

Uni-President Enterprises Corp.

(UPEC 1216 TT)

August 2008



統一企業公司
UNI-PRESIDENT ENTERPRISES CORP.

Company Background

- Founded in 1967
- Market capitalization US\$4.4bn*
- Taiwan's largest food manufacturer with the leading retail and distribution business in Taiwan.
- Strong presence in the beverage and instant noodles product lines in China market.
- Targeted-Asian-markets core businesses:
Food, Retail, Distribution and Trading
- Continue divesting the non-core businesses.

* Market capitalization was based on the closing price as of August 5, 2008 :US\$1=NT\$30.7

Major Entities & Selected Brands

- Taiwan

- China

- Southeast Asia

- Vietnam
 - Thailand
 - Indonesia
 - Philippines



Retail

- PCSC (45.4%)
- Presicarre Corp.(40%)

Trading

Nan Lien International Corp.(100%)

Investments

PIDC(62.5%)

Financials

President Securities(31.8%)

- PCSC is the retail arm with the investment in the retail chains, including Starbucks, Cosmed, Mister Donuts and etc.

- Presicarre Corp. is Taiwan's largest hypermart chains.

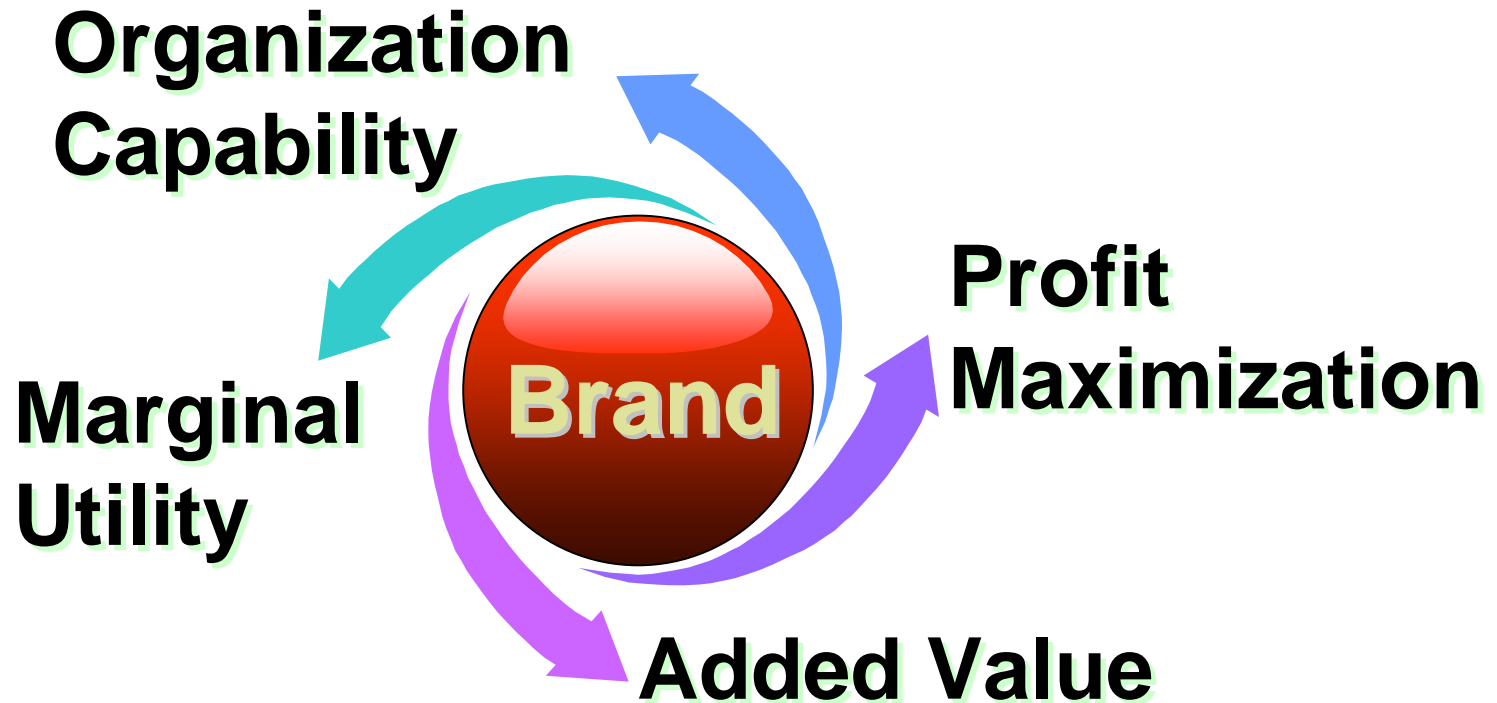
- Importer, distributor and agent of consumer products including Anheuser-Busch beer, Maxwell House Coffee and Chupa Chups Lollipops

- Investment arm of the Group with the investment in LTPS TFT LCD, shopping mall and biotechnology.

Core Competencies

- 1.Diversification in the single industry : the all-weather F&B company**
- 2.Multi-brand strategy**
- 3.Supply chain vertical integration: from food manufacturing, distribution, to retail businesses.**

The Business Model (I)



Constantly enhancing the organization capability, marginal utility, and added value to maximize brand value and profitability.

The Business Model (II)

Operational Risk Factors :

1. Price fluctuations in raw materials
2. The macro-economic growth cycle
3. Consumer behaviors & preference

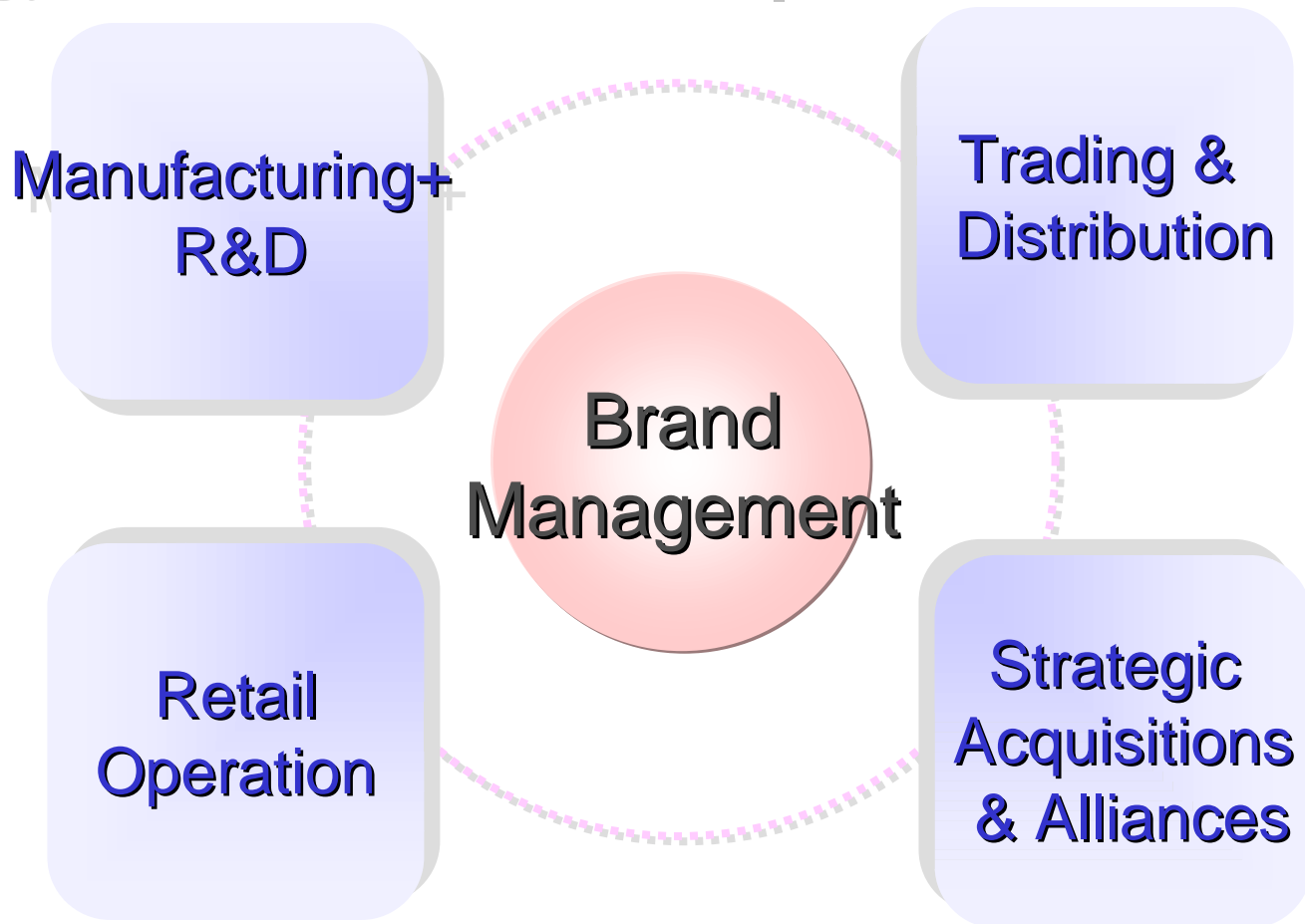


Reaction Principles :

1. Remain the pricing setter and optimize the supply chain efficiency to provide the value-added products/services and and to be against the price fluctuations in raw materials.
2. International presence to reduce the impact from the single market.
3. Sensitivity in the changes of consumer behaviors and the expertise in product & brand portfolio management.

The Business Model (III)

Strategy : One core + four pillars



Our Visions

Vision:

The leading Taiwan-based F&B and Retail company with the strong presence in the Asian market.

Taiwan leader

Great China leader

Asia leader

Speed up the presence in the integrated Asian market (including South-eastern Asia, India, and Middle East areas) : “**10+6**”

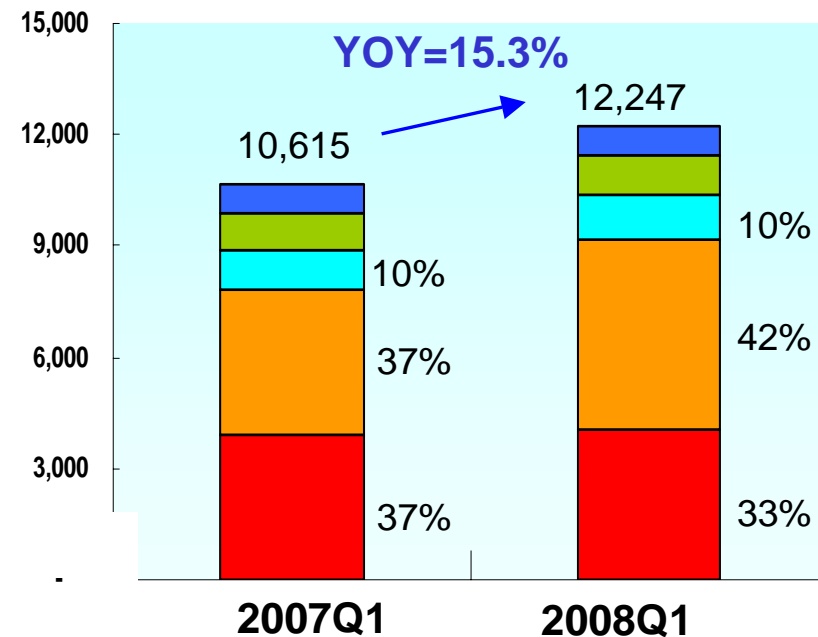
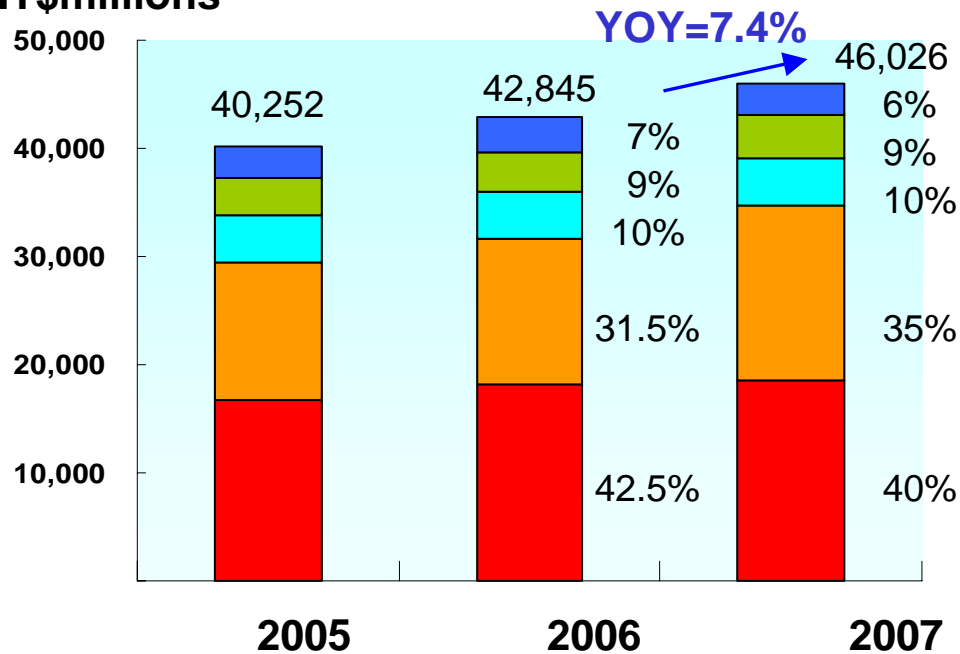
Market Share in Taiwan

<u>Category</u>		<u>2007 Market Share</u>
Dairy Products:	Yogurt Drink	48.0%
	Fresh Milk	29.8%
	Flavored Milk	47.5%
Non-carbonated Drinks:	RTD Tea	46.7%
	Juice	16.5%
Instant Noodles		47.4%

- Successfully target the diverse consumer groups through the multi-brand strategy
- Competitive R&D team and marketing capability to remain the strong product positions in the market.

Taiwan Food Sales Break-down

NT\$millions



■ Dairy and Beverage Group

Tea, dairy products, coffee, juice, bottled water, etc

■ Instant Foods Group

Instant noodles

■ Health Foods Group

Health food products and bakery

■ Provision Group

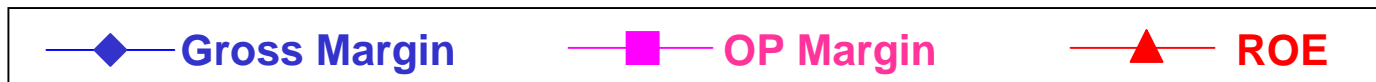
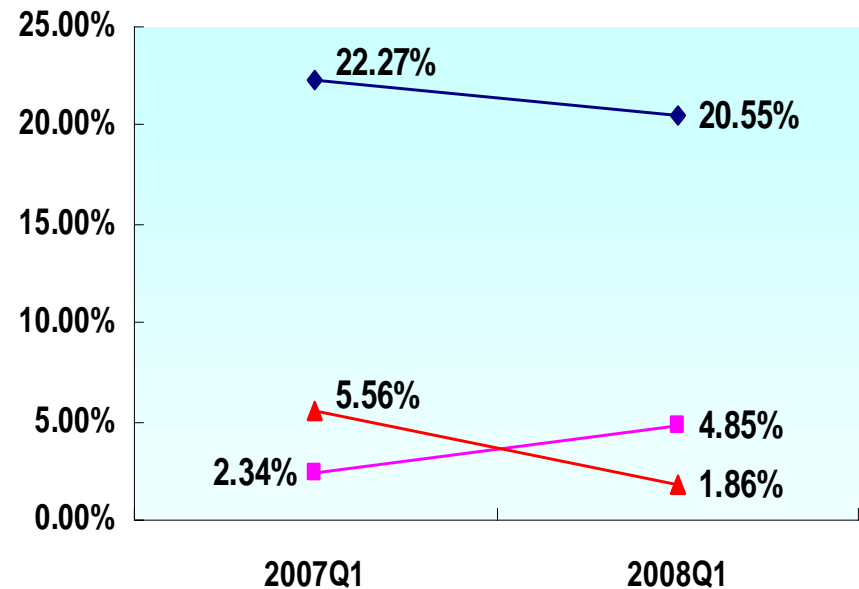
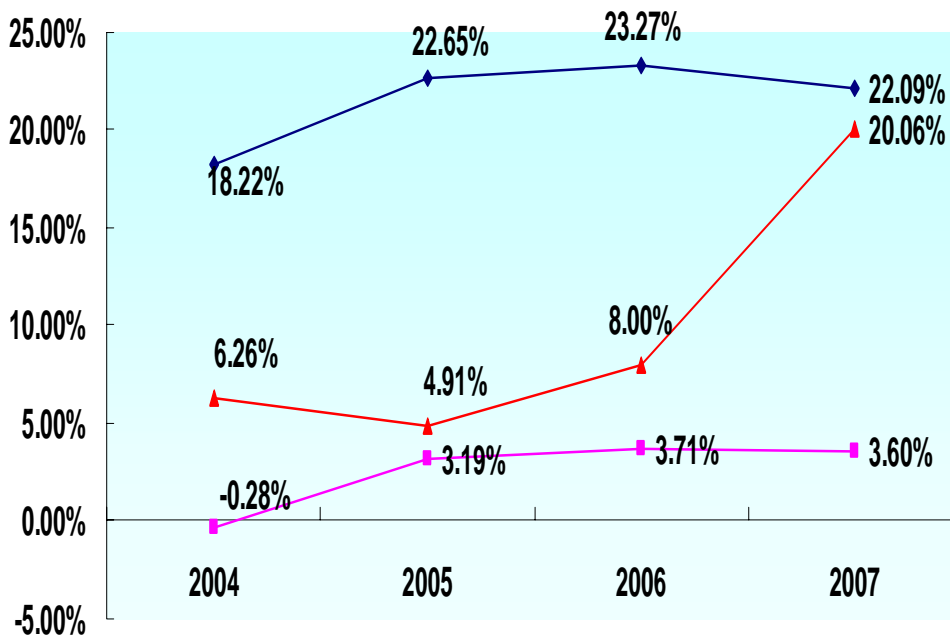
Food stuff, edible oil, flour and feeds

■ Other Group

Frozen foods, meat products, ice cream, seasonings, etc

UPEC Operation Result (I)

- Result has been improving through the restructuring plan led by the UPEC new management team.



UPEC Operation Result (II)

NT\$millions

	2006		2007		2008 Q1	
	Amount	%	Amount	%	Amount	%
Consolidated Sales	257,667		288,592		73,360	
Parent Sales	42,845	100	46,026	100	12,247	100
Gross Margin	9,971	23.3	10,165	22.1	2,517	20.6
Operating Income	1,588	3.7	1,659	3.6	594	4.8
Pre Tax Net Income	3,739	8.7	11,022	23.9	1,274	10.4
Net Income	3,607	8.4	11,017	23.9	1,178	9.6
Common Shares	33,541		35,554		35,554	
EPS (after tax)	1.08		3.10		0.33	
ROA	5.14%		13.03%		1.36%	
ROE	8.00%		20.06%		1.86%	

UPEC Operation Result (III)

- 2007~2008 Gain on disposal of non-core investments
(Non-operating Income and Gains) (NT\$millions)

		<u>Profit realized*</u>
2007 Q1	Divested Accuray (code: ARAY) 6mn shares through IPO in Nasdaq	2,000
2007 Q2	Divested Allianz President Life Insurance A JV with Allianz	200
2007	Divested Mospec Semiconductor	391
2008	Divested Mospec Semiconductor Holding down to 5.97%**	208

* Attributed to UPEC

** Till April 29, 2008

Key Investments in Taiwan Food Industry

Kuang Chuan

- Acquired 31% holdings in 2004
- Taiwan's 3rd largest dairy products manufacturer with around 27% market share in fresh and flavored milk.
- One of Taiwan's leading beverage manufacturers
- Operates the 3rd largest Taiwan-based convenience store chain under "Hi-Life" brand.

Wei Li Food

- Acquired 32% holdings in 2007
- Taiwan's 2nd largest instant noodles manufacturer with around 20% market share.

TTET Union

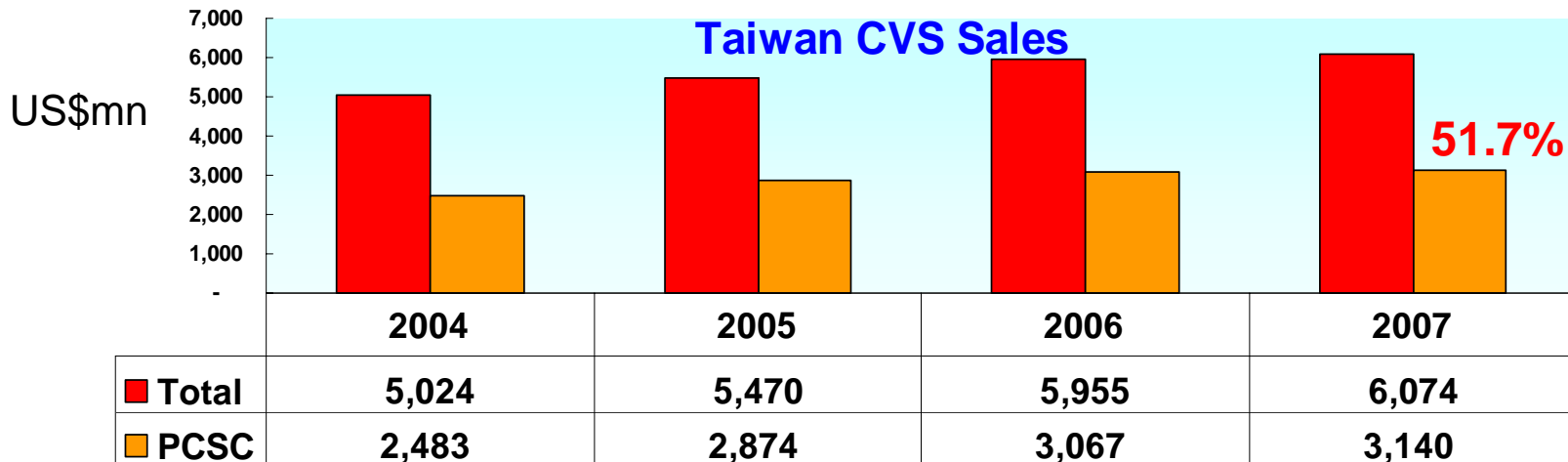
- 38% holding
- Taiwan's largest soybean crushing manufacturer

Leading Retail Business in Taiwan (I)



President Chain Store Corp. (UPEC owned 45.4%)

- The largest Taiwan-based convenience store chains under the **Taiwan area permanent licensing agreement with 7-Eleven**, with various retail and distribution businesses in Asia.
- Listed on Taiwan Stock Exchange with market capitalization US\$2.8bn*, cash dividend yield 2~3%



Source : Taiwan Ministry of Economic

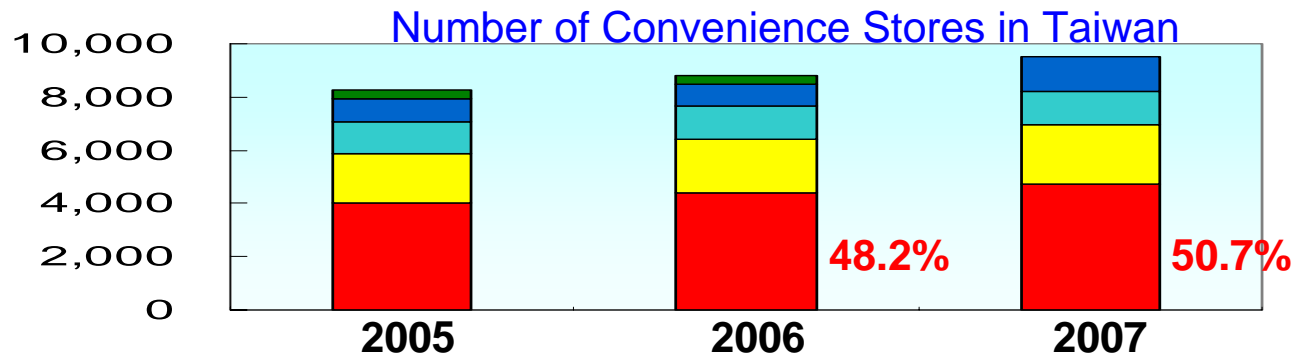
* Market capitalization based on closing price as of August 5, 2008, US\$1=NT\$30.7

Leading Retail Business in Taiwan (II)



President Chain Store Corp. (UPEC owned 45.4%)

- Strengthened the dominant position after Niko Mart Chain exited the market in 2007
- Operated the total number of 4,770 “7-Eleven” convenience chain stores in Taiwan as of March 31th, 2008.
- **Signed the Shanghai area licensing agreement with “7-Eleven” to operate convenience store chains.**



	Niko Mart Chain	360	300	Exited
	OK Chain	873	840	818
	Hi-Life Chain	1,160	1,261	1,296
	Family Mart Chain	1,851	2,012	2,228
	7-ELEVEN Chain	4,037	4,385	4,705

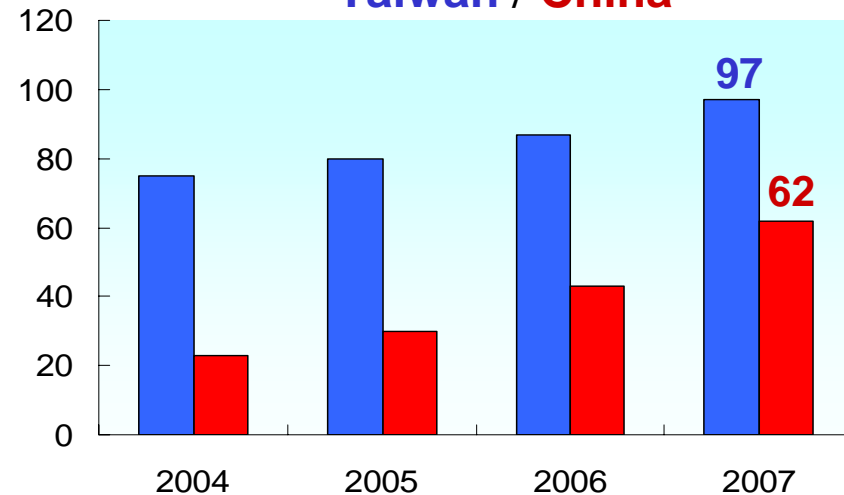
Leading Retail Business in Taiwan (III)



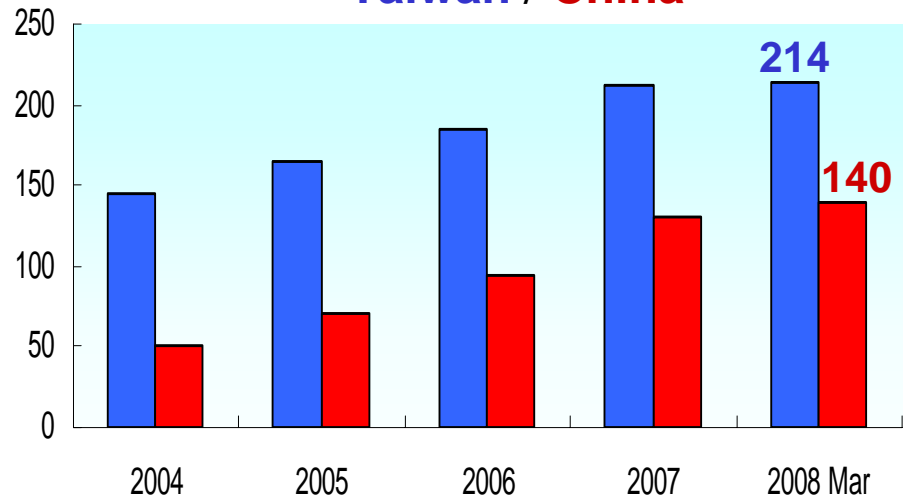
President Coffee Corp. (UP Group owned 50%)

- 50% Joint Venture with the U.S based Starbucks Coffee
- Licensing Agreement with Starbucks Coffee to operates in Taiwan and in Shanghai, Jiangsu, and Zhejiang areas in China.

US\$mn
Sales
Taiwan / China



Number of Stores
Taiwan / China



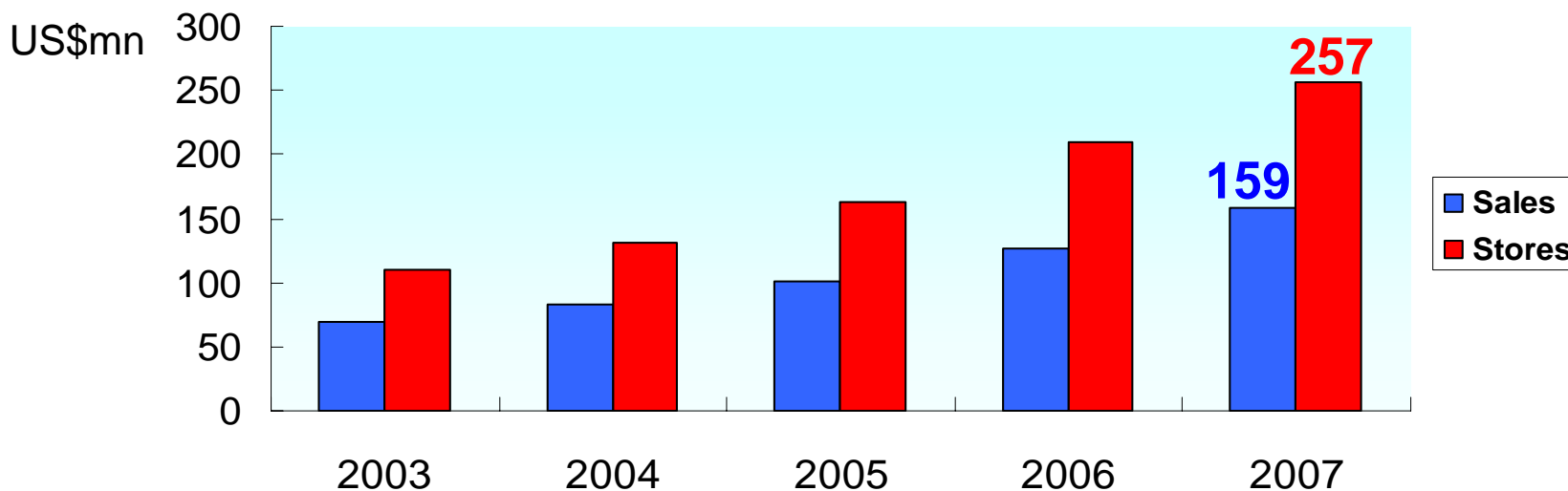
Leading Retail Business in Taiwan (IV)



COSMED President Drug Store

康是美

- Founded in 1995, PCSC 100% holdings
- Retailer of well-known cosmetics, medicine and sundries
- Operated the total number of **262** stores in Taiwan and **14** stores in China as of March 31th, 2008.



Leading Retail Business in Taiwan (V)

Other Main Retail and Distribution Businesses :

Life Style

MUJI



Number of Stores.: 11
UP group owned: 51%

Restaurants

Mister Donut



Number of Stores: 39
UP group owned: 50%

Distribution

Retail Support International



UP group owned: 45%

Cold Stone Creamery



Number of Stores: 7
UP group owned: 100%

Uni-President Cold-Chain



UP group owned: 80%

Department Store

Hankyu



Number of Stores.: 1
UP group owned: 100%

TAKKYUBIN



UP group owned: 90%

Trading Business in Taiwan

Nanlien International Corp. (UPEC owned 100%)

- Founded in 1979, operated the import, distributing, and agent businesses, built the comprehensive distribution network in Taiwan, and starts to open sales force offices in China.
- The well-known, in-house marketing and sales capabilities enable the credibility to do businesses with the global brand name firms :

<u>Category</u>	<u>Company</u>	<u>Brand</u>
Beer	Anheuser-Busch	Budweiser Busch Michelob Classic Dark
Coffee	Kraft Foods	Maxwell House
Candy	Chupa Chups	Chupa Chups Lollipop

Food Business in China

Uni-President China Holdings Ltd. (UPEC owned 73.5%)

- One of the leading beverage and instant noodles manufacturers in China, commenced operations in 1992, IPO on Dec 17th, 2007 on Hong Kong Stock Exchange with market capitalization US\$1.43bn*

- Strong brand recognition and position in China :

<u>Product</u>	<u>Position</u>	<u>Market Share</u>
Juice Drinks "More" ("多") series	No.2	22.2%
RTD Tea Unif Green Tea ("统一绿茶")	No.2	24.3%
Instant Noodles Haojindao ("好劲道")	No.3	10.0%

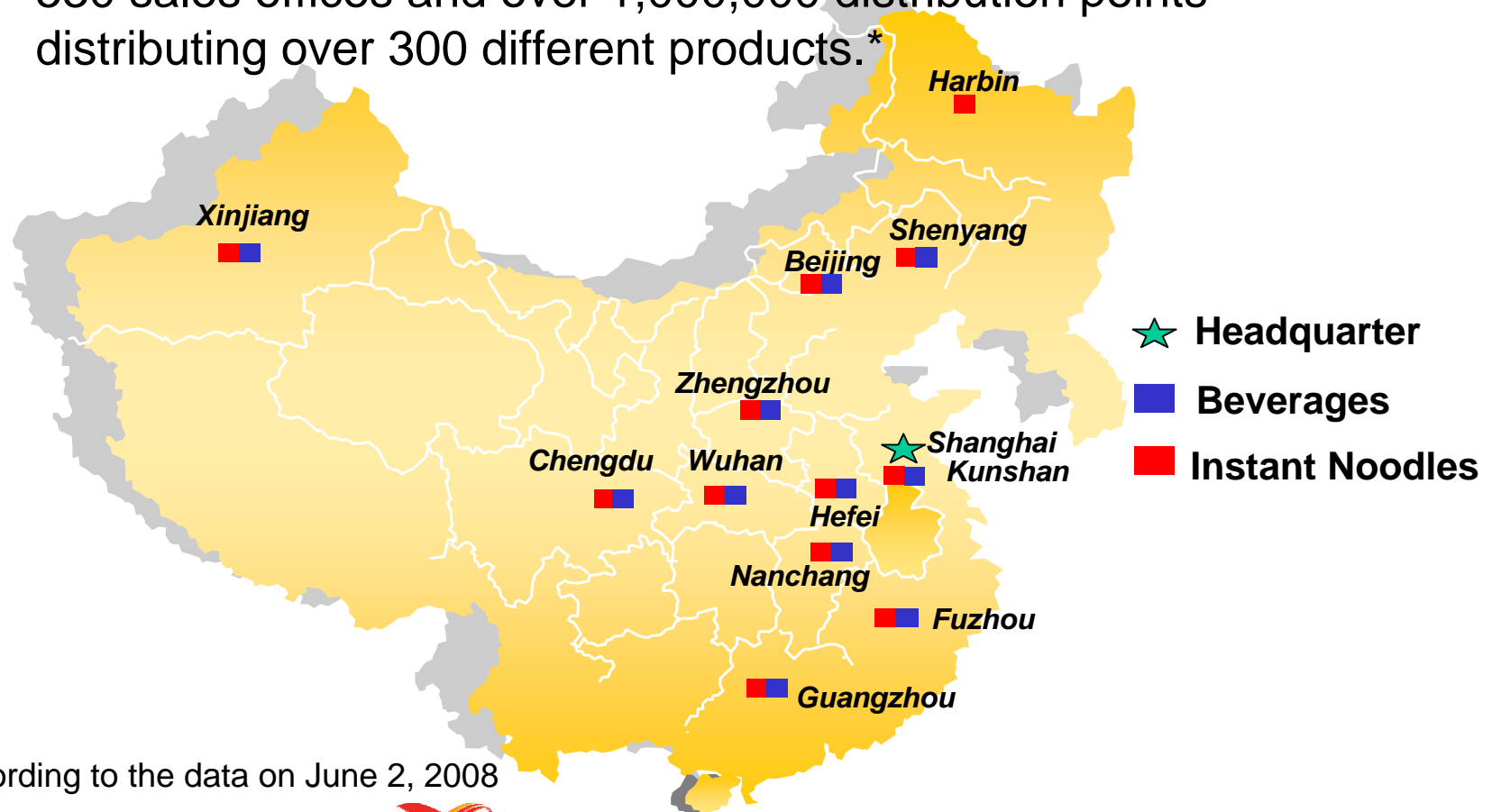
Source: AC Nielsen 1~3, 2008

- Exclusive official instant noodles sponsor of Beijing 2008 Olympics

* Market capitalization based on closing price as of August 5, 2008, US\$1=HK\$7.805

UPCH Presence

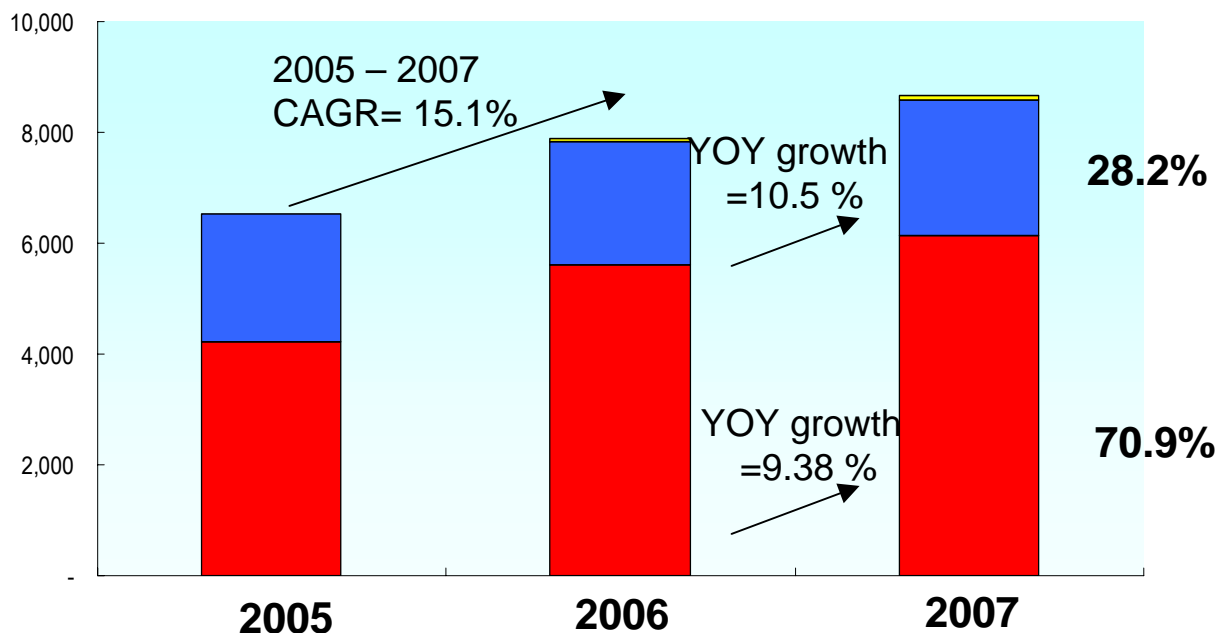
- With 13 production plants, 53 production lines in Beverage and 50 production lines in instant noodles*.
- 530 sales offices and over 1,000,000 distribution points distributing over 300 different products.*



* According to the data on June 2, 2008

UPCH Sales Break-down

RMB\$mn

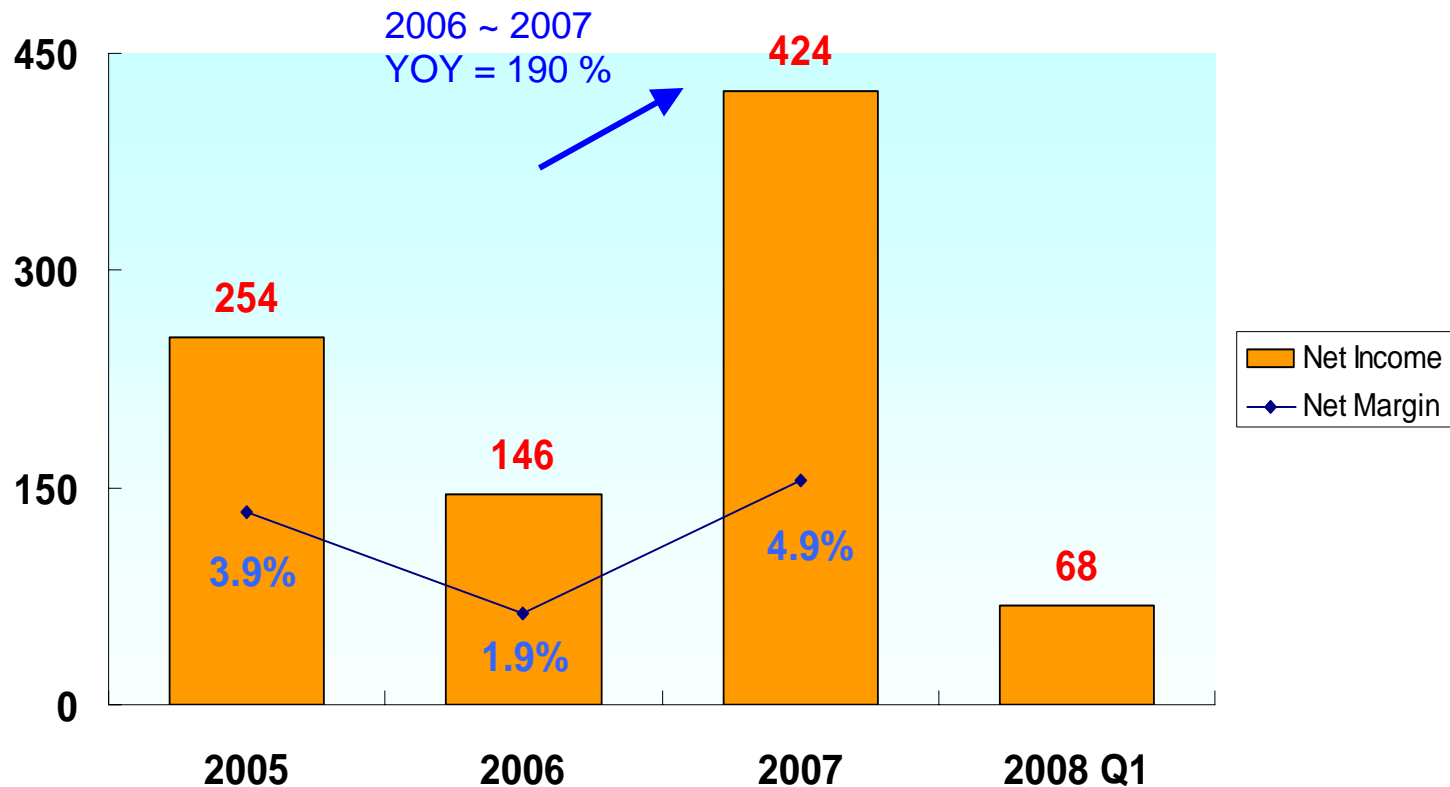


Other Business	23	55	68
Instant noodles	2,291	2,212	2,445
Beverage	4,224	5,617	6,144
Total Sales	6,538	7,884	8,657

UPCH Operation Result

Net Income :

RMB\$mn



Strategic Alliances/Investments in China

Partnered with the leading china domestic beverage players as well as the international ones :

- To build up the distribution channels
- To gain production capacity
- To diversify industry exposure
- To expand production selection
- To secure the sourcing of key raw materials

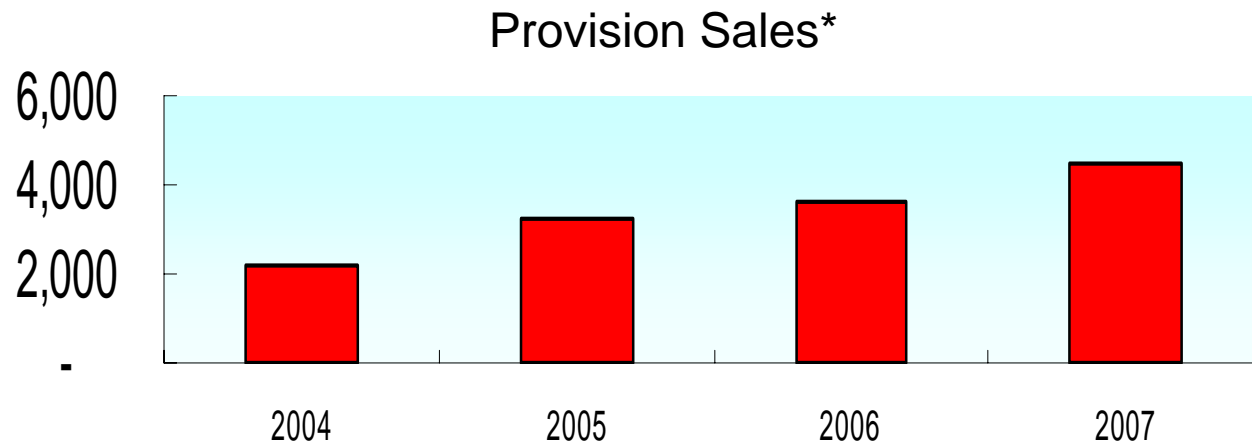
Jinmailang Drink (Beijing)	50% JV with Nissin Hualong Food to target the China beverage market
Yantai North Andre Juice	4.37% holding, China's largest apple juice concentrate supplier
Wondersun Dairy	9% holding, China's leading domestic milk powder brand
Beijing Kirin	50% holding, Japan's leading beverage brand

Other Food Business in China

Provision business

- Under several JVs in soybean crushing, margarine, seasoning, animal feeds, etc.

RMB\$mn



* By internal report

Food Business in Southeast Asia

Uni-President Thailand
(owned 100%)

Beverages

Uni-President Indonesia
(owned 49%)

Instant noodles
Beverage

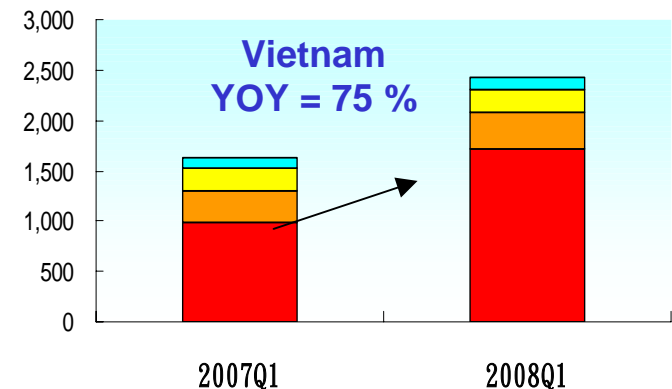
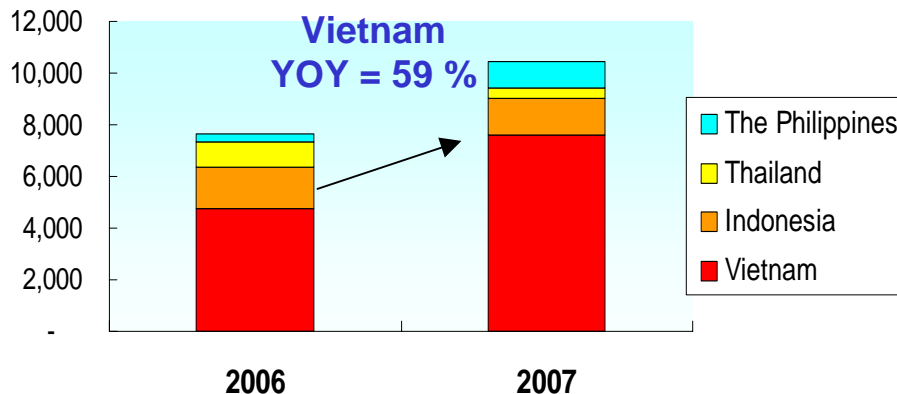
Uni-President Vietnam
(owned 100%)

Aquatic feeds
Instant noodles

Uni-President The
Philippines (owned 100%)
Instant noodles

Food Sales in South-eastern Asia*

NT\$m



* By internal report