Pakuwon Jati

Investor presentation

PT. PAKUWON JATI

DESEMBER 2012 | Strictly Confidential

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Section 1

Overview of Pakuwon Jati

What sets Pakuwon Jati apart

✓ **The largest retail mall owner amongst Indonesian developers**

- *4 malls, 333K sqm of total NLA, and some of the strongest anchor tenant relationships in Indonesia*

✓ **A well-balanced portfolio of development and investment properties**

- *With 51% of 2011 revenues coming from recurring sources, and a long-term strategy to maintain a 50:50 ratio*

✓ **Growth and value creation from identified development pipeline**

- *A pipeline of 9 condos, 2 malls, 4 office towers, and 2 hotels to commence construction in the next 2 years*

✓ **Strategically located in Indonesia's two largest and wealthiest metropolises**

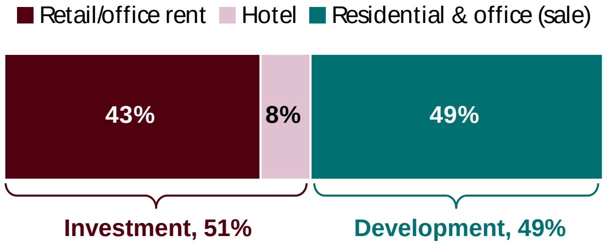
- *With superblocks in the heart of the Jakarta and Surabaya CBDs*

✓ **One of Indonesia's most established developers, with a 30 year track record**

- *First property company to be listed on the Jakarta Stock Exchange in 1989, now with a market cap of >US$1bn*

Well-balanced portfolio of development and investment assets

2011 revenue breakdown



		Kota Kasablanka	Gandaria City	Tunjungan City	Pakuwon City Township
					
	Location	Jakarta fringe CBD	South Jakarta	Surabaya CBD	East Surabaya
	Description	10.5ha located right next to Jakarta's Golden Triangle Contains the largest mall in South Jakarta, opened on July 28, 2012	2nd largest superblock in South Jakarta, sitting on a 7.9ha lot along a main thoroughfare linking South Jakarta to West Jakarta	PJ'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
Development	**Residential**	4 towers, 1,078 units 3 additional towers, GSA: 108K sqm	2 towers, 715 units	2 additional towers, 580 units	House and land lot community 2 towers, 1,710 units 2 additional towers, 1,818 units Total 19 condo development[1]
Development	**Office (for sale)**	Tower A (for sale) GSA: 58K sqm Tower C (for sale) GSA: 90K sqm	Tower B (for sale) GSA: 83K sqm	TP5 and TP6 office (for sale) GSA: 69K sqm	Shophouses, university, schools, and a hospital
Investment	**Retail**	Middle to upmarket NLA: 111K sqm	Middle to upper middle NLA: 98K sqm	Largest mall in East Java NLA: 103K sqm TP5 and TP6: NLA 44K sqm	Family shopping centre NLA: 21K sqm
Investment	**Office (for lease)**	Tower B (for lease) NLA: 31K sqm	Tower A (sale and lease) NLA: 58K sqm		
Investment	**Hotel**	N/A	300 room, 5-star hotel	358 room, 5-star Sheraton 290 room, 4-star hotel	N/A

Grey projects currently targeted to commence construction within the next 2 years

Note 1: Remaining 15 condominiums scheduled to launch post 2014

NLA: Net Leasable Area, GSA: Gross Saleable Area

30 year track record and growing…

1982
Pakuwon Jati established to develop Tunjungan Plaza I, the first modern shopping center in Surabaya

1989
1st property company to be listed on the Jakarta Stock Exchange

1991
Completed Tunjungan Plaza II Shopping Center (Lifestyle Center) and the Mandiri Office Tower

1996-2002
Completed Tunjungan Plaza III and IV, Surabaya Sheraton Hotel, and Regensi Condominium

Tunjungan City becomes the 1st Superblock in Indonesia

2007
Entered the Jakarta market with the acquisition of land for Gandaria City Superblock in South Jakarta

2008
Rebranding of Pakuwon City into a self-contained city, complete with retail/commercial areas, schools, and a hospital

2010
Completed 2 condos, 1 office tower, and 1 mall in Gandaria City, as well as 1 mall in Pakuwon City

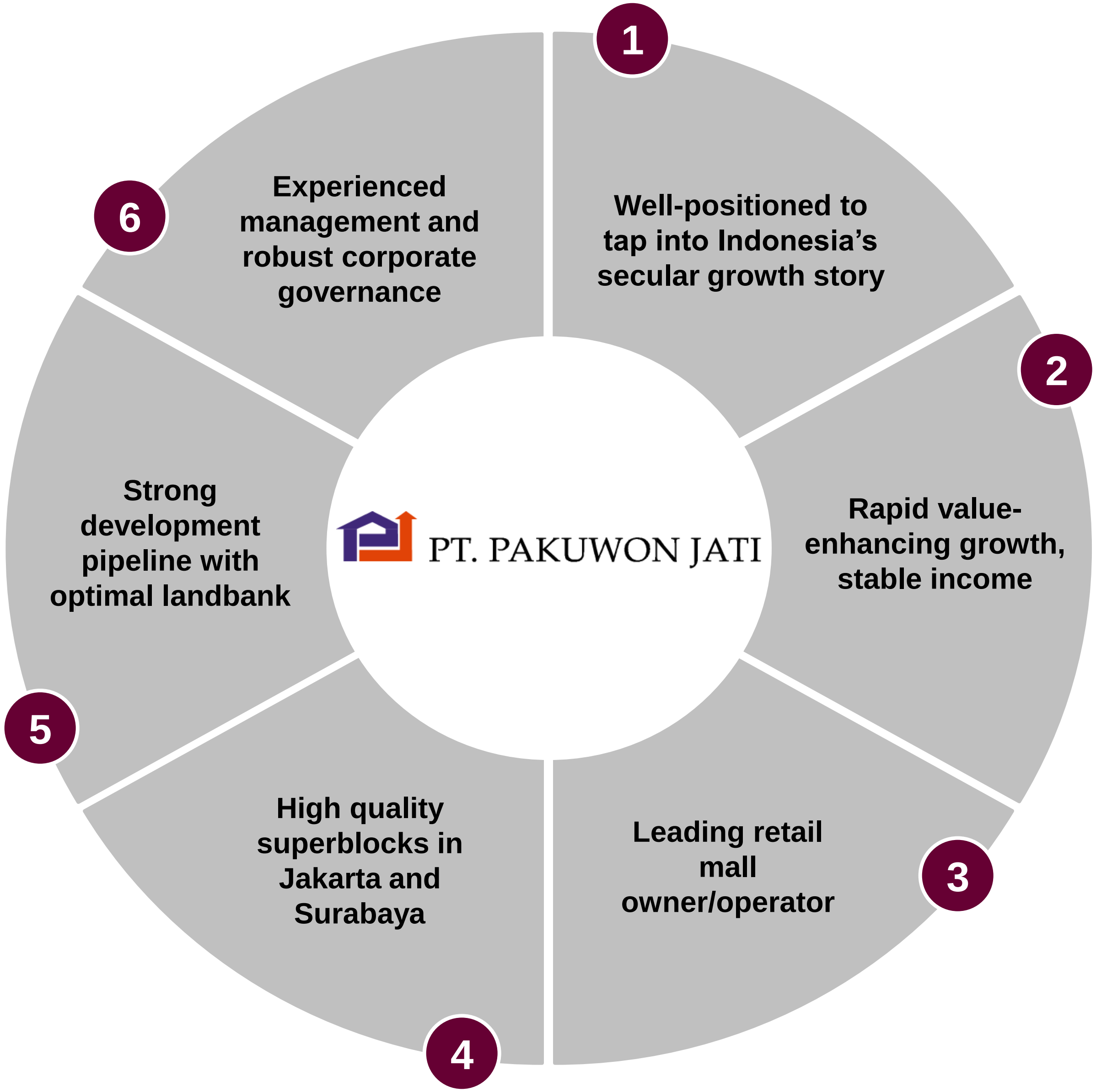
2011
Acquired Kota Kasablanka Superblock in Jakarta's fringe CBD

2012
Completed 4 condos, 2 offices and opened Kota Kasablanka mall with 94% pre-leasing rate

Section 2

Key investment highlights

Key investment highlights



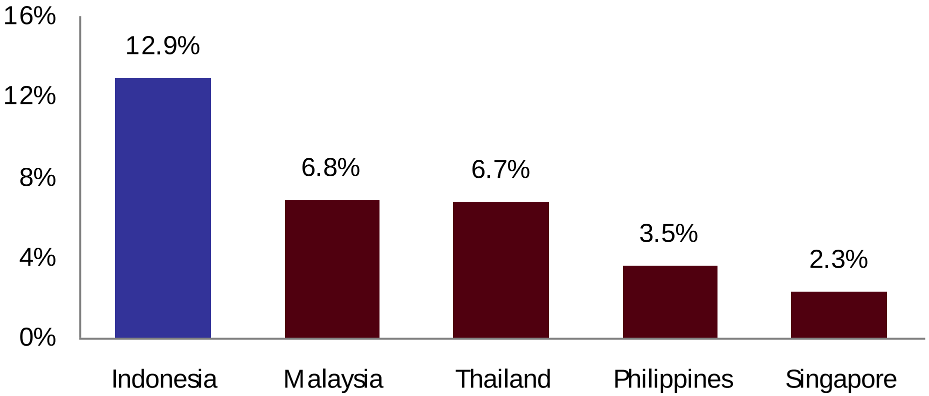
1 Well-positioned to tap into Indonesia's growth story

Portfolio composition takes advantage of rising domestic consumption and a conducive housing market

Retail mall portfolio

Fastest retail sales growth in the region…

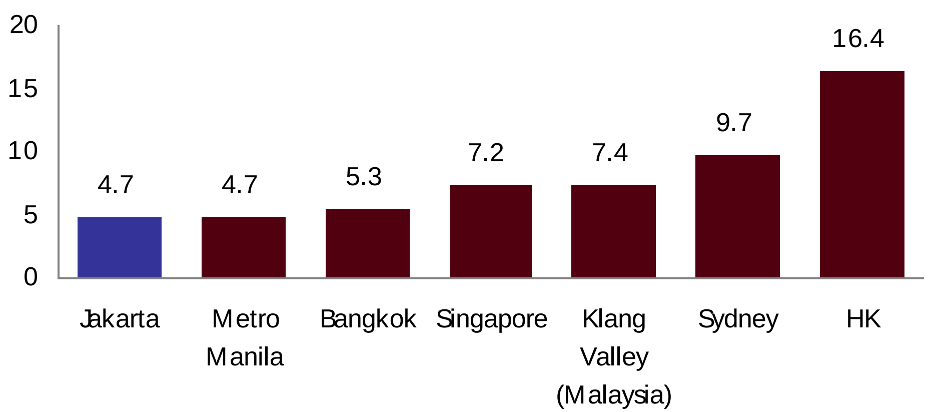
2012-16E retail sales growth (% p.a.)



Source: BMI report, EIU for Thailand

…But lowest retail mall penetration

Retail space per capita (sq ft)

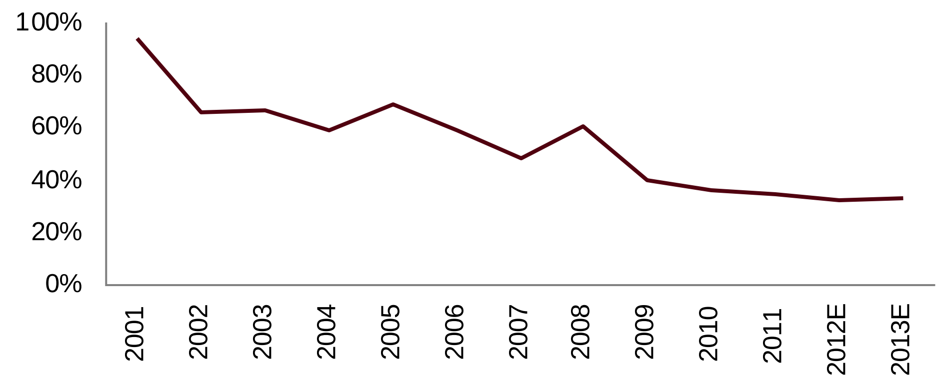


Source: CBRE report

Residential developments

Higher incomes and lower mortgage rates making housing more affordable than ever before

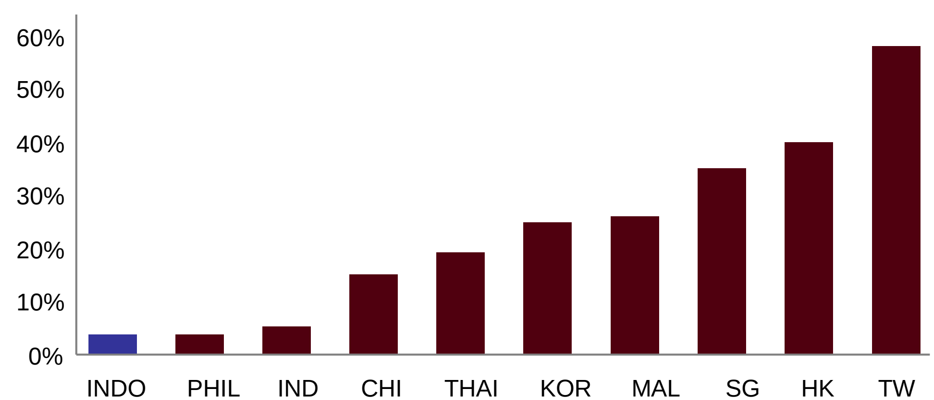
Household income / mortgage payments for a 60-120 sqm house (%)



Source: CEIC, UBS Research

While low mortgage-to-GDP remains supportive of further growth

Mortgage loans-to-GDP ratio (%)



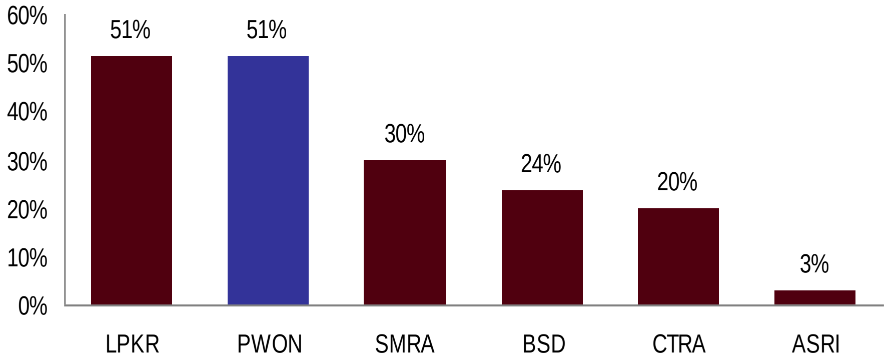
Source: EIU, CEIC

Rapid growth, stable income

PJ has been able to achieve rapid EPS growth while maintaining a well balanced portfolio of recurring and development income

Large proportion of stable recurring income

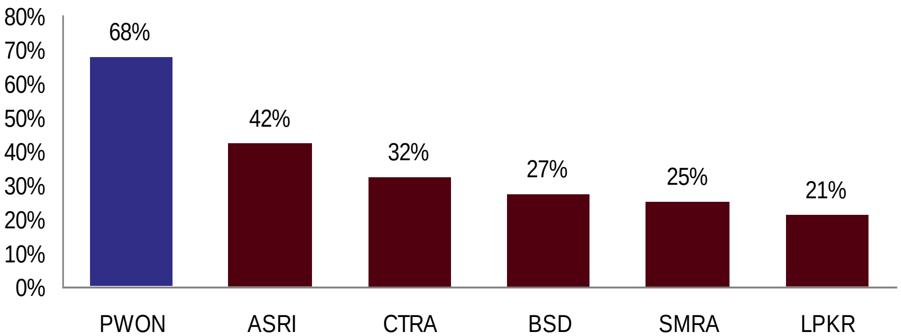
2011 % of recurring revenue



Source: Company filings

Recognized as one of the fastest growing developers in Indonesia

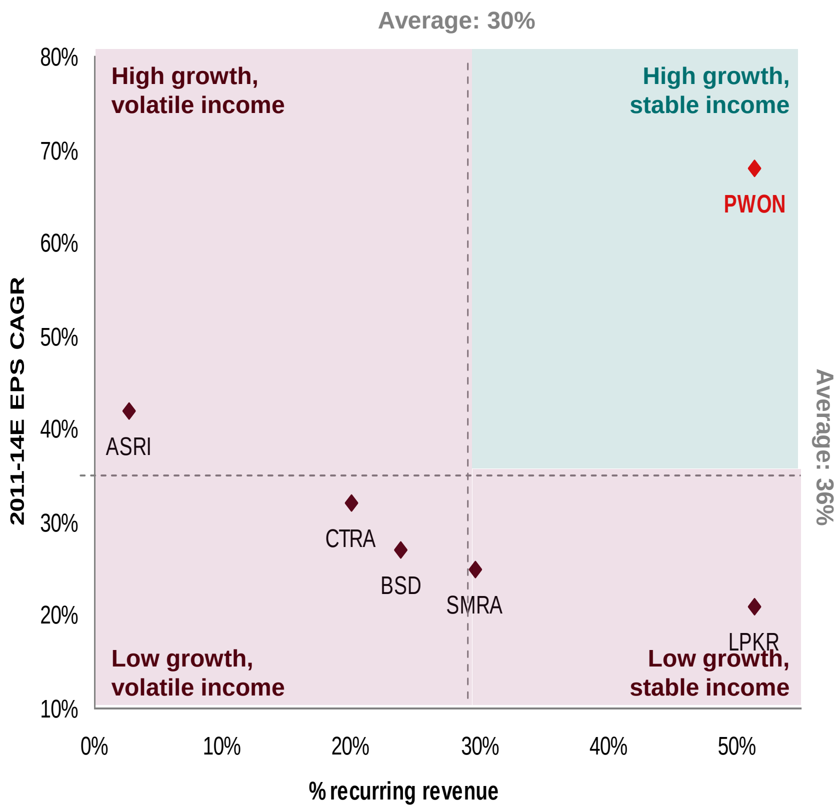
2011-14E EPS CAGR (% p.a.)



Source: Company filings, Factset consensus estimates, CLSA Research

Distinctive combination of growth and recurring income

% recurring revenue vs EPS growth



…stable cashflow allows PJ to reinvest into development capex and landbank

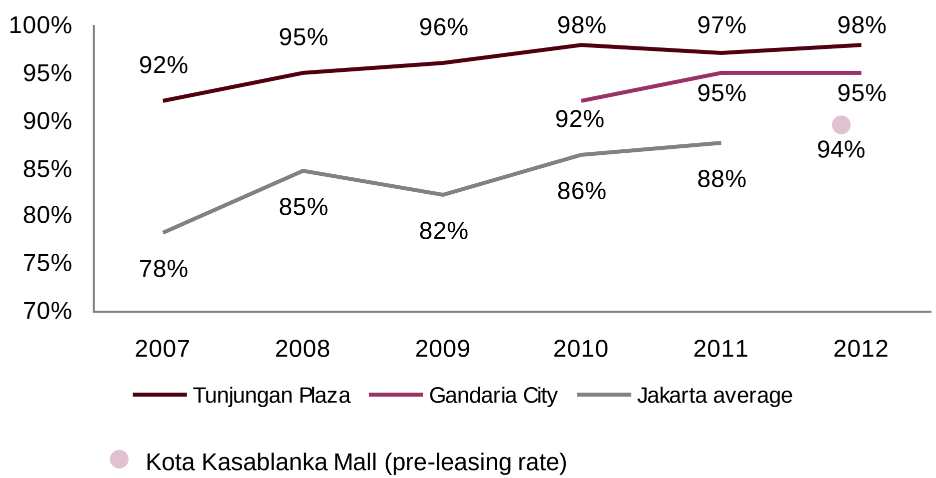
Leading retail mall owner/operator

Largest retail mall owner amongst Indonesia property developers

One of the earliest owners of leased retail malls among Indonesia property developers

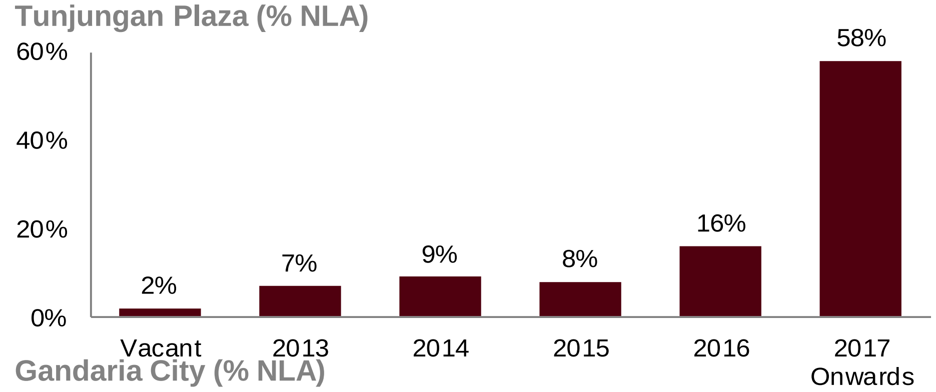
High quality, sizable malls (>80K sqm NLA) anchor superblock projects by attracting homebuyers and office tenants

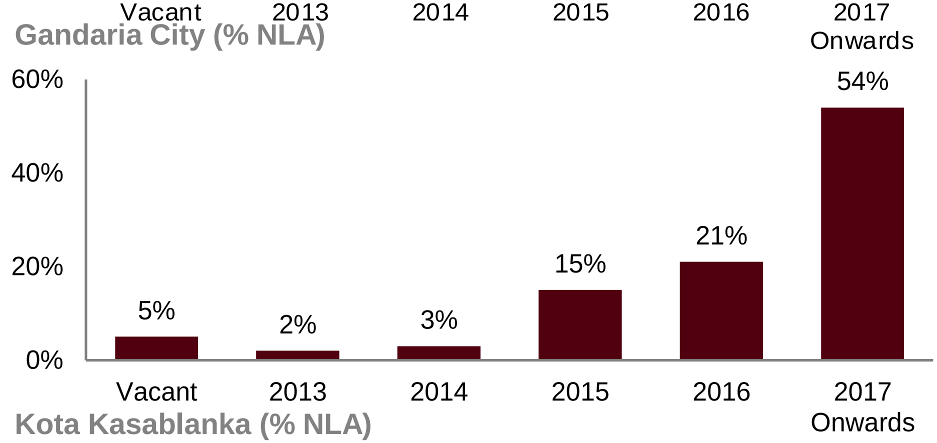
Consistently high occupancies, far above industry average

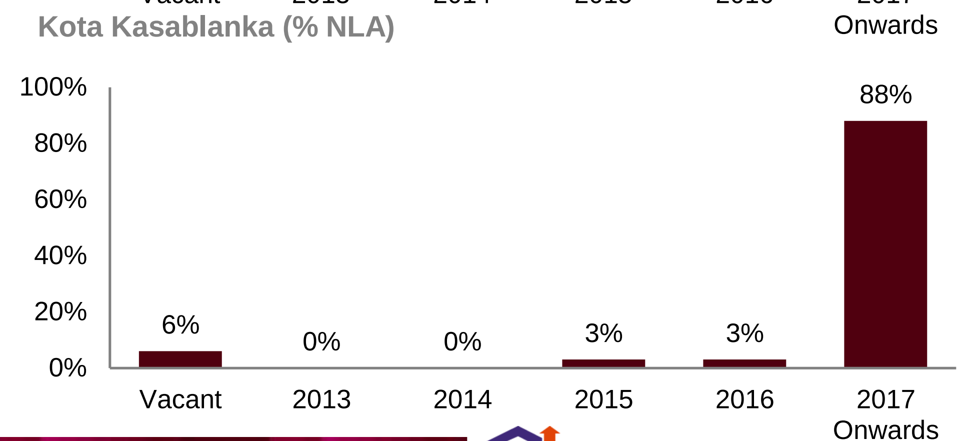


Source: JLL

Long lease expiry provides rental income stability







3 Leading retail mall owner/operator

Long history of managing malls has allowed PJ to build strong relationships with blue-chip anchor tenants

Anchor tenants include established names which act as crowd pullers and increase the stability of traffic

Selection of PJ's key anchor tenants

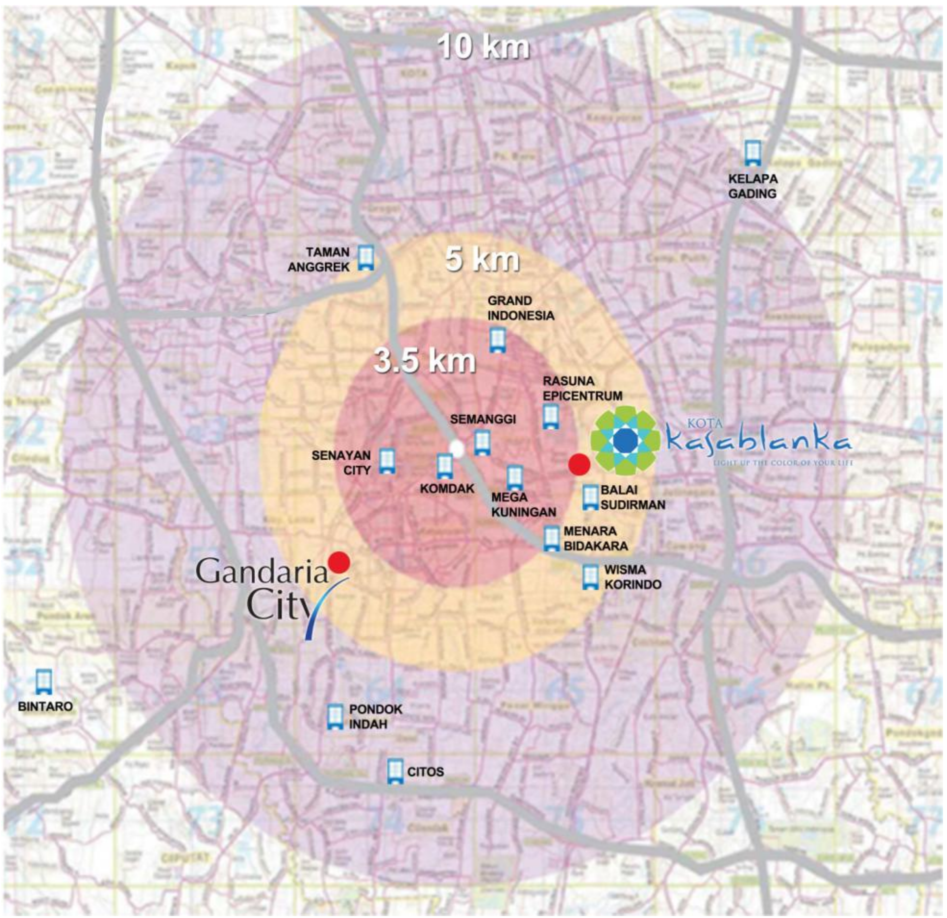
Matahari One of the leading department store chains in Indonesia targeting the middle class	**XXI** Largest cinema owner and operator in Indonesia	**ELECTRONIC SOLUTION** www.my-electronicsolution.com One of the largest electronic chains in Indonesia	**AMAZONE** Family entertainment center chain in Indonesia	**Carrefour** Successful French hypermarket chain in Indonesia
SOGO Largest Japanese-style department store targeting upper middle class	**hypermart** Hypermarket chain founded to compete with Carrefour	**CELEBRITY Fitness** One of the largest fitness chains in Indonesia	**METRO** One of the leading retailers in Singapore/Indonesia	**LOTTE Mart** Leading Korean hypermarket chain, acquired Makro hypermarkets in Indonesia
GRAMEDIA TOKO BUKU One of the leading bookstore chains in Indonesia	**ACE** Hardware products retailer of equipment and home goods	**informa** INNOVATIVE FURNISHINGS One stop shopping chain providing furnishing collections	**TOY KINGDOM** One of the largest toy retailers in Indonesia	**CHIPMUNKS** Playground Children playground from New Zealand

> 10 years relationship   > 5 years relationship

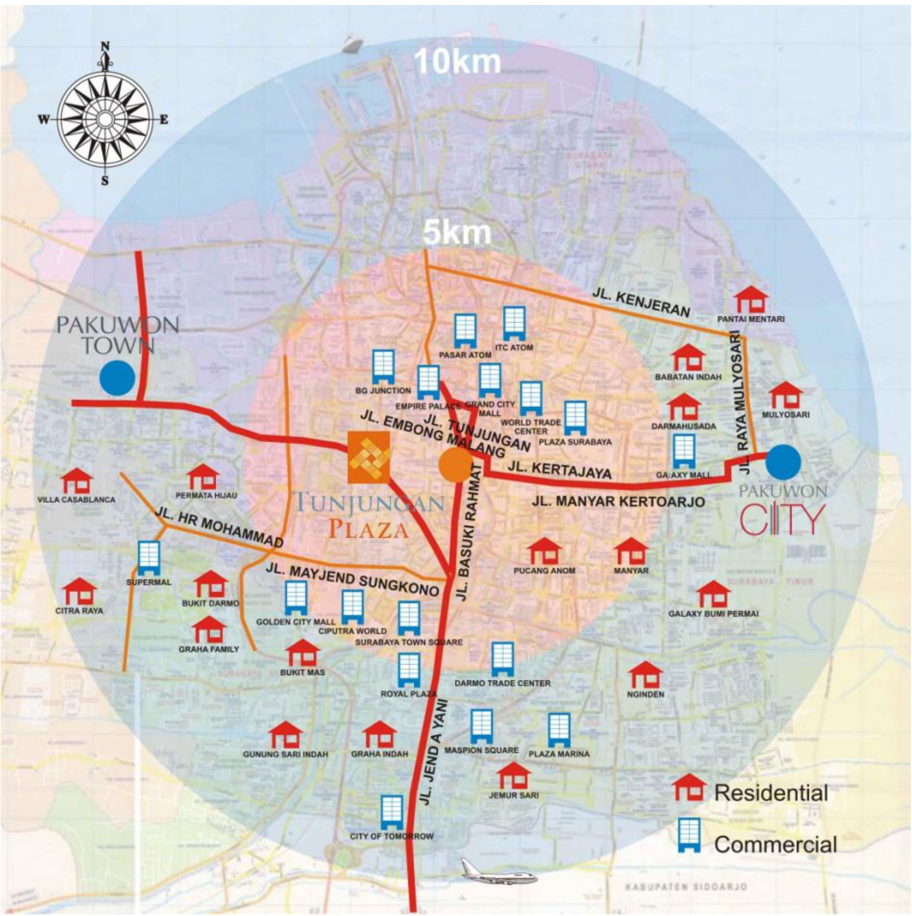
4 High quality superblocks in Jakarta and Surabaya

Strategically located superblocks in Indonesia's two largest metropolises

Jakarta *(58% of total assets)*



Surabaya *(42% of total assets)*



PJ pioneered the superblock concept in Surabaya, and maintains its market leading position today

High quality superblock in Jakarta: *Kota Kasablanka*

Kota Kasablanka Superblock

Jakarta fringe CBD

105,012 sqm of land area

570,500 sqm of GFA[1]

4,500 carpark lots

2.7 ha expansion

Note:
1 Phase 1 only

High quality superblock in Jakarta: *Gandaria City*

Gandaria City

Gandaria City Superblock

South Jakarta

79,236 sqm of land area

573,800 sqm of GFA[1]

4,800 carpark lots

0.9 ha expansion

Note:
1 Phase 1 only

High quality superblock in Surabaya: *Tunjungan City*

TUNJUNGAN PLAZA

Tunjungan City Superblock

Surabaya CBD

76,974 sqm of land area

315,292 sqm of GFA[1]

4,200 carpark lots

1.8 ha expansion

Note:
1 Completed GFA only

High quality township in Surabaya: *Pakuwon City*

Pakuwon City Residential Township

East Surabaya

<30 minutes from city center

193 ha land bank for future development, including…

- **27 ha** residential and commercial center with **19** condominium towers, a **100K sqm** retail mall, and a University, International and Chinese school, hospital
- **166 ha** for landed residential developments

PAKUWON CITY ENTRANCE

PAKUWON TOWN SQUARE
Shopping center

COMMERCIAL AND EDUCATION PARK
Shopping center, schools, hospital, condos

High quality township in Surabaya: *Pakuwon City*

Pakuwon City Residential Township

East Surabaya

Projects currently under development

- EduCity high-rise condominiums
- Palm Beach landed residential

EDUCITY
Condominium – 4 towers, 2,937 units

EDUCITY
Condominium showflat

PALM BEACH
Landed residential community

5 Strong development pipeline

Significant near-term revenue growth secured by large development pipeline for the next 2 years…

1 Existing/newly completed projects

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

2 Project pipeline

- Kota Kasablanka: 3 condominiums and 1 office block
- Gandaria City: 5-star hotel and 1 office tower
- Tunjungan City
  - Tunjungan Plaza 5: 4-star hotel
  - Tunjungan Plaza 5: mall, condo and office
  - Tunjungan Plaza 6: mall, condo and office
- Pakuwon City
  - Houses and land lots
  - 4 Educity condominiums
- Pakuwon New Town residential township

3 Acquisition growth

- Identified pipeline of potential acquisitions
  - Superblocks and retail malls
  - Landbank

Investment Properties

- **Retail Mall**
  - 44K sqm retail mall extension
  - 111K sqm of retail mall space
- **Office**
  - 31K sqm of leasable office space
- **Hotel**
  - Five-star hotel
  - Four-star hotel
  - Total 590 rooms

Development Properties

- **Condominium**
  - 6 in Surabaya
  - 5 in Jakarta
  - Total >4000 condominium units
- **Office**
  - 299K sqm of Grade A office saleable area
- **Residential township**
  - Pakuwon City
  - Pakuwon New Town

…with long term plan to maintain 50/50 contribution from recurring and development income

Strong development pipeline: *Kota Kasablanka Phase 2*

Kota Kasablanka Phase 2

Jakarta fringe CBD

3 condominiums

1 office block

5 Strong development pipeline: *Gandaria City*

Gandaria City

Gandaria City expansion

South Jakarta

5-star hotel

1 office tower

5 Strong development pipeline: *Tunjungan Plaza Phase 6*

TUNJUNGAN PLAZA

Tunjungan City Phase 6

Surabaya CBD

Mall, offices, condos

Strong development pipeline: *Pakuwon City*

Pakuwon City
Residential Township

East Surabaya

4 EduCity condominiums

Houses and land lots

Strong development pipeline: *Pakuwon New Town*

Pakuwon New Town Residences

West Surabaya

<30 minutes from downtown Surabaya

127 ha residential township

5 Optimal landbank

Optimal landbank is sufficient to sustain growth, without being a drag on balance sheet and return on capital

Based on current rate of development, 356 ha of landbank is sufficient for the next ~10 years of development

Land banking strategy:

1. Seek to acquire land adjacent to existing superblocks and townships, to benefit from economies of scale and increase the critical mass of existing superblocks and townships
2. Acquire large plots of land only if there are concrete near-term development plans for the land

Location	Landbank	Project and planned developments	
South Jakarta	**5.0 Hectares**		**Kota Kasablanka** 2.7 hectares *3 condos and 1 office tower* Additional 1.0 hectare
			**Gandaria City** 0.9 hectares *1 office tower and 1 hotel* Additional 0.4 hectares
Central Surabaya	**2.5 Hectares[1]**		**Tunjungan City** 1.9 hectares *Plaza 5 & 6 – including malls, condos, offices and hotel*
East Surabaya	**214 Hectares[2]**		**Pakuwon City Township** 193 hectares *Landed houses, condos, commercial/retail center*
West Surabaya	**134 Hectares[2]**		**Pakuwon New Town Residences** 127 hectares *Landed houses*

Notes:
1 Includes land close but not adjacent to Tunjungan City
2 Includes landbank not allocated for development in the next 2 years

6 Experienced management & robust corporate governance

Senior management with an average of 18 years of real estate experience, with comprehensive oversight provided by dual management structure

Board of Commissioners (BoC)

Alexander Tedja
President Commissioner

Drs. Agus Soesanto
Independent Commissioner

Dr. Dyah Pradnyaparamita Duarsa
Independent Commissioner

- Supervising the execution of the Company's business plan and budget
- Evaluating the performance of the BoD
- Observing management decisions
- Monitoring risk management systems and management actions on audit findings
- Monitoring and promoting implementation of the principles of Good Corporate Governance

Audit Committee

Agus Susanto (Chairperson)
Drs. Antonius Susanto (Member)
Lisawati, SE, Ak (Member)

Board of Directors (BoD)

Ir. Richard Adisastra
President Director

A Stefanus Ridwan S
Director of General Affairs

Minarto Basuki
Director of Finance

Eiffel Tedja
Director of Commercial Ops

Irene Tedja
Director of IR

Ivy Wong
Director of Business Dev

- Managing all daily operations of the Company
- Implementing risk management and Good Corporate Governance practices
- Ensuring the robustness of the internal structure of the Company
- Managing the internal audit function and following-up on audit findings

Corporate Secretary

Internal Audit

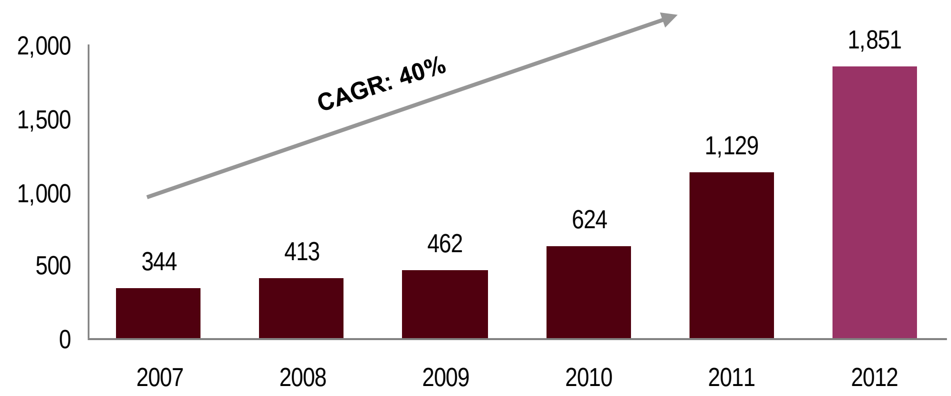
Section 3

Financial update

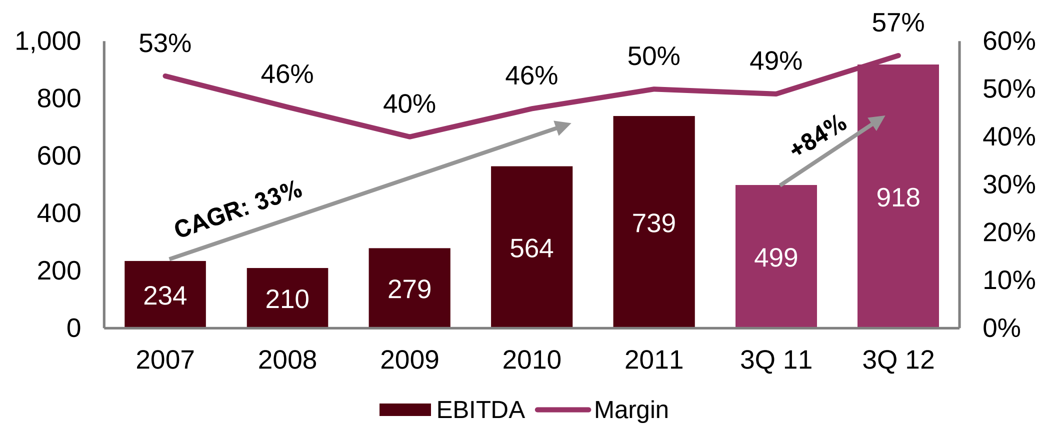
Strong financial growth momentum

Strong top and bottom-line growth over the last 3 years

Marketing sales growth (Rp bn)

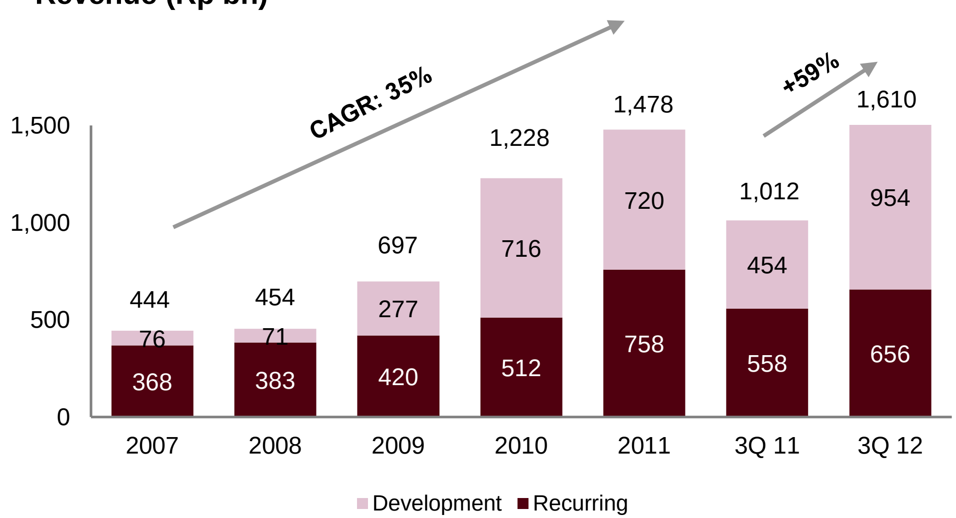


Adjusted EBITDA[1] (Rp bn)

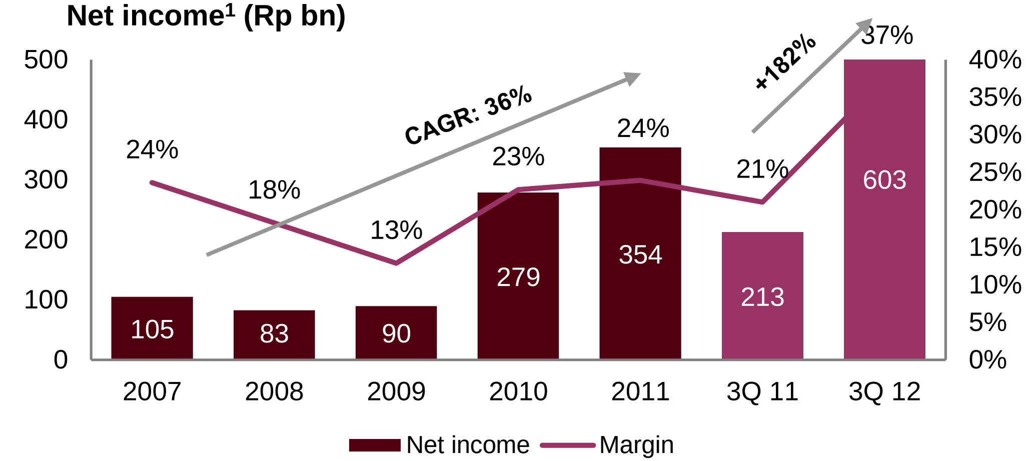


Note: 1 Adjusted for acquisition related amortization expense of Rp23bn in 2009 and Rp25bn in 2010

Revenue (Rp bn)



Net income[1] (Rp bn)

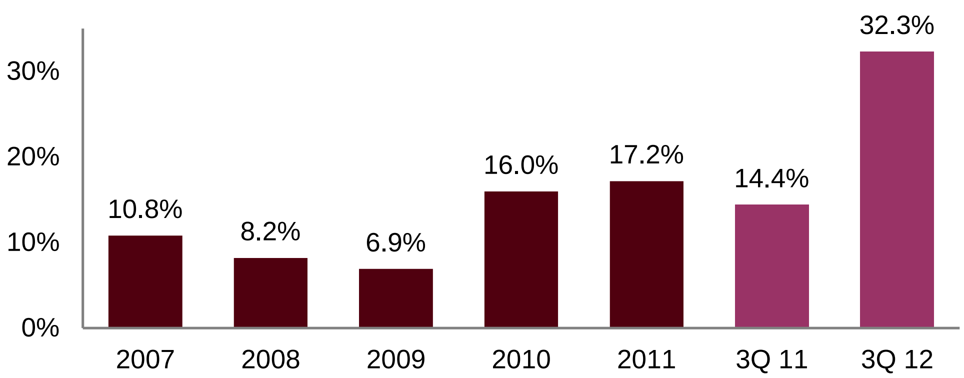


Note: 1 Adjusted for acquisition related amortization expense of Rp23bn in 2009 and Rp25bn in 2010, and forex gains/(losses) of Rp (21), (92), 80, 18, (7), 17, (27) bn in 2007, 2008, 2009, 2010, 2011, 3Q 2011, and 3Q 2012 respectively

Optimized capital structure

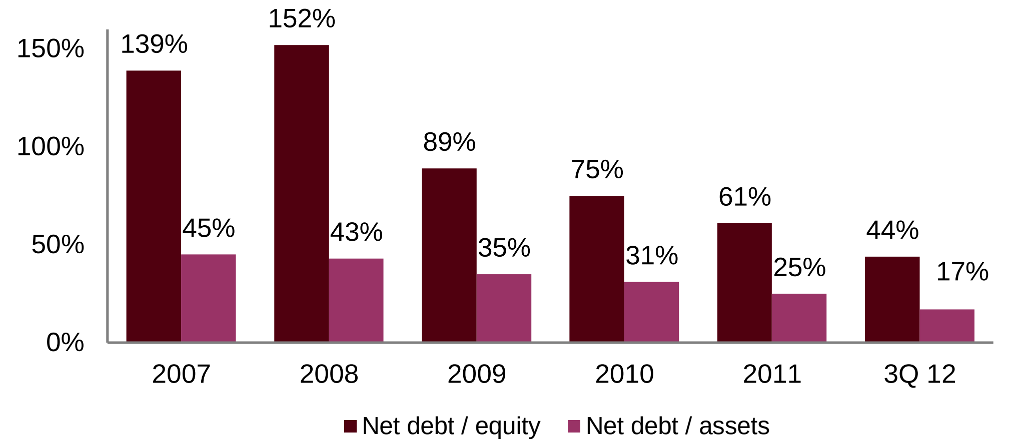
Improving returns on capital despite with conservative leverage profile

Return on equity[1]

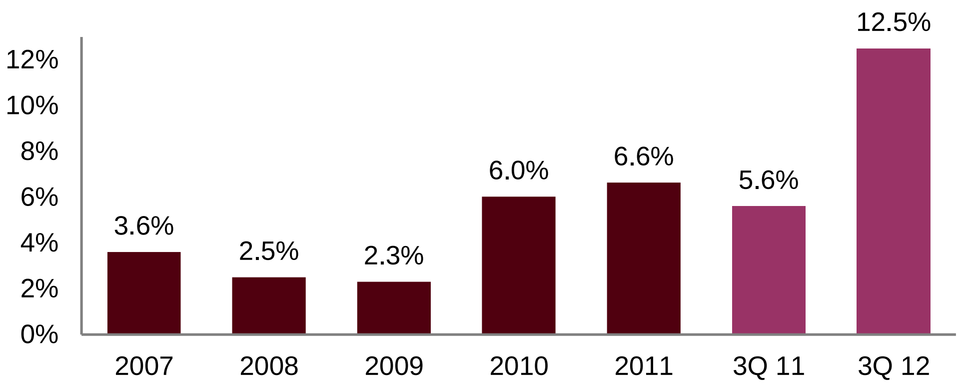


Note:
1 Based on the average of total equity attributable to shareholders at the start and end of the period

Consistent deleveraging

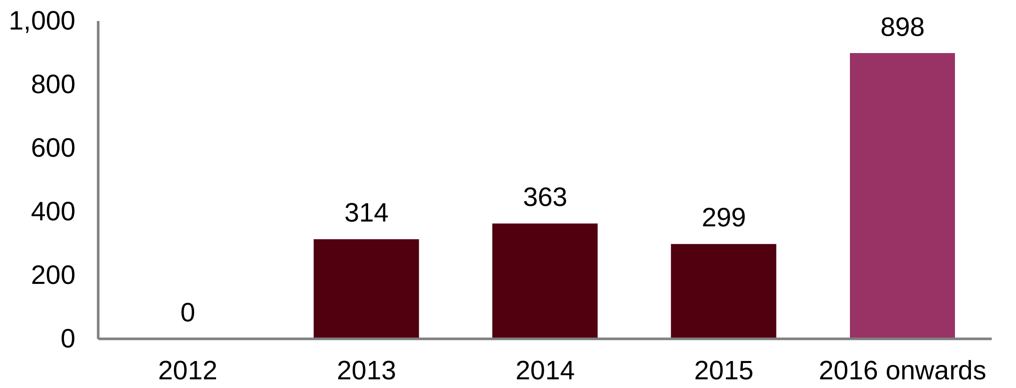


Return on assets[1]



Note:
1 Based on the average of total assets at the start and end of the period

Well balanced debt maturity profile



Key long-term strategies

1

Build well-balanced portfolio of recurring and development income

- Continue to build strong recurring cashflows augmented by sales of development properties
- Target to maintain approximately 50:50 split between recurring and development revenues
- Build, own and operate high quality, complementary retail/commercial properties to attract homebuyers and tenants

2

Pursue active, targeted land banking strategy

- Actively acquire land bank to replenish land that has been sold
- Seek to acquire land adjacent to existing developments, to benefit from economies of scale and increase the critical mass of existing superblocks and townships
- Acquire large plots of land only if there are concrete near-term development plans for the land

3

Adopt best practices and technologies to enhance appeal and efficiency

- Adopt international best practices to enhance appeal to more sophisticated middle and upper–middle income clientele
- Increase operational efficiency of properties by harnessing latest technologies (e.g. Green Mark)
- Develop superblocks with complementary designs and uses, to maximize operational efficiency

PT. PAKUWON JATI

Appendix A

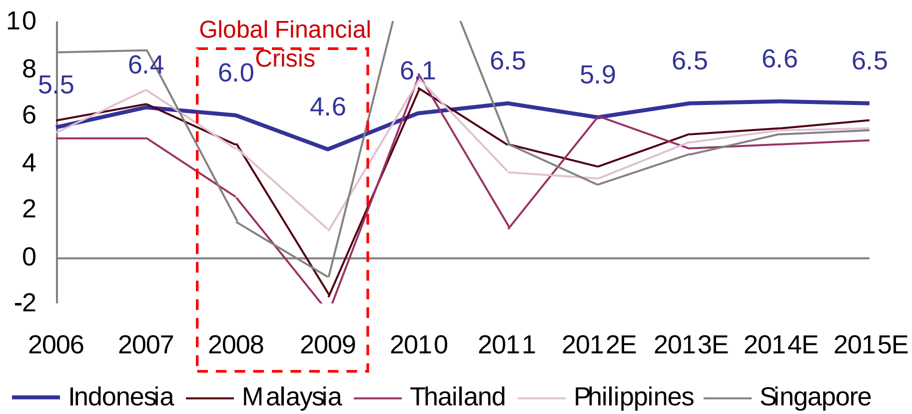
Additional property information

Well-positioned to tap into Indonesia's growth story

Indonesia has one of the strongest fundamental macroeconomic growth stories in the region

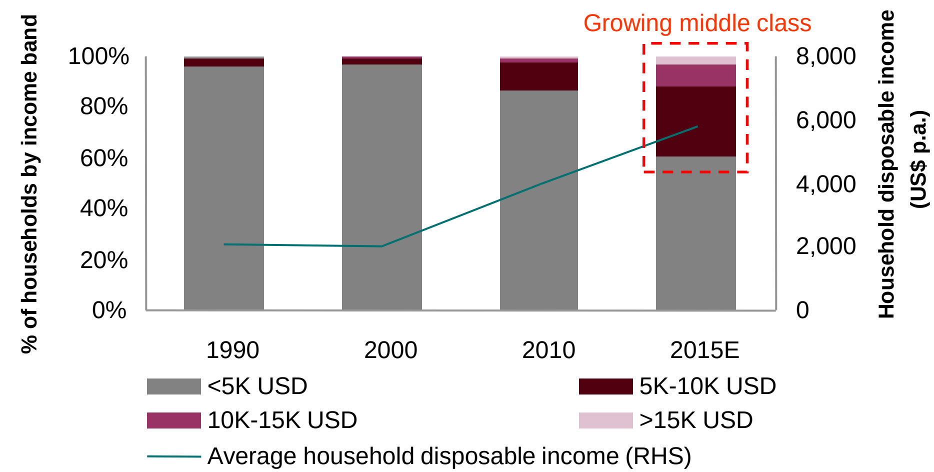
Most stable, fastest-growing economy in the region

Real GDP growth (% p.a.)



Source: EIU

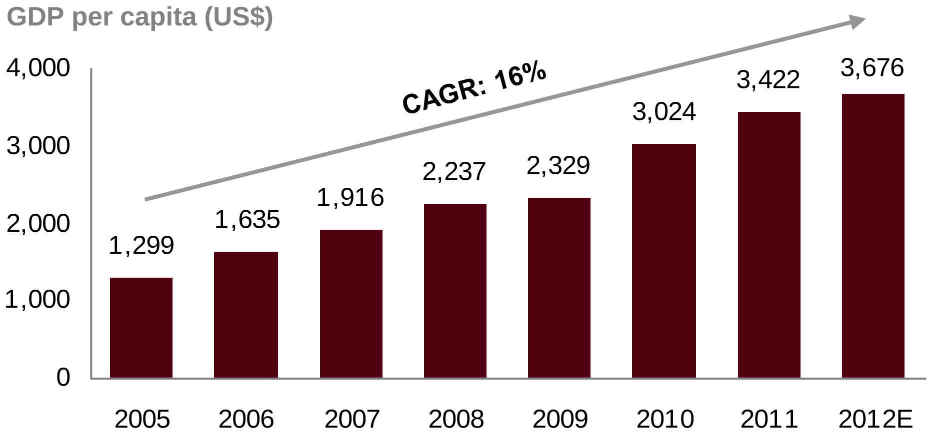
A growing middle class with rising aspirations



Source: CEIC, UBS research

Rapidly growing incomes and purchasing power

GDP per capita (US$)



Source: EIU, CEIC

Fundamental improvements recognized by ratings agencies, who have recently upgraded Indonesia to investment grade

Moody's	**Baa3 / Stable**	*Upgraded to investment grade in Jan 2012*
FitchRatings	**BBB- / Stable**	*Upgraded to investment grade in Dec 2011*
Standard & Poor's	**BB+ / Positive**	

High quality superblocks in Jakarta and Surabaya

Market leading brands with excellent track record of quality

Asia Pacific Shopping Center Awards (2012)
1st Indonesian mall to receive the Marketing Excellence Sales Promotion & Events Award (Gold) – Gandaria City

Service Excellence Award (2012) -
Tunjungan Plaza

Shoppers-insight (2012)
Best shopping Mall – Gandaria City

Investment Award (2012)
Realization of Domestic Investment in East Java -- PT Pakuwon Jati Tbk

Top Brand Award (2012)
Top Brand – Tunjungan Plaza

BCA Green Mark (2011)
1st Indonesian building to receive a Green Mark Gold Award – GandaRia 8

Forbes (2011)
Top 40 Top Performing Small/Midsized companies

SWA Indonesia (2012)
Indonesia Best Public Companies

BCI Asia (2012)
Top 10 Developers in Indonesia – PT Pakuwon Jati Tbk

Investor Magazine (2011)
Best issuer

Superblock Kota Kasablanka

Largest mall in South Jakarta with 14 anchor tenants and more than 300 tenants

Unique 2-storey dining and entertainment street

88 Kasablanka office towers are constructed with Greenmark building specifications

Superblock Gandaria City

Second largest mall in South Jakarta 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 Tunjungan City

Largest mall in East Java – an iconic shopping destination in Surabaya secured by 9 anchor tenants and 400 tenants

The superblock will have the tallest building in Surabaya

Pakuwon City Township

Unique 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 less than 30 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 193 hectares for future Pakuwon City expansion

East Surabaya Residential Developments

Pakuwon City Residences

Main Gate

Amphitheater Twin Lagoon

Virginia Regency Gate

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