

Management Presentation

PT Sumber Alfaria Trijaya Tbk

As of June 2011



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Company Overview



VISION, MISSION & VALUES



VISION

- “ To be Indonesia’s largest and globally competitive widely owned retail distribution network that empowers small entrepreneurs and fulfils customer needs and expectations”

MISSION

- To satisfy customer needs and expectations by focusing on high quality products and services
- To implement ethical business practices to be the best in all of our actions
- To develop entrepreneurial spirits and skills in the Company and the society
- To develop a reliable, healthy and growing organization which benefits all stakeholders

VALUES

- We set high standards for Integrity, Innovation, Quality and Productivity, Teamwork, and Customer Satisfaction

COMPANY OVERVIEW



We are one of a leading minimarket operator in Indonesia

- As of June 2011, the Company operates 5,225 outlets (1,455 franchised)
 - 55,000+ employees
 - 17 Distribution Centres (DCs)
 - 400+ active Suppliers
- Striving to be a true community store
 - Well-developed CSR Program to connect with the community
 - Local residents can own Alfamart stores through franchise scheme



Recognized by independent market consultants



“The Highest Store Equity Index” based on Nielsen Research for four years in a row



2007



2008



2009



2010

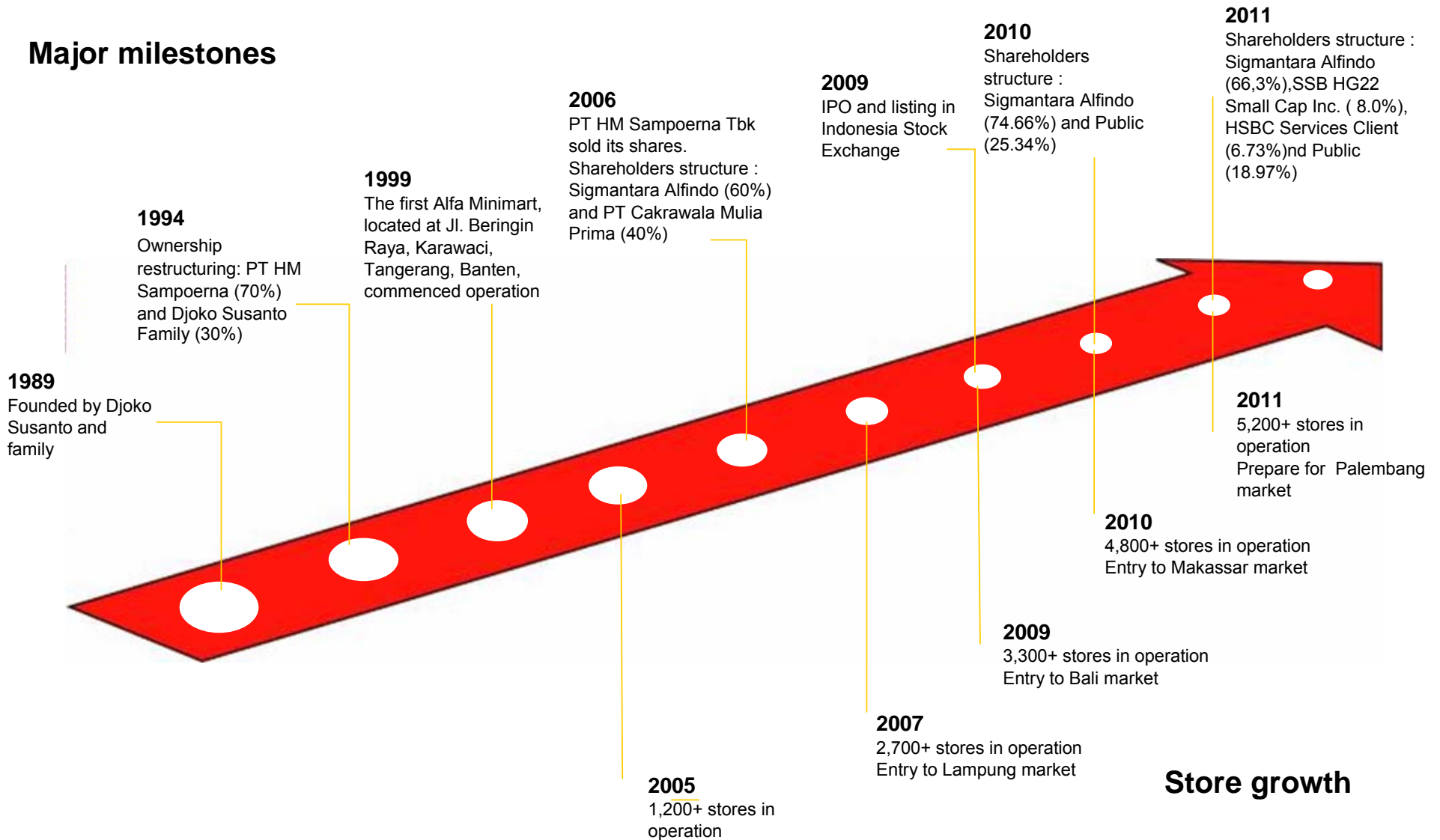
Alfamart by numbers

- **1.0 million+** – basic training hours for employees per year
- **1.9 million** – customers per day
- **45 million +** – km distance our trucks travel per year, distributing goods to stores

COMPANY HISTORY

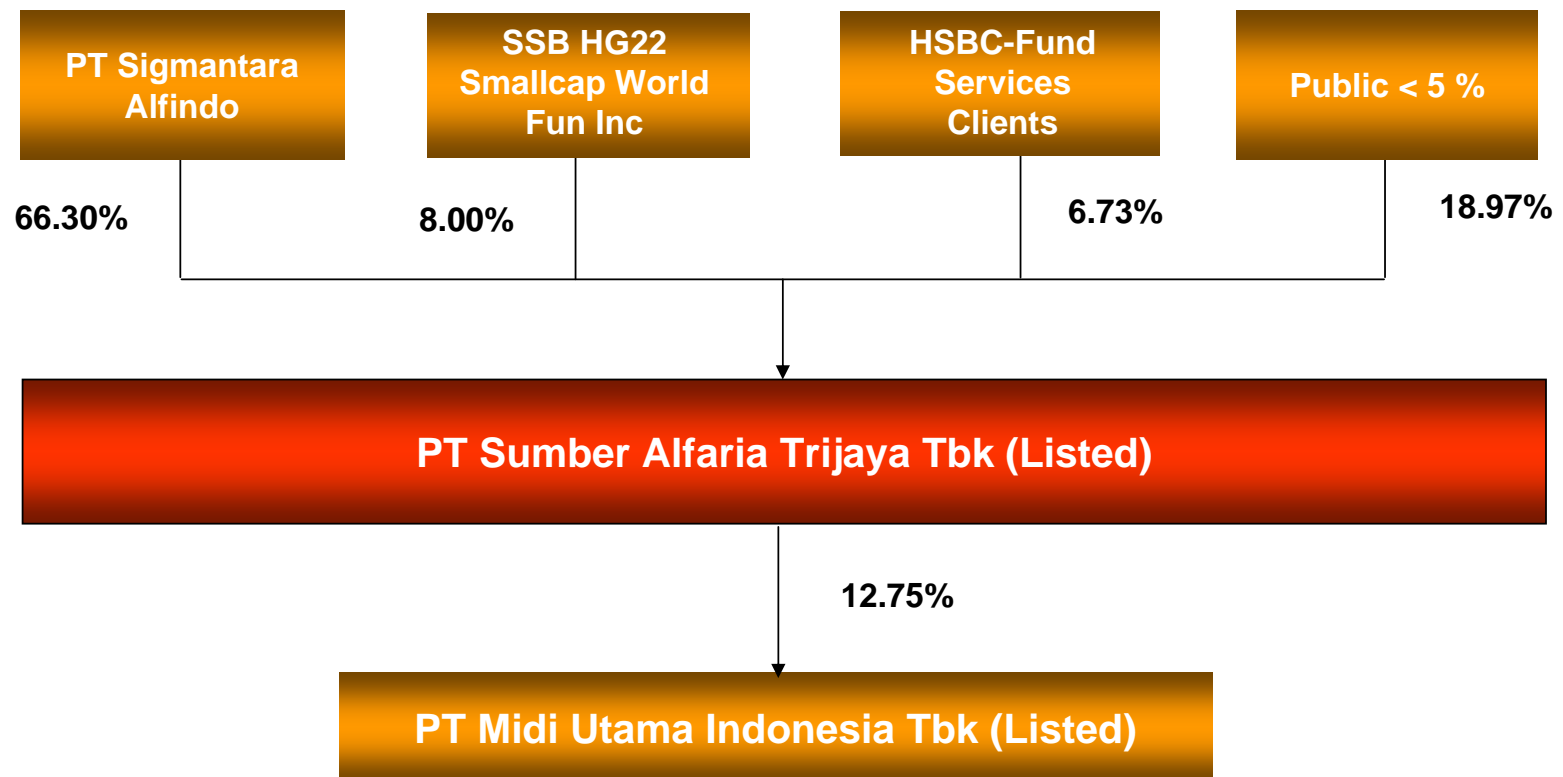


Major milestones



Store growth

SHAREHOLDING STRUCTURE



AWARDS



2007



- MURI (Indonesian Record-Maker Museum) Award as The First Minimarket Store-Chain in Indonesia to gain the ISO 9001:2000 Certificate for “Quality Management System”
- “The Best Brand Equity Gainer Award” from Indonesia’s Retail Entrepreneur Association (APRINDO) for the fastest in gaining brand recognition
- “The Highest Store Equity Index” based on Nielsen Research

2008



- “The Integrated Market Development & Distribution System Champion” in “The Dream Team Championship 2008” from Markplus Inc., Indonesian Marketing Association and SWA Magazine
- The Best IT in Marketing, The Best in Experiential Marketing and The Best in Social Marketing from Frontier Consulting Group and Marketing Magazine
- Top Brand 2008 from Frontier Consulting Group and Marketing Magazine
- Indonesia Best Brand Award 2008 from MARS Research Specialist and SWA Magazine
- Superbrands Indonesia 2008
- “The Highest Store Equity Index” based on Nielsen Research

2009



- Word of Mouth Marketing Award (WOMMA) from SWA Magazine and Onbee Marketing Research
- Top Brand 2009 from Frontier Consulting Group and Marketing Magazine
- Indonesia Best Brand Award 2009 from MARS Research Specialist and SWA Magazine
- Superbrands Indonesia 2009
- Indonesia’s Most Admired Companies 2009 from Frontier Consulting Group and Business Week Indonesia
- “The Highest Store Equity Index” based on Nielsen Research

2010



- “Rekor Bisnis Indonesia” from Harian Seputar Indonesia for The Most Growing Minimarket in Indonesia
- Word of Mouth Marketing Award (WOMMA) from SWA Magazine and Onbee Marketing Research
- Indonesia’s Most Admired Companies 2010 from Frontier Consulting Group and Business Week Indonesia
- Indonesia Best Brand Gold Award 2010 from Mars Research Specialist and SWA Magazine
- Top Brand 2010 from Frontier Consulting Group and Marketing Magazine
- Net Promoter Customer Loyalty Awards from Octavate Consulting Group
- Digital Marketing Awards from Frontier Consulting Group and SWA Magazine

2011



- CSR Award from Harian Seputar Indonesia
- Choice Brand 2011 Awards from KARTINI Magazine
- Services Quality Award 2011 from Service Excellence Magazine and Care Centre for Customer Satisfaction & Loyalty
- Corporate Image Award 2011 from Frontier Consulting Group and Business Week Indonesia

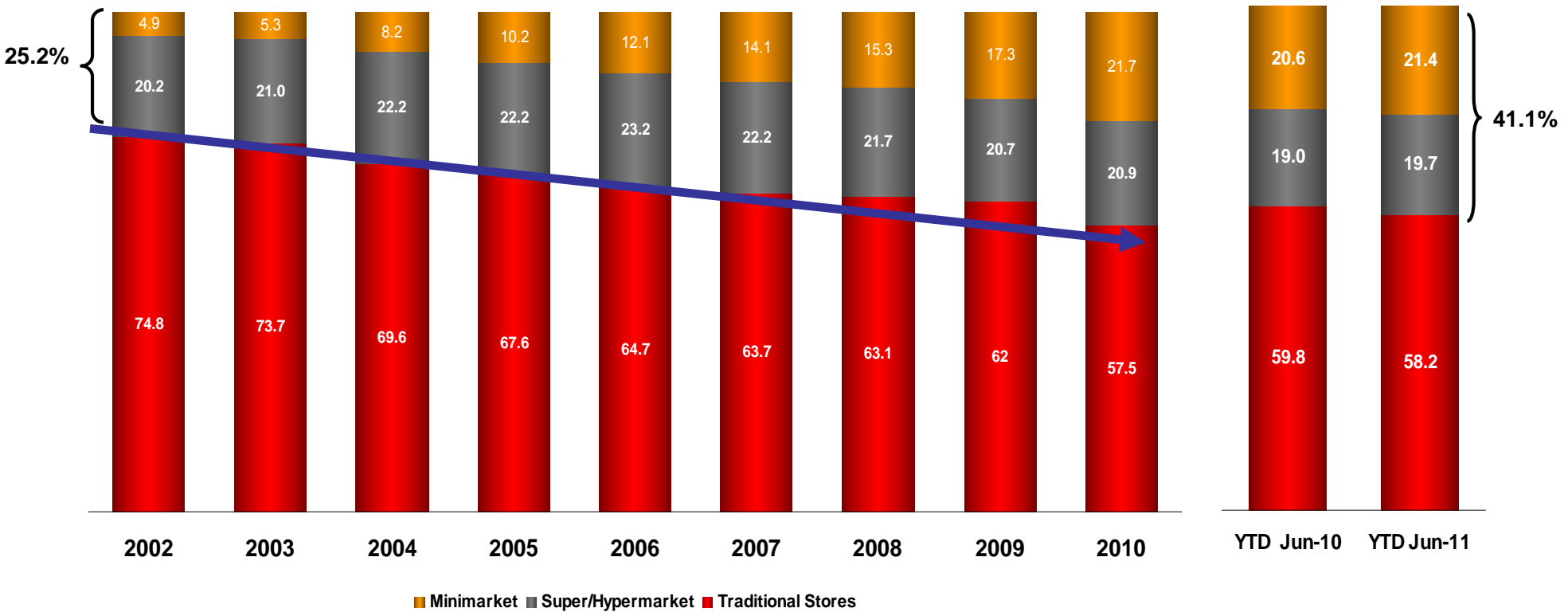
INDUSTRY OVERVIEW



RAPID DEVELOPMENT OF MODERN RETAIL TRADE IN INDONESIA



Up to June 2011, Modern Trade has reached 41.1% of Total Indonesia's sales (excl. Cigarette)

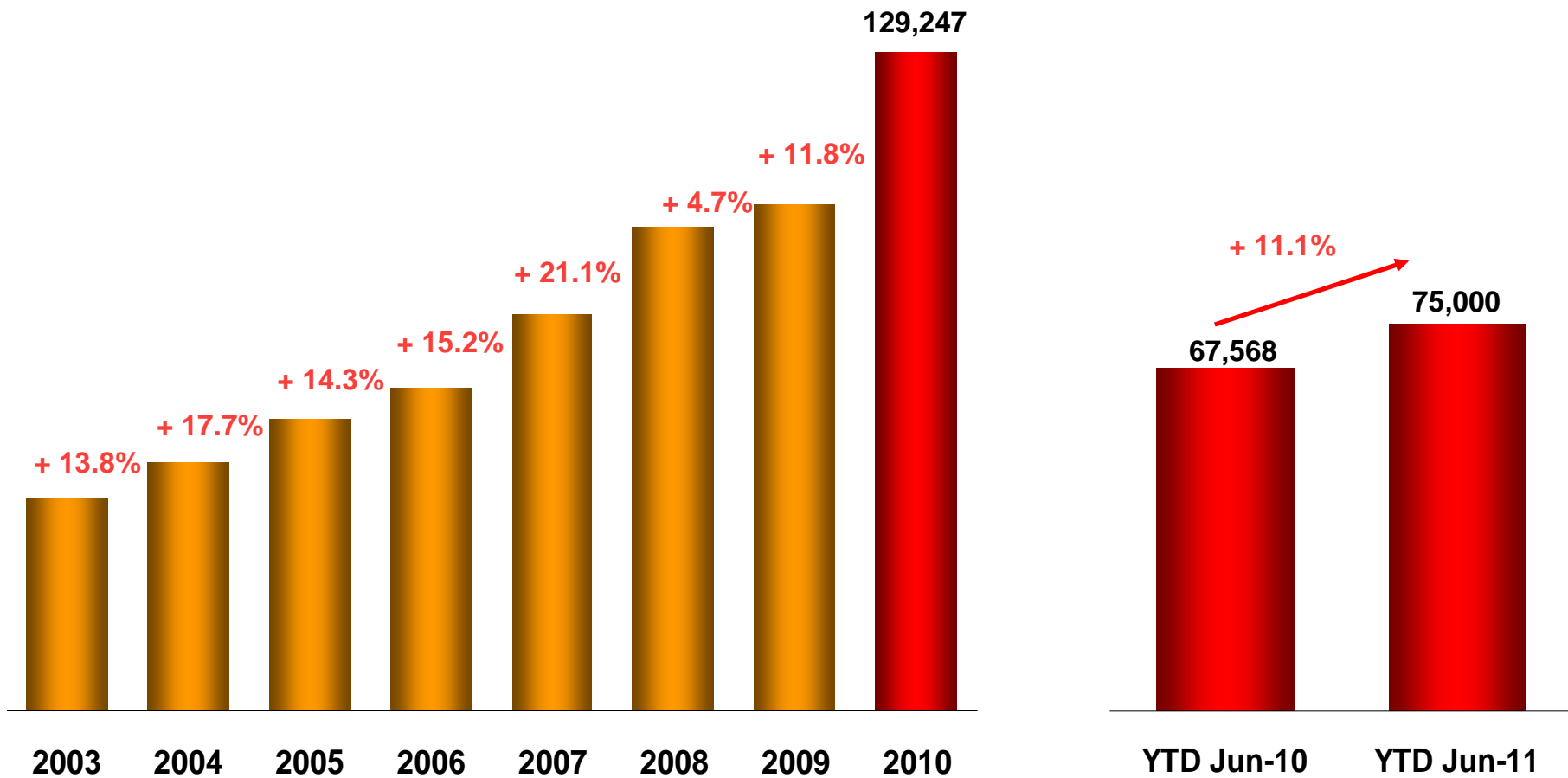


Source : Nielsen Retail Audit

RAPID DEVELOPMENT OF MODERN RETAIL TRADE IN INDONESIA



Up to June 2011, Indonesia Grocery manages to grow by 11.1%
(excl. Cigarette)



■ Sales Value in Billion (Rp)

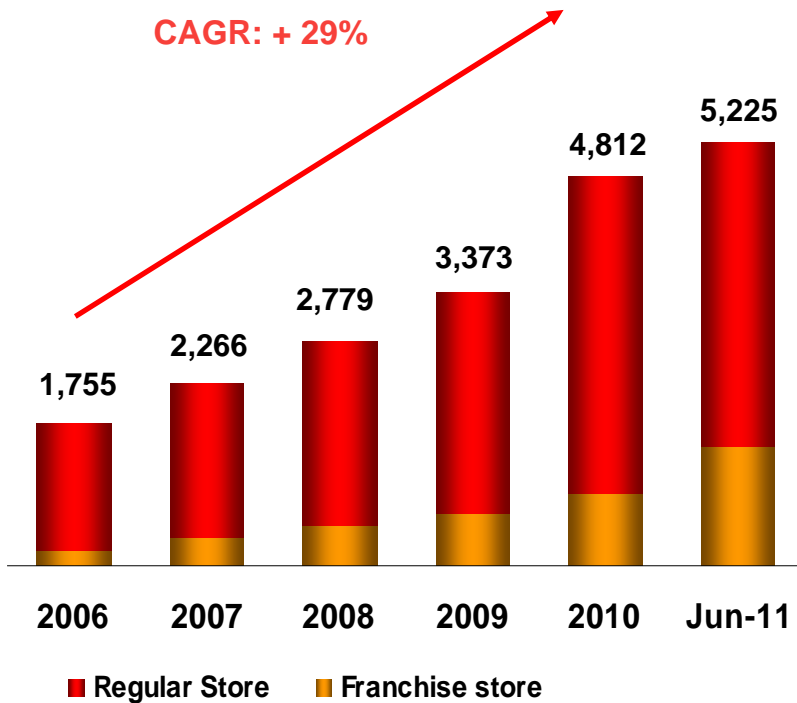
Source : Nielsen Retail Audit

ALFAMART IS BEST PLACED TO EXPLOIT THIS OPPORTUNITY

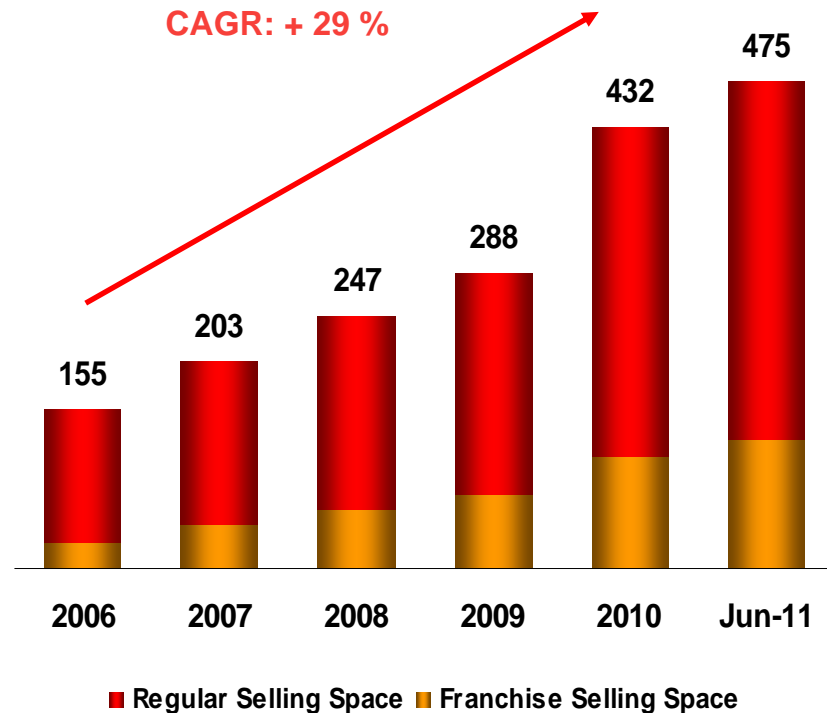


Alfamart will be able to capture the market growth as it has a proven track record of managing growth

Exceptional store growth over the past 5 years



Selling area over the past 5 years ('000 sqm)



Business Overview



ALFAMART MINIMARKETS

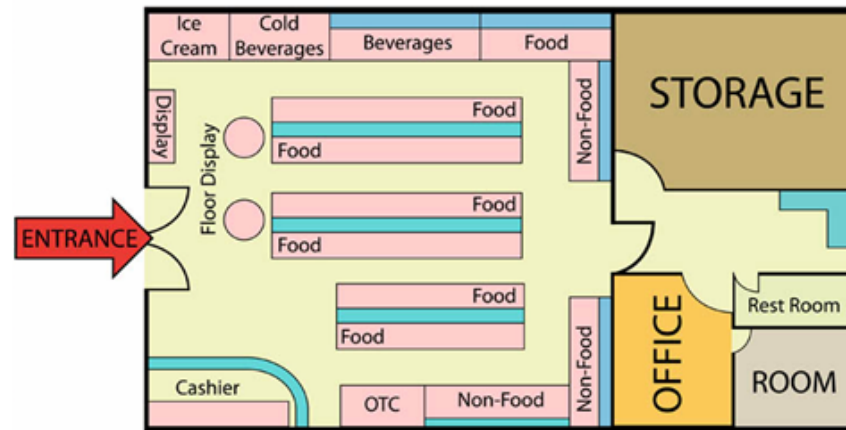


Alfamart Minimarkets

• PER STORE DATA

- Avg 90m² selling area, 7-10 employees
- Rp 9.0 million avg sales/day
- Spend per basket (Rp 25,141)
- Member's Spend per basket (Rp 51,000)
- Number of SKUs (4,500)
- Capex for new store : approx 600-750 million
- Sales Mix (71% food and 29% non-food)

Store Floor Plan



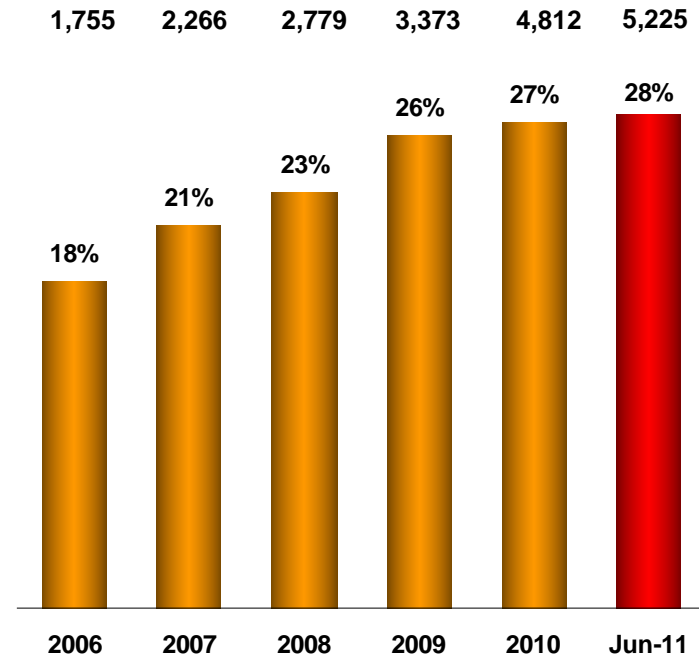
FRANCHISE STORES



Franchise Stores – Overview

- Important part of our growth
- Franchisees are mainly local residents
- Two ways to become franchisee:
 - Propose a new location
 - Takeover of an existing store (w/ goodwill)
- Franchise terms:
 - Duration : 5 years
 - Fees : Rp 45 million for 5 years
 - Royalty fee : 2 % on average
 - Distribution margin : 2%
- Company provides operational standards and controls :
 - Merchandise mix and pricing
 - Recruitment and training
 - Performance reporting

No. of franchise stores as % of total



DISTRIBUTION CENTRES



**Integrated system and IT driven (order, receiving, storage, picking and delivering)
(work 7 days a week, to ensure stock fulfilling in all of our stores)**



DISTRIBUTION CENTRES



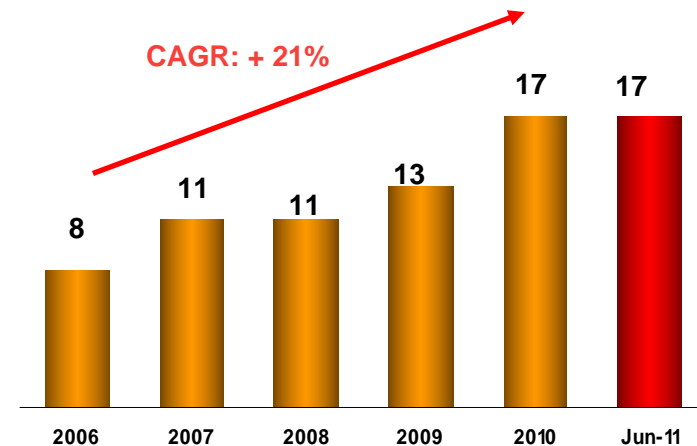
Distribution Centres – Overview

- Hub and Spoke network
- Strategically located DCs
- Comprehensive IT system determines the inventory needs of each store
- Each DC is uniquely designed to our specific needs
- Key information on DCs (small/medium/large)
 - #of DCs : 4/4/9
 - Store served : 150-250/250-350/350+
 - Land size : 1.5/2.5/3.5 hectares +
 - Storage area : 4,000/5,000/6,000+m2
 - Owned : 11 DCs/ Leased : 6 DCs
- Capex: approx Rp 55 billion - Rp 80 billion (incl. land, building, and equipment)
- Serves on average of 300 stores (with the average size of 6,000 m2)

Capacity and Utilisation

- Current utilization of 89 % (6,750 stores capacity by end of 2011)
- Adding 3 New DCs (Palembang, Surabaya, Bogor)

Number of Distribution Centres



MARKETING



Our marketing strategy prioritizes on how to connect and win our customers' heart

Promotion program based on themes, target market, and products, collaborating with Suppliers



Joint Promotion



Alfamart Clean & Green



Social Marketing Activity



Exclusive Fair



Yearly major events

Sponsorship events



Semarak Ulang Tahun Alfamart (SUA)



Senyum Keluarga Indonesia (SKI)



Kejutan Awal Tahun (KAT)



Films Sponsorship



OPERATIONAL HIGHLIGHTS



STRONG SUPPLY-CHAIN MANAGEMENT



Our IT Platform serves as the backbone of the supply-chain

400+ Suppliers

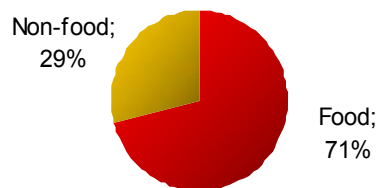
17 Distribution Centres

5,225 Stores

- Well-known and diversified suppliers with long-term relationship



- Balanced mix of Food / Non-food products:



- Strategically located
- Well-managed Distribution Centres
- Sufficient and efficient level of inventory
- Operational Excellence

- Strong supply-chain management
- Consumer loyalty program generates data of consumer spending pattern
- Capability to open a few stores each day

EXTENSIVE RETAIL STORE NETWORK

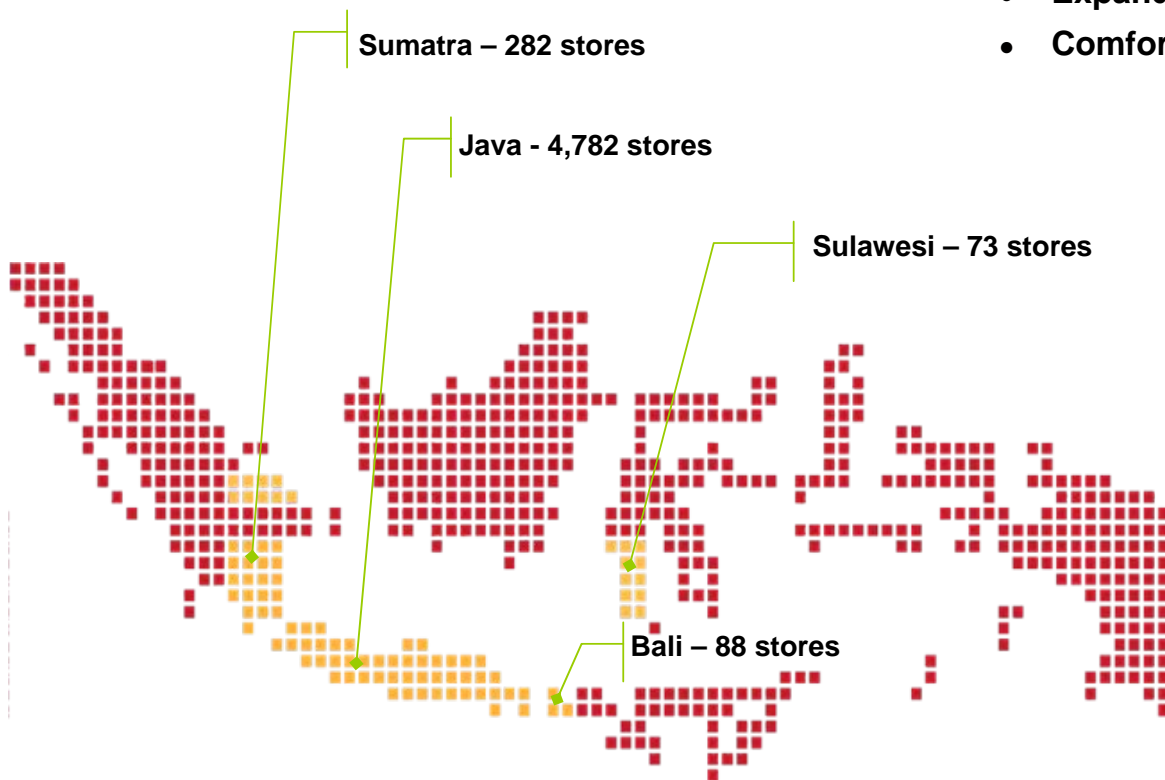


Our scale provides us with economies of scale, leverage over suppliers to optimize profitability and efficiency

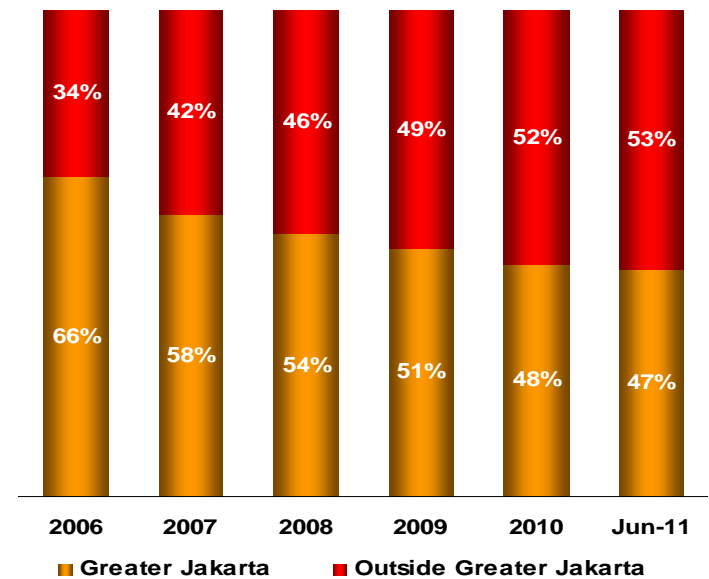
Alfamart stores are:

- Located near customer
- Spread in all sub – districts in Java and Lampung
- Expanding to Palembang
- Comfortable place to shop and offering friendly services

Store Network as of June 2011



Geographic breakdown of store locations



HIGH QUALITY IN-STORE EXECUTION



We are focused on providing best-managed stores

Best In-class In-store Execution

Loyalty Program



We believe that Customer Relation Management is an effective way to gain customers' loyalty.

Our loyalty program (Kartu AKU) has more than 3.1 million members of which 50 % are active members. Members benefits include HematKu (MySaving), SpesialKu (MySpecial), and HadiahKu (MyPrize). Points are accumulated for every purchase and can be redeemed periodically



HematKu
(MySaving)



SpesialKu
(MySpecial)

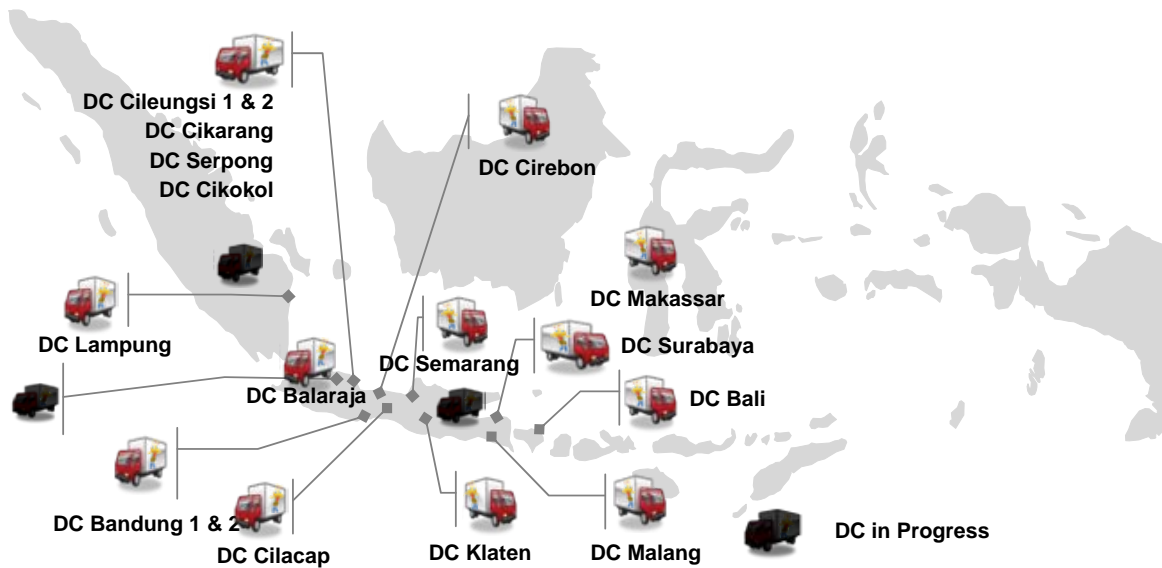


HadiahKu
(MyPrize)

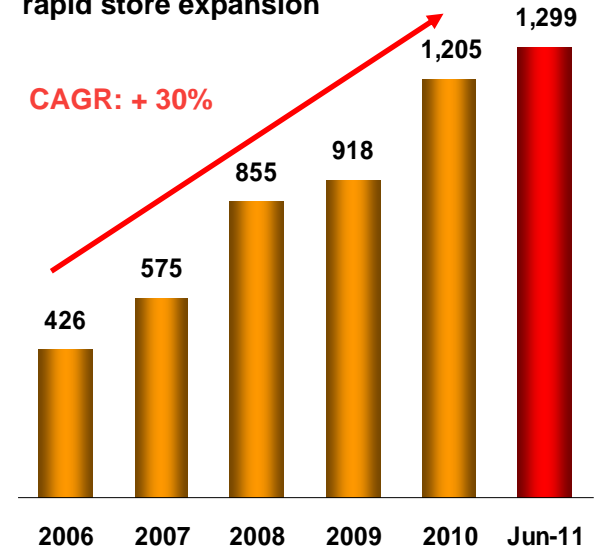
WELL-DEVELOPED DISTRIBUTION INFRASTRUCTURE



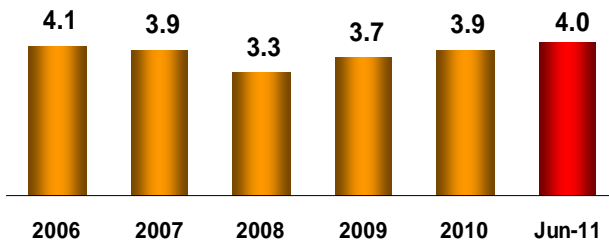
Our Distribution Centers have more than 1,200 fleet of trucks providing the capability for daily stock delivery



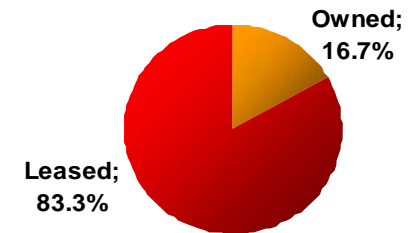
Truck fleet growth to support rapid store expansion



Trucks per Store ratio remain stable



Trucks mainly leased from third party



GREAT FOCUS ON CSR



ALFAMART SMART

We support children education



Education Development
Granting Scholarships, and Developing Community Library

ALFAMART CARE

We actively participate in helping communities



Social Response
Free Healthcare Services, Donations, Orphanage care, and Seasonal Cheap Groceries

ALFAMART CLEAN & GREEN

Our concern on environmental issue



Plastic Bag Reduction
Developing Go-Green Bag

ALFAMART SPORT

Promoting healthy living and spirit of fair competition and togetherness



Sport Development
Sponsoring Clubs and Championships

ALFAMART VAGANZA

An appreciation to the contribution and participation of our customers



Arts and Culture Appreciation
Sponsoring Exhibitions, Films and Conducting Public Fest

ALFAMART SMEs

We Actively build entrepreneurship in Indonesia through SMEs Development



SMEs Development
Nurturing Traditional Retailers

FINANCIAL HIGHLIGHTS

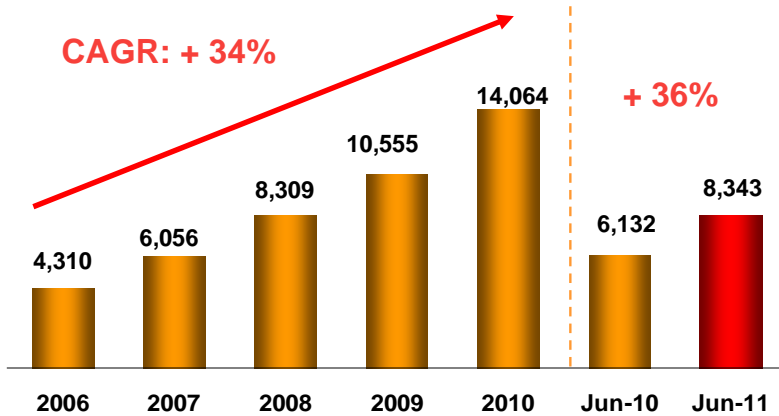


HEALTHY FINANCIAL RATIOS

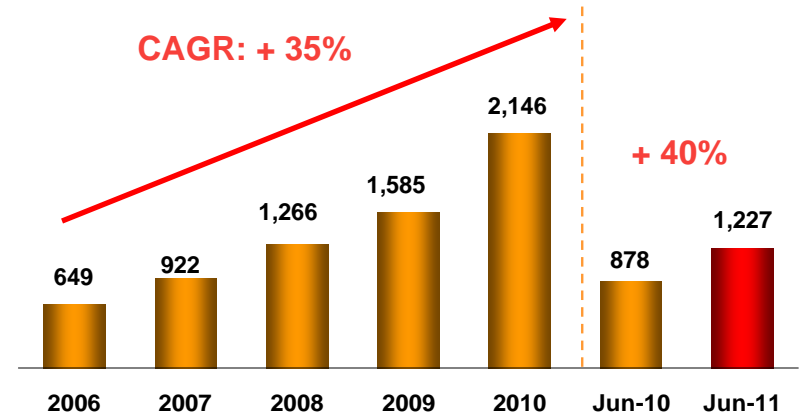


Alfamart has shown strong growth in sales and profitability

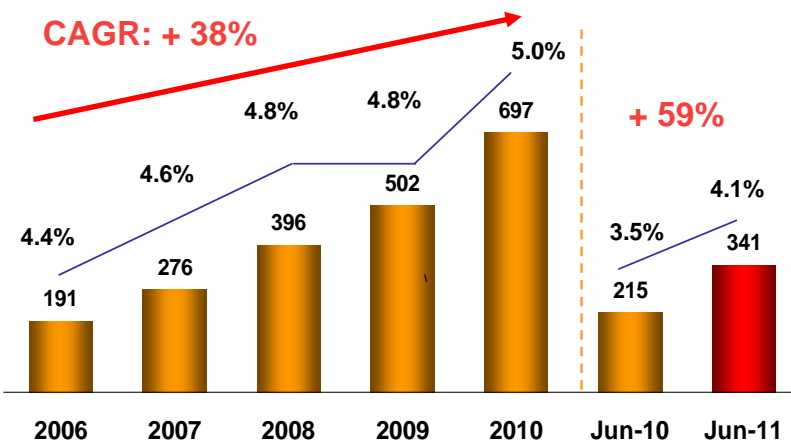
Net Sales (Rp Billion)



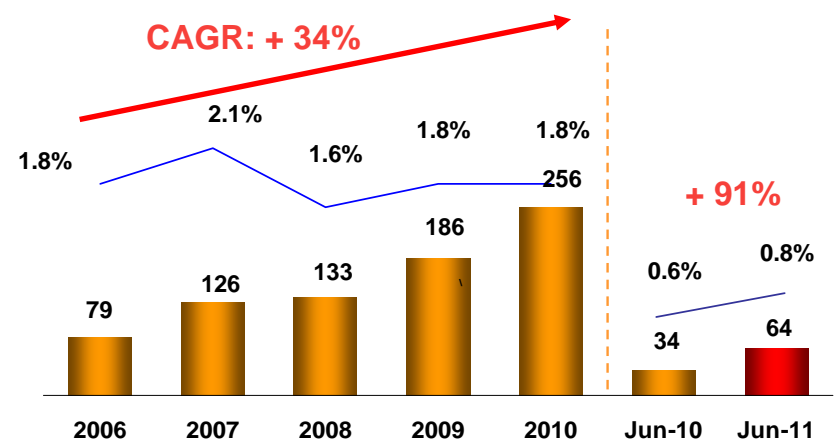
Gross Profit (Rp Billion)



EBITDA and margin (Rp Billion, %)



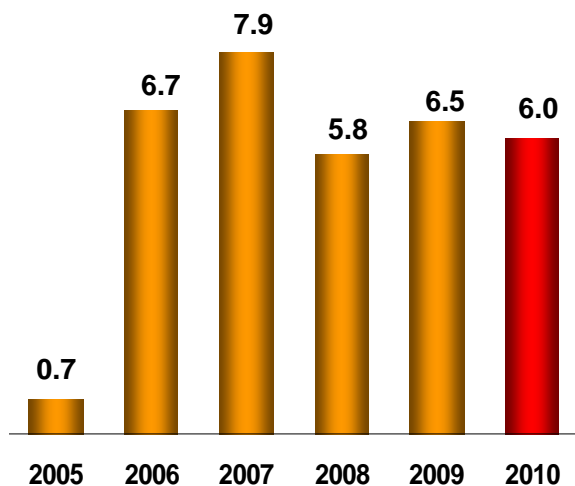
Net income and margin (Rp Billion, %)



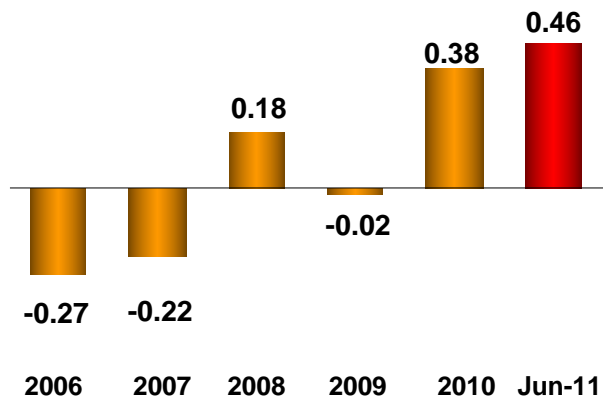
HEALTHY FINANCIAL RATIOS



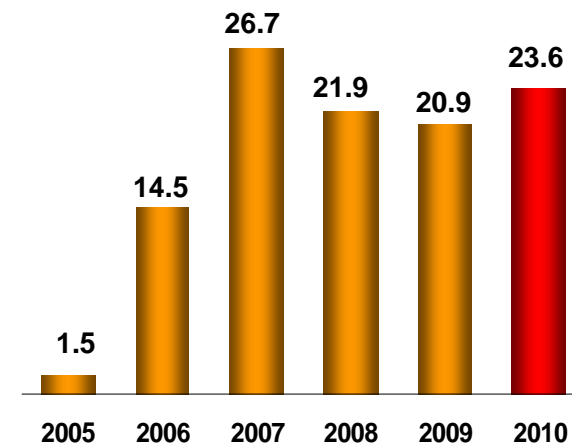
Return on Assets (%)



Net Debt to Equity (x)



Return on Equity (%)



- RoA more than 5% in the last five years
- RoE more than 20% in last four years

FUTURE STRATEGIES



FUTURE STRATEGIES



Growth

- Driving store growth through decentralization
- Continue to grow via franchise stores
- Expanding to secondary cities (incl. outer island)

Improving Profitability

- Adopting new technology to improve efficiency
- Improving margin through value added services and private label

To be the 'Community Store' of Choice

- Hiring employees through alliances with local institutions
- Continue to develop and expand our CSR Program
- Encourage local Entrepreneur to own Alfamart store