

Woking 12 January 2010

Subject: **EDI SERVICES FOR SUPPLIERS TO ARGOS**

Dear Sir/Madam,

Commerce-Connections has been working with **Argos** and Argos's suppliers for more than eight years to enable cost effective, electronic trading and compliance with Argos's EDI requirements.

We regret to inform you that **Argos** has decided to penalise its suppliers and force upon its smaller ones another burden by removing the choice to be able to select either their own EDI/B2B service provider or choose their own software for generating compliant EDI messages.

Of course it incurs extra charges for the privilege to supply Argos. If your organisation is not of the size of Philips or Sony for example, you will have to contribute to Argos's profit by paying extra for a service you may not want to use.

If you paid **£650** for the **Commerce-Connections WebEDI** system, you can continue to use the Commerce-Connections Web Application which may be useful if you supply to other retailers as well.

Regardless, you still have to sign up and pay Argos/Transalis £1200 for no service at all.

Alternatively, you can migrate to the "new" WebEDI system from Argos/Transalis for £1200 to £2400.

In other words: you have no choice but to sign up with Argos/Transalis.

Therefore we and other B2B/EDI service providers informed **Argos's management** last year about this unfair business practice and the approach of Argos's service providers to impose much higher prices than normally justified under the protection of Argos. **Unfortunately this has not changed Argos's strategy of treating its smaller suppliers.**

Commerce-Connections will publish this letter on its website and also distribute the information to industry bodies who may question Argos's business practices in times when smaller businesses need all the support they can get.

Independent of the above we strongly advise your organisation to act immediately and choose a route to ensure it can continue trading electronically as Argos has closed any other open EDI channel. For advise please contact your Commerce-Connections representative on +44(0)845 127 9955.

Yours faithfully,

Helmut John Fritz
Director Commerce-Connections Limited

Cc: Mr. Adrian Burleton and Mr. Steve Knights (Argos), GS1 UK, www.commerce-connections.com, Kewill, British Retail Consortium, linkedin and other - web publishing sites