

KLCCP Stapled Group

Financial Results
2nd Quarter ended 30 June 2015

10 August 2015



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

1HFY2015





Stapled Group Key Highlights for 1HFY2015

3% Decrease in 1HFY2015 Revenue, YoY

4% Growth in 1HFY2015 Profit Before Tax, YoY

7% Growth in 1HFY2015 Earnings per stapled security, YoY
(YTD 2015: 19.85 sen ; YTD 2014: 18.55 sen)

4% Growth in Market Capitalisation
(30 Jun 15 : RM12.62b ; 31 Dec 14 : RM12.11b)



Stapled Group Portfolio Highlights for 1HFY2015

Office

Stable Office revenue growth

100 % Occupancy maintained

Phase 3 redevelopment of Kompleks Dayabumi underway

Retail

2% Retail revenue growth, YoY

Tenant sales dampened by weak consumer sentiment

Continued momentum in footfalls with YTD Customer Counts increasing 20%



Stapled Group Portfolio Highlights 1HFY2015

Hotel

29% Decline in hotel revenue growth, YoY

Performance impacted by ongoing renovations of meeting rooms & recreational facilities and subdued market conditions

Slower pace in the city due to weaker market demand from international travelers & consumer sentiment

Management Services (Facility Management & Parking)

13% Revenue growth YoY

Provision of additional facilities management services



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Financial Results

Q2 2015





Stapled Group Key Highlights for Q2 2015

1% Decrease in Revenue, YoY though QoQ marginal increase


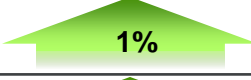



14% Growth in Profit Before Tax, YoY

4% Growth in Distribution per Stapled Security, YoY

19% Growth in Earnings per stapled security, YoY
(Q2'15 : 9.96 sen; Q2'14 : 8.36 sen)

7% Capital Appreciation, YoY

PBT increased by 14% due to one-off expenses arising from Sukuk Musharakah/Ijarah refinancing exercise in Q2 2014

Statement of Comprehensive Income	Q2 2015 RM'mil	Q2 2014 RM'mil	% Variance
Revenue	329	333	 1%
Operating Profit	249	247	 1%
Profit Before Tax	233	204	 14%
Profit Attributable to Equity Holders of KLCCP and KLCC REIT	180	151	 19%
Distribution per stapled security - for the period	8.34	8.05	 4%



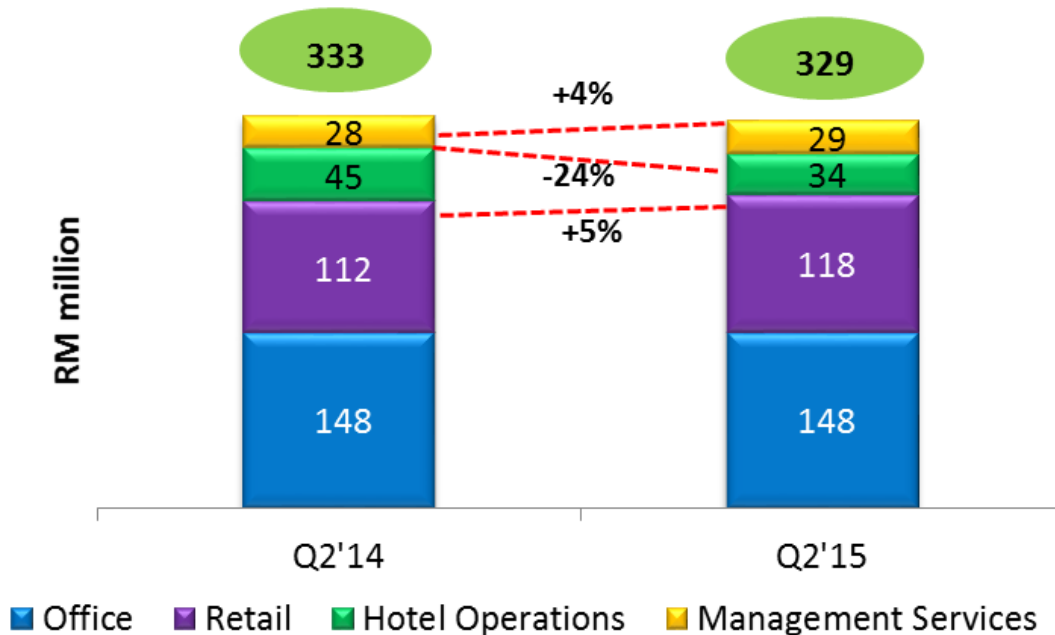
Strong Balance Sheet providing conducive business environment for future development and long term stability

Statement of Financial Position	30 Jun'15 RM'mil	31 Dec'14 RM'mil
Total Assets	16,891	16,804
Total Borrowings	2,558	2,512
Total Liabilities	3,026	2,956
Equity Attributable to Holders of KLCCP and KLCC REIT	12,076	12,026
NAV per stapled security	6.69	6.66



Hotel segment continued to trade in challenging conditions whilst retail and management services increased their share of contribution

Segmental Revenue



OFFICE

Closure of City Point podium of Kompleks Dayabumi for redevelopment

RETAIL

Higher rental rates becoming effective during the quarter

HOTEL

Weaker market demand and renovation of meeting rooms & recreational facilities

MANAGEMENT SERVICES

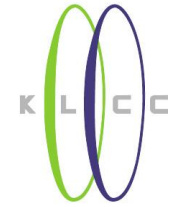
Provision of additional facilities management services



Distribution of 94% of overall distributable income

	2Q 2015	2Q 2014	YTD 2015	YTD 2014
KLCCP	3.02	3.29	6.04	7.02
KLCC REIT	5.32	4.76	10.64	9.68
Distribution Per Stapled Security (DPU) (sen)	8.34	8.05	16.68	16.70

Ex-dividend date	20 August 2015
Book closure date	24 August 2015
Distribution payment date	18 September 2015



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Portfolio Performance

Office, Retail & Hospitality





Stapled Group Portfolio Highlights for Q2 2015

Office (PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil, Kompleks Dayabumi)

Marginal decrease in office revenue due to closure of CityPoint Podium for Phase 3 development

Demolition of City Point podium in progress

Plans in progress to convert atrium spaces of Levels 2, 3 & 4 of Menara Dayabumi into office area (approx 35,000 sqft Gross Floor Area)

Secured new long term lease with existing tenant of Menara ExxonMobil upon expiry of lease, post 2017



Stapled Group Portfolio Highlights for Q2 2015

Retail (Suria KLCC & Retail Podium Menara 3 PETRONAS)

5% Revenue growth, YoY

10% Profit Before Tax growth YoY, mainly due to rental reversions and new tenants

6% increase in gross rental revenue YoY

40% leases up for renewal for FY 2015 were renewed and 50% leases reviewed

17% growth in MAT-customer counts, YoY



Stapled Group Portfolio Highlights for Q2 2015

Hotel (Mandarin Oriental Kuala Lumpur)

10% Revenue growth, QoQ though YoY impacted by Level 2 & 3 renovation & earlier start of the Ramadhan season

17% Revenue growth from meeting rooms, YoY following completion of level 2 renovation on 13 April 2015

Completion of Level 3 renovations and fully operational from 15 July 2015

Launched aggressive initiatives & promotions to drive occupancy and remain competitive

Recognised with international, regional & local awards to-date for 2015



Stapled Group Portfolio Highlights for Q2 2015

Management Services (Facility Management & Parking)

4% Revenue growth, YoY

32% Profit Before Tax growth, YoY

Provision of additional facilities management services



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Capital Management

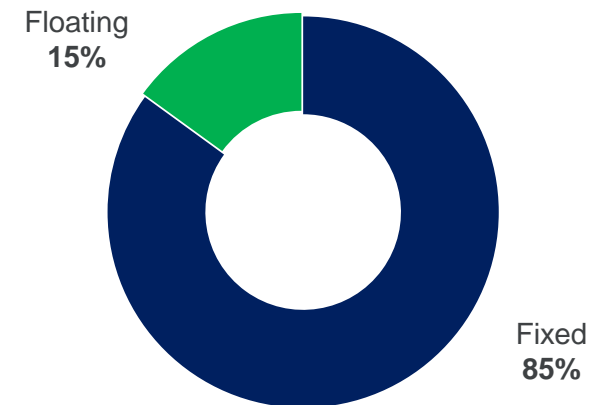


1HFY15 Capital Management Initiatives

- Restructured term loan facilities for Mandarin Oriental Kuala Lumpur in the aggregate principal sum of RM378 million
- Refinanced existing borrowing of RM330 million and reimbursement for repayment of shareholders advances
- Tenure of 10 years maturing 2025

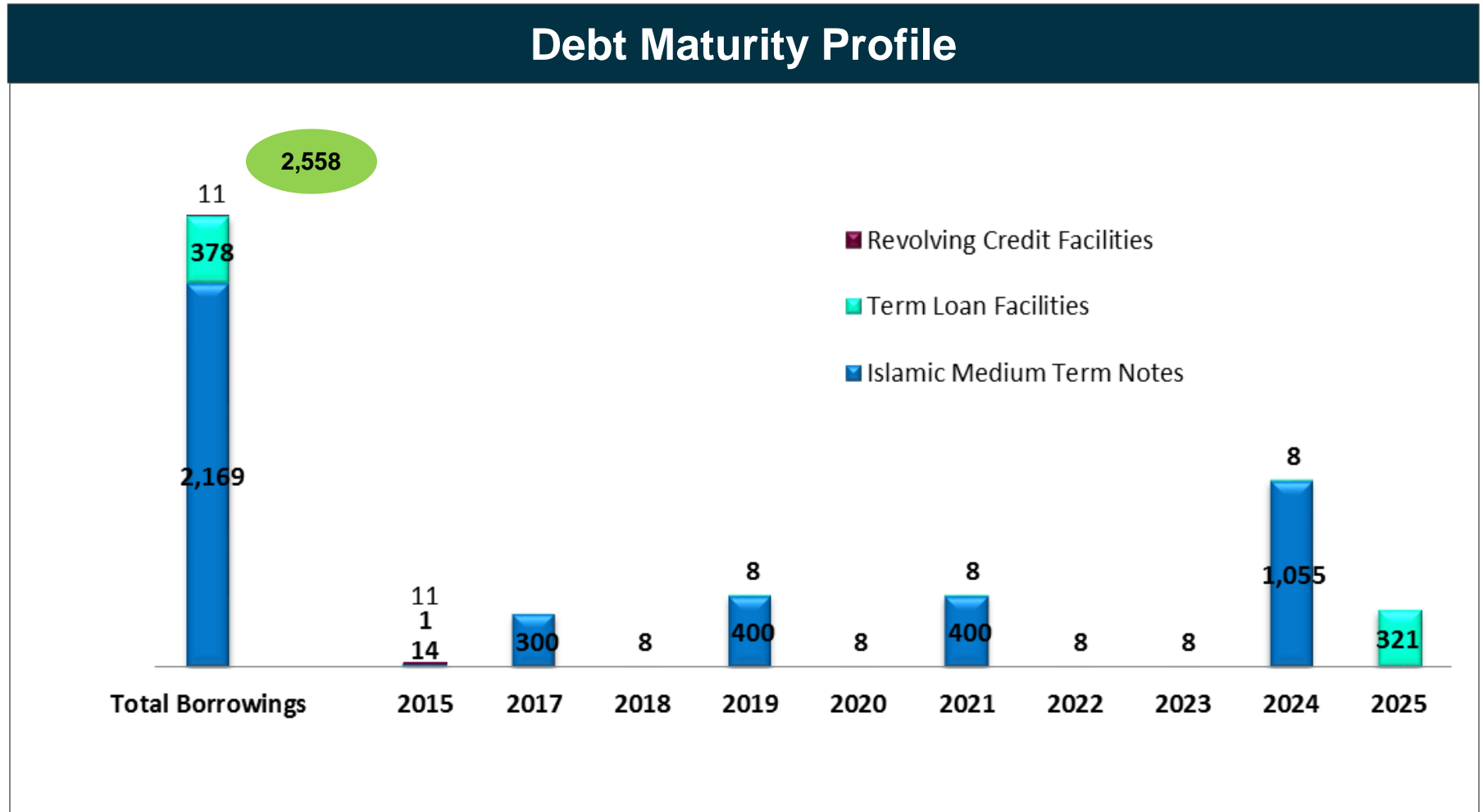
KLCCP Stapled Group Debt Profile

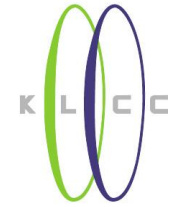
	30 Jun 2015	31 Dec 2014
Debt (RM'mil)	2,558	2,512
Gearing Ratio (%)	21	21
Average Cost of Debt (%)	4.5	4.5
Borrowings on Fixed Rate	85%	86%





85% fixed borrowings with extended period of maturity to year 2025





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Market Outlook



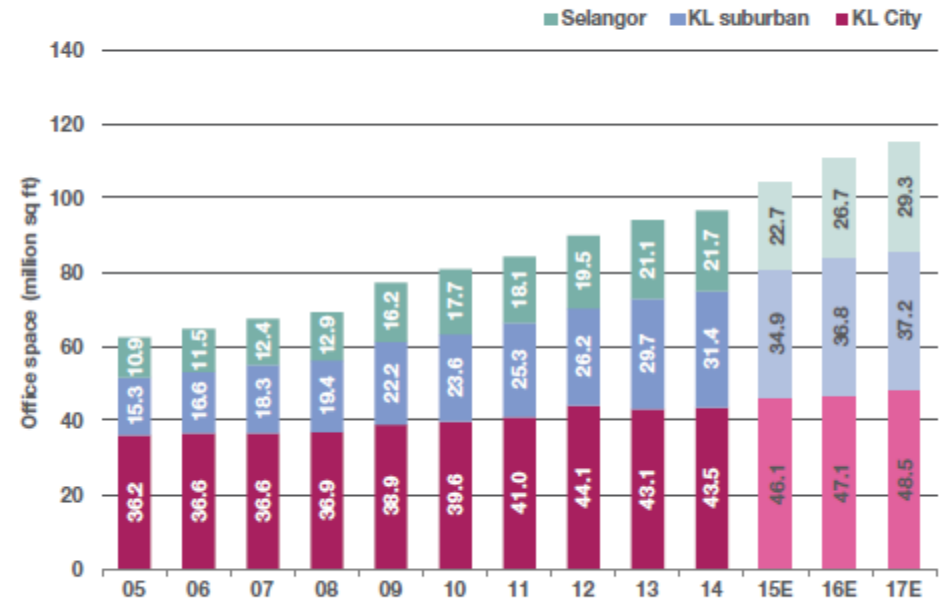
Office – Expected to remain resilient & continue positive performance

Office Market Outlook

- KL Office market proven to be resilient despite concerns of oversupply and rising vacancy rates
- High levels of incoming supply & weak sentiments continue to favour tenants
- Overall office rental stable given inflation sentiment in the country
- Prime office building with good accessibility & dual compliant features (MSC & Green) will continue to perform well
- Oil & gas players will be cautious about expanding or relocating in 2015

Savills World Research Malaysia 1H2015

Greater KL office space supply, 2005–2017E



Source: Savills Research Malaysia

New supply in Greater KL

2015 : est 7.2m sqft

2016 : est 6.7m sqft

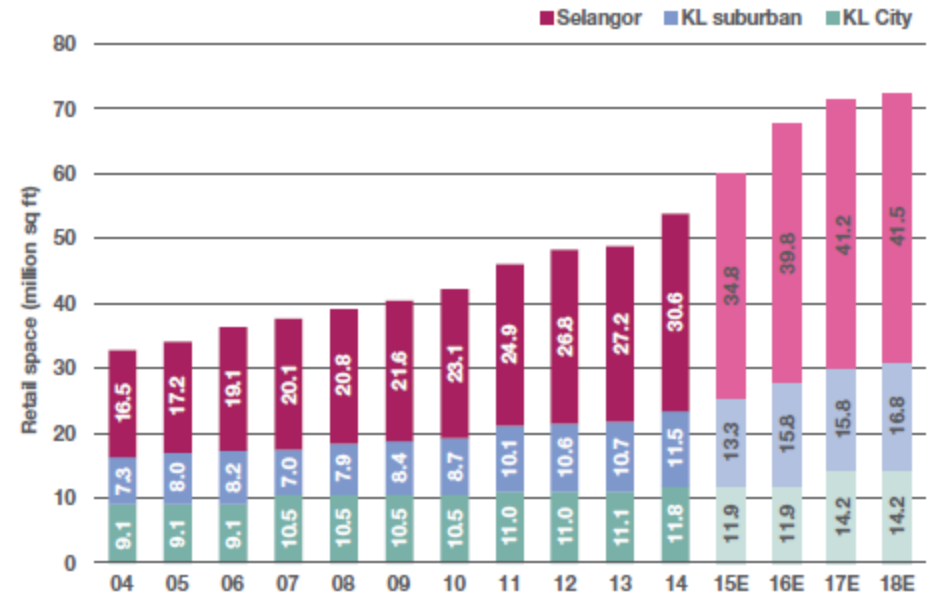
Retail Market – challenging due to weak consumer sentiments

Retail Market Outlook

- Weak sentiments compounded by last year's air tragedies, weak ringgit, GST
- In 2015, retail market will witness completion of 6.2 m sqft, with focus mainly outside the KL city centre
- Oversupply of retail space causing dilution. Limited prime rental growth due to influx of retail supply
- Expectations that Q4'15 will see improvement in sentiments
- Replacement of old malls will be the new trend
- Focus will shift to affordable luxury & fast fashion

Savills World Research Malaysia 1H2015

Greater KL retail space supply, 2004–2018E

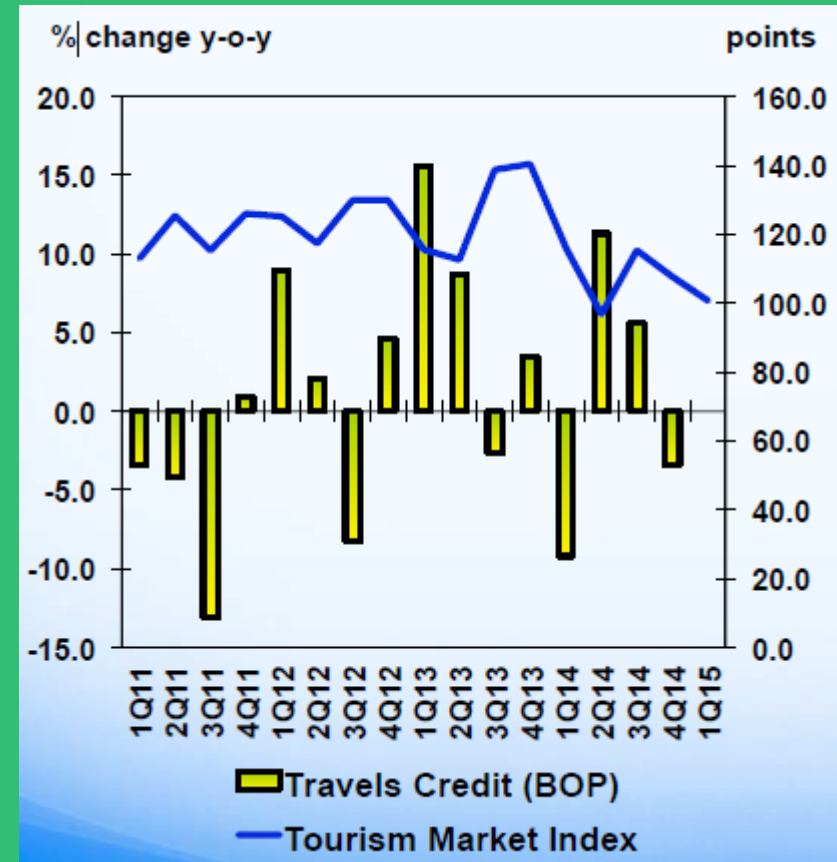


Source: Savills Research Malaysia

New supply in Greater KL
 1H2015 : 54.52m sqft retail space
 2H2015 : est 60 m retail space
 2017 : est 70 m retail space

Hotel Market Outlook

- Malaysia Year of Festivals 2015 targeting 29.4 mil tourists & RM89 bil in receipts
- Subdued market conditions & drop in tourist arrivals in 1Q'15 affected occupancy of hotels (1Q'15: 45-50%; 1Q'14 : 55-70%)
- Tourism Malaysia Index dropped 6.9 pts to 100.7pts in 1Q'15 (1Q'14 : 115.8; 4Q'14 : 107.6)
- Impending entry of upscale & boutique brands expected to keep KL hospitality industry competitive



MIER Survey 1Q 2015



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KLCCSS Outlook

Looking ahead





Focused in delivering sustainable income for distribution & growth in long-term value

Sustainable Growth

- Presence of clear organic & inorganic growth to drive potential growth in capital
- Leveraging on ownership of premier assets that have high potential value

Enhancing value of our portfolio of assets

- Continue to explore potential acquisition opportunities to drive longer term growth
- Undertaking asset enhancement initiatives to further unlock commercial potential and add value

Optimising Capital

- Continuous initiatives to manage our cost of funds & refinancing risks
- Improve diversification and duration of debt

Delivering value to Stapled security holders

- KLCCSS is a dividend play with resilience in future dividend distribution
- Committed to deliver sustainable returns to our stapled security holders



Thank You

