



PT. Matahari Putra Prima Tbk

## **PRESS RELEASE**

For Immediate Release

# **MPPA FULL YEAR 2016 RESULTS: MPPA DELIVERS Rp13.5 TRILLION SALES & OPERATES 299 STORES NATIONWIDE**

### **Highlights:**

- Full Year 2016 Gross Sales without store closures +0.1%\* and reported Net Sales of Rp13.5 trillion, a decline of 2.0% from 2015.
- Gross Margin Rp2.3 trillion or 17.0% of sales improving 60 basis points from 2015.
- Growth in Fresh Same Store Sales Growth (SSSG) of 3.6% despite overall SSSG decline of -4.5%
- MPPA opened 27 stores in 2016, and now operates a total of 299 multi-format stores.
- General market conditions remain soft, especially in the commodity-driven regions such as Kalimantan and Sumatra.
- Despite negative performance in Q1 2016, MPPA managed to see recovery starting in Q2 and delivered a positive results in Q3 until year end.

### **Lippo Village, Tangerang, Indonesia**

**March 24, 2017**

PT Matahari Putra Prima Tbk (MPPA) reported Net Sales of Rp13.5 trillion in fiscal year 2016. Without store closures Gross Sales will be at +0.1%\* . Gross Profit increased by 1.1% to Rp2.3 trillion with Gross Margin improvement of 60 basis points from 16.4% in 2015 to 17.0% in 2016. MPPA recorded a Net Income of Rp38.5 billion and a negative SSSG of -4.5%. In addition, Fresh Foods Division (Meat and Produce) showed positive SSSG of +3.6% as a result of strategic initiatives taken earlier in the year.

As of December 31, 2016, MPPA operates a total of 299 stores across Indonesia (115 Hypermart, 3 SmartClub, 26 Foodmart, 109 Boston Health & Beauty, and 46 FMX). In 2016, MPPA closed 4 Hypermart, 1 Foodmart Supermarket, 9 Boston Health & Beauty, and 8 FMX .

\*based on management accounts, include stores that have been closed and planned to be closed in 2016



Noel Trinder, CEO of MPPA said, “We continued to see strong market headwinds throughout 2016, especially in the commodity-driven regions such as Kalimantan and Sumatra. Despite the negative performance in the first quarter of the year, the Company managed to turn around in Q2 and delivered a positive result in Q3 until year end.”

“2016 was a transition year for MPPA as we continued our efforts in building a sustainable retail management platform. One of the key milestones achieved by the Company this year was successfully completing the shift from retail inventory method to cost method of inventory measurement techniques. This has strategically positioned the Company to better control the profitability of its assortment to the SKU level, in preparation for the management to execute its pricing strategy to reclaim market leadership in the modern retailing business. ” he further commented.

FY 2016 Rp	FY 2015 Rp	Growth		Q4 2016 Rp	Q4 2015 Rp	Growth
13,527,323	13,802,450	-2.0%	NET SALES	3,133,417	3,354,491	-6.6%
177,037	307,366	-42.4%	OPERATING PROFIT	85,744	-38,730	-321.4%
101,112	271,788	-62.8%	INCOME BEFORE INCOME TAX	65,377	-61,197	-206.8%
38,483	221,741	-82.6%	INCOME FOR THE YEAR	5,915	-39,352	-115.0%

**For further information, please contact:**

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

PT Matahari Putra Prima, one of Indonesia’s largest retailers, employs more than 12,000 associates who serve customers in 115 Hypermarkets (Hypermart), 3 Wholesale outlets (SmartClub), 26 Supermarkets (Foodmart Primo/Fresh), 109 Health and Beauty format stores (Boston Health & Beauty), and 46 Minimarket/ Convenience stores (FMX). As of 31 December 2016, MPPA operates 299 stores in 73 cities throughout Indonesia.

MPPA continues to receive both domestic and international acknowledgement with several awards such as: 2016 SWA:100 Indonesia’s Best Wealth Creator, 2016 Brandz™ Top 50 Most Valuable Indonesia Brands by Millward Brown & WPP, 2016 Anugerah Indonesia TBK Company -III- 2016 (APTI-III-2016), 2016 Top 10 Retailers Certificate of Distinction by Retail Asia, 2016 Indonesia GCG Award II – for Retail Category by Economic Review and IPMI (International Business School), 2016 Indonesia’s Most Admired CEO from Warta Ekonomi.





PT. Matahari Putra Prima Tbk

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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.



PT. MATAHARI PUTRA PRIMA Tbk.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Desember 31, 2016

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

	Jan 1, 2015/			Jan 1, 2015/			
	Dec 31, 2016	Dec 31, 2015 *)	Dec 31, 2014 *)	Dec 31, 2016	Dec 31, 2015 *)	Dec 31, 2014 *)	
<b>ASSETS</b>				<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT ASSETS</b>				<b>LIABILITIES &amp; EQUITY</b>			
				<b>LIABILITIES</b>			
				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	248,697	408,945	747,710	Short-term bank loans	140,000	250,000	-
Trade receivables - Third Parties	46,533	26,012	31,331	Trade payables	2,317,779	1,763,250	1,893,341
Other receivables	883,880	647,867	351,933	Accruals	400,131	360,274	305,118
Inventories	2,747,344	2,497,520	2,354,831	Taxes payable	54,105	82,271	155,913
Prepaid taxes	42,033	-	-	Short-term employee benefit liabilities	80,785	55,348	137,042
Prepaid expenses	108,682	104,345	73,466	Other current financial liabilities	249,538	210,233	179,265
Other current assets	25,289	25,050	44,601	Other current liabilities	91,542	93,333	81,641
<b>Total Current Assets</b>	<b>4,102,458</b>	<b>3,709,739</b>	<b>3,603,872</b>	<b>Total current liabilities</b>	<b>3,333,880</b>	<b>2,814,709</b>	<b>2,752,320</b>
<b>NON-CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Other non-current financial assets	23,394	22,253	20,114	Long-term bank loans	610,000	400,000	-
Other long term investments	189,760	31,750	-	Long-term employee benefit liabilities	256,867	247,012	206,856
Fixed Assets	1,575,559	1,461,743	1,272,601	Other non-current liabilities	71,255	56,895	46,331
Rental advance and deposits	201,009	229,462	209,406	<b>Total non-current liabilities</b>	<b>938,122</b>	<b>703,907</b>	<b>253,187</b>
Long-term prepaid rents	381,686	330,220	181,902	<b>Total Liabilities</b>	<b>4,272,002</b>	<b>3,518,616</b>	<b>3,005,507</b>
Intangible assets	1,739	3,984	6,316	<b>EQUITY</b>			
Deferred tax assets	14,022	67,826	63,997	Equity Attributable to Equity Holders of Parent Entity			
Other non-current assets	212,107	175,783	175,619	Capital stock - Rp 50 par value per share as at December 31, 2016 and 2015			
<b>Total Non-Current Assets</b>	<b>2,599,276</b>	<b>2,323,021</b>	<b>1,929,955</b>	Authorized -10,800,000,000 shares			
<b>TOTAL ASSETS</b>	<b>6,701,734</b>	<b>6,032,760</b>	<b>5,533,827</b>	Issued and fully paid - 5,377,962,800 shares as at			
				December 31, 2016 and 2015	268,898	268,898	268,898
				Additional paid-in capital - net	774,578	774,578	774,578
				Retained earnings			
				Appropriated	34,000	32,000	30,000
				Unappropriated	1,352,226	1,438,638	1,454,814
				<b>Total Equity Attributable to Owners of the Parent</b>	<b>2,429,702</b>	<b>2,514,114</b>	<b>2,528,290</b>
				Non-controlling interests	30	30	30
				<b>Total Equity</b>	<b>2,429,732</b>	<b>2,514,144</b>	<b>2,528,320</b>
				<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,701,734</b>	<b>6,032,760</b>	<b>5,533,827</b>

**PT. MATAHARI PUTRA PRIMA Tbk**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Years Ended December 31, 2016 and 2015  
(Expressed in Millions of Indonesian Rupiah, except share data)

	Dec 31, 2016	Dec 31, 2015 *)
NET SALES	13,527,323	13,802,450
COST OF SALES	<u>(11,233,284)</u>	<u>(11,533,636)</u>
GROSS PROFIT	<u>2,294,039</u>	<u>2,268,814</u>
Selling expenses	(158,306)	(123,062)
General and administrative expenses	(1,965,333)	(1,824,589)
Other expenses	(11,027)	(14,003)
Other income	<u>17,664</u>	<u>206</u>
OPERATING PROFIT	<u>177,037</u>	<u>307,366</u>
Finance income	6,931	11,017
Finance costs	(82,856)	(46,595)
INCOME BEFORE INCOME TAX	<u>101,112</u>	<u>271,788</u>
Income tax benefit (expenses)	(54,465)	(42,550)
Final tax expenses	<u>(8,164)</u>	<u>(7,497)</u>
INCOME FOR THE YEAR	<u>38,483</u>	<u>221,741</u>
OTHER COMPREHENSIVE INCOME	<u>16,932</u>	<u>(4,665)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>55,415</u>	<u>217,076</u>
Income for the Year Attributable to:		
Owner of the Parent	38,483	221,741
Non-Controlling Interests	<u>-</u>	<u>-</u>
	<u>38,483</u>	<u>221,741</u>
Total Comprehensive Income Attributable to :		
Owner of the Parent	55,415	217,076
Non-Controlling Interests	<u>-</u>	<u>-</u>
	<u>55,415</u>	<u>217,076</u>
BASIC EARNINGS PER SHARE	<u>7</u>	<u>41</u>

PT MATAHARI PUTRA PRIMA Tbk.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2016 and 2015  
(expresses in millions of Indonesian Rupiah)

	Dec 31, 2016	Dec 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	13,506,803	13,934,177
Cash paid to suppliers	(10,928,220)	(11,822,331)
Payments for operating expenses	(518,057)	(644,101)
Payments to employees	(952,378)	(956,249)
Cash receipt from rental income	193,209	208,066
Payments for rental expenses	(740,032)	(752,623)
Payments of income tax	(57,284)	(143,328)
Cash receipts from other income	723,972	646,027
Payments for other expenses	(645,434)	(610,700)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>582,579</b>	<b>(141,062)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of other long term investments	(158,010)	(31,750)
Fixed Assets		
Proceed from sales	1,715	4,211
Acquisitions	(93,448)	(130,292)
Addition of Intangible Assets	(4)	-
Decrease (Increase) in other financial assets	(143)	(73)
Increase in rental advances and deposits	(52,229)	(65,261)
Proceeds from refund of rental advances and deposits	7,971	1,052
Decrease (Increase) in other current assets	1,131	17,936
Increase in other non-current assets	(334,649)	(378,688)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(627,666)</b>	<b>(582,865)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend payment	(139,827)	(231,252)
Increase of bank loans	100,000	650,000
Finance income	6,931	11,131
Finance cost	(82,329)	(44,585)
<b>Net Cash Flows Provided by (Used in) Financing Activities</b>	<b>(115,225)</b>	<b>385,294</b>
<b>NET DECREASE IN CASH ON HAND AND IN BANKS</b>	<b>(160,312)</b>	<b>(338,633)</b>
<b>CASH ON HAND AND IN BANKS AT THE BEGINNING YEAR</b>	<b>408,945</b>	<b>747,710</b>
Effect of rate change differences on cash and cash equivalents	64	(132)
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>248,697</b>	<b>408,945</b>