

Lippo Malls Indonesia Retail Trust

2Q 2018 Results Presentation
2 August 2018



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.

Financial Highlights

Portfolio Performance

Growth Outlook



Key Highlights

Continued Positive Growth in Total Gross Revenue and Net Property Income in Rp terms

Rp'million	2Q 2018	2Q 2017	% Change	1H 2018	1H 2017	% Change
Total Gross Revenue ¹	551,046	475,296	15.9	1,055,094	932,247	13.2
Net Property Income	452,039	446,103	1.3	902,987	879,443	2.7

But Negated by Weakened Rupiah against SGD and impact of New Tax Regulation

Indonesia Rupiah weakened **9.7%** against Singapore Dollar in 2Q 2018 vs 2Q 2017

	2Q 2018	2Q 2017
IDR/SGD	10,459.47	9,534.19



New tax regulation introduced in January 2018, mandated a **10% tax** on service charges and utilities recovery charges notwithstanding that such collection of income and maintenance of the malls are outsourced to 3rd parties.



Increase in Total Operating Property Expenses

Hence Resulted in

Distributable income declining from S\$25.4 million to S\$16.8 million, and DPU declining from 0.90 cents to 0.59 cents

¹ Gross Revenue includes Gross Rental Income, Carpark Income Service Change and Utilities Recovery and Other Rental Income for FY2018, and for FY2017, Gross Revenue includes Gross Rental Income, Carpark Income and Other Rental Income

Key Financial Performance

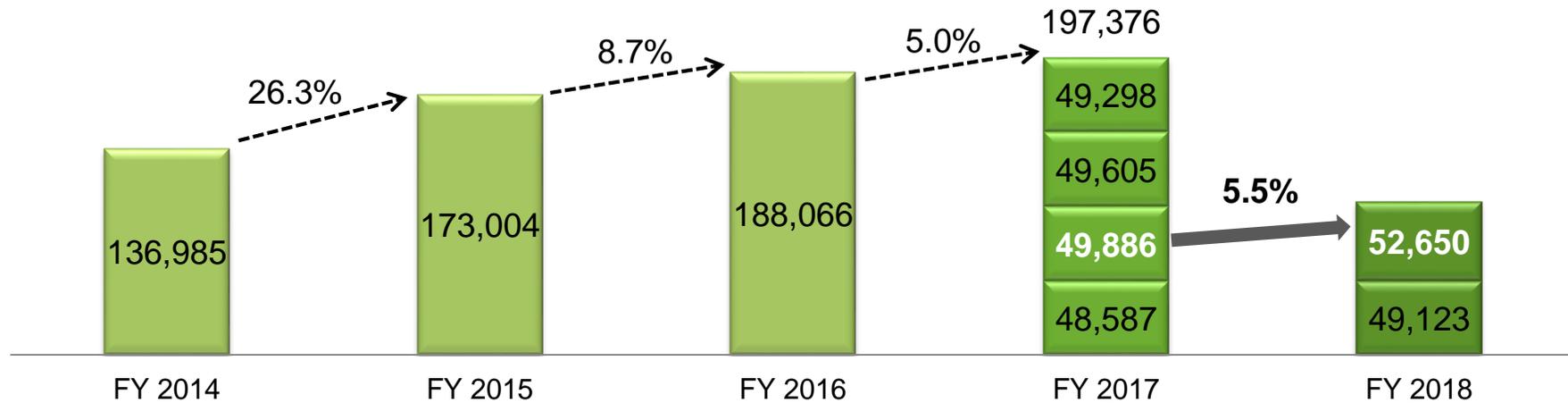
	2Q 2018 (S\$'000)	2Q 2017 (S\$'000)	% Variance	2Q 2018 (Rp'million) Exchange Rate: 10,459.47	2Q 2017 (Rp'million) Exchange Rate: 9,534.19	% Variance
Gross Rental Income	41,380	41,896	(1.2)	433,269	399,132	8.6
Carpark Income	5,013	4,946	1.4	52,516	47,150	11.4
Other Rental Income	536	3,044	(82.4)	5,874	29,014	(79.8)
Service Charge and Utilities Recovery	5,721	-	n.m.	59,387	-	n.m.
Total Gross Revenue	52,650	49,886	5.5	551,046	475,296	15.9
Property Management Fee	(2,105)	(1,708)	(23.2)	(22,045)	(16,280)	(35.4)
Property Operating and Maintenance Expenses	(4,150)	-	n.m.	(43,558)	-	n.m.
Other Property Operating Expenses	(3,242)	(1,355)	n.m.	(33,404)	(12,913)	n.m.
Total Property Operating Expenses	(9,497)	(3,063)	n.m.	(99,007)	(29,193)	n.m.
Net Property Income	43,153	46,823	(7.8)	452,039	446,103	1.3
Distributable Income to Unitholders	16,816	25,403	(33.8)			
Distribution Per Unit (cents) ¹	0.59	0.90	(34.4)			
Annualised Distribution Yield ²	8.0%					

Notes:

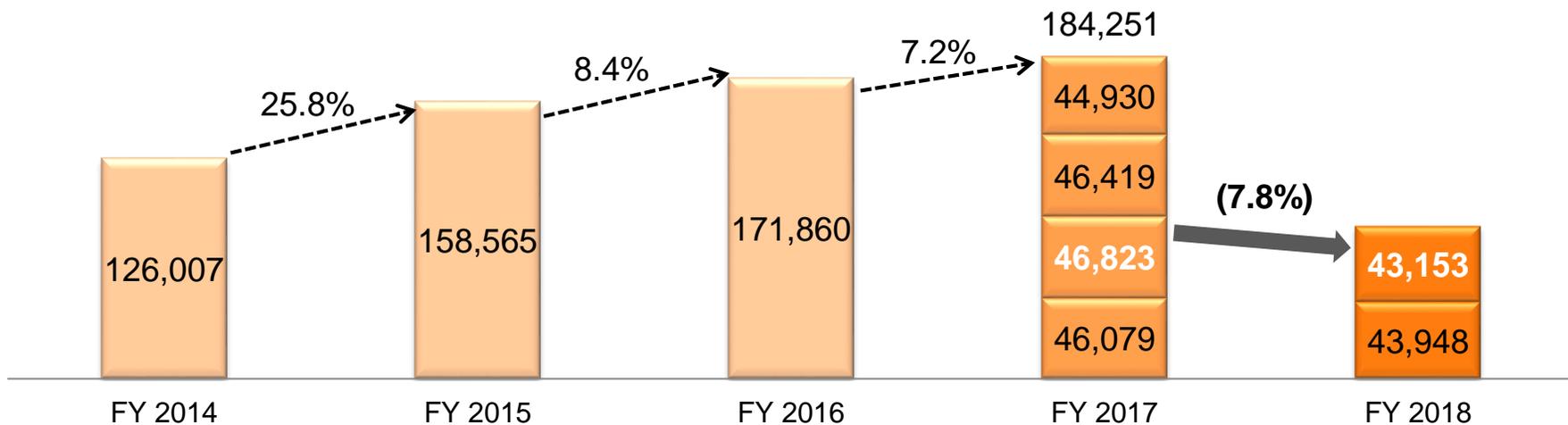
1. Based on 2.851 billion units in issue as at 30 June 2018
2. Based on a closing price of S\$0.315 as at 29 June 2018

Gross Revenue and NPI

Gross Revenue (S\$'000)

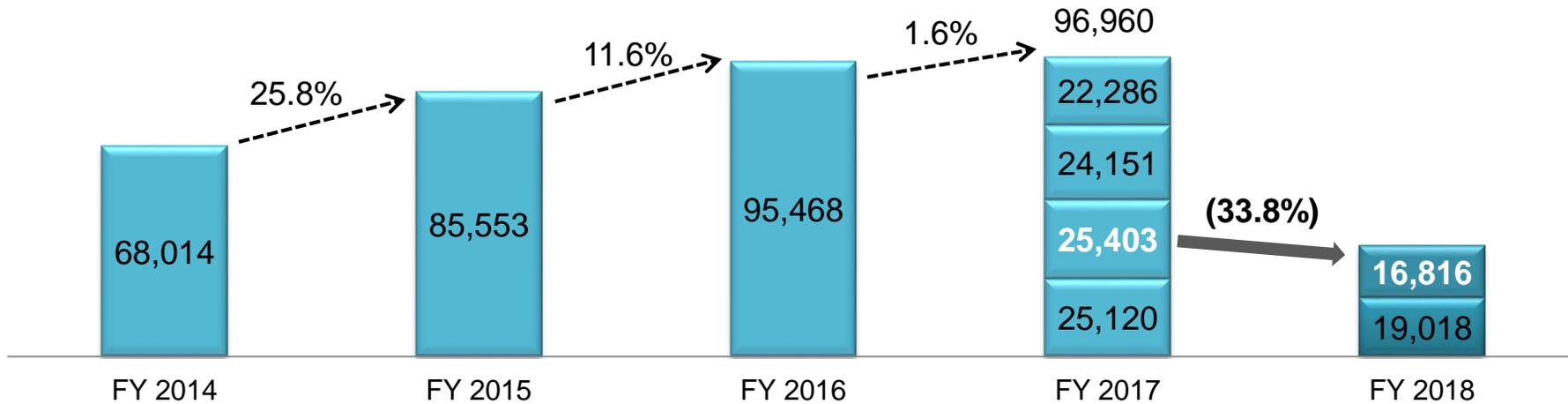


Net Property Income (S\$'000)

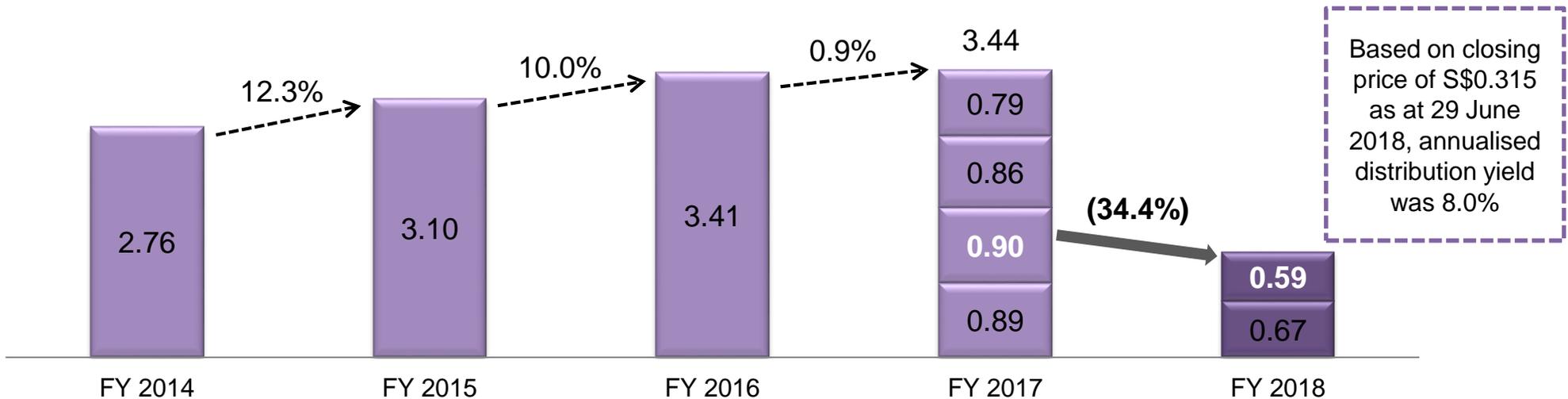


Distribution

Distributable Income to Unitholders (S\$'000)



DPU (Singapore Cents)



Balance Sheet

	30 June 2018 S\$'million	31 December 2017 S\$'million
Non Current Assets	1,877.0 ¹	1,930.4 ¹
Current Assets	152.2	133.5
Total Debt	730.0	695.0
Other Liabilities	186.0	200.9
Total Equity	1,113.1 ²	1,167.9 ²
Gearing Ratio	36.0%	33.7%
Total Units In Issue (million)	2,851.2	2,824.0
Net Asset Value (per unit) ³	29.93 cents	32.16 cents

Notes:

1. Included in the Non Current Assets are the Investment properties of S\$1,856.6 million as at 30 June 2018 and SGD1,908.1 million as at 31 December 2017. The carrying values of the properties are stated based on the independent valuation as at 31 December 2017 and adjusted for property enhancements to-date. The valuations and property enhancements figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollars using the respective exchange rate as at the end of each period.
2. Total equity is represented by Unitholder's funds of \$853.5 million and Perpetual securities of \$259.6 million as at 30 June 2018 and Unitholder's funds of S\$908.3 million and Perpetual securities of S\$259.6 million as at 31 December 2017.
3. Net Asset attributable to Unitholders (per unit) is calculated as Unitholder's funds over the units issued at the end of the period.

Distribution Details

Total DPU	0.59 cents
<i>- Tax-Exempt</i>	<i>0.32 cents</i>
<i>- Capital</i>	<i>0.27 cents</i>
Books Closure Date	13 August 2018
Tentative Distribution Payment Date: 29 August 2018	

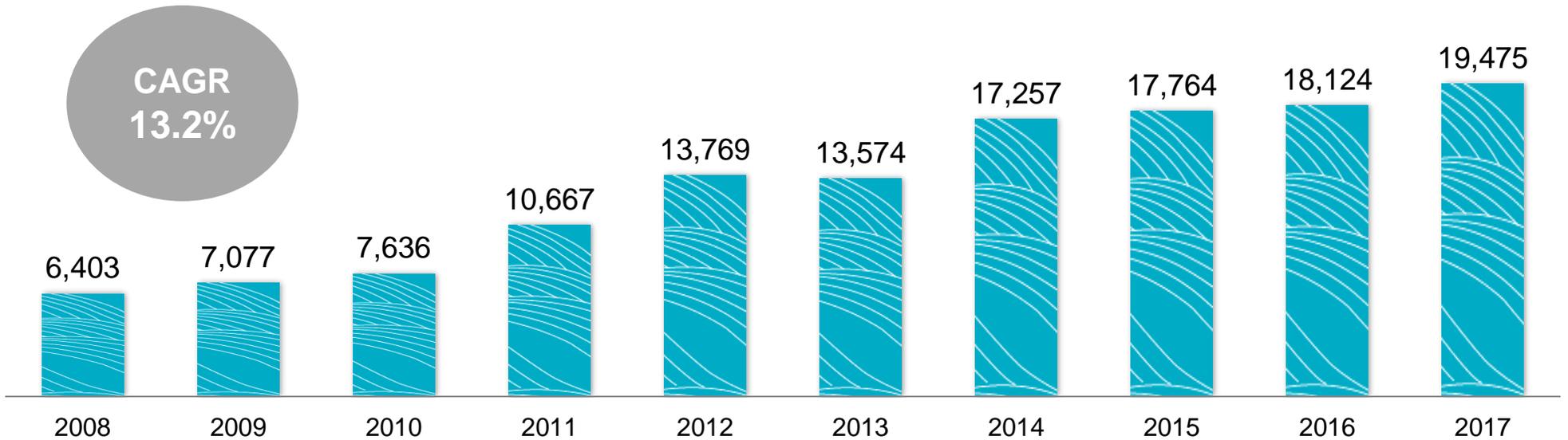
Since listing in Nov 2007, LMIR Trust has maintained a payout policy of 100% of distributable income.

Financial Highlights
Portfolio Performance
Growth Outlook

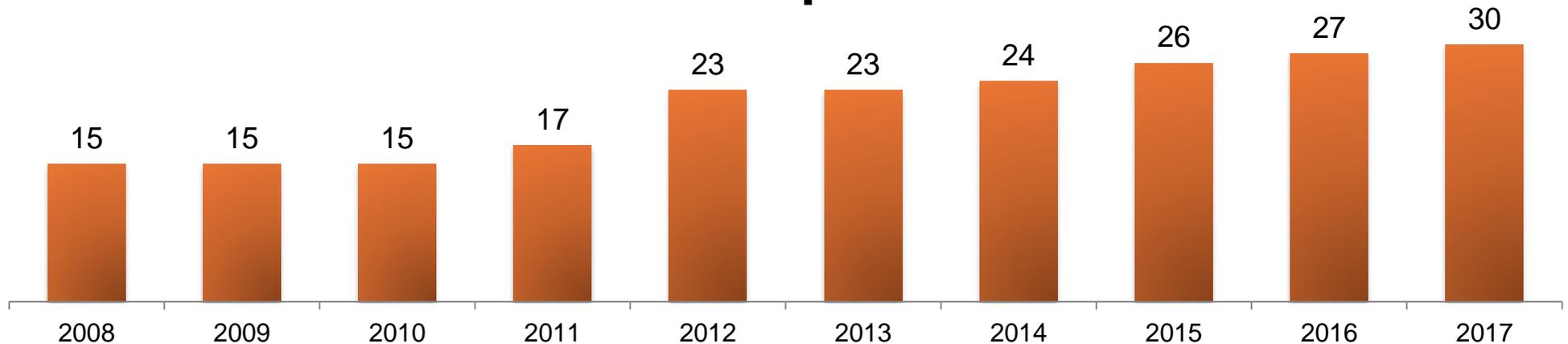
The bottom of the slide features a decorative graphic consisting of numerous thin, white, wavy lines that flow across the width of the page, creating a sense of movement and depth against the solid teal background.

A Growing Portfolio

Portfolio Valuation (Rp'billion)



Number of Properties



Strategically Located Portfolio



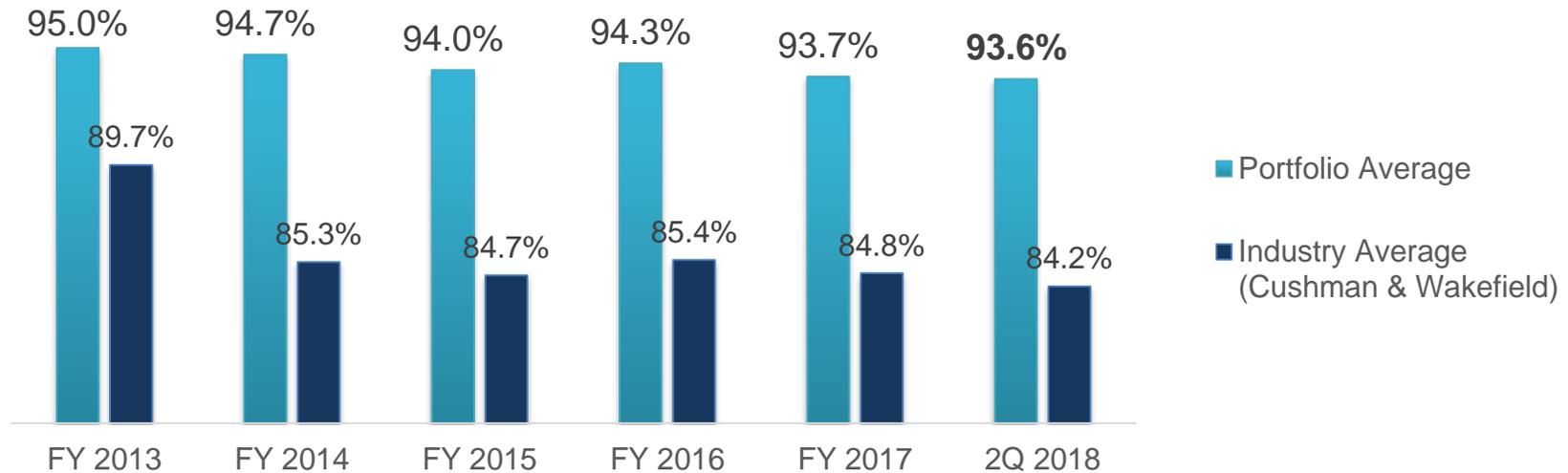
Portfolio Valuation since IPO (Rp'billion)

Property	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ¹	%
Bandung Indah Plaza	673.7	796.2	825.0	885.0	910.0	832.0	801.5	801.5	797.8	756.2	3.9
Cibubur Junction	468.3	491.1	502.0	534.0	546.0	507.0	492.5	485.3	451.2	430.9	2.2
Lippo Ekalokasari Plaza	289.2	343.5	373.0	367.0	409.0	388.0	409.0	375.8	410.3	396.8	2.0
Gajah Mada Plaza	612.1	669.2	745.0	762.0	803.0	744.0	752.8	751.4	780.9	799.0	4.1
Istana Plaza	690.7	642.8	733.0	787.0	809.0	742.0	730.7	737.6	713.0	664.2	3.4
Mal Lippo Cikarang	397.6	443.5	478.0	490.0	529.0	523.0	565.0	561.3	609.1	643.9	3.3
The Plaza Semanggi	1,052.9	1,238.5	1,367.0	1,330.0	1,454.0	1,385.0	1,342.2	1,232.2	1,173.7	1,148.8	5.9
Depok Town Square Units	148.9	172.4	180.3	187.0	196.2	204.1	207.1	208.1	169.7	163.0	0.8
Grand Palladium Units	151.4	162.2	177.9	178.0	187.3	192.8	188.0	173.5	156.6	118.7	0.6
Java Supermall Units	151.6	175.9	177.5	184.0	193.6	186.1	192.5	193.7	153.6	143.3	0.7
Malang Town Square Units	148.7	177.1	179.7	186.0	195.4	192.4	207.8	213.5	172.6	162.0	0.8
Mall WTC Matahari Units	146.0	169.8	176.3	177.0	173.7	175.7	169.7	165.1	146.0	124.0	0.6
Metropolis Town Square Units	193.8	226.1	237.4	238.0	249.9	271.3	256.6	230.6	186.4	163.7	0.8
Plaza Madiun Units	194.9	193.4	215.7	222.0	240.5	231.8	242.4	250.7	226.9	199.3	1.0
Sun Plaza	1,082.9	1,175.2	1,268.0	1,371.0	1,470.0	1,613.0	1,680.4	1,693.7	1,826.1	1,967.1	10.1
Plaza Medan Fair				1,100.4	1,115.3	1,102.0	1,140.6	1,087.1	1,083.2	1,103.0	5.7
Pluit Village				1,668.2	1,537.7	1,405.0	1,305.1	1,146.0	1,026.8	953.0	4.9
Lippo Plaza Kramat Jati					549.0	565.1	573.7	565.0	573.8	595.3	3.1
Palembang Square Extension					242.0	236.1	256.1	248.1	258.0	276.3	1.4
Tamini Square					236.0	247.0	236.3	242.9	243.0	269.7	1.4
Palembang Square					603.0	627.0	641.4	642.6	649.5	689.5	3.6
Pejaten Village					866.0	939.2	958.4	970.0	973.7	1,073.4	5.5
Binjai Supermall					253.0	264.0	266.6	263.9	266.9	282.1	1.5
Lippo Mall Kemang							3,640.6	3,477.9	3,235.0	3,193.0	16.4
Lippo Plaza Batu								272.0	260.7	274.1	1.4
Palembang Icon								774.7	774.9	770.0	4.0
Lippo Mall Kuta									805.0	835.7	4.3
Lippo Plaza Kendari										316.0	1.6
Lippo Plaza Jogja										599.3	3.1
Kediri Town Square										363.7	1.9
Grand Total	6,402.7	7,076.9	7,635.8	10,666.6	13,768.6	13,573.7	17,257.3	17,764.3	18,124.4	19,475.4	100.0

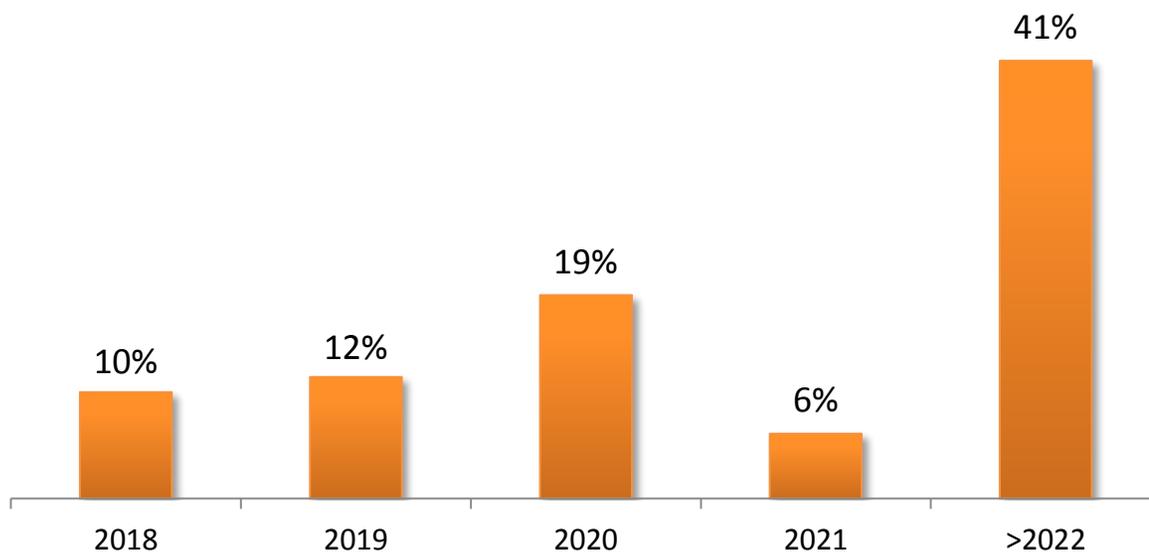
¹Based on valuation conducted by KJPP Rengganis, Hamid dan Rekan (in association with CBRE), KJPP Willson & Rekan (in association with Knight Frank), KJPP Willie Prasetyo & Rekan (in association with Savills) as at 31 December 2017

Occupancy Rate and Lease Profile

High Occupancy Rate



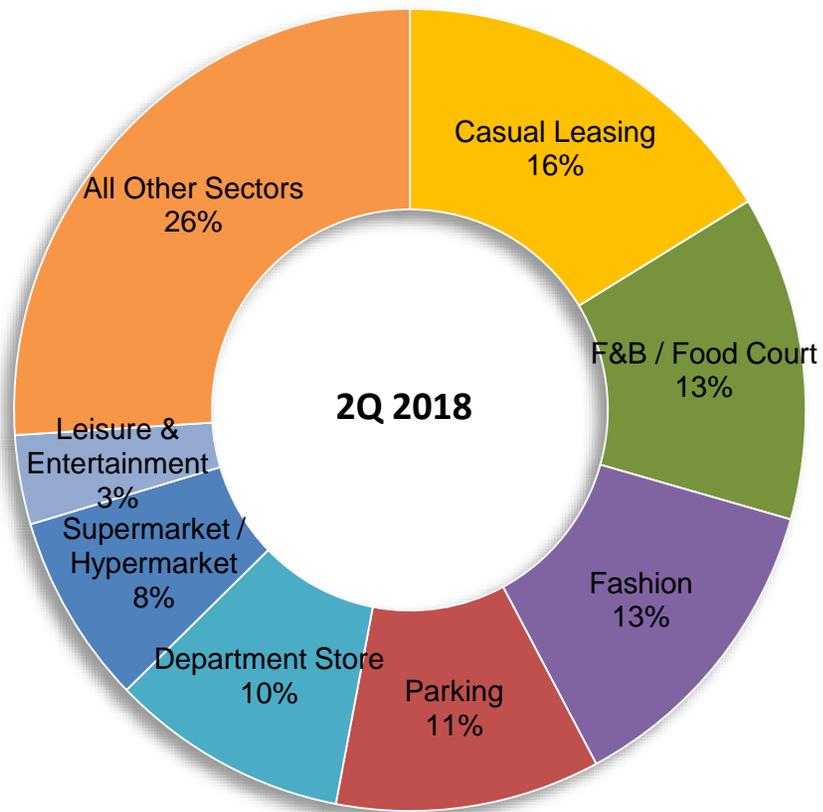
Long Lease Profile



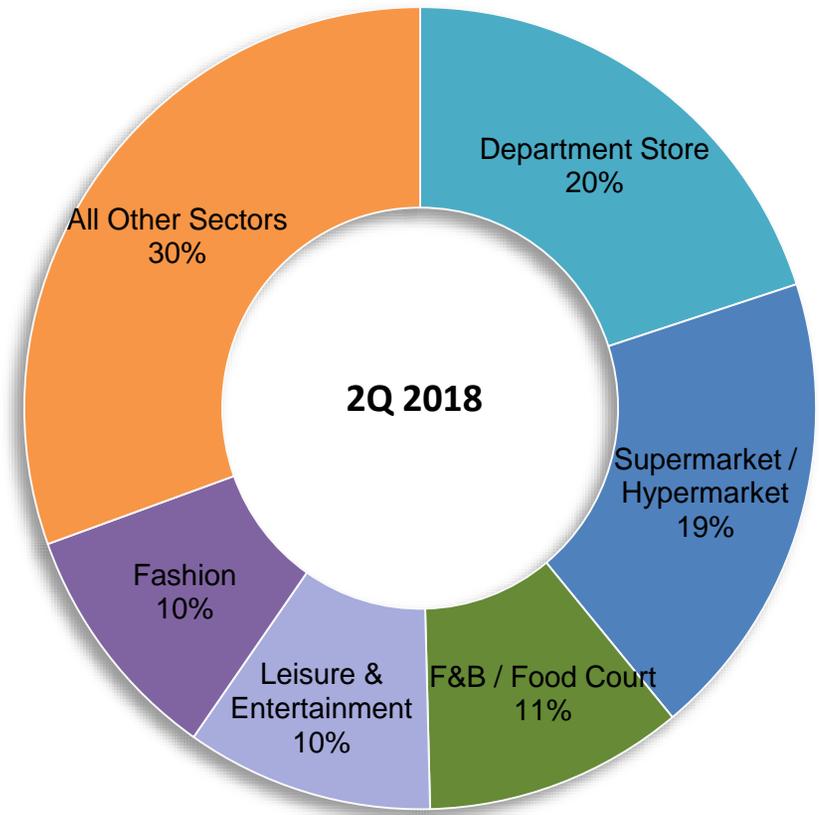
- Weighted Average Lease Expiry (by NLA) as at 30 June 2018: **3.94 years**
- Balanced mix of long-term anchor leases and shorter-term leases for non-anchor tenants provide both stability and growth potential
- Average rental reversion in 2Q 2018: **4.2%**

Diversified Quality Tenants

Trade Sector Breakdown by Gross Revenue*



Trade Sector Breakdown by Net Lettable Area

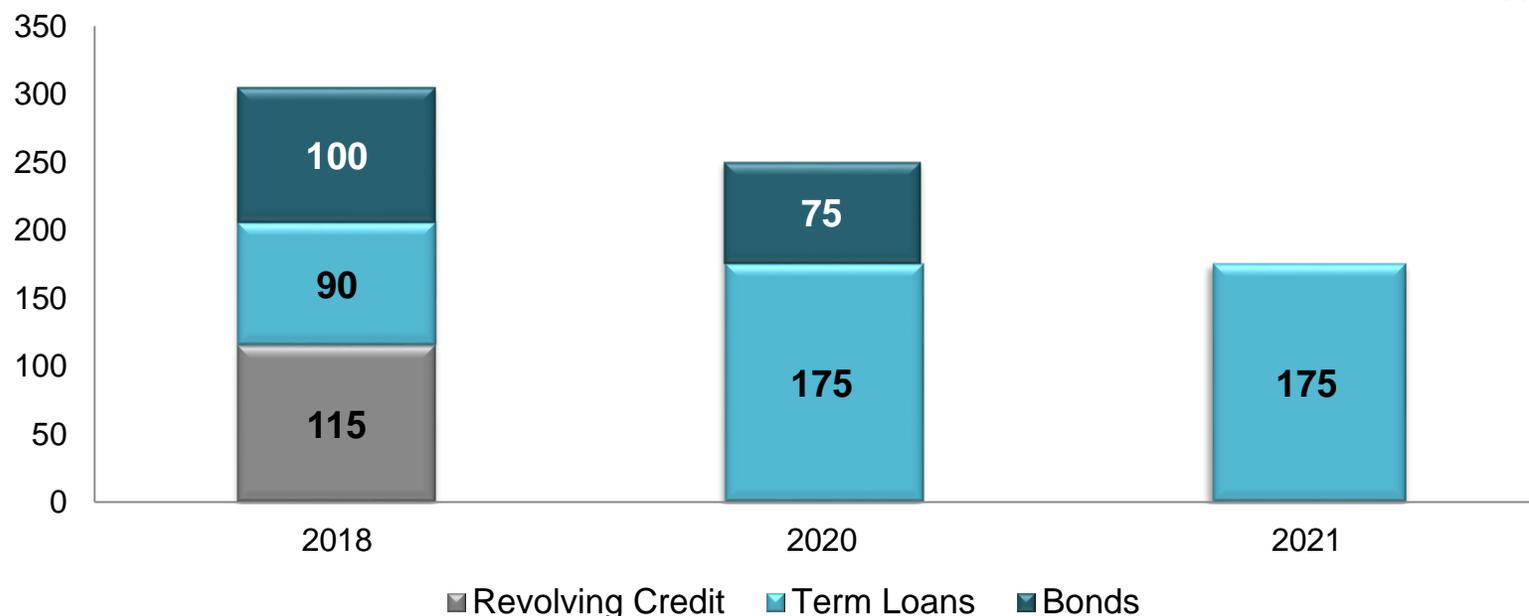


* Exclude other rental income and income from rental of mechanical, electrical and mall operating equipment

Debt Maturity Profile

Fixed Rate Debt Ratio	Weighted Average Maturity of Debt	All-in cost (Excluding Perpetuals)	All-in cost (Including Perpetuals)
45.2%	1.61 years	4.95%	5.53%

As at 30 June 2018



Notes:

- 1 S\$115 million 1.80% + SOR revolving credit facility
- 2 S\$100 million 4.50% bond due 23 November 2018
- 3 S\$90 million 3.00% + SOR term loan due 15 December 2018
- 4 S\$75 million 4.10% bond due 22 June 2020
- 5 S\$175 million 2.95% + SOR term loan due 25 August 2020
- 6 S\$175 million 3.15% + SOR term loan due 25 August 2021

Perpetual: S\$140 million 7.0% Subordinated Perpetual Securities was issued on 27 September 2016

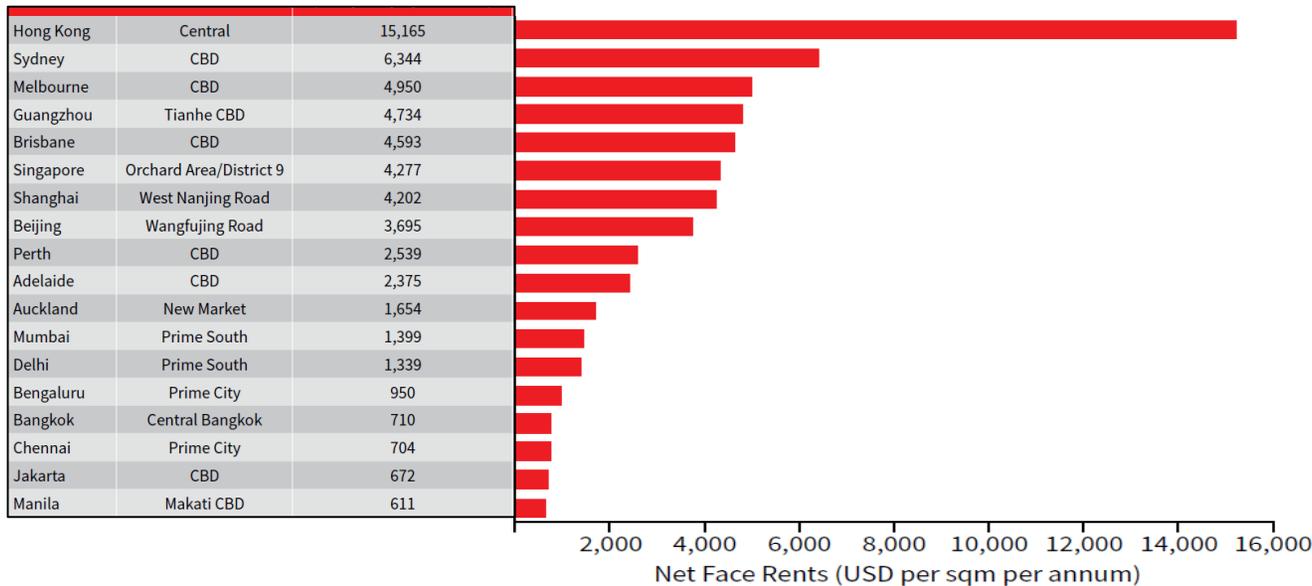
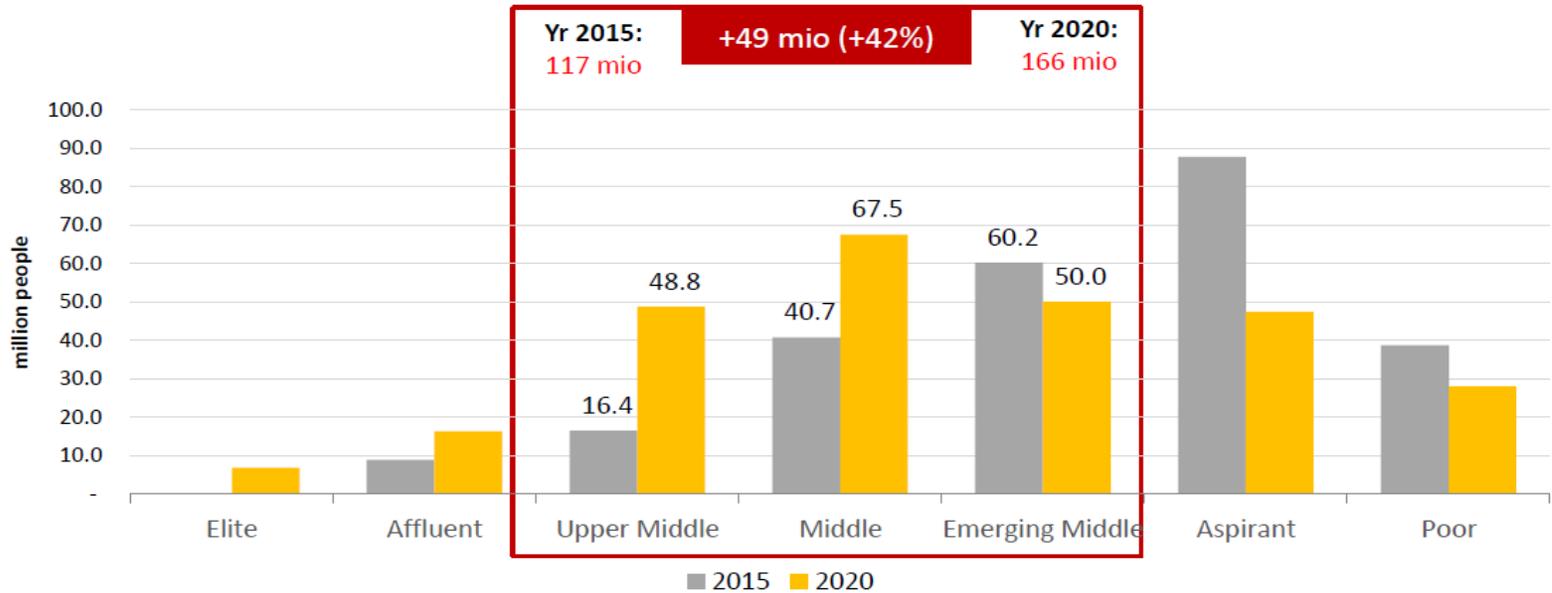
Perpetual: S\$120 million 6.6% Subordinated Perpetual Securities was issued on 19 June 2017

Financial Highlights
Portfolio Performance
Growth Outlook



Attractive Indonesian Retail Outlook

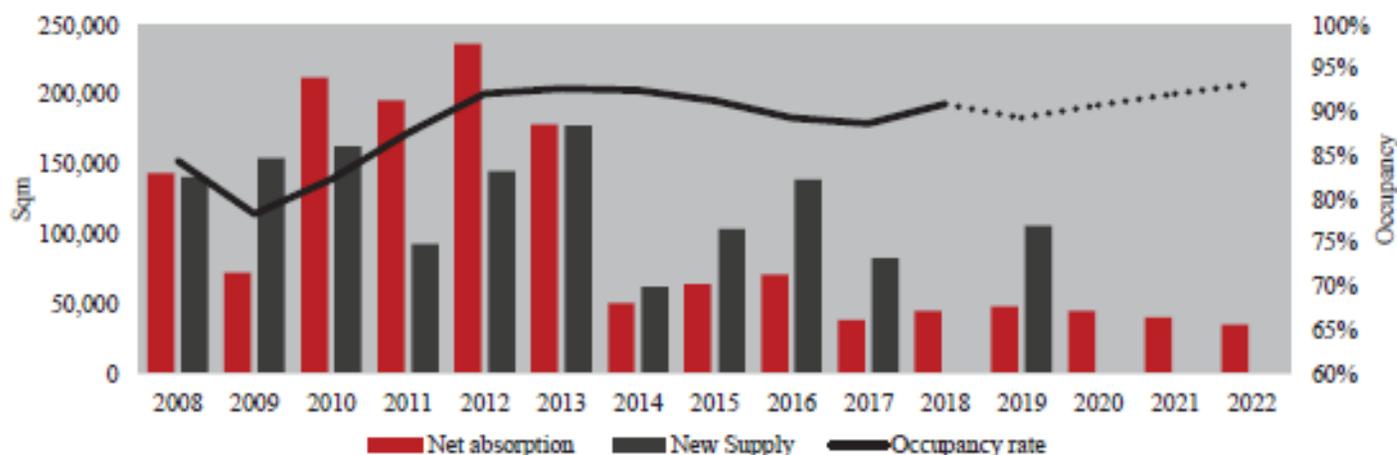
Strong Middle-Income Growth



Potential for rents to catch-up to that of other markets in the long term

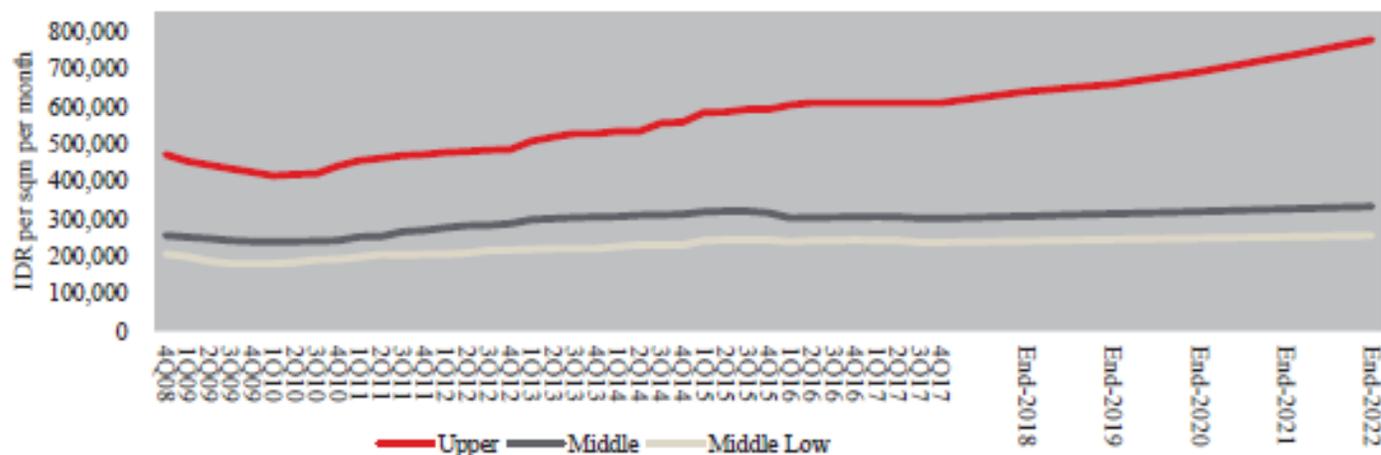
Retail Property Market Trends

Supply, Demand and Occupancy *



* Occupancy for prime malls only

Retail Rents



Source: Jones Lang LaSalle, Jakarta Property Market Review 4Q2017

Demand

- Footfall remained strong in prime malls
- Extremely limited supply and low vacancy rates
- Net absorption low

Supply

- Moratorium on standalone shopping mall development in Jakarta in place since 2011; supply pipeline extremely thin
- Moratorium does not affect locations outside of Jakarta city, offer expansion opportunities

Rents

- Vacancy rates remained low with strongest demand from F&B and entertainment tenants
- Average rents across prime retail market in Jakarta remained flat q-o-q, while whole year growth was 3.3%
- Annual rental growth projected at 5% in prime retail market

Retail Market Drivers

- Retail sector is still growing though at a slower pace

Positive Influences

- Stable GDP Growth (about 5%)
- Consumer Confidence Index level still high especially based on expectation on future economy



Negative Influences

- Price increase (CPI) nearly 4% every year
- Lower real income growth (minimum wage 8% increase, lower compared to previous years)



Other Influencing Factors

- Consumers are more selective on spending due to price pressure and slowing economy (among upper consumer)
- While purchasing power is increasing, consumption is slowing down as households are more cautious and are saving a greater portion of their income

Our Sponsor



Our sponsor, **PT Lippo Karawaci Tbk**, is Indonesia's largest listed company by total assets and revenue, with a market capitalisation of US\$829.8 million¹ as at 31 December 2017



Owns and/or manages 47 malls throughout Indonesia and has another 38 malls in the pipeline



Focused on developing and managing community malls located in cities with dense population



Malls have an average occupancy rate of over 88% and cater to more than 300 million visitors per year



LMIRT has the right-of-first-refusal to acquire Sponsor's properties

¹ Based on Bloomberg's data: Rp11.2619 trillion and exchange rate of US\$1 = Rp13,571.9

Thank You

Appendix

Property Overview

Anchor Tenants

Trust Structure

Property Overview: Retail Malls



Valuation	Rp 756.2 billion	Rp 430.9 billion	Rp 396.8 billion	Rp 799.0 billion
Location	Jalan Merdeka, Bandung, West Java	Jalan Jambore, Cibubur, East Jakarta	Jalan Siliwangi 123, Bogor, West Java	Jalan Gajah Mada, Central Jakarta
GFA	75,868 sqm	66,071 sqm	58,859 sqm	66,160 sqm
NLA	30,288 sqm	34,566 sqm	28,086 sqm	36,539 sqm
Occupancy rate	99.2%	98.1%	86.9%	72.2%
Number of Tenants	218	183	75	165

Property Overview: Retail Malls



Valuation	Rp 664.2 billion	Rp 643.9 billion	Rp 1,148.8 billion	Rp 1,967.1 billion
Location	Jalan Pasir Kaliki, Bandung, West Java	Jalan MH Thamrin, Lippo Cikarang, West Java	Jalan Jenderal Sudirman, South Jakarta	Jalan Haji Zainul Arifin Medan, North Sumatera
GFA	46,809 sqm	39,293 sqm	155,122 sqm	107,373 sqm
NLA	28,185 sqm	29,926 sqm	61,580 sqm	70,277 sqm
Occupancy rate	91.2%	97.0%	87.4%	98.9%
Number of Tenants	133	106	390	350

Property Overview: Retail Malls

	Plaza Medan Fair	Pluit Village	Lippo Plaza Kramat Jati	Palembang Square Extension
				
Valuation	Rp 1,103.0 billion	Rp 953.0 billion	Rp 595.3 billion	Rp 276.3 billion
Location	Jalan Jenderal Gatot Subroto No.30, Medan Petisah, Medan, North Sumatera	Jalan Pluit Indah Raya, Penjaringan, North Jakarta	Jalan Raya Bogor Km 19, Kramat Jati, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera
GFA	138,767 sqm	134,576 sqm	67,285 sqm	22,527 sqm
NLA	64,303 sqm	87,394 sqm	32,780 sqm	18,093 sqm
Occupancy rate	99.4%	91.3%	92.9%	97.3%
Number of Tenants	421	172	89	35

Property Overview: Retail Malls

Tamini Square	Palembang Square	Pejaten Village	Binjai Supermall
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Valuation	Rp 269.7 billion	Rp 689.5 billion	Rp 1,073.4 billion	Rp 282.11 billion
Location	Jalan Raya Taman Mini, East Jakarta	Jalan Angkatan 45/POM IX, Palembang, South Sumatera	Jalan Warung Jati Barat, South Jakarta	Jalan Soekamo, Hatta No.14, Binjai, North Sumatra
GFA	18,963 sqm	46,546 sqm	89,157 sqm	28,760 sqm
NLA	17,475 sqm	31,672 sqm	42,178 sqm	23,412 sqm
Occupancy rate	100.0%	96.1%	99.6%	94.3%
Number of Tenants	11	120	153	94

Property Overview: Retail Malls



Valuation	Rp 3,193.0 billion	Rp 274.1 billion	Rp 770.0 billion	Rp 835.7 billion
Location	Jalan Kemang VI, South Jakarta	Jalan Diponegoro No. RT 07RW05, Batu City, East Java	Jalan POM IX, Palembang, South Sumatera	Jalan Kartika Plaza, District of Kuta, Badung, Bali
GFA	150,932 sqm	34,586 sqm	42,361 sqm	36,312 sqm
NLA	58,489 sqm	17,673 sqm	36,052 sqm	20,348 sqm
Occupancy rate	92.2%	99.6%	97.6%	92.4%
Number of Tenants	149	41	172	80

Property Overview: Retail Malls

	Lippo Plaza Kendari	Lippo Plaza Jogja	Kediri Town Square
			
Valuation	Rp 316.0 billion	Rp 599.3 billion	Rp 363.7 billion
Location	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi	Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java
GFA	27,913 sqm	66,098 sqm	28,688 sqm
NLA	20,146 sqm	23,023 sqm	16,840 sqm
Occupancy rate	99.4%	98.6%	99.6%
Number of Tenants	50	69	51

Property Overview: Retail Spaces



Valuation	Rp 163.0 billion	Rp 118.7 billion	Rp 143.3 billion	Rp 162.0 billion
Location	Jalan Margonda Raya, Depok, West Java	Jalan Kapt, Maulana Lubis, Medan, North Sumatera	Jalan MT Haryono, Semarang, Central Java	Jalan Veteran, Malang, East Java
GFA	13,045 sqm	13,417 sqm	11,082 sqm	11,065 sqm
NLA	12,490 sqm	10,788 sqm	11,082 sqm	11,065 sqm
Occupancy rate	100.0%	61.6%	100.0%	100.0%
Number of Tenants	3	2	2	3

Property Overview: Retail Spaces

	Mall WTC Matahari	Metropolis Town Square	Plaza Madiun
			
Valuation	Rp 124.4 billion	Rp 163.7 billion	Rp 199.3 billion
Location	Jalan Raya Serpong, Tangerang, Banten Greater Jakarta	Jalan Hartono Raya, Tangerang, Banten Great Jakarta	Jalan Pahlawan, Madiun, East Java
GFA	11,184 sqm	15,248 sqm	19,029 sqm
NLA	9,984 sqm	14,128 sqm	11,720 sqm
Occupancy rate	82.0%	76.7%	100.0%
Number of Tenants	2	3	21

Anchor Tenants Overview

Matahari Department Store



- #1 department store in Indonesia with 151 stores in over 60 cities
- Market share in Indonesia at close to 40.8% with strong supply chain and logistic capabilities
- Publicly listed on the Indonesian Stock Exchange (IDX) with a market capitalization of close to IDR40 trillion
- Shareholders: PT Multipolar Tbk - 17.5%, Public - 82.5%¹
- Strong and healthy balance sheet supported by its zero debt position

Hypermart



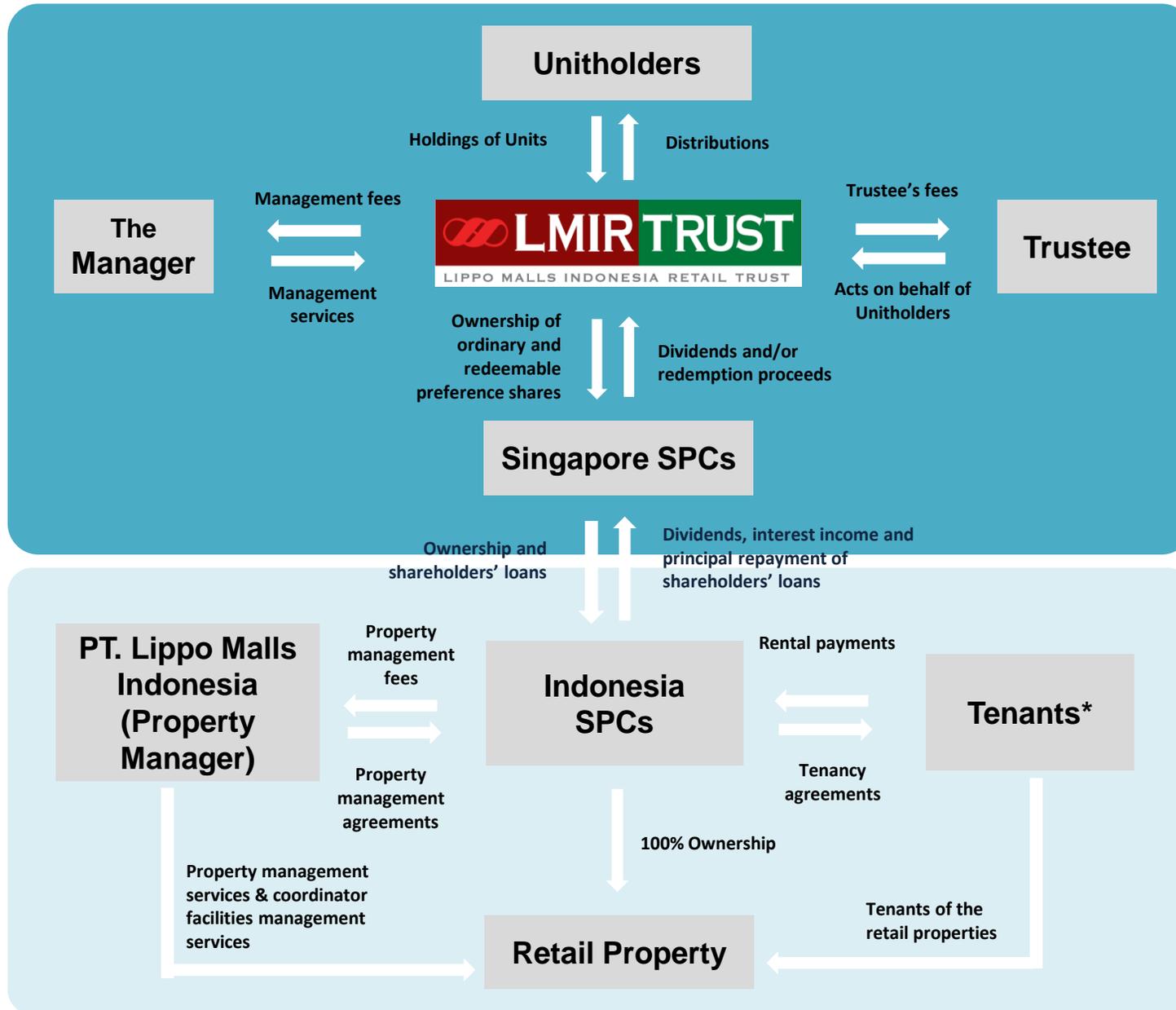
- Largest hypermarket network in Indonesia, with a proven asset light business model
- Owned by IDX listed PT Matahari Putra Prima Tbk (MPPA), who is primarily engaged in operating modern retailers, which focus on fast moving consumer goods (FMCG). It has a market capitalization of IDR5.19 trillion
- MPPA shareholders: PT Multipolar Tbk - 50.2%, Public - 49.8%²

Notes:

¹ PT Matahari Department Store Tbk FY2016 Annual Report

² PT Matahari Putra Prima Tbk FY2016 Annual Report

Trust Structure



Singapore
 Indonesia

*Includes the Master Lessees at Retail Malls (Lippo Mall Kemang, Palembang Icon, Lippo Plaza Batu and Lippo Mall Kuta, Lippo Plaza Kendari and Lippo Plaza Jogja).