

**PRESS RELEASE**  
29 August 2018

## **LIPPO GROUP'S MATAHARI ANNOUNCES Rp 1.25 TRILLION SHARE BUYBACK PROGRAM; SOLIDIFIES POSITION AS INDONESIA'S LARGEST AND MOST PROFITABLE RETAIL PLATFORM**

- Buyback program signals Board's strong conviction; may result in purchase of up to 7% of company's shares;
- Move solidifies Matahari's position as Indonesia's largest retail platform;
- Company to focus on growing its highly profitable large format stores, and also smart investments into online commerce, merchandise brands, and logistics.

Jakarta, 29 August 2018

PT Matahari Department Stores Tbk ("Matahari" or "the Company"; stock code: "LPPF"), Indonesia's leading and most profitable retail platform, announced today that it will buy-back up to 1.25 Trillion Rupiah of its common shares, at a maximum price of Rp 13,330 per share. In addition, it will be changing its name from "Matahari Department Store" to "Matahari", to better reflect the Company's positioning as a multi-faceted retail platform.

The Company will hold an Extraordinary General Meeting of the Shareholders (EGMS) on 8th October 2018, where it expects its shareholders to vote in favor of the Board's proposal. The buy-back program may result in the purchase of up to 7% of the company's shares, reflecting the Board's strong conviction in the Company's performance. The Board views the current market weakness as a unique opportunity to improve returns for its shareholders.

Eddy Handoko, Multipolar's President Director said, "As the largest shareholder in Matahari, we fully support the Board's buy-back proposal, and will not be selling any shares as part of this program."

Company CEO and Vice President Director Richard Gibson, commented, "As the leading retail platform in Indonesia we believe that we have considerable room to further grow our large-format stores, which will enable us to better serve our target middle income segment in the years to come. We are committed to growing our existing store base, primarily our larger format stores, but also, where the strength of the brands permit, in specialty store formats as a complementary growth strategy."

Mr. Gibson added, "In addition, we will also make further investments in our logistics capabilities, which not only reduce operational costs in our core business, but also support our fast growing e-commerce business and increasingly profitable third-party services. In the coming year, we plan to increase our capital investment in PT Matahari Nusantara Logistik ("MNL"), our 100% subsidiary, by approximately Rp 500 billion, which will fund the purchase of a new multi-purpose distribution facility with a size in excess of 50,000 m<sup>2</sup>.

"Given the above, in our opinion the Company's current share price significantly undervalues the Company, and thus presents a compelling opportunity to increase returns for our shareholders," said Mr. Gibson.

The Company also said that it is pleased to report that PT Global Ecommerce Indonesia (“GEI”), of which Matahari is a minority shareholder, has indicated it expects to complete an additional round of financing by the end of the year. As was previously indicated, Matahari will not be participating, but is very pleased to see its investment in GEI continue to progress well. GEI also indicated that it has made successful investments in a number of companies including: Red Carpet Logistics (“RCL”), a last mile logistics service provider, and Mbiz, a leading B-to-B e-commerce platform with revenues of over Rp 800 billion in 2017, which includes Tokyo Century as a minority shareholder.

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

Matahari is the largest department store in Indonesia, with 155 stores in 74 cities across Indonesia. Its merchandise is available at its stores and also on-line at Matahari.com. For over 60 years, Matahari has provided the growing Indonesian middle class with the latest in fashion trends for apparel, beauty and footwear products. Matahari employs more than 40,000 employees and partners with approximately 850 local suppliers, 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 2017 – Top 3 Most Powerful Retail Brand in Indonesia from Nikkei BP Consulting, Inc and WoW Brand Award 2017 – Gold Champion from MarkPlus Inc. The Company also received the Netizen’s Brand Choice Award 2017 from Warta Ekonomi. All of these awards support and strengthen the reputation of the Company as one of the leading, most dynamic, and trusted companies in Indonesia.

For further information, please contact:

*Corporate Communications / Investor Relations*  
PT Matahari Department Store Tbk  
Tel: (62 21) 547 5333  
E-mail: [corp.comm@matahari.co.id](mailto:corp.comm@matahari.co.id), [ir@matahari.co.id](mailto:ir@matahari.co.id)  
Halo Matahari: (021) 500838

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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.