



PT. Matahari Putra Prima Tbk

PRESS RELEASE

For Immediate Release

GOOD PROGRESS MADE IN 2Q 2018; IDR 807 BILLION SUCCESSFULLY RAISED FROM THE RIGHTS ISSUE

Jakarta, Tuesday, July 31, 2018

PT Matahari Putra Prima Tbk (“Company/MPPA”) announced today its financial results for 1H 2018, reflecting a good progress made by the Company in executing its transformation plan. The Company continued to see growth in its transaction volume (+0.9% y.o.y increase in 2Q 2018) which indicates more customers are coming in and shopping at its stores.

MPPA recorded net sales of IDR 5.88 trillion in 1H 2018. Net sales in 2Q 2018 was IDR 2.96 trillion, an increase of 1.6% compared to 1Q 2018 driven by the Lebaran season. Net sales, however, was lower than last year as the management decided to focus its business toward serving its retail customers while reducing its low-margin B2B business.

While key focus of the management team is to grow the retail business and increase customer traffic into the stores, the Company is also working on increasing the customers’ shopping basket size by (i) improving product assortments, (ii) cross merchandising, and (iii) introducing promotional activities to encourage customers to purchase more for better values, such as purchase with purchase / PWP programs.

The Company also observed good traction over the Lebaran period where transaction volume surged by 3.8% compared to last year’s Lebaran period.

Cost remains under control with IDR 819 billion of general and administrative costs incurred in the 1H 2018, came down by 23.6% compared to last year, implying a total savings of well over IDR 250 billion. These savings were predominantly driven by operational efficiency put in place in 2017. The management remains committed to further review and implement operational efficiency measures to improve profitability moving forward.

The Company is also pleased to announce that it has successfully completed the rights issue process and raised IDR 807 billion new capital. This successful completion of the rights issue evidenced continuing support of the shareholders and strengthens the Company’s position to regain market leadership in the grocery retailing space in Indonesia.

*****OOO*****

For further information, please contact:

Danny Kojongian

Director – Corporate Secretary & Public Affairs

Email: corporate.communication@hypermart.co.id



PT. Matahari Putra Prima Tbk

This press release has been prepared by PT Matahari Putra Prima Tbk (**MPPA**) and is circulated for the purpose of general information only. It is not intended for any specific person or purpose and does not constitute a recommendation regarding the securities of MPPA. No warranty (expressed or implied) is made to the accuracy or completeness of the information. All opinions and estimations included in this release constitute our judgment as of this date and are subject to change without prior notice. MPPA 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 MPPA 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. Factors that could cause actual results to differ include, but are not limited to, economic, social and political conditions in Indonesia; the state of the property industry in Indonesia; prevailing market conditions; increases in regulatory burdens in Indonesia, including environmental regulations and compliance costs; fluctuations in foreign currency exchange rates; interest rate trends, cost of capital and capital availability; the anticipated demand and selling prices for our developments and related capital expenditures and investments; the cost of construction; availability of real estate property; competition from other companies and venues; shifts in customer demands; changes in operation expenses, including employee wages, benefits and training, governmental and public policy changes; our ability to be and remain competitive; our financial condition, business strategy as well as the plans and objectives of our management for future operations; generation of future receivables; and environmental compliance and remediation. Should one or more of these uncertainties or risks, among others, materialize; actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to have been correct. You should not unduly rely on such statements. In any event, these statements speak only as of the date hereof, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.