

Darty Exits Spain

Written by Marco Attard
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Following recent "strategic review" Darty closes down its loss making Spanish business, with 43 stores employing 650 employees to stop trading by June 2013.



The closure costs Darty around €30 million, including €16m pretax loss on sales and €10m in non-cash writeoffs.

"In Spain we have been growing market share and building our service credentials but we remain sub-scale," Darty chairman Alan Parker says. "Significantly improving our position would be a long and potentially expensive journey with no guarantee of success in what we expect to remain a very difficult market."

Darty Spain retail losses for the year ending 30 April 2012 total €15.6m (from revenues of €119.2m), while total losses since its 2007 acquisition amount to €78m. The retailer predicts losses for the year ending 30 April 2013 will reach €16m from revenues of around €120m.

What next in the retailer's future? Analyst suggest stores in the Czech Republic, Slovakia and Turkey to probably be the next on the chopping block, since Darty wants to focus on its core French, Belgian and Dutch businesses.

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