

## Thai Big C shares hit record on Carrefour's purchase - Reuters

Written by Administrator  
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\* Stock jumps to all-time high after deal

\* Outlook bright on significant growth in 2011 - analysts

\* Worry over higher interest expenses cap gain (Adds detail, analysts comment)

BANGKOK, Nov 16 (Reuters) - Shares in Thailand's Big C Supercenter PCL BIGC.BK, controlled by the French Casino Group (CASP.PA), rose more than 10 percent on Tuesday after the purchase of Carrefour SA's (CARR.PA) Thai assets for 868 million euros (\$1.2 billion).

French retailer Casino said on Monday the 42-store acquisition would help Big C, in which Casino owns a 63 percent stake, become co-market leader in Thailand, with an estimated turnover of about 2.4 billion euros for 2010. [ID:nLDE6AE025]

The acquisition sent shares in Big C up as much as 12.8 percent to an all-time high of 88 baht when trade resumed on Tuesday amid expectations of higher profit growth next year.

"Despite Big C and Carrefour potentially being cannibalised in terms of the same store locations, this shouldn't have a significant impact," said Asia Plus Securities analyst Natwarin Tripobsakul.

"The purchase would boost Big C's market share to 31.9 percent from 22.2 percent of the total sales of the four biggest retailers in the country," Natwarin said.

However, that share is still behind the market leader, Britain's Tesco Lotus, with 40.4 percent.

The broker gave a "buy" rating with 2011 fair price of 92.50 baht, while KGI Securities

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upgraded the stock to "outperform" with a target price of 87 baht.

Casino said the deal would boost Big C's earnings in 2011 and it was expected to realise significant synergies by 2013. The deal should be completed by the beginning of next year.

Big C, also partly owned by unlisted Central Group, Thailand's largest retail group, is expected to finance the deal by cash and borrowing from commercial banks.

However, worries of higher interest expenses limited the stock's rally. Kim Eng Securities said the borrowing would boost Big C's net debt to equity ratio to 1.8 times with interest costs of about 1.6 billion baht a year.

At 0333 GMT, Big C shares were up 2.24 percent at 79.75 baht, erasing some of earlier gains, while the Thai main index [.SETI](#) was down 0.39 percent. (\$1=29.84 baht) (Reporting by Arada Kultawanich and Ploy Ten Kate; Editing by [Robert Birsel](#) )

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