

**LIPPO MALLS INDONESIA RETAIL TRUST
2016 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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LIPPO MALLS INDONESIA RETAIL TRUST
2016 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Introduction

Lippo Malls Indonesia Retail Trust ("LMIR Trust") is a Singapore-based real estate investment trust ("REIT") constituted by a trust deed dated 8 August 2007 between LMIRT Management Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. LMIR Trust was listed on the Singapore Exchange Securities Trading Limited on 19 November 2007.

LMIR Trust was 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 is primarily used for retail and / or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 June 2016, LMIR Trust's property portfolio comprises 19 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

LMIR Trust's distribution policy is to distribute at least 90.0% of the tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received from the Singapore Special Purpose Companies ("SPCs"). These are dividends from the Indonesian SPCs paid out of income (less the related income taxes) derived by letting out of the properties. The capital receipts comprise mainly of amounts received by LMIR Trust from the redemption of redeemable preference shares in the Singapore SPCs.

Summary of Lippo Malls Indonesia Retail Trust Group Results

Group						
	2Q 2016 S\$'000	2Q 2015 S\$'000	Variance % Favourable/ (Unfavourable)	1H 2016 S\$'000	1H 2015 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rent (Note A)	37,926	34,456	10.1%	75,067	69,289	8.3%
Other revenue	8,880	7,801	13.8%	17,263	14,940	15.5%
Total Gross Revenue	46,806	42,257	10.8%	92,330	84,229	9.6%
Net Property Income (Note A)	43,124	39,049	10.4%	83,956	78,075	7.5%
Distributable Amount	23,802	19,875	19.8%	46,980	41,376	13.5%
Available Distribution per Unit (cents)	0.85	0.73	16.4%	1.68	1.52	10.5%

Note A: The portfolio performance in IDR terms are shown as below:

Group Performance in IDR						
	2Q 2016 millions	2Q 2015 millions	Variance % Favourable/ (Unfavourable)	1H 2016 millions	1H 2015 millions	Variance % Favourable/ (Unfavourable)
Gross rent	370,842	335,998	10.4%	726,605	691,838	5.0%
Net Property Income	421,527	380,712	10.7%	812,645	747,620	8.7%

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1 (a) (i) **Statement of Total Return**

	Group					
	2Q 2016 S\$'000	2Q 2015 S\$'000	Variance % Favourable/ (Unfavourable)	1H 2016 S\$'000	1H 2015 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rent	37,926	34,456	10.1%	75,067	69,289	8.3%
Carpark income	6,596	5,814	13.5%	12,975	11,598	11.9%
Other rental income ¹	2,284	1,987	14.9%	4,288	3,342	28.3%
Total Gross Revenue	46,806	42,257	10.8%	92,330	84,229	9.6%
Property Operating Expenses						
Land rental	(453)	(377)	(20.2%)	(926)	(773)	(19.8%)
Property management fee	(1,138)	(937)	(21.5%)	(2,200)	(1,891)	(16.3%)
Property operating and maintenance expenses	(2,091)	(1,894)	(10.4%)	(5,248)	(3,490)	(50.4%)
Total Property Operating Expenses	(3,682)	(3,208)	(14.8%)	(8,374)	(6,154)	(36.1%)
Net Property Income	43,124	39,049	10.4%	83,956	78,075	7.5%
Interest income	76	221	(65.6%)	145	506	(71.3%)
Financial expenses	(10,966)	(11,015)	0.4%	(22,144)	(20,837)	(6.3%)
Administrative Expenses						
Manager's management fees	(2,936)	(2,799)	(4.9%)	(5,782)	(5,462)	(5.9%)
Trustee's fee	(81)	(79)	(2.5%)	(164)	(162)	(1.2%)
Other trust operating expenses	(446)	(408)	(9.3%)	(730)	(956)	23.6%
Total Administrative Expenses	(3,463)	(3,286)	(5.4%)	(6,676)	(6,580)	(1.5%)
Other gains/ (losses) (net) (See Note A)	5	(10)	NM	(4,224)	(5,603)	24.6%
Total Return For The Period Before Tax	28,776	24,959	15.3%	51,057	45,561	12.1%
Income tax	(5,000)	(4,215)	(18.6%)	(9,846)	(8,388)	(17.4%)
Withholding tax	(2,968)	(2,856)	(3.9%)	(5,866)	(5,744)	(2.1%)
Total Return For The Period After Tax	20,808	17,888	16.3%	35,345	31,429	12.5%
Other Comprehensive Income:						
Exchange Differences On Translating Foreign Operations	1,541	(62,338)	NM	(4,950)	(80,007)	(93.8%)
Total Comprehensive Income/(Loss) For The Period	22,349	(44,450)	NM	30,395	(48,578)	NM

1 (a) (ii) **Statement of Distribution**

Total return for the period after tax before distribution	20,808	17,888	16.3%	35,345	31,429	12.5%
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units	1,725	1,562	10.4%	3,358	3,123	7.5%
- Depreciation of plant and equipment	402	302	33.1%	765	517	48.0%
- Amortisation of intangible assets	2,919	2,795	4.4%	5,901	5,623	4.9%
- Unrealised (gain)/loss on hedging contracts	312	(745)	NM	3,324	946	NM
- Unrealised foreign exchange (gain) /loss	(2,364)	(1,927)	(22.7%)	(1,713)	(262)	NM
Total Unitholders' Distribution	23,802	19,875	19.8%	46,980	41,376	13.5%
Unitholders' distribution:						
- as distributions from operations	16,584	13,612	21.8%	31,533	25,233	25.0%
- as return of capital ²	7,218	6,263	15.2%	15,447	16,143	(4.3%)
Total Unitholders' Distribution	23,802	19,875	19.8%	46,980	41,376	13.5%

(Note A) **Other gains/(losses) (net) comprise:**

Realised gain/(loss) on hedging contracts	3,558	1,890	88.3%	7,015	3,861	81.7%
Realised gain/(loss) on foreign exchange	(2,904)	(2,257)	(28.7%)	(4,181)	(3,831)	(9.1%)
Miscellaneous income	218	480	(54.6%)	454	674	(32.6%)
Unrealised gain/(loss) on hedging contracts	(312)	745	NM	(3,324)	(946)	NM
Unrealised foreign exchange gain/(loss)	2,364	1,927	22.7%	1,713	262	NM
Amortisation of intangible assets	(2,919)	(2,795)	(4.4%)	(5,901)	(5,623)	(4.9%)
	5	(10)	NM	(4,224)	(5,603)	24.6%

Footnote:

- The 1H 2016 other rental income includes S\$3,214,000 (1H 2015: S\$2,413,000) from rental of electrical, mechanical and mall operating equipment.
- The return of capital comprises the amounts received by LMIR Trust from the redemption of its investment in the redeemable preference shares in the Singapore SPCs.

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1 (b) (i) **Statement of Financial Position**

	Group		Trust	
	30-Jun-16 S\$'000	31-Dec-15 S\$'000	30-Jun-16 S\$'000	31-Dec-15 S\$'000
Current Assets				
Cash and cash equivalents	75,156	80,590	7,440	22,554
Trade and other receivables ¹	45,520	69,869	200,235	189,431
Total Current Assets	120,676	150,459	207,675	211,985
Non-current Assets				
Investment properties ³	1,798,817	1,804,930	-	-
Investments in subsidiaries	-	-	1,730,949	1,746,570
Intangible assets ⁴	19,128	25,112	-	-
Plant and equipment	5,590	5,337	-	-
Other financial assets, non-current ²	-	1,906	-	1,906
Total Non-current Assets	1,823,535	1,837,285	1,730,949	1,748,476
Total Assets	1,944,211	1,987,744	1,938,624	1,960,461
Current Liabilities				
Unsecured borrowings	149,715	249,183	-	-
Trade and other payables ¹	31,586	60,205	700,594	699,120
Current tax payable	7,834	6,871	-	-
Security deposits	29,780	33,324	-	-
Other financial liabilities, current ²	452	338	114	-
Total Current Liabilities	219,367	349,921	700,708	699,120
Non-current Liabilities				
Unsecured borrowings	394,982	295,888	-	-
Secured borrowing	142,427	141,930	142,427	141,930
Deferred tax liabilities	39,224	39,224	-	-
Deferred income	83,878	83,306	-	-
Other financial liabilities, non-current ²	3,083	2,360	1,991	687
Total non-current liabilities	663,594	562,708	144,418	142,617
Total Liabilities	882,961	912,629	845,126	841,737
Unitholders' funds	1,061,250	1,075,115	1,093,498	1,118,724
Total Liabilities and Unitholders' funds	1,944,211	1,987,744	1,938,624	1,960,461

Footnote:

- In 1Q 2016, the Group has received the reimbursement on prepaid VAT from the Tax Authority of S\$37.8M relating to Lippo Mall Kemang ("LMK") acquisition that was included in the trade and other receivables as at 31 December 2015. It was subsequently paid and reduced the balances in the Trade and other payables.
- The movements in other financial assets and other financial liabilities (current and non-current) are mainly as a result of unrealised gains/ losses in the value of derivatives, principally being currency options contracts and interest rate swap.
- The carrying values of the properties are stated based on the independent valuation as at 31 December 2015 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.
- Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in LMK, Lippo Plaza Batu ("LPB") and Palembang Icon ("PICON"). The rentals are for a period of 3 to 25 years (FY 2015: 3 to 25 years).

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1 (b) (ii) **Borrowings and Debt Securities**

Secured borrowings:

Amount payable after one year
Less: Unamortised transaction costs for secured borrowings
Total secured borrowings

Unsecured borrowings:

Amount payable within one year
Less: Unamortised transaction costs for secured borrowings
Amount payable after one year
Less: Unamortised transaction costs for unsecured borrowings
Total unsecured borrowings
Total borrowings

Group	
30-Jun-16 S\$'000	31-Dec-15 S\$'000
145,000	145,000
(2,573)	(3,070)
142,427	141,930
150,000	250,000
(285)	(817)
400,000	300,000
(5,018)	(4,112)
544,697	545,071
687,124	687,001

Secured borrowings

LMIR Trust has in place a secured bank loan facility of S\$145.0 million maturing in December 2018 at an interest rate of 3.0% plus SGD Swap Offer Rate.

The loan facility is secured mainly on the following:

- Pledge over the shares in 7 retail mall Singapore SPCs and 7 retail space Singapore SPCs ("Restricted Singapore Subsidiaries")
- Pledge over the shares in 3 retail mall Indonesia SPCs and 6 retail space Indonesia SPCs ("Restricted Indonesia Subsidiaries")
- First fixed mortgage charge over 3 retail malls and 6 retail spaces and first fixed and/ or floating charges over all the other assets of 9 Indonesia SPCs
- First legal assignment of earnings of Restricted Singapore Subsidiaries and Indonesia Subsidiaries
- Legal assignment of rights under each lease agreement, lease guarantee, all insurance policies associated with the 3 retail malls and 6 retail spaces

Unsecured borrowings

LMIR Trust has in place S\$50.0 million 5.875% Notes due July 2017, S\$75.0 million 4.48% Notes due November 2017, S\$150.0 million 4.25% Notes due October 2016, S\$75.0 million 4.10% Notes due June 2020, S\$100 million 4.5% Notes due in November 2018 (collectively, the Notes), issued under the Guaranteed Euro Medium Term Note Programmes ("EMTN Programmes") established by its wholly owned subsidiary, LMIRT Capital Pte Ltd (LMIRT Capital).

LMIR Trust drewdown a 3 years new bank loan facility of S\$100 million maturing in January 2019 at an interest rate of 2.0% per annum plus SGD Swap Offer Rate in January 2016 to replace the S\$100 million bridging loan that matured on 4 January 2016.

1 (c) **Statement of Cash Flows**

	Group		Group	
	2Q 2016 S\$'000	2Q 2015 S\$'000	1H 2016 S\$'000	1H 2015 S\$'000
Operating activities				
Total return for the period before tax	28,776	24,959	51,057	45,561
Adjustments for				
- Manager's fee payable in units	1,725	1,562	3,358	3,123
- Interest income	(76)	(221)	(145)	(506)
- Amortisation of borrowing costs	1,084	1,066	2,125	2,083
- Interest expense	9,882	9,949	20,019	18,754
- Depreciation of plant and equipment	402	302	765	517
- Amortisation of intangible assets	2,919	2,795	5,901	5,623
- Unrealised foreign exchange (gain)/loss	(2,364)	(1,927)	(1,713)	(262)
- Unrealised (gain)/loss on hedging contracts	312	(745)	3,324	946
Operating income before working capital changes	42,660	37,740	84,691	75,839
Changes in working capital				
Trade and other receivables	(7,797)	(5,860)	25,019	(8,088)
Trade and other payables	(192)	311	(27,656)	(6,517)
Security deposits	51	380	(3,388)	839
Net cash from operating activities before income tax	34,722	32,571	78,666	62,073
Income tax paid	(7,685)	(5,802)	(14,785)	(11,307)
Cash flows from operating activities	27,037	26,769	63,881	50,766
Investing activities				
Capital expenditures on investment properties	(2,721)	(1,074)	(3,856)	(1,994)
Purchase of plant and equipment	(594)	(569)	(1,049)	(1,106)
Interest income	76	221	145	506
Cash flows used in investing activities	(3,239)	(1,422)	(4,760)	(2,594)
Financing activities				
Repayment of bank borrowings	-	(10,000)	(100,000)	(10,000)
Proceeds from borrowings	-	75,000	100,000	75,000
Decrease in other financial liabilities	(528)	(1,550)	(2,583)	(2,083)
Deferred income	677	(424)	1,006	(1,967)
Interest on bank borrowings	(9,882)	(9,949)	(20,019)	(18,754)
Distribution to unitholders	(23,178)	(21,501)	(45,868)	(39,096)
Cash flows used in financing activities	(32,911)	31,576	(67,464)	3,100
Net increase/(decrease) in cash and cash equivalents	(9,113)	56,923	(8,343)	51,272
Cash and cash equivalents at beginning of the period	80,646	98,520	79,090	102,420
Effect of exchange rate changes on cash and cash equivalents	2,123	2,046	2,909	3,797
Cash and cash equivalents at end of the period	73,656	157,489	73,656	157,489
Cash and cash equivalents in Statement of Cash Flows:				
Cash and cash equivalents per Statement of Cash Flows	73,656	157,489	73,656	157,489
Add: Cash restricted in use for bank facilities	1,500	1,500	1,500	1,500
Cash and cash equivalents in Statement of Financial Position	75,156	158,989	75,156	158,989

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1 (d) (i) Statements of Changes in Unitholders' Funds

	Issued equity S\$'000	Currency translation reserve S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total S\$'000
Group				
2Q 2016				
Balance at beginning of the period	1,393,642	(561,003)	229,440	1,062,079
Total comprehensive income for the period	-	1,541	20,808	22,349
Distribution to unitholders	-	-	(23,178)	(23,178)
Balance at end of the period	1,393,642	(559,462)	227,070	1,061,250
Group				
2Q 2015				
Balance at beginning of the period	1,362,334	(516,941)	287,549	1,132,942
Total comprehensive (loss)/income for the period	-	(62,338)	17,888	(44,450)
Manager's management fees settled in units	1,561	-	-	1,561
Distribution to unitholders	-	-	(21,501)	(21,501)
Balance at end of the period	1,363,895	(579,279)	283,936	1,068,552
Group				
1H 2016				
Balance at beginning of the period	1,392,034	(554,512)	237,593	1,075,115
Total comprehensive (loss)/income for the period	-	(4,950)	35,345	30,395
Manager's management fees settled in units	1,608	-	-	1,608
Distribution to unitholders	-	-	(45,868)	(45,868)
Balance at end of the period	1,393,642	(559,462)	227,070	1,061,250
Group				
1H 2015				
Balance at beginning of the period	1,357,399	(499,272)	291,603	1,149,730
Total comprehensive (loss)/ income for the period	-	(80,007)	31,429	(48,578)
Manager's management fees settled in units	2,876	-	-	2,876
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(39,096)	(39,096)
Balance at end of the period	1,363,895	(579,279)	283,936	1,068,552
Trust				
2Q 2016				
Balance at beginning of the period	1,393,642	-	(287,546)	1,106,096
Total comprehensive income for the period	-	-	10,580	10,580
Distribution to unitholders	-	-	(23,178)	(23,178)
Balance at end of the period	1,393,642	-	(300,144)	1,093,498
Trust				
2Q 2015				
Balance at beginning of the period	1,362,334	-	(193,256)	1,169,078
Total comprehensive income for the period	-	-	6,634	6,634
Manager's management fees settled in units	1,561	-	-	1,561
Distribution to unitholders	-	-	(21,501)	(21,501)
Balance at end of the period	1,363,895	-	(208,123)	1,155,772
Trust				
1H 2016				
Balance at beginning of the period	1,392,034	-	(273,310)	1,118,724
Total comprehensive income for the period	-	-	19,034	19,034
Manager's management fees settled in units	1,608	-	-	1,608
Distribution to unitholders	-	-	(45,868)	(45,868)
Balance at end of the period	1,393,642	-	(300,144)	1,093,498
Trust				
1H 2015				
Balance at beginning of the period	1,357,399	-	(184,081)	1,173,318
Total comprehensive income for the period	-	-	15,054	15,054
Manager's management fees settled in units	2,876	-	-	2,876
Manager's acquisition fees settled in units	3,620	-	-	3,620
Distribution to unitholders	-	-	(39,096)	(39,096)
Balance at end of the period	1,363,895	-	(208,123)	1,155,772

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1 (d) (ii) Details of Any Change in the Issued and Issuable Units

	2Q 2016 (units)	2Q 2015 (units)
Issued units at the beginning of the period	2,802,992,873	2,716,426,568
Issuance of new units for 1Q management fees	-	4,507,960
Issued units at the end of the period	2,802,992,873	2,720,934,528
Management fees payable in units to be issued	-	4,296,952
Total issued and issuable units at the end of the period	2,802,992,873	2,725,231,480

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

	30-Jun-16 (units)	31-Dec-15 (units)
Issued units at the end of the period	2,802,992,873	2,797,814,196

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6 Earnings Per Unit ('EPU') and Distribution Per Unit ('DPU') for the Financial Period

	Group			
	2Q 2016	2Q 2015	1H 2016	1H 2015
Weighted average number of units in issue	2,802,992,873	2,718,408,089	2,801,228,708	2,710,555,225
Earnings per unit in cents (EPU) ⁽¹⁾	0.74	0.66	1.26	1.16
Number of units in issue	2,802,992,873	2,720,934,528	2,802,992,873	2,720,934,528
Distribution per unit in cents (DPU) ⁽²⁾	0.85	0.73	1.68	1.52

Footnote:

- In computing the quarterly EPU, the weighted average number of units for the end of the period is used.
- In computing the quarterly DPU, the number of units in issue as at the end of the period is used.

7 Net Asset Value Per Unit Based on Units Issued at the End of the Period

	Group		Trust	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Net asset value per unit (Cents)	37.86	39.27	39.01	42.48

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8 Review of the Performance

	Group			
	2Q 2016 S\$'000	2Q 2015 S\$'000	1H 2016 S\$'000	1H 2015 S\$'000
Statement of Total Return				
Gross rent	37,926	34,456	75,067	69,289
Other revenue	8,880	7,801	17,263	14,940
Total gross revenue	46,806	42,257	92,330	84,229
Property operating expenses	(3,682)	(3,208)	(8,374)	(6,154)
Net Property Income	43,124	39,049	83,956	78,075
Interest income	76	221	145	506
Financial expenses	(10,966)	(11,015)	(22,144)	(20,837)
Administrative expenses	(3,463)	(3,286)	(6,676)	(6,580)
Other gains/(losses) (net)	5	(10)	(4,224)	(5,603)
Total Return For The Period Before Tax	28,776	24,959	51,057	45,561
Income tax	(5,000)	(4,215)	(9,846)	(8,388)
Withholding tax	(2,968)	(2,856)	(5,866)	(5,744)
Total Return For The Period After Tax	20,808	17,888	35,345	31,429
Unitholders' distribution:				
- as distributions from operations	16,584	13,612	31,533	25,233
- as return of capital	7,218	6,263	15,447	16,143
Total Unitholders' distribution	23,802	19,875	46,980	41,376
Distribution per Unit (cents)	0.85	0.73	1.68	1.52

2Q 2016 vs 2Q 2015

Gross rental revenue is S\$3.5 M higher than 2Q 2015 mainly due to the acquisition of LPB and PICON in July 2015 as well as positive rental reversion within the existing malls.

Other revenue is S\$1.1 M higher than 2Q 2015 mainly due to the increase in carpark income. This is partly due to the additional contribution from the acquisition of LPB and PICON and partly due to the increase from existing malls as a result of higher tariffs and higher traffic.

In 2Q 2015, finance expenses include interest of 4.88% for S\$200 M Notes which was fully repaid in July 2015. The loan was subsequently refinanced with S\$100 M Notes and S\$100 M term loan at lower interest rates. The savings from the lower interest rates is offset by interest expenses on additional Notes of S\$75 M drawdown in late June 2015.

1H 2016 vs 1H 2015

Gross rental revenue is S\$5.8 M higher than 1H 2015 mainly due to the acquisition of LPB and PICON in July 2015 as well as positive rental reversion within the existing malls.

Other revenue is S\$2.3 M higher than 1H 2015 mainly due to higher rental income from rental of electrical, mechanical and mall operating equipment and the additional contribution from carpark income from LPB and PICON.

Property operating expenses is S\$2.2 M higher than 1H 2015 mainly due to the higher property management fee and higher operating expenses for the new acquisitions of LPB and PICON.

Finance expenses is S\$1.3 M higher than 1H 2015 mainly due to the higher amount of borrowings in 1H 2016 compared to 1H 2015 as well as the higher premiums paid for the currency option contracts.

Other losses (net) comprise realised and unrealised foreign currency gains/(losses) and realised and unrealised hedging contracts gains/(losses). It also includes amortisation of intangible asset in relation to LMK, LPB and PICON.

The Trust has foreign currency options contracts to mitigate its exposure on currency movement as the majority of the Trust's income is in IDR. The unrealised gain/ loss on foreign currency option contracts is a non-cash item and does not affect the amount of distribution to unitholders.

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9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Not applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Indonesia Government estimated a 5.1% GDP growth in 2Q 2016, up from 4.92% in the previous quarter as the development budget spending and consumption rises. The growth forecast is similar to the World Bank's forecast for GDP growth in 2016 at 5.1%, higher than the 4.8% in 2015, due to improvement in external demand and higher government spending.

The year-on-year inflation rate in Indonesia dropped to 3.45% in June 2016 from 4.45% in March 2016 as basic food prices were largely under control. The inflation rate is in line with the World Bank's forecast for inflation rate at 4.0% in 2016.

Indonesia's retail sales grew by 13.5% y-o-y in May 2016, accelerating from 11.2% in the previous month. The expansion was partly driven by sales of electronic products.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2016 to 30 June 2016.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.50 cents per unit and capital distribution of 0.35 cents per unit.
Par value of units:	NA
Tax rate:	NA

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2015 to 30 June 2015.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.50 cents per unit and capital distribution of 0.23 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 30 August 2016

(d) Book closure date: 15 August 2016

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13 Interested Person Transactions Mandate

LMIR Trust is not required to obtain a general mandate from the Unitholders for Interested Party Transactions.

14 Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of LMIRT Management Ltd do hereby confirm that, to the best of their knowledge, nothing has come to their attention in which may render these interim financial results to be false or misleading in any material aspect.

15 Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD OF
LMIRT MANAGEMENT LIMITED
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Ms Viven G. Sitiabudi
Executive Officer
4 August 2016