

Decision No. 08 / 19.02.2009

related to the economic concentration realized by AVNET Inc. through its subsidiary TENVA Belgium Comm. VA and SANKO Holding A.Ş., by acquiring joint control over Kora Technology Solutions Sanayi ve Ticaret A.Ş., a company operating under the Republic of Turkey laws

COMPETITION COUNCIL

On the basis of:

1. The Competition Law no. 21/1996, republished in the Official Journal of Romania, Part I, no. 742 from August 16, 2005 (hereinafter referred to as *law*);
2. The Decree no. 830 from September 4, 2007 regarding the appointment of the Competition Council's President, published in the Official Journal of Romania, no. 619 from September 7, 2007;
3. The Decree no. 1089 from September 6, 2006 regarding the appointment of a Vice-President of the Competition Council's Plenum, published in the Official Journal of Romania, Part I, no. 767 from September 8, 2006;
4. The Decree no. 1087 from September 6, 2006 regarding the appointment of a member of the Competition Council's Plenum, published in the Official Journal of Romania, Part I, no. 767 from September 8, 2006;
5. The Decree no. 57 from February 17, 2004 regarding the appointment of the members of the Competition Council's Plenum, published in the Official Journal of Romania, Part I, no.143 from February 17, 2004;
6. The Regulation from March 29, 2004 concerning the authorization of economic concentrations, published in the Official Journal of Romania, Part I, no. 280 from March 31, 2004, with subsequent amendment and completions (hereinafter referred to as *Regulation*);
7. The Regulation from March 26, 2004, on organization, functioning and procedure of the Competition Council, published in the Official Journal of Romania, Part I, no. 288 of April 01, 2004, with subsequent amendments and completions;
8. Guidelines from April 29, 2004, on calculation of turnover in the cases of anti-competitive practice provided for under the art. 5(1) of the Competition Law no. 21/1996 and in the economic concentrations cases, published in the Official Journal of Romania, Part I, no. 440/17.05.2004;
9. Guidelines from March 26, 2004, on relevant market definition with a view to determining the significant market share published in the Official Journal of Romania, Part I, no. 288/01.04.2004;
10. Guidelines from March 26, 2004, on the application of the provisions of art. 33¹ of the Competition Law no. 21/1996 regarding calculation of the authorization fee for economic concentrations, published in the Official Journal of Romania, Part I, no. 288/01.04.2004;
11. The Notification of the economic concentration submitted by AVNET Inc on one hand and by SANKO Holding A.Ş. on the other, registered at the Competition Council under No. RS 2 of January 7 2009 and effective as of February 6 2009;

¹ Art. 33 became art. 32 by republishing the Competition Law no. 21/1996;

12. The Note of the Commission responsible with merger and antitrust No. AG34 of January 12 2009.

Taking into account that:

1. Through the address registered at the Competition Council under No. RS 2/07.01.2008, AVNET Inc.² (hereinafter referred to as “AVNET”) on one hand and SANKO Holding A.Ş.³ (hereinafter referred to as „SANKO”) on the other hand, by their representatives, submitted the notification of the transaction whereby the American group AVNET, through its Belgian subsidiary TENVA Belgium Comm. VA⁴ (hereinafter referred to as „TENVA”), and the Turkish group SANKO Holding acquire joint control over Kora Technology Solutions Sanayi ve Ticaret A.S.⁵ (hereinafter referred to as „NewCo”), a company registered for the purpose of this economic concentration operation and operating under the Republic of Turkey laws, company which takes over the IT distribution business from a SANKO subsidiary.

The notification became effective on 06.02.2009.

2. Avnet is a distributor of electronic components and information technology products and services based in Arizona, United States. AVNET is composed of two operational groups: Electronics Marketing (“EM”) and Technology Solutions (“TS”). Both operational departments are active in the Americas, EMEA (Europe, Middle East and Africa), and Asia. In Romania, AVNET is active on the market through exports as well as through two fully owned companies – local subsidiaries of the German branch, specialized in accordance with the operational group structure, as follows: TS is represented by AVNET Technology Solutions SRL⁶ which activates as a distributor of IT products and services. EM is represented by EBV Elektronik Romania SRL⁷, specialized in the distribution of electronic components.

3. SANKO is a Turkish company, incorporated as a holding, especially active on the territory of Republic of Turkey, operating in industries as: textile, constructions, cement and ready-mixed concrete, finance, packaging, energy, nutrients, heating-cooling, business equipments, information-communication technology, white goods, naval docks, health and education. In Turkey, SANKO provides through its subsidiary AKORA⁸ information technology products and management services related to supply chains. Pursuant to the notification, such activity is not developed outside Turkey. The SANKO group IT distribution is not present in Romania, neither through a local subsidiary nor through exports. SANKO shareholders are controlling ASA Ambalaj Baski Sanazi VE Ticaret AS⁹ (Asas Packaging Printing Industry & Trade

² AVNET Inc. – Parent company of AVNET International group, with its registered office at 2211 South 47th Str., Phoenix AZ85034 USA;

³ SANKO Holding A.Ş. – Parent company of the Turkish group SANKO, having its registered office at Sani Konukoğlu, Bulvarı Üzeri PK: 83 Şehitkamil / Gaziantep Turkey. Registration No. 228862, fiscal code 7440062059;

⁴ TENVA Belgium Comm. VA, AVNET subsidiary, a Financial Management holding, held by AVNET, headquartered at Kouteovelstraat 20, B-1831 Duegem, Belgium, registration number 414 358 264, VAT number BE 414 358 264;

⁵ Kora Technology Solutions Sanayi ve Ticaret A.S., Address: Organize Sanazi Bolgesi 3, Cadde Inegol Bursa, Turkey, registration number 32305, fiscal code 5770495853;

⁶ AVNET Technology Solutions S.R.L, headquartered in 4C Şos. Pipera Tunari, Voluntari, Ilfov County, company registered on June 4 2007, fiscal registration code 21267001, Commercial Registry number: J23/1528/2008; the main business object: wholesale of computers, peripheral equipment, and software (NACE Code 4651);

⁷ EBV Elektronik Romania S.R.L., headquartered in 4C Şos. Pipera Tunari, Voluntari, Ilfov County, company registered on May 4 2007, fiscal registration code 21677699, Commercial Registry number: J23/1220/2008; the main business object: sale of variety of goods (NACE Code 5119 – Intermediate trade of various products);

⁸ AKORA Teknoloji Pazarlama ve Sanazi A.Ş. (AKORA). Address: Sani Konukoğlu, Bulvarı Üzeri PK: 83 Şehitkamil / Gaziantep Turkey, Registration No. 18703, fiscal code 7300137673;

⁹ Asaş Ambalaj Baski Sanayi Ve Ticaret Anonim Şirketi, headquartered in: Ankara, Tunali Hilmi Cad. Nr. 74/3, Turkey, registration number: 28816, incorporated on: 8.09.1978, authorization no. 38186 of 19.07.1978;

Company), operating in the industry of packaging, the only member the SANKO group having a subsidiary in Romania (ASAS Romania SRL¹⁰). This business provides packaging materials and is not related to the economic concentration operation, or to the activity envisaged by the joint venture. The turnover in Romania is supplemented by exports, especially on the textile industry.

4. By means of the Shareholders Agreement, AVNET, through its subsidiary TENVA and SANKO shareholders (SANKO Holding A.Ş. and individual shareholders) intend to apply for a joint venture, for the purposes of distribution, marketing and sale of information technology products and related services, by taking over and developing into a company jointly controlled the IT distribution of AKORA, subsidiary of SANKO.

For the purposes of this joint venture, a new company (NewCo) has been incorporated by Sanko shareholders.

Pursuant to the Asset Purchase Agreement, the IT distribution activity is delimited respectively transferred to the newly incorporated company from the specialized SANKO subsidiary. Thus, AKORA agrees to sell, and NewCo agrees to purchase certain assets (including fixed assets, stocks and contracts) of AKORA business.

Upon closing the Shareholders Agreement, TENVA, as a subsidiary of AVNET, will acquire shares and will become shareholder of NewCo, by subscription of shares in a share capital increase operation, performing the passage from the unique control (SANKO) to the joint control (AVNET-SANKO). NewCo will be jointly controlled and it will act in the field of distribution, marketing and sale of information technology products and related services.

5. The operation consisting of the acquisition of joint control by Avnet Inc., through its subsidiary TENVA Belgium Comm. VA and SANKO Holding A.Ş., over Kora Technology Solutions Sanayi ve Ticaret A.S, represents an economic concentration, in the meaning of Article 10(2) letter b) of the law and in the meaning of the *Competition Council Regulation of 29 March 2004 concerning the authorization of economic concentrations*¹¹ (hereinafter called the *Regulation*).

6. Analyzing the economic concentration operation, documents representing the grounds of the transaction have been considered (the Shareholders Agreement and the Sale Purchase Agreement) as well as the arguments presented by the parties in the notification form and the annexes thereto.

7. In order for an economic concentration operation to be notified and submitted to the control of the Competition Council, the conditions stipulated in Article 14 of the law must be cumulatively satisfied, namely: the aggregate annual turnover of the involved undertakings exceeds the RON equivalent of EUR 10,000,000; there are at least two undertakings involved in the operation that achieve, each in part, on the Romanian territory, a turnover exceeding the RON equivalent of EUR 4,000,000.

8. The notified economic concentration operation does not cumulatively meet the thresholds as stipulated in Article 14 of the law. Thus, in accordance with the provisions of Article 15 of the law, the economic concentration is not subject to the Competition Council's control.

¹⁰ ASAS ROMANIA SRL headquartered in Buciumeni, Calarasi County, 8333 Romania, registration number J51/176/2001 of 27.07.2001, (CUI) 13798177;

¹¹ The Regulation from March 29, 2004 concerning the authorization of economic concentrations, published in the Official Journal of Romania, Part I, no. 280 from March 31, 2004

Pursuant to Article 21(2) of the *Competition Law No. 21/1996*, as republished, and Article 8(10) letter b) of the *Regulation on the organisation, operation and procedures of the Competition Council*,

DECIDES

Art.1. The non-intervention of the Competition Council pursuant to the provisions of the art. 46 par (1) let a) from the Competition Law no. 21/1996, as republished, on the ground that the notified economic concentration realized by AVNET Inc., through its subsidiary TENVA Belgium Comm. VA and SANKO Holding A.Ş., by acquiring joint control over Kora Technology Solutions Sanayi ve Ticaret A.S., a company operating under the Republic of Turkey laws, as described by the parties, does not fall within the scope of the law.

Art.2 The Competition Council's Decision can be challenged, according to the provisions of the Art. 47 (4) of the *Law*, within 30 days of its acknowledgement, at the Appeal Court of Bucharest, to the administrative section.

Art.3 The present decision enters into force at the date of its acknowledgement.

Art.4 The Service Directorate and the General Secretariat of the Competition Council shall supervise the enforcement of the present Decision.

Art.5 The General Secretariat of the Competition Council shall remit a copy of the present Decision to each party concerned, as following: [...].

President,

Gheorghe Oprescu