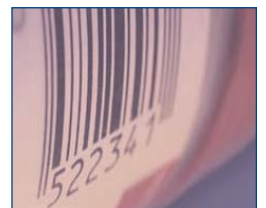
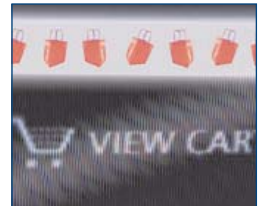


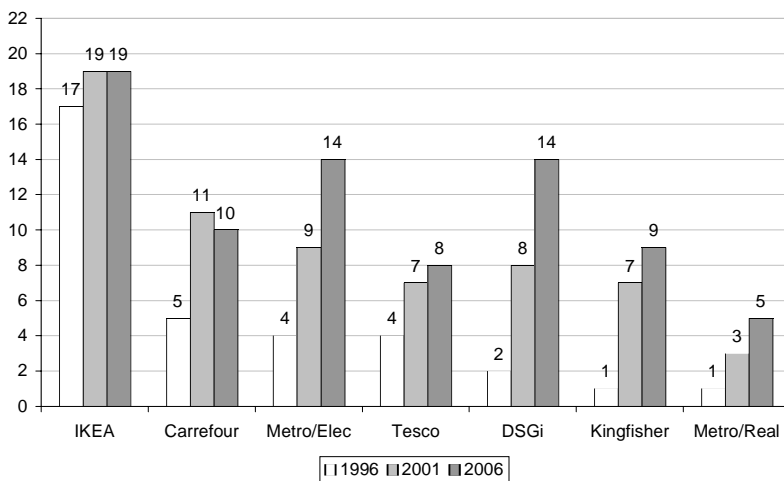
International Expansion in European Retail

The emergence of an integrated European retail market

Retail Brief - Published March 2007



Total number of European countries key pan-European retailers operate in 1996, 2001 and 2006



Source: International Expansion in European Retail

"In the last ten years Carrefour has on average moved into a new geography every other year, while Metro's electricals division trading under the Media Market and Saturn brands on average entered a new market each year. The likes of Tesco and DSGi have also rapidly expanded their operations since 1996. The exception to this is IKEA which has always been well ahead of its peers in terms of European expansion, operating physical stores in more European countries than any other retailer since the 1980s..."



About Verdict Research...

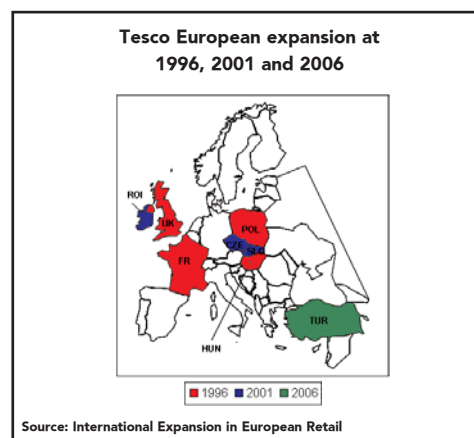
Verdict Research has been producing independent retail analysis and comment on the UK retail marketplace for well over 20 years and is regarded as a key source by BBC, ITV and the leading broadsheets including, the FT, Times, Independent and Daily Telegraph. Many leading trade publications also frequently refer to Verdict's opinion and research including Retail Week, DIY Week, Cabinet Maker and The Grocer.

Products and services include:

- **European Retailing Reports**
 - European Clothing Retailing
 - European DIY Retailing
 - European Electricals Retailing
 - European Furniture Retailing
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 - Out of Town Retailing
 - Town Centre Retailing
- **Retail Futures**
 - Quarterly Forecasts to 2009
 - Annual Forecasts to 2011
- **Retail News & Comment**

Some key findings from this market view...

- **The European retail market has been rapidly consolidating over the last ten years.** Western European retailers have been the driving force behind this, moving into fragmented eastern European retail markets in order to take advantage of strong economic growth in these countries. The widening of the EU has made new members states more attractive for foreign investment due to the economic stability EU membership can often bring.
- **From this consolidation, a number of large pan-European retailers across different sectors have emerged.** In food and grocery Carrefour and Tesco operate in 12 and eight countries respectively while Metro Group and DSGi have been instrumental in the consolidation of the European electricals market with operations in 14 countries each.
- **IKEA operates physical retail stores in more European countries than any other retailer.** The retailer pioneered mass pan-European expansion of a retail brand and proposition and currently operates in a massive 19 European countries. IKEA stores are however spread quite thinly across Europe with only seven of the 19 countries it operates in having more than 10 stores.



"Over the last decade or so, Tesco has expanded in Europe through organic and acquisitional growth. It has also entered new markets both independently and in conjunction with partners through strategic alliances..."



International Expansion In European Retail

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International expansion has become a key theme of European retailing over the past decade. As domestic opportunities for large retailers have diminished they have increasingly turned to overseas markets as a source for new growth. While early expansion focused on geographically proximate countries, the focus is moving rapidly toward the fast growing and fragmented markets of eastern and southern Europe. With the importance of pan-European scale already intensifying, this trend of international expansion and subsequent consolidation is forecast to develop further pace going forward.

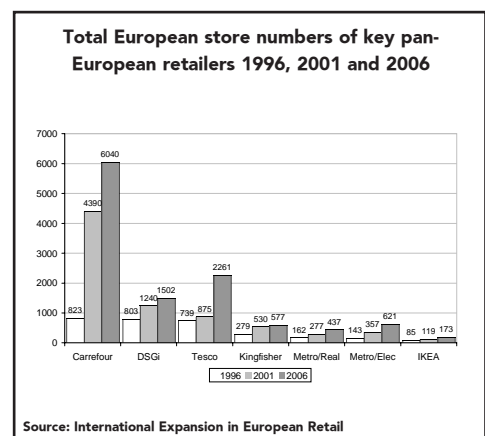
The European retailers that have been most successful at expanding into new European markets - while continuing to grow in their core markets - have in the last 10 years become some of the largest retailers in the world. Identifying the right opportunities, investing at the right time and, crucially, adapting to the nuances of each new market are three of the key factors that determine a retailer's level of success in each new country it enters.

International Expansion in European Retail is a new brief published by Verdict. It looks at and appraises some of Europe's leading retailers' expansion strategies across Europe over the last ten years. It identifies which markets they have entered and the order in which they entered them. It also pinpoints key trends associated with such expansion and looks ahead to what further opportunities are available.

This new brief will help you to assess the competitive landscape and create strategies to exploit future growth in the European retail market.

This new market view will enable you to...

- **Benchmark the performance of key European retailers**, identify which retailers are on the upward and downward curve and where the best prospects for growth lie using this report's profile of the European retail competitive landscape.
- **Understand the key market developments driving expansion in the European retail market** and identify the key issues effecting the expansion into Europe from performance of core market, expansion beyond Europe, finding suitable acquisition targets, flexibility and admitting defeat.
- **Enhance your competitive strategies using the company analyses contained in this report** for key retailers including Carrefour, DSG International, IKEA, Kingfisher, Metro Group and Tesco.
- **Identify key retailers' European expansion** following their progress from their first acquisition to the present day.



"Pan-European expansion has caused some domestic operators, in particular independent retailers, to struggle under pressure from aggressive new entrants who boast vast buying scale and marketing clout. The leading retailers have in the past build substantial market share as the expense of weaker incumbent retailers so have been a major source of consolidation across individual countries and indeed across Europe..."