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12th of May 2017

To: The President of the Stock Exchange of Thailand
Ref: Management Discussion and Analysis for the First Quarter of 2017

Dear Madam,

Big C Supercenter PCL is pleased to report the results of its company and subsidiaries (the "Company") for the first quarter 2017 that have been examined by our auditors.

The key highlights for the first quarter 2017 are as follows:

- Improving same-store-sales trend from 2H 2016;
- Continued resilient rental and service income growth;
- Strong margin improvement across the line due to our focus to the quality of sales;
- Solid net income growth arising from margin improvements, and lower finance cost.

Economic environment

Thai economy presented largely positive signals, albeit still relatively modest, during the first quarter of 2017. Although Thai banks reported some growth of Non-Performing Loan ratio and Thai households' debt levels peaked at an eight-year high, Thai exports grew 4.9% year-on-year during first quarter, in-line with the Ministry of Commerce's 5% growth target for the year but beating market expectations. This led Thai consumer confidence index to hit 76.8 points in March, its highest level in two years, as consumers were citing strong exports, tourism spending, and increasing commodity prices as positive factors. Also due to the improved economic growth outlook driven by increased external demand impacting export growth, and continued recovery of tourism sector, and public expenditure, Bank of Thailand adjusted its full year GDP growth expectation to 3.4% from previous 3.2%. It also said that it now expects Thai GDP to grow 3.6% in 2018.

Operations

Our strategic focus on the quality of sales continued during the first quarter of the year and whilst our same-store-sales trend remained in negative territory, we saw a clear improvement quarter-on-quarter, especially in our non-food categories, and this despite unfavorable base effect from last year (as 2016 was a leap-year). After our successful supplier conference in February we have been conducting "Joint Business Planning" workshops with all major suppliers for better alignment, closer collaboration and partnership, and better category planning, to offer stronger assortment to our customers. Our push to localize our offer in order to become the "Thai retailer with customers in our heart" continued as we introduced the "Hub" concept, which allows us to be closer to the customer and cater better for regional needs. We now have 10 hubs across the country, with Hub Directors overseeing all stores across formats within that hub zone. During the quarter we opened 11 new Mini Big C stores (including 5 franchise stores). We also finished re-bannering 2 MM Mega Markets into Big C Supercenters during the quarter. These openings brought the total number of our stores at the end of March 2017 to 131 large format stores (Big C Supercenter, Extra, and Jumbo), 59 Big C Market, 475 Mini Big C (including 42 franchise stores), and 142 Pure Drugstores.

Financial performance

1. Revenues

Big C's Total Revenues from retail sales, rental and service income, and other income, for the quarter reached Baht 27,988 million, representing a decline of Baht 4,903 million or -14.9% over the same period last year. This decrease was caused by a retail sales decline of -16.5% from the same period last year, due to negative same-store-sales of -20.0% for the first quarter. The deep same-store-sales decline continued to be driven by our strategic focus on the quality of sales rather than absolute sales volume. Meanwhile our resilient dual retail-property model continued its steady performance with rental income for the quarter increasing by +6.1% from last year from combination of added rental space and rental escalation, whilst our other income decreased by -18.4% from same period last year mainly due to declining brochure advertising income.

2. Expenses

Big C's Total Expenses amounted to Baht 26,016 million for the quarter, representing a decrease of Baht -4,860 million or -15.7% compared to same period last year. This decrease was mainly due to lower cost of sales and services due to declining sales during the quarter, whilst our SG&A expenses increased slightly year-on-year mainly due to increasing personnel expenses.

3. Net Income and Operating Profit

Big C's Net Income to Equity Holders of the Company grew by +4.3% reaching Baht 1,572 million for the quarter, an increase of Baht 65 million baht from the same period last year. Net income growth was driven by significant margin expansion across the line and continued resilient rental and service income growth offsetting most of the topline decline, and although our Operating Profit decreased slightly by -2.1% from the same period last year, declining finance costs and lower effective tax rate led to solid net income growth. The effective tax rate of 19.3% was lower than the statutory tax rate during the quarter due the Thai Government's Investment Incentive program.

4. Ratios

Big C's Gross Profit margin reached 16.1% for the quarter, representing a significant increase of +291 basis points from last year. This increase was driven by our strategic focus on the quality of sales. Big C's Operating Profit margin reached 8.0% for the quarter, representing an increase of +118 basis points from the same period last year. This increase was driven by increasing gross profit, and resilient rental and service income growth. Big C's Net Income margin reached 6.4% for the quarter, representing an increase of +128 basis points from last year, driven by margin improvements, lower finance cost, and lower effective tax rate. Our Debt-to-Equity ratio declined to 0.29 times at the end of the quarter, down from 0.42 times during the same period last year.

Yours very truly,



Ms. Rumpa Kumhomreun

CFO & Vice President of Accounting and Finance