



C.P. Seven Eleven Public Company Limited



Presentation of 2Q06 results

17 August 2006



Financial Highlights

Units in Million Baht

	2Q05	2Q06	Change
Total Revenue	23,565	24,980	+6.0%
Net Profits	387	388	+0.3%

Year	2003	2004	2005	1H05	1H06
Total Revenue	60,731	78,366	98,948	47,863	51,104
Net Profits	1,339	1,696	1,508	857	877



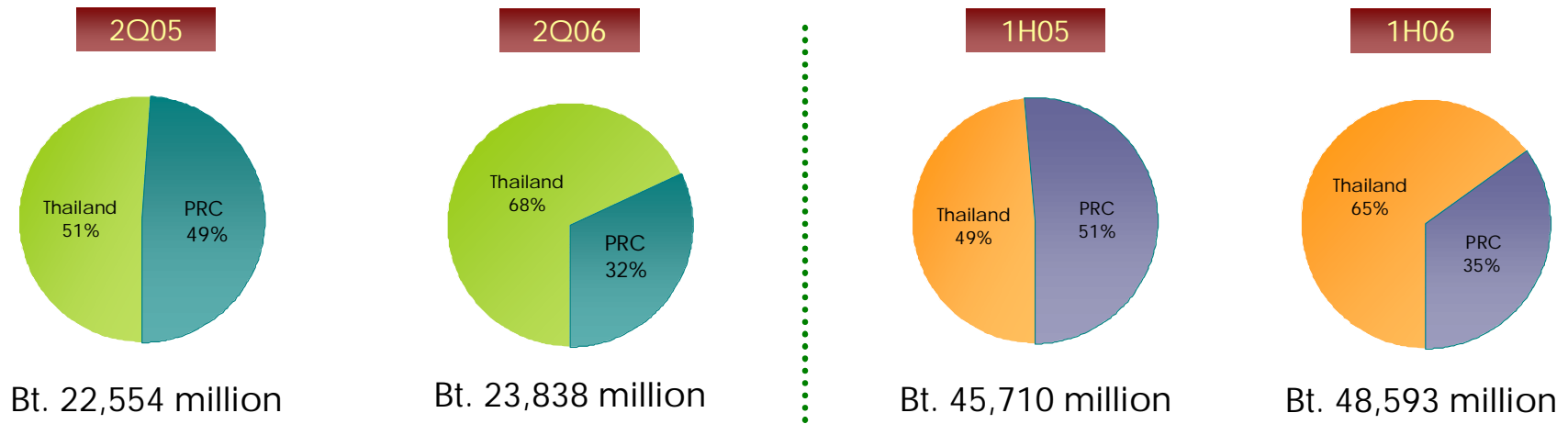
Share Capital Information

§ Price (August 8,2006)	: Bt 7.05
§ Hi/Low (YTD)	: Bt 7.90/5.80 per share
§ Average daily turnover	: Bt 23.9 million
§ No. of shares	: 4,434,571,200 (Par Bt 1)
§ Market capitalization	: Bt 31,264 million
§ Major shareholders	: CP Group 45.0%
	: AIA 9.0%
	: GIC 6.0%
§ First trade date	: October 14, 2003
§ Dividend Payment 2003	: Bt 1.75 per share (payout ratio of 54%)
§ Dividend Payment 2004	: Bt 2.25 per share (payout ratio of 59%)
§ Dividend Payment 2005	: Bt 0.30 per share (payout ratio of 88%)

Note: In 2005, capital was increased by stock dividend at 1:1 and par value was changed from Baht 5 to Baht 1 per share.



Sales & Services Income by Segments



• *Proportionate consolidation*

Revenue breakdown		2Q05		2Q06		1H05		1H06	
Bt.million / % of Total									
Thailand	16,446	90.1%	16,900	89.1%	32,028	88.7%	32,763	87.4%	
PRC	<u>1,814</u>	<u>9.9%</u>	<u>2,061</u>	<u>10.9%</u>	<u>4,064</u>	<u>11.3%</u>	<u>4,702</u>	<u>12.6%</u>	
Total	<u>18,260</u>	<u>100.0%</u>	<u>18,961</u>	<u>100.0%</u>	<u>36,092</u>	<u>100.0%</u>	<u>37,465</u>	<u>100.0%</u>	
Operating profit breakdown		2Q05		2Q06		1H05		1H06	
Bt.million / % of Total									
Thailand	635	114.8%	855	137.7%	1,312	109.2%	1,685	127.1%	
PRC	<u>-82</u>	<u>-14.8%</u>	<u>-234</u>	<u>-37.7%</u>	<u>-111</u>	<u>-9.2%</u>	<u>-359</u>	<u>-27.1%</u>	
Total	<u>553</u>	<u>100.0%</u>	<u>621</u>	<u>100.0%</u>	<u>1,201</u>	<u>100.0%</u>	<u>1,326</u>	<u>100.0%</u>	

Source : C.P. Seven Eleven's calculation



Businesses in Thailand

Convenience Store Business :

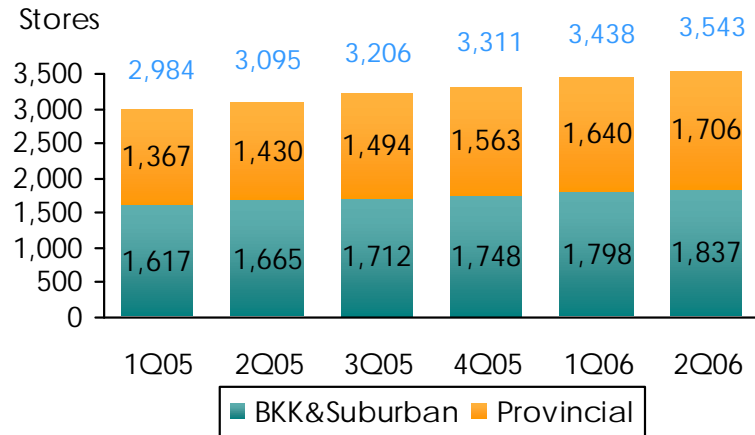
"7-Eleven"



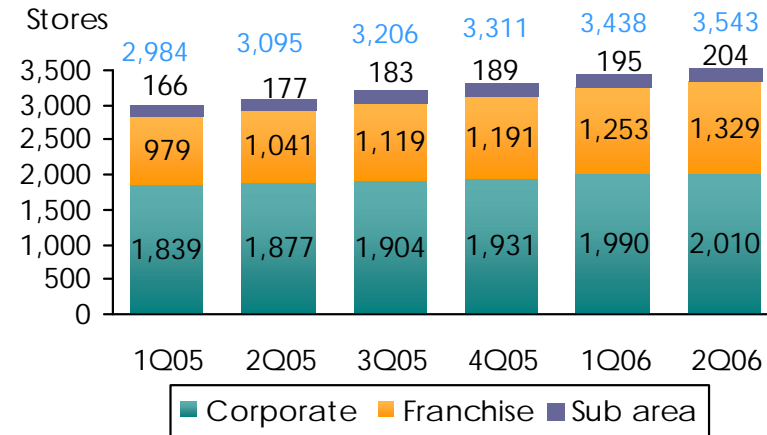


Store Types Breakdown

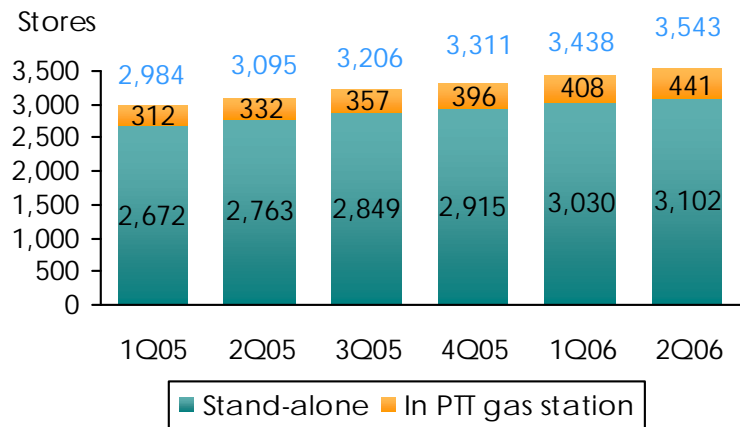
BKK & Suburban / Provincial



Corporate / Franchise / Sub area



Stand-alone / In PTT gas station

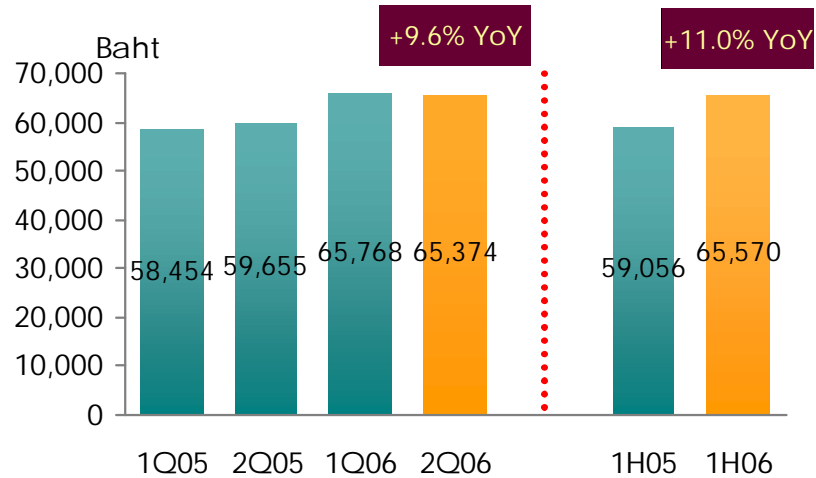


Stores/Year	2003	2004	2005	1H06
BKK & Suburban	1,359	1,571	1,748	1,837
Provincial	1,038	1,290	1,563	1,706
Total	2,397	2,861	3,311	3,543
Expansion	+355	+464	+450	+232

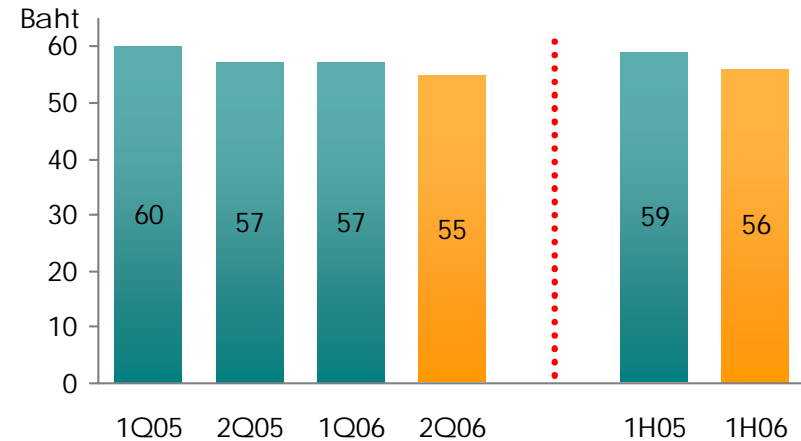


Sales and Spending per Ticket

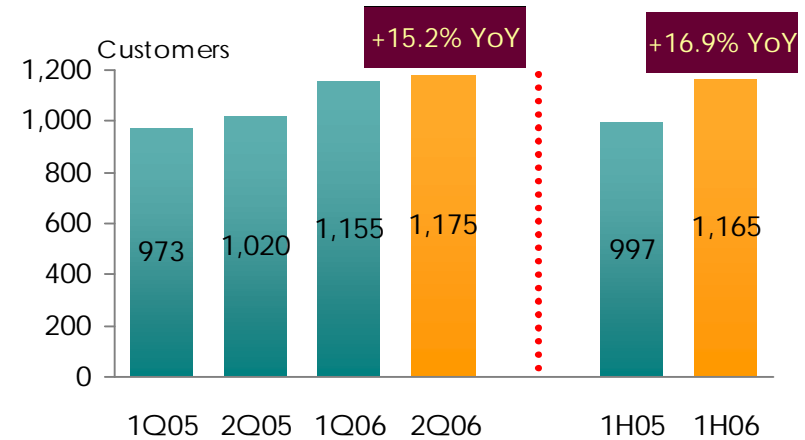
Avg. Same Store Sales per Store per Day*



Spending per Ticket



Customer per Store per Day

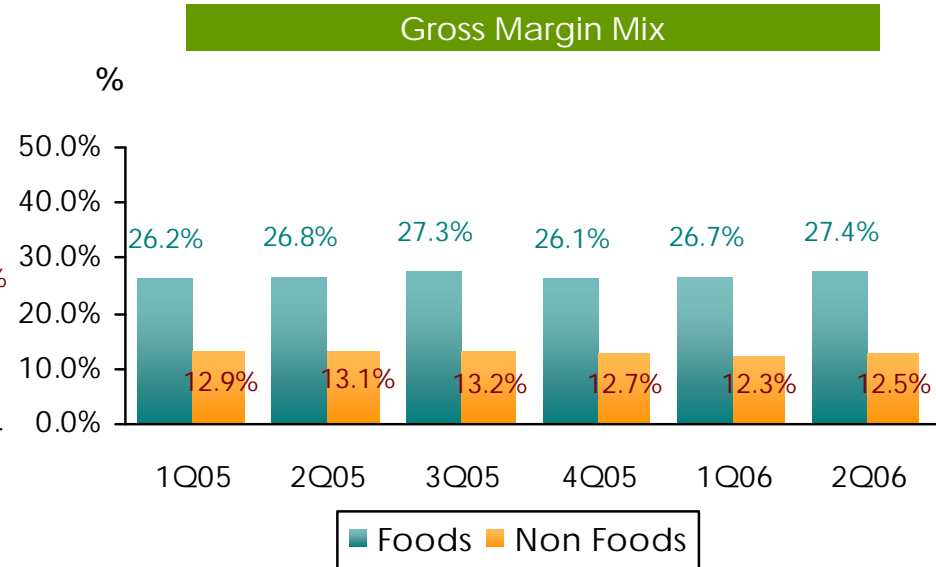
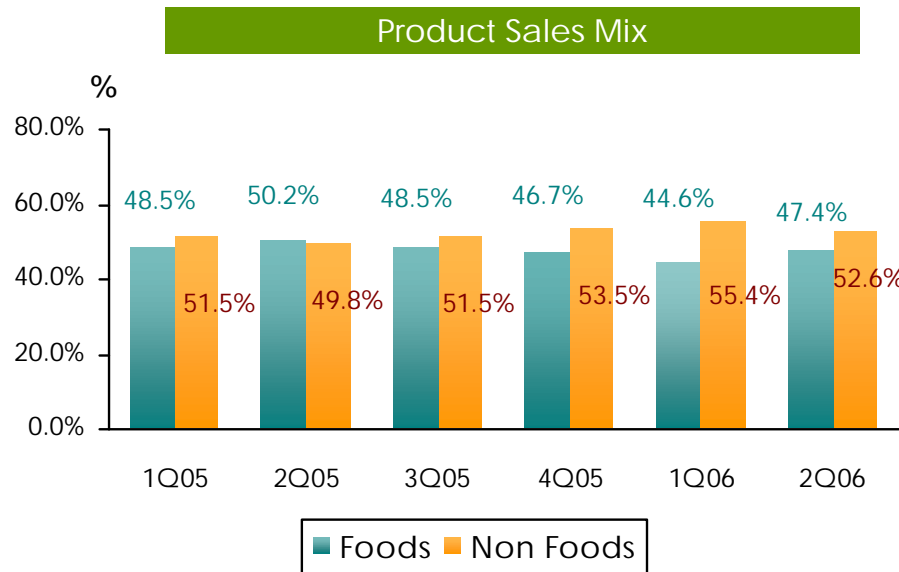


Year	2003	2004	2005
Same Store Sales (Bt)	51,584	55,023	60,886
SSS Growth	11.6%	6.7%	10.7%
Spending Per Ticket (Bt)	52	56	58
No. of customer/store/day	977	956	1,032

Note * Calculated based on number of stores opened at the end of the previous comparable period i.e. stores under operation of at least 1 year.
* The figures of average same store sales include phone card and are used for comparison only.



Product Sales Mix & Gross Margin Mix



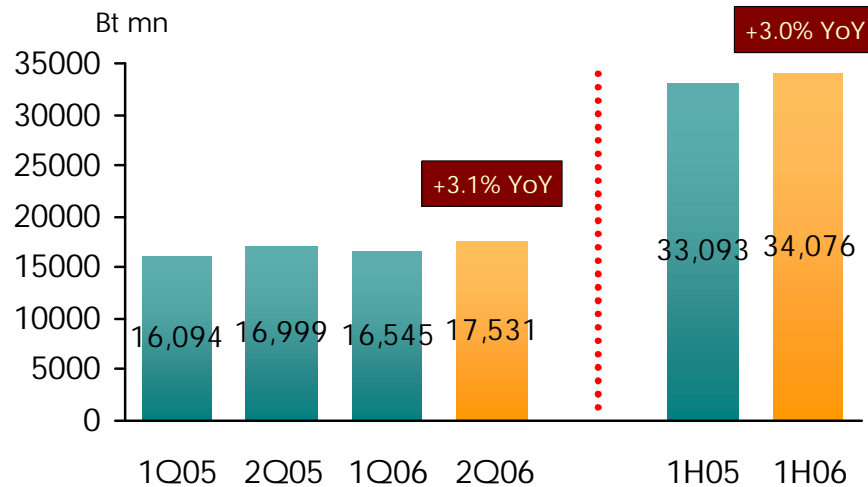
§ Food mix increases due to higher growth of food service and special item in line with our strategy of store assortment and moving towards convenience food store.

§ Since food service and special item provides higher margin, food gross margin has improved. Food remains the key challenge to attract new customers and sustain growth.

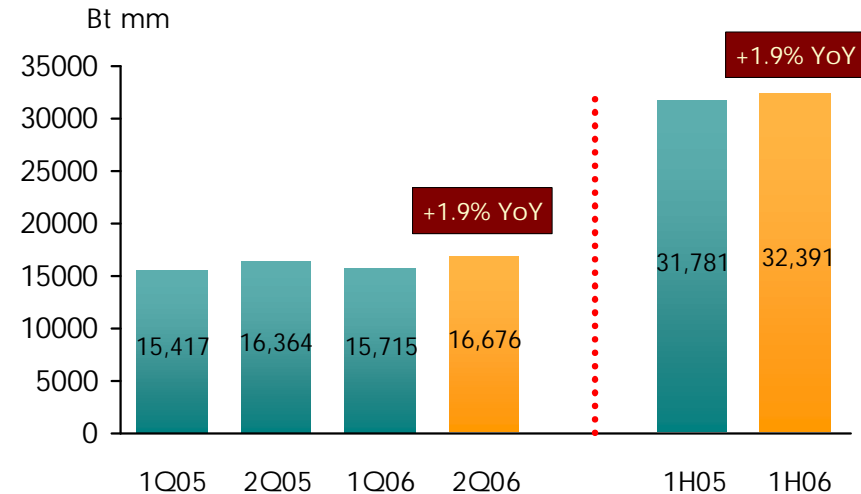


Convenience Store Performance

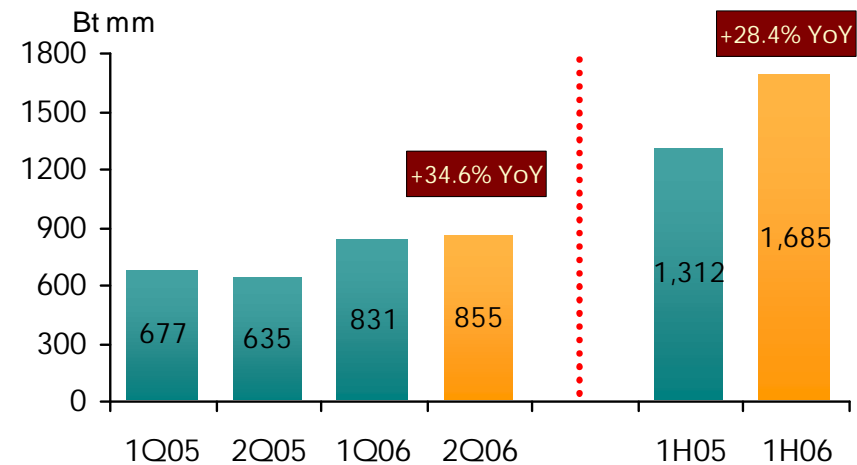
CVS Revenue ¹



CVS Costs ²



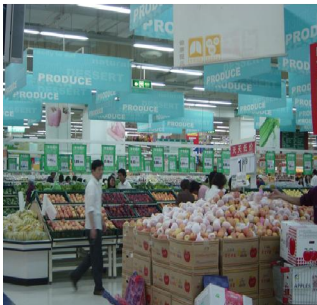
Operating Profits



Year	2003	2004	2005
CVS Revenue ¹	42,805	54,837	67,568
CVS Costs ²	41,054	52,777	65,038
Operating Profits	1,751	2,060	2,530

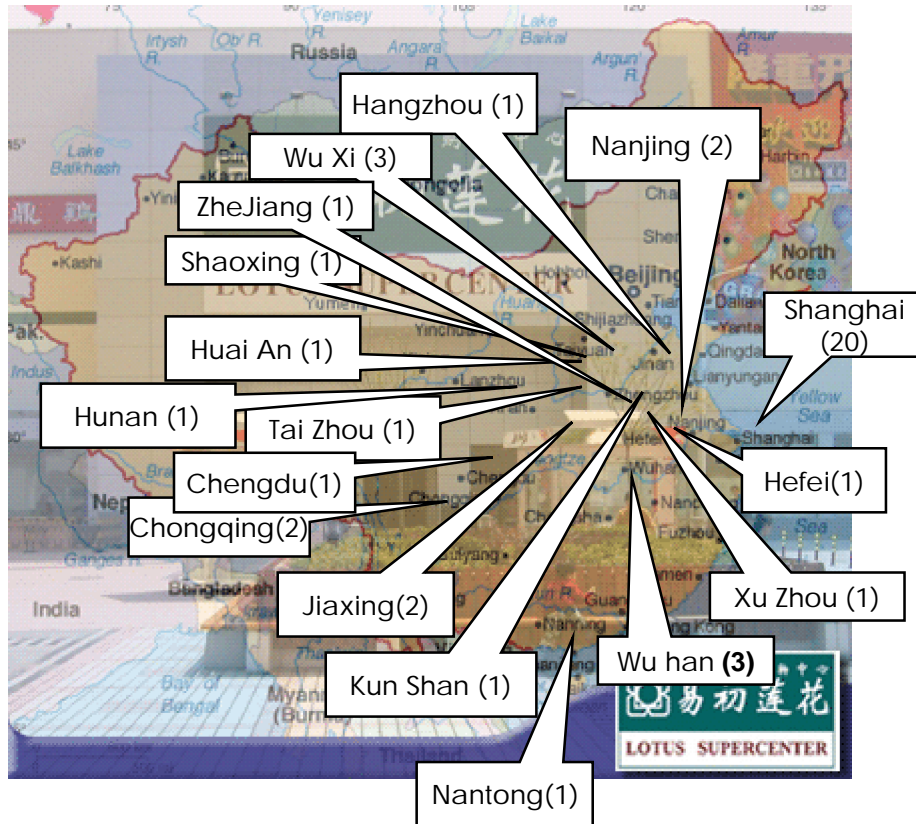
Note: ¹ CVS Revenue are comprised of sales & service incomes, other operating incomes and other businesses revenues.

² CVS Costs are comprised of costs of sales & service and SG&A expenses.

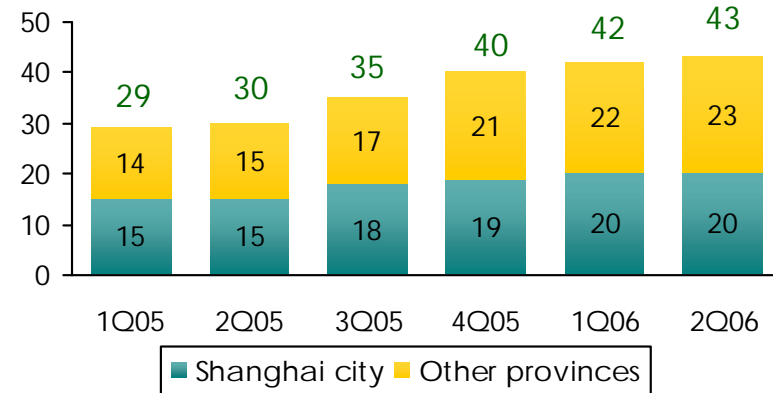


Business in PRC Supercenter Business : Lotus Shanghai

Store Network



Stores



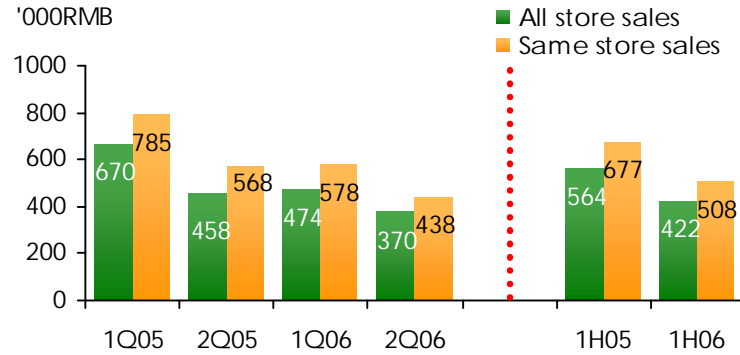
§ We added another 1 supercenter store in 2Q06, resulting in total of 20 stores in Shanghai and 23 stores in other provinces.

No. of Stores	2003	2004	2005
Shanghai	10	14	19
Others	5	11	21
Total	15	25	40

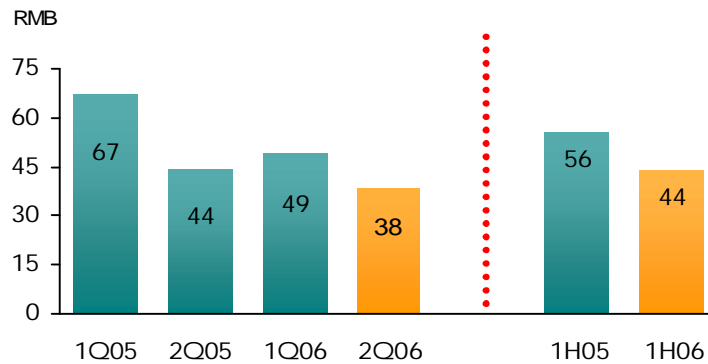
Note : SLS has commenced contract since July 2004 to manage another 2 Lotus stores in Wuhan without title to any assets in accordance with an agreement to manage an outlet between SLS and two local companies

Average Sales/Store/Day and Product Mix

Avg. Sales/Store/Day

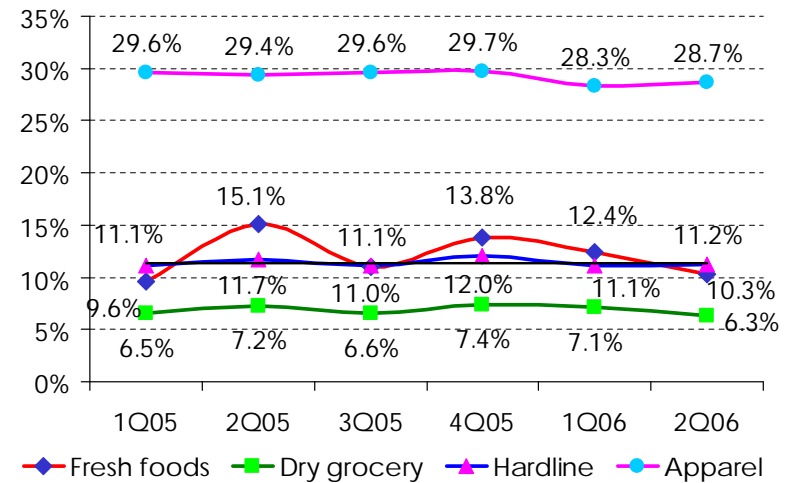


Sales per sq.m.

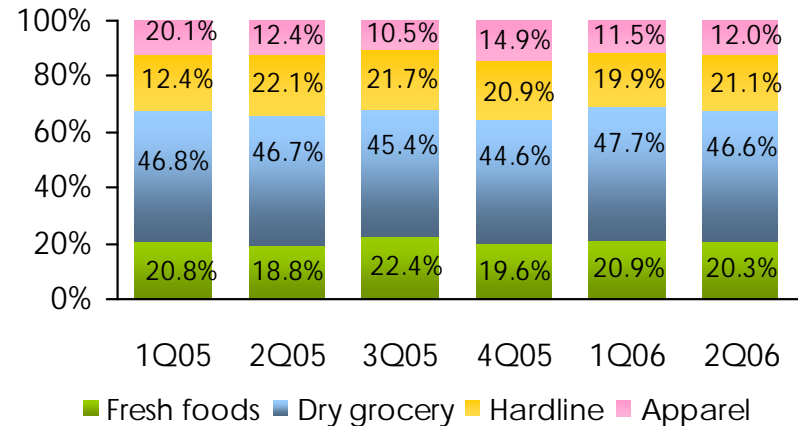


Year	2003	2004	2005
Same Store Sales (000 RMB)	798	797	626
Sales per sq.m. (RMB)	82	70	51

Gross Margin Mix (%)

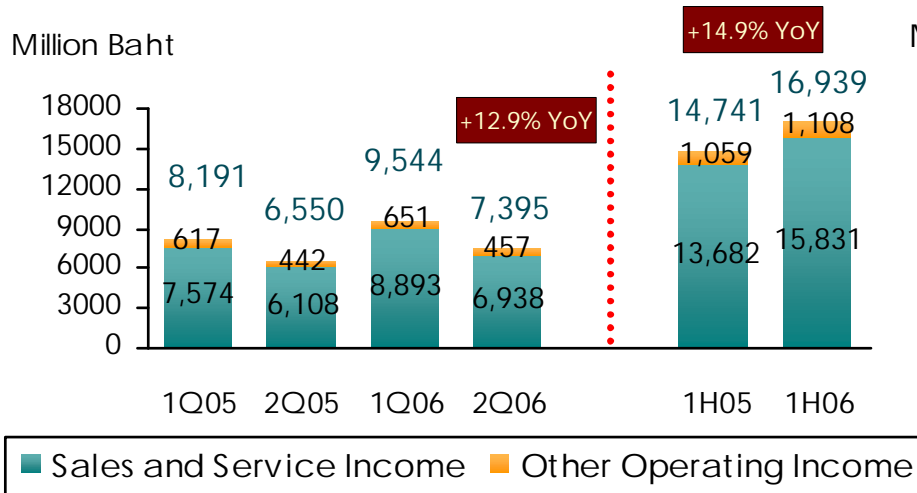


Product Sales Mix (%)

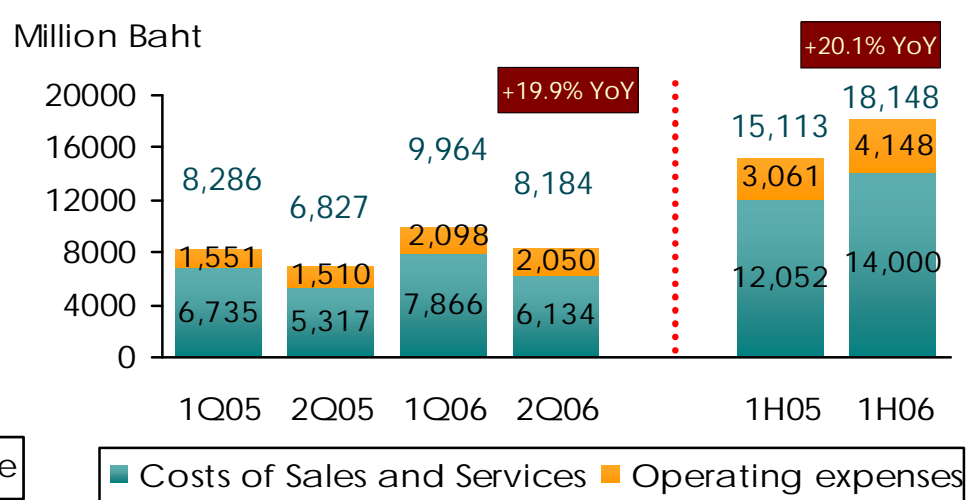


Supercenter Performance

Sales and Service Income

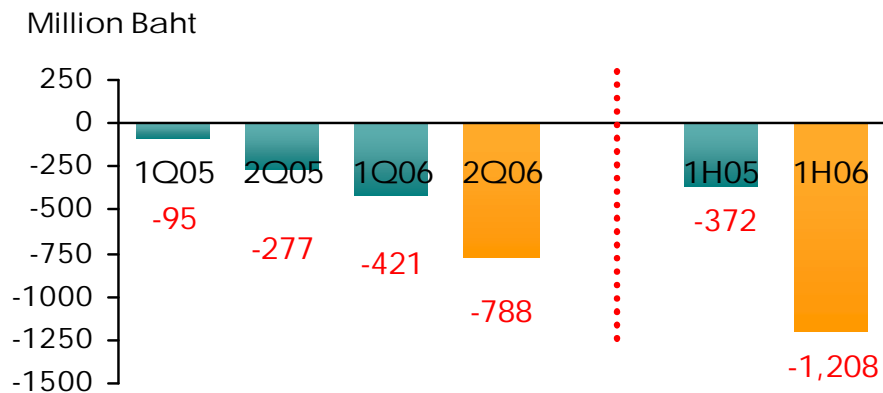


Costs of Sales & Service and Operating Exp.



Year	2003	2004	2005
Sales & Service Income	17,889	23,483	31,292
Cost of Sales & Service and Operating Expenses	17,668	22,969	32,490
Operating Profits	221	514	-1,198

Operating Profit





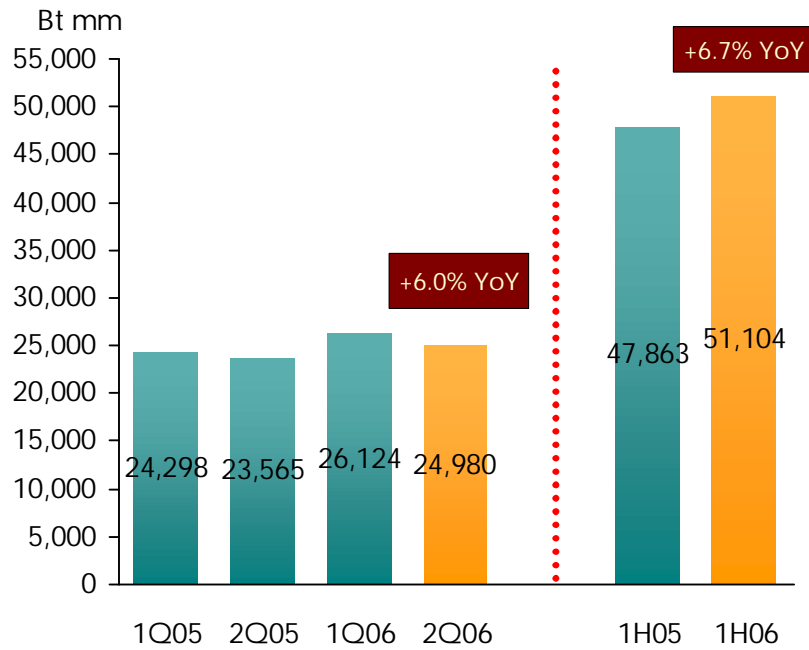
Financial Highlights : 2Q06 Consolidated



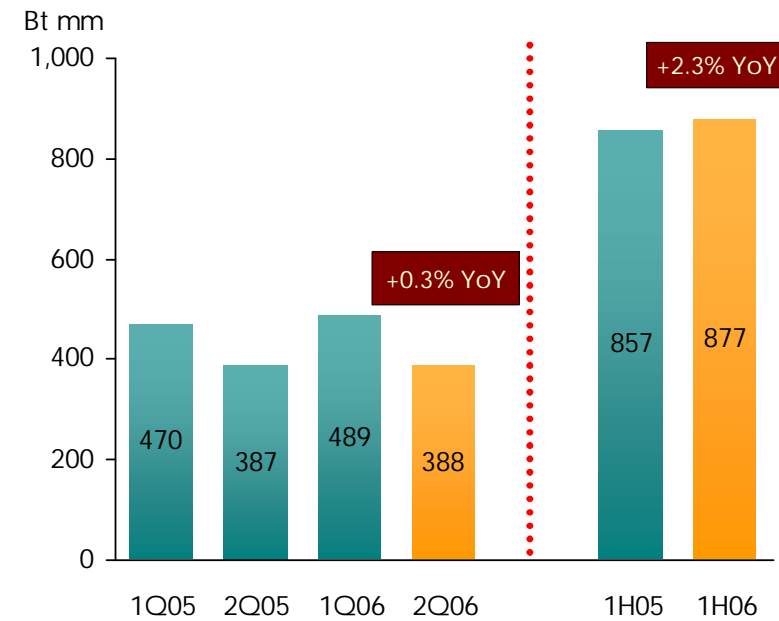


Revenue

Total Revenue



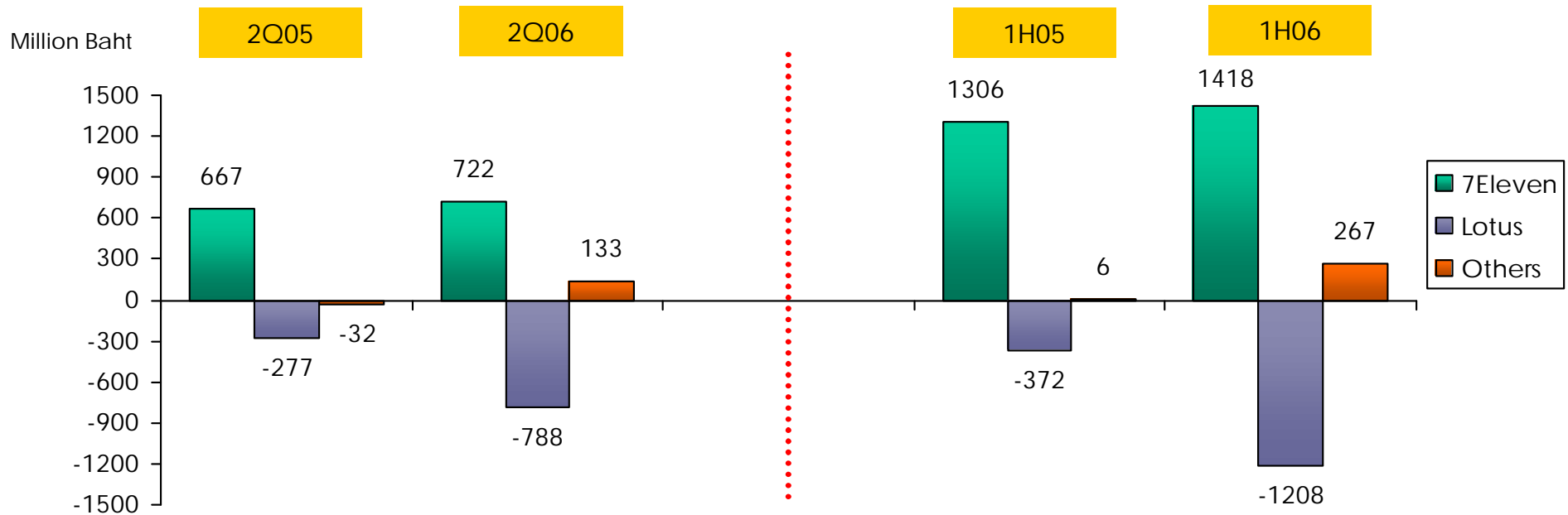
Net Profits



Year	2003	2004	2005
Revenue (Bt mn)	60,731	78,366	98,948
Net Profit (Bt mn)	1,339	1,696	1,508



Operating profit (By Business Segment)



Bt 358 million $\xrightarrow{-81.3\% \text{ YoY}}$ Bt 67 million

Bt 940 million $\xrightarrow{-49.3\% \text{ YoY}}$ Bt 477 million

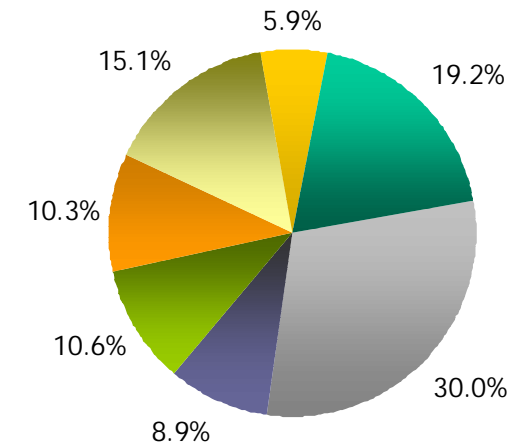
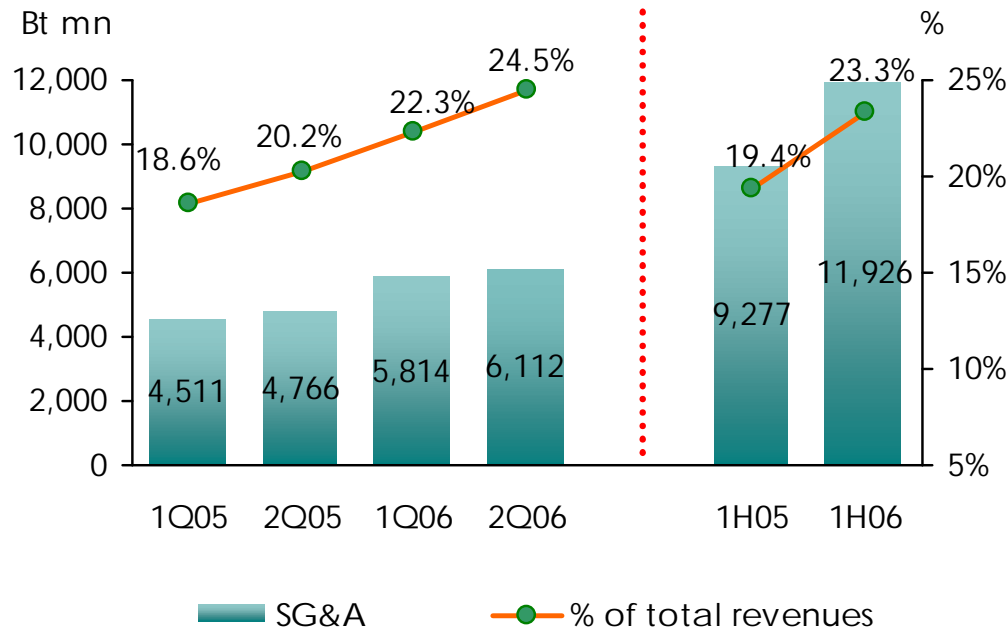
Operating profit (Bt mn)	2003	2004	2005
7-Eleven	1,542	931	2,001
Lotus	221	514	-1,198
Others	209	1,138	529
Total	1,972	2,583	1,332

Note: Other businesses mainly are comprised of Counter Service, Retailink, CPRAM and others.
Operating profit is prior to minority interests adjustment.



Selling and Administrative Expenses

Breakdown for 2Q06



- Personnel Expenses
- Depre&Amor
- Rental
- Others*
- Store Mgt Fees
- Utilities
- Advertising

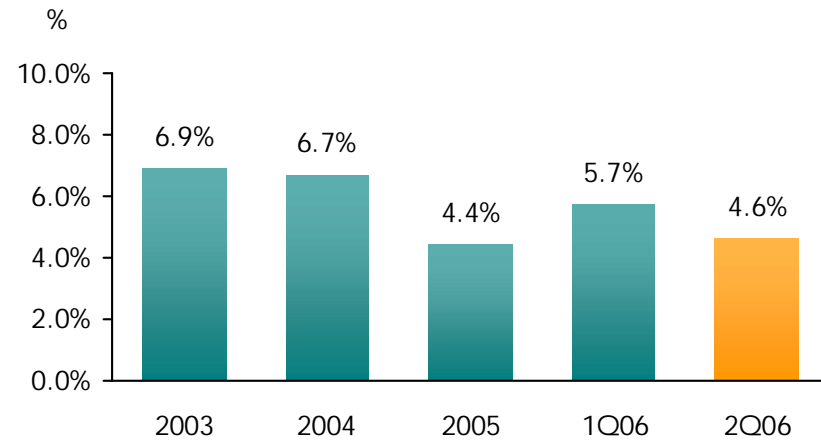
SG&A	2003	2004	2005
SG&A Expense (Bt mn)	11,263	15,012	20,485
% of total revenue	18.5%	19.2%	20.7%

*Note: Others are comprised of royalty fee, professional fee, R&D, and transportation etc.

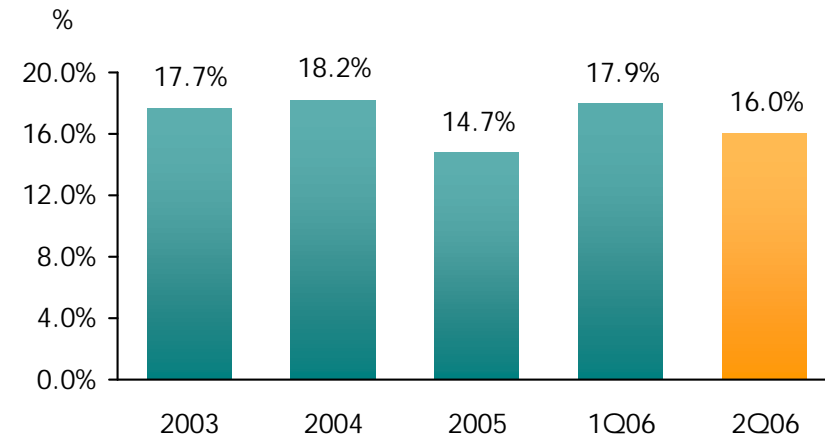


Key performance ratio

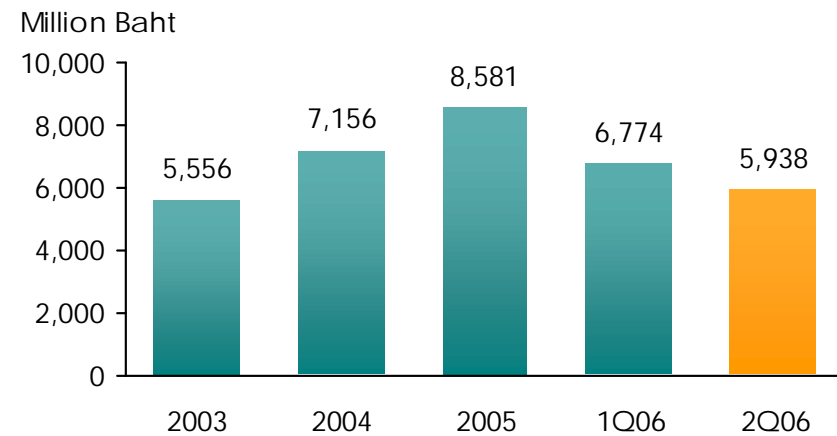
ROAA



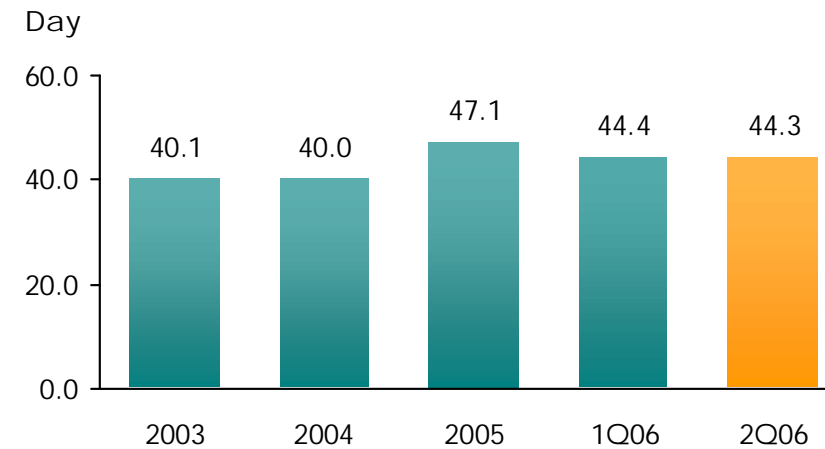
ROAE



Cash



Cash Cycle Day



Note: annualized return is calculated by multiplying quarterly return with 4.



Future and Capex Plan

Future Plan

7-Eleven Store Expansion

- § Plan to open at 400 - 450 stores in 2006 comprising of
 - § ¾ stand alone VS ¼ PTT
 - § Franchise : Corporate 50:50
 - § Bangkok : Provincial 40:60
- § Target to reach 5,000 stores by year 2010
- § Target to achieve 5% same store sales growth for the next 3-5 years

Product Strategy

- § Foods:Non-Foods 50:50
- § Retailer Initiative : Store assortment

Lotus Shanghai

- § Plan to expand at 5-10 stores in 2006

2006 Projected CAPEX

Thailand

Million Baht

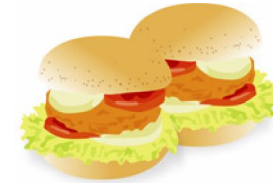
§ 400-450 stores expansion	1,300
§ 400 stores renovation	400
§ Investment in subsidiaries & DC	800
§ Head office expansion & IT system	<u>500</u>
Total	<u><u>3,000</u></u>

Investment in PRC

§ Lotus Shanghai	
5-10 stores expansion	1,250-2,500



Store Types



Corporate Store

Invested by CP7-11 & run by company's employees

Franchise Store

- CP7-11 is responsible for merchandise cost
- Franchisees pay entrance fee to CP7-11
- Franchisees are responsible for store-level expenses
- Run by franchisees with close supervision of CP7-11
- Different types of franchises has charged different rates of revenue & expense sharing

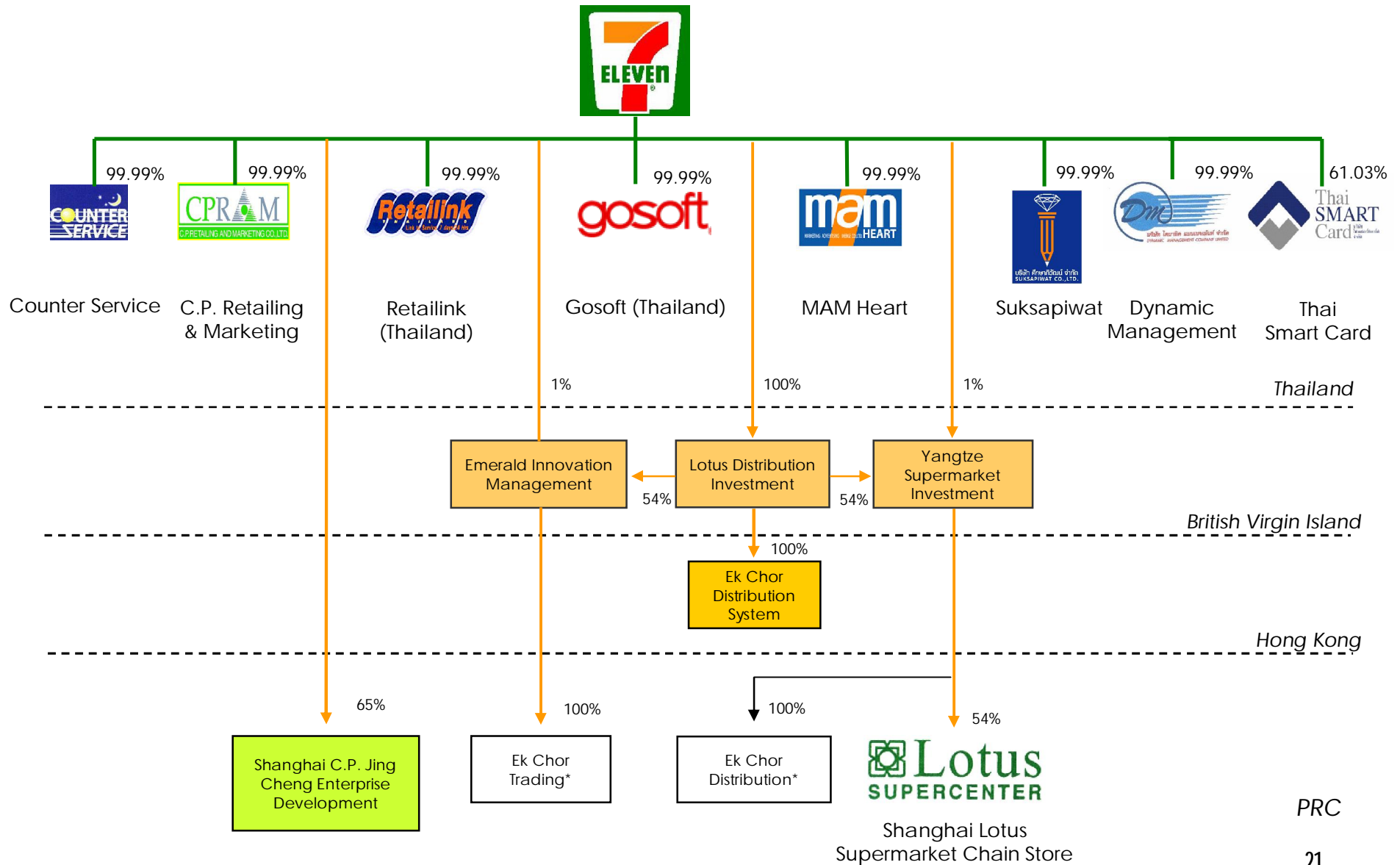
- n CP7-11 records sales and COGS
- n CP7-11 pays "outlet management fee" on avg. 50% of store gross profit to these franchisees

Sub-Area Store

- Licensed by CP7-11 to exclusively open 7-Eleven stores in specific area, i.e. Phuket, Yala, Chiangmai, and UbonRatchthani
- Franchisees pay royalty fee to CP7-11



Group Structure of C.P. Seven Eleven Public Company



* No longer commencing operation



Subsidiaries and Affiliates

Counter Service Co., Ltd.

Type of business : Bill payment collection

Registered capital: Baht 70 million

C.P. Retailing and Marketing Co., Ltd.

Type of business : Manufacturer and distributor of frozen food and bakery

Registered capital: Baht 350 million

Retailink (Thailand) Co., Ltd.

Type of business : Distributor and maintenance of retail equipment

Registered capital: Baht 20 million

Gosoft (Thailand) Co., Ltd.

Type of business : Information technology services

Registered capital: Baht 2 million

M.A.M. Heart Co., Ltd.

Type of business : Marketing services

Registered capital: Baht 1 million

Dynamic Management Co., Ltd.

Type of business : Logistics services

Registered capital: Baht 2 million

Suksapiwat Co., Ltd.

Type of business : Vocational school

Registered capital: Baht 810 million

Thai Smart Card Co., Ltd.

Type of business : Payment of goods and services through Smart Card

Registered capital: Baht 800 million

Shanghai Lotus Supermarket Chain Store Co., Ltd.

Type of business : Supercenter business

Registered capital: USD 84 million



CRF is entitled to exercise the option when any of the following events is met:

- 1) YSI or a holding company of YSI to be established for listing purposes cannot be listed on the Hong Kong Stock Exchange or such other stock exchange acceptable to the Company, LDI and CRF by the Closing Date's fifth anniversary or, if mutually agreed in writing by the Company and CRF, by such a later date not later than the sixth anniversary ("Listing Deadline") of the Closing Date (March 27, 2000).
- 2) YSI and subsidiaries do not meet annual consolidated after tax net profit targets of USD 25.73 million for the year on which the fourth anniversary of the Closing Date falls, and of USD 35.42 million for the year on which the fifth anniversary of the Closing Date falls.
- 3) During the period from the Closing Date to the first trading day of the Listing or the Listing Deadline whichever is earlier, the Company, LDI or their affiliates do not comply with the Deed of Shareholders Agreement.

Put option price: CRF would receive an exercise price in cash equal to its total investment amount in YSI plus interest on such amount compounded annually at the rate of 10% per annum covering the given period from the Closing Date to the date of receipt of payment by CRF.



Changes in Accounting

Before Feb 2004	Phone card revenues were booked under CVS segment.
Feb 2004	Phone card revenues were booked under Other Business segment.
Impact	In segmentation report, sale, cost of sales and operating profit under Other Business will be increased and vice versa under CVS.
Sept 2005	Phone card revenues were booked under CVS segment.
Impact	In segmentation report, sale, cost of sales and operating profit under CVS will be increased and vice versa under Other Business.
Oct 2005	Phone card revenues of two mobile phone operators were booked as commission earned.
Impact	In consolidated, the company only and segmentation reports, sale and cost of sales will be reduced but service income will be increased. However, operating profit remains unchanged.

Disclaimer :

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