

PRESS RELEASE

FOR IMMEDIATE DISTRIBUTION

April 30, 2019

LIPPO KARAWACI REPORTS 1Q 2019 RESULTS WITH 12% INCREASE IN REVENUE AND STRONGER BALANCE SHEET

- Strategic transformation programme demonstrates strong initial traction despite slow-growth environment
- Strong recurring revenue growth from healthcare segment driven by Siloam Hospitals
- Improved cash position following injection of funds from advanced subscription of Rights Issue
- Marketing sales increased 159.6% to Rp 623 billion from Rp 241 billion year on year

Tangerang - PT Lippo Karawaci Tbk (“LPKR” or the “Company”) today announced its results for the first quarter of 2019. LPKR reported total revenue of Rp 2.8 trillion for 1Q FY2019, representing a 12% increase from Rp 2.5 trillion recorded in the year ago period. The increase was mainly due to strong recurring revenue growth primarily from LPKR’s healthcare segment driven by Siloam Hospitals. Marketing sales in the quarter reached Rp 623 billion, representing an increase of 159.6% from Rp 241 billion in the first quarter of 2018.

Strong recurring revenue growth from healthcare segment driven by Siloam Hospitals

Siloam Hospitals (“Siloam”) recorded revenues of Rp 1.7 trillion for 1Q FY2019, a 18.2% increase from Rp 1.5 trillion in 1Q 2018, accounting for 79.4% of total recurring revenues. Beyond its top ten revenue-generating hospitals, Siloam also saw solid revenue growth from less mature hospitals within its portfolio. Siloam continues to make headway in its expansion and now operates 37 hospitals across 28 cities in Indonesia.

Income Statement		1Q19	1Q18	Change YoY
Revenue				
Development	Subtotal	650	620	4.8%
Recurring	Subtotal	2,155	1,883	14.4%
	Malls & Others	444	436	1.9%
	Healthcare	1,711	1,447	18.2%
	Total Revenue	2,806	2,503	12.1%

Revenue from LPKR’s malls & others segments rose by 1.9% to Rp 444 billion, accounting for 15.8% of total recurring income.

Development business revenues increased by 4.8% to Rp 650 billion on a year on year basis

Development revenue in 1Q FY2019 increased by 4.8% to Rp 650 billion from Rp 620 billion a year ago. This accounts for 23.2% of the total revenue for the quarter. The Large Scale Integrated Development division was a key growth segment, reporting Rp 217 billion in revenue for 1Q FY2019, a 19.9% increase from Rp 181 billion a year ago. Meanwhile, LPKR’s Urban Development division recorded Rp 433 billion in revenue compared to Rp 439 billion a year ago.

Income Statement		1Q19	1Q18	Change YoY
GROSS PROFIT				
	Urban Dev. & Large Scale Integrated Dev.	367	392	-6.4%
	Malls & Others	314	312	0.6%
	Healthcare	627	513	22.2%
Total		1,308	1,216	7.5%
<i>GROSS MARGIN (%)</i>		47%	49%	

LPKR's operating expenses for 1Q FY2019 rose 12.6% year-on-year to Rp 840 billion due to higher expense at Siloam Hospitals, a result of the continued expansion of its hospital network, as well as higher expenses at the malls & others segment as headcount was added at Lippo Malls Indonesia.

Income Statement		1Q19	1Q18	Change YoY
OPERATING EXPENSES				
	Urban Dev. & Large Scale Integrated Dev.	311	293	6.1%
	Malls & Others	126	107	17.8%
	Healthcare	403	345	16.8%
Total		840	746	12.6%
<i>OPEX / REVENUES</i>		30%	30%	

EBITDA was virtually flat at Rp 468 billion from Rp 470 billion year-on-year, and the EBITDA margin declined to 17% in 1Q FY2019 from 19% in 1Q FY2018. The flat EBITDA was attributed to higher earnings recorded by the healthcare division that were offset by weaker performance in the urban development and large scale integrated development business. Net income for 1Q FY2019 was Rp 50 billion, compared to Rp 133 billion a year ago.

Income Statement		1Q19	1Q18	Change YoY
EBITDA				
	Urban Dev. & Large Scale Integrated Dev.	56	98	-42.9%
	Malls & Others	188	204	-7.8%
	Healthcare	224	168	33.3%
Total		468	470	-0.4%
<i>EBITDA MARGIN</i>		17%	19%	

Robust Balance Sheet

The comprehensive funding programme announced in March 2019 will raise USD 1.01 billion through a USD 730 million rights issue and the sale of Puri Mall to LMIRT (approximately USD 260 million) and the sale of two Myanmar hospitals (USD 19.5 million). Through the funding programme, the Company will be well positioned to de-leverage and finish existing projects.

In the first quarter of 2019, LPKR strengthened its cash position with the injection of USD 280 million via an advanced subscription by the Company's controlling shareholder. Simultaneously, the Company conducted a bond tender offer, resulting in a buyback of USD 8.67 million of senior notes, and a repayment of loans. Gearing ratios have improved and we anticipate further improvements in the upcoming quarters. The Company intends to use the proceeds of the rights issue to further pay down bank loans and call the 2020 bonds.

John Riady, CEO of LPKR, said: "The Lippo Karawaci team is excited to accelerate the strategic transformation plans and hopes to look back at the first quarter of 2019 as a turning point in LPKR's history. Our comprehensive funding programme is well underway as we have completed our bond tender and started to de-leverage the balance sheet. In the coming months, we hope to finalize our rights issue and more aggressively pay down bonds and bank loans while expediting the completion of existing projects."

“Although the first quarter results are indicative of a slower property market, we see enough opportunities for improvement that we are confident in higher pre-sales as we move past the recent election period. We are hopeful that in the coming months, the property market will be revived by a more dovish tone from the central bank, thereby supporting market expansion.”

Corporate development updates

LPKR remains focused on the property and healthcare segments and adopts a disciplined expansion strategy in these segments. At Lippo Malls and Siloam Hospitals, the Company is focused on improving cash flows and increasing profitability at non-mature hospitals.

Marketing Sales			
Type	Segment	FY 2019 Target (RpBn)	1Q19 Realization
Townships:			
	Lippo Village	145	96
	Lippo Cikarang	925	387
	- Residential	477	34
	- Commercial	43	3
	- Industrial	105	41
	- Delta Silicon 8 (JV)	300	309
	Holland Village Manado	0	8
	Tanjung Bunga	190	47
	San Diego Hills	200	30
Subtotal:		1,460	570
Condominiums:			
	Kemang Village	50	4
	Millenium Village	75	0
	Orange County	75	0
	St. Moritz	190	48
	St. Moritz (Makassar)	0	1
	Holland Village (Jakarta)	150	0
Subtotal:		540	53
Marketing Sales Target:		2,000	623
Assets Sold to REIT		3,700	0
Total Marketing Sales Target		5,700	623

LPKR remains committed to completing the existing projects in its pipeline and plans to allocate over USD 100 million of the rights issues proceeds towards existing project completion. The Company targets to achieve Rp 2 trillion in presales for FY2019, and through 1Q 2019 has reached 31% of the target, or Rp 623 billion.

About Lippo Karawaci (“LPKR”) (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci (“LPKR”) is Indonesia’s leading integrated real estate company with total assets of US\$3.9bn at 31 March 2019. Our core business comprises urban residential developments, lifestyle malls and healthcare. We are also actively involved in integrated developments, hospitality, township development and management, as well as asset management services.

Present in 36 cities, we are Indonesia’s leading property developer with 1,283 ha of landbank ready for development. Through our two publicly listed subsidiaries, PT Lippo Cikarang Tbk, and PT Gowa Makassar Tourism Development Tbk, of which LPKR owns 54.4% and 62.7% respectively, LPKR develops and operates urban developments at Lippo Cikarang in Bekasi and at Tanjung Bunga in Makassar. Additionally, LPKR owns 51.05% of PT Siloam International Hospitals Tbk, Indonesia’s leading private hospitals network, with 37 hospitals across 28 cities nationwide.

LPKR also has two listed REITs in Singapore, namely First Real Estate Investment Trust and Lippo Malls Indonesia Retail Trust with US\$1.0bn and US\$1.5bn of assets under management respectively, as at 31 March 2019.

For more information please contact:

Investor Relations:

Bret Ginesky

Head of Investor Relations

Bret.Ginesky@lippokarawaci.co.id

Mobile: +62818181815

Corporate Communications:

Danang Kemayan Jati

Vice President, Head of Corporate Communication

DanangJ@lippokarawaci.co.id

Mobile: [+628557801299](tel:+628557801299)

This press release has been prepared by PT Lippo Karawaci Tbk (“LPKR”) and is circulated for the purpose of general information only. All opinions and estimations included in this release constitute our judgment as of this date and are subject to change without prior notice. LPKR disclaims any responsibility or liability whatsoever arising which may be brought against or suffered by any person as a result of reliance upon the whole or any part of the contents of this press release and neither LPKR nor any of its affiliated companies and their respective employees and agents accepts liability for any errors, omissions, negligent or otherwise, in this press release and any inaccuracy herein or omission here from which might otherwise arise.

Forward-Looking Statements

Certain statements in this release are or may be forward- looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release.