



KLCCP Stapled Group

Financial Results

3rd Quarter ended 30 September 2016

3 November 2016



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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1 | KLCCP Stapled Group Key Highlights

9M FY2016





Overview of KLCC Stapled Group's 9M FY2016 performance

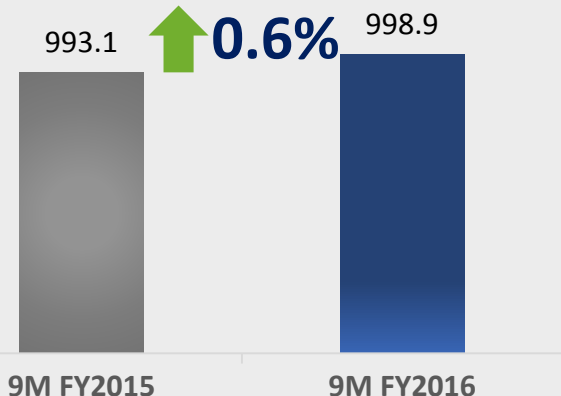
- **Stable topline and profit for the period** (excluding fair value adjustment in Q3FY2015)
- Office and retail segments **remain stable** despite challenging office market & tough retail landscape
- Hotel performance **significantly impacted** by lack of major banqueting events & lackluster F&B performance
- **4% growth in distribution per stapled security** (9M FY2016 : 25.80 sen vs 9M FY2015 : 24.83 sen)
- **9% YTD share price capital appreciation** (30 Sep 16 : RM7.72 vs 31 Dec 15 : RM7.06)



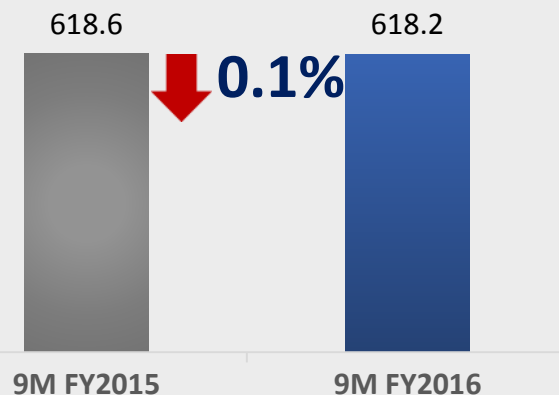
Stable performance against difficult market conditions with increased distribution per stapled security

9M FY2016 vs 9M FY2015 Financial Performance

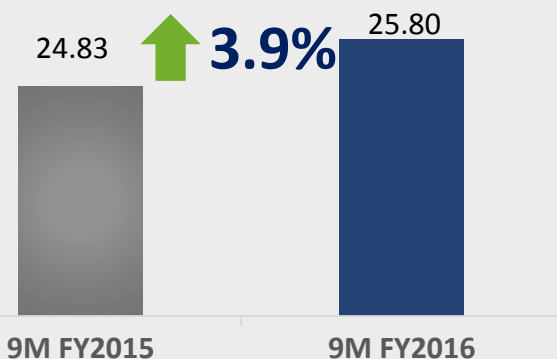
Revenue (RM'm)



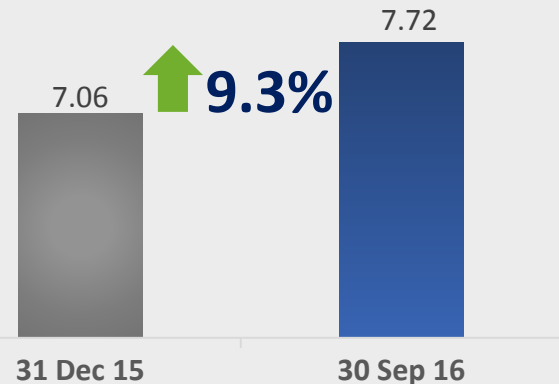
Profit for the period - excl FV* (RM'm)



Distribution per stapled security (sen)



Capital Appreciation (RM)



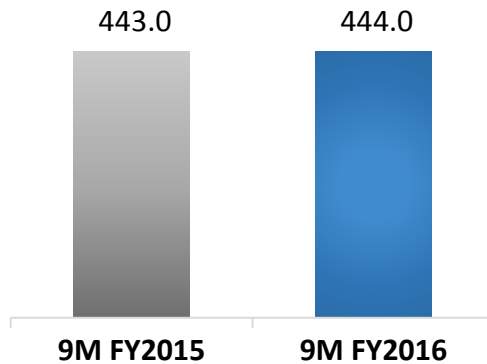
* Excluding fair value adjustment to City Point podium in Q3 2015



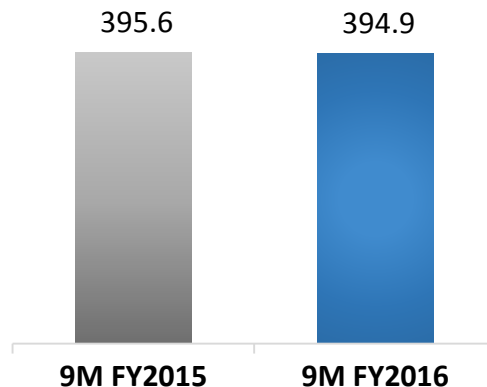
High quality portfolio continues to generate steady income stream

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

Revenue (RM'm)



Profit before tax – excl FV* (RM'm)



* Excluding fair value adjustment to City Point podium in Q3 2015

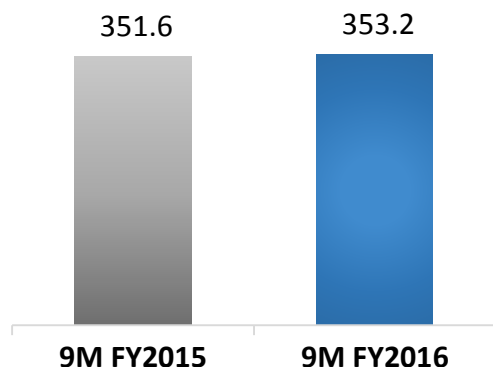
- Stable office revenue, 94% contribution from KLCC REIT
- Maintained 100% occupancy for all offices within portfolio
- Asset enhancement initiatives for Kompleks Dayabumi :
 - **Phase 2 extension**
Additional 39,250 sqft added into the existing Triple Net Lease agreement with PETRONAS
 - **Phase 3 Redevelopment of City Point Podium**
Substructure works in progress
- Execution of Menara ExxonMobil new lease agreement post expiry, in Q4 FY2016



Resilient against subdued retail landscape with dampened consumer sentiment

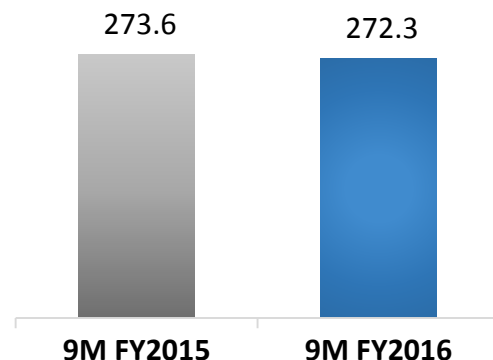
Retail – (Suria KLCC & Retail Podium Menara 3 PETRONAS)

Revenue (RM'm)



- Stable YTD revenue and PBT in subdued retail environment
- 10% MAT-tenant sales growth, YoY despite overall soft retail sentiment
- Sustainable customer traffic with MAT-customer footfall >45 million

Profit before tax (RM'm)



- Continues to position as a retail destination with “Always Something New”
 - Ongoing reconfiguration of men's & women's luxury precinct on level 1
 - 5 new tenants on board in Q3 2016 to enhance tenant mix & retail offerings

Beauty & Skincare

Innisfree



Opened: 19th Aug 2016

Models Own



Opened: 31st Jul 2016

belief



Opened: 23rd Aug 2016

Health & Beauty

A-Saloon Prestige



Opened: 10th Sep 2016

Fashion Accessories

Calvin Klein Accessories



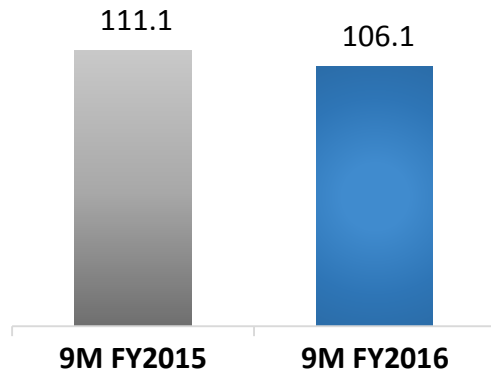
Opened: 30th Sep 2016



Sluggish hotel performance in challenging market conditions

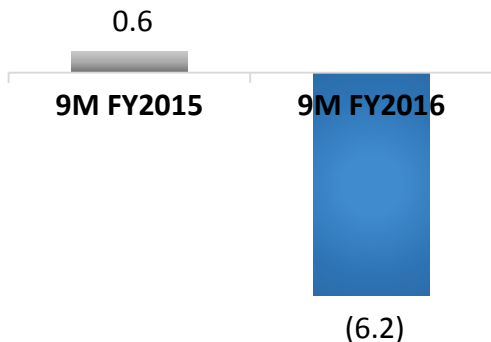
Hotel – Mandarin Oriental Kuala Lumpur

Revenue (RM'm)



- Continues to trade in challenging luxury hotels' market conditions with significant impact from the soft Oil & Gas sector
- 5% YTD revenue decline mainly due to the absence of large scale banqueting events which dampened the F&B performance
- YTD PBT significantly impacted by write off of furniture & fittings of Sultan's Lounge & Casbah outlets in Q2 FY2016, and scaled down MICE events

Profit before tax (RM'm)



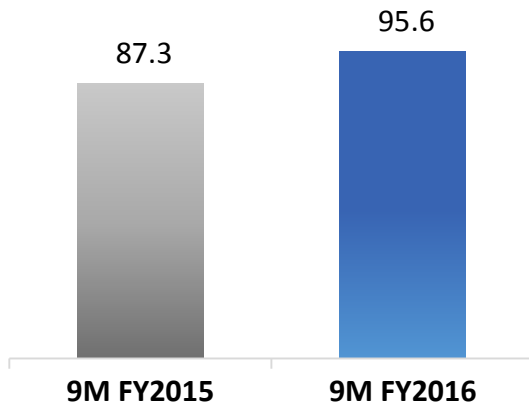
- Marginal increase in room revenue in light of intense competition from the newly renovated Ritz Carlton and opening of St Regis
- Commenced final phase of hotel renovation comprising guest rooms
- Launched aggressive marketing promotions to drive occupancy & diversify its target market from the Oil & Gas sector



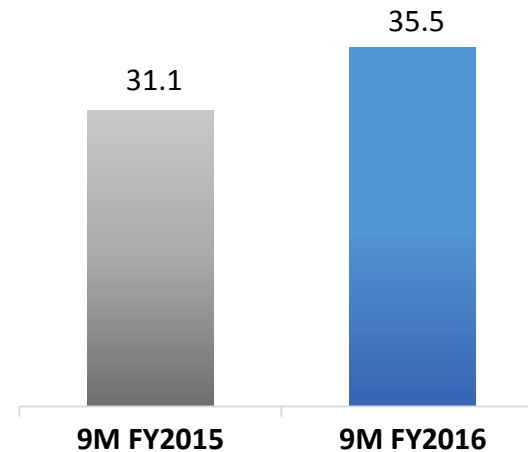
Continues to complement the property portfolio in delivering premium management services

Management Services – Facility Management & Car Park Management

Revenue (RM'm)



Profit before tax (RM'm)



- 10% revenue growth YoY, contributed from additional facilities management services of properties under KLCC Holdings in Kerteh
- 14% PBT growth YoY from efficient cost management



2 |

Financial Results

Q3 2016





Overview of KLCCP Stapled Group's Q3 FY2016 performance

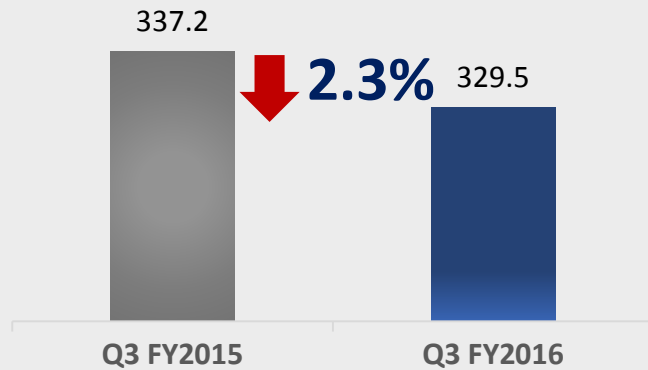
- 2% decline in revenue and PBT respectively due to **poorer hotel performance** which was supported by major banqueting events and Aziamendi promotion at Mandarin Grill restaurant in Q3 2015.
- Marginal increase in office segment revenue contributed by the **conversion of the atrium spaces** to office spaces, added into the existing Triple Net Lease agreement with PETRONAS for Menara Dayabumi.
- 2% decline in PBT for Retail segment mainly due to lower revenue owing to the drop in average occupancy.
- **6% growth** in distribution per stapled security (Q3 FY2016 : 8.60 sen vs Q3 FY2015 : 8.15 sen) ensuring sustainable returns to stapled security holders.



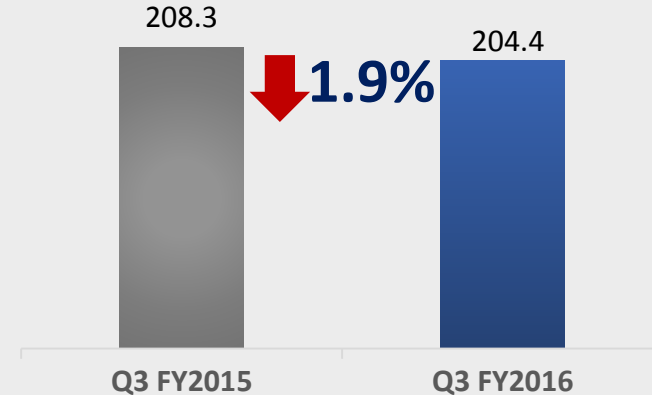
Revenue and Profit impacted by weaker hotel performance

Q3 FY2016 vs Q3 FY2015 Financial Performance

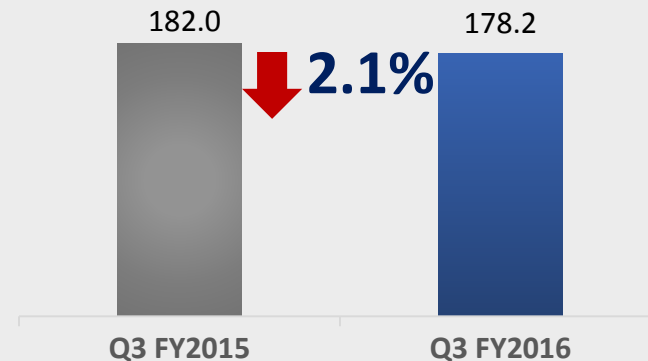
Revenue (RM'm)



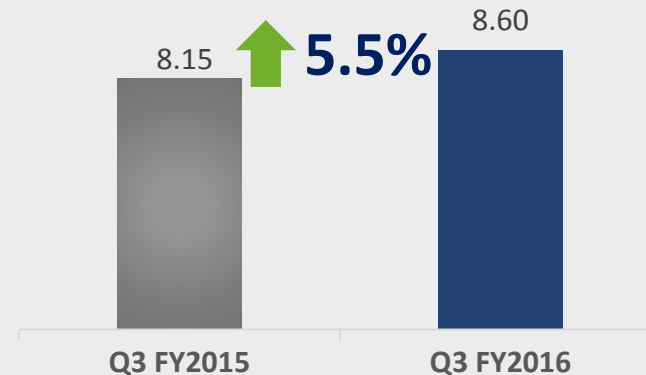
Profit for the period – excl FV* (RM'm)



Profit attributable to KLCCP & KLCC REIT holders – excl FV* (RM'm)



Distribution per stapled security (sen)

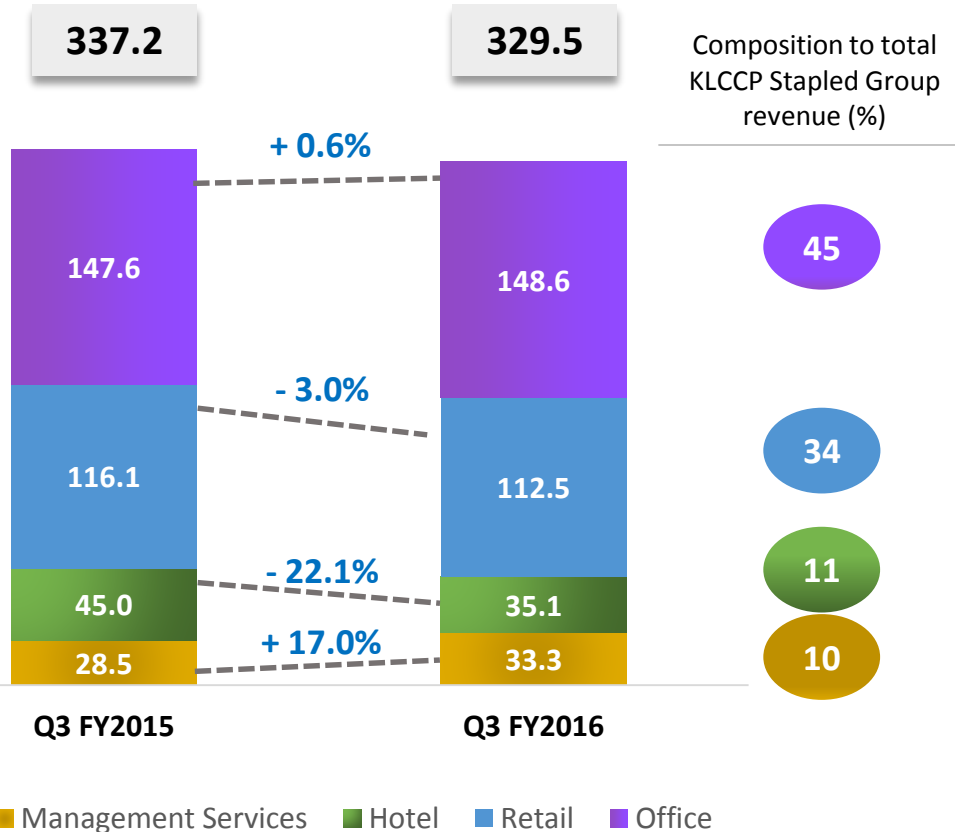


* Excluding fair value adjustments to City Point podium in Q3 2015



Tougher market conditions for hotel segment whilst management services increased its contribution

Segmental Revenue (RM'mil)



OFFICE

Conversion of the atrium spaces for Menara Dayabumi

RETAIL

Lower occupancy

HOTEL

Slowdown in banqueting and corporate events coupled with renovation works of the presidential suite

MANAGEMENT SERVICES

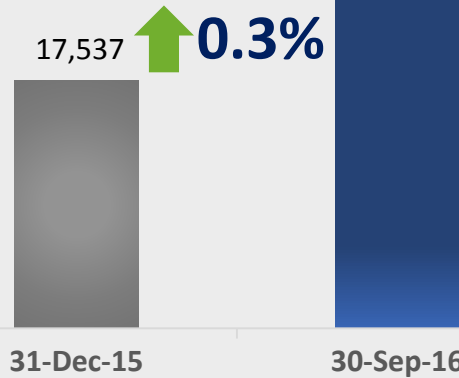
Provision of additional facilities management services



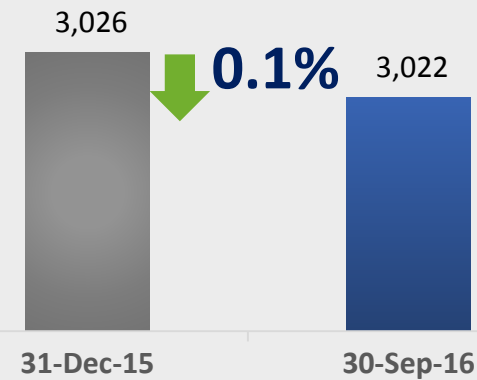
Sound balance sheet continues to provide stability

Statement of Financial Position (30 Sep 16 vs 31 Dec 15)

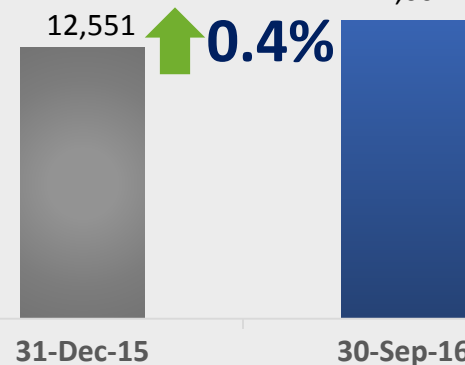
Total Assets (RM'm)



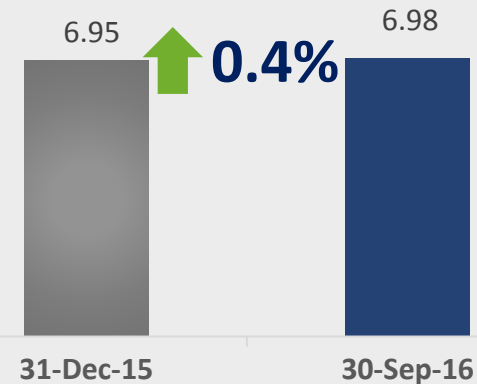
Total Liabilities (RM'm)



Equity attributable to KLCCP & KLCC REIT holders (RM'm)



NAV per stapled security (RM)





KLCCSS continues to deliver sustainable returns with increased contribution of 6% YoY

| Distribution per stapled security (DPU) (sen) | Q3 FY2016 | Q3 FY2015 | YTD Sep 16 | YTD Sep 15 |
|---|-------------|-------------|--------------|--------------|
| KLCCP | 2.94 | 2.80 | 8.70 | 8.84 |
| KLCC REIT | 5.66 | 5.35 | 17.10 | 15.99 |
| Distribution per stapled security | 8.60 | 8.15 | 25.80 | 24.83 |

| | |
|---------------------------|-------------|
| Ex-dividend date | 16 Nov 2016 |
| Book closure date | 18 Nov 2016 |
| Distribution payment date | 14 Dec 2016 |



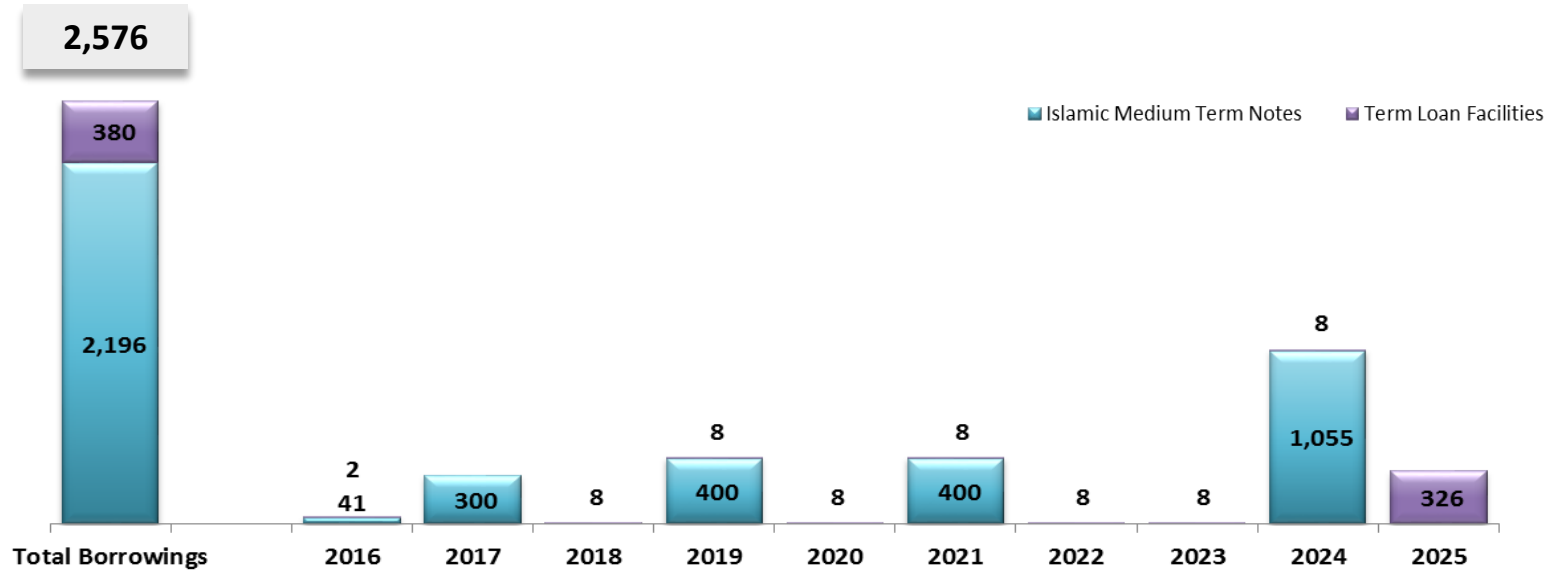
3 | Capital Management





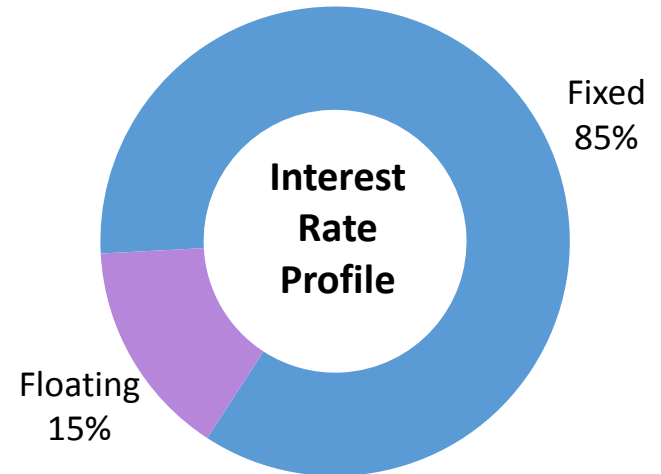
Well-staggered debt maturity profile to ensure stable dividend payout

Debt Maturity Profile



As at 30 Sep 2016

| | |
|--------------------------|-------------|
| Debt | RM2,576 mil |
| Gearing Ratio | 20% |
| Average Cost of Debt | 4.48% |
| Borrowings on Fixed Rate | 85% |





4 | KLCCSS Outlook





Challenging outlook moving forward

- Office performance will **remain stable** on the back of **locked-in long term tenancies** with high quality tenants. KLCCP Stapled Group will continue to **strengthen** its leasing capabilities and pursue aggressive initiatives to attract & retain quality tenants.
- Retail segment is expected to **remain stable** in spite of market challenges. Suria KLCC will continue to enhance customer experience through **continuous tenant mix & offerings** whilst focused on bringing **strategic retail brands** on board.
- The slower pace industry outlook and the intense competition is expected to be challenging for the hotel segment. The ongoing final phase of **renovation** of the guestrooms will ensure a **thorough make over** to elevate MOKL's competitiveness and vibrancy.
- KLCCP Stapled Group remains committed to provide holders of stapled securities with **regular and stable distributions**.



Thank You

