



PT. Matahari Putra Prima Tbk

## **PRESS RELEASE**

**For Immediate Release**

# **MPPA NINE MONTHS 2016 RESULTS POSITIVE NET INCOME FOR YTD 9M 2016**

### **Highlights:**

- Supported by Q3 results MPPA returned to a net profit of Rp32.6 billion YTD.
- As expected, the Lebaran shift and economic conditions in Kalimantan and Sumatra negatively impacted Sales and Gross margin.
- MPPA implemented the shift to the Cost method of inventory valuation effective the end of Q3.

**Lippo Village, Tangerang, Indonesia**

**October 31, 2016**

PT Matahari Putra Prima Tbk (MPPA) has reported interim unaudited financial results for the nine months ending September 30, 2016. Net Sales for 9M 2016 of Rp10.4 trillion produced Net Income of Rp32.6 billion. Gross Margin was 16.3% and Operating Expenses were 15.4% of 9M 2016 Net Sales.

Same Store Sales Growth (SSSG) for YTD 9M 2016 and Q3 2016 decreased by 2.9% and 8.9% respectively. This was mostly due to the seasonal shift of Lebaran from third quarter to second quarter and continued low purchasing power in Sumatera and Kalimantan. Without store closures for renovation, MPPA's SSSG would have grown by 1.3% for 9M 2016 and decreased by 2.9% for Q3 2016.

Commencing 9M 2016, In Q3 2016 MPPA completed the change in accounting policy on inventory valuation when it implemented a shift to the cost method of inventory valuation. The Shift to Cost enables MPPA to implement a more aggressive pricing strategy and perform more precise profitability analysis by SKU thus providing more control over margin and inventory productivity. MPPA continues to take the necessary steps to position our company for solid growth in 2017 and beyond.

Noel Trinder, CEO of MPPA said, "Although Q3 was difficult, sales started to show improvement late in the quarter. Actions taken earlier in the year have produced a significant reduction in merchandise inventories to a sustainable level to support future growth. Store expansion continues with 15 new locations opened through 9M 2016."



He added, "Following an adjustment of Q4 sales to reflect current conditions, MPPA is forecasting Q4 EBITDA of Rp250 billion, bringing the FY 2016 guidance to Rp585 billion. On a normalized basis, after accounting for inventory actions and other non-recurring events affecting margin on purchases in the amount of Rp192 billion, FY 2016 EBITDA would be guiding at close to Rp777 billion."

As of September 30, 2016, MPPA operates a total of 294 stores across Indonesia (112 Hypermart, 25 Foodmart, 106 Boston, 49 FMX and 2 SmartClub).

	9M 2016	9M 2015	Growth
	Rp	Rp	
<i>NET SALES</i>	10,393,906	10,447,959	(0.5)%
<i>OPERATING PROFIT</i>	91,293	346,096	(73.6)%
<i>INCOME BEFORE INCOME TAX</i>	35,735	332,985	(89.2)%
<i>INCOME FOR THE PERIOD</i>	32,568	261,093	(87.5)%

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

***Email: [corporate.communication@hypermart.co.id](mailto:corporate.communication@hypermart.co.id)***



PT. Matahari Putra Prima Tbk

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

PT Matahari Putra Prima, one of Indonesia's largest retailers, employs more than 13,000 associates who serve customers in 112 Hypermarkets (Hypermart), 25 Supermarkets (Foodmart Primo/Fresh), 49 Minimarket/Convenience stores (FMX), 106 Health and Beauty format stores (Boston) and 2 Wholesale outlets (SmartClub). As of 30 September 2016, MPPA operates 294 stores in 68 cities throughout Indonesia.

MPPA continues to receive both domestic and international acknowledgement with several awards such as: Anugerah Indonesia TBK Company -III- 2016 (APTI-III-2016) - Top 150 Best Public Listed Companies in Indonesia, 2016 SWA 100: Indonesia's Best Wealth Creator, 2016 Brandz™ Top 50 Most Valuable Indonesia Brands by Millward Brown & WPP, 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.

---

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.



# mppa

RETAIL GROUP

PT. Matahari Putra Prima Tbk



INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2016

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

	Jan 1, 2015/ Sep 30, 2016 Dec 31, 2015 *) Dec 31, 2014 *)			Jan 1, 2015/ Sep 30, 2016 Dec 31, 2015 *) Dec 31, 2014 *)			
<b>ASSETS</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
				<b>LIABILITIES &amp; EQUITY</b>			
				<b>LIABILITIES</b>			
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	261,680	408,945	747,710	Short-term bank loans	315,000	250,000	-
Trade receivables - Third Parties	32,080	26,012	31,331	Trade payables	2,182,996	1,763,250	1,893,341
Other receivables	715,770	647,867	351,933	Accruals	400,999	360,274	305,118
Inventories	2,707,371	2,497,520	2,354,831	Taxes payable	19,994	82,271	155,913
Prepaid taxes	7,093	-	-	Short-term employee benefit liabilities	54,153	55,348	137,042
Prepaid expenses	112,096	104,345	73,466	Other current financial liabilities	220,227	210,233	179,265
Other current assets	26,047	25,050	44,601	Other current liabilities	95,145	93,333	81,641
<b>Total Current Assets</b>	<b>3,862,137</b>	<b>3,709,739</b>	<b>3,603,872</b>	<b>Total current liabilities</b>	<b>3,288,514</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	21,870	22,253	20,114	Long-term bank loans	445,000	400,000	-
Other long term investments	189,760	31,750	-	Long-term employee benefit liabilities	253,202	247,012	206,856
Fixed Assets	1,538,631	1,461,743	1,272,601	Other non-current liabilities	68,063	56,895	46,331
Rental advance and deposits	236,576	229,462	209,406	<b>Total non-current liabilities</b>	<b>766,265</b>	<b>703,907</b>	<b>253,187</b>
Long-term prepaid rents	360,945	330,220	181,902				
Intangible assets	2,276	3,984	6,316	<b>Total Liabilities</b>	<b>4,054,779</b>	<b>3,518,616</b>	<b>3,005,507</b>
Other non-current assets	176,438	175,783	175,619				
Deferred tax assets	73,031	67,826	63,997	<b>EQUITY</b>			
<b>Total Non-Current Assets</b>	<b>2,599,527</b>	<b>2,323,021</b>	<b>1,929,955</b>	Equity Attributable to Equity Holders of Parent Entity			
<b>TOTAL ASSETS</b>	<b>6,461,664</b>	<b>6,032,760</b>	<b>5,533,827</b>	Capital stock - Rp 50 par value per share as at September 30, 2016 and December 31, 2015 and 2014			
				Authorized -10,800,000,000 shares			
				Issued and fully paid - 5,377,962,800 shares as at September 30, 2016, December 31, 2015 and 2014	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	1,329,379	1,438,638	1,454,814
				<b>Total Equity Attributable to Owners of the Parent</b>	<b>2,406,855</b>	<b>2,514,114</b>	<b>2,528,290</b>
				Non-controlling interests	30	30	30
				<b>Total Equity</b>	<b>2,406,885</b>	<b>2,514,144</b>	<b>2,528,320</b>
				<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,461,664</b>	<b>6,032,760</b>	<b>5,533,827</b>

**PT. MATAHARI PUTRA PRIMA Tbk**

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

For the Nine Months Period Ended September 30, 2016 and 2015  
(Expressed in Millions of Indonesian Rupiah, except share data)

	Sep 30, 2016	Sep 30, 2015
<b>NET SALES</b>	10,393,906	10,447,959
<b>COST OF SALES</b>	(8,703,899)	(8,626,568)
<b>GROSS PROFIT</b>	1,690,007	1,821,391
Selling expenses	(133,375)	(141,206)
General and administrative expenses	(1,458,237)	(1,323,793)
Other expenses	(7,699)	(10,690)
Other income	597	394
<b>OPERATING PROFIT</b>	91,293	346,096
Finance income	5,601	10,166
Finance costs	(61,159)	(23,277)
<b>INCOME BEFORE INCOME TAX</b>	35,735	332,985
Income tax benefit (expenses)	1,846	(66,017)
Final tax expenses	(5,013)	(5,875)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>32,568</b>	<b>261,093</b>
Income for the Period Attributable to:		
Owner of the Parent	32,568	261,093
Non-Controlling Interests	-	-
	<b>32,568</b>	<b>261,093</b>
Total Comprehensive Income Attributable to :		
Owner of the Parent	32,568	261,093
Non-Controlling Interests	-	-
	<b>32,568</b>	<b>261,093</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>6</b>	<b>49</b>

**PT MATAHARI PUTRA PRIMA Tbk.**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Nine Months Period Ended September 30, 2016 and 2015  
(expresses in millions of Indonesian Rupiah)

	Sep 30, 2016	Sep 30, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	10,387,838	10,450,838
Cash paid to suppliers	(8,494,388)	(9,266,271)
Payments for operating expenses	(494,937)	(509,136)
Payments to employees	(744,810)	(762,973)
Payments of income tax	(34,657)	(119,076)
Cash receipt from rental income	129,666	91,636
Payments for rental expenses	(561,454)	(594,467)
Cash receipts from other income	753,274	720,919
Payments for other expenses	(507,331)	(526,627)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>433,201</b>	<b>(515,157)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of other long term investments	(158,010)	(31,750)
Fixed Assets		
Proceed from sales	1,305	2,918
Acquisitions	(68,234)	(91,006)
Addition of Intangible Assets	(4)	-
Decrease (Increase) in other financial assets	(127)	7
Increase in rental advances and deposits	(49,200)	(60,846)
Proceeds from refund of rental advances and deposits	5,597	-
Proceeds from sale of other long term investment	-	-
Decrease (Increase) in other current assets	(328)	16,859
Increase in other non-current assets	(227,180)	(243,145)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(496,181)</b>	<b>(406,963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend payment	(139,827)	(193,607)
Increase of bank loans	110,000	560,000
Finance income	5,601	10,280
Finance cost	(60,297)	(21,859)
Repayment of bonds and sukuk	-	-
<b>Net Cash Flows Provided by (Used in) Financing Activities</b>	<b>(84,523)</b>	<b>354,814</b>
<b>NET DECREASE IN CASH ON HAND AND IN BANKS</b>	<b>(147,503)</b>	<b>(567,306)</b>
<b>CASH ON HAND AND IN BANKS AT THE BEGINNING PERIOD</b>	<b>408,945</b>	<b>747,710</b>
Effect of rate change differences on cash and cash equivalents	238	(193)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>261,680</b>	<b>180,211</b>

# mppa

RETAIL GROUP

PT. Matahari Putra Prima Tbk

