

## Addio Italia for Kesa?

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According to The Telegraph, Kesa might be saying "addio" to the Italian market-- at least if it follows advice from financial services provider UBS.



"Sadly Kesa has been in the eye of the European storm," UBS says. "The tough macro conditions in Spain are well documented and the austerity measures to be undertaken in both Spain and Italy are likely to constrain consumer demand over the next few years."

Kesa has 24 stores in Italy-- and has already shut down "some" stores, The Telegraph says. Analysts estimate Kesa losses in Italy can total up to €45m unless it manages to find "a route to profitability."

Meanwhile the retailer's Spanish business is looking "more sustainable," with analysts predicting losses reaching €10m by 2013.

Kesa already left the UK market, following the 2011 sale of the struggling Comet sale to OpCapita for all of £2 (plus £50m "dowry"). With the French Darty chain currently providing Kesa with "solid cash generation," will Kesa manage to turn the rest of its European business around?

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