



บริษัท บิ๊กซี ซูเปอร์เซ็นเตอร์ จำกัด (มหาชน) (สำนักงานใหญ่)

เลขที่ 97/11 ชั้น 6 ถนนราชดำริห์ แขวงลุมพินี

เขตปทุมวัน กรุงเทพฯ 10330

โทร. +66 (0) 2655 0666

ทะเบียนนิติบุคคล / เลขประจำตัวผู้เสียอากร : 0-1075-36000-63-3

Big C Supercenter Public Company Limited (Head Office)

No. 97/11, 6th Floor, Rajdamri Road, Lumpini Sub-district,

Pathumwan District, Bangkok 10330

Tel. +66 (0) 2655 0666

Company Registration Number / Tax ID : 0-1075-36000-63-3

23rd of July 2014

To: The President of the Stock Exchange of Thailand

Ref: Reporting on Company's Financial Results for the second quarter of 2014.

Dear Sir,

Big C Supercenter PCL is pleased to report the results of its company and subsidiaries (the "Company") for the second quarter 2014 that have been examined by our auditors.

The key highlights for the second quarter 2014 are as follows:

- Satisfactory retail sales during challenging conditions with a growth of +3.8% year-on-year;
- Continued strong performance of the Company's shopping centers with a solid growth in rental and service income of +8.1% year-on-year;
- Solid margin increases across the line resulting from continued supply chain developments, strong rental and service income growth, and continued cost optimization and productivity initiatives;
- Significant net income growth of +20.4% year-on-year arising from factors mentioned above, lower finance cost and reduced effective corporate tax rate.

Economic environment

The challenging economic and political conditions of the past two quarters continued into the second quarter. In early May Thai Constitutional Court's ruling removed caretaker prime minister and nine of her cabinet ministers causing some pro-government protests, leading eventually to military to step in and announce a coup in late May. The coup put an end to months of street protests and blocked government. The long overdue rice pledging scheme payments were resumed and completed during June. The Thai consumer confidence index experienced its first positive move after 13 months of decline in May and upward trend continued in June when the index hit 75.1 points up from 150 month low of 67.8 points recorded in April. However the tourism sector was affected by declining tourist arrivals due to various countries issuing travel warnings, and Thai exports continued their decline in May mainly due to falling agricultural prices. In late June the Bank of Thailand cut its 2014 GDP growth expectation to 1.5% from 2.7% previously due to the difficult environment in the first half of the year. However, reflecting a return to normal economic conditions and increased public investment spending expectation for next year, the BOT increased its 2015 GDP growth expectation to 5.5% from 4.8% previously.

Operations

Despite the political and economic challenges during the first half of the second quarter, Big C managed to capture the attention of its customers through successful targeted and seasonal campaigns. Our rental income continued its strong performance and we added new rental area to our portfolio with two hypermarkets and two Big C Market opened during the quarter. We continued our supply chain development as we opened a brand new Mini Big C distribution center according to schedule at late May, moved our Pure Drugstore DC to a new location, and received permit for our new Fresh Food distribution center targeted to open in Q1 2015. Our CSR projects also continued to reflect our commitment to the community.

Our store expansion continued on track with the opening of 2 Big C Supercenters at Kallapapruak and Srimaphapot, 2 Big C Market at Kosum Phisai, and Kuchi Narai, 20 Mini Big C (11 in Bangchak service stations) and 14 Pure Drugstores. These openings brought our total number of stores at the end of June 2014 to 123 large format stores (Big C Supercenter, Extra, and Jumbo), 32 Big C Market, 313 Mini Big C (79 in Bangchak service stations), and 148 Pure Drugstores.

Financial performance

1. Net Retail Sales

Net retail sales for Q2 2014 amounted to Baht 31,141 million for the Company and its subsidiaries, which represented an increase of Baht 1,151 million or +3.8% over the last year. Retail sales growth in Q2 2014 was mainly driven by new store openings, as the Company's same-store-sales, which had returned to positive level since April, was then impacted by shorter opening hours due to curfew and leading to an overall second quarter same-store-sales growth decline of -1.2% excluding calendar effect .

During the quarter our seasonal Thai New Year (Songkran), and Back to School campaign with a touch of CSR — school uniform donation, were well received by our valued customers. We also supported consumers' cost of living by being the only retailer to offer Blue Flag promotion of cooked food in our Food Courts during June as well as fixing the price of basic food items such as pork for almost two months. To celebrate the World Cup season, we launched Brazilian imports on sale exclusively at Big C, a special bakery item and World Cup promotion campaigns.

2. Rental and Service Income from tenants

Rental and Service Income from tenants amounted to Baht 2,387 million for Q2 2014, which represented an increase of Baht 178 million or 8.1% over the last year. This increase resulted from the additional lettable space, as we opened 6 new shopping malls during 1H 2014 and 12 during 2H 2013, and from the continued successful management of lettable space. The Company also completed three Alcudia renovations during the Q4 2013 - Q1 2014 period.

3. Segment performance

During Q2 2014 the large store segment contributed Baht 30,271 million or 91.0% of total revenues, down from 93.2% in Q2 2013. Small store segments contribution to total revenues grew to 9.0% in Q2 2014 from 6.8% in Q2 2013 and represented Baht 3,002 million at the end of Q2 2014, a growth of Baht 821 million from same period last year. The growth in small store segment is due to a rapid expansion particularly in Big C Market and Mini Big C formats with opening of 12 Big C Market and 153 Mini Big C in 2013, and further opening of 2 Big C Market, and 37 Mini Big C during 1H 2014.

4. Gross Profit

The Company's gross profit in Q2 2014 was Baht 4,737 million, a strong increase of Baht 485 million or 11.4% over the same period last year, resulting from the increase in sales and continued supply chain developments. The Company's gross profit margin increased by robust 103 basis points to 15.2% in Q2 2014 from 14.2% in same period last year.

5. Other Income

Other income amounted to Baht 1,018 million in Q2 2014, relatively stable from the same period last year (slight increase of Baht 3.2 million or 0.3%).

6. Selling and Administration Expenses

Selling and Administration Expenses amounted to Baht 5,556 million for Q2 2014, which represented an increase of Baht 323 million or 6.2% compared to same period last year. This increase is mainly due to increased expenses in personnel, utilities, properties, and depreciation and amortization areas due to a rapid store expansion in all formats since 2H 2013 (the Company has opened a total of 8 hypermarkets, 10 Big C Markets, 122 Mini Big Cs, and 38 Pure drugstores since July 2013). However on a store-for-store basis, our operating expenses have remained relatively stable due to continued successful cost optimization and productivity enhancement initiatives.

7. Finance cost

Finance cost for Q2 2014 decreased to Baht 220 million, a decrease of Baht 45 million or -17.1% over last year, as a result of lower debt level due to partial debt repayment in Q1 2014 and 2013, and lower interest rates.

8. Corporate tax

The Company's corporate income tax for Q2 2014 amounted to Baht 448 million, an increase of Baht 44 million or 10.9% when compared to last year. The Company's effective tax rate was 19.1% in Q2 2014 compared to 20.4% during the same period last year.

9. Net Income

Net income to Equity holders of the Company for the Q2 2014 was Baht 1,889 million, an increase of Baht 320 million or 20.4% over the same period last year. This increase is due to the factors mentioned above: satisfactory sales performance arising from successful marketing activities, continued store expansion, strong rental and service income performance, continued supply chain developments, on-going cost optimization and productivity enhancement initiatives, and lower debt level and finance costs.

Yours very truly,

Ms Rumpa Kumhomreun
CFO & Vice President of Accounting and Finance