

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.

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