



**LIPPO MALLS INDONESIA RETAIL TRUST
2016 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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LIPPO MALLS INDONESIA RETAIL TRUST
2016 FIRST 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 31 March 2016, LMIR Trust's property portfolio comprises 19 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		
	1Q 2016	1Q 2015	Variance %
	S\$'000	S\$'000	Favourable/ (Unfavourable)
Gross rent (Note A)	37,141	34,521	7.6%
Other revenue	8,383	7,451	12.5%
Total Gross Revenue	45,524	41,972	8.5%
Net Property Income (Note A)	40,832	39,026	4.6%
Distributable Amount	23,178	21,501	7.8%
Available Distribution per Unit (cents)	0.83	0.79	5.1%

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

	Group Performance in IDR Terms		
	1Q 2016	1Q 2015	Variance %
	millions	millions	Favourable/ (Unfavourable)
Gross rent	355,763	324,554	9.6%
Net Property Income	391,118	366,908	6.6%

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

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rent	37,141	34,521	7.6%
Carpark income	6,379	5,784	10.3%
Other rental income ¹	2,004	1,667	20.2%
Total Gross Revenue	45,524	41,972	8.5%
Property Operating Expenses			
Land rental	(473)	(396)	(19.4%)
Property management fee	(1,062)	(954)	(11.3%)
Property operating and maintenance expenses	(3,157)	(1,596)	(97.8%)
Total Property Operating Expenses	(4,692)	(2,946)	(59.3%)
Net Property Income	40,832	39,026	4.6%
Interest income	69	285	(75.8%)
Financial expenses	(11,178)	(9,822)	(13.8%)
Administrative Expenses			
Manager's management fees	(2,846)	(2,663)	(6.9%)
Trustee's fee	(83)	(83)	0.0%
Other trust operating expenses	(284)	(548)	48.2%
Total Administrative Expenses	(3,213)	(3,294)	2.5%
Other gains/ (losses) (net) (See Note A)	(4,229)	(5,593)	24.4%
Total Return For The Period Before Tax	22,281	20,602	8.1%
Income tax	(4,846)	(4,173)	(16.1%)
Withholding tax	(2,898)	(2,888)	(0.3%)
Total Return For The Period After Tax	14,537	13,541	7.4%
Other Comprehensive Income:			
Exchange Differences On Translating Foreign Operations			
Total Comprehensive Income/(Loss) For The Period	8,046	(4,128)	NM

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

Total return for the period after tax before distribution	14,537	13,541	7.4%
Add back/ (less) non-cash items and other adjustments:			
- Manager's fee payable in the form of units	1,633	1,561	4.6%
- Depreciation of plant and equipment	363	215	68.8%
- Amortisation of intangible assets	2,982	2,828	5.4%
- Unrealised (gain)/ loss on hedging contracts	3,012	1,691	78.1%
- Unrealised foreign exchange (gain) /loss	651	1,665	(60.9%)
Total Unitholders' Distribution	23,178	21,501	7.8%
Unitholders' distribution:			
- as distributions from operations	14,949	11,621	28.6%
- as return of capital ²	8,229	9,880	(16.7%)
Total Unitholders' Distribution	23,178	21,501	7.8%

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

Realised gain/ (loss) on hedging contracts	3,457	1,971	75.4%
Realised gain/ (loss) on foreign exchange	(1,277)	(1,574)	18.9%
Miscellaneous income	236	194	21.6%
Unrealised gain/(loss) on hedging contracts	(3,012)	(1,691)	(78.1%)
Unrealised foreign exchange gain/ (loss)	(651)	(1,665)	60.9%
Amortisation of intangible assets	(2,982)	(2,828)	(5.4%)
	(4,229)	(5,593)	24.4%

Footnote:

- The other rental income includes S\$1,427,000 (1Q 2015: S\$930,000) from rental of electrical, mechanical and mall operating equipment and S\$307,000 (1Q 2015: S\$312,000) from rental of office space to a third party operating company.
- 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.

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1 (b) (i) **Statement of Financial Position**

	Group		Trust	
	31-Mar-16 S\$'000	31-Dec-15 S\$'000	31-Mar-16 S\$'000	31-Dec-15 S\$'000
Current Assets				
Cash and cash equivalents	82,146	80,590	14,803	22,554
Trade and other receivables ¹	37,219	69,869	193,078	189,431
Other financial assets, current ²	-	-	-	-
Total Current Assets	119,365	150,459	207,881	211,985
Non-current Assets				
Investment properties ³	1,798,124	1,804,930	-	-
Investments in subsidiaries	-	-	1,736,836	1,746,570
Intangible assets ⁴	22,069	25,112	-	-
Plant and equipment	5,403	5,337	-	-
Other financial assets, non-current ²	-	1,906	-	1,906
Total Non-current Assets	1,825,596	1,837,285	1,736,836	1,748,476
Total Assets	1,944,961	1,987,744	1,944,717	1,960,461
Current Liabilities				
Unsecured borrowings	149,445	249,183	-	-
Trade and other payables ¹	33,317	60,205	692,370	699,120
Current tax payable	7,546	6,871	2,281	-
Security deposits	29,749	33,324	-	-
Other financial liabilities, current ²	-	338	-	-
Total Current Liabilities	220,057	349,921	694,651	699,120
Non-current Liabilities				
Unsecured borrowings	394,523	295,888	-	-
Secured borrowing	142,177	141,930	142,177	141,930
Deferred tax liabilities	39,224	39,224	-	-
Deferred income	83,255	83,306	-	-
Other financial liabilities, non-current ²	3,646	2,360	1,793	687
Total non-current liabilities	662,825	562,708	143,970	142,617
Total Liabilities	882,882	912,629	838,621	841,737
Unitholders' funds	1,062,079	1,075,115	1,106,096	1,118,724
Total Liabilities and Unitholders' funds	1,944,961	1,987,744	1,944,717	1,960,461

Footnote:

- In 1Q 2016, the Group has received the reimbursement on prepaid VAT from the Tax Authority of S\$37.8M relating to Lippo Mall Kemang ("LMK") acquisition that was included in the trade and other receivables as at 31 December 2015. It was subsequently paid and reduced the balances in the Trade and other payables.
- The movements in other financial assets and other financial liabilities (current and non-current) are mainly as a result of unrealised gains/ losses in the value of derivatives, principally being currency options contracts.
- The carrying values of the properties are stated based on the independent valuation as at 31 December 2015 and adjusted for property enhancements to-date. The valuations and property enhancements figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollars using the respective exchange rate as at the end of each period.
- Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in LMK Lippo Plaza Batu ("LPB") and Pelambang Icon ("PICON"). The rentals are for a period of 3 to 25 years (FY 2015: 3 to 25 years).

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

Secured borrowings:

Amount payable after one year
Less: Unamortised transaction costs for secured borrowings
Total secured borrowings

Unsecured borrowings:

Amount payable within one year
Less: Unamortised transaction costs for secured borrowings
Amount payable after one year
Less: Unamortised transaction costs for unsecured borrowings
Total unsecured borrowings
Total borrowings

Group	
31-Mar-15 S\$'000	31-Dec-15 S\$'000
145,000	145,000
(2,823)	(3,070)
142,177	141,930
150,000	250,000
(555)	(817)
400,000	300,000
(5,477)	(4,112)
543,968	545,071
686,145	687,001

Secured borrowings

LMIR Trust has in place a secured bank loan facility of S\$145.0 million maturing in December 2018 at an interest rate of 3.0% plus SGD Swap Offer Rate.

The loan 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\$50.0 million 5.875% Notes due July 2017, S\$75.0 million 4.48% Notes due November 2017, S\$150.0 million 4.25% Notes due October 2016, S\$75.0 million 4.10% Notes due June 2020, S\$100 million 4.5% Notes due in November 2018 (collectively, the Notes), issued under the Guaranteed Euro Medium Term Note Programmes ("EMTN Programmes") established by its wholly owned subsidiary, LMIRT Capital Pte Ltd (LMIRT Capital).

LMIR Trust drewdown a 3 years new bank loan facility of S\$100 million maturing in January 2019 at an interest rate of 2.0% per annum plus SGD Swap Offer Rate in January 2016 to replace the S\$100 million bridging loan that matured on 4 January 2016.

1 (c) **Statement of Cash Flows**

Operating activities

Total return for the period before tax

Adjustments for

- Manager's fee payable in units
- Interest income
- Amortisation of borrowing costs
- Interest expense
- Depreciation of plant and equipment
- Amortisation of intangible assets
- Unrealised foreign exchange (gain)/ loss
- Unrealised (gain)/ loss on hedging contracts

Operating income before working capital changes

Changes in working capital

Trade and other receivables

Trade and other payables

Security deposits

Net cash from operating activities before income tax

Income tax paid

Cash flows from operating activities

Investing activities

Capital expenditures on investment properties

Purchase of plant and equipment

Interest income

Cash flows used in investing activities

Financing activities

Repayment of bank borrowings

Proceeds from borrowings

Decrease in other financial liabilities

Deferred income

Interest on bank borrowings

Distribution to unitholders

Cash flows used in financing activities

Net increase/ (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Effect of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period

Cash and cash equivalents in Statement of Cash Flows:

Cash and cash equivalents per Statement of Cash Flows

Add: Cash restricted in use for bank facilities

Cash and cash equivalents in Statement of Financial Position

Group	
1Q 2016 S\$'000	1Q 2015 S\$'000
22,281	20,602
1,633	1,561
(69)	(285)
1,041	1,017
10,137	8,805
363	215
2,982	2,828
651	1,665
3,012	1,691
42,031	38,099
32,816	(2,228)
(27,464)	(6,828)
(3,439)	459
43,944	29,502
(7,100)	(5,505)
36,844	23,997
(1,135)	(920)
(455)	(537)
69	285
(1,521)	(1,172)
(100,000)	-
100,000	-
(2,055)	(533)
329	(1,543)
(10,137)	(8,805)
(22,690)	(17,595)
(34,553)	(28,476)
770	(5,651)
79,090	102,420
786	1,751
80,646	98,520

80,646	98,520
1,500	1,500
82,146	100,020

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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				
1Q 2016				
Balance at beginning of the period	1,392,034	(554,512)	237,593	1,075,115
Total comprehensive (loss)/income for the period	-	(6,491)	14,537	8,046
Manager's management fees settled in units	1,608	-	-	1,608
Distribution to unitholders	-	-	(22,690)	(22,690)
Balance at end of the period	1,393,642	(561,003)	229,440	1,062,079
Group				
1Q 2015				
Balance at beginning of the period	1,357,399	(499,272)	291,603	1,149,730
Total comprehensive (loss)/income for the period	-	(17,669)	13,541	(4,128)
Manager's management fees settled in units	1,315	-	-	1,315
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(17,595)	(17,595)
Balance at end of the period	1,362,334	(516,941)	287,549	1,132,942
Trust				
1Q 2016				
Balance at beginning of the period	1,392,034	-	(273,310)	1,118,724
Total comprehensive income for the period	-	-	8,454	8,454
Manager's management fees settled in units	1,608	-	-	1,608
Distribution to unitholders	-	-	(22,690)	(22,690)
Balance at end of the period	1,393,642	-	(287,546)	1,106,096
Trust				
1Q 2015				
Balance at beginning of the period	1,357,399	-	(184,081)	1,173,318
Total comprehensive income for the period	-	-	8,420	8,420
Manager's management fees settled in units	1,315	-	-	1,315
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(17,595)	(17,595)
Balance at end of the period	1,362,334	-	(193,256)	1,169,078

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

	1Q 2016 (units)	1Q 2015 (units)
Issued units at the beginning of the period	2,797,814,196	2,701,802,668
Issuance of new units for 4Q management fees	5,178,677	4,001,835
Issuance of new units for acquisition fees	-	10,622,065
Issued units at the end of the period	2,802,992,873	2,716,426,568
Management fees payable in units to be issued	-	4,507,960
Total issued and issuable units at the end of the period	2,802,992,873	2,720,934,528

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

	31-Mar-15 (units)	31-Dec-15 (units)
Issued units at the end of the period	2,802,992,873	2,797,814,196

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 2015.

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	
	1Q 2016 S\$'000	1Q 2015 S\$'000
Weighted average number of units in issue	2,799,464,544	2,702,615,107
Earnings per unit in cents (EPU) ⁽¹⁾	0.52	0.50
Number of units in issue	2,802,992,873	2,716,426,568
Distribution per unit in cents (DPU) ⁽²⁾	0.83	0.79

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	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Net asset value per unit (Cents)	37.89	41.71	39.46	43.04

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8 **Review of the Performance**

Statement of Total Return

Gross rent	
Other revenue	
Total gross revenue	
Property operating expenses	
Net Property Income	
Interest income	
Financial expenses	
Administrative expenses	
Other gains/ (losses) (net)	
Total Return For The Period Before Tax	
Income tax	
Withholding tax	
Total Return For The Period After Tax	
Unitholders' distribution:	
- as distributions from operations	
- as return of capital	
Total Unitholders' distribution	
Distribution per Unit (cents)	

Group	
1Q 2016	1Q 2015
S\$'000	S\$'000
37,141	34,521
8,383	7,451
45,524	41,972
(4,692)	(2,946)
40,832	39,026
69	285
(11,178)	(9,822)
(3,213)	(3,294)
(4,229)	(5,593)
22,281	20,602
(4,846)	(4,173)
(2,898)	(2,888)
14,537	13,541
14,949	11,621
8,229	9,880
23,178	21,501
0.83	0.79

1Q 2016 vs 1Q 2015

Gross rental revenue is S\$2.6 M higher than 1Q 2015 mainly due to the acquisition of LPB and PICON in July 2015 as well as positive rental reversion within the existing malls.

Other revenue is S\$0.9 M higher than 1Q 2015 mainly due to higher rental income from rental of electrical, mechanical and mall operating equipment and the additional contribution from carpark income from LPB and PICON.

Property operating expenses is S\$1.7 M higher than 1Q 2015 mainly due to the higher property management fee and higher operating expenses for the new acquisitions of LPB and PICON as well as the higher provision for trade receivables.

Finance expenses is S\$1.4 M higher than 1Q 2015 mainly due to the higher amount of borrowings in 1Q 2016 compared to 1Q 2015 as well as the higher premiums paid for the currency option contracts.

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 LMK, LPB and PICON.

The Trust has foreign currency options contracts to mitigate its exposure on currency movement as 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 is expected to grow by approximately 5.1% in 2016. Investor confidence in Indonesia's economic fundamentals continues to be firm.

As the shopping centre moratorium continues, the near term retail space supply in Jakarta will be limited. 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. Higher disposable income, lower inflation, coupled with an emerging trend of lifestyle shopping malls are expected to drive the demand for retail space.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	First quarter distribution for the period from 1 January 2016 to 31 March 2016.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.53 cents per unit and capital distribution of 0.30 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:	First quarter distribution for the period from 1 January 2015 to 31 March 2015.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.43 cents per unit and capital distribution of 0.36 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 26 May 2016

(d) Book closure date: 11 May 2016

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.

15 Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

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

Ms Viven G. Sitiabudi
Executive Director
3 May 2016