



LIPPO MALLS INDONESIA RETAIL TRUST

2015 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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LIPPO MALLS INDONESIA RETAIL TRUST
2015 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Introduction

Lippo Malls Indonesia Retail Trust ("LMIR Trust") is a Singapore-based real estate investment trust ("REIT") constituted by a trust deed dated 8 August 2007 between LMIRT Management Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. LMIR Trust was listed on the Singapore Exchange Securities Trading Limited on 19 November 2007.

LMIR Trust was 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 is primarily used for retail and / or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 June 2015, LMIR Trust's property portfolio comprises 17 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

LMIR Trust's distribution policy is to distribute at least 90.0% of the tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received from the Singapore Special Purpose Companies ("SPCs"). These are dividends from the Indonesian SPCs paid out of income (less the related income taxes) derived by letting out of the properties. The capital receipts comprise mainly of amounts received by LMIR Trust from the redemption of redeemable preference shares in the Singapore SPCs.

Summary of Lippo Malls Indonesia Retail Trust Group Results

	Group					
	2Q 2015 S\$'000	2Q 2014 S\$'000	Variance % Favourable/ (Unfavourable)	1H 2015 S\$'000	1H 2014 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rent (Note A)	34,149	28,754	18.8%	68,670	56,665	21.2%
Other revenue	8,108	5,280	53.6%	15,559	11,038	41.0%
Total Gross Revenue	42,257	34,034	24.2%	84,229	67,703	24.4%
Net Property Income (Note A)	39,049	31,152	25.3%	78,075	62,223	25.5%
Distributable Amount	19,875	16,608	19.7%	41,376	33,349	24.1%
Available Distribution per Unit (cents)	0.73	0.68	7.4%	1.52	1.36	11.8%

Note A: The portfolio performance in IDR terms are shown as below:

	Group Performance in IDR					
	2Q 2015 millions	2Q 2014 millions	Variance % Favourable/ (Unfavourable)	1H 2015 millions	1H 2014 millions	Variance % Favourable/ (Unfavourable)
Gross rent	333,007	266,111	25.1%	657,561	524,675	25.3%
Net Property Income	380,712	288,299	32.1%	747,620	576,138	29.8%

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1 (a) (i) **Statements of Total Return**

	Group					
	2Q 2015 S\$'000	2Q 2014 S\$'000	Variance % Favourable/ (Unfavourable)	1H 2015 S\$'000	1H 2014 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rent	34,149	28,754	18.8%	68,670	56,665	21.2%
Carpark income	5,814	3,473	67.4%	11,598	6,849	69.3%
Other rental income ¹	2,294	1,807	27.0%	3,961	4,189	(5.4%)
Total Gross Revenue	42,257	34,034	24.2%	84,229	67,703	24.4%
Property Operating Expenses						
Land rental	(377)	(365)	(3.3%)	(773)	(726)	(6.5%)
Property management fee	(937)	(893)	(4.9%)	(1,891)	(1,648)	(14.7%)
Property operating and maintenance expenses	(1,894)	(1,624)	(16.6%)	(3,490)	(3,106)	(12.4%)
Total Property Operating Expenses	(3,208)	(2,882)	(11.3%)	(6,154)	(5,480)	(12.3%)
Net Property Income	39,049	31,152	25.3%	78,075	62,223	25.5%
Interest income	221	416	(46.9%)	506	871	(41.9%)
Financial expenses ²	(11,015)	(8,309)	(32.6%)	(20,837)	(17,775)	(17.2%)
Administrative Expenses						
Manager's management fees	(2,799)	(2,291)	(22.2%)	(5,462)	(4,629)	(18.0%)
Trustee's fee	(79)	(77)	(2.6%)	(162)	(148)	(9.5%)
Other trust operating expenses	(408)	(280)	(45.7%)	(956)	(478)	(100.0%)
Total Administrative Expenses	(3,286)	(2,648)	(24.1%)	(6,580)	(5,255)	(25.2%)
Other gains/ (losses) (net) (See Note A)	(10)	3,769	NM	(5,603)	1,160	NM
Total Return For The Period/ Year Before Tax	24,959	24,380	2.4%	45,561	41,224	10.5%
Income tax	(4,215)	(3,460)	(21.8%)	(8,388)	(7,126)	(17.7%)
Withholding tax	(2,856)	(2,363)	(20.9%)	(5,744)	(4,632)	(24.0%)
Total Return For The Period After Tax	17,888	18,557	(3.6%)	31,429	29,466	6.7%
Other Comprehensive Income:						
Exchange Differences On Translating Foreign Operations	(62,338)	(97,254)	35.9%	(80,007)	4,636	NM
Total Comprehensive (Loss)/ Gain For The Period	(44,450)	(78,697)	43.5%	(48,578)	34,102	NM

1 (a) (ii) **Statements of Distribution**

Total Return for the period after tax before distribution	17,888	18,557	(3.6%)	31,429	29,466	6.7%
Add back/ (less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units	1,562	1,246	25.4%	3,123	2,489	25.5%
- Depreciation of plant and equipment	302	162	86.4%	517	311	66.2%
- Amortisation of intangible asset	2,795	-	NM	5,623	-	NM
- Unrealised (gain)/ loss on hedging contracts	(745)	(2,348)	(68.3%)	946	(308)	NM
- Unrealised foreign exchange (gain)/loss	(1,927)	(1,009)	91.0%	(262)	1,391	NM
Total Unitholders' Distribution	19,875	16,608	19.7%	41,376	33,349	24.1%
Unitholders' distribution:						
- as distributions from operations	13,612	11,693	16.4%	25,233	22,635	11.5%
- as return of capital ³	6,263	4,915	27.4%	16,143	10,714	50.7%
Total Unitholders' Distribution	19,875	16,608	19.7%	41,376	33,349	24.1%

(Note A) **Other gains/ (losses) (net) comprise:**

Realised gain/ (loss) on hedging contracts	1,890	1,470	28.6%	3,861	3,561	8.4%
Realised gain/(loss) on foreign exchange	(2,257)	(1,646)	(37.1%)	(3,831)	(2,379)	(61.0%)
Miscellaneous income ⁴	480	588	(18.4%)	674	1,061	(36.5%)
Unrealised (loss)/ gain on foreign exchange hedging contracts	745	2,348	(68.3%)	(946)	308	NM
Unrealised foreign exchange gain/ (loss)	1,927	1,009	91.0%	262	(1,391)	NM
Amortisation of intangible asset	(2,795)	-	NM	(5,623)	-	NM
	(10)	3,769	NM	(5,603)	1,160	NM

Footnote:

- 1 The 1H 2015 other rental income includes S\$2,413,000 (1H 2014: S\$1,908,000) from rental of electrical, mechanical and mall operating equipment and S\$619,000 (1H 2014: S\$634,000) from rental of office space to a third party operating company. 1H 2014 also included rental guarantee income of S\$726,000 from the vendor of Lippo Plaza Kramat Jati (previously known as Kramat Jati Indah Plaza), which guarantee expired at the end of FY 2014.

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Footnote (continued):

- 2 Finance cost for 1H 2015 is higher mainly due to the cost in relation to the loan drawdown in December 2014.
- 3 The return of capital comprises the amounts received by LMIR Trust from the redemption of its investment in the redeemable preference shares in the Singapore SPCs.
- 4 Miscellaneous income in 1H 2014 included S\$503,000 from vendor of Binjai Supermall in relation to compensation for loss of rental income resulting from the delay in completion of asset enhancements. The asset enhancement project was completed at the end of Q2 2014.

1 (b) (i) Statements of Financial Position

	Group		Trust	
	30-Jun-15 S\$'000	31-Dec-14 S\$'000	30-Jun-15 S\$'000	31-Dec-14 S\$'000
Current Assets				
Cash and cash equivalents	158,989	103,920	98,188	18,589
Trade and other receivables ¹	75,656	67,568	195,926	192,101
Other financial assets, current ²	-	116	-	116
Total Current Assets	234,645	171,604	294,114	210,806
Non-current Assets				
Investment properties ³	1,718,278	1,806,944	-	-
Investments in subsidiaries	-	-	1,712,422	1,723,517
Intangible asset ⁴	26,933	34,033	-	-
Plant and equipment	5,232	4,908	-	-
Total Non-current Assets	1,750,443	1,845,885	1,712,422	1,723,517
Total Assets	1,985,088	2,017,489	2,006,536	1,934,323
Current Liabilities				
Unsecured borrowing	199,971	198,954	-	-
Trade and other payables ¹	57,306	70,982	708,050	608,920
Current tax payable	9,363	6,538	297	466
Security deposits	28,016	28,618	-	-
Other financial liabilities, current ²	-	186	-	146
Total Current Liabilities	294,656	305,278	708,347	609,532
Non-current Liabilities				
Unsecured borrowing ¹	347,181	272,404	-	-
Secured borrowing	141,442	151,473	141,442	151,473
Deferred tax liabilities	51,107	51,107	-	-
Deferred income	79,711	86,009	-	-
Other financial liabilities, non-current ²	2,439	1,488	975	-
Total non-current liabilities	621,880	562,481	142,417	151,473
Total Liabilities	916,536	867,759	850,764	761,005
Unitholders' funds	1,068,552	1,149,730	1,155,772	1,173,318
Total Liabilities and Unitholders' funds	1,985,088	2,017,489	2,006,536	1,934,323

Footnote:

- 1 Included in trade and other receivables and trade and other payables, there is S\$37.8M VAT relating to Kemang acquisition. This amount is paid by the vendor of Lippo Mall Kemang on behalf of the Trust and will be repaid upon the reimbursement from relevant tax office in Indonesia.
- 2 The movements in other financial assets and other financial liabilities (current and non-current) are mainly as a result of unrealised movements in the value of derivatives, principally being currency options contracts of Indonesian Rupiah to Singapore Dollars and interest rate swap contracts.
- 3 The carrying values of the properties are stated based on the independent valuation as at 31 December 2014 and adjusted for property enhancements to-date. The valuations and property enhancements figures are recorded in the financial statements of the Indonesian subsidiaries in Indonesian Rupiah and translated into Singapore Dollars using the respective exchange rate as at the end of each period.
- 4 Intangible asset represents the unamortised aggregate rental support receivable by the Group from certain master lease agreements for its 100% interest in Lippo Mall Kemang. The rental support is for a period of 3 years.

1 (b) (ii) Borrowings and Debt Securities

	Group	
	30-Jun-15 S\$'000	31-Dec-14 S\$'000
<u>Secured borrowings:</u>		
Amount payable within one year	-	155,000
Less: Unamortised transaction costs for secured borrowings	-	(3,527)
Amount payable after one year	145,000	-
Less: Unamortised transaction costs for secured borrowings	(3,558)	-
Total secured borrowings	141,442	151,473
<u>Unsecured borrowings:</u>		
Amount payable within one year	200,000	200,000
Less: Unamortised transaction costs for unsecured borrowings	(29)	(1,046)
Amount payable within one year	350,000	275,000
Less: Unamortised transaction costs for secured borrowings	(2,819)	(2,596)
Total unsecured borrowings	547,152	471,358
Total borrowings	688,594	622,831

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1 (b) (ii) Borrowings and Debt Securities (continued)

Secured borrowings

LMIR Trust has in place S\$200,000,000 4.88% Notes due July 2015, S\$50,000,000 5.875% Notes due July 2017, S\$75,000,000 4.48% Notes due November 2017, S\$150,000,000 4.25% Notes due October 2016 and S\$75,000,000 4.10% Notes due June 2020 (collectively, the Notes), issued under the Guaranteed Euro Medium Term Note Programme ("EMTN Programme") established by its wholly owned subsidiary, LMIRT Capital Pte Ltd (LMIRT Capital).

The Trust issued additional S\$75,000,000 4.10% Notes in Q2 2015 due June 2020 under the EMTN Programme by LMIRT Capital.

The facility is secured mainly on the following:

- Pledge over the shares in 7 retail mall Singapore SPCs and 7 retail space Singapore SPCs ("Restricted Singapore Subsidiaries")
- Pledge over the shares in 3 retail mall Indonesia SPCs and 6 retail space Indonesia SPCs ("Restricted Indonesia Subsidiaries")
- First fixed mortgage charge over 3 retail malls and 6 retail spaces and first fixed and/ or floating charges over all the other assets of 9 Indonesia SPCs
- First legal assignment of earnings of Restricted Singapore Subsidiaries and Indonesia Subsidiaries
- Legal assignment of rights under each lease agreement, lease guarantee, all insurance policies associated with the 3 retail malls and 6 retail spaces

Unsecured borrowings

LMIR Trust has in place S\$200,000,000 4.88% Notes due July 2015, S\$50,000,000 5.875% Notes due July 2017, S\$75,000,000 4.48% Notes due November 2017, S\$150,000,000 4.25% Notes due October 2016 and S\$75,000,000 4.10% Notes due June 2020 (collectively, the Notes), issued under the Guaranteed Euro Medium Term Note Programme ("EMTN Programme") established by its wholly owned subsidiary, LMIRT Capital Pte Ltd (LMIRT Capital).

The Trust issued additional S\$75,000,000 4.10% Notes in Q2 2015 due June 2020 under the EMTN Programme by LMIRT Capital.

1 (c) Statements of Cash Flows

	Group		Group	
	2Q 2015 S\$'000	2Q 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Operating activities				
Total return for the period before tax	24,959	24,380	45,561	41,224
Adjustments for				
- Manager's fee payable in units	1,562	1,246	3,123	2,489
- Interest income	(221)	(416)	(506)	(871)
- Amortisation of borrowing costs	1,066	787	2,083	2,994
- Interest expense	9,949	7,522	18,754	14,781
- Depreciation of plant and equipment	302	162	517	311
- Amortisation of intangible asset	2,795	-	5,623	-
- Unrealised foreign exchange (gain)/ loss	(1,927)	(1,009)	(262)	1,391
- Unrealised (gain)/ loss on hedging contracts	(745)	(2,348)	946	(308)
- Net effect of exchange rate changes	9,138	2,983	14,396	399
Operating income before working capital changes	46,878	33,307	90,235	62,410
Changes in working capital				
Trade and other receivables	(5,090)	1,741	(8,088)	(4,202)
Trade and other payables	(2,332)	3,196	(9,343)	(2,663)
Security deposits	(721)	(1,412)	(602)	786
Net cash from operating activities before income tax	38,735	36,832	72,202	56,331
Income tax paid	(5,802)	(7,126)	(11,307)	(12,231)
Cash flows from operating activities	32,933	29,706	60,895	44,100
Investing activities				
Capital expenditures on investment properties	(1,074)	(1,699)	(1,994)	(1,829)
Purchase of plant and equipment	(569)	(364)	(1,106)	(643)
Interest income	221	416	506	871
Cash flows used in investing activities	(1,422)	(1,647)	(2,594)	(1,601)
Financing activities				
Repayment of bank borrowings	(10,000)	-	(10,000)	(147,500)
Proceeds from Notes issued under EMTN Programme	75,000	-	75,000	-
Decrease in other financial liabilities	(1,066)	(136)	(2,083)	(176)
Deferred income	(3,733)	(4,341)	(6,298)	2,574
Interest on bank loan paid	(9,949)	(7,522)	(18,754)	(14,781)
Distribution to unitholders	(21,501)	(16,740)	(39,096)	(30,546)
Cash flows from/(used in) financing activities	28,751	(28,739)	(1,231)	(190,429)
Net (decrease)/increase in cash and cash equivalents	60,262	(680)	57,070	(147,930)
Cash and cash equivalents at beginning of the period	98,520	225,688	102,420	369,211
Effect of exchange rate changes on cash and cash equivalents	(1,293)	(3,589)	(2,001)	138
Cash and cash equivalents at end of the period	157,489	221,419	157,489	221,419
Cash and cash equivalents in Statement of Cash Flows:				
Cash and cash equivalents per Statement of Cash Flows	157,489	221,419	157,489	221,419
Add: Cash restricted in use for bank facilities	1,500	1,500	1,500	1,500
Cash and cash equivalents in Statements of Financial Position	158,989	222,919	158,989	222,919

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1 (d) (i) Statements of Changes in Unitholders' Funds

	Issued equity S\$'000	Currency translation reserve S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total S\$'000
Group				
2Q 2015				
Balance at beginning of the period	1,362,334	(516,941)	287,549	1,132,942
Total comprehensive (loss)/ income for the period	-	(62,338)	17,888	(44,450)
Manager's management fees settled in units	1,561	-	-	1,561
Distribution to unitholders	-	-	(21,501)	(21,501)
Balance at end of the period	1,363,895	(579,279)	283,936	1,068,552
Group				
2Q 2014				
Balance at beginning of the period	1,270,529	(449,849)	289,108	1,109,788
Total comprehensive (loss)/ income for the period	-	(97,254)	18,557	(78,697)
Manager's management fees settled in units	1,243	-	-	1,243
Distribution to unitholders	-	-	(16,740)	(16,740)
Balance at end of the period	1,271,772	(547,103)	290,925	1,015,594
Group				
1H 2015				
Balance at beginning of the period	1,357,399	(499,272)	291,603	1,149,730
Total comprehensive (loss)/ income for the period	-	(80,007)	31,429	(48,578)
Manager's management fees settled in units	2,876	-	-	2,876
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(39,096)	(39,096)
Balance at end of the period	1,363,895	(579,279)	283,936	1,068,552
Group				
1H 2014				
Balance at beginning of the period	1,269,285	(551,739)	292,005	1,009,551
Total comprehensive income for the period	-	4,636	29,466	34,102
Manager's management fees settled in units	2,487	-	-	2,487
Distribution to unitholders	-	-	(30,546)	(30,546)
Balance at end of the period	1,271,772	(547,103)	290,925	1,015,594
Trust				
2Q 2015				
Balance at beginning of the period	1,362,334	-	(193,256)	1,169,078
Total comprehensive income for the period	-	-	6,634	6,634
Manager's management fees settled in units	1,561	-	-	1,561
Distribution to unitholders	-	-	(21,501)	(21,501)
Balance at end of the period	1,363,895	-	(208,123)	1,155,772
Trust				
2Q 2014				
Balance at beginning of the period	1,270,529	-	(160,358)	1,110,171
Total comprehensive income for the period	-	-	2,887	2,887
Manager's management fees settled in units	1,243	-	-	1,243
Distribution to unitholders	-	-	(16,740)	(16,740)
Balance at end of the period	1,271,772	-	(174,211)	1,097,561
Trust				
1H 2015				
Balance at beginning of the period	1,357,399	-	(184,081)	1,173,318
Total comprehensive income for the period	-	-	15,054	15,054
Manager's management fees settled in units	2,876	-	-	2,876
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(39,096)	(39,096)
Balance at end of the period	1,363,895	-	(208,123)	1,155,772
Trust				
1H 2014				
Balance at beginning of the period	1,269,285	-	(161,920)	1,107,365
Total comprehensive income for the period	-	-	18,255	18,255
Manager's management fees settled in units	2,487	-	-	2,487
Distribution to unitholders	-	-	(30,546)	(30,546)
Balance at end of the period	1,271,772	-	(174,211)	1,097,561

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1 (d) (ii) Details of Any Change in the Issued and Issuable Units

	2Q 2015 (units)	2Q 2014 (units)
Issued units at the beginning of the period	2,716,426,568	2,456,428,504
Issuance of new units for 1Q management fees	4,507,960	3,143,222
Issued units at the end of the period	2,720,934,528	2,459,571,726
Management fees payable in units to be issued	4,296,952	3,076,826
Total issued and issuable units at the end of the period	2,725,231,480	2,462,648,552

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

	30-Jun-15 (units)	31-Dec-14 (units)
Issued units at the end of the period	2,720,934,528	2,701,802,668

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6 Earnings Per Unit ('EPU') and Distribution Per Unit ('DPU') for the Financial Period

	Group			
	2Q 2015	2Q 2014	1H 2015	1H 2014
Weighted average number of units in issue	2,718,408,089	2,458,051,926	2,710,555,225	2,456,313,446
Earnings per unit in cents (EPU) ⁽¹⁾	0.66	0.75	1.16	1.20
Number of units in issue	2,720,934,528	2,459,571,726	2,720,934,528	2,459,571,726
Distribution per unit in cents (DPU) ⁽²⁾	0.73	0.68	1.52	1.36

Footnote:

- In computing the quarterly EPU, the weighted average number of units for the end of the period is used.
- In computing the quarterly DPU, the number of units in issue as at the end of the period is used.

7 Net Asset Value Per Unit Based on Units Issued at the End of the Period

	Group		Trust	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset value per unit (Cents)	39.27	42.55	42.48	43.43

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8 **Review of the Performance**

	Group			
	2Q 2015 S\$'000	2Q 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Statement of Total Return				
Gross rent	34,149	28,754	68,670	56,665
Other revenue	8,108	5,280	15,559	11,038
Total gross revenue	42,257	34,034	84,229	67,703
Property operating expenses	(3,208)	(2,882)	(6,154)	(5,480)
Net Property Income	39,049	31,152	78,075	62,223
Interest income	221	416	506	871
Financial expenses	(11,015)	(8,309)	(20,837)	(17,775)
Administrative expenses	(3,286)	(2,648)	(6,580)	(5,255)
Other gains/ (losses) (net)	(10)	3,769	(5,603)	1,160
Total Return For The Period Before Tax	24,959	24,380	45,561	41,224
Income tax	(4,215)	(3,460)	(8,388)	(7,126)
Withholding tax	(2,856)	(2,363)	(5,744)	(4,632)
Total Return For The Period After Tax	17,888	18,557	31,429	29,466
Unitholders' distribution:				
- as distributions from operations	13,612	11,693	25,233	22,635
- as return of capital	6,263	4,915	16,143	10,714
Total Unitholders' distribution	19,875	16,608	41,376	33,349
Distribution per Unit (cents)	0.73	0.68	1.52	1.36

2Q 2015 vs 2Q 2014

Gross rental income in 2Q 2015 is S\$5.4 M above 2Q 2014 or 18.8% mainly due to the acquisition of Lippo Mall Kemang as well as positive rental reversion within the existing malls. The rental growth has been partially offset by the depreciation of IDR against SGD when translating revenues denominated in IDR to SGD.

Other revenue is S\$2.8 M higher than 2Q 2014 mainly due to the additional contribution from carpark income from Lippo Mall Kemang.

The increase in financial expenses to S\$11.0 M is mainly due to interest expenses in relation to the term loan drawdown in December 2014 and its related costs.

Administrative expenses are S\$0.6 M above 2Q 2014, mainly due to higher management fee as a result of higher value of deposited property and net property income.

Other losses (net) comprise realised and unrealised foreign currency gains/(losses) and realised and unrealised hedging contracts gains/(losses). It also includes amortisation of intangible asset in relation to Lippo Mall Kemang.

1H 2015 vs 1H 2014

Gross rental income for 1H 2015 is S\$12.0 M above 1H 2014 or 21.2% mainly due to the acquisition of Lippo Mall Kemang as well as positive rental reversion within the existing malls. The rental growth has been partially offset by the depreciation of IDR against SGD when translating revenues denominated in IDR to SGD.

Other revenue is S\$4.5 M higher than 1H 2014 mainly due to the additional contribution from carpark income from Lippo Mall Kemang.

The increase in financial expenses to S\$20.8 M is mainly due to interest expenses in relation to the term loan drawdown in December 2014 and its related costs.

Administrative expenses are S\$1.3 M above 1H 2014, mainly due to higher management fee as a result of higher value of deposited property and net property income.

Other losses (net) comprise realised and unrealised foreign currency gains/(losses) and realised and unrealised hedging contracts gains/(losses). It also includes amortisation of intangible asset in relation to Lippo Mall Kemang.

The Trust has foreign currency options contracts to mitigate its exposure on currency movements due to the fact that the majority of the Trust's income is in IDR. The unrealised gain/(loss) on foreign currency option contracts is a non-cash item and does not affect the amount of distribution to unitholders.

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9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Not applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Indonesian economy grew by 4.7% in 1Q 2015, and some economists predict that the 2Q 2015 GDP growth will slow further to 4.3%. The slowdown is due to lower fixed investment growth and private consumption. In 1Q 2015, the private consumption which makes up of 55% of the GDP grew at a moderate rate of 4.7% as compared to 4.9% in 4Q 2014. There has also been very limited progress on government capital spending, with only 10% of the 2015 budget disbursed in the first half of the year.

Further weakening of exports, mainly in commodities, has contributed to slower growth via the deterioration in terms of trade and lower incomes.

Inflation rose to 7.26% in June 2015, due mainly to the increase in inflation from a broad-based rise in food prices. However, the World Bank expects the annual average inflation rate will lower to about 6.8% in 2015 as lower than projected GDP growth and consequently a larger negative output gap could pull inflation lower.

Nevertheless, whilst the Indonesia annual GDP growth is projected to be 4.7% (according to World Bank estimates), and the lower inflation rate, retail sales and mass consumption are not expected to be negatively impacted in the near term.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2015 to 30 June 2015
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.50 cents per unit and capital distribution of 0.23 cents per unit.
Par value of units:	NA
Tax rate:	NA

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2014 to 30 June 2014
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.48 cents per unit and capital distribution of 0.20 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 31 August 2015

(d) Book closure date: 18 August 2015

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13 Interested Person Transactions Mandate

LMIR Trust is not required to obtain a general mandate from the Unitholders for Interested Party Transactions.

14 Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of LMIRT Management Ltd do hereby confirm that, to the best of their knowledge, nothing has come to their attention in which may render these interim financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD OF
LMIRT MANAGEMENT LIMITED
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Mr Alvin Cheng Yu Dong
Executive Director and Chief Executive Officer
5 August 2015