

# President Chain Store

# Business Scope

## CVS

1. 7-Eleven Taiwan (100%)
2. 7-Eleven Shanghai (100%)
3. 7-Eleven Philippine (56.59%)

## Drug Store

1. Cosmed Taiwan (100%)
2. Cosmed China (65%)

## Life Style Business

1. Muji (41%)
2. Hankyu Department Store (70%)

## Supermarket / Hypermarket

1. Shandong Uni-Mart Supermarket (55%)
2. Sichuan Uni-Mart Hypermarket (100%)
3. Vietnam Uni-Mart Supermarket (51%)

## Restaurant-Food & Beverage

1. Starbucks Taiwan (30%)
2. Starbucks Shanghai (30%)
3. Mr. Donut Taiwan (50%)
4. Mr. Donut China (50%)
5. Cold Stone Creamery Taiwan (100%)
6. Cold Stone Creamery China (100%)
7. Afternoon Tea Taiwan (51%)
8. Afternoon Tea China (51%)

## E-Commerce

1. Books.Com (50.03%)
2. Taiwan Rakuten (49%)

## Logistics

1. Retail Support International (25%)
2. Uni-President Cold-Chain (60%)
3. Wisdom Distribution (100%)
4. TAKKYUBIN (70%)

# 2009 & 2010 Q1 Results

# 2009 FY & 2010 Q1

## Parent Income Statement

| Unit:\$NT'million       | <u>2009 FY</u>        |              | <u>YOY</u>   | <u>2010Q1</u>         |              | <u>YOY</u>    |
|-------------------------|-----------------------|--------------|--------------|-----------------------|--------------|---------------|
|                         | <u>Amount</u>         | <u>%</u>     | <u>%</u>     | <u>Amount</u>         | <u>%</u>     | <u>%</u>      |
| Total operating revenue | 101,757               | 100.0%       | -0.4%        | 26,890                | 100.0%       | 11.4%         |
| <b>Gross profit</b>     | 32,966                | 32.4%        | <b>0.7%</b>  | 8,236                 | 30.6%        | <b>9.2%</b>   |
| Operating expenses      | 28,072                | 27.6%        | -0.2%        | 6,978                 | 26.0%        | 4.5%          |
| <b>Operating income</b> | 4,894                 | 4.8%         | <b>6.2%</b>  | 1,258                 | 4.7%         | <b>45.0%</b>  |
| <b>Net Income</b>       | <b>\$4,059</b>        | <b>4.00%</b> | <b>15.3%</b> | <b>\$1,606</b>        | <b>5.97%</b> | <b>108.4%</b> |
| Earnings per share      | (pre-tax) (after-tax) |              |              | (pre-tax) (after-tax) |              |               |
| Net income (unit:\$NTD) | <u>4.47</u>           | <u>3.90</u>  |              | <u>1.86</u>           | <u>1.55</u>  |               |

**Net income increases 108.4% YOY for 2010Q1 :**

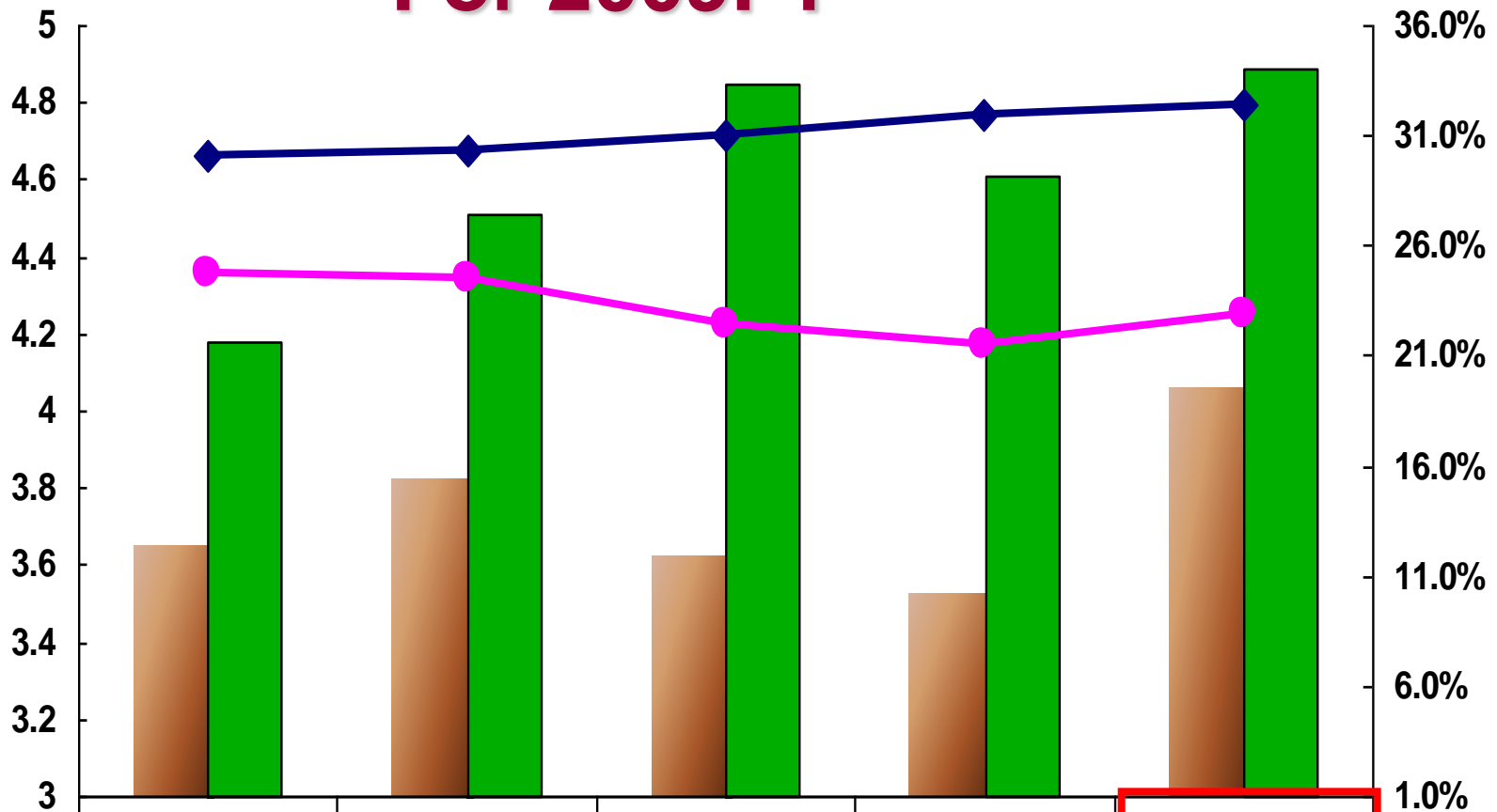
**1.External: recovery of consumption environment**

**2.Internal:**

**(1)7-11 Taiwan: SSS increases 13% YOY due to store adjustment and promotions.**

**(2)subsidiaries: investment gain grows from NT\$17m to NT\$330m.**

# Profitability Hit a New High For 2009FY



Unit : NT\$ bn

Net Profit

Operating Profit

Gross Margin

ROE

2005

2006

2007

2008

2009

3.65

3.82

3.62

3.52

4.06

4.18

4.51

4.85

4.61

4.89

30.1%

30.3%

31.0%

32.0%

32.4%

24.73%

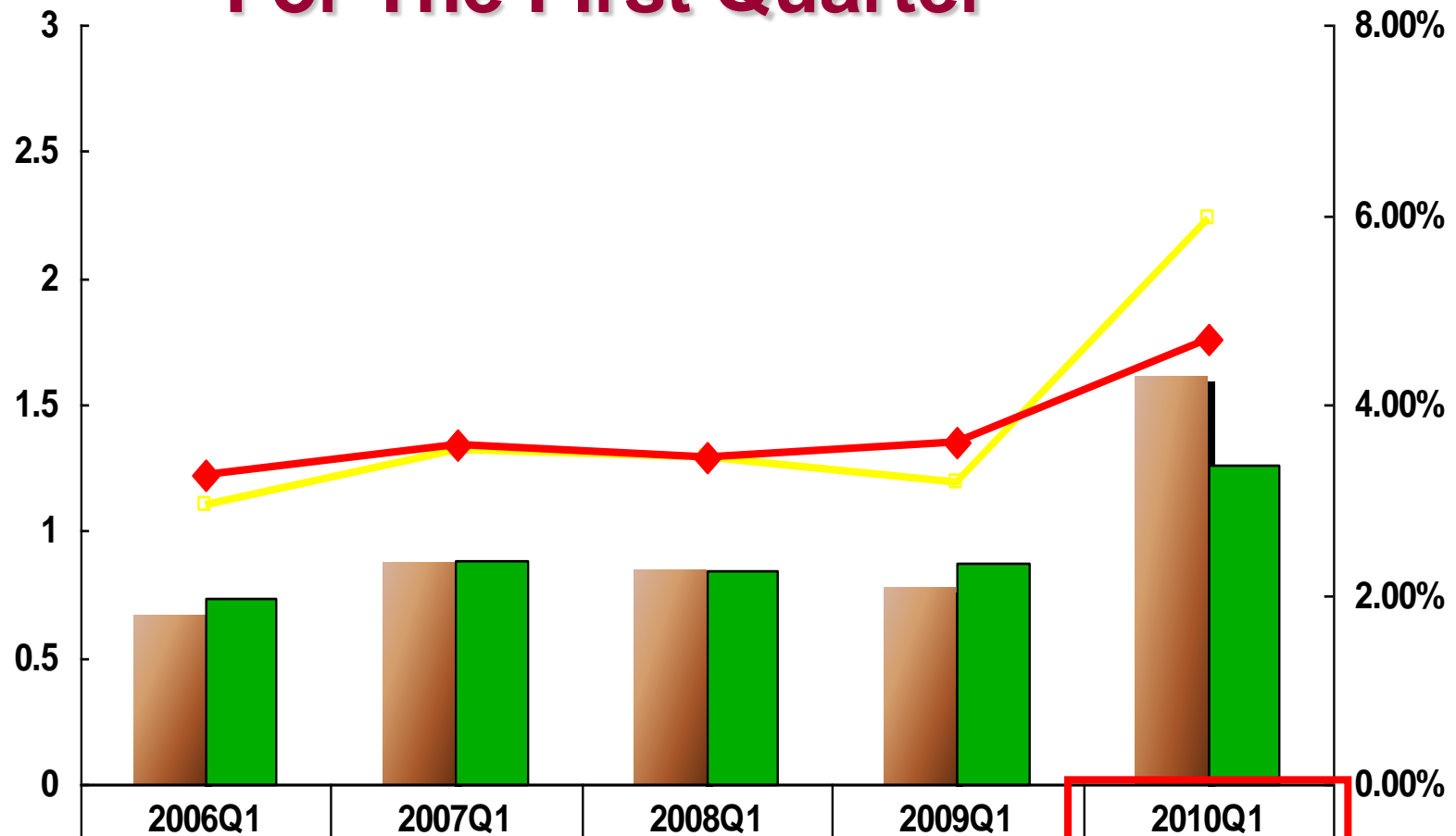
24.54%

22.47%





21.53%

22.95%

# A Record-high Profitability For The First Quarter

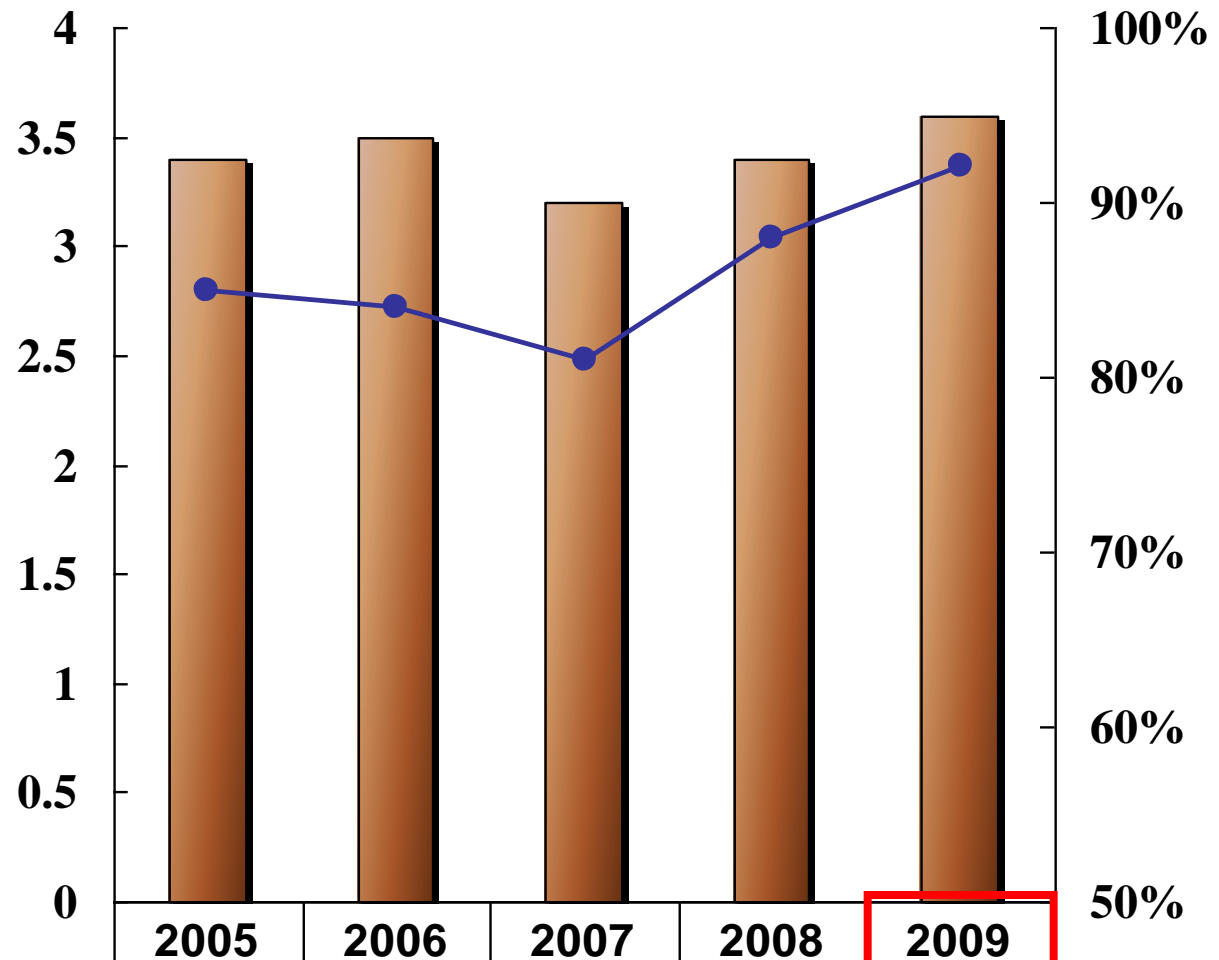


Unit : NT\$ bn

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
|  Net Profit       | 0.67  | 0.87  | 0.84  | 0.77  | 1.61  |
|  Operating Profit | 0.74  | 0.88  | 0.84  | 0.87  | 1.26  |
|  Net Margin       | 2.94% | 3.53% | 3.44% | 3.19% | 5.97% |
|  Operating Margin | 3.26% | 3.57% | 3.44% | 3.59% | 4.68% |

# Dividend Policy

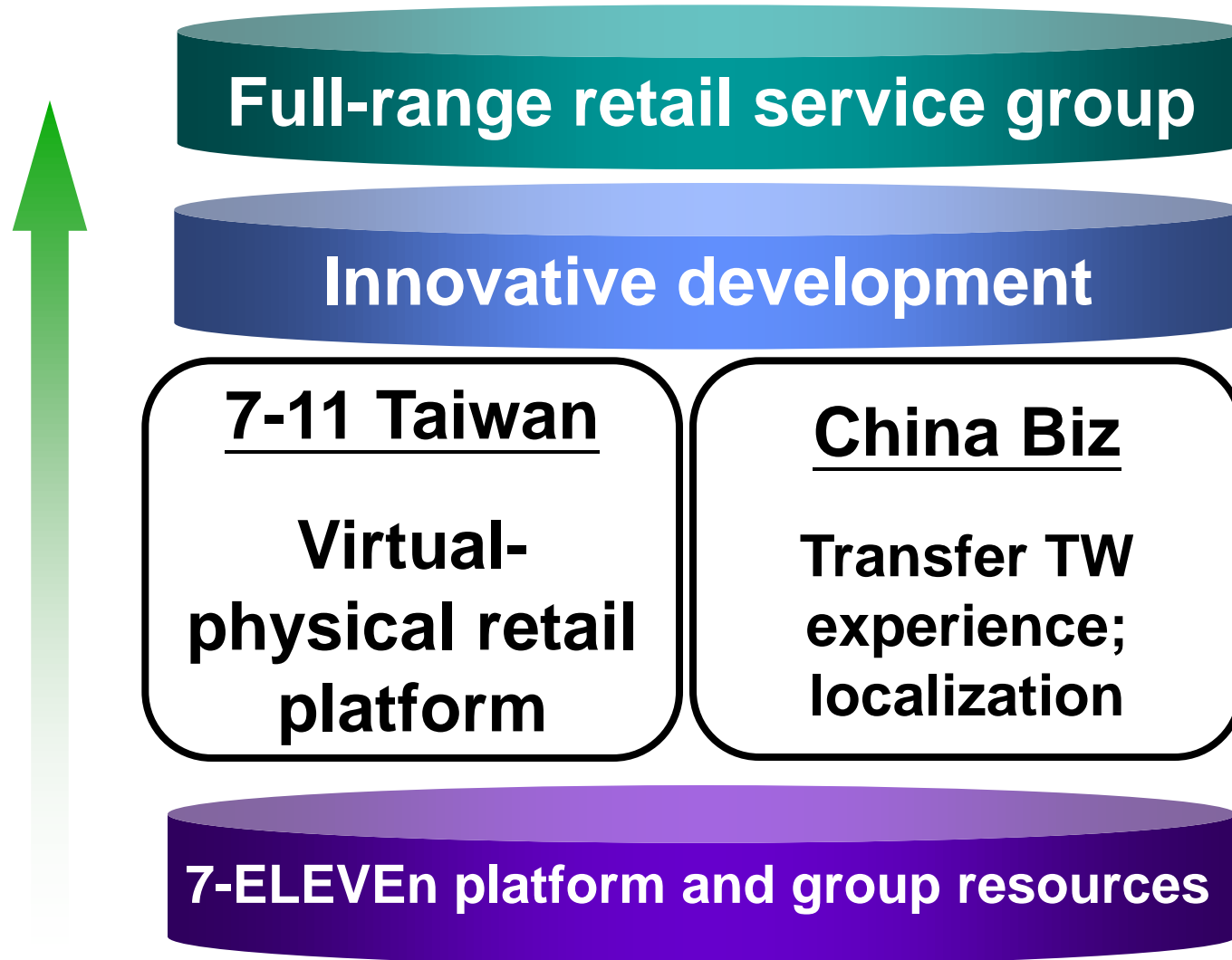
# Record-high Cash Dividends



|  |      |      |      |      |      |
|--|------|------|------|------|------|
| <span style="display:inline-block; width:15px; height:15px; background-color: #A52A2A; border: 1px solid black;"></span> Total Dividends                     | 2005 | 2006 | 2007 | 2008 | 2009 |
| Cash Dividends   | 3.4  | 3.5  | 3.2  | 2.04 | 3.6  |
| <span style="display:inline-block; width:15px; height:15px; background-color: #4169E1; border: 1px solid black; border-radius: 50%;"></span> Payout Ratio(%) | 85%  | 84%  | 81%  | 88%  | 92%  |

# 2010 Outlook

# Group Vision



# 7-11 Taiwan business strategy : Real-virtual retail platform

## Real

- ❑ Store upgrades, new store formats
- ❑ Adjusting product mix
- ❑ Integrated marketing



## Virtual

- ❑ full-range of bill-paying services
- ❑ ibon platform : High speed rail ticketing service
- ❑ Telecom service



**Increase Per Store Daily sales, driving  
revenue/profit growth**

# New store format

- Focus on raising store profitability.
- Adjust product mix depending on the characteristics of the neighborhood.
- Continue to promote “Food Store” concept.



# Adjusting product mix

- **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.



# Integrated marketing

- Provide differentiated consumption experience through integrated marketing.
- Enhance value-added experience through cooperation with group affiliates and other channels.



Afternoon Tea



✳ 集滿6點加39元 或 集滿12點 可兌換公仔一個 (共七款，款式隨機出貨無法指定，限量發行) ✳

櫻桃小丸子趣味文具公仔，每個公仔的右側都搭配一款迷你文具，文具可實際使用唷！

|              |            |            |                       |
|--------------|------------|------------|-----------------------|
| <br>櫻桃小丸子 剪刀 | <br>小玉 捲尺  | <br>山田 原子筆 | <br>限定版<br>櫻桃小丸子 削鉛筆器 |
| <br>花輪 橡皮擦   | <br>丸尾 膠帶台 | <br>永澤 訂書機 |                       |

# Virtual business

- ibon platform: High speed rail ticketing service, online-auction delivery, photo printing.
- Telecom service: cellphone carrier service with monthly payment deductible.
- icash-easy card: more convenient payment option for small purchases and public transit ticketing.

**統一超商電信**  
月租型門號申辦中  
採用遠傳電信系統

177/377型  
月租可抵**通話費**  
每月再抵**伙食費**

月租177型，每月送177元伙食費(連續12個月)  
月租377型，每月送377元伙食費(連續12個月)  
新申裝月租型門號用戶須同意使用門號24個月以上  
每月伙食費限於當月使用完畢，詳情請上7-ELEVEN官網

**7-ELEVEN 高鐵路車票 隨訂隨到**

訂位 付款 取票 一次完成

4600 個售票處  
24hr 營業

**7-ELEVEN ibon 買高鐵票 不用提早到!**

到 7-ELEVEN ibon 買高鐵票免排隊  
4/21~5/18 免手續費，再送指定茶飲



# China Business Vision

## Become Regional Leading Brands

❑ **Shanghai 7-ELEVEN:**  
provides a convenient life-style experience

❑ **F&B Business:**  
Introduces a variety of brands

❑ **Uni-Mart aims to become the #1 local supermarket and hypermarket.**



# Shanghai 7-ELEVEN

- Improve product mix and create consumer needs.
- Joint-procurement to cut costs and offer good prices to consumers.



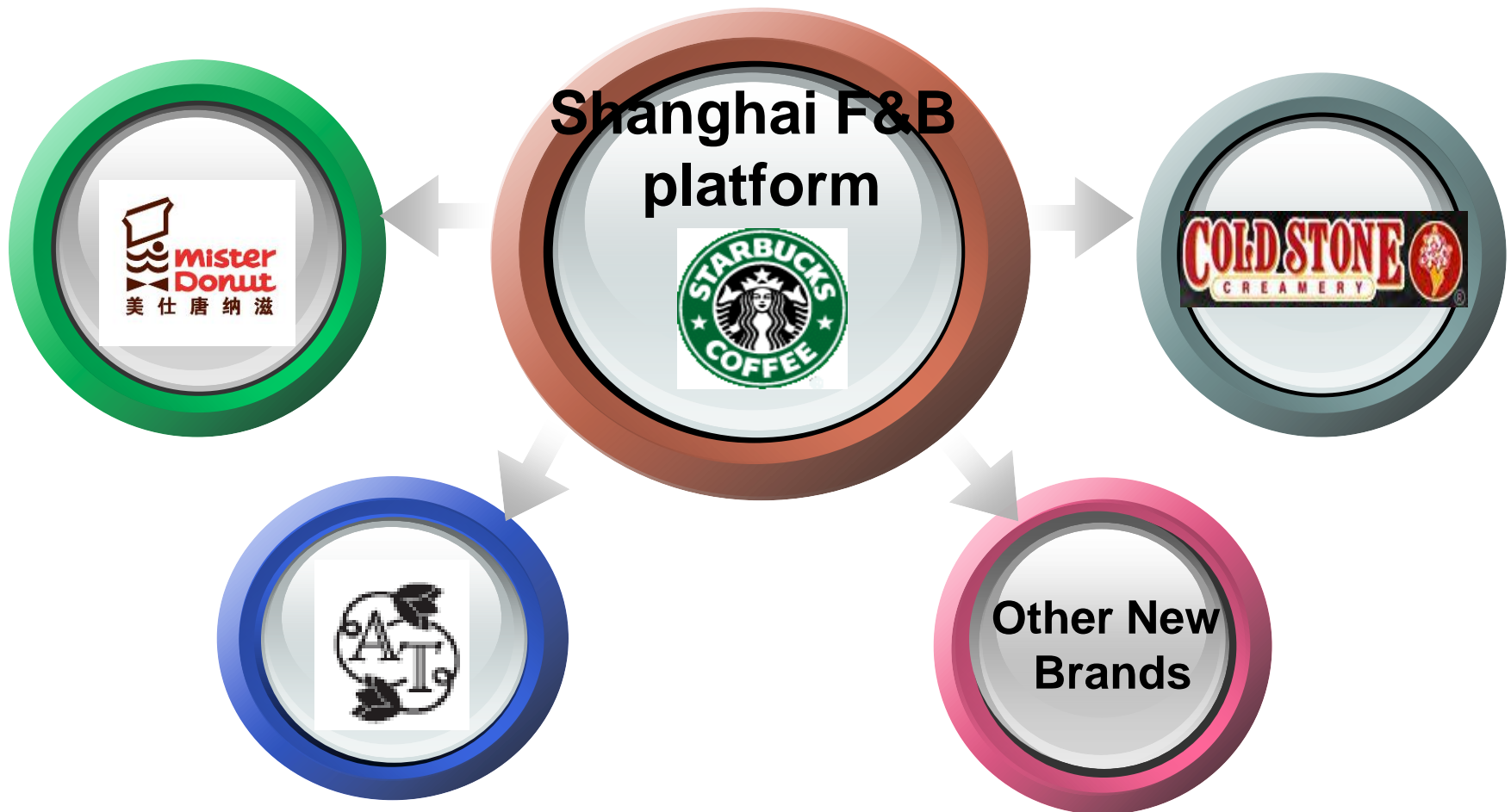
# Hypermarkets & Supermarkets

- Currently operating 123 stores in Shangdong and Sichuan.
- Continue to open new stores in other cities in Shangdong (Jinan, Qingdao, etc) in 2010.



# F&B Business

- Utilize Starbucks' local resources to build the F&B platform.
- Develop existing brands and introduce more new brands into the market.



# 2010 Cash Flow Projection

Unit:NT\$

|   |             |
|---|-------------|
| Projected Cash Inflow from Operating Activities | 8.0 billion |
|---|-------------|

Projected Cash Outflow:

|                                    |             |
|------------------------------------|-------------|
| 1.Capex for Taiwan 7-11 Operations | 2.5 billion |
| 2.Capex for Long-term investments  | 1.5 billion |
| 3.Cash dividends                   | 3.7 billion |