



# C.P. Seven Eleven Public Company Limited : (CP7-11)

Investor Information Release  
May 15, 2006

1Q/2006 Result

## Share Capital Information (10/05/06)

Price (10/05/06):	Bt. 7.85	<b>Industry &amp; Company Outlook for 2006</b>  Thailand retailing business is expected to grow at 8-10% in 2006, comparing to industry growth of 8% in 2005. Although the purchasing power and consumer confidence are stagnant due to a hike of oil price and interest rate, the operators still expand their investments and renovate the stores to attract customers. In addition, marketing promotion will be active to enhance sales e.g. FIFA World Cup 2006 during June-July. For 7-Eleven stores, we still plan to open 400-450 stores in 2006 and target same store sales growth of 3-5%.  Retailing business in China, due to a rise in consumption, is forecasted to grow at 13% in 2006, similar to the market growth rate of 12.8% in 2005 due to a rise in consumption. Modern trade has been continuously expanding compared with total retail sales due to securing prime location, gaining economy of scale and serving consumer lifestyle changing. For Lotus Supercenter, we plan to open 10-15 stores in 2006.
Hi/Low: (YTD)	Bt. 7.85/5.35 per share	
Average Turnover:	Bt. 26.0 million	
No. of shares:	4,434.57 million(Par Bt. 1)	
Market Capitalization:	Bt. 34,811 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	
Dividend Payment 2004:	Bt. 2.25 per share	
Dividend Payment 2005:	Bt. 0.30 per share*	
<i>*In 2005, capital was increased by stock dividend at 1:1 and par value was changed from Baht 5 to 1 per share.</i>		

## 1Q06 Highlights

Store Network (Type)	4Q05	1Q06
Corporate	1,931	1,990
Franchise	1,191	1,253
Sub-area	189	195
Total	3,311	3,438

Store Network (PTT/non PTT)	4Q05	1Q06
PTT	396	408
Non PTT	2,915	3,030
Total	3,311	3,438

Store Network (Geography)	4Q05	1Q06
BKK	1,276	1,314
Upcountry (Incl. Suburban)	2,035	2,124
Total	3,311	3,438

Product Sales Mix & Margin	4Q05	1Q06
Product Sales Mix (%)		
Foods	46.7%	44.6%
Non-Foods	53.3%	55.4%
Gross Margin Mix (%)		
Foods	26.1%	26.7%
Non-Foods	12.7%	12.3%
Total Product (excl. T&E)	25.8%	25.7%
Total Product	19.0%	18.7%

Average tickets/store/day	1,155 tickets
Average spending/ticket	Bt. 57
Average sales/store/day	Bt. 65,385
Average same store sales/store/day	Bt. 65,768
No. of Shanghai Lotus Supercenter	42 stores

With total revenues for 1Q06 of Baht 26,124 million and total cost and expenses of Baht 25,694 million, the Company reported a consolidated net profit for the first quarter of 2006 ended Mar 31, 2006 of Baht 489 million or an increase of 75.9% QoQ and 4.0% YoY.

- Total revenue increased 2.7% QoQ and 7.5% YoY. The increment firstly stems from store expansion of both 7-Eleven in Thailand and Lotus Supercenter in PRC generating net sales increasing of 2.7% QoQ and 5.5% YoY. Secondly, service income, mainly from Counter Service and phone card commission, increased 132.3% YoY resulting from an increment in average bill transactions of 6.1 million in 1Q05 to 7.9 million/month in 1Q06. Besides, other operating income grew 18% YoY, comprising of marketing support and franchise royalty fee.

- By business segment, sales & service income are generated from convenience store business of 61.6%, supercenter business of 36.0%, and other businesses of 2.4%.

- 7-Eleven, we expanded another 127 stores in 1Q06 with geographical combination of 38 stores in Bangkok and 89 stores in suburban and provincial areas; 59 as corporate stores versus 62 franchise and 6 sub area stores. Customer/store/day was increased to 1,155 people and spending per visit was averaged at 57 Baht. These allow us to be able to achieve same store sales growth of 0.8% QoQ and 12.5% YoY.

- Lotus Supercenter, reported revenue growth of 16.5% YoY and total costs and expenses faster growth of 20.3% YoY resulting in an operating loss of Baht 421 million in 1Q06 (before minority interests). This results from a continuous decrement in same store sales. In 1Q06, we opened 2 supercenter stores in which 1 store located in Shanghai city and another one in Zhe Jiang, resulting in total of 20 stores in Shanghai city and 22 stores in other cities. (including 2 stores under SLS management.)

- Balance Sheet remains healthy with cash position of Baht 6,774 million. Total assets were Baht 37,614 million and total liabilities were Baht 27,040 million. Account payable day was 75.1 and inventory turnover was 30.7 days, resulting in positive cash flows from operation for YTD of Baht 319 million.

## Financial Highlights

### Balance Sheet

	Consolidated (Million Baht)				Company Only (Million Baht)			
	1Q05	4Q05	1Q06	%YoY	1Q05	4Q05	1Q06	%YoY
Cash	6,876	8,581	6,774	-1.5%	3,687	5,584	4,588	24.4%
Inventory	6,190	8,133	7,181	16.0%	2,403	3,301	3,350	39.4%
Other current assets	3,288	4,379	4,585	39.4%	836	1,652	1,929	130.7%
Fixed assets	13,265	17,536	17,432	31.4%	5,098	6,127	6,410	25.7%
Other assets	1,484	1,601	1,641	10.6%	4,695	5,100	5,181	23.8%
<b>Total assets</b>	<b>31,104</b>	<b>40,230</b>	<b>37,614</b>	<b>20.9%</b>	<b>16,720</b>	<b>21,764</b>	<b>21,458</b>	<b>28.3%</b>
Account payable	14,507	20,052	18,230	25.7%	5,161	8,707	8,539	65.5%
Bank loan	1,206	3,983	3,625	200.6%	0	0	0	na
Other current liabilities	3,534	4,931	4,407	24.7%	2,633	3,658	3,111	18.2%
Other liabilities	624	742	779	24.7%	534	623	645	20.8%
<b>Total liabilities</b>	<b>19,871</b>	<b>29,708</b>	<b>27,040</b>	<b>36.1%</b>	<b>8,328</b>	<b>12,988</b>	<b>12,295</b>	<b>47.6%</b>
Total equity of major S/H	8,392	8,776	9,163	9.2%	8,392	8,776	9,163	9.2%
Minority interest	2,841	1,746	1,411	-50.3%	-	-	-	na
<b>Total equity</b>	<b>11,233</b>	<b>10,522</b>	<b>10,574</b>	<b>-5.9%</b>	<b>8,392</b>	<b>8,776</b>	<b>9,163</b>	<b>28.3%</b>

### Income Statement

	Consolidated (Million Baht)				Company Only (Million Baht)			
	1Q05	4Q05	1Q06	%YoY	1Q05	4Q05	1Q06	%YoY
Net Sales	22,899	23,514	24,158	5.5%	10,453	15,051	15,006	43.6%
Service income	257	591	597	132.3%	312	251	308	-1.3%
Other operating income	1,130	1,307	1,333	18.0%	558	657	755	35.3%
Other income	13	37	36	172.6%	105	110	156	48.6%
<b>Total revenue</b>	<b>24,298</b>	<b>25,449</b>	<b>26,124</b>	<b>7.5%</b>	<b>11,430</b>	<b>16,069</b>	<b>16,225</b>	<b>42.0%</b>
Cost of sales	19,045	19,035	19,626	3.1%	7,839	11,762	11,628	48.3%
Cost of service	149	220	242	62.4%	0	0	0	na
<b>Total SG&amp;A expenses</b>	<b>4,511</b>	<b>6,000</b>	<b>5,814</b>	<b>28.9%</b>	<b>2,926</b>	<b>3,768</b>	<b>3,751</b>	<b>28.2%</b>
EBIT	584	194	430	-26.4%	617	398	675	9.4%
<b>Net profit</b>	<b>470</b>	<b>278</b>	<b>485</b>	<b>4.0%</b>	<b>470</b>	<b>278</b>	<b>485</b>	<b>4.0%</b>
EBITDA	1,040	779	1,043	0.3%	917	753	1,038	13.2%

### Key Financial Ratios

	Consolidated			Company Only		
	1Q05	4Q05	1Q06	1Q05	4Q05	1Q06
Gross margin (%) (Sales and Services)	17.1%	20.1%	19.7%	25.0%	21.9%	22.5%
EBITDA margin (%)	4.3%	3.1%	4.0%	8.0%	4.7%	6.4%
Net margin (%)	1.9%	1.1%	1.9%	4.1%	1.7%	3.0%
ROAA* (%)	7.0%	3.2%	5.7%	12.3%	5.8%	10.2%
ROAE* (%)	18.3%	10.9%	17.9%	23.7%	13.4%	22.3%
Inventory day	24.4	32.8	30.7	24.3	21.5	22.3
Earnings per share (Bt.)	1.07	0.06	0.11	1.07	0.06	0.11
Book value per share (Bt.)	25.5	2.4	2.4	19.1	2.0	2.1

### Segmentation Information

1Q06	In Million Baht			
	7 Eleven	Lotus Shanghai	Others	Total
Net sales and services income	15,248	8,893	615	24,755
Operating profit	697	(421)	134	410
PP&E	6,260	9,172	2,000	17,432

Note : Interest expenses, Income tax, and Other items are not included in the operating result of each business segment  
Others segment include Counter Service, CPRAM, Retailink, Gosoft, MAM Heart, Suksapiwat, Dynamic Management and Thai Smart Card

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

### Upcoming Events:

15/05/2006 Dividend Payment  
22/05/2006 Deutsche Bank Corporate Day, US and UK  
15/08/2006 BoD meeting and 2Q06 Result Release \*  
17/08/2006 Analyst meeting for 2Q06 result \*

\* (Tentative)

### Investor Relations Contact Information

Investor Relations office  
C.P.Seven Eleven Public Company Limited  
Telephone: 66-2-677-1464 Fax: 66-2-238-1767  
Address: 283 Sibunrung Bldg. Silom road, Bangrak,  
Bangkok, 10500 Thailand  
Website: [www.7eleven.co.th](http://www.7eleven.co.th)  
E-mail: [investor@7eleven.co.th](mailto:investor@7eleven.co.th)

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