



2012

ANNUAL
REPORT

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This Year's Theme

EVOLUTION. Having reached maturity, the next step for Philippine Seven Corporation is to branch out. The growth continues with the reach of 7-Eleven going beyond Luzon to expand nationally.

Vision

Our vision is to be the best retailer of convenience for emerging markets

Mission

To make daily life easier by providing modern convenience

Core Values

Teamwork
Reliability
Customer Focus
Data Driven
Integrity

2012 ANNUAL REPORT FINANCIAL HIGHLIGHTS

COMPARATIVE FINANCIAL HIGHLIGHTS

FOR THE YEAR	2012	2011	2010
Systemwide Sales	13,370,773	10,696,614	9,112,829
Revenue from Merchandise Sales	11,713,760	9,435,604	7,612,243
EBITDA	1,220,522	915,472	716,927
Net Income	464,626	356,343	276,880
Return on Average Equity	27.15%	26.72%	23.66%
AT YEAR-END			
Stores in Operation	829	689	551
Total Assets	4,564,348	3,734,299	3,093,173
Total Liabilities	2,637,758	2,237,670	1,922,744
Stockholders' Equity	1,926,590	1,496,629	1,170,429
Current Ratio (X)	0.75	0.67	0.63
Debt-to-Equity Ratio (X)	1.37	1.50	1.64
PER SHARE DATA			
Earnings Per Share (Php)	1.17	0.89	0.69
Book Value Per Share (Php)	4.83	3.75	2.94

* (in Php Thousand except data on store, ratio and per share information)

FINANCIAL RATIOS

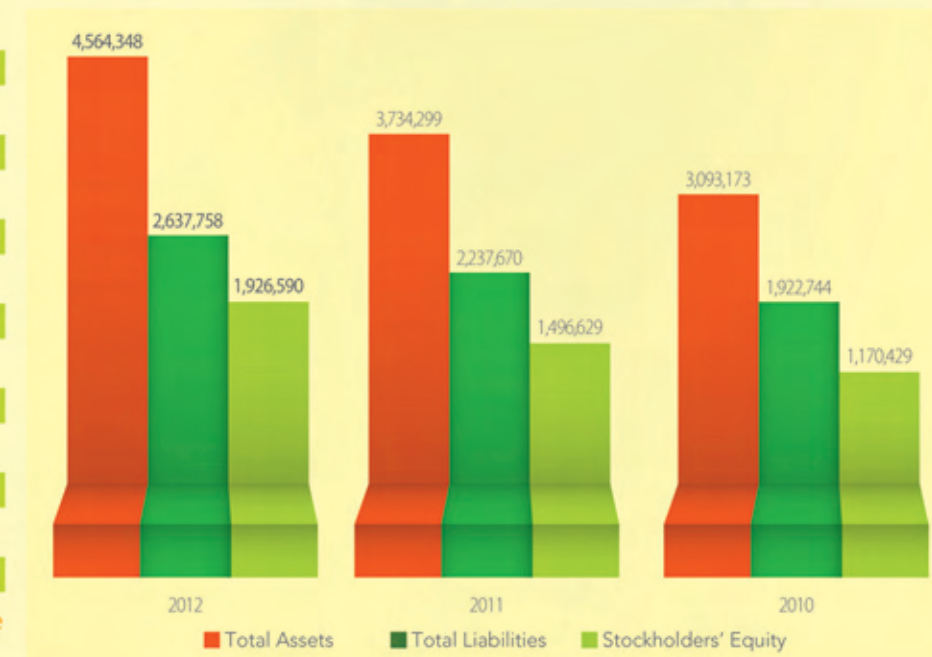
LIQUIDITY			
Current Ratio (X)	2012	2011	2010
	0.75	0.67	0.63
Quick Ratio (X)	2012	2011	2010
	0.33	0.32	0.30
Debt to Equity Ratio (X)	2012	2011	2010
	1.37	1.50	1.64
EBITDA Margin (%)	2012	2011	2010
	9.13%	8.56%	7.87%
Net Margin (%)	2012	2011	2010
	3.47%	3.33%	3.04%
Return on Ave. Equity (%)	2012	2011	2010
	27.15%	26.72%	23.66%
EPS (Php)	2012	2011	2010
	1.17	0.89	0.69
Book Value Per Share (Php)	2012	2011	2010
	4.83	3.75	2.94

STOCK PRICE



BALANCE SHEET HIGHLIGHTS

2012	2011	2010	
Total Assets	4,564,348	3,734,299	3,093,173
Current Assets	1,786,510	1,496,629	1,170,429
Noncurrent Assets	2,777,838	2,237,670	1,922,744
Total Liabilities	2,637,758	2,237,670	1,922,744
Current Liabilities	2,386,093	1,926,590	1,170,429
Stockholders' Equity	1,926,590	1,496,629	1,170,429
Book Value Per Share (Php)	4.83	3.75	2.94



INCOME STATEMENT HIGHLIGHTS

2012	2011	2010	
Stores in Operation	829	689	551
Systemwide Sales	13,370,773	10,696,614	9,112,829
Revenue from Merchandise Sales	11,713,760	9,435,604	7,612,243
Franchise Revenue	683,573	683,573	683,573
Marketing Income	375,768	375,768	375,768
Gross Profit	3,190,609	3,190,609	3,190,609
Operating Expense	3,785,662	3,785,662	3,785,662
Income Before Income Tax	674,648	674,648	674,648
Net Income	464,626	356,343	276,880
Earnings Per Share (Php)	1.17	0.89	0.69



Letter to Shareholders

Dear Shareholders,

Your company had another good year in 2012. Systemwide sales amounted to Php13.4 billion, 25% over the previous year. Net income rose 30.4% to Php464.6 million, which is Php108 million higher than 2011. These gains brought earnings per share to Php1.17 as against 2011's Php0.89.

The company was operating 829 stores at end of 2012, a net increase of 140 new stores. Franchisees operated 67% of all stores, compared with 64% at end of 2011.

To my mind, the best company news of last year was the successful opening of 25 stores in Cebu, our first store venture outside Luzon. Arisaig Partners, a large European fund manager invested in over 10% of the company's shares, observed that PSC's innovation-driven culture equips the company "to better navigate the unique island landscape nature of the Philippines". Our current expansion to Visayas is made feasible with adaptation of the system our management team evolved for logistics/distribution/marketing in Luzon. This system allows the company to profitably operate stores in Luzon provinces with a much lighter market concentration than Metro Manila and its surrounding provinces. Adapting lessons learned in developing and implementing our Luzon system enables the company to profitably carry out its expansion in island-fragmented Visayas and from there, eventually in Mindanao.

At our President, Victor Paterno's courtesy call last year, Cebu Governor Gwendolyn Garcia asked *'Bakit ngayon lang'* – "why just now?". She said other companies based in Manila had established their retail outlets in Cebu City long ago. Our shareholders may also ask the same question, so let me explain why.

Our national distribution center (D.C.) in Pasig occupies 2.3 hectares. Suppliers' trucks deliver to this D.C. pallets of boxed merchandise each day. The pallets are then stacked into 10,000 pallet locations and retrieved when required with use of forklifts. Only bulky items like drinking water, fruit juices and soft drinks are sent to stores in their carton box. Most boxes are opened at the D.C. to pick the non-bulky items ordered by stores. The national D.C. directly serves Metro Manila and adjacent provinces. When stores were built in Pangasinan, La Union and Baguio, Management sought ways to reduce costs of delivery to them. Convenience Distribution, Inc. the company's storage and goods transport arm, looked for a suitable site from which to service these stores.

A small warehouse to receive bulky items from suppliers and to receive and store other products was leased on land in Urdaneta, Pangasinan. A satellite warehouse was built on this lot to supply adjacent stores, now numbering about 50. Suppliers of bulk products deliver their items to the warehouse, avoiding for the company their trucking costs from the D.C. Other products, as ordered by stores served by the satellite warehouse, are sent from the D.C. to the warehouse employing 10-wheeler trucks containing picked items. Both bulk products and the D.C. picked items are sent to client stores using smaller trucks. The bulk products comprise a significant volume of a store's daily requirements, so direct delivery by suppliers to Urdaneta and similar warehouses generate meaningful savings. Studies are ongoing for improving delivery and storage of dry, chilled and frozen goods from the D.C. to Urdaneta. CDI is currently evaluating relocation of this warehouse to a larger space more strategic to Ilocos provinces. The same satellite warehouse concept may be replicated in Camarines Sur to serve the Bicol region.

So, in answer to the earlier question of the Cebu governor, we explain the company could not have ventured into opening stores in Visayas if appropriate logistics to the farther provinces had not been developed beforehand

in our Luzon operations. The neighboring archipelago countries Indonesia and Malaysia are also 7-Eleven licensees, but our multi-island landscape is unique, so we had to tackle this problem by ourselves without outside help. Learnings from the logistics solutions in Luzon are being applied and its transport and warehousing pattern is being replicated, with appropriate modifications, in Visayas region, and eventually also for Mindanao.

The Visayas distribution center (D.C.) was established in Cebu last year. Its beginning throughput only requires 3,000 square meters of land area. This will be increased as its operations get bigger. By end of June this year, 7-Eleven stores already operating in Cebu numbered 29.

By end of May this year, the first 7-Eleven store was successfully opened in Bacolod. On 7-Eleven Day, July 11, 2013, simultaneous inaugurations are planned of four Bacolod stores. And in compliance with the parent company's mandate, a thousand 7-Eleven stores will be in operation by end of the current year.

The smallest 10% of our suppliers in Luzon are not able to supply our needs in Cebu, so their products are shipped to Cebu D.C. from the Luzon D.C., consolidated in 20/40 ft. containers. Some of those items could eventually be substituted with output of Visayas firms to supply our stores.

Expansion to Negros Occidental and Iloilo will take place by establishment in those provinces of smaller warehouses which relate to Cebu D.C. in the same manner as in Luzon. Transport of goods between Cebu D.C. and satellite warehouses will use Ro-Ro facilities to supplement Visayas land road systems.

As the company widens its stores presence and eventually includes Mindanao, 7-Eleven becomes truly national, and will economically pay back regular national advertising on television to widen brand recognition. New opportunities

for services will be seen as our brand recognition and storefront presence increase throughout the country. For example, we now partner with budget airlines, accommodating their passengers to pay for tickets booked online at our store. The service began last year with Philippine Airlines in partnership with third party payment processor, ECPay. We also offer customers our 7-Connect service, allowing them to order and pay with cash through a 7-Eleven store. The services products and consigned goods form part of commission income, which grew 81%, from Php37 million in 2011 to Php64 million in 2012. We expect rapid increases in services income as the company expands its presence in Visayas and Mindanao as well as to new areas in Luzon, such as the Ilocos.

The continuing yearly increases in corporate net income were accompanied last year by substantial rise in trading interest and price of company shares in the stock market. By year end 2012, PSC share prices had risen to record price earnings (P/E) ratios of about 80. According to Philippine Stock Exchange reports, trading of company shares in 2012 exceeded 95 million shares, almost a quarter of shares outstanding, with a traded value totaling Php6.25 billion. Market price of PSC shares continue at high levels albeit the volume of shares trading to date in this year 2013 is far less than last year's. The share price levels may be reflecting investor expectations that the company is at an inflection point, at which the sales curve begins to rise more steeply.


We are glad to inform shareholders that the company continues to comply with its social responsibilities through the operation of PhilSeven Foundation, supported by the company's annual allocation of a half of one per cent of corporate net income. The Foundation has been helping schools in communities where our stores operate through feeding programs of young children, medical missions, and assistance to needy students of school supplies at school opening month. It also provides relief supplies at times of

calamities, for which the Department of Social Welfare awarded it last year. Its website, www.philseven.com/ may be consulted for reports on Foundation activities.

So we the shareholders again have much to be thankful for this year. Please join me in thanking our customers, employees, suppliers, bankers for their support and cooperation, and our parent company President Chain Store Corporation for their continuing guidance. We also thank local governments in the areas where we

operate for guarding the safety and well-being of our customers and employees. May I in conclusion, offer my personal thanks for your continued support, and for the continuing blessings of our generous God.

Yours sincerely,


Vicente Tirona Paterno
Chairman of the Board



Review of Operations

Dear Shareholders,

2012 may well be remembered as a turning point for the Philippine economy, and we were happy to find ourselves in good position to benefit after having expanded throughout the uncertainty of 2011.

In many ways, the year was a turning point for your company as well. We opened our first stores outside of Luzon, upscaled the look of our stores and the products we offer, and saw a sharp rise in our stock price. These events are significant in themselves, but are also part of broader, related trends worth discussing further: growth outside Metro Manila, increased demand for premium products and services, and the modernization of retail.

Growth Outside Metro Manila

Though the capital is home to half our stores and continues to be of paramount strategic importance, two thirds of new stores last year opened outside the city's boundaries.

One reason is we are approaching saturation in Metro Manila, with 1 c-store for every 20,000 people, and 1 for every 5,000 in Makati. Though more locations will become viable as GDP per capita increases and population grows, the number of quality sites is limited.

Another factor is growth in the provinces themselves, spurred by improving infrastructure, increased investment, and a growing BPO sector. We have seen this in our expansion throughout Luzon, and even more so in Cebu. After finding that new skyscrapers and proliferating call centers had increased potential for convenience stores well beyond what we projected only two years before, we decided to enter the market well ahead of schedule.

Although the initial investment in logistics, organization, and advertising was substantial

(and, along with bad weather in Luzon, depressed 3rd quarter earnings), Cebu sales outperformed expectations. We ended the year with 25 stores, and intend to have 60 by the end of this year.

Though uncertainties remain about operating a chain of convenience stores across an archipelago, the experience in Cebu removed some of them. It also extended our reach into the Visayas, which will be served through Cebu using similar logistics practices adapted from serving Luzon through Metro Manila. Having a more extensive store network and supply chain than the competition, which is more concentrated in the capital and its environs, leaves us well positioned to benefit from growth outside of Metro Manila.

Increased Demand for Premium Products

After many years of value consciousness by our customers, last year saw a modest but marked increase for premium products. Such a development is promising because mass based premium snacking is natural territory for convenience stores, and creates further points of differentiation from the general trade.

The most successful new product by a large margin, for example, was a premium ice cream bar priced at double the price of its closest competitor.

We followed with the introduction of Big Time Meals (a premium rice meal) to more modest success – though significant because a similar effort had failed only a few years earlier. Salads were also successfully launched. Perhaps most promising was the pilot of our new Hot Pot line, adapted from 7-Eleven Taiwan's "Oden" boiled savory snack, which is being rolled out this year.

We also increased our services offering, partnering with airlines and deal sites to accept online payments in our stores. Services increased markedly last year, and will be a key focus in the years ahead.

Finally, we began building stores inspired by a similar program in 7-Eleven Taiwan with softer lighting, earthier tones, and more emphasis on foodservice and seating that proved popular among customers. All new stores since have been built to this standard and 100 of our oldest stores will be renovated to this look this year. Although the new design costs more (and we are acutely aware that our depreciation and amortization costs as a percentage of sales underperform those of top licensees), higher sales more than compensate.

Modernization of Retail

Perhaps due to improved employment prospects, the traditional trade decreased substantially in Metro Manila (though less so in other parts of the country). This trend, which has been observed in other emerging markets for some time, is a recent one in the Philippines. The local convenience sector underperforms that of comparable emerging markets partly due to the prevalence of *sari-sari* stores and street vendors, so a decrease in traditional retail could result in an increase in modern convenience retail.

Separately, some analysts project that modern retail in general, and the convenience sector in particular, will begin growing rapidly as we reach what they believe to be an inflection point in GDP per capita. This belief, along with general macroeconomic factors and your company's record of consistent earnings growth, spurred a steep increase in our stock price last year as foreign funds (whom we welcome for the broad perspectives they bring) bought into the company.

High valuations bring with them high expectations, and in our opinion, signal management to more aggressively go for growth and take longer term views. We intend to act accordingly, and are prepared to do what is necessary to further improve our position in what is increasingly looking like a high growth environment.

In closing, we would like to thank our majority shareholder, President Chain Store Corporation for guiding us from past experience as we ascend the growth curve; all our shareholders for holding on despite the high stock prices; our franchisees for trusting in us and caring for our customers; our suppliers for adjusting to the unique needs of convenience retail; our employees for their dedication and loyalty even as they have become more sought after; and our customers who have welcomed us into their communities and made us a part of their daily lives.

Yours faithfully,



Jose Victor Paterno
President and CEO



Corporate Governance

Believing that corporate governance is a necessary component of what constitutes sound strategic business management, PSC exerts every effort to ensure that good governance, as embodied primarily in its Manual on Corporate Governance, be implemented across its organization.

Governance Compliance and Performance

The Company received in May 2012, recognition from the Institute of Corporate Directors (ICD) as a Silver Awardee of the 2011 Corporate Governance Scorecard. Challenged by the award, PSC continues to improve its corporate governance practices.

ICD and the SEC introduced the ASEAN Corporate Governance Scorecard (ACGS) to benchmark with best practices in the region. PSC representatives participated in the information briefing conducted last September 2012 to identify the potential areas of development for PSC in adopting best practices. The SEC integrated the ACGS guidelines in the Annual Corporate Governance Report (ACGR) which shall be submitted by publicly listed companies pursuant to SEC Circular No. 5 Series of 2013. PSC accomplished and submitted its ACGR report to SEC in June this year.

PSC directors, officers and senior management attended various trainings on governance practices such as Enterprise Risk Management: Robust Framework to Identify, Assess and Manage Risks, 2nd Integrity Summit: Driving Culture Change, ICD Investor Forum, Trainings and Round Table. The Company is also a signatory to the Integrity Initiative Pledge.

Corporate Governance Manual

PSC's Manual on Corporate Governance was approved and adopted on August 2002. This was further amended pursuant to SEC Memorandum Circular No. 6, Series of 2009 and the revised Manual was approved on July 29, 2010. PSC upholds the policies set in the Manual. The Corporation shall continue to improve its evaluation framework to measure adherence to its Manual of Corporate

Governance and to promote and strengthen the culture of good governance and responsible management practices within the organization.

Board of Directors

It is the Board's responsibility to foster the long-term success of the Corporation and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders. The Board is composed of 11 qualified members, including 2 independent directors. This is in compliance with the Securities Regulations Code (SRC), which requires that there shall be at least 2 independent directors or 20% of the members of the Board, whichever is less.

The 11 members of the Board of Directors of PSC have diversified business experiences in retail, finance, investment, banking, property, IT and Communications. Majority of the directors have vast experiences in the retail industry that the company belongs and also to various retail formats. On the other hand, the two Independent Directors, Mr. Antonio Jose U. Periquet, Jr. and Mr. Michael B. Zalamea, were pre-screened by the Nomination Committee of the Corporation in compliance with SEC Memorandum Circular No. 16 Series of 2002. They are neither officers nor substantial shareholders of Philippine Seven Corporation nor are they directors or officers of its related companies. Their shareholdings in the Corporation are less than 2% of the Corporation's outstanding capital stock pursuant to Section 38 of the SRC.

For the year, the Board held three meetings. The

Chairman, the CEO and the Independent Directors of PSC attended these meetings. Below is a table summarizing the attendance of the directors.

Executive Committee

The Executive Committee exercises, during intervals between Board meetings, all the powers and functions vested in the Board, as well as act on specific matters as may be delegated to it by the Board, except with respect to: (1) approval of any action for which shareholders' approval is also required; (2) the filing of vacancies in the Board; (3) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable. All matters passed and acted upon by the Executive Committee in the exercise of its powers and functions as provided herein, have the same force and effect for all intents and purposes, as if passed by the Board itself.

Audit Committee

The Audit Committee assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations. It also provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation; and perform oversight functions over the Corporation's internal and external auditors.

PSC complies with the SEC Memorandum Circular No. 4 Series of 2012, which requires the adoption of an Audit Committee Charter and an evaluation process to assess the Committee's performance. In

September 30, 2012, PSC adopted its Audit Committee Charter that sets the purpose, roles, responsibilities, and authority of the Committee including the rules and procedures that shall guide the function of the Committee. In accordance with the Charter, the Audit Committee shall conduct an assessment of its performance at least annually and shall use as reference the self-assessment worksheet and parameters as provided by SEC. The assessment for 2012 shall be conducted this year.

Compensation Committee

The Compensation Committee shall establish formal and transparent procedures for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

Nomination and Governance Committee

The Committee shall review and evaluate the qualifications of all persons nominated to the Board that require Board approval and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors. It also oversees the development and implementation of corporate governance principles and policies as part of its governance functions.

Disclosure and Reportorial Requirements

In order to improve and sustain its good governance practices, PSC continues to be transparent and to disclose compliance reports to the SEC and the Philippine Stock Exchange (PSE). It also constantly monitors the developments on Good Corporate Governance Practices and the regulatory requirements in connection with these practices.

PSC has consistently complied with the disclosure and reportorial requirements of both SEC and PSE, which included the following:

- Compliance Officer submits certification of PSC's compliance with its Manual of Corporate Governance and leading practices and principles on good corporate governance, and the attendance at board meetings by the directors
- Clarifications on news articles referred to or as requested by PSE; Disclosure requirements on changes in beneficial ownership of securities under the SRC, and the reporting of trading transactions of directors and concerned officers of the Company by

the Compliance Officer

- Certification and submission of regular periodic reports involving financial statements, disclosure of material information and events
- Compliant with the Minimum Public Float pursuant to PSE Memorandum
- Compliant with regulations and circulars passed by SEC and PSE from time to time and other regulatory requirements prescribed by regulatory agencies

Policies

PSC's corporate governance principles are also communicated in its policies.

- Manual on Corporate Governance as amended last July 29, 2010
- Internal Audit Charter as amended last February 11, 2011
- Audit Committee Charter - adopted on September 30, 2012
- Policy on Related Party Transactions - approved on November 1, 2004
- Code of Conduct and Business Ethics - adopted on August 24, 2009
- Policy on Conflict of Interest - approved on August 1, 2011
- Policy on Director's Fee for Independent Directors - adopted on January 1, 2012

Risk Management

PSC recognizes that risk management is an integral part of sound management practice and good corporate governance as it improves decision-making and enhances outcomes and accountability. PSC acknowledges its responsibility to manage risks and supports a structured, systematic and focused approach to managing them by approval of the risk management strategy.

In order to reinforce this philosophy on risk management, PSC Board of Directors or Executive Committee, through the Audit Committee, annually review the effectiveness of the system together with the approval of Internal Audit's annual plan. In particular, the Audit Committee considers on a regular basis whether:

- PSC's ongoing risk management program identifies all material and critical areas of risks;
- Adequate risk mitigation strategies have been designed and implemented by PSC to manage all material and critical identified risks;
- PSC undertakes a regular program of audits (internal audit, compliance audit and external audit) to test the effectiveness of internal controls and compliance with PSC's policies

Stakeholders

We look at our various stakeholders as our partners in pursuing the governance programs of the Corporation. As expressed in the Governance Manual, the Board of Directors shall respect the rights of the stockholders as provided in the Corporation Code as to their rights to vote, pre-emptive right, inspect corporate books and records, to relevant information, dividends and appraisal rights.

We strive to satisfy our customers with assortment and quality of products and services, and innovations for modern convenience. We improve our processes and customer service with programs on Challenge of Excellence and Mystery Shopper programs. We also provide a customer care hotline and on-line access for customer feedback.

We work with our various suppliers in accordance with our general policy for accreditation for suppliers. We utilize available environmental friendly, cost and work efficient equipment for the stores. The stores adhere to applicable environmental regulations in its operations. We protect the rights of our creditors with our public disclosure of our financial reports and performance and all material information to earning results, related risks and loan availments.

We value our employees and their contribution to achieving the corporate objectives. We respect their rights to self-organization, safe working conditions, and work-life balance. Compensation and incentives are determined on the basis of annual performance and achievement of targets. Training and development programs are regularly provided across all levels. Employee satisfaction survey for all position levels are being conducted annually. In accordance with employees' benefits program, the Company provides health and life insurance coverage, wellness program, and work leaves under the law and company policies.

We reach out to the communities where our stores are situated and we partner with them in providing supplemental feeding programs, medical missions, mobile day care assistance, Balik-Eskwela assistance, and "Christmas Caravan" activities. These programs are implemented through the PhilSeven Foundation, Inc. (PFI), where PSC pledged half of 1% of its annual net income before tax as a yearly donation to support CSR activities. The Company also engages directly and through PFI, various NGOs and government agencies, in disaster or calamity relief assistance in affected communities.

SUMMARY OF ATTENDANCE OF THE DIRECTORS

DIRECTOR	POSITION	JULY 24			Board Mtg Nov. 13
		Special BOG Meeting (AM)	Annual Stockholders' Meeting	Organizational Meeting (PM)	
1. Vicente T. Paterno	Chairman/Director	✓	✓	✓	✓
2. Yen-Sen Yang ¹	Vice Chairman/Director	✓	✓	✓	n/a
3. Nan-Bey Lai ²	Vice Chairman/Director	✓	✓	✓	✓
4. Jose Victor P. Paterno	President/Director	✓	✓	✓	✓
5. Jorge L. Araneta	Director	✓	✓	✓	x
6. Diana P. Aguilar	Director	✓	✓	✓	✓
7. Chung-Jen Hsu ³	Director	✓	x	✓	n/a
8. Chien-Nan Hsieh ¹	Director	✓	x	✓	n/a
9. Juli-Tang Chen ¹	Director	n/a	n/a	n/a	✓
10. Mao-Chia Chung ¹	Director	n/a	n/a	n/a	✓
11. Lien-Tang Hsieh ¹	Director	n/a	n/a	n/a	✓
12. Wen-Chi Wu	Director	✓	✓	✓	✓
13. Michael B. Zalamea	Independent Director	✓	✓	✓	✓
14. Antonio Jose U. Periquet, Jr.	Independent Director	✓	✓	✓	✓

¹ Resigned as of November 13, 2012

² Elected as Vice Chairman last November 13, 2012

³ Elected as of November 13, 2012

Board of Directors and Corporate Officers

Management Team



Chin-Yen Kao
Honorary Chairman
of the Board

Honorary Chairman of the Board of PSC since 2001. He is also the Chairman of Uni-President Enterprise Corporation, President Chain Store Corporation (PCSC), President Fair Development Corporation, President International Development Corporation, Ton Yi Industrial Corporation, and TTET Union Corporation. He also serves as Director of President Chain Store (Labuan) Holdings Ltd., PCSC (China) Drugstore Ltd., President Chain Store (BVI) Holdings Ltd.; Kai Yu (BVI) Investment Co., Ltd., Global Strategic Investment, Inc., President Energy Development (Cayman Islands) Ltd., Cayman President Holdings Ltd., Kao Chyuan Investment Co. Ltd., Uni-President China Holdings Ltd., Tainan Spinning Co., Ltd., and Hantech Venture Capital Corporation. He holds Honorary PhDs from Lincoln University, USA, Sun Yat-sen University, and National Cheng Kung University.



Vicente T. Paterno
Chairman of the Board

Chairman of the Board and Director of PSC since 1982. He is also the Chairman of Store Sites Holding, Inc. (SSHI), and PhilSeven Foundation Inc. (PFI). A former government official, he sits as the Chairman of the Executive Committee and Nomination & Governance Committee of PSC. He holds a Bachelor of Science degree in Mechanical Engineering from University of the Philippines, and Master of Business Administration (with Distinction) from Harvard University.



Nan-Bey Lai
Vice Chairman & Director

Director of PSC since 2010. He was elected as Vice-Chairman as of November 13, 2012. He is also the President and Director of Books.com Co., Ltd., and Senior Vice President of PCSC. He is the Chairman of Duskin Serve Taiwan Company, Rakuten Taiwan Co., Ltd., Bank Pro E-Service Technology Co., Ltd., and PCSC (Vietnam) Supermarket Ltd. He is a Director of PCSC, President Drugstore Business Corporation, Mech-President Corporation, President Transnet Corporation, President Collect Services Co., Ltd., Uni-President Department Store Corporation, Pet Plus Co., Ltd., Muji (Taiwan) Co., Ltd., President Organics Co., President SATO Co., Ltd., Q-ware Systems & Services Corporation, Ren-Hui Investment Corporation, SATO (Shanghai) Catering Mathematics Co., Ltd., Tong-Ho Development Corporation, and Q-ware Communications Co., Ltd. He sits as Chairman of the Compensation Committee of PSC. He holds a BA from the Department of Business Administration, Tunghai University.



Jose Victor P. Paterno
President & Director

Director of PSC since 1997. He served as Vice-President for Operations prior to being appointed as President and CEO of PSC. He is also the Chairman and President of Convenience Distribution, Inc. (CDI), and Vice-Chairman of PFI. He is President of First MFI Network, Inc., Chairman of Supply Chain Networks, Inc., and Director of both Electronic Commerce Payment (EC Pay) Network, Inc., and The Straits Wine Company, Inc. He is a Member of the Executive, Audit and Compensation Committees of PSC. He holds a Bachelor of Science in Mechanical Engineering, (Magna Cum Laude) from Lehigh University, Bethlehem Pennsylvania, U.S.A.



Jorge L. Araneta
Director

Director of PSC since 1988. He is also the Chairman and CEO of Araneta Group (Araneta Center Inc., Philippine Pizza Inc., Progressive Development Corporation, and Uniprom Inc.). He holds a degree in Bachelor of Science in Business Administration from the University of the Philippines.



Diana Pardo-Aguilar
Director

Director of PSC since 1999. She is a member of the Executive, Audit, Nomination and Governance Committees. Ms. Pardo-Aguilar is also a Commissioner of the Social Security Commission, the Chairperson of the Investment Oversight Committee and member of the Information Technology Committee and Risk Management Committee of the Social Security System. She is a Director of Security Bank Corporation, Asian Holdings Corporation, Wenghil Corporation, Electronic Commerce Payments Network, Inc., DAJ Property Holdings Corporation, Gate Distribution Enterprise, Inc., and Modesto Holdings Philippines, Inc. She also sits as member of the Executive Finance Committee of the De La Salle Santiago Zobel School. Ms. Pardo-Aguilar is an Investment Banker by training and worked at CLSA Exchange Capital Corporation and Jardine Fleming Exchange Capital Corporation for 13 years. She holds a Masters Degree in International Business and Finance from the Pepperdine University, Malibu, USA. And she holds a Bachelor of Science degree in Computer studies from the De La Salle University, Taft Avenue, Manila.



Antonio Jose U. Periquet, Jr.
Independent Director

Independent Director of PSC since 2010. He is the Chairman of Pacific Main Holdings, Inc., Campden Hill Group, Inc., and Regis Financial Advisers. He is a Director of The Straits Wine Company, Inc. and Trustee of the Lyceum University of the Philippines. He is also an Independent Director of Ayala Corporation, BPI Capital, DMCI Holdings, Inc., Bank of the Philippine Islands, BPI Family Bank, ABS-CBN Corporation, and ABS-CBH Holdings Corporation. He is a Member of the Deans Global Advisory Council in the Darden School of Business, University of Virginia. He sits as Chairman of the Audit Committee and Member of the Executive Committee of PSC. He holds a degree in AB Economics from the Ateneo De Manila University, MSc Economics from Oxford University, and an MBA from the University of Virginia.



Michael B. Zalamea
Independent Director

Independent Director of PSC since 2005. He is also a Director of the Philippine Coastal Storage & Pipeline Corporation, Clark Pipeline & Depot Company Inc., and Wespak Holdings, Inc. He is the former Portfolio Manager of Global Fund, American International Group, Inc. He is a Director of The Straits Wine Company, Inc. and a Trustee of The Beacon Academy. He is a Member of the Compensation and Nomination & Governance Committees of PSC. He holds a Bachelor of Science in Finance from the Fordham University U.S.A. and an MBA from the University of Virginia.



Wen-Chi Wu
Director

Director of PSC since 2008. She is the Chief Financial Officer of PCSC. She is also a Director of PCSC Afternoon Tea Cayman Ltd., and President Investment Trust Corporation. She is the Supervisor of Muji (Taiwan) Co., Ltd., Books.com Co., Ltd., Rakuten Taiwan Co., Ltd., Mister Donut Taiwan Corp., President Coffee Corp., Q-ware Systems & Services Corp., President Information Corp., Integrated Marketing Communications Co., Ren Hui Investment Corp., President Chain Store (Shanghai) Ltd., PCSC Afternoon Tea Shanghai Ltd., Shanghai President Starbucks Coffee Corp., President (Shanghai) Health Product Trading Company Ltd., President Drugstore Business Corp., Mech-President Corp., President Pharmaceutical Corp., President Transnet Corp., President Collect Services Co., Ltd., Uni-President Department Store Corp., President Coffee Corp., and Pet Plus Co., Ltd. She holds a degree from the School of Accountancy in University of Missouri in Columbia.



Jui-Tang Chen
Director

Director of PSC since 2012. He is the President of PCSC, and Ren-Hui Investments Corporation. He is also the Chairman of President Drugstore Business Corp., President Yilan Art and Culture Corp., President Transnet Corp., President Collect Services Co., Ltd., Muji (Taiwan) Co., Ltd., Retail Support International Corp., President Musashino Corp., and Ren-Hui Investment Corp. He is a Director of PCSC, President Chain Store (Hong Kong) Holdings Limited, President Coffee (Cayman) Holdings Ltd., Uni-President Department Store Corp., President Being Corp., 21 Century Enterprise Co. Ltd., President Coffee Corp., Wisdom Distribution Service Corp., Uni-President Cold-Chain Corp., President International Development Corp., President Chain Store (Shanghai) Ltd., Shan Dong President Yinzuo Commercial Limited, Shanghai President Starbucks Coffee Corp., and Nanlien International Corp. He holds a BA from the Dept of Economics of the National Taiwan University.



Mao-Chia Chung
Director

Director of PSC since 2012. He is Director Senior Vice President of PCSC. He is the Chairman of Capital Inventory Services Corp., President Information Corp., PCSC, Insurance Brokers Co., Ltd., and President Chain Store Good Neighbor Foundation. He is also a Director of President Drugstore Business Corp., President Being Corp., President Pharmaceutical Corp., Books.com Co., Ltd., Q-ware Systems & Services Corp., Bank Pro E-Service Technology Co., Ltd., Integrated Marketing Communications Co., Presicare Corp., PK Venture Capital Corp., President Chain Store (Shanghai) Ltd., President (Shanghai) Health Product Training Company Ltd., Presicrec Limited, and President Pharmaceutical (Hong Kong) Holdings Limited. He holds a degree from the Department of International Trade of Feng Chia University.



Lien-Tang Hsieh
Director

Director of PSC since 2012. He is the Vice President of PCSC. He is also a Director of Duskin Serve Taiwan Co., Uni-President Cold-Chain Corp., and President Baseball Team Corp. He is a Supervisor of Capital Inventory Services Corp. He holds a degree from the Department of Business Administration of the Chinese Culture University.



Ping-Hung Chen
Treasurer and CFO

Treasurer and CFO of PSC since 2012. He is the Head of Investment Management of PCSC, Head of Investor Relations of PCSC, and Financial Planning Specialist of PCSC. He is a Member of the Executive and Compensation Committees of PSC. He holds a Degree in Economics from Tung Hai University and an MBA from National Kaoshiung First University of Science and Technology.



Evelyn S. Enriquez
Corporate Secretary

Corporate Secretary of PSC since 2004. She is PSC's Legal and Corporate Services Division Manager, Compliance Officer & Non-Voting Member of Nomination & Governance Committee. She is also the Corporate Secretary of CDI, SSHI, FPIC Corporation & PFI. She is the President of Columbia Owners' Association Inc. & Corporate Secretary of SFSEL. She holds a degree in BSC Economics from the University of Santo Tomas and a Bachelor of Laws (Cum Laude), University of Santo Tomas Faculty of Civil Law.

Executive Committee

Vicente T. Paterno
Chairman of the Board and Executive Committee

Antonio Jose U. Periquet, Jr.
Member and Independent Director

Ping-Hung Chen
Member / Treasurer and CFO

Jose Victor P. Paterno
Member and President

Diana Pardo-Aguilar
Member and Director

Ying-Jung Lee
Non-voting member / Operations Director and Concurrent Marketing Director

Compensation Committee

* **Nan-Bey Lai**
Chairman and Vice-Chairman of the Board

Jose Victor P. Paterno
Member and President

Ping-Hung Chen
Non-voting member / Treasurer and CFO

Michael B. Zalamea
Member and Independent Director

Ying-Jung Lee
Non-voting member / Operations Director and Concurrent Marketing Director

* Elected/Appointed as of Nov. 2012 and replaced Mr. Yen-Sen Yang

Audit Committee

Antonio Jose U. Periquet, Jr.
Chairman and Independent Director

Diana Pardo-Aguilar
Member and Director

Jose Victor P. Paterno
Member and President

Management Team

Jose Victor P. Paterno
President and CEO

Lawrence M. De Leon
Finance and Accounting Services Division Manager

Armi A. Cagasan
Strategic Merchandise Division Manager

Ping-Hung Chen
Treasurer and CFO

Liwayway T. Fernandez
Operations Division Manager

Eduardo P. Bataclan
Procurement Division Manager

Chao-Shun Tseng
Corporate Planning Head

Ying-Jung Lee
Operations Director and Concurrent Marketing Director

Francis S. Medina
Business Development Division Manager

Violeta B. Apolinario
Human Resources and Administration Division Manager

Maria Celina D. De Guzman
Internal Audit Division Manager

Evelyn S. Enriquez
Compliance Officer and Corporate Secretary Legal and Corporate Services Division Manager

Jose Ang, Jr.
General Merchandise Division Manager

Jason Jan G. Ngo
Management Information Division Manager



PHOTO OPS: L-R, Top: Ping-Hung Chen, Evelyn S. Enriquez, Maria Celina D. De Guzman, Chao-Shun Tseng, Jason G. Ngo, Eduardo P. Bataclan, Violeta B. Apolinario L-R, Bottom: Ying-Jung Lee, Lawrence M. De Leon, Armi A. Cagasan, Jose Victor P. Paterno, Liwayway T. Fernandez, Jose C. Ang Jr., Francis S. Medina

* Resigned directors as of Nov. 2012 are Messrs: Chien-Nan Hsieh, Chung-Jen Hsu and Yen-Sen Yang
Directors elected to replace resigned directors for the remaining term are: Messrs: Jui-Tang Chen, Mao-Chia Chung and Lien-Tang Hsieh

* Mr. Yen-Sen Yang resigned as Vice Chairman as of Nov. 2012 and replaced by Mr. Nan-Bey Lai

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 29 and 30)	Php 415,285,569	Php 394,696,749
Short-term investment (Notes 4, 29 and 30)	10,632,115	10,409,907
Receivables (Notes 5, 29 and 30)	374,597,843	239,289,287
Inventories (Note 6)	726,986,563	519,258,936
Prepayments and other current assets (Note 7)	259,007,887	161,522,138
Total Current Assets	1,786,509,977	1,325,177,017
Noncurrent Assets		
Property and equipment (Note 8)	2,276,921,044	1,946,032,976
Deposits (Note 9)	249,418,061	215,964,826
Deferred income tax assets - net (Note 27)	43,009,798	40,662,817
Goodwill and other noncurrent assets (Note 10)	208,489,602	206,461,345
Total Noncurrent Assets	2,777,838,505	2,409,121,964
TOTAL ASSETS	Php 4,564,348,482	Php 3,734,298,981
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Notes 11, 29 and 30)	Php 477,777,778	Php 374,666,667
Accounts payable and accrued expenses (Notes 12, 29 and 30)	1,261,289,989	1,243,937,457
Income tax payable	105,144,142	73,922,196
Other current liabilities (Notes 13 and 25)	541,881,392	298,435,516
Total Current Liabilities	2,386,093,301	1,990,961,836
Noncurrent Liabilities		
Deposits payable (Note 14)	181,901,238	171,457,833
Net retirement obligations (Note 24)	61,120,420	65,192,720
Cumulative redeemable preferred shares (Note 15)	6,000,000	6,000,000
Deferred revenue - net of current portion (Note 16)	2,643,179	4,057,482
Total Noncurrent Liabilities	251,664,837	246,708,035
Total Liabilities	2,637,758,138	2,237,669,871
Equity		
Common stock (Notes 17 and 31) - Php1 par value		
Authorized - 600,000,000 and 400,000,000 shares as of		
December 31, 2012 and 2011, respectively		
Issued - 399,325,661 and 347,329,216 shares as of		
December 31, 2012 and 2011, respectively		
[held by 656 and 666 equity holders in 2012		
and 2011, respectively (Note 1)]	399,325,661	347,329,216
Additional paid-in capital (Note 31)	293,525,037	293,525,037
Retained earnings (Notes 17 and 31)	1,233,432,997	855,468,208
Revaluation increment on land [net of deferred income tax liability (Notes 8 and 27)]	3,229,895	3,229,895
	1,929,513,590	1,499,552,356
Cost of 686,250 shares held in treasury (Note 17)	(2,923,246)	(2,923,246)
Total Equity	1,926,590,344	1,496,629,110
TOTAL LIABILITIES AND EQUITY	Php 4,564,348,482	Php 3,734,298,981

See accompanying Notes to Consolidated Financial Statements.

PHILIPPINE SEVEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2012	2011	2010
REVENUES			
Revenue from merchandise sales (Note 32)	Php 11,713,760,468	Php 9,435,604,073	Php 7,612,243,056
Franchise revenue (Note 32)	683,572,827	534,025,712	442,822,680
Marketing income (Note 20)	375,768,257	239,888,660	147,469,060
Commission income (Note 32)	67,396,391	37,236,539	29,271,506
Rental income (Note 26)	45,751,718	44,143,593	37,361,844
Interest income (Notes 4, 9, 22 and 26)	5,377,093	5,864,713	5,355,769
Other income (Note 26)	123,025,663	99,300,756	72,802,078
	13,014,652,417	10,396,064,046	8,347,325,993
EXPENSES			
Cost of merchandise sales (Notes 18 and 32)	8,523,151,274	6,844,562,019	5,388,497,887
General and administrative expenses (Note 19)	3,785,661,595	3,012,177,978	2,531,390,104
Interest expense (Notes 11, 15 and 21)	16,596,830	16,024,647	16,398,169
Other expenses	14,595,186	4,806,251	5,403,913
	12,340,004,885	9,877,570,895	7,941,690,073
INCOME BEFORE INCOME TAX	674,647,532	518,493,151	405,635,920
PROVISION FOR INCOME TAX (Note 27)	210,022,001	162,150,162	128,755,672
NET INCOME	464,625,531	356,342,989	276,880,248
OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE INCOME	Php 464,625,531	Php 356,342,989	Php 276,880,248
BASIC/DILUTED EARNINGS PER SHARE (Note 28)			
	Php 1.17	Php 0.89	Php 0.69

See accompanying Notes to Consolidated Financial Statements.

MILESTONES 2012



7-ELEVEN OPENS IN CEBU

2012 is the year PSC expands beyond Luzon and crosses into the Visayas, its first step towards becoming nationwide.



FOOD INNOVATIONS: HOT POT

PSC rolls out a unique new offering with Hot Pot, a satisfying dish that can be enjoyed any time. Hot Pot or 'Oden' as it is known in Japan, is a stewed savory snack served with a variety of ingredients such as fish cakes and squid balls.



STORE UPGRADES

New stores now feature an upgraded look that features an improved ambiance and makes products more accessible for customers.



MASTER ENTREPRENEUR

Last year, President and CEO, Victor Paterno received the Ernst & Young Master Entrepreneur of the Year award, which recognizes outstanding leaders of businesses that have been running for over five years.



800 STORES AND COUNTING

Including Store 800, PSC opened a total of 140 stores last year, on target to reach 1,000 stores by the end of 2013.

STRENGTHENING SERVICES

7-Eleven continues to expand its services. Customers can now pay for airline tickets for selected budget airlines and deal sites through the store.



Growing Up and Branching Out

Adulthood or maturity is defined as the period in the life of a human being or living organism where physical and intellectual development is fully realized and typically begins at the age of 20.

Last year marked PSC's 30th anniversary. By the same logic, it can be said that PSC has also reached the stage of early adulthood. Its story may be likened to that of a young tree. One that has its roots firmly planted in the ground and is already at the point where it is strong enough to sustain rapid growth. Last year was the point at which it could finally bear its first sturdy branch, which was manifested through the company's foray into Cebu, Queen City of the South.

On July 31, 2012, PSC opened seven stores in Cebu as part of the company's expansion efforts. Crossing over into Cebu was the result of years of careful planning. With 45% of the country's population living outside of Luzon, PSC has pushed forward to bring modern convenience to more Filipinos. As an industry leader, it first had to make sure that it had the capability support sustainable expansion into the region. As with any growth process, this took time as the company worked to overcome logistical challenges.

Cebu was deemed ready as the market was brimming with potential. The province has an increasing per capita income and GDP growth has surpassed that of the

GDP of total Philippines. The market is there – a growing middle-class, with a BPO population of 25,000, second only to the NCR. The region also experiences the second biggest number of tourist arrivals, next to Manila. Cebu is well positioned for economic growth.

In the first few weeks of opening, 7-Eleven stores in Cebu were full of people lining up for its signature beverage, Slurpee. Such was their response that Cebu stores now have two Slurpee machines per store.



The first 7-Eleven store opens in Cebu at Escario Central. Gracing the event are executives from President Chain Store Corporation (PCSC), 7-Eleven International (SEI), PSC, Cebu government officials and celebrity guests.

Seen in the ribbon-cutting ceremony (from left to right) are Frank Tsai (PCSC), Yen-Sen-Yang (PCSC), Rayver Cruz, Chris Tanco (SEI), Gov. Gwen Garcia, Cebu City Mayor Mike Rama, Victor Paterno (PSC), Victor Lai (PCSC) and Jessy Mendiola.



Sinulog dancers liven up the festivities at the Cebu Grand Opening event.



PSC's Victor Paterno and Chevron Philippines, Inc. Country Chairman Jim Meynink sign the Memorandum of Agreement to strengthen the existing partnership between the two companies.

The company's partnership with Chevron Philippines, Inc. also played a part in strengthening its reach in Cebu. The MOA allowed PSC to open seven stores in Caltex stations in the province, comprising a quarter of the Cebu store count. These stores are crucial as they attract an important part of the market, particularly motorists.

Opening in Cebu is a logistically strategic move, and the investment required was significant. The province is expected to accommodate at least 100 stores in the next 3 years and poised to become the key distribution point for stores set to open in the Visayas. Last May, the first 7-Eleven store opened in Bacolod. PSC also has its sights set on expansion into Negros Occidental and Iloilo. PSC looks forward to sustained growth nationally. Eventually, the company will be in Mindanao.

2012 has indeed been a successful year. Net income was up by 30.4%, systemwide sales were up 25%

Everything is now in place for the company to move forward nationally. Supporting efforts to bring in more customers is the new store look as the company continues to adapt to the needs of its customers. When a customer walks in to an upgraded store, they can expect an improved ambience. Lowered shelves make it easier for customers to reach the product. Food service products are also more accessible on the island tables. Dine-in customers can



The improved store layout features a modern look that puts convenience for customers at the forefront. For example, the food service island is positioned near the counter and dining area for easy access.

also enjoy a more comfortable, spacious dining area. Innovations are found to have a significant impact: customer count is 16% higher and average sales is 12% higher than in traditional format stores. All new stores now use the upgraded store layout, and the plan is to eventually roll-out the new look to existing stores.

2012 has indeed been a successful year. Net income was up by 30.4%, systemwide sales were up 25%, and 147 stores were opened, on track with PSC's assigned target to open 1,000 stores by the end of this year.

Trees do not merely grow taller – their roots grow deeper, branches multiply, there is the continuous budding of new leaves, new flowers, new fruit.

As in nature, so it is with your company. Philippine Seven Corporation continues its aggressive expansion upward and outward. Nurtured by your confidence, it will maintain the deep foundation and the strength needed to sustain this growth.



Warm interior lighting and earthy tones are among the improvements to enhance the store ambience.



New shelves are lower yet still carry the same volume of products.



The sit-down dining area is now more spacious and can accommodate more dine-in customers.

Cultivating Growth

With the proper nurturing and care, the tree continues to thrive. For PSC, the measure of health lies in the customers, and the way to do this is to keep on innovating, giving them a reason to keep coming back everyday.

In 2012, the company continued to expand its food service offerings aimed at a growing health-conscious market. In particular, salads and fruit (including green mango with *bagoong* and pomelo) were made available in convenient, ready-to-eat packages. Whole fruits such as Fuji apples can now be found in most stores.

PSC also realized the potential in premium products. Big Time Meals, a premium rice meal, was rolled out last year. The premium meals offer bigger servings, better quality, and better value at P69.

Hot Pot, a line inspired by 7-Eleven Taiwan's 'Oden,' was also piloted last year. Traditionally from Japan, it is a dish served with a variety of ingredients such as fish cakes and squid balls, stewed in savoury broth.



PSC is also moving towards expanding services. It partnered with airlines such as Philippine Airlines, PAL Express, Air Asia, and deal sites to accept online payments in 7-Eleven stores. There was a significant increase in services last year, and this will continue to be an important direction to focus on in the years ahead.

Special events are another aspect of PSC's engagement with the market, providing an out-of-store venue to interact with existing and potential customers in a more personal way. "Tour 700: *Bayani ng Barangay*," named in celebration of 700 stores, was 2012's edition of PSC's annual bike race. Held on May 13 of that year, the race attracted over 3,000 riders. Patrol bikes were donated as a special award to the barangays chosen by the winners, allowing an environmentally-friendly means of assisting the community.



Tour 700: *Bayani ng Barangay*



Run 800: *Takbo Para sa Kalusugan*

The 800th store, in turn, was celebrated by holding Run 800 on January of 2013, dubbed "*Takbo Para Sa Kalusugan*." The successful event attracted 10,000 participants, an achievement made more special by the fact that it was PSC's first time to host a fun run, and the first time the scenic Manila-Cavite Expressway (CAVITEX) was opened for such an event. As part of PSC's advocacy, runners were able to vote for the Top 3 cities to receive assistance in kind for their health programs.

Both Tour 700 and Run 800 made use of 7-Connect, 7-Eleven's online payment system.

As 7-Eleven sets its targets at ever higher numbers, the primary focus remains on the most basic ingredient required for growth: the customers.

NOW SERVICING AIRLINE TICKETS

AirAsia.com

airphil express *Philippine Airlines*

ONLINE MERCHANTS

CASH CASH PINOY, ensogo, Shop! It's Easy, Munchpunch, dealstent, DealAmigos, TCAT, DealGate

BILLERS

UTILITY PAYMENTS

Globe, InnOve, Manila Water, Maynilad, SMART, PLDT, SKYCABLE, SMART, SUN, VECO, w:tribe

LOAN & INSURANCE PAYMENTS

GOLDEN HEAVEN, Optimum Bank, Sunamho, unistar

CASH PAYMENTS ONLY • Payments made after 2pm will be posted the next day

POWERED BY *ecpay*

Bearing Fruit

Thirty years of pursuing growth have produced consistent results for PSC. These successes were highlighted by the SGV Master Entrepreneur Award given to PSC President and CEO, Jose Victor Paterno in 2012.

While continuing to build on these accomplishments, the corporation has also remained resolute in its support of the people on whom success depends – the communities where 7-Eleven stores are present. PSC's CSR arm, PhilSeven Foundation, Inc. (PFI), operates on an allocation of half of one percent of corporate net income, an amount that is used

for programs which help underprivileged children, the sick, and victims of disaster.

A tree grows taller and bears fruit by staying connected to the ground which supports it. PSC is committed to expansion well beyond 30 years, and it recognizes that this will be possible only by keeping roots firmly planted in the community.



(L to R) SGV Chairman and Managing Partner Vic Noel, Jose Victor Paterno, EOY Program Director Antonette Tionko

Ernst & Young's Master Entrepreneur Award

PSC President and CEO Jose Victor Paterno received the prestigious Ernst & Young's Master Entrepreneur Award at the grand banquet held last October 19, 2012 at the Makati Shangri-La Hotel. Spearheaded by the SGV Foundation, the award recognizes outstanding leaders of businesses that have been running for over five years and have maintained management excellence over a sustained period of time.

In 2011, Mr. Paterno was also nominated for the 10th Asia Business Leaders Awards. His efforts has grown earnings at a compounded annual rate of 78% since taking over as President and CEO in 2005.



The Balik-Eskwela Project

The Balik-Eskwela Project is aimed at ensuring better access to education. The program grants over 2,000 public elementary school and day-care pupils from Paranaque City and Pasay City much needed school bags and other school supplies.



Medical Mission

Medical Missions deliver medical assistance to underserved communities and areas within Paranaque and Manila City needing the most attention. Patients are provided with general check-ups, and medicines are provided for free. Over 2,400 patients were served by the program.



The Mobile Day Care Project

The Mobile Day Care Project in Manila is a joint undertaking with the City Government of Manila. It aims to provide quality day care education through DSWD's ECCD (Early Childhood Care and Development) program to several *barangays* without access to day care facilities or schools. This accounts for almost half a percent of the total *barangays* in Manila, and the number is growing.



Supplemental Feeding Program

The Supplemental Feeding Program provides better nutrition for underweight children from three to six years of age, residing in Manila, Paranaque and Pasay City. Nutrition is important at this stage of growth as the lack thereof can cause permanent physical and mental retardation. According to a 2008 DOST-FNRI study, 3 out of 10 children within the ages of 0 and 9 are underweight. Over 500 children are served by the program.



Relief Operations: Caloocan & Manila

Disaster/Calamity Relief Operations provide relief and/or rehabilitation services in the event of natural or man-made disasters. The program activities include resource mobilization, relief distribution, and networking with the local government and other NGOs. Last year, PFI assisted in relief operations in Manila and Caloocan.



Budget Secretary Francisco Abad (third from left), PFI management committee chairperson Violeta Apolinario (fourth from left), Social Welfare Secretary Dinky Soliman (fifth from left), PFI agency head Israelita Ferrer-Lequin (fourth from right) and 7-Eleven Employees Council chairman Leody Arsenio (third from right).

PFI was voted as Best Volunteer by the Department of Social Welfare and Development (DSWD) in appreciation of its provision of free meals to a total of 5,579 volunteers at the National Relief Operation Center for 17 days during 2012's destructive *habagat* season. The award recognizes efforts of individuals, groups, or organizations whose *panata* or vow it is to share their resources, to provide opportunities to disadvantaged sectors.

Corporate Headquarters

7th, 11th & 12th Floors, The Columbia Tower
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Investor Relations

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Customer Care

customercare@7-eleven.com.ph

Principal Banker

Bank of the Philippine Islands

Auditors

Sycip Gorres Velayo & Company

Stock Transfer Agent

BDO Unibank, Inc.

Trust and Investments Group

Address: BDO South Tower, Makati Avenue cor.
H.V. Dela Costa St., Makati City, Philippines
Telephone: (02) 840-7000 loc. 6976 to 80

7-Eleven Stores Worldwide

	Stores 2012	Stores 2011	Stores 2010
7-Eleven, Inc. (1)	8,118	7,149	6,610
Hawaii	59	58	55
Mexico	1,498	1,351	1,223
NA Totals/Averages	9,675	8,558	7,888
Denmark	197	196	144
Norway	159	164	173
Sweden	189	185	189
Europe Totals/Averages	545	545	506
Australia	595	581	415
Beijing	200	147	100
Chengdu	87	41	-
Hong Kong	915	924	964
Indonesia	117	57	21
Japan	14,807	13,718	13,007
Korea	5,978	4,690	3,145
Macau	42	40	42
Malaysia	1,407	1,328	1,212
Philippines	829	689	551
Qingdao	4	-	-
Shanghai	84	94	54
Singapore	570	561	549
So. China	587	546	551
Taiwan	4,852	4,801	4,750
Thailand	6,820	6,270	5,790
Asia Totals/Averages	37,894	34,487	31,151
Totals/Averages	48,114	43,590	39,545

Source: 7-Eleven International December 2012 Snapshot Summary

Notes





7th, 11th & 12th Floors, The Columbia Tower
Ortigas Avenue, Mandaluyong City 1550

www.7-eleven.com.ph