



LIPPO MALLS INDONESIA RETAIL TRUST

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

LIPPO MALLS INDONESIA RETAIL TRUST

1Q 2014 RESULTS NEWS RELEASE

LMIR TRUST ACHIEVED 6.3% GROSS RENTAL GROWTH Y-o-Y

- *Gross Rental from property portfolio increased by 6.3% y-o-y in IDR¹ terms*
- *DPU y-o-y reduced by 23.6% due to IDR depreciation. However, DPU in Q1 2014 compared to 4Q 2013 increased by 21.4%, assisted by hedging and capital management strategies*
- *DPU of 0.68 cents for Q1 2014 represents a rolling 12-month yield of 7.6%*
- *Portfolio Occupancy of the shopping malls remained high at 95.6%*

Singapore, 5 May 2014 – LMIRT Management Limited, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”) announces that the portfolio of LMIR Trust achieved Gross Rental growth of 6.3% y-o-y in IDR terms. The distribution per unit (“DPU”) increased by 21.4% compared to the Q4 2013, assisted by currency hedging and capital management strategies which were implemented since 4Q 2013.

Despite the growth in rental and stable portfolio net property income (“NPI”) in IDR terms, NPI declined in SGD² by 16.6% compared with 1Q 2013, due largely to the depreciation of IDR.

However, the underlying portfolio performance has been encouraging, whereby Gross Rental Income in IDR terms grew 6.3% y-o-y while occupancy of the shopping mall improved further to 95.6%.

¹ Indonesian Rupiah

² Singapore Dollar

IDR mn	1Q 2014	1Q 2013	1Q 2013 Variance	4Q 2013	4Q 2013 Variance
Gross Rental Income	258,564	243,230	6.2%	256,693	0.7%
Net Property Income	287,839	290,661	-1.0%	288,997	-0.4%
SGD '000					
Gross Rental Income	27,911	31,180	-10.5%	27,621	1.0%
Net Property Income	31,071	37,260	-16.6%	31,097	-0.1%
Distributable Income	16,741	19,619	-14.7%	13,806	21.3%
DPU (cents)	0.68	0.89	-23.6%	0.56	21.4%

As a result of the lower NPI, and after deducting finance and other costs incurred at the LMIR Trust level, 1Q 2014 Distributable Income decreased by 14.7% y-o-y to SGD 16.7 million. This translates into a DPU of 0.68 cents for 1Q 2014, which represents an annualized DPU yield of approximately 6.8% and a rolling 12-month yield of 7.6%, based on the closing price of SGD 0.400 per unit on 31 March 2014.

Mr. Alvin Cheng, Chief Executive Officer of the REIT Manager, LMIRT Management Limited, said “The underlying business fundamentals remained solid, as illustrated by the growth in Gross Rental Income and increasing occupancy of the malls. The portfolio performance was affected by few challenges in the past years, namely, the 15.8% depreciation of IDR y-o-y, as well as the expiry of Rental Support in Pluit Village. However, there are clear signs of improvement in Pluit Village’s occupancy and rental income, and the Indonesian currency has appreciated considerably since the beginning of 2014.”

Mr. Cheng further added that “Investor confidence in Indonesia’s economic fundamentals continues to be firm, as reflected by the 11.6% improvement of the Jakarta Composite Index (JCI) during the first quarter of 2014. There is also the general

expectation that household consumption will surge during the current election year, which could drive up spending and provide further support to the retail sales growth.”

Diversified Funding and Strong Balance Sheet

Total outstanding debt as at 31 March 2014 was SGD 475 million, after repayment of a term loan of SGD 147.5 million in January 2014. As such, LMIR Trust’s gearing ratio as at 31 March 2014 was 26.7%, whilst the weighted average maturity of debt facilities was extended to 2.3 years, with no refinancing required until July 2015.

At the same time, 100% of the outstanding debts are now at fixed interest rates, whilst LMIR Trust’s average all-in cost of borrowing has been reduced from 5.63% to 5.29%. Upon repayment of the term loan, 100% of LMIR Trust’s SGD 1,512.8 million asset portfolio will be unencumbered, thus providing LMIR Trust with ample financial flexibility to fund its future growth.

Mr. Cheng said, “Given the conservative gearing ratio and debt maturity profile of LMIR Trust, as well as the Trust’s ability to access the capital markets and banking facilities, we aim to leverage upon these strengths to finance the growth of LMIR Trust when the opportunity arises.”

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 retail malls to be built across Indonesia.

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

Outlook

The Indonesian economy grew 5.8% in 2013. There are signs of continued growth with the average IDR exchange rate appreciating 7.1% (from IDR 9611.7 to IDR 8971.4 per SGD) in the first quarter.

Meanwhile, the near term retail space supply will likely be limited as the shopping centre moratorium (issued by the former Jakarta Governor) will continue to play out and there is no official announcement on additional new projects since 2013. This will create an 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 looks promising in the next 12 months as both local and foreign retail players remain active. Inflation has been dropping slowly from the peak of 8.79% in August 2013 to 7.32% in March 2014. Higher disposable income, the growing consumer class coupled with an emerging trend of lifestyle shopping malls is expected to fuel the demand for retail space.

About Lippo Malls Indonesia Retail Trust ("LMIR Trust") (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\$1.51 billion as at 31 March 2014, 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.