

## **Ericsson sells its component distribution business to Eurodis**

**Ericsson Microelectronics AB announced today that it has agreed to sell its electronic component distribution business, Ericsson Microelectronics Europe AB, to Eurodis Electron PLC. Under the terms of the transaction, which is expected to close at the end of September 2000, Eurodis will pay approximately USD 43 million (SEK 400 million) in cash. This reflects the Ericsson Microelectronics strategy to focus on development and supply of microelectronics for mobile Internet and broadband communications.**

Ericsson Microelectronics Europe AB is the second largest distributor in the Nordic area, with over 225 people and sales in 1999 of SEK 1.1 billion. Its product portfolio includes Hitachi, International Rectifier, ITT Canon, Kemet, Linear Technologies and Toshiba, which are shared with Eurodis. Eurodis is the third largest distributor in the European market.

“We have never disguised our intention to move into the Nordic market when the time was right and the synergy between our current operations and this business made it an easy decision,” stated Barry Charles, Chief Executive of Eurodis. “We are dedicated to delivering quality customer service and excellence in technical support. With this acquisition, Eurodis will offer this across a pan European platform that is growing rapidly in all markets.”

On completion of the acquisition, Ericsson Microelectronics AB will sign a pan European distribution agreement with Eurodis. “We see the Ericsson Microelectronics product range as being ideal for the communications market and expect they will soon be amongst our top suppliers,” stated Mike Carroll, VP of Marketing at Eurodis. “Their introduction and leadership in Bluetooth™ technology gives a large growth opportunity. No one questions Ericsson’s competence in products for communications.”

“Becoming a part of Eurodis secures our competitiveness for the future,” said Janåke Viklund, President of Ericsson Microelectronics Europe AB. “Now we will be able to support our Nordic customers even better.”

“Our product offering requires us to have distributors who can provide top class technical support to our customers,” said Bo Andersson, President of Ericsson Microelectronics AB. “Eurodis has high competence in this area and they are very actively preparing marketing strategies for our products. With these agreements we get a much stronger partner for our distribution sales and logistics in all of Europe.”

*Ericsson is the leading communications supplier, combining innovation in mobility and Internet in creating the new era of Mobile Internet. Ericsson provides total solutions covering everything from systems and applications to mobile phones and other communications tools. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for customers all over the world.*

Read more at <http://www.ericsson.com/pressroom>

#### **FOR FURTHER INFORMATION, PLEASE CONTACT**

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#### **About Ericsson Microelectronics**

Ericsson Microelectronics is a supplier of world class microelectronic components for wireless applications, broadband communications, fixed access and communication via fiberoptics. Also including DC/DC power modules for distributed power architectures. With its global design, development, manufacturing and sales network, Ericsson Microelectronics is a leading supplier of products to meet the customer demand for increased speed, bandwidth and mobility.

Read more at <http://www.ericsson.se>

#### **About Eurodis**

Eurodis Electron PLC (FTSE: ELH) is Europe's third largest distributor of electronic components, with reported sales to May 2000 of GBP 310 million. Headquartered in Surrey, UK, Eurodis employs over 1000 staff in 13 countries and regularly services over 22,000 customers.

Read more at <http://www.eurodis.com>

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