



PT. Matahari Putra Prima Tbk

## **PRESS RELEASE**

For Immediate Release

### **MPPA 9M 2015 RESULTS: REVENUE Rp 10.4 TRILLION, INCREASED BY + 3.8% NET INCOME Rp 246 BILLION**

#### **Highlights:**

- Achieved 3.8% sales growth; Core Net Income down by 15.2% due to lower-than-expected sales
- Tough economic environment has also impacted delays in new store openings
- Focus on wholesale business to position for the long-term
- Continued leveraging on cost, expense efficiencies and productivity initiatives, started in 3Q14
- Planned closure of 10 high-volume stores; eight renovated to the G7 format while two were landlord-initiated

**Lippo Village, Tangerang, Indonesia  
November 2, 2015**

#### **9M 2015 results:**

PT Matahari Putra Prima Tbk (MPPA) reports financial results for the nine months ending 30th September 2015. Total net sales increased 3.8% from last year, achieving Rp 10.4 trillion. Net Income was Rp 245.6 billion, lower than last year's Rp 289.7 billion (core profit, excluding extraordinary items). MPPA essentially had a flat Same-Store-Sales Growth (SSSG) of -0.3%, mainly attributable to the weak market conditions, closure of key stores to undergo re-modelling, with the Mataram store closed due to fire and another store converted to the new format Smartclub.

Noel Trinder, Chief Executive Officer of MPPA, said "In 9M15 we achieved reasonably good results amidst a tough environment. The delays in new store openings - thus less operating months - in combination with the economic downturn has impacted sales and profits. Under such an environment, we are revisiting some critical success factors and making adjustments particularly relating to assortment balancing, inventory and shrinkage levels rationalization. At the same time we vigorously continue to execute cost and productivity initiatives started last year. As we invested in human capital, we are applying data-driven systems and disciplined business processes to compliment our core retail competencies. These actions shall pave the pathway for us to be properly positioned for the long term."



“We stand firm in our consistent drive to improve the shopping experience by rolling out our latest Generation 7 Hypermarts and the Foodmart Primo formats, and we are also excited with our new wholesale format ‘Smartclub’, which is due to be launched in the 4th quarter this year. Smartclub is a hub of our wholesale format expansion to capture the demand from SMEs (traders, hotels, restaurants and the like). Substantial opportunities exist in this area, will further enhance our economies of scale, and create sustainable value to our shareholders.”

For comparative purposes with last year performance, MPPA reflects 9M15 compared to 9M14 results with and without (pro forma) the extraordinary gain of Rp 85.6 billion recorded in 2014.

For the 9 months ended, MPPA opened 4 Hypermart, 1 Foodmart Supermarket, 1 Foodmart Primo, 13 Foodmart Express and 6 Boston Health & Beauty. MPPA has also renovated 8 outlets to the latest concept of G7. At the end of September 30, 2015 MPPA, operates 109 Hypermart, 71 Foodmart and 105 Boston Health & Beauty for a total of 285 stores in operation.

<i>(In millions of Indonesian Rupiah)</i>	<b>Sept 30, 2015</b> UnAudited	<b>Sept 30, 2014</b> UnAudited	<b>% Change</b>
<b>NET SALES</b>	10,447,959	10,061,869	3.8%
<b>OPERATING PROFIT</b>			
<i>Reported</i>	325,531	450,480	-27.7%
<i>Other Income*</i>	-	(85,663)	
<i>Restated</i>	325,531	364,817	-10.8%
<b>INCOME BEFORE INCOME TAX</b>			
<i>Reported</i>	312,420	467,884	-33.2%
<i>Restated</i>	312,420	382,221	-18.3%
<b>INCOME FOR THE PERIOD</b>			
<i>Reported</i>	245,669	353,957	-30.6%
<i>Restated</i>	245,669	289,710	-15.2%

\*Extraordinary Item in 2014

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PT. Matahari Putra Prima Tbk

## About PT Matahari Putra Prima Tbk (MPPA)

MPPA has operated 267 stores (107 Hypermart, 58 Foodmart and 102 Boston Health & Beauty) in 67 cities across Indonesia as of 31 December 2014. The Company continued the aggressive expansion and opened a total of 45 new stores in 2014, (8 Hypermart, 28 Foodmart and 6 Boston Health & Beauty).

MPPA continues to receive both domestic and international acknowledgement with several awards such as: 2014 Customer Satisfaction by Roy Morgan, 2014 Excellence Experience by Bisnis Indonesia & Carre CCSL, 2014 Top 500 Bronze Award by Retail Asia, 2014 Charta Peduli Indonesia by Dompot Dhuafa, 2014 Superbrand Indonesia by Superbrand, 2014 Best Senior Management IR Support & Most Improved Investor Relations by Alpha Southeast Asia, 2014 Most Admired Companies by Fortune Indonesia, and 2014 Most Admired Company by Warta Ekonomi.

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## 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.



**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

Sept 30, 2015, December 31, 2014 and January 1, 2014 \*)

(Expressed in millions of Indonesian rupiah, except share data)

	Sep 30, 2015	Dec 31, 2014 *)	Jan 1, 2014 *)		Sep 30, 2015	Dec 31, 2014 *)	Jan 1, 2014 *)
<b>ASSETS</b>				<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT ASSETS</b>				<b>LIABILITIES &amp; EQUITIES</b>			
Cash and cash equivalents	180,211	747,710	1,302,610	<b>LIABILITIES</b>			
Account receivables - Third Parties	28,452	31,331	33,866	<b>SHORT TERM LIABILITIES</b>			
Held to maturity investments	-	-	62,980	Short-term loans	200,000	-	-
Other receivable	487,090	351,933	380,176	Account payables	1,826,994	1,893,341	1,989,126
Other current financial assets	-	-	25,600	Accrued expenses	356,698	305,118	337,677
Merchandise inventories	3,187,588	2,655,023	2,273,548	Taxes payable	69,460	155,913	54,246
Prepaid taxes	4,643	-	-	Short-term employee benefit liabilities	14,029	137,042	134,522
Prepaid expenses	115,062	73,466	63,779	Current maturities of long-term debts :			
Other current assets	28,116	44,601	25,430	Bank loans	360,000	-	-
<b>Total Current Assets</b>	<b>4,031,162</b>	<b>3,904,064</b>	<b>4,167,989</b>	Bonds payable	-	-	51,939
				Sukuk payable	-	-	135,899
				Other current financial liabilities	167,295	179,266	263,227
				Other current liabilities	84,045	81,640	72,802
				<b>Total current liabilities</b>	<b>3,078,521</b>	<b>2,752,320</b>	<b>3,039,438</b>
<b>NON-CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Other non-current financial asset	19,931	20,114	16,687	Long-term employee benefit liabilities	220,584	206,855	171,015
Other long term investments	31,750	-	2	Other non-current liabilities	57,757	46,331	94,179
Fixed Assets	1,381,416	1,272,601	1,086,757	<b>Total non-current liabilities</b>	<b>278,341</b>	<b>253,186</b>	<b>265,194</b>
Rental advances and deposits	230,055	209,406	882,686				
Prepaid long term rent	333,136	181,902	180,662	<b>Total Liabilities</b>	<b>3,356,862</b>	<b>3,005,506</b>	<b>3,304,632</b>
Intangible assets	4,555	6,316	4,762				
Other non-current assets - net	155,621	175,619	183,642				
Deferred tax assets	43,086	57,272	56,331				
<b>Total Non-Current Assets</b>	<b>2,199,550</b>	<b>1,923,230</b>	<b>2,411,529</b>				
<b>TOTAL ASSETS</b>	<b>6,230,712</b>	<b>5,827,294</b>	<b>6,579,518</b>	<b>STOCKHOLDERS' EQUITY</b>			
				Equity attributable to Equity holders of the parent			
				Capital stock - Rp 50 per share as at Sep 30, 2015, Dec 31, 2014 and Jan 1, 2014 ;			
				Authorized -10,800,000,000 shares			
				Issued and fully paid - 5,377,962,800 shares as at Sep 30, 2015			
				, Dec 31, 2014 and Jan 1, 2014			
				Additional paid-in capital	774,578	774,578	774,578
				Retained earnings			
				Appropriated	32,000	30,000	28,000
				Unappropriated	1,825,242	1,775,180	2,223,464
				Other comprehensive income	(26,898)	(26,898)	(20,084)
				Equity attributable to Equity holders of the parent	2,873,820	2,821,758	3,274,856
				Non-controlling interests	30	30	30
				Stockholders' Equity - Net	2,873,850	2,821,788	3,274,886
				<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b>6,230,712</b>	<b>5,827,294</b>	<b>6,579,518</b>

\*) After Restatements



**PT. MATAHARI PUTRA PRIMA Tbk**

<b>INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>For the Nine Months Period Ended Sep 30, 2015 and 2014</b>		
<b>(Expressed in millions of Indonesian rupiah, except share data)</b>		
	<b>Sep 30, 2015</b>	<b>Sep 30, 2014 *)</b>
Net Sales	10,447,959	10,061,869
Cost of Sales	(8,647,133)	(8,339,017)
<b>Gross Profit</b>	<b>1,800,826</b>	<b>1,722,852</b>
Selling expenses	(141,206)	(161,529)
General and administrative expenses	(1,323,793)	(1,174,002)
Other expenses	(10,690)	(23,233)
Other income	394	86,392
<b>Operating Income</b>	<b>325,531</b>	<b>450,480</b>
Interest income	10,166	31,828
Interest expenses	(23,277)	(14,424)
<b>Income Before Income Tax</b>	<b>312,420</b>	<b>467,884</b>
Income tax expense	(66,751)	(113,927)
<b>Income for the year</b>	<b>245,669</b>	<b>353,957</b>
Other Comprehensive Income:		
Item that will not be reclassified subsequently to profit or loss:		
Actuarial gain (losses) on defined benefit pension plans	-	(5,110)
<b>Total Comprehensive Income for the year</b>	<b>245,669</b>	<b>348,847</b>
Income Attributable to:		
Owner of the parent	245,669	353,957
	<b>245,669</b>	<b>353,957</b>
Comprehensive income Attributable to :		
Owner of the parent	245,669	348,847
	<b>245,669</b>	<b>348,847</b>
<b>Basic Earning Per Share</b>	<b>46</b>	<b>66</b>

\*) After Restatements

PT MATAHARI PUTRA PRIMA Tbk.

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Nine Months Period Ended Sep 30, 2015 and 2014  
(expresses in millions of Indonesian Rupiah)

	Sep 30, 2015	Sep 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	10,450,838	10,066,538
Cash paid to suppliers	(9,266,271)	(9,067,580)
Payments for operating expenses	(509,136)	(496,055)
Payments to employees	(762,973)	(643,826)
Payments of income tax	(119,076)	(35,611)
Cash received from rental income	91,636	149,025
Payments for rental expenses	(594,467)	(435,911)
Proceeds from refund of prepaid rental	-	82,495
Other income	720,919	689,413
Other expenses	(526,627)	(457,029)
<b>Net Cash Provided from (Used in) Operating Activities</b>	<b>(515,157)</b>	<b>(148,541)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Held to maturities investement		
Proceed from sales	-	20,980
Other long-term investment		
Acquisitions	(31,750)	-
Fixed Assets		
Proceed from sales	2,918	1,448
Acquisitions	(91,006)	(242,787)
Addition of Intangible Assets	-	(1,924)
Increase of other financial assets	7	22,636
Increase in rental advances and deposits	(60,846)	(88,179)
Proceeds from refund of rental advances and deposits	-	629,768
Increase in other current assets - net	16,859	(1,008)
Increase in other non-current assets - net	(243,145)	(113,960)
<b>Net Cash Provided from (Used in) Investing Activities</b>	<b>(406,963)</b>	<b>226,974</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend payment to:		
Owner of the parent	(193,607)	(1,000,301)
Receipts from bank loans	560,000	-
Finance cost	10,280	31,963
Interest expense	(21,859)	(21,091)
Repayment of bonds and sukuk	-	(188,000)
<b>Net Cash Provided from (Used in) from Financing Activities</b>	<b>354,814</b>	<b>(1,177,429)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(567,306)</b>	<b>(1,098,996)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>747,710</b>	<b>1,302,610</b>
Effect of rate change differences on cash and cash equivalents	(193)	(252)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>180,211</b>	<b>203,362</b>