



**Dairy Farm International Holdings Ltd**

Jardine House, 33-35 Reid Street  
Hamilton HM EX, Bermuda

To: Business Editor

25th April 2014  
For immediate release

**PT HERO SUPERMARKET TBK  
FIRST QUARTER 2014 RESULTS**

The following announcement was issued today by the Company's 80.8%-owned subsidiary, PT Hero Supermarket Tbk.

For further information, please contact:

Dairy Farm Management Services Limited  
Neil Galloway

(852) 2299 1896

GolinHarris  
Kenneth Young

(852) 2501 7987

Issued by: **Dairy Farm Management Services Ltd**

*Incorporated in Bermuda with limited liability*

5/F Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Jakarta, 25<sup>th</sup> April 2014

## PT HERO SUPERMARKET TBK FIRST QUARTER 2014 RESULTS

### Highlights

- Net revenue up 16% to Rp 3,132 billion showing positive like for like sales in all banners and by new stores openings
- 14 net new stores opened across all formats to reach 696 stores
- Gross profit up 18% to Rp 752 billion due to margin improvement
- Operating income down 45% to Rp 51 billion, following cost pressures, investment in developing the business, and the preopening cost of IKEA
- Profit for the period at Rp 55 billion was in line with the same period last year, assisted by lower interest expenses

“Following improved sales in all formats in the first quarter 2014, we remain optimistic about our growth momentum continuing in the rest of 2014, while we need to pursue our control over cost pressures.”

### Philippe Broianigo

President Director

### Results

	(Unaudited) First quarter results		Change %
	2014 Rp billion	2013 Rp billion	
Net revenue	3,132	2,695	16
Gross profit	752	635	18
Operating income	51	92	-45
Profit for the period	55	55	0
	Rp	Rp	%
Earnings per share	13	16 *	-19

\* Earnings per share for the first quarter 2013 have been restated due to the issuance of new shares through Pre-emption Rights.

- more -

## **PRESIDENT DIRECTOR'S STATEMENT**

### **Overview**

The Group traded well in the first quarter 2014 with all formats achieving growth in net revenue. A net 14 new stores were opened. The results were impacted by competitive and inflationary cost pressures on selling, general and administrative expenses; investment in building capabilities in people, supply chain and IT systems; and an increase in the preopening cost of IKEA and other banners. The effect, however, was offset by reduced interest expenses following the repayment of borrowings from the proceeds of the Company's Rp 2,980 billion rights issue in June 2013.

### **Performance**

Net revenue for the period ended 31<sup>st</sup> March 2014 grew by 16% to Rp 3,132 billion over the same period last year. Gross profit increased by 18% to Rp 752 billion reflecting improved trading. The profit for the period of Rp 55 billion was in line with last year due to significant competitive and inflationary cost pressures.

The Company ended the period with net cash Rp 986 billion, Rp 341 billion lower than end 2013. The funds raised by Company's rights issue were used to reduce borrowings and investment in capital expenditure during the period, with the expenditure on property and equipment increasing by Rp 359 billion to Rp 4,085 billion.

### **Business Activities**

In Food, there is an increased focus on the fresh offering for customers. Giant continues to gain market share as it expands in cities outside of Java. In a rising cost environment, the ability of Giant to maintain competitive pricing has enhanced its low price image leading to improved sales in the first quarter.

Hero is also improving its offering in fresh, as well as in imported and exclusive ranges.

Starmart's new convenience concept, with an increasing emphasis on Ready to Eat, is gradually being rolled out both in new stores and refurbished outlets.

In Health & Beauty, Guardian's new store programme is progressing well alongside the commencement of a rollout programme for a refreshed brand look.

In Home Furnishings, the construction of the first IKEA store in Indonesia at Tangerang is progressing well, and it is expected to open in the fourth quarter of 2014.

-more -

Total 14 net new stores opened in the period ended 31<sup>st</sup> March 2014 including two Giant Ekstra, four Giant Ekspres, 13 Guardian and closed net five Starmart. As at 31<sup>st</sup> March 2014, the Company operated 696 stores, comprising 53 Giant Ekstra, 162 Hero Supermarket, Jason Supermarket and Giant Ekspres, 329 Guardian health and beauty stores and 152 Starmart convenience stores.

### **People**

I will be stepping down as President Director of the Company with effect from 30<sup>th</sup> June 2014, and Stephane Deutsch will be nominated as the new President Director with approval being sought at the forthcoming Annual General Meeting to be held in May 2014.

### **Prospects**

Following improved sales in all formats in the first quarter 2014, we remain optimistic about our growth momentum continuing in the rest of 2014, while we need to pursue our control over cost pressures.

### **Philippe Broianigo**

President Director

25<sup>th</sup> April 2014

- End -

For further information contact:

Philippe Broianigo, President Director

PT Hero Supermarket Tbk

Tel: 8378 8388 Fax: 831 7764