

Phones 4u Closes Down

Written by Marco Attard
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Phones 4u goes into administration, announcing it will close 550 stores on Monday due to mobile networks EE and Vodafone deciding to no longer sell phones through the retail chain.



"Following the unexpected decision of EE and Vodafone to withdraw supply from Phones4U , we regret that we are offline," a simple statement on the retailer's website reads.

The retailer lost the business of other mobile networks, namely O2 and Three, earlier this year, meaning the EE withdrawal amounted to nothing less than a death blow putting 5596 jobs at risk.

Reportedly the Vodafone contract, which accounts for 20% of total Phones 4u revenues and profits, was to expire on February 2015, while the EE contract was to run until September 2015.

According to EE the decision to end the contract was "driven by developments in the marketplace that have called into question the long term viability of the Phones 4U business."

Mobile networks have been looking for savings by cutting the use of 3rd party resellers, instead investing on own-brand outlets.

Phones 4u private equity owners BC Partners, who acquired the retailer back in 2011 for £610 million, put PwC as administrators. It was still a profitable business, with 2013 profits worth £105

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and plenty of cash in the bank, if also with debts reaching £623m.

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