

STRATEGIC ALLIANCES TO UNLOCK THE VALUE OF PORT AND LOGISTICS IN SUMATERA



Towards Kuala Tanjung
Hub Port City

Today's agenda

1. Pelindo 1 at a glance
2. Challenges of port and logistics
3. Strategic Alliances to unlock the value
4. Case studies in Pelindo 1



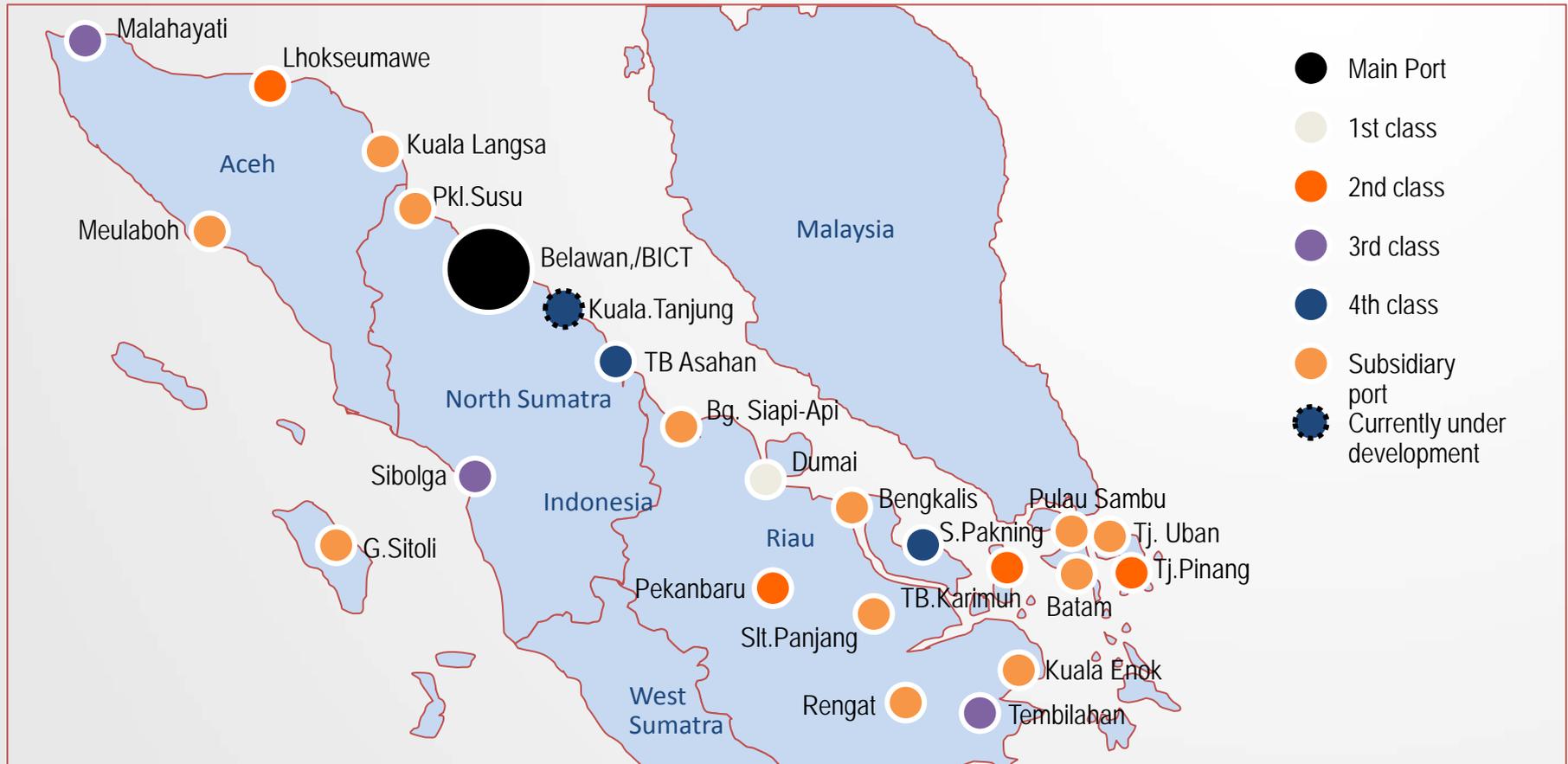
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Pelindo I currently covers 24 ports across Aceh, North Sumatra, Riau and Riau islands

Pelindo I – Area of works



Pelindo I is the single largest port operator in North Sumatra

Key competivenesses of Pelindo I

Solid port portfolio with strategic locations and diversified cargo

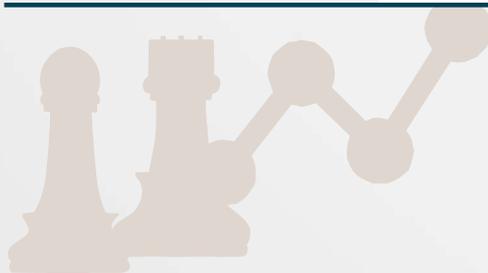


iv Solid performance driven by a captive market and untapped growth potential in liquid bulk

i Strategically located ports with additional port capacities



Diversified cargo handling **ii**

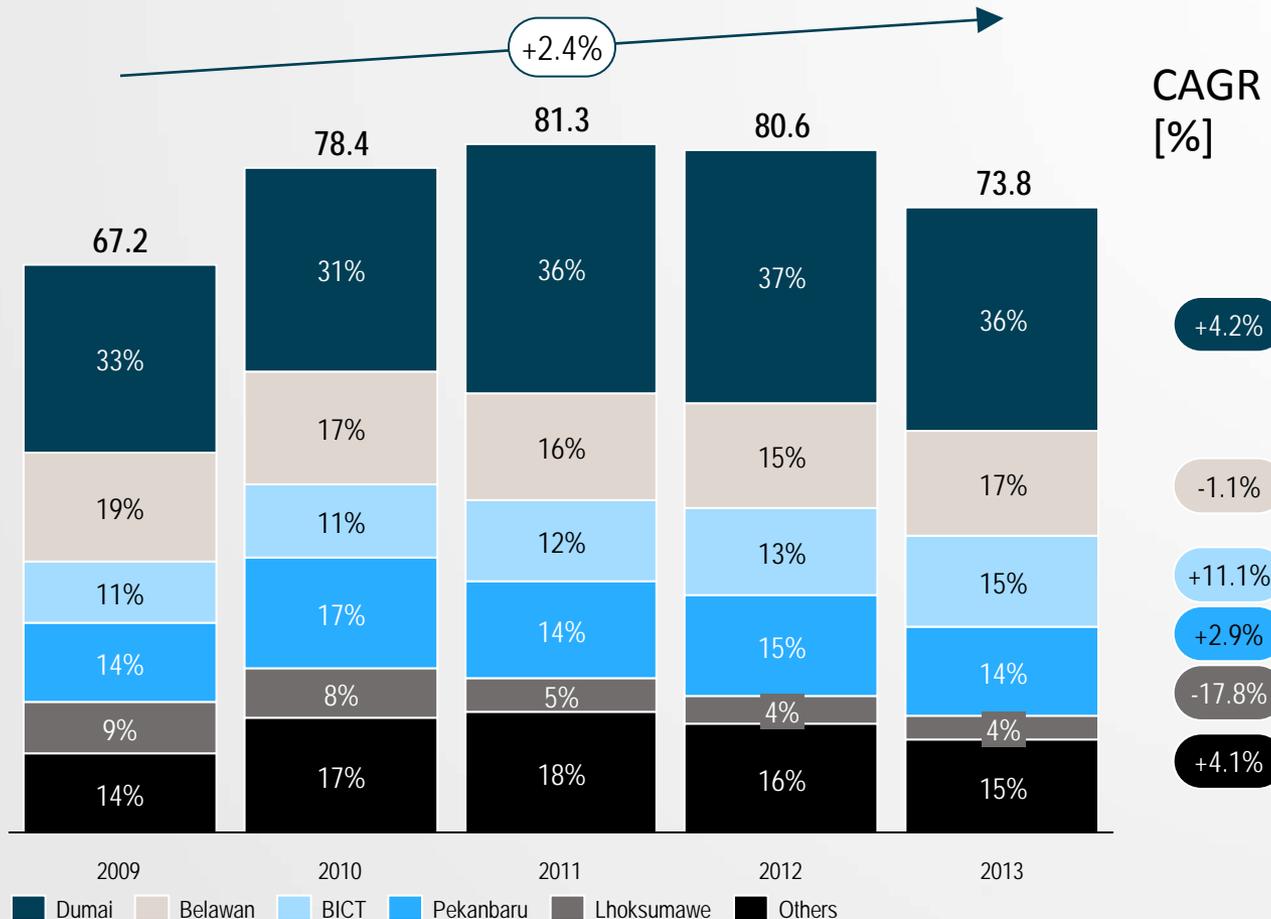


Strong market position with well established clientele **iii**



Top 4 ports contribute about 80% of Pelindo I's total throughput each year, with Dumai contributing close to half of that

Traffic by primary ports¹⁾, 2009 – 2013 [m MT]



- > Throughput has been on an increasing trend, but decreased by 8% from 2012 to 2013
- > Over the past 5 years, more than 30% of Pelindo I's total throughput have been contributed by Dumai
 - Trend is likely to continue into the future
- > Dumai and Belawan together, contributes more than 50% of total throughput
- > Top 5 ports out of the 14 primary ports under Pelindo I, contributes close ~85% of throughput each year

1) Subsidiary port traffic included in that of its primary port

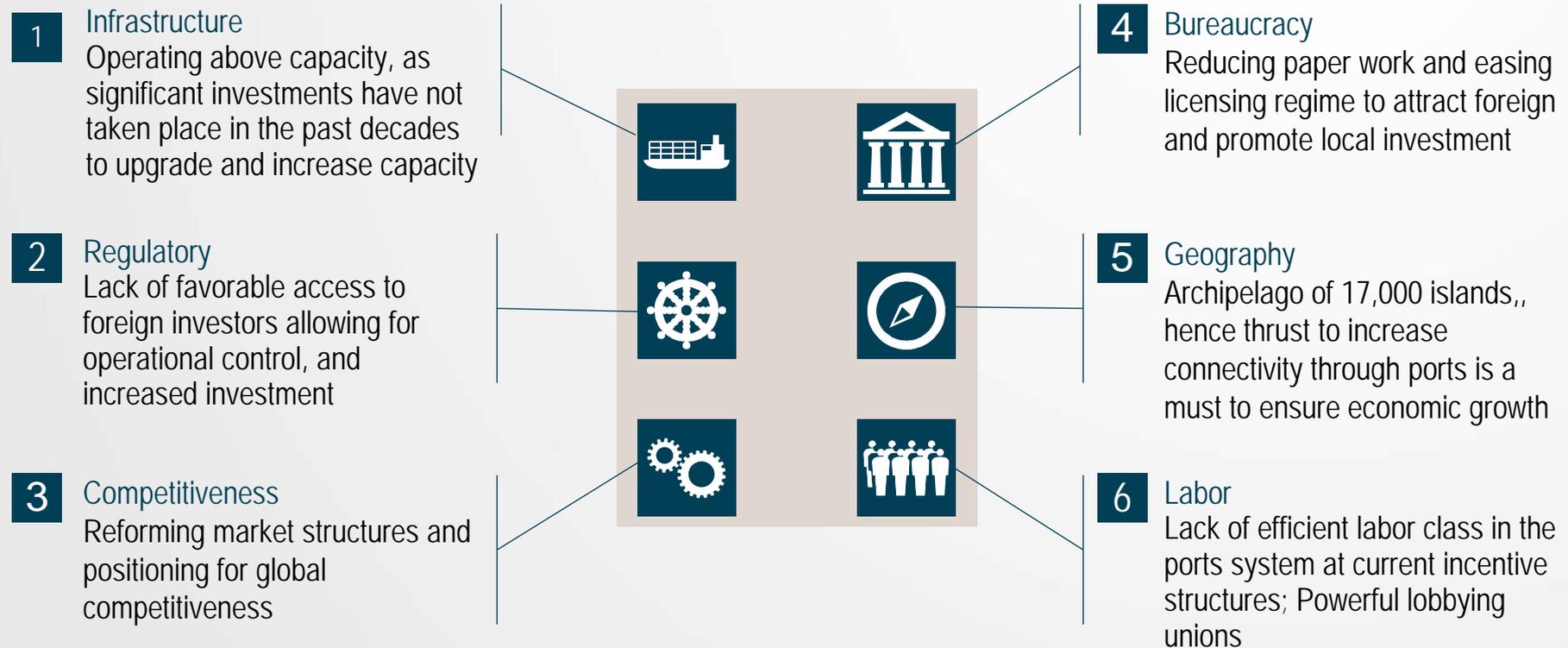
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Despite the on going port development, the industry will face numerous key challenges

Key challenges for Indonesia's port industry



As such key questions to be answered to tackle those challenges in preparing the long-term strategy

Key questions to be addressed

- The winning strategy will be different from the existing one – What is the new strategy that should be adopted to win the future?
- Existing core markets with limited growth potential – How do we grow markets in Sumatera where production in the hinterland is limited?
- New potential for profitable growth – container demand in North Sumatera and Riau dry bulk in North Sumatera and liquid bulk in Riau are gaining momentum
- Positioning to be updated – The expected shift of market environment requires adapted business models
- Port facilities to be upgraded– What facilities are needed to be upgraded in order to capture additional demand (including prioritization)?

*Revised
formulation of
consolidated
strategy
necessary*



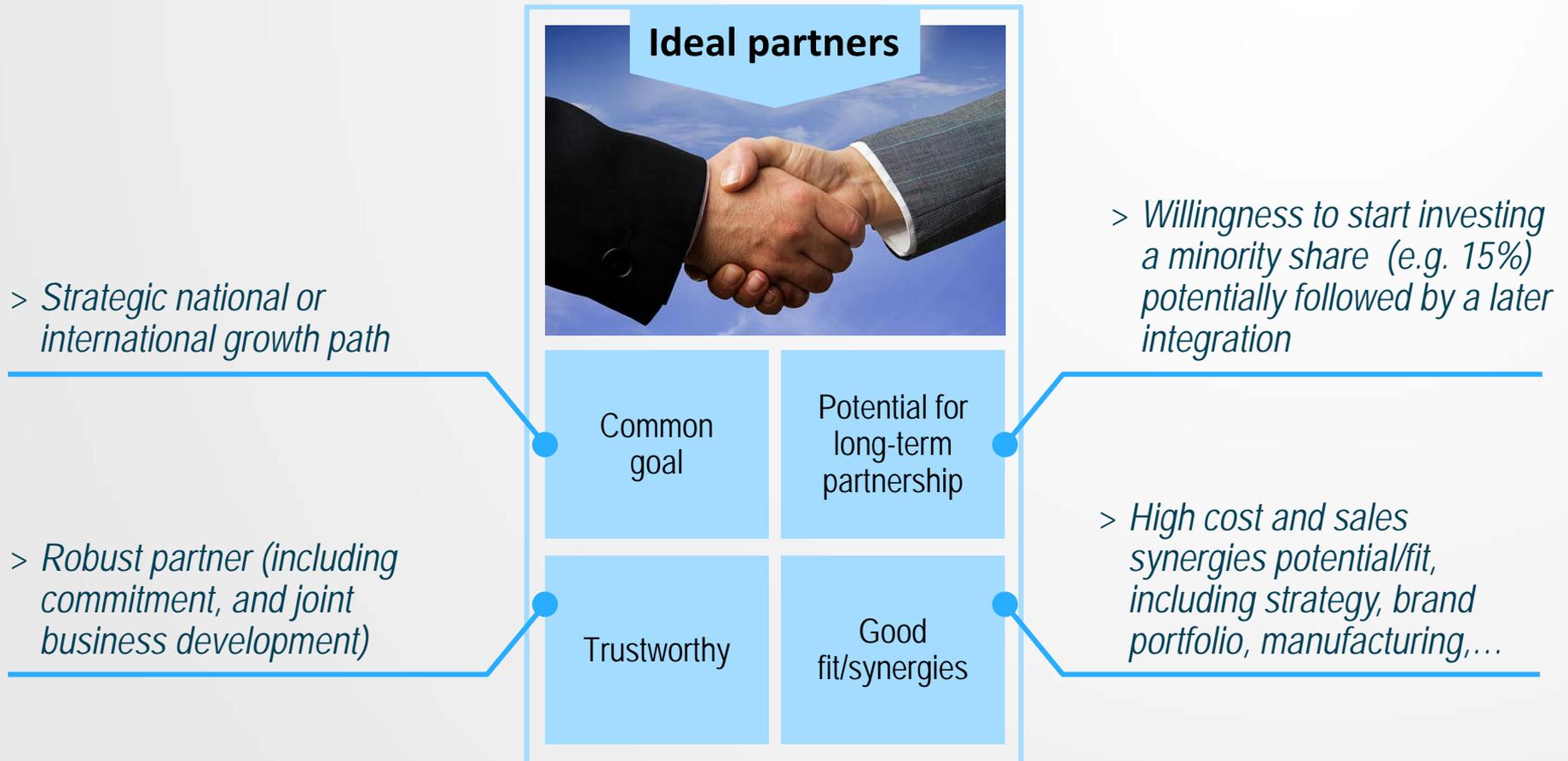
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Selecting ideal strategic partners involve looking at four key criteria

Schematic profile of "wanted" partner

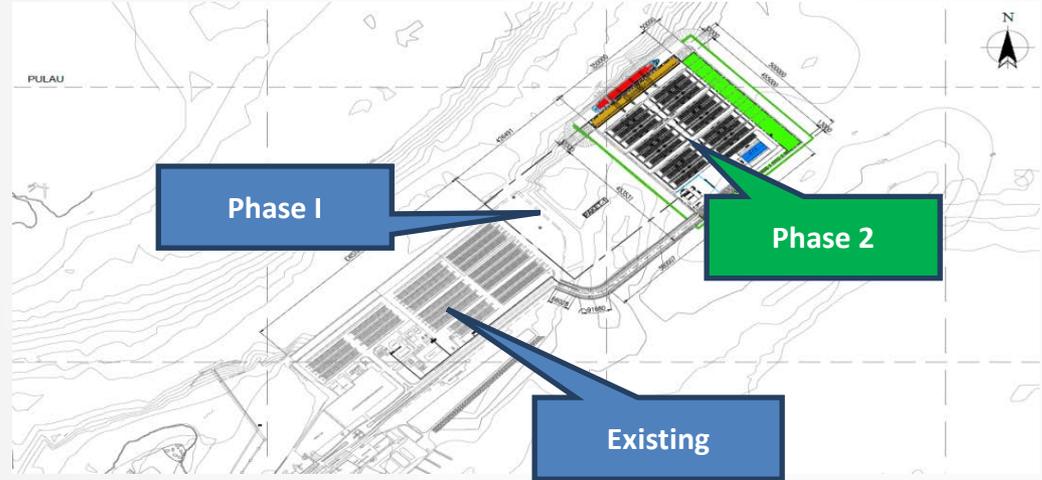


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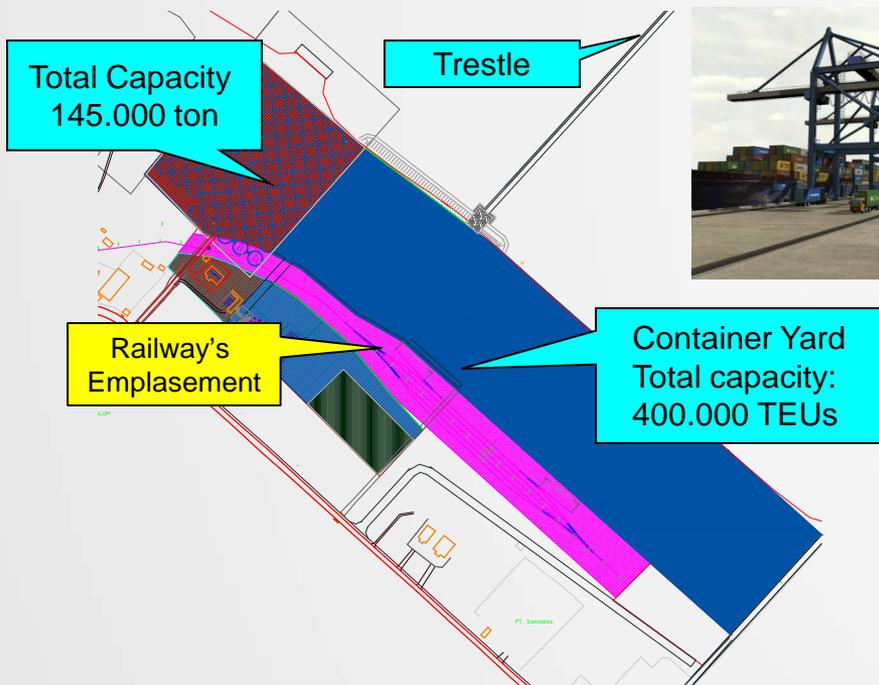
1. Container Terminal Belawan



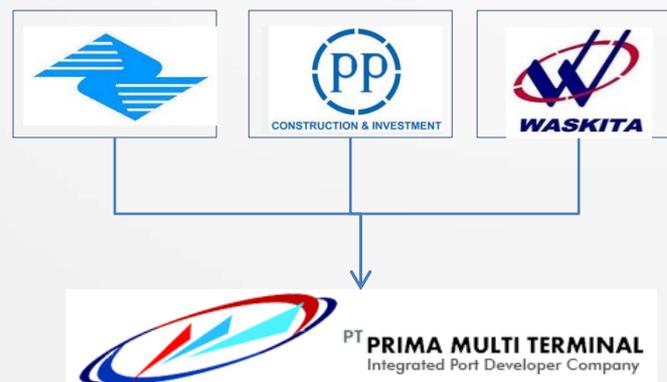
Layout Container Terminal Belawan



2. Terminal Multipurpose Kuala Tanjung



Layout of Multipurpose Terminal Kuala Tanjung



THANK YOU FOR YOUR ATTENTION

