



LIPPO MALLS INDONESIA RETAIL TRUST

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

FOR IMMEDIATE RELEASE

LMIR TRUST FY 2016 DPU UP 10.0% to 3.41 CENTS

- *Steadily rising DPU in the past 6 quarters*
- *4Q 2016 DPU up 7.4% to 0.87 Singapore cents*
- *Growth underpinned by full impact of the 2015 acquisitions of Palembang Icon and Lippo Plaza Batu and positive rental reversions of existing malls*
- *Achieved a healthy annualised distribution yield of 9.2 %¹*
- *Portfolio occupancy of the shopping malls remained high at 94.3%*

Singapore, 15 February 2017 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today announced that the portfolio of LMIR Trust has achieved a 10.0% year-on-year (“**y-o-y**”) increase in distribution per unit (“**DPU**”) to 3.41 Singapore cents for the financial year ended 31 December 2016 (“**FY 2016**”). Based on LMIR Trust’s closing share price of S\$0.37 on 30 December 2016, the latest distribution represented an attractive annualised yield of 9.2%.

Gross rental income for the year grew 7.2% to S\$152.9 million from S\$142.6 million in FY 2015, lifted by the full year contribution from Lippo Plaza Batu and Palembang Icon acquired in July 2015, as well as positive rental reversions from the Trust’s existing assets.

Correspondingly, net property income (“**NPI**”) and distributable income for FY 2016 grew 8.4% and 14.6% to S\$171.9 million and S\$98.0 million respectively. Net asset value per unit increased to 38.95 Singapore cents as at 31 December 2016 compared to 38.43 Singapore cents a year ago.

For the fourth quarter under review (“**4Q 2016**”), DPU gained 7.4% y-o-y to 0.87 Singapore cents. Gross rental income and NPI rose 8.9% and 10.9% to S\$39.9 million and S\$44.6 million respectively.

¹ Based on unit price of S\$0.37 per unit as at 30 December 2016.

Summary of Financial Results for period ended 31 December 2016

S\$'000	4Q 2016	4Q 2015	Variance	FY 2016	FY 2015	Variance
Gross Rental Income	39,908	36,651	8.9%	152,878	142,558	7.2%
Net Property Income	44,566	40,200	10.9%	171,860	158,565	8.4%
Distributable Income to Unitholders	24,335	22,690	7.2%	95,468	85,553	11.6%
DPU (cents)	0.87	0.81	7.4%	3.41	3.10	10.0%
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Gross Rental Income	374,360	356,956	4.9%	1,469,063	1,382,422	6.3%
Net Property Income	418,055	391,553	6.8%	1,651,004	1,537,646	7.4%

Ms. Viven Sitiabudi, Executive Director of the REIT Manager, said "I am happy that the Trust has delivered credible performance for the year with consistent DPU growth, achieved from our accretive acquisitions and positive rental reversions. The Trust has also recently completed the acquisition of Lippo Mall Kuta, expanding our portfolio to 27 properties and asset size to S\$1.9 billion. With our shopping malls registering a consistently high occupancy rate of 94.3%, we expect a stable stream of rental income going forward. Operationally, the Trust will continue to work with our mall operator to optimise the tenant mix of the malls to cater to changing lifestyles and consumer preferences."

Key Highlights in 4Q 2016

- On 4 October, LMIR Trust refinanced its S\$150 million 4.25% Notes pursuant to its S\$750 million Guaranteed Euro Medium Term Note Programme. Most of the payment was made with the proceeds of the S\$140 million 7.0% per annum Perpetual Securities issued on 27 September 2016
- On 29 December, the Trust bolstered its portfolio to 27 properties and an asset size of S\$1.9 billion with the acquisition of Lippo Mall Kuta

Outlook

Indonesia's GDP slowed to 4.94% in 4Q 2016, compared to 5.01% in 3Q 2016, mainly due to a reduction in government expenditure and household consumption. Overall, 2016 GDP increased to 5.02%, an improvement from 4.88% in 2015 and a slight dip from market expectation of 5.03%.

Generally, inflation in 2016 was subdued with December 2016 inflation rate at 3.02% compared to 3.07% in September 2016. The controlled inflation environment has allowed the central bank to implement six interest rate cuts throughout 2016 to support Indonesia's economic growth.

Indonesia's retail sales grew by 10.0% y-o-y in November 2016², led mainly by food items. In the long term, the Indonesian consumer story is still strongly supported by the country's large population base and rapidly expanding consumer class with increasing levels of purchasing power and disposable income.

"Going forward, we will continue to work with the mall operator to improve footfalls to our malls and optimise rental returns. Acquisition opportunities remain strong in Indonesia, especially with our right-of-first-refusal to the growing pipeline of high-quality retail properties from our sponsor, PT. Lippo Karawaci Tbk. In addition, with prudent capital management during the year, we ended FY 2016 with a gearing of 31.5%, well below the regulatory limit of 45%, providing the Trust with ample headroom for further acquisitions," said Ms Sitiabudi.

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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.

² Retail Sales Survey November 2016, Bank Indonesia

LMIR Trust's current asset portfolio comprises twenty 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 849,694 sqm and total valuation of S\$1.9 billion as at 31 December 2016, and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, 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.