

President Chain Store Corp.

September, 2009

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%)

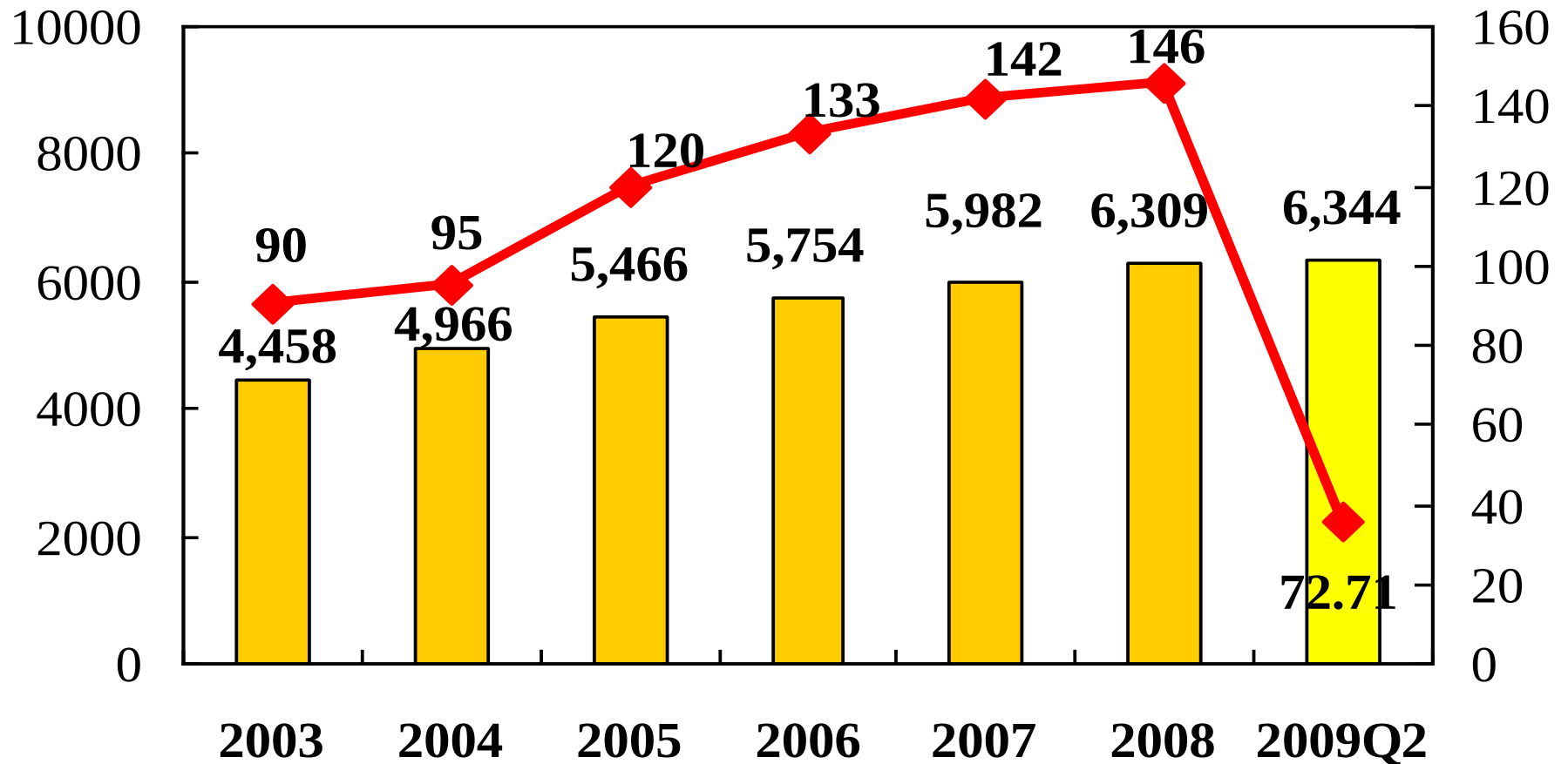
Logistics

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

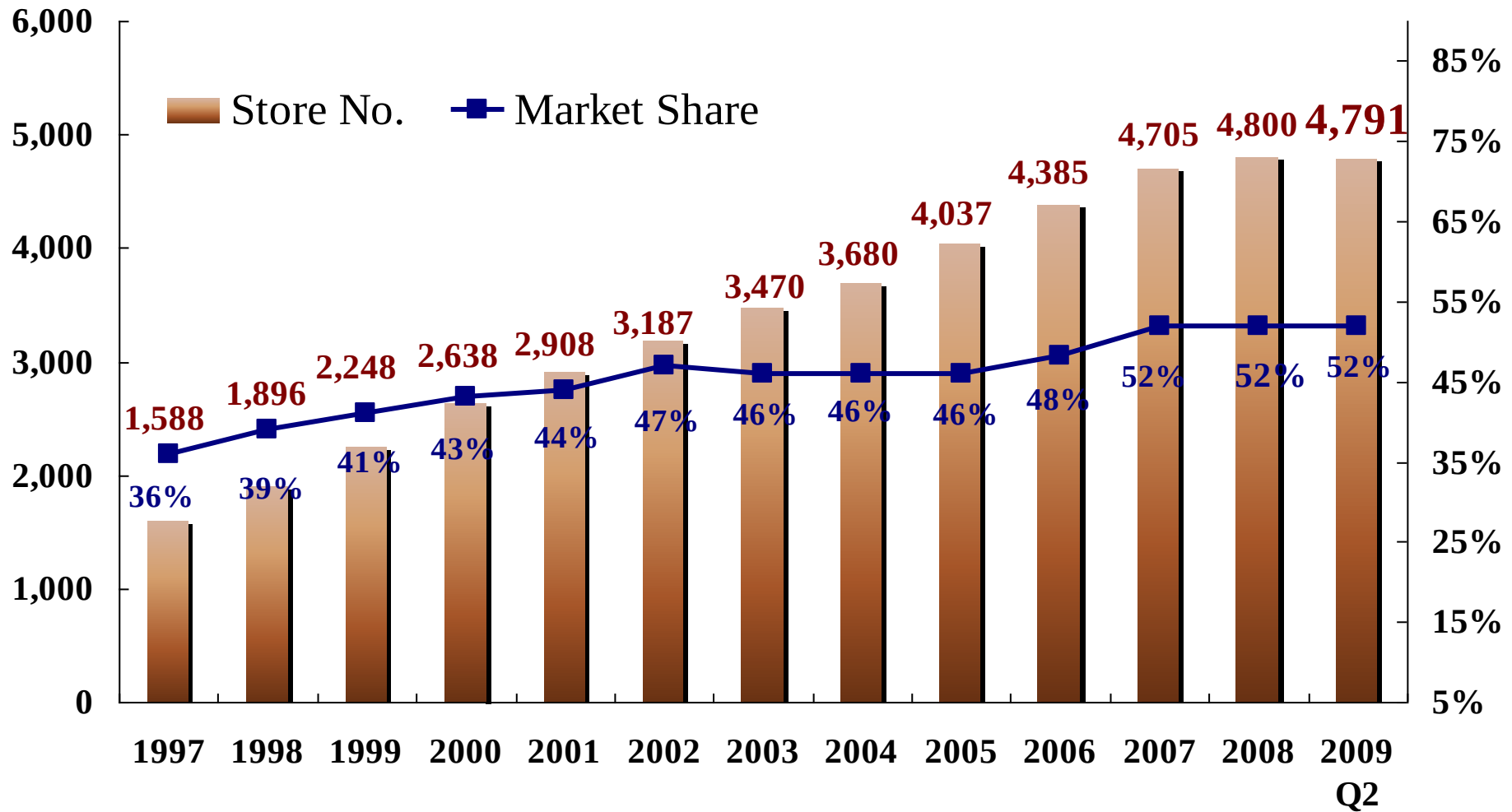
Sales & Store Number of PCSC Group

Store Number

Sales
NT\$billion



Store Number & Market Share For 7-Eleven Taiwan



Franchise store: 89.81%

Taiwan Main Subsidiaries

Restaurant

Starbucks Taiwan



Shareholding of PCSC: 30%
Store No. : 222(08);222(09Q2)

Mister Donut Taiwan



Shareholding of PCSC: 50%
Store No. : 46(08);44(09Q2)

Cold Stone Creamery Taiwan



Shareholding of PCSC: 100%
Store No. : 13(08);15(09Q2)

Afternoon Tea Taiwan



Shareholding of PCSC: 51%
Store No. : 2(08);8(09Q2)

Life Style

MUJI



Shareholding of PCSC: 41%
Store No. : 14(08);15(09Q2)

Hankyu Department Store



Shareholding of PCSC: 70%
Store No. :1

TAKKYUBIN



Shareholding of PCSC: 70%

Drug Store

Cosmed Taiwan



Shareholding of PCSC: 100%
Store No. : 289(08);297(09Q2)

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.: 5(09Q2)

Drugstore

**Shenzhen
Cosmed**



Shareholding of PCSC: 65%
Store No.: 14(08);9(09Q2)

Supermarket / Hypermarket

**Shandong Uni-mart
Supermarket**



Shareholding of PCSC: 55%
Store No.: 102(08);115(09Q2)

**Sichuan Uni-mart
Hypermarket**



Shareholding of PCSC: 100%
Store No.: 4(08);4(09Q2)

Restaurant

**Shanghai
Starbucks**



Shareholding of PCSC: 30%
Store No.: 167(08);166(09Q2)

**Cold Stone
Creamery**



Shareholding of PCSC: 100%
Store No.: 34(08);34(09Q2)

**Afternoon Tea
Shanghai**



Shareholding of PCSC: 51%
Store No.: 2(08);2(09Q2)

**Mister Donut
Shanghai**



Shareholding of PCSC: 50%
Store No. : 5(09Q2)

Other Overseas Businesses

**Philippine
7- Eleven**



Shareholding of PCSC: 56.59%
Store No.: 368(08);389(09Q2)

**Vietnam Uni-mart
Supermarket**



Shareholding of PCSC: 51%
Store No.: 2(08);1(09Q2)

Financial Review

2009H1 & 2008 FY

Parent Income Statement

Unit:\$NT'million

	<u>2009H1</u>		<u>YOY</u>	<u>2008</u>		<u>YOY</u>
	<u>Amount</u>	<u>%</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
Net sales	48,250	96.7%	1.1%	98,437	96.3%	-0.5%
Other operating revenue	1,672	3.3%	-6.2%	3,754	3.7%	7.9%
Total operating revenue	49,921	100.0%	0.9%	102,191	100.0%	-0.2%
Gross profit	15,879	31.8%	1.4%	32,735	32.0%	3.1%
Operating expenses	(13,723)	-27.5%	0.5%	(28,128)	-27.5%	4.6%
Operating income	2,156	4.3%	7.5%	4,607	4.5%	-5.1%
Net non-operating income	263	0.5%	-37.9%	(225)	-0.2%	418.1%
Income before income taxes	2,419	4.9%	-0.4%	4,382	4.3%	-8.9%
Income tax expense	(469)	-0.9%	-5.6%	(862)	-0.8%	-27.4%
Net Income	\$1,950	3.9%	1.0%	\$3,520	3.4%	-2.8%

Earnings per share	(pre-tax)	(after tax)	(pre-tax)	(after tax)
Net income (unit:\$NTD)	<u>2.33</u>	<u>1.88</u>	<u>4.79</u>	<u>3.85</u>

2009H1 & 2008 FY Parent Balance Sheet

Unit:\$NT'million

	<u>2009H1</u>		<u>2008</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets				
Cash, equivalents & ST investment	13,994	27.7%	11,662	24.7%
Receivable-net	1,241	2.5%	1,010	2.1%
Inventories	2,897	5.7%	3,294	7.0%
Other current assets	947	1.9%	954	2.0%
Total current assets	19,078	37.8%	16,920	35.9%
Available-for-sale financial assets	758	1.5%	524	1.1%
LT investments (Equity method)	8,770	17.4%	7,827	16.6%
LT investments (Cost method)	11,570	22.9%	11,496	24.4%
Total LT investments	21,098	41.8%	19,848	42.1%
Total fixed assets	7,481	14.8%	7,804	16.6%
Total intangible assets	246	0.5%	273	0.6%
Total other assets	2,630	5.2%	2,286	4.9%
Total assets	\$50,534	100.0%	\$47,131	100.0%

2009H1 & 2008 FY

Parent Balance Sheet

Unit:\$NT'million

	<u>2009H1</u>		<u>2008</u>	
Liabilities and SE	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities				
Notes /Accounts Payable	18,642	36.9%	15,714	33.3%
Accrued expenses	1,744	3.5%	1,805	3.8%
Advance receipts	1,448	2.9%	1,449	3.1%
Income taxes payable	441	0.9%	275	0.6%
Total current liabilities	22,274	44.1%	19,243	40.8%
Total long-term liabilities	9,200	18.2%	9,100	19.3%
Total other Liabilities	2,330	4.6%	2,340	5.0%
Total liabilities	33,803	66.9%	30,683	65.1%
Shareholders' equity				
Capital	10,396	20.6%	9,152	19.4%
Retained earnings	5,711	11.3%	6,873	14.6%
Other adjustments	623	1.2%	423	0.9%
Total shareholders' equity	16,731	33.1%	16,448	34.9%
Liabilities and shareholders' equity	\$50,534	100.0%	\$47,131	100.0%

2009H1 & 2008 FY

Parent Statement of Cash Flow

Unit:\$NT'millio
n

	<u>2009H1</u>	<u>2008</u>
Cash flows from operating activities :	4,423	5,483
Net Income	1,950	3,520
Adjusted: Depreciation & Amortization	925	1,816
Changes in assets and liabilities	1,439	(1,137)
Cash flows from investing activities :	(2,520)	(4,057)
Acquistion of long-term investments	(1,611)	(2,216)
Purchase of fixed asset	(715)	(2,098)
Cash flows from financing activities :	98	(1,793)
Increase in long-term loans	100	2,400
Payment of cash dividend and employee bonus	0	(3,222)
Payback of corporate bond	0	(1,100)
Net increase (decrease) in cash & equivalents	2,001	(367)
Cash and cash equivalents, beginning of year	5,512	5,879
Cash and cash equivalents, end of year	<u>7,513</u>	<u>5,512</u>

2009 Outlook

Strategy for 7-Eleven Taiwan

■ Product Mix Adjustment

➔ Private Label Product

■ Innovative service

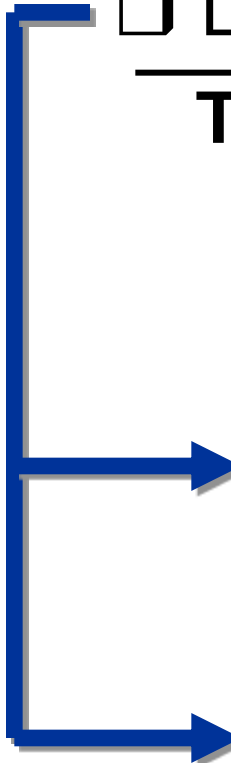
➔ I-bon Service

Gross Margin/
Profitability
Improvement



2009 CAPEX Projection

☐ Taiwan 7-11 Operation	1.5~2 billion
☐ Long-term investment	2~2.5 billion
Total Expenditure	3.5~4.5 billion



China Business

NT\$ 1 billion

Shanghai 7-11, Mister Donut, Wuhan Bakery, etc.

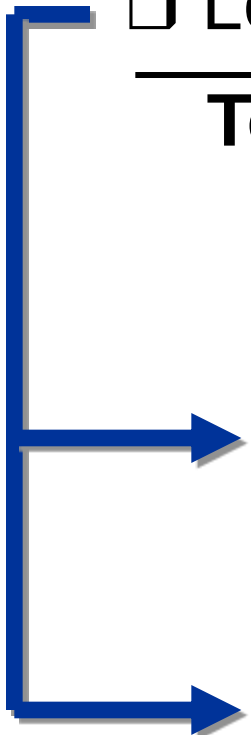
Taiwan Business

NT\$ 1 billion

Hankyu Department Store, Rakuten on-line shops, etc.

2009H1 Actual CAPEX

❑ Taiwan 7-11 Operation	0.71 billion
❑ Long-term investments	1.61 billion
Total Expenditure	2.32 billion



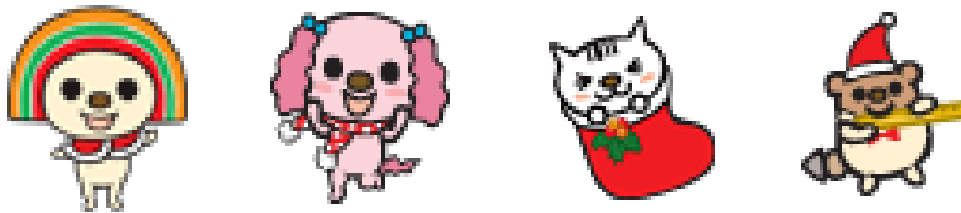
China Business **NT\$ 0.97 billion**

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

Taiwan Business **NT\$ 0.64 billion**

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

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>