

History of Arrow

VO: To truly understand the essence of a company, you must look into it's past, how the company grew and evolved...the values and culture that shaped the company and the way it conducts business.

Through mergers and acquisitions, tragedies, and successes, Arrow Electronics has persevered...transforming their vision and becoming the leader in electronics distribution.

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VO: The history of Arrow has been synonymous with change since it first opened its doors on New York City's Radio Row in 1935.

The company underwent it's first re-birth in 1968 when three Harvard Business School friends acquired controlling interest in Arrow Electronics. These three visionaries--Duke Glenn, Roger Green and John Waddell--saw the future and recognized a unique opportunity for Arrow.

They developed a simple but powerful four point strategic plan that would take Arrow well into the future:

- Distribute a broad line of products from the strongest electronic component and systems suppliers.
- Achieve widespread geographic coverage.
- Innovate aggressively in the use of advanced computer, warehousing, and logistics techniques.
- Most importantly, create a team of well motivated, high energy, dedicated employees committed to the highest standards of customer service.

Duke Glenn: We expect that 1969 will be a year of continuing growth for Arrow. The company is increas-

ingly well postured to expand from within, and management intends to remain alert for further opportunities to build Arrow through meaningful acquisitions.” B. Duke Glenn, 1968 Annual Report.

John Waddell: The future of electronics distribution will belong to those few substantial companies with the resources, the professional management, and the modern control systems necessary to participate fully in the industry’s consolidation phase.-
-John C. Waddell, 1969 Annual Report.

VO: During the 70’s Arrow branched out from the New York metropolitan area, quickly becoming the fastest growing electronics distribution company in the nation. By 1978, Arrow was the second largest distributor in the country.

Arrow then acquired Cramer Electronics, a bold move that opened up the western United States to Arrow and fulfilled their dream of becoming a true coast to coast broadband distributor.

But in December of 1980, a sudden tragedy struck the Arrow family when a devastating fire during a planning meeting claimed the lives of 13 key members of senior management, including President Duke Glenn and Executive Vice President, Roger Green.

The upcoming years were a time of rededication and rebuilding in the aftermath of that tragic loss.

In 1982, Steve Kaufman, currently Arrow’s Chairman and Chief Executive Officer, came on-board and, along with then CEO and now Vice Chairman John Waddell, continued Arrow’s drive.

Steve Kaufman: In a sense, I’d like us to look at our watches, our calendar watches, and note the date and the time, because I’d like to think that at 9:00 on April 19, 1983, the name of the game at Arrow changed, and changed for good.

SPK: We believe the world is going in the direction--that there's a single world of electronics. Not three worlds as we see today--the Far East, North America, and Europe. It's eventually all going to be a single piece. (Arrow Goals speech 6/6/85)

Carlo Giersch: But now I think it is a time, really is a time, we have to think what is good for the customer. The customer is the most important asset.

SPK: Our goal will be to become #1 with every supplier in every market, and to achieve that goal as soon as possible. Somebody has to be number one-it might as well be us instead of somebody else, and I personally believe that we can quickly earn that position by focusing on being Number one with our customers. (6/91 Lex Merger Speech)

Germano Fanelli: "It proved to be the best choice we could make since we maintained all of our independence. We have been able to develop quite faster, and I would say the financial clout of Arrow organization, the Arrow group. But at the same time we are developing, so I feel that it is quite easy to maintain what you have if you are part of the Arrow family and get something more--that is the Arrow clout as they say."

SPK: "We'll stick to our strategy, we'll keep doing what got us here. Yes, we're on top now, but we've been down below, and it wasn't so long ago. And many of us remember that. And we know that the difference between the top and the bottom is very very narrow indeed. (SPK Dallas Sales Meeting Speech in Texas Stadium 7/12/92)

John C. Waddell: So truly, we do have at this juncture, finally at long last, a diamond in our hands. Your opportunity is not merely to keep it polished--your opportunity, it seems to me, if we pursue the metaphor, is to cut the many new facets

Add Planet Arrow, The new Arrow.com website, DRAM, and SBM.

in that diamond that will add dazzling brilliance in the years ahead. (Radisson Diamond 2/28/93)

Ildefonso Hernando Polo: "We picked Arrow as a partner because we saw the mentality of Arrow in Europe was what we were looking for, what we liked more.

John Tam: "Arrow Electronics is going to become a truly global distribution company, and that really helps in business. Number one is the name, number two is the philosophy, and number three is their resources and support, and number four is the commitment."

Jan Salsgiver: "Together, we have accomplished a great deal in our first year as Zeus Electronics. We are building a culture that puts customer service first. Our customers are responding, rewarding us increased business. In fact, performance is improving every quarter, and we are on our way to achievements we can all be proud of."

VO: In 1998, Arrow set out to reinvent the distribution industry by launching a major realignment within its North American Components Businesses. Arrow takes great pride in its position as "the ethically professional, innovative leader that is easy to do business with and tailors its approaches to meet customer and supplier needs."

Arrow also developed a strong role in the global internet market for electronic components and systems, forming the Arrow Internet Business Group and focusing on making arrow.com the most valuable internet site for customers and suppliers. Involvement in Internet opportunities demonstrated, once again, Arrow's continuing drive toward innovation and growth while embracing change.

BJ Scheihing: I realized that practicing change for more than 30 years had not made it easier. I still

2000 (Acquisitions): Add MOCA, Wyle Electronics, Wyle Systems and Dicopel.

2001: Put in ADS screens.

hate change--I know it's not sophisticated and progressive to admit that-- but I, like most people, really like the comfort and confidence that comes with status quo. But I learned quickly, by watching my mentors at Arrow, that change is crucial. I have learned to embrace it...to force it...to demonstrate it to others...because I have learned that after the pain and confusion of change, come very satisfying results. (3/29/98)

Fran Scricco: My vision is to create a company that's an order of magnitude ahead of the competition--like Coca-Cola, or GE, or Disney. It's the kind of company, the mere mention of which causes a hush to come over the room. It's the kind of company that is spoken of in reverent tones. I want Arrow to be that kind of company. All of the conditions exist to create that company right here. (3/27/98 NACO National Sales Meeting, Orlando, FL.)

VO: Launching the ever innovative Arrow Digital Solutions, Arrow provides customers a suite of various real-time tools enabling them to manage their supply chain more effectively, from concept through to production.

Fran Scricco: We were the guys that first recognized that the industry was going to consolidate, we were the first guys to recognize the industry was going to globalize and we are the first guys now to recognize that the key to success in the future is that information is going to be shared. So basically, this is yet another innovation from Arrow. (5/8/01, ADS Press Conference)

VO: Today, with representation throughout all areas of the globe, Arrow holds a commanding lead as the world's largest distributor and one of *Fortune Magazine's* "Most Admired Companies".

SPK: "We are going to create a new way of doing

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business for electronic components distribution. This is of course the Arrow way. This is our heritage. This is our strength.”