

MATAHARI REPORTS GROSS SALES OF Rp 17.9 TRILLION

2018 Highlights:

- Gross sales recorded at Rp 17.9 trillion, increasing 2.1% over 2017
- Same store sales growth (SSSG) of 3.5%
- Net income before impairment of Rp 1.9 trillion, equivalent to 10.5% of sales
- Opened 4 new large format stores and 3 specialty stores, bringing the total current store count to 159

PT Matahari Department Store Tbk ("Matahari" or "the Company"; stock code: "LPPF") recorded full year 2018 gross sales of Rp 17.9 trillion, increasing 2.1% from Rp 17.5 trillion in 2017. Net revenue increased by 2.2% to Rp 10.2 trillion, whilst SSSG was 3.5%. Net income before impairment was Rp 1.9 trillion, equivalent to 10.5% of sales, whilst net income after impairment was Rp 1.1 trillion.

Richard Gibson, CEO and Vice President Director, said "In 2018 we were able to grow our overall business, despite rising competitive challenges from other retailers, both offline and online. Our core strategy of providing affordable quality fashion to our target middle income segment remains firm. We are seeing strong growth in our own on-line business at MATAHARI.COM, and will continue to pursue our Omni-channel solutions, along with the introduction of additional exclusive brands to better serve our customers. The overall retail environment continues to evolve quickly and we will adapt to these trends with not only with new merchandise offerings, but also by developing improved store layouts and formats. We believe these initiatives will provide a solid base for our future growth in the years to come."

Matahari currently operates 159 stores in 75 cities across Indonesia, having opened 4 new large format stores in 2018 in Mamuju (Sulawesi), Cilegon (West Java), Gresik (East Java) and Prabumulih (South Sumatera), plus 3 specialty stores in Jakarta and Surabaya (East Java). We anticipate opening 4 to 6 stores in 2019.

About Matahari

Matahari is the largest retail platform in Indonesia, with 159 stores in 75 cities across Indonesia as well as presence online on MATAHARI.COM. For over 60 years, Matahari has provided the growing Indonesian middle class with quality, fashionable and affordable apparel, beauty and footwear products. Matahari employs more than 40,000 employees and partners with approximately 850 local as well as international suppliers.

The Company has received many industry recognitions – nationally and internationally – including Top 500 Retail Asia Pacific from Retail Asia, Euromonitor & KPMG; Brand Asia 2018 – Top 3 Most Powerful Retail Brands in Indonesia from Nikkei BP Consulting, Inc. and WoW Brand Award 2018 – Gold Champion from MarkPlus Inc. The Company also received the Netizen's Brand Choice Award 2018 from Warta Ekonomi. All of these awards reaffirm the Company's position as one of the leading, most dynamic, and trusted companies in Indonesia.



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