

Casino to buy Carrefour's Thai assets for \$1.2 billion - Reuters

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(Reuters) - French retailer Casino (CASP.PA

) is buying the Thai stores of rival Carrefour for 868 million euros (\$1.2 billion), including debt, to step up the challenge to Britain's Tesco in the fast-growing southeast Asian country.

Casino said on Monday the 42-store acquisition would help Big C Supercenter BIGC.BK, in which Casino owns a 63 percent stake, to become co-market leader in Thailand, with an estimated turnover of about 2.4 billion euros for 2010.

International retailers are jockeying for position in emerging markets as they look for sources of growth outside maturing U.S. and western European markets, though the cost of competing is often too much to justify widespread expansion.

Carrefour, which has exited eight countries over the past seven years, was the fifth-biggest operator in Thailand and said its growth prospects there did not fit in with its goal of focusing on countries where it can have a leading position.

Bernstein analyst Chris Hogbin said the price, at about 1.2 times net sales, appeared a little high, although that would depend on the value of the real estate assets being acquired.

Casino chief financial officer Antoine Giscard D'Estaing told analysts the price of the deal was consistent with equivalent transactions in the region.

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Hogbin also said the price on Casino's deal suggested Tesco's (TSCO.L) international businesses were not being valued highly enough by analysts.

"I think it looks an OK deal for Casino," he said.

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"Tesco have shown good capital discipline by walking away," he added, after sources close to the matter said the British group had also been among the bidders for the stores.

Carrefour (CARR.PA), the world's No.2 retailer after U.S. group Wal-Mart (WMT.N), has been looking to sell its shops in Malaysia, Singapore and Thailand to focus on markets where it holds leading positions.

A source with knowledge of the matter said a deal for the Malaysia and Singapore stores was two or three weeks away.

People close to the matter have said bidders for these stores include Singapore's Dairy Farm (DAIR.SI), which is backed by Jardine Matheson Holdings Ltd (JARD.SI), Tesco, Japan's Aeon (8267.T) and Malaysian private equity fund Navis Capital.

Casino, France's No.5 food retailer which has businesses in Latin America and Asia, is also in the midst of selling 1 billion euros of non-core assets to cut its debts.

The group said on Monday it aimed to sell a further 700 million euros of assets next year.

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