

PressRelease

For Immediate Release

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Planet Retail's take on Carrefour and Ahold full-year results

On **Carrefour**, Natalie Berg, Global Research Director, commented:

"The Carrefour business model is inherently flawed given its over-dependence on a dated format and slow-growth markets. The company cannot carry on in its current state; a more drastic approach is needed to revitalise the business. Although Carrefour planet is a step in the right direction, it has proven too costly as a means of saving Carrefour. Up until now, the retailer has done very little to address the undeniable fact that non-food spending has shifted online. Rather than directing capital towards indulgent remodels, money would be more wisely spent ramping up multi-channel functions such as click & collect, instore kiosks and e-commerce. Without this, the hypermarket concept doesn't have much of a future."

Based on today's results, Planet Retail is sticking by its prediction that Carrefour will be knocked from its position as the world's second largest retailer, overtaken by Walmart International which, as a standalone retailer, we're expecting to report full-year sales of USD130 billion. This is due to Walmart's entry into new territories such as Sub-Saharan Africa, the Netto acquisition in the UK and continued organic growth, juxtaposed with Carrefour's ongoing divestments and underperformance.

Leading Global Retailers: Net Sales and CAGR, 2006-2016f

	Net Sales (USD bn)				CAGR (%)	
	2006	2010	2011f	2016f	2006-2011	2011-2016f
Walmart US	267.9	309.7	319.4	385.6	3.6	3.8
Walmart International	77.1	109.2	130.0	201.2	11.0	9.1
Carrefour (total)	97.7	119.4	127.3	138.0	5.4	1.6
Tesco (total)	78.5	94.1	104.5	148.0	5.9	7.2

Note: Carrefour 2011 is actual, all others are forecasts; f - forecast.
Source: PlanetRetail

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On **Ahold**, Denise Klug, Associate Analyst, commented:

"It's been another solid year for Ahold. Gone are its days of planting flags; instead focusing on small-scale acquisitions in markets in the US and logical, risk-averse market entries in Europe are proving to be a winning strategy. Its plans to enter Germany may sound very courageous on the face of it, given the highly publicised failures of retail heavyweights like Walmart and Delhaize Group. However, for Ahold, this is just a step across the Dutch border into North Rhine-Westphalia, with no need for setting up costly logistics and additional overheads. In times of crisis, this prudent strategy is the best way to go. Nevertheless, Ahold is still sitting on a pile of cash that is big enough for a larger acquisition should it find the ideal target."

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About Planet Retail:

Planet Retail is the leading provider of intelligence on the global retail and foodservice industries, monitoring more than 10,000 retail operations as well as market developments in 211 markets. With over 15 years of industry insight, Planet Retail is a brand trusted by more than 3,000 organisations worldwide, delivering up-to-the-minute news, analysis, market research and digital media via www.planetretail.net. Planet Retail has offices in London, Frankfurt, Chicago, Qingdao and Tokyo.