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UNDER EMBARGO UNTIL 10 APRIL 2008

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Retailers expect emerging markets to provide main source of growth in next five years

London/Barcelona, 10 April 2008 – Retailers are looking to the world's emerging markets to drive the success of their businesses in the future, according to new research by CB Richard Ellis. A report by the world's leading commercial real estate services firm has revealed that 40 per cent of retailers expect emerging markets to provide their main source of growth over the next five years, while only a quarter expect to see growth concentrated in their home market.

The *Global Emerging Markets Survey (GEMS)* explores the views of some 300 retailers worldwide, representing a global portfolio of 25,000 stores, and provides the latest insight into retailer attitudes towards the world's emerging retail destinations.

India was identified as the most sought-after emerging market. Twenty seven per cent of international retailers surveyed have opened their first store in India in the last year or are planning to do so imminently. The country is considered particularly attractive because of the size of its market compared to its low presence of international retailers. With foreign ownership rules being gradually relaxed, foreign investment is also now possible, allowing single-brand retailers to own up to 49 per cent of their India operations.

Ukraine and Russia also ranked highly in the survey, in second and third positions respectively. Ukraine, in particular, benefits not only from its own rapid economic growth but also from its proximity to Russia. *GEMS* reinforces the trend for retailers, who have established a presence in a 'primary' emerging destination such as Russia, to regard smaller neighbouring countries as natural geographic extensions to their current store network. While Moscow has recently enjoyed heightened attention from retailers due to booming consumer spending, the focus is now shifting to secondary Russian cities and to Ukraine. Another example of this primary/secondary behaviour is retailers who first entered Singapore now moving into Malaysia, which ranks fourth in the list of most sought-after emerging markets.

Most active emerging retail markets

Rank	Country	Proportion of respondents that are actively looking in each market or first opened there in 2007
1	India	27%
2	Ukraine	24%
3	Russia	22%
4	Malaysia	19%
5	Turkey	15%
6	South Africa	13%
7	Thailand	12%
8	China	11%
9	Mexico	10%
10	Indonesia	8%
11	Pakistan	6%
12	Vietnam	6%
13	South Korea	6%
14	Brazil	6%
15	Chile	2%
16	Argentina	2%

Commenting on the most active emerging markets, Peter Gold, EMEA Head of Cross Border Retail, CB Richard Ellis, said: "Rising interest and growing expansion into emerging markets globally is being fuelled by rapid growth in consumer spending and the 'emerging middle class' in many of these countries. We believe India will maintain its position as a popular new location for retail expansion as further trade restrictions are lifted. And, in the same way that Ukraine is now benefiting from retailer interest in Russia, retailers will again be looking to expand to adjacent markets around other emerging destinations."

GEMS also showed that retailers' interest in specific emerging markets varies according to their product sector and country of origin. South Africa is currently the most important market for retailers from the Asia Pacific region; while retailers from the Americas are now looking at Turkey more than other individual markets.

As part of the survey, retailers were asked to share their main operational considerations when looking to enter an emerging market. Top of the list was the quality and range of real estate opportunities. Four out of five retailers reconsider the decision to enter a market if their favoured real estate format – such as shopping centres or stand-alone high street stores – is not available. In fact, 56 per cent of retailers base their entry into an emerging market on the availability of suitable property, compared to 46 per cent in developed markets. The presence of a franchise or local partner is another key consideration, as this can enable retailers to penetrate a market more rapidly.

Top operational factors considered by retailers looking at emerging markets

1. The quality and range of real estate opportunities
2. Presence of franchise and joint venture partners
3. Quality of information available on the retail sector, such as spend and demographics

Mr Gold continued: "Emerging markets comprise over half the world's population and consumer appetite for more sophisticated retailing is driving retailer interest in these destinations. With many barriers to entry, such as economic instability and limits on foreign ownership now dissolving, emerging markets are becoming increasingly attractive and accessible. Inevitably though, they also have their own set of individual challenges. *GEMS* is designed to offer the latest insight into local differences, the adjustments required to succeed, and the best ways of doing business. By making the expansion process more transparent, we aim to help retailers venture into the world's newest markets and profit from the distinctive growth opportunities they offer."

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CB Richard Ellis' Global Emerging Markets Survey – Background information

Exclusively launched at the 2008 World Retail Congress, *GEMS* offers unique insight into retailer attitudes towards the world's emerging retail destinations.

300 retail companies were surveyed between November 2007 and February 2008, representing a global portfolio of 25,000 stores. *GEMS* comprised an online survey, which was followed by telephone and face-to-face interviews with senior individuals responsible for setting the retailers' strategies. Responses from the online survey were aggregated to ensure confidentiality. Telephone interviews were conducted in all the major languages.

The *GEMS* survey targeted retailers at all stages of development: those with an established presence (and even based) in emerging economies; those considering expanding into these countries; and at the opposite end of the scale, those whose main focus is their domestic market, with no immediate plans to expand overseas. The respondents covered all retail sectors, including grocery, clothing, footwear, accessories, books, music, department stores, electricals and luxury goods. Retailers whose presence is limited to their domestic market were deliberately targeted to explore their reasons for staying at home; these comprise approximately 20 per cent of those surveyed.

About CB Richard Ellis' Global Retail Team

CB Richard Ellis has more than 600 professionals dedicated to retail real estate worldwide, with experts in all major cities. The company advises retailers on how to expand both within and beyond their traditional markets. CB Richard Ellis's EMEA Retail team was named European Retail Agency Team of the Year at the European Property Awards 2007.

About CB Richard Ellis

CB Richard Ellis Group, Inc. (NYSE:CBG), an S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2007 revenue). With over 29,000 employees, the Company serves real estate owners, investors and occupiers through more than 300 offices worldwide (excluding affiliate offices). CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. In 2007, CB Richard Ellis was named one of the 50 "best in class" companies by *BusinessWeek*, and one of the 100 fastest growing companies by *Fortune*. Please visit our website at www.cbre.com.