

British Retailer Tesco Mulls Russian Market Entry

By [The Moscow Times](#)

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Tesco, Britain's biggest retailer, is considering opening its F&F clothing stores in Russia as part of a plan to expand the brand's global presence, three sources familiar with the company's plans said.

F&F, launched in and the Republic of Ireland in 2001, has already announced plans to boost its international presence and earlier this week said it had opened its first stores in the Philippines, increasing its footprint to 20 countries.

Although it has not mentioned Russia among countries it was targeting, one source close to the company said F&F was interested in the market, which has been buoyed by a rising middle class.

Russia has been a popular destination for international consumer-focused firms seeking to diversify away from more mature markets in Europe and the U.S. and many clothing

retailers such as Marks & Spencer Group, Inditex and Gap are already present in Russian shopping malls.

Tesco, the world's third-biggest retailer, has had a run of poor results and is in the midst of a £1 billion (\$1.7 billion) turnaround plan for its main British business, suffering from competition for customers and pressure on consumer finances.

Two other sources said Tesco would likely partner with Debruss — the Russian franchise operator of British retailer Debenhams — to open F&F stores. The two are looking at opening the first outlets in Moscow in two large malls due to open in the fourth quarter of 2014, one of the sources said.

Preliminary plans envisage the opening of up to five stores in Russia this year and a further eight in 2015, although the firms have not yet signed a partnership agreement.

A Tesco spokesman said the company is always looking for new opportunities for F&F but declined further comment. Debruss declined comment.

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