

Lippo Malls Indonesia Retail Trust



EGM Presentation

30 November 2016



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These forward-looking statements reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical results or those anticipated.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the Indonesian retail industry including those factors which may affect our ability to attract and retain suitable tenants, our ability to manage our operations, reduced demand for retail spaces, our ability to successfully complete and integrate potential acquisitions, liability for damages on our property portfolios, the success of the retail malls and retail spaces we currently own, withdrawal of tax incentives, political instability, and legal restrictions on raising capital or acquiring real property in Indonesia. In addition to the foregoing factors, a description of certain other risks and uncertainties which could cause actual results to differ materially can be found in the section captioned "Risk Factors" in our preliminary prospectus lodged with the Monetary Authority of Singapore on 19 October 2007. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. We undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The value of units in LMIRT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, LMIRT Management Ltd, as manager of LMIR Trust (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 Singapore Exchange Securities Trading Limited. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of LMIRT is not necessarily indicative of the future performance of LMIRT.

LMIRT's Vision and Investment Mandate

Vision:

- LMIRT aims to be one of the premier retail REITs in Asia, creating and utilizing scale, leading the way in innovation and quality

Investment Mandate:

- Owning and investing in a diversified portfolio of retail-related real estate assets in Indonesia
- Focusing on assets with clear value creation potential via operational and capital enhancing initiatives

Proposed Acquisition of Lippo Mall Kuta (“LMK”)

Description	<ul style="list-style-type: none"> ▪ 3-level retail mall (including a basement level) ▪ Commenced operations in 2013 ▪ A lifestyle mall which provides a range of products and services covering daily needs, fashion, entertainment and F&B for families and tourists ▪ Recently completed AEI - Hypermart has been reconfigured and partially leased to Foodmart Primo and Cinemaxx. The remaining area will be leased to F&B tenants.
Location	<ul style="list-style-type: none"> ▪ Kuta, Bali
GFA (sqm)	<ul style="list-style-type: none"> ▪ 51,595
NLA (sqm)	<ul style="list-style-type: none"> ▪ 20,405
Carpark Lots	<ul style="list-style-type: none"> ▪ 355
Motorcycle Lots	<ul style="list-style-type: none"> ▪ 250

Acquisition of a lifestyle icon in exciting Bali - top tourist destination with over 4 million tourists per year



Proposed Acquisition of LMK



Mall Atrium



Mall Façade / Exterior

Proposed Acquisition of LMK



Matahari Department Store



Food Court

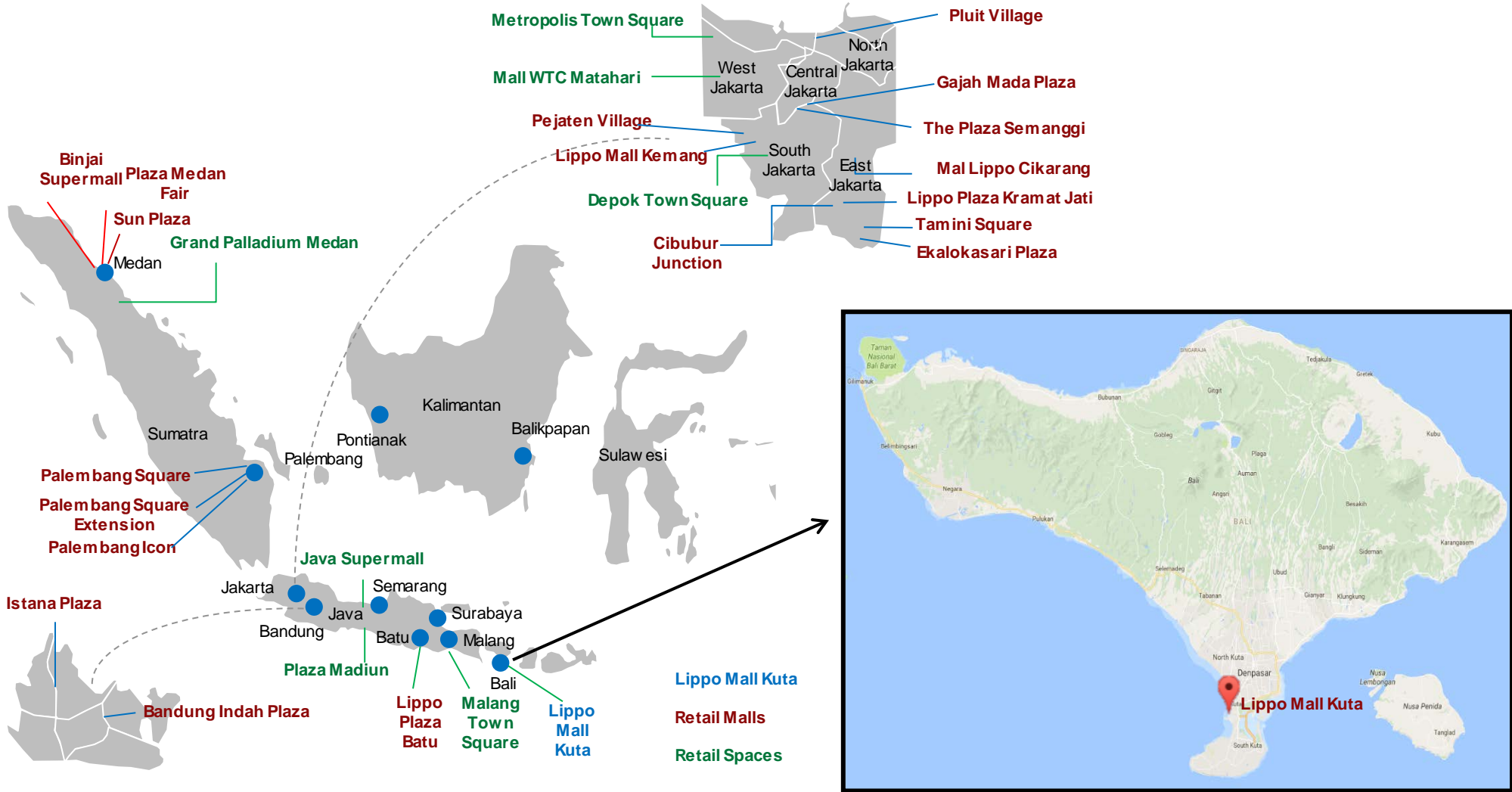


Ground Floor



Diversified Portfolio Across Indonesia

Post acquisition of LMK, LMIRT's portfolio will consist of 20 retail malls and 7 retail spaces:



Rationale For The Transaction

1

Strategically Located Retail Mall Asset in Bali with Organic Growth Potential

- Lifestyle mall strategically located in Bali
- Tourist arrivals projected to increase due to improvements in air and sea connectivity (new air routes to China and the Middle East and car-ferry services between Java and Bali)

2

Opportunity to Increase the Size and Enhance the Earnings of LMIRT

- NPI increase – 4.2%⁽¹⁾
- Portfolio increase – 4.5%⁽²⁾

3

Increased Economies of Scale

- Obtaining debt and equity financing
- Cost savings with suppliers and service providers due to greater bargaining power
- Marketing and leasing activities

4

Diversification of Assets to Minimise Concentration Risk

- Diversify geographically across Indonesia
- Reduce asset and tenant concentration risks
- Results in greater resilience and stability of income

Notes:

(1) Based on pro forma financial statement for the year ended 31 December 2015, NPI will increase 4.2% from SGD158.6m to SGD165.3m

(2) Upon completion of acquisition, size of LMIRT's portfolio is estimated to increase by 4.5%, from SGD1,830.0m (as at 31 December 2015) to SGD1,915.0m

Diversified Tenants

LMK offers a broad and diversified selection of retailers, comprising of established international and local brands:

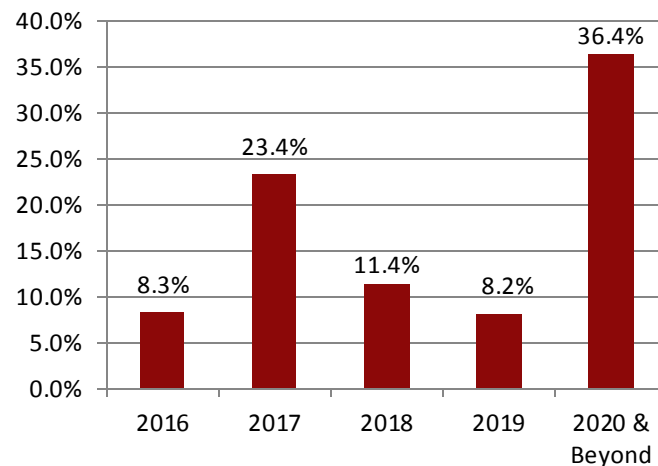
Key Tenants



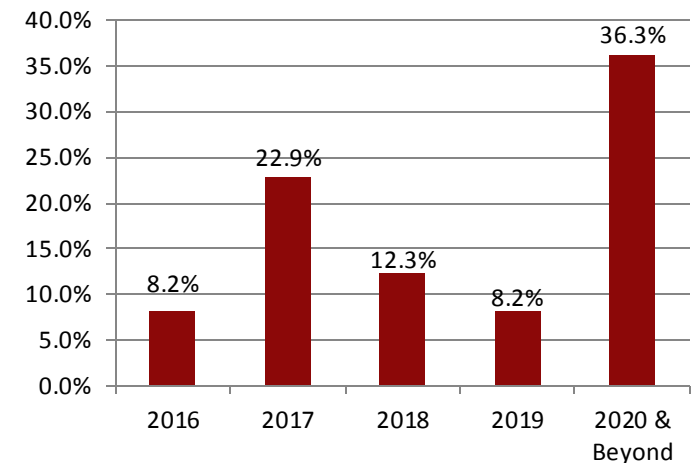
Enhanced Portfolio Post Acquisition

The Proposed Acquisition will improve the quality of portfolio diversification and lease expiry profile

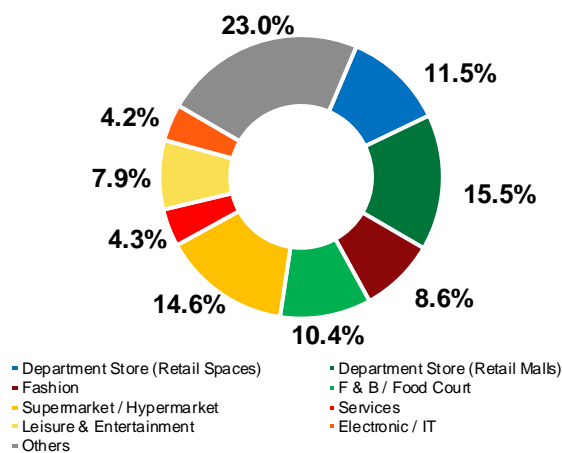
Lease Expiry Profile for the Existing Portfolio⁽¹⁾



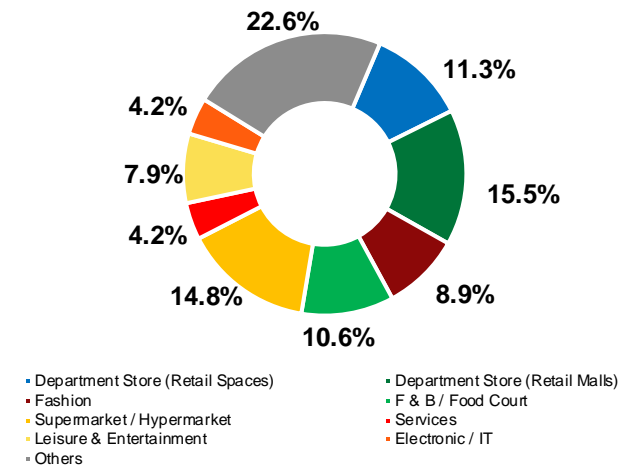
Lease Expiry Profile for the Enlarged Portfolio⁽¹⁾



Usage Mix by NLA Pre Acquisition⁽¹⁾



Usage Mix by NLA Post Acquisition⁽¹⁾



Notes:

(1) For the month of December 2015

Master Leases

Upon completion of the LMK Acquisition, IndoCo⁽¹⁾ will enter into the following lease agreements:

1 Car Park Lease Agreement	2 Casual Leasing Space Lease Agreement	3 Specialty Tenants Lease Agreement
<ul style="list-style-type: none"> ▪ 355 car park lots and 250 motorcycle lots ▪ Rp 308 million / month ▪ 5 years 	<ul style="list-style-type: none"> ▪ Casual Leasing area of 250 sqm ▪ Rp 375 million / month ▪ 5 years 	<ul style="list-style-type: none"> ▪ Specialty tenant areas of 4,400 sqm and food court area of 1,672 sqm ▪ Rp 2,706 million / month and Rp 217million / month respectively ▪ 5 years

Details of each of the Master Leases and the underlying performance for FY 2015:

Master Leases	Annual Rental Income	
	Master Lease (Rp bn)	Underlying (Rp bn)
Food Court	2.6	-(2)
Specialty Tenants	32.5	6.0
Casual Leasing	4.5	1.4
Parking	3.7	1.2
Total	43.3	8.6

The Manager believes that the rentals under the Master Leases are sustainable by the underlying tenants of LMK after the expiry of the Master Leases. This is supported by the view of Rengganis that the total underlying revenue from the Master Leases is sustainable from the sixth year onwards.

Note:

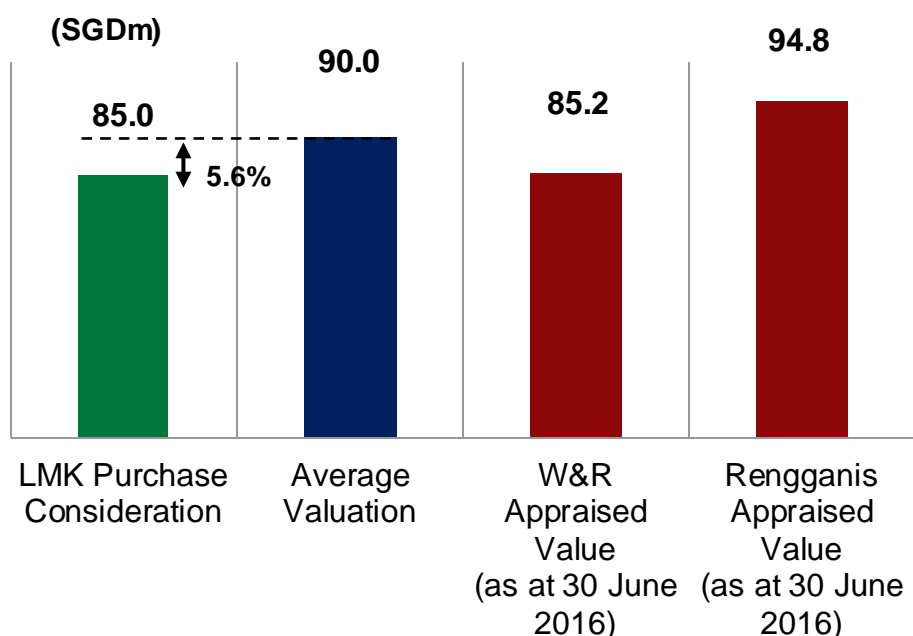
(1) PT Rekreasi Pantai Terpadu, a subsidiary owned by LMIRT

(2) The lease agreement for the food court was only entered into at the end of FY2015 and no revenue was recorded in FY2015 for the food court

Valuation and Sources Of Funding

LMK Purchase Consideration (SGDm)⁽¹⁾

LMK Purchase Consideration represents a discount of 5.6% to the average of the two independent valuations of SGD90.0m



If the Master Leases and Service Charges are not taken into account by W&R and Rengganis, their respective valuations as at 30 June 2016 would be S\$80.2m and S\$87.1m respectively.

Notes:

- (1) Based on the illustrative rupiah exchange rate of SGD1.00 to Rp.9,410.36 on 7 Nov 2016
 (2) Reimbursement of the VAT will be sought from the relevant tax office post-completion of the Acquisition

Acquisition Cost & Funding⁽¹⁾

Total Acquisition Cost to LMIR Trust is estimated at **S\$95.2m**, comprising:

- (i) Purchase Consideration of **S\$85.0m**;
- (ii) Value-added tax (“VAT”) of **S\$8.1m**⁽²⁾;
- (iii) Acquisition fee Units of **S\$0.8m** payable to the Manager pursuant; and
- (iv) Professional and other fees and expenses of **S\$1.3m**

The Acquisition Cost (excluding the Acquisition Fee Units) of **S\$94.4m** will be paid in cash on the date of completion of the Acquisition.

The Acquisition is expected to be fully funded by debt through the \$350m syndicated term loan facility, announced on 22 August 2016, with the following terms:

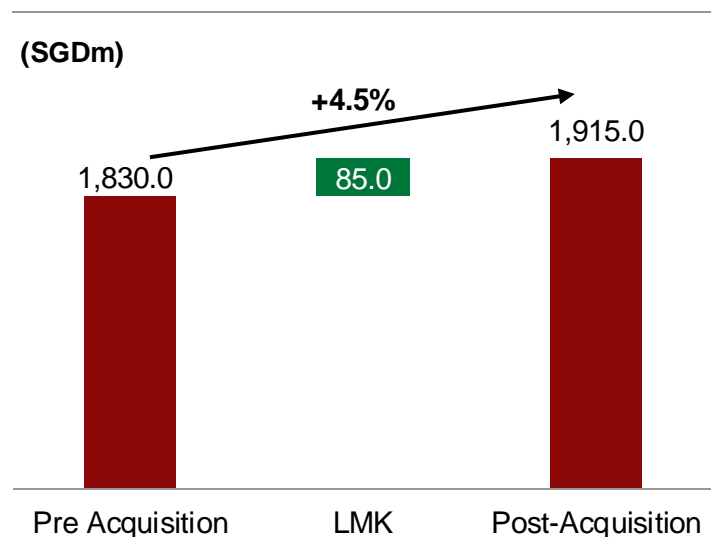
Terms	Term Loan (Tranche A)	Term Loan (Tranche B)	Total
Amount	\$47.2m	\$47.2m	\$94.4m
Tenure	4 years	5 years	Average: 4.5 years
Financing cost	2.95% + SOR	3.15% + SOR	Average: 3.05% + SOR

Pro Forma Financial Effects Of The Acquisition (FY 2015)

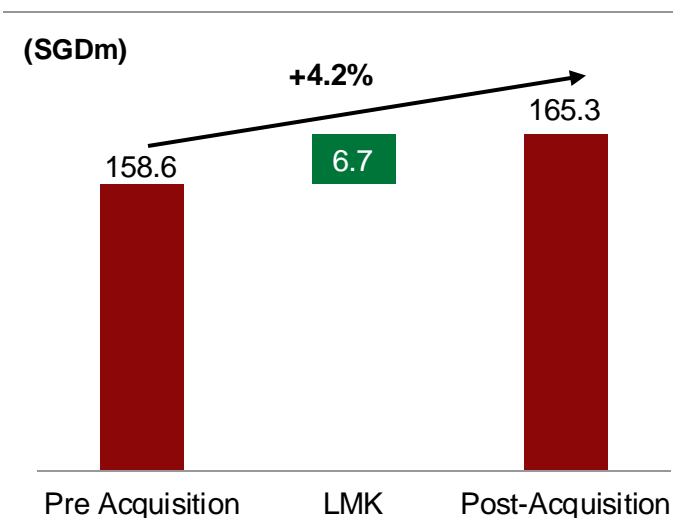
Total portfolio size and NPI are expected to increase by 4.5% and 4.2% respectively post completion of the acquisition.

DPU is expected to increase by 0.3% with distribution yield rising by 0.3% post completion of the acquisition.

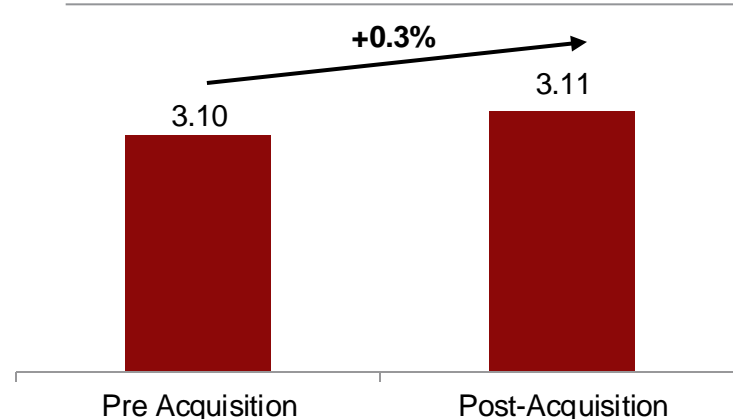
LMIRT Portfolio (SGDm) (As at 31 Dec 2015)⁽¹⁾



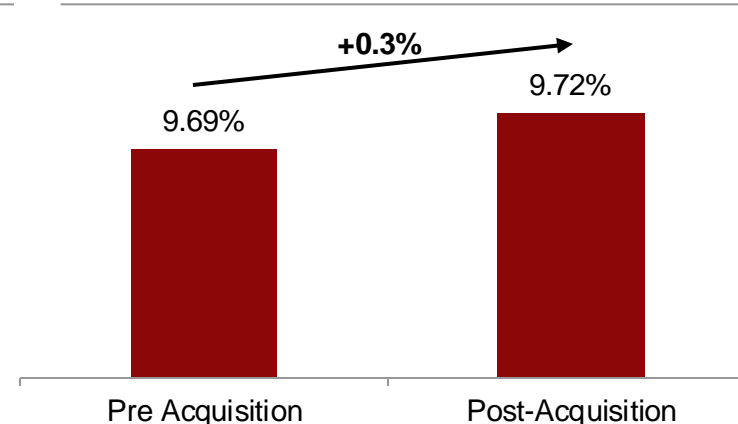
Net Property Income (SGDm) (FY2015)



FY 2015 DPU (SGD cents)



FY 2015 Distribution Yield (%)



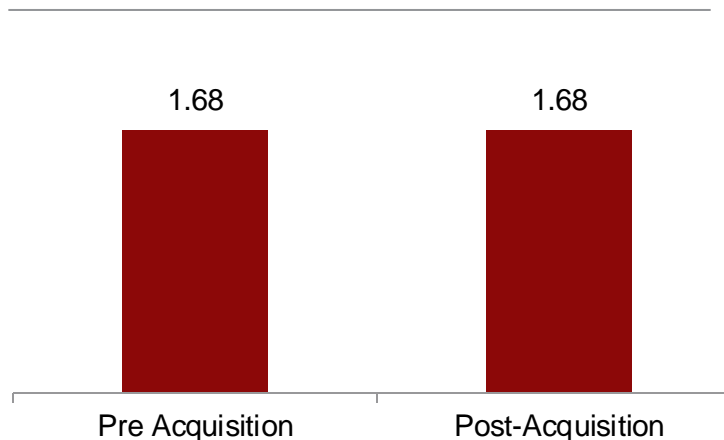
Notes:

(1) Based on the illustrative rupiah exchange rate of SGD1.00 to Rp.9,410.36 on 7 Nov 2016

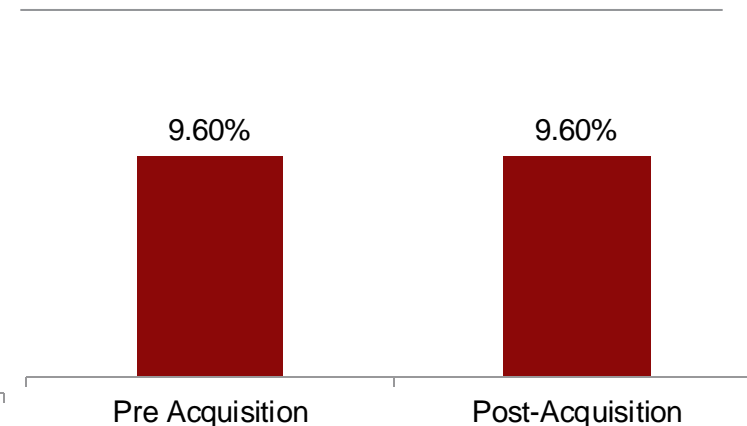
Pro Forma Financial Effects Of The Acquisition (YTD June 2016 & YTD September 2016)

Based on pro forma financial statement for the six months ended 30 June 2016 and for the nine months ended 30 September 2016, the DPU and distribution is expected to remain constant post completion of the acquisition.

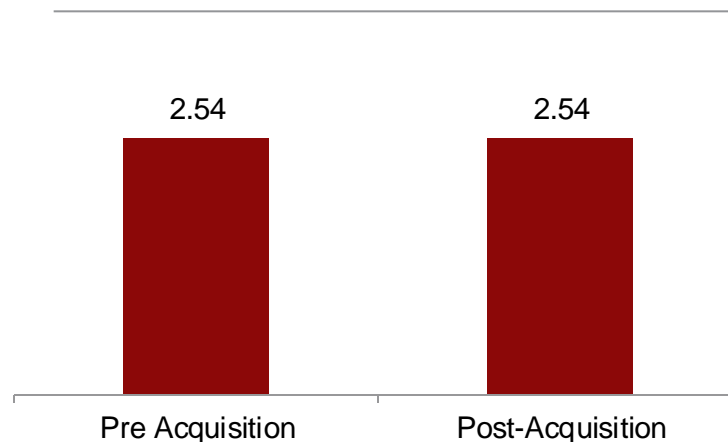
YTD June 2016 DPU (SGD cents)



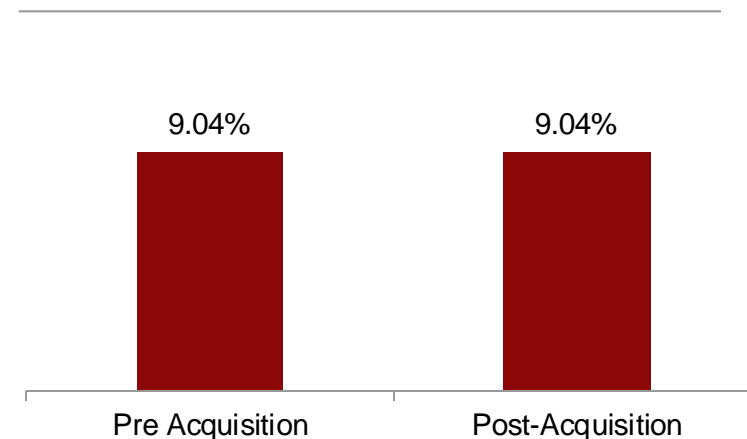
YTD June 2016 Distribution Yield (%)⁽¹⁾



YTD September 2016 DPU (SGD cents)



YTD September 2016 Distribution Yield (%)⁽¹⁾



Notes:

(1) Distribution yield is on an annualised basis

Approvals Sought From Unitholders

ORDINARY RESOLUTION

APPROVAL FOR THE PROPOSED ACQUISITION OF LIPPO MALL KUTA FROM, AND THE PROPOSED MASTER LEASES WITH, INTERESTED PERSONS OF LMIR TRUST



First and Only Indonesia Retail REIT listed on SGX

Investor Relations Contact

Email : ir@lmir-trust.com

www.lmir-trust.com