AVNET INC
Form 8-K
July 30, 2003

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 30, 2003

AVNET, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation)

1-4224	11-1890605
(Commission File Number)	(I.R.S. Employer Identification No.)
2211 South 47th Street, Phoenix, Arizona	85034
(Address of principal executive offices)	(Zip Code)

(480) 643-2000

(Registrant s telephone number, including area code)

Not Applicable

(Former name or former address if changed since last report)

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Item 5. Other Events.
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SIGNATURE

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Item 5. Other Events.

Reconciliation of Non-GAAP financial information contained in the Management s Discussion and Analysis of Financial Condition and Results of Operations section of the Company s Annual Report on Form 10-K for the fiscal year ended June 28, 2002, Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 2002 and Quarterly Report on Form 10-Q for the fiscal quarter ended December 27, 2002. In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles (GAAP), the Company also discloses pro forma or non-GAAP results of operations that exclude certain items. Management believes that providing this additional information is useful to investors to better assess and understand operating performance, especially when comparing results with previous periods or forecasting performance for future periods. Management believes the pro forma measures also help indicate underlying trends in the business. Management also uses pro forma measures to establish operational goals and, in some cases, for measuring performance for compensation purposes.

Avnet, Inc.
Index of Reconciliation Schedules

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SCHEDULE 1

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FISCAL YEAR ENDED JUNE 28, 2002 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$ 8,920,248	$	$ 8,920,248
Cost of sales	7,697,434	(21,600)	7,675,834
Gross profit	1,222,814	(21,600)	1,244,414
Gross profit percentage	*13.71%*		*13.95%*
Selling, general and administrative expenses	1,225,799	(58,023)	1,167,776
SG&A expenses as percentage of sales	*13.74%*		*13.09%*
Operating income (loss)	(2,985)	79,623	76,638
Operating income (loss) as percentage of sales	*-0.03%*		*0.86%*
Other income, net	6,755		6,755
Interest expense	(124,583)		(124,583)
Loss before income taxes	(120,813)	79,623	(41,190)
Income tax benefit	(36,377)	17,539	(18,838)
Loss before cumulative effect of change in accounting principle	(84,436)	62,084	(22,352)
Cumulative effect of change in accounting principle	(580,495)		(580,495)
Net loss	($664,931)	$ 62,084	($602,847)
Net loss per share before cumulative effect of change in accounting principle:			
Basic	($0.71)	$ 0.52	($0.19)
Diluted	($0.71)	$ 0.52	($0.19)
Net loss per share:			
Basic	($5.61)	$ 0.52	($5.09)
Diluted	($5.61)	$ 0.52	($5.09)
Shares used to compute loss per share:			
Basic	118,561	118,561	118,561
Diluted	118,561	118,561	118,561

(1)

The results for the fiscal year shown above exclude the impact of incremental special charges related to the value of assets acquired in connection with the acquisition of Kent Electronics, which was accounted for as a Pooling-of-Interests, the impairment of investments in Internet-related businesses and severance costs. The special charges amounted to $79.6 million pre-tax ($21.6 million included in cost of sales and $58.0 million included in selling, general and administrative expenses), $62.1 million after tax and $0.52 per diluted share.

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SCHEDULE 2

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FISCAL YEAR ENDED JUNE 29, 2001 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$12,814,010	$	$12,814,010
Cost of sales	10,948,484	(80,596)	10,867,888
Gross profit	1,865,526	(80,596)	1,946,122
Gross profit percentage	*14.56%*		*15.19%*
Selling, general and administrative expenses	1,611,874	(246,889)	1,364,985
SG&A expenses as percentage of sales	*12.58%*		*10.65%*
Operating income	253,652	327,485	581,137
Operating income as percentage of sales	*1.98%*		*4.54%*
Other income, net	25,495		25,495
Interest expense	(191,895)		(191,895)
Income before income taxes	87,252	327,485	414,737
Income tax provision	87,155	90,793	177,948
Income from continuing operations	97	236,692	236,789
Income from discontinued operations, net of tax	15,305		15,305
Net income	$ 15,402	$ 236,692	$ 252,094
Earnings per share from continuing operations:			
Basic	$ 0.00	$ 2.02	$ 2.02
Diluted	$ 0.00	$ 1.99	$ 1.99
Net earnings per share:			
Basic	$ 0.13	$ 2.02	$ 2.15
Diluted	$ 0.13	$ 1.99	$ 2.12
Shares used to compute earnings per share:			
Basic	117,263	117,263	117,263
Diluted	118,815	118,815	118,815

(1) The results for the fiscal year shown above exclude the impact of incremental special charges related to the acquisition and integration of Kent Electronics, which was accounted for as a Pooling-of-Interests, and other integration, restructuring and cost cutting initiatives taken in response to business conditions. The special charges

amounted to $327.5 million pre-tax ($80.6 million included in cost of sales and $246.9 million included in selling, general and administrative expenses), $236.7 million after-tax and $1.99 per diluted share.

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SCHEDULE 3

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FISCAL YEAR ENDED JUNE 30, 2000 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$9,915,042	$	$9,915,042
Cost of sales	8,470,257	(11,787)	8,458,470
Gross profit	1,444,785	(11,787)	1,456,572
Gross profit percentage	*14.57%*		*14.69%*
Selling, general and administrative expenses	1,076,793	(37,177)	1,039,616
SG&A expenses as percentage of sales	*10.86%*		*10.49%*
Operating income	367,992	48,964	416,956
Operating income as percentage of sales	*3.71%*		*4.21%*
Other income, net	10,452		10,452
Interest expense	(94,798)		(94,798)
Income before income taxes	283,646	48,964	332,610
Income tax provision	121,082	18,538	139,620
Income from continuing operations	162,564	30,426	192,990
Income from discontinued operations, net of tax	828		28
Net income	$ 163,392	$ 30,426	$ 193,818
Earnings per share from continuing operations:			
Basic	$ 1.52	$ 0.29	$ 1.81
Diluted	$ 1.50	$ 0.28	$ 1.78
Net earnings per share:			
Basic	$ 1.53	$ 0.29	$ 1.82
Diluted	$ 1.51	$ 0.28	$ 1.79
Shares used to compute earnings per share:			
Basic	106,627	106,627	106,627
Diluted	108,257	108,257	108,257

(1) The results for the fiscal year shown above exclude the impact of incremental special charges associated with: (a) the integration of Marshall Industries, SEI Eurotronics and Macro into EM; (b) the integration of JBA Computer Solutions into CM North America; (c) the reorganization of EM Asia; (d) the reorganization of EM s European

operations including costs related to the consolidation of EM s European warehousing operations; and (e) costs incurred in connection with certain litigation brought by the Company. The special charges amounted to $49.0 million pre-tax ($11.8 million included in cost of sales and $37.2 million included in selling, general and administrative expenses), $30.4 million after-tax and $0.28 per diluted share.

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SCHEDULE 4

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FIRST HALF ENDED DECEMBER 27, 2002		
	REPORTED RESULTS	SPECIAL ITEMS (1)	ADJUSTED RESULTS
Sales	$4,520,555	$	$4,520,555
Cost of sales	3,907,370		3,907,370
Gross profit	613,185		613,185
Gross profit percentage	*13.56%*		*13.56%*
Selling, general and administrative expenses	668,424	(106,765)	561,659
SG&A expenses as percentage of sales	*14.79%*		*12.42%*
Operating income (loss)	(55,239)	106,765	51,526
Operating income (loss) as percentage of sales	*-1.22%*		*1.14%*
Other income, net	10,596		10,596
Interest expense	(51,337)		(51,337)
Income (loss) before income taxes	(95,980)	106,765	10,785
Income tax provision (benefit)	(36,835)	41,016	4,181
Net income (loss)	($59,145)	$ 65,749	$ 6,604
Net earnings (loss) per share:			
Basic	($0.49)	$ 0.55	$ 0.06
Diluted	($0.49)	$ 0.55	$ 0.06
Shares used to compute earnings (loss) per share:			
Basic	119,419	119,419	119,419
Diluted	119,419	119,419	119,419

(1) The results for the first half ended December 27, 2002 shown above include the impact of incremental special charges recorded in connection with cost cutting initiatives including severance costs, charges for consolidation of facilities and write-offs of certain capitalized IT-related initiatives. The special charges amounted to $106.8 million pre-tax (all of which is included in selling, general and administrative expenses), $65.7 million after-tax and $0.55 per diluted share.

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SCHEDULE 5

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	SECOND QUARTER ENDED DECEMBER 27, 2002		
	REPORTED RESULTS	SPECIAL ITEMS (1)	ADJUSTED RESULTS
Sales	$2,346,665	$	$2,346,665
Cost of sales	2,031,099		2,031,099
Gross profit	315,566		315,566
Gross profit percentage	*13.45%*		*13.45%*
Selling, general and administrative expenses	390,758	(106,765)	283,993
SG&A expenses as percentage of sales	*16.65%*		*12.10%*
Operating income (loss)	(75,192)	106,765	31,573
Operating income (loss) as percentage of sales	*-3.20%*		*1.35%*
Other income, net	4,658		4,658
Interest expense	(24,306)		(24,306)
Income (loss) before income taxes	(94,840)	106,765	11,925
Income tax provision (benefit)	(36,183)	41,016	4,833
Net income (loss)	($58,657)	$ 65,749	$ 7,092
Net earnings (loss) per share:			
Basic	($0.49)	$ 0.55	$ 0.06
Diluted	($0.49)	$ 0.55	$ 0.06
Shares used to compute earnings (loss) per share:			
Basic	119,419	119,419	119,419
Diluted	119,419	119,419	119,419

(1) The results for the second quarter ended December 27, 2002 shown above include the impact of incremental special charges recorded in connection with cost cutting initiatives including severance costs, charges for consolidation of facilities and write-offs of certain capitalized IT-related initiatives. The special charges amounted to $106.8 million pre-tax (all of which is included in selling, general and administrative expenses), $65.7 million after-tax and $0.55 per diluted share.

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SCHEDULE 6

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FOURTH QUARTER ENDED JUNE 28, 2002 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$2,144,752	$	$2,144,752
Cost of sales	1,862,105	(21,600)	1,840,505
Gross profit	282,647	(21,600)	304,247
Gross profit percentage	*13.18%*		*14.19%*
Selling, general and administrative expenses	336,074	(58,023)	278,051
SG&A expenses as percentage of sales	*15.67%*		*12.96%*
Operating income (loss)	(53,427)	79,623	26,196
Operating income (loss) as percentage of sales	*-2.49%*		*1.22%*
Other income, net	2,005		2,005
Interest expense	(26,451)		(26,451)
Income (loss) before income taxes	(77,873)	79,623	1,750
Income tax provision (benefit)	(16,472)	17,539	1,067
Net income (loss)	($61,401)	$ 62,084	$ 683
Net earnings (loss) per share:			
Basic	($0.51)	$ 0.52	$ 0.01
Diluted	($0.51)	$ 0.52	$ 0.01
Shares used to compute earnings (loss) per share:			
Basic	119,397	119,397	119,397
Diluted	119,397	119,397	119,397

(1) The results for the fourth quarter shown above exclude the impact of incremental special charges related to the value of assets acquired in connection with the acquisition of Kent Electronics, which was accounted for as a Pooling-of-Interests, the impairment of investments in Internet-related businesses and severance costs. The special charges amounted to $79.6 million pre-tax ($21.6 million included in cost of sales and $58.0 million included in selling, general and administrative expenses), $62.1 million after tax and $0.52 per diluted share.

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SCHEDULE 7

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FOURTH QUARTER ENDED JUNE 29, 2001 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$ 2,537,755	$	$ 2,537,755
Cost of sales	2,225,323	(80,596)	2,144,727
Gross profit	312,432	(80,596)	393,028
Gross profit percentage	*12.31%*		*15.49%*
Selling, general and administrative expenses	590,058	(246,889)	343,169
SG&A expenses as percentage of sales	*23.25%*		*13.52%*
Operating income (loss)	(277,626)	327,485	49,859
Operating income (loss) as percentage of sales	*-10.94%*		*1.96%*
Other income, net	8,397		8,397
Interest expense	(46,328)		(46,328)
Income (loss) before income taxes	(315,557)	327,485	11,928
Income tax provision (benefit)	(84,521)	90,793	6,272
Income (loss) from continuing operations	(231,036)	236,692	5,656
Loss from discontinued operations, net of tax	(5,111)		(5,111)
Net income (loss)	($236,147)	$ 236,692	$ 545
Net earnings (loss) per share:			
Basic	($2.01)	$ 2.01	$ 0.00
Diluted	($2.01)	$ 2.01	$ 0.00
Shares used to compute earnings (loss) per share:			
Basic	117,697	117,697	117,697
Diluted	117,697	117,697	117,697

(1) The results for the fourth quarter shown above exclude the impact of incremental special charges related to the acquisition and integration of Kent Electronics, which was accounted for as a Pooling-of-Interests, and other integration, restructuring and cost cutting initiatives taken in response to business conditions. The special charges amounted to $327.5 million pre-tax ($80.6 million included in cost of sales and $246.9 million included in selling, general and administrative expenses), $236.7 million after-tax and $2.01 per diluted share.

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SCHEDULE 8

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	THIRD QUARTER ENDED MARCH 31, 2000 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$2,884,498	$	$2,884,498
Cost of sales	2,459,921	(1,496)	2,458,425
Gross profit	424,577	(1,496)	426,073
Gross profit percentage	*14.72%*		*14.77%*
Selling, general and administrative expenses	314,517	(13,327)	301,190
SG&A expenses as percentage of sales	*10.90%*		*10.44%*
Operating income	110,060	14,823	124,883
Operating income as percentage of sales	*3.82%*		*4.33%*
Other income, net	1,403		1,403
Interest expense	(29,203)		(29,203)
Income before income taxes	82,260	14,823	97,083
Income tax provision	34,755	5,946	40,701
Income from continuing operations	47,505	8,877	56,382
Loss from discontinued operations, net of tax	(971)		(971)
Net income	$ 46,534	$ 8,877	$ 55,411
Net earnings per share:			
Basic	$ 0.41	$ 0.08	$ 0.49
Diluted	$ 0.41	$ 0.08	$ 0.49
Shares used to compute earnings per share:			
Basic	112,351	112,351	112,351
Diluted	114,168	114,168	114,168

(1) The results for the third quarter shown above exclude the impact of incremental special charges related to the (a) the integration Eurotronics BV and SEI Macro Group into EM EMEA; (b) the integration of JBA Computer Solutions into CM North America; and (c) costs related to the consolidation of EM s European warehousing operations. The special charges amounted to $14.8 million pre-tax ($1.5 million included in cost of sales and $13.3 million included in selling, general and administrative expenses), $8.9 million after tax and $0.08 per diluted share.

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SCHEDULE 9

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	SECOND QUARTER ENDED DECEMBER 31, 1999 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$2,276,245	$	$2,276,245
Cost of sales	1,958,733	(10,291)	1,948,442
Gross profit	317,512	(10,291)	327,803
Gross profit percentage	*13.95%*		*14.40%*
Selling, general and administrative expenses	268,040	(17,739)	250,301
SG&A expenses as percentage of sales	*11.78%*		*11.00%*
Operating income	49,472	28,030	77,502
Operating income as percentage of sales	*2.17%*		*3.40%*
Other income, net	3,362		3,362
Interest expense	(20,309)		(20,309)
Income before income taxes	32,525	28,030	60,555
Income tax provision	14,944	10,457	25,401
Income from continuing operations	17,581	17,573	35,154
Income from discontinued operations, net of tax	1,235		1,235
Net income	$ 18,816	$ 17,573	$ 36,389
Net earnings per share:			
Basic	$ 0.18	$ 0.16	$ 0.34
Diluted	$ 0.18	$ 0.16	$ 0.34
Shares used to compute earnings per share:			
Basic	106,588	106,588	106,588
Diluted	107,833	107,833	107,833

(1) The results for the second quarter shown above exclude the impact of incremental special charges related to the (a) the integration of Marshall Industries into the Company s EM and AC operations; (b) the reorganization of the Company s EM Asian operations; (c) costs related to the consolidation of the Company s EM European warehousing operations; and (d) costs incurred in connection with certain litigation initiated by the Company. The special charges amounted to $28.0 million pre-tax ($10.3 million included in cost of sales and $17.7 million included in selling, general and administrative expenses), $17.6 million after tax and $0.16 per diluted share.

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SCHEDULE 10

AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(THOUSANDS EXCEPT PERCENTAGES AND PER SHARE DATA)

	FIRST QUARTER ENDED OCTOBER 1, 1999 (1)		
	REPORTED RESULTS	SPECIAL ITEMS	ADJUSTED RESULTS
Sales	$1,804,523	$	$1,804,523
Cost of sales	1,542,880		1,542,880
Gross profit	261,643		261,643
Gross profit percentage	*14.50%*		*14.50%*
Selling, general and administrative expenses	207,730	(6,111)	201,619
SG&A expenses as percentage of sales	*11.51%*		*11.17%*
Operating income	53,913	6,111	60,024
Operating income as percentage of sales	*2.99%*		*3.33%*
Other income, net	2,595		2,595
Interest expense	(12,444)		(12,444)
Income before income taxes	44,064	6,111	50,175
Income tax provision	19,122	2,135	21,257
Income from continuing operations	24,942	3,976	28,918
Loss from discontinued operations, net of tax	(887)		(887)
Net income	$ 24,055	$ 3,976	$ 28,031
Net earnings per share:			
Basic	$ 0.25	$ 0.04	$ 0.29
Diluted	$ 0.25	$ 0.04	$ 0.29
Shares used to compute earnings per share:			
Basic	94,737	94,737	94,737
Diluted	95,455	95,455	95,455

(1) The results for the first quarter shown above exclude the impact of incremental special charges related to the reorganization of the Company s EM European operations. The special charges amounted to $6.1 million pre-tax (all of which is included in selling, general and administrative expenses), $4.0 million after tax and $0.04 per diluted share.

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SCHEDULE 11

AVNET, INC.
PRO FORMA FINANCIAL STATEMENTS FOR SECOND QUARTER OF FISCAL 2001
AND COMPARATIVE ANNUALIZED EXPENSE REDUCTION 2ND QUARTER FISCAL 2001 TO 4TH QUARTER FISCAL 2002
(THOUSANDS)

Second quarter of fiscal 2001 operating expenses, as reported		$ 351,632
Pro forma adjustments:		
VEBA Group operating expenses from September 29, 2000 through acquisition date **(1)**		15,716
Remove amortization of goodwill **(2)**		(8,817)
Second quarter of fiscal 2001 operating expense, pro forma		$ 358,531
Second quarter of fiscal 2001 operating expense, pro forma and annualized		$1,434,124
Fourth quarter of fiscal 2002 operating expenses, excluding special charges (Schedule 6)	$278,051	
Fourth quarter of fiscal 2002 operating expenses, excluding special charges and annualized		1,112,204
Annualized reduction in operating expenses since second quarter of fiscal 2001		$ 321,920

(1) In October 2000, Avnet completed the acquisition of certain European operations of the VEBA Electronics Group consisting of (a) the Germany-headquartered EBV Group, including EBV Elektronik and WBC, and Atlas Services Europe and (b) the Germany-based RKE Systems (collectively, the VEBA Group). The results of operations of the VEBA Group are included in Avnet s consolidated results of operations from the acquisition date forward. The pro forma adjustment noted above adds the VEBA Group s estimated operating expenses for the period from the end of Avnet s first quarter to the acquisition date in order to portray Avnet s operating expenses as if the acquisition had occurred on the first day of the quarter.

(2) Effective at the beginning of fiscal 2002, Avnet adopted Statement of Financial Accounting Standards No. 142 (SFAS 142), Goodwill and Other Intangible Assets, which requires, among other things, that goodwill no longer be amortized. The pro forma adjustment noted above removes $8.8 million of goodwill amortization costs from the reported operating expenses for the second quarter of fiscal 2001.

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SCHEDULE 12

AVNET, INC.
OPERATING PROFIT (LOSS) MARGIN BY SEGMENT
BEFORE AND AFTER SPECIAL CHARGE ACTIVITY
(THOUSANDS EXCEPT PERCENTAGES)

	Second Quarter Ended December 27, 2002		
	Including Special Charges	Special Charges	Excluding Special Charges
Sales			
EM	$1,204,074	$	$1,204,074
CM	682,910		682,910
AC	459,681		459,681
Corp.			
Avnet, Inc.	$2,346,665	$	$2,346,665
Operating income (loss)			
EM	$ (61,585)	$ 84,096	$ 22,511
CM	(3,043)	19,103	16,060
AC	3,393	2,209	5,602
Corp.	(13,957)	1,357	(12,600)
Avnet, Inc.	$ (75,192)	$106,765	$ 31,573
Operating income (loss) margin			
EM	-5.11%		1.87%
CM	-0.45%		2.35%
AC	0.74%		1.22%
Corp.	N/A		N/A
Avnet, Inc.	-3.20%		1.35%

	Fourth Quarter Ended June 28, 2002		
	Including Special Charges	Special Charges	Excluding Special Charges
Sales			
EM	$1,216,640	$	$1,216,640
CM	570,846		570,846
AC	357,266		357,266
Corp.			
Avnet, Inc.	$2,144,752	$	$2,144,752
Operating income (loss)			
EM	$ 5,268	$12,811	$ 18,079
CM	(12,366)	31,336	18,970
AC	(3,372)	1,191	(2,181)
Corp.	(42,957)	34,285	(8,672)
Avnet, Inc.	$ (53,427)	$79,623	$ 26,196
Operating income (loss) margin			
EM	0.43%		1.49%
CM	-2.17%		3.32%

AC	-0.94%	-0.61%
Corp.	N/A	N/A
Avnet, Inc.	-2.49%	1.22%

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SCHEDULE 12
(continued)

AVNET, INC.
OPERATING PROFIT (LOSS) MARGIN BY SEGMENT
BEFORE AND AFTER SPECIAL CHARGE ACTIVITY
(THOUSANDS EXCEPT PERCENTAGES)

	Fourth Quarter Ended June 29, 2001		
	Including Special Charges	Special Charges	Excluding Special Charges
Sales			
EM	$1,553,866	$	$1,553,866
CM	619,738		619,738
AC	364,151		364,151
Corp.			
Avnet, Inc.	$2,537,755	$	$2,537,755
Operating income (loss)			
EM	$ (55,448)	$ 96,912	$ 41,464
CM	(2,350)	17,062	14,712
AC	11,950	5,000	16,950
Corp.	(231,778)	208,511	(23,267)
Avnet, Inc.	$ (277,626)	$327,485	$ 49,859
Operating income (loss) margin			
EM	-3.57%		2.67%
CM	-0.38%		2.37%
AC	3.28%		4.65%
Corp.	N/A		N/A
Avnet, Inc.	-10.94%		1.96%

	Year Ended June 28, 2002		
	Including Special Charges	Special Charges	Excluding Special Charges
Sales			
EM	$4,841,923	$	$4,841,923
CM	2,399,246		2,399,246
AC	1,679,079		1,679,079
Corp.			
Avnet, Inc.	$8,920,248	$	$8,920,248
Operating income (loss)			
EM	$ 9,895	$12,811	$ 22,706
CM	31,603	31,336	62,939
AC	41,665	1,191	42,856
Corp.	(86,148)	34,285	(51,863)
Avnet, Inc.	$ (2,985)	$79,623	$ 76,638
Operating income (loss) margin			
EM	0.20%		0.47%

CM	1.32%	2.62%
AC	2.48%	2.55%
Corp.	N/A	N/A
Avnet, Inc.	-0.03%	0.86%

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SCHEDULE 13

AVNET, INC.
GROSS PROFIT MARGINS
BEFORE AND AFTER SPECIAL CHARGE ACTIVITY
(THOUSANDS EXCEPT PERCENTAGES)

		Gross Profit				Gross profit margin percentages	
	Sales	As reported	Special Charges		Adjusted	As reported	Adjusted
Quarter ended September 27, 2002	2,173,890	297,619			297,619	13.69%	13.69%
Quarter ended June 28, 2002	2,144,752	282,647	21,600	**(1)**	304,247	13.18%	14.19%
Quarter ended March 29, 2002	2,214,451	310,988			310,988	14.04%	14.04%
Quarter ended December 28, 2001	2,359,850	318,617			318,617	13.50%	13.50%
Quarter ended September 28, 2001	2,201,195	310,562			310,562	14.11%	14.11%
Totals for five quarters ended September 27, 2002	11,094,138	1,520,433	21,600		1,542,033	13.70%	13.90%
Quarter ended June 29, 2001	2,537,755	312,432	80,596	**(2)**	393,028	12.31%	15.49%
Quarter ended March 30, 2001	3,457,170	522,760			522,760	15.12%	15.12%
Quarter ended December 29, 2000	3,630,494	542,761			542,761	14.95%	14.95%
Quarter ended September 29, 2000	3,188,591	487,573			487,573	15.29%	15.29%
Quarter ended June 30, 2000	2,949,777	441,054			441,054	14.95%	14.95%
Quarter ended March 31, 2000	2,884,498	424,577	1,496	**(3)**	426,073	14.72%	14.77%
Totals for six quarters ended June 29, 2001	18,648,285	2,731,157	82,092		2,813,249	14.65%	15.09%

(1) See Schedule 6 for discussion of special charges

(2) See Schedule 7 for discussion of special charges

(3) See Schedule 8 for discussion of special charges

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SCHEDULE 14

AVNET, INC.
PRO FORMA DEBT REDUCTION
ASSUMING DRAWINGS ON ACCOUNTS RECEIVABLE SECURITIZATION PROGRAM AS DEBT
(THOUSANDS)

Debt at December 29, 2000	$3,323,287	
Drawings under accounts receivable securitization at December 29, 2000 **(1)**		
Pro forma debt at December 29, 2000		3,323,287
Debt at September 27, 2002	1,633,757	
Drawings under accounts receivable securitization at September 27, 2002 **(1)**	100,000	
Pro forma debt at September 27, 2002		1,733,757
Reduction in debt, including accounts receivable securitization December 29, 2000 to September 27, 2002		$1,589,530
Debt at December 27, 2002	1,390,355	
Drawings under accounts receivable securitization at December 27, 2002 **(1)**	50,000	
Pro forma debt at December 27, 2002		$1,440,355
Reduction in debt, including accounts receivable securitization December 29, 2000 to December 27, 2002		$1,882,932

(1) Avnet has an accounts receivable securitization program whereby it sells an interest in a pool of its trade accounts receivable. The purpose of the program is to provide Avnet with an additional source of liquidity at interest rates more favorable than it could receive through other forms of financing. At December 27, 2002, September 27, 2002 and December 29, 2000, the Company had sold $50.0 million, $100.0 million and $0, respectively, of receivables under the program. This is reflected as a reduction of receivables, with the proceeds used to pay down debt, in the Company s consolidated balance sheets.

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SCHEDULE 15

AVNET, INC.
PRO FORMA FINANCIAL STATEMENTS FOR SECOND QUARTER OF FISCAL 2001
AND COMPARATIVE ANNUALIZED EXPENSE REDUCTION 2ND QUARTER FISCAL 2001 TO 2ND QUARTER FISCAL 2003
(THOUSANDS)

Second quarter of fiscal 2001 operating expenses, as reported	$351,632	
Pro forma adjustments:		
VEBA Group operating expenses from September 29, 2000 through acquisition date **(1)**	15,716	
Remove amortization of goodwill **(2)**	(8,817)	
Second quarter of fiscal 2001 operating expense, pro forma		$358,531
Second quarter of fiscal 2003 operating expenses, excluding special charges (Schedule 5)	$283,993	
Pro forma adjustment:		
Adjustment to exclude the impact of changes in foreign currency exchange rates from 2nd quarter of fiscal 2001 to the 2nd quarter of fiscal 2003	(14,424)	
Second quarter of fiscal 2003 operating expenses, pro forma		269,569
Pro forma reduction in quarterly operating expenses		$ 88,962

(1) In October 2000, Avnet completed the acquisition of certain European operations of the VEBA Electronics Group consisting of (a) the Germany-headquartered EBV Group, including EBV Elektronik and WBC, and Atlas Services Europe and (b) the Germany-based RKE Systems (collectively, the VEBA Group). The results of operations of the VEBA Group are included in Avnet s consolidated results of operations from the acquisition date forward. The pro forma adjustment noted above adds the VEBA Group s estimated operating expenses for the period from the end of Avnet s first quarter to the acquisition date in order to portray Avnet s operating expenses as if the acquisition had occurred on the first day of the quarter.

(2) Effective at the beginning of fiscal 2002, Avnet adopted Statement of Financial Accounting Standards No. 142 (SFAS 142), Goodwill and Other Intangible Assets, which requires, among other things, that goodwill no longer be amortized. The pro forma adjustment noted above removes $8.8 million of goodwill amortization costs from the reported operating expenses for the second quarter of fiscal 2001.

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Item 7. Financial Statements and Exhibits.

(a) Inapplicable

(b) Inapplicable

(c) Exhibits: none

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVNET, INC.
(Registrant)

Date: July 30, 2003

By: /s/ Raymond Sadowski

Raymond Sadowski
Senior Vice President and
Chief Financial Officer