

PRESS RELEASE



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Dubai, UAE –Published October 28, 2009

All but one of the vendors that employed Delta Business Products as a distributor prior to its merger with Almasa earlier this year have agreed to renew their relationships under the new ownership, the company has revealed.

While several vendors transferred their Delta contracts across to Almasa immediately after the takeover took place, the majority insisted that the company first undergo a requalification process.

"I am glad to say that with 99% of the vendors we are in the process of either transferring [the contracts] or we have already completed it," said Govinda Siddartha, director of Almasa's retail business unit and the former boss of Delta.

"If you look at the three or four key vendors that we had in Delta, which includes Microsoft, Imation, Seagate and Creative, then we have completed agreements with them all, as well as a few other smaller brands," said Siddartha.

The renewal of the Microsoft tie-up, which gives Almasa the distribution rights to its hardware and full packaged software products, is likely to be regarded as a particular coup given the vendor brought ITE Distribution on board as an additional wholesaler earlier this year.

The only vendor that Almasa has not succeeded in bringing across is Western Digital, but Siddartha claims that was a mutual decision.

"We are already carrying Seagate and Hitachi and I think it was understood - from our side and from their side - that carrying Western Digital was not going to be a suitable situation. Although we were allowed to carry on with WD, I guess it would have been stretching us too thinly when it came to mindshare and that type of thing, so it did not get transferred."

Siddartha is confident that with the existing franchises sorted out, the company can begin to discuss relationships with vendors interested in tapping into the retail expertise of the former Delta team now that it belongs to a group with a much larger infrastructure.

"I have always believed in category management and at Delta our portfolio only contained accessories and nothing else. With the Almasa scale we are now ready to handle mainstream hardware," said Siddartha. "We have started that immediately with Asus laptops. Asus was already carried by Almasa, but we have begun introducing it to the retail area and have had quite a number of success stories in markets such as Kuwait and Qatar so far."

Just recently, Almasa also signed up laptop accessories specialist Targus for the Saudi market.

Last week, the distributor held a channel event in Dubai for all its reseller customers and vendors, during which president and CEO Mehdi Amjad outlined the company's strategy.

"Almasa's perpetual strength in channel distribution and operational execution, coupled with Delta's exceptional customer-focused approach and reach, means this acquisition will enable us to exceed your expectations in the power retailer space," he told those in attendance.

"Furthermore, we have substantially increased our level of investment in working capital, manpower and management time in the area of value distribution, giving us the right tools to serve this high growth segment of the market. We will be making further announcements about this in the coming weeks," Amjad added.

He also revealed that the company was "assessing the possibility" of expanding into North Africa and Eastern Europe. Almasa currently has fully-manned offices in the UAE, Saudi Arabia, Oman, Qatar, and Kuwait.

"Today, Almasa is changing, but I believe these changes to be in line with the evolution of our industry," said Amjad. "The values that have allowed us to survive and thrive in the face of difficulty are still with us."