



LIPPO MALLS INDONESIA RETAIL TRUST

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

**FOR IMMEDIATE RELEASE**

**New acquisition lifts LMIR Trust’s 2Q 2017 DPU by 5.9%**

- DPU for the quarter rises to 0.90 cents
- Latest DPU translates to annualised DPU yield of 7.9%
- Further expands portfolio with the acquisition of Lippo Plaza Kendari in June 2017

*Summary of Financial Results for period ended 30 June 2017*

SGD'000	2Q 2017	2Q 2016	% Variance	1H 2017	1H 2016	% Variance
Gross Revenue	49,886	46,806	6.6	98,473	92,330	6.7
Net Property Income	46,823	43,124	8.6	92,902	83,956	10.7
Distributable Income to Unitholders	25,403	23,802	6.7	50,523	46,980	7.5
DPU (cents)	0.90	0.85	5.9	1.79	1.68	6.5
IDR'million						
Gross Revenue	475,296	457,609	3.9	932,247	893,698	4.3
Net Property Income	446,103	421,667	5.8	879,443	812,645	8.2

**Singapore, 3 August 2017** – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today posted a 5.9% increase in distribution per unit (“**DPU**”) to 0.90 Singapore cents for the second quarter ended 30 June 2017 (“**2Q 2017**”), buoyed by contribution from Lippo Mall Kuta acquired in December 2016 as well as positive rental reversions.

On an annualised basis, the latest distribution represents an attractive DPU yield of 7.9%, based on the closing price of SGD0.445 as at 30 June 2017.

Gross revenue and net property income (“**NPI**”) for the quarter rose 6.6% and 8.6% from a year ago, to SGD49.9 million and SGD46.8 million respectively, while distributable income to unitholders gained 6.7% to SGD25.4 million.

At half year, gross revenue and NPI jumped 6.7% and 10.7% to SGD98.5 million and SGD92.9 million respectively. Distributable income to unitholders grew 7.5% to SGD50.5 million.

“Working closely with our mall operator, one of our strategic focus is to consistently improve tenant mix and retain quality tenants. For this quarter, the Trust registered a strong uplift in rental reversion rate of 13.0% compared to 7.5% achieved in 1Q 2017, while the committed occupancy of our portfolio remained stable at 94.3%,” said Ms Chan Lie Leng, Chief Executive Officer of the REIT Manager.

Ms Chan added, “In June 2017, the Trust expanded its portfolio to 28 investment properties with the addition of Lippo Plaza Kendari, strategically located in the heart of Kendari, the capital of Southeast Sulawesi, Indonesia. It has a net lettable area of 21,008 square metres with a good tenant mix comprising tenants such as Matahari Department Store, Hypermart and Cinemaxx. With this addition, the Trust’s asset size increased by approximately 1.7% to IDR18,434 billion from IDR18,124 billion as at 31 December 2016.”

#### **Key Highlights in 2Q 2017**

- On 19 June 2017, issued SGD120 million subordinated perpetual securities at 6.6% p.a. with first reset date on 19 December 2022 and subsequent resets occurring every five years thereafter;
- On 21 June 2017, completed the acquisition of Lippo Plaza Kendari at a purchase price of IDR310.0 billion.

As at 30 June 2017, LMIR Trust’s gearing ratio stood at 30.6% with a weighted average maturity age of 2.09 years. To mitigate the impact of interest rate fluctuations, 70.0% of LMIR Trust’s debt is on a fixed rate basis. In July 2017, LMIR Trust made a voluntary partial prepayment of SGD55 million of its secured term loan facility using the proceeds of SGD20 million from the issuance of perpetual securities in June 2017, and draw-down of SGD35 million from the existing unsecured term loan facility. After the partial prepayment, the outstanding amount due under the secured facility is SGD90 million and gearing ratio is reduced to 28.2%. Certain properties mortgaged for the secured facility will be discharged pursuant to the partial prepayment.

## Outlook

Indonesia's economy continued to strengthen with gross domestic product growing 5.01% in the first quarter of 2017, up 4.94% from preceding quarter, mainly due to recovery in commodity prices and higher exports over the past year.

Indonesia's annual inflation rate accelerated slightly in June 2017 to 4.37% from 4.17% in April 2017<sup>1</sup>, due to the Aidilfitri celebrations driving up demand towards the end of June. The inflation rate is in line with market forecast.

Based on preliminary figures from Bank Indonesia, retail sales in Indonesia rose 6.7% in June 2017<sup>2</sup>, due to the seasonal surge in public demand during the Ramadan and Aidilfitri season.

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## **CONTACT INFORMATION**

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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 21 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 872,858 square metres and total valuation of IDR18,434 billion as at 30 June 2017, 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.

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<sup>1</sup> Bank Indonesia - Inflation Report (Consumer Price Index):

<http://www.bi.go.id/en/moneter/inflasi/data/Default.aspx>

<sup>2</sup> Bank Indonesia - Retail Sales Survey May 2017: <http://www.bi.go.id/en/publikasi/survei/penjualan-eceran/Pages/SPE-May-2017.aspx>