# PT. Pakuwon Jati Tbk

## Company Update

March 2012

PT. PAKUWON JATI

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## SECTION 1

# Overview of Pakuwon Jati

# PT. Pakuwon Jati Tbk

**Diversified real estate developer focused in Jakarta & Surabaya**

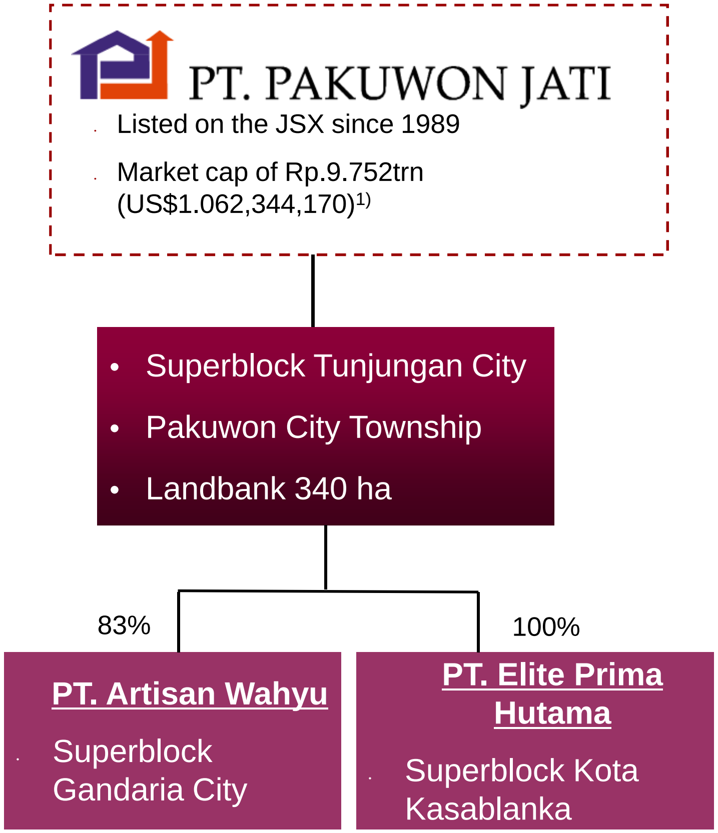
1. Portfolio of prime properties across retail, residential, commercial and hospitality
2. 63% and 37% of assets located in Jakarta and Surabaya respectively
3. Well-balanced portfolio of investment and development assets
4. Vertically integrated across the full real estate value chain from land acquisition, property development and operational management, employing in excess of 3,000 people

**Pioneers in Superblock developments**

1. Pioneers in the concept of Superblocks – integrated mixed-use developments comprising residential, retail, hotel and offices aimed at creating a work-live-play, self-sustainable living community

**Strong financials**

1. High EBITDA margins of around 55%
2. Well balanced revenue stream from recurring and development income, approximately 50:50



PT. PAKUWON JATI

- Listed on the JSX since 1989
- Market cap of Rp.9.752trn (US$1.062,344,170)[1)]

- Superblock Tunjungan City
- Pakuwon City Township
- Landbank 340 ha

83%

**PT. Artisan Wahyu**

- Superblock Gandaria City

100%

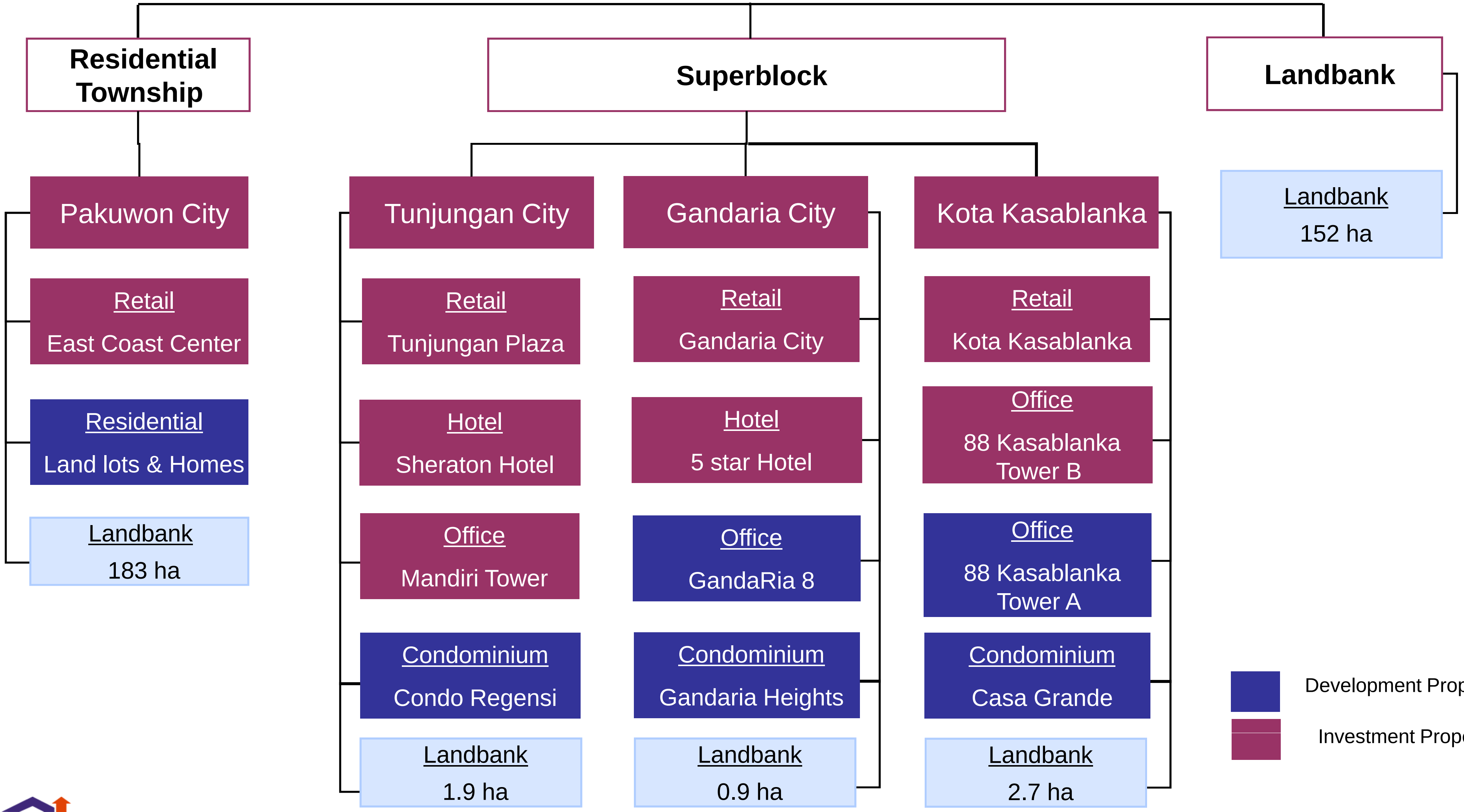
**PT. Elite Prima Hutama**

- Superblock Kota Kasablanka

1) As of 31 March 2012

# Pakuwon Jati Property Portfolio

PT. PAKUWON JATI



**Residential Township**

Pakuwon City

- Retail – East Coast Center
- Residential – Land lots & Homes
- Landbank – 183 ha

**Superblock**

Tunjungan City

- Retail – Tunjungan Plaza
- Hotel – Sheraton Hotel
- Office – Mandiri Tower
- Condominium – Condo Regensi
- Landbank – 1.9 ha

Gandaria City

- Retail – Gandaria City
- Hotel – 5 star Hotel
- Office – GandaRia 8
- Condominium – Gandaria Heights
- Landbank – 0.9 ha

Kota Kasablanka

- Retail – Kota Kasablanka
- Office – 88 Kasablanka Tower B
- Office – 88 Kasablanka Tower A
- Condominium – Casa Grande
- Landbank – 2.7 ha

**Landbank**

- Landbank – 152 ha

🟦 Development Properties

🟥 Investment Properties

Source: Company data as of March 2012 and includes inventory

# Key investment highlights

PT. PAKUWON JATI

1. Market Leader in Superblock developments focused in Jakarta & Surabaya
2. Positioned to ride the growth in Indonesia's middle-income class
3. Established brand name with excellent track record & strong customer base
4. Diverse & stable revenue base
5. Strong future development pipeline
6. Solid landbank for growing pipeline of projects

# 1 Strategically-located property portfolio

**Properties are located in two of the largest and most economically developed cities in Indonesia, Jakarta and Surabaya with large population catchment areas**

### Superblock Tunjungan City

- 7.4 ha area in central business district of **Surabaya**
- **Tunjungan Plaza Retail Mall** is the largest in East Java with occupancy rates of 97%
- **Mandiri Office Tower** has an occupancy level of more than 93%
- **Sheraton Surabaya**, a five-star hospitality property has 75% occupancy rate with room rates growing at 11% per annum between 2003 and 2011

### Superblock Gandaria City

- 7.5 ha area in South **Jakarta**
- Gandaria City GFA of approximately 573,800 sqm
- **Gandaria City Retail Mall** recently opened on Aug 5 2010 and is 95% leased
- **GandaRia 8** is Indonesia's first Greenmark office building
- **Gandaria Heights** 715 condominium units provide internal catchment to the Superblock

### Pakuwon City Township

- 183 ha residential township located in the coastal region of East **Surabaya**, an established upper-middle to upper income residential area
- 15 minutes from downtown Surabaya
- East Coast Center retail mall opened on Oct 22 2010
- Sizable landbank and inventory of over 183 ha for future Pakuwon City expansion
- Rapid appreciation of land value (2007-2011 CAGR of 21.0%)

### Kota Kasablanka

- 9.5 ha in central business district of **Jakarta**
- Kota Kasablanka GFA of approximately 570,500 sqm
- **Kota Kasablanka Mall** is targeted to open in mid 2012 and is 94% leased
- **88 Kasablanka Tower A** is strata-title for sale while **Tower B** is for lease. Both are built with Greenmark specifications
- **Casa Grande** is a two twin tower condominium with 1,078 units

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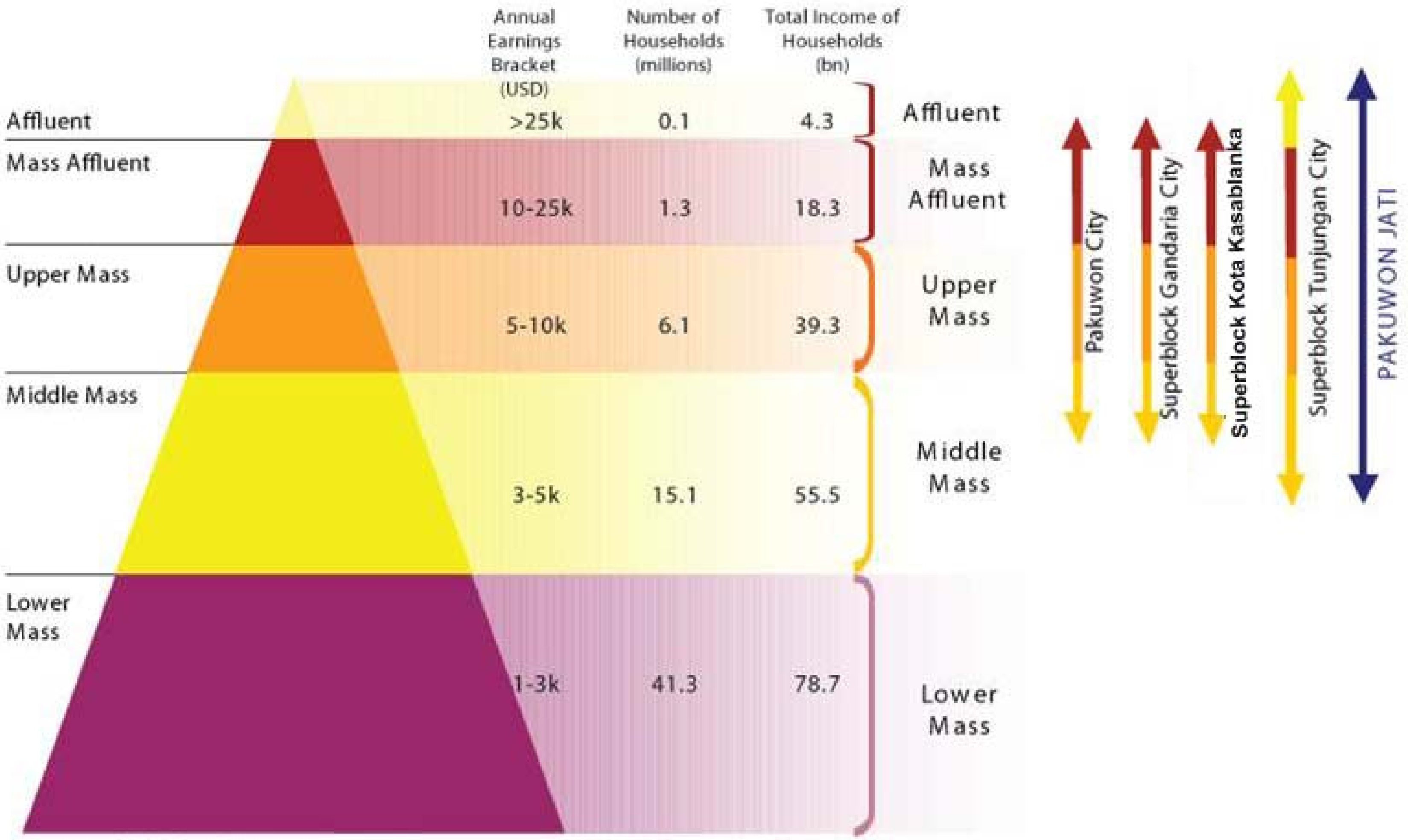
Source: Company data as of March 2012

# 2 Strategic market positioning

**Pakuwon Group's diversified property portfolio is positioned to take advantage of the growing purchasing power of growing middle to high income market segment**



| | Annual Earnings Bracket (USD) | Number of Households (millions) | Total Income of Households (bn) | |
|---|---|---|---|---|
| Affluent | >25k | 0.1 | 4.3 | Affluent |
| Mass Affluent | 10-25k | 1.3 | 18.3 | Mass Affluent |
| Upper Mass | 5-10k | 6.1 | 39.3 | Upper Mass |
| Middle Mass | 3-5k | 15.1 | 55.5 | Middle Mass |
| Lower Mass | 1-3k | 41.3 | 78.7 | Lower Mass |

Source: EIU Global Market Indicator

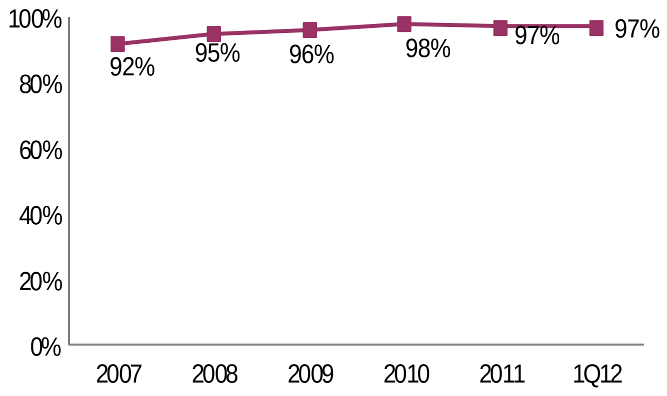
# 3 Stable and high occupancy rates

**Stable and high occupancy rates of Pakuwon Jati's investment property portfolio provides earnings stability**

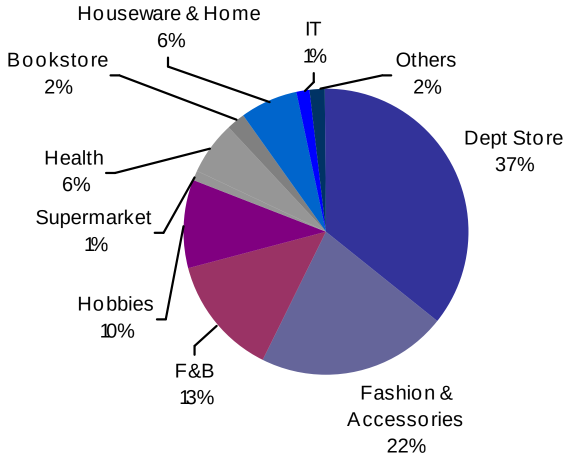
**Majority of leases are on a 5-year basis or typically 10-year basis for anchor tenants**

**Together with active portfolio management provides a growing and stable cashflows**

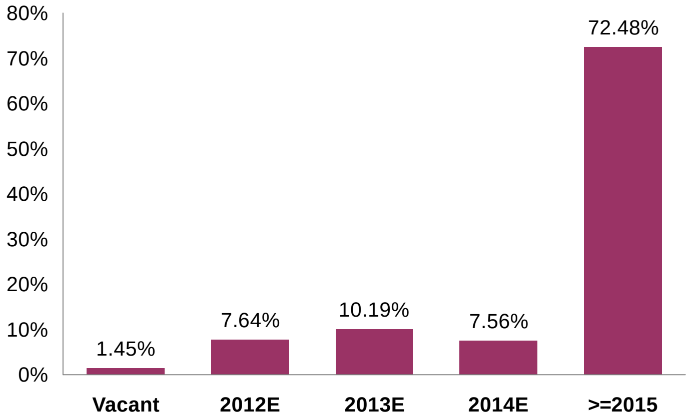
### 1 Tunjungan Plaza – Occupancy Rates



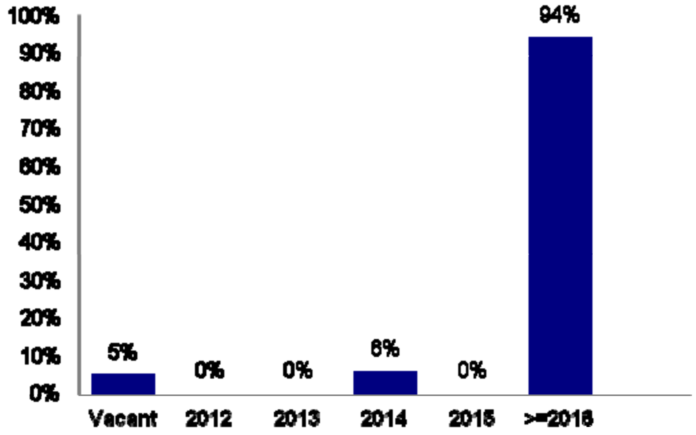
### 3 Tunjungan Plaza – Tenant Mix



### 2 Tunjungan Plaza – Lease Expiry Profile (NLA)



### 4 Gandaria City – Lease Expiry Profile (by NLA)



Source: Company data as of March 2012

# 3 Long term relationships with tenants

**Long term relationships with tenants and buyers provide a stable platform for rapid business expansion**

**Our anchor tenants include established names which act as crowd pullers and add stability and traffic flow to the malls**

## Long term relationship of more than 10 years

Matahari

SOGO

HERO

Sheraton HOTELS & RESORTS

GRAMEDIA TOKO BUKU

Pizza Hut

BANK MANDIRI

21 Cineplex

MONTBLANC

LOUIS VUITTON

SILKAIR

## Partnership with Indonesia's leading anchor tenants

Matahari

One of the leading department store chains in Indonesia targeting the middle class

hypermart

Hypermarket chain founded to compete with Carrefour's Indonesia operator

SOGO

Largest Japanese-style department store targeting upper middle class

METRO

One of the leading retailers in Indonesia operating in Jakarta and Bandung

TOY KINGDOM

One of the largest toy retailers in Indonesia

LOTTE Mart

Leading Korean discount store chain, acquired Makro hypermarkets in Indonesia

ACE

Hardware products retailer offering equipments and home goods

index FURNISHINGS

One stop shopping chain providing furnishing collections

GRAMEDIA TOKO BUKU

One of the leading bookstore chains in Indonesia

ELECTRONIC SOLUTION

www.my-electronicsolution.com

One of the largest electronic chains in Indonesia

XXI

The largest cinema owner and operator in Indonesia with theatres in most big cities in Indonesia

AMAZONE

Family entertainment center chain in Indonesia

Carrefour

Successful French hypermarket chain in Indonesia

CELEBRITY Fitness

One of the largest fitness chains in Indonesia

CHIPMUNKS Playground

Children Playground from New Zealand

Lollipop's PLAYLAND & CAFE

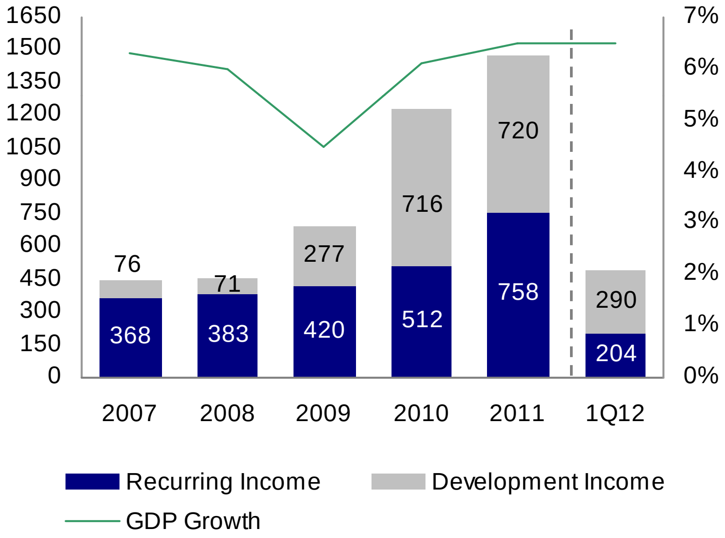
Indonesia

Children Playground from Australia

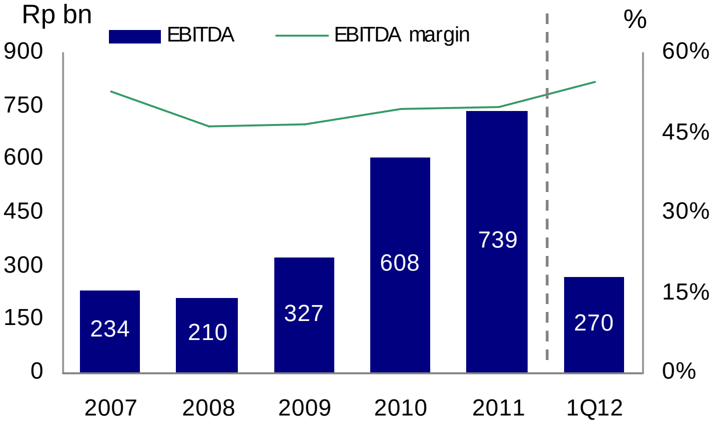
# 4 Stable revenue base with increasing profit potential

**Stable recurring income stream of investment properties minimize cashflow volatility and mitigates impact of property cycles**

### 1 Pakuwon Jati – Revenue & breakdown

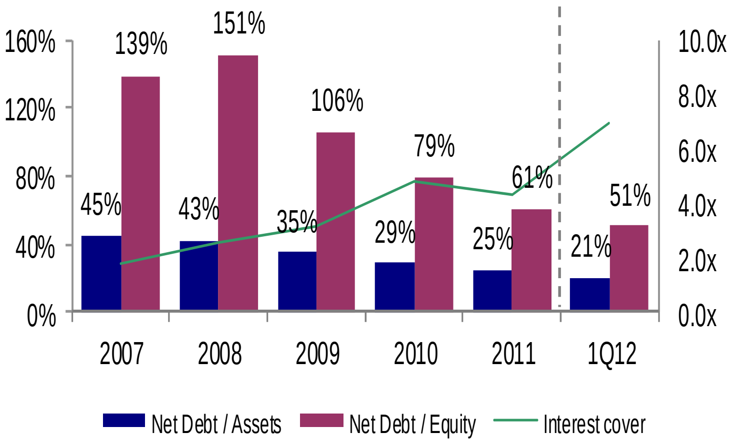


### 3 Pakuwon Jati – Adjusted EBITDA[(1)]

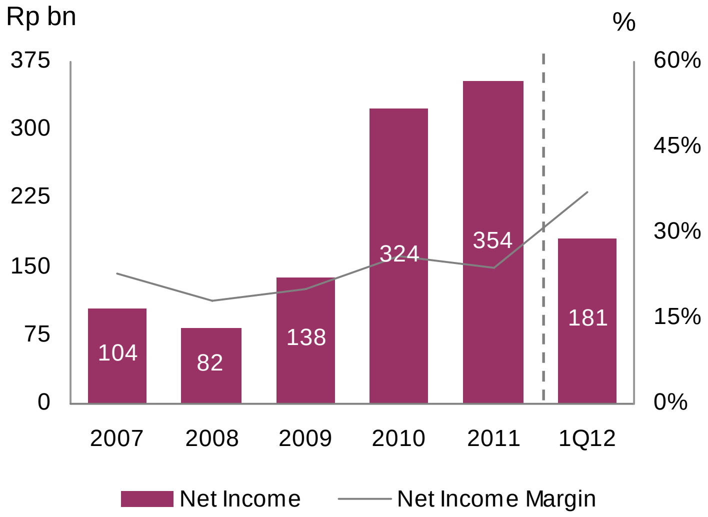


**Growing revenue with high EBITDA margin**

### 2 Pakuwon Jati – Gearing & Interest cover[(2)]



### 4 Pakuwon Jati – Net Income[(3)]



Source: Company data

(1) Adjusted for capitalized interest expense of Rp71bn in 2009 and Rp69bn in 2010

(2) Interest cover = Adjusted EBITDA / interest expense

(3) Net income adjusted for foreign exchange gain/loss and capitalized interest

# 5 Sustainable three-pronged growth strategy

**Significant growth in revenues secured by large pipeline of projects to be completed in the next 3 years**

**Leasing upside of retail & office space from completed projects**

**Potential acquisition pipeline of projects**

**Organic growth**

- Leasing up of Kota Kasablanka retail mall and 88@Kasablanka Tower B office space
- Sale of soon to be completed projects :
  - Casa Grande Condominiums
  - 88Kasablanka Office Tower
  - Pakuwon City Township
- Active asset management of Tunjungan Plaza retail mall and Gandaria City retail mall

**Development growth**

- Tunjungan City development
  - Tunjungan Plaza 5: retail mall, condominium and office
  - Tunjungan Plaza 4: 4-star hotel
- Gandaria City 5-star hotel
- Pakuwon City township
  - Houses and land lots
  - Educity condominiums
- Pakuwon Town residential township

**Acquisition growth**

- Potential pipeline of projects and assets
  - Superblocks and retail malls
  - Landbank

**Investment Properties**

**Retail Mall**

- Retail mall extension with over 18,864 sqm for lease
- Upside from leasing of 111,136 sqm of retail mall

**Office**

- Upside from 46,113 sqm of office space

**Hotel**

- Five-star hotel
- Four-star hotel
- 560 rooms

**Development Properties**

**Condominium**

- 3 condominium towers in Surabaya
- 4 condominium towers in Jakarta
- More than 2,900 condominium units

**Office**

- Grade A office
- 87,811 sqm saleable area

**Township**

- Pakuwon City
- Pakuwon Town

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# Superblock Kota Kasablanka

**88 Kasablanka Tower A**
**Office**
GFA : 60,823 sqm
GLA : 57,503 sqm

**Casa Grande**
**Condominium**
GFA : 109,262 sqm
GLA : 96,299 sqm

**88 Kasablanka Tower B**
**Office**
GFA : 45,768 sqm
GLA : 31,430 sqm

**Kota Kasablanka**
**Shopping Center**
GFA : 169,870 sqm
GLA : 111,136 sqm

**Office 40% sold**

**Condo**
**62% sold**

**94% leased**

Total land size: 94,809 sqm

Total GFA : 570,500 sqm

Car Park: 4,500 lots

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Source: Company data as of March 31 2012

# Superblock Gandaria City

**GANDARIA 8**
**Office**
GFA : 83,113 sqm
GLA : 58,370sqm

**Office 89%**
**sold & leased**

**Tower 1 & 2**
**98% sold**

**GANDARIA HEIGHTS**
**Condominium**
GFA : 113,734 sqm
GLA : 73,633sqm
Units : 715

**GANDARIA CITY**
**Shopping Center**
GFA : 336,279 sqm
NLA : 98,388 sqm

**95% leased**

**5 STAR**
**GANDARIA HOTEL^**
GFA : 40,674 sqm
Rooms : 300 rooms

Total land size: 74,935 sqm

Total GFA : 573,800 sqm

Car Park: 4,800 lots

Source: Company data as of March 2012
^ Façade completed

# ⑤ Superblock Tunjungan City Expansion

**Future expansion of a retail mall, office and condominium**

**Tunjungan City Superblock (Existing)**

**The Peak Condominium**

**Pakuwon Centre Office tower**

**Tunjungan Plaza 5 Retail**

Designed by Aedas Pte Ltd

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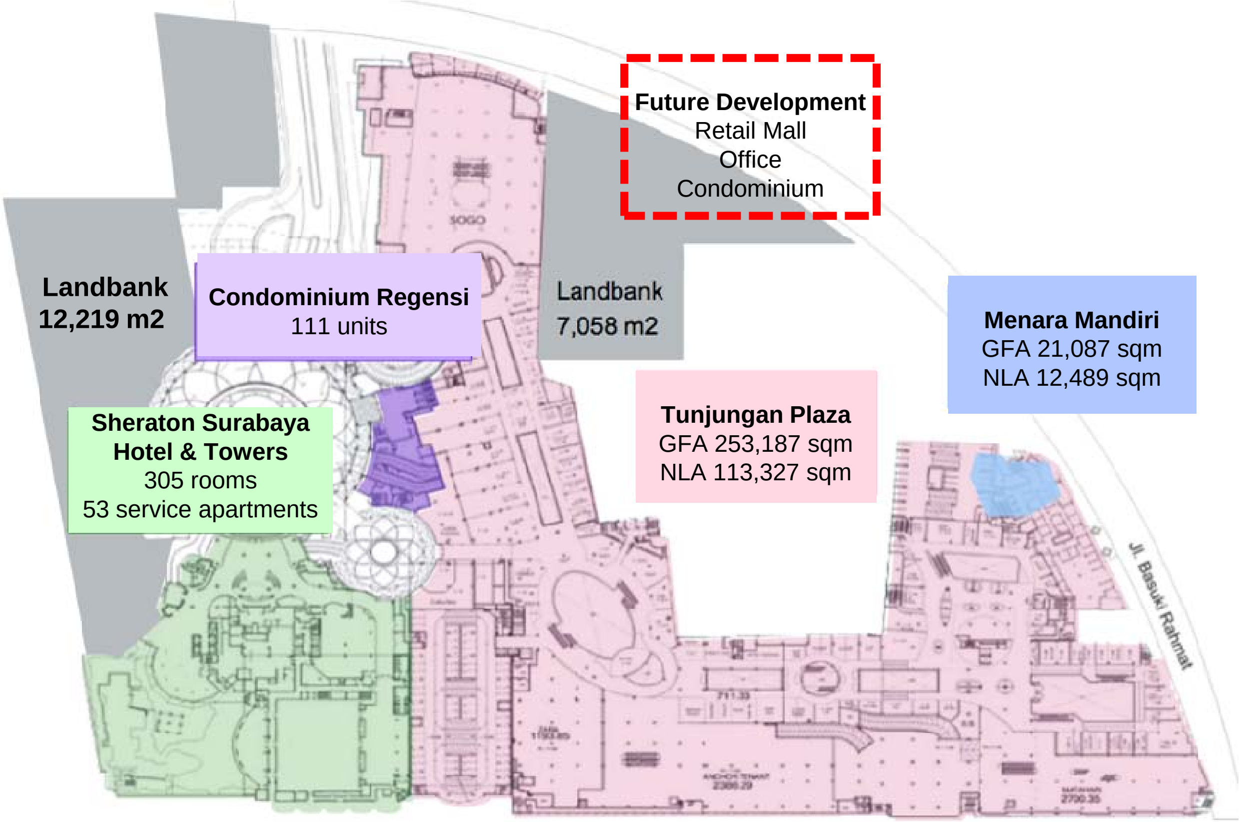
# 5 Superblock Tunjungan City



**Future Development**
Retail Mall
Office
Condominium

**Landbank**
**12,219 m2**

**Condominium Regensi**
111 units

Landbank
7,058 m2

**Menara Mandiri**
GFA 21,087 sqm
NLA 12,489 sqm

**Sheraton Surabaya Hotel & Towers**
305 rooms
53 service apartments

**Tunjungan Plaza**
GFA 253,187 sqm
NLA 113,327 sqm

Left to right : Condominium Regensi, Sheraton Hotel, Mandiri Office tower and Tunjungan Plaza

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# 5 Superblock Tunjungan City Expansion

**Planned 40 storey high rise development will be the tallest building in Surabaya**

**The Peak Condominium**

**Pakuwon Center Office Tower**

**Tunjungan Plaza 5 Retail**

**4 Star Hotel**

# 5 Pakuwon City Township (East Surabaya)

## 9.2 ha PAKUWON TOWN SQUARE (PATOZ) commercial center

- SOHO units (shop/home office) conveniently accessed by two main boulevards and outer ring road
- East Coast Center 8-storey retail mall is anchored by Hypermart, Ace Hardware, Index Home Furnishing, Cineplex XXI, specialty shops and alfresco dining

## 27 ha PALM BEACH gated residential community

- Palm Beach gated and exclusive residential community offers high investment value to buyers
- Construction of Palm Beach's 32 meter high entrance gate, show houses and main road have been completed

# 5 Pakuwon City – Commercial & Education Park

**Masterplan includes 19 condominium towers, 100,000sqm retail mall, University, hospital and International and Chinese school. Landbank reserved for sea-view condominiums**

**International and Chinese school completed in 2011 and directly accessed from outer ring road**

# 5 Pakuwon Town Residences (West Surabaya)

**125 hectare residential township located 20 minutes from downtown Surabaya**

**Conveniently 30 minutes from Tunjungan Plaza**

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6

# Solid landbank for growing pipeline of projects

**Significant landbank portfolio of 340 hectares provides development flexibility and sustainable future growth**

**40 hectares planned for high-rise development in 5 years**

| Location | Landbank | Project / Development | |
|---|---|---|---|
| **South Jakarta** | **3.6 Hectares** |  | Superblock Gandaria City<br>0.9 hectares |
| | |  | Superblock Kota Kasablanka<br>2.7 hectares |
| **Central Surabaya** | **2.5 Hectares** |  | Superblock Tunjungan City<br>1.9 hectares |
| **East Surabaya** | **204 Hectares** |  | Pakuwon City Township<br>183 hectares |
| **West Surabaya** | **130 Hectares** |  | Pakuwon Town Residences<br>125 hectares |

Source: Company data as of March 2012

# Pakuwon Jati: Key Strategies Moving Forward

**1 Continue to Focus on Core Expertise and Relationships**

- Continue to focus on developments in densely-populated urban catchments and where there is a limited supply of other sizeable landbanks
- Development of core expertise: Superblock and residential township

**2 Leverage and Continue to Build Well-Balanced Portfolio of Recurring and Development Income**

- Continue to build strong recurring cashflows augmented by sales in development properties
- Leverage on balanced business growth strategy

**3 Maximize Earnings Potential with Timely Asset Management Strategies**

- Active asset management to maximize and extract value from existing properties
- Adopt international best practices to enhance appeal to more sophisticated middle-income and middle-upper income class clientele

**4 Increase Operational Efficiency of Managed Properties**

- Seek to increase operational efficiency of properties by harnessing latest technologies e.g. Greenmark buildings
- Design and build new Superblocks that maximizes operational efficiencies with complimentary designs and uses

**5 Continue to Create Quality Products Synomous with the Pakuwon Brand**

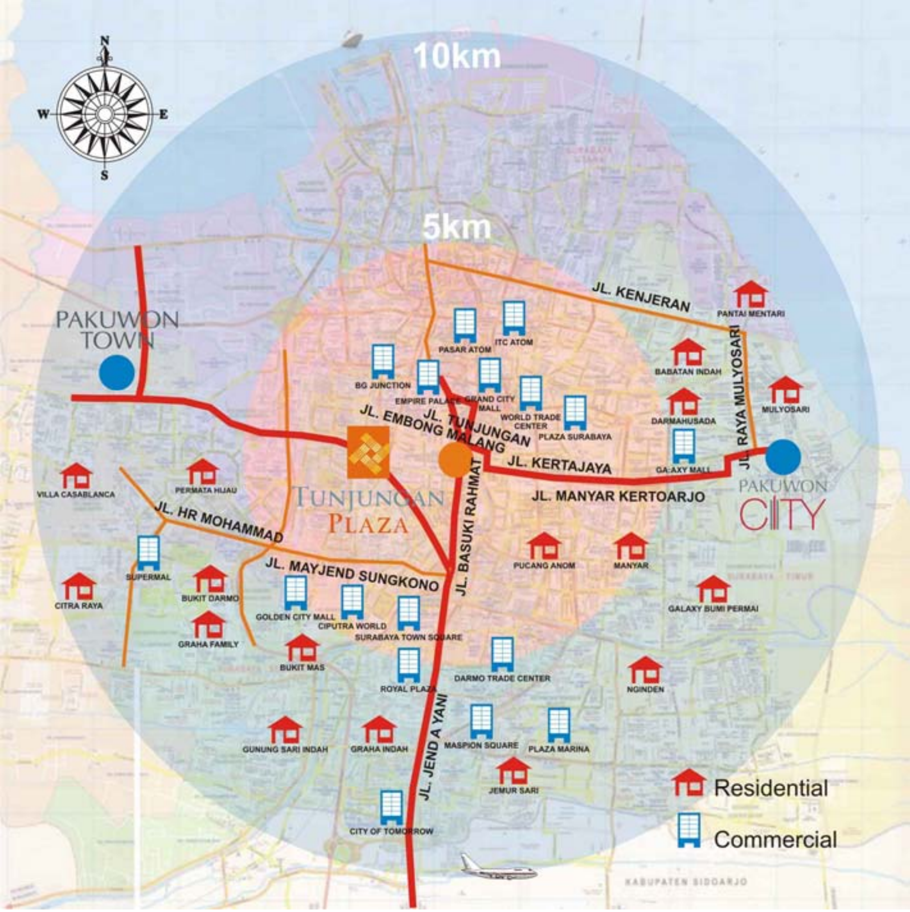
- Continue to enhance brand value and brand recognition by creating unique and high quality products

**Enhance position and scale as Premier Real Estate Owner, Developer and Operator**

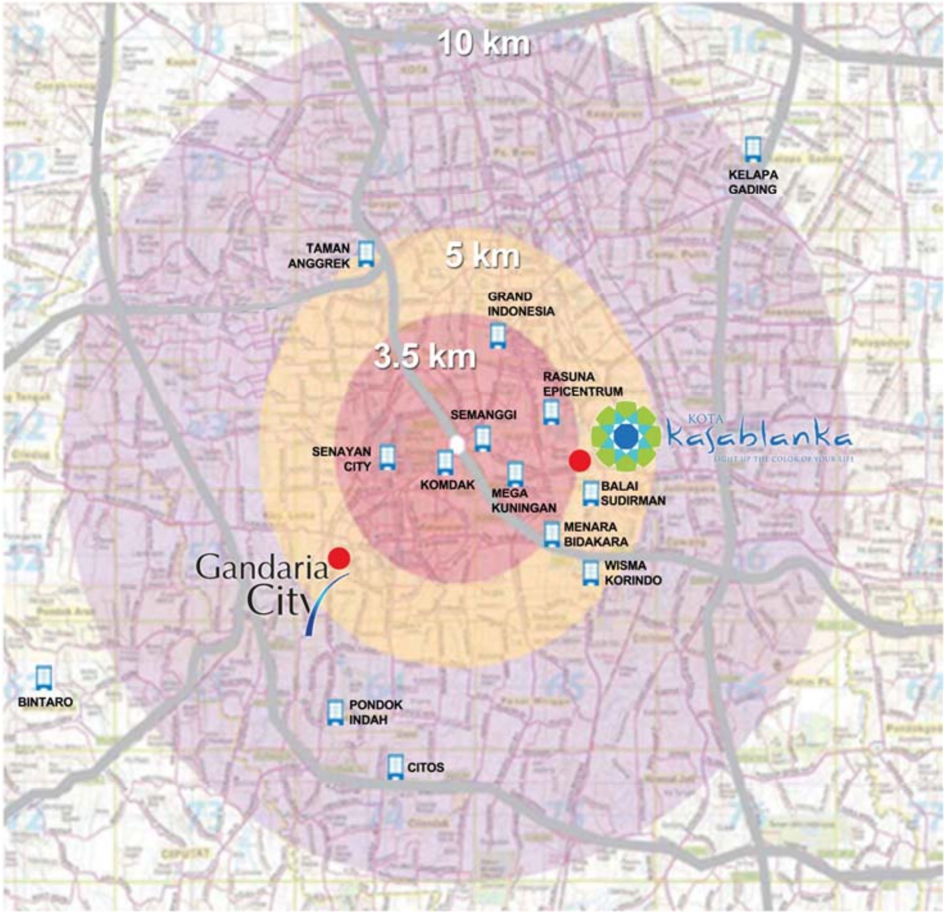
## APPENDIX A

# Property Information

# Property Location



SURABAYA



JAKARTA

# Pakuwon City Township (East Surabaya)

## Unique 204 hectare waterfront township supported by quality infrastructure and amenities in East Surabaya

- Established upper-middle to upper income residential area
- Limited competitors in East Surabaya as most surrounding residential estates have reached greater than 92% development capacity
- Strategically located 15 minutes from city center Surabaya with convenient access from the planned Suramadu toll road, (connecting Surabaya Airport and Madura) and Surabaya Eastern Outer Ring Road
- Sizeable landbank and inventory of over 183 hectares for future Pakuwon City expansion

● East Surabaya Residential Developments

Pakuwon City Residences

Main Gate

Amphitheater Twin Lagoon

Virginia Regency Gate

# Superblock Gandaria City

**One-stop shopping mall secured by 11 anchor tenants and 400 tenants**

**Unique 600m long dining and entertainment street**

**GandaRia 8 is Indonesia's first Greenmark building– received Greenmark Gold certification**

# Superblock Kota Kasablanka

One-stop shopping mall secured by 13 anchor tenants and more than 300 tenants

Unique 2 storey dining and entertainment street

88 Kasablanka office towers are constructed with Greenmark building specifications

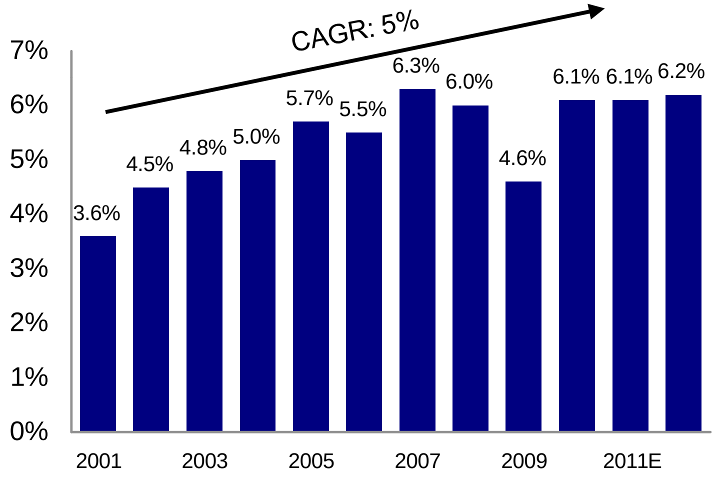
## APPENDIX B

# Indonesia macro-economic data

# Indonesia’s improving economic fundamentals

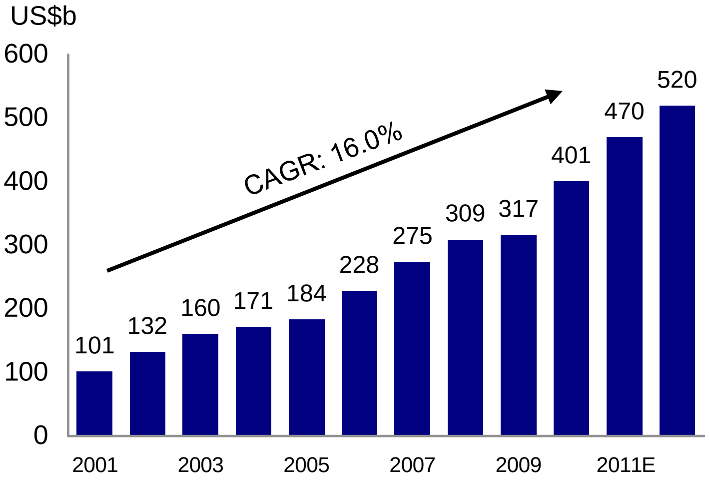
**Improving macroeconomic fundamentals are expected to boost retail sales growth and demand for residential properties**

## ① Robust Real GDP Growth



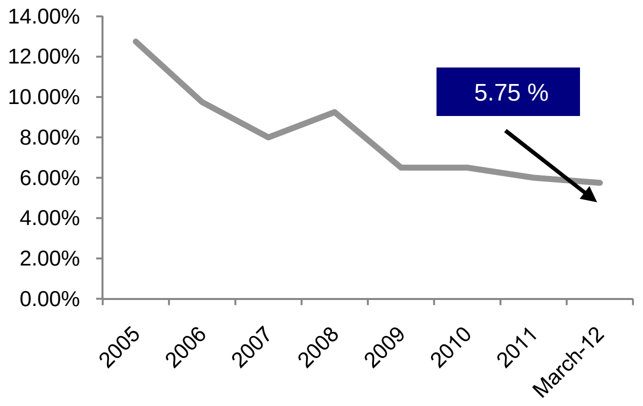
Source: Bank Indonesia

## ③ Rising private consumption expenditure per capita (nominal) Indonesia



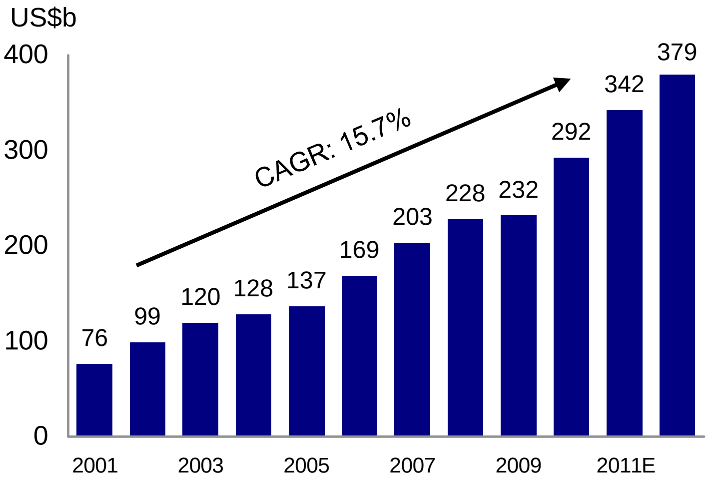
Source: EIU Global Market Indicator

## ② …low interest rates



Source: Bank Indonesia

## ④ Rising annual sales of retail enterprises



Source: EIU Global Market Indicator

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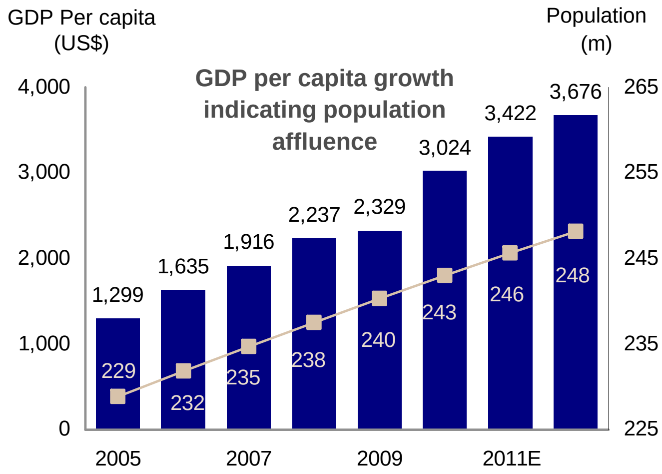
# Supported by growth in middle-income class

**Growing population & rising demand**

**Increasing affluent population and middle class expected to support demand for the property market**

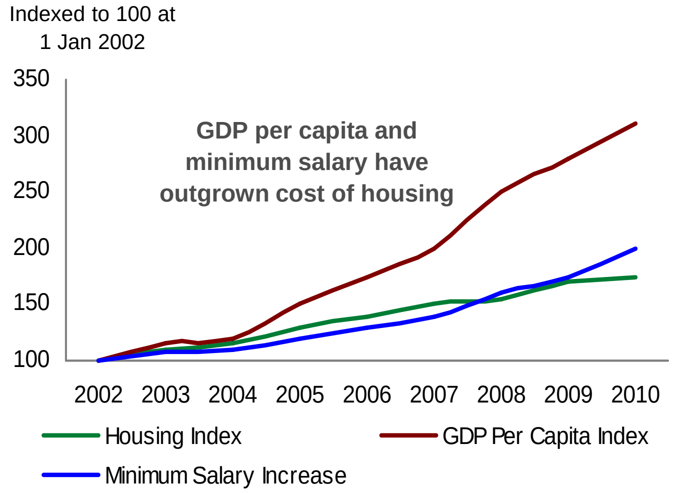
**Increasing affordability of housing aided by low current mortgage level relative to GDP against Asian peers**

### 1 Growing population & rising demand



GDP per capita growth indicating population affluence

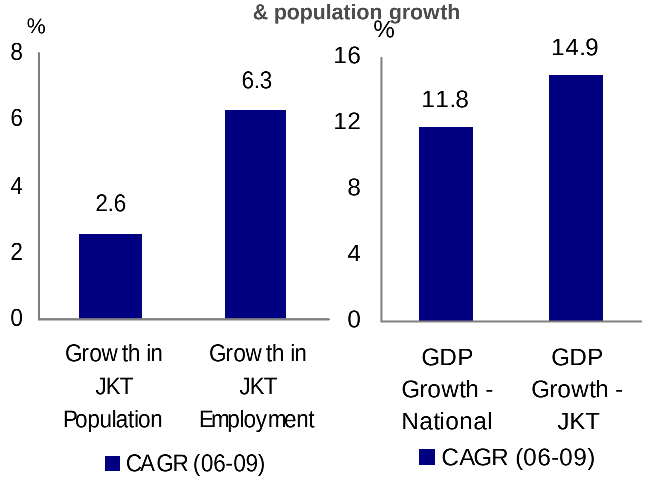
### 3 … and increasing affordability of housing



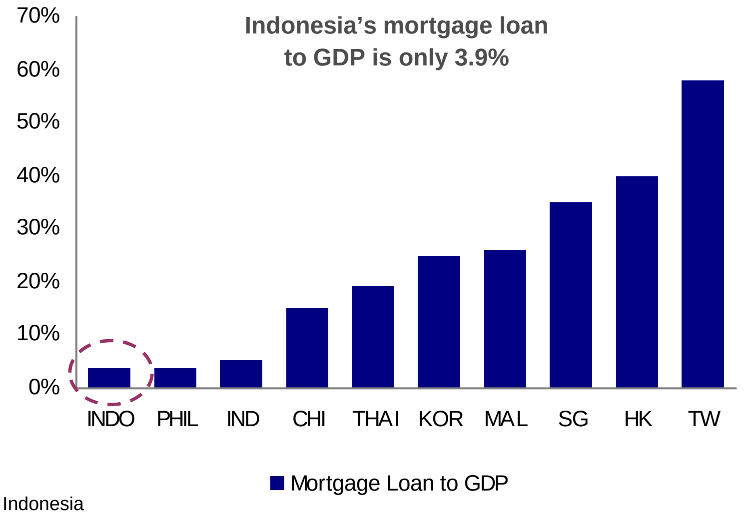
GDP per capita and minimum salary have outgrown cost of housing

### 2 …supported by stronger employment and growth

Employment levels expected to increase with strong GDP & population growth



### 4 ..aided by current low levels of mortgage to GDP



Indonesia's mortgage loan to GDP is only 3.9%

Source: EIU, CEIC, Bank of Indonesia

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# Thank you