

## RadioShack to shutter 1,100 stores (Update)

March 4 2014

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US consumer electronics retailer RadioShack said Tuesday it would close up to 1,100 stores, one fifth of its total, in an effort to turn the struggling chain around.

Chief executive Joseph Magnacca said the move was necessary after tough competition and lower traffic left the company with a \$191 million loss in the fourth quarter, triple the year before, and a \$400 million loss for all of 2013.

The closures would cut the company's stores in the United States to around 4,000, including franchise locations; RadioShack did not say how many jobs would be affected.

Challenged by other retailers and online sales, RadioShack has suffered falling turnover and a shrinking customer base.

The store cuts were far deeper than media reports in early February that RadioShack was planning 500 closures. RadioShack shares plunged 12.2 percent to \$2.39 in late-morning trade on the New York Stock Exchange.

Total revenues fell 11 percent to \$3.4 billion last year, and were down 20 percent in the fourth quarter, the crucial holiday shopping period, the company said.

"Even in this environment, we're continuing to make progress on the five pillars of our turnaround plan: repositioning the brand, revamping the

product assortment, reinvigorating the stores, operational efficiency and financial flexibility," said Magnacca in a statement.

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