

President Chain Store Corp.

Investor Conference

Mar.28, 2013

Agenda

- 2012 Achievements and Results
- 2013 Outlook
- Ending Remarks
- Q&A

2012 Achievements and Results

Achievements in 2012

1. Continuing to expand the scale of larger stores.
2. Harmonious collaboration of people, store and products through TK practice.
3. No. 1 ticketing service platform in Taiwan.
4. Quick respond to the fast growing E-Service trend.
5. Developing PL products to revolutionarily evolve the retail industry.
6. Integrating fresh food supply chain and logistic by establishing 4th generation fresh food plant.
7. Building the first QC laboratory in Taiwan's retailer to secure the quality from the origin.
8. Publishing two micro-films to enhance our communication with social communities.
9. Introducing independent directors and audit committee to strengthen corporate governance.
10. Focusing on the operation of core business.

Financial Highlights

● Key Indices(ROC GAAP)

Unit : \$NT' million

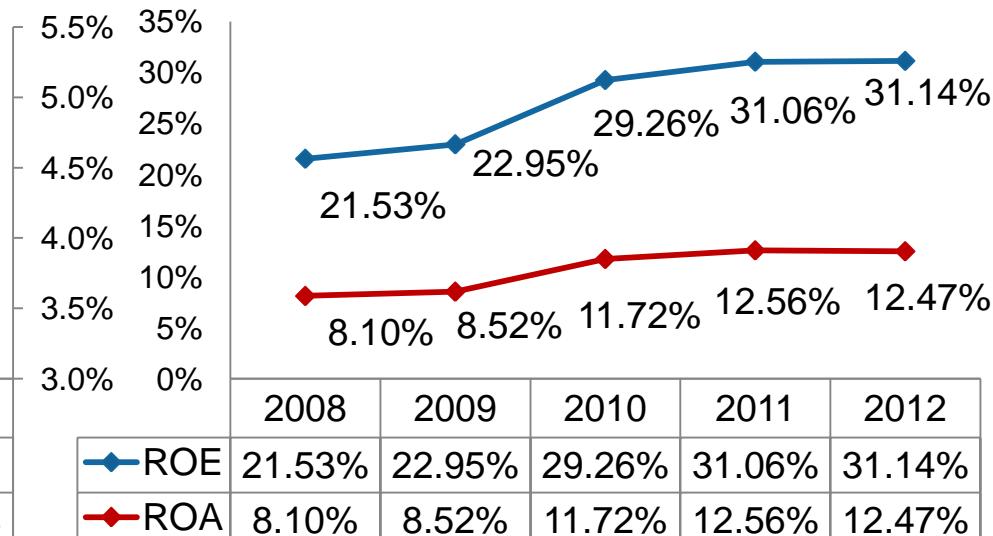
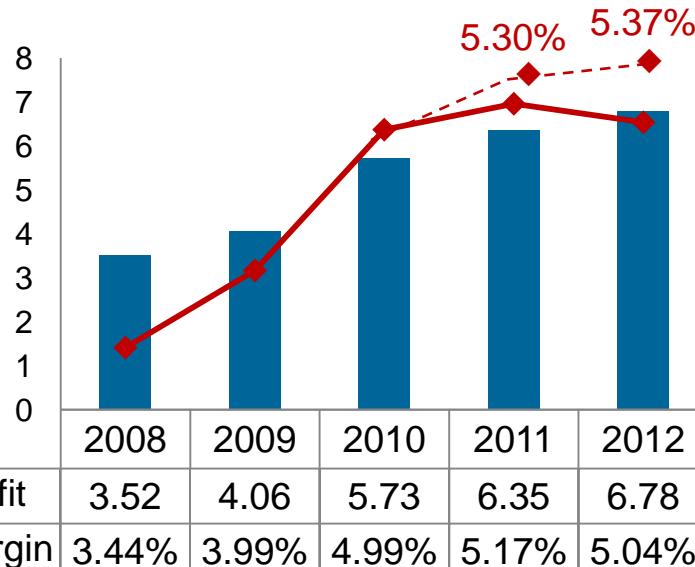
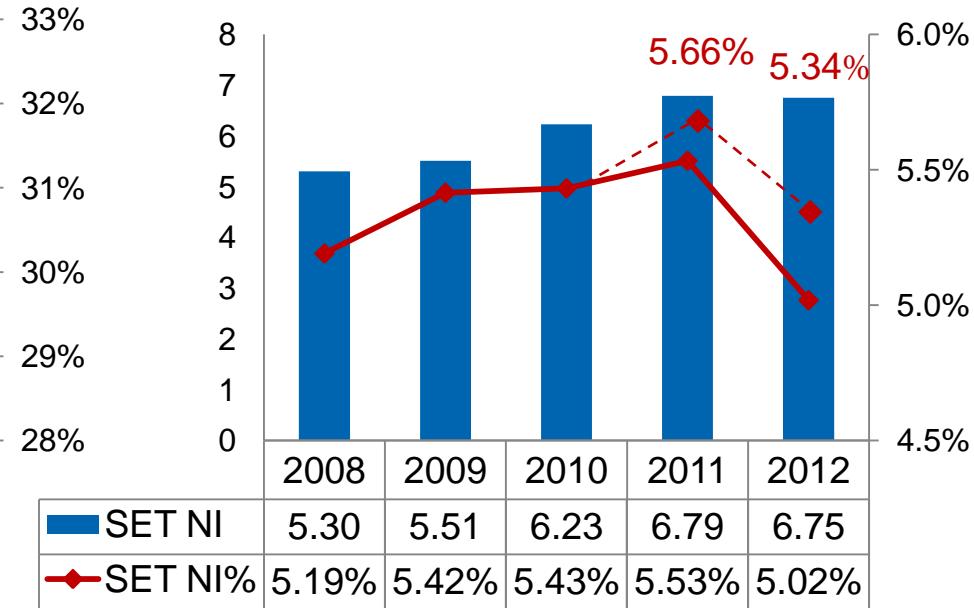
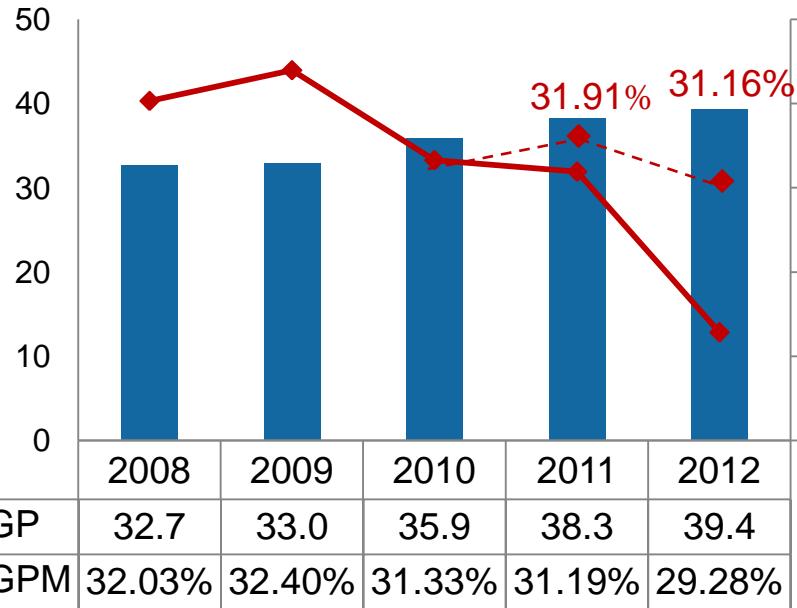
	2012 Q4	2011 Q4	YOY	2012 FY	2011 FY	YOY
Revenue (Company Only)	33,096	31,980	+ 3.5%	134,569	122,712	+ 9.7%
Revenue (Consolidated)	52,621	50,292	+4.6%	208,264	189,252	+10.0%
Net Profit	1,193	896	+ 33.1%	6,789	6,352	+ 6.9%
EPS (NT\$)	1.15	0.86	+0.29	6.53	6.11	+0.42

● Historical Revenue and EPS(ROC GAAP)

	2008	2009	2010	2011	2012
Revenue (Company Only)	102,191	101,756	114,666	122,712	134,569
EPS (NT\$)	3.39	3.90	5.51	6.11	6.53

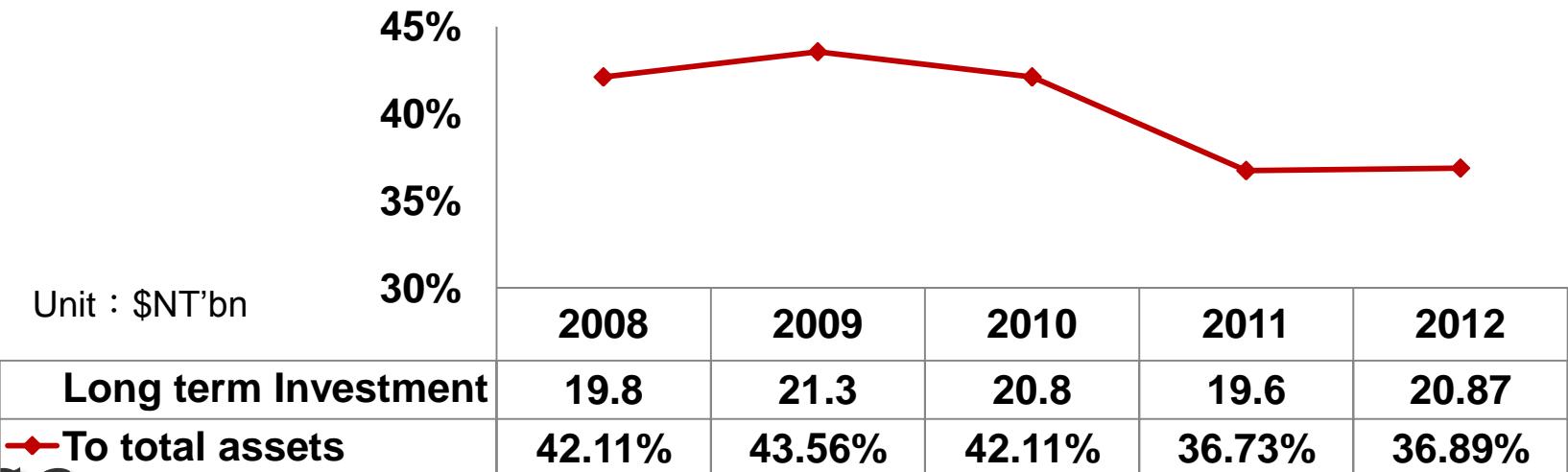
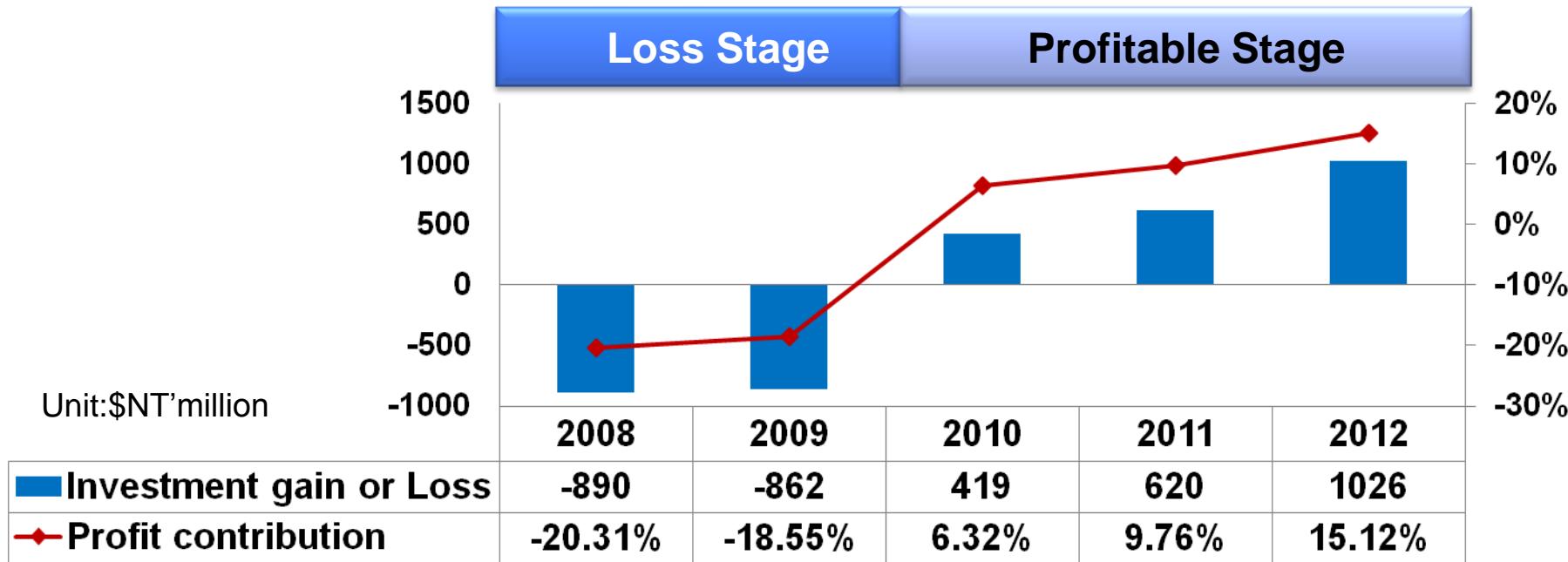
Profitability Hits Record High

Unit : \$NT'bn



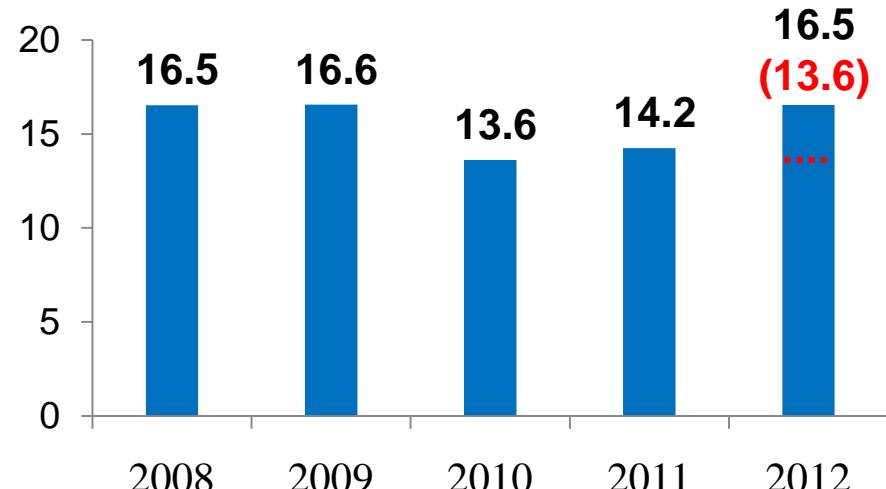
Note : The dotted lines represent the numbers excluding the health welfare surcharge of tobacco.

Focus Brings Profits

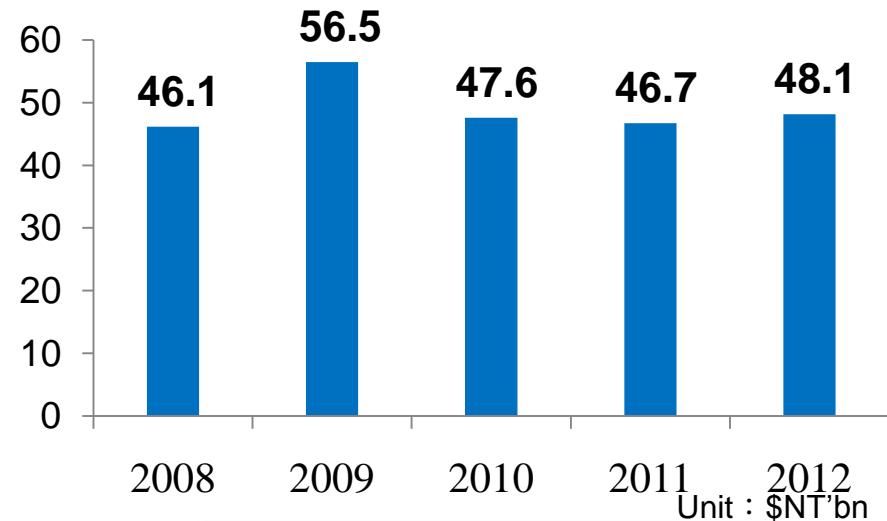


Negative Cash Cycle Days

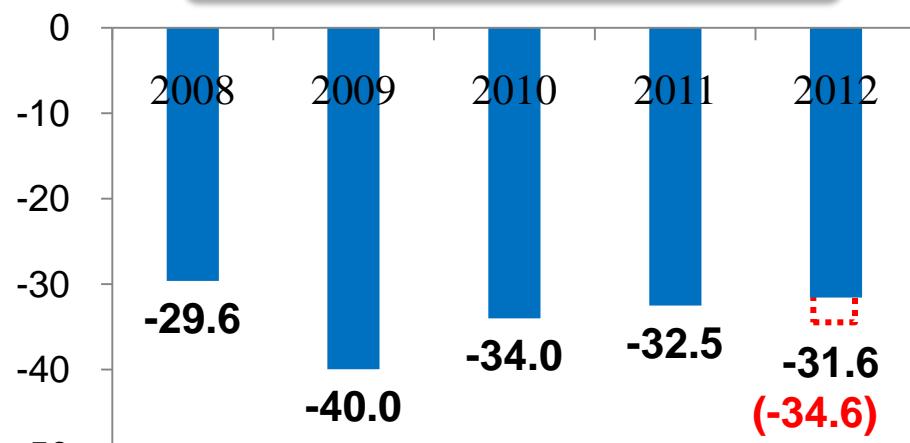
Inventory Days



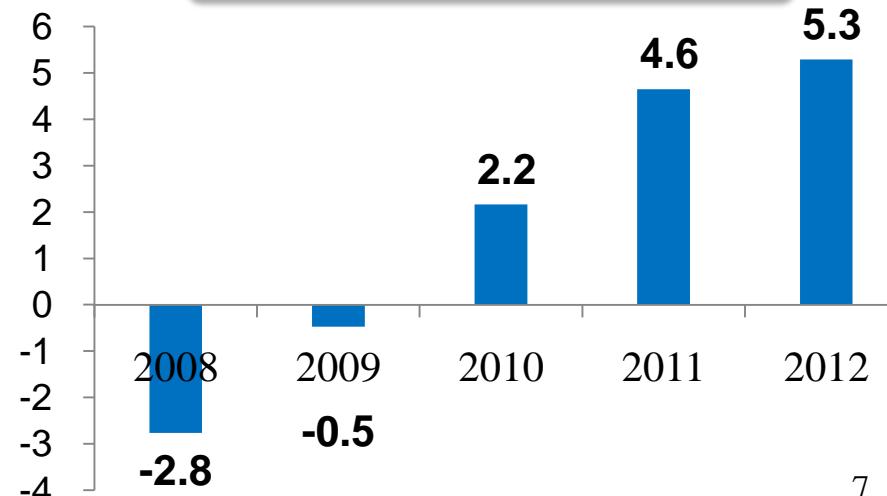
Account Payable Days



Cash Conversion Days



Net Cash



The Major Impacts of IFRS

Revenue decreases

- **Consolidated revenue decreased by NT\$15.7b in 2012**

1. Gross revenue converts to net revenue : on-line game points, phone cards, and Life-style centers' operation.
2. Revenue converts to the deduction of COGS.

EPS decreases

- **EPS decreased by NT\$0.8 in 2012 mainly due to :**

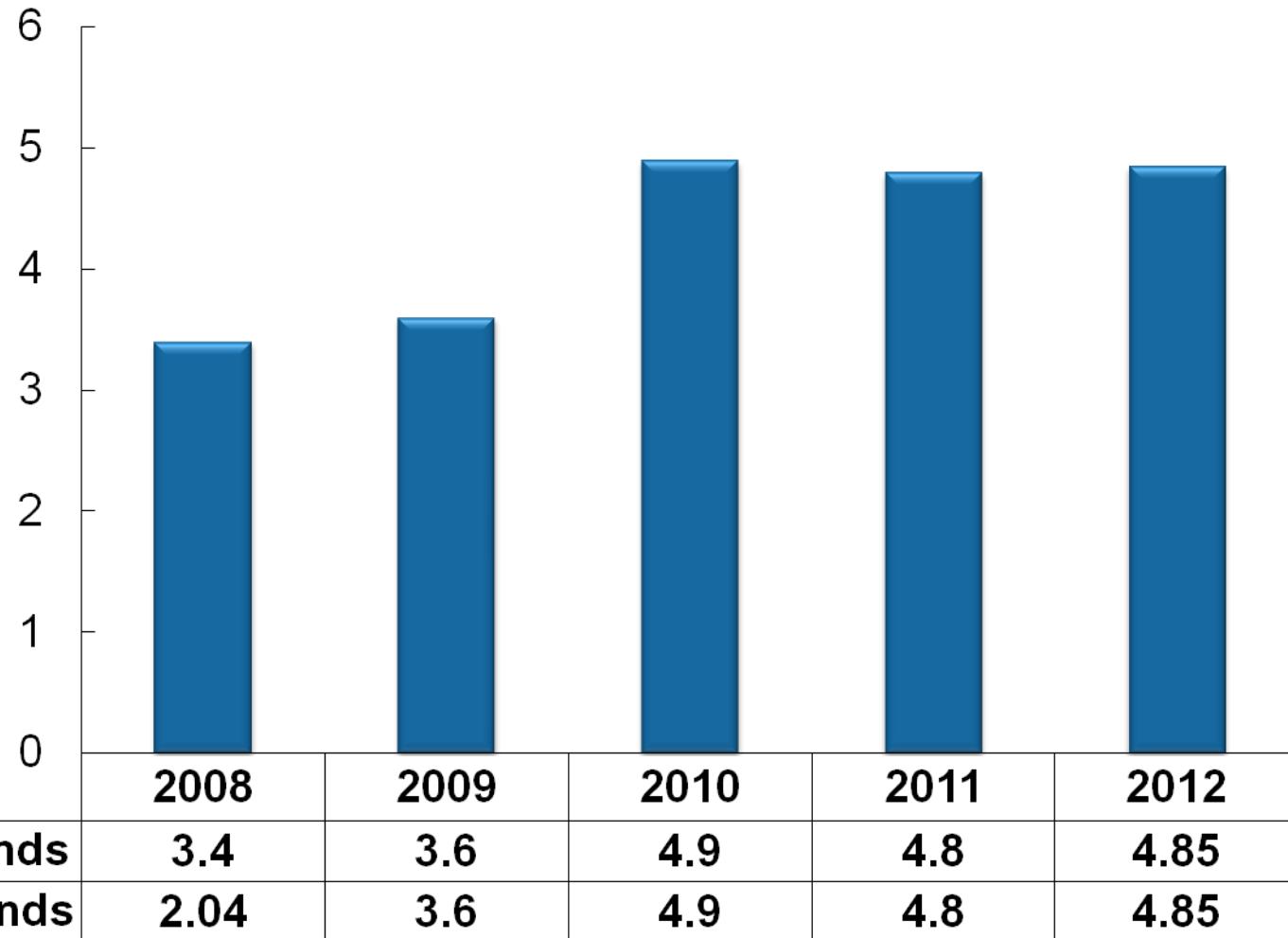
1. Disposal of Philippine Seven Corp. but still maintain controlling shares.
2. **Without the disposal of SEP, the impact to EPS is limited.**

Shareholders' Equity decreases

- **R/E at the beginning of 2013 decreased by NT\$3.69b**

1. Pension : NT\$1.9b
2. disposal of Philippine Seven Corp.: NT\$910m
3. Rents, customer loyalty program, and employee benefits: NT\$850m.

100% Cash Dividend



Note : 2012 cash dividend has not been approved by AGM.

2013 Outlook

2013 Guidelines

Focus and Exactness

Pursuing
Sustainable
Growth of
7-11

Strengthening
The Operation
of PB

Cultivating
The
International
Brands

Accelerating
The Expansion
of EC

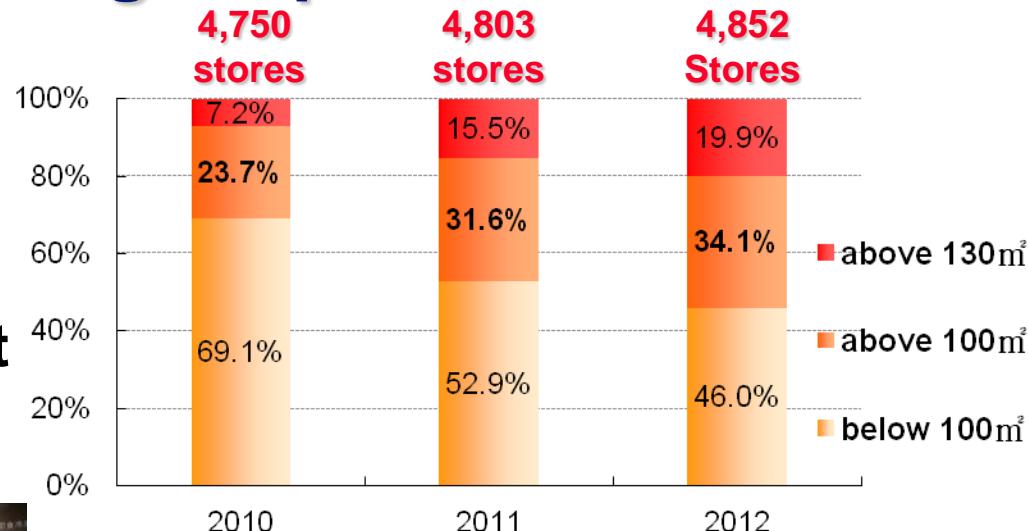
Improving
Efficiency
of Overseas
Operations

Structural change leads to sustainable growth

Pursuing Sustainable Growth of 7-11

1. Continuing to expand the scale of larger stores and strengthening TK practice.

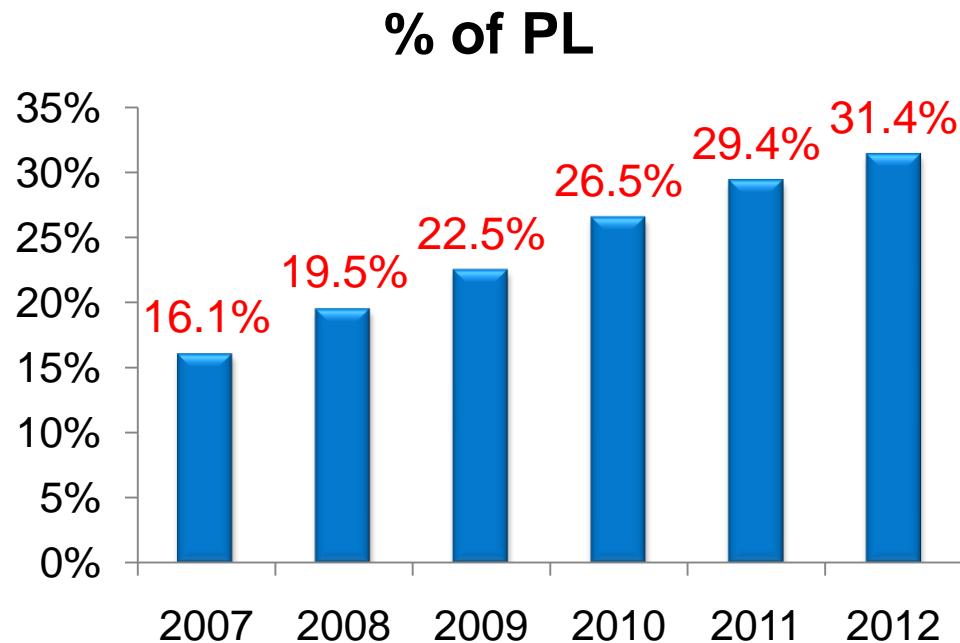
- Bigger stores account for over 50%.
- Developing the staff with TK mindset and execution ability are the keys to great store operation.



Pursuing Sustainable Growth of 7-11

2. Focusing on differentiated products

- Private-labeled products account for 31.4% of merchandise sales.
- Enhancing the fresh-food restaurant image by upgrading the quality of current products and convenience to customers.
- Continue to explore zero base products.



Note : Numbers of 2011 and 2012 have excluded the health welfare surcharge of tobacco.

Pursuing Sustainable Growth of 7-11

3. Evolution of marketing activities

- Encourage connected consumption through lifestyle proposal.
- Thematic marketing strategy enriches customer's buying experience.



Pursuing Sustainable Growth of 7-11

4. Energy-saving

- Improve energy efficiency by adopting energy-saving equipments and strategy of light down.
- Recognized and awarded by government for the efforts of energy-saving .



Strengthening The Operations of PB

Unique, Simple, Standard, High value-added, Scalable

PB of Taiwan 7-11
Sales:NT\$38.2b



PB of Beauty
Sales:NT\$11b



PB of Restaurant
Sales:NT\$1.3b



Cultivating The International Brands

Solidifying the foundation and expanding the scale

Restaurant
Business

2012 Annual Sales: NT\$15.9b



Retail
Business

2012 Annual Sales: NT\$16.8b



Note : Hankyu includes stores in Taipei and Kaohsiung.

Accelerating The Expansion of EC

Integration of Physical and Virtual Platform



- Virtual 2nd Floor of 7-11.
- Streamline SKU.
- An extension of current product mix.



博客來

- Maintain the leading position of online bookstore.
- Adjust product mix and upgrade infra.



- Expand ticketing services to increase customers' visiting frequency.
- Upgrade infra.

Improving Efficiency of Overseas Operations

Center on formats and regions

China:

- 2012 total sales is NT\$17b, grows by 8.6%.
- 2012 Store number is 701, 2013 will be over 800 stores.
- CVS, Supermarket and Fast Casual are the main businesses.

Supermarket:

Shandong, Beijing
300~500 m² is the main store format.



Beijing

Shandong

Shanghai

Fast Casual

Shanghai



Focus on core product and 2-tier shopping district.

CVS

Shanghai

Focus on differentiated products.



Shandong Uni-mart

Improving Efficiency of Overseas Operations

Center on formats and regions

The Philippines

- 2012 sales is NT\$9.3b , grows by 25% .
- 2012 Profit is NT\$330m , grows by 38% .
- 829 stores at the end of 2012 , franchise ratio is 67%, and store number target is 1000 in 2013.
- 2013 strategies
 - (1) Strengthen F/S Operations
 - (2) aggressive expansion to maintain market dominance.



2013 Cash Flow Projection

Operating cash inflow	NT\$9~10b
Cash outflow : Taiwan 7-11	NT\$3~3.2b
Long-term investments	NT\$1b
Cash Dividend	NT\$5b



Ending Remarks

Jui-Tang, Chen

Q&A