



PT. Matahari Putra Prima Tbk

PRESS RELEASE

For Immediate Release

MPPA 1H 2016 RESULTS REVENUE INCREASED 2.1% Q2 SHOWS STRONG RECOVERY

Highlights:

- 1H 2016 was led by strong Q2 Sales growth of 6.5% versus last year to Rp3.7 trillion
- Q2 2016 Same Store Sales improved by 4.5% compared to Q2 2015.
- Lebaran Sales grew by 5.9% compared to the Lebaran period last year.

Lippo Village, Tangerang, Indonesia

August 1, 2016

PT Matahari Putra Prima Tbk (MPPA) has reported financial results for the six months ending June 30, 2016. Net Sales for 1H 2016 of Rp 7.0 trillion showed a 2.1% improvement over the same period in 2015 and were driven by Net Sales in Q2 of Rp3.7 trillion, an increase of 6.5% (SSSG was down 3% and +4.5% in 1H and Q2 respectively). The Net Loss in 1H 2016 improved from Rp(123.0) billion at the end of Q1 to Rp(20.7) billion at the end of 1H driven by a 9.0% increase in Net Profit in Q2 2016 over Q2 2015 to Rp102.3 billion.

Lebaran sales showed 5.9% growth against the same Lebaran period in 2015. Led by strong sales in June, Total Sales and SSSG grew throughout Q2 2016. MPPA's Total Sales growth improved from 2.1% to 8.4% in 1H 2016 and from 6.5% to 13.4% in Q2 when the negative effects of poor economic conditions in Sumatera/Kalimantan and permanently closed stores are excluded.

Noel Trinder, CEO of MPPA said, "In Q2 2016 sales growth at both the Total and SSSG levels was led by Lebaran sales and a strong performance in stores that have been renovated to the G7 format. Aggressive inventory actions that negatively impacted earnings since 2H 2015 have now finished, positioning MPPA well for future growth. We believe the resumption of growth which began in Q2 will carry into the second half"

"In addition, MPPA continues to exploit the future growth opportunity of new channels by increasing our shareholding in PT GEI, operator of MatahariMall.com, to 10% in June. We also supported shareholder value by paying a cash dividend in April totaling Rp139.8 billion."



As of June 30, 2016, MPPA operates a total of 297 stores across Indonesia (112 Hypermart, 25 Foodmart, 106 Boston, 52 FMX and 2 SmartClub). During 1H, 2016 MPPA closed 3 Hypermart stores (1 store permanently closed, 1 store converted to Foodmart and 1 store converted to SmartClub).

1H 2016	1H 2015	Growth		2Q 2016	2Q 2015	Growth
Rp	Rp			Rp	Rp	
7,001,072	6,854,742	2.10%	NET SALES	3,735,789	3,507,265	6.5%
2,492	220,322	-98.90%	OPERATING PROFIT	112,377	122,851	-8.5%
-32,194	222,974	114.40%	INCOME BEFORE INCOME TAX	94,108	120,295	-21.8%
-20,741	175,497	111.80%	INCOME FOR THE PERIOD	102,330	93,914	9.0%

For further information, please contact:

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About PT Matahari Putra Prima Tbk (MPPA)

PT Matahari Putra Prima one of Indonesia largest retailers employs more than 13,000 associates who serve customers in 112 Hypermarkets (Hypermart), 25 Supermarkets (Foodmart Primo/Fresh), 52 Minimarket/ Convenience stores (FMX), 106 Health and Beauty format stores (Boston) and 2 Wholesale (SmartClub). As of 30 June 2016, MPPA operates 297 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.

PT. MATAHARI PUTRA PRIMA Tbk.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2016 (Unaudited) and December 31, 2015 (Audited)

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

	June 30, 2016 Unaudited	December 31, 2015 Audited		June 30, 2016 Unaudited	December 31, 2015 Audited
<u>ASSETS</u>			<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT ASSETS			LIABILITIES & EQUITY		
			LIABILITIES		
			CURRENT LIABILITIES		
Cash and cash equivalents	418,315	408,945	Short-term bank loans	60,000	250,000
Trade receivables - Third Parties	39,088	26,012	Trade payables	2,745,225	1,763,250
Other receivables	717,715	647,867	Accruals	428,021	360,274
Inventories	3,231,647	2,758,970	Taxes payable	36,447	82,271
Prepaid taxes	2,132	-	Short-term employee benefit liabilities	51,077	55,348
Prepaid expenses	111,886	104,345	Other current financial liabilities	232,437	210,233
Other current assets	27,014	25,050	Other current liabilities	102,526	93,333
Total Current Assets	4,547,797	3,971,189	Total current liabilities	3,655,733	2,814,709
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Other non-current financial assets	22,182	22,253	Long-term bank loans	590,000	400,000
Other long term investments	189,760	31,750	Long-term employee benefit liabilities	249,651	247,012
Fixed Assets	1,520,473	1,461,743	Other non-current liabilities	63,593	56,895
Rental advance and deposits	232,597	229,462	Total non-current liabilities	903,244	703,907
Long-term prepaid rents	379,801	330,220			
Intangible assets	2,842	3,984	Total Liabilities	4,558,977	3,518,616
Other non-current assets	195,285	175,783			
Deferred tax assets	83,266	67,826	EQUITY		
Total Non-Current Assets	2,626,206	2,323,021	Equity Attributable to Equity Holders of Parent Entity		
TOTAL ASSETS	7,174,003	6,294,210	Capital stock - Rp 50 par value per share as at June 30, 2016 and December 31, 2015		
			Authorized -10,800,000,000 shares		
			Issued and fully paid - 5,377,962,800 shares as at June 30, 2016 and December 31, 2015		
				268,898	268,898
			Additional paid-in capital - net		
				774,578	774,578
			Retained earnings		
			Appropriated		
				34,000	32,000
			Unappropriated		
				1,537,520	1,700,088
			Total Equity Attributable to Owners of the Parent		
				2,614,996	2,775,564
			Non-controlling interests		
				30	30
			Stockholders' Equity - Net		
				2,615,026	2,775,594
			TOTAL LIABILITIES AND EQUITY		
				7,174,003	6,294,210

PT. MATAHARI PUTRA PRIMA Tbk

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
For the Six Months Period Ended June 30, 2016 and 2015		
(Expressed in Millions of Indonesian Rupiah, except share data)		
	June 30, 2016 <i>Unaudited</i>	June 30, 2015 <i>Unaudited</i>
Net Sales	7,001,072	6,854,742
Cost of Sales	<u>(5,869,475)</u>	<u>(5,651,000)</u>
Gross Profit	<u>1,131,597</u>	<u>1,203,742</u>
Selling expenses	(160,014)	(105,016)
General and administrative expenses	(963,517)	(870,699)
Other income (expenses)	<u>(5,574)</u>	<u>(7,705)</u>
Operating Profit	<u>2,492</u>	<u>220,322</u>
Finance income	3,731	8,348
Finance costs	<u>(38,417)</u>	<u>(5,696)</u>
Income (Loss) Before Income Tax	<u>(32,194)</u>	<u>222,974</u>
Income tax benefit (expenses)	15,440	(43,361)
Final tax expenses	<u>(3,987)</u>	<u>(4,116)</u>
Income (Loss) for the Period	<u>(20,741)</u>	<u>175,497</u>
Total Comprehensive Income (Loss) for the Period	<u>(20,741)</u>	<u>175,497</u>
Income (Loss) for the Period Attributable to:		
Owner of the Parent	<u>(20,741)</u>	<u>175,497</u>
	<u>(20,741)</u>	<u>175,497</u>
Total Comprehensive Income (Loss) Attributable to :		
Owner of the Parent	<u>(20,741)</u>	<u>175,497</u>
	<u>(20,741)</u>	<u>175,497</u>
Basic Earning Per Share	<u>(4)</u>	<u>33</u>

PT MATAHARI PUTRA PRIMA Tbk.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS		
For the Six Months Period Ended June 30, 2016 and 2015		
(expresses in millions of Indonesian Rupiah)		
	June 30, 2016	June 30, 2015
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	6,987,996	6,857,437
Cash paid to suppliers	(5,361,796)	(6,193,072)
Payments for operating expenses	(317,911)	(353,879)
Payments to employees	(484,983)	(501,984)
Payments of income tax	(26,337)	(103,319)
Cash receipt from rental income	95,532	111,241
Payments for rental expenses	(395,689)	(343,353)
Cash receipts from other income	414,478	348,994
Payments for other expenses	(351,692)	(347,696)
Net Cash Flows Provided by (Used in) Operating Activities	559,598	(525,631)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of other long term investments	(158,010)	-
Fixed Assets		
Proceed from sales	1,087	2,166
Acquisitions	(46,851)	(58,243)
Addition of Intangible Assets	(4)	-
Decrease in other financial assets	(81)	(40)
Increase in rental advances and deposits	(43,845)	(58,554)
Proceeds from refund of rental advances and deposits	3,500	-
Decrease (Increase) in other current assets	(328)	20,639
Increase in other non-current assets	(132,723)	(172,702)
Net Cash Flows Used in Investing Activities	(377,255)	(266,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(139,827)	(193,607)
Receipts of bank loans	-	515,000
Finance income	3,731	8,463
Finance cost	(36,995)	(4,666)
Net Cash Provided by (Used in) Financing Activities	(173,091)	325,190
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,252	(467,175)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	408,945	747,710
Effect in Foreign Exchange Changes in Cash and Cash equivalents	118	(91)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	418,315	280,444