

Thailand's TCC Group to Buy Groupe Casino's Stake in Big C

Written by Administrator
Saturday, 06 February 2016 19:48 -

Feb. 6, 2016 7:48 p.m. ET

[Groupe Casino](#) SA [CGUSY](#) [1.70](#) % has agreed to sell its stake in Thai hypermarket operator Big C Supercenter PLC for €3.1 billion (\$3.46 billion) to a Thai billionaire, according to people familiar with the matter, marking a major step in the French grocer's plans to cut its debt.

Thai tycoon Charoen Sirivadhanabhakdi's holding company, TCC Group, will buy Casino's 58.6% stake in Big C Thailand for 252.88 baht a share (\$7.10), these people said. They added that an agreement between the two could be announced before the market opens in Asia on Monday morning.

The sale is a key step in Casino's attempts to reduce its debt pile. The retailer launched a €4 billion deleveraging plan in 2016 which includes selling its stake in the Thai supermarket as well as Vietnam retail assets. Ratings agency Standard & Poor's in January put the French retailer's debt on "negative watch" for a possible downgrade to junk status, citing concerns over weakness in Brazil and the retailer's high debt pile.

The sale, which is expected to complete on March 31, will allow Casino to hit 80% of its €4 billion deleveraging target, the people said.

Casino makes about 40% of its sales in Latin America, where a prolonged recession in Brazil has led to falling sales and declining profitability. Management remains bullish on Brazil, but the slowdown has made it more difficult for Casino to support the same level.

In December, the grocer disclosed plans to sell its Vietnamese retail operation and some of its real-estate holdings in Colombia—sales of which are ongoing.

In the process of selling its Vietnam unit, Casino received a number of expressions of interest for its larger Thai unit and decided to sell that asset as well.

For Mr. Charoen, the deal boosts his retail presence in Thailand. He already owns a listed

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consumer products company called [Berli Jucker](#) PCL, [BJC](#) [0.00](#) %

which has interests from trading to packaging and retail. Last month, Mr. Charoen's TCC Group closed a €655 million acquisition of Metro Group's cash & carry wholesale business in Vietnam.

In recent years, deal hungry Thai tycoons like Mr. Charoen, the son of an ethnic Chinese street vendor in Bangkok, have been among the biggest spenders in the region.

Mr. Charoen started a small distillery with partners after dropping out of school and successfully bid for government liquor concessions in Thailand. Since then, he has expanded his business to include wide-ranging interests from real estate to finance and agriculture. He became a household name in 2013 when he bought a controlling stake in Singapore-listed conglomerate [Fraser & Neave](#)

[F99](#)

[1.02](#)

[%](#)

that valued the firm at \$11 billion.

Casino entered the Thai market in 1999 when it acquired a stake in Big C, before adding rival Carrefour SA's Thai operations in early 2011. Big C is now Thailand's second-largest hypermarket operator after [Tesco](#) [TSCDY](#) [1.31](#) % PLC's Thai unit.

As of September last year, Big C and its subsidiaries operated 697 stores in Thailand. The company posted net profit of \$38 million for the third quarter ended in September, down 14.5% over the same period last year.

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