

## CE Demand Slump Hits Argos

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Argos' Q1 2011 sales fall by -9.6% Y-o-Y, a decline the retailer's owners Home Retailer attributes to the "more difficult and volatile" situation on the high streets.



The CE market-- particularly TV and videogames-- represents a "substantial proportion" of Argos' sales. Home Retail says TV sales are down by 20% and videogame sales are down by 25%.

Argos' TV sales for Q1 2011 total 150000 units, while its total TV sales for 2010 reach 1.5m units.

The retailer's only well performing product is laptops-- its only CE category showing growth.

Home Retail now expects a "mid-single digit" Y-o-Y decline for Argos in 2011, due to what analysts describe as a "weak consumer environment", with Q2 2011 proving to be particularly tough.

Argos is still hoping to reverse the sliding trend in sales by launching its TV channel in a few weeks' time. Time will tell whether the move will prove effective.

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