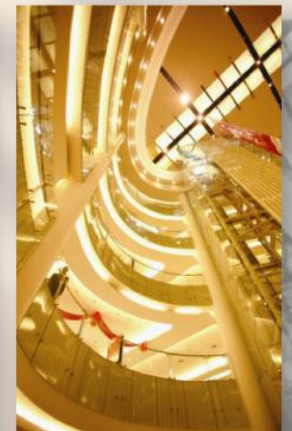




# Lippo Malls Indonesia Retail Trust (“LMIRT”)

## Extraordinary General Meeting Presentation

*20th October 2011*



### **Important Notice**

This presentation should be read in conjunction with the announcement dated 30 September 2011 as well as the circular to unitholders of LMIRT (“Unitholders”) dated 3 October 2011 in relation to the Rights Issue (as defined herein) and the Acquisitions (as defined herein). This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the new Units (as defined herein). The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, LMIRT Management Ltd, as manager of LMIRT (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) does not guarantee a liquid market for the Units.

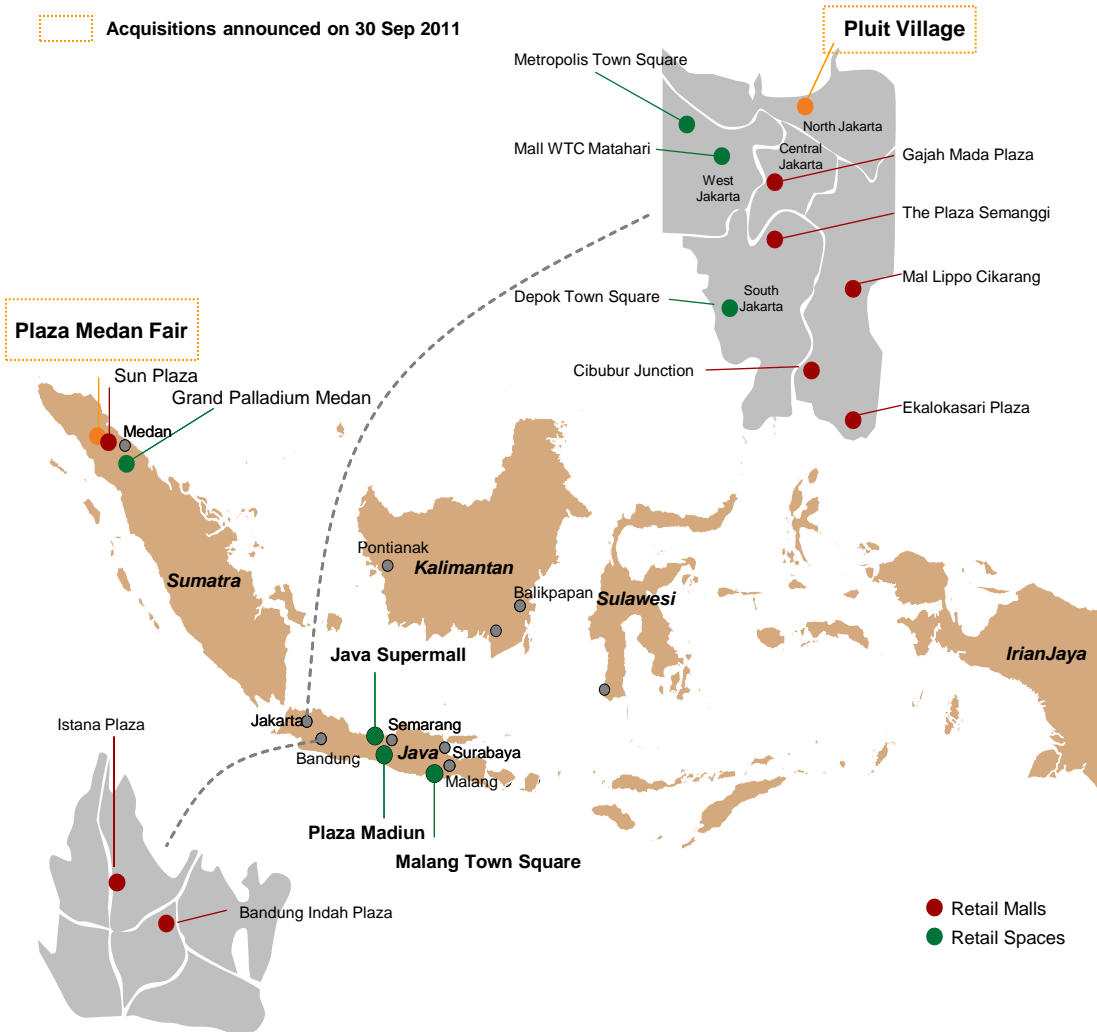
The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust. This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.

## Agenda

- 1** Introduction to LMIRT
- 2** Transaction Overview
- 3** The Acquisitions
- 4** Pro Forma Financial Effects of the Rights Issue and the Acquisitions
- 5** EGM Resolutions

# Overview of LMIRT

Acquisitions announced on 30 Sep 2011



- Portfolio of Indonesian retail assets valued at S\$1.08 billion<sup>(1)</sup> including 8 retail malls and 7 retail spaces
- Portfolio is well positioned in terms of target segment and diversified tenant base
- Benefits from Indonesia's growing economy, urban middle class and favourable demographics
- 2011 initiatives:

- 1 Acquisition of two retail malls (the "Acquisitions") Pluit Village ("PV") and Plaza Medan Fair ("PMF") valued at c.S\$380.5m at attractive Net Property Income ("NPI") yields
  - LMIRT portfolio post Acquisitions will be c.S\$1.6bn
- 2 Secured up to S\$200m worth of new debt, of which S\$150m is committed<sup>(2)</sup>
  - i. Refinancing secured at lower rates and debt maturity extended to 2014
  - ii. Released c.S\$500m of unencumbered assets (up to c.S\$880m assuming completion of the Acquisitions)
  - iii. Low gearing of c.12.0%<sup>(3)</sup> post refinancing
  - iv. Up to c.S\$880m of unencumbered assets (post acquisitions) to fund future growth

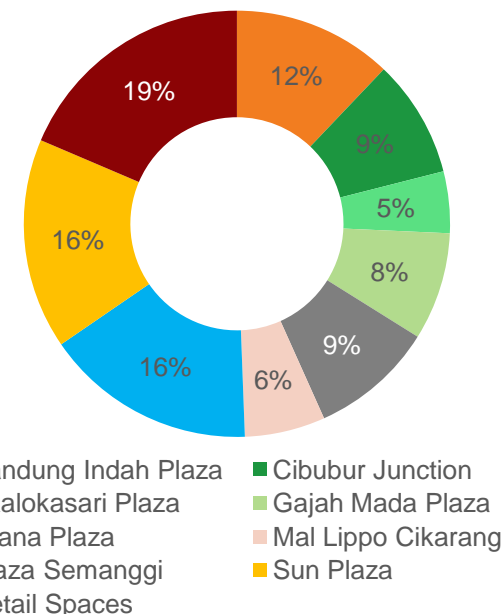
**Notes:**

- (1) Valuation as at 31 December 2010
- (2) As per LMIRT announcement dated 28 Sep 2011
- (3) Illustrative gearing immediately post refinancing based on drawdown of S\$150m committed debt. Assuming the full drawdown of S\$200m debt and completion of the Acquisitions, the gearing would be 11.9%

# Consistently High Occupancy and Good Diversification

No.	Malls	NLA (sqm)	Occ (%) – Jun 11
1	Bandung Indah Plaza	29,395	97.9%
2	Cibubur Junction	33,594	98.7%
3	Ekalokasari Plaza	25,458	94.1%
4	Gajah Mada Plaza	34,292	98.9%
5	Istana Plaza	26,682	99.3%
6	Mal Lippo Cikarang	28,400	99.1%
7	The Plaza Semanggi	63,590	93.6%
8	Sun Plaza	62,588	99.4%
<b>A</b>	<b>Mall Portfolio</b>	<b>303,999</b>	<b>97.4%</b>
<b>B</b>	<b>Retail spaces</b>	<b>94,070</b>	<b>100.0%</b>
<b>A+B</b>	<b>Total Portfolio</b>	<b>398,069</b>	<b>98.0%</b>
	Industry Average		85.0% <sup>(1)</sup>

Portfolio breakdown (by income)



- **LMIRT's occupancy (98%)<sup>(2)</sup> is higher than industry average of c.85%**
- **The consistently high occupancy is testament to**
  1. Well-located properties within strong catchment areas
  2. High shopper traffic
  3. Strong retail mall operator in PT. Lippo Karawaci Tbk
- **Good diversification: No single property accounts for more than 16.0% of LMIRT's portfolio income**
- **Top 10 tenants account for less than 31.0% of portfolio gross income**
- **LMIRT's Weighted Average Lease Expiry (WALE)<sup>(3)</sup> of 5.3 years** consists of a balanced mix of long and short-term leases providing income stability & growth

Source: Company filings as at 30 Jun 2011

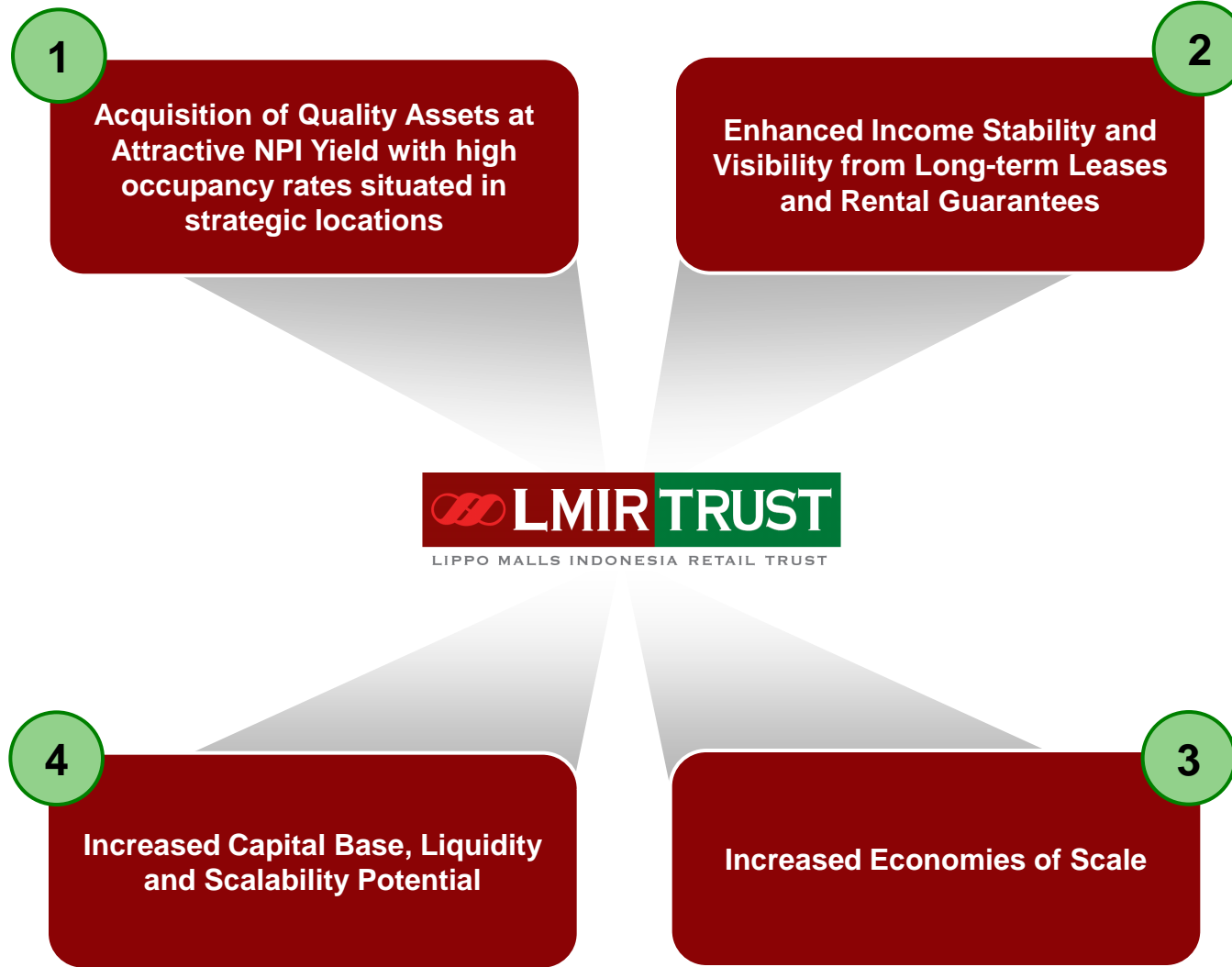
Notes:

(1) Based on Colliers International Jakarta Real Estate Market Report 1Q 2011

(2) As at 30 June 2011

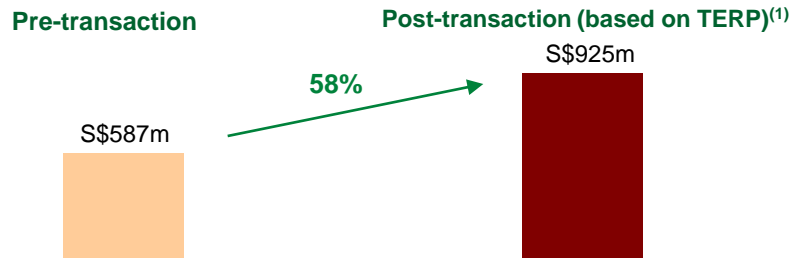
(3) Based on LMIRT's Annual Report 2010

# Key Transaction Rationale

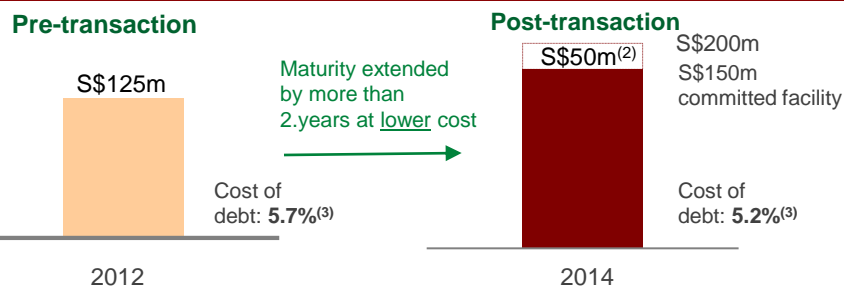


# Recalibrating LMIRT's Capital Structure for Growth

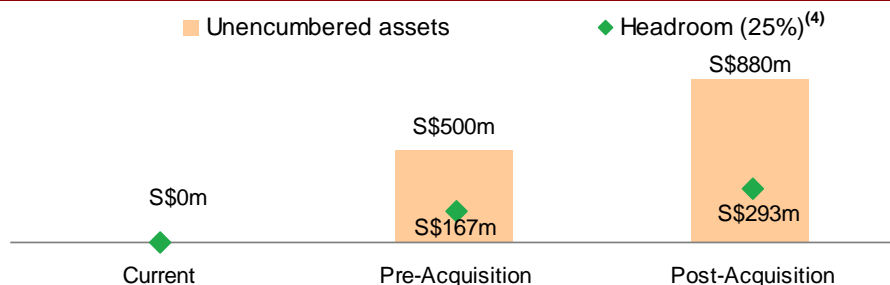
## 1 Increased in market capitalization for better visibility



## 2 Improved debt maturity profile and financing terms



## 3 Increased unencumbered assets for future growth



## Positioning for Future Growth

### ■ Present Situation

- No unencumbered assets
- Asset size of S\$1.2bn
- Only 1 lending bank with no headroom for secured lending
- Market capitalisation of c.S\$587m
- Debt margin of c.5.7%<sup>(3)</sup>



### ■ Post Transactions:

- c.S\$880m worth of unencumbered assets
- Increase asset size to c.S\$1.6bn
- Available debt headroom of up to c.S\$293m<sup>(4)</sup>
- 4 x International Banks providing lending support
- Increase market capitalisation c.58% to c.S\$925m
- Lower cost of debt funding with broadened access to sources of capital

### Notes:

- (1) Theoretical ex-rights price of S\$0.425 based on closing price of Units as at 29 Sep 2011
- (2) Additional uncommitted debt facility of c.S\$50m
- (3) All-in margin excluding base rate
- (4) Headroom computed based on 25% leverage available on unencumbered assets



# Overview of the Target Acquisitions



## Pluit Village



- 5-level retail mall located in North Jakarta
- Operational since 1996 (major refurbishment completed in 2009)
- BOT tenure expiring in 2025
- Valuation (KF): Rp 1,588bn (S\$228.0m)<sup>(1)</sup>
- Valuation (CB): Rp 1,804bn (S\$259.0m)<sup>(1)</sup>

Gross Floor Area / Net Lettable Area (sq m)	:	150,649 / 86,278 <sup>(2)</sup>
Purchase Consideration (Rp. bn)	:	1,600.0

### Key Property Highlights:

- ✓ Newly refurbished mall within a well established catchment area
- ✓ Strategically located in North Jakarta within an affluent residential areas
- ✓ NPI yields – 10.8% (FY2010), 7.4% (1H2011 annualized)
- ✓ Rental Guarantee of Rp105bn over specialty and casual leasing spaces for 2012-2013
- ✓ Quality tenants include Gramedia Bookstore, FJ Square, Matahari, Best Denki, J.Co Donut, Body Shop



# Overview of the Target Acquisitions

## Plaza Medan Fair

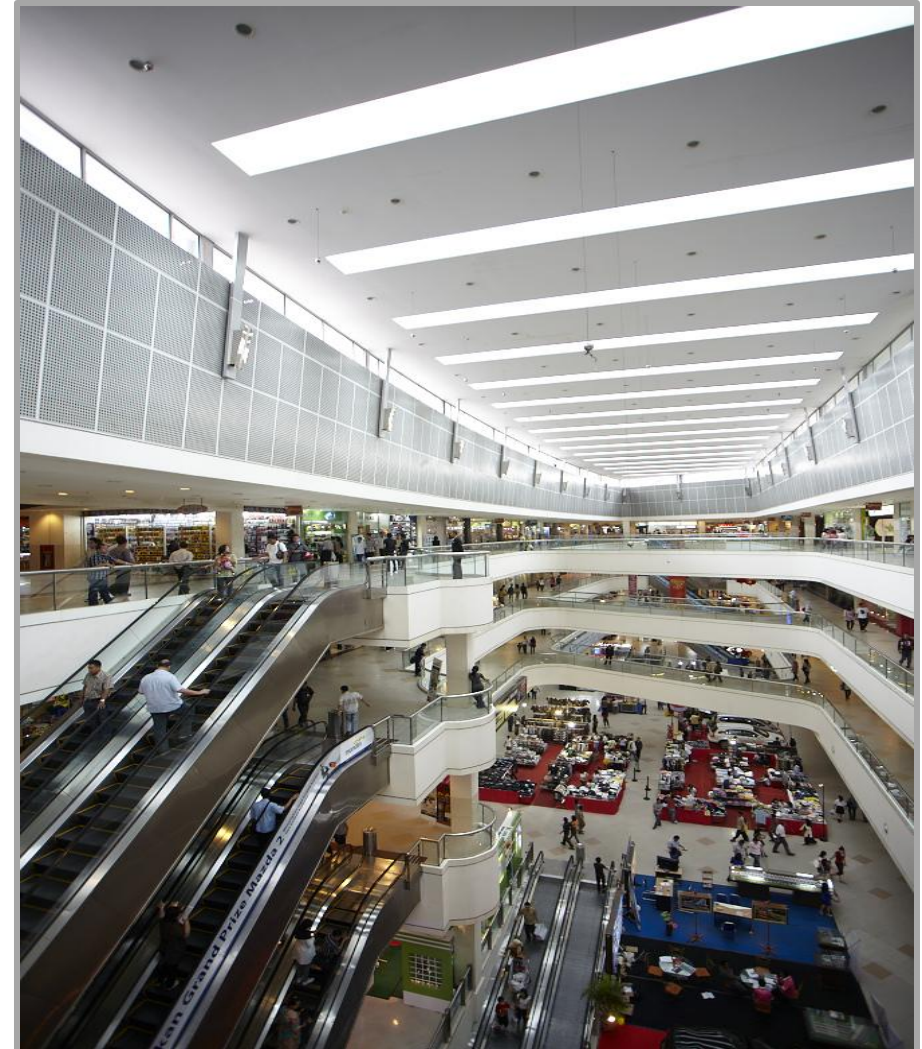


- 4-level retail mall with one basement level located in Medan city centre
- Operational since 2004 with Build Operate and Transfer (“BOT”) tenure expiring in 2027/28
- Valuation (KF): Rp 1,095bn (S\$157.2m)<sup>(1)</sup>

Gross Floor Area / Net Lettable Area (sq m) : 128,993 / 56,000  
Purchase Consideration (Rp. bn) : 1,050.0

### Key Property Highlights:

- ✓ Quality mall with well established track-record of over 7 years
- ✓ Strategically located in the city centre of Medan (Indonesia’s 3<sup>rd</sup> most populous city) near residences
- ✓ NPI Yields – 7.4% (FY2010), 8.5% (1H2011 annualized)
- ✓ Rental Guarantee of Rp55bn over specialty and casual leasing spaces for 2012-2013
- ✓ Quality tenants including Carrefour, KFC, A&W, Electronic City, Timezone



#### Notes:

(1) Based on the illustrative exchange rate of S\$1.00 = Rp6,964.3

(2) As at 30 June 2011

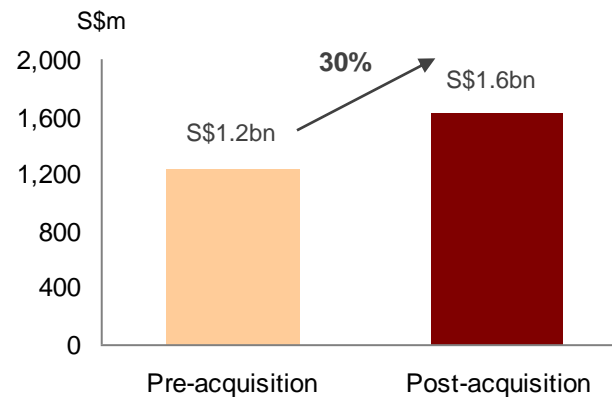
# Acquisition Summary

Acquisitions of PV and PMF for c.Rp2,650bn (S\$380.5m) will:

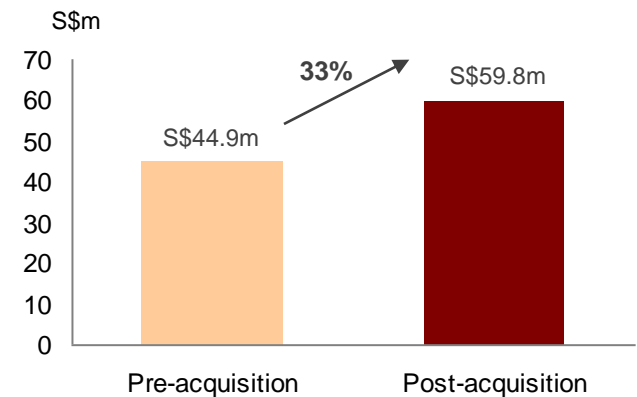
- 1 Increase LMIRT's total assets to c.S\$1,601m
- 2 Net Property Income (1H 2011) increases to c.S\$60m

	Pre-acquisition	Acquisitions (PV + MF) <sup>(3)</sup>	Post-acquisition	Change
Total Assets <sup>(1)</sup>	S\$1,229.4m	S\$380.5m	S\$1,600.6m	+30%
Net Property Income (1H 2011) <sup>(2)</sup>	S\$44.9m	S\$14.9m	S\$59.8m	+33%

**Total Assets<sup>(1)</sup>**



**Net Property Income<sup>(2)</sup>**



Notes:

(1) Based on pro-forma as at 30 June 2011

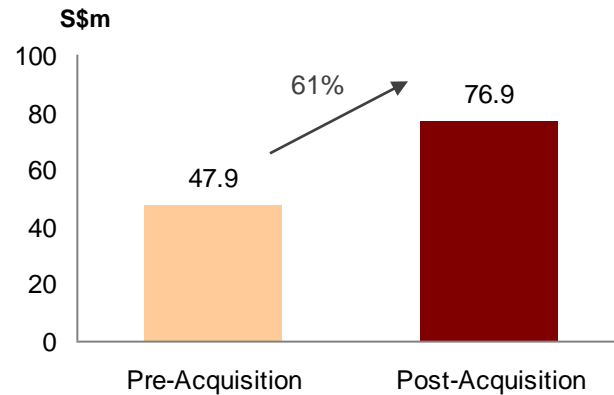
(2) 1H2011 NPI for existing properties, 1H2011 NPI for new properties as per rights circular

(3) 1H2011 NPI for new properties (based on circular) converted using the illustrative exchange rate of S\$1.00 = Rp6,964.3

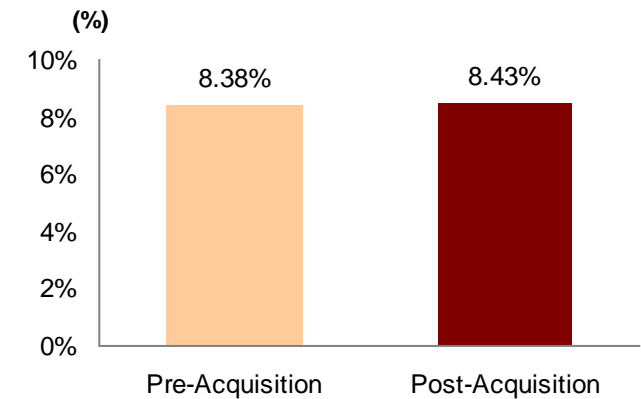
# Pro Forma Financial Effects of the Acquisitions (2010)

- Distributable income increases 61% to S\$76.9m
- Distribution yield increases to 8.43%
- Net Asset Value increases 37% to c.S\$1.2bn
- Total capitalisation increases 32% to c.S\$1.4bn

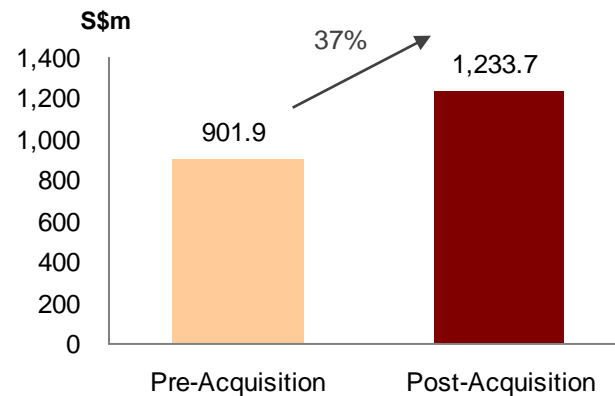
Distributable income (FY10)



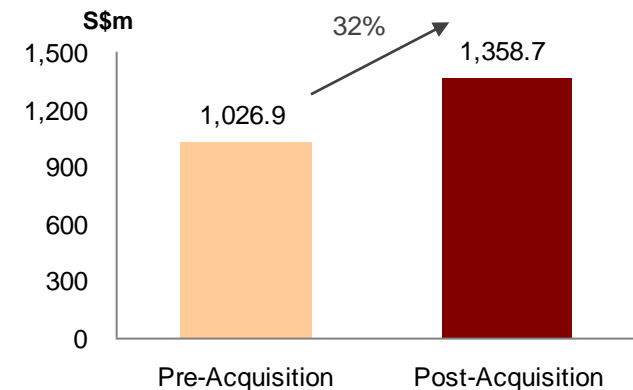
Distribution Yield (FY10)



Net Asset Value (as at 31 Dec 2010)



Total Capitalisation (as at 31 Dec 2010)



Notes:  
(1) Pro-forma as at 31 Dec 2010, as per Rights Circular

# Why Support the Rights Issue and Acquisitions



**Further participation in Indonesia's strong consumption growth story, growing economy, increasing urbanisation and favourable demographics**



**Opportunity to participate in next phase of LMIRT's growth**

- Unitholders have **first right to participate** via rights entitlement
- **Re-calibrated capital structure** with c.S\$880m worth of **unencumbered assets** to drive future DPU growth via potential debt-funded acquisitions
- **Only SGX-ST listed REIT offering access to Indonesian retail assets**, quality visible Sponsor pipeline and demonstrated track record



**Ability to acquire new units at attractive yields** and apply for Excess Rights Units<sup>(1)</sup> to further enhance returns - Issue price of \$0.31 represents an **attractive DPU yield** of 10.5%<sup>(2)</sup>



**Right to renounce or sell rights entitlement**

- Unitholders can capitalize by selling their rights entitlement during **nil-paid rights trading** period



**Enhance LMIRT's portfolio with 2 high quality assets** at attractive acquisition NPI yields and increase earnings potential

Note:

(1) Sponsor and related parties rank last in the allocation of Excess Rights Units

(2) Pro forma annualized 1H2011 DPU adjusted for effects of the Rights Issue divided by the Rights Issue price of S\$0.31 per unit

## Ordinary Resolutions<sup>(1)</sup>

- 1 To approve the acquisition of Pluit Village from an interested party
- 2 To approve the Rights Issue
- 3 To approve the Whitewash Resolution

Note:

(1) Resolution 1 (Acquisition of Pluit Village from an interested person) is subject to and contingent upon the passing of Resolution 2 (the rights issue) and Resolution 3 (The Whitewash resolution), and Resolution 2 (The Rights Issue) is subject to and contingent upon the passing of Resolution 1 and Resolution 3.

# Key Indicative Dates

Date	Event
20 Oct	→ EGM
Subject to approval at EGM of the Acquisitions and the Whitewash Resolution	
4 Nov	→ Rights Issue book closure date
10 - 18 Nov	→ “Nil-paid” rights trading period
24 Nov	→ Close of Rights Issue
02 Dec	→ Expected date of issue of Rights Units
05 Dec	→ Expected date of commencement of trading of Rights Units on SGX-ST
09 Dec	→ Target date for the completion of the Acquisitions



*Thank You*

**Q&A**

