

PRESS RELEASE

For Immediate Release

**MPPA COMPLETES CONSOLIDATION IN 2017; BUILDS FOUNDATION FOR
TRANSFORMATION AND GROWTH IN 2018**

Jakarta, Tuesday, April 3, 2018

PT Matahari Putra Prima Tbk (“Company”) announced today its full year results for 2017, reflecting a challenging yet successful year of consolidation for the Company, amidst what continues to be a challenging macroeconomic and competitive landscape. This consolidation and cost restructuring is a part of the Company’s efforts to transform its business and will position itself strongly for the year to come.

The macroeconomic condition in 2017 continues to be challenging, especially for the retail sector. The removal of electricity subsidies from 19.0 million households and the relatively low inflation-adjusted minimum wage increase had adversely affected the Indonesian consumer’s spending power. Furthermore, the Company experienced increasing competition from local supermarkets across Indonesia.

To address the changing behavior and lifestyles of the Indonesia consumer, the Company launched a bold pricing strategy in 2017 and concurrently re-examined its cost structure to support a lower merchandise margin environment by looking at a number of operational efficiencies. These include headcounts, assortment reviews with a goal to focusing on fast moving and productive SKUs, a review of operational costs including a shift of marketing spend from expensive nationwide media advertising to a more cost-effective community based marketing and the development of a low cost store format.

While the above initiatives have allowed the Company to move strongly with its new strategy, it placed considerable pressure on the Company performance in 2017 with some once-off costs being accounted for in that period.

The Company expresses optimism for 2018. The new strategy along with all actions taken in 2017 should begin to pay off, allowing the Company to strengthen its market leadership in food retailing business in Indonesia. The Company has built a reputation for entrepreneurship and leadership, and is obsessed with customer satisfaction, innovation and excellence in operations. The Company's success is built upon the partnership with its 3,168 suppliers and over 10,000 employees and associates. It serves more than 15 million Indonesian customers, and looks forward to continuing best in class service to our customers.

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