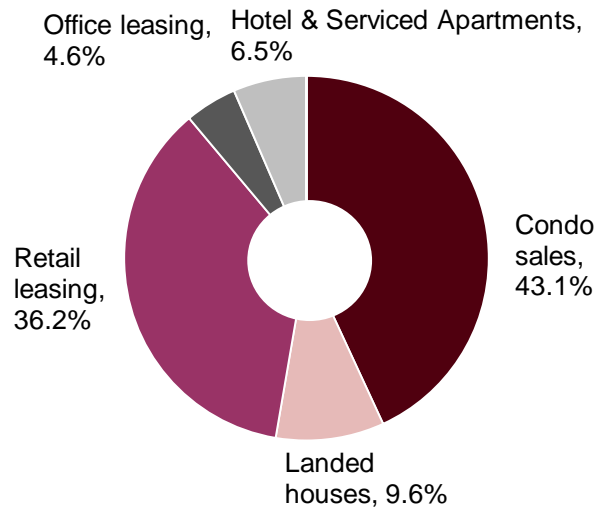
Notes:

1 Adjusted for acquisition related COGS from goodwill costs of Rp18bn in 1H2017 and Rp28bn in 1H2016

2 Adjusted for acquisition COGS from goodwill costs of Rp18bn in 1H2017 and Rp28bn in 1H2016, forex gain of Rp20bn and Rp99bn in 1H2017 and 1H2016 respectively, gain (loss) on derivative of (Rp44bn) and Rp16bn in 1H2017 and 1H2016 respectively, and penalty on redemption of bond payable of Rp 154bn.

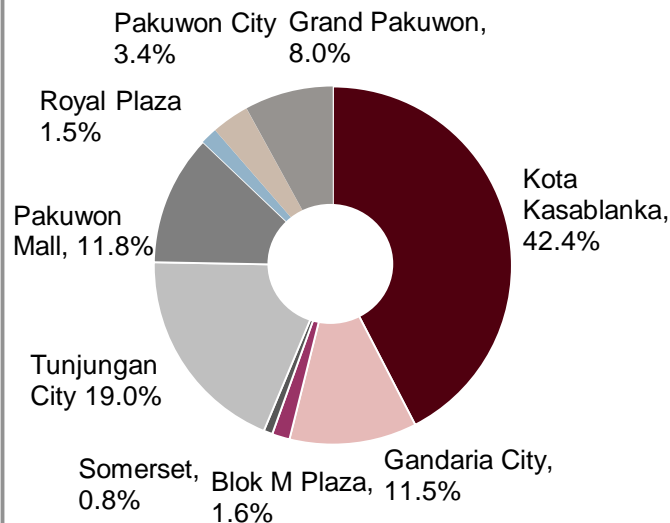
# Results breakdown

## Revenue by segment (1H 2017)



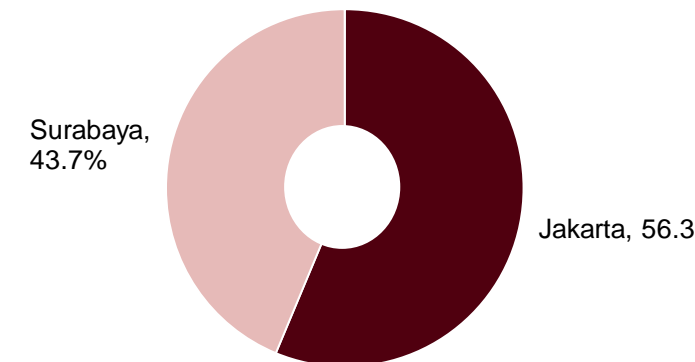
- **47%** recurring revenue
- Contribution of recurring income continues to be driven by retail mall leasing income
- Increased residential sales recognition of condominiums and landed houses
- PWON continues to target long term 50/50 recurring/development

## Revenue by project (1H 2017)



- Increased revenue contribution of Surabaya projects primarily landed houses in Grand Pakuwon as well as Pakuwon Permai
- Going forward, we expect contribution from Tunjungan Plaza 6 and increased contribution from Kota Kasablanka phase 2

## Revenue by geography (1H 2017)



- Jakarta revenue contribution expected to grow as PWON recognizes Kota Kasablanka phase 2 condos and develops Simatupang landbank
- Continued management focus on growing in both Jakarta and Surabaya

# Key recent developments

- ✓ Received in July 2017 ratings upgrade from Moody's to Ba2, stable outlook
- ✓ Opened Pakuwon Mall Phase 2 & 3 in 22 February 2017
- ✓ Refinanced USD200m of 7.125% Senior Unsecured Note due 2019
- ✓ Issued USD250m of 5.0% Senior Unsecured Note due 2024
- ✓ Acquired in June 2016, 11ha land in Daan Mogot, West Jakarta
- ✓ Completed Four Points by Sheraton Surabaya, soft opening in June 2016
- ✓ Received in May 2016 ratings upgrade from S&P to BB-, stable outlook
- ✓ Opened Tunjungan City phase 5 retail mall and Sheraton Hotel, Gandaria City in October 2015
- ✓ Received ratings upgrade from Fitch and Moody's (respectively, BB-/ Ba3)
- ✓ Completed Ascott Waterplace Surabaya, soft opening in July 2015
- ✓ Acquired 67.1% of PT Pakuwon Permai ("PP") for Rp1,685bn (US\$138.1m), net of cash on PP balance sheet
  - Funded via proceeds from US\$200m 2019 USD bonds issued in July 2014
  - Completed on 10 October 2014
  - Key assets/projects include:
    - Retail mall NLA: 178k sqm existing & operational + 86k sqm pipeline to start construction in the next 2 years
    - Hotel/serviced apartment: 329 rooms complete + 609 rooms under construction
    - Condominium GSA: 60k sqm under construction + 122k sqm pipeline in construction
  - PP is debt-free and has Rp980.4bn (US\$80.4m) of cash and cash equivalents as at acquisition
  - 1H 2017 recurring revenue of Rp 281bn (US\$21.1m) and recurring EBITDA of Rp150bn (US\$11.3m)
- ✓ Increased stake in 4.2ha Simatupang land bank from 45% to 70%



## Section 2

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# Business summary

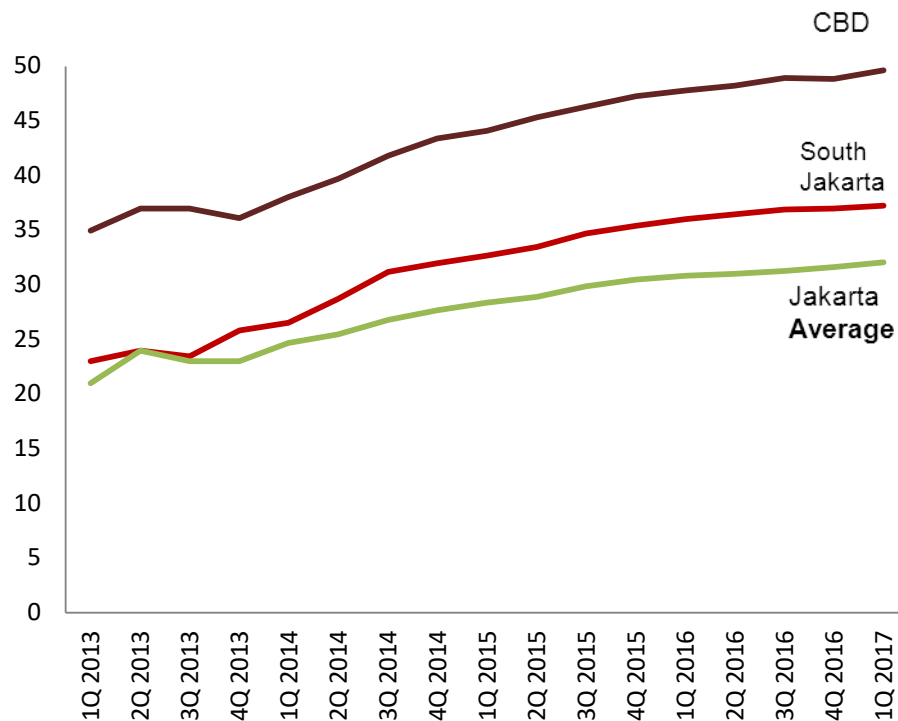




# Residential market update

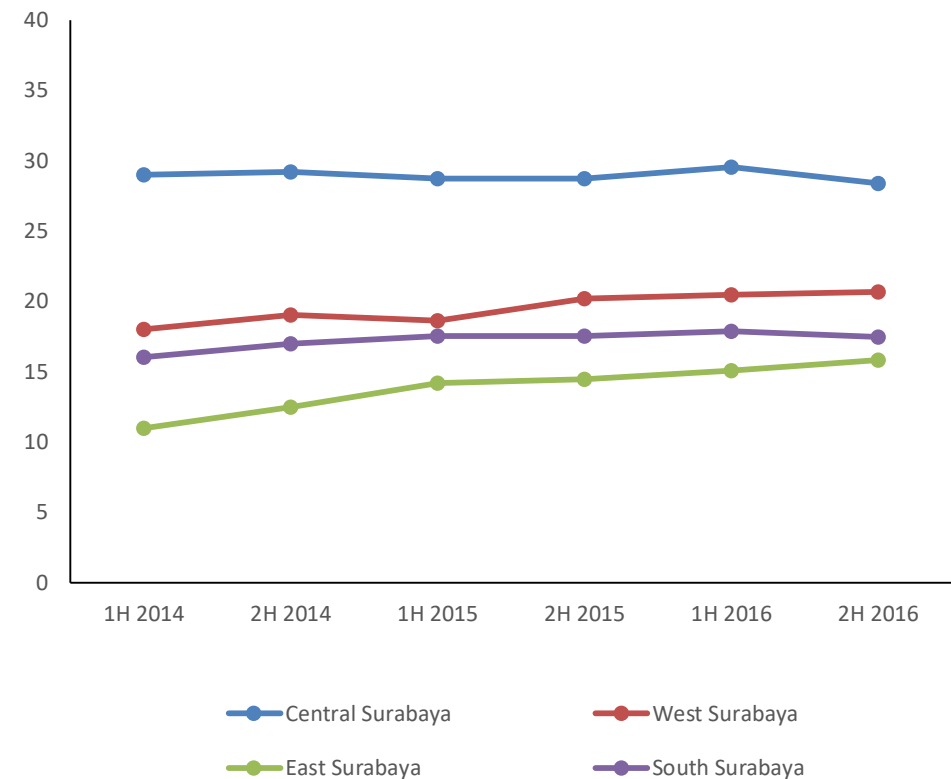
Residential sales in prime locations by established developers remain resilient despite moderate softening in broader non-prime locations

ASPs of condos in Jakarta (Rpm psm)



Source: Colliers Apartment Market Report – Jakarta 1Q 2017

ASPs of condos in Surabaya (Rpm psm)

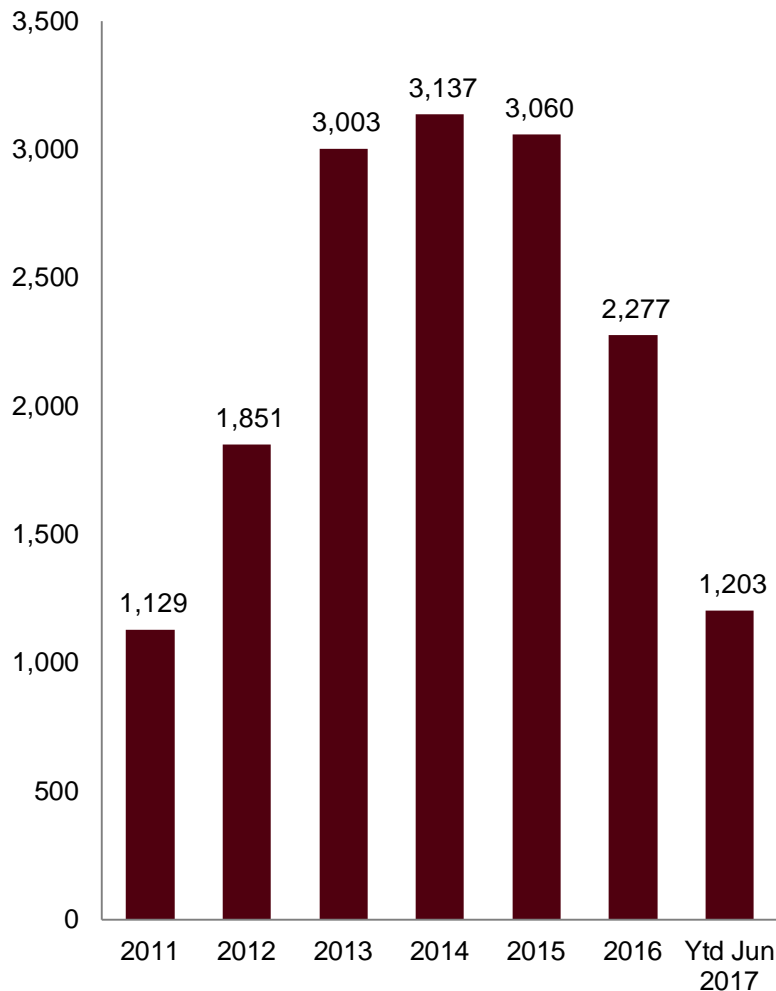


Source: Colliers Apartment Market Report – Surabaya 2H 2016

# Residential development – Strong take-up of existing projects

Strong pre-sales across all residential and office projects underpins future growth

Historical Pre-sales (Rp bn)



Note: 2014 includes addition of pre-sales from PT Pakuwon Permai

Pre-sales and construction update (excludes residential township)

Superblock / Township	Project name	Segment	GSA (sqm)	% Sold	Progress update
Kota Kasablanka	88 Kasablanka A	Office (sale + lease)	58.3K	100% <sup>1</sup>	Completed
	Casa Grande	Condo	96.2K	99%	Completed
	Angelo	Condo	35.8k	71%	At level 43
	Bella	Condo	35.8k	65%	At level 43
	Chianti	Condo	47.4k	47%	At level 41
Tunjungan City	Pakuwon Center	Office (sale + lease)	20.3K	53% <sup>1</sup>	Completed
	The Peak	Condo	30.0K	95%	Completed
	One Icon	Condo	48.8K	62%	Topping off
	Pakuwon Tower	Office (sale + lease)	37.8K	11% <sup>1</sup>	At level 40
Pakuwon City	Harvard	Condo	26.0k	100%	Completed
	Stanford	Condo	25.5k	100%	Completed
	Yale	Condo	25.4k	100%	Completed
	Princeton	Condo	25.7k	99%	Completed
	Amor	Condo	47.4k	29%	Piling
Pakuwon Mall	Orchard	Condo	27.6K	100%	Completed
	Tanglin	Condo	32.3K	99%	Completed
	La Riz	Condo	41.4K	92%	Topping off
	Anderson	Condo	57.1k	74%	At level 30
	Benson	Condo	53.4k	36%	Piling

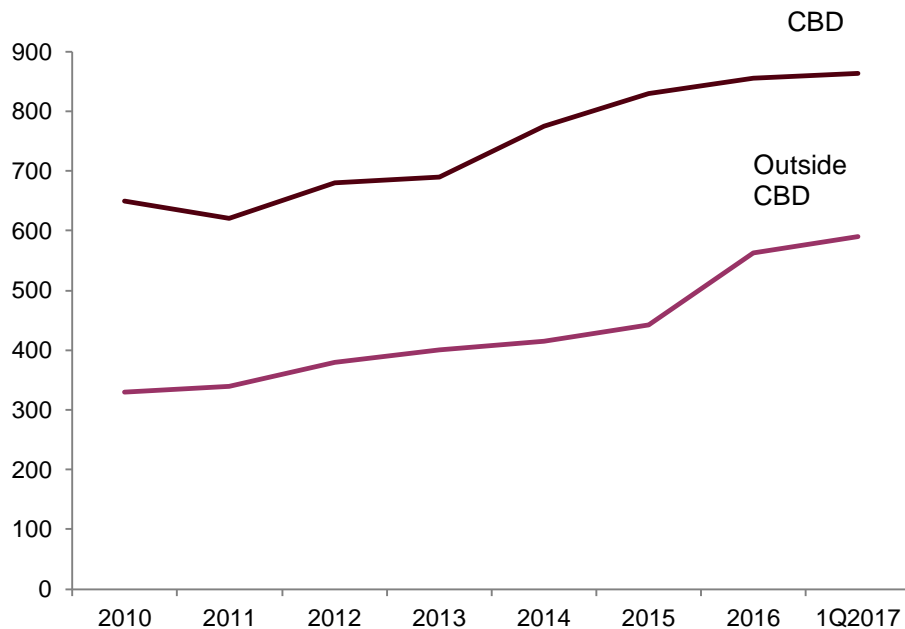
Company data as at June 30, 2017

Note: 1 As % of saleable area, excluding approximately 35-40% of area set aside for lease

# Retail market update

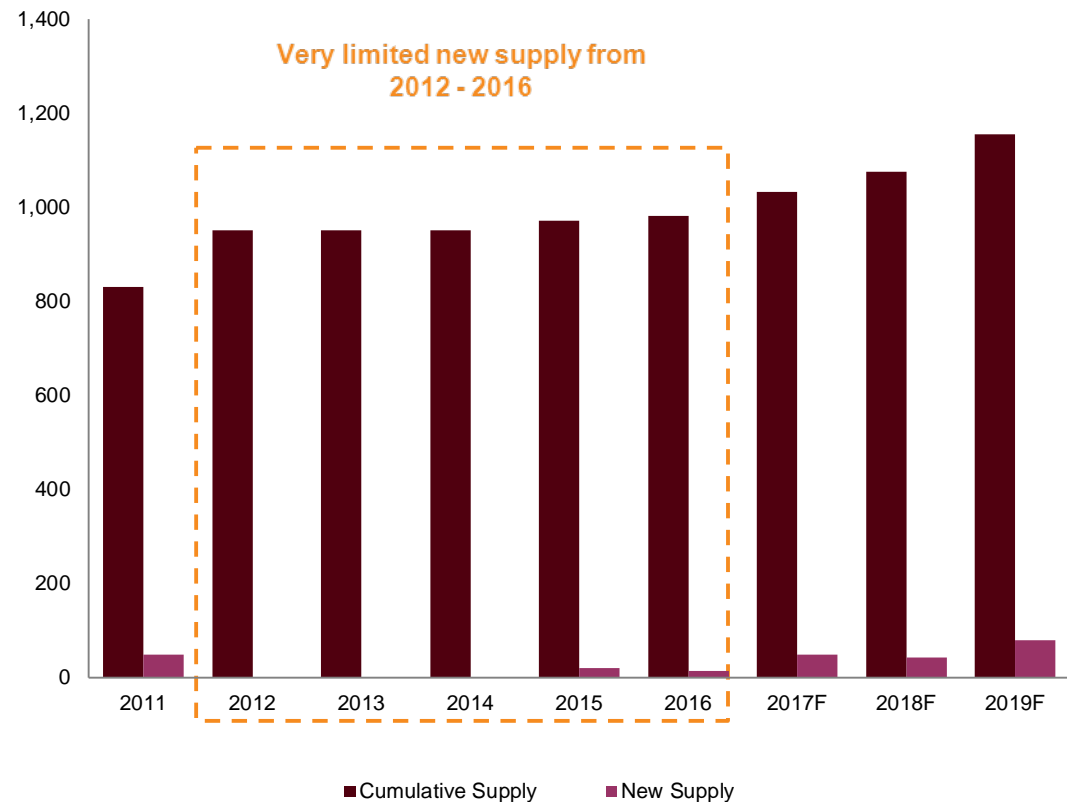
Retail property market helped by limited new supply in Jakarta and Surabaya – driving up occupancy and rents

Average asking base rental rates in Jakarta  
(Rp'000 psm / month)



Source: Colliers Retail Market Report - Jakarta 1Q 2017

Cumulative retail supply in Surabaya (sqm)



Source: Colliers Retail Market Report – Surabaya 2H 2016



# Retail malls – Continued strong leasing interest

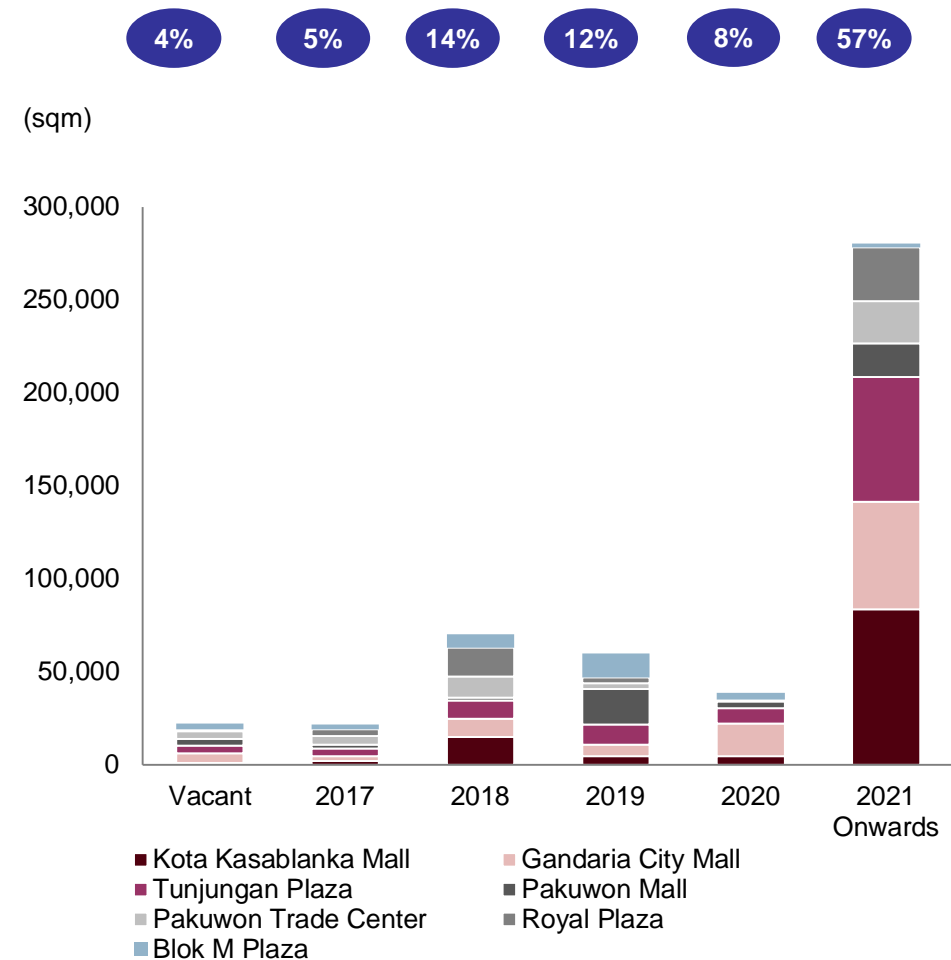
## Wide appeal of PWON's malls demonstrated by consistently high occupancy

### Historical Occupancy

- Maintained strong occupancy across portfolio
- Some vacancies in Tunjungan Plaza and Pakuwon Mall due to tenant re-mixing/re-locations in anticipation of new extension expected to complete in 2017 and 2018.
- Drop in Blok M occupancy as PWON is only committing to shorter 1-2 year leases due to redevelopment potential from proposed MRT station to be connected to the mall

	2013	2014	2015	2016	1H2017
Tunjungan Plaza	99%	99%	98%	94%	96%
Kota Kasablanka Mall	94%	99%	99%	99%	99%
Gandaria City Mall	98%	98%	98%	96%	95%
Pakuwon Mall	91%	91%	91%	89%	92%
Pakuwon Trade Center	93%	91%	92%	92%	92%
Royal Plaza	96%	96%	97%	97%	97%
Blok M Plaza	95%	93%	92%	93%	91%

### Lease Expiry Profile (NLA breakdown)



# Office & hotel – Stable rents and rising RevPAR

Offices and hotels further diversify income base and increase recurring income, while complementing existing superblocks

## Average Office Rental (before service charge)

(Rp psm / month)	2013	2014	2015	2016	1H2017	2016 - 1H2017 % Chg
Kota Kasablanka Tower A	186	222	223	226	222	(2%)
Kota Kasablanka Tower B	164	185	168	175	176	+1%
Gandaria Tower A	153	185	230	232	231	(1%)

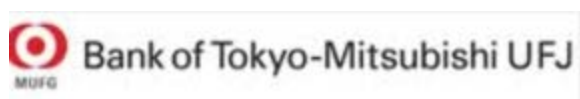
Note: Average office rental USD/IDR exchange rate of Rp10,930 and Rp12,315 in 2013 and 2014, respectively

## Hotel RevPAR

(Rp psm / month)	2013	2014	2015	2016	1H2017	2016 - 1H2017 % Chg
Sheraton Surabaya	724	784	717	515	427	(17%)
Somerset Berlian	842	887	824	666	675	+1%
Ascott Waterplace	-	-	-	530	640	+21%
Sheraton Grand Jakarta	-	-	-	510	691	+36%
Four Points	-	-	-	414	438	+6%

Note: - Average Somerset RevPAR USD/IDR exchange rate of Rp10,930, Rp12,315, and Rp13,118 in 2013, 2014, and 2015 respectively

## Major office tenants



## Hotel brands (existing)



## Section 3

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# Growth & strategy





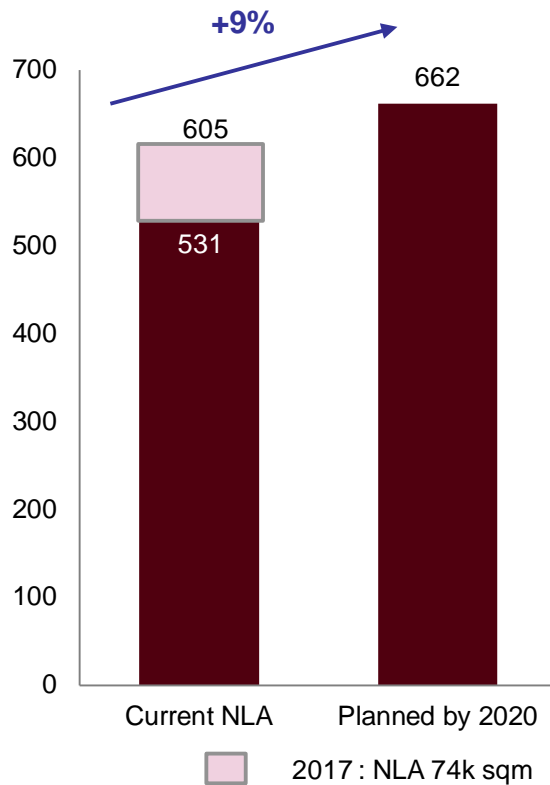
# Long term growth strategy on track

- ✓ Target 50/50 recurring/development revenue mix over the long term
- ✓ Leverage on strength in retail malls and superblock developments
- ✓ Continue to dominate Surabaya and expand Jakarta portfolio
- ✓ Actively replenish land bank + acquire land around existing projects
- ✓ Maintain prudent capital structure and balance sheet

# Growth of recurring income portfolio

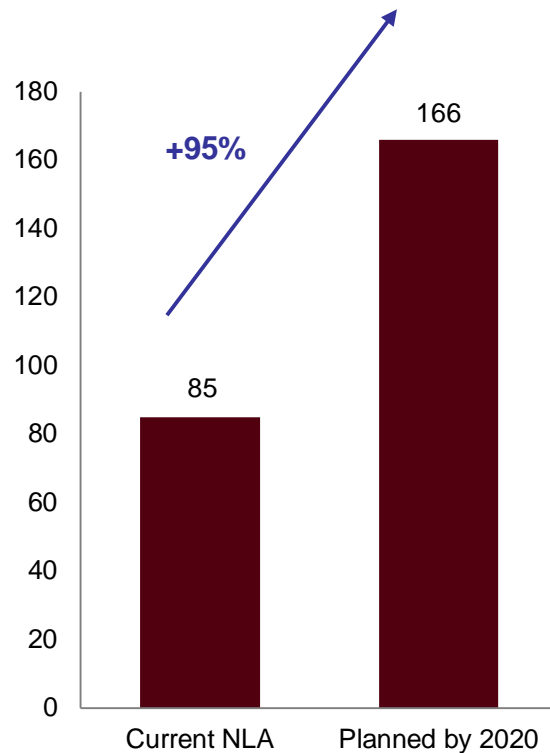
Plans to continue growing retail, office, and hotel portfolio to maintain recurring income mix

## Retail Mall NLA Growth



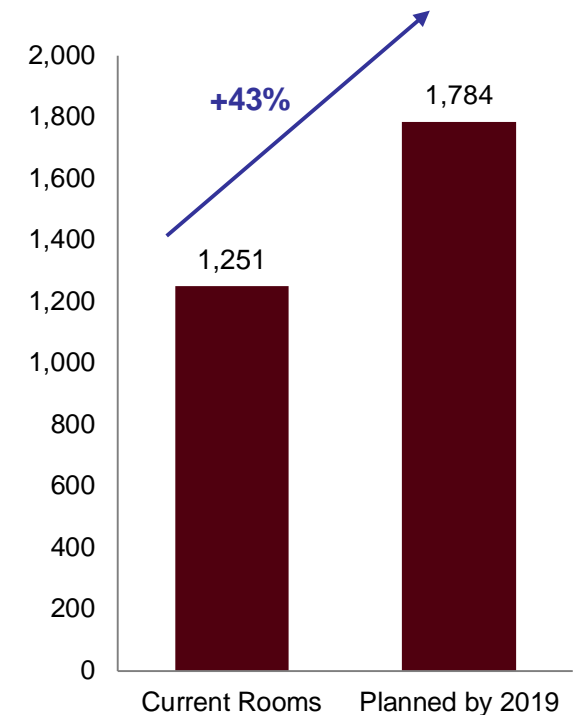
- Tunjungan Plaza Phase 6 mall extension
- Pakuwon Mall Phase 4
- East Coast Center 2 Food & Entertainment Center

## Office Leasing NLA Growth



- Kota Kasablanka Tower C
- Gandaria Tower B
- Tunjungan City Phase 6

## Hotel Room Growth



- Pakuwon Mall Hotel

# Land bank – Sufficient for >10 years of development

449 hectares of land bank to sustain growth and high margins, without being a drag on balance sheet and return on capital

Location	Project	Land under development (ha)	Additional land bank (ha)	Total land bank (ha)
South Jakarta	Kota Kasablanka	2.7	3.4	6.1
	Gandaria City	-	1.9	1.9
	Simatupang land bank	-	4.5	4.5
West Jakarta	Daan Mogot land bank		11.0	11.0
Greater Jakarta	Bekasi land bank		3.2	3.2
Central Surabaya	Tunjungan City	1.1	2.1	3.2
East Surabaya	Pakuwon City Township	-	233.4	233.4
	Outside Pakuwon City	-	21.5	21.5
West Surabaya	Grand Pakuwon Township	-	151.5	151.5
	Pakuwon Mall	3.3	0.6	3.9
	Royal Plaza	-	1.8	1.8
	Outside Grand Pakuwon	-	6.9	6.9
<b>Total Land Bank</b>				<b>448.9</b>



## Section 4

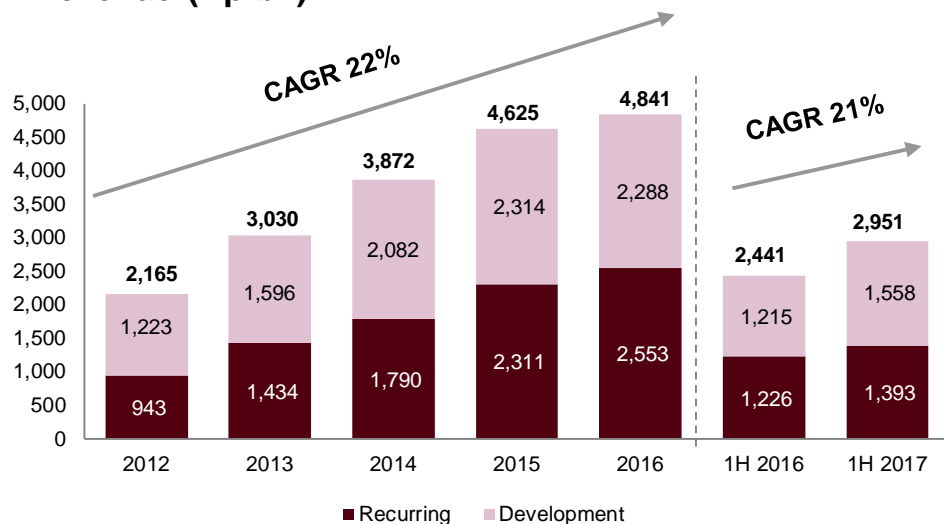
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# Capital management

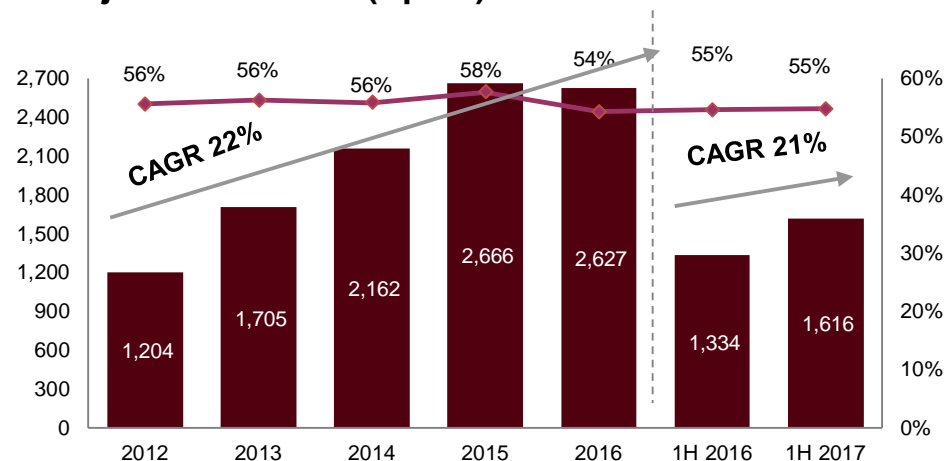


# Strong financial growth and optimized capital structure

Revenue (Rp bn)



Adjusted EBITDA<sup>1</sup> (Rp bn)

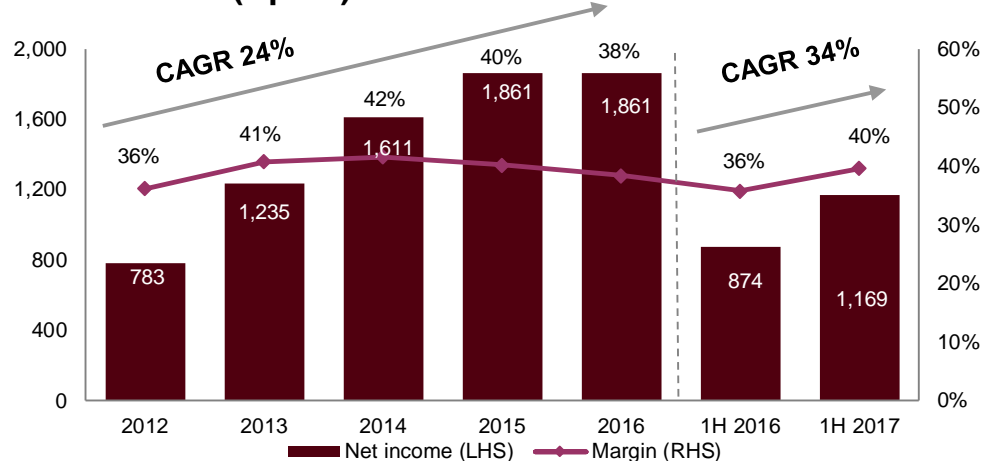


Note:

■ EBITDA (LHS) — Margin (RHS)

1. Adjusted for acquisition related COGS from goodwill costs of Rp 59bn, 108bn, 28bn, 28bn, 18bn in 2014, 2015, 2016, 1H2016 and 1H2017

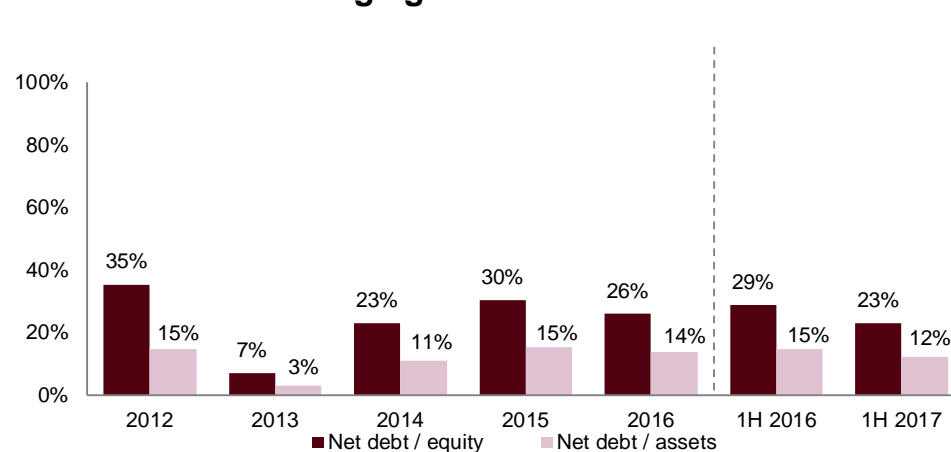
Net income<sup>1</sup> (Rp bn)



Note

1. Adjusted for forex gains/(losses) of Rp(35bn), (102bn), (40bn), (277bn), 58bn, 99bn, 20bn in 2012, 2013, 2014, 2015, 2016, 1H2016, and 1H2017 ; derivative financial instruments gain/(losses) of Rp (33bn), (76bn), (32bn), (44bn), 16bn in 2014, 2015, 2016, 1H2016 and 1H2017 and gain on previously held interest of Rp 132bn from the acquisition of 25% stake in PT Centrum Utama Prima, gains on purchase of subsidiaries with discount of Rp 988bn, adjusted for additional COGS from goodwill costs of Rp59bn, 108bn, 28bn, 28bn, 18bn in 2014, 2015, 2016, 1H2016, and 1H2017 and penalty on redemption of bond payable of Rp 154bn

Consistent deleveraging



# Strong financial position and prudent balance sheet

<i>(Rp bn unless otherwise stated)</i>	As of 1H 2107	As of 1H 2106
Cash	2,781	2,203
Total Debt <sup>1</sup>	5,498	5,146
Net Debt	2,718	2,943
Net Debt / Equity	23%	29%
Net Debt / Assets	12%	15%
Fixed Charge Coverage Ratio (FCCR) <sup>2</sup>	3,7x	3,4x
% Fixed Rate Debt	61%	51%
Credit rating <sup>3</sup>		
S&P	BB- / stable	BB- / stable
Moody's	Ba2 / stable	Ba3 / stable
Fitch	BB- / positive	BB- / stable

1. Issuance of US\$250m of 5.0% Senior Unsecured Notes due 2024 and redemption of US\$200m of 7.125% Senior Unsecured Notes due 2019

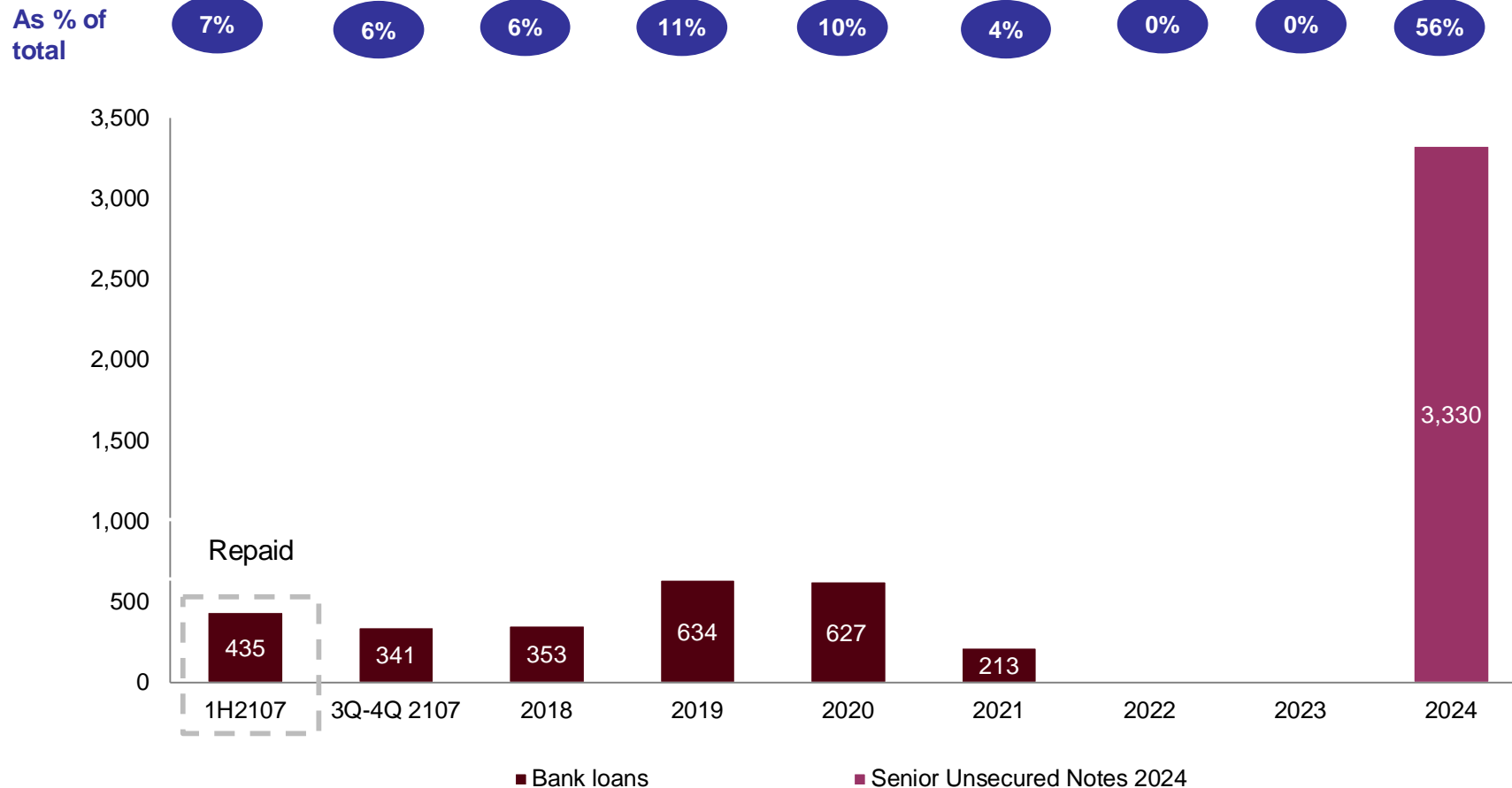
2. FCCR calculated as EBITDA / Consolidated Fixed Charges (Interest)

3. Received ratings upgrade from Fitch to BB-, positive outlook at 8 June 2017 and Moody's to Ba2, stable outlook as at 13 July 2017

# Well balanced debt maturity profile

Average debt maturity of 5.2 years, with cost of debt between c.6.1 – 10.7% p.a.<sup>1</sup>

## Debt Maturity Profile (Rp bn)



Notes:

1 Based on post-FX hedging cost of US250m of 5.0% Senior Unsecured Notes due 2024



## Appendix A

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# Company overview



# What sets Pakuwon Jati apart

- ✓ The largest retail mall owner amongst Indonesian developers
- ✓ A well-balanced portfolio of development and investment properties
- ✓ Growth and value creation from identified development pipeline
- ✓ Strategically located in Indonesia's two largest and wealthiest metropolises
- ✓ One of Indonesia's most established developers, with a 35 year track record

## Market leader in Surabaya



Largest superblock in Surabaya



Largest land bank in Surabaya City



Largest shopping mall in Indonesia



To launch retail mall and condos in Surabaya

## Market leader in South Jakarta



Largest superblocks in South Jakarta



Largest shopping mall in South Jakarta



Largest mall portfolio in Jakarta



Largest shopping mall in Jakarta

# Portfolio overview

## Strategically located superblocks and townships in Jakarta and Surabaya

### Kota Kasablanka



### Gandaria City



### Tunjungan City



### Pakuwon City



### Grand Pakuwon



Location	Jakarta Fringe CBD	South Jakarta	Surabaya CBD	East Surabaya	West Surabaya
<b>Description</b>	12.9ha located right next to Jakarta's Golden Triangle. Contains the largest mall in South Jakarta, opened on July 28, 2012	3 <sup>rd</sup> largest superblock in South Jakarta, sitting on a 9.3ha lot along a main thoroughfare linking South Jakarta to West Jakarta	PWON's first development in 1986, expanded in phases. Developing Phase 5 and 6 with premium retail, office, and residential towers	Self-contained city in East Surabaya, consisting of a residential area, commercial area, and an education park	Self contained city in West Surabaya, consisting of residential area and a future commercial area
<b>Residential</b>	4 condos, 1,077 units, GSA: 96k sqm 3 additional condos, GSA: 117k sqm	2 condos, 715 units	TP5: The Peak GSA: 30k sqm TP6: One Icon GSA: 49k sqm	House and land lot community 4 Educity condos GSA: 103k sqm <sup>1</sup> 3 ECM condos GSA: 120k sqm	House and land lot community
<b>Office (for sale)</b>	Tower A GSA: 34k sqm Tower C GSA: 49k sqm	Tower A GSA: 37k sqm Tower B GSA: 50k sqm	TP5: Pakuwon Center GSA: 12k sqm TP6: Office Tower GSA: 23k sqm	Shophouses, university, schools, and a hospital	
<b>Retail</b>	Middle to upmarket NLA: 111k sqm	Middle to upper middle NLA: 98k sqm	NLA: 103k sqm TP5: Fashion Avenue NLA: 20k TP6 NLA: 26k sqm	Family shopping centre NLA: 21k sqm East Coast Center 2 Food & Entertainment Center NLA: 20k sqm	
<b>Office (for lease)</b>	Tower A NLA: 24k sqm Tower B NLA: 32k sqm Tower C NLA: 33k sqm	Tower A NLA: 21k sqm Tower B NLA: 33k sqm	TP5: Pakuwon Center NLA: 8k sqm TP6: Office Tower NLA: 15k sqm		
<b>Hotel</b>		293 rooms, 5-star hotel	359 rooms, 5-star hotel 293 rooms, 4-star hotel		

Projects in red are currently under construction or targeted to start construction within the next 2 years. GSA/NLA and number of units/rooms are estimates.

Note 1 : Remaining 15 planned condo developments



NLA : Net Leasable Area, GSA: Gross Saleable Area  
PT. PAKUWON JATI



# Portfolio overview (cont'd)

## Strategically located superblocks and townships in Jakarta and Surabaya

### Pakuwon Mall



### Royal Plaza



### Blok M Plaza



### Somerset Berlian



Location	West Surabaya	South Surabaya	South Jakarta	South Jakarta
<b>Description</b>	<p>14.6ha Superblock located in West Surabaya's affluent residential neighborhood.</p> <p>Has a mid-market retail mall, Pakuwon Mall ("PM") and a strata retail mall 89% owned and managed by PP, Pakuwon Trade Centre ("PTC").</p> <p>Developing Phase 3 &amp; 4 with premium leased retail, residential condos and hotels.</p> <p>Phase 2 &amp; 3 mall are over 80% leased.</p>	<p>Mid-market strata retail mall 78% owned and managed by a subsidiary of PP.</p> <p>Situated along one of Surabaya's main thoroughfares connecting North, Central and Greater Surabaya and easily accessible from nearby toll roads, bus terminals and train stations.</p>	<p>Mid-market retail mall in South Jakarta's commercial district. Situated along the main thoroughfare connecting South Jakarta and the central business district.</p> <p>Planned MRT terminal connects directly into the mall (estimated to complete by approx. 2018).</p>	<p>Serviced apartment situated in the exclusive residential area of South Jakarta and a short drive from the financial center.</p> <p>Managed by The Ascott Limited under the "Somerset" brand</p>
<b>Opening date</b>	PM Phase 1: 2003, PTC: 2004, PM Phase2&3: 2017	2006	1991	2007
<b>Residential</b>	<p>Phase 2: "Orchard" &amp; "Tanglin" towers GSA: 60k sqm</p> <p>Phase 3: "La Riz" tower GSA: 41k sqm</p> <p>Phase 4: Three condo towers GSA: 122k sqm</p>			
<b>Retail</b>	<p>PM NLA: 47k sqm, PTC NLA: 46k<sup>1</sup> sqm</p> <p>Phase 2 NLA: 37k sqm</p> <p>Phase 3 NLA: 36k sqm</p> <p>Phase 4 NLA: 12k sqm</p>	NLA: 53k <sup>2</sup> sqm	NLA: 31k sqm	
<b>Hospitality</b>	<p>329 rooms, 4-star hotel</p> <p>204 rooms, 5-star hotel</p> <p>182 serviced apartment units (Ascott brand)</p>			<p>124 serviced apartment units<sup>3</sup> (Somerset brand)</p>

Projects in red are currently under construction or targeted to start construction within the next 2 years. GSA/NLA and number of units/rooms are estimates.

NLA : Net Leasable Area, GSA: Gross Saleable Area

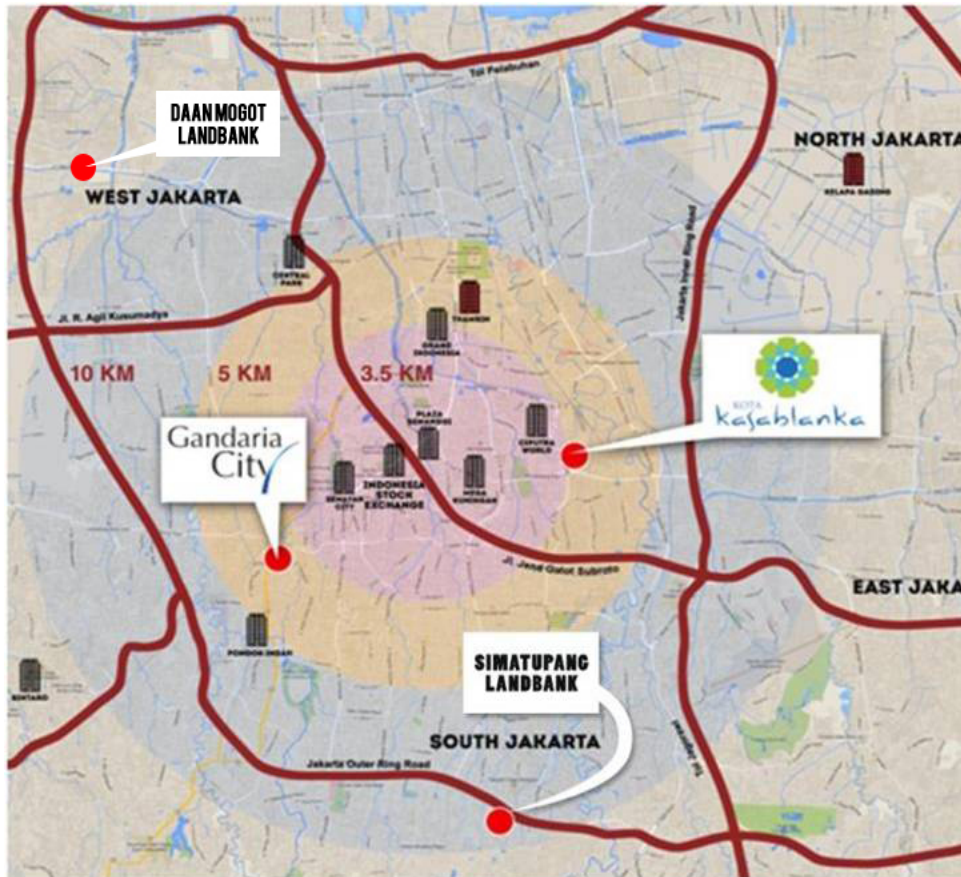
Notes:

1. Pakuwon Trade Center ("PTC") NLA excludes sold area of 5,467 sqm
2. Royal Plaza NLA excludes sold area of 15,226 sqm
3. 8 out of 124 units have been sold to 3<sup>rd</sup> party investors, who in turn receive 5% of all net income generated by the Somerset Berlian



# Project locations

## Jakarta



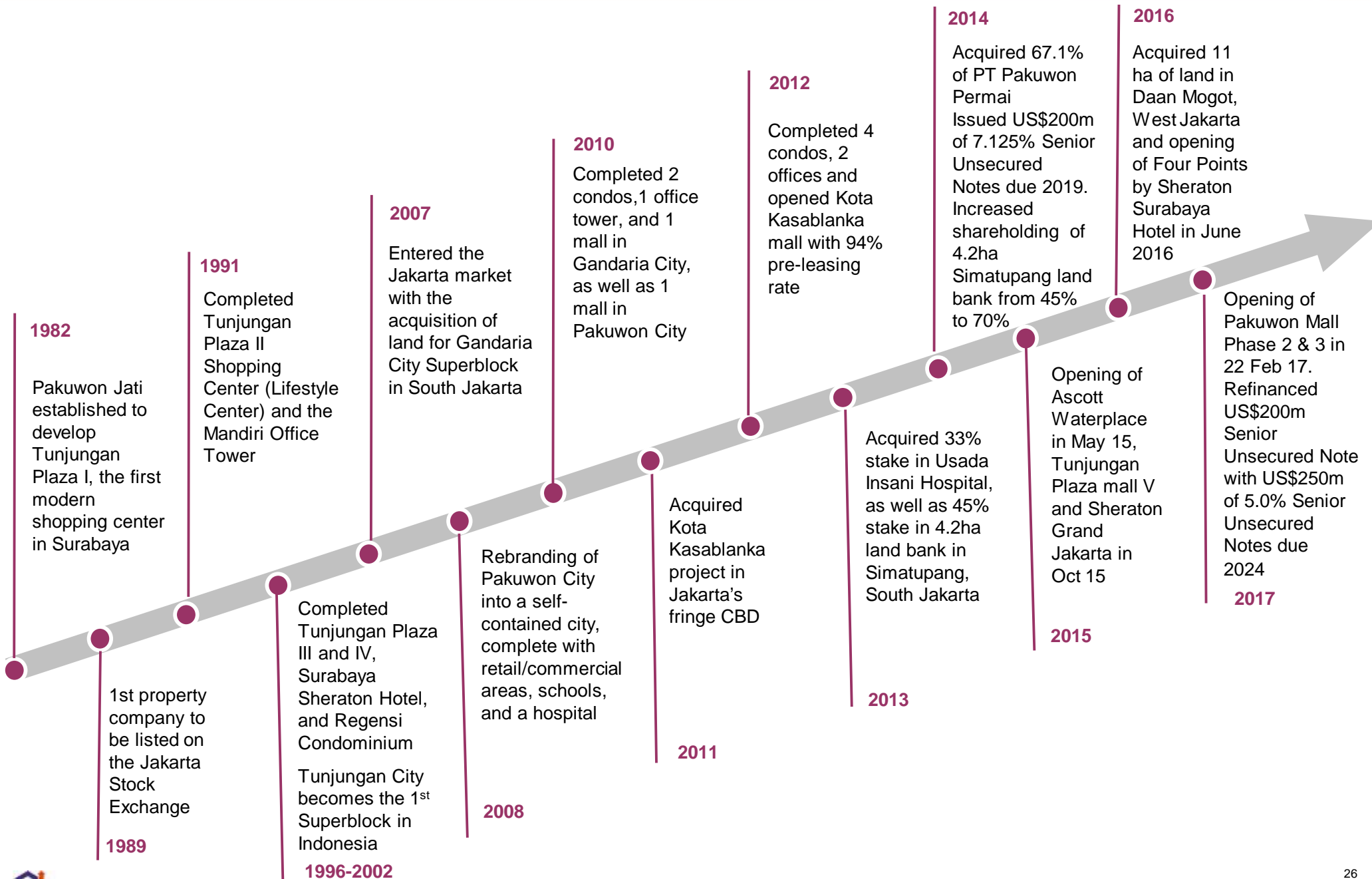
Newly acquired PP assets

Source: Company Data

## Surabaya



# 35 year track record and growing...





# Kota Kasablanka Superblock



KOTA  
**Kasablanka**  
LIGHT UP THE COLOR OF YOUR LIFE

## Kota Kasablanka Superblock

Jakarta fringe CBD

**12.9 ha** of land area

**570,500 sqm** of GFA

**4,500** carpark lots

**2.7 ha** expansion





# Kota Kasablanka Phase 2



## Kota Kasablanka Phase 2

Jakarta fringe CBD

3 condominiums

1 office block



Artist rendering



# Gandaria City



**Gandaria City  
Superblock**  
South Jakarta

**9.3 ha** of land area  
**573,800 sqm** of GFA  
**4,500** carpark lots  
**0.9 ha** expansion

**GANDARIA 8 TOWER A**  
*Office*  
NLA : 58,685 sqm

**GANDARIA HEIGHTS**  
*Condominium*  
GSA : 73,633 sqm  
Units : 715

**GRAND SHERATON HOTEL**  
*Gandaria City*  
**5-star hotel**  
Rooms: 293

**GANDARIA CITY**  
*Shopping Center*  
NLA : 98,388 sqm



# Gandaria City Phase 2



## Gandaria City expansion

South Jakarta

1 office tower

## Completed projects

5-star hotel



Artist rendering



# Tunjungan City



## Tunjungan City Superblock

Surabaya CBD

8.8 ha of land area

476,613 sqm of GFA

4,200 carpark lots

1.1 ha expansion



Artist rendering



# Tunjungan City Phase 5 & 6



## Tunjungan City Phase 5&6

Surabaya CBD

Mall, offices, condos,  
hotel

## Completed projects

Tunjungan City Phase 5



Artist rendering



# Pakuwon City Township

## Pakuwon City Residential Township

East Surabaya

<30 minutes from city center

233.4 ha township,  
including :

- 27 ha residential and commercial center with 19 condominium towers, a 90k sqm retail mall, and a University, International and Chinese school, hospital
- 206.4 ha remaining for landed residential developments

Pakuwon City entrance



Pakuwon town square  
Shopping mall



Artist rendering

Commercial and education park  
Shopping mall, schools, hospital, condos



Artist rendering



# Pakuwon City – East Coast Mansion

## Pakuwon City Residential Township

East Surabaya

- New projects  
3 condominiums
- Food and Entertainment  
Center



Artist rendering



# Grand Pakuwon Township

New middle to high-end gated development in the west of Surabaya poised to replicate the successful roll out of Pakuwon City Township in East Surabaya

## Grand Pakuwon Township

West Surabaya

<10 minutes from  
downtown Surabaya  
30 minutes from City  
Center

151.5 ha residential  
township



Artist rendering



# Pakuwon Mall

At completion Pakuwon Mall will be Indonesia's largest retail mall with direct connections to 12 condominium towers, 2 hotels and 1 serviced apartment

PAKUWON  
MALL

## Pakuwon Mall

West Surabaya

14.6 ha of land area

960,000 sqm of GFA

4.545 carpark lots



Artist rendering



# Pakuwon Mall Phase 2 and 3

**PAKUWON**  
MALL

**Pakuwon Mall  
Phase 2**  
West Surabaya

## Completed projects

- Orchard & Tanglin condominiums
- Retail mall expansion Phase 2 & 3

## Phase 3

- 1 Condominium
- 2 Hotels



Artist rendering



# Pakuwon Mall Phase 4

PAKUWON  
MALL

## Pakuwon Mall Phase 4 West Surabaya

- 3 condominiums
- Retail mall expansion



Artist rendering

# Royal Plaza retail mall



**Royal Plaza**  
South Surabaya

3.2 ha of land area  
184,423 sqm of GFA  
1,450 carpark lots





# Blok M Plaza retail mall Future Development



**Blok M Plaza**  
South Jakarta

1.1 ha of land area  
247,373 sqm of GFA<sup>1</sup>  
632 carpark lots



Artist rendering

Note 1 : Completed GFA only



## Appendix B

# PT Pakuwon Permai acquisition



# Acquisition summary

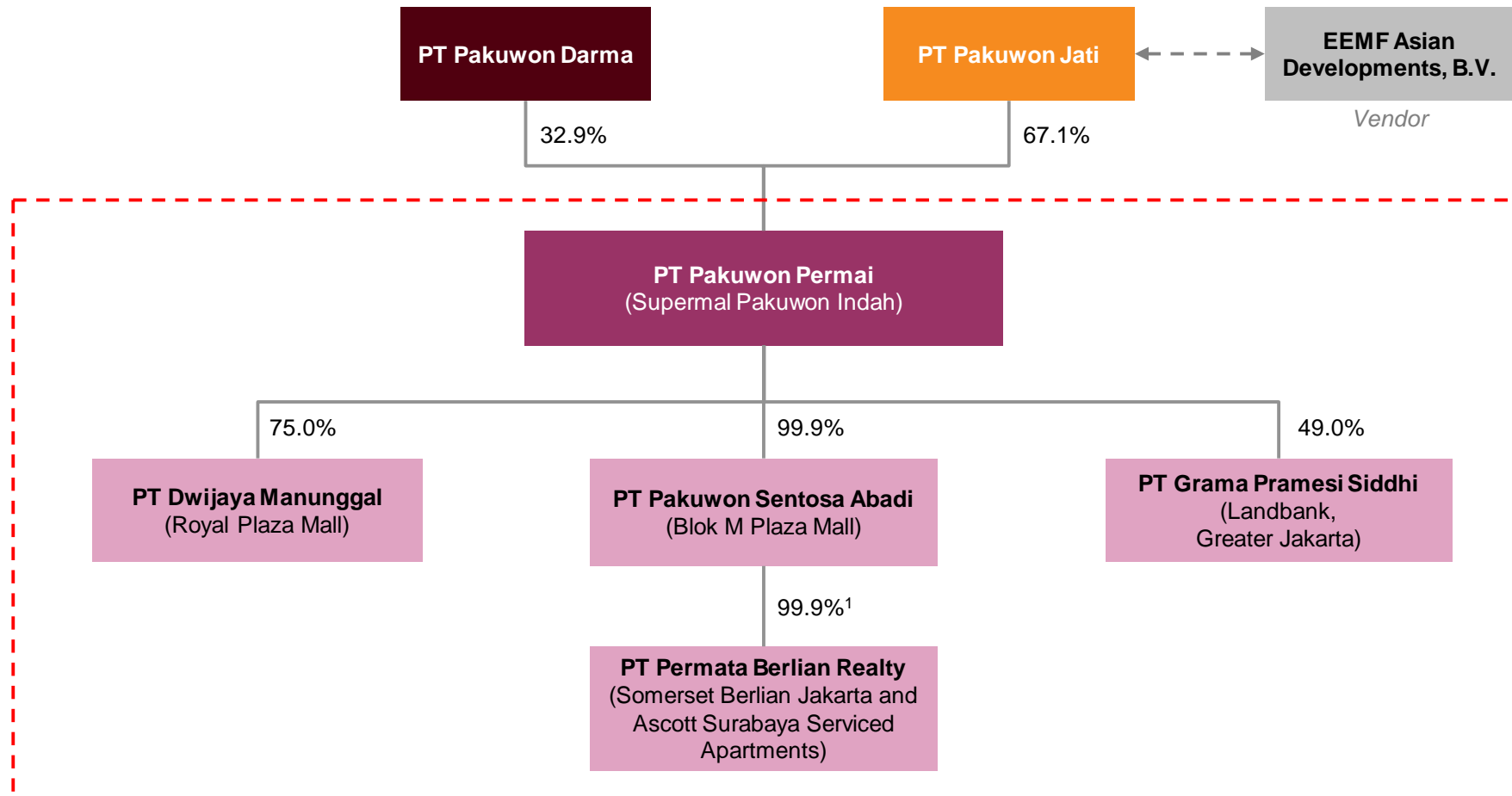
## Acquisition of 67.1% of PT Pakuwon Permai ("PP") for Rp1,685bn (US\$138.1m), net of cash on PP balance sheet

<b>Overview of target</b>	<ul style="list-style-type: none"> <li>• 67.1% of PT Pakuwon Permai ("PP"), which owns 1 superblock (retail, condos, hotel/serviced apartment) + 2 standalone retail malls + 1 standalone serviced apartment               <ul style="list-style-type: none"> <li>– <i>Retail mall NLA</i>: 178k<sup>1</sup> sqm existing &amp; operational + 86k sqm pipeline to start construction in the next 2 years</li> <li>– <i>Hotel/serviced apartment</i>: 147<sup>2</sup> rooms existing + 791 rooms under construction</li> <li>– <i>Condominium GSA</i>: 101k sqm under construction + 122k sqm pipeline to start construction in the next 2 years</li> </ul> </li> <li>• Remaining 32.9% owned by PT Pakuwon Darma ("PD"), an affiliated company of Pakuwon Jati ("PWON")               <ul style="list-style-type: none"> <li>– PWON has no near term plans to acquire PD's stake in PP</li> </ul> </li> </ul>
<b>Target financials (based on 100% of PP)</b>	<ul style="list-style-type: none"> <li>• FY2014 recurring revenue of Rp388.7bn (US\$31.2m)<sup>3</sup></li> <li>• FY2014 recurring EBITDA of Rp226.5bn (US\$18.2m)<sup>3</sup></li> <li>• PP is debt-free and has Rp980.4bn (US\$80.4m) of cash and cash equivalents<sup>4</sup></li> </ul>
<b>Purchase consideration</b>	<ul style="list-style-type: none"> <li>• Purchase consideration to vendor: Rp2,343bn (US\$192.0m)</li> <li>• Purchase consideration net of cash on PP balance sheet: Rp1,685bn (US\$138.1m) (based on 67.1% of cash on PP B/S)</li> </ul>
<b>Funding source</b>	<ul style="list-style-type: none"> <li>• Net proceeds from US\$200m 2019 USD bonds issued in July 2014</li> </ul>
<b>Completion</b>	<ul style="list-style-type: none"> <li>• 10 October 2014</li> </ul>

### Notes:

- 1 Retail mall NLA excludes sold area of 20,693 sqm
- 2 10 out of 147 units have been sold to 3rd party investors, who in turn receive 5% of all net income generated by the Somerset Berlian
- 3 USD FY 2014 recurring revenue and EBITDA based on USD:IDR of 1:12,440 as at 31 December 2014, for illustrative purposes only
- 4 Based on audited balance sheet as of 30 June 2014, including cash on hand, mutual funds, and bond investments classified as current assets USD:IDR of 1:12,200 used as at PP acquisition date, for illustrative purposes only

# Acquisition shareholding structure



Note:

<sup>1</sup> Ownership as at date of acquisition; 49% owned as at 30 Jun 2014



# Rationale for the acquisition

1	<b>In line with current strategy and core expertise</b>	<ul style="list-style-type: none"> <li>Diversify current portfolio with the addition of 1 new superblock, 2 retail malls and 1 serviced apartment</li> <li>Continued balanced mix between recurring and development income, with 23.1% increase in recurring revenue<sup>1</sup></li> <li>Continued balanced mix between Jakarta and Surabaya</li> </ul>
2	<b>53% increase in operating retail mall NLA</b>	<ul style="list-style-type: none"> <li>Immediate addition of 178k sqm of retail NLA across 3 malls, with planned expansions of 86k sqm to start construction in the next 2 years</li> <li>High quality malls with strong anchor tenants and consistently high occupancy</li> <li>Improves economies of scale and creates a stronger leasing network across Indonesia's two largest cities</li> </ul>
3	<b>41% increase in operating hotel rooms</b>	<ul style="list-style-type: none"> <li>Immediate addition of 147 hotel rooms, with further development of 791 rooms under construction</li> <li>High quality hotels with strong occupancy and rising RevPAR</li> <li>Diversifies hotel managers to include Ascott/Capitaland</li> </ul>
4	<b>74% increase in pipeline condominium GSA</b>	<ul style="list-style-type: none"> <li>101k sqm GSA condominium towers currently under construction, of which 65.0% pre-sold</li> <li>Further 3 towers to be launched and begin construction over the next 2-3 years</li> <li>Increase in condominium GSA to drive further growth in pre-sales</li> </ul>
5	<b>Expected increase in earnings and accelerated growth</b>	<ul style="list-style-type: none"> <li>Acquisition funded via net proceeds from US\$200m 2019 bonds issued in July this year</li> <li>Immediate addition to EBITDA will be supportive of credit metrics</li> <li>Additional c.Rp2.5trn (c.US\$205m) of capex targeted from 2015 to 2017, on top of c.Rp351.5bn (US\$28.8m) of capex that has already been incurred on projects under construction<sup>2</sup></li> </ul>

Notes:

1 Based on FY2014 financials

2 As of 30 June 2014

## Appendix C

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# Jakarta land bank



# Expansion into South Jakarta CBD – Summary

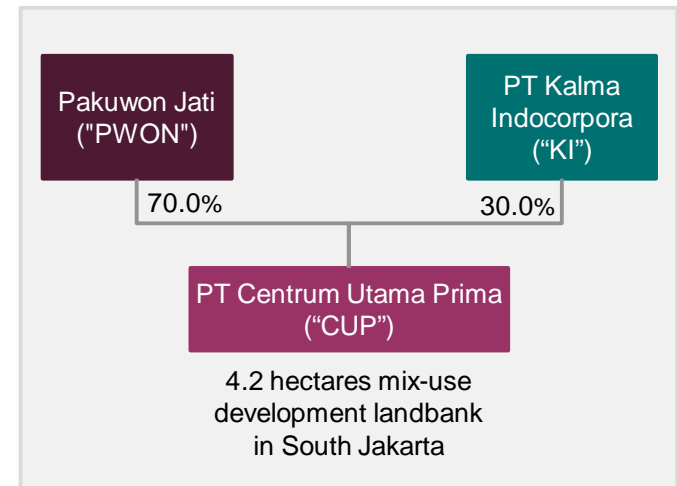
## Overview: Acquisition of land in Simatupang, South Jakarta

- 1 Pakuwon Jati ("PWON") together with two partners acquired **4.2 hectares of land in South Jakarta for Rp.490 billion**, through its joint-venture company PT Centrum Utama Prima ("CUP")
  - Drawing from internal cash flows **PWON invested Rp.247.5 billion in cash for a 45.0% stake in CUP**
  - Executed in partnership with two non-affiliated privately held property companies who own 30.0% and 25.0% of CUP
  - PWON acquired 25% of shares in CUP for Rp.187 billion from MDS on 27 August 2014
- 2 The land parcel was acquired from Jakarta International School ("JIS") through a closed auction bid arranged by Colliers International Indonesia
- 3 The JIS land along with land owned by the two non-affiliated property companies were amalgamated and acquired by CUP to facilitate better main road access into the project
- 4 Land will be utilised for a **mixed-use development with condominiums, offices and F&B components**
- 5 PWON will draw on its expertise to lead the master planning, development, sales as well as leasing and property management

## Rationale for acquisition

- ✓ Expansion of core business into prime South Jakarta area, **tapping into South Jakarta CBD**
- ✓ **Balanced revenue growth** from the project's sales and leasing potential
- ✓ Sizeable land plot expected to sustain around **8 years of development**
- ✓ **Leverages on synergies** with PWON's management team and core expertise

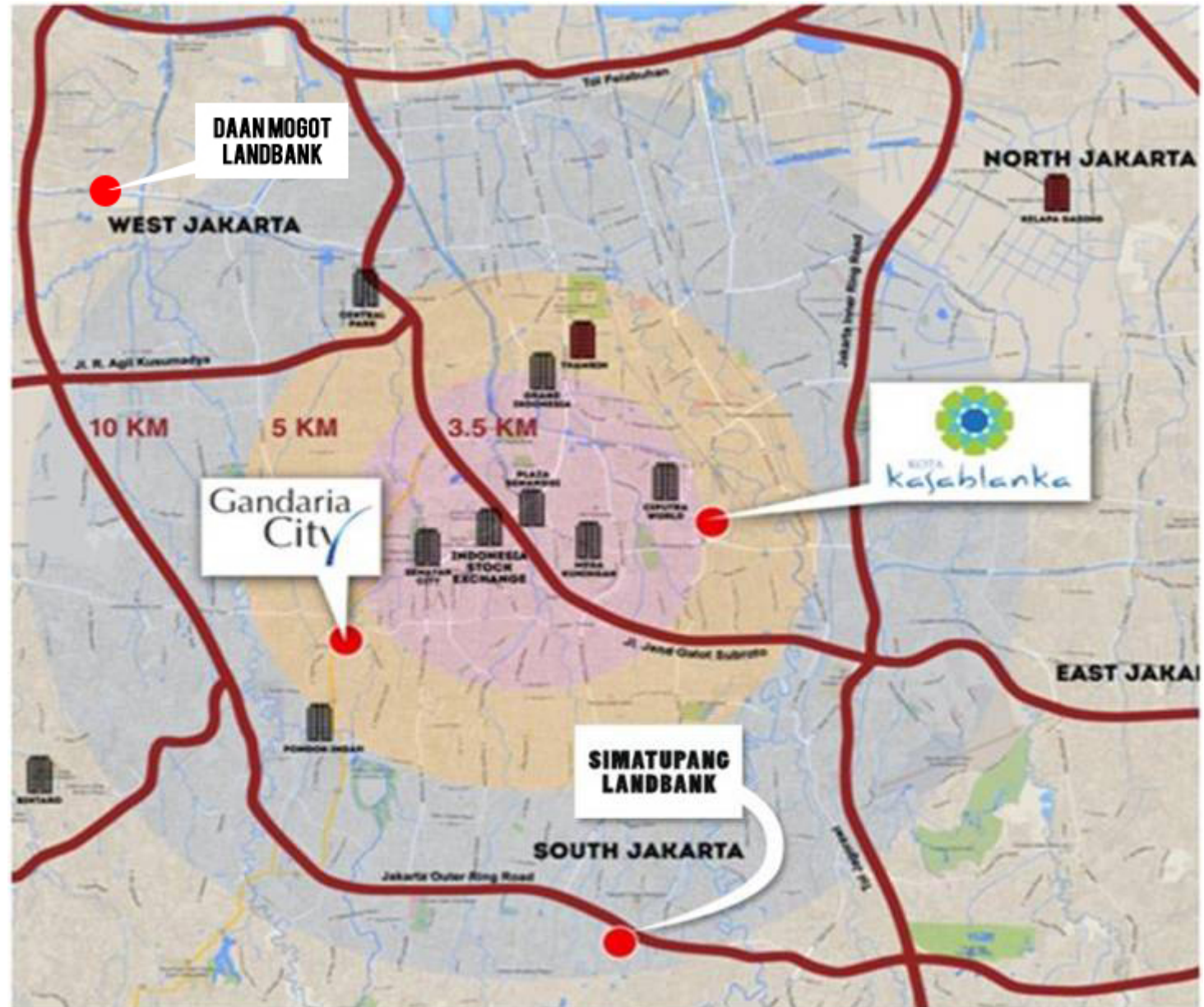
## Ownership structure





# Expansion into South Jakarta CBD – *Location map*

Strategically located 20 minutes from Superblock Gandaria City, with direct access to TB Simatupang and Jakarta Outer Ring Road





# Expansion into South Jakarta CBD – Site map

## Site overview

Location	Jl. TB Simatupang RT002 /RW001
	Kebagusan Pasar Minggu Jakarta Selatan
Land Size	: 44,725 sqm





# Expansion into West Jakarta – *Site map*

## Site overview

Location	: Jl. Daan Mogot Rawa Buaya Cengkareng Jakarta Barat
Land Size	: 110,000 sqm



## SITE LOCATION DAAN MOGOT CITY

DAAN MOGOT - JAKARTA

TIJ # 2016.09.14



## Appendix D

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# Healthcare & Hospital expansion

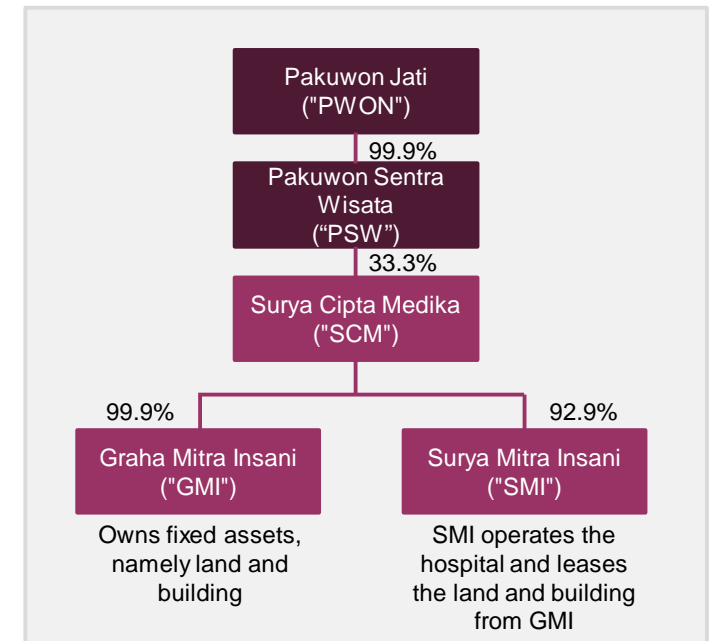


# Healthcare expansion - *Diversifying recurring income base*

## Overview: Acquisition of Usada Insani Hospital ("RSUI")

- 1 Pakuwon Jati ("PWON"), through its wholly owned subsidiary PT Pakuwon Sentra Wisata ("PSW") has **acquired a 33.3% stake in PT Surya Cipta Medika ("SCM")**, a **company engaged in the provision of healthcare services and hospital ownership**
- 2 PWON has undertaken this transaction in partnership with PT Menjangan Sakti ("Mensa Group") and PT Elang Mahkota Teknologi Tbk ("Emtek")
  - Each partner holds an equal investment of 33.3% in SCM
- 3 Drawing on internal cash flows PWON invested Rp.31 billion in cash for its 33.3% stake in SCM
  - Funds received was used for the acquisition of RSUI and equipment
- 4 The Mensa Group, one of the largest pharmaceutical and medical equipment distributors in Indonesia will be responsible for overseeing operations of the Hospital

## Ownership Structure



## Rationale for acquisition

- ✓ **High quality asset** with significant growth prospects
- ✓ Enlarges recurring income via a **complementary and scalable platform**
- ✓ Taps into Indonesia's nascent **healthcare growth story**
  - **Increases stability of recurring income** given robust underlying fundamentals of healthcare
- ✓ **Leverages on synergies** within PWON's townships and mixed-use development to enhance value
- ✓ Measured entry into a new space with **experienced partners to minimise execution/operational risk**
- ✓ Platform for **corporate social responsibility** programs

# Healthcare expansion – *Asset overview*

## External View



## Facilities & Equipment



## Hospital Overview

Location	: Jl. KH. Hasyim Ashari No. 24, Cipondoh – Tangerang
Established	: September 1991
Land Size	: 14,030 sqm
Building size	: 17,000 sqm
Parking	: 150 cars; 300 motorcycles

## Beds and Rooms

Beds	: 350; Bed Occupancy Ratio (BOR) of around 70%
Operating rooms	: 6; Approximately 450 procedures per month
Obstetric rooms	: 6

## Facilities

- Laboratories
- Physiotherapy
- 2 radiology facilities including panoramic
- Chemotherapy facilities
- CT Scan 16 slice
- USGs
- Endoscopy
- ECG/EEG
- MRI
- Hemodialysis facilities, with 70% utilization
- 5 ambulance units

## Services

- Outpatient care, c.10,000 patients per month
- Inpatient care (VIP, Class 1, Class 2, Class 3)
- Intensive Care Unit (ICU)
- 3 pharmacies
- Polyclinic with c.10,000 patients per month
- Academy for nurses, (with STIKES Banten)
- Emergency care
- Medical rehabilitation
- Insurance



## Appendix E

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# Senior Unsecured Notes due 2024



# Offering Summary

Notes Offered	US\$250mn aggregate principal amount of 5% Senior Unsecured Notes due 2024 (the “Notes”)
Maturity Date	Feb 14, 2024
Interest	The Notes will bear interest from and including Feb 14, 2017, payable semi-annually in arrears
Issuer Ratings	Ba3, stable (Moody's) / BB-, stable (S&P) / BB-, stable (Fitch)
Security Ratings	Ba3 / BB- / BB-
Tenor	7NC4 years
Distribution	Reg S only
Covenants	Standard high yield covenants, including an FCCR test of not less than 2.5x
Use of Proceeds	Redemption of 2019 note and general corporate purposes