

Tangerang Selatan, 1 Oktober 2018
No.: 047/Corsec/X/2018

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**

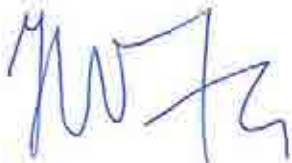
Dengan hormat,

Menunjuk surat kami sebelumnya No.: 046/Corsec/IX/2018 tanggal 20 September 2018 perihal 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.



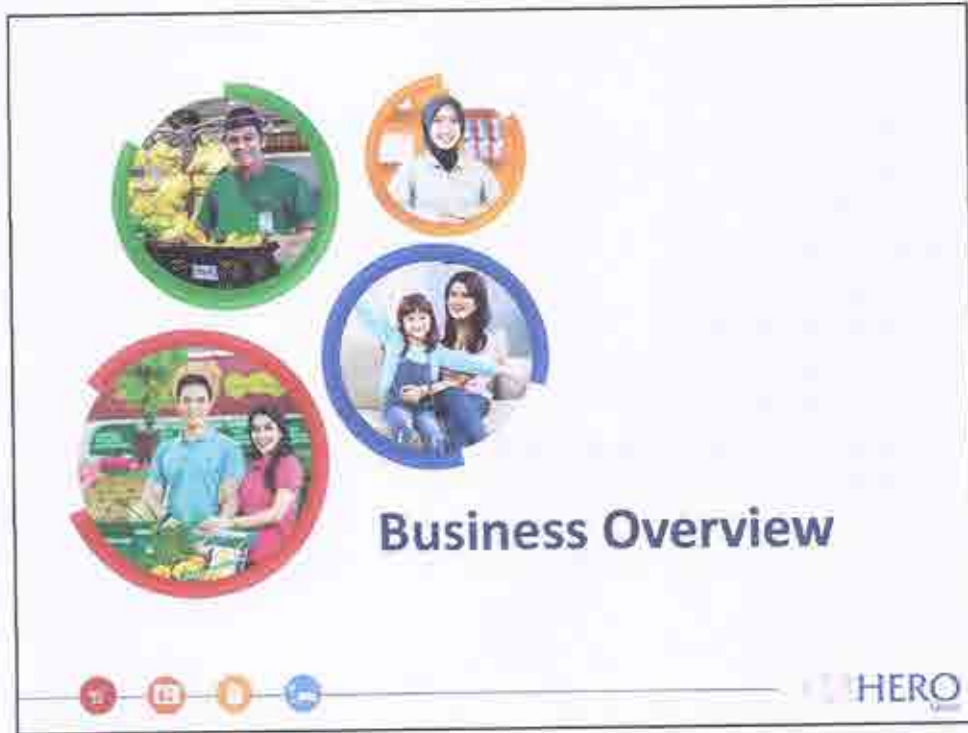
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Business Overview

HERO

Store Number (as at 1H 2018)

Brand	Stores
HERO	31
Giant	59
Giant	99
HERO	257
HERO	1
Total	447

HERO



Challenges to HERO's business

1

Highly competitive retail industry

2

Rapid changes in customer behavior

3

Fragmented infrastructure presents supply chain challenges



HERO

Highlights as at 1H 2018

The Food business remains challenging	Our upscale Hero Supermarket is recovering	Non-Food businesses continue to grow
New Management in place	New Guardian Distribution Centre	Growing IKEA e-commerce sales

HERO

Our Brands

Giant

Giant: The Mass Retail Brand

Hypermarket as a price leader with delightful customer shopping experience	Supermarket as a price leader to be the preferred neighbourhood retailer
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- 1 Price and promotion communication refreshment
- 2 Launching of "Harga Teman" providing more value to customers
- 3 Ongoing focus on Customer-centric initiatives
- 4 Corporate brand program in place, bringing new initiatives and in-store excitement

HERO

Our Brands

Giant

"Harga Teman", the Launch – 30 August 2018



To respond our customers, through **HARGA TEMAN** Program we reduced the everyday price of over 600 products of those products that our customers purchase most often

Customer Gets **Lower Price** and Can **Save More** at Giant



To ensure the best shopping experience for our customers, Giant will provide special marking on display rack and shelves to help customers identify products under **HARGA TEMAN** program



HERO

Our Brands

HERO
The fresh giant people

HERO: The Premium Supermarket

- 1 Consumers are becoming more affluent
- 2 We strive to deliver higher quality products, service and value
- 3 Positive consumer feedback on our refitted stores



HERO

Our Brands



Guardian: Health and Beauty

- 1 Focused on sustainable expansion, new look and feel being trialed
- 2 Supply chain Improvements, new DC in Surabaya
- 3 Greater focus on beauty category, Health strategy reviewed
- 4 New and Exclusive products a key focus area




Our Brands



IKEA: Create a Better Everyday Life for the Many People

- 1 Sales continues to show consistent growth
- 2 Lebaran Sale contributed to a positive result of H1
- 3 Visitation to IKEA Store as well as Website encouraging
- 4 Affordability and accessibility are priorities
- 5 Preparing for second IKEA store in Jakarta – IKEA Cakung




Our Brands



Home Furnishings 2019 IKEA Catalogue



The Launch

Launched in
**September
2018**

190 million
copies globally

800,000 copies
Indonesia

Celebrating
Difference Needs

7 Home's
inspirations

280 + 4 cover
pages

38 Languages

55 Countries



Corporate Social Responsibility





CUSTOMER DONATION

Involving customers in supporting education issues in Indonesia, are the focus in customer donation programs. Working together with PKPLU Human Initiative, the benefits have been felt by thousands of children.



Our active contribution to the community is always implemented through impactful social programs. We hope that Hero Group presence can bring positive atmosphere to the society across Indonesia.





LOCAL ECONOMY DEVELOPMENT

SMK BANGKIT PABLOKUNTA *DIRECT Sourcing PARTNERSHIP*

SME CORNER *TERAS INDONESIA*

We believe that supporting local economy will bring prosperity and balance in life. More than **659 SME's** has been involved in our business programs and processes, and not less than **Rp11.1 billion potential revenue and sales support** have also been presented to farmers group.

HERO



CUSTOMER ENGAGEMENT

CEMESTA TRIGLO SUPERMARKET *GIANT FAUNATIC*

IKEA REMOVAL SERVICE *FSC PRODUCT CAMPAIGN*

Experience, comfort and convenience, are some of the important concern for us. We always strive to provide the best service and at the same time provide positive values and information to the customers.

HERO




Financial Performance First Half 2018






Low Inflation and Challenging Modern Trade Sales

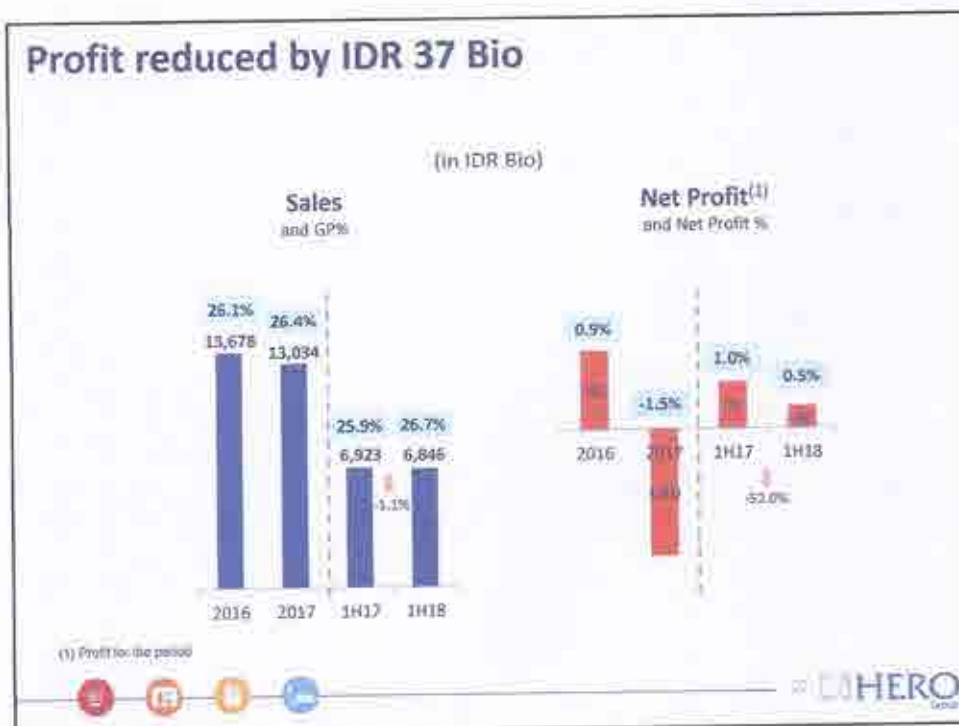
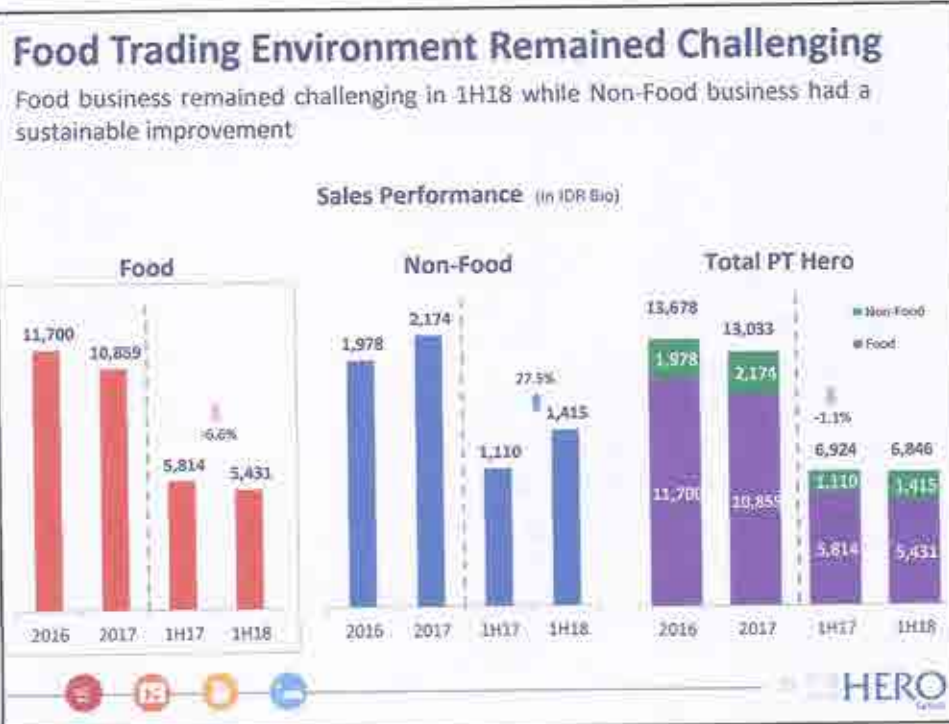
Modern trade sales growth remained challenging, Super and Hyper formats were still at negative trend

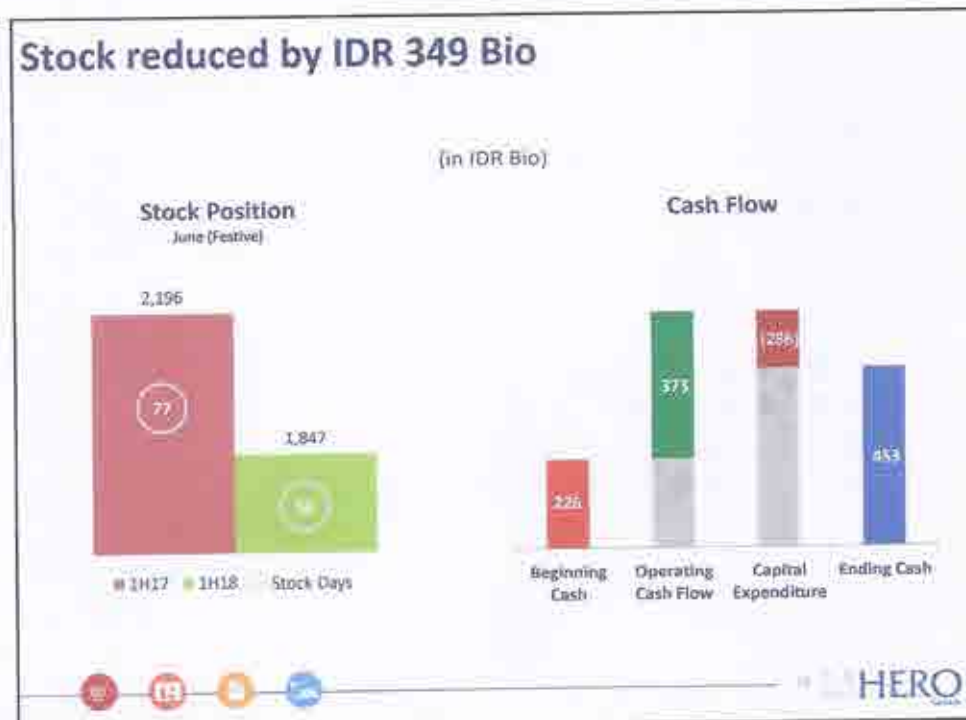
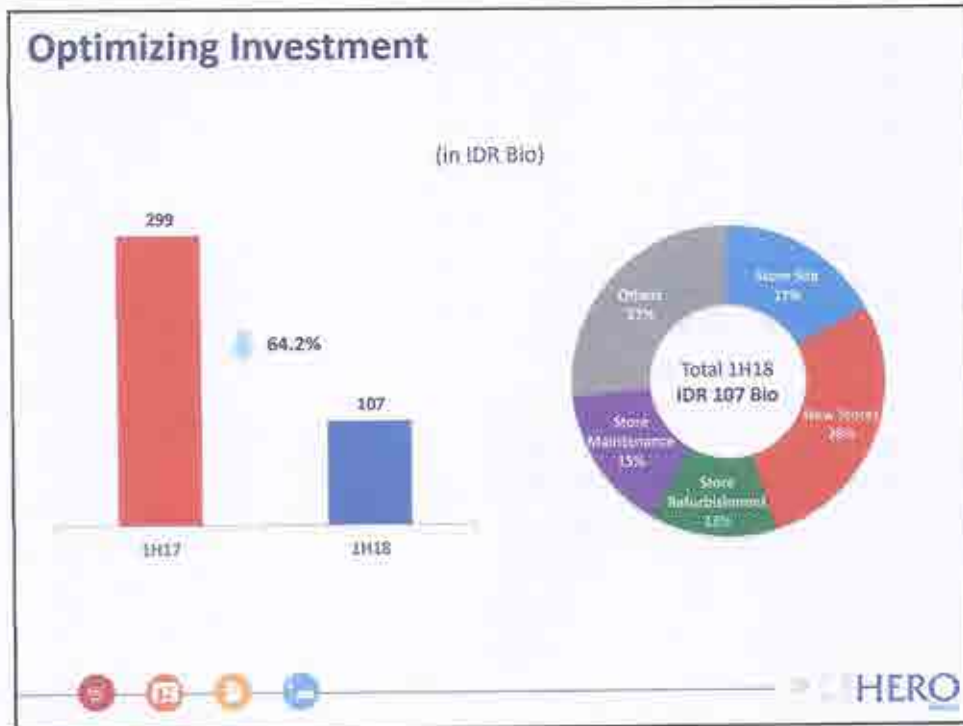


Category	2014	2015	2016	2017	1H18
Inflation	8.4%	3.4%	3.0%	3.8%	3.3%
MT Super/Hyper	9.8%	6.6%	-1.0%	-3.4%	-3.4%
MT Minimarket	17.4%	11.6%	13.7%	6.4%	9.1%

Source: WoodBart, IRI, Nielsen, Circul'Bank, and Nielsen





Profit and Loss 1H18

(in IDR Bio)

	1H17	1H18	Change %
Net Revenue	6,923	6,846	-1.1
Cost of Revenue	(5,130)	(5,022)	-2.1
Gross Profit	1,793	1,825	1.7
Operating Expenses	(1,815)	(1,921)	5.8
Finance Costs	(2)	(1)	-26.9
Finance Income	1	3	n.m
Other Income - net	108	125	15.1
Profit before income Tax	85	30	-64.9
Income tax (expense)/benefit	(14)	4	n.m
Profit for the period	71	34	-52.0




Thank you

