

President Chain Store Corp.

2912TT

pcsc



2014 and 2015Q3 Results

Financial Highlights

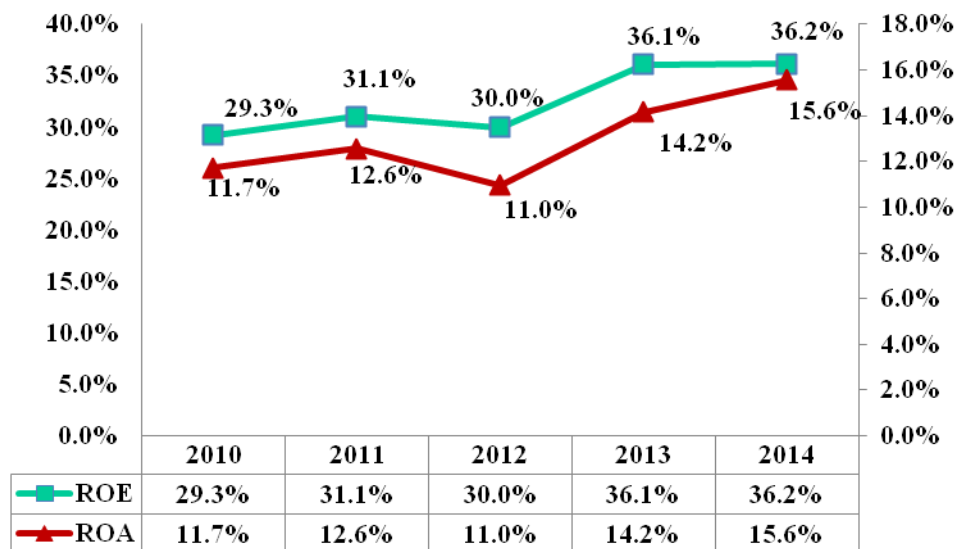
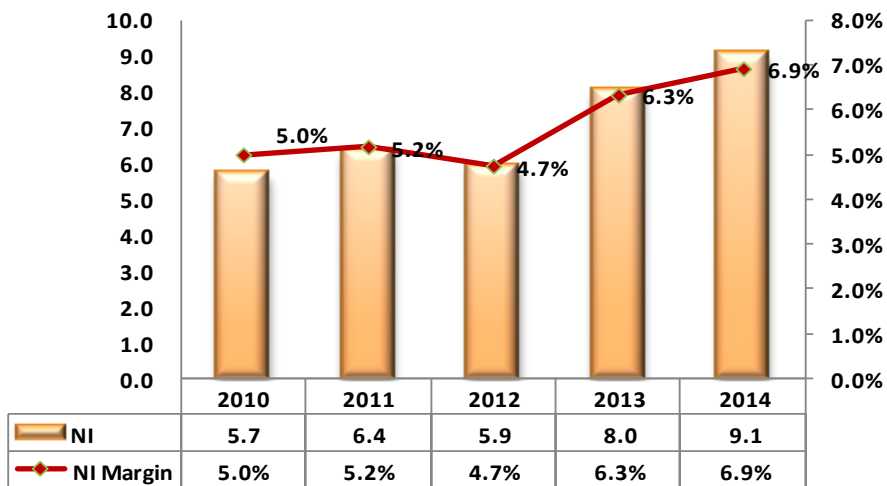
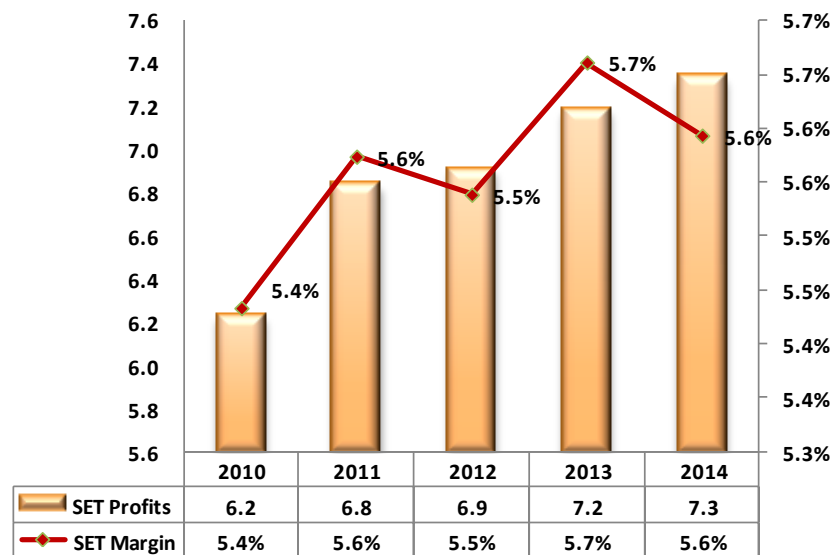
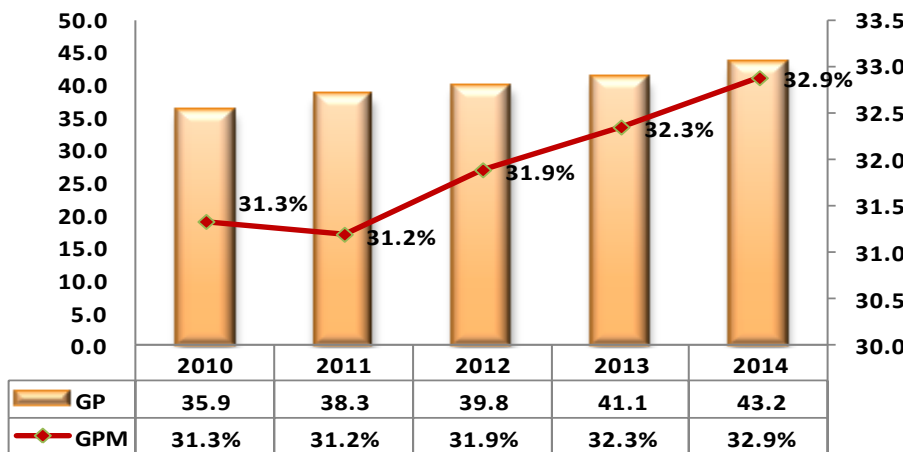
◆ Historical revenue and profitability

Unit : \$NT' billion

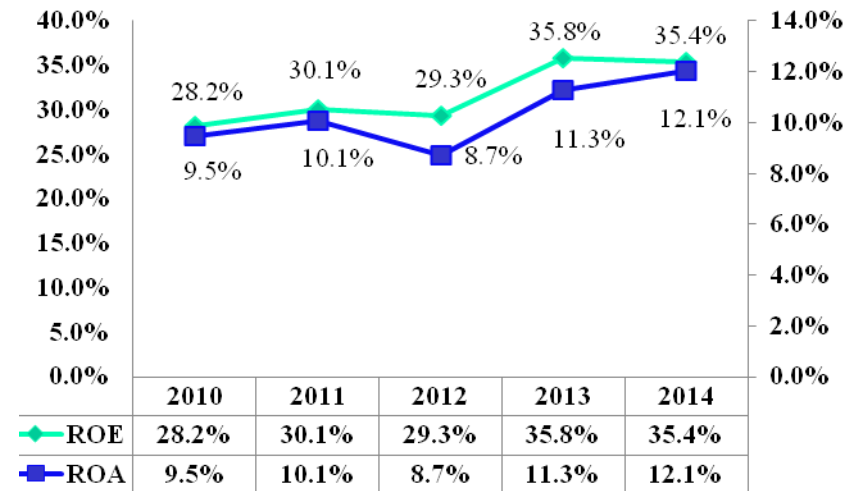
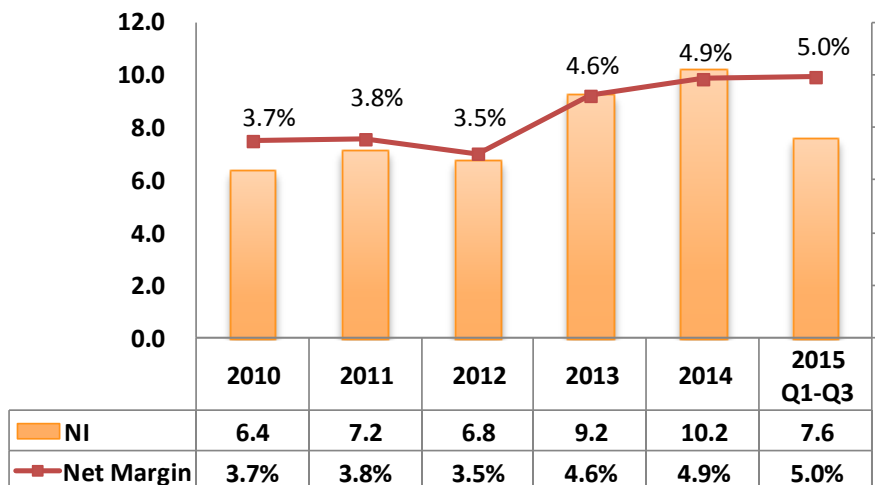
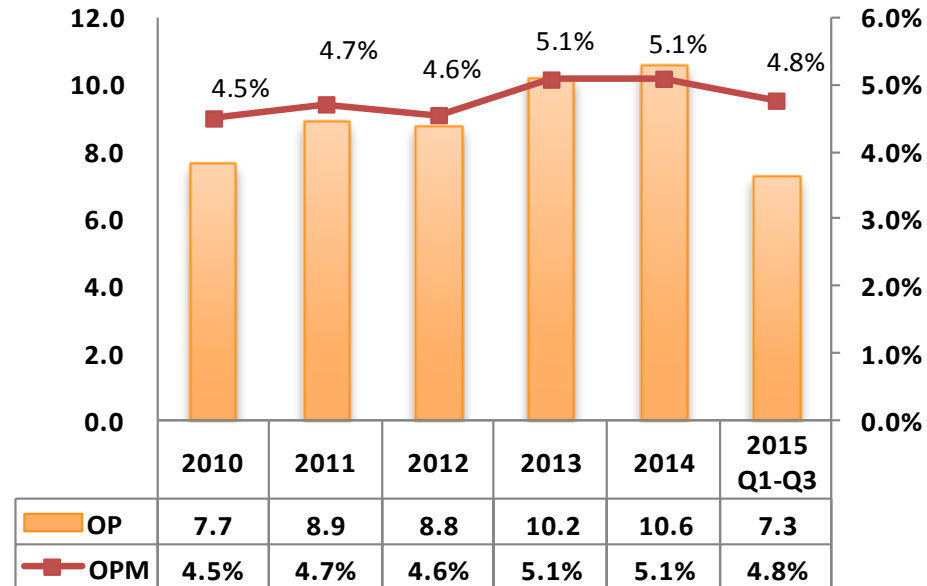
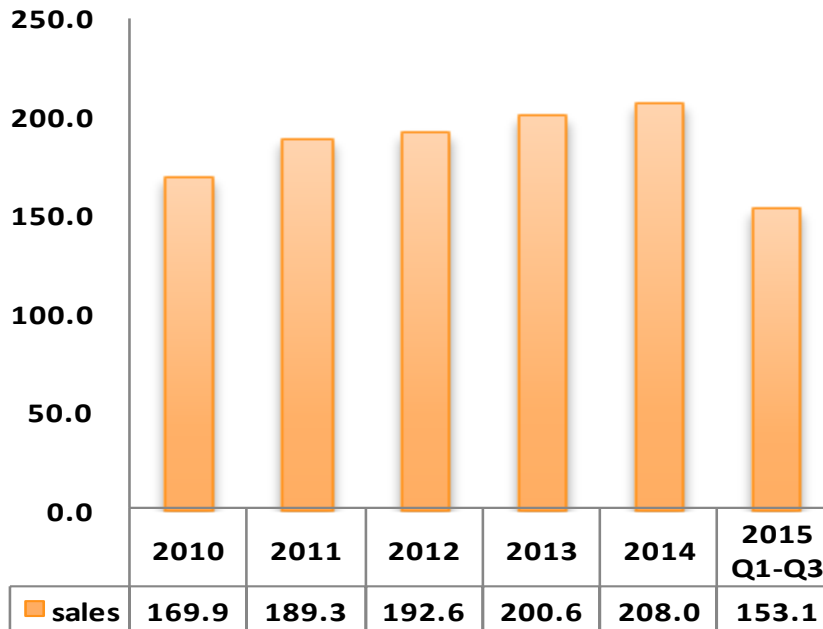
	2010	2011	2012	2013	2014	2013 V.S. 2014	2015 Q1-Q3	2014Q1-Q3 V.S. 2015Q1-Q3
Revenue (Company Only)	114.7	122.7	124.8	126.9	131.3	3.4%	99.9	0.5%
Revenue (Consolidated)	169.9	189.3	192.6	200.6	208.0	3.7%	153.1	1.6%
Net Profit	5.7	6.4	5.9	8.0	9.1	13.1%	6.7	-11.9%
EPS (NT\$)	5.51	6.11	5.69	7.73	8.74	+1.01	6.48	-0.87

Profitability(Company Only)

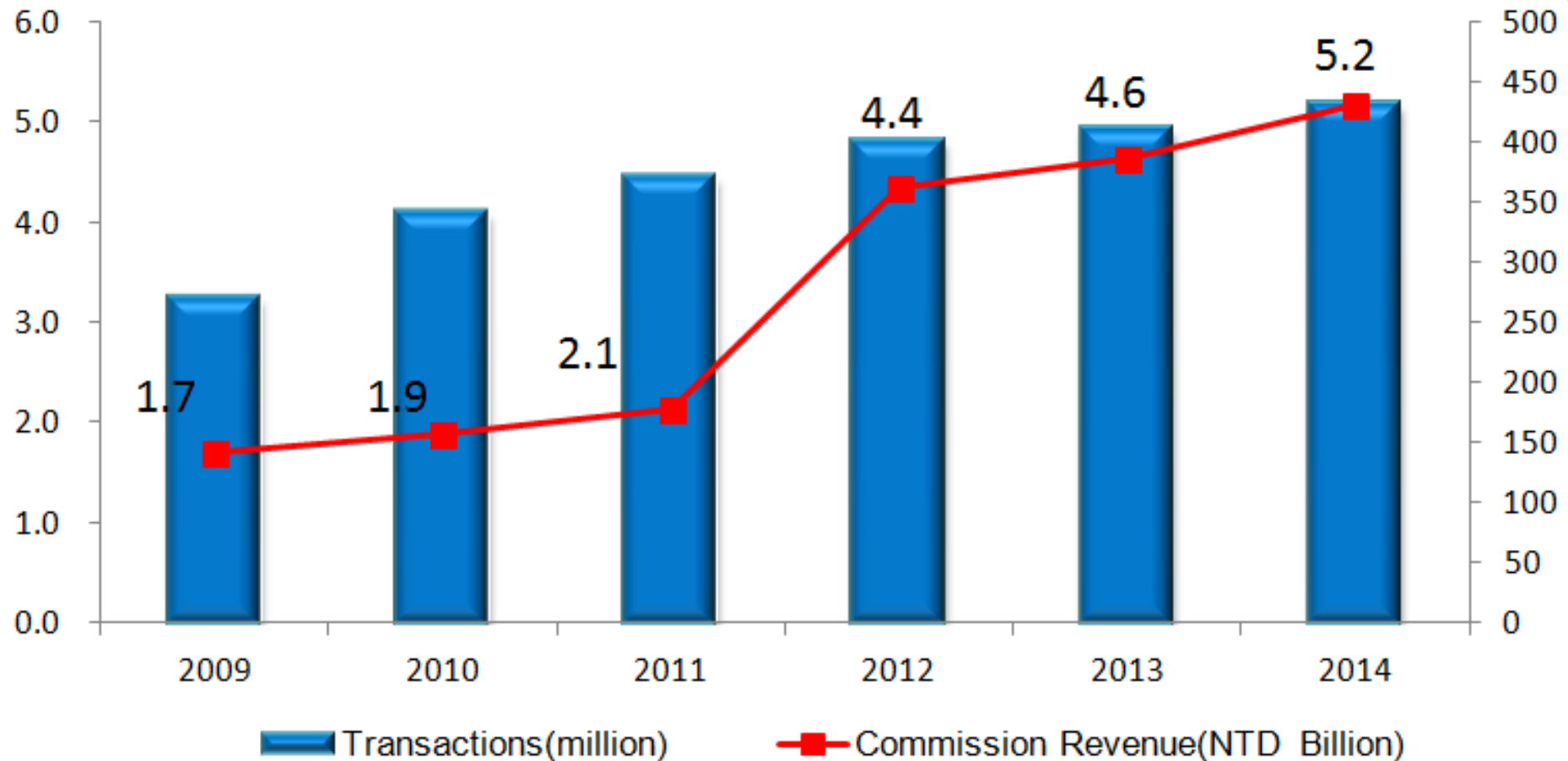
Unit : \$NT'bn



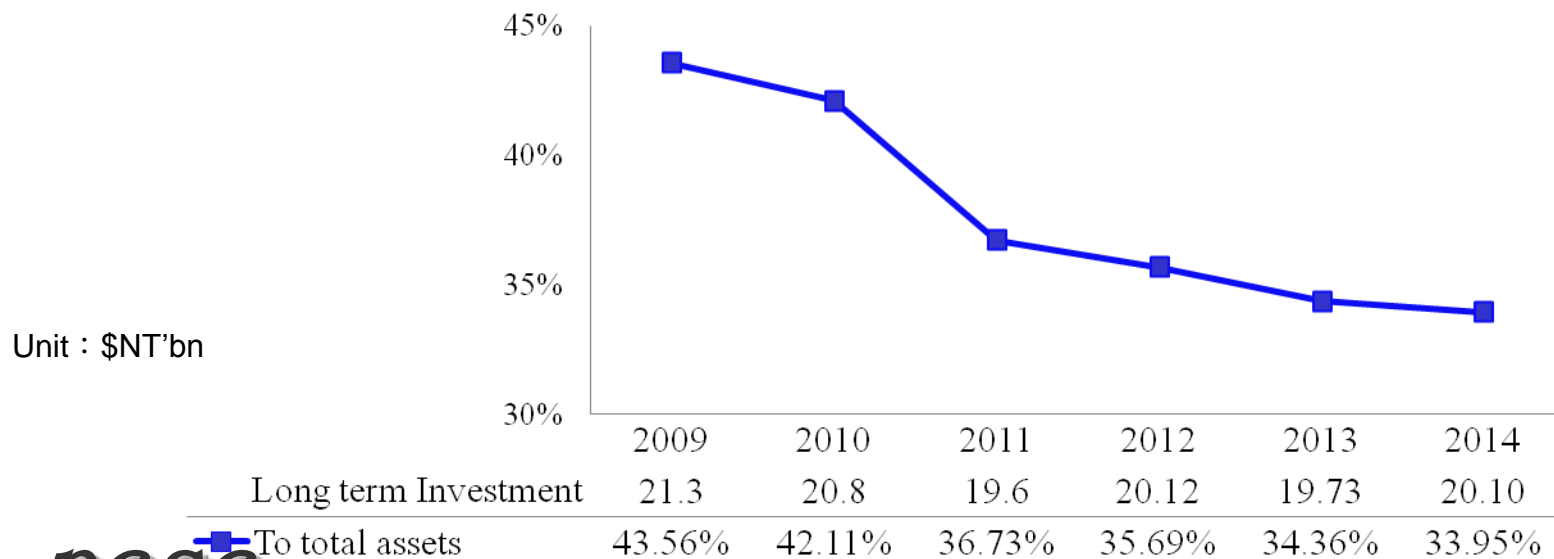
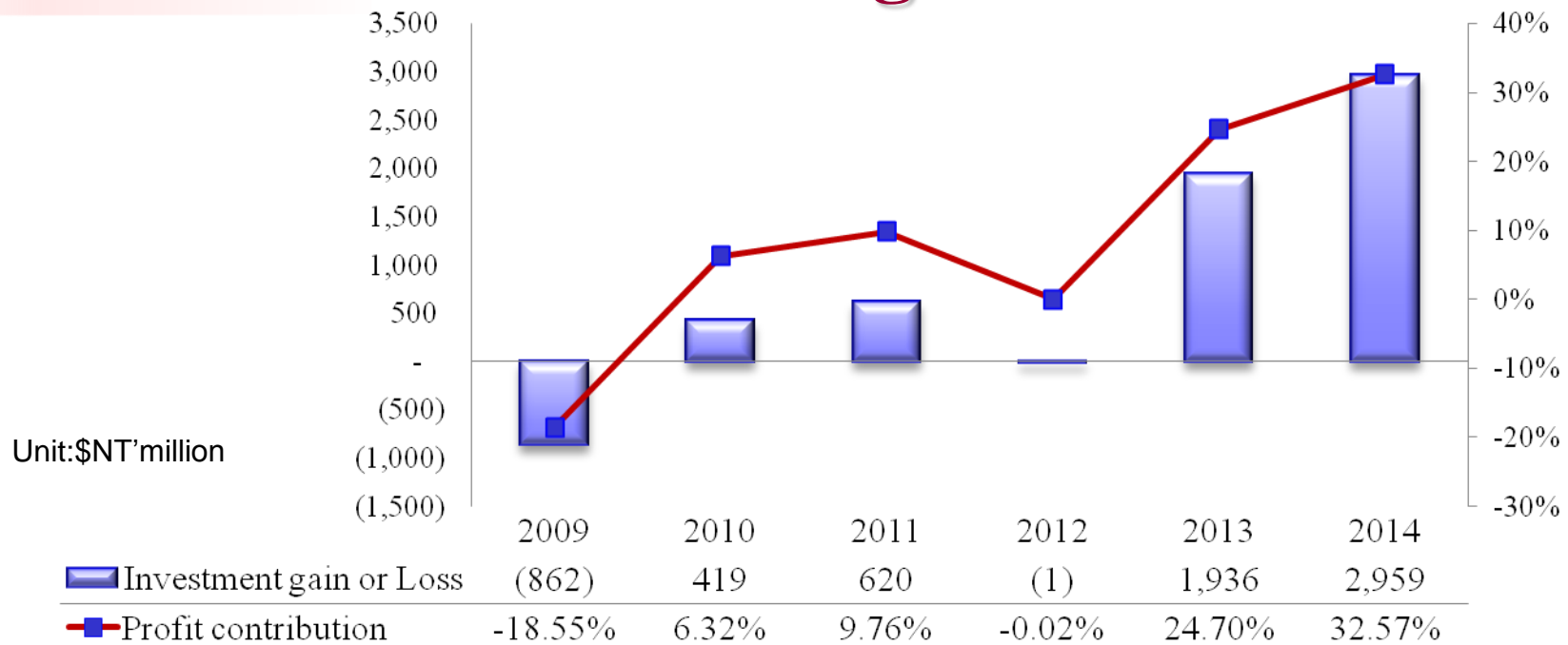
Profitability(Consolidated)



Bill Collection Services



Focus Brings Profits

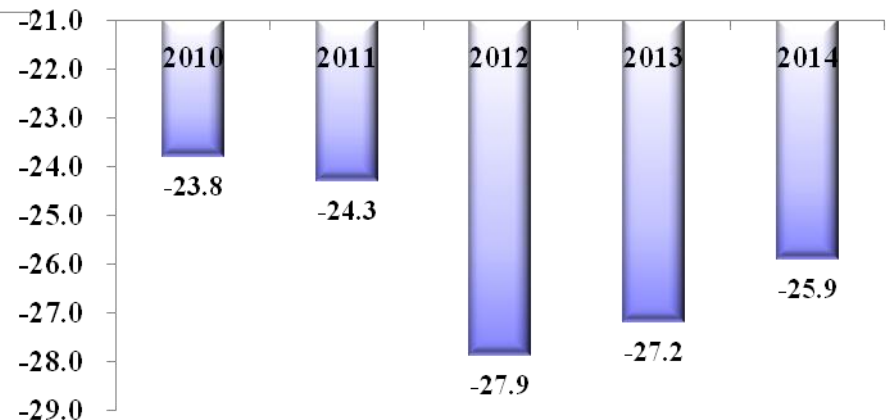
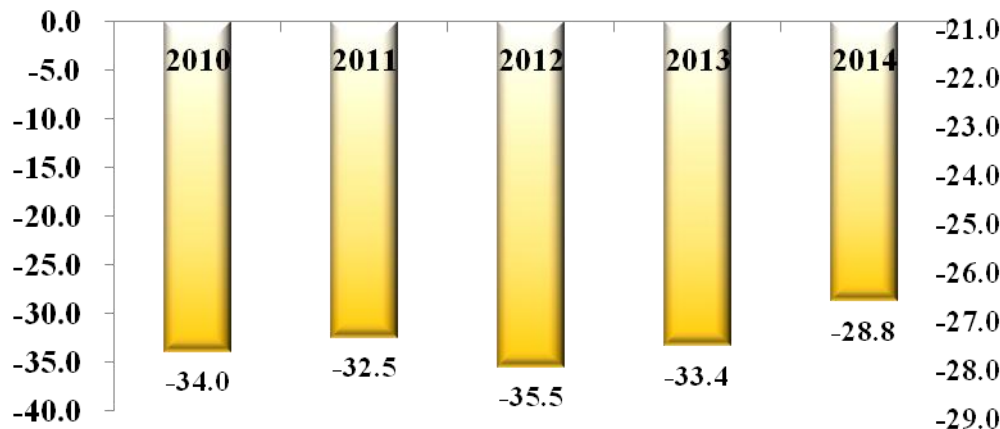


Negative Cash Cycle Days

Unit : \$NT'bn

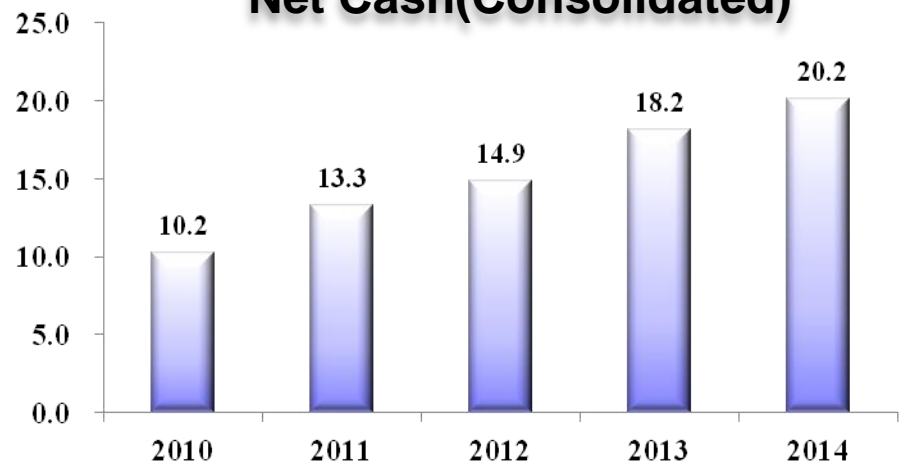
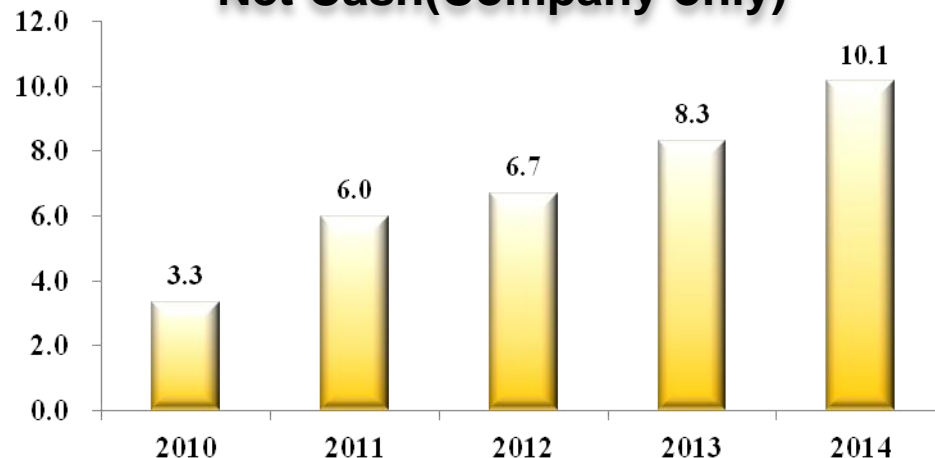
Cash Conversion Days(Company only)

Cash Conversion Days(Consolidated)

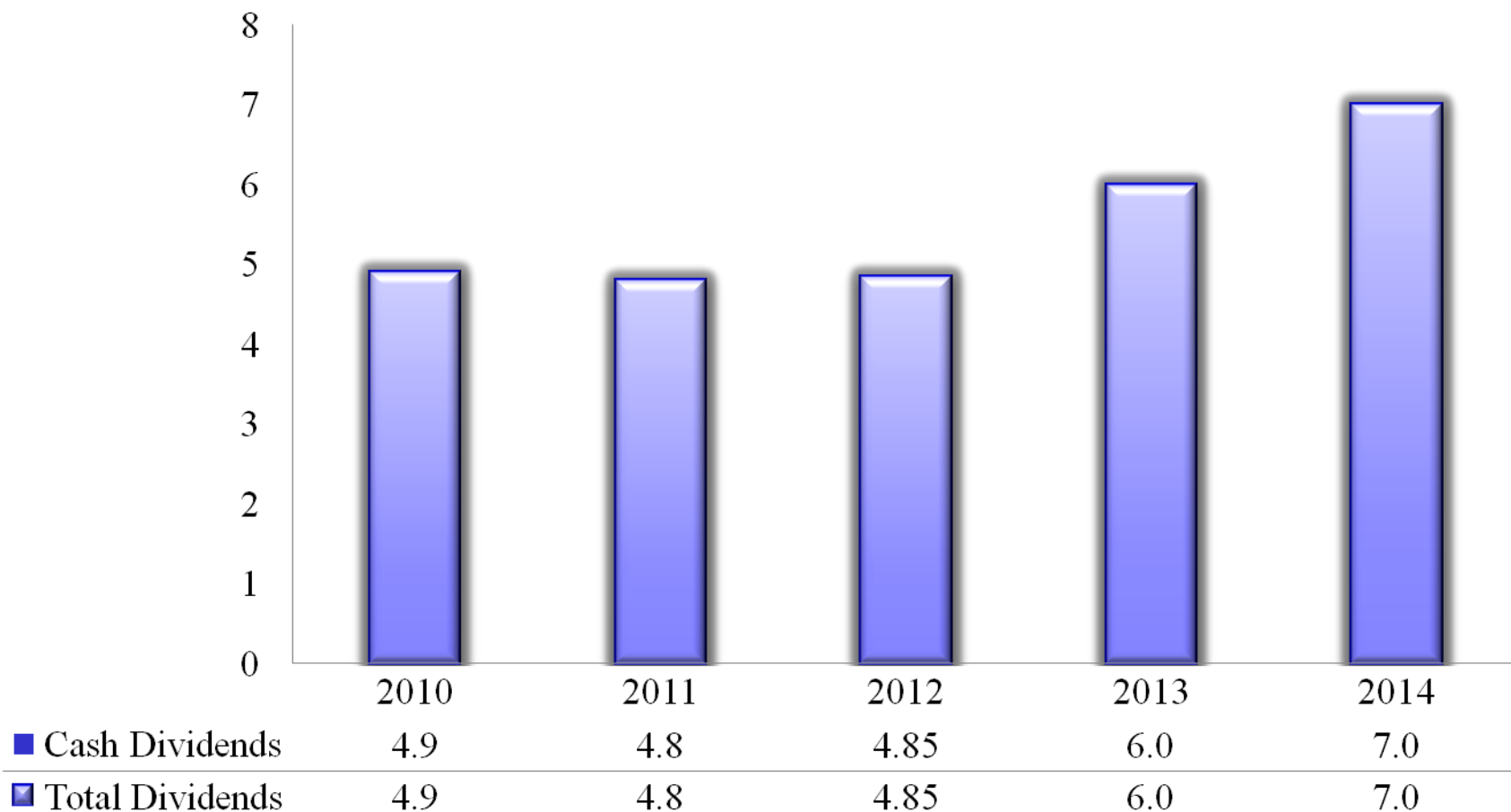


Net Cash(Company only)

Net Cash(Consolidated)



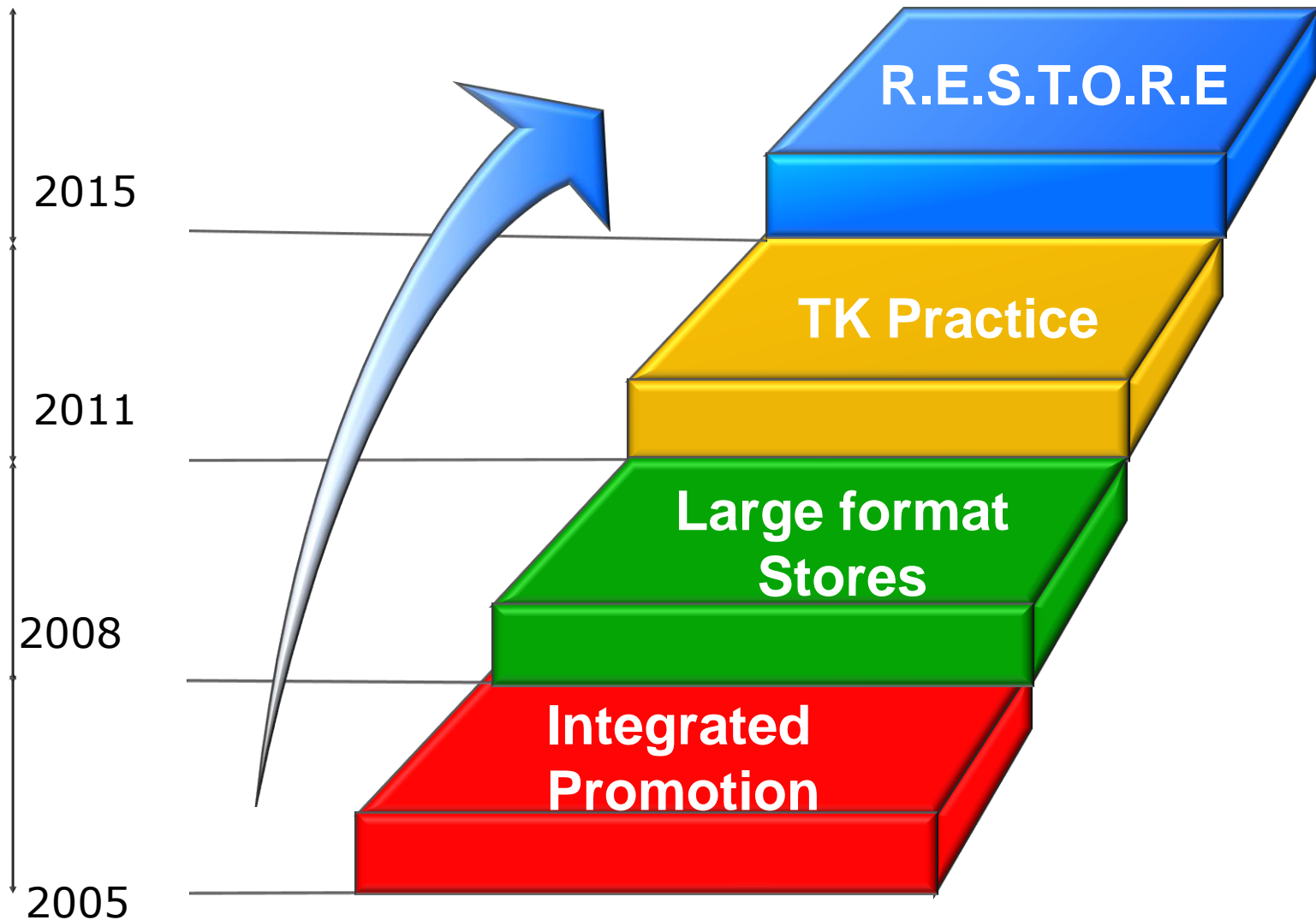
100% Cash Dividend





2015 Outlook

Four-stage transformation



Revitalize Each Store To Obtain Retail Excellence

Opportunities and Challenges

Trends

- ◆ Aging population
- ◆ 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

PCSC is staying on top of consumer trends

Challenges

- ◆ Food safety
- ◆ Costs increase

**Conscientious and careful product development
Focus on Franchisees' profitability**

CITY CAFE

1. By upgrading coffee bean quality, coffee professionals, store atmosphere, CITY CAFE sales reached NTD 9.5b, with 28% black coffee.
2. By launching delivery service and new desserts to bring premium experiences for customers.



Convenient and Quality Fresh Food

- Food quality control mechanism after food safety issues in 2014 :
 - 1.Adjust product mix and suppliers.
 - 2.Strengthen traceability management to further control the quality.
- Enhance fresh-food restaurant image by increasing variety and upgrading the quality.
- Expand from Ready-to-eat to Take Home products.



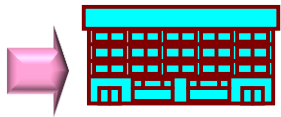
Convenient and Quality Fresh Food

■ From Farms to 7-11 stores

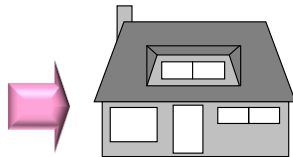
1. 1,000 stores with ready-to-cook products. Banana, sweet corn are the best sellers.
2. Traceable vegetables are introduced.
3. Organic vegetables are introduced to fulfill customers' needs.



Farms



Ingredient
Suppliers



Commissary



Restriction
Lab



Logistics



Stores

1,500 farmers
Contracted-farming

167 suppliers
Mutual purchase and
inspection
Material sourcing

13 commissaries
ISO22000 certified
Periodic auditing

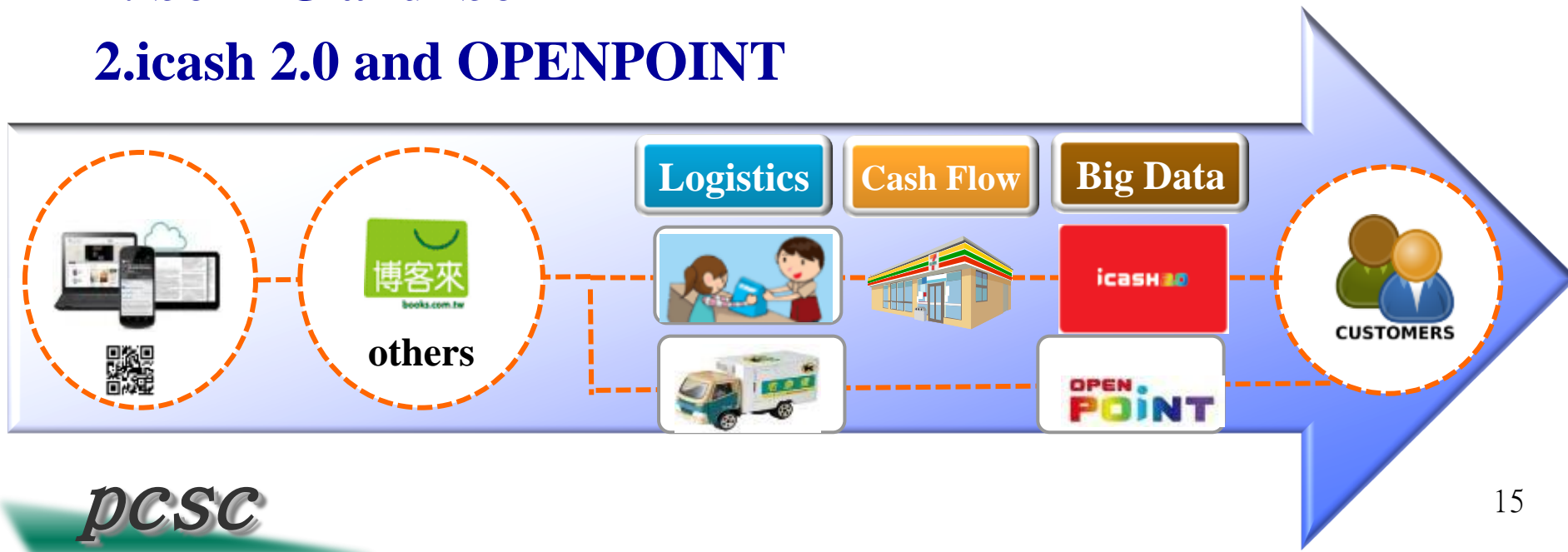
1 restriction lab

**14 distribution
centers**
Periodic auditing
Temperature control

5,040 stores

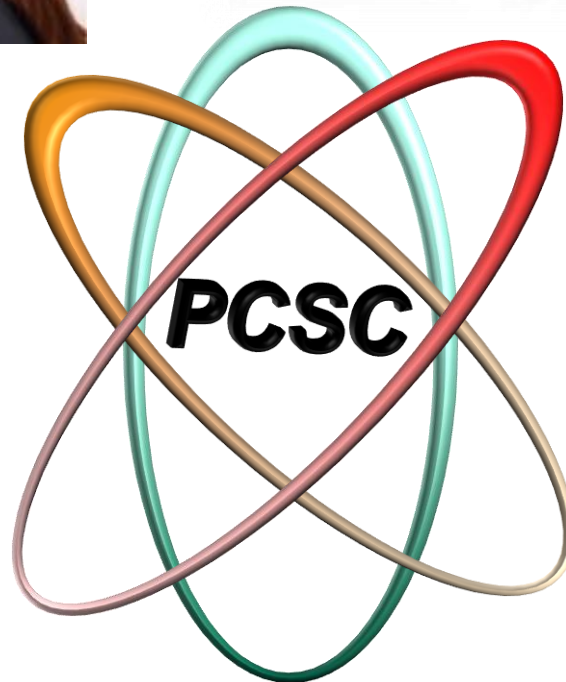
Comprehensive E-service Platform

- Intensive network, completed logistics and information system make 7-11 becomes safe and convenient E-service platform.
- Continuous Upgrades:
 1. ibon 2G and ibon APP
 2. icash 2.0 and OPENPOINT



Beauty and Health

- Cultivate professionals and brands to fulfill customers' needs in health and beauty.



R.E.S.T.O.R.E → Optimize store utility

- Revitalize each store to obtain retail excellence by strengthening product mix according to different areas and target customers.

Commercial area, school, residential area,
sightseeing area, transit etc.

Beauty
products

Health
products

Daily
Necessity
Imported
products

Fresh
Fruits
Organic
Products



Overseas Businesses

- **Shanghai Starbucks**

Total stores will exceed 900 in 2015

- **Seven Eleven Philippines**

Total stores will exceed 1,500 in 2015

- **Continue to strengthen business model of CVS, supermarkets, Food & Beverage in China.**



Highlights of ESG Practice

■ Environmental-friendly store:

1.72% stores are recognized as the top level of Green CVS stores, which is the highest store numbers in Taiwan.

2. Energy Usage Intensity is decreasing.

■ Benchmark Global G.A.P. to :

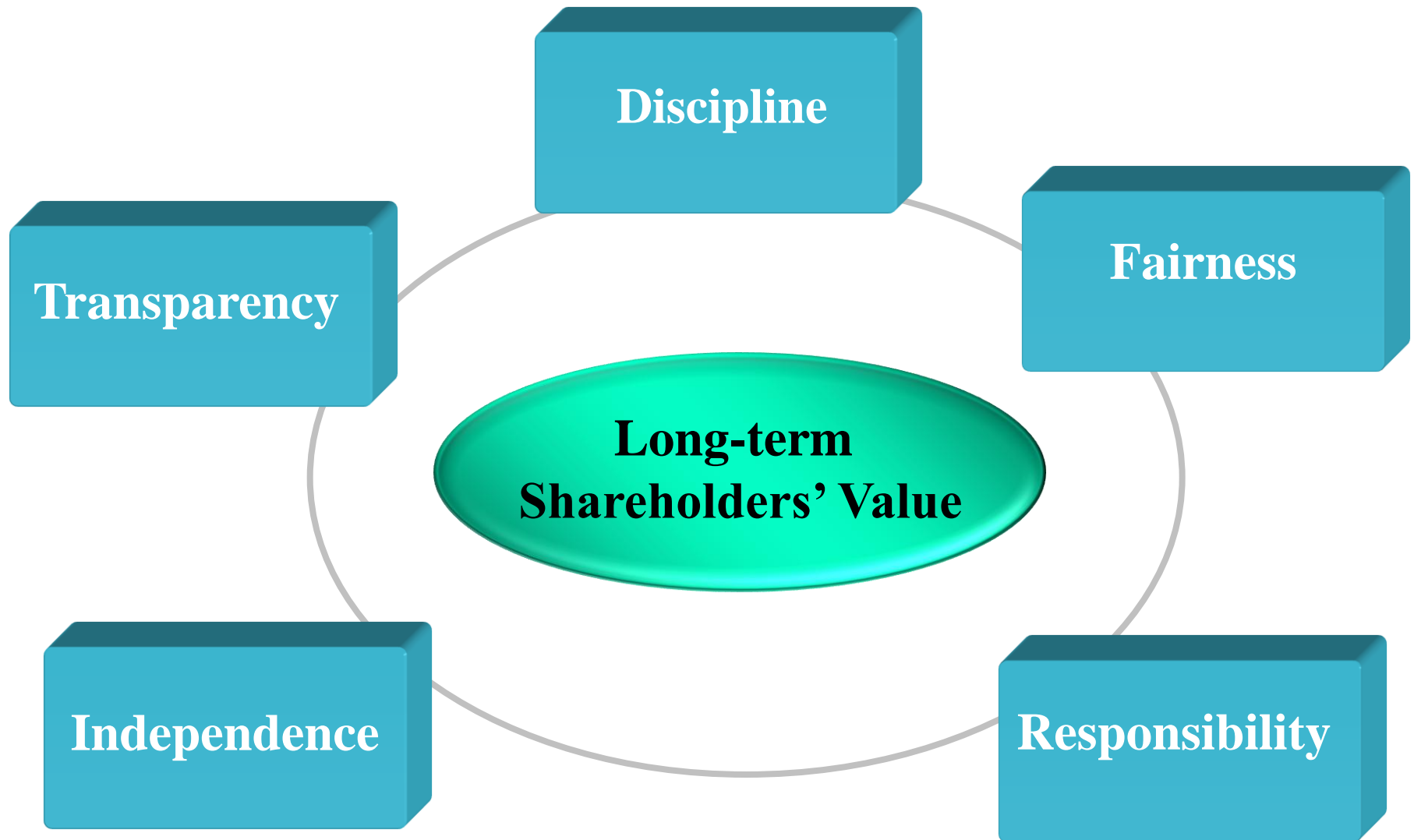
1. Upgrade agriculture by encouraging protected cultivation in our supply chain.

2. Promote reduction of toxicity of pesticide and chemical fertilizer.

3. Continue expanding the use of domestic agricultural products to support our farmers.



Highlights of ESG Practice



Highlights of ESG Practice

■ Focus on franchisees' profitability

1. Due to the increase of minimum wage and fresh food development strategy, PCSC has provided additional subsidization since April 1, 2015, and will adjust the profit-sharing scheme since Oct 1, 2015.
2. Continue pursuing win-win for the company and the franchisees.

■ Social Cares

1. Encourage children in the hospitals through OPEN! Cares activities.
2. Care for the elderly who live alone.



2015 Cash Flow Projection

Operating Cash inflows	NTD 10~11b
Cash outflows : Taiwan 7-11	NTD 2.5~2.6 b
Long-term investments	NTD 1b
Cash dividends	NTD 7.2 b





Q&A