



Tesco, iVillage Announce Joint Venture To Produce Women's Site iVillage U.K.

By Jennifer L. Rewick WSJ.com

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Women's Web site iVillage.com Inc. is taking its first step overseas by joining forces with Tesco PLC, one of Britain's largest grocery chains.

iVillage and Tesco plan to launch iVillage.co.uk in the fourth quarter of this year. The venture will serve the online women's market in the U.K. and Ireland. The independent company expects to generate revenue from advertising and sponsorship.

iVillage, based in New York, brings no cash to the deal. Instead it will provide the iVillage brand, content, community tools and other intellectual property. Tesco will provide \$18 million in cash over the next three years. iVillage has the option to increase its stake in the joint venture. Overall, the companies value the 50-50 venture at \$70 million.

Michele Anderson, senior vice president of strategic development for iVillage, said Tesco is a good partner because the company already reaches 50% of U.K. households through a combination of its stores, direct-marketing efforts, which include coupon mailers, and the magazines Tesco publishes about babies, home and food.

"We thought [its] consumer relationships were much stronger than the consumer relationships the media companies have," Ms. Anderson said.

The companies plan to advertise the new site in Tesco stores, direct mailings and Tesco's publications.

The new company's headquarters will be in London. Two of iVillage's founding employees, Hillary Graves and Tory Crimmins, will lead a staff of 16 employees.

The announcement comes a month after iVillage's U.S. rival [Women.com Networks](http://Women.com) Inc., of San Mateo, Calif., announced plans to launch a Web site in the U.K. with partner National Magazine Co., Hearst Corp.'s U.K. publishing arm.

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