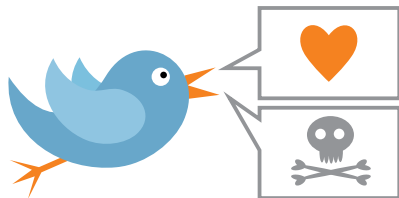


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Rotten food just isn't selling the way it was

Remember Carrefour? Delvita? Out of sight, out of mind, right? Which multinational retailer will be the next one we forget about, after it pulls out? Ahold? Tesco? The business model of selling second-quality or rotten food to gullible Czechs at premium prices is failing. Revenue and profitability are tumbling. [Ahold](#) reported a 5.1% y/y drop in first-quarter net sales in the CR and Slovakia (it doesn't break them out), to €482m, and a decline in ebitda of 10.5%, to €17m. At [Tesco](#), Q1 like-for-like Czech sales fell a full 9.0%. Both retailers cited higher joblessness, slower GDP growth and increased competition. They could have also mentioned TV Nova's "food inspector," who is picking through rotten food and driving customers away from the premium retailers. So far, retailing hasn't attracted any of the Czech oligarchs (except for Penta's in-and-out at Žabka). But the conditions for this are quickly becoming "overripe."

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