



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
3Q 2014 RESULTS NEWS RELEASE**

**LMIR TRUST DELIVERED CONSISTENT DPU PERFORMANCE
FOR THE LAST THREE QUARTERS**

- *Year-to-date Gross Rental from property portfolio increased by 4.2% in IDR¹ terms*
- *DPU of 0.69 cents for 3Q 2014 (0.68 cents for both Q1 2014 and Q2 2014) represents an annualized yield of 6.9%*
- *Portfolio Occupancy of the shopping malls remained high at 95.0%*

Singapore, 12 November 2014 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”) announces that the portfolio of LMIR Trust achieved year-to-date Gross Rental growth of 4.2% in IDR terms. The distribution per unit (“DPU”) has remained stable at 0.69 cents, assisted by the currency hedging and capital management strategies which were implemented in 4Q 2013.

The underlying portfolio performance has been stable with occupancy of the shopping malls remaining at 95.0% which is well above the industry average.

Despite the growth in rental and relatively stable net property income (“NPI”) in IDR terms, NPI declined in SGD² terms, due largely to the depreciation of IDR since mid-2013.

¹ Indonesian Rupiah

² Singapore Dollar

IDR mn	3Q 2014	3Q 2013	Variance %	2Q 2014	Variance %
Gross Rental Income	266,101	261,813	1.6%	266,111	
Net Property Income	290,263	310,193	-6.4%	288,299	0.7%
SGD '000					
Gross Rental Income	28,336	31,344	-9.6%	28,754	-1.5%
Net Property Income	30,907	37,144	-16.8%	31,152	-0.8%
Distributable Income	17,070	19,136	-10.8%	16,608	2.8%
DPU (cents)	0.69	0.87	-20.7%	0.68	1.5%

As a result of the lower NPI, 3Q 2014 Distributable Income decreased by 10.8% y-o-y to SGD17.1 million, after deducting finance and other costs incurred at the LMIR Trust level. This translates into a DPU of 0.69 cents for 3Q 2014, which represents an annualized DPU yield of approximately 6.9%, based on the closing price of SGD 0.395 per unit on 30 September 2014.

Mr. Alvin Cheng, Chief Executive Officer of the REIT Manager, said “The general outlook for Indonesia economy remained resilient following the election of the new President Mr. Joko Widodo. The underlying business fundamentals remained stable, as illustrated by the growth in Gross Rental Income and continuing high occupancy rate. The portfolio performance was affected by the 14.2% depreciation of IDR y-o-y and the expiry of the Rental Guarantee at Pluit Village.”

Diversified Funding and Strong Balance Sheet

Total outstanding debt as at 30 September 2014 was SGD 475 million, and there was no debt repayment in this quarter. LMIR Trust’s gearing ratio as at 30 September 2014 remained conservative at 28.3%, whilst the weighted average maturity of debt facilities was approximately 21 months, 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 is currently at 5.30%. Furthermore, 100%

of LMIR Trust's SGD 1.4 billion asset portfolio is 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 is in the process of acquiring a newly developed mall, namely Lippo Mall Kemang (which was opened in 2012) from the sponsor for S\$385.7 million. At the EGM on 12 November 2014, the majority of the unitholders present approved the transaction. Upon completion of the acquisition, the amount of total assets of LMIR Trust is expected to increase by 20% based on the pro forma financial statements.

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 5.01% in 3Q 2014. There are signs of continued growth at similar rate for the coming year. The average IDR exchange rate appreciated 3.3% against SGD and 4.2% against USD since the start of the year.

Investor confidence in Indonesia's economic fundamentals continues to be firm. The Jakarta Composite Index (JCI) has gained 16.9% year to date, making it one of the highest gainers among the Asia-Pacific markets.

The near term retail space supply in Jakarta will likely be limited as the shopping centre moratorium continues. This will create a favourable market condition for existing shopping mall owners as retail space in Jakarta will be keenly 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 continue to remain active. Inflation continues to drop from 7.3% in 1Q 2014 to 4.53% in 3Q 2014. Higher disposable income, lower inflation, coupled with an emerging trend of lifestyle shopping malls are expected to drive 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 705,850 sqm and total valuation of S\$1.42 billion as at 30 September 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.