

MATAHARI DEPARTMENT STORE REPORTS 78.6% GROWTH IN NET INCOME

Highlights:

- **31.4% growth in total gross sales to Rp 9,034 billion**
- **27.1% same store sales growth (SSSG)**
- **78.6% increase in net income to Rp 1,157 billion**
- **Opened 4 new stores, bringing the total store count to 146**
- **Raises dividend to 70% of net income**

PT Matahari Department Store Tbk (“Matahari” or “Company”; stock code: “LPPF”) reported strong 1st Half 2016 results, with a 78.6% growth in net income. Net income was Rp 1,157 billion, as compared to Rp 648 billion in the 1st Half 2015.

Gross sales for 1st Half 2016 were Rp 9,034 billion, 31.4% over 1st Half 2015 gross sales of Rp 6,875 billion. Net Revenue was reported at Rp 5,180 billion, 31.2% higher than the Rp 3,921 billion reported in the 1st Half 2015. The strong SSSG of 27.1% in the first half was driven by seasonality resulting from the shift of the Lebaran period, an increase in demand from the Company’s target customer segment, and by improvements in merchandise offerings.

Matahari currently operates 146 stores in 68 cities across Indonesia, having opened 4 new stores in the 1st Half 2016, in Bogor (West Java), Jambi (Central Sumatera), Tanjung Pinang (Riau - Sumatera) and Mojokerto (East Java).

On 29 June 2016, Matahari paid its final dividend for 2015 of Rp 1.25 trillion or Rp 427.3 per share, equivalent to 70% of Matahari’s 2015 Net Income, a 46% increase from Rp 851.4 billion last year.

Michael Remsen, CEO and Vice President Director of the Company said, “Our strong 1st half performance is reflective of the resilience and continued growth of our targeted middle income segment along with the shift in seasonality. We remain optimistic about an improved macroeconomic picture in the second half.”



About PT Matahari Department Store Tbk

Matahari Department Store is Indonesia's largest department store retailer of fashion apparel, beauty and home products. With a network of approximately 850 local suppliers, as well as international suppliers, developed over its 57 year history, Matahari provides the growing Indonesian middle class with the latest in fashion trends showcased in its modern and well-appointed stores. Matahari has 146 stores in operation located in 68 cities across Indonesia.

For further information, please contact:

Corporate Communications / Investor Relations

PT Matahari Department Store Tbk

Tel: (62 21) 547 5333

E-mail: corp.comm@matahari.co.id, ir@matahari.co.id

Website: www.matahari.co.id

This press release has been prepared by PT Matahari Department Store Tbk ("LPPF") 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 LPPF. 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. LPPF 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 LPPF 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.