

**Press Release  
for  
2011 Annual General Shareholders' Meeting of  
Far Eastern Department Stores LTD.**

**Pushing the boundaries and reaching three record-highs in performance again**

Date: 9:00 am, Thursday, 23<sup>rd</sup> June, 2011

Venue: Auditorium in the Taipei Hero House

All in all, the year of 2010 marked an excellent year over the top for the Far Eastern Department Stores (FEDS). Guided by the Chairman and the President of the Company, the performance of the management team was even better than that of 2009. The Company's year-end anniversary sales, consolidated revenue, and consolidated operating profit have broken record highs, and the number of stores has reached forty-seven.

**Financial Results: Consolidated revenue in 2010 amounted to NT\$108.1 billion, advancing 8.2% compared to 2009.**

FEDS reported 2010 consolidated revenue of NT\$108.1 billion, advancing 8.2% from 2009. The company posted consolidated operating profit of NT\$4,479 million, increasing 27.9% YoY. On a stand-alone basis, the parent company, FEDS, performed strongly to post sales of NT\$24.6 billion, up 10.8% YoY, with net income reaching NT\$2.57 billion and earnings per share of NT\$2.09. Total dividend payout was NT\$1.6 per share, which included NT\$1.0 in cash and NT\$0.6 in stock dividends from capital surplus. In addition, its subsidiaries had an exuberant year, too. Revenue of SOGO Department Store (SOGO) hiked 9% YoY. Both FEDS and SOGO posted better growth rates compared with the average rate of 7.7% in the department store business in Taiwan. Revenue of Far Eastern A-Mart (A-Mart) also grew by 8% from 2009, swinging to profit from loss. Its 1Q11 net profit already surpassed that of the whole year of 2010. Moreover, revenue and profit of FEDS China and Pacific China have been increasing every quarter.

**Operation Results: Recruiting global leading brands of boutique, improving marketing effect, and executing the policy of energy saving and carbon emission reduction.**

- Business aspect: FEDS and SOGO will carry over the strong momentum of last year's history high performance to hold on to their core customers and enhance

targeted marketing. Regarding the merchandise mix, highly potential stores and goods will keep on replacing their less profitable counterparts. In particular, our company spares no effort to recruit top-notch brands of boutique worldwide. On the other hand, management team of the A-Mart not only focuses on performance of existing stores and breakeven of new stores in the first year, but also adjusts the merchandise mix to raise gross profit margin.

- Administration aspect: For both department stores and hypermarkets under FEDS, management team is provided with specific training courses to get prepared and bring the firm more in line with the international standards according to the IFRS. We also strive to understand and analyze customers' behaviors to improve marketing effect. In the meantime, the policy of *energy saving and carbon emission reduction* is executed in the management philosophy to better control our budget.

**Business Prospects: Capitalizing on the fast-growing economy, increasing market share, and aspiring to become the leading retailer across the strait.**

Looking ahead, the FEDS group will keep the business philosophy of *deeply rooted in Taiwan while aiming at Greater China market* to increase its market share across the strait. In Taiwan, the FEDS group will aggressively develop the market of this island to seize the opportunity of economy and consumption recovery, the individual visit scheme of Mainland residents, and Taiwanese government's pay-raise plans for public and private sectors alike. In the second half of the year, we plan to open new stores of Panchiao New City Shopping Center, Taichung Top City Shopping Center, and Hsinchu Big City Shopping Center. These new department stores will not only launch global leading brands of boutique, trendy life-style-concept stores, and exotic restaurants offering cuisines of various nations, but also introduce high-tech IMAX cinemas to add elements of variety and uniqueness to entertainment, and satisfy customers' needs in one stop. Moreover, we plan to provide consumers with more spacious, relaxing shopping environment, and with a full array of services, establishing a new benchmark business model in the retail business. On the other hand, for A-Mart, a new store will be set up in Hsinchu Big City Shopping Center. Other new stores will be opened to bring the number of total stores to 20. In Mainland China, to capitalize on the Western Development Strategy in the Twelfth Five-Year Plan, we will open another new store in Chengdu besides last year's open-up in Wuxi. The FEDS group hopes to continuously open new stores both in Taiwan and Mainland China to increase our market share and stride forward to become the leading retailer of the Greater China.