

## **MATAHARI DEPARTMENT STORE REPORTS 79.1% GROWTH IN NET INCOME**

### **Highlights:**

- **15.1% growth in total gross sales to Rp 6,875 billion**
- **12.2% same store sales growth (SSSG)**
- **79.1% increase in net income to Rp 648 billion**
- **Opened 8 new stores, bringing the total store count to 139**
- **Raises dividend to 60% of net income**

PT Matahari Department Store Tbk (“Matahari” or “Company”; stock code: “LPPF”) reported strong 1<sup>st</sup> Half 2015 results, with a 79.1% growth in net income, amounting Rp 648 billion, as compared to the Rp 362 billion in the 1<sup>st</sup> Half 2014.

Gross sales for 1<sup>st</sup> Half 2015 were Rp 6,875 billion, 15.1% over 1<sup>st</sup> Half 2014 of Rp 5,972 billion. Net Revenue was recorded at Rp 3,921 billion, 17.8% higher than the Rp 3,329 billion reported in 1<sup>st</sup> Half 2014. The strong SSSG of 12.2% in the first half was driven by seasonality due to the shift in the Lebaran period, increased demand from the Company’s target customer segment and improvements in merchandise offerings by Matahari.

Matahari currently operates 139 stores in 66 cities across Indonesia, having opened 8 new stores in the 1<sup>st</sup> Half 2015, in Singkawang (West Kalimantan), Baubau (South-East Sulawesi), Kupang (East Nusa Tenggara), Karawang (Tangerang), Jogja (Central Java), Jakarta and Mataram (West Nusa Tenggara).

On 1 July 2015, Matahari paid its final dividend for 2014 of Rp 851.4 billion or Rp 291.8 per share, equivalent to 60% of Matahari’s 2014 Net Income, an 85% increase from Rp 157.7 last year.

Michael Remsen, CEO and Vice President Director of the Company said, “Our strong 1<sup>st</sup> half performance is reflective of the resilience and continued growth of our targeted middle income segment along with the shift in seasonality. We are particularly encouraged by the faster pace of the store openings we are seeing in 2015 and look forward to an improvement in the 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 over 1,200 local suppliers, as well as international suppliers, developed over its 56 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 139 stores in operation located in 66 cities across Indonesia.

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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.