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Independent Financial Advisor Opinion
On the Asset Acquisition of

Big C Supercenter Public Company Limited

Prepared by

The Quant Group Company Limited

14 December 2010

Contents

No. TQG 011/2010

14 December 2010

Subject: Independent Financial Advisor's opinion on the acquisition of Carrefour's Operations in Thailand by Big C Supercenter Public Company Limited

To: Shareholders of Big C Supercenter Public Company Limited

On 12 November 2010, Board of Directors of Big C Supercenter Public Company Limited (the "Company"), at the Board of Directors' Meeting of the Company No. 4/2010, unanimously approved a resolution for the Company to enter into the definitive share purchase agreement (the "SPA"), pursuant to which the Company will acquire directly or indirectly through one of the other Target Companies, 100% of the shares and interest of CenCar Limited ("CenCar"), Nava Nakarintr Limited ("Nava") and SSCP (Thailand) Limited ("SSCP") (collectively, the "Target Companies") from Carrefour Nederland B.V. and Mildew B.V. (the "Sellers"). The consideration includes the outstanding loan facilities, the total enterprise value being THB 35,450 million. We refer to this share purchase, subject to and in accordance with the terms and conditions of the SPA, as the "Transaction". The Company has entered into the Transaction under the bidding process arranged by Carrefour S.A.

With this regard, the Transaction is classified as a Class 4 transaction under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand dated 31 August 2008 and Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E 2547 (2004) dated 29 October 2004, as amended, since it has a transaction size of 105.4% of the Company's total assets as at 30 September 2010 under the value of consideration criterion, the highest applicable criterion. As the transaction size exceeds 50% of the Company's total assets, the Company must disclose certain information pertaining to the Transaction to the Stock Exchange of Thailand (the "SET") and convene an extraordinary general meeting of shareholders to seek approval to enter into the Transaction. The Transaction must be approved by shareholders holding of no less than 75% of the votes held by those shareholders present or represented by proxy at the extraordinary general meeting who have the right to vote, excluding those with related interests. The Company's legal advisor is of the opinion that none of the Company's shareholders has related interests regarding the Transaction. Notwithstanding its classification as a Class 4 transaction, the Company expects that the SET will not treat the Transaction as a new listing application, based on an applicable exemption for which all of the following criteria are met under Section 24 of the SET Notification on Disclosure dated 29 October 2004.

1) the acquired business has a volume not larger than 120 percent of the volume of the listed company;

2) the acquired business is in a similar line of business or a mutually supporting business to the listed company;

3) the listed company has no policy to make a major change in its main business after the acquisition;

4) the enlarged group resulting from the acquisition of assets has suitable qualifications for listing with the SET; and

5) there will be no material change in the composition of the board of directors of the listed company or in the power to control the listed company or in the controlling shareholders of the listed company.

The Company has appointed The Quant Group Company Limited ("QUANT" or the "Independent Financial Advisor" or "IFA") to be the independent financial advisor to render an opinion on the fairness and benefits of the Transaction.

In preparing the opinion, the IFA has conducted due diligence since 13 November 2010 to 14 December 2010. The IFA assumed and relied on information of the Company and Carrefour and/or the Target Companies supplied or otherwise made publicly available to the IFA including but not limited to financial statements, management presentations, the information in the information memorandum, as well as the due diligence reports prepared by legal, financial and accounting advisers. In addition, the IFA has assumed and relied on information, received during interviews with the Company's management, which includes forecasts and opinion on the Target Companies' business and financial performance.

The Independent Financial Advisor has no reason to believe that the information provided and relied on is materially inaccurate or incomplete in any respect that would adversely affect the completeness of the information. In using the financial information, analysis and forecasts that the IFA has received from the Company, the IFA has no reason to suspect that the assumptions made are not appropriate or are outdated or do not reflect the opinion of the Company.

With reference to the details stated in this report, the IFA is of the opinion that the conditions of the Transaction and, in particular, the acquisition price of THB 35,450 million is fair. The acquisition price is within our optimal range of THB 32,337 – 36,996 million, which results from the Discounted Cash Flows approach which is consistent with other comparable approaches. This fair valuation range does not include the additional potential synergies on current BIGC operations of approximately THB 4,600 million after the acquisition. The IFA is also of the opinion that the Transaction will not have any material adverse effect on the working capital requirement of the Company and that the Company will continue to have sufficient working capital following the acquisition of the Target Companies. In addition, the Transaction is expected to deliver the following benefits to the Company and shareholders:

1) Increase of the Company's bargaining power with suppliers;

2) Enhance network in Greater Bangkok;

3) Accelerate the dual retail-property model;

4) Implement significant synergies with current Company's operation; and

5) Capture new customer segment

The IFA has also considered the factors that may affect the Company and shareholders such as impact on financial performance and financial position from increased leverage, impact on the Company's earnings per share ("EPS"), accounting impacts and the potential enactment of the Retail & Wholesale Business Act.

Based on the foregoing, the IFA is of the opinion that the shareholders should vote to approve the Transaction.

The opinion rendered by the IFA is necessarily based upon market, economic and other conditions as they exist and can be evaluated on, and on the information made available to the IFA as of the date hereof. The information and assumptions are subject to change in due course and may have material effect on the opinion of the IFA. The IFA has no obligation to update, revise or reaffirm the opinion stated herein.

We note that to approve or not approve the Transaction, the shareholders may consider the Independent Financial Advisor's opinion together with all other supplement documents attached in the invitation letter to the Extraordinary General Meetings of shareholders. In any case, the ultimate decision to carry out the Transaction is based entirely on the opinion of each of the Company's shareholders.

Part 1 – Background

1. Transaction Overview

On 13 November 2010, Big C Supercenter Public Company Limited (the "Company" or "BIGC") entered into the share purchase agreement (the "SPA") to acquire 100% of the shares and interest of CenCar Limited ("CenCar"), Nava Nakarintr Limited ("Nava") and SSCP (Thailand) Limited ("SSCP") (collectively, the "Target Companies") from Carrefour Nederland B.V. and Mildew B.V. (the "Sellers"). The consideration includes the outstanding loan facilities, the total enterprise value being THB 35,450 million. We refer to this share purchase, subject to and in accordance with the terms and conditions of the SPA, as "the Transaction". The Company has entered into the Transaction under the bidding process arranged by Carrefour S.A.

On 15 November 2010, the Company notified the SET regarding the Transaction. The Board of Director's Meeting of the Company unanimously approved the Transaction on 12 November 2010. Completion of the Transaction by BIGC is conditional on approval from the Extraordinary General Meeting of Shareholders No. 1/2011 which will be held on 5 January 2011. The Company expects to close the Transaction at the beginning of 2011.

1.1 <u>Parties Involved in the Transaction</u>

The Acquirer : Big C Supercenter Public Company Limited

The Sellers :
1) Carrefour Nederland B.V., a company registered under the laws of The Netherlands,
2) Mildew B.V., a company registered under the laws of The Netherlands

The Company has no relationship with the Sellers, nor with any of the Target Companies

1.2 <u>General Characteristics of the Transaction and Transaction Value</u>

The Company will purchase directly or indirectly through acquiring one of the other Target Companies all of the shares of CenCar, Nava, and SSCP for the amount equivalent to an enterprise value of THB 35,450 million (exclusive of associated Transaction costs consisting of due diligence from respective advisors, financial advisors and related financing arrangement fees).

The Transaction is classified as a Class 4 transaction under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand dated 31 August 2008 and Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E 2547 (2004) dated 29 October 2004 and its amendment thereafter since it has a transaction size of 105.41% of the Company's total assets as at 30 September 2010 under the value of consideration criterion, the highest applicable criterion. As the transaction size exceeds 50% of the Company's total assets, the Company must disclose certain information pertaining to the Transaction to the Stock Exchange of Thailand (the "SET") and convene an extraordinary meeting of shareholders to seek approval to enter into and complete of the Transaction. The Transaction must be approved by shareholders of no less than 75% of the votes held by those shareholders present or represented by proxy at the extraordinary general meeting who have the right to vote, excluding those with related interests. The Company's legal advisor is of the opinion that none of the Company's shareholders has related interests regarding the Transaction. Notwithstanding its classification as a Class 4 transaction, the Company expects that the SET will not treat the Transaction as a new listing application, based on an applicable exemption for which all of the following criteria are met under Section 24 of the SET Notification on Disclosure dated 29 October 2004.

1) the acquired business has a volume not larger than 120 percent of the volume of the listed company;

2) the acquired business is in a similar line of business or a mutually supporting business to the listed company;

3) the listed company has no policy to make a major change in its main business after the acquisition:

4) the enlarged group resulting from the acquisition of assets has suitable qualifications for listing with the SET; and

5) there will be no material change in the composition of the board of directors of the listed company or in the power to control the listed company or in the controlling shareholders of the listed company.

The details of the Transaction and calculation of the Transaction size are summarized below:

Table 1 Financial Highlight

Unit: THB million	BIGC's financial statement as of September 30, 2010 (Reviewed)	Target Companies' financial statement as of December 31, 2009 (Audited)
Total assets	33,632	17,905
Intangible assets	493	96
Total liabilities	14,197	13,602
Minority interest	15	0
Net tangible assets ("NTA")	18,927	4,207
Net profit	3,147	-622

Note: BIGC's figures are extracted from reviewed last twelve-month financial statement ending Q3/10 based on Thai GAAP

Target Companies' figures are extracted from audited IFRS consolidating reporting package

Transaction size calculation

a) Net Tangible Assets criteria

Transaction size = the Target Companies' NTA x 100% / Company's NTA

= 4,207 x 100% / 18,927

= 22.23%

b) Net Income criteria

Transaction size = the Target Companies' Net Income x 100% / Company's Net Income

= -622 x 100% / 3,147

= -19.76%

c) Value of consideration paid criteria

Transaction size = Value of consideration paid x 100% / Company's total assets

= 35,450 x 100% / 33,632

= 105.41%

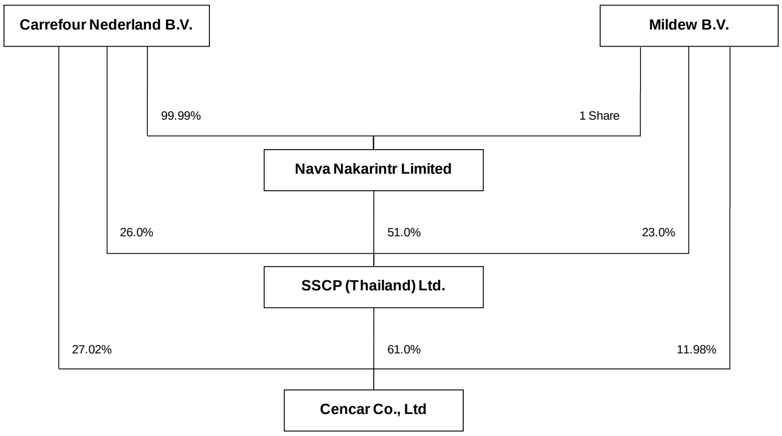
Therefore, from the calculation above, the transaction size is equal to 105.41% of the Company's total assets as at 31 December 2009 based on criterion 3 as it is the maximum size among the three applicable approaches.

1.3 Details of Asset Purchased

The Company will purchase:

- Nine thousand five hundred (9,500) shares of Nava, representing 100% of its outstanding shares. As of 31 December 2009, Nava has paid-up capital in the amount of THB 950,000.
- Seven hundred ninety-three thousand eight hundred (793,800) shares of SSCP, representing 49% of its outstanding shares. As of 31 December 2009, SSCP has paid-up capital in the amount of THB 162 million which equals to one million six hundred twenty thousand (1,620,000) shares outstanding.
- Three hundred ninety million (390,000,000) shares of CenCar, representing 39% of its outstanding shares. As of 31 December 2009, CenCar has paid-up capital in the amount of THB 8,951 million which equals to one billion (1,000,000,000) shares outstanding.

Figure 1 Shareholding Structure of CenCar and Its Holding Companies immediately before the Transaction



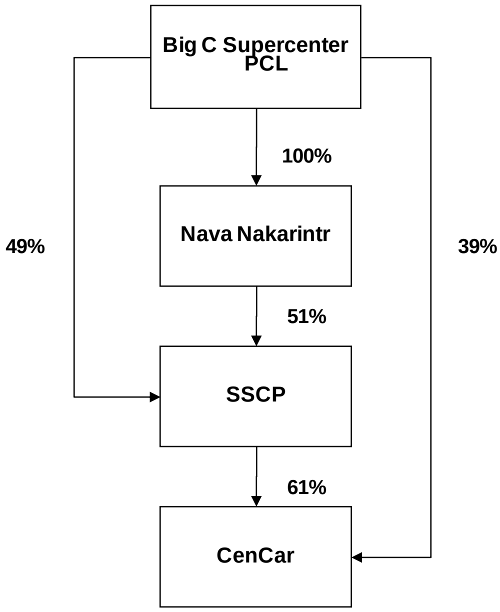
Source: Company

The Company will purchase shares of Nava and SSCP in order to obtain 100% of the equity and interest in CenCar since they are parent companies of CenCar.

1.4 Shareholding Structure Post Completion

On completion of the Transaction, the Company will hold directly and indirectly all of the shares of the Target Companies as follows:

Figure 2 Post-transaction Shareholding Structure



Source: Company

1.5 Enterprise Value

The Company will acquire 100% of the equity and interest in the Target Companies based on a total enterprise value of THB 35,450 million. Accordingly, the final purchase price paid for the shares will be reduced by the consolidated net debt of the Target Companies as of the completion date. Net debt is calculated by adding short-term and long-term interest bearing debt and subtracting all cash and cash equivalents. The final purchase price paid for the shares will take into account working capital and capital expenditures adjustments; these adjustments being computed by comparison with agreed normative values.

The whole payment to the Sellers for the shares in the Target Companies will be made on the completion date, in Euros, based on the exchange rate of THB 39.9210 per EUR.

The Company expects the completion date will occur after the 5th January 2011 EGM, at the very beginning of 2011 but not later than the last business day of March 2011.

1.6 Key Terms of the Transaction

- A break-up fee of Euro 172.4 million (or THB 7,044 million equivalent at an exchange rate of THB 40.859 per Euro) will be payable to the Sellers in the event that the Transaction is not completed by the Company or an affiliate of Casino Guichard-Perrachon on or before March 31, 2011.

- The acquisition of 100% of the equity and interest in the Target Companies includes the Company's right to use Carrefour trademarks and logos for six months following the completion date.

- The Sellers agree that 11 expatriate employees of the Target Companies will cease to be employed by the Target Companies after the completion date and the Sellers will be responsible for costs associated with the termination of their employment at the Target Companies. To facilitate the transition period after the completion date, 7 expatriate employees will continue to be employed by the Target Companies for a period not exceeding 4 months to coordinate and manage the transition. During this transition period, the compensation package of the expatriate employees, excluding employment termination costs, will be borne by the Target Companies.

- The Transaction must be approved by shareholders of no less than 75% of the votes held by those shareholders present or represented by proxy at the extraordinary general meeting who have the right to vote, excluding those with related interests. The Company's legal advisor is of the opinion that none of the Company's shareholders has related interests regarding the Transaction.

  To improve certainty of the completion irrespective of the result of the extraordinary general meeting, in the event that the shareholders do not approve the Transaction, another Thai affiliate of Casino Guichard-Perrachon will complete the acquisition of the Target Companies. In that case, Casino Guichard-Perrachon will be a major shareholder of two companies in the same business in Thailand.

1.7 Transaction Financing

The acquisition will be financed by debt financing. BIGC has THB 12 billion credit lines available from Thai banks and has received a commitment to arrange a bridge financing facility for up to USD 1 billion (for a period of 1 year with 6-month extension option) from Deutsche Bank, Hongkong and Shanghai Banking Corporation ("HSBC") and The Royal Bank of Scotland ("RBS"). The Company expects to enter into loan agreement(s) before the completion date.

1.8 Overview of Acquired Assets

The Target Companies consist of 1) CenCar, which operates retail business, 2) Nava, and 3) SSCP. Nava and SSCP are holding companies of CenCar and do not operate any business. Details of the Target Companies are summarized below:

1.8.1 CenCar Company

1.8.1.1 CenCar Company Overview

Established in 1996, CenCar has a total of 42 stores with 30 branches in Greater Bangkok and 12 branches in the provinces. Headquartered in Rangsit Bangkok, as of June 2010, CenCar employed 6,489 employees, including 5,943 in stores, and 546 in head office.

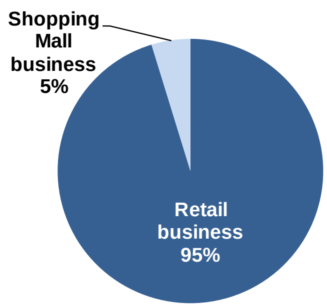
The business of CenCar mainly comprises of:

1) Retail business (Hypermarket and supermarket): CenCar operates 42 stores (30 in Greater Bangkok) under the name "Carrefour" for the sale of various consumer goods (food and non-food), daily necessities and other general goods.

2) Space rental business (Shopping mall): out of 42 stores, there are 37 shopping malls (28 in Greater Bangkok) which space in its stores is rented to various sellers of goods as well as service providers.

Total revenue for 2009 was THB 29,965 million with approximately 95% from retail business, displayed in Figure 3 below.

Figure 3 Total Revenue Breakdown 2009 (THB million)



Source: Company

1.8.1.2 Business Segments

1) Retail Business

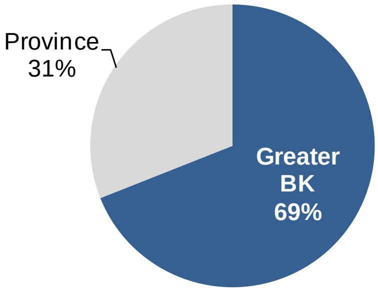
Since its establishment in 1996, CenCar has consistently grown its store network in Thailand by focusing in Greater Bangkok. There are total of 42 stores of which 30 are located in Greater Bangkok. Total selling area for retail business is approximately 279,000 square meter (sqm). Store locations are as follows:

1.	Sukhaphiban 3	22.	Issaraphap
2.	Srinakarintr	23.	Phuket
3.	Suwintawong	24.	Chonburi
4.	Bangyai	25.	Rama II
5.	Rangsit	26.	Klong 3
6.	Chiangmai	27.	Sukhabhiban 1
7.	Petchkasem	28.	Nongjok
8.	Ramintra	29.	Suanluang
9.	Chaengwattana	30.	Hangdong
10.	Rattanathibet	31.	Saimai
11.	Rama IV	32.	Sukhabhiban 5
12.	Ratchadapisek	33.	Romklao-Minburi
13.	Bangbon	34.	Udonthani
14.	Bangpakok	35.	Pracha-utid
15.	Onnunch	36.	Chonburi CPN
16.	Samrong	37.	Lopburi
17.	Ladprao	38.	Bangpo
18.	Pattaya	39.	Lamlukka Klong 4
19.	Hat Yai	40.	Chumporn
20.	Chachoengsao	41.	Hatairat
21.	Nakornsrithammarat	42.	Keha-Romklao

The Company has conducted a site survey and has found that out of CenCar's 42 stores there are 5 stores which are located in overlapping regions. Nevertheless, the Company has no intention to close down such stores as the Company does not expect the sales of these stores to be negatively affected due to the change of banner.

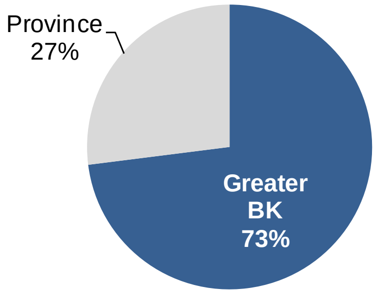
As the majority of the stores are located in Greater Bangkok, sales contribution from stores in Greater Bangkok contributed approximately 73% of total sales in 2009.

Figure 4 Selling Area for Retail Business Breakdown by Location



Source: Company

Figure 5 Sales Breakdown by Location



Source: Company

CenCar manages four store formats as follows:

1) 2,000 sqm (Total 8 stores);
2) 4,000 sqm (Total 5 stores);
3) 6,000 sqm (Total 10 stores); and
4) 8,000+ sqm (Total 19 stores).

The range of Store Keeping Units (SKUs) in stores is 15,000-70,000 items, depending on the format of the store. CenCar retail business provides a variety of product offerings including fresh foods, dry foods, clothing, electronics, furniture etc. Consumer goods contributed 55% to total net sales in YTD June 2010 while appliances and fresh foods contributed 18% and 12% to total net sales in the same period, respectively. CenCar's store categories are summarized in Table 2:

Table 2 CenCar Store Categories

	2,000 sqm	4,000 sqm	6,000 sqm		8,000+ sqm	
Location	Greater Bangkok	Greater Bangkok	Province	Greater Bangkok	Province	Greater Bangkok
# of Stores (2010)	8	5	7	3	4	15
Customer Profile	Middle/High	Low/Middle	Low/Middle	Middle/High	Low/Middle	Middle/High
SKUs	15,000	45,000	50,000	65,000	55,000	70,000

Source: Company

In terms of its logistics operation, CenCar leases 2 warehouses from third parties – one for dry goods and the other for fresh goods. The 2 warehouses have areas of 21,600 sqm and 2,422 sqm, respectively, and are operated by third parties.

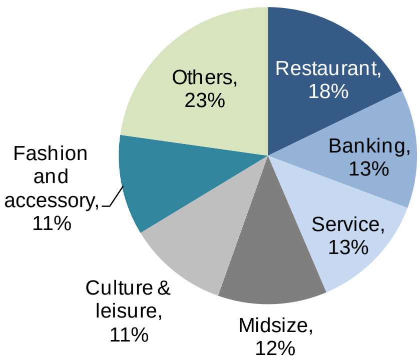
In addition, CenCar has entered into a co-brand credit card arrangement with Kasikorn Bank Public Company Limited and an agreement with Muang Thai Life Assurance Co., Ltd under which it provides a channel for Muang Thai Life Assurance Co., Ltd to sell life insurance products through the stores.

2) Space Rental Business (Shopping Mall)

CenCar operates space rental business under shopping mall concept. Given of the high traffic flow generated by its retail operations, CenCar is able to command competitive rental rates and maintain a high level of occupancy rate. Out of 42 stores, CenCar operates 37 shopping malls with total rental space of approximately 150,000 sqm.

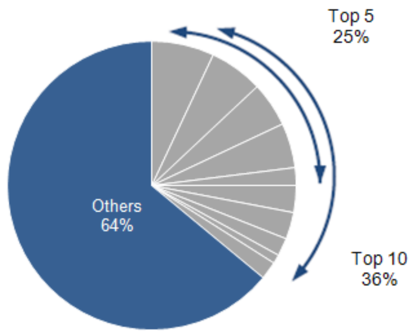
CenCar's shopping mall business has a well diversified portfolio of tenants with no single category dominating the revenue contribution. In 2009, the top 10 contributors accounted for approximately 36% of total rental revenue.

Figure 6 Tenants by Category



Source: Company

Figure 7 Top 10 Contributors



Source: Company

Rental revenue generated by shopping mall business has grown steadily over the past three years, increasing from THB 1,144 million in 2007 to THB 1,262 million and THB 1,420 million in 2008 and 2009, respectively.

1.8.1.3 Property

Properties of 42 CenCar stores are categorized into:

1) Freehold land (buildings owned);

2) Part freehold land and part long-leasehold land (buildings owned);

3) Long-leasehold for land on which Cencar owns the buildings; and

4) Leased space.

The first three categories constitute approximately 88% of total number of stores.

1.8.1.4 Organization Structure & Employees

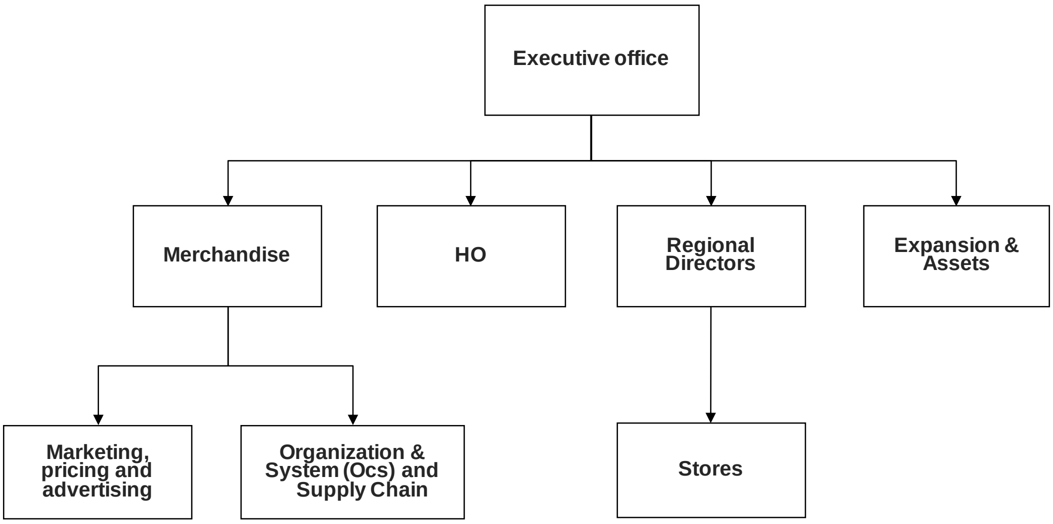
As of June 2010, the total number of employees of CenCar is 6,489, consisting of 5,943 employees who work in stores and 546 employees at head office.

Table 3 Numbers and Position of Employees of CenCar as of June 2010

Detail	Number of Employees
Numbers and position of employees working at stores	
Cashier	1,175
Handling	4,074
Management	694
Total	**5,943**
Numbers and position of employees working at head office	
Expansion and Business Development	75
Finance	148
Human Resources	20
Marketing	31
MD and Administration	39
Merchandise	148
Supply Chain	85
Total	**546**

Source: Company

Figure 8 CenCar Organizational Chart



Source: Company

CenCar's total employee expenses (including expatriate employees) in 2008 and 2009 were THB 1,335 million and THB 1,401 million, respectively.

1.8.1.5 Management

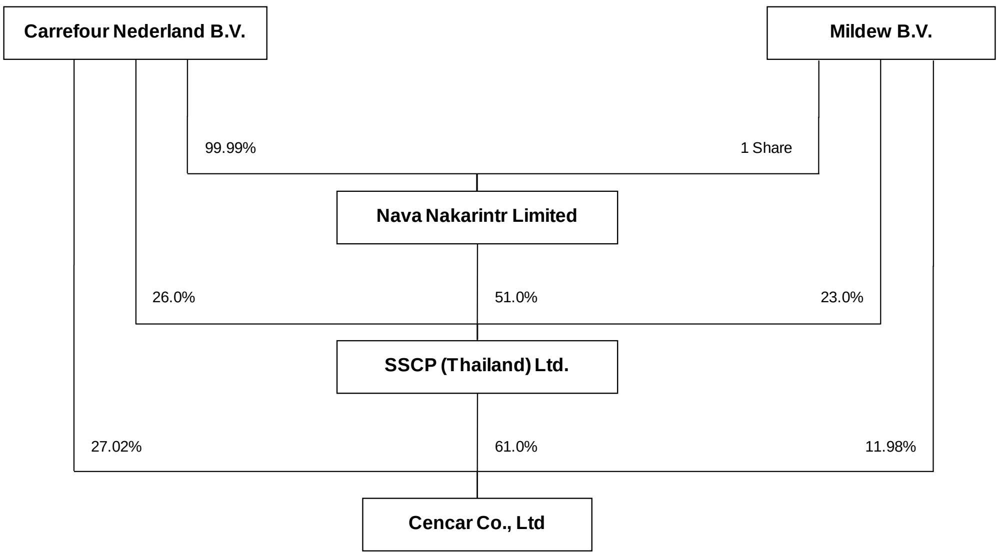
As of 7 September 2010, the board of directors of CenCar comprised of the following six members:

1) Mr. Eric Max Uzan;
2) Mr. Christophe Guilaume Martin;
3) Mr. Jean-Noel, Hugues, Roger Groleau;
4) Mr. Patrick Bonnifait;
5) Mr. Phidsanu Pongwatana; and
6) Miss Oranat Phakapornrat

1.8.1.6 Shareholding Structure

The current shareholding structure of CenCar and its holding companies before the completion of the Transaction is set out below:

Figure 9 Shareholding Structure of CenCar and Its Holding Companies



Source: Company

1.8.1.7 Financial Position and Financial Performance

Table 4 Consolidated Balance Sheets and Income Statements for the Year Ended 31 December 2008 and 2009 and the Six Months period Ended 30 June 2010

Unit : THB million	Fiscal Year Ending 31 December		Six Months period ended June 2010
	2008	2009	
Balance Sheet			
Cash and cash equivalent	1,353	496	1,270
Total assets	18,499	17,905	17,754
Total liabilities	13,573	13,602	12,742
Shareholders' equity	4,926	4,303	5,012
Income Statement			
Net sales	26,598	28,550	15,196
Commercial margin	4,622	4,537	2,889
Adjusted EBITDA*	1,884	2,126	1,564
EBIT	1,005	-182	1,156
Net income	2,032	-622	709
Financial Ratios			
Commercial margin (%)	17.4	15.9	19.0
Net profit margin (%)	7.3	-2.1	4.4
Return on assets (%)	11.0	-3.5	4.0

Source: Company

Note: Figures are extracted from audited IFRS consolidating reporting package

* Figures are restated by the Target Companies' management to reflect recurring operations

The current registered capital of CenCar is THB 10,000,000,000 divided into 1,000,000,000 ordinary shares, each having a par value of THB 10 per share.

According to the audited financial statements of CenCar for the year ending 31 December 2009, the paid-up capital of CenCar is THB 8,950,670,000 while THB 1,049,330,000 is remaining unpaid. 760,067,000 shares of CenCar were fully paid at THB 10 per share and 239,933,000 shares of CenCar were partly paid at THB 5.6265 per share. Of all of the shares which are partly paid-up, 95,973,200 shares are held by Carrefour Nederland B.V. and 143,959,800 shares are held by Mildew B.V. and SSCP.

1.8.1.8 Litigation and Loss

There is one material outstanding case against CenCar, alleging that CenCar as a defendant is in breach of the Memorandum of Understanding for the lease of space. To the extent that this case is settled before the completion of the Transaction, the cost of settlement will be taken into account as a reduction in the purchase price. To the extent that this case is settled after the completion, the Sellers agree to indemnify the Company for any judgment imposed or settlement agreed with no amount or time limit.

In addition pursuant to the SPA, and subject to certain limitations, the Company will be entitled to make claims from the Sellers for any financial losses arising directly from a breach of any representation or warranty given by the Sellers or from a breach by Sellers of any covenant or undertaking under the SPA, provided that any individual claim is for an amount exceeding THB 10 million and all such claims in the aggregate exceed THB 200 million. In general, the total liability of the Sellers will not exceed THB 1,200 million. Claims regarding taxes will have to be notified by the Company to the Sellers within 36 months after the completion date while claims for other matters must be made within 18 months after the completion date.

1.8.2 SSCP (Thailand) Limited

Established on 2 February 1994, SSCP has registered and paid-up capital of THB 162,000,000 divided into 1,620,000 shares at par value of THB 100 each. All of its shares are fully paid. The operating performances of SSCP are included in the Target Companies' balance sheets and income statements in Table 4.

1.8.3 Nava Nakarintr Limited

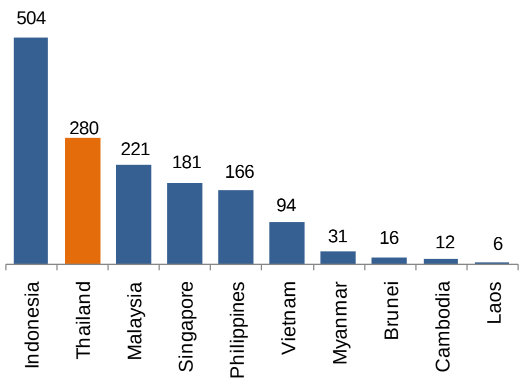
Established on 29 March 2001, Nava has registered capital of THB 950,000 divided into 9,500 shares at par value of THB 100 each. All of its shares are fully paid. The operating performances of Nava are included in the Target Companies' balance sheets and income statements in Table 4.

1.9 Industry Overview

1.9.1 Thailand's Macroeconomic

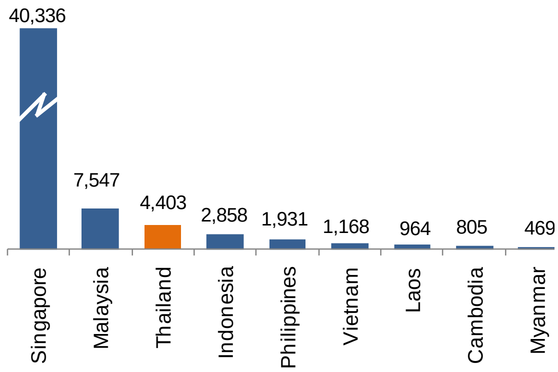
Thailand is an attractive market for retailers as it is the fourth largest country in term of population and the second largest economy in Southeast Asia. The population of Thailand is approximately at 65 million in 2009 with an annual population growth rate of 1.0%. Thailand's real GDP growth is expected to be 7.5% to reach USD 280.1 billion in 2010 (see figure 9) on the back of positive macro-economic indicators. In addition, Thailand is one of richest nations in Southeast Asia according to GDP per capita - an important factor for modern retail trades.

Figure 10 2010E GDP in Southeast Asian Countries (USD billion)



Source: Euromonitor, IMF

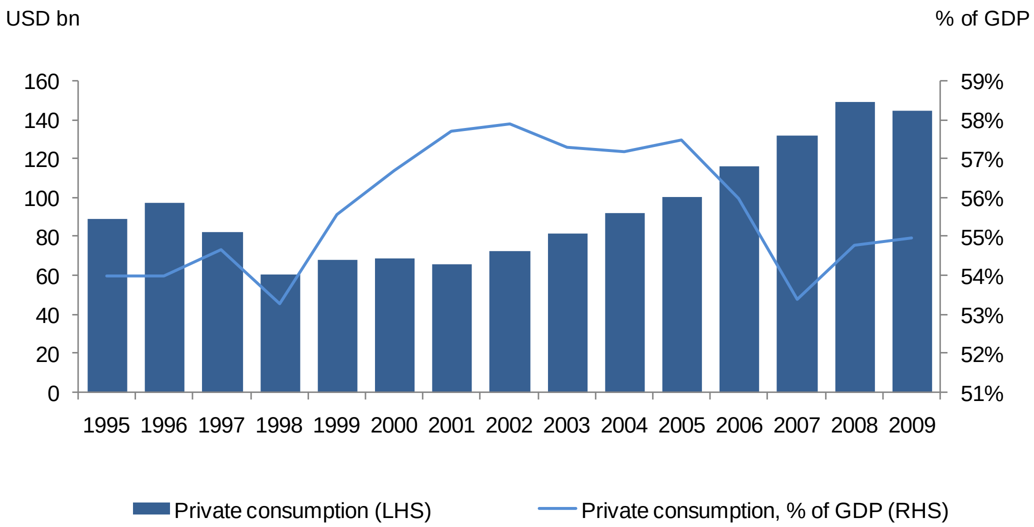
Figure 11 2010E GDP per Capita in Southeast Asian Countries (USD)



Source: IMF

Despite the continued political uncertainties, the Thai economy has stood firm with strong real GDP growth of 9.1% y-o-y in Q2/10, aided by strong exports and robust domestic demand. Private consumption and net exports were the key drivers of growth in 2010, with the manufacturing sector outperforming the rest. Rising agricultural prices, strong exports, and new government stimulus measures have driven up private consumption growth to 3.5% in 2010.

Figure 12 Private Consumption



Source: IMF

1.9.2 Thai Retail Market Structure

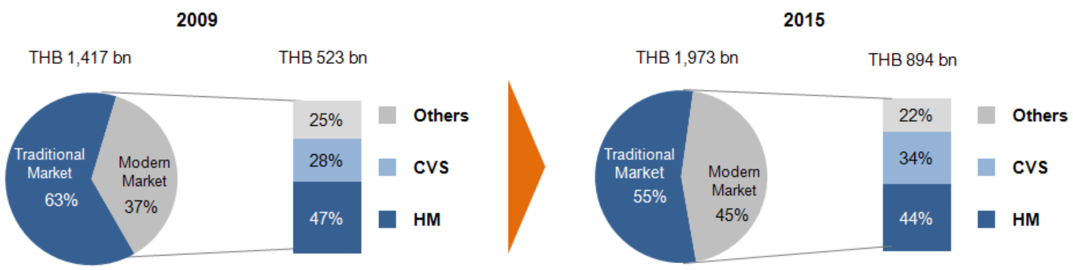
The retail trade is one of the most important economic sectors in Thailand. In 2009, total value of Thailand's overall retail business is estimated at THB 1,417 billion or

15.8% of GDP in 2009. Thailand's retail market landscape, particularly in prime locations such as Bangkok and other major urban centers, has changed dramatically over the past years; traditional small independent retailers have gradually been replaced with modern, large retail chains (Modern Trade). Thai consumer behavior has also dramatically changed and modern trade stores have gained more popularity and market share. The outlook for Thai modern trade sector remains strong, despite the economy's recent downturn and the continued turbulent political situation. It is expected that the market share of the modern trade in the retail market will reach 45% by 2015, from 37% in 2009. Modern trade can be divided into subcategories as follows:

1) Hypermarket
2) Supermarket
3) Convenience Store
4) Cash & Carry
5) Category Killers
6) Specialty Stores
7) Department Store

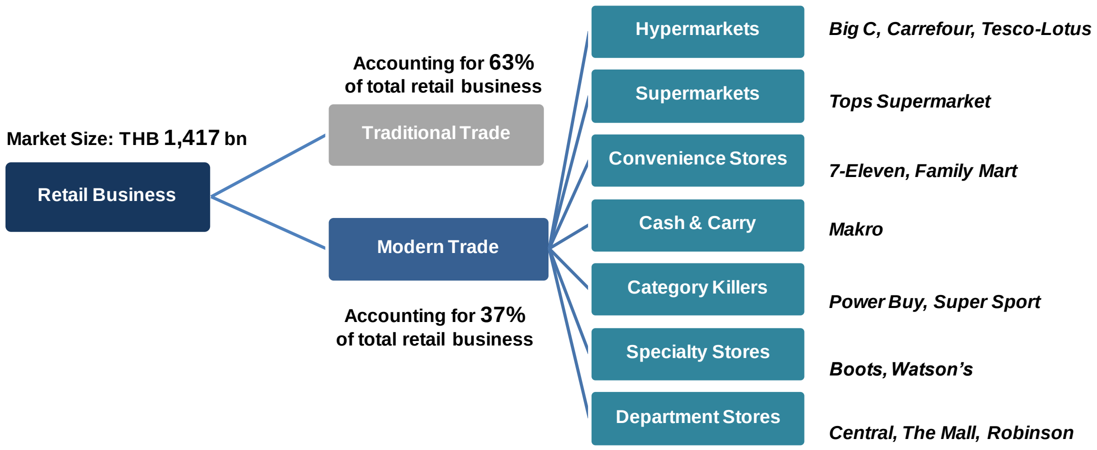
In 2009, hypermarket dominates the Thai modern trade industry with 47% market share, while convenience store and others account for 28% and 25% respectively (see figure 12 for details). Sales of convenience stores is expected to post strong growth, reaching 34% of modern trade sales in 2015.

Figure 13 Retail Market Share by Type



Source: Company

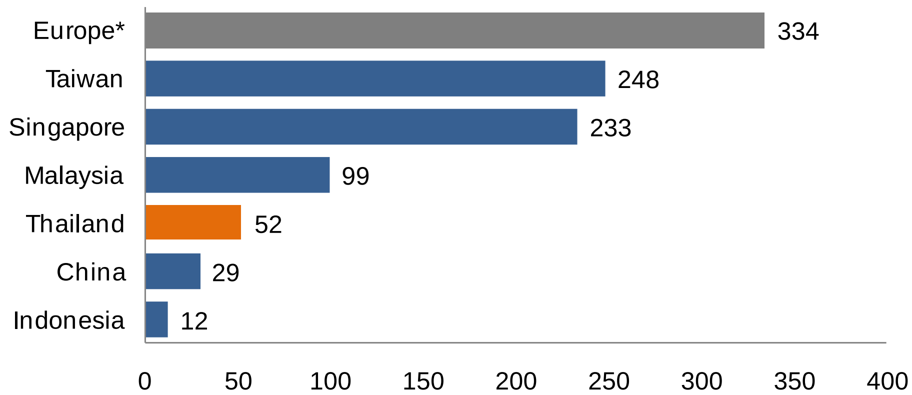
Figure 14 Retail Market Structure in 2009



Source: Company

Thailand retail market is still significantly underpenetrated compared to developed countries with only 52 sqm of retail selling area per one thousand people versus 334 sqm per one thousand people in the European market, 248 sqm per one thousand people in Taiwan and 99 sqm per one thousand people in Malaysia. Thus, the growth prospect which tends to positively correlate with rising GDP per capita for Thai retail sector is promising.

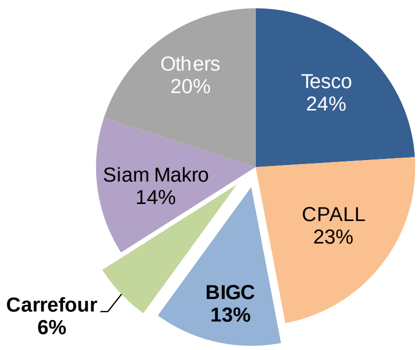
Figure 15 Retail Selling Area (sqm) per 1,000 people



Source: Business Monitor International

Thailand's modern retail sector is dominated by five major players (CP All, Tesco Lotus, Siam Makro, Big C and Carrefour). The degree of rivalry among the players is relatively high.

Figure 16 Modern Retail Market Share in 2009 (in revenues)

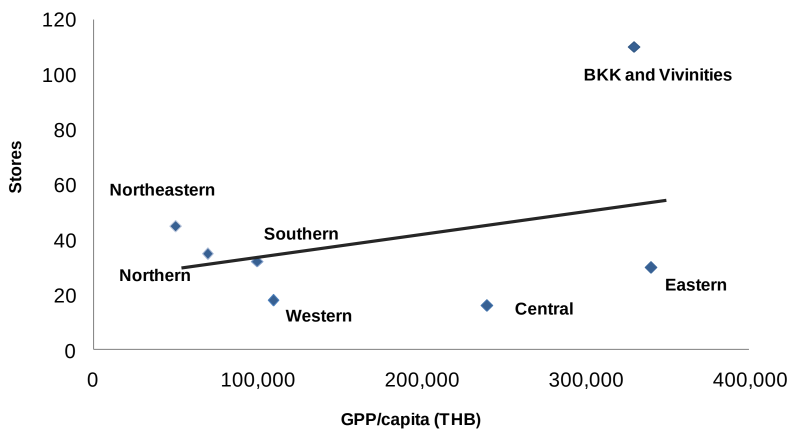


Source: Data published by companies

Urbanization has been spreading to various regions of Thailand with the surge in the presence of modern retail trade in provinces over the past years. As Bangkok has become a relatively matured and saturated market, retail expansion has continued to increase in upcountry where demand and purchasing power have risen on the back of improving farm income, rising agricultural product prices, and zoned industrializations. Take the Eastern and the Central regions for examples where industrial estates are ubiquitous.

Figure 17 Still Room for Hypermarket Segment in Few Regions

Regional GDP per capital breakdown and Number of Hypermarket Stores as of 2009



Source: Broker Research

1.9.3 Key Risks for Retail Sector

1.9.3.1 Uncertainty Still Surrounds Retail/Wholesale Business Act

In 2009, the Cabinet approved the draft Retail and Wholesale Business Act (RWA) proposal and the Council of State is in the process of examining the pending draft legislation. The effect of the legislation when implemented would likely slow the expansion plans of retailers given its rules. At the same time, the enactment of the RWA would limit the entry of new players into the industry. Nevertheless, the various factors and political uncertainty may result in delays of the passing of the Act.

Summary of the RWA is listed in Table 5 below:

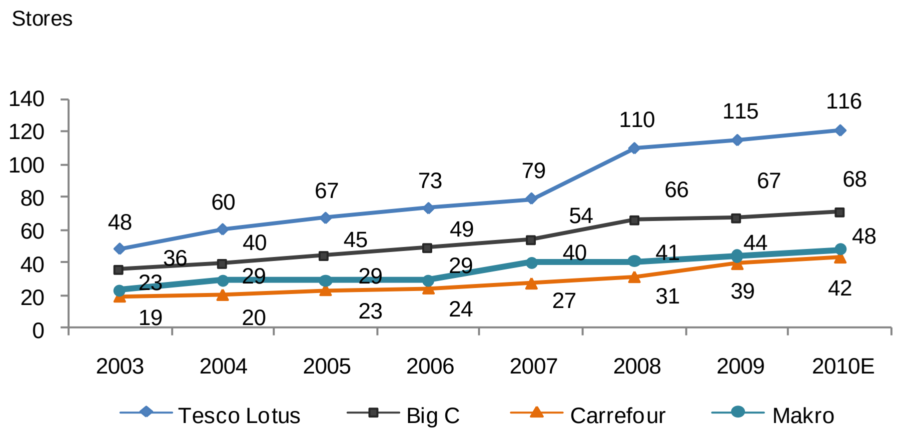
Table 5 Summary of Four Types of Businesses Would Require Official Permission

Type	Size	Location*	Operating hours
Very large	more than 3,000 sq.m.	10 km. distance from the central areas of municipalities	Not exceeding 12-hour operations
Large	1,000 to 2,999 sq.m.	5 km. distance from the central areas of municipalities	Not exceeding 16-hour operations
Medium-size	300 to 999 sq.m.	3 km. distance from the central areas of municipalities	Not exceeding 16-hour operations
Small	120 to 299 sq.m.	1 km. distance from the central areas of municipalities	24-hour operations

Note: * further details and clear definition of the municipalities areas could be determined later through ministerial regulations

As the new legislation could put a limitation for store expansion in metropolitan area, major retailers have been expanding aggressively since 2007.

Figure 18 Aggressive Store Expansion Plan in 2008 of Key Hypermarket Players due to the upcoming Retail/Wholesale Business Act.



Source: Data published by companies

1.9.3.2 Political Uncertainty

Another risk factor that could have a negative effect on Thailand's retail industry is the political instability. Following continued political unrest, the current government has introduced the Stimulus Package 2 (SP2), totaling THB 1.43 trillion, in order to revive the economy. Key beneficiaries of the SP2 are rural people as the program's various initiatives are created to promote employment growth in provinces and stimulate consumption. As such, the political uncertainty may be negative for the rural economy as the progress of the SP2 might be impeded.

Nevertheless, given the strong consumer spending growth in the past few years despite government changes, it appears that political instability is becoming a less important factor in influencing consumer behavior.

1.9.3.3 Flood Concern

The recent flood concern in Thailand, considered one of the most severe in decades, has caused many observers to cast doubt on the state of consumer consumption and the pace of retail growth. The Fiscal Policy Office estimated that the deluge potentially causes as much as THB 7,700 – 20,200 million of damage and may reduce Thailand's economic growth by 0.08% – 0.2% in 2010. According to the Office of Agricultural Economics, over 4 million rais of agricultural land has been affected, equivalent to 3% of available farmland. The temporary problems caused by the flood could have an adverse impact to the Thai retail industry in the short term.

1.10 Overview of Big C Supercenter Public Company Limited

1.10.1 Nature of Business Operations

The Company undertook business operations in Thailand in the format of a "hypermarket" or "supercenter" that is a modern-trade retail business under the name of "Big C Supercenter". This is the main business of the Company, which has expertise in customers' changing lifestyles. The Company has launched shopping services as convenience stores under the name "Mini Big C" as well as pharmacies under the name of "Pure" in which the administration was overseen by the Company and its subsidiaries.

As of 12 November 2010, the Company and its subsidiaries under the name "Big C Supercenter" have a total of 71 branches with 27 in Greater Bangkok, as well as another 44 branches in the provinces. There are also 13 "Mini Big C" stores and 27 "Pure" pharmacies which are located around Greater Bangkok.

The Company and its subsidiaries' business operation are as follows:

Table 6 Big C and Its Subsidiaries' Business Operation

Types of business	Description
Hypermarket or Supercenter Business	Offer variety of merchandise to customers in five major categories: fresh food, dry goods, clothing and accessories, electrical appliances, home décor and accessories. Total retail selling area is approximately 617,500 sqm.

Types of business	Description
Town Center Business	Provide rental space located both inside and outside of a Big C Supercenter location to vendors that offer merchandise that does not compete with items sold in the Big C Supercenter. Total space rental gross leasable area is approximately 430,000 sqm.

1.10.2 Financial Summary and Business Operation

1.10.2.1 Summary of financial statements

Summary of the Company's consolidated financial statements for year ended 31 December 2007 to 31 December 2009 and 9 months period ended 30 September 2010 are as follows:

Table 7 Summary of Big C's Financial Statements for the Year Ended 31 December 2007, 2008 and 2009 and 9 Months Period Ended 30 September 2010

Unit: THB million	Year ended 31 December			9 months period ended 30 September 2010
	2007	2008	2009	
Financial Status				
Total assets	34,935	37,331	36,698	33,632
Total liabilities	19,168	19,961	17,765	14,197
Shareholders' equity	15,767	17,370	18,933	19,435
Registered and Paid-up capital	8,014	8,014	8,014	8,014
Operating performance				
Sales	61,600	67,292	68,058	51,774
Gross profit	5,163	5,040	4,262	2,982
Rental, service, and other income	9,300	11,007	12,530	9,672
EBIT	3,720	3,974	4,167	2,909
Net profit	2,530	2,868	2,884	2,088
Basic earnings per share (Baht per share)	3.1	3.6	3.6	2.6
Cash flow				
Cash flow from operation	5,903	5,206	6,051	1,082
Cash flow from investing	-5,461	-5,274	-1,160	-1,018
Cash flow from financing	467	-300	-4,322	-1,436

Unit: THB million	Year ended 31 December			9 months period ended 30 September 2010
	2007	2008	2009	
Financial ratios				
Gross profit margin (%)	8.4	7.5	6.3	5.8
EBIT margin (%)	6.0	5.9	6.1	5.6
Net profit margin (%)	3.5	3.7	3.6	3.4
Return on equity (%)	16.5	17.3	15.8	10.9
Return on assets (%)	7.7	7.9	7.8	5.9
Average inventory days (days)	31	30	31	30
Average accounts payable days (days)	71	71	73	71
Average cash conversion cycle (days)	(40)	(41)	(42)	(41)

Note: Financial statements based on Thai GAAP

Source: Company

1.10.2.2 Business operation

Net Sales

Net sales in 2009 amounted to THB 68,058 million for the company and its subsidiaries, which represented an increase of THB 766 million, or +1.1% over 2008 due mainly to marketing campaigns for stimulating sales during turbulent economic periods.

Gross Profit

Gross Profit in 2009 stood at THB 4,262 million, a decrease of THB 778 million or 15.4% over 2008. The Company maintained a high promotional activity to support spending consumption in the context of economic uncertainty. However, the overall operating profit of the Company and its subsidiaries was solid and in line with the Company's expectations.

Rental, Service, and Other Income

Rental and Service Income from tenants amounted to THB 4,063 million in 2009 which represented an increase of THB 370 million or 10% over 2008. This increase resulted from the expansion of 12 stores in 2008, and one new site opening in 2009.

Other Income including income from suppliers' subsidies of in-store promotions and manufacturer promotions, income from logistics optimization and others, amounted to THB 8,467 million in 2009, which represented an increase of THB 1,153 million or

15.8% over 2008. The increase in other income was mainly driven by more favorable purchasing condition.

Selling and Administration Expenses

Selling and Administration Expenses of THB 12,625 million in 2009 represented an increase of THB 552 million or 4.6 % over 2008.

Financial Costs

Finance cost for 2009 amounted to THB 110 million which represented a sharp decrease of THB 38.8 million or 26% over 2008, reflecting the reduction in net debt.

Net Profit

The operating results of the Company and its subsidiaries for the year ended 2009 reflected a net profit of THB 2,868 million, compared to a net profit of THB 2,852 million over 2008, which represented an increase of THB 16 million, or 0.6 %. The operating profit for 2009 amounted to THB 4,167 million, growth over 2008 in THB of 193 million or 4.9%. These constituted satisfactory results demonstrating the resilience of the company despite an ongoing global economic malaise and domestic political unrest.

Total Assets

As at 31 December 2009, the Company and its subsidiaries had total assets of THB 36,698 million, a decrease of THB 633 million compared to 2008. This decrease was caused by the depreciation of property, plant and equipment in the amount of THB 1,727 million. Cash and cash equivalents increased by THB 569 million, and inventories increased by THB 613 million.

Total Liabilities and Shareholders' Equity

As of 31 December 2009, the capital structure of the company and its subsidiaries was composed of total liabilities in the amount of THB 17,765 million and total shareholders' equity of THB 18,933 million. The ratio of total liabilities to shareholders' equity was 0.9 times, of which most of the liabilities were not interest-bearing debt.

1.10.2.3 Risk Factors

Risk factors that may affect the Company's existing business operations are as follows:

Table 8 Business Risk Factors

Government risk	2009 was marked by considerable political instability and was intensified at times by violence. The aforementioned situation had a negative impact on the business sector curtailing consumers' confidence.
Regulatory risk	In 2009, the Cabinet approved the draft Retail and Wholesale Business Act (RWA) proposal but requested that the Council of State examine the pending draft legislation. The effect of the legislation when implemented would likely slow the expansion plans of retailers given its rules regarding store expansion.
Security risk	The unstable situation of the ongoing violence in Bangkok and the three southern border provinces of Yala, Pattani, and Narathiwat is a looming concern. The Company therefore retained its security procedures as well as informed all staff to take precautions and be aware of any abnormalities. To mitigate this risk, the Company has insurance coverage to reduce risks that could occur against the Company's property at all branches nationwide.
Credit risk	The Company conducts business on mostly cash, and receivables constitute a negligible amount (0.1% of revenues). The Company has strict policy for administration and credit controls, as well as standards for debt collection. As such, the Company's credit risk was low.
Interest rate risk	There are short-term loans which are used as revolving funds in the business operations. With low interest rate situation, the Company experiences limited risk due to interest rate fluctuations.

1.10.2.4 List of Management

Table 9 List of directors as of 12 November 2010

No	Name	Position
1	Mr. Akani Thapthimthong	Chairman of the Board

No	Name	Position
2	Mr. Yves Bernard Braibant	Chief Executive Officer and President
3	Mr. Suthichart Chirathivat	Director
4	Mr. Praphan Eamrungroj	Director
5	Mr. Jacques Dominique Erhmann	Director
6	Mr. Strasser Arnaud Daniel Charles Walter Joachim	Director
7	Mr. Ulisses Kameyama	Director
8	r. Guillaume Pierre Antoine Marin Humbert	Director
9	Mr. Pedro Antonio Arias Douce	Director
10	Mr. Nontaphon Nimsomboon	Chairman of the Audit Committee and Independent Director
11	Gen. Winai Phattiyakul	Audit Committee and Independent Director
12	Mr. Chiradet Ousawat	Audit Committee and Independent Director
13	Mr. Viet Hung Do	Independent Director

Source: Company

Table 10 List of company's management as of 12 November 2010

No	Name	Position
1	Mr. Yves Bernard Braibant	Chief Executive Officer and President
2	Mr. Frederic Borgoltz	Executive Vice President, Operations
3	Ms. Rumpa Kumhomreun	CFO & Vice President, Accounting & Finance
4	Mr. Praphan Eamrungroj	Executive Vice President, Properties
5	Mr. Thomas Mason Nielsen	Senior Vice President, Human Resources
6	Mr. Emmanuel Couronne	Senior Vice President, Purchasing
7	Mr. Ian Longden	Senior Vice President, Small Store Format
8	Ms. Jariya Chirathivat	Vice President, Marketing & Communications
9	Mr. Greg O' Shea	Vice President, Supply Chain Management

No	Name	Position
10	Mr. Prawet Prungtangkij	Vice President, MIS
11	Dr. Sarintip Satitsatian	Vice President, Business Development
12	Mr. Bruno Jousselin	Vice President, Procurement
13	Mr. Alex Morgan	Vice President, General Merchandise

Source: Company

1.10.2.5 Shareholders List

Top-10 shareholders, as of 8 April 2010, hold 626,437,200 shares, representing 78.17% of the total outstanding shares of the Company (801,386,574 shares).

Table 11 Top-10 shareholders as of 8 April 2010

No	Name	Shares	%
1	Geant International B.V. (1)	287,820,000	35.92
2	Saowanee Holding Company Limited (1)	218,280,000	27.24
3	The Bank of New York (Nominees) Limited	24,982,802	3.12
4	Thai NVDR Company Limited	24,000,069	2.99
5	UBS AG Singapore, Branch-PB Securities Client Custody	18,000,000	2.25
6	EFG Bank AG	15,900,000	1.98
7	Mrs. Arunee Chan	12,255,431	1.53
8	American International Assurance Company Limited-DI-LIFE	10,097,540	1.26
9	Mr. Suthilak Chirathivat	7,801,458	0.97
10	Mr. Niti Osatanukrao	7,299,900	0.91

Source: Company

Note : (1) The Group works together with others to determine and formulate management policy by nominating or appointing a person to act as the director with the authority in management.

The Chirathivat group holds in aggregate 16.17%. The Group works together with others to determine and formulate management policy by nominating or appointing a person to act as the director with the authority in management.

1.11 <u>Practices and Sources of Information in preparation of the Opinion of Independent Financial Advisor</u>

In preparing the opinion, the IFA has conducted due diligence since 13 November 2010 to 25 November 2010. The IFA assumed and relied on information of the Company and/or the Target Companies supplied or otherwise made publicly available to the IFA including but not limited to financial statements, management presentations, the information in the information memorandum, as well as the due diligence reports prepared by legal, financial and accounting advisers. In addition, the IFA has assumed and relied on information received during interviews with the Company management, which includes forecasts and opinion on the Target Companies' business and financial performance.

Moreover, as part of its review, the IFA has also conducted the following, but not limited to:

- Reviewed a copy of the executed definitive Share Purchase Agreement, dated November 13, 2010, by and among Carrefour Nederland B.V. and Mildew B.V., as sellers, Big C Supercenter Public Company Limited, as purchaser, and, solely with respect to certain articles thereof, Casino Guichard-Perrachon S.A.;
- Studied the business and financial information of the Target Companies, including industry information of Target Companies from publicly disclosed information and retail industry analysis from various analysts;
- Compared the enterprise value with other comparable transactions that the IFA perceives to be similar and comparable including analysis of publicly disclosed;
- Reviewed and analyzed the financial projection and business plan of the Target Companies received from the Company; and
- Interview the Company's management about the strategic plans, integration plan and the impact of the Transaction on the Company's operation.

The Independent Financial Advisor has no reason to doubt that the aforesaid information is materially inaccurate or incomplete in any respect that would have any adverse effect on the analysis of the information. Moreover, the IFA did not independently assess nor value the assets or liabilities of the Target Companies. In using the financial information, analysis and forecast that the IFA has received from the Company, the IFA has assumed that such information had been prepared by the Company's or CenCar's management. The IFA has no reason to suspect that the assumptions made are not appropriate or are outdated or do not reflect the opinion of the Company's or CenCar's management.

This Opinion by the IFA is necessarily based upon market, economic and other conditions as they exist and can be evaluated, and on the information made available to the IFA as of the date hereof. The IFA has no obligation to update, revise or reaffirm the opinion stated herein.

The IFA has assumed steps to ensure that the process is in accordance with the law, rules and regulations including all necessary approval and permissions to make the Company's offer for the Target Companies are complete and accurate without any constraints or limitation that would have a material adverse effect on the Company.

This Opinion of the IFA is for the use and benefit of the Company's shareholders. In any case, the ultimate decision to support the decision to approve the SPA and the Transaction is based entirely on the individual opinions of each of the Company's shareholders.

Part 2 – Reasonableness and Benefits of the Transaction

2 Strategic Rationales for the Acquisition

The Company's medium to long-term growth strategy is to become a leading player in the modern retail trade sector in Thailand. A key success factor in retailing is size and market share as it increases bargaining power with suppliers and provides economies of scale. As such, Thai retail players have had to compete aggressively for suitable store locations in order to expand.

The Company's expansion record has been characterized by selective targeting of appropriate store locations, resulting in the opening of an average of five new stores per year. While considerable potential exists in expanding presence in the provinces, the Company views that organic growth opportunities in relatively mature regions such as Bangkok are limited.

Therefore, the acquisition of the Target Companies presents the Company with a unique opportunity for growth as the geographical location of the stores and its customer profile fit in with the Company's plans. Through the acquisition of CenCar, the Company would take over a network of 42 stores, representing the equivalent of eight years' expansion over its previous rate. The acquisition of CenCar will increase the number of the Company's stores to 113, enabling the Company to reach a combined revenue share of 19%, just behind Tesco and CP All with 24% and 23%, respectively. In addition, its presence in Greater Bangkok will be greatly enhanced with number of stores doubling to 57.

Moreover, as a leading retail player with deep industry knowledge and over a decade of experience operating in Thailand, the Company is poised to implement and realize significant synergies on various platforms including commercial, purchasing, logistics, and SG&A. Key initiatives that have been preliminarily identified include shared infrastructure and services, alignment of logistics conditions, and reduction in advertising expenses. There should also be opportunities for knowledge and best practices sharing between the Company and CenCar.

After the acquisition, the Company intends to convert all 42 CenCar stores into Big C stores and implement various initiatives to increase value to the Company's shareholders. In addition, a thorough analysis on customer segmentation and clustering will be carefully implemented in order to reduce the risk of cannibalization.

2.1 <u>Benefits of the Transaction</u>

2.1.1 Increase of the Company's Bargaining Power with Suppliers

The Company currently owns 71 retail stores with 13% market share of modern trade. The acquisition of the Target Companies will add 42 stores and bring the number of stores in the Company's portfolio to 113, enabling the Company to become close to the industry leaders, Tesco and CP All, with a combined market share of 19%, just behind CP All and Tesco Lotus with 24% and 23%.

The IFA is of the opinion that the increases in business scale and market share are crucial to the Company's long-term competitiveness. With the substantial growth in business as a result of the acquisition as to be reflected in an increase in net sales of 42%, the Company will be able to negotiate with suppliers and purchase larger volumes of merchandise at better rates, resulting in lower unit costs for its products.

The incremental sales from CenCar will make the Company more appealing to suppliers as they tend to rely on the retailer's distribution network. Moreover, the acquisition of CenCar will increase the Company's retail selling area from approximately 617,500 sqm to 896,500 sqm and the Company's space rental gross leasable area from approximately 430,000 sqm to 580,000 sqm. Thus, the increase in business scale will provide the Company with more co-referencing and centralized planning opportunities to generate income from other income including trade income for new product launches and merchandising fees for product promotions.

2.1.2 Enhance Network in Greater Bangkok

As a center of economic activities, Greater Bangkok has been a prime target area for retailers. This has resulted in a rapid development of the retail industry in Greater Bangkok over the past decade as market participants compete aggressively to find suitable store locations. As a result of the flurry of retail expansion, Greater Bangkok has now become a relatively mature and developed region where attractive locations for new store openings are limited. The acquisition of 30 CenCar stores in Greater Bangkok will immediately double the Company's Greater Bangkok presence to 57 stores. The addition of 42 stores would also represent the equivalent of eight years' expansion over the Company's previous expansion rate of 5 new stores per year.

2.1.3 Accelerate the Dual Retail-Property Model

With CenCar's 37 shopping centers, the acquisition would bring the total number of the Company's shopping centers to be over 106 in total, enabling the Company to significantly expand its scale in the shopping mall business. The IFA is of the view that there are significant opportunities to unlock potential value for CenCar's shopping mall business including tenant co-referencing and optimization of casual leasing. The high profit contribution of CenCar's shopping mall business should also provide the Company with a stable stream of income and cushion downside risks. Additionally, there will be more value creation opportunities from the increased scale.

2.1.4 Implement Significant Synergies

As a leading retail player with deep industry knowledge and over a decade of experience operating in Thailand, the Company is best positioned to create value and implement initiatives that will result in improved business. The Company expects that value creation initiatives will be from the four main areas: commercial, purchasing, logistics, and SG&A. The Company has conducted studies on shared infrastructure plan, the rationalization of network of distribution centers and a reduction in advertising expenses. There is also a plan for the Company and the Target Companies to share their knowledge and operating expertise in order to increase the operating performance of both companies.

For commercial synergy, the Company plans to convert 42 CenCar stores into Big C stores. The IFA is of the view that the combination of the Company's expertise in retail business, the policy to increase product variety and additional sales promotions will likely help drive CenCar stores' sales density to increase to be in line with higher Company stores' sales. Moreover, the pooling of purchases will provide benefits to the

Company in terms of stronger bargaining power and better purchasing terms with suppliers. Regarding the financial business including credit card and selling of insurance products, CenCar has entered into a co-brand credit card arrangement with Kasikorn Bank Public Company Limited and an agreement with Muang Thai Life Assurance Co., Ltd under which it provides a channel for Muang Thai Life Assurance Co., Ltd to sell life insurance products through the stores. After the Transaction the Company will identify strategic options to assess benefits from such agreements with current partners in order to optimize the value for CenCar and the Company.

The IFA has estimated that the Company will reap the benefits from the increase in purchasing volume, which will result in lower unit costs, and from the rationalization of network of distribution centers, which will decrease distribution costs per unit. The expected additional synergies are approximately valued at an additional THB 4,600 million for the Company, apart from the potential synergies at Cencar level.

2.1.5 Capture New Customer Segment

Currently, the Company and CenCar target different customer segments. The Company is positioned as a relatively low price retailer and targets mid-to-low income population while CenCar focuses on more affluent consumers. The customer segments of CenCar and the Company are summarized in Table 12:

Table 12 Target customer segment of CenCar and the Company by store size

		Compact (less than 6,000 sqm.)		Standard (8,000+ sqm.)	
CenCar	**Location**	Greater Bangkok	Province	Greater Bangkok	Province
	Number of Stores (2010)	16	7	15	4
	Customer Profile	Mid-to-high income	Mid-to-low income	Mid-to-low income	Mid-to-high income
The Company	**Location**	Greater Bangkok	Province	Greater Bangkok	Province
	Number of Stores (2010)	25	22	3	21
	Customer Profile	Mid-to-low income (of which 3 stores target mid-to-high income customers)	Mid-to-low income	Mid-to-low income	Mid-to-low income

The Company expected the acquisition of CenCar will enable the Company to penetrate into new customer segments who have high purchasing power. The Company intends to maintain the quality and quantity of products, particularly on imported products, at each CenCar store.

Nevertheless, besides the benefits of the Transaction as aforementioned, the IFA also has considered the factors which could have significant impact on the transaction rationale. These factors are outlined in the following section.

2.2 Potential Impact to the Company and its Shareholders

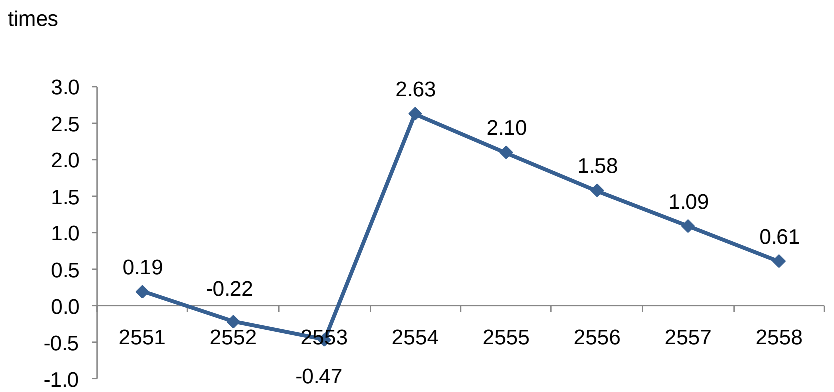
2.2.1 Increase in the Company's Debt Level

To finance the acquisition, the Company will draw on new and existing debt facilities of the Company. The Company has THB 12 billion credit lines available from Thai banks and has received a commitment to arrange a bridge financing facility for up to USD 1 billion from Deutsche Bank, HSBC and RBS.

For the THB 12 billion credit lines, the Company is able to draw a required amount as needed, subject to the liquidity of the financial market at a particular time. The Company expects to be able to draw a required amount on the completion date.

The acquisition of the Target Companies will increase the Company's Net Debt to EBITDA ratio (Net Debt/EBITDA) to 2.6 times. The increase in debt level may potentially restrict the Company's current and future operations, which could adversely affect its ability to respond to changes in the business and to manage its operations. Nevertheless, the IFA expects that the Company's future net debt to EBITDA would be reduced due to the scheduled debt repayment and the expected increase in operating cash flow of the Company and the Target Companies. Net debt/EBITDA is expected to decrease to 0.6 times by 2015.

Figure 19 Historical and Projected Net Debt/EBITDA Ratio



Net Debt (THB mn)	1,618	-1,951	-3,560	26,741	22,108	17,212	12,098	6,891
EBITDA (THB mn)	6,418	6,849	7,574	10,168	10,528	10,893	11,099	11,296

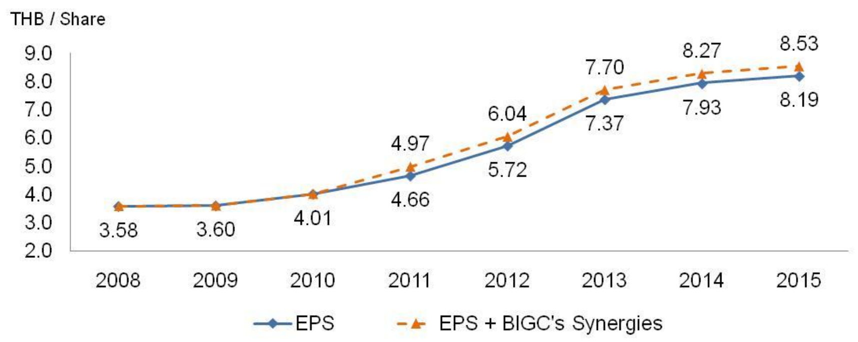
Note: EBITDA from 2011 onwards includes EBITDA of the Company and the Target Companies

Sources: Analyst consensus as of 12 November 2010 (from Thomsom Reuters), IFA projection

2.2.2 Accounting Impact on the Company's Earnings Per Share Post Acquisition

Post acquisition, the Company will hold 100% equity interest in the Target Companies which will require the Company to consolidate the Target Companies' financial results into the Company's financial statements. After the transaction, the impact on Earnings Per Share (EPS) depends on the contribution of net profit from the Target Companies and additional interest expense incurred from acquisition financing. Nonetheless, based on the projection of the Target Companies' operating performance (using assumptions based on DCF), EPS is expected to continue its growth trend. The IFA has projected EPS to grow by 16.2% from 2010 to 2011 and 22.8% from 2011 to 2012.

Figure 20 Historical EPS and Projection



Net Profit (THB mn)	2,868	2,852	3,214	3,735	4,584	5,906	6,355	6,563
Synergies (After Tax) (THB mn)	-	-	-	200	256	264	272	272

Note: Earnings from 2011 onwards include earnings of the Company and the Target Companies

Source: Analyst consensus as of 12 November 2010 (from Thomson Reuters), IFA projection

In addition, if the purchase price for the sold shares is higher than the fair value as of completion date of the identifiable assets acquired and liabilities assumed, the Company will be required to record goodwill. Goodwill is the difference between the purchase price and the fair value as of completion date of the identifiable assets acquired and liabilities assumed. To calculate the fair value as of completion date of the identifiable assets acquired and liabilities assumed, the appraisal of the Target Companies' tangible and intangible assets, liabilities and contingent liabilities will be performed. The Company will conduct such appraisal exercises after the completion of the Transaction.

Moreover, the Company is required to perform goodwill impairment test annually. As long as the fair value of goodwill is equal to or greater than carrying value, the goodwill value remains unchanged. If the fair value of goodwill is less than carrying value (impaired), the goodwill value needs to be reduced so the fair value is equal to carrying value. Even though, the additional goodwill impairment expenses could potentially impact the net profit and EPS of the Company, such expenses are non-cash items which will not affect the Company's cash flows.

2.2.3 Impact on Dividend Payment Capability

Due to the increased leverage level of the Company post acquisition, the Company expects to spend approximately THB 5,000 – 7,000 million per year for loan principal and interest payment. Such payment will come from the Company's cash flows from operations and therefore could have an impact on dividend payment capability of the Company.

The average dividend payout ratio of the Company in 2007 – 2009 was approximately 49% as reflected with:

- Total dividends were THB 1,250 million in 2007 and 2008; and
- Total dividends were THB 1,306 million in 2009

However, the IFA projects an increase in cash flows from operations of the Company and the Target Companies of approximately THB 2,000 – 4,000 million each year and cutbacks in annual capital expenditures for store expansion of approximately THB 1,000 - 5,000 million. Therefore, the IFA is of the opinion that an increase in the Company's leverage will not significantly impact its dividend payment capability.

2.2.4 Impact on Working Capital Level

The Company conducts business mostly on cash and has favorable credit terms with suppliers. Thus, the Company has negative working capital requirement, which is considered usual in the retail business. The IFA views that the acquisition of the Target Companies, which has similar working capital requirement, will likely not have an adverse effect on the Company's working capital. The Target Companies' historical cash conversion cycle are summarized in the table below:

Table 13 Working Capital of the Target Companies

	2008	2009	1H2010
Average inventory turnover (days)	33	34	32
Average payable turnover (days)	62	61	60
Average cash conversion cycle (days)	(29)	(27)	(27)

Source: Company

2.2.5 Foreign Exchange Rate Risk

The enterprise value for the Transaction is agreed in Baht but the whole payment to the Sellers for the acquired shares of the Target Companies will be made on the completion date in Euros currency using the exchange rate of THB 39.9210 per EUR. Therefore, the Company is exposed to foreign exchange rate risk. However, in order to mitigate such risk, the Company has already prepared hedging facilities in an amount of THB 33,000 million, which equals to the enterprise value of THB 33,000 million deducted by net debt of THB 2,450 million.

In addition, the Company plans to have USD 1 billion bridge financing facility and therefore will be exposed to another foreign exchange rate risk. As such, the Company intends to refinance the bridging financing with loans denominated in Baht. The Company is in the process of negotiating the terms of the Baht loans with local commercial banks and intends to make use of such loans for the Transaction if the Company is able to enter into loan agreements with the banks prior to the completion date. However, should the Company be required to use the USD 1 billion bridge financing facility, the Company will enter into hedging facilities to mitigate such foreign exchange rate risk.

Part 3 – Fairness of the Offer Price and Offer Conditions

3.1 Hypothesis for the Opinion

Our opinion is based on the following assumptions:

- All information and documents that the IFA obtained from the Company and from Company's management are correct, complete and reflect credible opinion
- None of the events, other than assumptions explicitly made in this Opinion, which has occurred, is about to occur or is expected to occur may have substantial impact on the Company's and/or the Target Companies' financial results or financial status. In addition, we have assumed:
    - There is no other risk that might delay or increase the cost of the transaction
    - There is no other material adverse event including, but not limited to, economic condition, or legal imposition that could have material adverse effect on the Target Companies

3.2 Methodologies in Evaluating the Fairness of the Offer Price

In considering the fairness of the offer price, the IFA has carried out the valuation of the Target Companies based on three main methodologies as follows:

3.2.1 Discounted Cash Flows Approach

The IFA has used discounted cash flows approach ("DCF") as the primary methodology in the valuation of the Target Companies. The DCF approach is conducted by considering the present value of the future cash flows that the Target Companies are expected to receive from the utilization of assets in normal course of business.

DCF is an appropriate method in the valuation of the Target Companies since the method values the operations of CenCar directly and reflects the business model of the Target Companies and the ability to generate future earnings. This method is also able to incorporate changes in operating assumptions more appropriately than other methodologies.

3.2.2 Market Comparables Approach

Market Comparables Approach is a valuation tool based on a comparison of the stocks' trading multiples with those of other companies in the same or similar business. This valuation approach can reflect general market views on CenCar's performances and industry's trend.

The IFA has included both Thai and regional peers into our analysis but excluded comparable companies in other key regions such as Europe and the United States. This is due mainly to market structures and industry trends that are different from the environment in which the Target Companies operate.

3.2.3 Precedent Transaction Comparables Approach

Precedent Transaction Comparables Approach is another methodology used to value the Target Companies by comparing past comparable mergers and acquisition transactions in the retail industry in Asia (due to insufficient data precedent transaction comparables in Thailand are excluded). Nevertheless, it is important to note that the transaction price of each specific transaction may reflect various factors which are specific to each company or to each transaction, such as proportion of shares purchased, the business characteristics of each company and expected synergies.

Therefore, the IFA is of the view that Precedent Transaction Comparables Approach is a suitable valuation approach.

In addition, the IFA has considered Book Value Approach but has not employed this method because it does not reflect current and future business performance of a business as it considers the accounting value of a company at a certain point in time. Book Value Approach also ignores economic condition, industry trends, as well as assets appraised and liabilities.

3.3 Key Assumptions for Financial Projections of the Target Companies

The IFA has employed DCF approach based on the underlying business fundamentals and future earnings of the Target Companies by taking into consideration economic benefits that may arise once the Company gains absolute majority control over both directorship and managerial decisions. These benefits include lower unit costs due to increased purchasing power as well as lower selling, admin and distribution costs per unit as a result of the rationalization of network of distribution centers.

3.3.1 Retail Business

3.3.1.1 Retail Revenue

Retail revenue is a function of retail selling area and average sales per sqm. In this regard, the underlying assumptions set out for store selling area and average sales per sqm are evaluated separately so as to comprehend the mechanism of key driving forces that rest with managerial decisions and strategies of the Target Companies.

- Store Selling Area

  As of November 2010, retail selling area reached approximately 279,000 sqm, an increase of 22.3% from 2007. This is due to a continued expansion of 15 stores over the period.

  Based on an analysis of due diligence reports prepared by the Company's advisors and a discussion with the Company's management, the IFA has found that CenCar has plans to open 34 stores within the next 5 years. However, there are only 2 stores that are in the final stage of negotiation and will be likely to open in 2011. The IFA therefore assumes that there will be only 2 new stores. As such, retail selling area is forecasted to increase by 6,000 sqm to reach approximately 285,000 sqm in 2011 and remains constant afterwards.

- Average Sales per Square Meter

  Average sales per sqm was approximately THB 101,500 per sqm in 2009, an increase of approximately 2.4% from 2008. During the forecast period except for 2011, it is assumed that average sales per sqm for existing perimeter will grow at 2.5% per annum, which is in line with the average inflation rate during the past 10 years. The IFA has determined that an impact from store conversion during the first year of the consolidation will result in a slower than average sales growth (1% in 2011 versus 2.5% during the forecast period). However, the Company's management is of the view that brand conversion will be implemented in a timely manner and will not have a negative impact on the Company's operating performance.

  In addition, the IFA assumes that the ramp-up of new stores takes approximately 2 years.

3.3.1.2 Retail Commercial Margin

Retail commercial margin equals the total net sales and other income minus cost of goods sold and other direct cost of sales. Other direct cost of sales can be categorized into the following:

- Loyalty program and discounts
- Rebates and billbacks
- Inventory variation and provision

The IFA has made assumptions about retail commercial margin based mainly on CenCar's operating performance in the first half of 2010 since the Thai economy in 2008-2009 was affected by the global economic slowdown. Moreover, according to the data of the Target Companies, CenCar's retail commercial margin has increased due mainly to the implementation of the following initiatives:

- Promotional activity optimization
- Enhanced product mix and offering and merchandise initiatives
- Reduced breakage and unknown loss
- Improved purchasing – improvement of purchasing conditions and reinforced cost discipline
- Improvement in working capital management

The IFA assumes that retail commercial margin of CenCar will increase by 0.5% per annum during 2011-2012 and remain constant after that throughout the forecast period.

3.3.1.3 Retail Distribution Costs

Retail distribution costs include labor costs, operating expenses and leased property expenses. During the forecast period, retail distribution costs as percentage of total retail sales decrease as a result of the consolidation of operation between CenCar and the Company.

The IFA uses the average retail distribution costs as percentage of total retail sales during 2007-2009 as a base and forecasts that it will be lower by 0.7% per annum in 2011 and 0.3% per annum in 2012. Post 2012, the IFA expects retail distribution costs as percentage of total retail sales to remain constant at the 2012 level.

3.3.2 Space Rental Business (Shopping Mall)

3.3.2.1 Space Rental Revenue

Space rental business generates revenue by renting out floor space to other retailers. Currently CenCar offers retail space at its 37 stores, with a total floor space of approximately 150,000 sqm.

The projection of CenCar's space rental revenue takes into consideration two important factors; space rental gross leasable area and average space rental revenue per sqm per month. The IFA uses the following assumptions to project these factors.

- Space Rental Gross Leasable Area

  As of November 2010, space rental gross leasable area reached approximately 150,000 sqm. Based on the IFA's assumption that there will be 2 new stores in 2012, space rental gross leasable area is forecasted to increase by 4,000 sqm to 154,000 sqm in 2012 and remain constant throughout the forecast period.

- Average Space Rental Revenue Per Square Meter Per Month

  The IFA assumes that average space rental revenue per sqm will increase at 10% every three years (based on CenCar standard contract with tenants) and uses the average space rental revenue per sqm in the first half of 2010 as a base. As such, the IFA assumes the first rent increase in 2013. The IFA also assumes that the occupancy rate will remain constant at the average occupancy rate during 2007-2009 throughout the forecast period.

3.3.2.2 Space rental distribution costs

CenCar's space rental distribution costs consist of labor costs, operating expenses and leased property expenses. With the property rental business model, the space rental business has relatively low level of distribution costs in proportion with space rental revenue.

As CenCar has implemented a policy to reduce space rental distribution costs during 2007-2009, the IFA has used the proportion of space rental distribution costs to space rental revenue in the first half of 2010 as a base. The IFA assumes that space rental distribution costs as a percentage of space rental revenue will decline by 0.5% per annum in 2011 and remain constant throughout the forecast period.

3.3.3 Capital Expenditure

The IFA has assumed that Carrefour's capital expenditure can be grouped into the following four categories:

1) Expansionary capital expenditure The IFA has estimated the amount of expansionary capital expenditure for the forecast period based on two new stores opened in 2011 at approximately THB 200-400 million per store. Capital expenditure required for new store is based on the information memorandum of CenCar.

2) Maintenance capital expenditure refers to annual capital expenditure to remodel and maintain existing stores and assets including IT systems. CenCar's maintenance capital expenditure ranged of 0.6%-2.7% of total retail sales in 2007-2009. The IFA has forecasted maintenance capital expenditure at 1% of total retail sales during 2011-2015 and increases by additional 0.5% every five years. The first increase in maintenance capital expenditure as percentage of total retail sales will be in 2016 which will reach 1.5%. The forecast takes into consideration the fact that the Company invested in as many as 12 store openings during 2007-2008. However, maintenance capital expenditures associated with these new stores are not significant in the short term.

3) Lease renewal capital expenditure refers to a capital expenditure required for lease renewal at existing stores when lease agreements expire (CenCar's first lease expiry will be in 2021). Since the lessee is required to make upfront payment for land leases, the IFA has taken into consideration the land lease upfront payment during lease renewal by including net present value of capital expenditure required for lease renewal into the valuation.

4) Integration costs mainly include costs related to converting all CenCar's 42 stores into Big C stores following the acquisition of the Target Companies. The Company estimates that the total integration costs, approximated at THB 350 million, will be incurred in 2011.

3.3.4 Other Assumptions

Apart from the above assumptions, the IFA has also made other important financial assumptions as follows:

- Corporate income tax rate is assumed at 30% during the forecast period
- Working capital assumptions as follows (assumed following the Company's current operation) :
  - Accounts receivable days: 1 day
  - Inventory days: 31 days

- Accounts payable days: 73 days

- A straight-line depreciation method
- Extraordinary expenses and extraordinary incomes are one-off items. The IFA did not factor these into the forecast
- The forecast period is 10 years (2011-2020)

3.4 Discounted Cash Flows Approach

In valuing operating assets of the Target Companies, the IFA calculated the net present value of future cash flows of the Target Companies' assets by discounting the expected future cash flow of CenCar with an appropriate discount rate which is derived as follows.

3.4.1 Discount Rate (Weighted Average Cost of Capital – WACC)

The IFA has estimated the discount rate by calculating the Weighted Average Cost of Capital (WACC) as follows:

Weighted Average Cost of Capital (WACC) = Ke * (1-D/V) + Kd * (1-T) * (D/V)

where

D/V	=	The average ratio of debt (interest bearing liabilities) to value (interest bearing liabilities and equity) of the Company during the forecast period (2011-2020).
T	=	Corporate income tax rate, which equals 30%
Kd	=	Cost of debt of the Company
Ke	=	Rate of returns to common stock holders, which is calculated using Capital Asset Pricing Model (CAPM) as shown below

Cost of Equity (Ke) = Rf + Beta * (Rm - Rf)

Where

Rf	=	Risk-free investment return, which is derived from the 10-year government bond yield of 3.6% as at 12 November 2010 based on the Thai Bond Market Association
Rm	=	Market return, calculated from 10-year average of the SET Index's return, equals to 13.3%
Beta	=	The average beta of selected peer group in modern trade sector in Thailand during 2009-2010
(Rm - Rf)	=	Market Risk Premium

Beta is calculated by following the below processes:

1) Calculation of average unlevered beta of the selected peer group in Thai modern trade sector

Since the Target Companies operate various modern retail businesses (modern trade), the IFA therefore has selected companies in modern trade sector for calculating the average unlevered beta. The comparable companies in modern trade sector including CP All Public Company Limited, Big C Supercenter Public Company Limited, Siam Makro Public Company Limited, Home Product Center Public Company Limited and Robinson Department Store Public Company Limited are used to calculate average unlevered beta.

Table 14 Levered Beta of Comparable Companies in Modern Trade Sector

Companies	Levered Beta
CP All PCL	0.57
Big C Supercenter PCL	0.64
Siam Makro PCL	0.58
Home Product Center PCL	0.65
Robinson Department Store PCL	0.68

Source: Bloomberg (as at 12 November 2010)

The unlevered beta could be calculated with the following formula:

Unlevered Beta = Levered Beta / {1 + ((1 - tax rate) * D/E)}

Table 15 Tax rate, D/E, Levered Beta and Unlevered Bata of Comparable Companies in Modern Trade Sector

Company	Tax Rate	D/E	Levered Beta	Unlevered Beta
CP All PCL	30%	0.00	0.57	0.57
Big C Supercenter PCL	30%	0.01	0.64	0.64
Siam Makro PCL	30%	0.09	0.58	0.55
Home Product Center PCL	30%	0.49	0.65	0.48
Robinson Department Store PCL	30%	0.00	0.68	0.68
Average				**0.58**

2) Calculation of levered beta of the Target Companies

The IFA then uses the calculated average unlevered beta from 1) to calculate the Target Companies' levered beta with the following formula:

Levered Beta = Unlevered Beta * {1 + ((1 - tax rate) * Target D/E)}

With the above formula, the levered beta calculated from the effective tax rate of 30% and target D/E of 0.52, which is the Company's average ratio of interest bearing liabilities to equity during the forecast period, results in the levered beta of 0.79, which will be used as a proxy of the Target Companies' beta to calculate the cost of equity.

In addition, the IFA has assumed a cost of debt at 4.5% per annum, which is the Company's estimate. The IFA has analyzed corporate bonds issued during the third quarter of 2010 by companies listed on the SET and found that the range of coupons is 3.0%-3.2%. Thus, the IFA views that the Company's estimated cost of debt of 4.5% can be achieved.

The result of computation for WACC and CAPM is summarized in the following table:

Table 16 The result of computation for WACC and CAPM

Risk free rate (Rf)	3.6%
Market risk premium (Rm - Rf)	9.7%
Beta	0.79
Cost of Equity (Ke)	11.31%
Cost of Debt (Kd)	4.5%
D/V	34%
Weighted Average Cost of Capital (WACC)	**8.52%**

3.4.2 Continuing Value

The IFA has calculated the terminal value based on Continuing Value (CV) formula so as to represent the fair value outstanding after the forecast period.

Continuing Value = [NOPLAT * (1-g/ROIC)] / (WACC-g)

Where

NOPLAT = Net Operating Profit Less Adjusted Taxes, which is derived from total operating profits for a firm with adjustments made for taxes

g = Long-term growth rate, which is assumed to be 1.5% p.a. based on the adjustment of the 10-year inflation rate of 2.4% p.a.

Return on invested capital (ROIC)

ROIC refers to Return on Invested Capital, which is calculated from the formula below

ROIC = NOPLAT / Invested Capital

Where

Invested Capital = Total capital of the company, including debt and shareholders' equity

The IFA has used NOPLAT and Invested Capital as at the end of the forecast period for the calculation of continuing value.

Based on the assumptions and valuation formulas aforementioned, key factors of the valuation based on DCF are summarized in Table 17:

Table 17 Valuation results based on DCF Approach

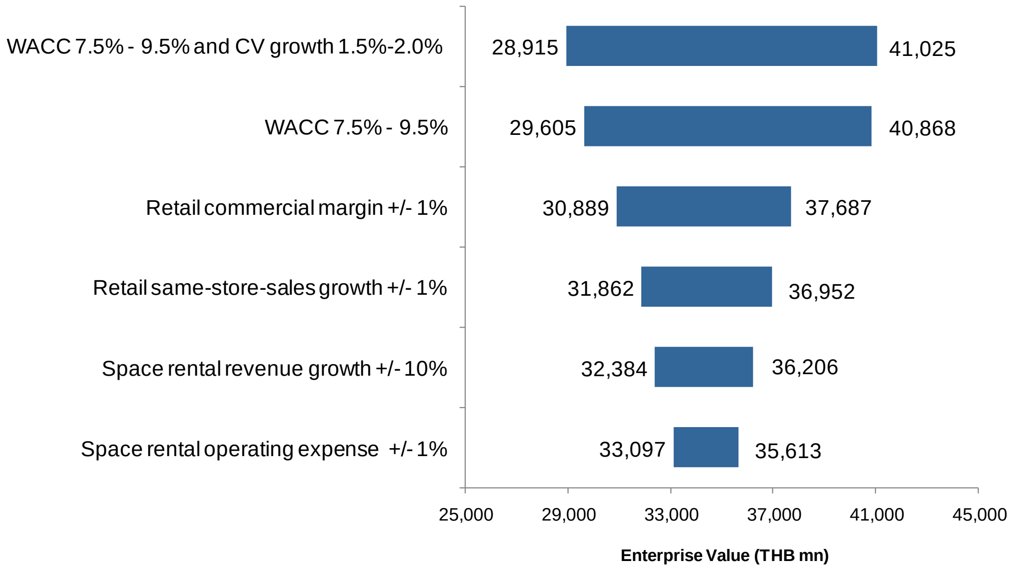
Unit: THB million	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenue	30,122	30,671	31,438	32,224	33,030	33,855	34,702	35,569	36,459	37,370
Cash Flows from Operation	2,574	2,797	2,970	2,963	3,016	3,153	3,215	3,263	3,438	3,486
Investing Activities	(621)	(307)	(314)	(322)	(495)	(508)	(521)	(534)	(547)	(747)
Unlevered Free Cash Flows	1,953	2,491	2,655	2,641	2,520	2,645	2,695	2,729	2,891	2,738
Present Value of Free Cash Flows	16,722									
Present Value of Continuing Value	20,300		NOPLAT 2021				3,455			
Entreprise Value	37,022		Invested Capital 2021				9,694			
Less Present Value of Lease renewal capex	(3,887)		g				1.5			
Entreprise Value After lease renewal	**33,135**		WACC				8.52%			

Note: Investing activities include expansionary capital expenditure, maintenance capital expenditure and integration costs

3.4.3 Sensitivity Analysis

Since the valuation of the Target Companies depends on various key assumptions, the IFA therefore has prepared the sensitivity analysis to show the impact on valuation from changes in key assumptions as per the table below.

Figure 21 Variation in Key Sensitivities to Enterprise Value (THB million)



From the chart above, besides WACC, the operating factors that have significant influence on the valuation of the Target Companies are commercial margin and sale growth of retail business. This is because retail business accounts for approximately 95% of the total income of CenCar.

3.5 Market Comparables Approach

The Market Comparables Approach evaluates the fair value of a company on the basis that companies principally engaging in similar nature of business operations are expected to have similar range of trading price multiples. Since the auction process for the Target Companies is open to bids from all countries, the IFA has considered comparable companies in Thailand and Asia but exclude comparable companies in other key regions such as Europe and the United States due to differences in market structure and outlook.

The IFA has compiled the list of comparable companies, whose descriptions are summarized as follows:

Local Companies

1) CP ALL Public Company Limited ("CPALL")

CP ALL operates convenience stores business and is the second largest player in modern trade industry in Thailand. The company is the leader in convenience store chains with approximately 5,200 stores throughout Thailand.

2) Siam Makro Public Company Limited

Siam Makro is the third largest retailer in Thailand. The company is the leader in cash and carry category. Currently Siam Makro has about 44 locations throughout Thailand.

3) Home Product Center Public Company Limited

Home Product Center Public Company Limited is a Thailand-based company engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision for related services, together with space rental. It has more than 60,000 products and operates under HomePro House Brand with 40 branches throughout the country.

4) Robinson Department Store Public Company Limited

Robinson Department Store Public Company Limited is a Thailand-based company engaged in the operation of chain department stores under the brand of Robinson which currently has 22 branches around the country.

Regional Companies

1) **Shinsegae Company Limited**

Shinsegae is a Korea-based company. It operates two businesses: E-Mart discount store business and department store business. The E-mart discount stores mainly provide foods, drinks and household products. Its department stores mainly provide brand clothes, with seven branch stores throughout Korea. Shinsegae has overseas branch offices in China, Japan and the United States.

2) **Lotte Shopping Company Limited**

Lotte Shopping is a multi format retailer engaged in the operation of department stores, discount stores and supermarkets in South Korea. The product line includes groceries, electronics, toys and other supermarket goods.

3) **President Chain Store Corporation**

President Chain Store Corp. (PCSC) operates approximately 5,000 retail locations, which include convenience stores, pharmacies, apparel shops and restaurants in Taiwan. PCSC is expanding into China with JV's of Starbucks Café and has approximately 100 outlets.

4) **PT Matahari Putra Prima Tbk**

Matahari Putra Prima operates department stores, hypermarkets and family entertainment businesses. As of 31 March 2009, the company operates 86 department stores, 46 hypermarkets, 26 supermarkets, 51 pharmacy outlets, and 79 family entertainment centers in approximately 50 cities in Indonesia.

5) **Dairy Farm International Holdings Limited**

Dairy Farm International Holdings Limited is a Hong Kong based company and operates as a retailer in Asia. As of 30 June 2010, the Company operates 5,200 stores, including supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants. Dairy Farm is a member of the Jardine Matheson Group.

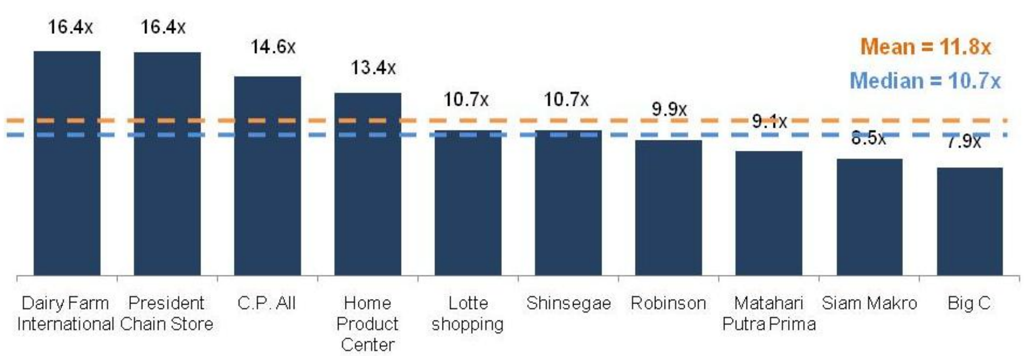
The multiples used for valuation in the Market Comparables Approach are:

3.5.1 Forwarded Enterprise Value to Earnings Before Interest, Tax, Depreciation and Amortization Ratio (Forwarded EV/EBITDA Multiple)

The Forwarded EV/EBITDA Multiple approach calculates the Target Companies' enterprise value by multiplying the Target Companies' forecasted EBITDA for 2010, 2011 and 2012 with an average Forwarded EV/EBITDA multiple of the comparable companies of corresponding periods. The Target Companies' forecasted EBITDA are calculated based on the same assumptions used in the DCF approach.

Figure 22 Forwarded EV/EBITDA Multiple 2010E

times



Source: company data, analyst consensus

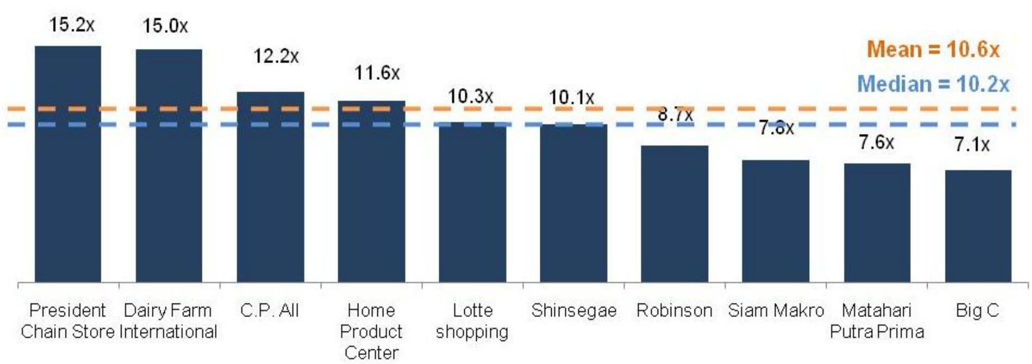
Note: Share prices as at 12 November 2010

The median of Forwarded EV/EBITDA Multiple 2010E is at 10.7 times from comparable trading peers with a mean of 11.8 times.

To assess the reasonableness of Forwarded EV/EBITDA Multiple, ROIC can be calculated from the inverse of EV/EBITDA. In the case of Forwarded EV/EBITDA Multiple of 10.7 times and 11.8 times, ROIC are calculated at 9.3% and 8.5% respectively.

Figure 23 Forwarded EV/EBITDA Multiple 2011E

times

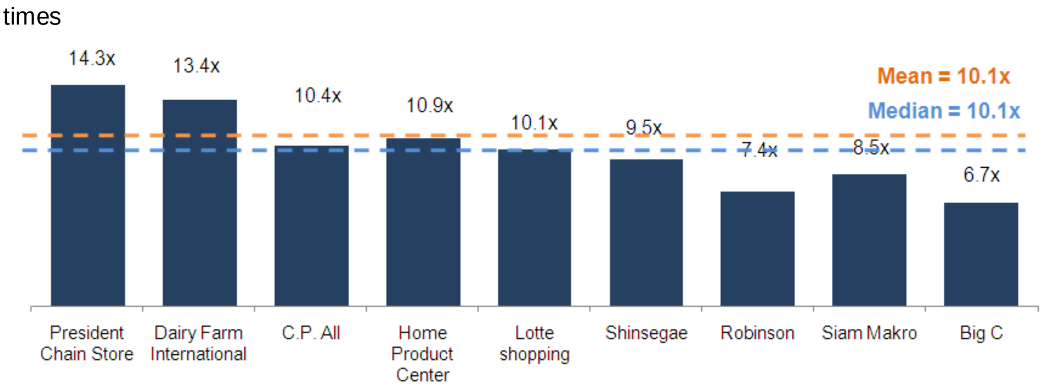


Source: company data, analyst consensus

Note: Share prices as at 12 November 2010

The median of Forwarded EV/EBITDA Multiple 2011E is at 10.2 times from comparable trading peers with a mean of 10.6 times.

Figure 24 Forwarded EV/EBITDA Multiple 2012E



Source: company data, analyst consensus

Note: Share prices as at 12 November 2010

The median of Forwarded EV/EBITDA Multiple 2012E is at 10.1 times from comparable trading peers with a mean of 10.1 times.

The valuation ranges of the Target Companies based on Forwarded EV/EBITDA Multiple 2010E-2012E are THB 29,810-36,435 million, THB 28,734-35,210 million and THB 30,270-36,996 million, respectively. The valuation ranges using Forwarded EV/EBITDA Multiple 2011E are lower than other years due to the assumption on store conversion which results in decrease in the Target Companies' EBITDA.

Table 18 Forwarded EV/EBITDA Results

Unit: THB million	2010E	2011E	2012E
EV/EBITDA (Mean)	11.8X	10.6X	10.1X
EV/EBITDA (Mean) +/- 10%	10.6X - 13.0X	9.5X - 11.7X	9.1X - 11.1X
EBITDA	2,807	3,012	3,330
Range of Enterprise Value	29,810 - 36,435	28,734 - 35,120	30,270 - 36,996

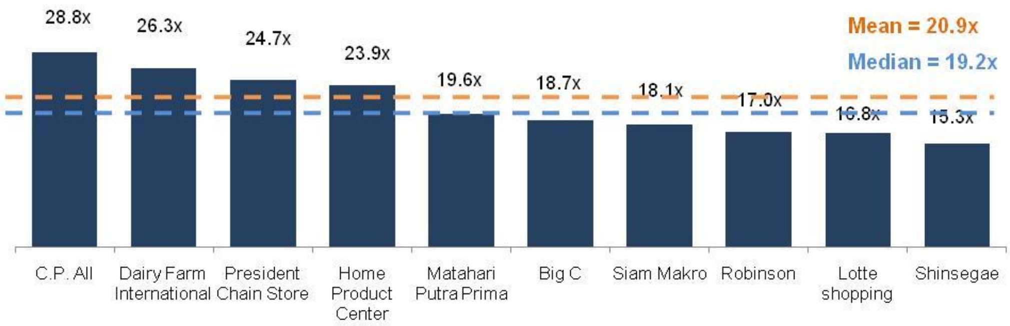
3.5.2 Forwarded Price to Earnings Ratio (Forwarded P/E Multiple)

The Forwarded P/E Multiple approach calculates the Target Companies' equity value by multiplying the Target Companies' forecasted net profit for 2010, 2011 and 2012 with an average Forwarded P/E multiple of the comparable companies of corresponding periods. The resulting equity value will then be added by the Target Companies' net debt in order to derive enterprise value. The Target Companies' forecasted EBITDA are calculated based on the same assumptions used in the DCF approach.

Note that the Forwarded P/E multiple does not reflect differences in capital structure, tax structure and accounting policies between peers and the Target Companies. In addition, the Forwarded P/E multiple does not take into account the present value of future cash flows.

Figure 25 Forwarded P/E Multiple 2010E

times



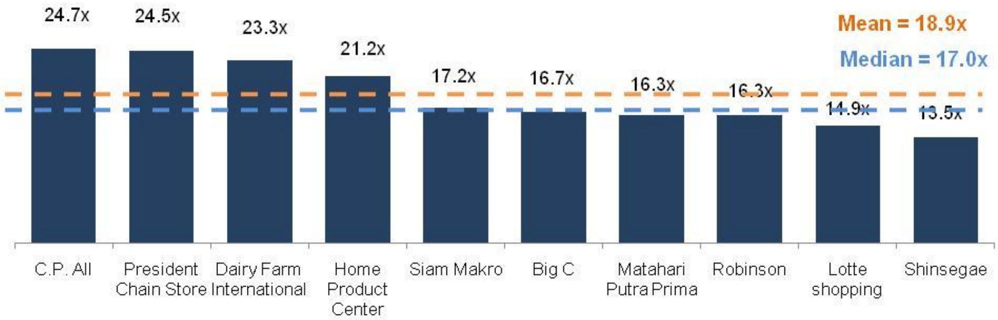
Source: company data, analyst consensus

Note: Share prices as at 12 November 2010

The median of Forwarded P/E Multiple 2010E is at 19.2 times from comparable trading peers with a mean of 20.9 times.

Figure 26 Forwarded P/E Multiple 2011E

times



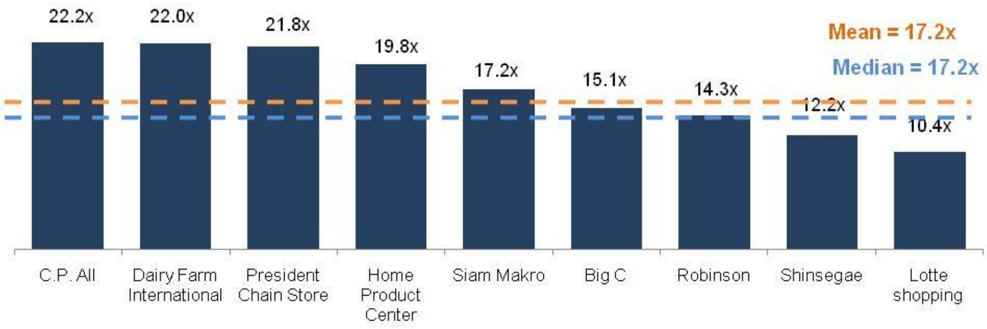
Source: company data, analyst consensus

Note: Share prices as at 12 November 2010

The median of Forwarded P/E Multiple 2011E is at 17.0 times from comparable trading peers with a mean of 18.9 times.

Figure 27 Forwarded P/E Multiple 2012E

times



Source: company data, analyst consensus

Note: Share prices as at 12 November 2010

The median of Forwarded P/E Multiple 2012E is at 17.2 times from comparable trading peers with a mean of 17.2 times.

The valuation ranges of the Target Companies based on Forwarded P/E Multiple 2010E-2012E are THB 18,695-22,404 million, THB 19,720-23,656 million and THB 23,321-28,058 million, respectively. The limitation of this approach is that direct comparison cannot be done due to differences in capital structure of companies. As the Target Companies do not have debt, the Forwarded P/E multiple underestimates the value of the Target Companies.

Table 19 Forwarded P/E Multiple Results

Unit: THB million	2010E	2011E	2012E
P/E (Mean)	20.9X	18.9X	17.2X
P/E (Mean) +/- 10%	18.7X - 23.0X	17.0X - 20.8X	15.5X - 18.9X
Net Income	887	1,044	1,377
Range of Equity Value	16,690-20,399	17,715-21,651	21,316-26,053
Net Debt (as of June 2010)	2,005	2,005	2,005
Range of Enterprise Value	18,695-22,404	19,720-23,656	23,321-28,058

3.6 Precedent Transactions Comparables Approach

Precedent Transactions Approach can serve as another basis for determining the value of the Target Companies by multiplying the Target Companies' forecasted EBITDA for 2010, 2011 and 2012 with EV/EBITDA multiple of the precedent transactions. The Target Companies' forecasted EBITDA are calculated based on the same assumptions used in the DCF approach.

A summary of precedent transactions in Asian retail industry is set out below:

Table 20 Precedent transactions in Asian retail industry

Date	Bidder	Target (Divestor)	% Acq.	EV[1] USDmn	EV/ EBITDA
Apr-10	Para Group	Carrefour Indonesia	40%	875	na
Feb-10	Lotte Shopping	GS Retail	100%	1,143	15.0x
Jan-10	Lotte Shopping	Buy The Way	100%	237	8.7x
Jan-10	CVC	Matahari Department Stores	91%	845	10.0x
Oct-09	Lotte Shopping	Times	100%	645	16.3x
Aug-09	TPG / Hony Capital	Wumart	8%	1,827	13.6x
Jun-09	Lianhua Supermarket	Hualian Supermarket	100%	72	na
Jan-09	Pou Sheng International	Farsighted International	70%	155	4.7x
Oct-08	Lotte Shopping	Makro Indonesia	100%	314	na
May-08	Samsung Tesco	Homever	100%	2,198	na
Jan-08	Lotte Shopping	Makro China	100%	174	na
Jan-08	Carrefour	PT Alfa Retailindo	75%	88	23.2x
Jan-08	Al-Futtaim	Robinson & Co.	100%	360	14.3x
Dec-07	Peace Mark	Sincere Watch	100%	352	12.6x
Jun-07	Baring Private Equity	Courts Mammoth Bhd.	95%	62	na
May-07	Chia Tai Enterprises	Shanghai Lotus	100%	367	na
Apr-07	Emaar / MGF	RSH Ltd.	100%	315	9.3x
Median					**13.1x**
Average					**12.8x**

Source : Mergermarket, Company Information

Note : [1] Transaction values grossed up to 100%

** Highlighted rows are transactions with significant acquisition stakes, reported EV/EBITDA, and are in supermarket and convenience store sectors, which are considered appropriate comparables to the Target Companies*

The median of EV/EBITDA Multiple is at 13.1 times from precedent transaction comparable analysis with the mean of 12.8 times.

The valuation ranges of the Target Companies based on precedent transactions comparables approach are summarized in the table below:

Table 21 Precedent Transactions Comparables Approach Results

Unit: THB million	2010E	2011E	2012E
EV/EBITDA (Mean)	12.8X	12.8X	12.8X
EV/EBITDA (Mean) +/- 10%	11.5X - 14.1X	11.5X - 14.1X	11.5X - 14.1X
EBITDA	2,807	3,012	3,330
Range of Enterprise Value	32,337 - 39,523	34,698 - 42,409	38,362 - 46,886

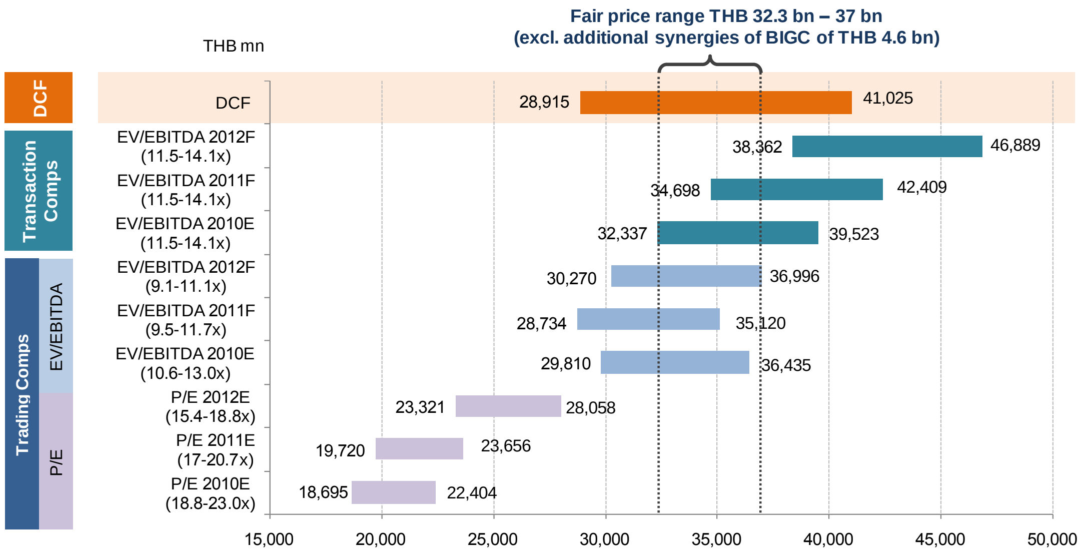
3.7 <u>Book Value Approach</u>

The consolidated book value of the Target Companies' total assets as stated in the Balance Sheet as of 31 December 2009 (IFRS accounts) is THB 17,754 million. This amount, however, does not take into account the value of 4 stores which have been opened in 2010. In addition, this method only measures the accounting value at a particular point in time, without taking into consideration the expectations of future operating performance, industry trends, and the fair value of the Target Companies' assets and liabilities. The IFA decides to rule out this methodology from valuation matrix.

3.8 <u>Summary of the Target Companies Valuation</u>

The IFA has assessed the enterprise value of the Target Companies using the aforesaid methods. The results are summarized as follows:

Figure 28 Comparable Enterprise Values - Various Methodologies



Note: DCF is based on WACC of 7.5-9.5% and g assumed in CV = 1.5%-2.0%

Transaction comps refers to Precedent Transaction Comparables Approach

Trading comps refers to Market Comparables Approach

From the above data, the fair price of the enterprise value of the Target Companies is in the range of THB 32,337 – 36,996 million. The IFA has determined the range by considering values that best reflect all valuation methodologies while tilting towards DCF which is the IFA's main valuation methodology. It is important to note that the fair valuation range does not include the additional potential synergies of current BIGC operations of approximately THB 4,600 million after the acquisition as stated in 2.1.4.

Therefore, the IFA views that the offer price of THB 35,450 million of the Target Companies is considered fair and reasonable as it falls within the range of fair prices assessed by the IFA.

The IFA has considered various valuation methodologies with respect to the Target Companies as aforementioned and has given higher weight to the DCF method because, the DCF approach is conducted by considering the present value of the future cash flows that the Target Companies are expected to receive from the operation as well as taking into consideration the immediate improvement on CenCar's operations in terms of profitability and efficiency. Comparing to other methodologies, the DCF better reflects the strategy and policy of the Company and the Target Companies, particularly on the increase in the Target Companies' operating performance which will result in synergies in the areas of sales, purchasing, logistics and selling and administrative expenses. The DCF approach also takes into consideration the Company's plans on shared infrastructure, rationalization of the logistics network and reduction in advertising expenses.

In addition, the IFA has considered the market comparables approach as it reflects the investors' perspective towards the overall retail industry and the changes in the operating performance of CenCar to a certain extent.

The Forwarded EV/EBITDA Multiple approach is one of the most widely used valuation methodologies. It can be used to compare companies in the same industry but operate in different countries because the impacts from differences in capital structure, taxation and accounting policies in various countries are excluded, making the basis comparable across companies.

In the view of the IFA, the Forwarded P/E multiple may not be appropriate method to make direct comparison for a result of valuation of the Target Companies due to the fact that the Forwarded P/E multiple does not reflect differences in capital structure, tax structure and accounting policies between peers and the Target Companies. In addition, it ignores the Target Companies' ability to generate future earnings. As a result, the Forwarded P/E multiple approach is not appropriate method to determine the fair value of the Target Companies.

The Precedent Transaction Comparables Approach serves as another basis for determining the enterprise value of the Target Companies by benchmarking it against recent precedent transactions including majority stake transactions which include control premium. Therefore, it is another appropriate valuation approach for the valuation assessment for the Transaction.

Part 4 – The Opinions of the Independent Financial Advisor

The IFA has reviewed and analyzed the information provided subject to the conditions and certain limitations discussed in previous sections of the Opinion. The IFA is of the opinion that the shareholders should vote to approve the Transaction due to (i) the objectives, rationales and expected benefits of the Transaction are reasonable (ii) the consideration of THB 35,450 million is fair and (iii) the Transaction will not have any material adverse effect on the working capital requirement of the Company and that the Company will continue to have sufficient working capital following the acquisition of the Target Companies.

It is believed that the acquisition of the Target Companies will result in the following benefits to the Company and its shareholders:

1) Increase of the Company's bargaining power with suppliers;
2) Enhance network in Greater Bangkok;
3) Accelerate the dual retail-property model;
4) Implement significant synergies; and
5) Capture new customer segment

Besides the reasonableness and benefits from entering into the Transaction, the IFA has also considered the factors which could have impacts to the shareholders as set out below:

1) Increase in the Company's debt level;
2) Accounting Impact on the Company's Earnings Per Share post acquisition;
3) Impact on the Company's Earnings Per Share post acquisition;
4) Impact on dividend payment capability; and
5) Foreign exchange rate risk

In making the decision on whether to approve the Transaction, shareholders should consider all the information that is part of the Notice of the Extraordinary General Shareholder Meeting, including all relevant details of the Opinion of the IFA particularly on the scope, methodologies and assumptions used in the projection. The IFA's analysis is based on the information received from the Company and other publicly available sources. This Opinion is comprehensive only when taken as a whole. The disclosure, reference, or dissemination of the Opinion in part only will not be the IFA's responsibility unless approval is obtained.

We hereby certify that our opinion has been rendered with due care in accordance with professional standards, taking into account the interests of the securities holders.

Yours Sincerely

Napalak Waisiriroaj
Managing Director