



บริษัท บิ๊กซี ซูเปอร์เซ็นเตอร์ จำกัด (มหาชน) (สำนักงานใหญ่)

เลขที่ 97/11 ชั้น 6 ถนนราชดำริห์ แขวงลุมพินี

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12th of February 2015

To: The President of the Stock Exchange of Thailand

Ref: Reporting on Company's Financial Results for the full year 2014.

Dear Sir,

Big C Supercenter PCL is pleased to report the results of its company and subsidiaries (the "Company") for the FY2014 that have been examined by our auditors.

The key highlights for the FY2014 are as follows:

- Satisfactory retail sales during a challenging year with a growth of +3.1% from previous year;
- Continued solid performance of the Company's shopping centers with a solid growth in rental and service income of +7.3% year-on-year;
- Stable margins for full year across the line resulting from continued supply chain developments, strong rental and service income growth, and continued cost optimization and productivity initiatives;
- Net income growth of +3.7% amidst challenging economic conditions arising from factors mentioned above and lower finance cost.

Economic environment

Year 2014 started in challenging conditions with intensifying political unrest with the launch of the "shutdown Bangkok" campaign in January. Moreover as the early February's elections were nullified by the Constitutional Court, Thailand was left with "caretaker" government which had limited authority to take decisions that would bind the next government. This situation caused delays in rice pledging scheme payments thus affecting spending power particularly in upcountry. 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. Although Thai economy started generally to improve during the second half of the year after these events, the recovery was not as fast as some were expecting. While consumer confidence index that had been declining for 13 straight months until April 2014 started to rise after military coup in May it did not experience a rapid recovery ending the year with 81.1 points which was still below 100.0 points.

Operations

Big C was able to reach satisfactory sales level during the challenging year. Our rental income continued its strong performance as we have been adding new rental space in-line with our successful retail-property model. Year 2014 saw major changes to our supply chain as we replaced two old distribution centers by opening two new facilities; one for Mini Big C stores, and one for Cross Dock operations. We also started construction of new Fresh Food distribution center during Q3 2014 which once opened will replace four small distribution centers. We also continued our various cost optimization and productivity initiatives. Year 2014 also saw a big change in our top management as Mr. Yves Braibant, our long time CEO, stepped down after 13 years and handed over the helm to Mr. Rob Cissell who is bringing with him a wealth of retail experience from leading retailers in Europe and Asia.

Big C continued its store expansion during the year by opening 4 Big C Hypermarket at Kanchanaburi, Nakhon Phanom, Kallapapruek, and Srimahapot, 7 Big C Market at Kosum Phisai, Kuchi Narai, Ban Ta Khun, Prakhon Chai, Selaphum, Takaopa and Bangmunnak, 46 Mini Big C (29 in Bangchak service stations), and 20 Pure Drugstores. We also completed one additional Big C Jumbo cash & carry store conversion in March at Big C Supercenter Ratburana to respond to the demand of professional customers. The total number of stores at the end of December 2014 was 123 large format stores (Big C Supercenter, Extra, and Jumbo), 37 Big C Market, 324 Mini Big C (91 in Bangchak service stations) and 152 Pure Drugstores.

Financial performance

1. Net Retail Sales

Net retail sales for FY2014 amounted to Baht 121,845 million for the Company and its subsidiaries, which represented an increase of Baht 3,668 million or +3.1% over the last year. Retail sales growth in FY2014 was mainly driven by new store openings, as the company's same-store-sales experienced a slight decline from the previous year due to challenging economic conditions; for the full FY2014 the company recorded same-store-sales growth of -1.0% excluding calendar effect. However it is worth noting that the Company's same-store-sales returned back to positive growth for the last quarter of the year with +0.5% growth year-on-year recorded in Q4 2014.

Our ability to deliver satisfactory sales performance in the challenging environment is a reflection of our strong price leader position and our various unique marketing campaigns such as Golden Saturday, Rice Fair, Big C Festival, Brazil Festival, Italian Festival, Back to School, One-Day-One-Price, long-term Blue Flag cooperation with Ministry of Commerce to offer additional savings for customers amidst the slow economy, and targeted marketing, stamp collection campaigns for premium items strengthening customer loyalty and spending. We also strengthened our customer marketing campaigns further, leveraging our Big Card data for targeted SMS and direct mail, promotion selection and local marketing activities. Last but not least, we successfully launched Big C on LINE, the popular chat apps.

2. Rental and Service Income from tenants

Rental and Service Income from tenants amounted to Baht 9,385 million for FY2014, which represented an increase of Baht 641 million or 7.3% over the last year. This increase resulted from the additional lettable space, as we opened 11 new shopping malls during FY2014, from the continued successful management of lettable space, and from the full impact of three Alcudia renovations completed during the Q4 2013 - Q1 2014 period.

3. Segment performance

For FY2014 the large store segment contributed Baht 118,518 million or 90.8% of total revenues, down from 92.6% in FY2013. Small store segments contribution to total revenues grew to 9.2% in FY2014 from 7.4% in FY2013, and represented Baht 12,008 million for the FY2014, a growth of Baht 2,644 million from FY2013. The growth in small store segment is due to a continued expansion particularly in Big C Market and Mini Big C formats.

4. Gross Profit

The Company's gross profit for FY2014 was Baht 18,225 million, an increase of Baht 538 million or 3.0% over the same period last year, resulting from the increase in sales, and continued supply chain developments. The Company's gross profit margin for FY2014 was 15.0%, stable from previous year.

5. Other Income

Other income amounted to Baht 4,165 million in FY2014, which represented an increase of Baht 116 million or 2.9% over last year. This increase is mainly due to the growth in brochure advertising income from the Company's growing store network, and increased service income arising mainly from concession fees for in-store media.

6. Selling and Administration Expenses

Selling and Administration Expenses amounted to Baht 21,793 million for FY2014, which represented an increase of Baht 857 million or 4.1% compared to the previous year. The Company has continued its successful cost optimization and productivity enhancement initiatives in various areas and the slight y-o-y increase is mainly due to increased expenses in personnel, utilities, properties, and depreciation and amortization areas due to a continued expansion in all formats.

7. Finance cost

Finance cost for FY2014 decreased to Baht 866 million, a decrease of Baht 187 million or -17.8% over last year, as a result of lower debt level due to continued partial debt repayment during the year and lower interest rates.

8. Corporate tax

The Company's corporate income tax for FY2014 amounted to Baht 1,756 million, an increase of Baht 254 million or 16.9% compared to last year, and the Company's effective tax rate was 19.5% for FY2014 compared to 17.7% for the previous year. The year-on-year increase is due to a one-off effect from the liquidation process of one of the Company's subsidiaries during Q3 2013.

9. Net Income

Net income to Equity holders of the Company for the FY2014 was Baht 7,235 million, an increase of Baht 259 million or 3.7% over the same period last year. This increase is due to the factors mentioned above: satisfactory sales performance arising from successful marketing activities during a challenging year, continued store expansion, solid 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