

## **MATAHARI DEPARTMENT STORE REPORTS GROSS SALES OF Rp 17.5 TRILLION**

### **2017 Highlights:**

- **Gross sales recorded at Rp 17.5 trillion, increasing 1.2% over 2016**
- **Net income of Rp 1.9 trillion, equivalent to 10.9% of sales**
- **Opened 8 new stores, bringing the total store count to 155**

PT Matahari Department Store Tbk (“Matahari” or “the Company”; stock code: “LPPF”) recorded full year 2017 gross sales of Rp 17.5 trillion, increasing 1.2% from Rp 17.3 trillion in 2016. Net revenue increased by 1.3% to Rp 10.0 trillion. Same store sales growth declined 1.2% and net income was Rp 1.9 trillion, equivalent to 10.9% of sales.

Matahari currently operates 155 stores in 73 cities across Indonesia, having opened 8 new stores in 2017, in Tegal (Central Java), Madiun, Jember (both in East Java), Medan (North Sumatera), Cirebon (West Java), Baturaja, Lahat (both in South Sumatera), and a Nevada specialty store in Surabaya (East Java). We anticipate opening 6 to 8 stores in 2018.

Richard Gibson, CEO and Vice President Director of the Company said, “Despite a backdrop of weaker domestic consumption, we were able to increase total sales by 1.2%. With our new merchandise initiatives resonating well with our customers and in anticipation of a stronger macro environment, we are optimistic that our sales will grow at a faster pace in 2018.”

### **About PT Matahari Department Store Tbk**

Matahari Department Store is the first and largest department store in Indonesia, which currently operates 155 stores with 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 59 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 the Indonesian economy by employing more than 40,000 employees and partnering with approximately 850 local vendors, 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 & NYCU; 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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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.