



KLCCP Stapled Group

Financial Results

3rd Quarter ended 30 Sep 2017

13 Nov 2017

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.

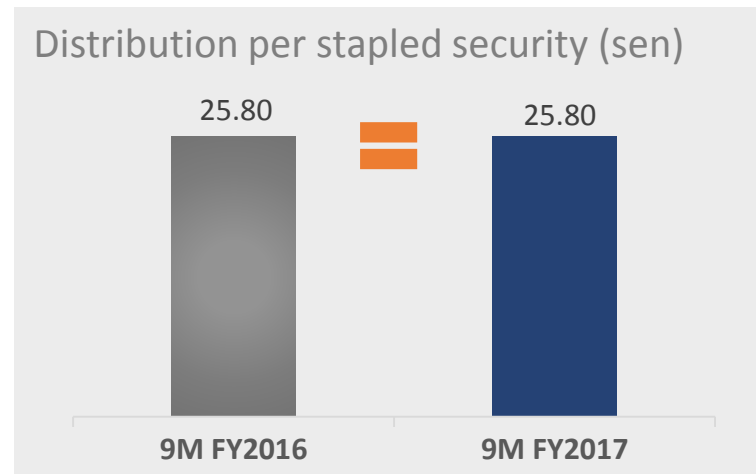
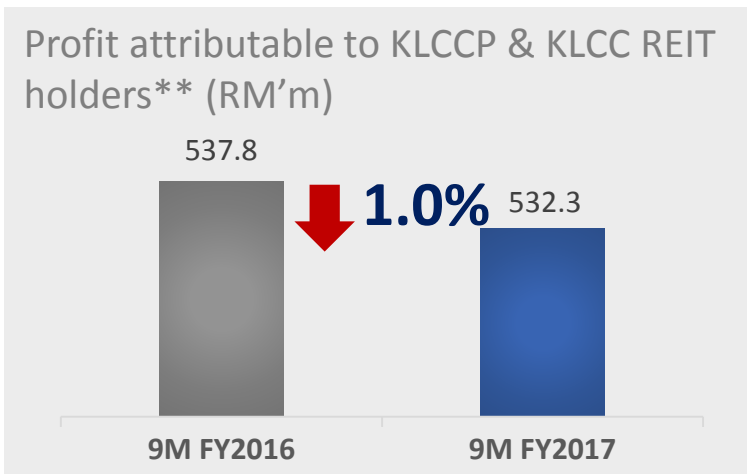
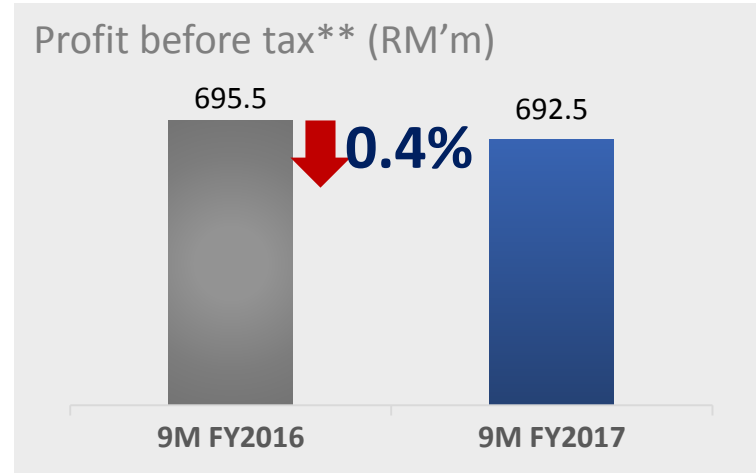
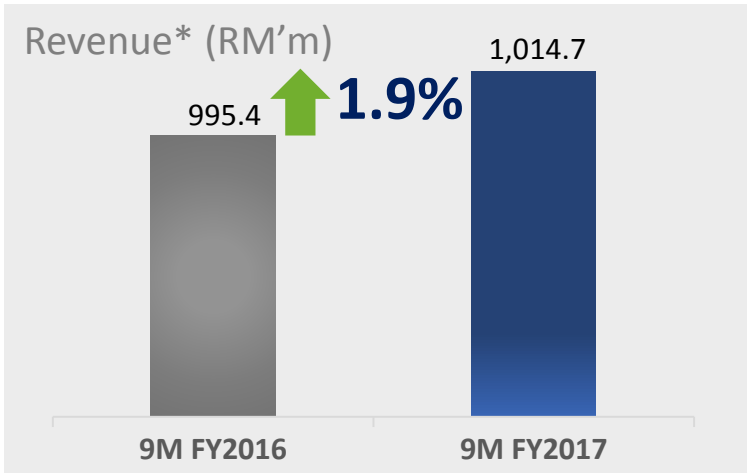
- 1. KLCCP Stapled Group Key Highlights**
- 2. Portfolio Performance**
- 3. Capital Management**
- 4. KLCCSS Outlook**



9M FY2017 Results

Top-line growth driven by rebound in hotel segment with marginal dip in profits from higher operating costs

9M FY2017 vs 9M FY2016 Financial Performance



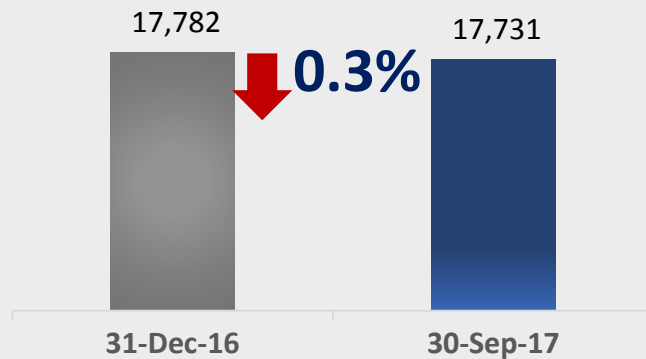
* Excluding back charge of rental from a tenant in retail in Q2 FY16

** Excluding back charge of rental from a tenant in retail & write-off of furniture & fittings at hotel, in Q2 FY16

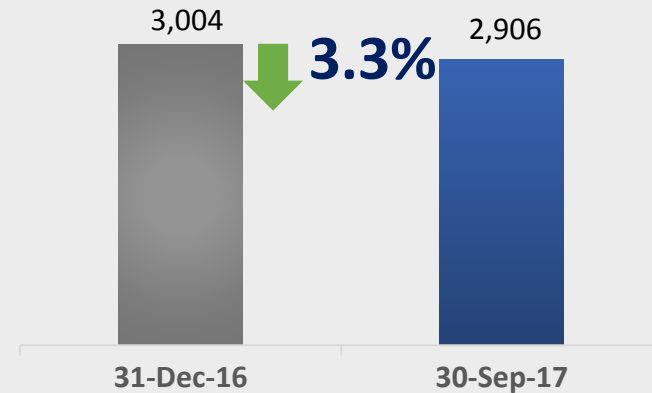
Improved total liabilities from repayment of borrowings by KLCC REIT

Statement of Financial Position (30 Sep 17 vs 31 Dec 16)

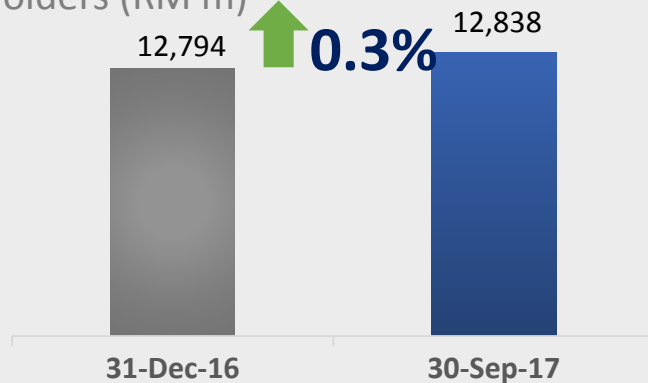
Total Assets (RM'm)



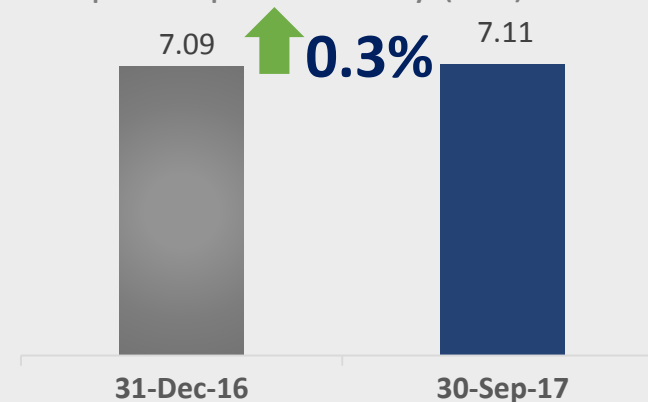
Total Liabilities (RM'm)



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



NAV per stapled security (RM)



Q3 FY2017 Results

Overview of KLCCP Stapled Group Q3 FY2017 performance



- **Steady performance** YoY with growth in revenue and profit before tax of 3.3% and 1.3% respectively, boosted by **stronger hotel performance** and **resilient retail segment**



Stable office performance - **marginal** decrease in revenue from lower utilization of utilities by tenant and **increase in PBT** from savings in finance costs from repayment of Sukuk Murabahah in Q2 2017



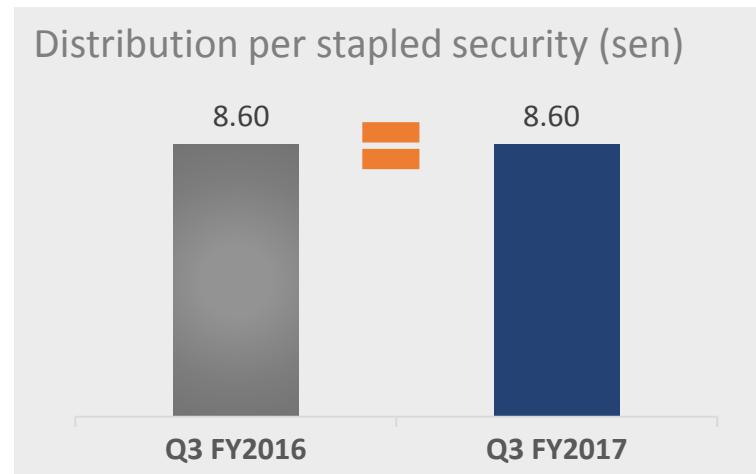
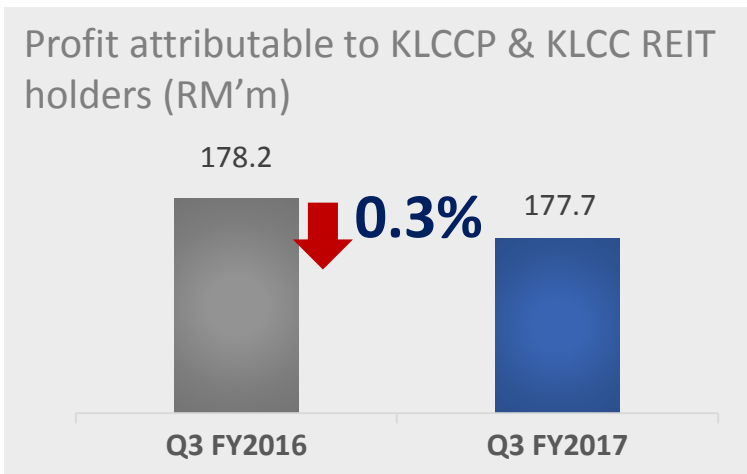
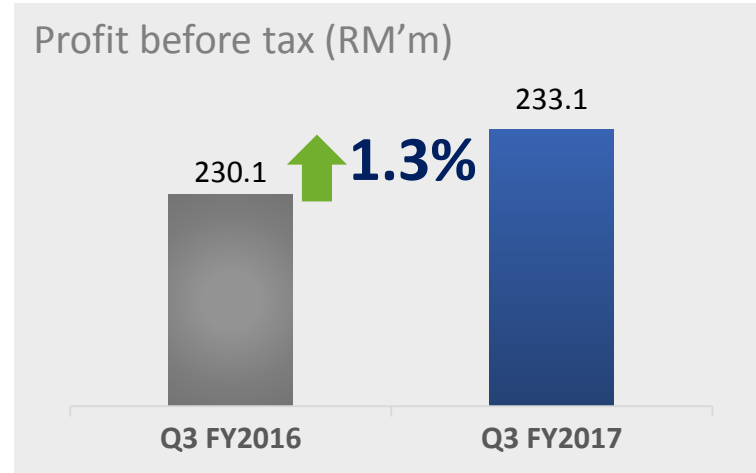
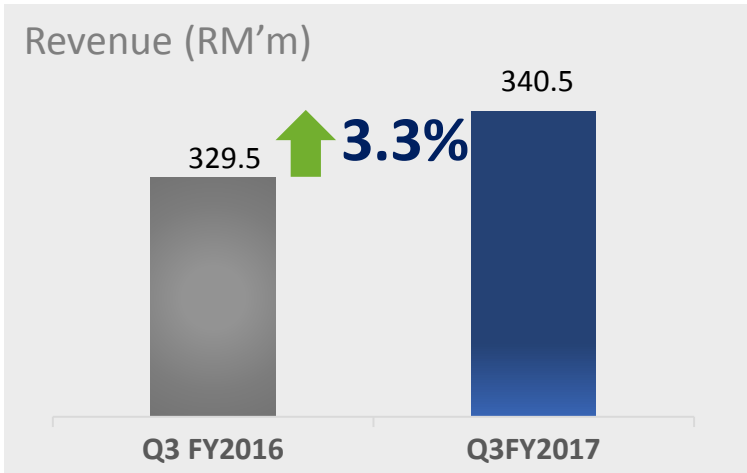
3.4% and 1.2% YoY growth in retail revenue and PBT respectively, contributed by **higher rental rates** from **new tenants** and **rent reviews** becoming effective in the period



The growth in hotel segment earnings were supported by the **room segment** driven by higher demand for the **newly refurbished Suites and Club rooms** coupled with **improved contribution from F&B covers**

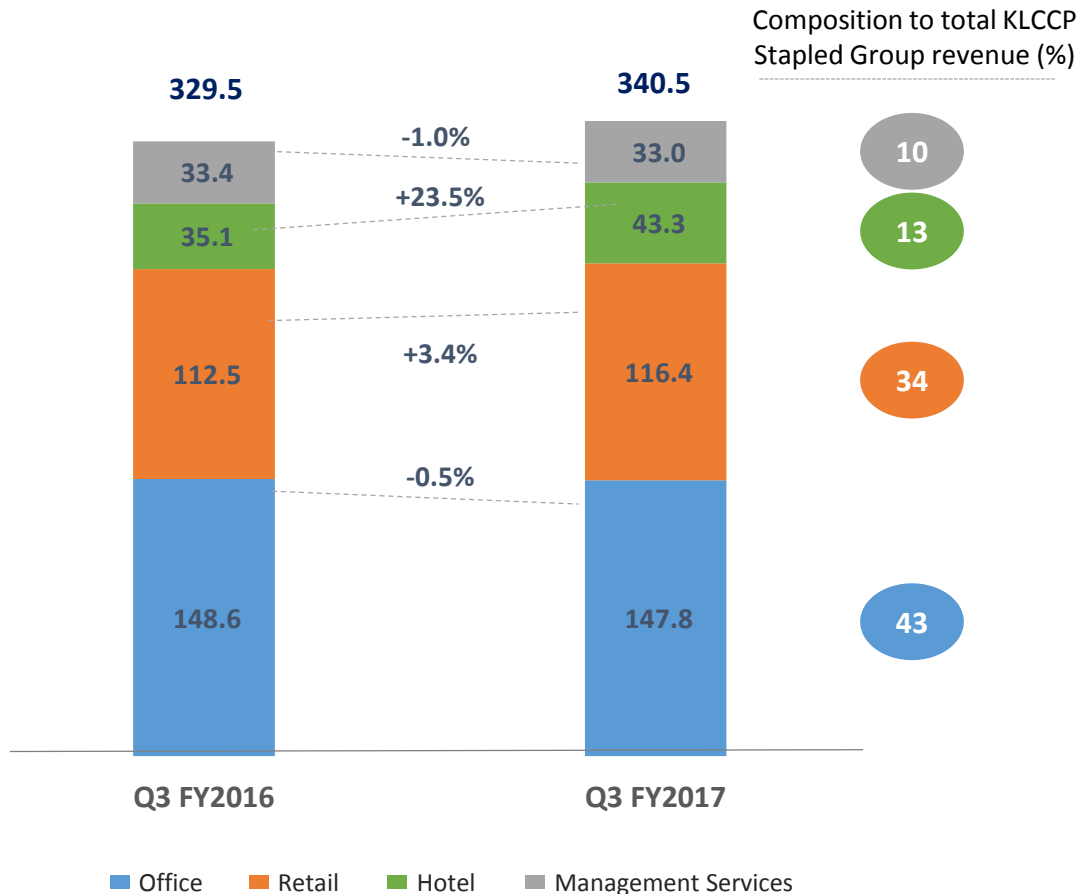
Revenue and profit supported by stronger performance in hotel and resilience in retail

Q3 FY2017 vs Q3 FY2016 Financial Performance



Increased contribution from hotel segment, with the other segments remaining stable

Segmental Revenue (RM mil)



OFFICE

Lower utility income from Menara ExxonMobil due to tenant transition

RETAIL

Backed by stronger tenant sales and sustained occupancy

HOTEL

Improved room performance and F&B contribution

MANAGEMENT SERVICES

Provision of additional facilities management services in Q3 FY2016

Consistent dividend distribution to holders of Stapled Securities



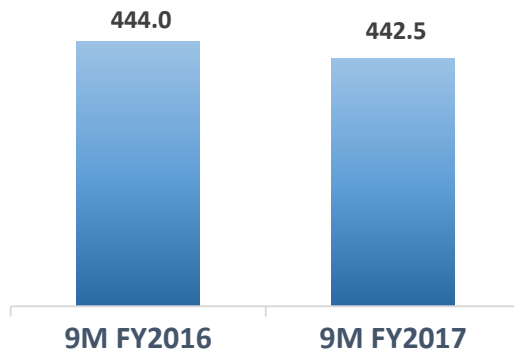
Distribution per stapled security (DPU) (sen)	Q3 FY2017	Q3 FY2016	9M FY2017	9M FY2016
KLCCP	3.64	2.94	9.90	8.70
KLCC REIT	4.96	5.66	15.90	17.10
Distribution per stapled security	8.60	8.60	25.80	25.80

Ex dividend date	29 th Nov 2017
Book closure date	4 th Dec 2017
Distribution payment date	28 th Dec 2017

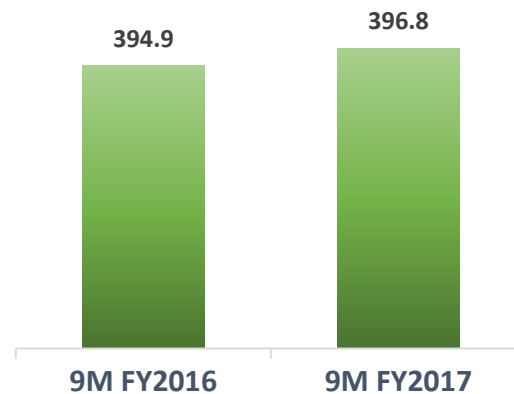
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Office – High quality portfolio continues to generate steady income

Revenue (RM'm)



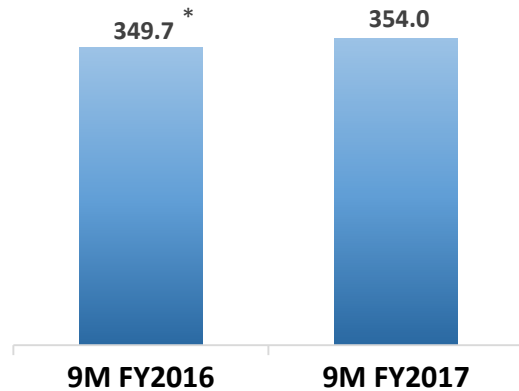
Profit before tax (RM'm)



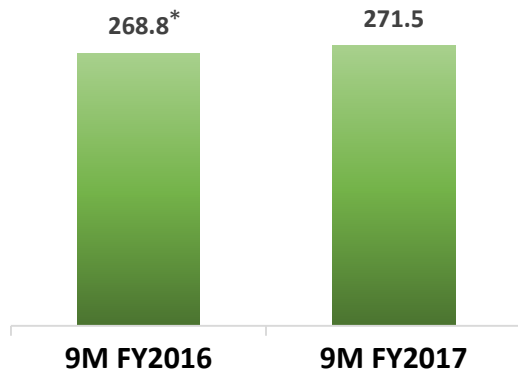
- Marginal decrease in YTD revenue resulting from lower utilization of utilities in Menara ExxonMobil due to tenant transition
- Increase in YTD PBT from savings of interest cost on repayment of KLCC REIT borrowings in April 2017
- Stability of office segment cemented with 100% occupancy of all office buildings, despite oversupply in commercial property market

Retail – Maintained resiliency with tenant sales strengthening

Revenue (RM'm)



Profit before tax (RM'm)



- 1.2% growth in YTD revenue and 1.0% growth in YTD PBT (excluding RM3.5 million back charge rental from a tenant recognized in Q2 2016), from sustained occupancy and higher rental rates from new tenants and rent reviews becoming effective during the year
- 5.3% growth in MAT-tenant sales, YoY mainly due to encouraging sales from Fashion, Beauty & Skincare and Jewellery & Gift segments
- 1.8% increase in YTD customer count due to higher footfall registered during the Kuala Lumpur 2017 19th SEA Games
- 12 new tenants on board in Q3 2017, enhancing customer experience

* Excluding back charge of rental from a tenant in Q2 FY16

New tenants at Suria KLCC in Q3 FY2017

REBECCA MINKOFF

Opened on 5th Jul 2017



PRETTY BALLERINAS

Opened on 7th Jul 2017



OPPO

Opened on 7th Jul 2017



BREITLING

Opened on 19th Jul 2017



LAMER

Opened on 4th Aug 2017



FOOTBALL REPUBLIC

Opened on 9th AUG 2017



New tenants at Suria KLCC in Q3 FY2017

DIN BY DIN TAI FUNG

Opened on 11th Jul 2017



THE INSIDE SCOOP

Opened on 10th Aug 2017



THE FLYING COW

Opened on 29th Aug 2017



ILLY CAFE

Opened on 29th Aug 2017

BIG PAN

Opened on 16th Sep 2017

BELL & ROSS

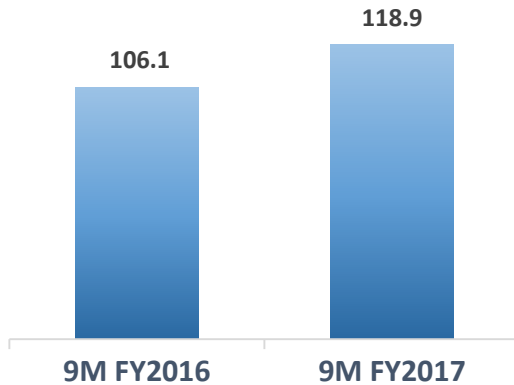
Opened on 1st Aug 2017



Hotel – Re-launch of newly renovated guestrooms showing healthy pace gain

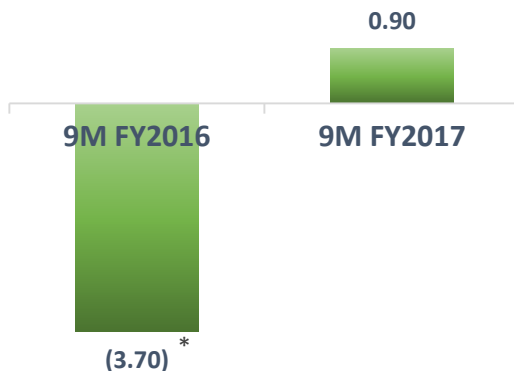


Revenue (RM'm)



- 12.1% YTD Revenue with profit registered from stronger performance of the newly renovated Club rooms & Suites and continuing increased demand from leisure segment

Profit before tax (RM'm)



- 11.8% YTD F&B revenue growth from large scale banqueting events and increased outlet contributions (Lounge on the Park, Aqua, and Mosaic)

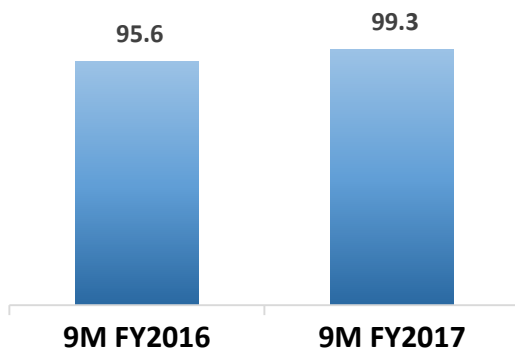
- Completed 4 levels of second phase guestroom renovation comprising Deluxe rooms and Park Suites (Levels 20-23 : 116 rooms)

- Commenced guestroom renovation for levels 16 to 19, targeted to be completed by early 2018

* Excluding write-off of furniture & fittings at Sultan Lounge and Casbah, in Q2 FY16

Management Services – Continues to complement the property portfolio in delivering premium facilities management services

Revenue (RM'm)

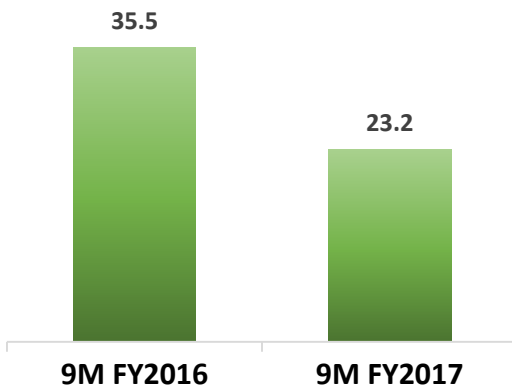


- 3.8% YTD revenue growth contributed from one-off facility management projects in Kerteh, Terengganu and increase in car park rates

- Reduced YTD PBT due to lower interest income and higher manpower costs

- KLCC Parking Management listed as the 1st parking management company in the Malaysia Book of Records for achievement of integrated management certifications of ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System)

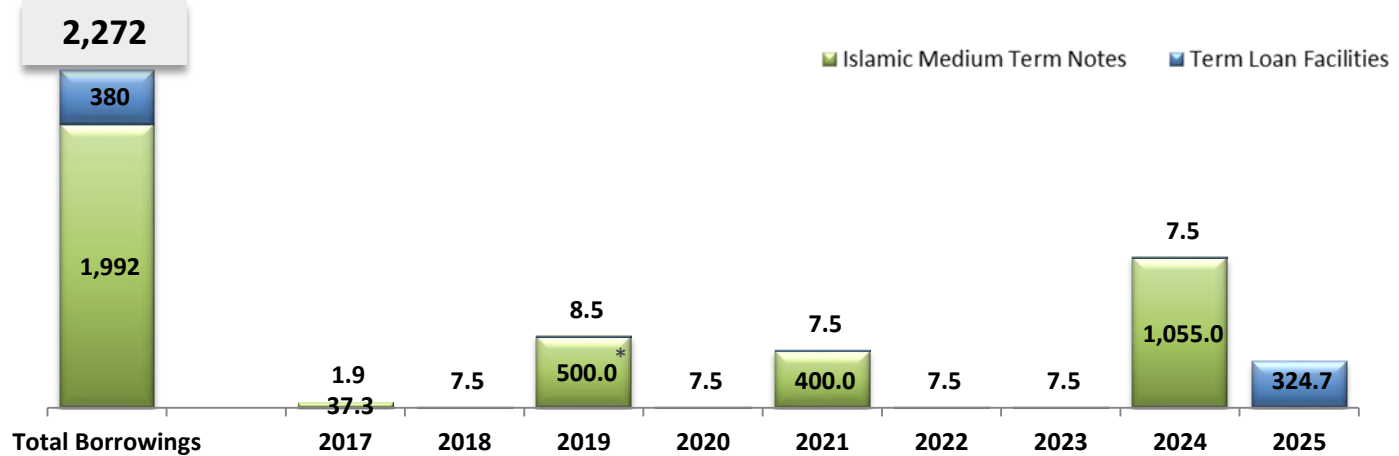
Profit before tax (RM'm)



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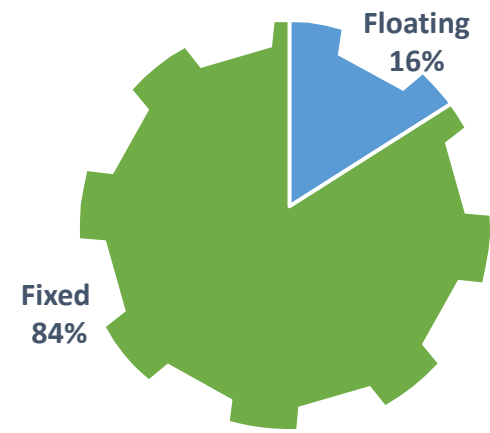
Continue to maintain well-staggered debt maturity profile

Debt Maturity Profile



	As at 30 Sep 2017
Debt	RM2,272 mil
Gearing Ratio	
- Gross	17.7%
- Net	10.7%
Average Cost of Debt	4.55%
Borrowings on Fixed Rate	84%

Interest Rate Profile



* Includes RM100m interco from KLCCP

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Building long term value transparently across the portfolio of assets



Underlying portfolio fundamentals underpin KLCCSS valuation

In-Organic Growth

- Intrinsic value in KLCC Holdings ROFR to drive future asset growth
- Potential to tax optimize cash flows within KLCCSS through KLCC REIT acquiring assets from KLCCP

Land Bank

Under Construction

Management Services

- Strategic land bank at prime location with significant asset building opportunity
- Asset enhancement initiative to add 1 million sq.ft of net lease area
- Leveraging management services expertise within the group

Cash Generating Assets

- Diversification across retail, hospitality and office assets, generating steady cash flows
- Proactively managing Suria KLCC and Mandarin Oriental Hotel to optimize cash flow yields
- Cash generating assets with high quality anchor tenants

Defined Cash Flows

- High quality cash flow generation from prime Grade A office buildings in KL City Centre
- Cash flow growth of ~10% rent step up for 87% of rental income every three years
- REIT structure provides a payout ratio in excess of 90% of distributable income

Cautious and challenging outlook prevailing for 2017

Office



Retail



Hospitality



Industry

KL office market set to remain subdued in the near future

Retail sales expected to remain steady in spite of tough trading conditions

Remains positive while taking advantage of the weak currency & growing tourist arrivals

KLCCSS Key Focus

- Seeking out **quality anchor tenants** for new development
- **Greening** of office buildings to boost demand from MNCs and support tenant initiatives

- **Staying relevant** to customer preferences with focus on customer **experience** and **lifestyle**
- Deliver **value** for our **retailers** with focused efforts on tenant sales and customer footfall

- **Capitalise** on the re-launch of **renovated guestrooms and suites**
- Innovate with **new F&B offerings** to drive covers

Thank You