

FAR EASTERN DEPARTMENT STORES, LTD.
BALANCE SHEETS
March 31, 2012 AND 2011
(In thousands of New Taiwan Dollars, Expect Par Value)

C o d e	Assets	2012/03/31		2011/03/31		C o d e	LIBILITIES AND STOCKHOLDERS' EQUITY	2012/03/31		2011/03/31	
		Amount	%	Amount	%			Amount	%	Amount	%
	CURRENT ASSETS						CURRENT LIABILITIES				
1100	Cash	\$ 900,583	2	\$ 219,524	-	2100	Short-term debts	\$ 3,850,000	6	\$ 2,300,000	4
1320	Available-for-Sale financial assets—current	244,978	-	263,583	1	2110	Short-term notes and bill payable	1,449,076	2	1,099,423	2
1120	Notes of account receivable	2,615	-	8,705	-	2140	Notes and accounts payable	2,678,110	5	2,113,342	4
1140	Notes of accounts receivable, net of allowance for doubtful accounts of NT \$3,550 thousands in 2012 and 3,550 thousands in 2011	236,486	-	106,777	-	2150	Accounts payable - related parties	33,517	-	24,100	-
1150	Related parties - notes and receivables	13,747	-	40,926	-	2190	Other payables - related parties	797,010	1	124,237	-
1180	Related parties - others	332,868	1	262,388	1	2160	Income tax payable	62,314	-	247,732	1
1160	Other receivables	430,089	1	78,622	-	2228	Other payables	2,418,846	4	862,876	2
120X	Inventories	617,713	1	471,274	1	2260	Advanced receipts	2,237,360	4	1,752,992	3
1260	Prepayments	306,170	-	390,042	1	2272	Current portion of long-term borrowings	3,900,000	7	997,910	2
1286	Deferred tax assets-current	7,554	-	33,159	-	2280	Other current liability	930,041	2	844,140	2
1298	Other current assets	4,799	-	19,693	-	21XX	Total current liability	18,356,274	31	10,366,752	20
11XX	Total current assets	3,097,602	5	1,894,693	4		LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
	LONG-TERM INVESTMENTS					2410	Bonds issued	4,626,397	8	4,588,860	9
1421	investments accounted for by the equity method	19,633,316	33	19,467,216	38	2420	Long-term borrowings	7,496,122	13	8,990,000	17
1450	Available-for-sale financial assets-non current	2,670,167	5	2,657,023	5	24XX	Total long-term liabilities	12,122,519	21	13,578,860	26
1480	Financial assets carried at cost	62,570	-	102,168	-		Reserve				
14XX	Total long-term investments	22,366,053	38	22,226,407	43	2510	Reserve for land revaluation increment tax	508,719	1	508,719	1
	PROPERTY						Other liabilities				
	Cost					2820	Deposits received	39,728	-	37,949	-
1501	Land	6,995,873	12	4,318,667	8	2860	Deferred tax liabilities - noncurrent	254,369	-	114,776	1
1521	Buildings and equipment	14,153,337	24	7,607,259	15	2881	Deferred credits	11,366	-	11,366	-
1531	Furniture and equipment	5,808,162	10	3,430,202	7	2888	Miscellaneous	-	-	32,138	-
15X1	Total cost	26,957,372	46	15,356,128	30	28XX	Other current liability	305,463	-	196,229	1
15X8	Revaluation increment	1,408,269	2	1,408,269	3	2XXX	Total liability	31,292,975	53	24,650,560	48
15XY	Cost and appreciation	28,365,641	48	16,764,397	33		STOCKHOLDERS' EQUITY				
15X9	Less: Accumulated depreciation	5,521,710	9	4,974,029	10		Capital stock, NT\$ 10.00 par value				
1670	Construction in progress and prepayments for equipment	2,143,884	3	8,372,173	16	3110	Authorized - 1,750,000 thousand shares issued and outstanding-1,317,192 thousand shares in 2012 and 1,242,634 thousand shares in 2011	13,171,921	22	12,426,341	24
1681	Leasehold rights, net	7,558,498	13	6,308,744	12		Capital surplus:				
15XX	Net properties	32,546,313	55	26,471,285	51	3210	Additional paid-in capital - share issuance in excess of par	2,175,718	4	2,175,718	4
	OTHER ASSETS					3220	Treasury stock transactions	1,213,526	2	1,213,526	2
1810	Idle assets, net	565,831	1	573,060	1	3260	Long-term investments	364,937	1	375,936	1
1820	Refundable deposits	162,980	-	157,445	-	3272	Stock warrants	108,930	-	108,930	-
1840	Prepaid pension cost	249,819	1	223,681	1	32XX	Total Capital Surplus	3,863,111	7	3,874,110	7
1880	Miscellaneous	43,451	-	5,967	-		Retained earnings:				
18XX	Total other assets	1,022,081	2	960,153	2	3310	Legal reserve	1,975,319	3	1,718,606	3
						3320	Special reserve	1,069,595	2	1,069,583	2
						3350	Unappropriated earnings	3,660,528	6	3,866,817	8
						33XX	Total retained earnings	6,705,442	11	6,655,006	13
							Other equity adjustments				
						3420	Cumulative translation adjustments	(173,345)	-	(301,304)	(1)
						3430	Net losses not recognized as pension costs	(20,949)	-	(8,300)	-
						3450	Unrealized valuation gains on financial instruments	3,386,359	6	3,449,789	7
						3460	Unrealized asset revaluation increment	843,305	1	843,106	2
							Treasury Stock—7,511 thousand shares in 2012 and 7,086 thousand shares in 2011	(36,770)	-	(36,770)	-
						3480	Total other equity adjustments	3,998,600	7	3,946,521	8
						34XX	Total Stockholders' equity	27,739,074	47	26,901,978	52
						3XXX					
1XXX	Total	\$ 59,032,049	100	\$ 51,552,538	100		Total	\$ 59,032,049	100	\$ 51,552,538	100

FAR EASTERN DEPARTMENT STORES, LTD.
STATEMENTS OF INCOME
YEAR ENDED March, 2012 AND 2011
(In thousands of New Taiwan Dollars, Except Par Value)

Code		2012		2011	
		YEAR ENDED	March 31	YEAR ENDED	March 31
		A m o u n t	%	A m o u n t	%
	REVENUES				
4100	Sales	\$ 10,166,974	99	\$ 6,038,698	99
4800	Other operating revenue	<u>99,437</u>	<u>1</u>	<u>70,793</u>	<u>1</u>
4000	Total Revenues	<u>10,266,411</u>	<u>100</u>	<u>6,109,491</u>	<u>100</u>
	COSTS				
5110	Cost of goods sold	8,303,849	81	4,855,311	80
5800	Other operating costs	<u>36,464</u>	<u>-</u>	<u>14,678</u>	<u>-</u>
5000	Total costs	<u>8,340,313</u>	<u>81</u>	<u>4,869,989</u>	<u>80</u>
5910	GROSS PROFIT	<u>1,926,098</u>	<u>19</u>	<u>1,239,502</u>	<u>20</u>
	OPERATING EXPENSES				
6100	Selling	377,697	4	224,457	3
6200	General and administrative	<u>1,131,392</u>	<u>11</u>	<u>724,214</u>	<u>12</u>
6000	Total operating expenses	<u>1,509,089</u>	<u>15</u>	<u>948,671</u>	<u>15</u>
6900	OPERATING INCOME	<u>417,009</u>	<u>4</u>	<u>290,831</u>	<u>5</u>
	NONOPERATING INCOME AND GAINS				
7121	Equity in earnings of equity-method investees, net	311,440	3	499,135	8
7110	Interest income	492	-	386	-
7480	Other income	<u>40,839</u>	<u>1</u>	<u>29,320</u>	<u>1</u>
7100	Total non-operating income and gains	<u>352,771</u>	<u>4</u>	<u>528,841</u>	<u>9</u>

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Code		2012		2011	
		YEAR ENDED March 31			
		A m o u n t	%	A m o u n t	%
	NONOPERATING EXPENSES AND LOSSES				
7510	Interest expense	46,570	1	10,394	-
7530	Loss on disposal of property and idle assets	226	-	25	-
7880	Other expenses	<u>17,052</u>	-	<u>16,267</u>	<u>1</u>
7500	Total non-operating expenses and losses	<u>63,848</u>	<u>1</u>	<u>26,686</u>	<u>1</u>
7900	INCOME BEFORE INCOME TAX	705,932	7	792,986	13
8110	INCOME TAX (BENEFIT) EXPENSE	<u>73,343</u>	<u>1</u>	<u>55,920</u>	<u>1</u>
9600	NET INCOME	<u>\$ 632,589</u>	<u>6</u>	<u>\$ 737,066</u>	<u>12</u>

Code		Before Tax	After Tax	Before Tax	After Tax
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.54</u>	<u>\$ 0.48</u>	<u>\$ 0.61</u>	<u>\$ 0.56</u>
9850	Diluted	<u>\$ 0.54</u>	<u>\$ 0.48</u>	<u>\$ 0.60</u>	<u>\$ 0.56</u>

Pro forma information on the assumption that the Company's shares traded or held by subsidiaries are treated as investments instead of treasury stocks :

Code		2012		2011	
		YEAR ENDED March 31			
		Before Tax	After Tax	Before Tax	After Tax
	EARNINGS PER SHARE				
9750	Basic	<u>\$ 0.54</u>	<u>\$ 0.48</u>	<u>\$ 0.60</u>	<u>\$ 0.56</u>
9850	Diluted	<u>\$ 0.53</u>	<u>\$ 0.48</u>	<u>\$ 0.60</u>	<u>\$ 0.56</u>

FAR EASTERN DEPARTMENT STORES, LTD.

STATEMENTS OF CASH FLOWS

YEAR ENDED March 31, 2012 AND 2011

(In thousands of New Taiwan Dollars)

	2012 YEAR ENDED M a r c h 3 1	2011 YEAR ENDED M a r c h 3 1
Cash Flows From Operating Activities		
Net incomes	\$ 632,589	\$ 737,066
Depreciation	248,261	97,100
Amortization of deferred charges	2,496	803
Amortization of leasehold rights included in rental expense	45,530	18,706
Equity in losses (earnings) of equity-method investees, net	(311,440)	(499,135)
Loss (gain) on disposal of property and idle assets, net	226	25
Interest recognized on bonds payable	9,439	3,101
Deferred income taxes	49,291	6,408
Increase in prepaid pension cost	(4,370)	(7,953)
Net changes in operating assets and liabilities		
Notes receivable	36,153	6,811
Accounts receivable	195,780	74,988
Accounts and notes receivable-related parties	38,371	164
Account receivable-other related parties	(26,345)	9,858
Other receivables	(293,984)	22,037
Inventories	(244,756)	(263,677)
Prepayments	16,920	(127,607)
Other current assets	12,564	(4,689)
Accounts and notes payable	(454,700)	(218,461)
Accounts payable-related parties	(48,589)	(37,285)
Other payables-related parties	78,241	13,155
Income tax payable	24,052	49,512
Other payables	(156,188)	(100,020)
Advanced receipts	596,684	232,692
Other current liabilities	<u>74,276</u>	<u>99,419</u>
Net cash provided by operating activities	<u>520,501</u>	<u>113,018</u>
Cash Flows From Investing Activities		
Proceeds of the disposal of property	49	-
Acquisition of property	(1,084,127)	(1,400,638)
Increase in other assets	(820)	-

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	2012 YEAR ENDED M a r c h 3 1	2011 YEAR ENDED M a r c h 3 1
Decrease (increase) in refundable deposit	<u>585</u>	<u>1,698</u>
Net cash used in investing activities	<u>(1,084,313)</u>	<u>(1,398,940)</u>
Cash Flows From Financing Activities		
Increase (decrease) in short-term debts	(550,000)	(850,000)
Increase (decrease) in short-term notes and bills payable	(250,192)	(200,033)
Issuance of bonds	-	2,493,658
Increase(decrease) in long-term borrowings	1,699,476	(227,988)
Increase(decrease) in deposits received	(904)	-
Dividend from previous years paid	<u>(42)</u>	<u>(15)</u>
Net cash provided by (used in) financing activities	<u>898,338</u>	<u>1,215,622</u>
Net Increase (Decrease) in cash	334,526	(70,300)
Cash, Beginning of Year	<u>566,057</u>	<u>289,824</u>
Cash, End of Year	<u>\$ 900,583</u>	<u>\$ 219,524</u>
Supplement Cash Flow information		
Interest paid	\$ 59,319	\$ 32,604
Less: Capitalized interest	<u>16,094</u>	<u>40,365</u>
Interest paid, excluding capitalized interest	<u>\$ 43,225</u>	<u>\$ -</u>
Income tax paid	<u>\$ -</u>	<u>\$ -</u>
Noncash investing and financing activities		
Adjustment to advance receipts and depreciation	<u>\$ 38,623</u>	<u>\$ 21,331</u>
Current portion of long-term borrowings	<u>\$3,900,000</u>	<u>\$ 997,910</u>
Classification of credit balance in long-term investment to other liabilities	<u>\$ -</u>	<u>\$ 32,138</u>
CASH PAID FOR ACQUISITION OF PROPERTY		
Acquisition of property	\$ 98,315	\$ 48,838
Increase in construction in progress and prepayments for equipment	321,373	938,340
Acquisition of leasehold rights	19,661	355,645
Decrease (increase) in balance payable-property	1,261,949	37,979
Decrease (increase) in balance payable-property-related party	<u>(617,171)</u>	<u>19,836</u>
Cash paid	<u>\$1,084,127</u>	<u>\$1,400,638</u>

(Concluded)