

NEW BUSINESS MODEL AND EXECUTIVE MANAGEMENT STRUCTURE FOR AVNET ELECTRONICS MARKETING EMEA

Submitted by: Pleon

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Axel Hartstang, the newly appointed President of Avnet Electronics Marketing (EM) EMEA (Europe, Middle East and Africa), today announced the new strategy and executive management structure of Avnet Electronics Marketing EMEA. Within the new model, called "Speed Boat," Avnet EM will form five separate and highly focused specialised electronic components distribution organisations, served internally by a common integrated Pan-European logistical backbone and industry leading supply-chain services.

According to Hartstang, "The new model will benefit customers and suppliers by empowering each focused internal organisation to make swift decisions and increase speed of execution, thereby addressing time-to-market issues that are driving the market for electronic products. Further, the new model combines the agility of smaller, focused companies with the considerable resources of a major corporation, to serve the widely varying requirements of customers."

With the acquisition of EBV Elektronik and WBC, formerly part of the VEBA Electronics Distribution Group, Avnet has become the largest electronic components distributor in Europe, with pro forma sales of approximately \$2.8 billion for calendar year 2000 (includes EBV and WBC). Hartstang continued, "Over the past several months we have looked at various business models and practices to determine the right strategy and structure to enable us to best service our customers' and suppliers' needs. The "Speed Boat" model is suited to increasing share of mind towards our suppliers while contributing to our customers' success. At the same time, we will be able to strengthen our own competitive advantages, while sharing best practices and services across the organisations."

These specialised distributors, or "Speed Boats," will manage or continue to manage their businesses under their own brand names and according to their own unique responsibilities. Some of them - EBV Elektronik, WBC or BFI Optilas - are well known and have been appreciated by suppliers and customers for many years. Two new distributors, Avnet Semi and Avnet IP&E (which will both be re-branded shortly) will be the result of dividing the current Avnet EM EMEA organisation into two independent distribution operations, one focused on semiconductor products, the other on interconnect, passive and electromechanical (IP&E) solutions.

Hartstang said, "The key advantage of this new strategy lies in the focus we create for products, suppliers and the technical expertise we are

bundling in the various organisations, while leveraging the global logistical reach of Avnet and its supply-chain management capabilities, as evidenced through the Integrated Material Services (IMS) organisation."

The new strategy follows the recently made decision to create Avnet Logistics, consisting of the former Avnet warehouse operations and programming centres, plus Atlas Logistics, the former logistical backbone of EBV Elektronik and WBC, in Poing, Germany. Avnet Logistics will be led by Peter Guertler (ex-EBV and Atlas Services), with a clear mission - to provide the highest level of service quality, in logistics and product modification, in the European distribution market. Brian Hilton, Co-President of Avnet Electronics Marketing Global said, "I am extremely pleased that we could convince Peter to run Avnet Logistics in Europe. I am confident that through Peter's considerable experience all group companies will be able to maintain or improve their logistical service for customers."

To execute on the new strategy, Hartstang has also built the Executive Management Team for Avnet Electronics Marketing EMEA. It will consist of the Presidents of the five "Speed Boat" distributors and the leaders of cross-functional organisations that will service all the group companies.

Hartstang will remain at the helm of EBV Elektronik in an acting function, while searching for a successor. Klaus Mueller, President of WBC and Roger Tarrant, President of BFI Optilas, will continue to run their operations. The new President of the Avnet Semi organisation will be Marianne Culver, formerly Senior Vice President Marketing for Avnet EM EMEA; Frankie Kelly, formerly VP of the Product Business Group IP&E, will lead the new Avnet IP&E distribution specialist company.

The leaders of the cross-functional organisations are Steve Haynes for IMS Europe, Patrick Zammit for Finance, Cees Maitland-Kennedy for Human Resources and Georg Steinberger for Communications. Miguel Fernandez, newly appointed Chief of Staff, will be instrumental in the rollout of the new organisations and will assume leadership in the business aspects of Information Services. Hartstang appointed Brendan Naughton as legal counsel for Avnet EM EMEA.

"We may not yet have all the detailed answers, but I am tremendously impressed by the enthusiasm for the "Speed Boat" strategy I experienced during the initial discussions with all our employees, suppliers and customers across Europe. I am confident that everyone within our organisation will do his or her utmost to make it a success, not only for us, but to help us increase our share of mind for suppliers and the value contribution for our customers, " Hartstang added.

About Avnet, Inc.

Avnet Electronics Marketing is an operating group of Phoenix-based Avnet Inc. (NYSE:AVT), a Fortune 500 company with annual sales exceeding \$11.7 billion. Avnet is one of the world's largest distributors of semiconductors, interconnect, passive, and electromechanical components and computer products from leading manufacturers. Serving customers in 63 countries, Avnet markets, inventories and adds value to these products and provides world-class supply-chain management and engineering design services. The company's Web site is located at <http://www.avnet.com>

