



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

### 2Q 2016 RESULTS NEWS RELEASE

## LMIR TRUST HAS ACHIEVED YEAR-ON-YEAR DPU INCREASE OF 16.4% FOR 2Q 2016

	2Q 2016	2Q 2015	% Change	1H 2016	1H 2015	% Change
DPU	0.85 cents	0.73 cents	+16.4%	1.68 cents	1.52 cents	+10.5%

- Y-o-Y DPU growth of 16.4%
- LMIR Trust continues to deliver a consistent and increasing DPU for 4 consecutive quarters
- DPU of 0.85 cents for 2Q 2016 represents an annualized yield of 9.6 %<sup>1</sup>
- Distributable income increased by 19.8%

**Singapore, 4 August 2016** – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”) wishes to announce that the portfolio of LMIR Trust has achieved year-on-year DPU increase of 16.4% for 2Q 2016.

Gross Revenue has grown by 10.8% and occupancy of the shopping malls has remained high at 94.1%. Distributable income increased by 19.8% y-o-y to \$23.8 million. This translates into a DPU of 0.85 cents for 2Q 2016, which represents an annualized DPU yield of approximately 9.6%<sup>1</sup>.

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<sup>1</sup> Based on unit price of SGD0.35 per unit as at 30 June 2016

<b>IDR mn</b>	<b>2Q 2016</b>	<b>2Q 2015</b>	<b>% Variance</b>
Gross Rental Income	370,842	335,998	10.4%
Net Property Income	421,527	380,712	10.7%

<b>SGD '000</b>	<b>2Q 2016</b>	<b>2Q 2015</b>	<b>% Variance</b>
Gross Rental Income	37,926	34,456	10.1%
Net Property Income	43,124	39,049	10.4%
Distributable Income	23,802	19,875	19.8%
DPU (cents)	0.85	0.73	16.4%

#### **Average DPU growth of 10.9% over the past five quarters**

Ms. Viven Sitiabudi, Executive Director of the REIT Manager, said “LMIR Trust continues to deliver a consistent and increasing DPU for 4 consecutive quarters since 2Q 2015.” She further added that “LMIR Trust continues to review its tenant mix in view of the changes in the retail market place and consumer habits in Indonesia. With the country’s large population base, rapidly expanding consumer class, and with increasing levels of disposable income, we look forward to growing our revenues and distributions to unitholders in the coming quarters”.

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

Total outstanding debt as at 30 June 2016 was SGD 695 million, with a gearing ratio of 35.7%. The majority of LMIR Trust’s SGD 1.9 billion asset portfolio is unencumbered, thus providing LMIR Trust with ample financial flexibility.

LMIR Trust has received a firm offer for a loan facility from several banks. This is for the purpose of refinancing the existing loan and maturing bonds and working capital including future acquisitions.

## 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.

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 its Unitholders.

## Outlook

Indonesia Government estimated a 5.1% GDP growth in 2Q 2016, up from 4.92% in the previous quarter as the development budget spending and consumption rises. The growth forecast is similar to the World Bank's forecast for GDP growth in 2016 at 5.1%, higher than the 4.8% in 2015, due to improvement in external demand and higher government spending.

The year-on-year inflation rate in Indonesia dropped to 3.45% in June 2016 from 4.45% in March 2016 as basic food prices were largely under control. The inflation rate is in line with the World Bank's forecast for inflation rate at 4.0% in 2016.

Indonesia's retail sales grew by 13.5% y-o-y in May 2016, accelerating from 11.2% in the previous month. The expansion was partly driven by sales of electronic products.

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*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 nineteen 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 765,273 sqm and total valuation of S\$1.8 billion as at 31 December 2015, and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, Debenhams, Zara, M&S, H&M, Sogo, Giant Hypermarket, Carrefour, Ace Hardware, as well as international specialty tenants such as Victoria's Secret, Promod, McDonalds, Pizza Hut, KFC, A&W, Fitness First and Starbucks.*