

KLCCP Stapled Group

Financial Results

3rd Quarter ended 30 September 2014

7 November 2014



Disclaimer

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results.

These materials also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company's current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions.

No part of these materials shall form the basis of, or be relied upon in connection with, any investment decision whatsoever.



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01 |

Stapled Group Key Highlights





Stapled Group Key Highlights for 9 months ended 30 September 2014

6% Growth in 9M2014 Revenue, YoY

4% Growth in 9M2014 Profit Before Tax, YoY

4% Growth in 9M2014 Profit for the period, YoY

23% Growth in 9M2014 Distribution Per Stapled Security YoY
(YTD 2014: 24.89 sen ; YTD 2013: 20.23 sen)

14% Growth in Market Capitalisation
(31 Dec 13 : RM10.56b; 30 Sept 14 : RM11.99b)



Stapled Group Portfolio Highlights for 9M2014

Office

Stable Office revenue

Savings in operating expenses post implementation of triple net lease for Menara Dayabumi

Refurbishment of Menara Dayabumi on track for completion in Dec 2014

Retail

11% retail portfolio revenue growth YoY

Consistent retail growth and encouraging tenant performance

Sustainable tenant sales mix



Stapled Group Portfolio Highlights for 9M2014

Hotel

12% hotel revenue growth YoY

Stronger YoY earnings supported by F&B segment due to completion of ballroom renovation

Increased competition and challenging environment

Management Services (Facility Management & Parking)

9% revenue growth YoY

Stable contribution from managing properties under KLCC REIT



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Financial Results



PBT increase of 4% driven by higher operating profit from retail and savings in opex post TNL implementation at Menara Dayabumi

Statement of Comprehensive Income	Q3 2014 RM'mil	Q3 2013 RM'mil	% Variance
Revenue	333	322	3%
Operating Profit	250	243	3%
Profit Before Tax	232	224	4%
Profit for the period	197	202	3%
Profit Attributable to Equity Holders of KLCCP and KLCC REIT	171	178	4%
Distribution per stapled security - for the period	8.19	8.28	1%

Higher tax expense in Q3, 2014 mainly due to **one-off** tax expense for YA2013 paid in current quarter for KLCC REIT Management. However, for YA2014 to YA2016, REIT Managers managing REITs in accordance with Shariah principles are exempted from tax.

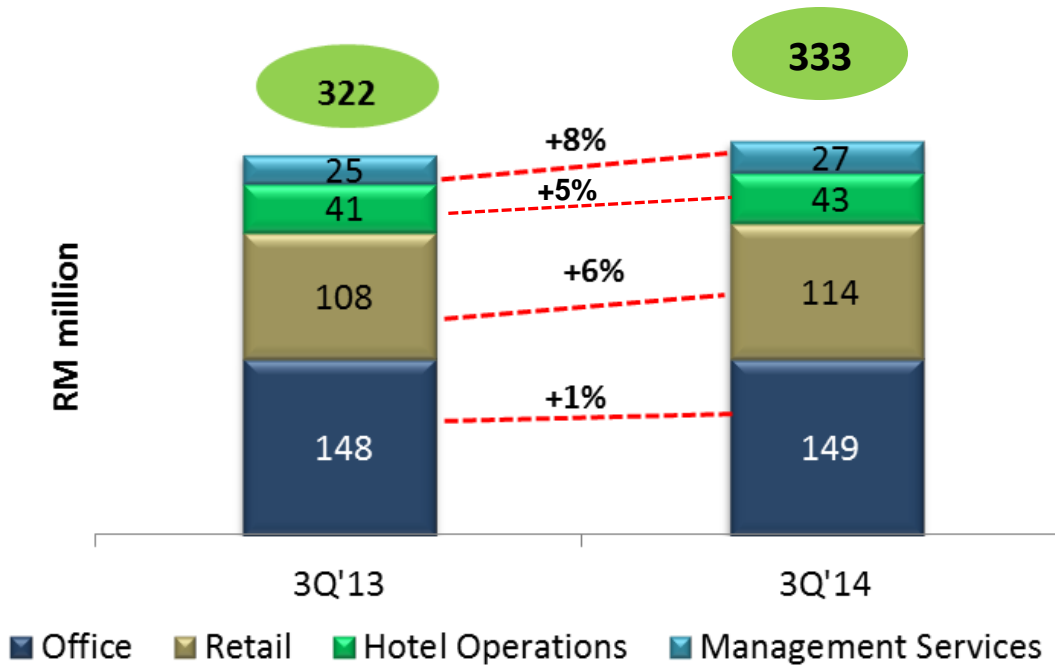


Strong Balance Sheet providing conducive business environment for future development and long term stability

Statement of Financial Position	30 Sep'14 RM'mil	31 Dec'13 RM'mil
Total Assets	16,291	16,265
Total Borrowings	2,304	2,326
Total Liabilities	2,843	2,858
Equity Attributable to Holders of KLCCP and KLCC REIT	11,742	11,695
NAV per stapled security	6.50	6.48



Improved revenue from all segments with retail and management services increasing their share of contribution



Positive revenue contributions and growth from all segments across the portfolio, YoY

OFFICE

Benefited from Implementation of Triple Net Lease for Menara Dayabumi effective 1 January 2014

RETAIL

Higher rental rates from new outlets and rental reviews

HOTEL

Contribution from F&B segment from opening of ballroom facilities following renovation completion

MANAGEMENT SERVICES

Increased rates for car parking operations



KLCCSS is on target to meet distribution per stapled security committed for FY2014

	3Q 2014	3Q 2013	YTD 2014	YTD 2013
KLCCP	3.05	3.42	10.07	12.18
KLCC REIT	5.14	4.86	14.82	8.05*
<hr/>				
Distribution Per Stapled Security (DPU) (sen)	8.19	8.28	24.89	20.23

* KLCC REIT was constituted only on 2 April 2013

Ex-dividend date	20 November 2014
Book closure date	24 November 2014
Distribution payment date	17 December 2014

KLCCP Stapled Group has committed to distribute 95% of the overall distributable income for financial year 2014



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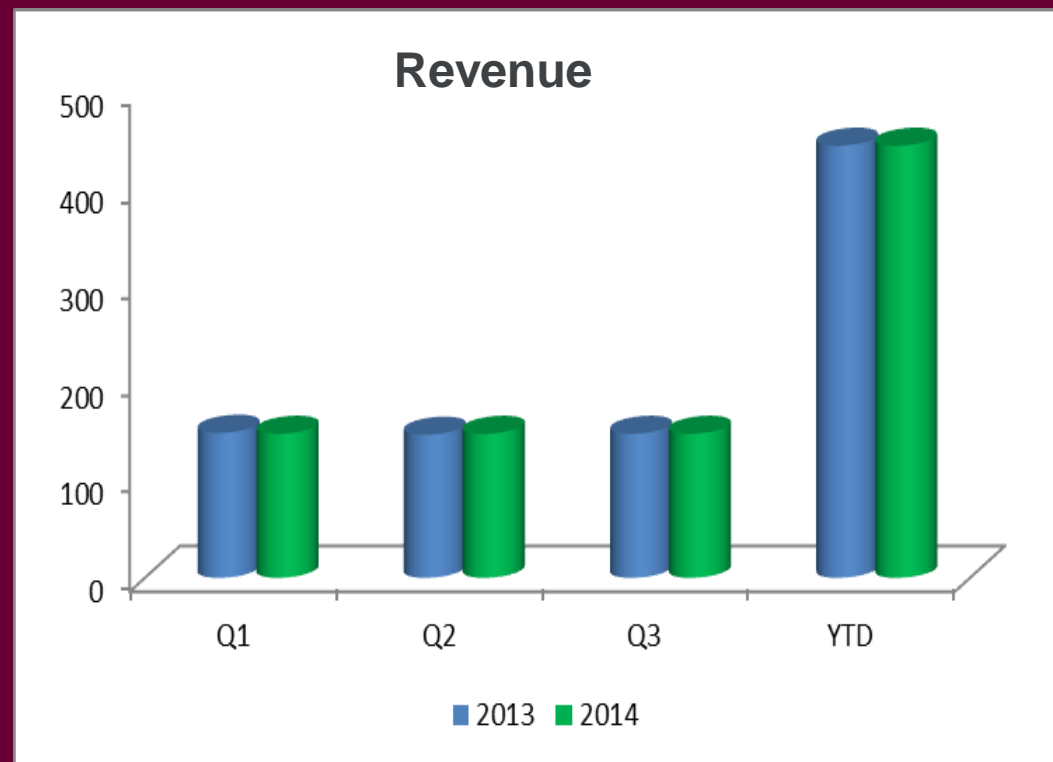
Portfolio Performance



Office – main driver through its contribution of stable revenue stream

KLCCP Stapled Group Office Portfolio

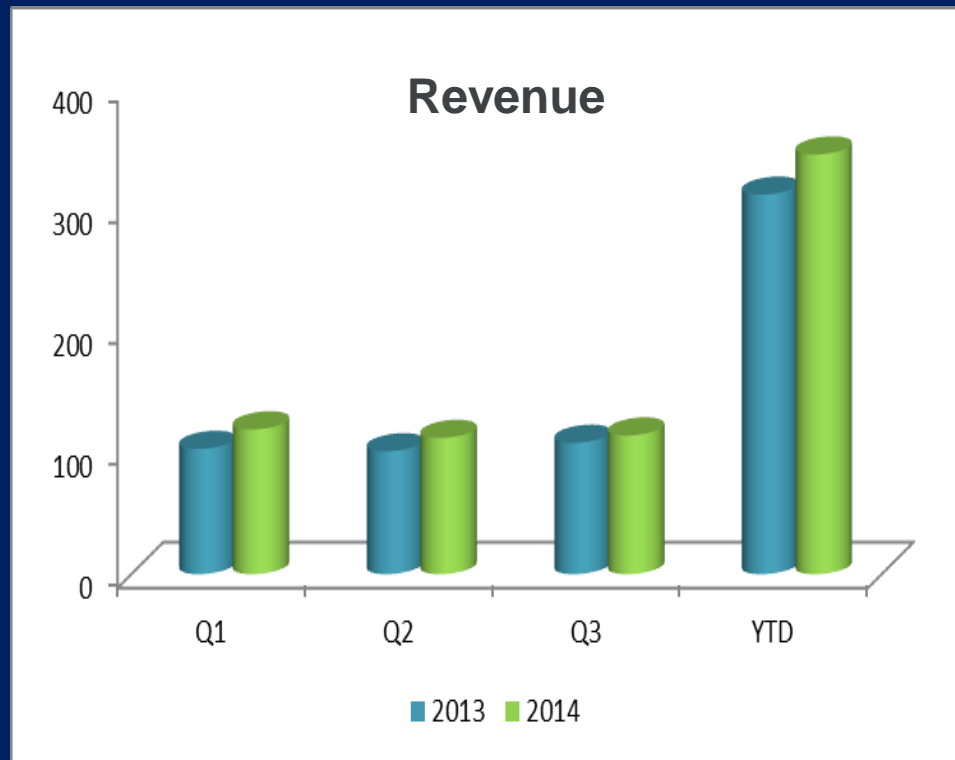
- Benefited from implementation of Triple Net Lease for Menara Dayabumi
- Status of refurbishment of Menara Dayabumi :
 - Ph 1 : Fully completed with exception of Auditorium to be completed by Dec 2014
 - Ph 2 : Fully completed
- Ph 3 Redevelopment of City Point Podium
 - Soil Investigation completed
 - Demolition to commence in 2015



Retail – top line growth from renewal of tenancies and higher rentals from new outlets

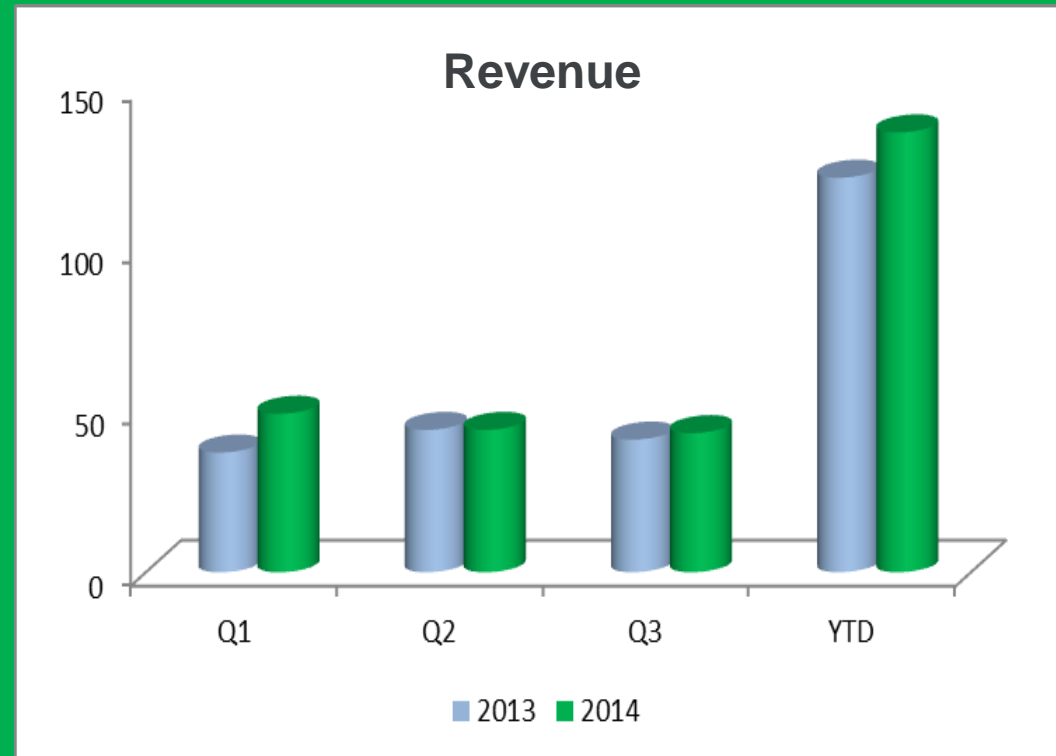
Suria KLCC

- Resilient trade mix with steady tenant sales growth
- Maintained stable occupancy rate at 98%
- Retail rentals up 5% in Q3 2014, YoY driven by positive rental reversion and refining tenant mix
- 6% revenue increase in Q3 2014, YoY and maintained steady revenue QoQ
- 5% higher MAT-customer count



Mandarin Oriental, Kuala Lumpur

- Increased competition and aggressive pricing by KL's luxury hotels
- 4% Revenue improvement from stronger F&B business in Q3'14, YoY
- Maintained ARR leader in the market
- YTD Sept 2014 Occupancy increased 2%, YoY
- YTD Sept 2014 RevPAR improved by 4%, YoY
- Refurbishment status : Mock-up rooms under construction
- Launched initiatives to drive occupancy and remain competitive





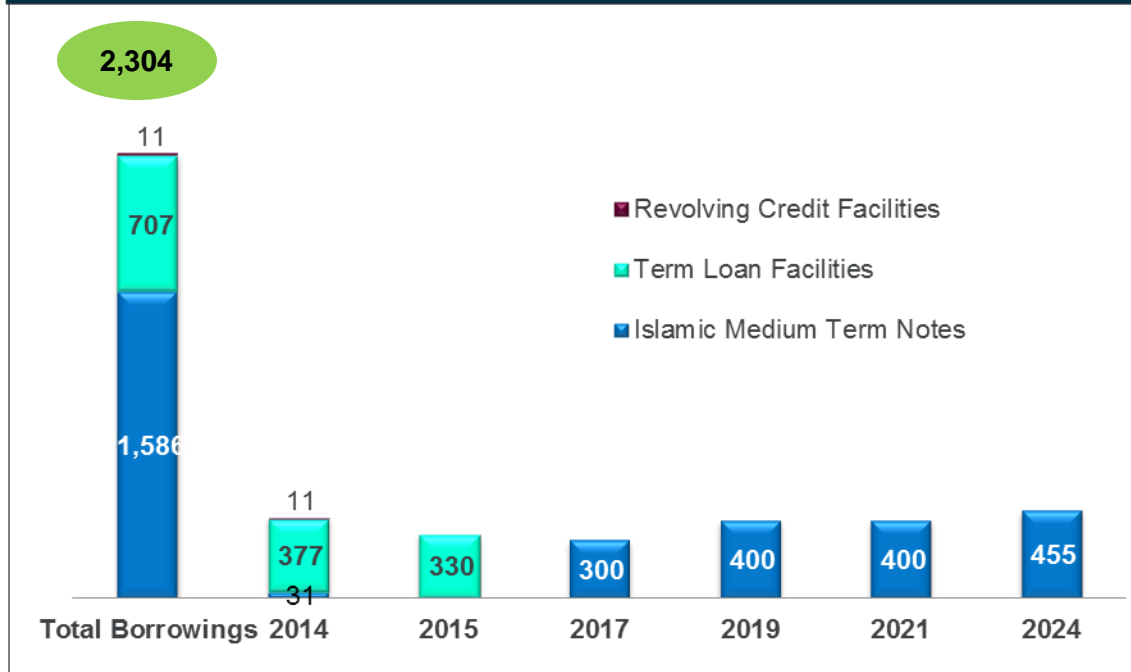
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Capital Management

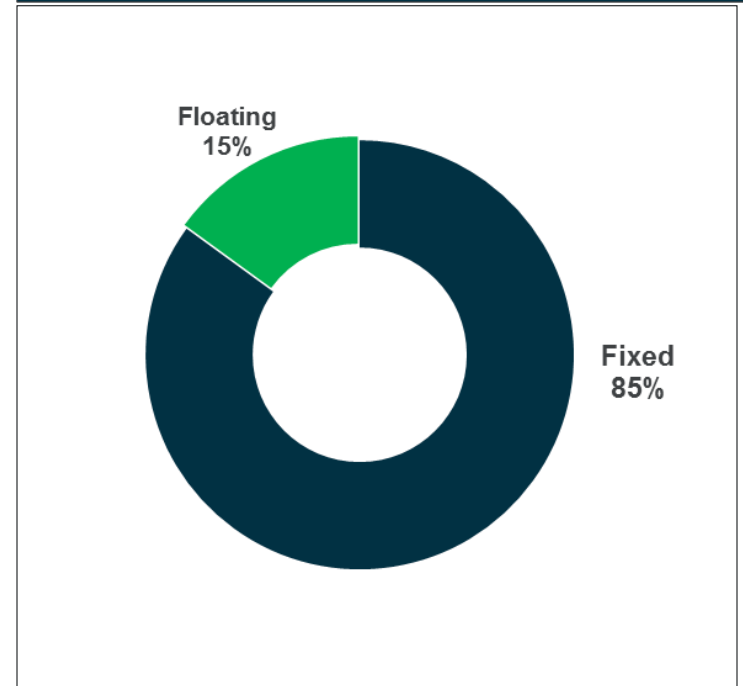


Healthy gearing ratio and debt maturity extended

Debt Maturity Profile



Interest Rate Profile



	30 Sep 2014	31 Dec 2013
Debt (RM'mil)	2,304	2,326
Gearing Ratio (%)	16	17
Average Cost of Debt (%)	4.85	4.68
Borrowings on Fixed Rate	85%	70%



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Outlook





A clear growth profile with positive longer term earnings prospects and stable dividend payout

- Upcoming 4.1 million sqft of investment properties catalyst for significant value enhancement
- Sizeable debt headroom & 10% share placement mandate from stapled security holders to support growth
- Fixed rate debt will hedge future potential rate hikes and ensure stable dividend payout
- Long term earnings prospect to enhance positive DPU growth
- Conducive business environment for future development & long term stability
- Positive longer term prospects with on-stream expansion & development

Growth fuelled from in-built pipeline & ROFR

Capacity for growth

Regular and stable dividend distribution

Long Term Stability



Thank You

