

**Press release
for
2010 Annual General Shareholders' Meeting of
Far Eastern Department Stores LTD.**

Three Best Records while Riding on the Financial Tsunami

Date: Wednesday 9:00am, 9th June 2010

Venue: Auditorium in the Taipei Hero House

All in all, the year of 2009 marked an exuberant year for the Far Eastern Department Stores (FEDS). Guided by the Chairman and the President of the Company, the management team broke three historical records in the Company's history, in spite of the difficult business environment during the financial tsunami period, and these records are: 1) the highest consolidated revenue; 2) the highest revenue from the year-end anniversary sales; and 3) the highest total store openings in one year, and that increased the number of total outlets under the control of FEDS to forty-seven.

Financial Results: Consolidated revenue in 2009 was NT\$98.8 billion, up by 10.3% year-on-year.

During the year 2009, on the consolidated basis, the revenue and the operating profit were NT\$98.8 billion and NT\$3.5 billion, respectively. The former was up by 10.3% YoY, and the latter was a tremendous growth of 30.2%. The net income was NT\$1.93 billion, translating into an EPS of NT\$1.62. On the stand-alone basis, the parent company, FEDS, increased its revenue by 5.6% YoY to NT\$22.2 billion, while its subsidiaries delivered an even higher growth rate. Revenues of SOGO Department Stores (SOGO) and Far Eastern A-mart (A-mart) rose by 7.4% and 6.2%, respectively, compared to 2008. Moreover, the net loss occurred at A-mart in 2009 was reduced dramatically by 50%, or NT\$200 million, versus 2008, and this subsidiary successfully turned its bottom line into the positive territory in 1Q10. Also, Revenues and profits of FEDS China and Pacific China had increased quarter by quarter in 2009.

Operation Results: Target key customers, adjust merchandise mix, and promote the awareness of conserving the environment.

- Business aspect: From the experiences learned from the anniversary sales in last year, FEDS and SOGO had identified key customers and better understood their consuming behaviors. Promotions now can be tailored to target these customers to receive better results, and in the mean time, cost for promotion can be better controlled to enhance cost efficiency. The merchandise mix will be constantly adjusted to replace outdated products with trendy, stylish brands with great potentiality. Super-luxury brands well-known by the world will be the first priority for both companies to invite. Besides, we will keep raising the profitability of A-mart by increasing the rental yield from the food court and

expanding the gross margin from the hyper-market business.

- Management aspect: We will continue to keep the organization slim, in order to maximize the profit contribution from each employee. Varieties of training courses will be provided to employees, ensuring each customer to be better served. In order to promote the awareness of conserving the environment to the society, measures such as green wrapping and packaging of merchandize or the recycle of shopping bags will be encouraged.

Business Prospects: Being positive on Taiwan's retail market, we will increase the investment in Taiwan, aiming to be the No. 1 leader in the retail industry.

We are highly confident the Taiwan retail market is moving toward a bright future, and our confidence is based on facts of the Taiwanese government's determination to stimulate economy and domestic consumption, the return of consumers' confidence, the likely increase at the national income per capita after ECFA being agreed and signed, and the potential contribution from the increasing number of Chinese tourists visiting Taiwan. Based on this confidence, we had opened two department stores and two hyper-markets in Taiwan last year. Moving forward, we will increase and accelerate our investment in Taiwan over next two years, with several projects now under planning. These projects are FEDS Chung-Ben Shopping Mall in Banchiao, FE21 Mega Shopping Mall in Taichung, and SOGO Windance Shopping Mall in Hsinchu. When completed, these new stores will increase the total Operating Floor Area (OFA) by approximately 528,000 square feet. A-mart will be invited to open an outlet in SOGO Windance Shopping Mall, and also continue to open other stores, in hope of achieving totally 20 stores in Taiwan, a scale of economy for a hyper-market to earn a satisfactory return. In regard to the business in China, since last year we have added two stores in Beijing and Wuxi, respectively. Next year, a new store in Chengdu will be open. We plan to increase two stores each year in China to expand the market share.

With respect to the SOGO litigation cases, they are complicated and under review by the court at the moment. Please be advised that not every issue is completely resolved, and many of such issues are neither relevant to us nor relevant to the Company's controlling interest in SOGO. We sincerely ask for your kind understanding, and wish these issues confuse none of our investors.