P R E S S R E L E A S E

Dairy Farm International Holdings Ltd
Jardine House, 33-35 Reid Street
Hamilton HM EX, Bermuda

To: Business Editor

28th April 2015
For immediate release

PT HERO SUPERMARKET TBK
FIRST QUARTER 2015 RESULTS

The following announcement was issued today by the Company's 81.96%-owned subsidiary, PT Hero Supermarket Tbk.

For further information, please contact:

Dairy Farm Management Services Limited
Neil Galloway (852) 2299 1896

Brunswick Group Limited
Siobhan Xiaohui Zheng (852) 3512 5044

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

Tangerang Selatan, 28th April 2015

PT HERO SUPERMARKET TBK
FIRST QUARTER 2015 RESULTS

Highlights
- Net revenue up 14%
- Gross profit up 6%
- Net loss of Rp 33 billion driven by increasing operating expenses
- Stores rationalization programme
- Successful start for IKEA's first Indonesian store

"Improved sales were achieved in all formats in the first quarter of 2015, but cost increases led to a loss for the period. Measures have been introduced to drive sales and control costs, which together with closure of unprofitable stores, should help to produce improvements in the remainder of the year."

Stephane Deutsch
President Director

Results

	(Unaudited) First quarter		
	2015 Rp billion	**2014 Rp billion**	**Change %**
Net Revenue	**3,572**	**3,132**	**+14**
Gross Profit	**801**	**752**	**+6**
Operating (Loss) / Income	**(38)**	**51**	**n.m.**
(Loss) / Profit for the year	**(33)**	**55**	**n.m.**
	Rp	**Rp**	**%**
Earnings per share	**(8)**	**13**	**n.m.**

n.m. = not meaningful

PRESIDENT DIRECTOR'S STATEMENT

Overview

The Group first quarter result was disappointing despite achieving improved like-for-like sales across all banners. Profitability was negatively impacted by increasing costs resulting from minimum wage increases and the store rationalization programme, together with higher levels of shrinkage in the food business. Several initiatives are underway to drive energy saving and improve labour productivity in order to mitigate the effects of rising costs. At the same time significant attention continues to be given to achieve higher sales.

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Financial Performance

The Group achieved like-for-like sales growth, despite the soft trading environment. Total sales were Rp 3,572 billion in the first quarter of 2015, up 14% compared with prior year. Challenging conditions, however, led to a net loss of Rp 33 billion for the quarter, compared with a profit for the prior year period of Rp 55 billion. In addition to higher labour costs resulting from an increase in the minimum wage, the Group experienced higher shrinkage costs in the food business due to increased fresh sales and more rigorous stock management. There were also costs associated with the store rationalization activity, with a net reduction of outlets giving 660 stores across all formats at the end of the period.

The Company's financial position remains strong with net debt of Rp 89 billion at the end of March 2015. The reduction of net cash from the previous year end was mainly due to higher investing activities, which included increased capital expenditure on stores and infrastructure.

Business Activities

In Food, a greater focus on fresh produce has helped to increase like-for-like sales, especially in Giant which is making progress in growing its market share. Action is also being taken to improve the supply chain efficiencies, with increased centralization through the Group's distribution centres.

Sales growth was seen at both Giant Ekstra, which operates hypermarkets, and Giant Ekspres, the supermarket operation. Giant Ekstra's profitability was significantly impacted by higher shrinkage costs, while the profitability of Giant Ekspres suffered from rises in utility costs and minimum wages. Both businesses are taking action to improve their trading performances and are growing sales despite margin and profit erosion. A number of initiatives are being implemented designed to improve the customer shopping experience in selected stores, prior to rolling out more broadly across the operations.

The upscale format, Hero Supermarket, is also improving sales. It continues to focus on enhancing its offer across the fresh, imported and exclusive ranges so as to provide a more distinctive choice for customers.

Starmart's expansion of its Ready-to-Eat offering has had a positive impact on sales. A store rationalization programme led to the closure of a further 29 loss making stores, which will improve the overall profitability of the banner. A detailed strategic review of this business is currently being undertaken.

In Health & Beauty, Guardian's store expansion programme is progressing well. The introduction of refreshed branding and increasing private label development has led to an improvement in sales. A dedicated distribution centre has been opened to support its supply chain. In addition, a strategic partnership with a local pharmacy operator, Apotik Melawai, that combines their local pharmacy strengths with the broader health and beauty

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offering of Guardian is showing encouraging results. In Home Furnishings, IKEA's first store has produced a strong performance, having received a good response from Indonesian customers.

The Company is continuing to invest in standard IT systems to provide the support necessary to deliver a superior offer, and offer a compelling shopping experience for customers.

A total of 44 stores were closed in the first quarter of 2015, including two Giant Ekstra, four Hero Supermarket and Giant Ekspres, nine Guardian and 29 Starmarts. This was offset by opening of five outlets. As at 31st March, the Company operated 660 stores, comprising 53 Giant Ekstra, 161 Hero Supermarket and Giant Ekspres, 340 Guardian health and beauty stores, one IKEA and 105 Starmart convenience stores.

Prospects

Improved sales were achieved in all formats in the first quarter of 2015, but cost increases led to a loss for the period. Measures have been introduced to drive sales and control costs, which together with closure of unprofitable stores, should help to produce improvements in the remainder of the year.

Stephane Deutsch
President Director
28th April 2015

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For further information contact:
Stephane Deutsch, President Director
PT Hero Supermarket Tbk
Tel: +62-21-8378 8388, Fax: +62-21-831 7764