



**Dairy Farm International Holdings Ltd**

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

To: Business Editor

30th October 2018  
For immediate release

**PT HERO SUPERMARKET TBK  
NINE MONTHS 2018 RESULTS**

The following announcement was issued today by the Company's 85.8%-owned subsidiary, PT Hero Supermarket Tbk.

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

*Incorporated in Bermuda with limited liability*

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South Tangerang, 30<sup>th</sup> October 2018

## PT HERO SUPERMARKET TBK NINE MONTHS 2018 RESULTS

### Highlights

- Net revenue down 1%, held back by the Food business
- IKEA and Guardian show continued strong performance
- Net profit increased by 23% to Rp 86 billion, despite a larger Food business loss

“While our overall Food business remains challenging, the performance of IKEA and Guardian continues on a positive trajectory.”

**Patrik Lindvall**  
President Director

### Results

	(Unaudited) Nine Months		Change %
	2018 Rp billion	2017 Rp billion	
Net Revenue	9,849	9,961	-1
Gross Profit	2,744	2,638	+4
Operating profit	92	77	+20
Net Profit	86	70	+23
	<b>Rp</b>	<b>Rp</b>	<b>%</b>
Net Profit per share	21	17	+24

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## **PRESIDENT DIRECTOR'S STATEMENT**

### **Overview**

During the first nine months of the year, the Food business overall continued to face challenging conditions. The decline in sales also reflected the impact of closures of some underperforming stores. Profitability for the period improved, however, due to the continuing growth of the Non-Food businesses, which more than offset a larger loss from the Food business. While the third quarter loss for the Food business was lower than previous quarters, this was principally due to the timing of certain income.

### **Financial Performance**

Total sales in the first nine months of 2018 were 1% lower at Rp 9,849 billion (2017, Rp 9,961 billion), due to lower sales in Food, while Non-Food delivered strong top line growth from a combination of like-for-like expansion and a number of new Guardian stores. The Company recorded a net profit of Rp 86 billion for the first nine months of 2018, compared with Rp 70 billion in the same period last year.

Food sales were 6% lower at Rp 7,841 billion (2017, Rp 8,342 billion), due to closures of some underperforming stores and negative like-for-like sales, leading to a segment operating loss of Rp 163 billion, compared with a loss of Rp 79 billion in the same period last year.

Sales in Guardian and IKEA grew by 24% to Rp 2,008 billion (2017, Rp 1,619 billion), with strong like-for-like sales. Segment operating profit was Rp 296 billion, compared with Rp 231 billion in the same period last year.

### **Business Activities**

Comprehensive improvement actions are being implemented in the Food business, which are centered around enhancing the shopping experience and serving our customers better.

Guardian continues to grow in line with expectations. The beauty categories are performing well, driven by new product launches. The new distribution centre in Surabaya is fully operational and will improve stock availability in East Java and Bali.

IKEA continued its positive momentum from the first half of the year, with an increase in customer visits to both its Alam Sutera store and its e-commerce channel. The growth of the business is underpinned by a continuous focus on providing the unique IKEA range of well-designed home furnishing products at everyday low prices, inspirational and market relevant home furnishing solutions and a wide range of services, in order to make a visit to IKEA worthwhile and convenient.

As at 30<sup>th</sup> September 2018, the Company operated 448 stores, comprising 59 Giant Ekstra, 96 Giant Ekses, 31 Hero Supermarkets, 3 Giant Marts, 258 Guardian Health and Beauty stores and one IKEA store.

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## **Prospects**

While our overall Food business remains challenging, the performance of IKEA and Guardian continues on a positive trajectory.

### **Patrik Lindvall**

President Director  
30<sup>th</sup> October 2018

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