

PwC Indonesia

# *Delivering value with industry- focused services*

*Energy, Utilities & Mining  
Statement of Capabilities*



**pwc**

*Specialised services  
for your business*



# In Indonesia

With 40 years of experience, PwC Indonesia (PwC or we) has grown to over 1,000 professional staff, including 40 Indonesian national partners and expatriate technical advisors. We bring together international and local knowledge, skills and experience.

**>1,000**  
professionals

**40**  
partners and  
technical advisors

Our Indonesian Energy, Utilities and Mining (EU&M) practice comprises over 250 professionals across our three Lines of Service - Assurance, Tax & Legal Services and Advisory. This large group of professionals have deep industry knowledge providing us with the largest group of industry specialists in the Indonesian professional market. At PwC, we help our clients solve complex business problems by combining a global mindset and local resources with positive actions. Through our involvement with the Indonesian Petroleum Association (IPA), the Indonesian Mining Association (IMA), and other industry bodies we are helping to shape the industry as it progresses towards truly world-class standards. Senior members of our team sit on the Boards of both the IPA and IMA, together with key industry executives.

## Our Clients

Our advisors have tremendous industry experience, having worked with numerous clients across the various sub-sectors of the EU&M area. We also act for external investors (private equity/financiers) conducting due diligence (tax and financial) and/or financial model reviews for investments in these sub-sectors.

## Oil and Gas

PwC can help energy companies evaluate priorities, assess risks, and build stakeholder confidence. Our Indonesian energy practice focuses on delivering professional services to companies of all sizes, across all segments of the industry. We provide industry specific solutions in the

fields of audit and assurance, and tax and advisory services to help companies address their business and stakeholder issues.

Our clients in Indonesia include oil and gas companies in all the subsectors listed below:

- Upstream oil and gas
- Midstream/pipeline operations
- Downstream (refining/ petrochemicals/lubricant blending/LPG Processing/ tankfarms/transportation/ crude tankers and LNG shipping/retail and distribution of fuels, LPG and lubricants)
- LNG projects
- Coal bed methane
- Oilfield service providers (drilling/workovers, drilling waste management, drilling fluids' suppliers and service providers in pumping, completions, wireline services, pollution control, geophysics, seismic exploration, manpower, FPSOs and marine/offshore equipment providers, etc.)
- EPC contractors for the EU&M sector
- O&M service providers.

## Mining

PwC's commitment to the mining industry is unmatched and demonstrated by our active participation in industry associations around the world and in Indonesia and our thought leadership on the issues affecting the industry. Through our involvement with the IMA, the Indonesian Coal Mining Association and Indonesian mining companies, we help shape the future of the industry. Our depth of experience means you can be confident we grasp important industry issues and know how to respond to them. We identify trends and communicate those trends to each other and to you, our clients.





- Our market share in Energy, Utilities & Mining in Indonesia is **60%**, based on production.
- PwC was involved in **four of the five** biggest Initial Public Offerings (IPO) in Indonesia in the past five years.
- Our audit market share is **40%** of the Indonesian stock exchange based on market capitalisation - the biggest of all professional services firms.
- We have over **1,000** professionals ready to serve you.

Our Indonesian mining practice focuses on delivering professional services to companies of all sizes, across all segments of the industry, such as:

- Minerals mining
- Coal mining
- Coal briquette manufacturers
- Mineral sand miners
- Mining industry service providers (contract miners, crushing, hauling, rehabilitation)

- Water and waste treatment plants
- Utility equipment suppliers (SCADA and control equipment, compressors, turbines, generators, boilers, etc.)
- Utility service providers (O&M contractors, independent engineers, etc.)

We also have extensive experience providing a variety of services to Renewable and Carbon Market Participants as follows:

#### Utilities

The investment, environmental and technological challenges facing utility companies are immense. Market competition and regulatory regimes continue to vary widely across territories with national differences abounding. Sustainable value creation is taking many different routes as companies adapt their strategies to meet changing market demands. In Indonesia, we are your perfect partner in the Utilities space. Our clients in Utilities are involved in:

- Power generation
- Geothermal

#### Renewable Energy

- Biofuels (liquids, biogas, solid biomass)
- Hydropower
- Photovoltaic
- Solar thermal
- Wind

#### Carbon Market Participants

- Clean Development Mechanism (CDM) project developers
- Carbon buyers (including financial institutions and carbon funds)
- Carbon sellers

***“PwC work very efficiently and deliver the result on time”***

*From PwC Indonesia's Client Satisfaction Survey*

## *“PwC industry knowledge and know how are unquestionable”*

*From PwC Indonesia's  
Client Satisfaction Survey*

### **Our Services**

Our offerings have been organised into three Lines of Service, each staffed with highly qualified, experienced professionals and leaders in our profession.

#### **Audit and Assurance Services**

##### **Managing Corporate Risk and Governance.**

PwC audits companies in all EU&M sectors – including national, international, upstream, midstream, downstream, oil field and mining services companies. Our practice provides a full range of assurance services including:

- **Statutory Audit**  
Our statutory audit provides an opinion on an organisation's financial information; advice on controls over an organisation's financial information; advice on controls and processing system weaknesses; confirmation of accounting treatment with respect to complex transactions; and any other regulatory reporting requirements such as those under Sarbanes-Oxley 404.
- **Regulatory Compliance**
- **Sarbanes-Oxley Readiness and Compliance**  
Our services include project management; technical and documentation support; risk assessment; solution design and implementation; change management and training; and quality assurance and review.
- **Independent Controls Assurance**
- **Information Systems and Process Assurance**
- **Joint Venture Audits**  
Due to the unique structuring of business ventures in the EU&M sector, it is often necessary for non-operating participants to undertake audit procedures of the operator. The deep industry knowledge of our Assurance professionals and their core audit skills allow us to perform joint venture audits that focus on the issues that really matter.

### **Tax Services**

#### **Building Efficiencies and Clarifying Complexities.**

PwC's EU&M tax professionals solve challenging issues, anticipate changes that can impact on our clients' tax situations and financial statements, and keep them informed of local and international tax regulations which affect their operations. Some of our value-driven tax services for EU&M companies include:

- **International Tax Structuring**  
Our team is able to help you structure your business in a tax-efficient manner, both locally and globally. We can help you construct effective cross-border strategies, manage your global structural tax rate and any potential exposure to taxation in Indonesia.
- **Mergers and Acquisitions**  
Early tax planning is essential to reduce both the actual transaction tax costs and the long term sustainable tax rate following a major transaction. When making an acquisition, disposing of a non-core business, or going through a merger, companies need to identify and manage tax risks and ensure that future net cash flows are optimised.
- **International Assignment Services**  
A specialist group dealing with expatriate individual tax compliance, employee share/option plans and tax issues arising from international assignments.
- **Transfer Pricing (TP) Support**  
TP compliance including appropriate documentation is perhaps one of the most contentious areas for Indonesian tax payers. Our specialist TP team includes an EU&M unit working solely on the TP issues relevant to EU&M tax payers.

**“PwC Indonesia does a great job understanding our industry and company issues and acting proactively to address them”**

*From PwC Indonesia's Client Satisfaction Survey*



- **Dispute Resolution**  
Our tax dispute resolution team works with clients on both a proactive and a defensive basis, assisting clients right through from the pre-tax audit stage (preparation and risk assessment) to the audit and post-tax audit stages, and on to the Tax Court or Supreme Court level.
- **Indirect Taxes**  
Our indirect tax professionals can assist with the range of indirect taxes including Value-Added Tax (VAT/PPN) and customs, as well as export and import duties.

### **Advisory Services Enhancing Corporate Value**

PwC Advisory Services group provides advice and assistance to EU&M companies based on our deep financial, analytical and business process skills. We do this in a manner that helps our clients create stakeholder value, build trust and communicate with the marketplace. Throughout the business cycle, we have teams who keep abreast of new developments and trends to help our clients compete and perform better

- **Transaction Services**  
PwC's Transaction Services group advises companies in all sectors of the EU&M industry on

acquisitions, alliances and divestitures. Our people help companies improve the way they do deals - whether buying a company, selling a business or raising capital - so that one successful deal leads to and funds the next one. We are the leading advisor for the provision of transaction services to the EU&M industry in Indonesia.

- **Internal Audit**  
We can assist organisations that need help in improving the quality and effectiveness of their internal audit processes by advising and assisting in the development of internal audit and risk management plans and methodologies, including assessing whether the internal audit function is delivering effectively to stakeholders. We also provide internal audit resource solutions, including full outsourcing or complementary in-house functions utilising experienced professionals with strong EU&M industry knowledge who are supported by subject matter specialists. In addition, we can develop training for internal auditors using our extensive market and industry knowledge to create highly tailored solutions.







*“Performance has been excellent as in years past; so we have indicated it stayed the same since hard to improve if it’s already excellent. We enjoy working with the PwC Team and look forward to working with them in the future.”*

*From PwC Indonesia’s  
Client Satisfaction Survey*

- **Crisis Management**

PwC offers an array of services to help clients deal with critical events as they occur. Some of our services used by EU&M companies include:

- Business Recovery Services
- Dispute Analysis and Litigation Support
- Investigations and Forensic Services
- Forensic Accounting and Analysis
- Computer Forensics and Cybercrime Investigations.

- **Performance Improvement**

Performance Improvement’s main goal is to improve the efficiency and effectiveness of key business operations. We create and sustain value for companies by offering advice and support for key client issues, using data services and change management effectiveness skills to provide the best solution. Some key service offerings are:

- Risk Management
- Corporate Governance
- People and Change Management
- Business Process Improvement.

# What makes us distinct

PwC firms are located wherever the industry is exploring for, producing, refining and selling hydrocarbons and mining products. More than 3,100 specialists are assigned full-time to the global EU&M Group, making it the largest group of its kind in the industry. With over 300 partners serving global EU&M companies worldwide, the PwC network has thirteen regional Centres of Excellence in key industry locations to enable us to support our clients better.

***The PwC Global network of Energy, Utilities and Mining (EU&M) Groups is the professional services leader in these industry sectors, advising clients through our global network of fully trained and dedicated industry specialists.***

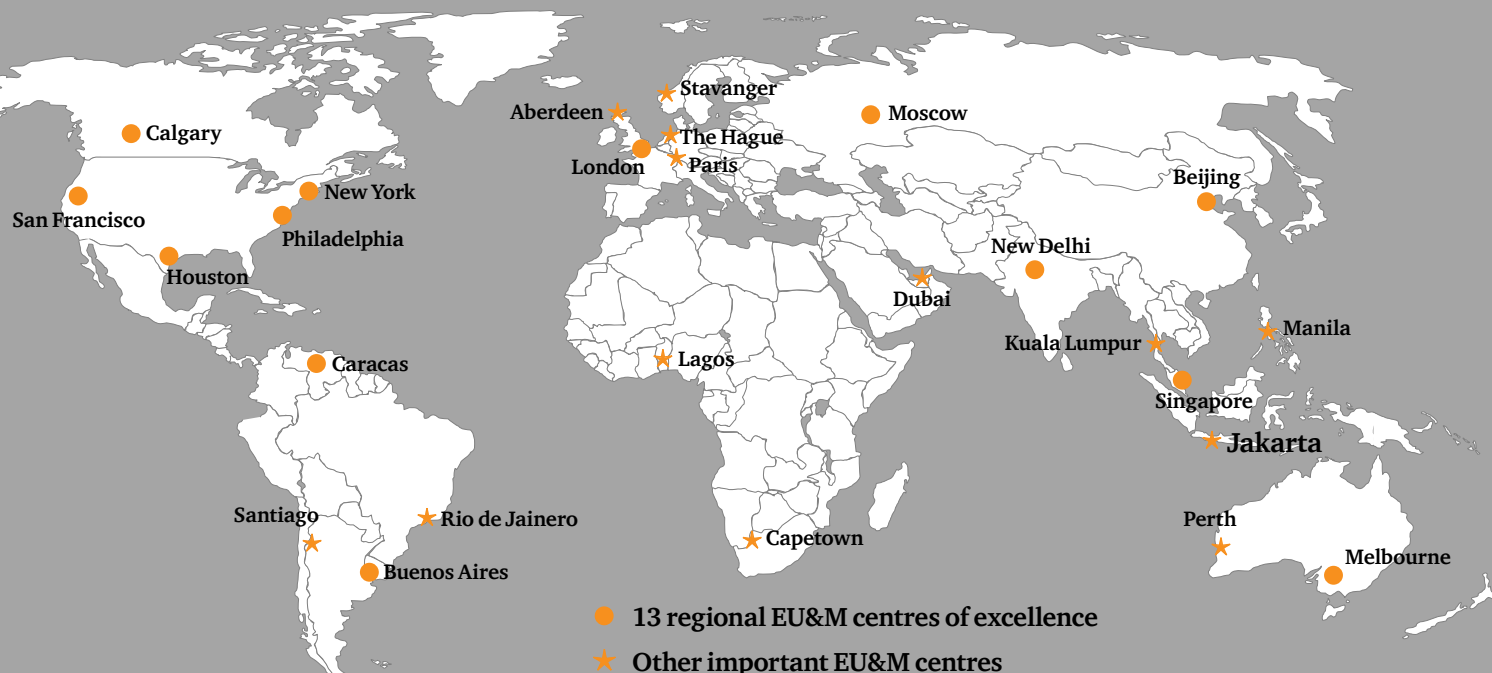
## ***People***

The PwC network has 3,100 dedicated industry specialists and benefits from the biggest global deployment programme of any of the professional services firms. In addition, more than 300 partners worldwide specialise in energy, utilities and mining. This means they are not just familiar with the issues in your market but are also able to contribute first hand insights and experience from their time in other markets. At PwC, having people familiar with EU&M environments worldwide means that we are able to put ourselves in your shoes but also readily introduce fresh perspectives and solutions from elsewhere.

## ***Reach***

The PwC network of firms means that we are, literally, wherever you are. With a network of more than 300 partners dedicated to the EU&M industry and 13 centres of excellence covering major regions worldwide, PwC firms are able to be wherever clients most need us. We work with all types of EU&M companies and industry stakeholders in all different markets worldwide.

## ***Global Energy, Utilities & Mining Map***





*Financial expertise to help our clients and their stakeholders with advice that enhances sustainable value.*

### **Knowledge**

PwC's network of industry specialists are linked by a sophisticated internal knowledge management system, giving them the tools to use their wide-ranging insights and draw upon the most up to date information for the benefit of our clients.

The PwC network's programme of 'thought leadership' is widely respected. From round-table discussions to global surveys, we share knowledge with our clients on industry issues. PwC firms play a central role in many key developments in the industry. For instance, we are represented on the committee of the World Energy Council (WEC) and are a WEC patron.



## ***Our extensive experience***

- In FY2010, PwC firms provided services to 415 of the companies in the Fortune Global 500 and 415 of the companies in the FT Global 500
- PwC firms serve over 2,500 of the largest and most complex energy, utilities and mining companies in the marketplace.
- More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice.
- The PwC network has offices in 757 locations in 154 countries.
- PwC firms serve 64% of the world's largest energy companies listed in the FT Global 500.
- PwC firms audit 28% of the utilities companies in the Global S&P 1200 list.
- PwC firms audit 47% of the FT Global 500 mining companies and provide other professional services to the remainder of them.

# *In tune with industry issues*



Each year, PwC firms prepare industry-dedicated reports and gather opinion on the issues that are of key strategic importance to our clients and the challenges that lie ahead. Our extensive 'thought leadership' programme draws on the insight of our world-wide network of industry specialists as well as the industry itself.

From round table discussions to global surveys, we keep our clients informed on industry issues ranging from fuel mix and technology choices to business performance and sustainability. We look at key developments both within and outside the sector, such as mergers and acquisitions activity, human resource strategies, reporting and compliance standards.







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PwC Indonesia is comprised of KAP Tanudiredja, Wibisana & Rekan, PT PricewaterhouseCoopers Indonesia Advisory and PT Prima Wahana Caraka, each of which is a separate legal entity and all of which together constitute the Indonesian member firm of the PwC global network, which is collectively referred to as PwC Indonesia.

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### Corporate Responsibility

To us, Corporate Responsibility (CR) means a commitment to a sustainable future and to the society in which we live and work. CR is a motivating factor and a way of working we expect from our employees. We hope that it helps our people in their development and to become responsible leaders, who not only focus on our clients but also on the world around them. We want to weave CR into the fibre of our organization.



#### Our CR initiatives:

- Two working days a year are granted to all PwC employees to participate in and volunteer for social activities. 1,911 hours were spent in fiscal year 2010 with participation from 286 of our people to complete 4 community projects.
- Providing financial support to various foundations (charity partners) in Indonesia.
- People-giving program. 225 of PwC's employees participated in setting aside part of their monthly income for our charitable activities.
- Fund-raising activity during the PwC year-end party. In 2008, 8 volunteers had their head shaved on stage to help raise funds to build a school. In 2009, 8 partners and technical advisors performed a *wayang*

*orang* play, helping to raise money for computer training for Papua children.

- In 2010, US\$ 96,000 (\$ 307,000 within the period 2006 to 2010) was distributed to charity and natural disaster relief activities.

#### Some evidence of our commitment in social and community work:

- Supporting the planting of 6,000 mangroves and 1,200 trees as part of a tree adoption program.
- Making dreams come true: Dream School Project in cooperation with Nurani Dunia Foundation to build 3-level classrooms and a 3-level multifunction hall in SDN Pondok Kacang Barat 3, Tangerang.

- Providing financial support for the implementation program of The Learning Farm (TLF - Karang Widya Foundation). TLF provides self and entrepreneurship development for street youth through organic farming.
- In August 2009, PwC and The Indonesian Chamber of Commerce and Industry (KADIN) signed an MoU to empower Small and Medium Enterprises through training and mentoring programs. This is our contribution to Indonesian economic development.

#### Corporate Responsibility Report

Our Corporate Responsibility Report can be accessed at [www.pwc.com/id/en/corporate-responsibility](http://www.pwc.com/id/en/corporate-responsibility).

### More insights

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