



## NEWS RELEASE

# LMIR TRUST REPORTS 17% Y-o-Y INCREASE OF NET PROPERTY INCOME FOR 2Q 2010

### Highlights:

- Total Gross Revenue of S\$40.1 million for the three months ended 30 June 2010 ("2Q 2010") is 91.7% above 2Q 2009, mainly as a result of additional contributions from service charges receipt and utilities cost recovery since January 2010;
- Net Property Income of S\$21.6 million for 2Q 2010 is 17.1% above 2Q 2009, despite assuming the maintenance and operating costs since January 2010;
- Distributable income per unit ("DPU") of 1.04 cents for 2Q 2010, which equates to an annualized yield of 9.4% at closing unit price of 47.5 cents on 30 June 2010.
- Prudent risk management policy with gearing at 10.3% of total deposited property
- Maintain above industry average occupancy rate at approximately 98.0% as at 30 June 2010

## Summary of LMIR Trust's 2Q 2010 Results:

S\$'000	2Q 2009 Actual	2Q 2010 Actual	Variance %
Gross revenue	20,944	40,149	91.7%
Property Expenses	(2,466)	(18,512)	nm
Net Property Income	18,478	21,637	17.1%
<b>Distributable Income</b>	13,933	11,241	(19.3%)
<b>Available DPU (cents)</b>	1.30	1.04	(20.0%)

**Singapore, July 29, 2010** – Lippo-Mapletree Indonesia Retail Trust Management Ltd (the “Manager”), the manager of Lippo-Mapletree Indonesia Retail Trust (“LMIR Trust”), announces distributable income of S\$11.2 million for the three months ended 30 June 2010 (“2Q 2010”), equating to DPU for 2Q 2010 of 1.04 cents and an annualized yield of approx 9.4% based on the closing price on 30 June, 2010.

Revenue was 91.7% higher year on year due to the effect of:

- (i) foreign exchange rates used for translating revenues denominated in Indonesian Rupiah (“IDR”) into Singapore Dollars (“SGD”). The average SGD/IDR exchange rate adopted in the 2Q 2010 financial statements was 6,595, considerably stronger than the average rate of 7,455 used in 2Q 2009.
- (ii) additional income (accounting for 40% of total revenue for 2Q 2010) from service charges receipt and utilities cost recovery from tenants at seven (7) of the malls (excluding Sun Plaza) since January 2010, subsequent to the expiry of the Operating Costs Agreements (“Opco Agreements”) with third party operators (“Opcos”) on 31 December 2009. Previously, under the Opco Agreements, the Opcos were given the rights to the service charges receipt and utilities cost recovery, and also responsible for the costs directly related to the maintenance and operation of the malls. Since January 2010, the Trust assumed the responsibility for these costs.

With respect to the assumption of the rights and responsibilities, which were previously contracted out under the Opco Agreements, the corresponding income and expenses for

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the six months (from 1 January 2010 until 30 June 2010) were recognized in 2Q 2010. Such accounting treatment was deemed appropriate, due to the delay in the audit and transfer of the operations from the Opcos to the mall owning companies during 2Q 2010. Going forward, the operational performance of the malls in each quarter will be reflected in the results for the corresponding 3 months period.

In 2Q 2010, there was a realized loss on foreign exchange forward contracts of \$2.4 M as the cross currency swap remained "out of the money", compared to 2Q 2009 when a realised gain of \$1.2 M was recorded as the swap was "in the money" as the IDR was much weaker at that time. Despite the realized loss in the current quarter, the Trust has entered into the foreign exchange forward contracts as a prudent measure to mitigate its exposure to fluctuations of income denominated in IDR from:

- (a) dividends received or receivable from the Indonesian subsidiaries; and
- (b) capital receipts from the redemption of redeemable preference shares by the Indonesian subsidiaries.

The cost or benefit from fixing the forward foreign exchange rates is recorded in the other gains and losses line below net property income.

As a result of the higher realized loss on the foreign exchange forward contract, as well as having assumed the operational expenses of the malls for the six months period since January 2010, the net funds available for Unitholders' Distribution has reduced from S\$13.9 million in 2Q 2009 to S\$11.2 million for 2Q 2010.

LMIR Trust's aggregate leverage as at 30 June 2010 is 10.3%, with total borrowings stable at S\$125.0 million.

The Trust's property portfolio comprises retail malls and retail spaces located in Indonesia's major cities with large urban middle-class population catchment areas that are easily accessible via major transportation routes and highways. The portfolio features a well diversified tenant mix where no particular trade sector accounts for more than 17% of total N LA and no single property constitutes more than 18% of total net property income. LMIR Trust portfolio occupancy

remains significantly better than the industry average, with an occupancy rate of 98.0% as at 30 June 2010.

Commenting on LMIR Trust's performance, Ms Viven G. Sitiabudi, Chief Executive Officer of the Manager, said, "LMIR Trust continues to benefit from the strong macro economy in Indonesia, maintaining stable occupancy and recording good rental reversions." "The LMIR Trust portfolio is defensively positioned with very low upcoming expiries and already high occupancy levels".

"The outstanding performance of the Indonesian economy in 2009 is expected to continue unabated into 2010. Indonesia's GDP growth is expected to be about 6.0% in 2010 and will be driven by increased consumer spending, stronger exports amid a global economic recovery and higher investment." "With the increasing Middle Class population, and thus greater level of spending capacity, we will expect higher demand for mall spaces within our target market sector."

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**About 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 asset portfolio comprises eight retail mall properties ("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 403,556 sqm and total valuation of S\$1,056 million, and are strategically located in major cities of Indonesia with large population catchment areas. Tenants include leading domestic names such as Matahari, Centro, Giant Hypermarket, as well as international specialty tenants such as Fitness First, Starbucks and Ace Hardware.

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The value of the Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of LMIR Trust is not necessarily indicative of the future performance of the LMIR Trust.

This announcement contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses and property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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