

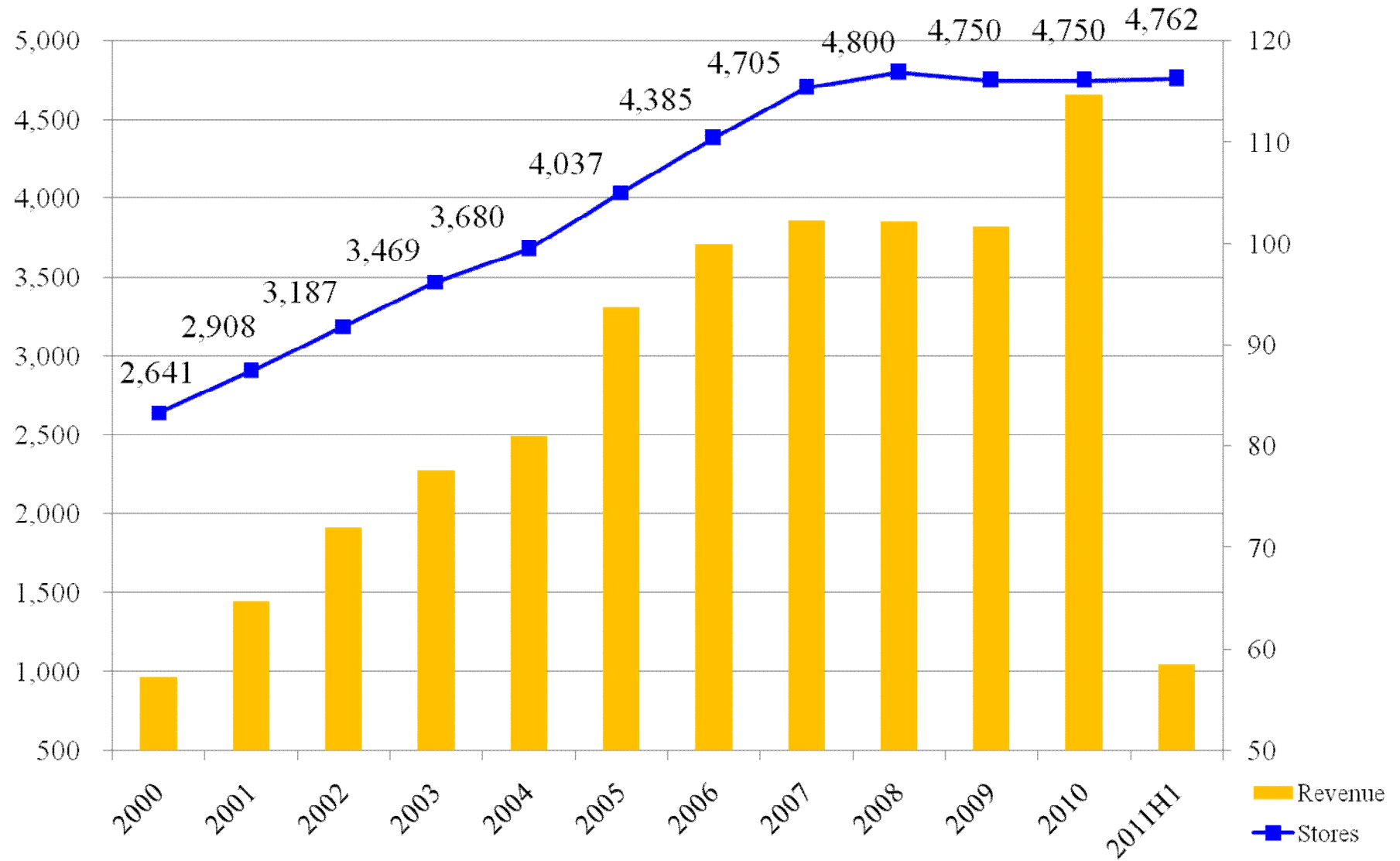
President Chain Store

2912TT



2010 and 2011H1 Results

Trend of Sales and Store no.



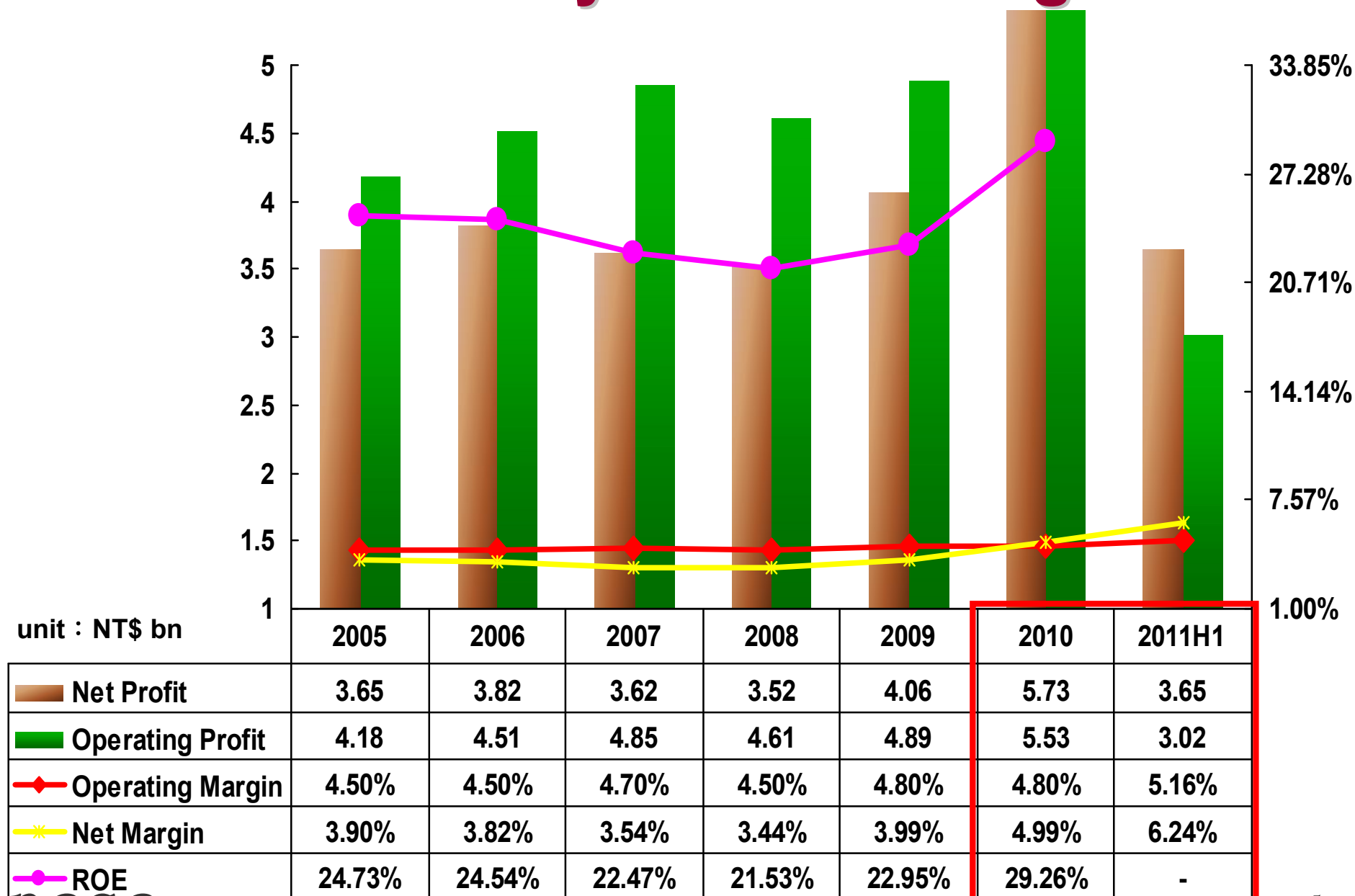
Unit:\$NT bn

Parent Income Statement

Unit:\$NT'million

	<u>2010</u>		YOY	<u>2011H1</u>		YOY
	<u>Amount</u>	<u>%</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
Net sales	111,074	96.9%	12.9%	56,527	96.7%	6.2%
Other operating revenue	3,590	3.1%	6.4%	1,929	3.3%	9.5%
Total operating revenue	114,664	100.0%	12.7%	58,456	100.0%	6.4%
Gross profit	35,923	31.3%	9.0%	18,495	31.6%	7.9%
Operating expenses	(30,395)	-26.5%	8.3%	(15,476)	-26.5%	6.3%
Operating income	5,527	4.8%	13.0%	3,018	5.2%	16.7%
Non-operating income	1,102	1.0%	increase 1352	1,199	2.1%	6.3%
Income before taxes	6,629	5.8%	42.7%	4,217	7.2%	17.7%
Income tax expense	903	0.8%	54.4%	570	1.0%	40.4%
Net Income	\$5,726	5.0%	41.1%	\$3,647	6.2%	14.8%
Earnings per share	(pre-tax)	(after tax)		(pre-tax)	(after tax)	
Net income (unit:\$NTD)	<u>6.38</u>	<u>5.51</u>		<u>4.06</u>	<u>3.51</u>	

Profitability Hit a New High



Two Engines for Growth: 7-11 Taiwan and Subsidiaries

NI grows 41% in 2010
NI grows 14.8% in 2011H1

Solid growth from Taiwan 7-11

- ✓ Internal strategies
 - New store formats
 - Private Label products
 - Virtual business
 - Innovative promotions

Positive contribution from Subsidiaries

- ✓ 12 subsidiaries' NI over NT\$100m in 2010.
- ✓ Strong earning drivers in the near future.

Business Scope

Retail

- Taiwan 7-11
- Cosmed (100%)
- Being Spa (100%)
- Smile Gas Station (80.87%)
- President Pharmaceutical (73.74%)
- Hankyu (70%)
- Pet Plus (70%)
- Takkyubin (70%)
- Philippine 7-11(56.59%)
- Muji (Taiwan) (51%)
- Uni-mart Vietnam (51%)
- Book.com (50.03%)
- Rakutan (49%)

Logistic

- Retail Support (25%)
- Cold-Chain (60%)
- Wisdom (100%)

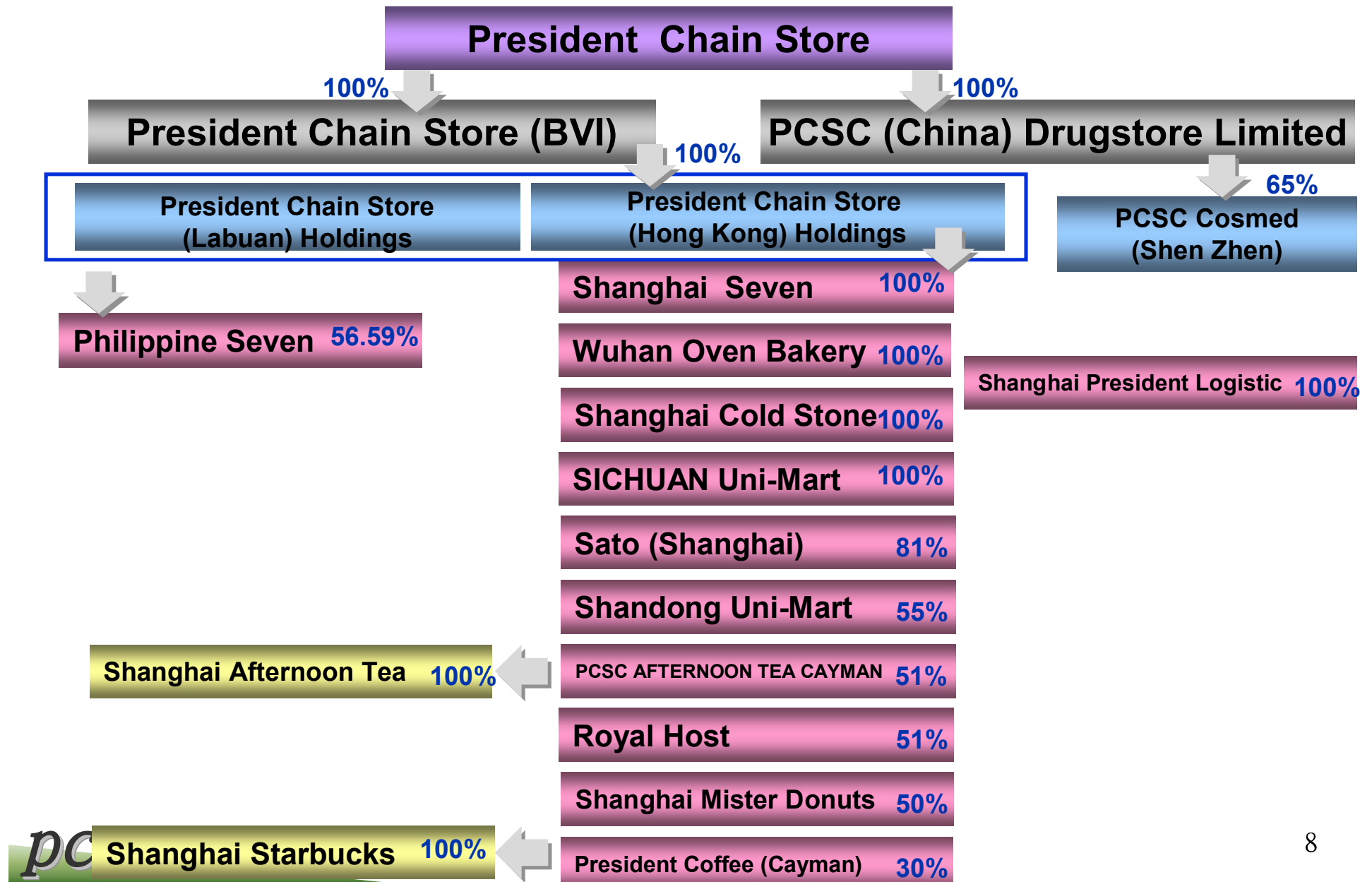
F&B

- 21 Century (100%)
- Oven Bakery (100%)
- Cold Stone (100%)
- Sato (81%)
- Afternoon Tea (51%)
- Mister Donut (50%)
- Starbucks (30%)

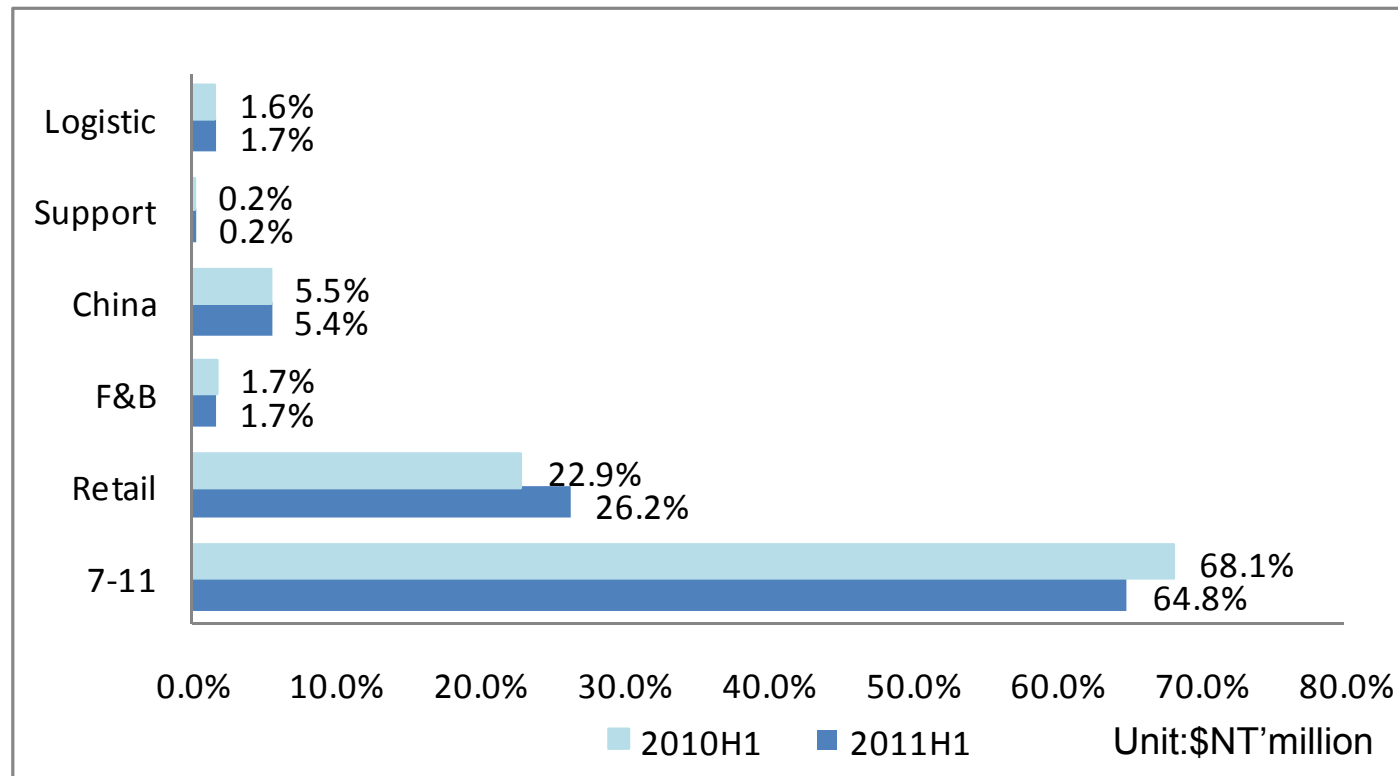
Support

- Capital Inventory (100%)
- Tokyo Marketing (100%)
- Musashino (90%)
- Q-Ware (86.76%)
- President Information (56%)
- Bank Pro E-Service (53.33%)

Overseas Investment Structure

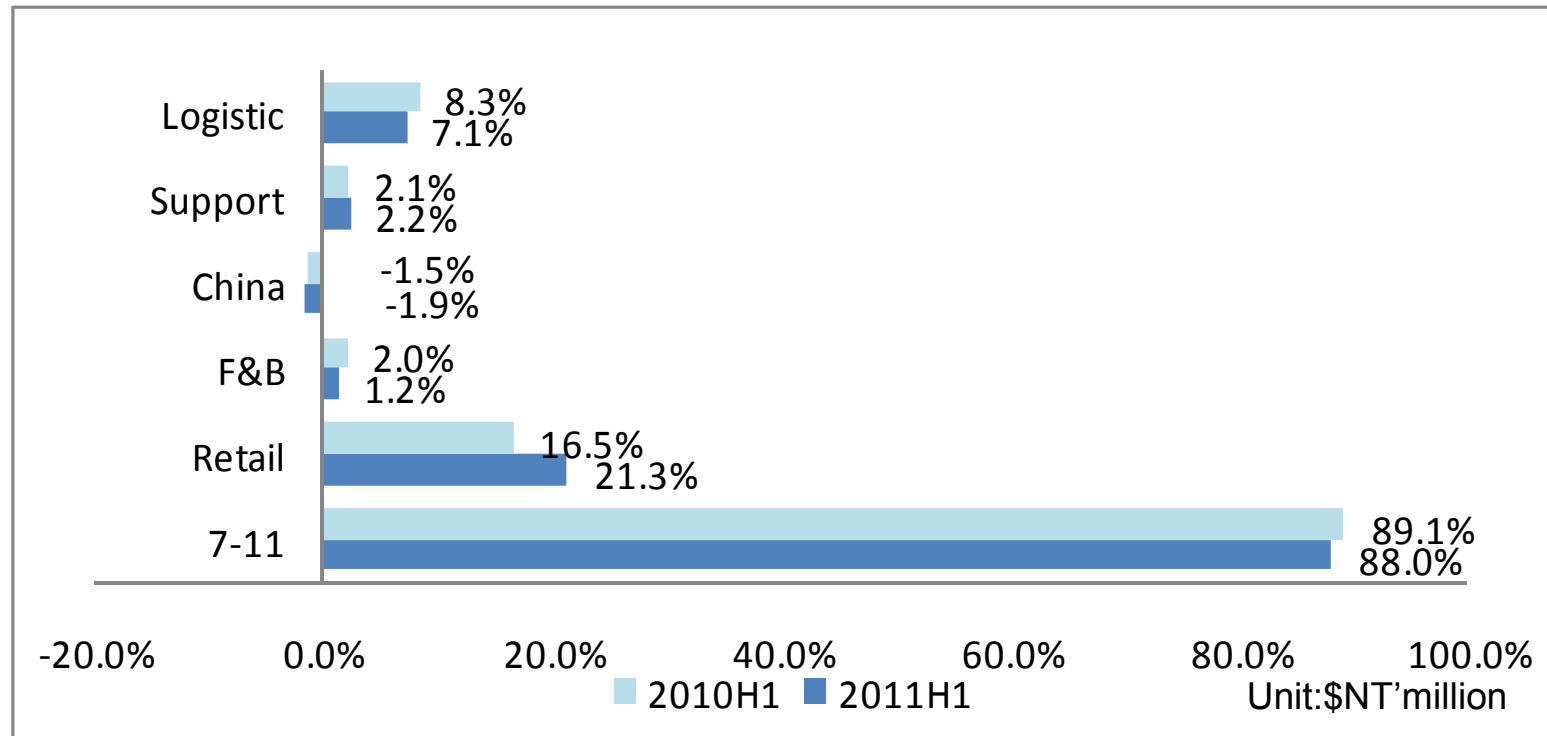


Consolidated Sales Contribution



	7-11	Retail	F&B	China	Support	Logistic
2011H1	58,456	25,554	1,817	5,255	1,753	43,426
2010H1	54,967	19,783	1,620	4,810	1,660	39,926

Consolidated Net Profit Contribution



	7-11	Retail	F&B	China	Support	Logistic
2011H1	3,647	881.18	51.53	(77.05)	93.03	296.29
2010H1	3,177	588.05	70.34	(53.80)	76.59	295.76

◆ Elimination accounts for -18% of 2011H1 and -16.5% of 2010H1

Taiwan Subsidiaries

Unit: \$NT'm

Lifestyle Business

Cosmed Taiwan

(100%)



Stores: 340

NI: 10'FY: 297 11'H1: 152
09'FY: 166 10'H1: 126

MUJI Taiwan

(51%)



Stores: 21

NI: 10'FY: 160 11'H1: 111
09'FY: 105 10'H1: 72

Hankyu Dept. Taiwan

(70%)



Stores: 2

NI: 10'FY: -240 11'H1: -36
09'FY: -352 10'H1: -170

Restaurant

Starbucks Taiwan

(30%)



Stores: 241

NI: 10'FY: 329 11'H1: 200
09'FY: 111 10'H1: 180

Afternoon Tea

(51%)



Stores: 10

NI: 10'FY: -35 11'H1: -8
09'FY: -34 10'H1: -10

Mister Donut

(50%)



Stores: 47

NI: 10'FY: 2 11'H1: 18
09'FY: -109 10'H1: 7

Cold Stone

(100%)



Stores: 29

NI: 10'FY: 32 11'H1: 10
09'FY: -12 10'H1: 20

E-Commerce

Books.com

(50.03%)



NI: 10'FY: 189 11'H1: 111
09'FY: 123 10'H1: 98

Rakuten

(49%)



NI: 10'FY: -112 11'H1: -8
09'FY: -207 10'H1: -80

China Subsidiaries

Unit: \$NT'm

Convenience Store

Shanghai 7-11

(100%)



Stores: 69

NI: 10'FY:-162 11'H1:-121

09'FY:-89 10'H1:-63

Drugstore

Shenzhen Cosmed

(65%)



Stores: 6

NI: 10'FY:-35 11'H1:-11

09'FY:-86 10'H1:-13

Restaurant

Starbucks

(30%)



Stores: 208

NI:10'FY:387 11'H1:306

09'FY:229 10'H1:140

Afternoon Tea

(51%)



Stores: 2

NI:10'FY:-42 11'H1:-27

09'FY:-73 10'H1:-21

Mister Donut

(50%)



Stores: 9

NI:10'FY:-55 11'H1:-20

09'FY:-55 10'H1:-26

Cold Stone

(100%)



Stores: 42

NI: 10'FY:-52 11'H1:-19

09'FY:-115 10'H1:-26

Supermarket & Hypermarket

Sichuan Uni-mart

Hypermarket (100%)

Stores: 5



NI: 10'FY:-23 11'H1:0.08

09'FY:-103 10'H1:0.4

Shandong Uni-mart

Supermarket (55%)

Stores: 155

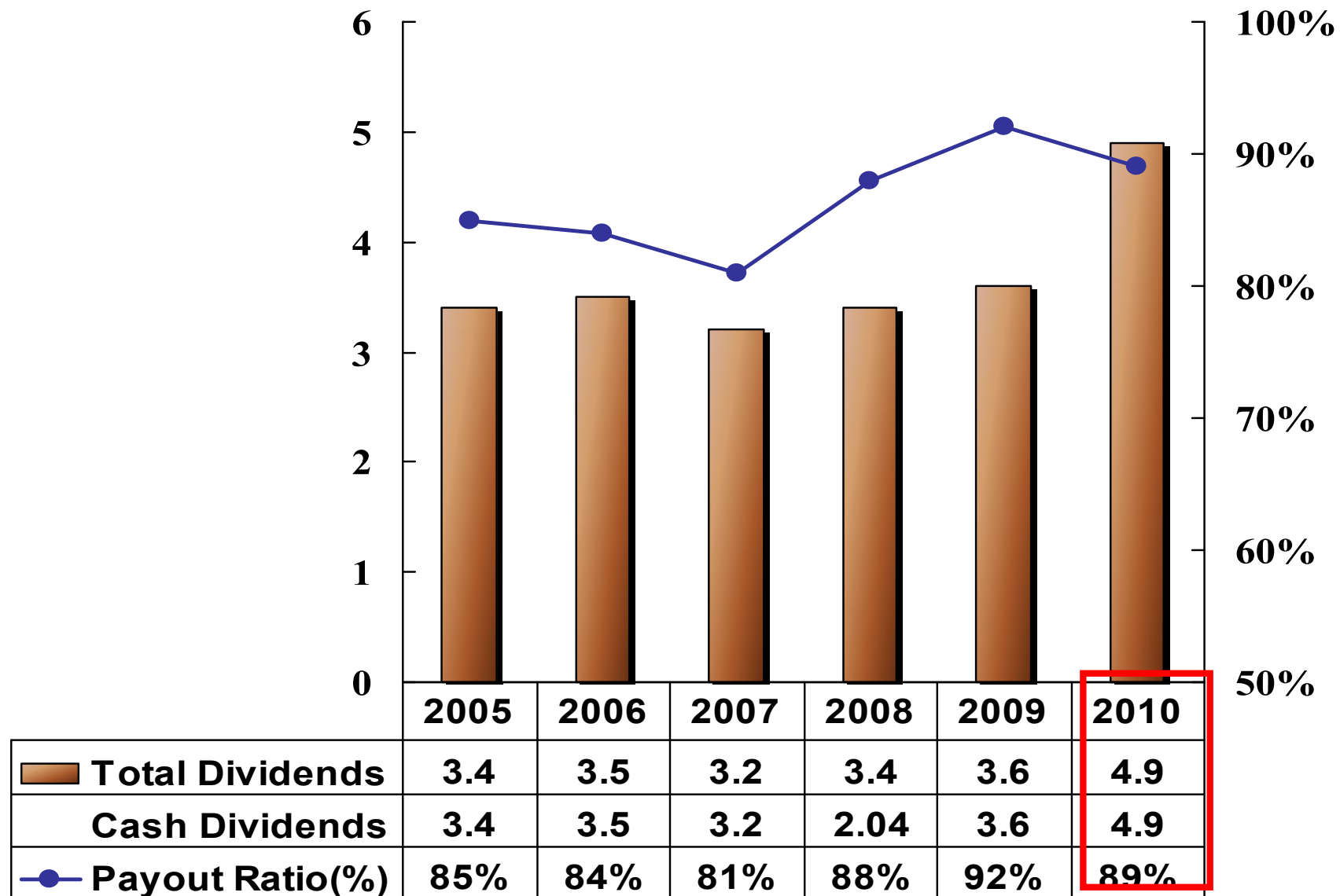


NI:10'FY:157 11'H1:80

09'FY:163 10'H1:92

Dividend Policy

Cash Dividend Reaches New High



2011 Outlook

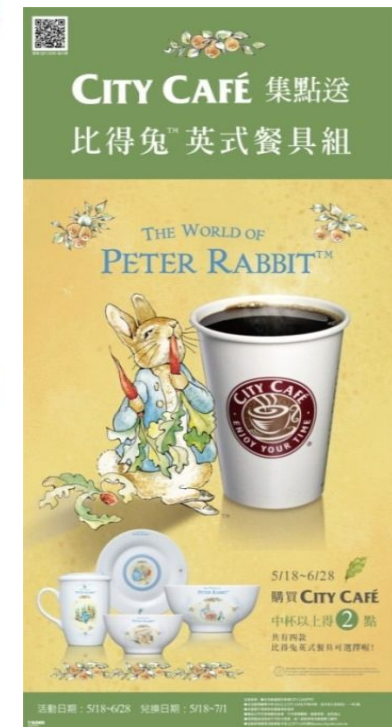
New Store Format

- Focus on raising store profitability.
- Adjust product mix depending on the characteristics of the neighborhood.
- Bigger stores account for 40%, and the number keeps growing.



Product Mix Adjustments

- **Higher quality** : City Café provides convenience and good quality coffee.
- **More choices** : a variety of national brands and private label products.
- **Reasonable prices** : reasonable prices for daily necessities and private label products.



Innovative Promotions

- Enhance value-added experience through cooperation with group affiliates and other channels.
- We have the most fans among Taiwanese companies. We use it as communication and marketing platform.



Taiwan 7-11 : Strengthen Real-virtual Retail Platform

Virtual
Second Floor



Real Stores

40% are Bigger Stores

Food Store

City Café

Fresh food



Virtual Businesses

- ibon : New services include ticketing services for transportation, online shopping, etc.
- 7nET: 300,000 items, 640,000 membership.



Overseas Businesses – Transfer and localize

Philippine 7-11-Aiming for becoming best retailer of convenience for emerging markets.

- ❑ Enhance PSD through product mix adjustment (Fresh food, general merchandise)
- ❑ Market Dominance
 - expand boundaries
 - intensify franchisingTarget: 1000 stores in 2013.
- ❑ Cost controls

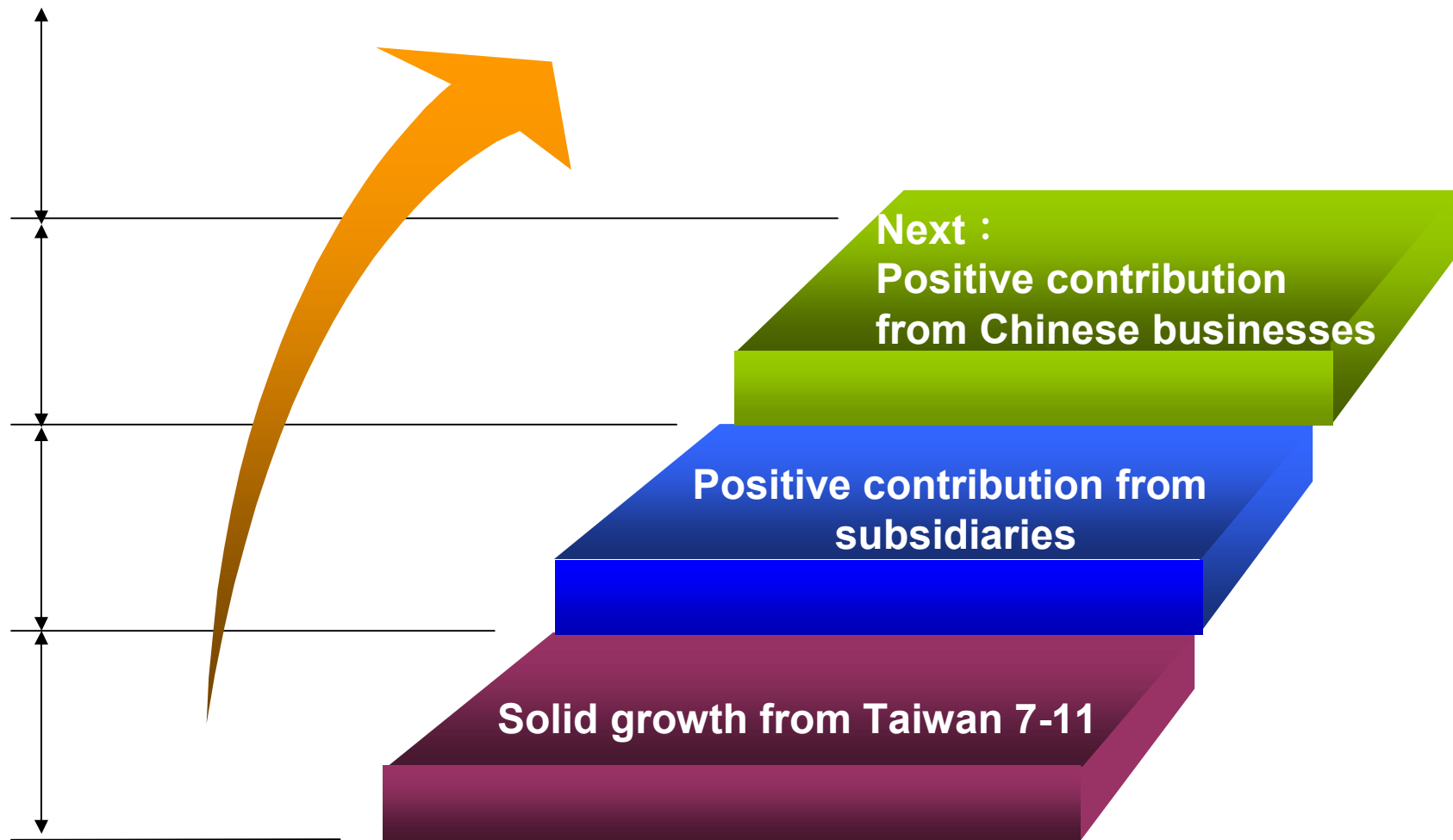
China-Aiming for becoming regional leading brands

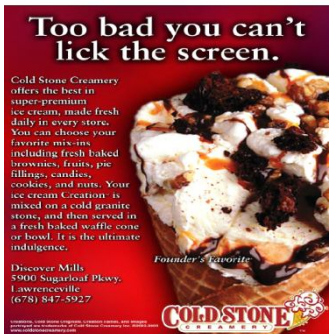
524 stores in China, 353 in East China.

- ❑ Shanghai 7-11 :
 - aggressive roll-out plan and product mix differentiation.
- ❑ F&B businesses :
 - develop existing brands
- ❑ Supermarket : entering new markets and differentiation.

Key to Continued growth

Focus, Execution





Q&A