

Statement of PT Matahari Department Store Tbk regarding the Lawsuit from Pasaraya

PT Matahari Department Store Tbk (“Matahari” or “The Company”; stock code: “LPPF”) declares that the statement from Pasaraya in several mass media regarding the breach of contract by Matahari is not true.

“We have done all of our obligations as a tenant as stated in the agreement, and regarding the accusation about the arrears of service charge is not true, and in fact, Pasaraya still retain our security deposit with a nominal which is more than enough to pay the lease fee and service charge. Before the lawsuit from Pasaraya, Matahari has filed a lawsuit against Pasaraya regarding the breach of contract and their negligence in fulfilling the condition and commitment of Pasaraya which has been agreed by both parties in the lease agreement,” said Miranti Hadisusilo, Corporate Secretary & Legal Director of Matahari.

Matahari has run its business for 60 years professionally, commercially, and with the spirit of mutual benefit. The Management always do a thorough analysis for the performance of the 155 stores in 73 cities across Indonesia. Matahari’s performance at Pasaraya Blok M and Pasaraya Manggarai for 2 years since the opening in June 2015 is far below the expectation, and experiencing loss for hundred billions and this is due to the breach of contract by Pasaraya’s management by not fulfilling their initial commitment agreed by both parties, which is to change and create Pasaraya into a mall concept with supportive infrastructures in 2 years as stated and agreed upon.

Without any goodwill from Pasaraya’s management to make the changes, Matahari has no other choice and decided to close the two stores of Matahari and filed a lawsuit for compensation against Pasaraya in September 2017 regarding the breach of contract by Pasaraya and their negligence in fulfilling the condition and commitment as agreed by both parties in the lease agreement.

About PT Matahari Department Store Tbk

Matahari Department Store is the first and largest department store in Indonesia, which currently operated 155 stores with the retail space of more than one million square-meters in 73 cities across Indonesia, and also offers its merchandise on-line at MatahariStore.com. Developed over its 60 years history, Matahari provides the growing Indonesian middle class with the latest in fashion trends for apparel, as well as beauty products and home products, showcased in its modern and well-appointed stores. Matahari is very proud for its support to Indonesian economic by employing more than 40,000 employees and partner with approximately 850 local suppliers, as well as international suppliers.



The Company received many recognitions from the industry, nationally and internationally, including Top 500 Retail Asia Pacific – 3rd Retailer in Indonesia from Retail Asia, Euromonitor & KPMG; Brand Asia 2017 – Top 3 Most Powerful Retail Brand in Indonesia from Nikkei BP Consulting, Inc; and WoW Brand Award 2017 – Gold Champion from MarkPlus Inc, both for department store category. The Company also received Netizen Brand Choice Award 2017 from Warta Ekonomi. All of these awards support and strengthen the good reputation of the Company as one of the leading, dynamic, and trusted companies.

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