

**President Chain Store Corp.**

**2912TT**

*pcsc*



# Business Scope

**7-11 Taiwan: 63% of consolidated revenue**

## **Retail: 27% of consolidated revenue**

- Cosmed (100%)
- Smile Gas Station (80.87%)
- President Pharmaceutical (73.74%)
- Hankyu department stores (70%)
- Takkyubin (70%)
- 7-11 Philippine (51.56%)
- Books.com (50.03%)

## **Logistics: 1% of consolidated revenue**

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

## **Others : 9% of consolidated revenue**

### **China**

- 7-11 Shanghai (100%)
- Shanghai Cold Stone (100%)
- Presiclerc(Beijing) Supermarket (89.10%)
- Shandong Uni-Mart (55%)
- Starbucks Shanghai (30%)

### **F&B**

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

### **Support**

- Tokyo Marketing (100%)
- Musashino (90%)
- President Information (86%)

# Financial Highlights

## ● Key indices

Unit : \$NT' million

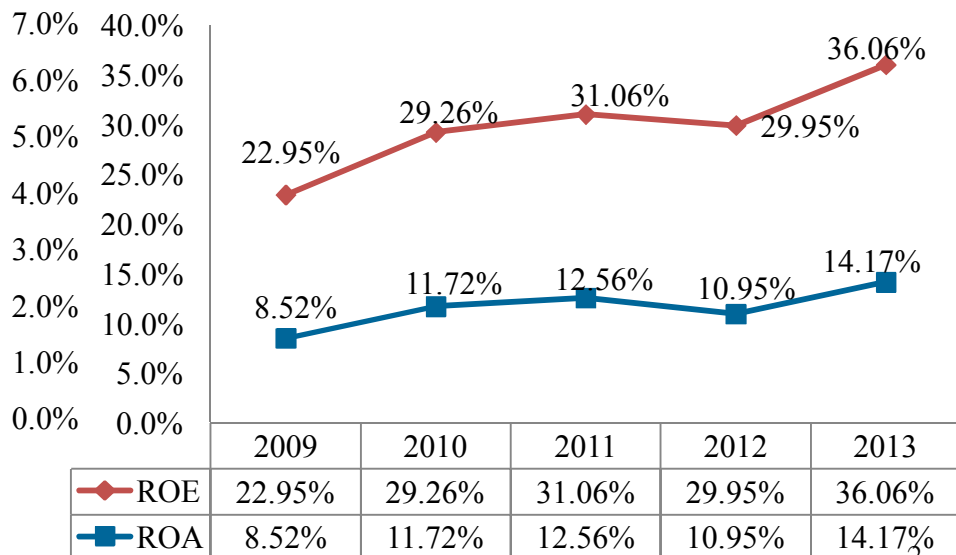
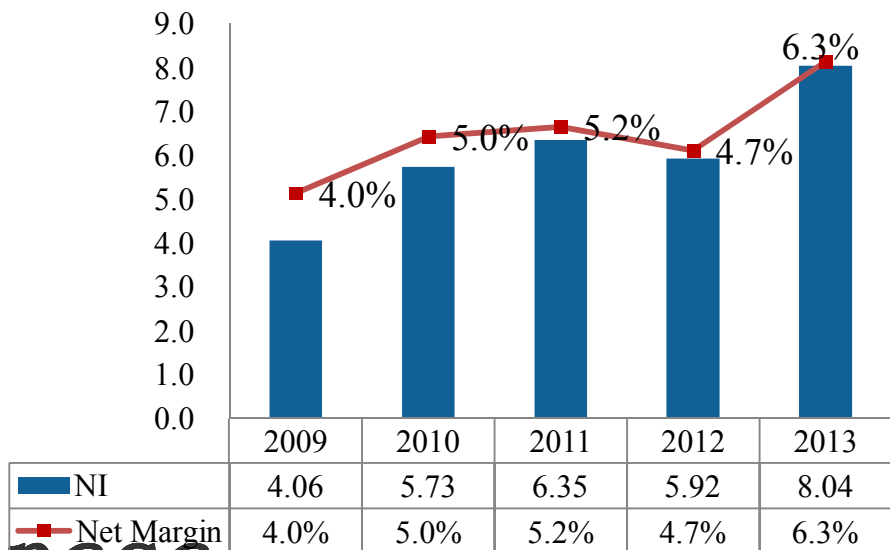
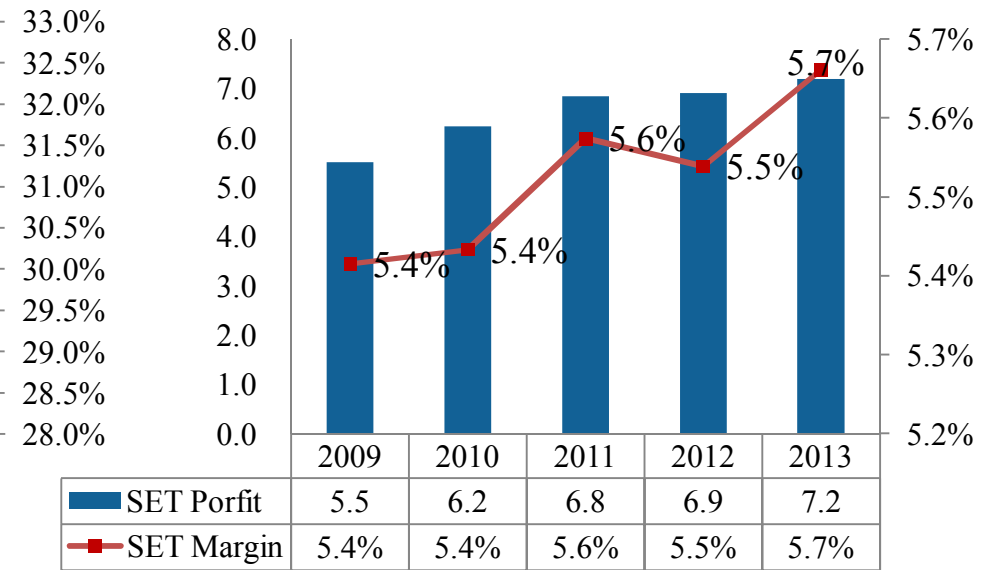
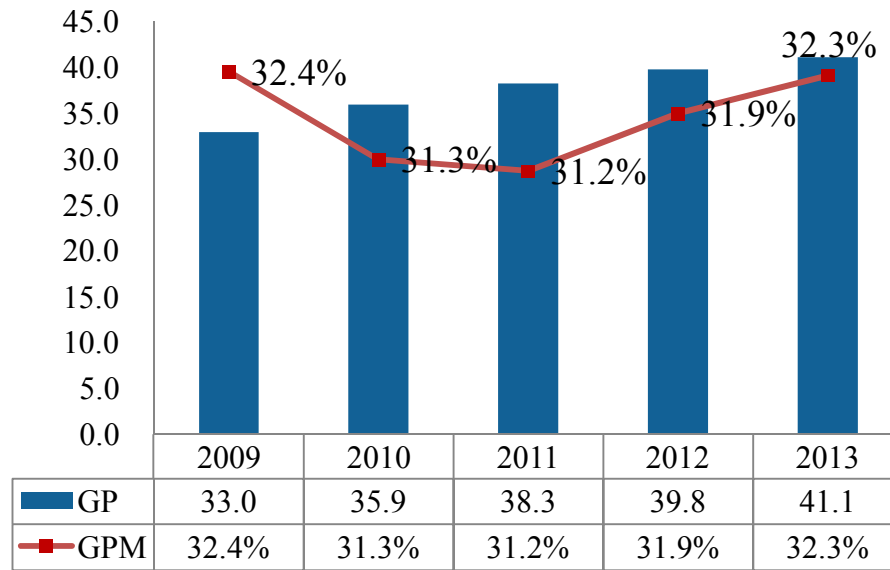
	2014 Q2	2013Q2	YOY	2014 H1	2013 H1	YOY
Revenue (Consolidated)	51,653	49,548	4.24%	101,440	97,923	3.59%
Net income to shareholder of the Parent Company	2,195	2,303	-4.96%	5,165	4,325	19.42%
EPS (NT\$)	2.11	2.22	-0.11	4.97	4.16	+0.81

## ● Historical Revenue and EPS

	2009	2010	2011	2012	2013
Revenue (Company Only)	101,756	114,664	122,713	124,760	126,999
EPS (NT\$)	3.90	5.51	6.11	5.69	7.73

# Profitability Hits Record High (Company Only)

Unit : \$NT'bn

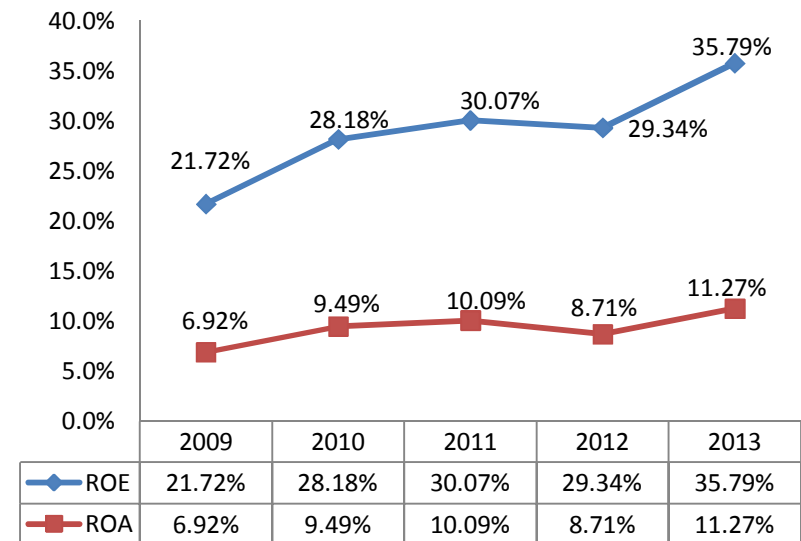
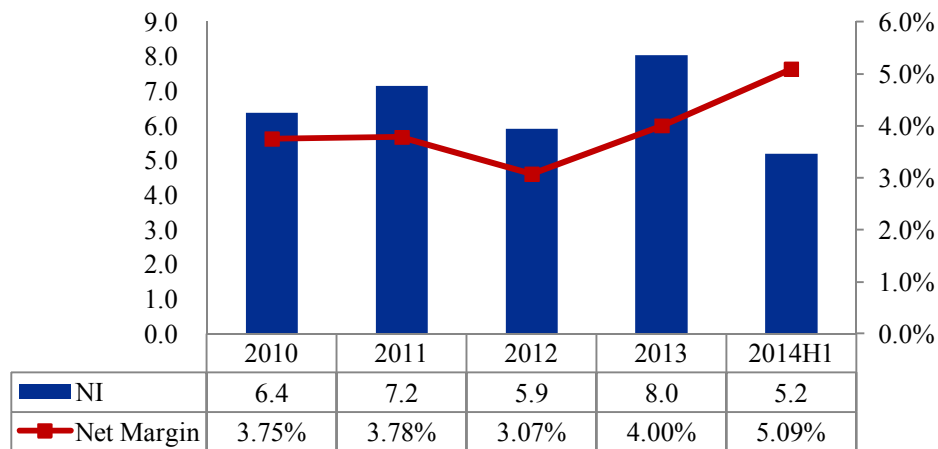
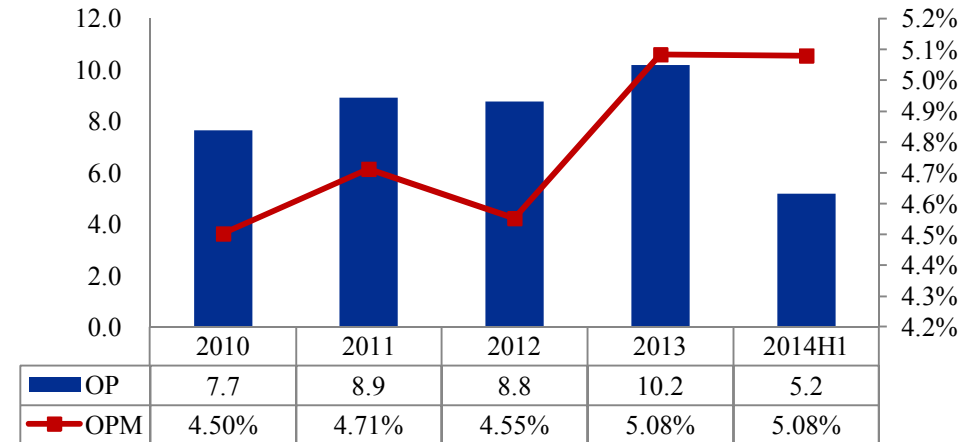
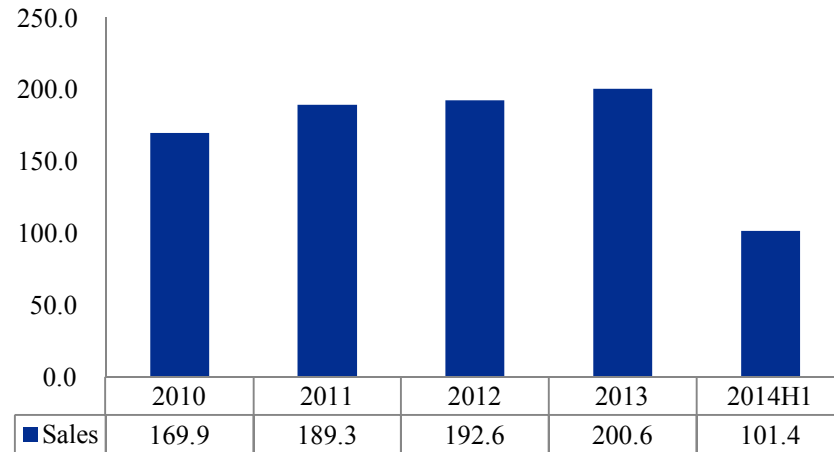


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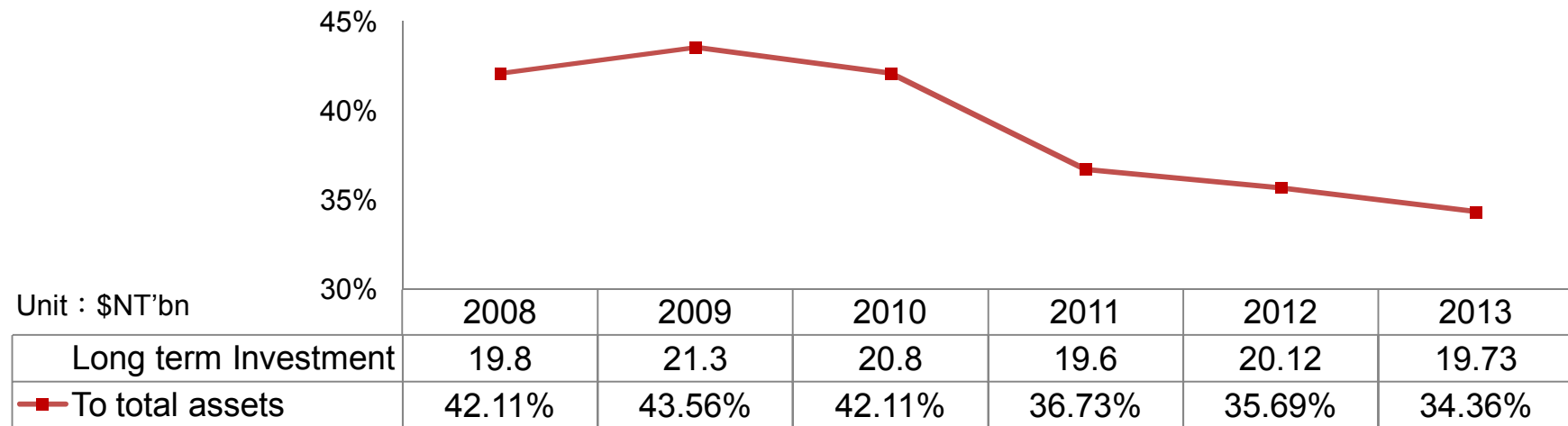
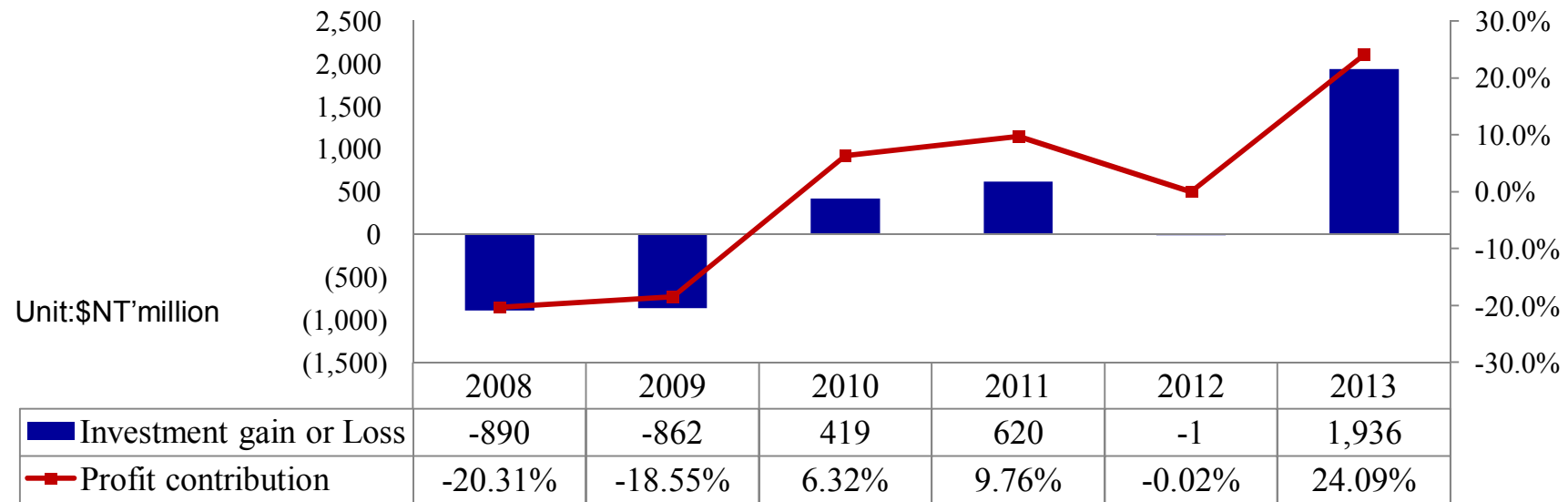
Note : Numbers are under ROC Gaap in 2009~2011, under IFRS since 2012.

# Profitability Hits Record High (Consolidated)

Unit : \$NT'bn



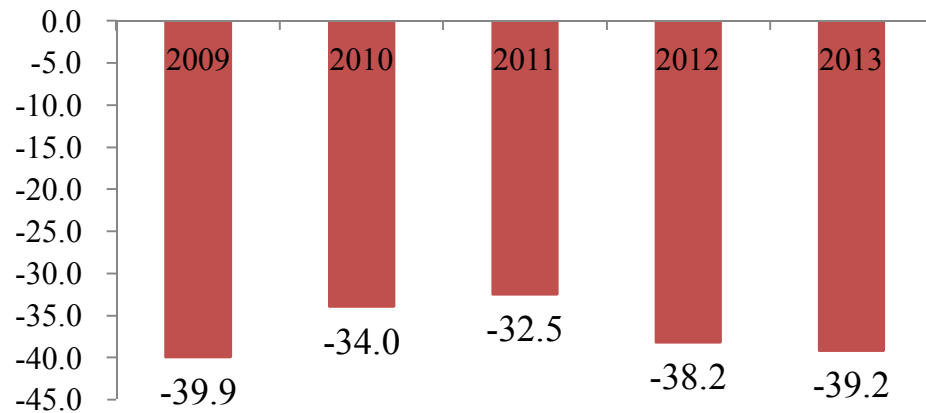
# Focus Brings Profits



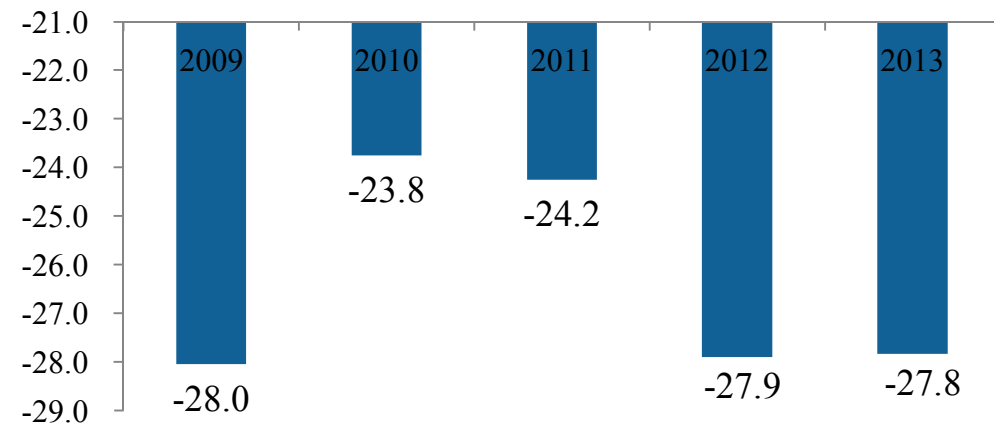
# Negative Cash Cycle Days

Unit : \$NT'bn

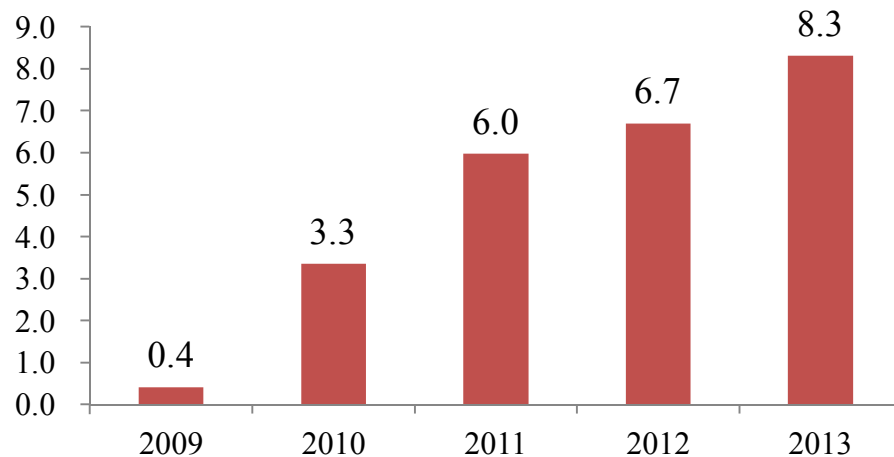
## Cash Conversion Days(Company Only)



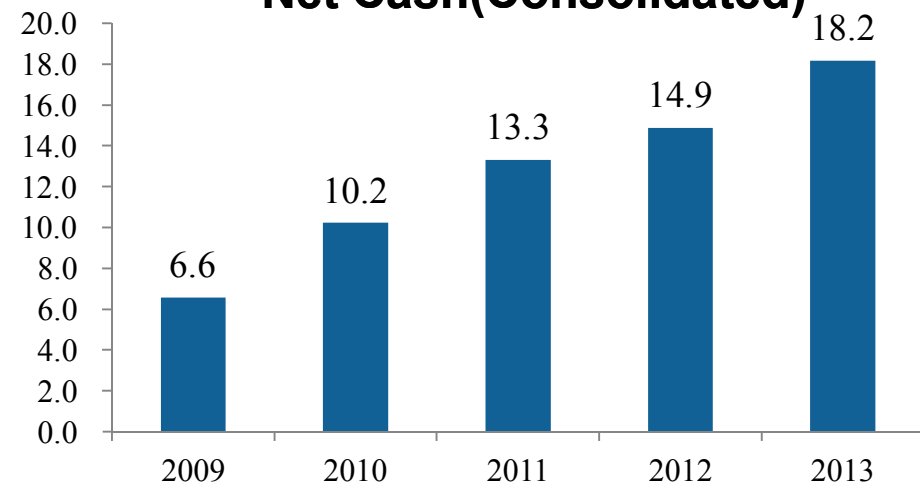
## Cash Conversion Days(Consolidated)



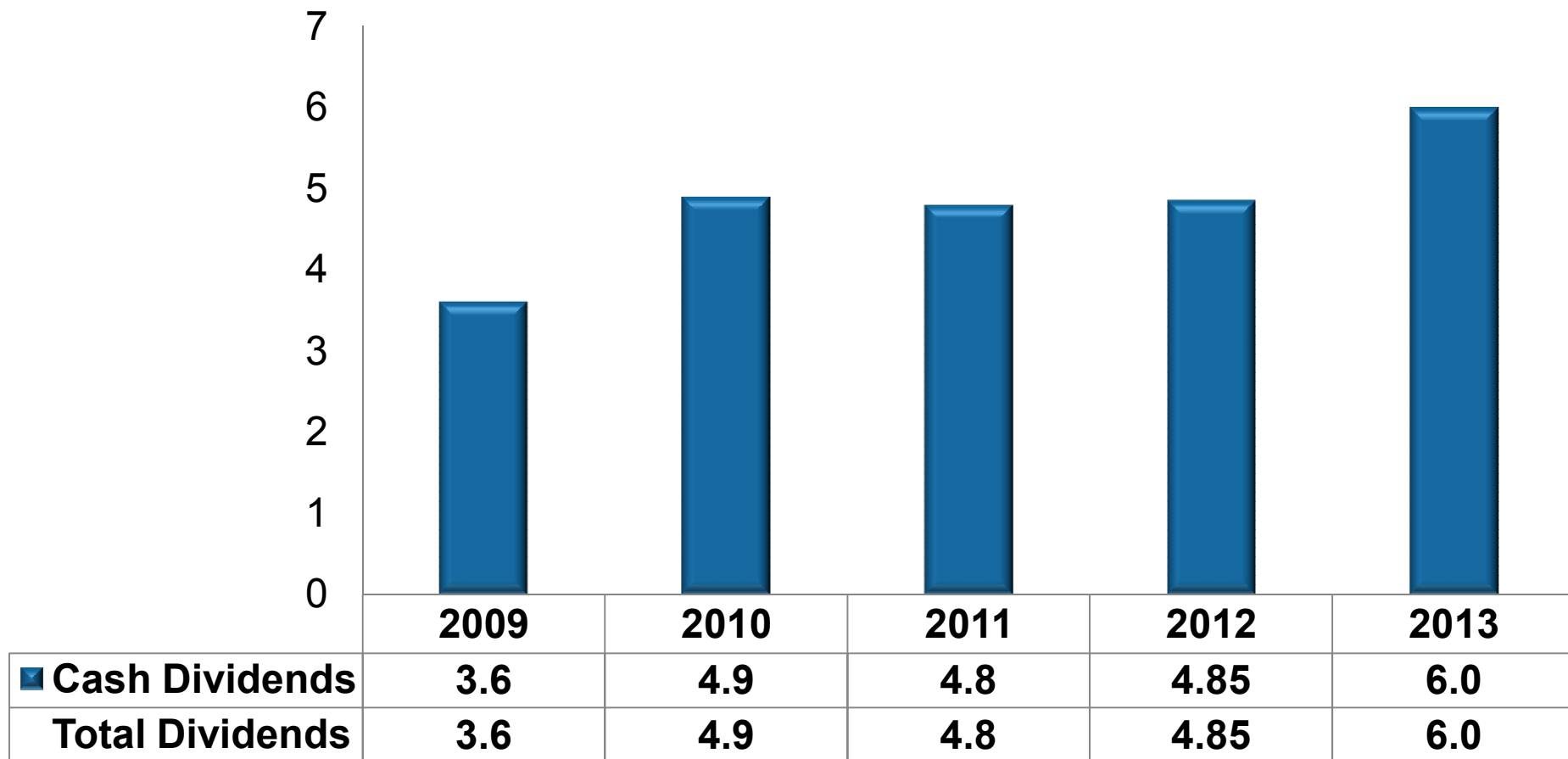
## Net Cash(Company Only)



## Net Cash(Consolidated)



# 100% Cash Dividend





# 2014 Outlook

# Staying On Top of Consumer Trends to Pursue Sustainable Growth

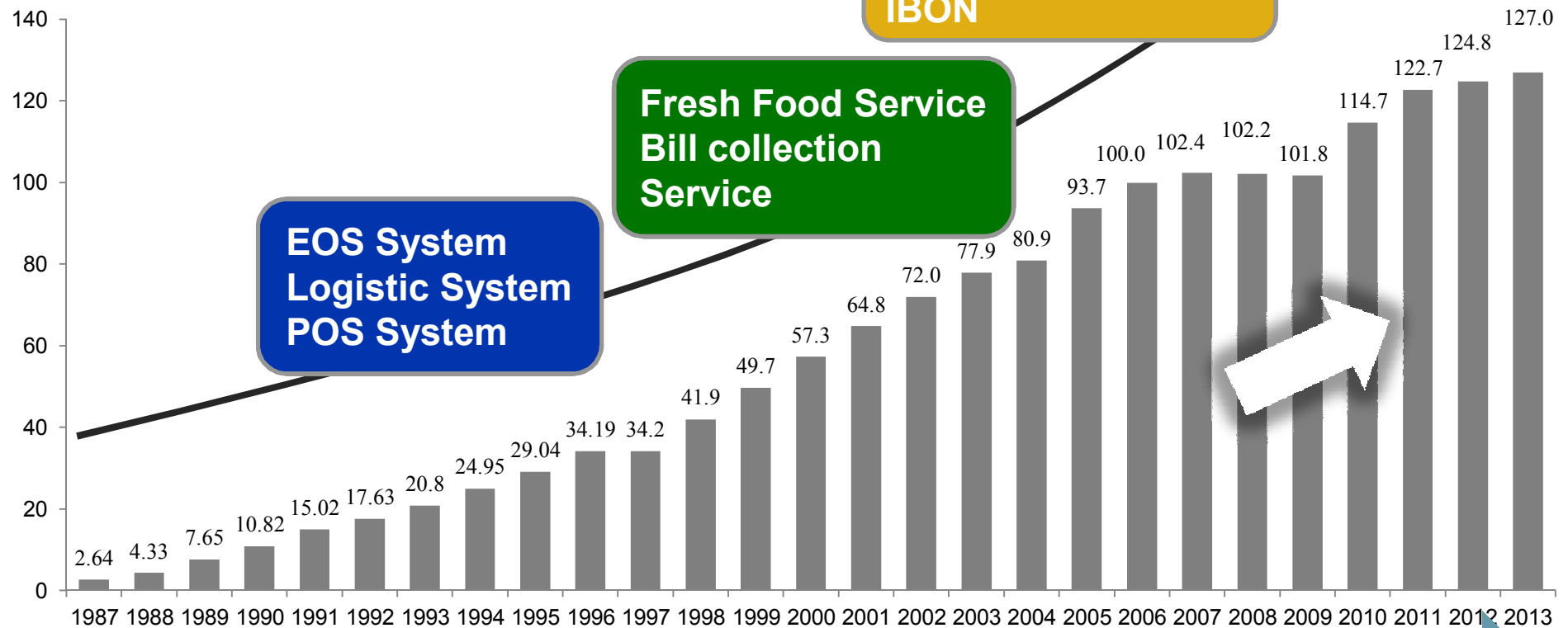
PCSC Revenue  
Unit : \$NT'bn

Large Store  
7-nET

City Café  
Integrated Marketing  
IBON

Fresh Food Service  
Bill collection  
Service

EOS System  
Logistic System  
POS System



Mom & Pa store

Modern CVS

Convenient Neighbor

Community Center

*pcsc*

# Strengths of PCSC



# With Customers' Various Demands, CVS's Functions are Boundless

Trends	Customers' demands for...
Aging population	Friendly shopping environment Food service Feeling of happiness Online service Diversified products Convenience
fewer children	
Fast-paced life	
Price hike but salary stagnant	
High popularity of mobile devices and accessibility of internet	
High consciousness of beauty and health	
Care about the sustainability of the environment	

# **Demands for friendly shopping environment**

- The total store numbers of Taiwan 7-11 will surpass 5,000 in 2014 to further increase accessibility.
- Continue to increase large store numbers, and tailor suitable store layout and product mix for different districts.
- Improve energy efficiency by adopting energy-saving equipments and strategy of light down.



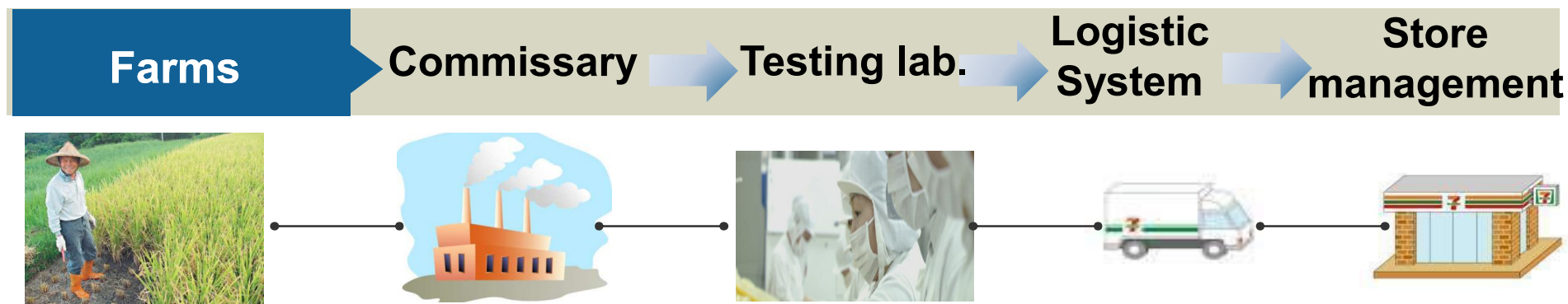
Large store of Taiwan 7-11



Light down of signboard

# Demands For Food Service

- Enhancing the fresh-food restaurant image by upgrading quality of current products and convenience to customers.
- Extend ready-to-eat and -drink products to ready-to-cook ones.
- Enhancing traceability management to establish comprehensive food safety system.





# Feelings of Happiness

- Branding of CITY CAFE and OPEN
  - (1) Integrate CITY CAFÉ and OPEN with 7-11 stores to strengthen brand image.
  - (2) Explore CITY CAFÉ and OPEN related products.
- Introduce soft ice cream to fulfill customers' demands for dessert.



# Demands For Online Service

- Establish offline-to-online platform.
- With diverse services and resources, ibon can provide differentiated choices for customers.
- Upgrade ibon APP to increase interactions with customers.





# Demands For Variety

- Fulfill customers' demand for variety by integrating strong brands of PCSC to strengthen group synergy.



## Brands of Beauty



## Other Brands



Potential  
brands

# Demands For Convenience

- Expand the use of iCash cards

- (1) In alliance with other retailing businesses to provide convenience of payment.

- (2) Utilize iCash customer data to strengthen core competence.



# Fast-growing Overseas Businesses

## ■ Shanghai Starbucks

462 stores in 2013, net increase 135 stores  
Total stores will exceed 600 in 2014.



Shanghai

## ■ Seven Eleven Philippines

1,009 stores in 2013, net increase 180 stores.  
Total stores will exceed 1,200 in 2014.



The Philippines



# Strengthen Business Model

## ■ Supermarket : Shandong and Beijing Unimart

- 1.300~500 m<sup>2</sup> is the main store format .
- 2.Strengthen the convenience of the stores.

## ■ Fast food business : Cold Stone Sub-area license

## ■ CVS : Shanghai 7-11

1. Total store reach 100 in 2014.
2. Strengthen product mix.



Shandong Unimart



Shanghai 7-11

# 2014 Cash Flow Projection

Operating Cash inflows	NT\$10~11b
Cash outflows : Taiwan 7-11	NT\$2.5~2.6b
Long-term investments	NT\$600~700m
Cash dividends	NT\$6.2b



# Q&A