



LIPPO MALLS INDONESIA RETAIL TRUST

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

FOR IMMEDIATE RELEASE

Positive rental reversions and latest acquisition lift LMIR TRUST's 1Q DPU

- DPU up 7.2% year-on-year to 0.89 cents
- Portfolio occupancy of the shopping malls remains high at 93.8%

Summary of Financial Results for period ended 31 March 2017

SGD'000	1Q 2017	1Q 2016	Variance
Gross Revenue	48,587	45,524	6.7%
Net Property Income	46,079	40,832	12.9%
Distributable Income to Unitholders	25,120	23,178	8.4%
DPU (cents)	0.89	0.83	7.2%
IDR'million			
Gross Revenue	456,951	436,089	4.8%
Net Property Income	433,358	391,118	10.8%

Singapore, 4 May 2017 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust” or the “Trust”), kicked-off financial year 2017 with a strong 7.2% year-on-year (“y-o-y”) jump in distribution per unit (“DPU”) to 0.89 cents for the first quarter ended 31 March 2017 (“1Q 2017”). Based on the closing price of SGD0.395 as at 31 March 2017, the latest distribution translated to an annualised DPU yield of 8.8%.

Distributable income for the quarter grew 8.4% y-o-y to SGD25.1 million, on the back of positive rental reversions for the existing malls as well as the maiden contribution from Lippo Mall Kuta, acquired in December 2016.

Net property income increased to SGD46.1 million in 1Q 2017, a gain of 12.9% y-o-y compared to SGD40.8 million achieved in 1Q 2016, while gross rental income rose 10.1% y-o-y to SGD41.0 million compared to SGD37.2 million a year ago.

Ms Chan Lie Leng, Chief Executive Officer of the REIT Manager, said “I am heartened that the Trust has been delivering increasing quarterly DPU for the last two years, underpinned by our focused efforts in yield-accretive acquisitions, better cost management and positive rental reversions. Going forward, we will continue to expand our assets, especially from the growing pipeline of quality retail malls from our sponsor, PT Lippo Karawaci Tbk, as well as explore asset enhancement initiatives to optimise the value of our existing malls.”

Towards the end of 2016, the Trust commenced asset enhancement initiatives (“AEI”) at Istana Plaza to build a small extension which will increase the net lettable area of the mall by 1,840 square metres to house a new cineplex. Going forward, there are plans to conduct AEI for Gajah Mada Plaza, Plaza Semanggi as well as Sun Plaza.

Added Ms Chan, “Our portfolio occupancy remains high at 93.8%. We will continue to work with our mall operator to improve tenant mix and increase shopper traffic to our malls.”

As at 31 March 2017, LMIR Trust’s gearing ratio stood at 32.2%, with 70.0% of debt on a fixed rate basis, mitigating the impact of potential interest rate increases.

Outlook

The fundamentals of the Indonesian economy remain strong, with a robust rate of economic growth. For 2017, the World Bank is projecting a growth of 5.3%, supported by more robust private investment following monetary easing in 2016 and ongoing investment climate reform. The continued stabilisation of commodity prices, inflation and the Indonesia Rupiah will further bolster growth.

Indonesia’s Inflation eased from February’s 10-month high of 3.8% to 3.6% in March 2017. Annual average inflation was stable at 3.4%. FocusEconomics Consensus Forecast panellists expect inflation to average 4.2% in 2017.¹

Indonesia’s annual average growth in retail sales fell from December’s 11.0% to 10.4% in January 2017. FocusEconomics Consensus Forecast participants see private consumption rising 5.2% in 2017.²

¹ FocusEconomics, Indonesia: Inflation eases to 3-month low in March – 3 April 2017

² FocusEconomics, Indonesia: Growth in retail sales decelerates in January – 16 March 2017

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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.

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 851,850 sqm and total valuation of SGD1.9 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, Hypermart, 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.