



PHILIPPINE SEVEN CORPORATION

7th Floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City 1550 Philippines
Telephone Nos. (632) 724-44-41 to 53 / 705-52-00
www.7-eleven.com.ph

August 11, 2017

PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, PSE PLAZA, Ayala Triangle
Ayala Avenue, Makati City


Attention: JOSE VALERIANO B. ZUÑO III
OIC-Head, Disclosure Department

Dear Mr. Zuño:

Attached is the copy of the Current Report SEC Form 17-C Re: Press Release.

Thank you.

Very truly yours,


ATTY. EVELYN S. ENRIQUEZ
Corporate Secretary

COVER SHEET

0 0 0 0 1 0 8 4 7 6

S.E.C Registration Number

P H I L I P P I N E

S E V E N

C O R P O R A T I O N

(Company's full Name)

7 t h F l r . T h e C o l u m b i a T o w e r

O r t i g a s A v e . M a n d a l u y o n g C i t y

(Business Address: No. Street City / Town / Province)

Atty. Evelyn S. Enriquez
Corporate Secretary

Contact Person

724-44-41 to 51

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

1 7 - C

FORM TYPE

0 7

Month Day
Annual Meeting

3rd Thursday

Day

PRESS RELEASE

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2 (c) THEREUNDER

1. Date of Report : August 11, 2017
2. SEC Identification Number : 108476
3. BIR Tax Identification No. : 000-390-189-000
4. Exact Name of Issuer as specified in its charter : Philippine Seven Corporation
5. Province, Country or other jurisdiction : PHILIPPINES
6. Industry Classification Code: (SEC Use only)
7. Address of principal office : 7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong
City 1550
8. Issuer's Telephone number, including area code : (632) 724-4441 to 53
9. Former name of former address, if changed since
last report : n / a
10. Securities Registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8

Number of Shares of Common Stock

| | |
|-----------------------------|-------------|
| Shares Outstanding – Common | 458,435,323 |
| Units – Warrants | 0 |

11. Indicate the item number reported herein :

Item 9. Other Events

Item 9. Other Events

Please see attached Press Release.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned duly authorized for the purpose.

PHILIPPINE SEVEN CORPORATION

By:


ATTY. EVELYN S. ENRIQUEZ
Corporate Secretary



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August 11, 2017 – Philippine Seven Corporation (PSE:SEVN) – Results for the second quarter and first six-months ended June 30, 2017.

7-Eleven sales recovered in the second quarter as store count rose 20%

- Store count by the end of June 30 reached 2,087, up by 347 or 19.9% from 1,740 during same period in 2016. New stores added in the first half totaled 109 against 17 closures.
- Broken down per major-island, the number of 7-Eleven stores in Luzon is pegged at 1,686 (829 of which are in Metro Manila), Visayas at 269 and Mindanao with 132.
- Net income in the second quarter was almost flat at P288.3 million, while a decline of 5.5% in net earnings was registered during the first half of the year.
- Same store sales grew by 1.2% during the second quarter reversing the 2.5% decline registered during the preceding quarter, to bring year-to-date decrease to only 1.0%. Election-related spending and other factors benefited the sales in 2016.
- Retail sales of all stores, at the end of the first half, went up by 16.9% to P18.1 billion from P15.5 billion a year ago. This was mainly driven by the increase in the number of operating stores.

The following are the financial highlights based from the Company’s unaudited financial reports:

| Financial Highlights <i>(Amount in Php millions except store count and EPS)</i> | For the 2nd Quarter Ended June 30, | | | For the Six Months Ended June 30, | | |
|---|--|-------------|-----------------|--|-------------|-----------------|
| | 2017 | 2016 | % Change | 2017 | 2016 | % Change |
| Store count | | | | 2,087 | 1,740 | 19.9 |
| System-wide sales | 9,693.6 | 8,116.7 | 19.4 | 18,070.5 | 15,459.3 | 16.9 |
| Revenue from merchandise sales | 8,286.7 | 7,350.9 | 12.7 | 15,317.2 | 13,923.1 | 10.0 |
| Operating income | 423.8 | 425.1 | -0.3 | 662.0 | 693.8 | -4.6 |
| EBITDA | 818.8 | 758.9 | 7.9 | 1,439.1 | 1,338.7 | 7.5 |
| Net income | 288.3 | 290.0 | -0.6 | 446.4 | 472.3 | -5.5 |
| EPS | 0.63 | 0.63 | -0.6 | 0.97 | 1.03 | -5.5 |
| EBIT % * | 5.1% | 5.8% | | 4.3% | 5.0% | |
| EBITDA % * | 9.9% | 10.3% | | 9.4% | 9.6% | |
| Net margin * | 3.5% | 3.9% | | 2.9% | 3.4% | |

* % of revenue from merchandise sales

Philippine Seven Corporation (PSC), the local licensee of 7-Eleven Convenience Stores, improved same store sales in the second quarter by posting growth of 1.2%. This reversed the 2.5% decline registered in the preceding quarter and brought year-to-date same store sales decrease to only 1.0%.

As a result of better sales, the rate of decline in net income was reduced from 13.3% reported in the first quarter to 5.5% by the end of the first half. Net income generated during the first six months of the year stood at P446.4 million compared to P472.3 million in 2016.

Retail sales of all stores (or system-wide sales) totaled to P18.1 billion, up by 16.9% compared with the level set in the same period in 2016. The increase in sales can be attributed to the higher number of operating stores, which rose by 19.9% or by 347 stores to end the quarter with 2,087 stores all over the Philippines.

PSC ended the first half of 2017 with a nation-wide store count of 2,087 stores. There were 1,686 7-Eleven stores in Luzon (829 of which are in Metro Manila), 269 in Visayas and 132 in Mindanao. Franchisees control 54% of all stores while the remaining 46% are corporate-owned.

The Company remains on track when it comes to pursuing its store expansion program. It continues to invest in opening new stores in existing and new markets even if competition had slowed down. The capacity building expenditures on logistics assets and organizational capability have produced favorable results. The focus of the organization going forward will be on increasing sales per store. There are various programs lined up covering expanding merchandise assortment and launching of new food and beverage items to serve as differentiation compared with other channels. New services will be introduced to take advantage of growing customer preference towards innovation and convenience.

For this year, the Company will be setting its capital expenditures budget to at least P3.5 billion to support its store expansion strategy. Bulk of the said amount is allocated to new store opening, store renovation and equipment acquisition.

Philippine Seven Corporation (PSE:SEVN) operates the largest convenience store network in the country. It acquired from Southland Corporation (now Seven Eleven Inc.) of Dallas, Texas the license to operate 7-Eleven stores in the Philippines in December 1982. It was listed in the Philippine Stock Exchange on February 4, 1998.

Signed:



Lawrence M. De Leon
Head of Finance

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