

COVER SHEET

PHILIPPINE SEVEN CORPORATION

(Company's Full Name)

**7th Floor, The Columbia Tower
Ortigas Avenue, Mandaluyong City**
(Company's Address: No. Street City/Town/Province)

705-52-00
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

Every 2nd Tuesday of June of each year
(Annual Meeting)

**ANNUAL REPORT
(SEC FORM 17-A)**
(FORM TYPE)

April 15, 2005
(Date)

(Amendment Designation if Applicable)

(Secondary License Type, if any)

LCU

Cashier

DTU

108476
S.E.C. Reg. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE

- 1. For the fiscal year ended **2004**
- 2. SEC Identification Number **108476**
- 3. BIR Tax Identification No. **301-000-390-189**
- 4. Exact name of registrant as specified in its charter **PHILIPPINE SEVEN CORPORATION**

5. **Philippines**
 Province, Country or other jurisdiction of Incorporation or Organization

6. (SEC Use Only)
 Industry Classification Code:

7. **7th Floor, The Columbia Tower,
 Ortigas Ave., Mandaluyong City** **1550**
 Address of principal office Postal Code

8. **(632) 705-52-00**
 Registrant's telephone number, including area code

9. Not Applicable
 Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Shares Outstanding - Common Warrants	237,252,000 -0-

11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes No

<i>Title of Class</i>	<i>Total Shares Listed</i>
Common Shares	237,938,250

12. Check whether the registrant:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections

26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

(a) Has been subject to such filing requirements for the past 90 days.

Yes No

13. Not Applicable
The aggregate market value of the voting stock held by non- affiliates of the registrant.

DOCUMENTS INCORPORATED BY REFERENCE

- (a) Management's Discussion and Analysis of 2004 Operations as per Item 6 of SEC Form 17-A (Appendix A);
- (b) Audited Financial Statement for the year end December 31, 2004 showing the financial condition of registrant as per Item 7 of SEC Form 17-A. (Appendix B).

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Philippine Seven Corporation (“PSC”) was registered with the Securities and Exchange Commission (“SEC”) on November 1982. It acquired from Southland Corporation (now Seven Eleven, Inc.) of Dallas, Texas the license to operate 7-Eleven stores in the Philippines in December 13, 1982. Operations commenced with the opening of its first store in February 29, 1984 at the corner of Kamias Road and EDSA Quezon City, Metro Manila. Considering the country’s economic condition at that time, the Company grew slowly in its first few years of existence.

In July 1988, PSC transferred the Philippine area license to operate 7-Eleven stores to its affiliate, Phil-Seven Properties Corporation (“PSPC”), together with some of its store properties. In exchange thereof, PSC received 47% of PSPC stock as payment. Concurrent with the transfer, PSC entered into a sublicensing agreement with PSPC to operate 7-Eleven stores in Metro Manila and suburbs. As part of PSPC’s main business, it acquired or leased commercial properties and constructed retail store buildings, leasing the buildings to PSC on long term basis together with most of the capital equipment used for store operations. In effect, PSC concentrated on managing its stores and effectively took the role of a pure retailer.

In May 1996, the stockholders of both PSC and PSPC approved the merger of the two companies to advance PSC group’s expansion. In October 30, 1996, SEC approved the merger and PSPC was then absorbed by PSC as the surviving entity. With the consolidation of the respective lines of business of PSC and PSPC, PSC’s retailing strengths were complemented by PSPC’s property and franchise holdings. Their management as a single entity enhanced operational efficiency and strengthened ability to raise capital for growth. In September 17, 1998, PSC established Convenience Distribution Inc. (“CDI”), a wholly owned subsidiary, to provide a centralized warehouse and distribution system to service its 7-Eleven stores.

With the effectivity of the Retail Trade Liberalization Act (R.A. 8762) on March 25, 2000, foreign entities were allowed to invest in an existing retail company subject to the requirements of the law. President Chain Store Corporation of Taiwan (PCSC), which is also the 7-Eleven licensee in Taiwan operating about 2,700 stores, purchased 119,575,008 common shares of PSC or 50.4% of PSC’s outstanding capital stock at the price of P8.30 per share. The purchase was made under a tender offer during October 9 to November 7, 2000 by President Chain Store (Labuan) Holdings, Ltd., a Malaysian investment holding company, wholly-owned by PCSC. The acquisition is meant to forge a strategic alliance which aims to provide PSC with technical support from PCSC in strengthening its organizational structure and operating systems. This shall enable PSC to pursue store expansion plans on sound and profitable basis. A new affiliate, Store Sites Holdings Inc., was also established on November 9, 2000, as the entity to own land properties of the Company. These land properties are leased to PSC by SSHI. The Corporation’s area license to operate 7-Eleven Stores in the Philippines has an initial term of 20 years which shall expire on December 12, 2002 and it is expressly provided under the contract that the same shall be renewed for another 5 years (or until Dec. 12, 2007) under the same terms and conditions subject to approval of supervising agency under Department of Trade and Industry. Notwithstanding the above, PSC and SEI have commenced discussions for the renewal of the area license and a new license agreement maybe finalized even before the expiry of the above final term.

The company had a manpower complement of 2,513 personnel, 967 of whom are regular employees, 716 contractual/probationary and 830 part-timers engaged in store operations and in the various support services units. There is no existing labor union in the company and collective bargaining agreement. There is an Employees Council which communicates to management employee concerns. There has been no strike or threat to strike from the employees for the past three years.

At year end, PSC is operating 257 stores, 15 of which are franchise stores, 37 stores are operated under a service agreement, and the rest are company-owned stores. The store franchise and service agreements have a minimum term of 5 years each which shall be renewable for a similar term. Below are the existing store franchises granted by PSC, to wit:

Franchise Store	Location
154 INSULAR	P. Burgos cor. G. Luna St., Makati City
161 SAN FERNANDO	Tiomico St., cor Mendoza St., San Fernando, Pampanga
162 COGEO	Cogeo Gate 2, Bagong Nayon, Antipolo City
178 ASTURIAS	Dapitan cor. Asturias Sts., Sampaloc, Manila
187 VIRRA 1	Virra 1 Condominium, P. Burgos cor Dapo Sts., Makati City
198 MATALINO	Matalino near corner Malakas Sts., Brgy. Central, Quezon City
214 SAN PABLO HIWAY	Maharlika Highway corner Leonor Street, San Pablo City, Laguna
274 FIELDS	Fields Ave., Balibago, Angeles City
276 HANSEL	Auroral Blvd. corner Imperial, Cubao, QC
281 TOMAS MORATO	#184 Tomas Morato corner Scout Castor, Quezon City
282 GATCHALIAN	Dr. A Santos cor Palanyag St, Pque City
284 BURGUNDY	One Burgundy Plaza, Katipunan Ave. near corner Rosa alvaro, Loyola Heights, QC
286 APACIBLE	Taft Ave cor Apacible St., Ermita, Manila
288 SAN FERNANDO 2	Olongapo Gapan Road, Brgy. Dolores, San Fernando, Pampanga
289 KARUHATAN	McArthur Highway corner Ge. T. de Leon Street, Karuhatan, Valenzuela

In spite of the growing competition in convenience store ("C-Store") business, the Corporation maintains its leadership in the industry. The Corporation estimates its market share in branded C-store business as of December 31, 2004, in terms of number of C-store outlets in Metro Manila and adjacent provinces, as follows:

	<i>Number of C-stores</i>	<i>Market Share (as of 31 Dec 2004)</i>
7-Eleven	257	47%
Mercury Self-Serve (24 hours)	180	33%
Ministop	111	22%
TOTAL	548	100%

The majority shareholder, PCSC, has hands-on experience and know how in operating more than 3735 7-Eleven Stores in Taiwan and is sharing technical expertise to build the Corporation's infrastructure and systems to support its store development program through opening of corporate and franchise stores. The continuous improvement of the corporation's supply chain shall generate further efficiencies to effectively compete with the entry of other players in the C-store business.

The average number of customers that transact in the stores is about 1,162 per day per store with an average purchase transaction of about ₱ 41.69. The stores carry a wide range of beverages, food service items, frozen foods, confectioneries, cookies and chips, personal care products, groceries and other daily needs and certain services which neighborhood residents, commuters, students and other urban shoppers would look for in a convenience store. Also offered in the store are proprietary product lines under the 7-Eleven trademark such as :

Trademarks	Description of Product	Application Date	Status
1. Slurpee	Frozen carbonated beverage, prepared with a variety of high-quality syrups, properly brixed, and served in standardized, trademark SLURPEE cups	Aug. 19, 1992	Registered for 20 years from Aug. 19, 1992 to Aug. 18, 2012
2. Super Big Bite	Sandwiches, hotdogs and buns	Apr. 20, 1994	Registered for 20 years from April 20, 1994 to Apr. 19, 2014
3. Big Gulp	Post-mix fountain beverage, prepared with a variety of high quality syrups	Nov. 16, 1992	Registered for 20 years from Nov. 16, 1992 to November 15, 2012

PSC also sells its developed or own branded products under the following trademarks:

Trademarks	Description of Product	Application Date	Status
1. Nature's Harvest	Instant Noodles	Dec. 17, 1993	Registered for 20 years from Dec. 17, 1993 to Dec. 16, 2013

2. Quick Bites	Fast food items carried under umbrella brand consisting of siopao, siomai, others	Jan. 13, 1997	- Pending-
3. Tea Eggs	Egg boiled in different herb formulation	Sept. 16, 1996	- Pending -
4. Hot Cup Quick Mix	Instant hot drinks such as coffee, choco, and tea	June 2, 1997	- Pending -
5. Baked Fresh	Bakery products	Aug. 8, 2001	- Pending -

Further, the products or services carried by the stores as described above are generally categorized as Food and Non-Food accounting for 81.72% and Services at 18.28%.

The merchandise stocks are supplied by over 300 vendors/suppliers and are mostly governed by the standard trading terms contract prescribed by the company. Among the largest suppliers for the products carried by the stores are Gate Distribution Enterprise, Inc., San Miguel Corporation, Selecta Walls, Inc., Universal Robina Corporation, Philip Morris Philippines, Seven Dragons Food Galore, Food Series, Inc. (Mister Donut) Pepsi Cola Bottlers, Inc. Gardenia Bakeries Phils. and Unilever Philippines, Inc.

Item 2. Properties

The following properties are owned and leased by the Company, free from any lien or encumbrances, as described below:

Condominium (Owned)

Description	Location	Total Lot Area (in square meter)
MH del Pilar Store Branch	Unit Nos. 102 & 201, Ferguson Tower, A. Flores cor. MH del Pilar & Guerrero Sts., Ermita, Manila	151.43
Office Space	All units of 7 th Floor and 3 units of 11 th Floor, Columbia Tower Ortigas Avenue, Mandaluyong City	1,662.00
20 parking units	G/F, Basement 2 and 3 Columbia Tower	300.00

The Company divested its land holdings to 7 parcels of land, excluding the improvements thereon, to its affiliate, Store Sites Holdings, Inc. (SSHI) at book value. SSHI was registered with SEC last November 9, 2000, initially wholly-owned by PSC. It eventually became 40% Company-owned with the 60% investment in SSHI by the PSC Employees Retirement Plan through its trustee, Bank of Philippine Islands-Asset Management & Trust Group. Anticipating foreign ownership in PSC to exceed 40%, the divestment was made to SSHI, which is 60% owned by Filipinos and 40% by foreigners to comply with 40% foreign ownership limit for corporations allowed to hold or own land/s in the Philippines.

Leases

The company leases land or existing building shell for its establishment of 7-Eleven stores. The lease term for these locations ranges from 5 to 20 years or an average of 10 years. The number of locations which shall expire within the next 5 years are as follows:

2005	2006	2007	2008	2009
17	16	22	29	15

Rental rates for these sites vary depending on transaction type as land or building shell lease, the location and size and market for real estate in the trade area. Below is the list of leased properties for the operations of 7-Eleven Stores.

	Store Name	Address
1	001 KAMIAS	Kamias cor. EDSA Ave., Q.C.
2	003 LIBERTAD	Libertad cor., F.B. Harrison, Pasay
3	004 NAGTAHAN	Nagtahan cor. J.P. Rizal, Manila
4	005 U. NATION	900 U.N. Ave., Ermita Manila
5	007 QUIAPO	465 Quezon Blvd., Quiapo Manila
6	008 ADRIATICO	Adriatico cor., P. Faura, Manila
7	010 MUÑOZ	Roosevelt Ave, near cor EDSA-Muñoz, Q.C.
8	011 AIRPORT ROAD	Quirino Ave., cor. Airport Road P'que
9	012 ROCES	A. Roces St. cor. Quezon Ave., Q.C.
10	015 STI	Shaw Blvd nr cor Mayflower St., Pasig City
11	016 RJ MAKATI	7849 Ge. Luna St. cor makati Avenue, Makati City
12	017 BUENDIA	Sen Gil Puyat Ave. cor Taft Ave, Manila
13	020 BONI	Boni Avnue cor., EDSA Mandaluyong City
14	022 RETIRO	Retiro cor Dimasalang Manila
15	024 PACO	Pedro Gil St., Paco Manila
16	027 MARIKINA CHURCH	Bayan-Bayanan cor., J.P. Rizal, Concepcion Marikina
17	029 MAYON	Mayon St., cor. Laon Laan St., Q.C.
18	030 BURGOS	Libertad St., cor. Burgos St.,Pasay City
19	031 BARRANCA	Boni Ave., Barangka Drive, Mandaluyong
20	032 MAYPAJO	J.P> Rizal St., cor. Ambini St., Maypajo, Caloocan City
21	033 DAPITAN	Maceda cor. Dapitan St., Sampaloc Manila
22	036 J R C	Shaw Blvd. cor Kalentong St., Mandaluyong City
23	038 PILAR	Alabang Zapote Rd., Pilar Rd.,Alamansa
24	039 MCU	Edsa cor. Asuncion St., Monumento, Caloocan City
25	040 ALMEDA	Concepcion cor. Almeda, San Joaquin, Pasig City
26	041 MARULAS	Mc Arthur Highway cor., Pio del Pilar St., Marulas, Bulacan
27	042 APO	Apo St., cor., A. Bonifacio St., La Loma, Quezon City
28	045 GAGALANGIN	Juan Luna cor., Pampanga St., Gagalangin Tondo Manila
29	046 PANDACAN	Jesus cor., Labores St., Pandacan Manila
30	047 SINGALONG	Singalong St., cor., san Andres, Malate Manila
31	048 RACETRACK	A. P. Reyes cor. Adora St. Makati
32	051 ALABANG	Montillano ST., West Service Road Alabang
33	054 MUNTINLUPA	Rizal St. cor. National Road., Poblacion, Muntinlupa
34	055 ROSARIO	A. Rodriguez nr. cor. Ortigas Ave. Ext., Rosario, Pasig
35	056 EVANGELISTA	Pio del Pilar cor. Evangelista, Mkati
36	057 COMMONWEALTH	Tandang Sora Ave., cor. Commonwealth Ave., Q.C.
37	059 REVILLA	EDSA cor. C. Revilla St., Pasay City
38	060 CAINTA JUNCTION	A. Bonifacio St., cor. Ortigas Ave., Ext. Cainta Rizal
39	061 PUREZA	R. Magsaysay Blvd., cor. Pureza St., Sta. Mesa, Manila
40	063 GUADALUPE 1	EDSA nr. cor. R. Magsaysay, Guadalupe, Makati
41	064 MASINAG	Marcos Highway cor. Sumulong Highway, Antipolo, Rizal
42	065 ROAD 8	Road 8 cor. Visayas Ave., Proj. 6 Q.C.
43	067 ST.JAMES	Tandang Sora Ave., cor Mindanao Avenue, Q.C.
44	068 MURPHY	15th Ave., cor. Liberty Ave., Murphy Cubao, Quezon City
45	069 P.C.U.	Pedro Gil St. cor L. Guinto St., Malate Manila
46	070 LA SALLE	Taft Ave., nr. cor. Vito Cruz, Malate Manila
47	072 CALAMBA	National Highway cor. J. P. Rizal
48	073 G.TUAZON	G. Tuazon St., cor. D. Santiago St., Sampaloc Manila
49	074 CANAYNAY	Dr. A. Santos Ave., cor. Canaynay Ave., P'que

50	075 ANTIPOLO CHURCH	P. Oliveros St. cor Masangkay Rd. Antipolo Rizal
51	076 PASIG ROTONDA	Pasig Blvd. cor. Sixto Antonio Pasig City
52	077 ALTURA	R. Magsaysay cor. Altura St., sta. Mesa Mianila
53	078 BRUGER	National Rd., Bruger St. Bruger Subd., Muntinlupa City
54	080 MARCELO	West Service Road cor. Marcelo Ave., P'que
55	081 R. SALAS	R. Salas cor. Mabini St. Ermita Manila
56	082 SAN ANTONIO	Sucat Rd. cor San Antonio Ave., P'que
57	083 TIMES	Alabang Zapote Rd. cor Manila Times., Las Piñas
58	085 FB HARRISON	F.B. Harisson St. cor. Vito Cruz Manila
59	086 TAYUMAN	Tayuman St. cor. Rizal Ave., Manila
60	087 IMUS	Aguinaldo Highway cor. Tanzang Luma, Imus Cavite
61	088 ANTIPOLO JUNCTION	Circumferential Rd., cor. M.L. Quezon St., Anipolo Rizal
62	090 BANGKAL	Evangelista cor. Alejandrino St., Bangkal, Makati
63	091 SAN PEDRO 1	Maharlika St. cor. National Highway, San Pedro Laguna
64	093 MEYCAUAYAN 2	Malhacan St. cor Mac Arthur Highway, Meycauayan, Bulacan
65	095 M DELA FUENTE	M. Dela Fuente St. cor. España, Sampaloc Manila
66	096 SAN PEDRO 2	A. Mabini St. cor. Garcia St. San Pedro Laguna
67	097 CAVITE CITY	Cajigas St. cor. Burgos St., Cavite City
68	098 YLAYA	Ylaya St. cor. Lakandula St., Binondo Manila
69	099 DASMARINAS	P. Campos cor. Cantimbuhan St., Dasmariñas St., Cavite
70	100 BALIBAGO	National Highway cor. R. Lasaga St., Balibago
71	101 BLUMENTRITT 2	Blumentritt St. cor. Isagani St. Sampaloc Manila
72	102 HERMOSA	J. Abad Santos Ave., cor. Hermosa St. Tondo Manila
73	103 KABIHASNAN	Kabihasan St. cor. San Dionisio Parañaque
74	104 GALAS	Unang Hakbang St., cor. Luzon Ave., Galas, Q.C.
75	105 L. BICUTAN	Gen. Santos Avenue cor. M. L. Quezon St., Lower Bicutan
76	106 TAMARAW HILLS	Mac Arthur Highway cor. Tamaraw Hills, Marulas, Valenzuela
77	107 CABUYAO	J. P. Rizal cor. Circumferencial Ave., Cabuyao, Laguna
78	109 REMEDIOS	Remedios St. cor. MH del Pilar, Malate, Manila
79	110 BALIWAG	Cagayan Road cor. Barrera St., Plaza Naning Baliuag, Bulacan
80	111 MOLINO 1	Molino Rd., cor. BaHayang Pag-asa, Bacoor Cavite
81	112 SAN PABLO	Rizal Ave., cor. A. Flores ST., San Pablo City
82	113 TANAY	Plaza Rizal cor. P. Burgos, Tanay, Rizal
83	114 DASMA 2	Mangubat St., cor. Aguinaldo Highway, Dasmariñas Cavite
84	115 SN. NICOLAS 3	Molino Rd., San Nicolas, Mambog, Bacoor Cavite
85	116 SALINAS	193 Gen. Trias Drive, Rosario, Cavite
86	117 OWWA	Solana St. cor Victoria St., Intramuros, Manila
87	118 GMA	Gov. Drive near cor. GMA Drive, Dasmariñas Cavite
88	119 BINAN 2	National Highway cor. Malvar St., Biñan, Laguna
89	120 BALAGTAS	Mac Arthur highway Wawa, Balagtas Bulacan
90	121 PULANGLUPA	Quirino Ave., cor. Naga Rd., Pulang Lupa, Las Piñas
91	122 BF RESORT	Alabang Zapote rd cor. BF Resort Drive Pamplona
92	123 MARIKINA PARANG	G. del Pilar cor., M.L. quezon, Parang Marikina
93	125 JP RAMOY	Quirini Highway cor. J.P. Ramoy, Barrio Talipapa Novaliches Q.C.
94	126 CAINTA CHURCH	A. Bonifacio Avenue, san Andres Cainta Rizal
95	127 TATLONG HARI	Rizal Blvd., cor. Tatlong Hari, Sta. Rosa Laguna
96	128 LOS BANOS	Batong Malaki National Highway, Los Baños Laguna
97	130 BINAKAYAN	Gen. Tirona Highway cor. Bisita St., Binakayan Kawit Cavite
98	131 LIPA HIGHWAY	Pres. Laurel Hiway, Lipa City, Batangas
99	132 TRECE MARTIREZ	Gov. drive cor. Indang, Tanza Rd., Trece Martirez, Cavite

100	133 TAGAYTAY	Silang-Tagaytay Rd., Rotonda Tagaytay, Cavite
101	134 MOLAVE	Bayan bayan Ave. cor. Molave St. Concepcion, Marikina
102	135 PANAPAAN	Tirona Hi Way cor. Aguinaldo Hi Way Panapaan, Cavite
103	136 APALIT	San Vicente cor. David St., Mc Arthur Highway, Apalit, Pampanga
104	137 SAN PEDRO 3	Pacita cor. Macaria Ave. San Pedro Laguna
105	138 LIPA PROPER	C.M. Recto Avenue Lipa City, Batangas
106	141 CAMARIN	Blk 1 Lot 18 & 20 Camarin cor. Susano Rd., Caloocan City
107	142 TANZA	Sta. Cruz cor. San Augustine Poblacion , Tanza Cavite
108	143 MALINTA	Msc Arthur Highway cor. Poblacion 2, Karuhatan, Valenzuela, Q.C.
109	144 AGLIPAY	Boni Ave., cor. A. T. Reyes Aglipay Mandaluyong City
110	145 NAIC	Poblete St., cor. Nazareno St., Poblacion Naic Cavite
111	147 SHORTHORN	Shorthorn cor. Road 20 Project 8, Quezon City
112	148 JP RIZAL	J. P. Rizal cor. Constancia St. Makati City
113	149 MOONWALK	432 Marcos Alvarez, Talon Las Piñas
114	150 ZABARTE	Quirino Hiway cor. Zabarte Ave., Novaliches
115	152 DASMA 3	Congressional Ave., cor. DBB, Dasmariñas Cavite
116	153 PACO 2	Pedro Gil St. cor. Main St. Paco Manila
117	154 INSULAR	P. Burgos St. cor. Gen. Luna St., Makati
118	155 ONYX	A. Francisco cor. Onyx and Concha Sts. Sta. Ana, Manila
119	156 GAUDALUPE 2	Sgt. Yabut nr. Cor. Anastasio St., Guadalupe, Makati
120	157 SANGANDAAN	A. Mabini St. cor. Gen. San Miguel Ave., Sangandaan, Caloocan
121	158 N.DOMINGO	N. Domingo cor. F. Blumentritt St., San Juan
122	160 SAN BARTOLOME	M. Dela Cruz cor. Quirino Highway, Novaliches, Quezon City
123	161 URBAN	Urban Ave. (Tindalo St.) Makati City
124	162 SAN FERNANDO	B. Mendoza cor. Tiomico St., San Fernando, Pampanga
125	163 COGEO	Marcos Highway near cor. Gate 2, Cogeo Vill., Antipolo
126	165 SUPERLINES	EDSA nr. cor. New York St. , Cubao Quezon City
127	166 COLUMBIA	Columbia Tower, Ortigas Ave., Mandaluyong City
128	167 JUPITER	Makati Ave., cor. Gil Puyat Ave., Makati
129	168 TM KALAW	Kalaw cor. A. Mabini St. Emrmita Manila
130	169 BLUMENTRITT 3	Cavite cor. Guevarra St. Blumentritt, Manila
131	171 PASONG TIRAD	Kalayaan Ave. cor. Pasong Tirad, Makati City
132	172 WEST TRIANGLE	West Ave., cor. Zamboanga Sts. Quezon City
133	173 LIGAYA	Marcos Highway cor. E. Rodriguez, Pasig City
134	174 MASANGKAY	Masangkay cor. Mayhaligue St. Sta. Cruz, Manila
135	175 MCU 2	EDSA cor. Benin St. Caloocan City
136	176 FARMERS	Space 1&2, 2nd Level New Farmers Plaza, Cubao Quezon City
137	177 MARIPOSA	Market Ave. cor. Carunchu Ave. Pasig City
138	178 ASTURIAS	Dapitan St. near cor. Asturias St., Sampaloc, Manila
139	180 BATANGAS CITY	P. Panganiban nr. cor. P. Burgos St. Batangas City
140	181 CHINA CENTER	Gen. Mac Arthur Ave., Araneta Ctr., Cubao Quezon City
141	182 SM PAMPANGA	SM Annex, SM City Pampanga
142	183 ALABANG JUNCTION	Alabang-Zapote Road, Alabang Junction, Muntinlupa City
143	184 D. JOSE	Rizal Ave. cor. D. Jose, Sta. Cruz Manila
144	185 GLOBAL PLAZA	Doña Soledad Ave. Better Living Parañaque
145	186 BETTER LIVING	Seaside Drive nr. cor. Coastal Road. Tambo, Parañaque
146	187 VIRRA 1	P. Burgos Ave. cor. Dapo St. Makati City
147	188 PANAY	Quezon Avenue cor. EDSA, Quezon City
148	189 GEN. TRIAS	Newhall Commercial Complex, Mangagahan Gen. Trias Cavite
149	191 BAGUIO	#33 Lower Session Road, Baguio City

150	192 TURBINA	National Highway Brgy. Turbina, Calamba, Laguna
151	193 BAUAN	Brgy. Poblacion, Bauan Batangas
152	194 ANGONO	M.L. Quezon Ave. Angono Rizal
153	195 RFM	RFM Corporate Center, Mandaluyong City
154	196 URDANETA	Brgy. Poblacion, Urdaneta City Pangasinan
155	197 TARLAC	Mac Arthur Highway, Sto. Cristo, Tarlac City
156	198 MATALINO	Matalino St. cor. Malakas St. Diliman Quezon City
157	199 RIZAL MED	Pasig Blvd. cor. Banaag, Penida, Pasig City
158	200 CARMEN	Mac Arthur Highway, Carmen, Rosales, Pangasinan
159	201 EUROVILLA	Villar cor. Agustin St., Salcedo Vill. ,Makati City
160	202 PASEO DE ROXAS	111 Paseo de Roxas Bldg., Paseo de Roxas St. cor. Legaspi St. Legaspi Vill., Makati City
161	203 CIRCLE	Quezon Ave. cor. Scout Reyes, Quezon City
162	204 PRISCILLA	Pasong Tamo Ext.Kayamanan - C, Makati City
163	205 UE RECTO	UE, Claro M. Recto Ave., Manila
164	206 ZAPOTE	Alabang Zapote Road cor. F. Santos, Las Pinas
165	207 MORONG	T. Claudio, Morong Rizal
166	208 ANGELES	Sto. Rosario cor. Sukdulan St. Angeles City
167	209 DAGUPAN	Arellano St., Dagupan City
168	210 SESSION 2	G/F B - 105 Lpez Bldg. Session Rd. Baguio City
169	211 OROSA	MY Orosa nr. cor. TM. Kalaw, Ermita Manila
170	212 LEMERY	Ilustre Ave., nr. cor., P. Burgos St. Lemery, Batangas
171	213 PARKVIEW	Valero St. cor. Salcedo Village Makati City
172	214 SAN PABLO	Leonor street corner Maharlika Hway, San Pablo, Laguna
173	215 CRAME	Boni Serrano cor 2nd street, Camp Crame, Q.C.
174	216 BAC 2	Quirino Ave., Corner Dimasalang st., Baclaran Paranaque City
175	217 NOVA 3	Quirino H-Way cor. Sarmiento St. Novaliches City, Q.C.
176	218 TAYTAY 2	Manila-East Road, Taytay Rizal
177	219 P.CAMPA	Espana cor. P. Campa Sampalok St., Manila
178	220 LB AIR	Sta. Rosa - Tagaytay road Sta. Rosa, Laguna
179	221 BACLARAN 3	Roxas Blvd., Baclaran, Paranaque
180	222 CALAMBA 2	National Hi-way near cor. Halang st., Calamba, Laguna
181	223 EASTWOOD	Eastwood cor. E-Commerce Aves., Eastwood City, Quezon City
182	224 LUISITA	Mc Arthur H-way, San Miguel Tarlac City
183	226 LEGARDA	2108 Legarda St., Quiapo, Manila
184	227 EPZA ROSARIO	Gen. Trias Drive, Brgy. Tejero, Rosario Cavite
185	228 BOCAUE	Mc Arthur Highway cor. Gov. F Halili Ave., Binang 2nd, Bocaue, Bulacan
186	229 CITYLAND 10	LG07 Cityland 10 Tower Valero cor. Dela Costa St., Salcedo Village, Makati City
187	230 FILOMENA	Penthouse Filomena Bldg., 104 Amorsolo St., Legaspi Village, Makati City
188	231 Mkti City Hall	9033 Hormiga St., Brgy. Poblacion, Makati City
189	232 CBC	115 G/F Corporate Business Center, Paseo de Roxas cor. Pasay Road, Makati City
190	233 EDSA CENTRAL	EDSA Central Shopping Complex, EDSA cor. United, Mandaluyong City
191	234 LA HUERTA	Quirino Avenue cor. Dandan St., La Huerta, Parañaque
192	235 Eaglecrest	G/F Evercrest Bldg., Pasong Tamo cor. Buendia, Makati City
193	236 UP Manila	Pedro Gil Street near corner Taft Avenue, Malate, Manila
194	237 Orient Square	Ruby Road, Ortigas Ctr., Pasig City
195	238 FORUM	Stop-Over 2, 31st cor 2nd St. Bonifacio Global City, Taguig
196	240 Salcedo	Antel 2000 Bldg., Valero cor. Herrera, Salcedo Village, Makati
197	241 St. Lukes	E. Rodriguez cor. Victoria St., New Manila, Q.C.
198	242 Mabini-10th Ave.	Mabini cor. 10th Avenue, Caloocan City

199	243 Merville	Moreland Bldg., Merville Access Rd. cor. West Service Rd.
200	244 Guada 3	F. Yabut St., near cor. EDSA, Guadalupe Nuevo, Makati City
201	245 QA- Araneta	Quezon Avenue cor. Araneta Ave., Q.C.
202	246 Sucat 1	Sucac Interchange, Sucat Road, Parañaque
203	247 Morayta	P. Paredes corners N. Reyes & España, Sampaloc, Mla.
204	248 Pasig Mega	Mega Parking, Caruncho cor. Market Avenue
205	249 Binangonan	Quezon St., Libis, Binangonan, Rozal
206	250 Aurora	Aurora Blvd.cor St. Mary,Cubao Quezon City
207	251 Nobel	G/F ,110 Nobel Plaza,Valero St., Makati City
208	252 Talon	J. Aguilar Ave. cor Alabang-Zapote Road, Talon, Las Pinas City
209	253 Baymart	Baymart Plaza,Gen Santoscor ML Quezon Ave, Taguig
210	254 Salauag	Molino-Paliparan Road,Salawag,Dasmaringas, Cavite
211	255 Pateros	Herrera St.cor Morcilla Pateros
212	256 Marikina Bridge	E. Rodriguez cor. JP Rizal St., Marikina
213	257 Shoe Ave.	Shoe Avenue cor Capt Venciong, Sta. Elena
214	258 Herrera	Y-L Bldg., Herrera St. Cor Salcedo St., Legaspi Village,Makati City
215	259 Del Monte	Del Monte Avenue cor Tolentino St.(near Roosevelt), Quezon City
216	260 Alabang Terminal	Alabang City Terminal,Alabang Zapote Rd, Alabang, Muntinlupam City
217	261 Calamba Crossing	along Provincial Road, Calamba-Crossing,Laguna
218	262 PCU 2	Taft Avenue cor Pedro Gil, Manila
219	263 Tandang Sora	Mindanao Avenue cor Tandang Sora,Quezon City
220	264 Trece 2	Gov. Drive cor Indang, Tanza Road
221	265 Antipolo Market	ML Quezon cor Sumulong St., San Roque, Antipolo
222	266 Zapote Arcade	Unit A & B, Zapote Arcade,Las Pinas City
223	267 Dasma 4	IBC Bldg., P. Campos Avenue cor Bautista St.,Dasmaringas Cavite
224	268 Arayat 2	Arayat cor. Pinatubo St. Near cor. Edsa, Cubao Quezon City
225	269 Pamplona	Alabang-Zapote Rd cor Equitable Rd (Balaraw),Pamplona, Las Pinas
226	270 Binan 3	A. Bonifacio cor Gonzales Sts. Poblacion Binan, Laguna
227	271 Shaw Starmall	Shaw Blvd. cor EDSA Mandaluyong
228	272 Betterliving 2	Dona Soledad Avenue cor Peru, Betterliving,Paranaque City
229	273 Santolan	AD Center Square E. Rod. Ave. cor Evangelista
230	274 Fields Ave.	G/F HHH Commercial Bldg., 932 Fields Ave. Balibago, Angeles City
231	275 FEU	913-919 Nicanor Reyes cor. Estiro de Alix, Sampaloc,Manila
232	276 Hansel	Aurora Blvd. cor. Imperial, Cubao Quezon City
233	277 Session 3	Upper Session Rd., Baguio City
234	278 Sagittarius	G/F Sagittarius Bldg.HV Dela Costa St.,Salcedo Village, Makati
235	279 Marina	A. Mabini St., Malate Manila
236	281 T. Morato	Scout Castor cor.. T. Morato
237	282 Gatchalian	Dr. A. Santos Ave. cor Palanyag St., Parañaque City
238	283 RCBC	RCBC Bldg 3rd Flr . RCBC Poduim Ayala Avenue cor Buendia Makati City
239	285 Katipunan	G/F One Burgundy Plaza , Katipunan Ave. Quezon City
240	286 Apacible	G. Apacible St. cor Taft Avenue , Ermita Manila
241	287 Dagupan 2	Perez Blvd. beside Victory Liner Terminal, Dagupan City
242	288 San Fernando 2	Olongapo - Gpan rd, Dolores, San Fernando, Pampanga
243	289 Karuhatan	Gen T De leon cor Mc Arthur H-way , Kahuratan Valen
244	291 Gateway Mall	Aurora Blvd, Quezon City
245	292 University of Batangas	University arcade, University of Batangas, Batangas City

Item 3. Legal Proceedings

The Company is a party to various litigations involving price tag law issues before the Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, for specific performance and other civil claims; all such cases are in the normal course of business and are not deemed to be considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

Item 4. Submission of Matters to a Vote of Security Holders

A stockholders meeting was held on June 08, 2004 during which the action to delegate to the Board of Directors the amendment of the Code of By-laws of the Corporation to include the procedure for the election of independent directors pursuant to requirements of SEC Circular No. 16 and to comply with corporate governance and good practices was submitted to a vote of security holders. No other stockholders meeting was held for the period ending December 31, 2004.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

The company's common shares were listed in the Philippine Stock Exchange on February 04, 1998. The trading record of the company's shares as of December 31, 2003 and 2004 are as follows:

December 31, 2003

Month	Open	High	Low	Close	Volume
1 st Quarter	No Transaction				
2 nd Quarter	2.50	2.50	2.50	2.50	1,000
3 rd Quarter	2.80	2.80	2.80	2.80	486,672
4 th Quarter	3.00	3.00	3.00	3.00	18,839,754**
*SBS: July 2, 2003					14,682,617
**Dec. 18, 2003					18,839,754

December 31, 2004

Month	Open	High	Low	Close	Volume
1 st Quarter	3.00	4.45	3.00	4.45	527,721
2 nd Quarter	5.00	5.00	5.00	5.00	2,000
3 rd Quarter	3.55	3.55	2.14	2.14	3,000
4 th Quarter	No Transaction				
Latest Trading					
February 28, 2005	1.9	1.9	1.9	1.9	12,000

Stock/Cash Dividends

No stock/cash dividends were declared during the past three years (2002-2004) due to the reservation of retained earnings for the opening /putting up of additional stores which require considerable capital expenditures. Also, there's no restriction that limits the ability of the Company to pay dividends on common equity other than the unavailability of unrestricted retained earnings. Likewise, there was no sale of any unregistered securities.

Holders

As of December 31, 2004, there were 20 shareholders of the company's outstanding common shares totaling 237,252,000 shares.

The top 20 shareholders and their corresponding shareholdings as of December 31, 2004 are as follows:

SHAREHOLDER	CITIZENSHIP	SUBSCRIPTION	% HOLDINGS
1. President Chain Store (Labuan) Holdings, Ltd.	Malaysian	134,257,619	56.59%
2. Asian Holdings Corporation	Filipino	29,208,750	12.31%
3. Progressive Development Corp.	Filipino	20,163,079	8.50%
4. PCD Nominee Corporation *	Filipino	10,126,085	4.27%
5. Vicente T. Paterno	Filipino	5,540,746	2.34%
6. Agus Development Corp.	Filipino	4,912,178	2.07%
7. Ma. Cristina P. Paterno	Filipino	4,593,050	1.94%
8. Anglo Philippine Holdings Corporation	Filipino	4,333,380	1.83%
9. Ma. Theresa P. Dickinson	Filipino	4,257,884	1.79%
10. Jose Victor P. Paterno	Filipino	3,767,951	1.59%
10. Ma. Elena P. Locsin	Filipino	3,767,951	1.59%
10. Paz Pilar P. Benares	Filipino	3,767,951	1.59%
11. Maria Henrietta R. Santos	Filipino	1,051,563	0.44%
12. 7-Eleven Inc.	American	922,876	0.39%
13. Dante G. Santos	Filipino	917,723	0.39%
14. Apex Management & Dev't Group, Inc.	Filipino	888,000	0.37%
15. National Life Insurance Co.	Filipino	774,104	0.33%
16. Ma. Elena P. Paterno	Filipino	714,736	0.30%
17. Paz Pilar P. Benares	Filipino	714,735	0.30%
18. Jose Victor P. Paterno	Filipino	425,383	0.18%
19. Manuel U. Agustines	Filipino	421,140	0.18%
20. Socorro Paz P. Paterno	Filipino	170,000	0.07%

*Note: Transfer of 18,839,754 PSC shares of Mr. Paterno to his 5 children last Dec. 18, 2003 were lodged in PCD Nominee Corp. (Fil.) and reflected last Feb. 24, 2004 in names of Mr. Paterno's 5 children. Said transfers are subject to a Voting Trust Agreement executed by his children in favor of Mr. Vicente T. Paterno.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The Management's Discussion and Analysis of 2004 Operations is attached hereto as Appendix A.

Item 7. Financial Statements

The audited financial statement for the year ending December 31, 2004 is attached hereto as Appendix B.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in or disagreements with accountants on accounting and financial disclosures.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

a) Directors and Corporate Officers

The directors of the Company are elected at the Annual Stockholders meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. The members of the Board of Directors and corporate officers of the Company are the following:

NAME	AGE	Term of Present Position	No. of Year(s) In Service	<i>Business Experience</i>
CHIN-YEN KAO Honorary Chairman of the Board Citizenship: R.O.C.	76	4	4	<ul style="list-style-type: none"> • <i>Chairman</i> - Uni-President Enterprise Corp.; • <i>Chairman</i> - President Chain Store Corporation
VICENTE T. PATERNO Chairman of the Board Citizenship: Filipino	79	22	22	<ul style="list-style-type: none"> • <i>Chairman</i> - Store Sites Holding Inc.; • <i>Chairman & President</i> - Philippine Seven Holdings Corporation • <i>Director</i> - Cityland Dev. Corp., State Land Investment Inc. and First Philippine Holding Corporation
YEONG-HSIANG YEH President and Director Citizenship: R.O.C.	43	2 yr & 10 mos.	2 yr & 10 mos.	<ul style="list-style-type: none"> • <i>Chairman & Director</i> – Convenience Distribution, Inc.; • <i>Director</i> – Store Sites Holding Inc.; • <i>Former Division Manager</i> – President Chain Store Corp. (<i>Resigned: December 31, 2004</i>)
JORGE L. ARANETA Director Citizenship: Filipino	69	17	17	<ul style="list-style-type: none"> • <i>Chairman & CEO</i> - Araneta Center Inc./ Philippine Pizza Inc./ Uniprom Inc./ Progressive Development Corporation
ALFREDO C. RAMOS ¹ Director Citizenship: Filipino	61	17	17	<ul style="list-style-type: none"> • <i>Chairman & President</i> – Alakor Corporation/ CHI Realty, Inc./ Filipinas Energy Corp./ National Bookstore, Inc./ NBS Subic, Inc./ The Philodril Corp./ Vulcan Industrial & Mining Corp./ United Paragon Mining Corporation • <i>Vice Chairman</i> – LR Publications, Inc./ MRT Development Corp./ Edsa Properties Holdings, Inc. / Metro Rail Transit Corp./ Penta Capital Investment Corp./ Shangri-la Plaza Corporation; • <i>Chairman of the Board</i> – Ace Publications, Inc./ Adventurer Illustrated Magazines, Inc./ Anvil Publishing, Inc./ Anglo Philippine Holdings Corporation/ Atlas Lithographic Services, Inc./ Atlas Publishing Group of Companies, Inc./ Cacho Hermanos, Inc./ Capitol Publishing House, Inc./ Carda Features, Inc./ Carmelo & Bauermann Printing Corp./ Convoy Consolidated Holdings, Inc./ Dataworld Computer Corp./ Educational Textbooks Corp./ Europhil Fashion, Inc./ Filstar Distributors Corp./ Megastrat, Inc./ The Music One Corp./ Music First Management Corp./ Penta Capita Finance Corp./ Solar Publishing Corp./ Trafalgar Holdings Philippines, Inc./ Yasaka (Manila) Industry, Inc. • <i>President</i> – Abacus Book and Card Corp./ Atlas Consolidated Mining & Development Corporation/ Business One, Inc./ Crossings Department Store, Corp./ MRT Holdings Corp./ Office One, Inc./ Power Books, Inc./ Zenith Holdings Corp. • <i>Director</i> – Chamber of Mines of the Phil./ Central Azucarera de Pilar/ JPM Foundation, Inc./ Kuok Philippine Properties, Inc./ Media One Broadcasting Corp./ MUI Hikari Construction Philippines, Inc./ Penta Capital Holdings Corp./ Philippine Seven Corp./ Philippine Seven Holdings Corp./ Philippine Gaming & Management Corp./ Vulcan Materials Corp. • <i>Treasurer & Trustee</i> – Stadium Theologiae Foundation, Inc.
MANUEL U. AGUSTINES ¹ Director	66	17	17	<ul style="list-style-type: none"> • <i>Chairman & Chief Executive Officer, Director</i> - Ramcar Inc.;

Citizenship: Filipino				<ul style="list-style-type: none"> • <i>Chairman, President & Director</i> - Agus Development Corp. (Resigned December 31,2004)
DIANA P. AGUILAR Director Citizenship: Filipino	41	6 yrs. 8 mos.	6 yrs. 8 mos.	<ul style="list-style-type: none"> • <i>Director</i> - Electronic Commerce Payments Network Inc./ Artemis Electronic Systems, Inc./ Philippine Seven Holdings Corp./WenPhil Corporation/ Asian Holdings Corporation/ DAJ Property Holdings Corp./ Gate Distribution Enterprises, Inc./ ERA Philippines, Inc. • <i>Director & Treasurer</i> - Land & Housing Dev't. Corporation/ Cable Entertainment Corp. • <i>Treasurer</i> - Franchise One Corporation • <i>Board of Trustee</i> – De La Salle Santiago Zobel
CHUNG-JEN HSU Director Citizenship: R.O.C.	57	4	4	<ul style="list-style-type: none"> • <i>Chairman</i> - Duskin Serve Taiwan Ltd. Co./ Presidential Direct Marketing Corp./ Ren-Hui Investment Corp./ President Information Corp./ Capital Inventory Services Corp./ Wisdom Distribution Service Corp./Retail Support International Corp./Uni-President Yellow Hat Corp./President Drugstore Business Corp./ Books.com.Co.Ltd/ BankPro E-Service Technology Co. Ltd./ Mister Donut Taiwan Co./ MUJI (TAIWAN) Co., Ltd./ T & T Supermarket, Inc./ Uni-President Yi-Lian Art and Culture Corp. • <i>President</i> - President Chain Store Corporation/ Ren-Hui Investment Corp. • <i>Director</i> – President Transnet Corp./ President Collect Service Co. Ltd./ Uni-President Cold Chain Corp./ Mech President Corp./ Uni-President Oven Bakery Corp./ President Coffee Corp./ Nanlien International Corp./ Uni-President Dream Parks Corp./ Tong-Jeng Development Corp./ Uni-President Takashimaya Co., Ltd./ Shanghai President Coffee Corp./ President Coffee (Cayman) Holdings Ltd./ Digital United, Inc. (Seednet)/ President International Development Corp./ Latin America Development Corp./ Copres Corp./ Tonpal Optoelectronics, Inc./ Dayeh Takashimaya Department Store, Inc./ Century Quick Service Restaurant Corp./ Presidlerc Ltd./ T & T Supermarket, Inc./ Philippine Seven Corp./ President Pharmaceutical Corp. (PPC)/ Tung Ho Development Corp. Ltd./ PresiCarre Corp. (CarreFour)
CHIEN-NAN HSIEH Director Citizenship: R.O.C.	50	4	4	<ul style="list-style-type: none"> • <i>Chairman</i> - President Logistics International Corp./ Retail Support Taiwan Corp. • <i>Vice-President</i> - President Chain Store Corporation; • <i>Director</i> - Ren-Hui Investment Corp/ Capital Inventory Services Corp./ Duskin Serve Taiwan Ltd. Co./ President Organics Co./ Uni-President Cold Chain Corp./ President Drugstore Business Corp/ Uni-President yellow Hat Corp./ President Information Corp./ Mech-President Corp./ President Transnet Corp./ President Collect Services Corp./ Uni-President Oven Bakery Corp./ Presidlerc Corp. • <i>Supervisor</i> - T & T Supermarket Inc../ Bank-Pro E-Service Technology Co. Ltd./ Retail Support International Corp.
JUI-TANG CHEN Director Citizenship: R.O.C.	47	4	4	<ul style="list-style-type: none"> • <i>Director</i> - Unipresident Organics Co./ Wisdom Distribution Service Corp./ Duskon Service Taiwan Ltd. Co./ President Direct Marketing Corp./ Books.com.Co.Ltd./ President Musashino Corp. • <i>Supervisor</i> – Retail Support International Corp./ Uni-President Cold-Chain Corp./ Uni-President Oven Bakery Corp./ Uni-President Yi-Lan Art & Culture Corp.
FU-TANG CHEN Director Citizenship: R.O.C.	57	4	4	<ul style="list-style-type: none"> • <i>Chief Financial Officer</i> - President Chain Store Corp; • <i>Director</i> - President Investment Trust Corp.; • <i>Supervisor</i> - President Direct Marketing Corp./ Capital Inventory Services Corp./ Wisdom Distribution Service Corp./ Books.com.Co. Ltd/ Uni-President Takashimaya

				Co. Ltd./ President Yi-Lan Art & Culture Center/ Mister Donut Taiwan Corp.
KUO-HSUAN WU Director Citizenship: R.O.C.	50	4	4	<ul style="list-style-type: none"> • <i>Vice-President</i> - President Chain Store Corp.; • <i>Director</i> – Ren-Hui Investment Corp./ Capital Inventory Services Corp./ Allianz President General Insurance Co. Ltd./ Mech President Corp./ Philippine Seven Corp./ Uni-President Yellow Hat Co. Ltd./ Mister Donut Taiwan Co./ Uni-President Yi-Lan Art & Culture Corp.
WEN-CHI WU Citizenship: R.O.C.	35	3 years & 3 mos	3 years & 3 mos.	<ul style="list-style-type: none"> • Chief Financial Officer and Treasurer – Philippine Seven Corporation (Resigned: March 2004)
TSUNG YU-LIN Treasurer Citizenship: R.O.C.	35	9 mos.	9 mos.	<ul style="list-style-type: none"> • <i>Chief Financial Officer & Treasurer</i> – Philippine Seven Corp. • <i>Former Finance Planning Team Manager</i> – President Chain Store Corporation
EVELYN SADSAD-ENRIQUEZ Corporate Secretary Citizenship: Filipino	41	1 15 yrs.	1 15 yrs.	<ul style="list-style-type: none"> • <i>Corporate Secretary</i> – Philippine Seven Corporation (*Nov. 2003) • <i>Asst. Corporate Secretary and Head of Legal & Corporate Affairs</i> – Philippine Seven Corporation • <i>Compliance Officer</i>- Philippine Seven Corporation • <i>Corporate Secretary</i> - Ferguson Park Tower Condominium Corporation/ Convenience Distribution Inc./ Store Sites Holding, Inc./ • <i>Asst. Corporate Secretary</i> - Philippine Seven Holdings Corporation. • <i>President</i> – Columbia Owners' Association Inc.

¹ Independent Director

b) *The Executive Officers*

As of December 31, 2004, the Executive Officers and Management of the Corporation are the following:

Executive Officers	Name
Chairman of the Board	Vicente T. Paterno
President	Yeong-Hsiang Yeh
Vice President for Operations	Jose Victor P. Paterno
Chief Financial Officer; Treasurer	Wen-Chi Wu /Tsung-Yu Lin
Corporate Secretary	Atty. Evelyn S. Enriquez
Marketing Director	Chun-Pei Liu
Comptroller	Rebecca R. Arago
Development Division Manager	Teodoro S. Wenceslao
Operations Division Manager	Liwayway T. Fernandez
Corporate Planning Manager	Eduardo P. Bataclan
HRD Manager	Violeta B. Apolinario
MIS Manager	Jason Jan Ngo

c) *Identify Significant Employees*

Other than aforementioned Directors and Executive Officers identified in the item on Directors and Executive Officers in this Annual report, there are no other significant employees.

d) *Family Relationships*

- i) Mr. Jose Victor P. Paterno (President and Director of Convenience Distribution Inc. (CDI), which is a wholly owned subsidiary of PSC) is the son of PSC Chairman of the Board, Mr. Vicente T. Paterno.
- ii) Ms. Dianna P. Aguilar (director of PSC) is related to PSC Chairman, Mr. Paterno by affinity within the 3rd degree.
- iii) Mr. Raymund Aguilar (Director of Gate Distribution Enterprises, Inc., a supplier of the Company) is the spouse of Ms. Diana P. Aguilar

e) *Litigation*

To the knowledge and/or information of the Company, the above-named directors of the Company, the present members of its Board of Directors and its Corporate Officers are not, presently or during the past 5 years, involved or have been involved in any material legal proceeding affecting/involving themselves or their property before any court of law or administrative body in the Philippines or elsewhere. Likewise, to the knowledge and/or information of the Company, the said persons have not been convicted by any final judgment of any offense punishable by the laws of the Republic of the Philippines or the laws of any nation/country.

f) *Pending Legal Proceedings*

The Company is a party to various litigations involving price tag law issues before Department of Trade and Industry, employees suing for illegal dismissal, back wages and damage claims, claims arising from store operations and as co-respondents with manufacturers on complaints with BFAD, specific performance and other civil claims; all such cases are in the normal course of business and are not deemed to be considered as material legal proceeding as stated in Part I, Paragraph (C) of "Annex C" of SEC checklist 17-A.

g) *Qualification of Directors*

To the knowledge and/or information of the Company, the above-named directors have all the qualifications and none of the disqualifications as provided in the Company's Manual on Corporate Governance.

h) *Certain Relationships and Related Transactions*

The company has lease and/or sublease agreements with Wenphil Corporation, Foodfest Inc. and Progressive Development Corporation for the lease or sublease of certain areas in excess of the requirements of the company for its 7-Eleven stores and supply arrangement for certain products carried by the stores with Mr. Donut and Gate Distribution Enterprises Inc.

Ms. Diana P. Aguilar, director of the company, is a director of Wenphil Corporation (holder of Wendy's Philippine franchise). She is also the wife of Mr. Raymund Aguilar, a director of Gate Distribution Enterprises Inc., which is a supplier of physical and electronic phone cards of the company. Mr. Manuel U. Agustines is the Chairman of Foodfest, Inc. and QSR Corporation (holder of KFC and Mister Donut franchise in the Philippines, respectively). Mr. Jorge L. Araneta, also a director of the company, is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

The company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), a wholly-owned subsidiary of PSC. The President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC. CDI Treasurer, Mr. Dennis Wu is the spouse of PSC treasurer, Ms. Wen-Chi Wu.

The company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 56.59% of PSC's outstanding shares. Certain products are also purchased from Uni- President Corporation which is the parent company of President Chain Store Corporation.

i) *Election of Directors*

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

The following are the nominees to the Board of Directors, as submitted to and pre-screened by the Nominations Committee of the Corporation:

- | | |
|---------------------------|------------------------|
| 1. Vicente T. Paterno | 6. Chien-Nan Hsieh |
| 2. Jose Victor P. Paterno | 7. Fu-Tang Chen |
| 3. Jorge L. Araneta | 8. Yen-Sen Yang |
| 4. Diana P. Aguilar | 9. Wen-Ching Lin |
| 5. Chung-Jen Hsu | 10. Alfredo C. Ramos |
| | 11. Michael B. Zalamea |

j) *Independent Directors*

As of the date of this report, the nominees for independent directors are Messrs. Alfredo C. Ramos and Michael B. Zalamea. Their nominations were submitted by Mr. Dante G. Santos and National Life Insurance Co., respectively, stockholders of the Corporation, and pre-screened by the Nomination Committee of the Corporation in compliance with SEC Circular No. 16 on the Guidelines on Nomination and Election of Independent Directors. They are neither officers nor substantial shareholders of Philippine Seven Corporation nor are they directors or officers of its related companies. A brief description of the business experience of Mr. Alfredo C. Ramos is included in Item 9 Part III of this report. Briefly described below is the business experience of Mr. Michael B. Zalamea.

Present affiliations - Director, Philippine Coastal Storage & Pipeline Corp.; Clark Pipeline & Depot Company Inc.; Wespac Holdings, Inc.

Past Affiliations – Portfolio Manager, Global Fund, American International Group, Inc. New York, U.S.A.;

Nomination Procedure:

1. A stockholder may recommend the nomination of a director to the Nomination Committee;
2. The nominating stockholder shall submit his proposed nomination in writing to the Nomination Committee, together with the acceptance and conformity of the would-be nominee.
3. The Nomination Committee shall screen the nominations of directors prior to the stockholders' meeting and come up with the Final List of Candidates.
4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent director.

Item 10. Executive Compensation

(a) Name/Position	(b) Year	(b) Salaries	(d) Bonus	(e) Others
Chairman and Top 4				
Vicente T. Paterno Chairman				
Yeong-Hsiang Yeh President				
Wen-Chi Wu (resigned March 2004) Treasurer Tsung-Yu Lin (elected March 2004) Treasurer				
Chun-Pei Liu Marketing Director				
Teodoro Wenceslao Development Division Manager				
Total	2005* 2004 2003 2002 2001	4,210,669.08 5,111,606.76 4,880,258.76 5,178,910 6,038,400	4,789,085.92 1,695,191.68 1,831,514.98 685,606.76 754,800	N/A
All other Officers and Directors as a Group Unnamed	2005* 2004 2003 2002 2001	2,303,544.00 4,578,905.54 3,697,493.41 3,778,216 5,786,400	1,404,844.15 1,121,240.73 598,024.03 498,419 711,750	N/A

* *Estimated compensation of director and executive officers for the ensuing year.*

The company has certain standard arrangements with respect to compensation and profit sharing. Per diems of ₱ 5,000 (as may be fixed by the Board from time to time) are given for every regular or special meeting of the Board or Executive Committee attended.

In addition to per diems, profit sharing is provided in the Code of By-laws in an amount not exceeding 15% of the net profits of the corporation (after tax), which shall be distributed to the members of the Board of Directors and Executive Committee members and officers of the corporation in such amounts and manner as the Board may determine. Profit share exceeding 15% of net profits after tax of the corporation shall be submitted to stockholders for approval. The last profit sharing in 1996 was set at 5% of net income after tax thereon. The directors and the executive officers did not receive any profit sharing in the years after 1996.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners.

As of December 31, 2004 the following are the record and beneficial owners of more than 5% of registrant's voting securities:

Title of Class	Name and Address of Record/Beneficial Owner	Citizenship	Relationships of the record owner's representative with the issuer and said owner	Amount and Nature of Record/Beneficial Ownership	Percent of Outstanding Common Stock as of April 30, 2004
Common	President Chain Store (Labuan) Holding, Ltd. ¹ 7(E), Main Tower, Financial Park, Labuan, Malaysia	Malaysian	Stockholder	134,257,625 (R)	56.59%
Common	Asian Holdings Corporation ² 4 th Floor, Uni-Oil Bldg., Commerce Ave. cor. Acacia St., Madrigal Business Park, Ayala Alabang, Muntinlupa City	Filipino	Stockholder	29,208,750 (R)	12.31%
Common	Vicente T. Paterno 16 Hidalgo Place, Hidalgo Village, Rockwell Makati City	Filipino	Chairman of the Board	5,540,746 (R) 18,839,754 (B) ⁴ 3,345,177 (B) ⁵ 27,725,677 (R/B) ⁶	11.68%
Common	Progressive Development Corp. ³ 18 th Aurora Tower, Cubao Quezon City	Filipino	Stockholder	20,163,079 (R)	8.50%

Footnotes:

- ¹ Mr. Chien-Nan Hsieh, Vice President of President Chain Store (Labuan) Holding, Ltd. has the voting power in behalf of the Corporation
- ² Ms. Elizabeth Orbeta & Ms. Diana P. Aguilar has the voting power in behalf of Asian Holdings Corp.
- ³ Mr. Jorge L. Araneta has the voting power in behalf of Progressive Corp.
- ⁴ Shares transferred by Mr. Paterno to his 5 children through cross sale last Dec. 18, 2003, subject to a Voting Trust Agreement.
- ⁵ Shares held in individual capacity by immediate family of Mr. Paterno
- ⁶ Mr. Paterno has the voting power in behalf of his family

2. Security Ownership of Management as of December 31, 2004

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Vicente T. Paterno	27,725,677 ¹	Filipino	11.68%
Common	Yeong-Hsiang Yeh	1 ³	R.O.C.	0.00%
Common	Jorge L. Araneta	1 ³	Filipino	0.00%
Common	Manuel U. Agustines	421,140 ²	Filipino	0.18%
Common	Dianna P. Aguilar	1,000 ²	Filipino	0.0004%
Common	Alfredo C. Ramos	1 ³	Filipino	0.00%
Common	Chung-Jen Hsu	1 ³	R.O.C.	0.00%
Common	Chien-Nan Hsieh	1 ³	R.O.C.	0.00%
Common	Jui-Tang Chen	1 ³	R.O.C.	0.00%
Common	Fu-Tang Chen	1 ³	R.O.C.	0.00%
Common	Kuo-Hsuan Wu	1 ³	R.O.C.	0.00%
Common	Jose Victor P. Paterno	4,193,339 ⁴	Filipino	1.77%
Common	Evelyn Sadsad-Enriquez	1,850 ²	Filipino	0.0008%
Common	Lidayway T. Fernandez	2,642 ²	Filipino	0.0011%
Common	Teodoro S. Wenceslao	1,000 ²	Filipino	0.0004%
	TOTAL	28,153,317		

¹ 5,540,746 shares directly owned by Vicente T. Paterno, 18,839,754 shares lodged in PCD Nominee (Fil.) held by his 5 children, subject to a Voting Trust Agreement and the 3,345,177 shares also held in individual capacity by immediate family members of VT Paterno.

² Directly owned shares

³ Qualifying shares

⁴ Directly owned shares of 425,388; 3,767,951 shares included in Voting Trust Agreement in favor of VT Paterno.

Item 12. Certain Relationships and Related Transactions

The company has lease and/or sublease agreements with Wenphil Corporation, Foodfest Inc. and Progressive Development Corporation for the lease or sublease of certain areas in excess of the requirements of the company for its 7-Eleven stores and certain supply arrangement for some products carried in the stores. Ms. Diana P. Aguilar, director of the company, is a director of Wenphil Corporation (holder of Wendy's Philippine franchise). She is also the wife of Mr. Raymund Aguilar, a director of Gate Distribution Enterprises Inc., which is a supplier of physical and electronic phone cards of the company. Mr. Manuel U. Agustines is the Chairman of Foodfest, Inc. and QSR Corporation (holder of KFC and Mister Donut franchise in the Philippines, respectively). Mr. Jorge L. Araneta, also a director of the company is the Chairman and President of Progressive Development Corporation (owner of Pizza Hut Philippine franchise).

The company has warehousing and distribution management contract with Convenience Distribution Inc. (CDI), a wholly-owned subsidiary of PSC. The President of CDI, Mr. Jose Victor Paterno, is the son of Mr. Vicente Paterno, the Chairman of the Board of PSC. CDI Treasurer, Mr. Dennis Wu is the spouse of PSC treasurer, Ms. Wen-Chi Wu.

The company, from time to time, makes purchases of equipment from President Chain Store Corporation (and its subsidiaries/affiliates), which is the parent company of President Chain Store (Labuan) Holding Ltd., holding 56.59% of PSC's outstanding shares. Certain products are also purchased from Uni- President Corporation which is the parent company of President Chain Store Corporation.

D. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

1. Election of independent Directors
Since April, 2002 the Company has disclosed to the SEC that it has complied with the requirement to elect independent directors.
2. Manual of Corporate Governance
On August 2002, the Board of Directors approved the adoption of its Manual of Corporate Governance.
3. Creation of Board Committees: Audit, Nomination and Compensation
Since July, 2002, the Board has constituted the abovenamed committees and appointed their members to enable them to organize and perform the functions as provided in the Manual of Corporate Governance.
4. Designation of Compliance Officer
5. Corporate Governance Self-Rating Form
The Corporation has submitted to SEC its Corporate Governance Self Rating Form on July 2003.
6. Election of Independent Directors since 2002.
7. Certifications of Compliance Officer
On January 30, 2004, the Corporation's Compliance Officer submitted to the SEC certifications on substantial compliance with leading practices and principles on good corporate governance and also as to the attendance at board meetings of the directors.
8. In 2004, amendment of the Code of By-laws of the Corporation to include the procedure for electing independent directors pursuant to SEC Circular No. 16, Series of 2002, and the revised Implementing Rules and Regulations of the Securities Regulation Code.

Plans on Improvement

1. The Corporation shall continue with setting up an evaluation procedure to measure compliance with the Manual of Corporate Governance
2. Provide workshop/seminars to operationalize the Manual as part of the Company's training program
3. The Corporation is in the process of adopting the International Accounting Standards.

PART IV – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Copies of the reports listed below were submitted to SEC:

<u>Date</u>	<u>Items Reported</u>
March 08, 2004	Item 4: Resignation of Director and Corporate Officer
March 09, 2004	Item 4: Resignation of Director and Corporate Officer
March 17, 2004	Item 9: Other Events (Announcements of Y2003 Corporate Income and appointment of Mr. Jose Victor Paterno P. as Vice-President for Operations of the Corporation)
March 24, 2004	Item 9: Other Events (Sale and Purchase Agreement with Jollimart Phils. Corp. of 35 Binggo Convenience Stores)
June 11, 2004	Item 4: Election of Registrant's Directors
September 14, 2004	Item 9: Other Events (Robbery of sales pick-up service Provider and its proposal for restoration of amount lost)
December 6, 2004	Item 9: Other Events (Disclosure of matters acted upon during the Board Meeting)

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mandaluyong on _____, 2005.

PHILIPPINE SEVEN CORPORATION
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capabilities and on the dates indicated.

By:

Board of Directors


VICENTE T. PATERNO
Chairman of the Board


JOSE VICTOR P. PATERNO
President and Director


TSUNG-YU LIN
Chief Financial Officer and Treasurer


EVELYN S. ENRIQUEZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2005 affiants exhibiting to me their Community Tax Certificates No./Passport No., as follows:

NAME	COMM. TAX CERT. NO./ PASSPORT NO.	DATE/PLACE OF ISSUE
Vicente T. Paterno	14657656	Jan. 16, 2005/Makati
Jose Victor Paterno	23045492	Mar. 14, 2005/Mandaluyong
Tsung-Yu Lin	133808588	Jul. 30, 2002/R.O.C.Taiwan
Evelyn S. Enriquez	15977741	Jan. 16, 2005/Mandaluyong

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2005.

NOTARY PUBLIC

Year 2004

Management Discussion and Analysis of Financial Condition and Results of Operations

In 2004, the Company maintained its leadership in the convenience store business with a total of 257 outlets nationwide, occupying 47% of the total market.

On March 22, 2004, the company acquired 35 Bingo Stores from Jollimart Philippines Corporation, including leasehold rights, improvements, and store equipment for P130 million. All but one of the Bingo stores were converted to 7-Elevens in the 2nd quarter of 2004. Aside from the acquired Bingo stores, we opened 9 franchise stores and 22 corporate stores. 3 underperforming stores were closed in the 2nd quarter, yielding a net increase of 62 stores or 32% more than last year.

Rapid expansion resulted in a decline in average sales per store of 4% versus 2003. We are encouraged, however, that same store sales showed slightly positive growth in the 3rd and 4th quarters.

SALES, REVENUES AND GROSS MARGINS

Total revenue from merchandise sold in 2004 reached P3.9 billion. The 22% growth in sales lagged the 26% increase in store months due to the disappointing performance of newly opened stores and the continual decrease of same store sales over the last few years.

This trend reversed itself, however, in the second half of the year. Same store sales grew 0.7%, vs. a 4% decline in the first 6 months. A focus on ordering properly so as to reduce out of stock situations on the shelf and the standardization of product mix across all stores are credited with the sales increase. To allow the organization to focus on these basic but critical tasks, other promotional and cost-saving activities were suspended.

Growth categories were bread, magazines, fastfood, and cup drinks. Health and beauty, juices and dairy declined, while other categories remained flat.

Products in the services category, which form part of the company's operating income, are prepaid phone cards and internet cards. Commission earned from these prepaid services declined 2.2% from the previous year, to P43.6 million in 2004. Although the telecom industry represented by these products continues to grow, competition among retailers has outpaced growth. In 2004, there were over a million retailers of these products, the result of an innovation begun in 2003 that allowed the retail of prepaid airtime from a cellular phone. Management expects this decline to continue next year.

Another component of company's operating income is marketing-related other income, which increased quite significantly to P78 million in 2004. This refers to promotional discounts, exclusivity agreements and display allowances provided by suppliers.

Finally, gross profit margins increased to 31.3% from 30.5% last year, due to our enhanced bargaining position and the growth of higher margin categories like fastfood and cup drinks.

EXPENSES

Operating expenses in 2004 totaled P1.3 billion or 34% of the year's total sales revenue, vs. 33% the year prior. The increased share of expenses to sales was largely due to the decrease in per store sales discussed earlier.

More specifically, store operating expenses increased from 16% of sales the previous year to 17% in 2004. An increase in supplies expense, inventory variation and bad merchandise, and utilities contributed to a 5% increase over 2003 in store operating expense, computed on a per store basis. Of note was the 22% rate hike in the cost of electricity effected in the 4th quarter. Except for electricity, all increases in expense were brought under control by year end.

Significantly, the largest component of operating expense, employee-related expenses, was reduced despite a P20 wage hike in July. This savings is due largely to the conversion throughout the year of 21 company-operated stores to Service Agreement (SA) operated stores, bringing the total number of SA stores at yearend to 37.

SA stores function much like a franchise. In return for a share of the gross profit, the SA store operator is responsible for all store operating expenses (except for utilities, which are split 50-50 with the company). It relies on entrepreneurial efficiency to generate savings and revenue from which both company and operator benefit. The SA differs from our traditional franchise in the amount of investment required (and the commensurate amount of gross profit split); many of our SA store operators are former employees.

Selling expense, which is composed primarily of rent expense, amortization and depreciation, and taxes and licenses, was maintained at 10% of sales and fell by 4% on a per store basis. This was due largely to a 10% decrease in depreciation and amortization, which offset a 2% increase in rental, all on a per-store basis.

Lastly, general and administrative expenses were reduced from 7.1% of sales in 2003 to 6.9% of sales in 2004 as the store base grew.

In 2004, income before provision for income tax reached P28.3 million. The 2004 provision for income tax includes the write-off of a 17.8M tax credit which expired this year. Net loss after tax was P2.5 million in 2004.

FINANCIAL CONDITION

Net cash provided by operating activities for the year was P192.9 million, 74% higher compared last year. A 22% increase in sales and an 83% increase in other operating income accounted for the increase.

Net cash used in investing activities increased from P153.2 million in 2003 to P305.2 million in 2004. Cash was used for the, acquisition of leasehold rights and store assets of Binggo stores, the construction of new stores, and remodeling of old stores.

Net cash provided by financing activities was P104.5 million. Proceeds from loans in 2004 reached P220M. P130M was used in the acquisition of Binggo Stores and the remaining balance was used to pay other maturing loans.

Overall cash and cash equivalents at the end of 2004 decreased to P265.3 million from P273.1 million at the beginning of the year.

Total current assets increased by 23.6%. This is attributable to a significant increase in Receivables from suppliers representing marketing-related other income. Inventories also increased by 39.2%.

Total current liabilities are up by 34.6%. This is primarily due to increase in trade purchases and increase in loans payable. Current ratio stood at 0.84 to 1.

Property and Equipment, net of accumulated depreciation increased by P75.9 million or 13.5%.

Stockholders' equity during the year accounted for 38.4% of total assets compared to 46.5% in 2003. Debt to equity ratio is 1.59 to 1, from 1.14 to 1 in 2003.

PLANS FOR 2005

For year 2005, PSC will protect its lead in the C-store business by opening profitable stores in strategic locations.

Management shall in 2005 build on the success of this year's franchising efforts, and will reorganize itself to support this thrust. It fully understands that the two franchise packages it offers are the keys to profitable and scalable expansion, but also recognizes that such a business model demands increased levels of excellence on much of the organization.

It is expected that the increase in same-store sales that began in the second half of the year will accelerate in 2005. The philosophy of identifying only the most important initiatives and focusing on them relentlessly will be built on and extended to other areas of operation throughout the year.

While it expects the electricity rate hike implemented in the 4th quarter 2005 to continue through 2005, management will contain other operating costs for its corporate stores, and reduce some controllable expenses such as inventory variation and bad merchandise.

The company will have POS machines (point of sale) in every store before year end, and is preparing the organization to make use of the information that will be generated to improve the quality of its business decisions.

Finally, management will arrest the decline in services brought about by trends in the prepaid market by rolling out a new product. Bills Payment, which is highly successful in other countries, is targeted to be fully operational across all stores in 2005.

Even as it changes to position itself for future growth, by increasing sales and controlling costs in a challenging environment, the company looks forward to a continuation of positive results in 2005.



Jose Victor Paterno
President