

# Microsoft Xbox swaps Ingram for Synnex

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Nadia Cameron 11 April, 2008 16:49:21

Microsoft will drop Ingram Micro as its exclusive Xbox distributor in favour of a new agreement with Synnex.

The deal with Synnex is also expected to cover Microsoft's other retail hardware products, handheld devices and additional software lines. Synnex has been one of the software giant's OEM distribution partners for the past nine years and also stocks Microsoft peripherals, such as keyboards.



Both Synnex and Microsoft declined to comment on the appointment, but Ingram Micro managing director, Guy Freeland, told ARN he was disappointed by the decision. Ingram has had exclusive rights to the Xbox console since taking over the distribution agreement from Australia Post in 2005.

"The contract was put up for RFP and we submitted what we thought was a compelling, fresh proposition, but Microsoft has chosen to go with Synnex on that product set," Freeland said.

"We have had a long and successful trading relationship with Microsoft and would have been their number one distributor in this country. I think this decision is unfortunate and a disappointment to us, but we still have a very strong partnership with Microsoft and they will continue to be an important vendor for us."

Ingram currently has about \$30 million worth of Xbox and related stock in its warehouses. Freeland said it was now negotiating with Microsoft to transfer the goods "lock, stock and barrel" to Synnex and hoped details would be finalised shortly.

The new arrangement with Synnex is expected to commence before June 30.

Freeland denied claims from industry sources that Ingram could retrench up to eight staff following the termination of the agreement. It will relocate most of its Xbox team to other positions within the company.

For more on this story, check out this week's edition of ARN.