

wisely soon sold on. Media-Saturn's Internet business conducted under its own name remains disappointing, accounting for only 9 percent of sales. By comparison, internet sales accounted for 33 percent of M.Video's sales and over 50 percent at Argos.

### Argos doing better than expected

Sainsbury's sales figures for the third quarter of the year as a whole were only 0.8 percent up, but Argos sales were 4 percent up, with the results for both the Black Friday and Christmas periods looking very good. Sainsbury's management has stated that the increase in Argos sales was more than twice as great as it had expected and that sales in the 30 or so Sainsbury's shops already with Argos concessions had done particularly well. It is planned to increase the number of Sainsbury's supermarkets this year with Argos concessions to about 250. Sainsbury's will also benefit from access to the Argos website which is the U.K.'s second most visited retail website.

It will also now become U.K. market leader in the markets for toys, small domestic appliances, electricals and homewares. Mike Coupe, Sainsbury's CEO stated in a press release that the acquisition will add £55-£75 million to profits in the second half of the year, while creating huge savings.

In Paris, there have also been plenty of opportunities for smiles since the merger between Fnac and Darty was completed in late July. Sales in the third quarter of the year by Fnac with a contribution by Darty amounted to 1,402 million Euros, up 63.1 percent compared with the equivalent period in the previous year from Fnac alone. On a proforma basis, in the quarter, Fnac sales amounted to 840 million Euros, while Darty's at 879 million Euros were slightly ahead and also achieved a 1.6 percent like-for-like increase in sales, while Fnac's actually declined.

The Paris financial market has clearly viewed these developments and the new merged company with favour. Between April and November, Fnac shares rose in value by 26%, making them the best performing share on our index. Fnac also launched a bond issue valued at 650 million Euros, to pay off the bridging loan secured to fund the Darty acquisition. It bears an interest rate of 3.25 percent and was heavily oversubscribed.

### Spectacular news from China

There has also been a spectacular performance from Suning Commerce Group. The trouble is that it is not all the right kind of spectacular. There has

been a huge loss attributable to shareholders, which at 41 million Euros had ballooned by 672.4 percent, due to the need to finance the purchase of Alibaba, which now forms part of the Suning Commerce Group. Reuters commented that in 2016, Suning's losses were set to rise by 20 percent, from 690 to 740 million RMB (US\$ 100 – 107 million). Meanwhile, the sales performance was not unsatisfactory. Expressed in dollars, they rose from US\$ 16.6 billion in 2013 to US\$ 21.4 billion in 2015. Over the first nine months of the current year, Suning's sales were 11 percent up compared with last year.

At Gome, sales in the third quarter of the current year at 55.39 RMB (US\$ 8 billion) were 15 percent up year-on-year, while online sales were 74 percent up. The company notes that it is moving from selling products to selling services which means changing from being a home appliance retailer to an online/offline home solutions provider.

### Ex-shareholders not convinced by Dixons Carphone

The current results from Dixons Carphone also look encouraging in most respects. In the third quarter of 2016, sales were 8 percent up, but about half of that increase was due to the falling value of the GB pound. Sales in local currencies were only 3 percent up. Increasing sales were recorded in each region, with the most spectacular increases coming from the Nordic countries where the increase amounted to 15 percent – but only 1 percent in local currency. The pattern in Southern Europe was similar, an increase of 24 percent measured in GB pounds, but a still respectable increase of 6 percent in local currencies. The best-selling items have been dashboard cameras, drones and wearable smart fitness devices. So far, there has been no measurable impact from Brexit, but at the same time the company warns of "uncertain times ahead". The stockmarket seems to strongly agree with this assessment since although the company has announced an 8 percent increase in its dividend, on February 7, 2017, its shares were priced at £0.312, the lowest since January 2014. Despite that, during the first half of the year, underlying pre-tax profits rose from £121 million to £144 million.

Third quarter revenue at Best Buy, up 1.8 percent at US\$ 8.95 billion, were better than expected, which has also had a positive impact on earnings. They are expected this year to reach between US\$ 1.62 and US\$ 1.67 per share, which is up to 10 percent better than last year, despite the closure of 14 large stores.

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## New fastBook Professional 1000

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