

Tangerang Selatan, 12 September 2017
No.: 056 /Corsec/IX/2017

Kepada Yth.

PT Bursa Efek Indonesia

Gedung Bursa Efek Jakarta

Jl. Jend. Sudirman Kav. 52-53

Jakarta Selatan

Up. : **Direktur Penilaian Perusahaan**
Perihal : **Penyampaian Materi Paparan Publik ("Public Expose") Tahunan**

Dengan hormat,

Menunjuk surat kami sebelumnya perihal Pemberitahuan Pemberitahuan Rencana Penyelenggaraan Paparan Publik ("Public Expose") Tahunan, melalui surat ini kami sampaikan materi untuk acara tersebut.

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

Hormat kami,

PT Hero Supermarket Tbk



Hadrianus Wahyu Trikusumo

Direktur

Tembusan Yth:

1. Kepala Divisi Penilaian Perusahaan Sektor Jasa - Otoritas Jasa Keuangan;
2. Kepala Divisi Penilaian Perusahaan 3 - PT Bursa Efek Indonesia.



Disclaimer

This presentation contains financial condition, operation results, plans, strategies, policy, as well as the Company's objectives, which is classified as forward-looking statements in the implementation of the applicable laws, excluding historical matters. Such forward-looking statements are subject to known and unknown risks (prospective), uncertainties, and other factors that could cause actual results to differ materially from expected results.

Prospective statements in this presentation are prepared based on numerous assumptions concerning current conditions and future events of the Company and the business environment where the Company conducts business. The Company shall have no obligation to guarantee that all the valid document presented will bring specific results as expected.

This presentation contains the word "Company" and "HERO Group" hereinafter referred to PT Hero Supermarket Tbk, as the company that runs business in retail. The word "Company" is at times used to simply refer to PT Hero Supermarket Tbk in general.





PROUD TO SERVE INDONESIA!

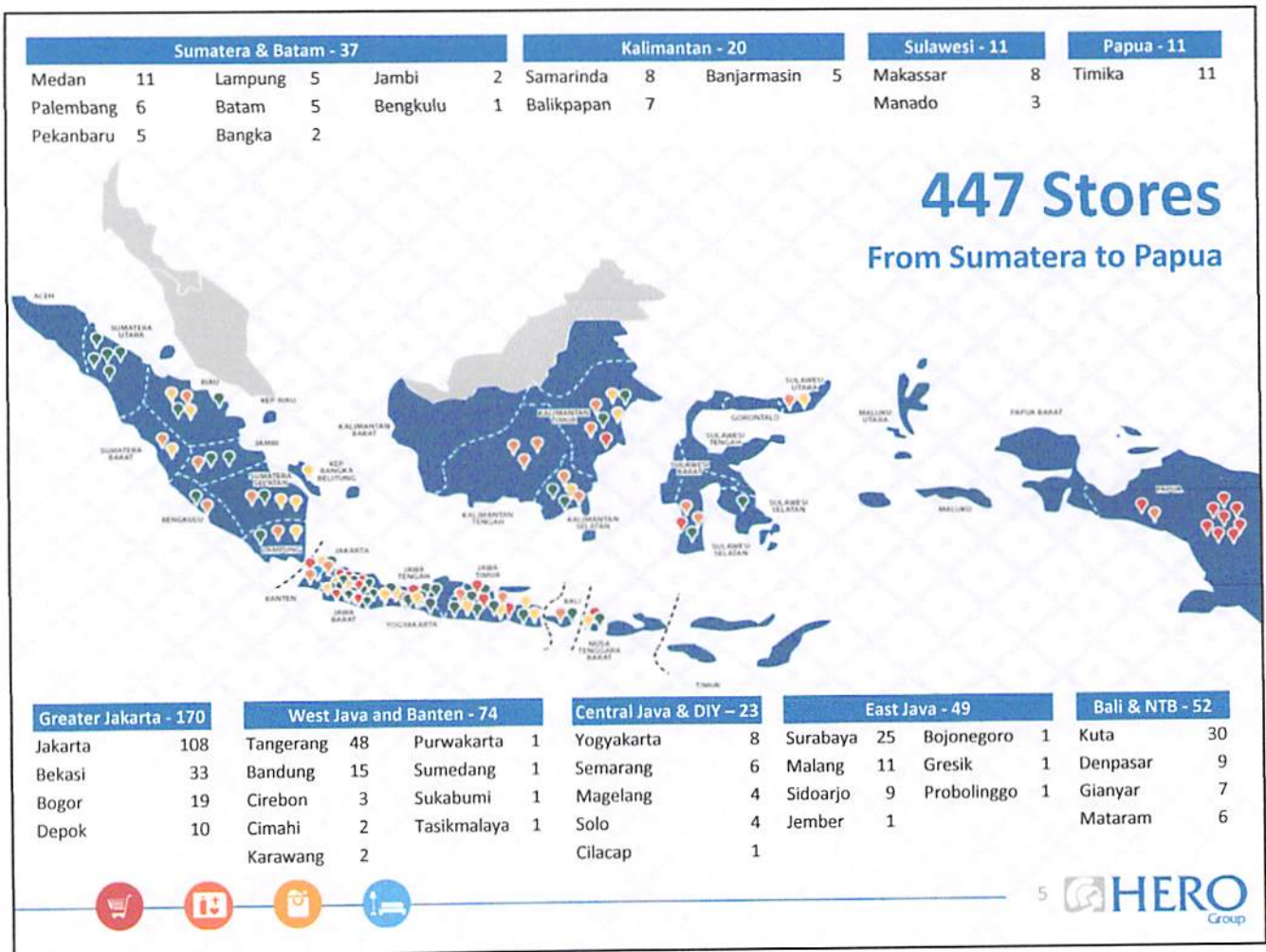


COMPANY PROFILE

- ◆ Hero Supermarket
- Giant Ekstra
- ▲ Giant Ekspres
- Guardian
- ◆ IKEA

Store Brands





Significant Milestones in 1H17

3% Gross Profit growth
despite weaker sales

Strong growth in
Net Profit

Local sourcing
for fresh products

Hero new concept
launched

Sustainable growth in
Guardian

Continued development
of **multichannel**
in **IKEA**



Our Brands



The Mass Retail Brand in Indonesia Repositioning Giant

Hypermarket as a price leader
with delightful customer shopping experience



Number of Stores : 56



New Store: Giant Ekstra Sawojajar, Malang

Supermarket as a price leader
to be the preferred neighbourhood retailer



Number of Stores : 109



New Store: Giant Ekstra Manado



Our Brands



The Original HERO Repositioning Hero as a Leader in Upscale Market

Number of Stores: 32



Our Brands

The logo for Guardian, featuring the word "guardian" in a white, lowercase, sans-serif font inside an orange rectangular box.

Health and Beauty

Number of Stores: 249

- ✓ Store rationalization completed, now focused on sustainable expansion
- ✓ Ongoing focus on consumer centric initiatives
- ✓ Greater focus on beauty category, supporting sales growth
- ✓ Strong corporate brand program by bringing new initiatives and in-store excitement
- ✓ Community based CSR activities led by store colleagues



Our Brands

Focused on Sustainable Expansion: Jakarta, Bandung & Bali



Plaza Senayan, Jakarta



Solo Paragon



Bandung Indah Plaza, Bandung



Kuta Square, Bali



Our Brands



Home Furnishing

- Expanded online sales functionality coverage to include Jabodetabek, Bandung, Semarang and Surabaya areas
- IKEA e-commerce Distribution Point opened at Sentul
- IKEA Online Point opened at Bintaro
- Started the Lebaran Sale on June 15th 2017 which successfully increased store traffic during the festive period
- To date
 - ✓ 7.5 million visitors
 - ✓ 2.2 million customers
 - ✓ 24.5 million articles sold
 - ✓ 300+ direct employees





Human Resources



Human Resources

- ✓ Introduced Competency Model as guidance to individual development plan and daily activities
- ✓ Hero Learning Centre continues to improve competencies of more than 12,000 employees by delivering trainings for frontlines and managers
- ✓ Encourage internal recruitments by new job portal, and cross banners talent review to ensures talent rotation opportunities
- ✓ Utilization of talent management system







HERO TEACHING IN ELEMENTARY SCHOOL

DEVELOPING TALENTS AND GENERATION



EMPLOYEE TEAM BUILDING PROGRAM



EMPLOYEE TRAINING AND DEVELOPMENT AT HERO LEARNING CENTER



SOCCER SCHOLARSHIP SELECTION FOR 'JAGOAN BOLA GIANT UNTUK INDONESIA'



CHILDREN BENEFICIARIES OF ONE STORE ONE SCHOOL PROGRAM



ANNUAL PRESS CONFERENCE AND SPANFOL



MODERN RETAIL EXPERIENCE WITH STUDENTS AT GIANT'S STORE





PRIMA CERTIFICATION TRAINING WITH THE EXPERTS



HORTICULTURE PRODUCT OF MERBABU, PARTNERSHIP WITH UGM AND LOCAL GOVERNMENT



KATATA FRESH VEGETABLE BOOTH AT GIANT'S STORE

EMPOWERING LOCAL FARMERS



KATATA FARMERS DURING THE CARROT CLEANING PROCESS IN PENGALENGAN



EGG FARMER IN BANJARMASIN, PARTNERSHIP WITH ASTRA YDBA



DIRECT FARMING PARTNERSHIP WITH IPB AGRIBUSINESS DEVELOPMENT STATION



FARMER TALK SHARING SESSION WITH ASSISTED FARMERS





Financial Performance

First Half 2017





BRANTAS RIVER GREEN ACTIONS WITH COMMUNITY IN EAST JAVA



SUPPORTING WATER SANITATION FACILITIES FOR COMMUNITY IN TANGERANG AND BOGOR



ORGANIC WASTE MANAGEMENT IN BIOGAS PROJECT



SUPPORTING WASTE MANAGEMENT FACILITIES IN SOUTH TANGERANG AND PEKANBARU



WATER RECYCLING WITH SEWAGE TREATMENT PLAN

SUPPORTING GREEN AND SUSTAINABLE LIFE



WASTE MANAGEMENT EDUCATION FOR COMMUNITY



GLASS DOOR INSTALLATION FOR STORE SHOWCASE



FOOD DONATION FOR ANIMAL PRESERVATION





FOOD AND MEDICINE SUPPORT FOR BANGLI DISASTER



BLOOD DONATION ACTIVITY AT HERO HEALTHY DAY



HEALTH CHECK AND MEDICINE SUPPORT FOR COMMUNITY IN UBUD



WEIGHING AND ADDITIONAL FOOD SUPPORT IN TEMBAGAPURA POSYANDU



VITAMIN SUPPORT FOR TODDLER IN SOUTH TANGERANG POSYANDU



ROUTINE EMPLOYEE MEDICAL CHECK UP

CARING PEOPLE WELLNESS



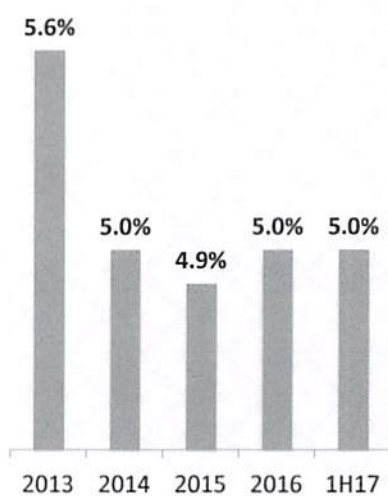
Store Number



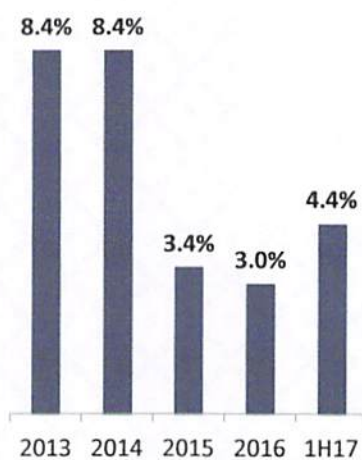
Low Inflation and Soft Modern Trade Sales

Soft overall modern trade sales growth, continuing negative trend in super/hyper formats

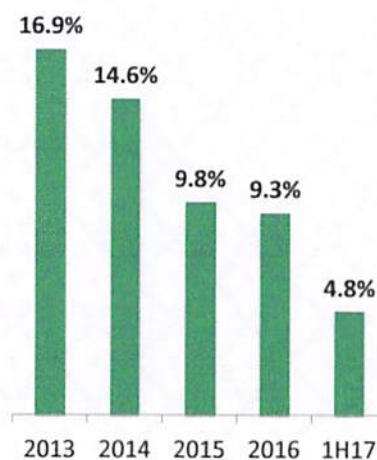
GDP Growth



Inflation



Modern Trade Sales Growth



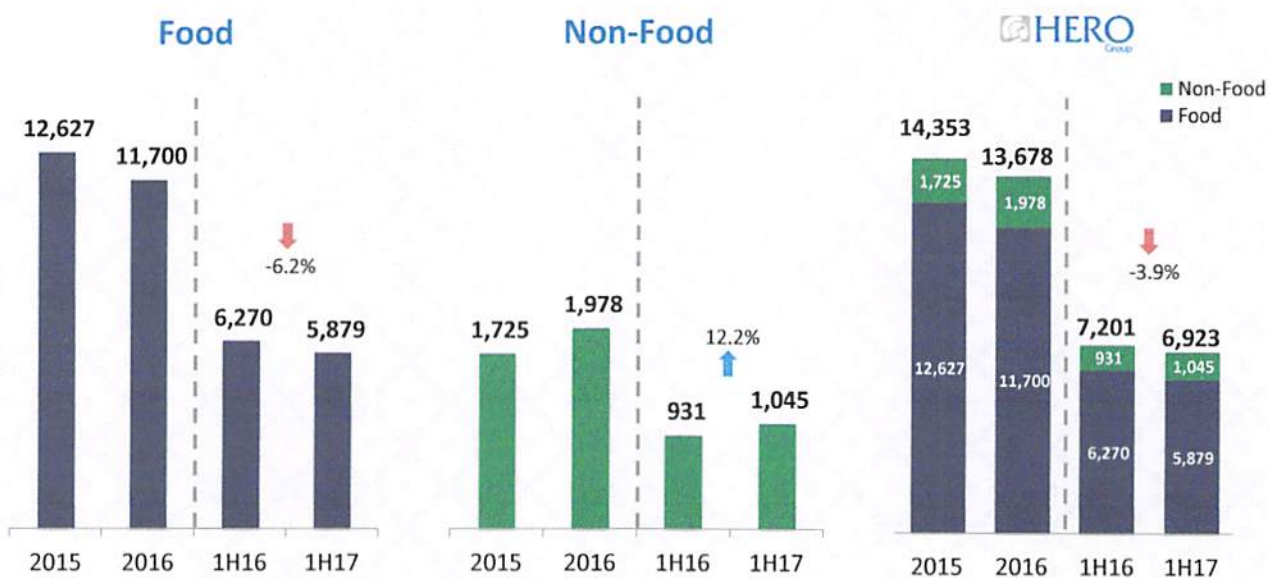
Source: World Bank, Indonesian Central Bank, and Nielsen



Challenging Food Trading Environment

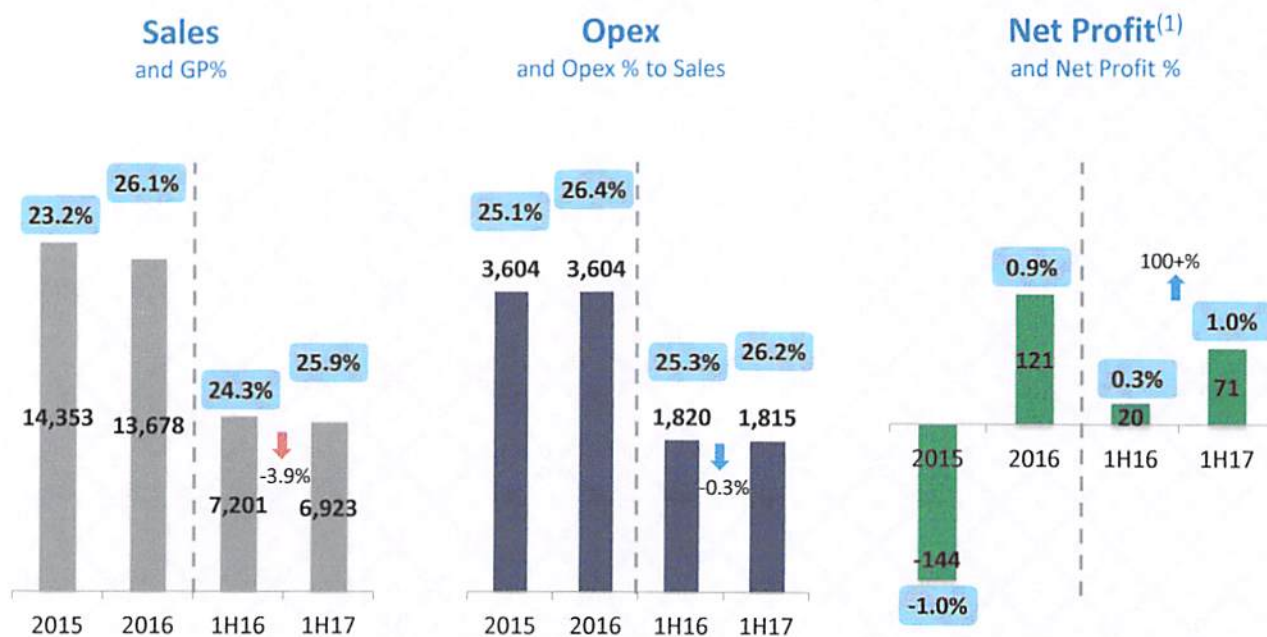
Food business still challenged by the unfavorable trading environment while non-Food business saw sustainable improvement

Sales Performance in IDR Bio



Significant Improvement in Profit⁽¹⁾ in IDR Bio

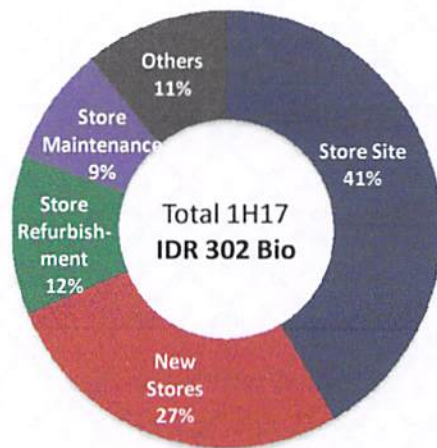
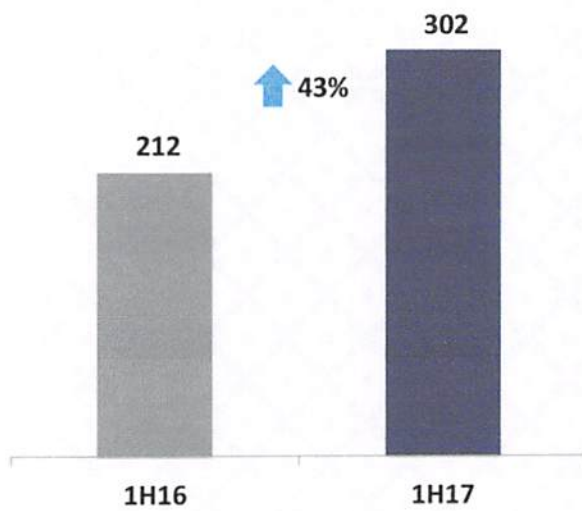
Improved net profit⁽¹⁾ credited to modest increase in gross profit and successful cost efficiency improvement, despite the lower sales



(1) Profit for the period



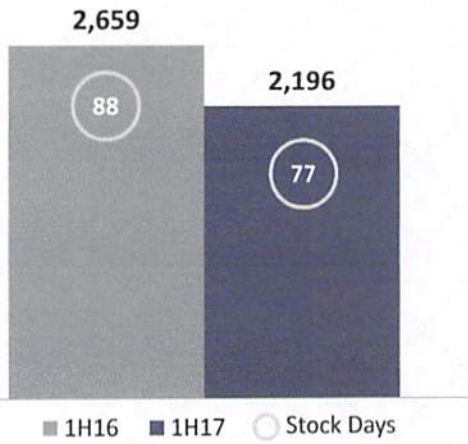
Increased Investment for New Stores in IDR Bio



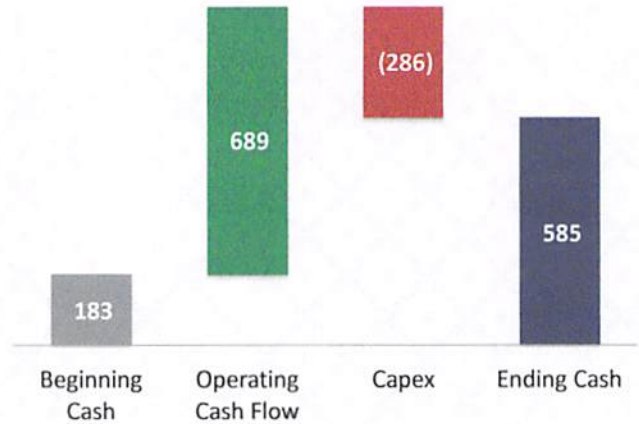
Improvement in Stock in IDR Bio

Higher cash position supported by improvement in stock position and the timing of Eid Mubarak

Stock Position June (Festive)



Cash Flow



Hero Group Financials in IDR Bio

	1H16	1H17	Change %
Net revenue	7,201	6,923	-4
Cost of revenue	(5,454)	(5,130)	-6
Gross profit	1,747	1,793	+3
Operating expenses	(1,820)	(1,815)	n.m.
Finance costs	(9)	(2)	-77
Finance income	1	1	-18
Other income – net	101	108	+8
Profit before income tax	19	85	100+
Income tax benefit/(expense)	8	(14)	n.m.
Profit from continuing operations	27	71	100+
Loss from discontinued operations	(7)	-	-100
Profit for the period	20	71	100+

n.m.: not meaningful





Question & Answer

