mppa RETAIL GROUP
PT. Matahari Putra Prima Tbk

# PRESS RELEASE

**For Immediate Release**

# MPPA FULL YEAR 2015 RESULTS
# REVENUE INCREASED TO RP 13.9 TRILLION

**Highlights:**

- Full year Net Sales of Rp 13.9 trillion, 2.5 % over 2014
- Operating Profit Rp 268.6 billion or 1.9% of sales
- MPPA opened 33 new stores in 2015, and now operates a total of 293 multi-format stores
- MPPA opened four new stores and renovated eight existing stores to the Hypermart "G7" concept
- MPPA launched the new wholesale format SmartClub and FMX

**Lippo Village, Tangerang, Indonesia**
**March 22, 2016**

PT Matahari Putra Prima Tbk reported Net Sales of Rp13.9 trillion in fiscal year 2015, a growth rate of 2.5% from Rp13.6 trillion last year. The Net Income of Rp183.0 billion was below the Company's initial expectation, which was in large part attributable to the Company's prudent decision to take actions on inventory build-up that negatively impacted earnings.

Noel Trinder, CEO of MPPA commented, "Despite the economic difficulties, MPPA continued to execute its strategic direction with the expansion of new businesses through new or enhanced formats. In addition to the continuation of Hypermart G7 rollout, we also successfully revamped our Foodmart and Boston formats as well as launched the new SmartClub and FMX formats within the wholesale industry and broadened our network to a total of 293 stores nationwide at 2015 year end."

Trinder continued, "During 2015, we began institutionalizing many business processes including productivity improvements, capital efficiency, category management, inventory efficiency and margin control in-line with our strategy. We also continued our commitment to roll out our newest Hypermart concept into more locations by opening 4 new G7 stores and renovating 8 existing stores to the G7 format. Within the 33 new outlets opened, we successfully introduced four new retail formats including Foodmart Primo, FMX and Boston Combo along with our wholesale format branded SmartClub".

"Supporting our strategy to build Sustainable Retail Management, the MPPA Board has fully supported the actions taken in 2015 to address inventory as well as preparation for a shift to the Cost Method of accounting for inventory in 2016. This shift will provide increased visibility and greater control over inventory and profitability measures at a store, supplier and individual item (SKU) level."

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***For further information, please contact:***

***Phoa Marchea Trenggono,***
*Investor Relations & Communications Officer*
*marchea.phoa@mppa.co.in*

***Charles Kruse***
*Chief of Investor Relations*
*charles.kruse@mppa.co.in*


**About PT Matahari Putra Prima Tbk (MPPA)**

PT Matahari Putra Prima one of Indonesia largest retailers employs more than 30,000 associates who serve customers in 112 Hypermarkets (Hypermart), 23 Supermarkets (Foodmart Primo/Fresh), 49 Minimarket/ Convenience stores (FMX), 108 Health and Beauty format stores (Boston) and 1 Wholesale (SmartClub). As of 31 December 2015, MPPA operates 293 stores in 68 cities throughout Indonesia.

MPPA continues to receive both domestic and international acknowledgement with several awards such as: The Charter Award concerning the environmental standards from Ecolabel & Green Label Indonesia by the Ministry of Environment and Forestry of Republic of Indonesia, 2015 Indonesia WOW Brand by MarkPlus Inc, 2015 Top 50 Most Valuable Indonesian Brands by Millward Brown, 2015 Indonesia Best eMark Award by SWA & Telkom University, and 2015 Top 10 Retailers Certificate of Distinction by Retail Asia.

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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.

hypermart FOODMART PRIMO foodmart fresh boston SmartClub TRADER WHOLESALE fmx

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**INVESTOR UPDATE**
*For Further Information please visit www.ir.hypermart.co.id*

# PT. MATAHARI PUTRA PRIMA Tbk.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**December 31, 2015 and 2014 and January 1, 2014/December 31,2013 (Audited)**
**(Expressed in millions of Indonesian rupiah, except share data)**

| ASSETS | December 31, 2015 *Audited* | December 31, 2014 *) *Audited* | January 1, 2014/ December 31, 2013 *) *Audited* |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 408,945 | 747,710 | 1,302,610 |
| Trade receivables - Third Parties | 26,012 | 31,331 | 33,866 |
| Held to maturities investments | - | - | 62,980 |
| Other receivables | 647,867 | 351,933 | 380,176 |
| Other current financial assets | - | - | 25,600 |
| Inventories | 2,758,970 | 2,655,023 | 2,273,548 |
| Prepaid expenses | 104,345 | 73,466 | 63,779 |
| Other current assets | 25,050 | 44,601 | 25,430 |
| **Total Current Assets** | 3,971,189 | 3,904,064 | 4,167,989 |
| **NON-CURRENT ASSETS** | | | |
| Other non-current financial assets | 22,253 | 20,114 | 16,687 |
| Other long term investments | 31,750 | - | 2 |
| Fixed Assets | 1,461,743 | 1,272,601 | 1,086,757 |
| Rental advance and deposits | 229,462 | 209,406 | 882,686 |
| Long-term prepaid rents | 330,220 | 181,902 | 180,662 |
| Intangible assets | 3,984 | 6,316 | 4,762 |
| Other non-current assets | 175,783 | 175,619 | 183,642 |
| Deferred tax assets | 67,826 | 63,997 | 61,352 |
| **Total Non-Current Assets** | 2,323,021 | 1,929,955 | 2,416,550 |
| **TOTAL ASSETS** | **6,294,210** | **5,834,019** | **6,584,539** |

| LIABILITIES AND STOCKHOLDERS' EQUITY | December 31, 2015 *Audited* | December 31, 2014 *) *Audited* | January 1, 2014/ December 31, 2013 *) *Audited* |
|---|---|---|---|
| **LIABILITIES & EQUITY** | | | |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Short-term bank loans | 250,000 | - | - |
| Trade payables | 1,763,250 | 1,893,341 | 1,989,126 |
| Accruals | 360,274 | 305,118 | 337,677 |
| Taxes payable | 82,271 | 155,913 | 54,246 |
| Short-term employee benefit liabilities | 55,348 | 137,042 | 134,522 |
| Current maturities of long-term liabilities : | | | |
| Bonds payable | - | - | 51,939 |
| Sukuk payable | - | - | 135,899 |
| Other current financial liabilities | 210,233 | 179,266 | 263,227 |
| Other current liabilities | 93,333 | 81,640 | 72,802 |
| Total current liabilities | 2,814,709 | 2,752,320 | 3,039,438 |
| **NON-CURRENT LIABILITIES** | | | |
| Long-term bank loans | 400,000 | - | - |
| Long-term employee benefit liabilities | 247,012 | 206,856 | 171,015 |
| Other non-current liabilities | 56,895 | 46,331 | 94,179 |
| Total non-current liabilities | 703,907 | 253,187 | 265,194 |
| **Total Liabilities** | **3,518,616** | **3,005,507** | **3,304,632** |
| **EQUITY** | | | |
| **Equity Attributable to Equity Holders of Parent Entity** | | | |
| Capital stock - Rp 50 par value per share as at December 31, 2015 and 2014 and January 1,201/December 31,2013 ; Authorized -10,800,000,000 shares Issued and fully paid - 5,377,962,800 shares as at December 31, 2015 and 2014 and January 1, 2014/December 31,2013 | 268,898 | 268,898 | 268,898 |
| Additional paid-in capital - net | 774,578 | 774,578 | 774,578 |
| Retained earnings | | | |
| Appropriated | 32,000 | 30,000 | 28,000 |
| Unappropriated | 1,700,088 | 1,755,006 | 2,208,401 |
| Total Equity Attributable to Owners of the Parent | **2,775,564** | **2,828,482** | **3,279,877** |
| Non-controling interests | 30 | 30 | 30 |
| Stockholders' Equity - Net | 2,775,594 | 2,828,512 | 3,279,907 |
| **TOTAL LIABILITIES AND EQUITY** | **6,294,210** | **5,834,019** | **6,584,539** |

*) As restated

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**INVESTOR UPDATE**

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# PT. MATAHARI PUTRA PRIMA Tbk

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Years ended December 31, 2015 and 2014 (Audited)
(Expressed in Millions of Indonesian Rupiah, except share data)

| | Dec 31, 2015 *Audited* | Dec 31, 2014 *) *Audited* |
|---|---|---|
| **Net Sales** | 13,928,859 | 13,590,405 |
| **Cost of Sales** | (11,572,378) | (11,235,948) |
| **Gross Profit** | 2,356,481 | 2,354,457 |
| Selling expenses | (249,471) | (71,839) |
| General and administrative expenses | (1,824,589) | (1,635,673) |
| Other expenses | (14,003) | (22,049) |
| Other income | 206 | 86,765 |
| **Operating Profit** | 268,624 | 711,661 |
| Interest income | 11,017 | 34,203 |
| Interest expenses | (46,595) | (15,026) |
| **Income Before Tax** | **233,046** | **730,838** |
| Income tax expense | (42,550) | (169,887) |
| Final tax expense | (7,497) | (6,934) |
| **Income for the Year** | **182,999** | **554,017** |
| **Other Comprehensive Income** | | |
| **Item that will not be reclassified subsequently to profit or loss :** | | |
| Remeasurement of defined benefit plans | (6,220) | (6,814) |
| Related income tax | 1,555 | 1,703 |
| **Total Other Comprehensive Income** | (4,665) | (5,111) |
| **Total Comprehensive Income for the Year** | **178,334** | **548,906** |
| Income for the Year Attributable to: | | |
| Owner of the Parent | 182,999 | 554,017 |
| | **182,999** | **554,017** |
| Total Comprehensive Income Attributable to : | | |
| Owner of the Parent | 178,334 | 548,906 |
| | **178,334** | **548,906** |
| **Basic Earning Per Share** | **34** | **103** |

* ) As restated and reclassified

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**INVESTOR UPDATE**

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## PT MATAHARI PUTRA PRIMA Tbk.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**For the Years ended December 31, 2015 and 2014 (Audited)**
***(expresses in millions of Indonesian Rupiah)***

| | December 31, 2015 *Audited* | December 31, 2014 *Audited* |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash receipts from customers | 13,934,177 | 13,592,940 |
| Cash paid to suppliers | (11,822,331) | (11,709,095) |
| Payments for operating expenses | (644,101) | (635,094) |
| Payments to employees | (956,249) | (808,548) |
| Payments of income tax | (143,328) | (53,042) |
| Cash receipt from rental income | 208,066 | 206,272 |
| Payments for rental expenses | (752,623) | (589,675) |
| Cash receipts from other income | 646,027 | 1,064,598 |
| Payments for other expenses | (610,700) | (578,007) |
| **Net Cash Provided by (Used in) Operating Activities** | **(141,062)** | **490,349** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Held to maturities investments | | |
| Proceed from sales | - | 62,980 |
| Addition of other long term investments | (31,750) | - |
| Fixed Assets | | |
| Proceed from sales | 4,211 | 1,509 |
| Acquisitions | (130,292) | (110,888) |
| Addition of Intangible Assets | - | (3,453) |
| Decrease (Increase) in other financial assets | (73) | 25,472 |
| Increase in rental advances and deposits | (65,261) | (152,416) |
| Proceeds from refund of rental advances and deposits | 1,052 | 759,073 |
| Proceeds from sale of other long term investment | - | 2 |
| Decrease (Increase) in other current assets | 17,936 | (21,139) |
| Increase in other non-current assets | (378,688) | (431,092) |
| **Net Cash Flows Provided by (Used in) Investing Activities** | **(582,865)** | **130,048** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividend payment to: | (231,252) | (1,000,301) |
| Receipts of bank loans | 650,000 | - |
| Finance income | 11,131 | 34,644 |
| Finance cost | (44,585) | (21,862) |
| Repayment of bonds and sukuk | - | (188,000) |
| **Net Cash used in Financing Activities** | **385,294** | **(1,175,519)** |
| **INCREASE ( DECREASE ) IN CASH AND CASH EQUIVALENTS** | **(338,633)** | **(555,122)** |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | **747,710** | **1,302,610** |
| **Effect of rate change differences on cash and cash equivalents** | **(132)** | **222** |
| **CASH AND CASH EQUIVALENTS AT THE END OF YEAR** | **408,945** | **747,710** |