

Tangerang Selatan, 15 September 2015
No.: 052/DIR/IX/2015

Kepada Yth.
PT Bursa Efek Indonesia
Gedung Bursa Efek Jakarta
Jl. Jend. Sudirman Kav. 52-53
Jakarta Selatan

Up. : **Direktur Penilaian Perusahaan Non Group**
Perihal : **Penyampaian Materi Public Expose Tahunan 2015**

Dengan hormat,

Menunjuk surat kami kepada PT Bursa Efek Indonesia sebelumnya No. 047/DIR/IX/2015 tanggal 4 September 2015, perihal Pemberitahuan Rencana Penyelenggaraan Public Expose Tahunan 2015.

Bersama ini kami sampaikan materi untuk acara tersebut sebagaimana terlampir.

Demikian disampaikan untuk diketahui. Terima kasih atas perhatian dan kerjasamanya.

Hormat kami,

 **PT Hero Supermarket Tbk**


Arief Istanto
Direktur Independen

Tembusan Yth:

1. Kepala Eksekutif Pengawas Pasar Modal - Otoritas Jasa Keuangan
2. Kepala Divisi Penilaian Perusahaan Sektor Jasa - Otoritas Jasa Keuangan
3. Kepala Divisi Penilaian Perusahaan Non Group - PT Bursa Efek Indonesia



Public Expose

18 September 2015



Company Overview



What makes HERO Indonesia's leading retailer?



Established in 1971, HERO has grown to become Indonesia's leading modern retailer operating six brands with 641 stores across Indonesia as of 30 June 2015

To bring Indonesian customers the benefits of Modern Retail

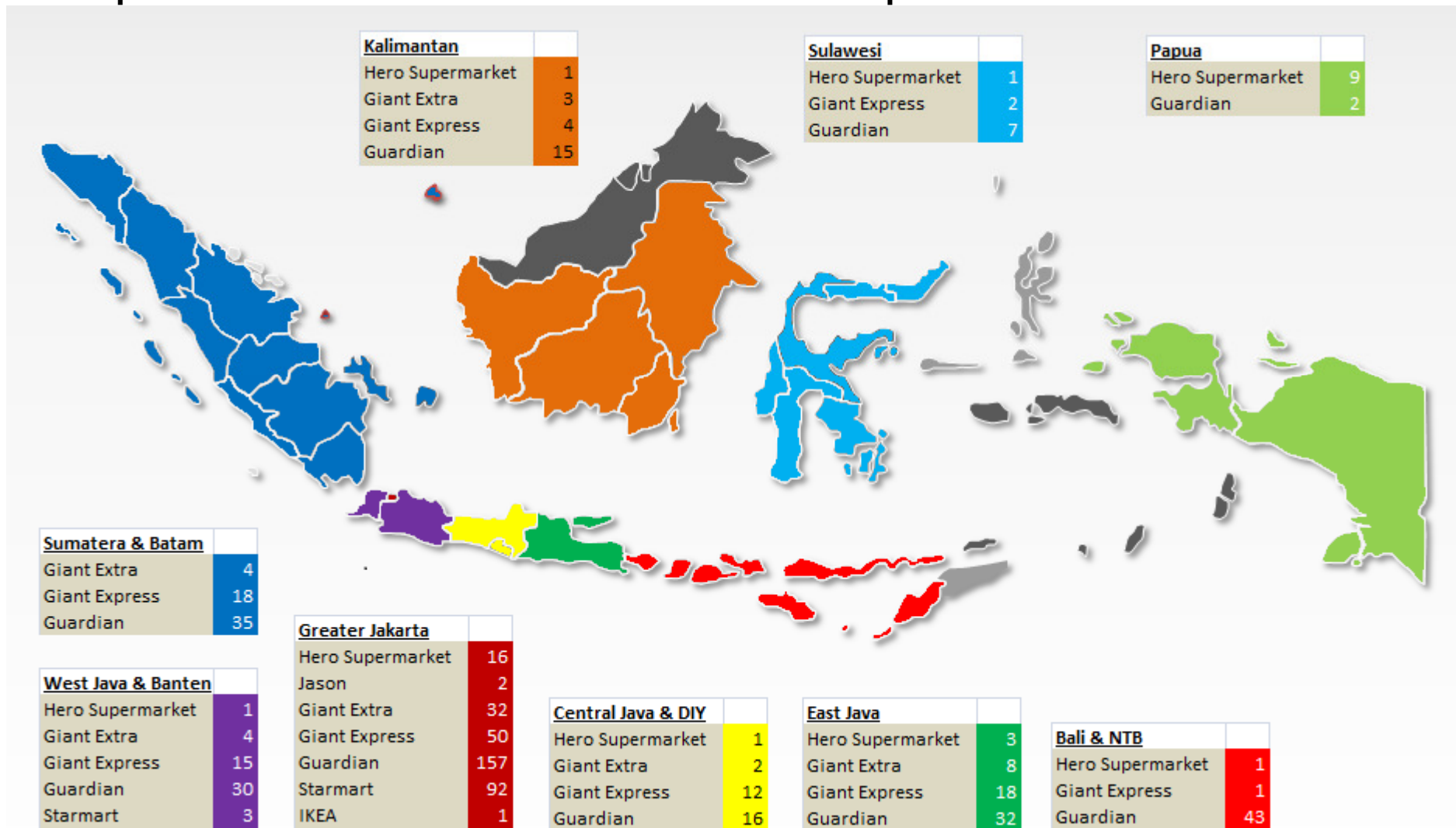


Our Vision and Strategy



Countrywide stores

A footprint of 641 stores across Indonesia/ nationwide presence with convenient locations





The Mass retail brand in Indonesia

Repositioning Giant

*Hypermarket as a Price leader
with superior customer shopping
experience*

*Supermarket as a Price leader
to be the preferred neighbourhood retailer*



- ✓ Price leader
- ✓ Towering strength in Fresh food
- ✓ Best in class accessibility
- ✓ Highly efficient supply chain built on a centralised distribution centre model
- ✓ Give consumers an engaging shopping experience in store
- ✓ Drive strong corporate brand programmes in grocery



Repositioning Hero as a leader in upscale market

- ✓ Emphasis on fresh, imported and premium brand
- ✓ Provide a superior customer experience
- ✓ Highly efficient supply chain built on a centralised distribution centre model
- ✓ Strong corporate brand programme in grocery



- ✓ Emphasis on Pharmacy, Health, Beauty, and Personal Care
- ✓ Passionate people to provide superior customer experience
- ✓ Strong corporate brand program
- ✓ Strong systems help us deliver customer needs → highly efficient supply chain built on a centralized distribution center
- ✓ Community based CSR → pharmacy in community
- ✓ Focused on sustainable expansion





IKEA

- PT Hero appointed as franchisee for Indonesia 2012
- Dedicated IKEA management team
- Construction commenced September 2012
- IKEA Alam Sutera opened October 15th 2014
- To date:
 - 2.5 million visitors
 - 700,000 customers
 - 7 million articles sold
 - 389 direct employees
 - 500+ indirect employees

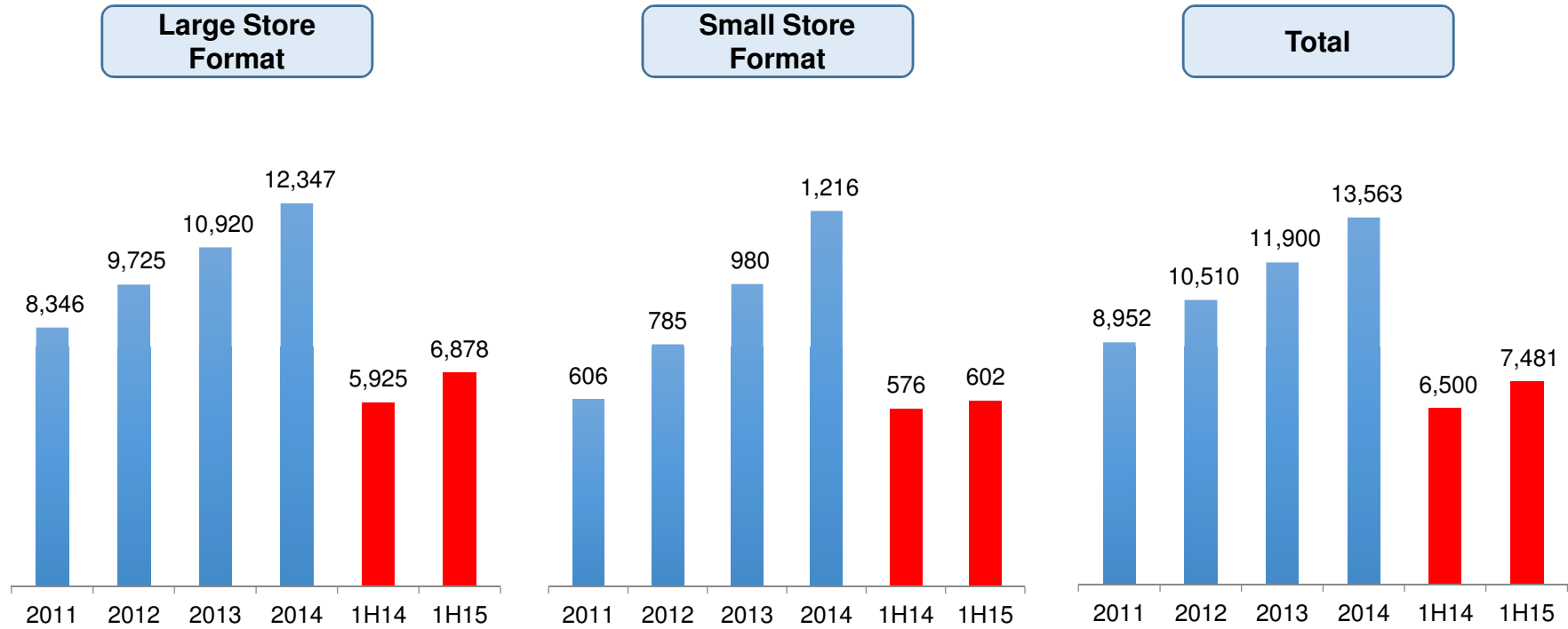


Overview of 1H15 Financial Performance



Sales is growing in 1H15

in IDR Bio



1H15 YOY: 16%






1H15 YOY: 5%



1H15 YOY: 15%



Growth and Market Share

	Growth		Market Share	
	YTD 7 2014	YTD 7 2015	YTD 7 2014	YTD 7 2015
Indonesia MT Hyper Super	+12.49%	+6.13%		
	+18.43%	+15.04%	8.48%	9.19%
	+17.63%	+17.27%	4.83%	5.34%
	+0.38%	-0.77%	1.02%	0.96%

Source: Nielsen Retail Audit

- This calculation based in part on data reported by Nielsen through its Retail Index Service for the total 64 FMCG Categories for the year to date ending 31 July 2014 and year to date 31 July 2015, for the Indonesia modern trade Hyper/Super market. (Copyright © 2015, The Nielsen Company).
- Nielsen information reflects estimates of market conditions based on samples and is prepared primarily as a marketing research tool for consumer packaged goods manufactures and other in consumer goods industry. This information should not be viewed or relied upon as a basis for investments and references to Nielsen should not be considered as Nielsen's opinion or endorsement as to the value of any security or the advisability of investing in the company.



1H15 STORE COUNT AND CHANGES

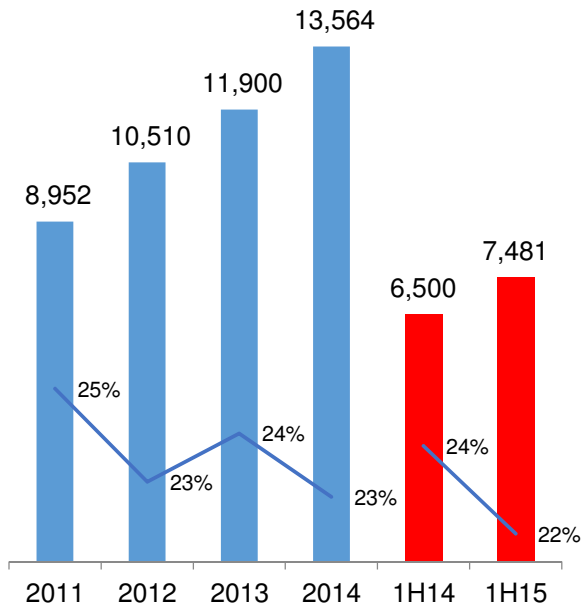
EKSTRA Stores : $55+1-3=53$	EKSPRES/HERO Stores : $165-10=155$	
		
Total Stores: $704+11-74=641$		
		
STARMART Stores : $134-39=95$	GUARDIAN Stores : $349+10-22=337$	IKEA Store : 1



Ambitious Commercial Strategy leads to market share gain

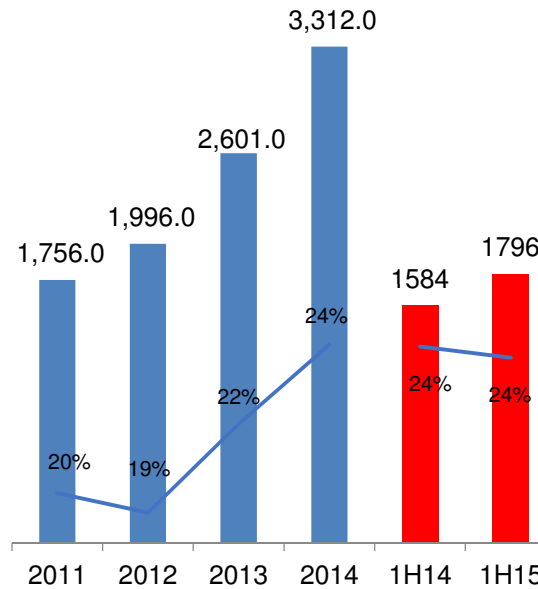
in IDR Billion

Net sales and gross profit margin



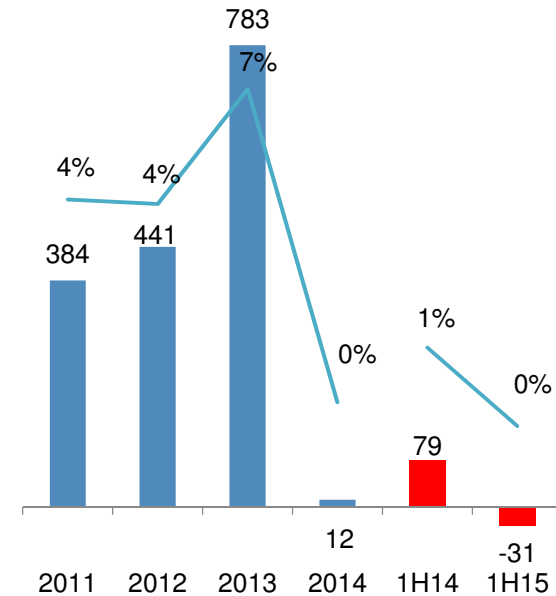
1H15 YOY: 15%

Operating Expense and Operating Expense margin



1H15 YOY: 13%

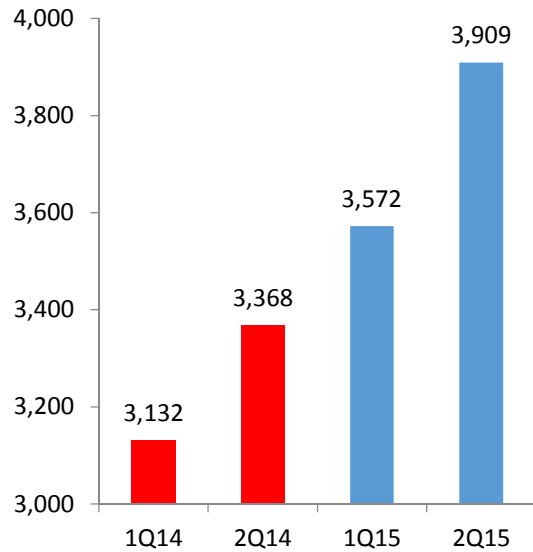
Operating profit and OP margin



QoQ improvement across Income metrics

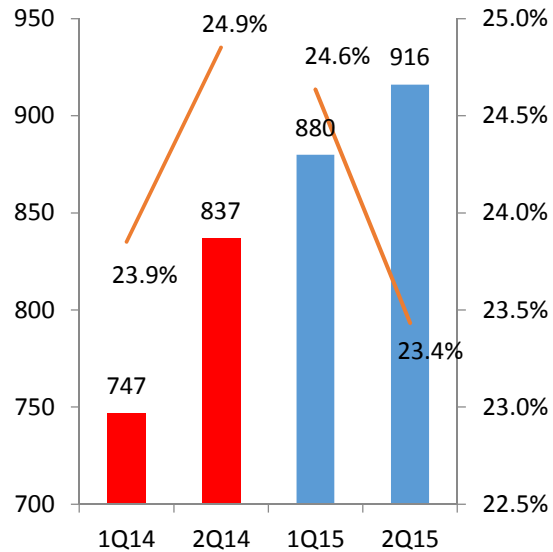
in IDR Billion

Sales



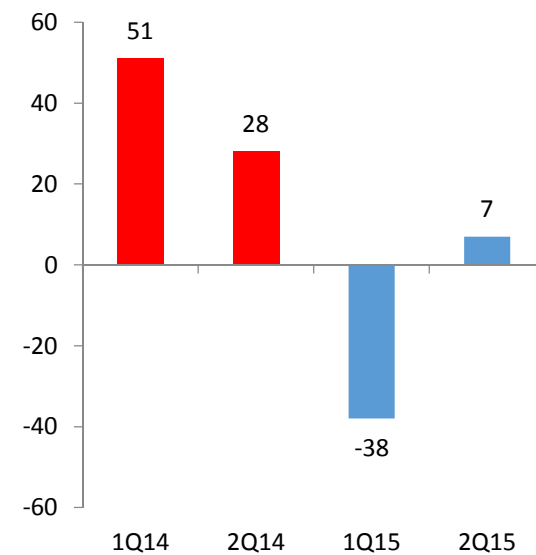
2Q15 QOQ: 9%

Operating Expense and Margin

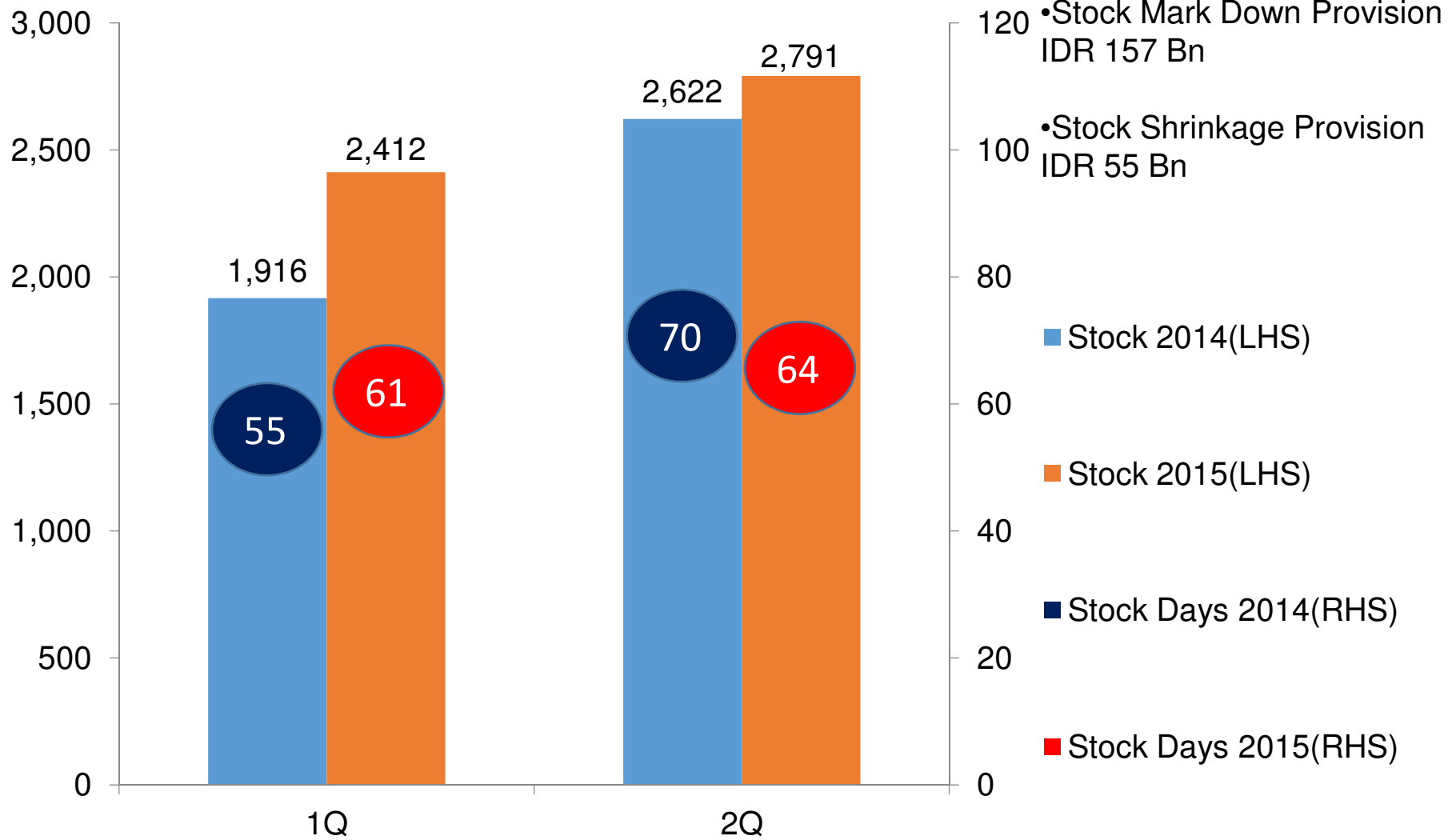


2Q15 QOQ: 4%

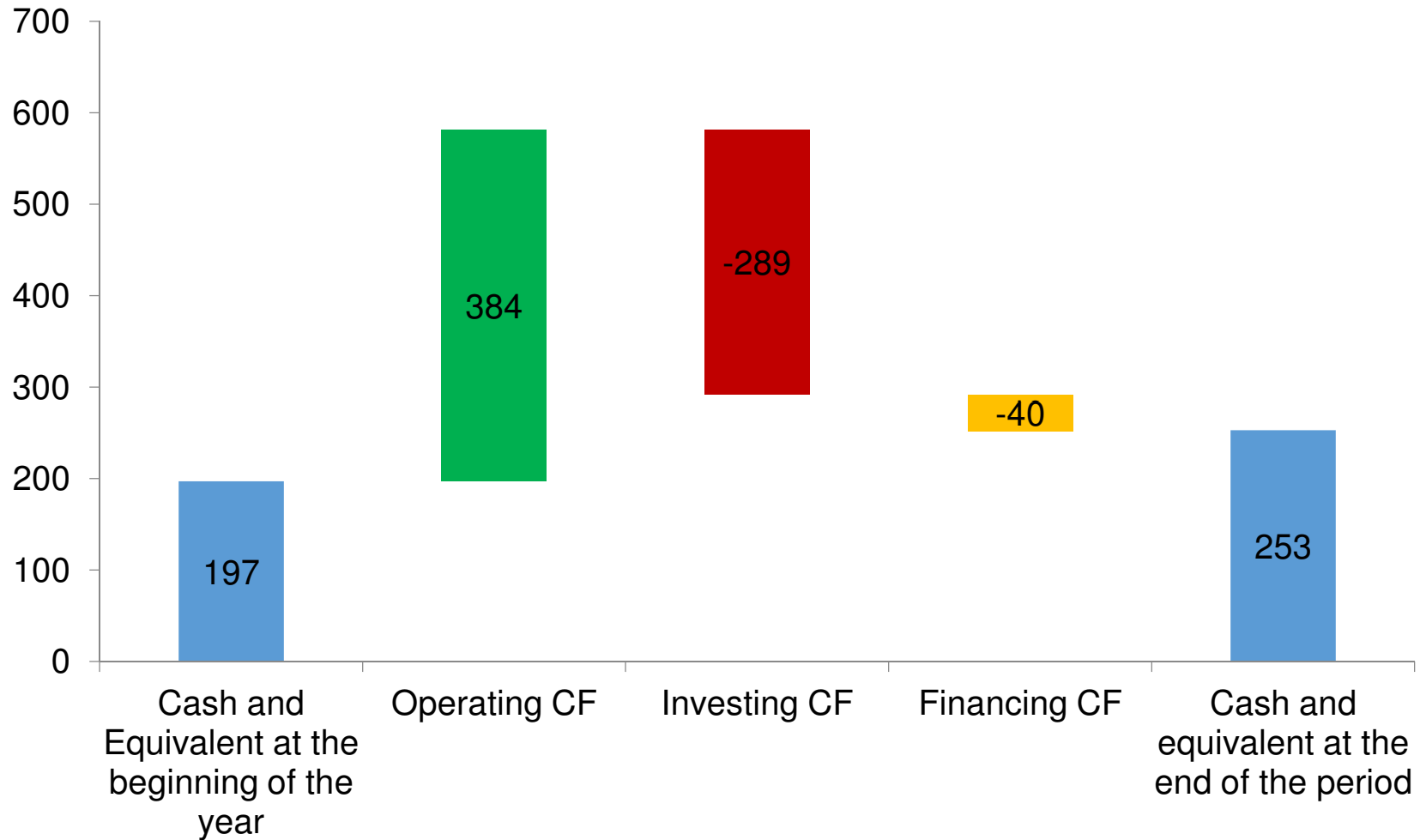
Operating Profit



Stock(IDR Bn)



PT Hero Cash Flow (IDR Bn)



Corporate Social Responsibility



4 PILLARS HERO Group CSR



Corporate Social Responsibility



SME/Farmers' Empowerment

We support local SME who has potential product and encourage them as regular suppliers of fresh products in our stores



Community Health "Zumba Carnival"

Hero Group held charity event to help children with cancer and donate Rp 474.900.000 to YPKAI



One Store One School

"Adopt a School" Program

Improve the school welfare and its student in the vicinity of our stores



Program KASIH Improve maternity health and child development

Coaching is done include health services, supplementary feeding (software), increased competencies POSYANDU cadres (brain ware), provision of facilities (hardware)



HERO Green Actions Way towards to Environmental Friendly

A social environmental act to increase people's awareness by restoring the environment for a healthy place to live and organising recycle corner workshop



Corporate Social Responsibility – Farmers' Empowerment



As a pilot project, we succeeded in launching KATATA, co-branding fresh products (vegetables) with farmers and University of Padjadjaran (UNPAD).

Direct sourcing to farmers will help faster distribution system, and using local suppliers, means we too contribute in economic development in that local area.



Corporate Social Responsibility – Farmers' Empowerment



Exploratory period of cooperation with the North Sumatra University (USU), Bogor Agricultural Institute (IPB), and UGM





Corporate Social Responsibility – One Store One School



One Store One School is Giant CSR program that guarantee every Giant store will help at least 1 school in its surrounding.

Assistance more to infrastructure and give additional facilities to improve the learning process. Until 2015, Hero Group already helped **227 schools**.

We use money from customer's participation in donating their small change when shopping in Giant.



Corporate Social Responsibility – KASIH (Komitmen Anak dan Ibu Sehat Hero)



Mother and child welfare

85 POSYANDU,
beneficiaries 10.000
children under the age of 5

- Coaching and Training for Cadre of Maternal and Child Health Center (POSYANDU)
- Developing of Health Services of POSYANDU in rural and remote area
- Additional food and vitamin supplies



Corporate Social Responsibility – Community Health – Zumba Carnival charity event

Visit children at Dharmais



Charity Event



Hero Group donated Rp 474.900.000 to help children with cancer



Board of Directors



Board Of Directors



Stephane Deutsch
Presiden Direktur



Xavier Thiry
Direktur



Arief Istanto
Direktur Independen



Heru Pribadi
Direktur



Mark Magee
Direktur



Hari Widyo
Direktur



Q & A



Thank You



Result

		(Unaudited) First half		Change %
		2015 Rp billion	2014 Rp billion	
Net Revenue		7,481	6,500	+15
Gross Profit		1,677	1,543	+9
Operating (Loss) / Income	- Underlying	(31)	55 *	n.m.
	- Reported	(31)	79	n.m.
(Loss) / Profit for the period	- Underlying	(32)	71 *	n.m.
	- Reported	(32)	95	n.m.
		Rp	Rp	%
Earnings per Share	- Underlying	(8)	18 *	n.m.
	- Basic	(8)	23	n.m.

* Excluding the residual gain on sale of the Company's head quarter in 2014

n.m. = not meaningful

