

PRESS RELEASES

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Silica -- A New Chapter in European Semiconductor Distribution

Avnet Electronics Marketing (EM) creates new specialist distribution organisation for the European semiconductor market

London -June 19, 2001 -- Avnet Electronics Marketing EMEA (Europe, Middle-East, Africa) has created a new specialist distribution organisation for semiconductors called Silica, which will start its operations on July 1st, 2001. Silica was conceived by separating the current Avnet EM organisation into two new distribution specialists for different product portfolios -- semiconductors and IP&E components.

Silica is the direct result of the "Speedboat" model, the new organisational structure of Avnet Electronics Marketing in Europe. Axel Hartstang, President of Avnet Electronics Marketing EMEA, commented: "We learned from business experience that one size of organisation does not fit all customers' and components suppliers' requirements."

Rather than having a large and complex customer facing organisation, Hartstang and his management team decided with the strong support of Avnet, Inc., to create more focus and specialisation, to define smaller specialist organisations for specific product and technology ranges, where different business dynamics are needed. Hartstang: "These specialists are described best as 'Speedboats' -- fast, flexible and optimised for specific tasks. Silica is the new semiconductor 'Speedboat' that takes the best of the current organisation into a new future."

At the same time, advantages of the Avnet organisation as a whole will complement the "Speedboat" approach. Hartstang: "While our customer-facing 'Speedboats' will execute their own specific sales and marketing strategies, we have made sure that centralised functions such as a common IT platform, logistics and supply chain management expertise are available to all the 'Speedboats' to maximise best practice, economies of scale and the sharing of existing resources."

Silica will start its operations on a very sound basis of long-term customer and supplier relationships, which have been developed in recent years under the Avnet EM EMEA umbrella; with an optimised line card that is entirely focused on semiconductor technology and solutions, Silica, a 600 Million Dollar business that represents 6 percent of the European semiconductor DTAM, will address the European customer base with a clear value proposition. According to Marianne Culver, newly appointed President of Silica who reports directly to Axel Hartstang, the value strategy will consist of pro-active demand creation, solutions-oriented technical support, and aggressive know-how-based project work, coupled with a cohesive emerging accounts strategy in each region.

Marianne Culver: "Avnet has historically built strong relationships with customers and suppliers. What we now will add as Silica, is an efficient organisation that is fully concentrated on customer requirements from the semiconductor solution standpoint. Our new streamlined line card covers over 90 percent of our customers' applications. With all the design expertise we have in place in our regional organisations, we are confident that we can add more value to customers' projects, by offering specialised know-how rather than general product knowledge."

Silica already is a leading partner for most of its suppliers; a combination of market leaders like AMD, Analog Devices, Infineon, Intel, Motorola, On Semiconductor, Philips, STMicroelectronics, Texas Instruments and Xilinx, alongside distinctive specialists like Cypress, Hitachi, IDT, Micron, Microsoft, Sharp and Xicor, will give Silica every opportunity to provide a solutions-oriented approach to its customers.

Marianne Culver: "Our critical mass with the Silica supplier portfolio is second to none in the industry. As a pure semiconductor technology specialist, we will be able to contribute in a more focused way than ever before." Given the fact that Culver has recruited an experienced team for Silica, she is confident that "we can expand our reach into our customers' value chain by offering more dedicated expertise," she commented, adding: "What's more, Silica's culture is based on ownership and accountability of employees who are predominantly customer facing."

Silica's sales strategy relies on strong local responsibility combined with centralised services. Silica's senior management team comprises experienced industry leaders who are well known in their respective fields:

President Marianne Culver
Regional Sales & Marketing:
UK, Ireland and the Nordic countries Paul Webster
France, Iberia, Benelux Christian Tesson
Germany, Austria, Switzerland, Eastern Europe Karl-Heinz Weigl
Italy Carlo Poletti
South Africa (Avnet Kopp) Albert Kopp
Asset Group Vincent Cellard
Technical Marketing Bernard Friry

Technology-wise, apart from having a strong fundament in commodity products, Silica's strategic priorities will lie in high-growth fields such as embedded microprocessors and microcontrollers, programmable logic solutions, digital signal processing, high-end analogue technology and communication solutions. Marianne Culver: "We represent the leading technology providers in the industry, and our more than 60 application experts know these technologies inside out. New system solutions evolving around leading-edge semiconductor technology are critical for many of our existing customers and will be key to emerging accounts as well. Since many of these technologies centre around communications, we are confident that we will expand our strengths in the communications and embedded market and eventually drive our proliferation through other industry segments where we are very active."

Silica will start its operations based on an existing network of sales offices and support centres throughout Europe. In addition, it will use the advantages of a common backbone in logistics and information technology. Culver summarised: "We are probably the biggest start-up in components distribution that ever hit the market. The beauty is that in comparison to a real start-up, we already have the infrastructure in place to drive a billion Dollar business by organic growth and our own capabilities."

About Silica

Silica, a division of Avnet Electronics Marketing EMEA, is a highly specialised semiconductor distributor predominantly headquartered in Paris, France. As a true pan-European distributor, Silica has sales & marketing offices throughout Europe and provides a broad portfolio of semiconductor products and solutions from world leading suppliers to all market segments in the electronics industry. Silica's logistical fulfilment and product modification services are managed by quality-leading Avnet Logistics. Avnet Electronics Marketing EMEA, a subsidiary of Avnet, Inc., is one of the largest electronics components marketing organisations in Europe, operating with independent specialist distributors -- called the "Speedboats" -- in the European semiconductor and IP&E technology market place. For more information about Avnet, please visit www.avnet.com.

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