



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007)

**LIPPO MALLS INDONESIA RETAIL TRUST**

**2013 RESULTS NEWS RELEASE**

**LMIR TRUST FY2013 DISTRIBUTABLE INCOME UP 13.9%**

- *FY 2013 Net Property Income increased by 14.4% to S\$ 143.4 million*
- *FY 2013 DPU increased by 10.2% to 3.25 cents*
- *Underlying portfolio performance remained stable during 4Q 2013, whereby Gross Rental Income increased by 13.5% in IDR term*
- *4Q 2013 Net Property Income down by 5.5% mainly due to FX Impact*
- *Portfolio occupancy remained high at 95.0%*

**Singapore, 13 February 2014** – LMIRT Management Limited, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”) announces that the portfolio of LMIR Trust has maintained its stable performance and achieved a 14.4% increase in Net Property Income to S\$143.4 million for the FY2013. Correspondingly, Distributable Income grew by 13.9% to S\$73.0 million due largely to the contributions from the six properties which were acquired in 4Q 2012.

<b>IDR mn</b>	<b>4Q 2013</b>	<b>4Q 2012</b>	<b>Variance %</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>Variance %</b>
Gross Rental Income	315,065	277,571	13.5%	1,267,289	1,124,304	12.7%
Net Property Income	288,997	258,654	11.7%	1,190,562	936,185	27.2%
<b>S\$'000</b>						
Gross Rental Income	33,902	35,304	-4.0%	152,599	130,996	16.5%
Net Property Income	31,097	32,898	-5.5%	143,360	125,359	14.4%
Distributable Income	13,806	16,159	-14.6%	73,023	64,137	13.9%
DPU (cents)	0.56	0.74	-24.3%	3.25	2.95	10.2%

The NPI for the period from 1 October 2013 to 31 December 2013 (“4Q 2013”) was down 5.5% y-o-y to S\$31.1 million mainly due to the depreciation of IDR in the past

quarter. Similarly, after deducting finance and other costs incurred at the LMIR Trust level, 4Q 2013 Distributable Income decreased by 14.6% to S\$13.8 million (compared to S\$16.2 million for 4Q 2012).

However, the currency depreciation aside, the underlying portfolio performance has been stable, whereby Gross Rental Income grew by 13.5% y-o-y, whilst NPI increased by 11.7% y-o-y in IDR terms.

For FY 2013, Distributable Income grew by 13.9% to S\$73.0 million. This translates into a distribution per unit ("DPU") of 0.56 cents for 4Q 2013 and 3.25 cents for FY 2013 which represents an annualized DPU yield of approximately 7.8% based on the closing price of S\$0.415 per unit on Dec 31 2013.

Mr. Alvin Cheng, Chief Executive Officer of LMIRT Management Limited, said "Despite the hedging contracts in place, the financial result was affected by the sharp depreciation of IDR which was beyond general market expectation. We have further strengthened the hedge ratio which should provide additional protection for any further weakening of the IDR. "

Mr. Cheng further added that "according to reports from Indonesian press, at the beginning of 2014, Indonesia is expected to see an upward surge in household consumption during the election year which will ultimately drive up spending. Bank Indonesia also estimated that election-related spending will prop up annual gross domestic product (GDP) by between 0.1 and 0.2 percent in 2014."

### **Diversified Funding and Strong Balance Sheet**

Total outstanding debt as of 31 December 2013 was S\$622.5 million, and approximately 88.4% of external debts are at fixed interest rates. Gearing ratio of LMIR Trust at year end was 34.3%, whilst the weighted average maturity of debt facilities was approximately 2.0 years, with no refinancing required until June 2014.

Furthermore, approximately 67.2% of LMIR Trust's S\$1,412.2 million asset portfolio, equating to S\$949.4 million, remains unencumbered providing LMIR Trust with ample financial flexibility to fund its future growth.

Mr Cheng further added that "on January 16 2014, the Manager has taken the initiative to repay the term loan of SGD147.5 million, which will reduce the average cost of debts of LMIR Trust and creating headroom for the trust to fund its growth plan through borrowings when necessary."

### **Clarity of Growth**

LMIR Trust's Sponsor, PT. Lippo Karawaci Tbk ("LK"), is one of the largest listed property developers and mall operators in Indonesia. With its strategic intention to grow LMIR Trust as the cornerstone of its third pillar of growth, the Sponsor has provided the Trust with a right of first refusal over its portfolio of 15 malls to be built across Indonesia in the next three years.

Mr. Alvin Cheng said, "We will continue to explore our Sponsor's pipeline of quality assets in Indonesia as well as opportunistic third-party acquisitions, to achieve our goal of growing LMIR Trust's portfolio in the coming years, and to deliver stable long-term returns to our Unitholders."

### **Outlook**

Despite the volatilities in the global markets, Indonesian economy still managed to expand 5.8% Year-on-Year in 2013. As the largest ASEAN economy, Indonesia's economic fundamentals are expected to improve in 2014 boosted by the narrowing current account deficit and slowing inflation. On the backdrop of growing population, mega trend of urbanization, middle-class expansion as well as the rising foreign investment, the economy will likely remain buoyant in 2014.

The Greater Jakarta's future retail space supply will be limited by the continuing shopping centre moratorium issued by the previous Jakarta Governor. This will create

advantage to shopping mall owners as retail space in Jakarta will be more sought after in the next few years.

The outlook for quality retail spaces is expected to remain optimistic in the next 12 months. At the same time, higher disposable income, large and growing consumer class coupled with emerging lifestyle trend of shopping mall is expected to fuel the demand for retail space.

---

*About Lippo Malls Indonesia Retail Trust ("LMIR Trust") ([www.lmir-trust.com](http://www.lmir-trust.com))*

*LMIR Trust is a Singapore-based real estate investment trust established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes.*

*LMIR Trust's current asset portfolio comprises sixteen retail malls ("Retail Malls") and seven retail spaces located within other retail malls ("Retail Spaces", and collectively with the Retail Malls, the "Properties"). The Properties have a total net lettable area of 725,601 sqm and total valuation of S\$1.41 billion as at Dec 31 2013, and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, Sogo, Giant Hypermarket, Carrefour, as well as international specialty tenants such as McDonalds, Pizza Hut, Fitness First, Starbucks and Ace Hardware.*