



C.P. Seven Eleven Public Company Limited

Phatra Thailand Conference

February 3-4, 2004



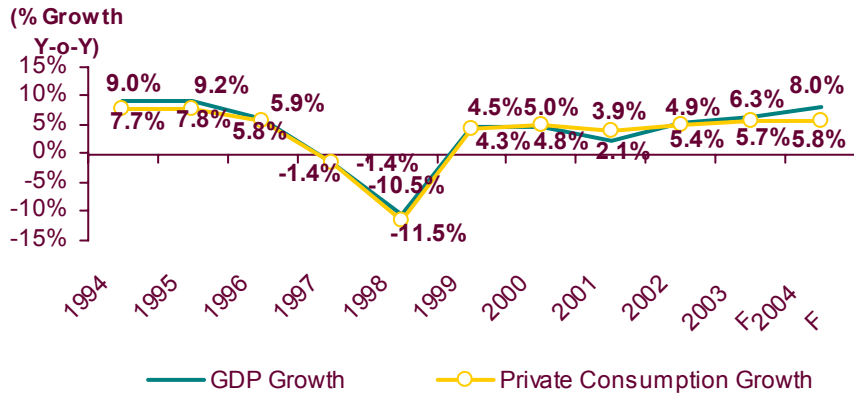
Business Overview





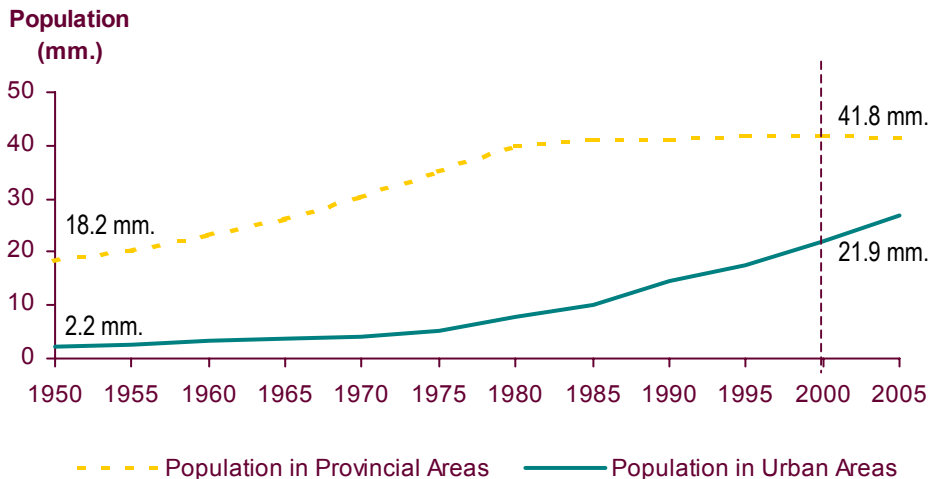
Macroeconomic and Retail Industry

Gross Domestic Product vs Private Consumption



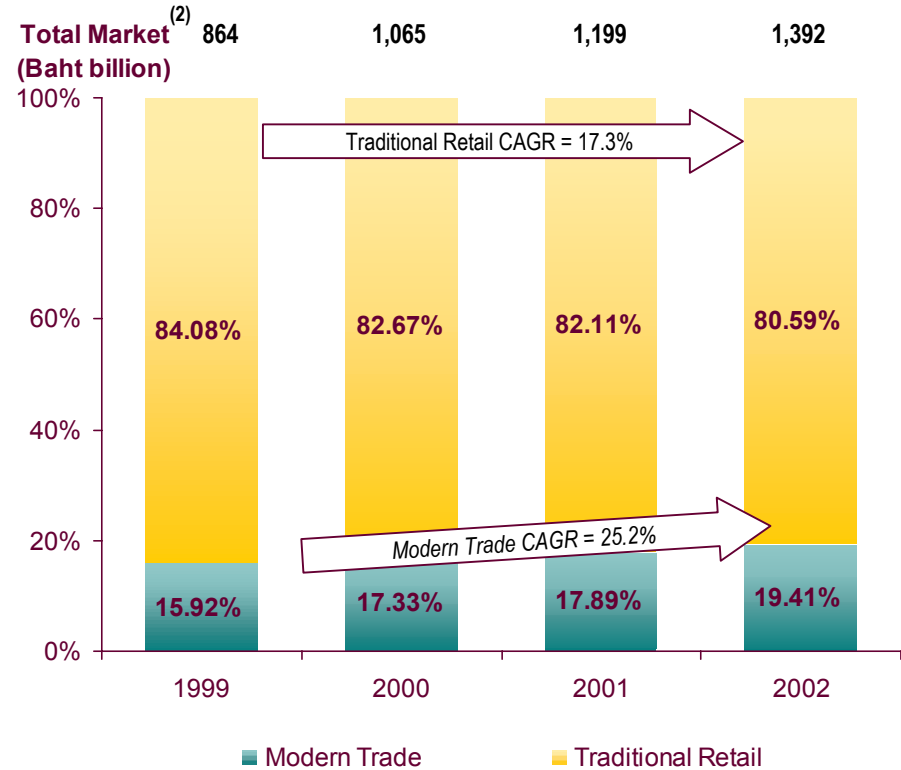
Source: NESDB

Urbanization



Source: Merrill Lynch Research

Modern Trade Expansion⁽¹⁾



Source: Thai Retailers Association, Bank of Thailand

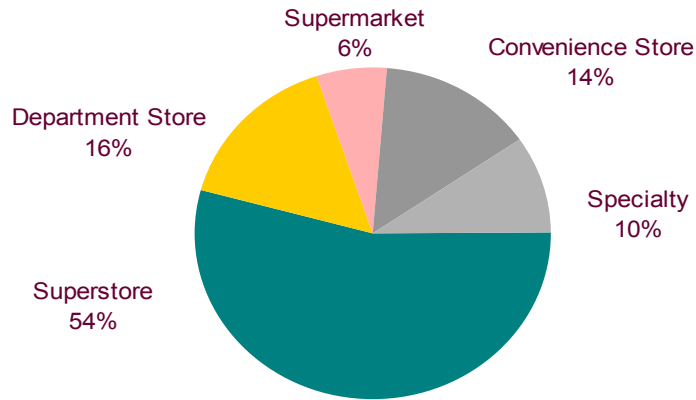
Note: 1) Modern Trade = 15 largest retailers (department store + discount store + cash & carry + convenience store + supermarket)

2) Total market = retail sales in tax system



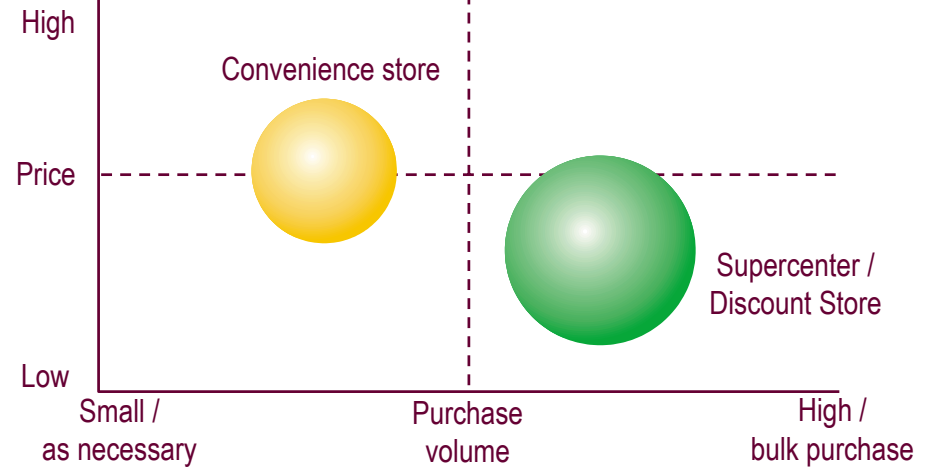
Modern Retail Market

2003 Modern Retail Market Size

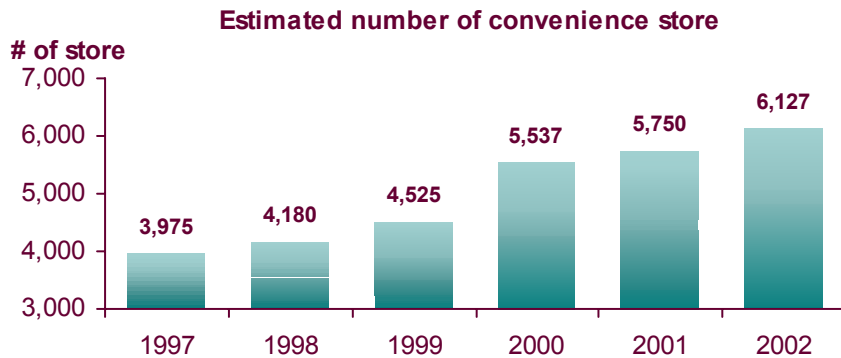


Source: Thai Retailers Association & Company

Market Positioning

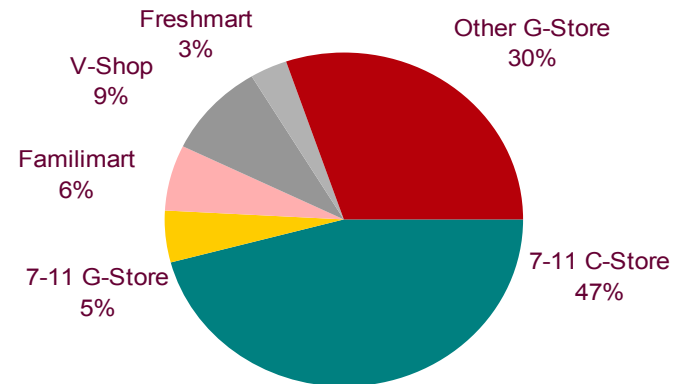


Development of Convenience Store



Source: Thai Retailers Association
Note: Include C-Store, G-Store and Minimart

Convenience Store Market Size (by No. of Stores)

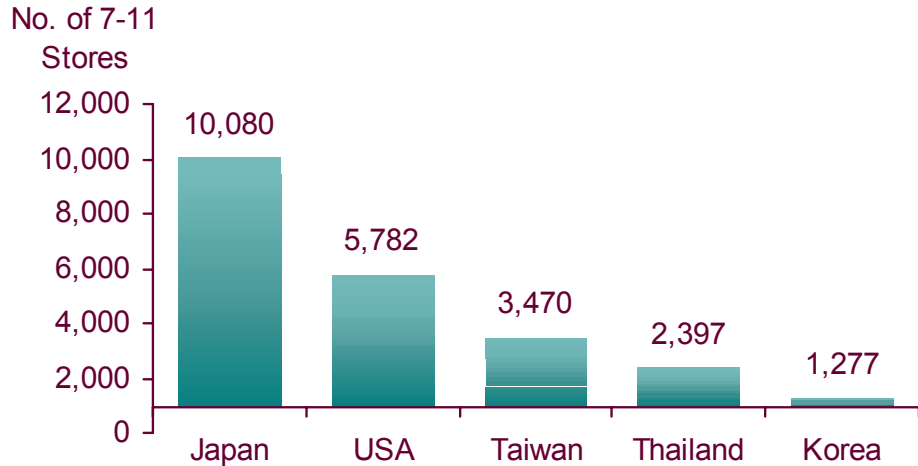


Source: Thai Retailers Association & Company



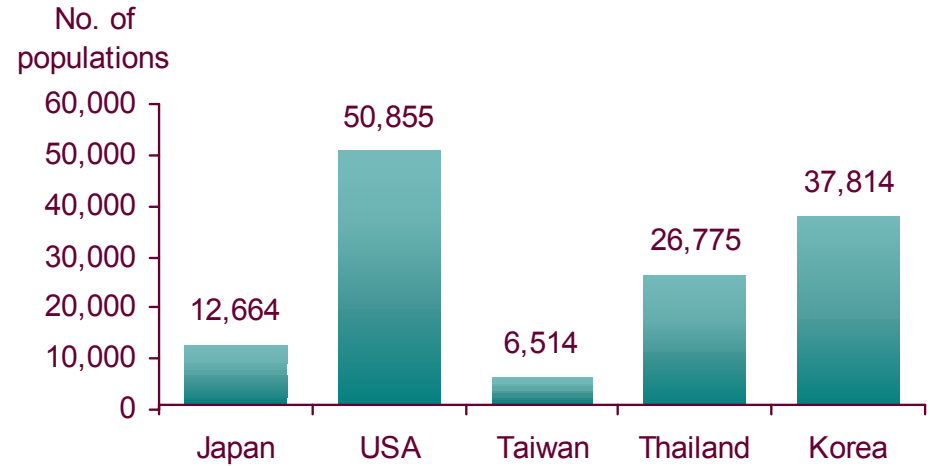
Convenience Store Growth

No. of 7-11 Stores



Source: AC Nielsen FMCG categories & Company
As at December 2003

Population per 7-11 Stores



Source: AC Nielsen FMCG categories & Company
As at December 2003



Company Highlights





Share Capital Information

- Price : Bt 59.5 per share
- Hi/Low : Bt 62/51 per share
- Average turnover : Bt 149 million
- No. of shares : 440 million
- Market capitalization : Bt 26,180 million (USD 672 million)*
- Major shareholders : CP Group 46.40%
AIA 9.09%
GIC 8.52%
- Foreign room available : 13.69%
- First trade date : October 14, 2003

Source: Stock Exchange of Thailand

As at January 29, 2004

**Exchange rate 1 USD/38.95 Bt*



Directors and Management

CP7-Eleven Board of Directors

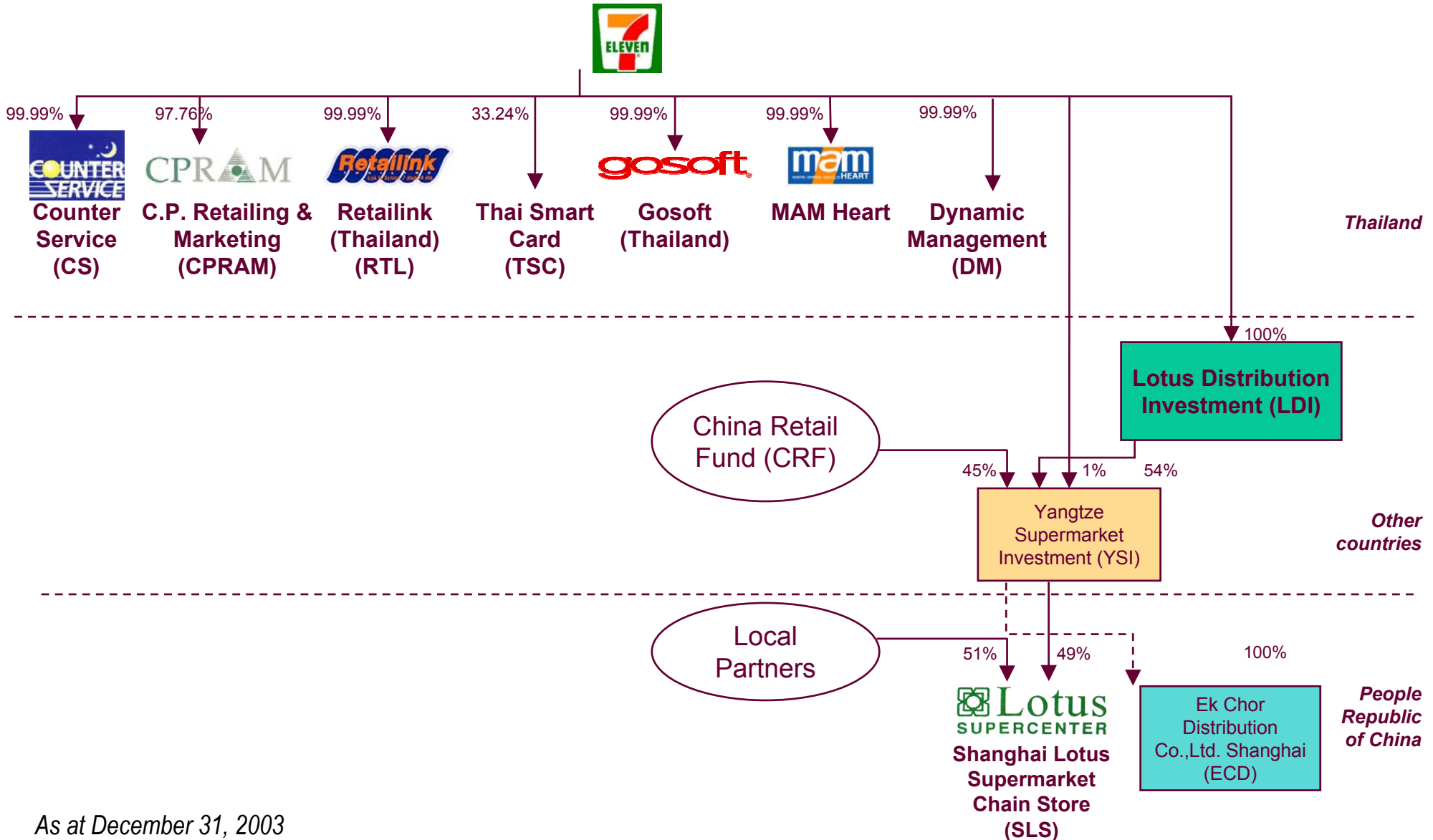
Mr. Dhanin Chearavanont	Chairman of the Board
Mr. Korsak Chairasmisak	Vice Chairman
Lieut Suchai Jaovisidha	Chairman of the Audit Committee
Mr. Pridi Boonyoung	Audit Committee
Mr. Padoong Techasarintr	Audit Committee
Mr. Supakit Chearavanont	Director
Mr. Umroong Sanphasitvong	Director
Mr. Prasert Jarupanich	Director
Mr. Narong Chearavanont	Director
Mr. Chia Yew Boon	Director
Ms. Rachel Chiang	Director
Mr. Pittaya Jearavisidkul	Director
Mr. Piyawat Titasattavorakul	Director

CP7-Eleven Management

Mr. Korsak Chairasmisak	Chief Executive Officer
Mr. Pittaya Jearavisidkul	Deputy Chief Executive Officer
Mr. Piyawat Titasattavorakul	Managing Director
Mr. Kamol Sakdejayont	VP (finance & accounting)
Mr. Chuan Nimkittikul	VP (purchasing & distribution)
Mr. Tanin Buranamanit	VP (operation & marketing)
Mr. Suwit Kingkaew	VP (general management)
Mr. Kosa Pongsupath	VP (information technology)



Group Structure



As at December 31, 2003



Vision & Strategy

Philosophy

To serve customer's convenience and keep employees happy for better quality of life.

Vision

To be the leader of convenience store chain in Thailand.

Mission

- Offer **products and services** to meet customer's convenience
- Select **locations** to be easy to access for customers nation-wide
- Create **leadership** in all-staff level and promote good working atmosphere
- Build good relationship with **society and community**
- Establish a quality organization and aim at being a **learning organization**



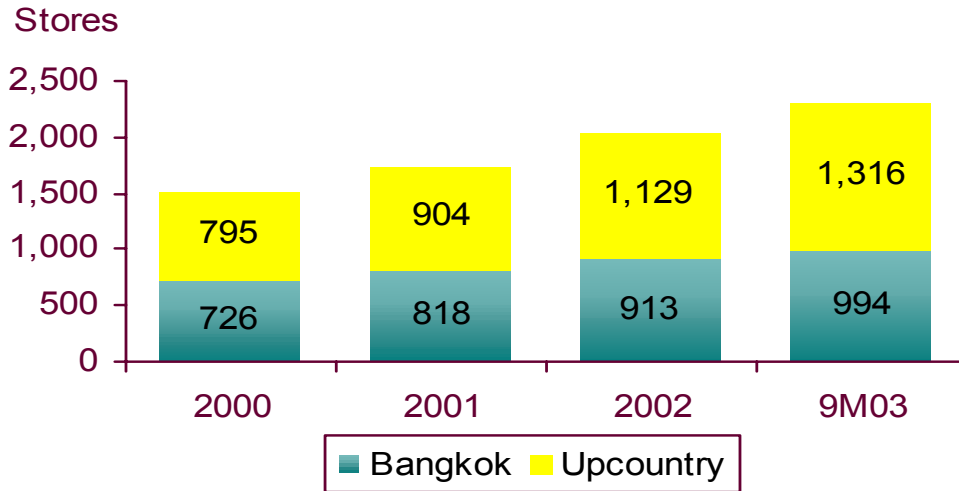
Competitive Advantages

- Dominant 7-Eleven brand image
- Strong supports by Licensor & CP Group
- Extensive nationwide store network in prime locations (both stand alone & with PTT gas station)
- Advanced distribution center and IT system
- Inclusive experienced management team
- Full integration of value-added retail services
 - Bill payment service from Counter Service
 - Retail maintenance service from Retallink (Thailand)

Convenience Store Business : 7-Eleven Thailand

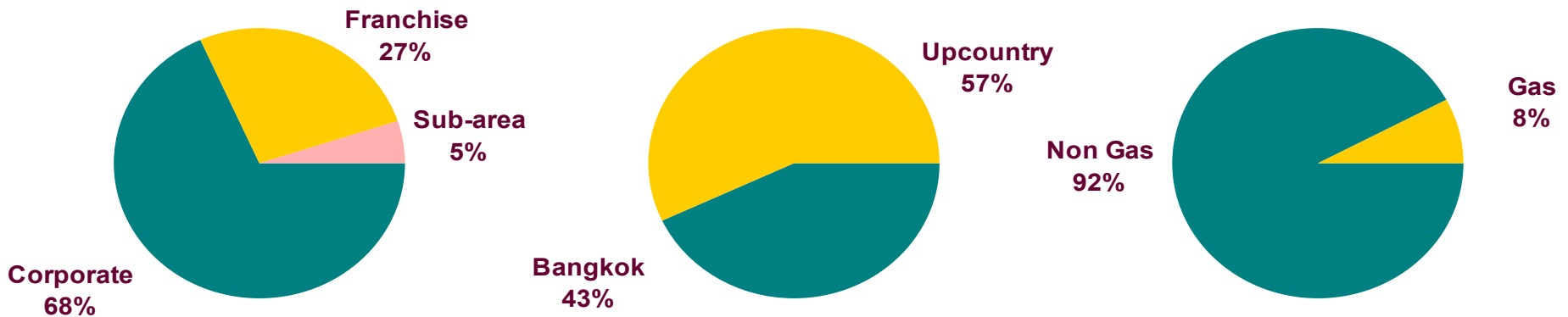


Store Network



- Ample room for growth in both Bangkok and provincial area
- Open in gas station as diversified growth opportunity

Stores Breakdown

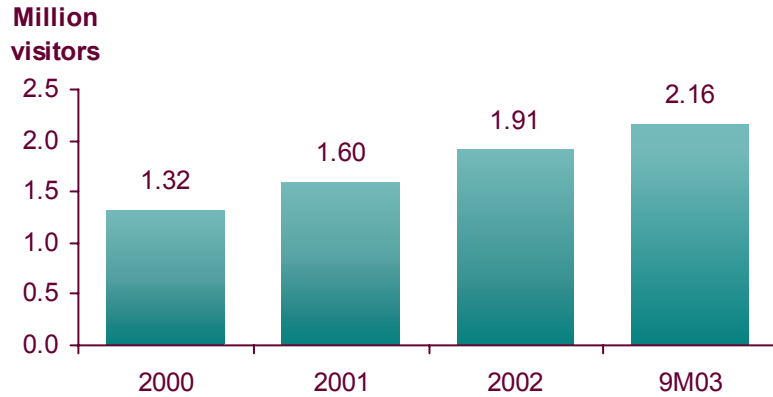


As at September 30, 2003

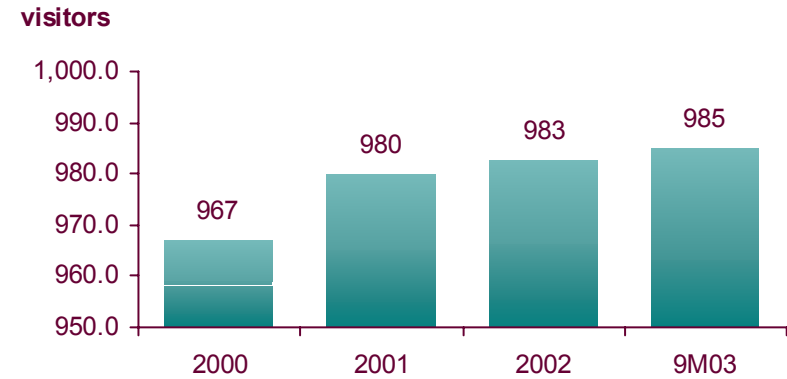


Customer Base

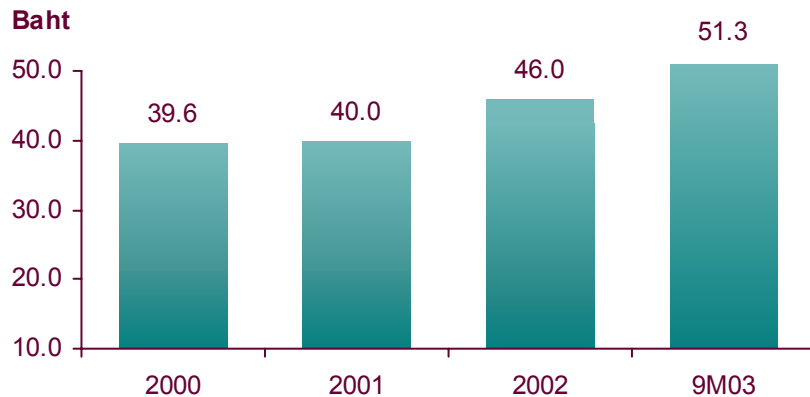
Average No. of Customers per Day



Average No. of Customers per Branch per Day



Spending per Visit

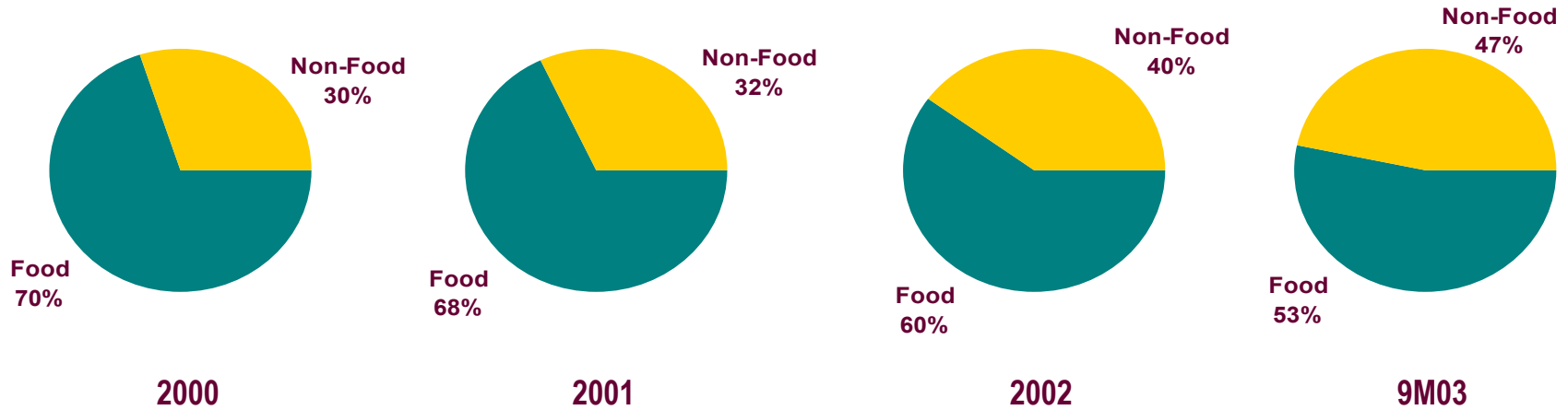


- More than 2 million buyers each day
- Broad and distributed customer base makes CP7-11 naturally diversified
- Upward trend of spending per visit reflects ability to match customers' need

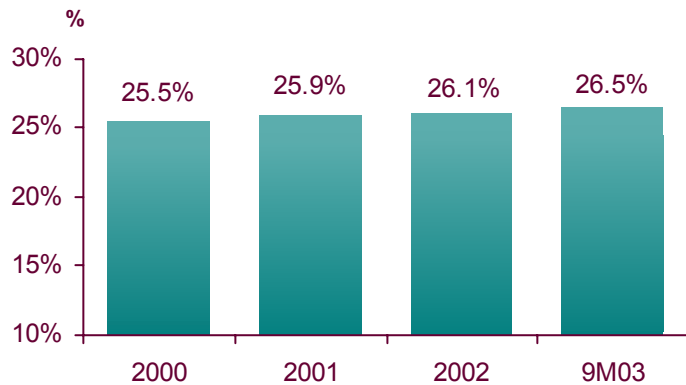


Product Mix & Margin

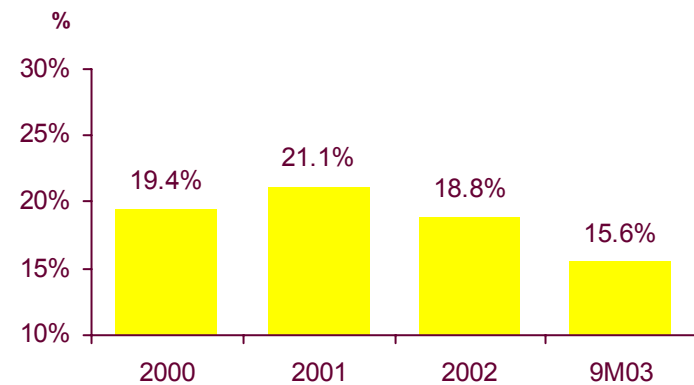
Product mix by sales



Foods Margin (%)



Non-Foods Margin (%)

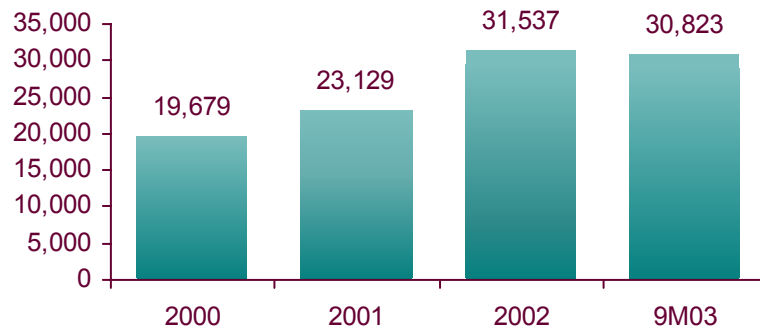




Sales & Inventory

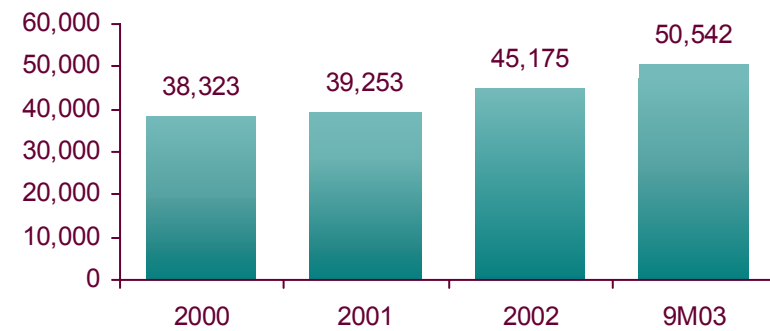
Total Convenience Store Revenue

Million Baht



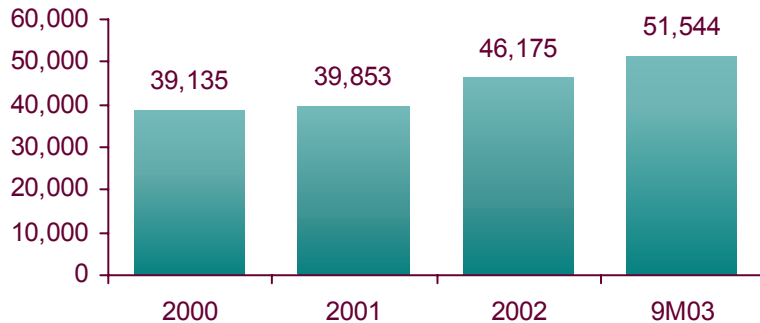
Average Sales/Store/Day

Baht



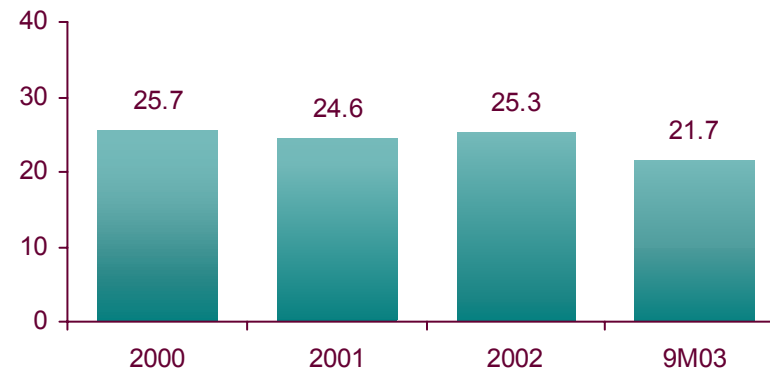
Same Store Sales/Store/Day

Baht



Inventory Day

Day





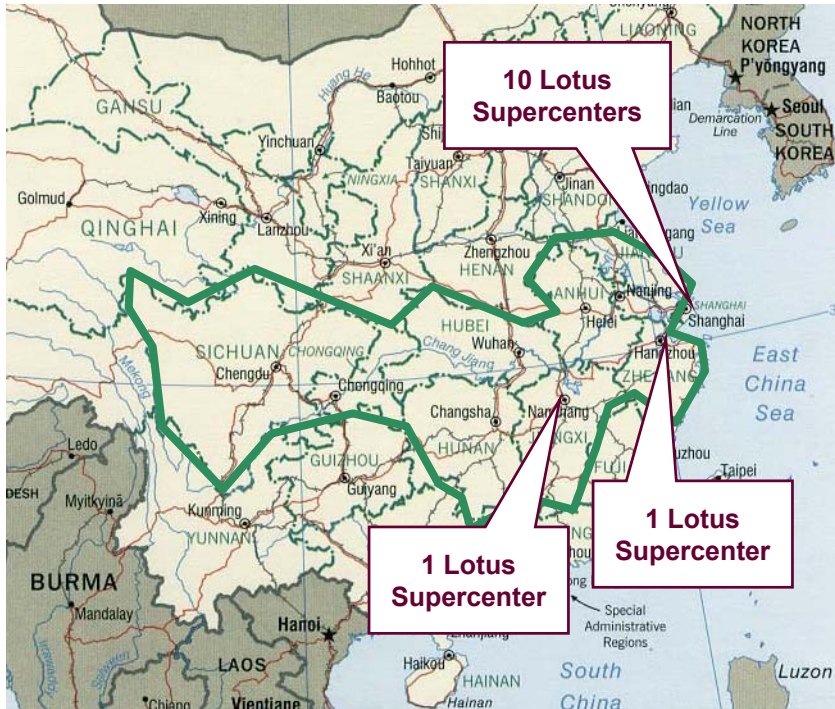
Future Plan

- Total Capex in Convenience Business for 2004
 - 320 stores expansion Bt900 million
 - 250 stores renovation Bt150 million
 - Store assortment system Bt165 million
 - New distribution center Bt835 million
 - New vocational school Bt200 million
 - CPRAM frozen foods Bt250 million
 - Total Bt2,500 million**

  **Supercenter Business : Lotus Shanghai**  



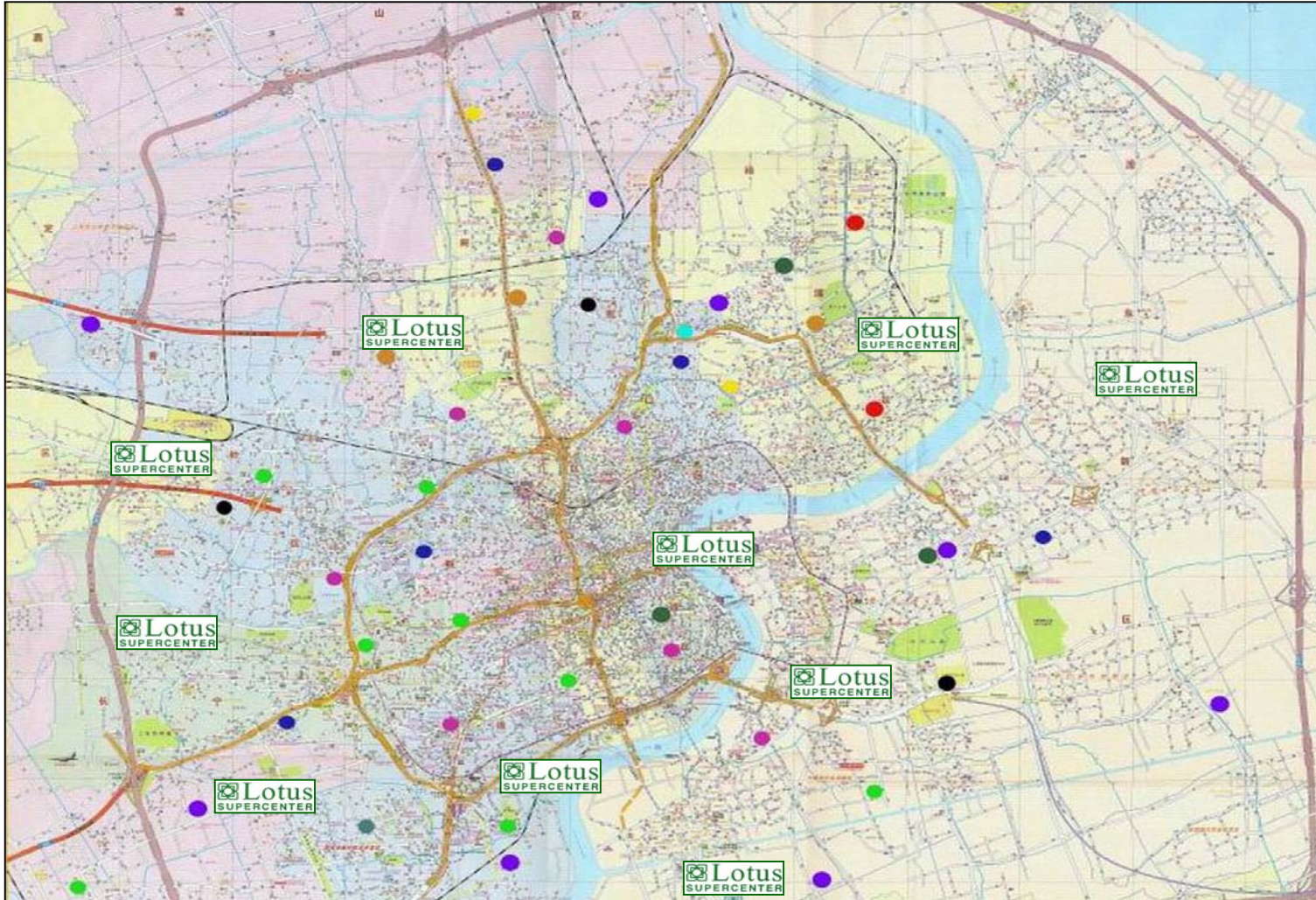
Business Overview



- SLS' geographical coverage includes 2 cities (Shanghai and Chongqing) and 7 provinces along Yangtze River
- Dominant Share strategy: open many stores as clusters in any single city in order to achieve economy of scale
- As at September 30, 2003, we are the leader in Shanghai with 10 Lotus stores. Other 2 stores are located in Hangzhou and Nanjing.
- Location / Store opening criteria:
 - Highly populated area
 - Reachable by mass transit system
 - Catchment area of 3-5 kilometers
 - Breakeven in 1-2 years
- Two prototypes: Big format sales area of 12,000 - 15,000 sq.m. and small format 7,500 - 9,000 sq.m.
- Our expansion strategy is to “lease” instead of “build” new stores. Investment per new store is around RMB 40-60 mm.



Lotus Store Location : Shanghai





Lotus Strategy

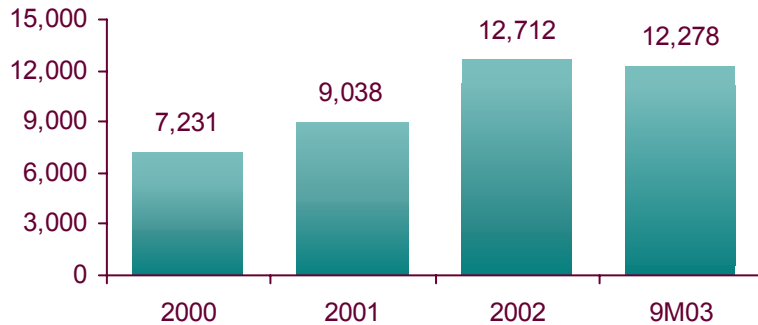
- Every Day Low Price (EDLP)
- Dominant share strategy
 - Economy of scale in distribution, purchasing, information and management
- Product differentiation
 - Exclusive brand from CP Group
- Advanced distribution center and information technology



Key Operating Highlights

Total Supercenter Store Revenue

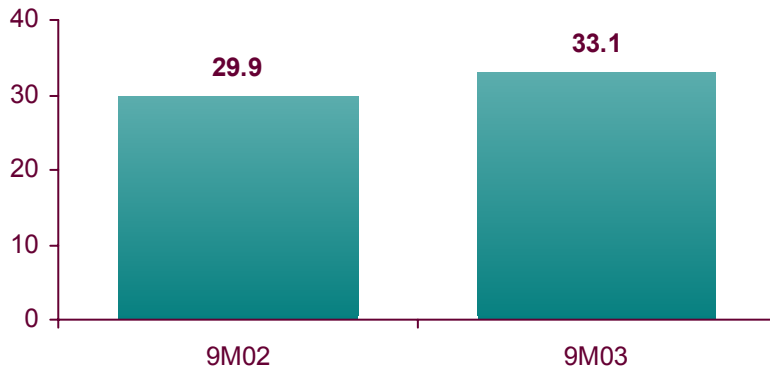
Bt mn



No. of Stores	2000	2001	2002	9M03
	4	6	10	12

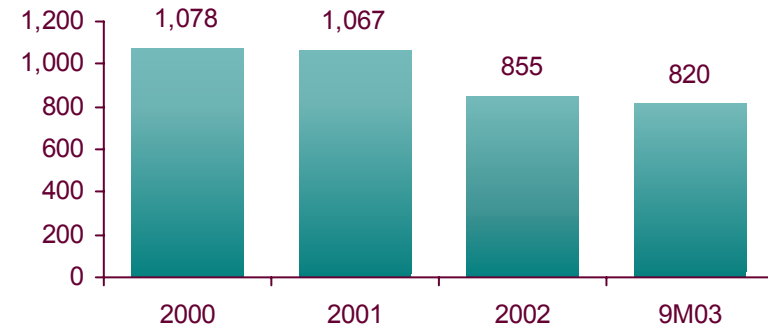
Inventory Day

Day



Average Sales/Store/Day

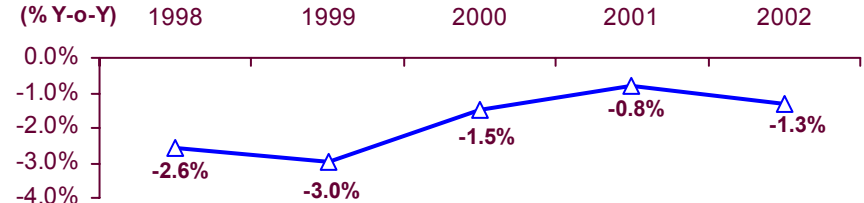
'000 RMB



■ Combination of factors contributing to sales/store/day trend:

- Sales of new stores not yet fully recognized
- Competition in the area
- Change of town plan
- Product price deflation

China RPI
(% Y-o-Y)

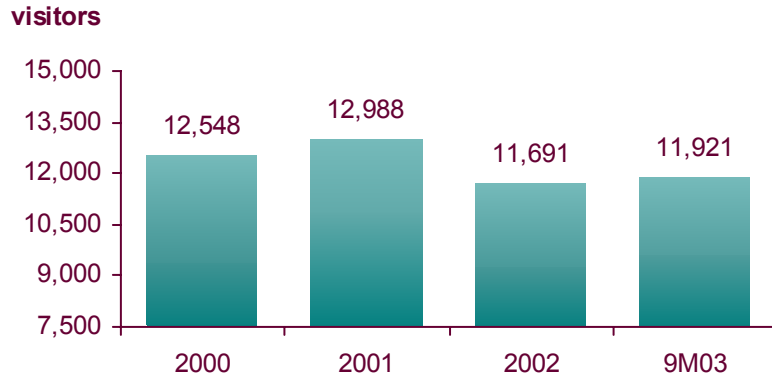


Source: World Bank / ADB

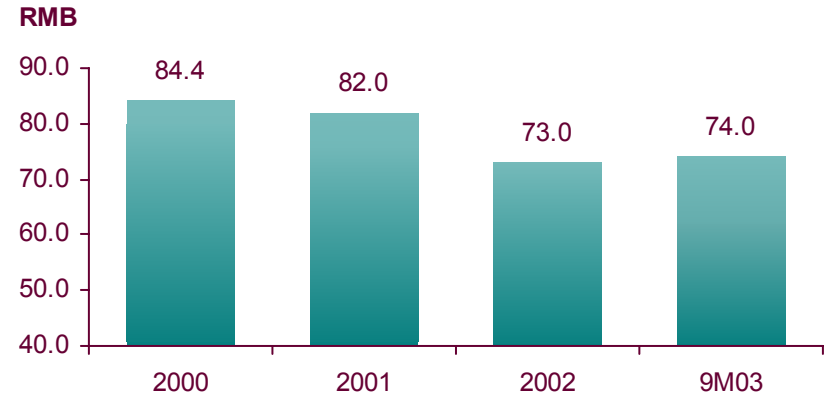


Key Operating Highlights (Cont.)

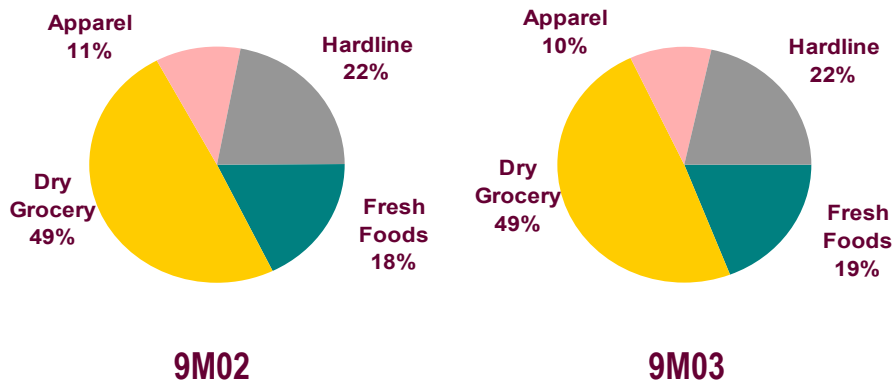
Ave. No. of Customers per Branch per Day



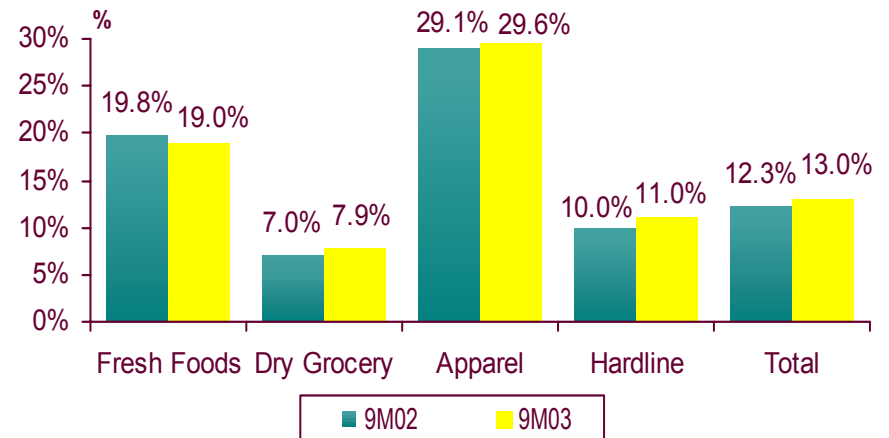
Spending per visit



Product Sales Mix



Gross Margin





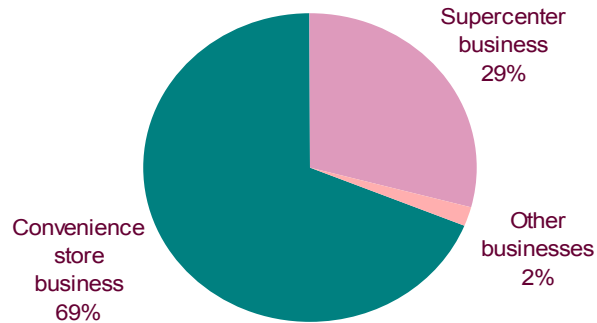
Financial Highlights



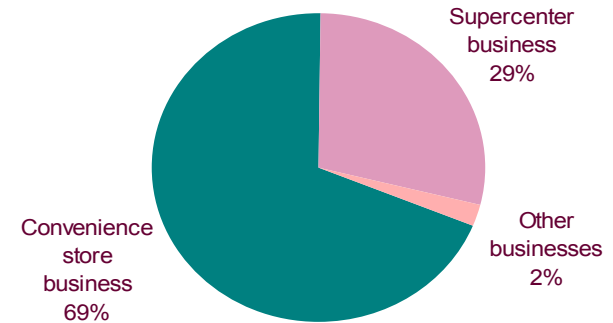


Contributions from All Businesses

Contribution to Sales and Service Revenues

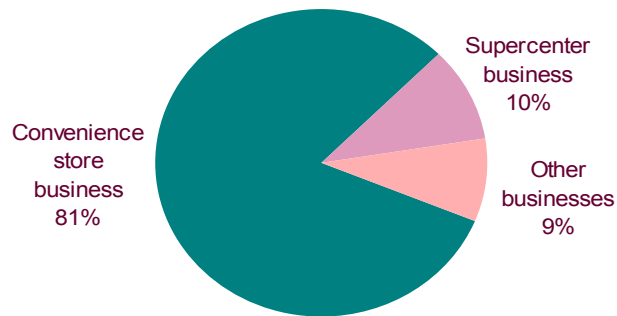


2002 Total Sales and service revenues = Baht 43,765 million

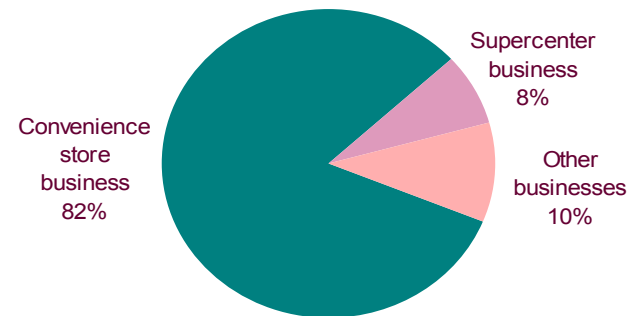


9M03 Total Sales and service revenues = Baht 42,819 million

Contribution to Operating Profit



2002 Total Operating Profit = Baht 1,342 million

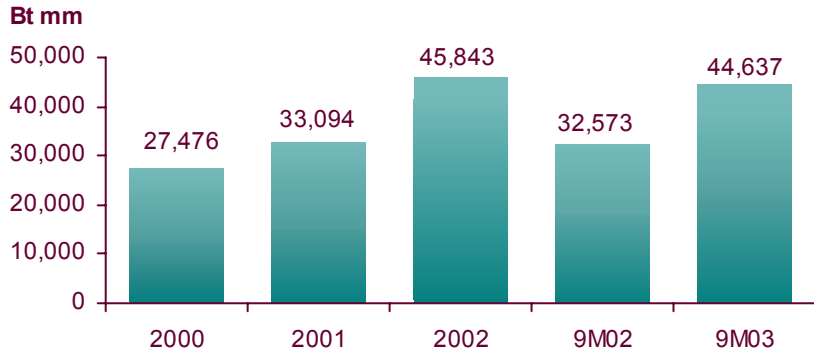


9M03 Total Operating Profit = Baht 1,532 million



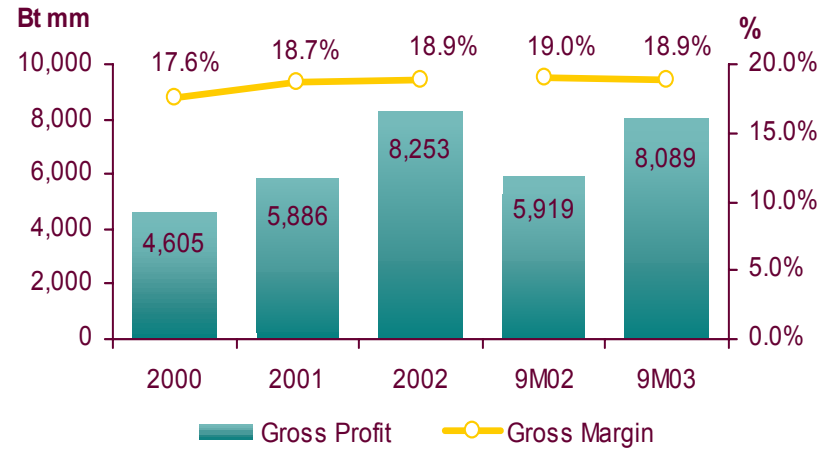
Consolidated Performance

Total Operating Revenue

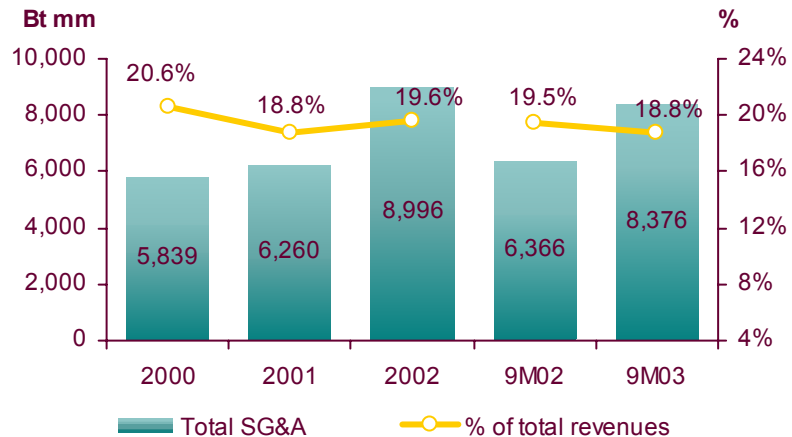


Note: Exclude interest income and extraordinary items

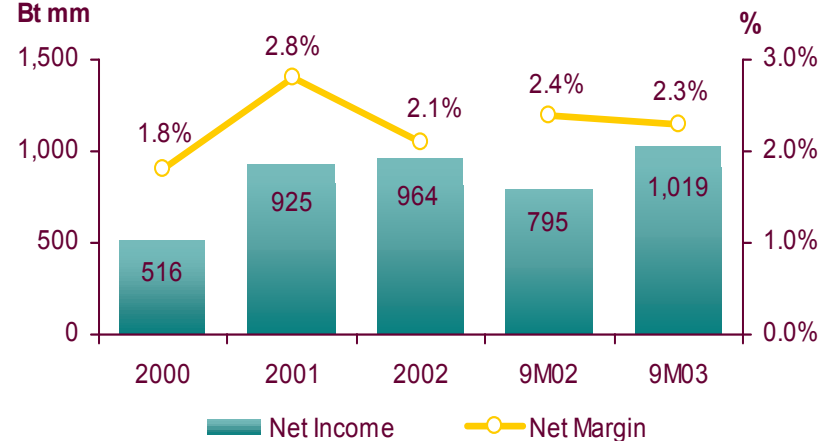
Gross Profit & Gross Margin



SG&A Expenses



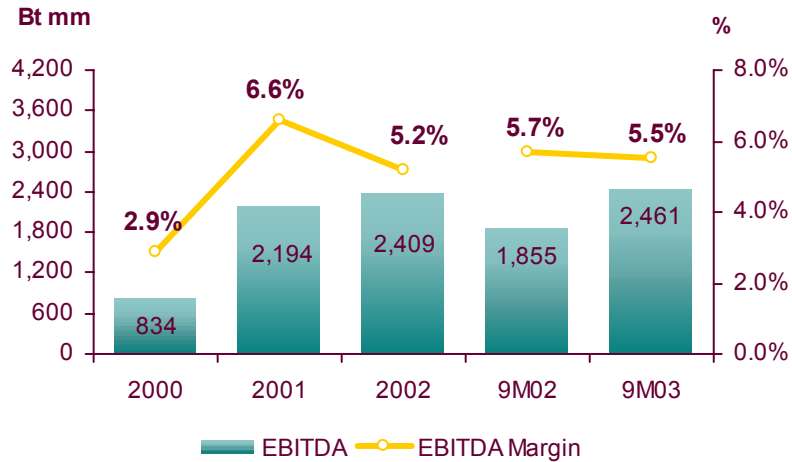
Net Profit & Net Margin





Key Financial Ratios

EBITDA & EBITDA Margin



Note: Exclude interest income and extraordinary items

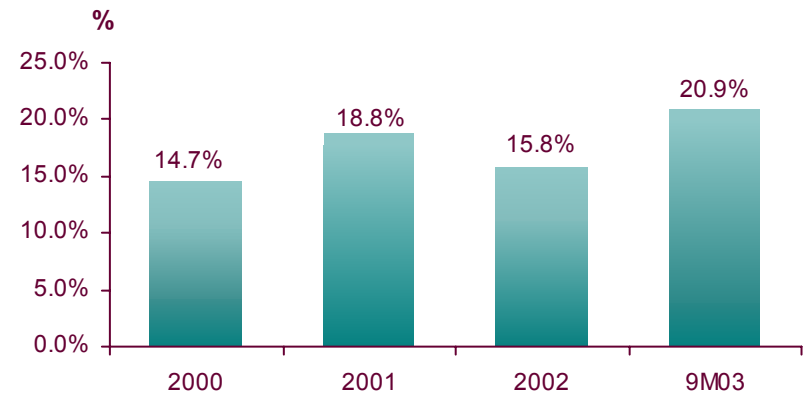
Return on Asset (ROAA)



Total Debt to Equity Ratios



Return on Equity (ROAE)





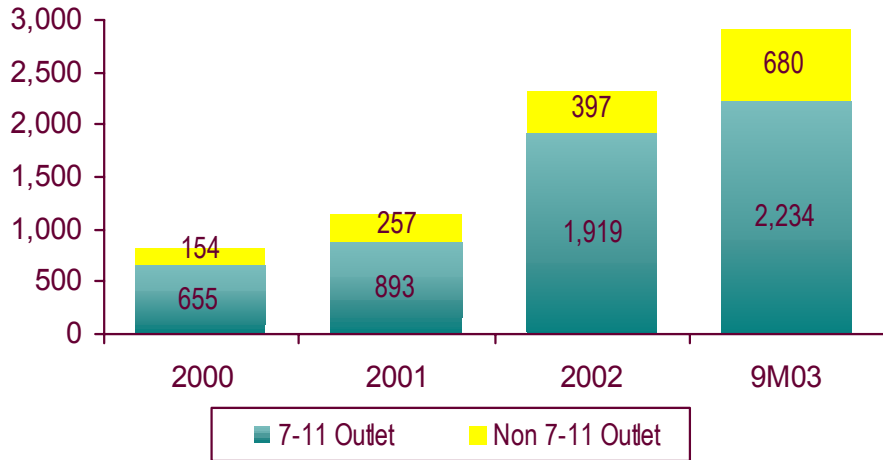
Subsidiaries Information



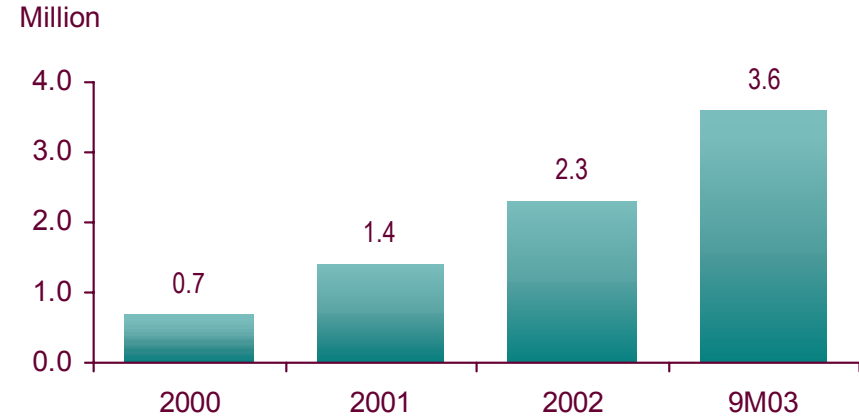


Subsidiaries : Counter Services (CS)

No. of Outlet



No. of Bill per Month



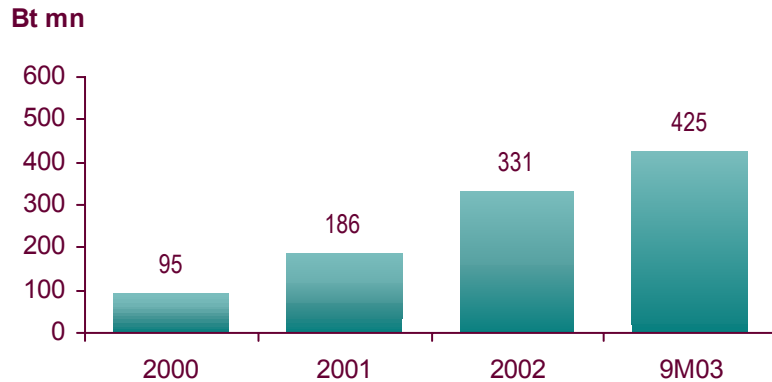
- CS provide consumers with greater convenience of bill payment and ticketing services at 7-Eleven locations (24 hours a day 7 days a week) and at other outlets such as shopping mall, department store and book store
- Our contracted clients have consistently increased (currently more than 50 clients); helping us to provide more convenience to consumers



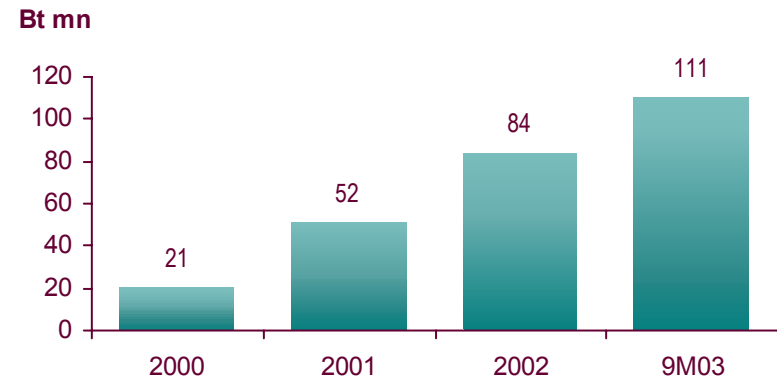
Subsidiaries : Counter Services (CS)

- Total capital : Bt 70 million

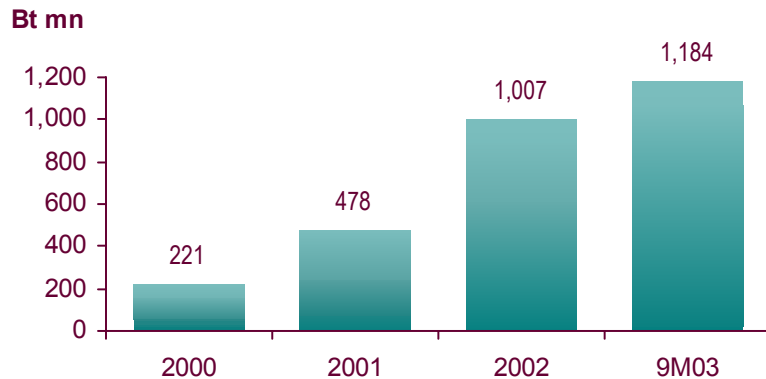
Total Revenue



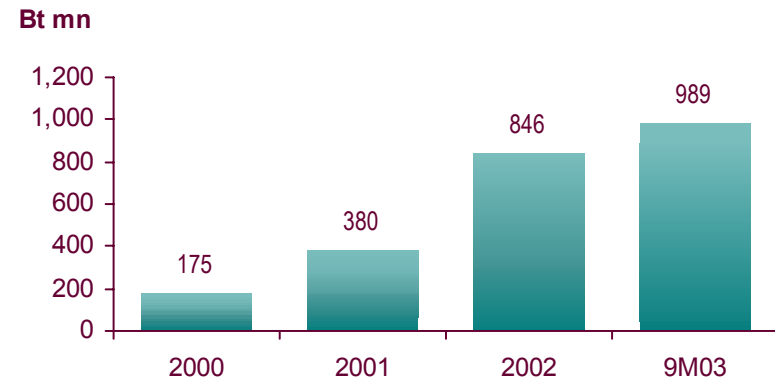
Net Profit



Total Assets



Total Liabilities

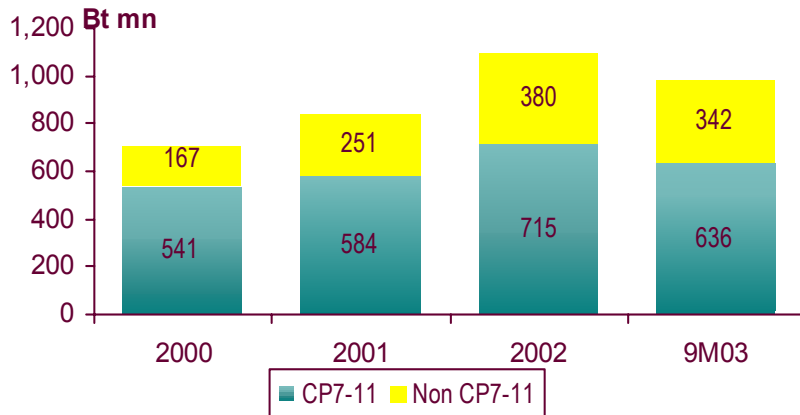




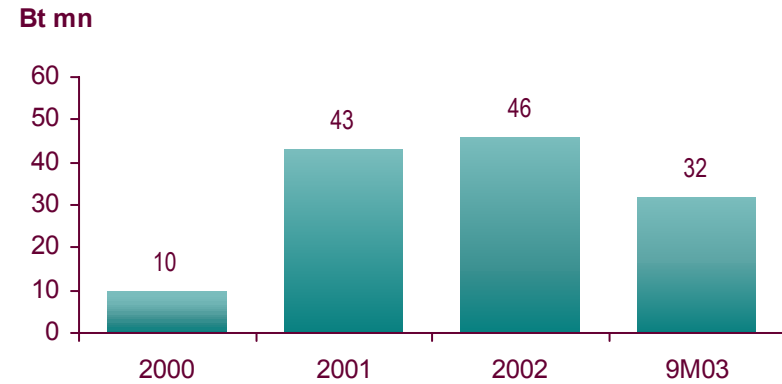
Subsidiaries : C.P. Retailing and Marketing (CPRAM)

■ Total capital : Bt 170 million

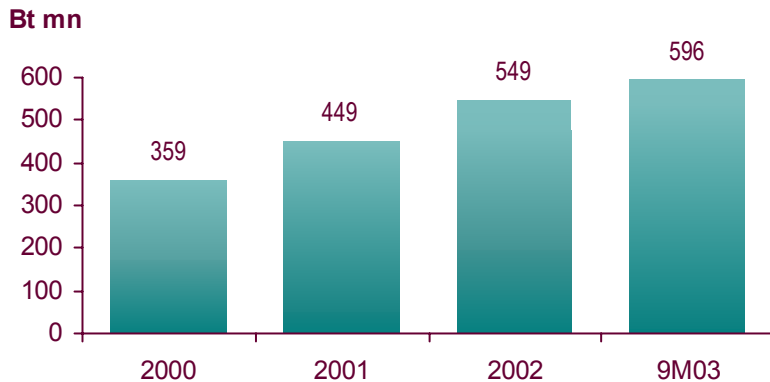
Total Revenue



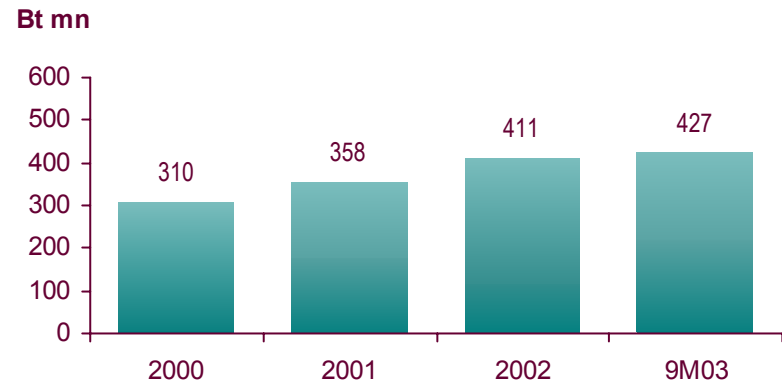
Net Profit



Total Assets



Total Liabilities

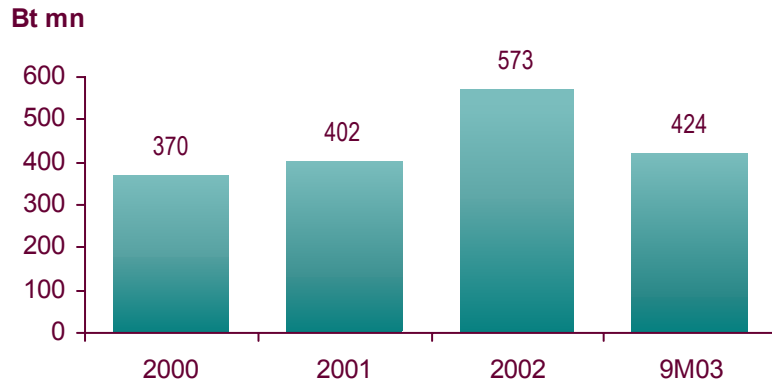




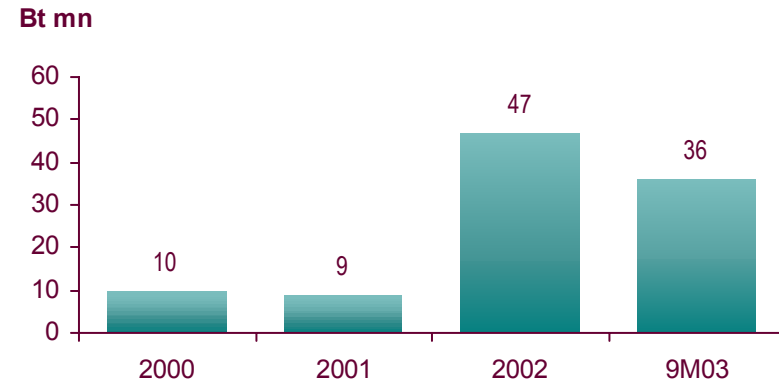
Subsidiaries : Retailink Thailand (RTL)

- Total capital : Bt 20 million

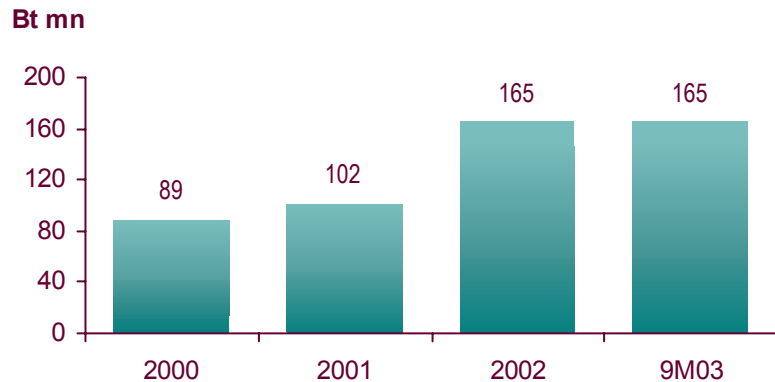
Total Revenue



Net Profit



Total Assets



Total Liabilities

