

President Chain Store Corp.

March, 2009

Financial Review

2008 FY

Parent Income Statement

Unit:\$NT'million

	<u>2008</u>		<u>2007</u>		<u>YOY</u>
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
Net sales	98,437	96.3%	98,885	96.6%	-0.5%
Other operating revenue	3,754	3.7%	3,479	3.4%	7.9%
Total operating revenue	102,191	100.0%	102,364	100.0%	-0.2%
Gross profit	32,735	32.0%	31,744	31.0%	3.1%
Operating expenses	(28,128)	-27.5%	(26,890)	-26.3%	4.6%
Operating income	4,607	4.5%	4,854	4.7%	-5.1%
Net non-operating income	-225	-0.2%	-43	0.0%	423.3%
Income before income tax:	4,382	4.3%	4,810	4.7%	-8.9%
Income tax expense	(862)	-0.8%	(1,188)	-1.2%	-27.4%
Net Income	\$3,520	3.4%	\$3,622	3.5%	-2.8%
Earnings per share	(pre-tax)	(after tax)	(pre-tax)	(after tax)	
Net income (unit:\$NTD)	4.79	3.85	5.26	3.96	

Reasons for the Profit Decline in 2008

(1) Recognised 224m expense of Employee's bonus and director's remuneration

(2) Loss from New business

Hankyu department store, Marks & Spencer, Cold Stone Creamery, Plaza, Rakuten, Afternoon tea

(3) Impairment loss

Topply 193m

Dream Mall 315m

Tong-Ho development 109m

2008 FY

Parent Balance Sheet

Unit:\$NT'million

	<u>2008</u>		<u>2007</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets				
Cash, equivalents & ST investment	11,662	25%	8,569	20%
Receivable-net	1,010	2%	758	2%
Inventories	3,294	7%	2,993	7%
Other current assets	954	2%	1,032	2%
Total current assets	16,920	36%	13,352	31%
Available-for-sale financial assets	524	1%	740	2%
LT investments (Equity method)	7,827	17%	6,728	16%
LT investments (Cost method)	11,496	24%	11,809	28%
Total LT investments	19,848	42%	19,277	45%
Total fixed assets	7,804	17%	7,645	18%
Total intangible assets	273	1%	0	18%
Total other assets	2,286	5%	2,274	5%
Total assets	\$47,131	100%	\$42,638	100%

2008 FY

Parent Balance Sheet

Unit:\$NT'million

	<u>2008</u>		<u>2007</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and SE				
Liabilities				
Notes /Accounts Payable	15,714	33%	12,504	29%
Accrued expenses	1,805	4%	2,270	5%
Advance receipts	1,449	3%	1,031	2%
Income taxes payable	275	1%	641	2%
Current portion of long-term liabilities	0	0%	1,100	3%
Others	0	0%	5	0%
Total current liabilities	19,243	41%	17,551	41%
Total long-term liabilities	9,100	19%	6,700	16%
Total other Liabilities	2,340	5%	2,132	5%
Total liabilities	30,683	65%	26,383	62%
Shareholders' equity				
Capital	9,152	19%	9,152	21%
Retained earnings	6,873	15%	6,575	15%
Other adjustments	423	1%	527	1%
Total shareholders' equity	16,448	35%	16,254	38%
Liabilities and shareholders' equity	\$47,131	100%	\$42,638	100%

2008 FY

Parent Statement of Cash Flow

Unit:\$NT'million

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities :	5,483	3,529
Net Income	3,520	3,622
Adjusted: Depreciation & Amortization	1,816	1,805
Changes in assets and liabilities	(1,137)	(2,892)
Cash flows from investing activities :	(4,057)	(3,382)
Acquisition of long-term investments	(2,216)	(1,278)
Purchase of fixed asset	(2,098)	(2,447)
Cash flows from financing activities :	(1,793)	2,493
Increase in long-term loans	2,400	6,700
Payment of cash dividend and employee bonus	(3,222)	(3,513)
Payback of corporate bond	(1,100)	(900)
Net increase (decrease) in cash and equivalents	(366)	2,640
Cash and cash equivalents, beginning of year	5,879	3,238
Cash and cash equivalents, end of year	<u>5,512</u>	<u>5,879</u>

2008 Actual CAPEX

□ Taiwan 7-11 Operation	2.10 billion
□ Long-term investment	2.22 billion
Total Expenditure	4.32 billion

Taiwan Business

NT\$ 1.83 billion

Hankyu Department Store, Dream Mall, Rakuten, Cold Stone, Afternoon Tea, BOT etc.

China Business

NT\$ 0.39 billion

Cold Stone, Cosmed

2009 Outlook

2009 Outlook for 7-Eleven Taiwan

(1)Store Opening Plan

Net increase 100 stores,

flexible adjustment, profit priority

(2)Gross Margin improvement

2009 CAPEX Projection

<input type="checkbox"/> Taiwan 7-11 Operation	2 billion
<input type="checkbox"/> Long-term investment	2 billion
Total Expenditure	4 billion

New Store Opening	NT\$ 0.7 billion
Store Remodeling	NT\$ 0.4 billion
Others	NT\$ 0.9 billion

China Business	NT\$ 1 billion
ShangHai 7-11, Mister Donut, Cosmed, Wuhan Bakery, Service company, etc.	
Taiwan Business	NT\$ 1 billion
Hankyu Department Store, Rakuten on-line shops, 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>