LIPPO MALLS INDONESIA RETAIL TRUST

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

FOR IMMEDIATE RELEASE

LMIR TRUST declares DPU of 0.67 cents for 1Q 2018

- *Total gross revenue up 1.1% to S$49.1 million and net property income dips to S$43.9 million, largely impacted by the weakened Indonesian Rupiah against Singapore Dollar*
- *Portfolio occupancy remains high at 94.0%*
- *Growth prospects in Indonesia remain strong*

Summary of Financial Results for period ended 31 March 2018

S$'000	1Q 2018	1Q 2017	% Variance
Total Gross Revenue	49,123	48,587	1.1
Net Property Income	43,948	46,079	(4.6)
Distributable Income to Unitholders	19,018	25,120	(24.3)
DPU (cents)	0.67	0.89	(24.7)
Rp'million			
Total Gross Revenue	504,048	456,951	10.3
Net Property Income	450,948	433,358	4.1

Singapore, 3 May 2018 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**" or the "**Trust**"), today reported steady growth in total gross revenue and net property income ("**NPI**") in Rupiah terms for the first quarter ended 31 March 2018 ("**1Q 2018**"), which grew 10.3% and 4.1% to Rp504.0 billion and Rp450.9 billion respectively. The positive results were mainly boosted by contributions from the acquisitions of Lippo Plaza Kendari in June 2017, Lippo Plaza Jogja and Kediri Town Square in December 2017, and partially offset by lower net property income of Rp15.9 billion in 1Q 2018 from Rp30.6 billion in 1Q 2017 as a result of the non-renewal of the master leases of the seven retail spaces.

However, the Trust's performance in Singapore Dollar terms was impacted by a 9.1% year-on-year weakening of Indonesia Rupiah against Singapore Dollar in 1Q 2018, as well as higher property expenses and an increase in income tax as a result of the new tax regulation passed by the Indonesian government. This new regulation, which came into effect in January 2018, levied a 10% tax on outsourced service charges and utilities recovery charges.

As a result of the aforementioned factors, the Trust reported a year-on-year decline in distribution per unit ("**DPU**") to 0.67 Singapore cents for 1Q 2018 on the back of lower distributable income of S$19.0 million, compared to 0.89 Singapore cents on S$25.1 million a year ago.

NPI for the quarter registered a 4.6% dip to S$43.9 million, mainly due to higher property operating expenses, which more than doubled to S$5.2 million from S$2.5 million (last year's expenses included a one-off reversal of allowance on doubtful receivables).

Commented Ms Chan Lie Leng, Chief Executive Officer of the REIT Manager, "The Trust is certainly exposed to exchange rate fluctuations. The 9.1% weakening of the Indonesian Rupiah against the Singapore Dollar, or rather the strength of the Singapore Dollar over the past one year, has had a significant impact on the Trust's 1Q performance. With the Monetary Authority of Singapore's recent policy stance on the slight increase of the slope of the S$NEER band from zero percent previously, we expect further depreciation of the Indonesian Rupiah in the coming quarters. We are closely monitoring the exchange rates and constantly exploring new ways to mitigate this inherent foreign exchange risks."

"Notwithstanding the challenges faced by the Trust, our portfolio continued to register high occupancy of 94.0% compared to the industry average of 84.8%. In 1Q 2018, 7,912 square metres of space were renewed at a positive rental reversion of 5.3%. Our portfolio remains well-diversified across Indonesia, with a diverse tenant mix comprising well-recognised international brands such as Burger King, H&M, Kipling, Miniso, Wrangler and Zara, amongst others, which accounted for 65.5% of the Trust's gross revenue in 1Q 2018. The remaining 34.5% came from related-party tenants across a diverse mix of brands including 4G Bolt, Big TV & Books, Maxx Coffee and Nobu Bank. The Trust is not over-reliant on one single tenant and we actively work with our mall operator to improve tenant mix and organise events and promotional activities to increase shopper traffic.

We are also committed to uphold the interests of our Unitholders and will continue to actively explore meaningful ways to mitigate the effects of the new tax ruling, while strengthening our ability to hedge our cash flow and reduce the impact of currency fluctuations," Ms Chan said.

Prudent Capital Management

In March 2018, the Trust obtained a S$40 million unsecured uncommitted revolving credit facility from BNP Paribas, which will be used for general corporate funding, working capital and asset enhancement initiatives. S$10 million of this facility was drawn for working capital purposes. During the quarter, LMIR Trust further enhanced its financial flexibility after obtaining a full release of the securities over its S$180.0 million secured term loan facility, resulting in 100% of the Trust's properties being unencumbered.

As at 31 March 2018, LMIR Trust's gearing ratio stood at 35.0%, with weighted average all-in cost (including cost for Perpetual Securities) per annum at 5.28%.

"Over the years, we have proactively managed our capital structure and ensure that our gearing is well below the regulatory limit even as we pursue growth through various acquisitions and asset enhancement initiatives. Going forward, the Trust will continue to explore all financing options and manage our debt prudently," said Ms Chan.

Outlook

Growth prospects for the Indonesian economy remain strong, with the World Bank projecting GDP growth of 5.3% in 2018[1], driven by more robust investment and exports, while private consumption is expected to receive a boost from continued moderate inflation and lower consumer lending rates.

While Indonesia's inflation edged up slightly to 3.4% in March from 3.2% in February[2], it remained well in the range of the Central Bank's target range of approximately 2.5%-4.5%.[3] Full-year inflation is expected to come in at 3.5%.[4]

On the retail front, Indonesia's retail sales grew 1.5% in February 2018 from a year ago, reversing a contraction of 1.8% y-o-y in January 2018. Based on Bank Indonesia's Retail Sales Survey February 2018 of 700 retailers in 10 major cities, it is projected that March retail sales would rise by 1.7% on an annual basis.

CONTACT INFORMATION
August Consulting
Tel: (65) 6733 8873   Fax: (65) 6733 9913
Janice ONG: *janiceong@august.com.sg*
Jeremy SING: *jeremysing@august.com.sg*
Zavier ONG: *zavierong@august.com.sg*

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 23 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 910,582 square metres and total valuation of Rp19,475 billion as at 31 December 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, Kentucky Fried Chicken, A&W, Fitness First and Starbucks

[1] World bank-Global Economic Prospect Report, January 2018
[2] Bank Indonesia – February Inflation Report (Consumer Price Index)
[3] Focus Economics- Indonesia Inflation March 2018
[4] Trading Economics- Indonesia Economic Forecasts 2018-2020 Outlook