

**PRESS RELEASE**

**Indonesia Infrastructure Finance is appointed as  
Mandated Lead Arranger for Palapa Ring Project funding**

**JAKARTA** – PT Indonesia Infrastructure Finance (IIF) is appointed as Mandated Lead Arranger by PT LEN Telekomunikasi Indonesia. In its capacity as Mandated Lead Arranger, IIF will organize and search for syndicated financing to fund the development of fiber optical backbone network of national Palapa Ring Central Package.

The MoU (Memorandum of Understanding) is signed by the President Director of IIF, Arisudono Soerono, and President Director of PT LEN Telekomunikasi Indonesia, Raden Wahyu Pantja Gelora, in between the 2nd Annual Indonesia Infrastructure Finance Conference Euro Money with IIF as the main sponsor, at Grand Hyatt Jakarta, Tuesday (24/5).

"With IIF experience in infrastructure financing, as financial advisor, along with extensive international network, and strong support from the shareholders, we believe that we can help PT LEN Telekomunikasi Indonesia to obtain financing sources with the best rate," explains Arisudono.

Palapa Ring is telecommunication network construction project that connects all parts of Indonesia, to minimize the distance and shorten the time to communicate to and between regions throughout Indonesia. Especially for the Palapa Ring Project Central Package, the government has appointed PT LEN Telekomunikasi Indonesia to connect 17 cities/districts in five provinces, located in the central region of Indonesia that is Borneo, Celebes, and North Maluku. Palapa Ring project is targeted to be completed in the second quarter of 2018, so the presence of broadband networks can already be optimized by the people in the second quarter of 2018.

Palapa Ring project also includes the project which use the cooperation scheme between the Government and Enterprises or Public Private Partnership, whereas there is government support in the form of guarantees issued by Indonesia Infrastructure Guarantee Fund (Persero). Palapa Ring project is one of government strategic projects and among the priority list of project operated by the government.

As the mandate given by the Government of the Republic of Indonesia, IIF aims to finance 8 infrastructure sectors, namely transportation, roads, irrigation, drinking water, waste water, telecommunications and informatics, electricity, and oil & gas. The products offered by IIF include senior loan, refinancing, subordinated loan, equity investments, guarantees, standby loan, syndication, and financial advisor.

Arisudono further explained that throughout 2015, IIF has signed 10 new financing agreements for a total financial commitment amount of IDR 5.6 trillion, with IDR 4.2 trillion of

which has been distributed. Several projects have been funded, such as the expansion of Soekarno-Hatta International Airport, the construction of gas pipelines in South Sumatra.

"We have a diverse portfolio and include nearly 20 projects including highways, airport management and airship workshop maintenance, port operators, telecommunication infrastructure, electricity power plant (big and small hydropower plant and solar power plant), also gas and gas pipelines manufacturer. In the area of advisory services, IIF has succeeded as consultant for Trans Sumatra highway project and clean water supply project in West side of Semarang."

In 2015, IIF has disbursed a subordinated loan from the World Bank amounting up to US\$ 2.7 million, so that the total amount of the subordinated loan is US\$ 199.4 million with total facility of US\$ 200 million. In addition, IIF obtain a loan facility from Bank Mandiri with the amount up to IDR 1 trillion.

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**About Indonesia Infrastructure Finance:**

*PT. Indonesia Infrastructure Finance (IIF) is a national private company that is engaged in financing infrastructure, founded based on Republic of Indonesia Finance Minister Regulation No. 100/2009, with its focus on investment on commercially viable infrastructure projects. The existence of IIF is to address the gap between institution's role and financing infrastructure development in Indonesia, so it will become the catalyst of infrastructure investment in Indonesia.*

*IIF shareholders owned by five leading financial institutions, namely PT Sarana Multi Infrastruktur (Persero) by 30%, the Asian Development Bank (19.99%), International Finance Corporation (19.99%), Deutsche Investitions-und Entwicklungsgesellschaft mbH (15,12%), and Sumitomo Mitsui Banking Corporation (14.9%).*

**About PT LEN Telekomunikasi Indonesia:**

*Len Telekomunikasi Indonesia (PT LTI) is Implementing Enterprise assigned to carry out the Palapa Ring Project Middle Package Fiber Optic Backbone Network, whose contract was signed on 4 March 2016 with the area of central communications construction, electrical duct network construction and telecommunications network operation. The establishment of PT LTI cannot be separated from the role of Pandawa Lima consortium which won the tender for Palapa Ring Project Package Middle Fiber Optic Backbone Network, that later agreed to create Implementing Business Entity with composition as follows: PT LTI stock ownership is 51% by PT Len Industri*



*(Persero), 39% by PT Teknologi Riset Global Investama, 5% by PT Multi Kontrol Nusantara and 5% by PT Bina Nusantara Perkasa.*