

24th of July 2013

To: The President of the Stock Exchange of Thailand

Ref: Reporting on Company's Financial Results for the second quarter of 2013.

Dear Sir,

Big C Supercenter PCL is pleased to report the results of its company and subsidiaries (the "Company") for the Q2 2013 that have been examined by our auditors.

The key highlights for the Q2 2013 are as follows:

- Strong retail sales growth of +8.1% year-on-year arising from a combination of solid same-store-sales growth, new store openings during 2013, and the full impact of new stores opened in 2012;
- Continued high performance of the Company's shopping centers with a vigorous growth in rental and service income of +11.9% reflecting new shopping malls opened during 2013 and full year 2012, and continued high occupancy rate.
- Significant net income growth of 13.1% year-on-year due to increased total revenues, reduced finance cost and corporate tax rate cut.
- Continued store expansion in all formats and started construction of new Mini Big C distribution center.

Operations

During the first half of 2013 GDP expanded at a slower pace than originally anticipated as Thai economy was affected by various macro-economic factors: uncertainty regarding global economy recovery, especially the economic slowdown in some Asian countries like China, and the strengthening Baht. This all was reflected in declining consumer confidence throughout the second quarter. In May 2013, the Monetary Policy Committee decided to cut the policy interest rate by -25 bps to 2.50% to help stabilize baht and boost economic consumption.

Despite the uncertain economic context, the Company recorded very satisfactory results during this quarter with a strong same-store-sales performance achieved with a maintained strong price leadership position in the Thai retail market.

During Q2 2013, the Company continued its store expansion plan and opened 1 Big C Supercenter Hypermarket in Ang Thong, 3 Big C Markets in Hua Hin, Kho Pha-ngan and Thakli, 36 Mini Big C (19 in Bangchak petroleum stations), and 15 Pure drugstores. These openings bring the total number of stores at the end of June 2013 to 115 Hypermarkets, 22 Big C Markets, 194 Mini Big C and 110 Pure drugstores.

The Company also started construction work for a new Mini Big C distribution center in Rangsit Klong 6. This new distribution center is targeted to open in mid 2014 and will support Mini Big C store expansion with its capacity to serve up to 1,000 Mini Big C stores.

Financial performance

1. Net Retail Sales

Net retail sales for Q2 2013 amounted to Baht 29,990 million for the Company and its subsidiaries, which represented an increase of Baht 2,238 million or +8.1% over the same period last year. Retail sales growth in Q2 2013 was driven by a solid 3.0% same-store-sales growth, the full operation of new stores opened during the last 12 months, and several successful marketing campaigns conducted during Q2 2013 such as the seasonal Thai New Year (Songkran) and Back to School campaigns that drew customers' traffic and enhanced shopping sentiments as well as stamp collection campaigns strengthening customer loyalty and spending. The Company also ramped up marketing campaigns such as targeted SMS and coupons, local marketing activities for targeted stores and suppliers' instant discounts.

2. Rental and Service Income from tenants

Rental and Service Income from tenants amounted to Baht 2,209 million in Q2 2013 which represented an increase of Baht 236 million or 11.9% over the same period last year. This increase resulted mainly from the additional lettable space as 6 new shopping malls were opened during 1H 2013 and 10 during 2012 (of which 8 opened during Q3 – Q4 2012), and from the continued successful management of lettable space. The company is also currently conducting Alcutia renovations of its hypermarkets in Pitsanulok, Srinakarin and Khon Kean. These renovations are targeted to be completed during the second half of 2013.

3. Gross Profit

The Company's gross profit in Q2 2013 was baht 4,252 million, an increase of Baht 353 million or +9.1% over the same period last year. This is due to increased sales during the quarter and slightly higher gross profit margin of 14.2% in Q2 2013 compared to 14.0% in Q2 2012.

4. Other Income

Other Income mainly consists of advertising income which is charged to suppliers for the advertisement placed in brochures, insurance recovery and interest income. It amounted to Baht 1,015 million in Q2 2013, which represented an increase of Baht 147 million over the last year. This increase is mainly due to growing advertising income from the Company's growing store network.

5. Selling and Administration Expenses

Selling and Administration Expenses amounted to Baht 5,233 million in Q2 2013, which represented an increase of 12.8% over the same period last year. This increase is due to the combination of several factors :

- two rounds of minimum wage increase (the first round took effect in April 2012 and the second round in January 2013).

The increase in minimum wage is in parallel with a decrease in the corporate income tax rate from 30% to 20% in 2013.

- an increase in personnel expenses as store network expanded,
- an increase in utility expenses during 2012, and
- an increase in insurance premium starting from July 2012.

To mitigate the increase in operating expenses, the Company implemented further cost control and productivity initiatives which will continue to ramp up during 2013.

6. Finance cost

Finance cost for Q2 2013 decreased to Baht 265 million from Baht 302 million or -12.3% over the last year as a result of lower level of debt due to refinancing and partial debt repayment during 2012 and January 2013. The Company's has also been enjoying decreasing interest rates.

7. Corporate tax

The Company's corporate income tax for Q2 2013 amounted to Baht 404 million, stable compared to last year. The Company's effective tax rate in Q2 2013 was 20.4% compared to 22.5% in Q2 2012. This decrease is due to the corporate income tax rate cut at the beginning of 2013 from 23% to 20%.

8. Net Income

Net income to Equity holders of the Company for the period of Q2 2013 was Baht 1,569 million, an increase of Baht 181 million or 13.1% over the same period last year. This increase is due to the all the above mentioned factors: strong sales performance arising from successful marketing activities, store expansion, continuing strong rental performance, well managed cost structure, lower debt level and finance costs, and reduced tax rate.

Yours very truly,

Ms Rumpa Kumhomreun
CFO & Vice President of Accounting and Finance