

President Chain Store Corp.

January, 2010

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%)

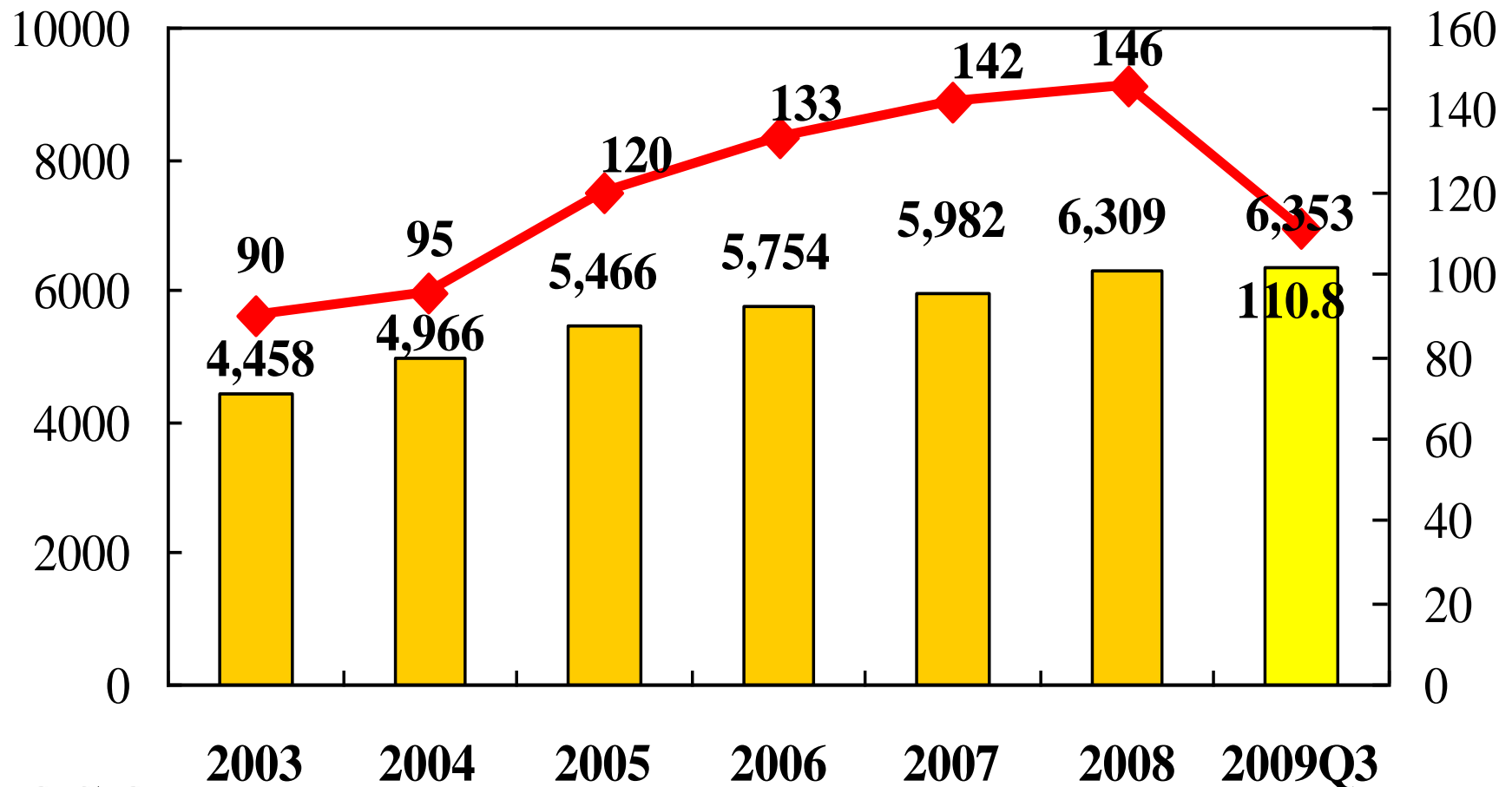
Logistics

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

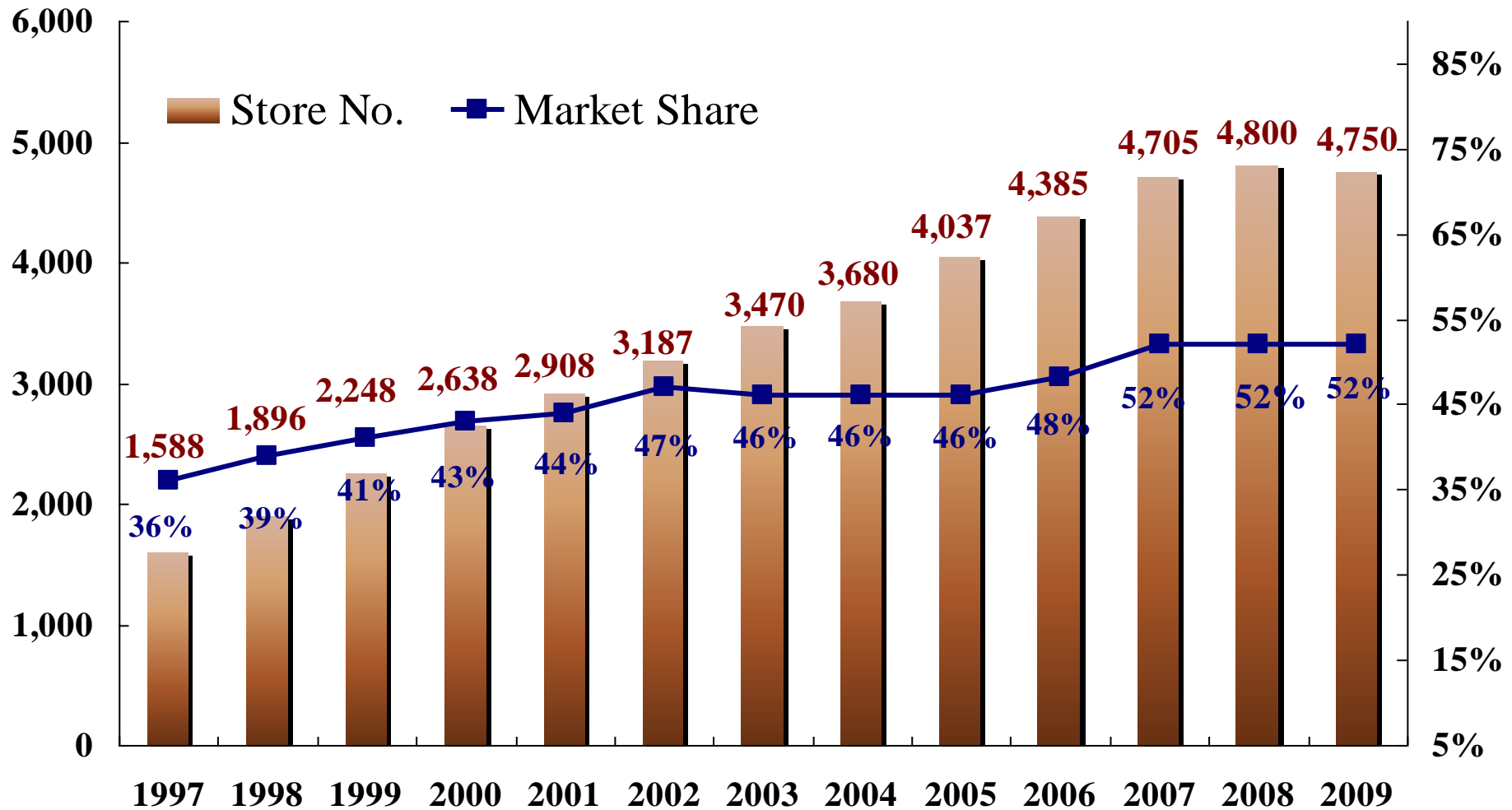
Sales & Store Number of PCSC Group

Store Number

Sales
NT\$billion



Store Number & Market Share For 7-Eleven Taiwan



Franchise store: 89.47%

Taiwan Main Subsidiaries

Restaurant

Starbucks Taiwan



Shareholding of PCSC: 30%
Store No. : 222(08);223(09)

Mister Donut Taiwan



Shareholding of PCSC: 50%
Store No. : 46(08);42(09)

Cold Stone Creamery Taiwan



Shareholding of PCSC: 100%
Store No. : 13(08);20(09)

Afternoon Tea Taiwan



Shareholding of PCSC: 51%
Store No. : 2(08);10(09)

Life Style

MUJI



Shareholding of PCSC: 41%
Store No. : 14(08);17(09)

Hankyu Department Store



Shareholding of PCSC: 70%
Store No. :1(09)

TAKKYUBIN



Shareholding of PCSC: 70%

Drug Store

Cosmed Taiwan



Shareholding of PCSC: 100%
Store No. : 289(08);303(09)

Distribution

Retail Support International



Shareholding of PCSC: 25%

Uni-President Cold-Chain



Shareholding of PCSC: 60%

Wisdom Distribution



Shareholding of PCSC: 100%

Overseas Subsidiaries

China Businesses

CVS

Shanghai 7-Eleven



Shareholding of PCSC: 100%
Store No.: 13(09)

Drugstore

**Shenzhen
Cosmed**



Shareholding of PCSC: 65%
Store No.: 14(08);5(09)

Supermarket / Hypermarket

**Shandong Uni-mart
Supermarket**



Shareholding of PCSC: 55%
Store No.: 102(08);122(09)

**Sichuan Uni-mart
Hypermarket**



Shareholding of PCSC: 100%
Store No.: 4(08);4(09)

Restaurant

**Shanghai
Starbucks**



Shareholding of PCSC: 30%
Store No.: 167(08);173(09)

**Cold Stone
Creamery**



Shareholding of PCSC: 100%
Store No.: 34(08);39(09)

**Afternoon Tea
Shanghai**



Shareholding of PCSC: 51%
Store No.: 2(08);3(09)

**Mister Donut
Shanghai**



Shareholding of PCSC: 50%
Store No.: 8(09)

Other Overseas Businesses

**Philippine
7-Eleven**



Shareholding of PCSC: 56.59%
Store No.: 368(08);401(09)

**Vietnam Uni-mart
Supermarket**



Shareholding of PCSC: 51%
Store No.: 2(08);1(09)

Financial Review

2009Q1-Q3 & 2008 FY Parent Income Statement

Unit:\$NT'million

	<u>2009Q1-Q3</u>		<u>YOY</u>	<u>2008FY</u>		<u>YOY</u>
	<u>Amount</u>	<u>%</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
Net sales	73,320	96.7%	-0.8%	98,437	96.3%	-0.5%
Other operating revenue	2,533	3.3%	-7.9%	3,754	3.7%	7.9%
Total operating revenue	75,853	100.0%	-1.1%	102,191	100.0%	-0.2%
Gross profit	24,550	32.4%	0.6%	32,735	32.0%	3.1%
Operating expenses	20,996	27.7%	-0.2%	(28,128)	-27.5%	4.6%
Operating income	3,554	4.7%	5.3%	4,607	4.5%	-5.1%
Net non-operating income	647	0.9%	29.2%	(225)	-0.2%	418.1%
Income before income taxes	4,201	5.5%	8.4%	4,382	4.3%	-8.9%
Income tax expense	(797)	-1.1%	-5.6%	(862)	-0.8%	-27.4%
Net Income	\$3,405	4.5%	12.3%	\$3,520	3.4%	-2.8%

Earnings per share	(pre-tax)	(after tax)	(pre-tax)	(after tax)
Net income (unit:\$NTD)	<u>4.04</u>	<u>3.28</u>	<u>4.79</u>	<u>3.85</u>

2009Q1-Q3 & 2008 FY

Parent Balance Sheet

Unit:\$NT'million

	<u>2009Q1-Q3</u>		<u>2008FY</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets				
Total current assets	16,291	33.9%	16,920	35.9%
Total LT investments	21,910	45.6%	19,848	42.1%
Total fixed assets	7,324	15.3%	7,804	16.6%
Total intangible assets	229	0.5%	273	0.6%
Total other assets	2,273	4.7%	2,286	4.9%
Total assets	\$48,026	100.0%	\$47,131	100.0%
Liabilities and SE				
Liabilities				
Total current liabilities	19,847	41.3%	19,243	40.8%
Total long-term liabilities	7,700	16.0%	9,100	19.3%
Total other Liabilities	2,320	4.8%	2,340	5.0%
Total liabilities	29,867	62.2%	30,683	65.1%
Total shareholders' equity	18,160	37.8%	16,448	34.9%
Liabilities and shareholders' equity	\$48,026	100.0%	\$47,131	100.0%

2009Q1-Q3 & 2008 FY

Parent Statement of Cash Flow

Unit:\$NT'millio
n

	<u>2009Q1-Q3</u>	<u>2008FY</u>
Cash flows from operating activities	3,953	5,483
Cash flows from investing activities	(3,161)	(4,057)
Cash flows from financing activities	(3,273)	(1,793)
Net increase (decrease) in cash & equivalents	(2,481)	(367)
Cash and cash equivalents, beginning of year	5,512	5,879
Cash and cash equivalents, end of year	<u>3,031</u>	<u>5,512</u>

2009Q1-Q3 Actual CAPEX

❑ Taiwan 7-11 Operation	1.07 billion
❑ Long-term investments	2.25 billion

Total Expenditure	3.32 billion
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China Business

NT\$ 0.97 billion

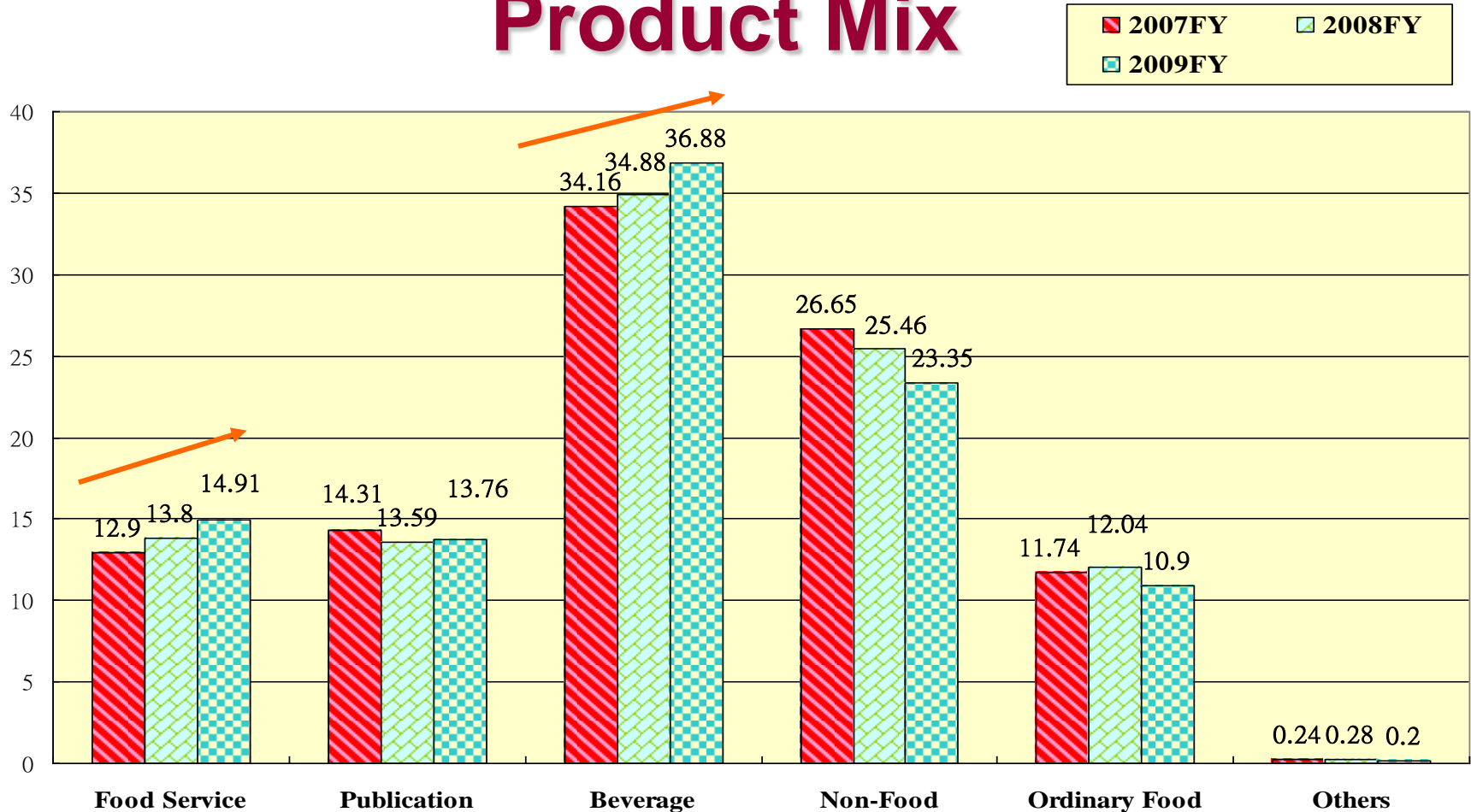
Shanghai 7-11, Shanghai Mister Donut,
Wuhan Uni-President Oven Fresh Bakery, etc.

Taiwan Business

NT\$ 1.28 billion

Hankyu Department Store, Rakuten, Afternoon Tea,
Mister Donut, etc.

Product Mix



■ **Food Service-** lunch box, desert, Japanese tempura, rice ball, bread, etc.

■ **Publication-** pre-order product, telephone commutation, news paper, etc.

■ **Beverage-** room temperature and cold drink, alcohol drink, Slurpee, City Cafe, etc.

■ **Non Food-** cigarette, daily necessity, etc.

■ **Ordinary Food-** instant noodle, candy, cookies, etc.

■ **Others-** product cannot be scanned

Private Label Product-Fresh Food

- From breakfast to lunch and dinner, even the tea time and night snack, 7-Eleven provides customers with multiple choices.
- Chinese food, Japanese food, and American food, etc.

7-Eleven is your convenient neighborhood

Breakfast



Lunch + Dinner



Snack

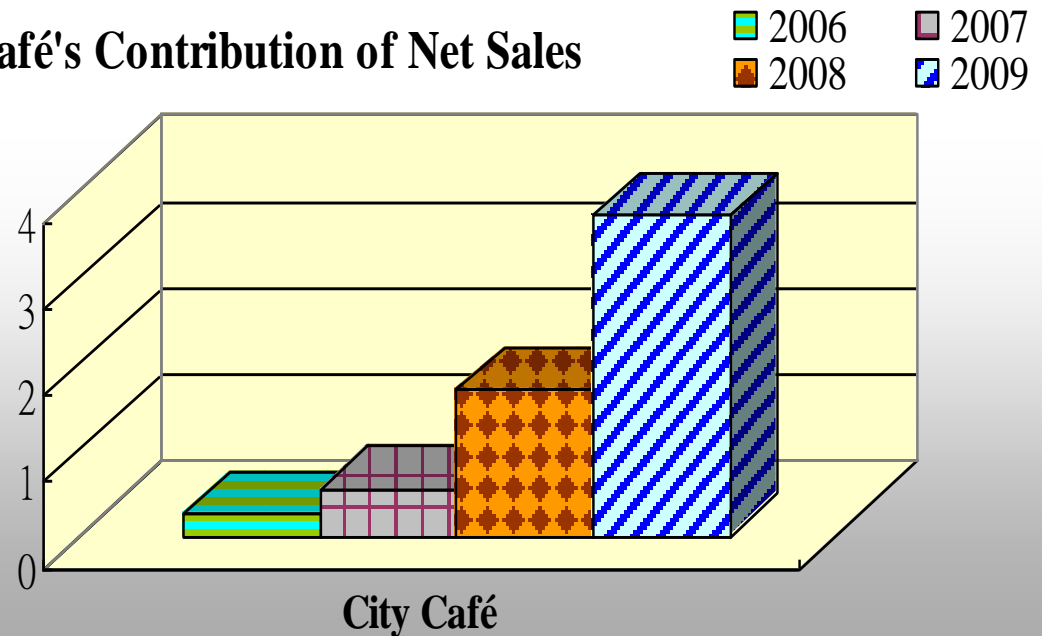


Private Label Beverage- City Café

- City Café with reasonable price and high quality, provide convenient life to customers.
- By the end of 2009, we installed 3650 City Café machines.
- City Café is the biggest coffee chain in Taiwan market.



City Café's Contribution of Net Sales



2010 Outlook

Strategies for 7-Eleven Operation

Improve Store Performance

- New Store Format
- Store Relocation

Adjust Product Mix

- Complete
- Differentiation
- Improve Gross Margin
Private label product /
exclusive product

Innovative Service

- I-bon Service
- Pre-order
- E-commerce

New Store Format and Relocation

- Bigger size store- complete product mix, provide more comfortable space.
- Food Store- provide breakfast, lunch, and dinner. Increase contribution of fresh food items.
- Store Relocation- improve performance and SSS.



Product Mix Adjustment- Private Label Product



- Multiple product lines, include food products and daily necessities.
- Private Label products enjoy higher gross margin, provide differentiation and satisfy customers' every need.



Provide What Customers Need



Innovative Service- ibon

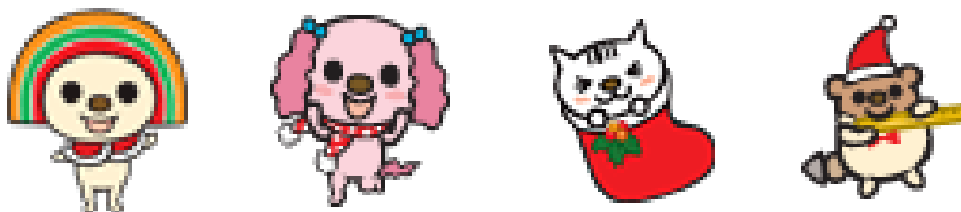
- Ticketing Service Platform
 - Movie, Concert, Transportation, Hotel, Theme Park, etc.
- Document Printing and download Service
- Credit Card Point Redemption
- Bill Payment Service
- Online Game Point Deposit
- Digital Life



2010 CAPEX Projection

☐ Taiwan 7-11 Operation	2.5 billion
☐ Long-term investment	1~2 billion
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Total Expenditure	3.5~4.5 billion

Thank you!



IR website (Chinese version)

<http://www.7-11.com.tw/pcsc/invest/investment.asp>

IR website (English Version)

<http://www.7-11.com.tw/en/Investor/investment.asp>