誠品生活股份有限公司
the eslite spectrum corporation

February, 2013

Disclaimer Statement

Our discussion may include predictions, estimates or other information that might be considered forward-looking. These forward-looking statements generally can be identified by phrases such as "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe the Company's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. While these forward-looking statements represent our current judgment on what the future holds, all such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements and you are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout the presentation, we will attempt to present some important factors relating to our business that may affect our predictions. You should also review our most recent Prospectus and Annual Report for a more complete discussion of these factors and other risks, particularly under the heading "Risk Factors." [For more information, please check the Company's Investor Relations website at eslitespectrum.com.tw

Agenda

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Company Profile

Founded   September, 2005

Capital   NT$451.33mn (or US$15.3mn as of Jan/2013)

Major shareholder   The Eslite Corp. (52%)

Employees   698 worldwide

Business   Branded platform bridging creativity with

- Retail Management (41 stores in Taiwan and 1 in HK; with total floor space over 200,000 sq m)
- Food Services
- Self-operated hotel (expected to commence in 2013)

Awards & Recognition

- 1st in Golden Service Awards, 2012 (Common Wealth Magazine)
- Global Rankings for Cultural and Creative concept stores (Knack Weekend)

eslite spectrum Value & Vision

- ## Core Values

| Humanity, Art, Creativity to **Life** |

Life Value

| Compassion, Love , Aesthetics, Lifetime Learning |

Humanity

Compassion and Love

Life

Art

Aesthetics

Creativity

Lifetime Learning
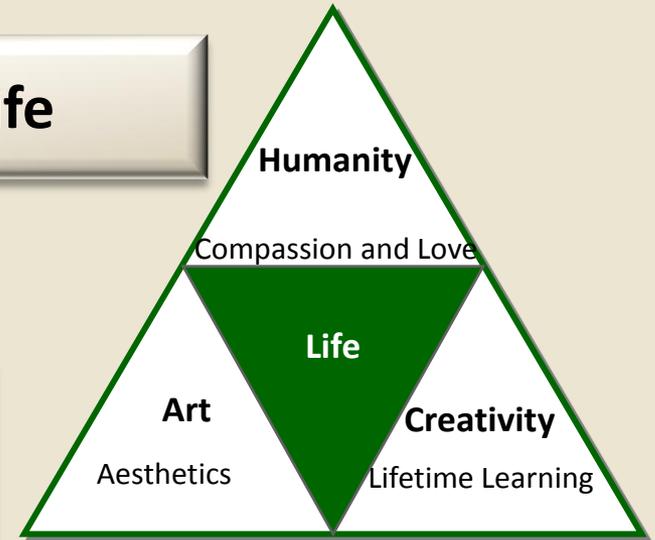
- ## Vision

| To be the most influential brand leader in the Cultural and Creative segment among Chinese communities around the world. To actively contribute and promote Humanities, Art, Creativity to Life. |

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Group Organization

誠品生活股份有限公司
The Eslite Spectrum

100%

100%

Galaxy Star Holdings Co. (Cayman)

誠品旅館事業股份有限公司
The Eslite Hospitality Co.

100%

香港誠品生活有限公司
The Eslite Spectrum HK

100%

誠品生活商業管理
(蘇州)有限公司
The Eslite Spectrum Suzhou

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Retail Management

An innovative platform that brings together Humanity Art, Creativity and Life

- Branded specialty retail management

- Caters to chic and expectations of surrounding communities

- Provides distinctive shopping experience enriched by reading and literacy atmosphere that cultivate humanity, art, and creativity into living attitude

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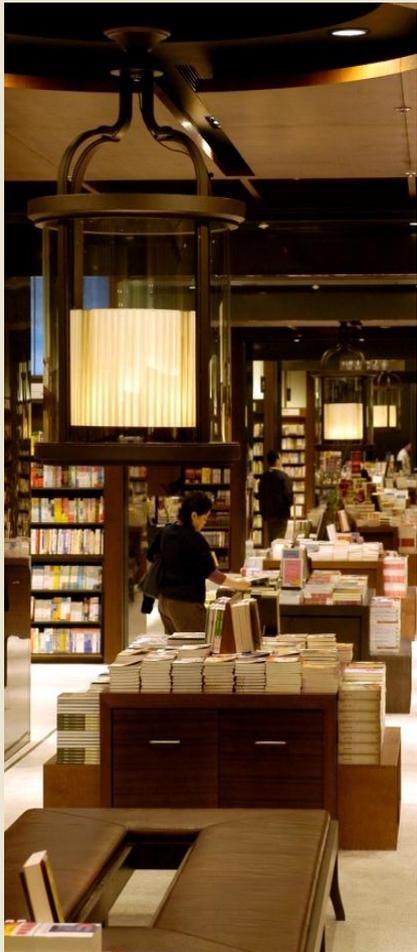
Core Competency – Retail Management

Unique Retail Portfolio

TOTAL RETAIL FLOOR AREA: Over 200,000 m^2

Retail sites: 42

- Wide range of floor sizes

- Accomodating store varieties catering to target clienteles

- Retail landmark attracting visitors and generate over 120M visitors in 2012

- Creative marketing/promotional campaign to attract store traffic

Unique Retail Portfolio

Xinyi

Tunnan

Yilan
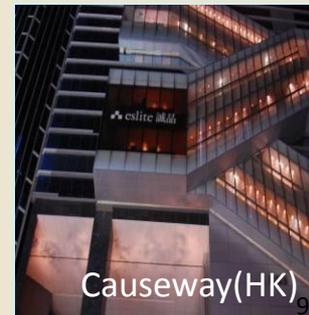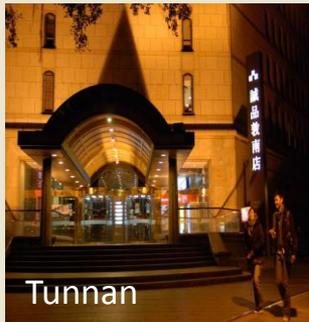
	Store	Focus
Taipei East (3)	Xinyi (flagship) Dunnan, Zhongchen	International visitors, upscale consumers, serious readers, original works, lifestyle, health, family
Taipei West (5)	Wuchang, Ximen, Eslite 116, Banqiao, Xinban	Teenagers, trend setting, fashion
High traffics (4)	Taipei MRT Station, Taipei Train Station, Taiwan U. Hospital Taiwan U. Campus	Commuters, caretakers, convenience, healthcare,
Others (29)	Taichung Park Lane, 8 smaller stores in Taipei 21 in the rest of Taiwan	Customized for local tastes, small-mid size stores
Overseas (1)	Causeway (HK)	

Eslite 116

TPE Train Station

Taichung Park Lane

Causeway(HK)

Strategy for Retail Management

- Retail aggregator bringing Humanity, Art, Creativity to Life

- Flexible cooperation model for Lease + Franchise

- Retail landmark attracting visitors and generate over 120M visitors in 2012

- Promoting premium Chinese brands to the world

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Food Services

One-stop solution provider for leisure industries converting living experiments to art

- Primary agent for world class brands for specialty kitchen and laundry equipment

- One-stop solution provider
design/planning => installation => maintenance services

- Chic selection for food & beverages, and hospitality supplies

- Self-operated leisure venues: 9 sites covering gourmet restaurants, lounge and fines wine cellars

TEA Room

The Library

café

誠品
酒窖 **Eslite Cellar**

World Class Brands

Kitchen Equipment

Coffee and Food

Laundry Equipment

Hotel & Restaurant Supplies

Customer Base

Hotels

Corporate Canteens

Fast Food Chains

Hospitals

Restaurants

Financial Highlights - YoY

Sales

+12% YoY

Unit: NT$ Mn

	1~3Q/2011	1~3Q/2012
	6,760	7,541

Net Profit
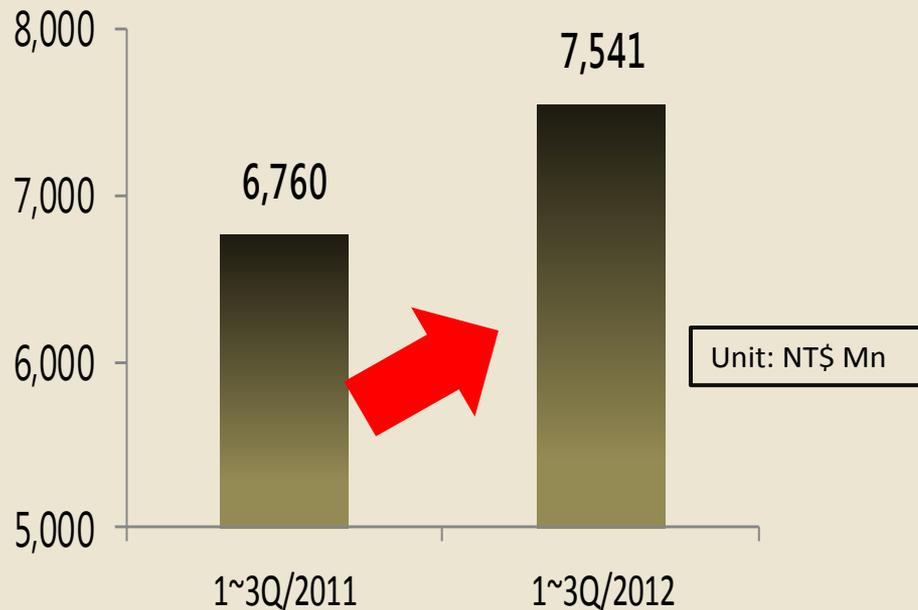
+26% YoY

	1~3Q/2011	1~3Q/2012
	191	240
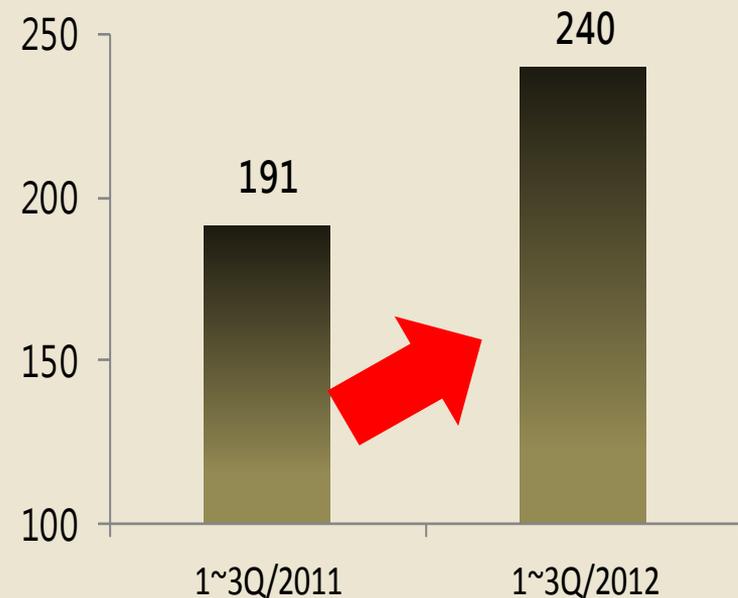
EPS 4.66 and 5.86 for 1~3Q/2011 and 2012 respectively

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Revenues Breakdown

Revenue (NT$ Mn)

Sales: +12% YoY

6,760
FS NT 568M 8%
RM NT 6,192M 92%
1~3Q/2011

7,541
FS NT 749M 10%
RM NT 6,792M 90%
1~3Q/2012

Food Services Up by 32% to NT$749mn

Retail Management Up by 10% to NT$6,792mn

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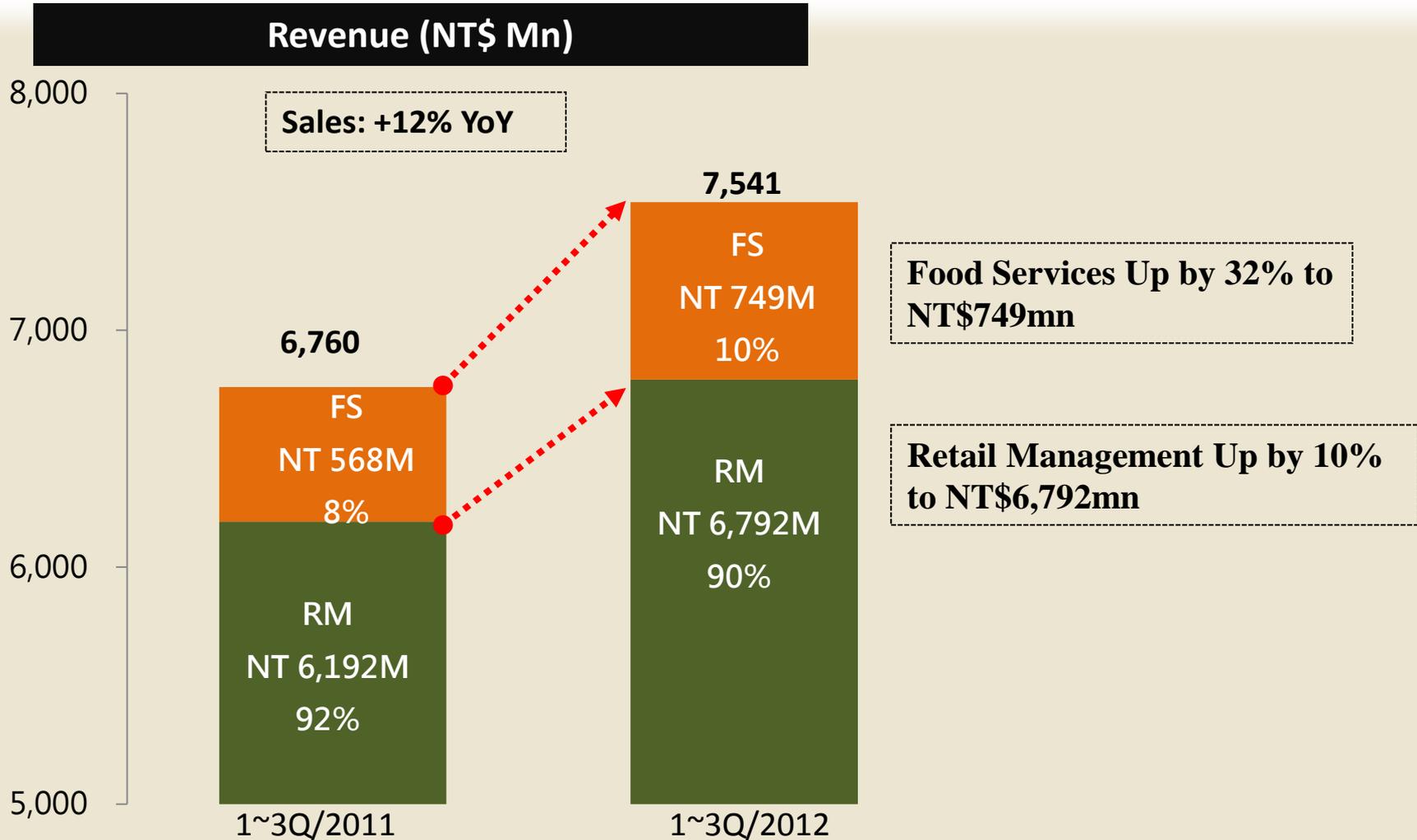
P&L (1Q-3Q12)

NT$ Mn	1~3Q/2012	1~3Q/2011	YoY (%)	3Q/2012	2Q/2012	QoQ (%)
Sales	7,541	6,760	11.6	2,578	2,378	8.4
Gross Profit	1,809	1,591	13.7	628	589	6.6
Gross Margin (%)	24.0	23.5	+0.5ppt	24.4	24.8	-0.4ppt
Operating Expense	1,529	1,369	11.8	524	527	-
Operating Profit	280	222	26.1	105	62	69.4
Operating Margin (%)	3.7	3.3	+0.4ppt	4.1	2.6	+1.5ppt
Non-Operating Income	26	22	18.2	0	18	-100.0
Non-Operating Expense	14	13	7.7	0	15	-100.0
Pre-tax Profit	292	231	26.4	105	65	61.5
Taxation	52	40	30.0	18	13	38.5
Net Profit	240	191	25.7	87	52	67.3
Net Margin (%)	3.2	2.8	+0.4ppt	3.4	2.1	+1.3ppt
EPS (NT$)	5.86	4.66	25.8	2.12	1.26	68.3
Depreciation	135	134	0	41	-	-
CAPEX	93	130	-71	53	-	-

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Balance Sheet (3Q12)

Balance Sheet (NT$ Mn)	Sep. 30 2012	Sep. 30 2011	Dec. 31 2011
Cash & Cash Equivalents	850	355	715
Account & note Receivable	456	410	463
Inventory	276	225	239
Others	165	143	155
Current Assets	1,747	1,133	1,572
Investment	95	46	46
Fixed Assets	773	837	806
Other Assets	206	228	233
Total Assets	2,821	2,244	2,657
Account & note Payable	1,561	1,133	1,578
S-T Debt	0	80	60
Others	352	217	156
Current Liability	1,913	1,430	1,794
Other Liability	63	40	60
Total Liabilities	1,976	1,470	1,854
Total Shareholders' Equity	845	774	803

Note: Unconsolidated financial results

Outlook & Strategies

Growth

Grand expansion in Greater China

- Floor space expansion in Taiwan
- Causway Bay (Aug. 2012) & more
- Suzhou eslite Cultural Complex commence operation (2014)
- Tier 1 city expansion: coping 12-5 plan for culture subsidies

Diversification

Launch of self-operated literacy-theme hotel

- Opening of eslite Hotel at Songshan Cultural & Creative Park
- Leveraging core values from humanity, art, culture in life and bring enriching culture experiences in Taiwan
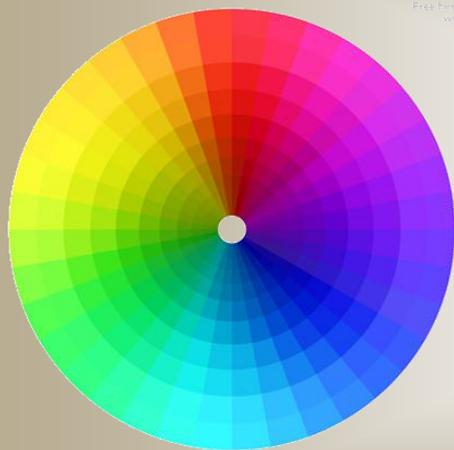
eslite spectrum, your spectrum.
誠品生活 創造你的光譜生活！