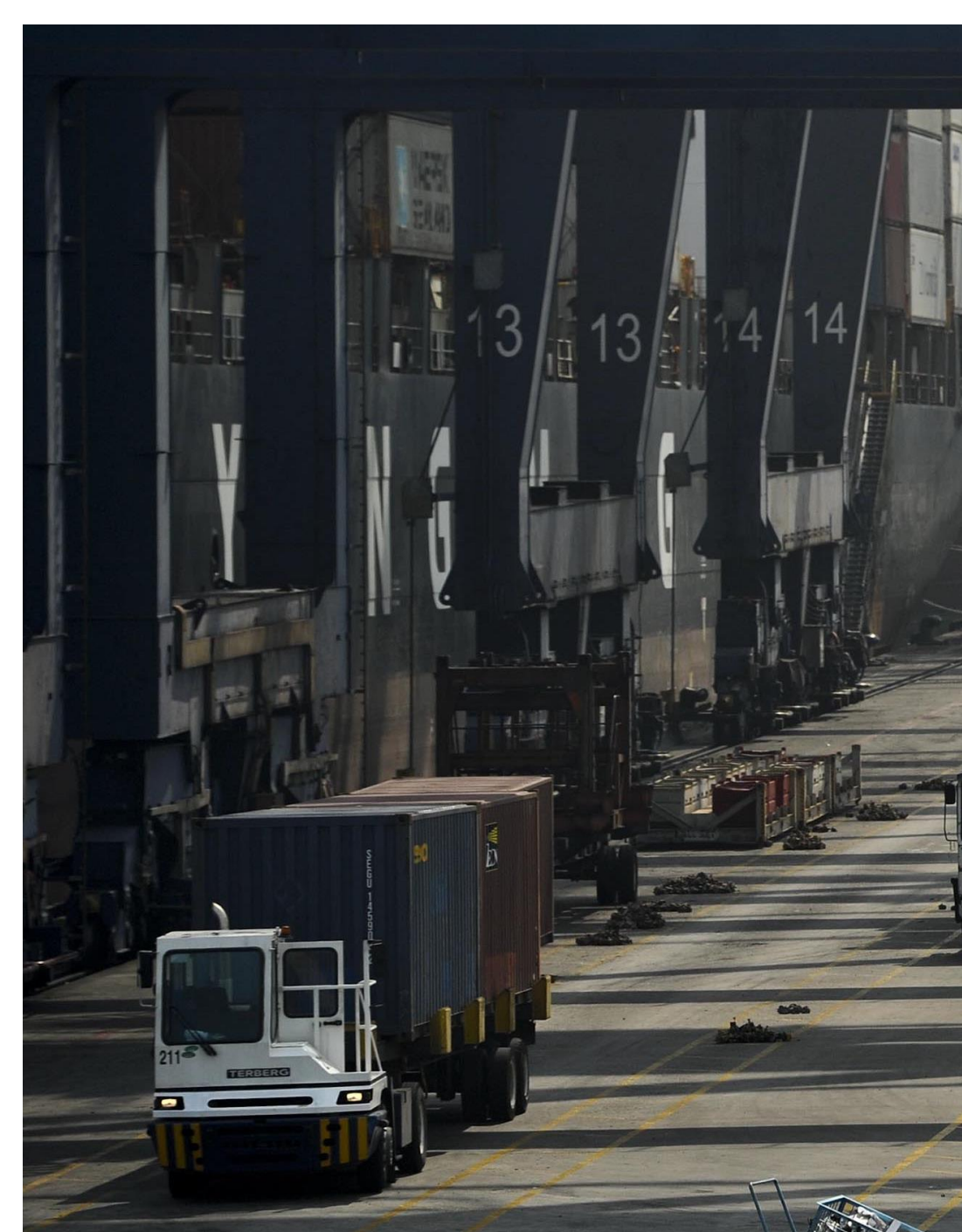




IPC's Strategic Development & Partnership Opportunities

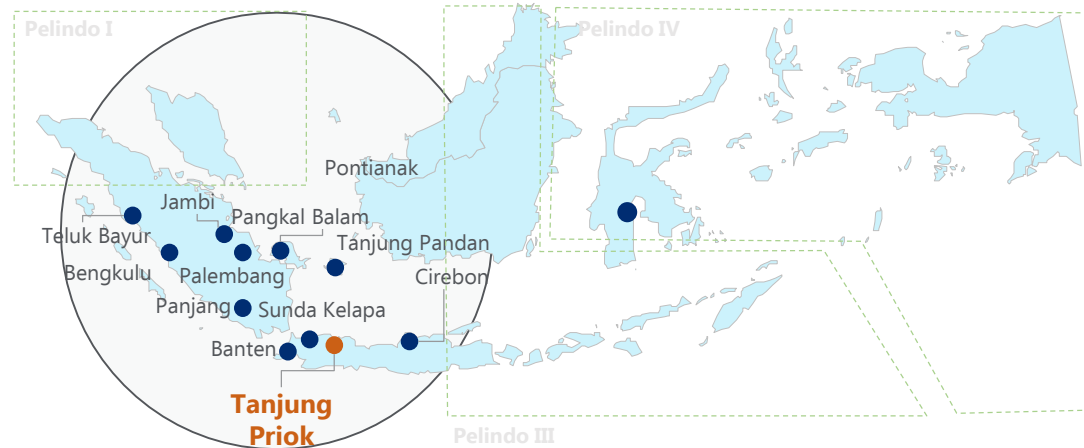
Rima Novianti
Senior Vice President Marketing
Indonesia Port Corporation



IPC: The Largest Port Operator in Indonesia

IPC, a 100% Indonesian government-owned enterprise, is the largest port operator in Indonesia with 12 ports located in the fastest growing provinces in Indonesia, including Tanjung Priok, the primary gateway port to Jakarta. IPC's corporate ratings upgraded to BBB due to the recent upgrade of the Indonesian sovereign, Baa2 from Moody's and BBB from Fitch Rating.

IPC'S STRONG PRESENCE IN THE FASTEST-GROWING REGIONS ACROSS 10 PROVINCES (PORT LOCATIONS, HISTORICAL CARGO VOLUME)

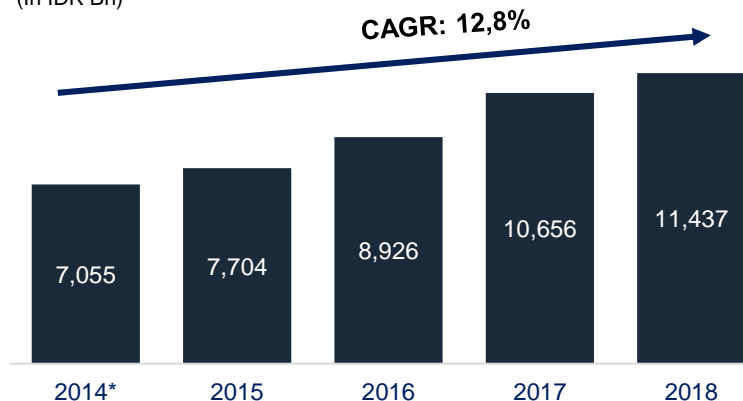


	2014*	2015*	2016*	2017	2018
General Cargo MT	13,4	13,8	11,6	12,3	14,2
Bag Cargo MT	8,7	6,7	5,7	4,8	4,9
Liquid Cargo MT	13,1	12,5	9,1	9,4	10,1
Dry Bulk Cargo MT	30,7	28,5	23,9	26,0	26,7
Others MT	2,2	2,2	5,1	4,5	6,1
Container '000 TEUs	6.397	6.419	6.223	6.925	7.640

Note: operational data does not include TUKS.

REVENUE

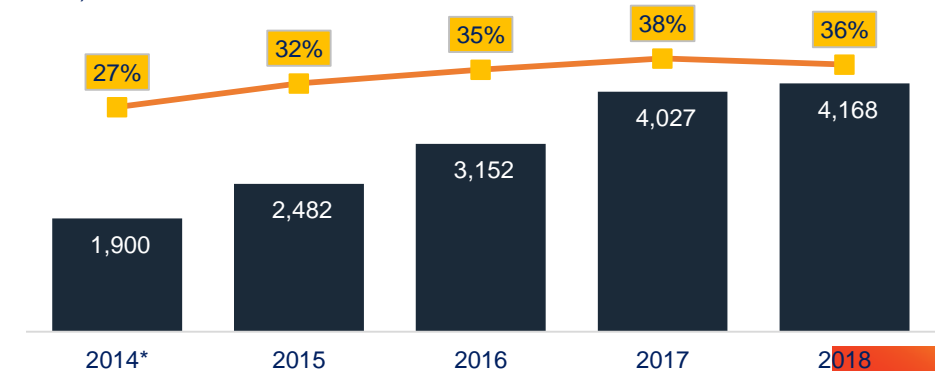
(In IDR Bn)



IPC demonstrated strong top-line growth with CAGR of 12,8% since 2014. The strong top-line growth led to increases in EBITDA and net income as well.

EBITDA & EBITDA MARGIN

(In IDR Bn)



NAWACITA

Indonesia Government has established National Strategic Development Plan (**Nawa Cita**) in 3 dimensions of Economic Development

The 3 Dimensions on Economic Development

Human Development

Education

Health

Housing

Character

Priority Sector Development

Food Security

Energy & Electrical Security

Maritime & Marine

Tourism & Industry

Water Security, Basic Infrastructure & Connectivity

Equitable Development

Inter-Income Group

Inter-Region:

- (1) Rural Area,
- (2) Periphery,
- (3) Outside Java,
- (4) Eastern Area.

Necessary Condition

Legal Certainty & Law Enforcement

Security & Order

Politic & Democracy

Governance

NAWACITA in maritime sector is manifested to be "Indonesia as a Global Maritime Axis"

Indonesia's Potential as Global Maritime Axis

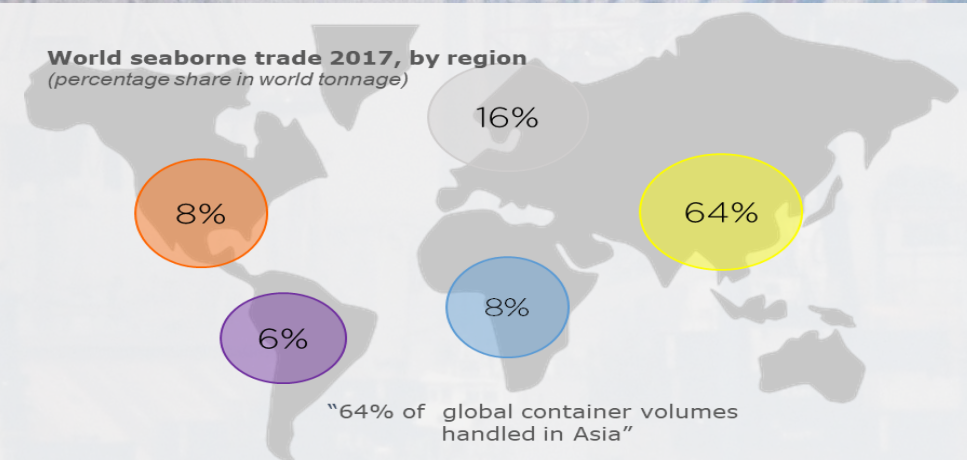
Indonesia as the biggest archipelago in South East Asia with strategic location connecting East and West Asia, as well as Asia Pacific and Australia

42% of world maritime trade in 2017 originated in Asia and 61% was destined to the region

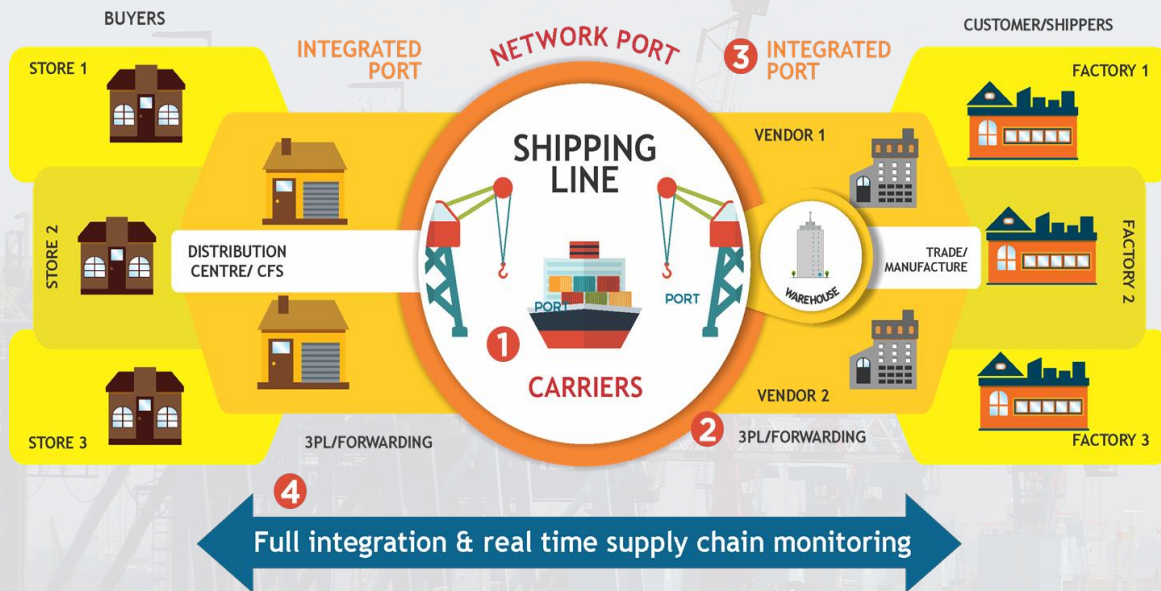
64% of global container volume handled in Asia meanwhile Indonesia has a strategic geographical location between ASEAN countries in the trade flow

Indonesia as a Global Maritime Axis Program is aligned with One Belt One Road (OBOR) Initiative.

World seaborne trade 2017, by region
(percentage share in world tonnage)



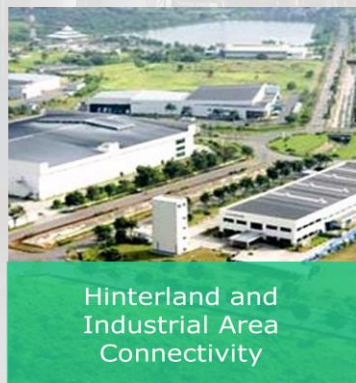
Indonesia Integrated Port Network



“Integrated Port Network” vision is focusing on three main pillars: improving the performance of 7 main ports from east to west; improving the efficiency of shipping network, and reducing land transportation costs and balancing cargos



Standardized Infrastructure and Operation

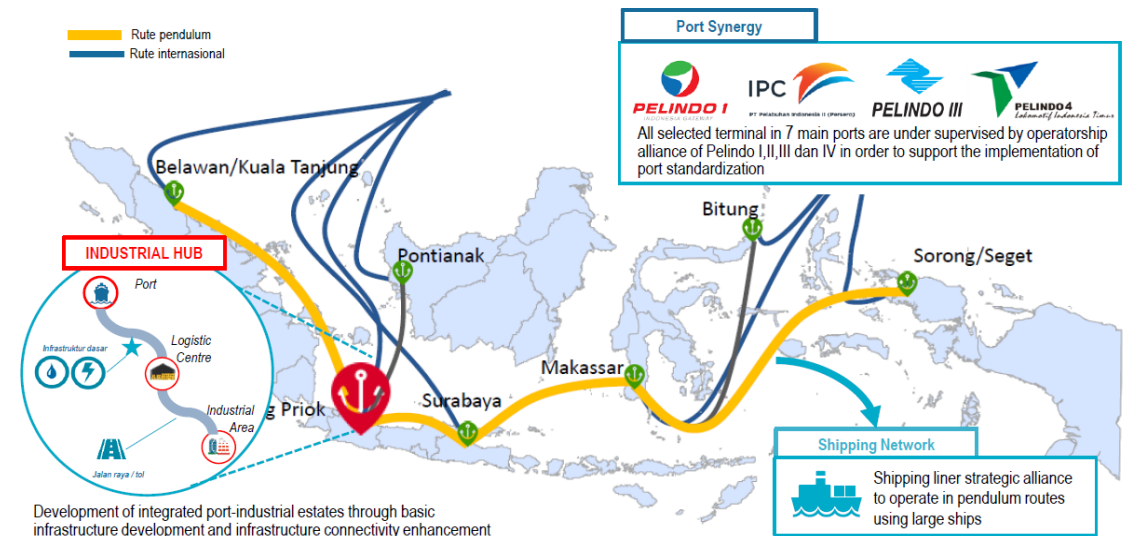


Hinterland and Industrial Area Connectivity



Optimization on IT Utilization

“INDONESIA INTEGRATED PORT NETWORK” is a solution by combining both sea toll road and integrated port concept. Port Network will connect the 7 hub ports (sea side) while integrated port connect ports with industrial area (land side).



The development of 7 ports hub requires a huge investment, an opportunity for global players or investors to participate.

Tanjung Priok as Domestic Transshipment Hub

Tanjung Priok Port is the Indonesia Regional Gateway

- Tanjung Priok Port is the **biggest** port in Indonesia
- > 60% Container in Indonesia through Tanjung Priok
- The growth of Tanjung Priok traffic is driven by industry and consumption in the western part of Java Island
- The transshipment rate is still relatively low



LOCATION

Able to provide connectivity (intersection) for major shipping lanes.

INFRASTRUCTURE

Equipped with reliable hard and soft superstructure; also have sufficient infrastructure to accommodate large vessels and cargo throughput

OPERATION

Able to provide sufficient port facilities and provide high level of performance

Continuous Improvement on Existing Facilities

Provide, build and operate port and logistics services in an integrated, qualified, and reliable way to meet customer and partner satisfaction

Stacking yard reconfiguration/zoning

It can increase container yard capacity from 4.5 mTEU up to 7.2 mTEU

Improvement of facilities

by procuring of new loading equipment and strengthening of the existing berths

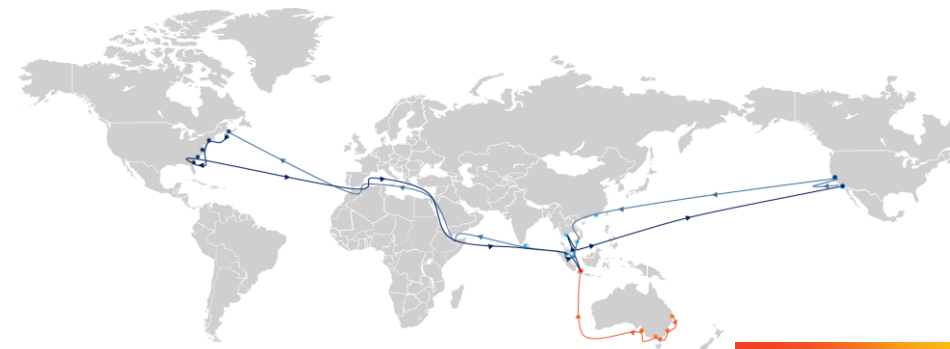
Land optimization

Rearrangement of idle area and utilize it as supporting facilities (i.e., Truck buffer area)

Other infrastructures improvements

Dredging the channel up to -16 mWLS to accommodate large vessel and providing new warehousing facility

Tanjung Priok has already been able serve ship, which has a capacity of 10,000 twenty-foot equivalent unit (TEU) containers.



- JAKARTA - USA
- JAKARTA - EUROPA
- JAKARTA - INTRA
- JAKARTA - AUSTRALIA

IPC Digital Strategy

To disrupt trade that's happening, there is a need to redefine legacy practices and enable new technology, and in order to achieve that IPC has digital strategy divided into 3 areas

Back Office

Leverage new technologies **to reduce cost** of back office management and **automate low level tasks**

Operation

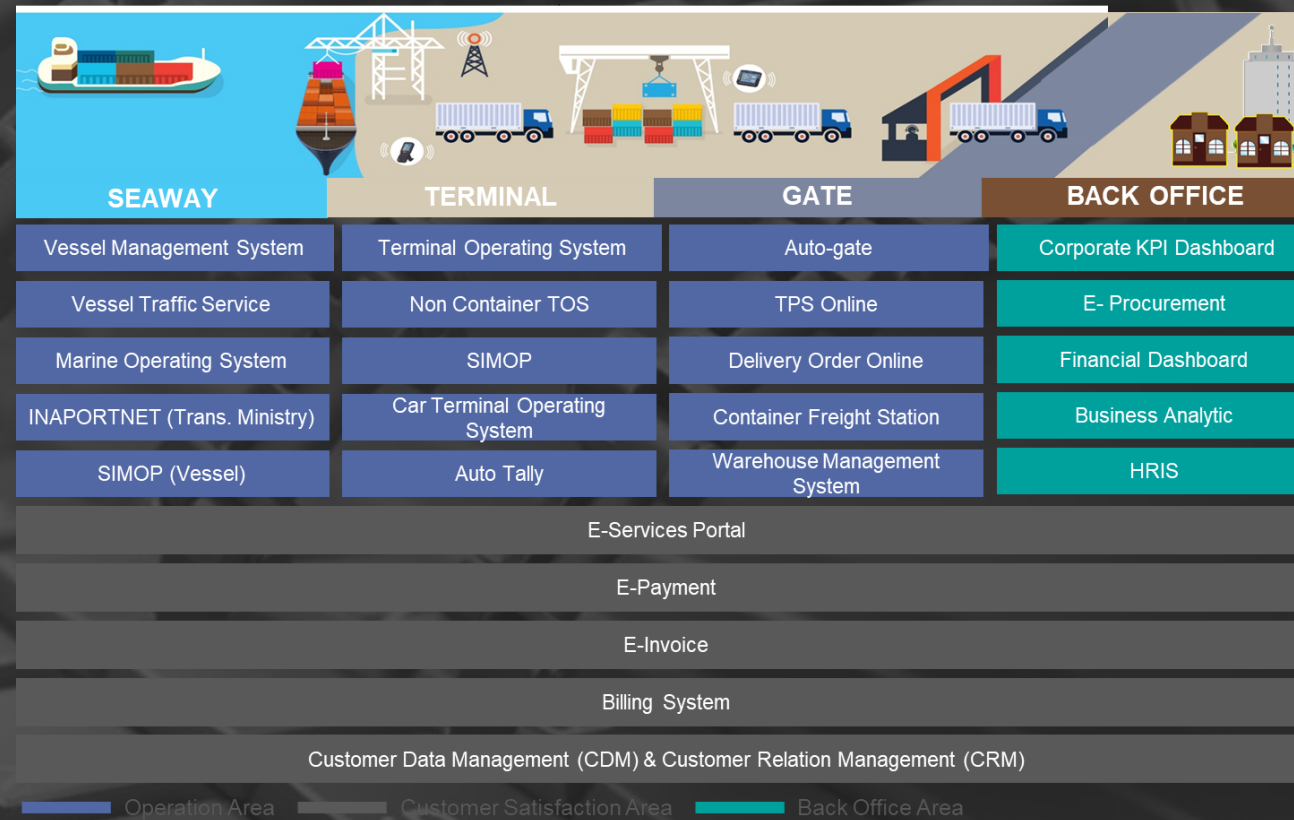
Reduce time and effort for management and overseeing of operations and maintenance. Greater efficiency by implementing common systems across the terminal network to improve productivity

Customer

Increase customer stickiness and attractiveness by offering new trade enablement solutions Attract new base of trade customers to expand portfolio

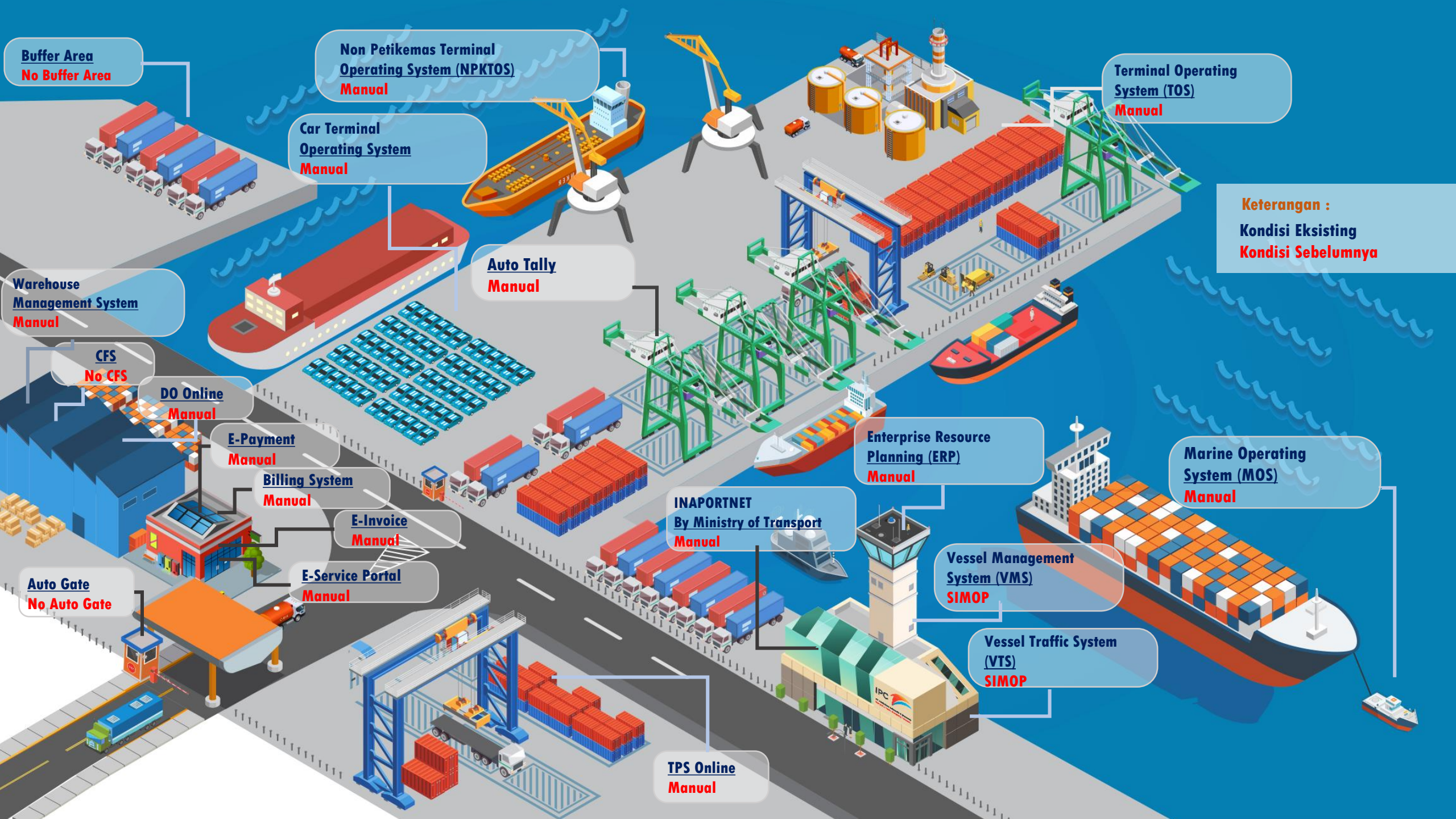
IPC Digital Implementation Portfolio

IPC has transformed digitally by enabling the foundation of IT Portfolio in terminal operation in order to achieve the IPC Digital Strategy



TECHNOLOGY ENABLERS

Robotics	IoT Sensors	Payment Gateway
Predictive Analytics	Automated Terminal	Big Data Analytics
Smart Contract	Video Analytics	Logistics ePlatform
	Predictive Maintenance	



Buffer Area
No Buffer Area

Non Petikemas Terminal Operating System (NPKTOS)
Manual

Terminal Operating System (TOS)
Manual

Car Terminal Operating System
Manual

Auto Tally
Manual

Keterangan :
Kondisi Eksisting
Kondisi Sebelumnya

Warehouse Management System
Manual

CFS
No CFS

DO Online
Manual

E-Payment
Manual

Billing System
Manual

E-Invoice
Manual

Enterprise Resource Planning (ERP)
Manual

Marine Operating System (MOS)
Manual

Auto Gate
No Auto Gate

E-Service Portal
Manual

INAPORTNET
By Ministry of Transport
Manual

Vessel Management System (VMS)
SIMOP

Vessel Traffic System (VTS)
SIMOP

TPS Online
Manual

Port Development Projects



★ Port of Kijing (Tanjung Pura Terminal)

- Total Capex for First Phase IDR 5,05 tn
- Concession Agreement has been signed 12 July 2018 for 69 year;
- Divided into 2 phases:
 - First Phase : 2018-2020
 - Second Phase : 2024 – 2026
- Groundbreaking on April 2018

	Phase I	Phase II	TOTAL
Total Container Capacity (m TEUs/year)	0,95	1,00	1,95
Dry Bulk Cargo (mt / year)	15		15
Multipurpose Cargo (tonnes / year)	0,50	0,50	1,00
Liquid Bulk Cargo (mt / year)	8,34	3,84	12,18

★ Strategic Projects as declared in Presidential Decree No.3/2016 & No. 58/2017

★ New Priok (Kalibaru)

- New Priok Container Terminal I (NPCT1) was fully operating since August 2016
- Currently in bidding process of CT II & III as well as product terminal I & II



★ Sorong Port

- Feasibility study, RIP and SI & DED are currently under review ;
- Located at Seget District, West Papua;
- Expected development in 2021;
- One of part of project development to support Toll Laut Program, where it can accommodate ships with size 3.000-5.000 TEUs
- This project can foster industrial activity for the eastern Indonesian region
- Divided into 3 phases:

	Phase I	Phase II	Phase III	TOTAL
Capacity (m TEUs/year)	0,50	0,95	1,50	2,95
SEZ + Port (Ha)	10,000			
Length of Berth (m)	540	400	500	1.440
Container Yard (Ha)	22	13	15	50

★ Cikarang Bekasi Laut Inland Waterway (CBL)

- Feasibility study and market study has been reviewed
- Partnership for the construction and issuance of permits process
- Expected construction year: 2020
- Optimize connectivity to hinterland
- Capacity 1.6 Million TEUs/year
- Total Capex IDR 3,4 tn



Partnership with Global Player

IPC has done partnerships with world class players in the port industry to gain capabilities enabling the goal to become world class port operator

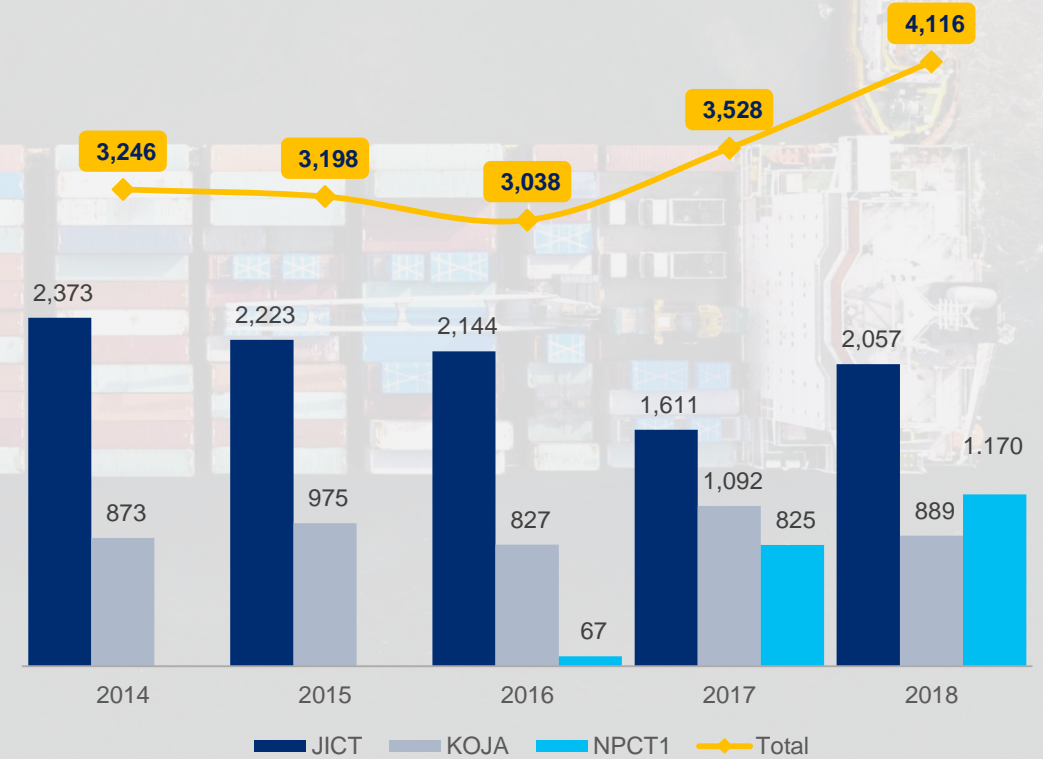
IPC HAS STRONG RELATIONSHIPS WITH JV PARTNERS...



MITSUI & CO., LTD.

	JICT	Koja	New Priok CT1
JV Partner Descriptions	<ul style="list-style-type: none"> Leading global port Technologically innovative and advanced Award winning proprietary terminal management system 		<ul style="list-style-type: none"> One of the largest trading companies in Japan Global operator of ports
Ownership Split (IPC / Partner)	48,09% / 51,91%	54,91% / 45,09% <i>(Joint Operation cooperation interests)</i>	50,99% / 49,01%
Partner Role	<ul style="list-style-type: none"> Operation of JICT terminal in Tanjung Priok 	<ul style="list-style-type: none"> Operation of KOJA terminal in Tanjung Priok 	<ul style="list-style-type: none"> Operation of New Priok CT1
Earliest Expiry and Extension Option	<ul style="list-style-type: none"> Agreement signed in August 2014, partnership period until 2039 	<ul style="list-style-type: none"> Agreement signed in August 2014, partnership period until 2039 	<ul style="list-style-type: none"> 25 years (Mitsui has an option to extend concession to 30 years if an agreed return threshold is not met)

... HANDLING MORE THAN 4,1M TEU VOLUME A YEAR TOGETHER...



Partnership & Investment Opportunities

		
<p>1</p> <h3>Greenfield Project</h3> <p>Basic and Port Infrastructure</p> <ul style="list-style-type: none">• Strategic partnership• Bond Issuance• Commercial Loan• Public Private Partnership• B O T Scheme	<p>2</p> <h3>Brownfield Project</h3> <p>Supra-structure and Terminal Expansion</p> <ul style="list-style-type: none">• Strategic Partnership (Operating Company, Equipment Providers)• Commercial Loan• B O T Scheme	<p>3</p> <h3>Commercialization</h3> <p>Port already in Operation</p> <ul style="list-style-type: none">• IPO• Divestment• Rental Scheme• Asset Securitization

- Kijing Deep Sea Port Development
- Kijing Economic Zone Development
- New Priok Phase 2
- New Priok Product Terminal
- Eastern Ports Development to Support Integrated Port Network

Financing Scheme Consideration:
Size of investment, Economic of Scale, Business Opportunities



Thank You