SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended April 1, 1994 Commission File #1-4224

Avnet, Inc.
(Exact name of registrant as specified in its charter)

New York	11-1890605
(State or other jurisdiction of incorporation or organization)	IRS Employer I.D. Number
80 Cutter Mill Road, Great Neck, N.Y.	11021
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 516-466-7000

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

The number of shares of the registrant's Common Stock (net of treasury shares) as of the close of the period covered by this report . . . . . 40,650,465 shs.

The number of units then outstanding of other publicly-traded securities of the registrant:

6% Conv. Sub. Debs. Due April 15, 2012 . . . . $105,285,000
6 7/8% Notes Due March 15, 2004 . . . . $100,000,000

AVNET, INC. AND SUBSIDIARIES

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* Filed herewith

PART I - FINANCIAL INFORMATION

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(dollars in thousands)

Item I. Financial Statements

	April 1, 1994 (unaudited)	June 30, 1993 (audited)
Assets:		
Current assets:		
Cash and cash equivalents	$ 46,022	$ 219,827
Receivables, less allowances of $21,058 and $14,736, respectively	537,577	359,200
Inventories (Note 3)	590,234	491,769
Other	11,651	4,797
Total current assets	1,185,484	1,075,593
Property, plant & equipment, at cost, net	111,931	102,539
Intangibles and other assets	408,067	69,181
Total assets	$1,705,482	$1,247,313
Liabilities:		
Current liabilities:		
Borrowings due within one year	$ 46	$ 107
Accounts payable	223,375	182,227
Accrued expenses and other	103,619	90,196
Total current liabilities	327,040	272,530
Long-term debt, less due within one year	302,552	106,623
Contingencies (Note 4)		
Total liabilities	629,592	379,153
Shareholders' equity (Note 5):		
Common stock $1.00 par, authorized 60,000,000 shares, issued 41,096,000 shares and 36,131,000 shares, respectively	41,096	36,131
Additional paid-in capital	307,078	138,230
Retained earnings	757,322	719,308
Cumulative translation adjustments	(19,293)	(14,313)
Common stock held in treasury at cost, 445,000 shares and 483,000 shares, respectively	(10,313)	(11,196)
Total shareholders' equity	1,075,890	868,160
Total liabilities and shareholders' equity	$1,705,482	$1,247,313

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(amounts in thousands except per share amounts)

	Nine Months Ended April 1, 1994 (unaudited)	Nine Months Ended April 2, 1993 (unaudited)
Revenues:		
Sales	$2,628,512	$1,642,495
Investment and other income, net	2,120	16,737
	2,630,632	1,659,232
Costs and expenses:		
Cost of sales	2,118,164	1,281,738
Selling, shipping, general and administrative	355,234	273,689
Depreciation and amortization	19,311	12,199
Restructuring and integration	22,702	--
Interest	10,294	7,294
	2,525,705	1,574,920
Income before income taxes and cumulative effect of change in accounting for income taxes	104,927	84,312
Income taxes	45,871	33,762
Income before cumulative effect of accounting change	59,056	50,550
Cumulative effect of change in method of accounting for income taxes	(2,791)	--
Net income	$ 56,265	$ 50,550
Earnings per share: (Note 6)		
Income before cumulative effect of accounting change	$ 1.45	$ 1.40
Cumulative effect of change in method of accounting for income taxes	(0.07)	--
Net income	$ 1.38	$ 1.40
Shares used to compute earnings per share (Note 6)	40,846	38,236

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(amounts in thousands except per share amounts)

	Third Quarter Ended April 1, 1994	April 2, 1993
	(unaudited)	
Revenues:		
Sales	$ 900,048	$ 582,498
Investment and other income, net	1,154	3,081
	901,202	585,579
Costs and expenses:		
Cost of sales	727,649	455,408
Selling, shipping, general and administrative	119,332	94,106
Depreciation and amortization	6,591	4,054
Interest	3,682	1,901
	857,254	555,469
Income before income taxes	43,948	30,110
Income taxes	18,604	11,924
Net income	$ 25,344	$ 18,186
Earnings per share (Note 6)	$ 0.62	$ 0.50
Shares used to compute earnings per share (Note 6)	40,909	38,305

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Nine Months Ended April 1, 1994	Nine Months Ended April 2, 1993
	(unaudited)	
Cash flows from operating activities:		
Net income	$ 56,265	$ 50,550
Add non-cash and other reconciling items:		
Depreciation and amortization	23,506	17,421
Deferred taxes	(566)	(164)
Cumulative effect of change in accounting for income taxes	2,791	--
Other, net (Note 7)	11,334	(236)
	93,330	67,571
Receivables	(84,905)	(18,306)
Inventories	16,661	(1,744)
Payables, accruals and other, net	(30,064)	(19,109)
Net cash flows (used for) provided from operations	(4,978)	28,412
Cash flows from financing activities:		
Issuance of notes in public offering	98,877	--
Issuance of bank debt	94,500	--
Redemption of debentures	--	(68,117)
(Payment) of other debt	(173)	(1,478)
Cash dividends	(23,607)	(21,342)
Other, net	2,402	921
Net cash flows provided from (used for) financing	171,999	(90,016)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(12,617)	(13,855)
Acquisition of operations (Note 7)	(328,237)	(30,562)
Disposition of interest-bearing investments, net	--	131,991
Other, net	28	(332)
Net cash flows (used for) provided from investing	(340,826)	87,242
Cash and cash equivalents:		
- (decrease) increase	(173,805)	25,638
- at beginning of year	219,827	56,893
- at end of period	$ 46,022	$ 82,531

Additional cash flow information: (Note 7)

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of April 1, 1994; the results of operations for the first nine months and third quarters ended April 1, 1994 and April 2, 1993; and the cash flows for the first nine months ended April 1, 1994 and April 2, 1993.

2. The results of operations for the first nine months and third quarter ended April 1, 1994 are not necessarily indicative of the results to be expected for the full year.

3. Inventories:
(Thousands)

	April 1, 1994	June 30, 1993
Finished goods	$508,353	$422,823
Work in process	2,804	2,861
Purchased parts and raw materials	79,077	66,085
	$590,234	$491,769

4. From time to time, the Company may become liable with respect to pending and threatened litigation, taxes and environmental and other matters. During the fourth quarter of 1992, the Environmental Protection Agency (EPA) issued a remedial investigation and feasibility study in connection with the environmental clean-up at a Company-owned site in Oxford, NC for which the company has been designated a potentially responsible party. The EPA's preliminary estimate of the cost of the clean-up alternative it has recommended is approximately $6.3 million. In addition, past costs of the EPA have amounted to approximately $1.5 million. In May 1993, the Company settled its lawsuit against the prior owners of the site and entered into a Consent Decree and Court Order. Pursuant to that settlement, the former owners have agreed to bear at least 70% of the clean-up cost of the site. The Company will be responsible for not more than 30% of the clean-up costs. In August 1993 the Company and the former owners entered into a Consent Decree with the EPA pursuant to which the clean-up of the site will proceed. The Company believes that it has adequately reserved for its share of the costs of the clean-up and it is not anticipated that any other contingent matters will have a material adverse impact on the Company's financial condition, liquidity or results of operations.

5. Number of shares of common stock reserved for conversion, warrants, options and other rights: 4,966,160

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

6. Solely for the purpose of calculating earnings per share for the third quarter and first nine months of the prior year ended April 2, 1993, common shares issuable upon conversion of the 6% Convertible Subordinated Debentures were considered common equivalent shares and the net interest expense applicable to such Debentures was eliminated. In the current year's third quarter and first nine months these adjustments were not made because the impact of including the 6% Debentures would have been immaterial.

7. Additional cash flow information:

Other non-cash and reconciling items primarily include the provision for doubtful accounts and gains and losses on dispositions of marketable securities. Non-cash financing costs include the issuance of $166.1 million in Avnet stock in connection with the acquisition of Hall-Mark Electronics Corporation ("Hall-Mark").

Cash expended for the acquisition of operations include primarily the cash paid for the acquisition of Hall-Mark and Adelsy.

Interest and income taxes paid were as follows:

(Thousands)	Fiscal 1994	Fiscal 1993
Interest	$ 9,100	$ 9,968
Income taxes	$52,637	$30,484

8. On July 1, 1993, the Company completed the acquisition of all of the stock of Hall-Mark, the nation's third largest distributor of electronic components, pursuant to an Agreement and Plan of Merger dated April 20, 1993. Each share of Hall-Mark common stock was exchanged for $20 in cash and 0.45 shares of Avnet common stock, which had a market value of $34.1875 on July 1, 1993. The total cost of the acquisition was approximately $487.6 million consisting of $212.0 million in cash (after consideration of Hall-Mark cash on hand, proceeds from the exercise of Hall-Mark options and warrants, and professional fees incurred in connection with the acquisition) and $166.1 million in Avnet stock for the Hall-Mark common stock, and $109.5 million for the refinancing of Hall-Mark bank debt. The $321.5 million of funding required to complete the transaction was financed through cash on hand and borrowings under a credit facility with NationsBank of North Carolina, N.A. The transaction has been accounted for as a purchase.

Item 2.Management Discussion and Analysis

Results of Operations

On July 1, 1993, Avnet completed the acquisition of Hall-Mark Electronics Corporation, including its wholly-owned subsidiary Allied Electronics, Inc. (together referred to as "Hall-Mark"). Prior to the acquisition, Hall-Mark was the nation's third largest distributor of electronic components. Immediately after the acquisition, Hall-Mark was integrated into the Company's Electronic Marketing Group. Accordingly, the results of operations of the Company for the third quarter and nine months of fiscal 1994 ended April 1, 1994 include the results of Hall-Mark.

In the third quarter of this year, consolidated sales were $900.0 million, up 55% as compared with sales of $582.5 million in the prior year's quarter and up more than 15% when the prior year's sales are adjusted pro forma to include Hall-Mark sales. Gross profit margins of 19.2% for the quarter were lower by 2.6% as compared with 21.8% during the prior year period as competitive pressures and sales of lower margin microprocessors continued to negatively impact margins. However, operating expenses as a percentage of sales, excluding depreciation and amortization, decreased by 2.9% to 13.3% in the third quarter of this year as compared with 16.2% in the prior year period reflecting the Company's continued emphasis on operating efficiencies as well as the impact of synergies achieved through the integration of Hall-Mark. Depreciation and amortization were substantially higher in the current year's third quarter and nine months ended April 1, 1994 due primarily to the amortization of goodwill associated with the Hall-Mark acquisition.

Sales in the nine months of fiscal 1994 were $2.629 billion or 60% higher than the $1.642 billion in the prior year period. If Hall-Mark sales were included in the prior year's nine months, sales during fiscal 1994's nine months would be 20% higher. Gross profit margins in the nine months of this year were 19.4% as compared with 22.0% in the prior year, a decline of 2.6%. Operating expenses as a percentage of sales, excluding depreciation and amortization, were 13.5% as compared with 16.7% last year.

Investment and other income was down substantially in the third quarter and nine months of fiscal 1994 when compared with the comparable periods last year. This was due primarily to the liquidation of the Company's marketable securities portfolio, the proceeds of which were used to partially fund the July 1, 1993 acquisition of Hall-Mark. Interest expense in the third quarter and nine months were both higher than in the prior year periods due primarily to the increase in total debt outstanding as a result of the Hall-Mark acquisition. Interest expense in the third quarter of fiscal 1994 was higher than in the immediately preceding second quarter due to an increase in debt outstanding and a slightly higher effective interest rate. Interest expense is expected to be higher in the fourth quarter as the effective interest rate on Avnet's borrowings increases. The effective tax rate increased in fiscal 1994 due primarily to the 1% increase in federal income tax rates and the impact of the non-deductible amortization of goodwill which arose in connection with the acquisition of Hall-Mark.

As a result of the above, net income for the third quarter and nine months (before one-time special charges recorded in the first quarter) was $25.3 million and $73.1 million, respectively, up 39% and 45% when compared with $18.2 million and $50.6 million, respectively, in the comparable prior year periods.

During the first quarter of 1994 the Company recorded one time special charges which negatively impacted net income by $16.8 million or $0.41 per share. After such charges, net income for the nine months was $56.3 million or $1.38 per share. The one-time charges included $22.7 million ($13.5 million after tax) of restructuring and integration costs associated with the July 1, 1993 acquisition of Hall-Mark and the restructuring of the Electrical and Industrial Group. These costs included accruals for severance, anticipated real and personal property lease terminations, relocation of employees, inventory adjustments related to anticipated supplier terminations and other items. Other non-recurring charges in the first quarter were the $0.5 million impact of the retroactive increase in federal income tax rates as it relates to fiscal 1993 income and the $2.8 million cumulative effect of the change in the method of accounting for income taxes as a result of the Company's adopting Statement of Financial Accounting Standards(SFAS) No. 109.

Sales per day during April, the first month of the fourth quarter, were higher than in the comparable period last year when adjusted to include the sales of Hall-Mark on a pro forma basis, and were also higher than in January, the first month of the immediately preceding quarter.

The Electronic Marketing Group's fiscal 1994 third quarter and nine months sales accounted for 91% and 89%, respectively, of consolidated sales as compared with 86% in the prior year periods. Group sales were up by 62% and 66%, respectively, in the third quarter and nine months as compared with the comparable periods last year, due principally to the Hall-Mark acquisition, and strong sales performances at Hamilton Hallmark and the Avnet Computer Group and a significant increase in the Group's European volume. Gross profit margins in both the third quarter and nine months of this year were lower than in the prior year periods, but lower operating expenses as a percentage of sales more than offset the decrease in gross profit margins. Although the decrease in investment and other income and the increase in the effective tax rate resulted in a lower net income margin year as compared with last year, net income (before special charges) increased approximately 40% in both the third quarter and nine months.

The Video Communications Group's third quarter sales of $38.3 million, which represented 4% of consolidated sales, were up 19% as compared with the prior year's quarter, while nine months sales of $154.6 million were up almost 57% over the prior year period. This sales increase for the nine months ended April 1, 1994 was due primarily to the sales volume of replacement satellite TV signal decoding mechanisms. Sales of decoding mechanisms slowed in the third quarter; however, the Video Communications Group began shipping Direct Broadcast Satellite (DBS) antennas in the current quarter. Net income for this year's nine month period was up substantially compared with the prior year's nine months which included the losses incurred by the Far East operations that have since been closed.

The Electrical and Industrial Group, with 5% of consolidated sales, posted slightly lower revenues and a small profit for the third quarter and nine months.

Liquidity and Capital Resources

During the first nine months of fiscal 1994, the Company used $328.2 million for the acquisition of Hall-Mark and for Adelsy and De Mico S.p.A., two Italian electronics distributors. Additionally, the Company used $5.0 million for operations and $33.8 million, net for the purchases of property, plant and equipment, cash dividends and other items. Of that $367.0 million use of funds, $193.2 million was obtained from additional borrowings and $173.8 million came from the Company's available cash.

The Company's quick assets at April 1, 1994 totaled $583.6 million compared with $579.0 million at June 30, 1993, and exceeded the Company's current liabilities by $256.6 million compared with a $306.5 million excess at June 30, 1993. Working capital at April 1, 1994 was $858.4 million compared with $803.1 million at June 30, 1993. At the end of the third quarter, to support each dollar of current liabilities, the Company had $1.78 of quick assets and $1.84 of other current assets for a total of $3.62 of current assets compared with $3.95 at June 30, 1993.

In order to fund the acquisition of Hall-Mark, the Company established a credit arrangement with NationsBank of North Carolina, N.A. ("NationsBank"). That credit arrangement has since been restructured and currently consists of a three-year revolving credit facility with a syndication of banks which provides a line of credit of up to $150.0 million. The Company may select from various interest rate options and maturities under this facility. In January 1994 the Company filed a registration statement with the Securities and Exchange Commission which provides for borrowings of up to $200 million in public debt over the next two years. On March 15, 1994 the Company completed a $100 million public offering of its 6 7/8% Notes Due March 15, 2004 (the "6 7/8% Notes"), the net proceeds from which, amounting to $98.9 million, were used to pay down a portion of its outstanding bank debt.

During the nine months of fiscal 1994, shareholders' equity increased by $207.7 million, principally as a result of the issuance of common stock in connection with the acquisition of Hall-Mark. Long-term debt increased by $195.9 million due primarily to borrowings under the newly established three-year revolving credit facility and the 6 7/8% Notes. At April 1, 1994 the Company's long-term debt amounted to $302.6 million or 21.9% of capital. The Company's favorable balance sheet ratios would facilitate additional financing if, in the opinion of management, such financing would enhance the future operations of the Company.

Currently, the Company does not have any commitments for material capital expenditures. The Company is not aware of any commitments, contingencies, trends, events or uncertainties which are anticipated to have a material adverse impact on the Company's financial condition or which may significantly alter its ability to generate sufficient cash from internal or external sources to meet its needs. However, reference is made to Note 4 of the consolidated condensed financial statements, which Note is incorporated as if fully set forth herein, and which describes an environmental clean-up of a Company-owned site in Oxford, North Carolina. In addition, in October 1993, the Company received a notice of claim from the New York State Department of Environmental Protection in connection with a proposed remedial investigation at a site formerly owned by the Company's Video Communications Group in Huguenot, New York. The Company is currently investigating the nature and extent of its potential liability in connection with the remedial investigation, which liability, if any, has not yet been qualified.

AVNET, INC. AND SUBSIDIARIES

EXHIBIT 11.1

COMPUTATION OF EARNINGS PER SHARE - PRIMARY

	Nine Months Ended April 1, 1994 (unaudited)	Nine Months Ended April 2, 1993 (unaudited)
A. Primary earnings per share:		
Common shares outstanding (weighted average)	40,568,371	35,576,187
Common equivalent shares:		
Conversion of convertible debentures (weighted average) (Note 6)	--	2,448,487
Contingent shares issuable	99,557	102,775
Exercise of warrants and options using the treasury method	178,211	108,338
Total common and common equivalent shares	40,846,139	38,235,787
Income before cumulative effect of change in accounting	$59,055,573	$50,549,966
Interest expense on convertible debentures - net of taxes (Note 6)	--	2,891,445
Income used for computing earnings per share before cumulative effect of change in accounting	$59,055,573	$53,441,411
Cumulative effect of change in accounting	(2,790,839)	--
Income used for computing earnings per share	$56,264,734	$53,441,411
Primary earnings per share:		
Income before cumulative effect of accounting change	$1.45	$1.40
Cumulative effect of change in accounting for income taxes	(0.07)	--
Net income	$1.38	$1.40

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES

EXHIBIT 11.1

COMPUTATION OF EARNINGS PER SHARE - PRIMARY

	Third Quarter Ended April 1, 1994 (unaudited)	Third Quarter Ended April 2, 1993 (unaudited)
A. Primary earnings per share:		
Common shares outstanding (weighted average)	40,618,068	35,630,234
Common equivalent shares:		
Conversion of convertible debentures		

(weighted average) (Note 6)	--	2,448,487
Contingent shares issuable	82,068	89,234
Exercise of warrants and options using the treasury method	209,348	137,345
Total common and common equivalent shares	40,909,484	38,305,300
Net Income	$25,343,874	$18,185,572
Interest expense on convertible debentures - net of taxes (Note 6)	--	963,815
Income used for computing earnings per share	$25,343,874	$19,149,387
Primary earnings per share	$0.62	$0.50

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES

EXHIBIT 11.2

COMPUTATION OF EARNINGS PER SHARE - FULLY DILUTED

	Nine Months Ended April 1, 1994 (unaudited)	Nine Months Ended April 2, 1993 (unaudited)
B. Fully diluted earnings per share:		
Common and common equivalents (Note 6)	40,846,139	38,235,787
Additional dilution upon exercise of options and warrants	54,525	19,456
Total fully diluted shares	40,900,664	38,255,243
Income before cumulative effect of change in accounting	$59,055,573	$50,549,966
Interest expense on convertible debentures - net of taxes (Note 6)	--	2,891,445
Income used for computing earnings per share before cumulative effect of change in accounting	$59,055,573	$53,441,411
Cumulative effect of change in accounting	(2,790,839)	--
Income used for computing earnings per share	$56,264,734	$53,441,411
Fully diluted earnings per share:		
Income before cumulative effect of accounting change	$1.45	$1.40
Cumulative effect of change in accounting for income taxes	(0.07	--
Net income	$1.38	$1.40

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES

EXHIBIT 11.2

COMPUTATION OF EARNINGS PER SHARE - FULLY DILUTED

	Third Quarter Ended April 1, 1994 (unaudited)	Third Quarter Ended April 2, 1993 (unaudited)
B. Fully diluted earnings per share:		
Common and common equivalents (Note 6)	40,909,484	38,305,300
Additional dilution upon exercise of options and warrants	34,397	14,240
Total fully diluted shares	40,943,881	38,319,540
Net income	$25,343,874	$18,185,572
Interest expense on convertible debentures - net of taxes (Note 6)	--	963,815
Income used for computing earnings per share	$25,343,874	$19,149,387
Fully diluted earnings per share	$0.62	$0.50

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

S I G N A T U R E

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)

By: s/Raymond Sadowski
Raymond Sadowski
Senior Vice President,
Chief Financial Officer
and Assistant Secretary

By: s/John F. Cole
John F. Cole
Controller and Principal
Accounting Officer

May 13, 1994
Date