

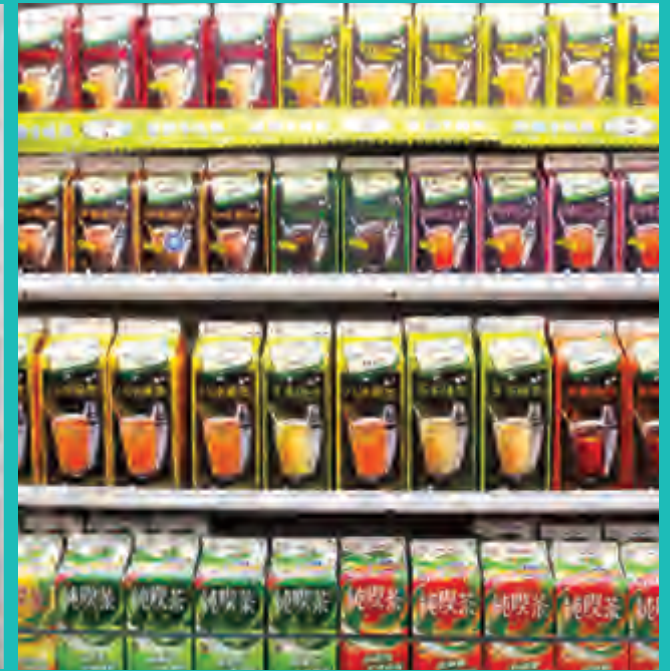
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	 生活	優惠券、血拼、法律小幫手、城市導覽、託運服務、考生服務、網購小站、計程車叫單、交貨便、手機娛樂、門市查詢、找工作





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日本NO.1甜甜圈專賣店



酷聖石冰淇淋



Afternoon Tea



Royal Host





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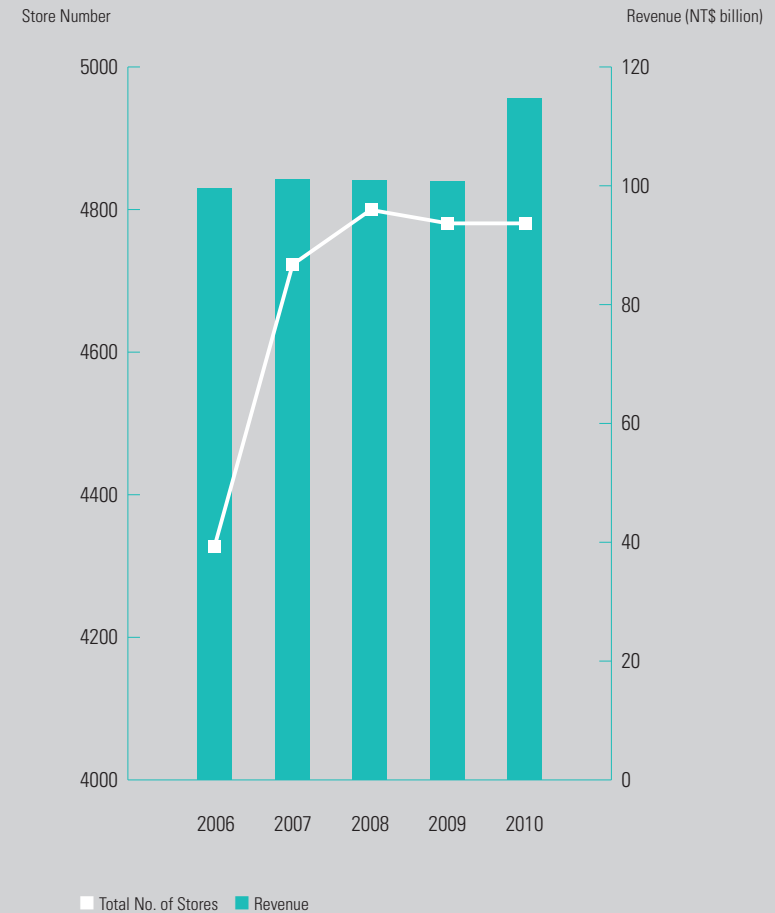
Overall Performance

Item / Year (NT\$1,000)	2010	2009	YOY %
Revenue	114,663,891	101,756,386	12.68%
Gross Profit	35,922,611	32,965,767	8.97%
Operating Profit	5,527,488	4,893,463	12.96%
Non-operating income	1,101,448	-249,993	—
Pre-tax Profit	6,628,936	4,643,740	42.75%
Net Profit	5,725,757	4,059,124	41.06%
EPS(NT\$)	5.51	3.9	—
Weighted Average Outstanding Shares	1,039,622,255	1,039,622,255	—

Financial Ratios	2010	2009
Gross Margin	31.33%	32.40%
Operating Expense Ratio	26.51%	27.59%
Operating Margin	4.82%	4.81%
Net Margin	5.78%	3.99%
ROA	11.78%	8.52%
ROE	29.26%	22.95%
Inventory Turnover	26.79 times	22.05 times
Fixed Asset Turnover	14.77 times	13.35 times

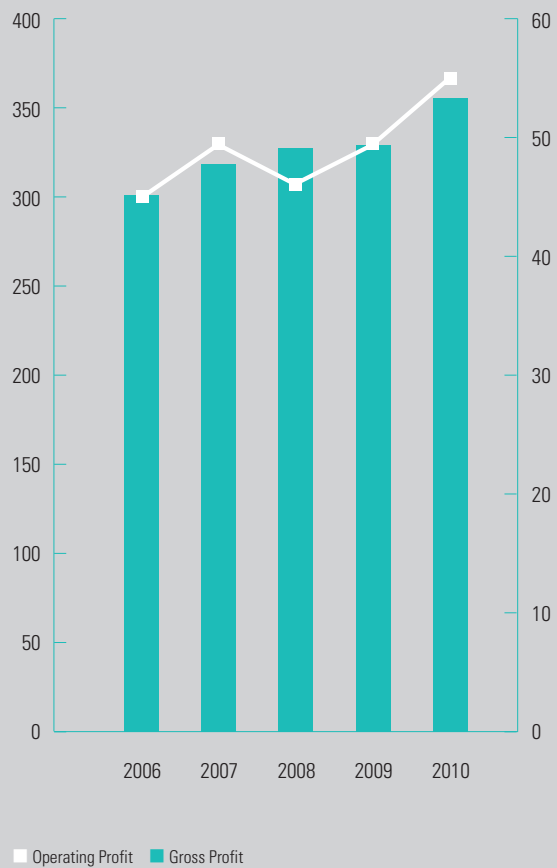
Total No. of Stores & Revenue

Store Number/ NT\$ billion

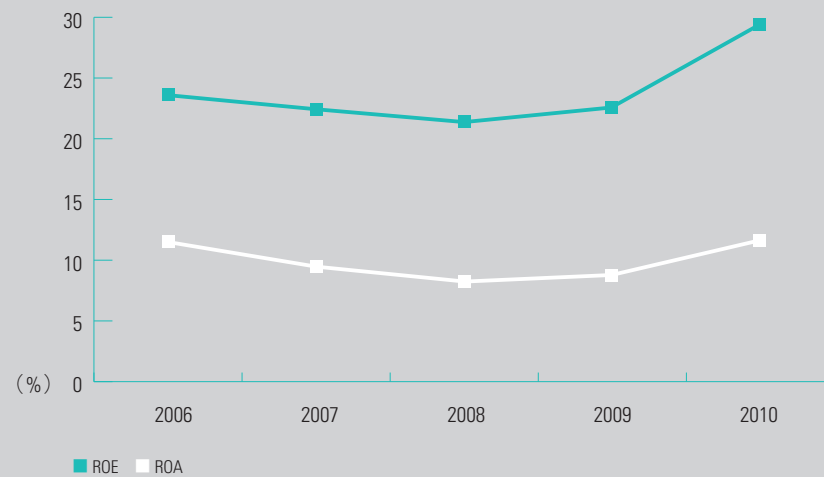


Gross Profit & Operating Profit

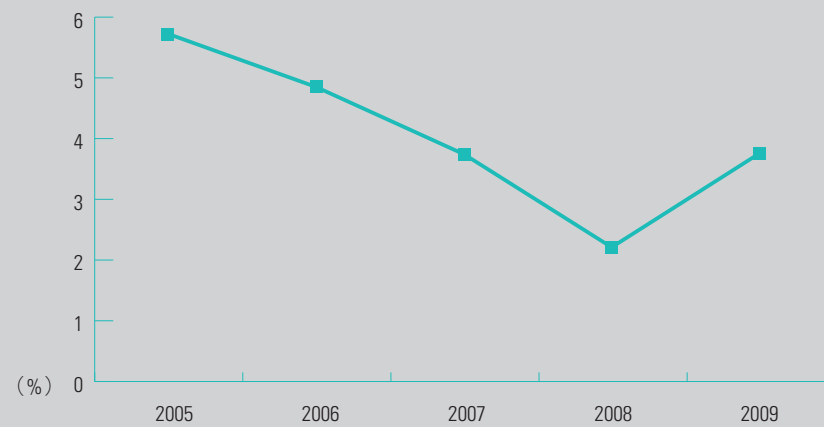
NT\$ billion



ROE & ROA



Cash Dividend Yield





I. Letter to the shareholders

Dear Ladies and Gentlemen, and Shareholders,

The global economic recovery furthered its momentum in 2010, to the extent that economic recovery in Taiwan was also quick. Demand in both the domestic and overseas markets grew in line with the recovery. Export and investment in the private sector enjoyed annual growth of 25.59% and 32.79%, respectively. The two forces of growth enabled Taiwan to achieve economic growth of 10.82% in the same year. The average unemployment rate also improved from 5.85% last year to 5.21% this year.

Financial Performance

In the wake of economic recovery, the management team of President Chain Store Corporation has taken proactive action in improving the quality of its stores through an innovative mode of operation. It was matched with integrated marketing events launched by subsidiaries. As such, the revenues and earnings after taxation in 2010 amounted to NT\$114.6billion and NT\$5.7 billion, respectively. Both were record highs.

Operation Performance

In product management, President Chain Store Corporation has made every effort to provide a variety of fresh foods and light meals to satisfy the needs of good taste and health. The Company has continued to serve its fresh brewed CITY CAFÉ for the fifth consecutive year. Revenue on this item enjoyed growth of 60% in 2010. Good quality of CITY CAFÉ attracts customers to become fans of CITY CAFÉ, which eventually enabled 7-ELEVEN to become the largest coffee network in Taiwan. Having a fresh cup of CITY CAFÉ every day has become an indispensable part of daily life for most people in Taiwan. This response has indeed echoed with the brand notion that “the whole city is our café”. Furthermore, spending on a budget has become a popular consumption trend. For this reason, the Company has proactively developed good quality merchandise to carry its own brands at a reasonable price and integrated the “7-SELECT” brand for better communication in order to create new consumption demand. For business opportunities development, the Company uses 7NET, the online shopping website as the second floor for 7-ELEVEN stores. This has brought about a breakthrough in the space limitation of the conventional stores and has provided consumers with a wider array of shopping choices. The virtual shop is supported by two advantages that the Company has, namely, the intensive network and the efficient logistics system. Consumers of 7NET can “order today and pickup tomorrow”. This quick response and fast delivery service granted 7NET an edge in online shopping. In addition, the Company also offers ticketing services for Taiwan High Speed Railway, C2C delivery, and telecommunication services through “ibon” so that the goal of serving the community is more easily achieved.



Kao, Chin Yen
Chairman



As to Subsidiaries, in order to satisfy the daily needs of the consumers, President Chain Store Corporation introduced SATO and Royal Host in Shanghai and Taiwan. to make its food and beverage business a full-range service business. In addition, Hankyu Department Store Taipei branch opened in October of 2010. It is positioned as the store for the beauties and provides new shopping experience for consumers. Yamato Transportation has recognized the achievements of President Transnet Corp in the last decade and officially authorized the brand of “iCat” to the Company on a perpetual basis. This is the second instance of permanent licensing to PCSC. In terms of overseas expansion, 7-ELEVEN in the Philippines opened its 500th store on July 30, 2010, which is a milestone in its operational history.

Social Responsibility

For a long time, President Chain Store Corporation has demonstrated its social responsibility in disaster rescue and recovery, alleviating social misfortune and enhancing environmental protection. The severe earthquake in Haiti on January 12, 2010 left behind a devastated country. 7-ELEVEN rallied a fund raising campaign with World Hope and Red Cross of the ROC shortly after the event. It was the first Taiwan enterprise engaged in the recovery and assistance in fundraising for Haiti and to help Haitians to get through the hardship. This year, the Company launched an environmental protection event for the first time - “Cash bonus for recycled items”, which has won the applause of the public. In less than eight months, more than 600 tons of recycled items have been collected and it has become as the biggest platform for recycling in Taiwan.

Based on the belief of giving back to society what we took from President Chain Store has fully demonstrated its corporate social responsibility. the Company once again won the Corporate Citizen Award and the Benchmark Enterprise Award from CommonWealth Magazine and the Environmental Protection Hero Award from Global Views Magazine in 2010.

Business Prospect

In 2011, President Chain Store Corporation will make further effort to improve operational performance based on its business philosophy of upright and good faith. On the one hand, the Company will decorate 7-ELEVEN stores with modern design accents and more space, better lighting and more comfortable seats for customers to shop, eat, and enjoy themselves. On the other hand, the Company will combine 7NET with ibon to amplify the effect virtual-real integration, and launch a wider variety of merchandise with innovative service.

Through a complete service system, the Company will make 7-ELEVEN the most preferred community service center for consumers. The subsidiaries, with the integration of overseas resources and group synergy, will perform even better. The 7-ELEVEN stores in the Philippines will undergo rapid development and target of 1,000 stores in 2013. With the accumulation of resources and experiences, it has acquired over the years, Starbucks of Shanghai has become an important foundation for expansion of the food and beverage business in Shanghai. The Company will introduce more high quality food and beverage brands. As of the end of 2010, 7-ELEVEN of Shanghai has opened 54 stores. Besides further expansion, the Company will also seek to provide local customers with a wider variety of foods and services.

In the future, President Chain Store Corporation remains committed to becoming “the best retailer by providing the most convenient services of daily lives and do its best in terms of corporate social responsibility”, and will make the best of its efforts to provide the consumers, more convenient lives stable profits for franchisees, an environment that benefits the good life for employees, and create corporate value for shareholders.

Hsu, Chung Jen
President

A handwritten signature in black ink, appearing to read "Chung Jen Hsu".



II. CORPORATE OVERVIEW

1. Established on June 10th, 1987

2. Corporate Milestones

1987	Formally part of Uni-President, PCSC was established as an independent entity.	2000	Signed perpetual area licensing agreement with 7-ELEVEN Inc. Established Shanghai President Starbucks Coffee Corp. Acquired Philippine Seven Corp., extending overseas convenience store businesses.	2005	4000th store opened. Expansion into the hypermarket and supermarket business in China with the establishment of Shan Dong President Yinzuo Commercial Limited and PCSC (SICHUAN) Hypermarket Limited. Honored with the Executive Yuan's 2005 Taiwan Sustainable Development Award and the Ministry of Economic Affairs' first Green Accounting Award as the first company in the service industry to receive such awards.
1988	Gradual roll-out Electronic Order System (EOS) to enhance distribution efficiency and increase sales opportunities.	2002	Issued the first secured corporate bond in the amount of NT\$700 million. 3000th store opened. 7-ELEVEN lunch box is certified by the Chinese Frozen Food Institute to meet CAS standards and is Taiwan's first certified lunch box that can be stored at 18°C.	2006	Debut of ibon, the Multi Media Kiosk, offering ticketing payment and mobile office etc; to materialize the vision of 7-ELEVEN in turning into a community service center. Invested to establish the "UNI-PRESIDENT Department Store Corp.", "Cold Stone Ice Cream", Cold Stone (Shanghai) Corporation. Conferred the Excellence in Corporate Social Responsibility Award, Best Service Company award by Global View Magazine; conferred the Best Service Company award by Next Magazine; the 1st "Corporate Citizen Award" by Commonwealth Magazine; ranked the 4th place in the Top 10 Benchmark Enterprises by Commonwealth Magazine, and the champion of the industry for 12 consecutive years.
1989	300th store opened; PCSC became the third largest 7-ELEVEN chain in the world.	2003	President Chain Store Corporation opened its stores in superstores for the first time. With regard to the development of new outlets, 7-ELEVEN first time open stores in large composite markets. Issued the second secured corporate bond in the amount of NT\$1.5 billion. Established MUJI Taiwan Co., Ltd.	2007	In 7-ELEVEN Light Down Campaign promoted over 4,000 stores to shut off lamps from 1am to 5am every day during Summer Time, to fight against global warming. 7-ELEVEN CITY CAFE deployed over 1,000 coffee machines and became the largest coffee chain store in Taiwan. The second runner-up of the "Top 10 Benchmark Enterprises" by Commonwealth Magazine; winner of the Top Service Awards by NextMedia; winner of the 2007 Global Magazine Top 10 Service Enterprises in convenience chain store operation, the second time in two consecutive years.
1990	Established Retail Support International Corp. Started 7-ELEVEN franchise system in Taiwan.	2004	POS (Point-of-Sales) II implemented. Debut of 7-ELEVEN icash card. 7-ELEVEN lunch box was the first Taiwanese boxed meals to pass Customers' Foundation inspections and be attested as free from MSG, preservatives and bleaching agents. Established President YiLan Art and Culture Corp., Mister Donut Taiwan Corp. and President Cosmed Chain Store (Shen Zhen) Co., Ltd.		
1991	100th franchise store opened.				
1994	Established Duskin Serve Taiwan Co.				
1995	1000th store opened. Established President Drugstore Business Corp. and President Direct Marketing Corp.				
1996	POS (Point-of-Sales) I implemented to fully understand customers' demands and market intelligence.				
1997	PCSC listed in Taiwan Stock Exchange. Established President Coffee Corp., Starbucks Taiwan.				
1999	Expansion into off-shore islands such as Pinggu and Kinmen, to provide convenient services to local residents. 2000th store opened. Established Wisdom Distribution Corp., Uni-President Cold Chain Corp., President Musashino Corp., and President Transnet Corp.				

- 2008 Invested to establish "Taiwan Rakuten Corp.", "Afternoon Tea Taiwan Corp.", "Petplus"
7-ELEVEn entered mobile telecommunications market by launching "OPEN Talk" prepaid cards.
PCSC won the 2008 Common Wealth Corporate Citizenship, with its efforts in social commitment, social participation and environmental protection highly recognized.
Uni-President Chain Store Corporation was conferred with the "2008 CommonWealth Magazine Corporate Citizen Award" and the "Global View Magazine Corporate Social Responsibility Award"
As part of its ongoing efforts to promote environmental protection and energy saving, PCSC instituted a new policy of keeping the lights outside all 7-ELEVEn stores in Taiwan switched off during the daytime.
Integrated the function of convenience store and gasoline station, and opened the first "7-ELEVEn self-service gasoline station" at Lin Kou.
- 2009 Established President Chain Store (Shanghai) Corporation and entered into an authorization agreement with 7-ELEVEn (China) Business Corporation under which 7-ELEVEn chain stores was officially opened in Shanghai.
Equity joint venture with DUSKIN of Japan to establish Mister Donut in Shanghai offering donuts in the city.
Conferred with the "Most Admired Company in Taiwan" award for 15 consecutive years; conferred with the "Top Service Award" by NextMedia for 6 consecutive years; conferred with the 7th Global Views Magazine's "Outstanding Service Award" as the best convenience store, and the "2009 CommonWealth Magazine Corporate Citizen Award"; the "Outstanding Corporate Social Innovation Award" in solicitation for donation. These are recognition of the efforts of the Company in charitable activities.
- 2010 Jointly launched the service of "Easy Delivery" with outdoor auction stands, the first of its kind in the world and which has since become the biggest online auction center in Taiwan.
The monthly rental service of "7Mobile" was officially launched. This product is aimed at customers looking for a minimum level of service and those looking for a second mobile number. This is a brand new economic policy in telecommunication service.
Established the Royal Host restaurant operation in a joint venture with Royal Host of Japan, a famous restaurant chain for western cuisine in Japan.
Established Sato Shanghai Co., Ltd. in a joint venture with Sato Restaurant Systems Co., Ltd. of Japan.
7-ELEVEn opened a store at Taoyuan International Airport, which provides services to some 20 million air travelers as well airport staff.
7-ELEVEn continues its policy of environmental protection and energy saving and was accredited as a green shop by the Environmental Protection Administration.
The efforts of 7-ELEVEn in energy saving have been recognized, and were cited by the "Taipei Gold Energy Saving Awards", and it will continue its steps towards the goal of becoming a green enterprise.
Uni-President Chain Store Corporation was conferred with the "2010 CommonWealth Magazine Corporate Citizen Award", and the "Most Admired Company in Taiwan" by CommonWealth magazine for 16 consecutive years.
- 2011 The 7-PREMIUM wine was unveiled through the 30,000 7-ELEVEn stores around the world, a result of global merchandising.
Concerned about Japan's earthquake, 16 companies of PCSC raised a donation.