

Best Buy Exits Europe

Written by Marco Attard
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Best Buy exits the European market, selling its 50% stake in the Best Buy Europe joint venture back to UK retailer Carphone Warehouse for \$775 million in cash and stocks.



According to the retailer Best Buy Europe revenues for fiscal 2014 (from 2500 small Carphone Warehouse stores in 8 European countries) are set to reach \$5.5-5.6 billion, even if it will report Best Buy Europe results as "discontinued operations" from Q1 2014.

"Each international market is different and the sale of our European operations should not suggest any similar action in our other international businesses," CEO Hubert Joly remarks before confirming the retailer will continue operations in Mexico, Canada and China.

Best Buy and CPW formed Best Buy Europe in June 2008 with ambitions to open around 200 stores across the EU. However a a weak economy and consumer apathy hampered such plans, leading to the closure of all 11 American-style Best Buy UK stores on November 2011.

The deal lends CPW opportunities for growth across the EU, even if it is set to exit the French market following its failure to dent a competitive territory.

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