




**Too bad you can't lick the screen.**

Cold Stone Creamery offers the best in super-premium ice cream, made fresh daily in every store. You can choose your favorite mix-ins including fresh baked brownies, fruits, pie fillings, candies, cookies, and nuts. Your ice cream Creation is mixed on a cold granite stone, and then served in a fresh baked waffle cone or bowl. It's the ultimate indulgence.

Discover Mills  
5900 Sugarloaf Pkwy.  
Lawrenceville  
(678) 947-8927

Founder's favorite





**COSMED**  
康是美



博客來網路書店  
**books.com.tw**

Hankyu  
**統一阪急百貨**

# President Chain Store

**2912TT**



# 2010 and 2011Q1 Results

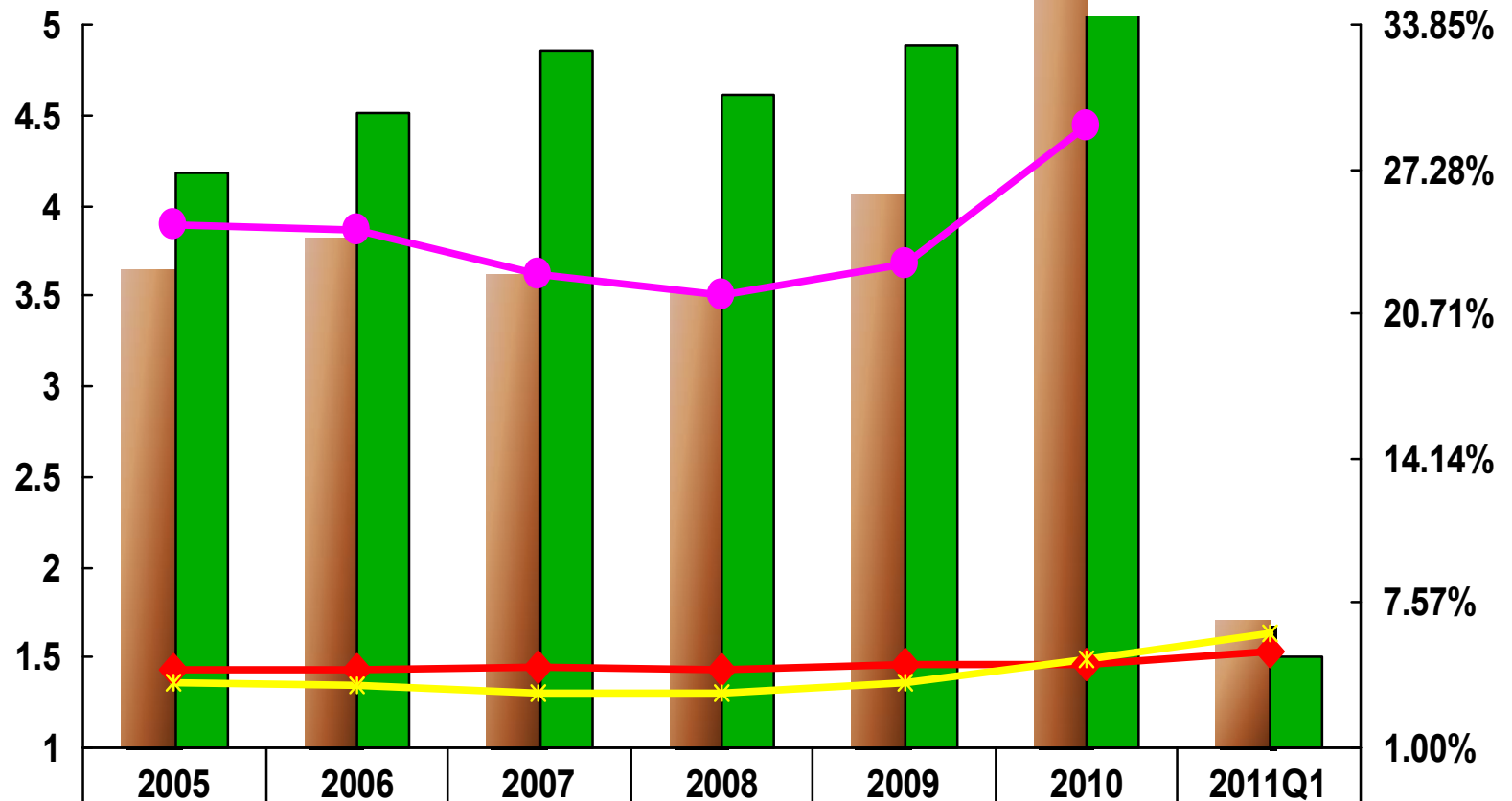
# Parent Income Statement

Unit:\$NT'million

	<u>2010</u>		YOY	<u>2011Q1</u>		YOY
	<u>Amount</u>	<u>%</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
Net sales	111,074	96.9%	12.9%	27,320	96.6%	5.1%
Other operating revenue	3,590	3.1%	6.4%	964	3.4%	8.2%
Total operating revenue	114,664	100.0%	12.7%	28,283	100.0%	5.2%
Gross profit	35,923	31.3%	9.0%	8,964	31.7%	8.8%
Operating expenses	(30,395)	-26.5%	8.3%	(7,459)	-26.4%	6.9%
Operating income	5,527	4.8%	13.0%	1,505	5.3%	19.6%
Non-operating income	1,102	1.0%	increase 1352	533	1.9%	-20.9%
Income before taxes	6,629	5.8%	42.7%	2,039	7.2%	5.5%
Income tax expense	903	0.8%	54.4%	299	1.1%	-8.5%
<b>Net Income</b>	<b>\$5,726</b>	<b>5.0%</b>	<b>41.1%</b>	<b>\$1,739</b>	<b>6.1%</b>	<b>8.3%</b>
Earnings per share	(pre-tax)	(after tax)		(pre-tax)	(after tax)	
Net income (unit:\$NTD)	<u>6.38</u>	<u>5.51</u>		<u>1.96</u>	<u>1.67</u>	

\* non-operating income in 2010Q1 included conversion gain from Toppoly, which is NT\$ 294m.

# Profitability Hit a New High



# Two Engines for Growth: 7-11 Taiwan and Subsidiaries

NI grows 41% in 2010  
NI grows 8% in 2011Q1

## Solid growth from Taiwan 7-11

- ✓ Internal strategies
  - New store formats
  - Private Label products
  - Virtual business
  - Innovative promotions

## Positive contribution from Subsidiaries

- ✓ 12 subsidiaries' NI over NT\$100m in 2010.
- ✓ Loss from Chinese businesses declines

# Taiwan Subsidiaries

Unit: \$NT'm

## Lifestyle Business

### Cosmed Taiwan



(100%) Stores: 330

10' NI: 297 09' NI: 166  
11' Q1 NI: 72 10' Q1 NI: 56

### MUJI Taiwan



(41%) Stores: 20

10' NI: 160 09' NI: 105  
11' Q1 NI: 60 10' Q1 NI: 34

### Hankyu Dept. Taiwan



(70%) Stores: 2

10' NI: -240 09' NI: -352  
11' Q1 NI: 11 10' Q1 NI: -83

## Restaurant

### Starbucks Taiwan



(30%) Stores: 240

10' NI: 329 09' NI: 111  
11' Q1 NI: 112 10' Q1 NI: 130

### Afternoon Tea



(51%) Stores: 11

10' NI: -35 09' NI: -34  
11' Q1 NI: -6 10' Q1 NI: -6

### Mister Donut



(50%) Stores: 46

10' NI: 2 09' NI: -109  
11' Q1 NI: 15 10' Q1 NI: 11

### Cold Stone



(100%) Stores: 28

10' NI: 32 09' NI: -12  
11' Q1 NI: -3 10' Q1 NI: 12

## E-Commerce

### Books.com



(50.03%)

10' NI: 189 09' NI: 123  
11' Q1 NI: 54 10' Q1 NI: 48

# China Subsidiaries

Unit: \$NT'm

## Convenience Store

### Shanghai 7-11



(100%) Stores: 60

10'NI:-162 09'NI:-89

11'Q1 NI:-58 10'Q1 NI : -26

## Restaurant

### Starbucks



(30%) Stores: 199

10'NI:387 09'NI:230

11'Q1 NI:117 10'Q1 NI : 68

### Afternoon Tea



(51%) Stores: 3

10'NI:-42 09'NI:-73

11'Q1 NI:-15 10'Q1 NI:-9

## Drugstore

### Shenzhen Cosmed



(65%) Stores: 6

10'NI:-35 09'NI:-86

11'Q1 NI:-7 10'Q1 NI : -7

### Mister Donut



(50%) Stores: 9

10'NI:-55 09'NI:-55

11'Q1 NI:-10 10'Q1 NI:-12

### Cold Stone



(100%) Stores: 42

10'NI:-52 09'NI:-115

11'Q1 NI:-22 10'Q1 NI:-19

## Supermarket & Hypermarket

### Sichuan Uni-mart

Hypermarket 统一优玛特

(100%) Stores: 5

10'NI:-23 09'NI:-103

11'Q1 NI:10 10'Q1 NI : 9

### Shandong Uni-mart

Supermarket 统一银座

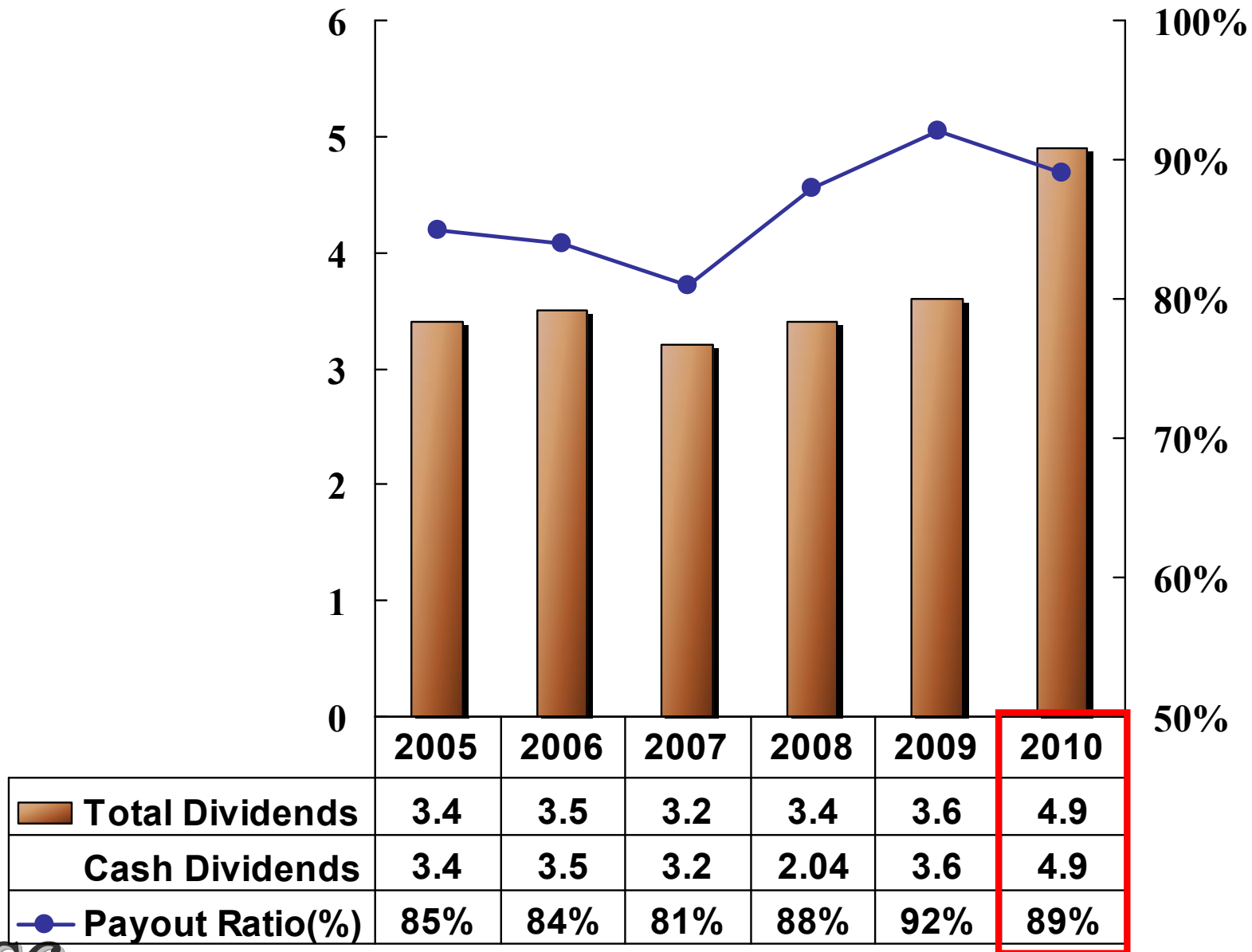
(55%) Stores: 147

10'NI:157 09'NI:163

11'Q1 NI:67 10'Q1 NI:68

# Dividend Policy

# Cash Dividend Reaches New High



# 2011 Outlook

# Taiwan 7-11 : Strengthen Real-virtual Retail Platform

Over 35% are Bigger Stores

**Food Store**

City Café and  
Fresh food

+

**Net Store**

Virtual Businesses

**【Chain Store】 => 【Net Store】**

- The most convenience platform for consumers.
- The most innovative platform for real-virtual integration.
- The most efficient platform for suppliers.

# New Store Format

- Focus on raising store profitability.
- Adjust product mix depending on the characteristics of the neighborhood.
- Bigger stores account for 33%, and the number keeps growing.



# Product Mix Adjustments

- **Higher quality** : City Café provides convenience and good quality coffee.
- **More choices** : a variety of national brands and private label products.
- **Reasonable prices** : reasonable prices for daily necessities and private label products.



pcsc



# Virtual Businesses

- **ibon** : New services include ticketing services for transportation, online shopping, etc.
- **7NET** : 150,000 items, 580,000 membership.



The screenshot shows the 7NET website homepage. At the top, it features the 7NET logo and the text '20,000種商品 全台ibon輕鬆購'. Below this is a navigation menu with categories like '民生用品', '民生食品', '休閒零嘴', '茶水飲料', '日本服飾館', '服飾/童裝', '精品/包/鞋', '美妆保健', '居家休閒', '3C家電', '品牌專館', and '美食/名店'. A search bar is located below the menu. The main content area is dominated by a large Mother's Day promotion banner with the text '歡慶母親節 最高送300' and '單筆訂單滿額'. To the left of the banner is a '品牌活動專區' (Brand Activity Special Area) with several promotional tiles for DHC, OPEN!KIDS, and 千趣會. To the right of the banner are several smaller promotional tiles, including '入會送\$100', '生日送\$100', '禮愛媽咪 禮盒下殺3折up', and '5大銀行12-24期0利率'. At the bottom of the page, there is a '點閱排行榜' (Click Ranking) section and a '加入粉絲團' (Join Facebook Fan Page) button.

# Overseas Businesses – Transfer and localize

**Philippine 7-11-Aiming for becoming best retailer of convenience for emerging markets.**

- ❑ Enhance PSD through product mix adjustment (Fresh food, general merchandise)
- ❑ Market Dominance
  - expand boundaries
  - intensify franchisingTarget:1000 stores in 2013.
- ❑ Cost controls

**China-Aiming for becoming regional leading brands**

509 stores in China, 300 in East China.

- ❑ Shanghai 7-11 :
  - aggressive roll-out plan and product mix differentiation.
- ❑ F&B businesses :
  - develop existing brands
- ❑ Super & Hypermarket :
  - (1) Sichuan: introducing JV partner.
  - (2) Shandong : entering new markets and differentiation.

# Key to Continued growth— Focus, Execution

