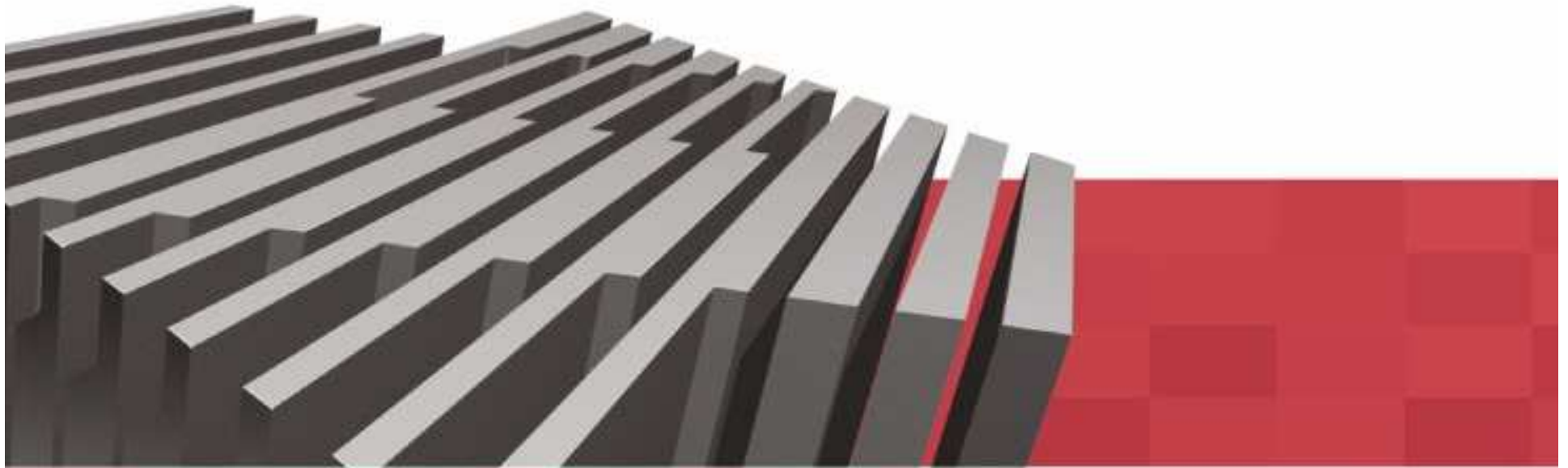


# Welcome to Avnet's First Quarter Fiscal Year 2008 Teleconference and Webcast

October 25, 2007 2:00 p.m. Eastern Time



*Please Stand By...  
The Presentation Will Begin Momentarily*

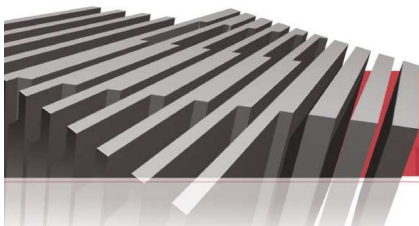


# Welcome

- Send questions via e-mail to [investorrelations@avnet.com](mailto:investorrelations@avnet.com)
- GAAP vs. non-GAAP Results
- Safe Harbor Statement
- Management Introduction

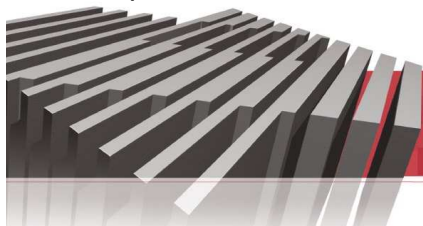


**Vince Keenan**  
Vice President, Avnet, Inc.  
Director, Investor Relations



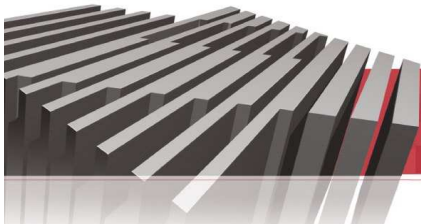
# Non-GAAP Results and Regulation G

- In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles (“GAAP”), the Company also discloses in this presentation certain non-GAAP financial information including adjusted operating income, adjusted net income and adjusted diluted earnings per share. The non-GAAP financial information is used to reflect the Company's results of operations excluding certain items that have arisen from restructuring, integration, and other items and debt extinguishment costs in the periods presented. The Company also discloses sales adjusted for the impact of certain acquisitions, and the change to net revenue treatment of sales of supplier services contracts (pro forma sales or organic revenue). Management believes pro forma sales is another useful measure for evaluating current period performance as compared with prior periods and understanding underlying trends.
- Management believes that operating income adjusted for restructuring, integration and other charges is useful to investors to assess and understand operating performance, especially when comparing results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Avnet's normal operating results. Management analyzes operating income without the impact of restructuring, integration and other costs as an indicator of ongoing margin performance and underlying trends in the business. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes.
- Management similarly believes net income and diluted earnings per share adjusted for the impact of the items discussed above is useful to investors because it provides a measure of the Company's net profitability on a more comparable basis to historical periods and provides a more meaningful basis for forecasting future performance. Additionally, because of management's focus on generating shareholder value, of which net profitability is a primary driver, management believes net income and diluted EPS excluding the impact of these items provides an important measure of the Company's net results of operations for the investing public.
- However, analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.



# Safe Harbor Statement

- This presentation contains certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management’s current expectations and are subject to uncertainty and changes in factual circumstances. The forward-looking statements herein include statements addressing future financial and operating results of Avnet and may include words such as “will,” “anticipate,” “expect,” “believe,” and “should” and other words and terms of similar meaning in connection with any discussions of future operating or financial performance or business prospects. Actual results may vary materially from the expectations contained in the forward-looking statements.
- The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the Company’s ability to retain and grow market share, the Company’s ability to generate additional cash flow, any significant and unanticipated sales decline, changes in business conditions and the economy in general, changes in market demand and pricing pressures, risks associated with acquisition activities and the successful integration of acquired companies, allocations of products by suppliers, and other competitive and/or regulatory factors affecting the businesses of Avnet generally.
- More detailed information about these and other factors is set forth in Avnet’s filings with the Securities and Exchange Commission, including the Company’s reports on Form 10-K, Form 10-Q and Form 8-K. Avnet is under no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.



# Management Introductions



**Roy Vallee**  
Chairman and  
Chief Executive  
Officer



**Harley Feldberg**  
President, Electronics Marketing



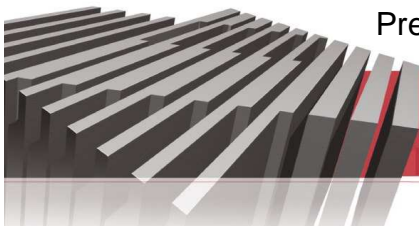
**Rick Hamada**  
Chief Operating Officer



**John Paget**  
President, Technology Solutions

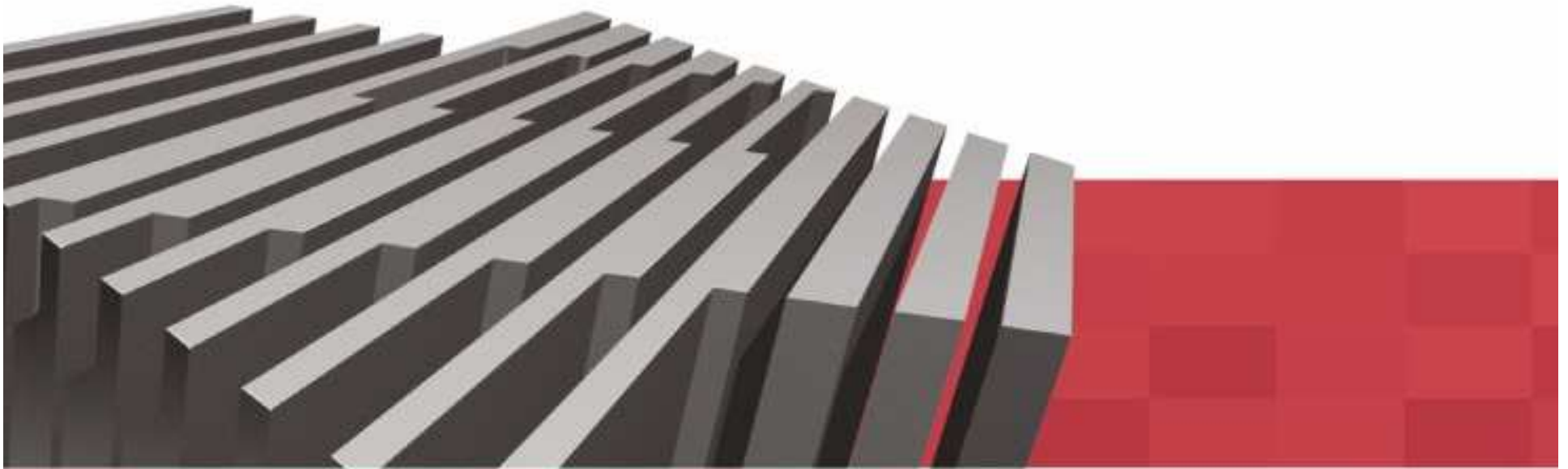


**Ray Sadowski**  
Chief Financial Officer



# Business Highlights

Roy Vallee  
Chairman & Chief Executive Officer



# Q1 Fiscal 2008 – Avnet, Inc. Highlights

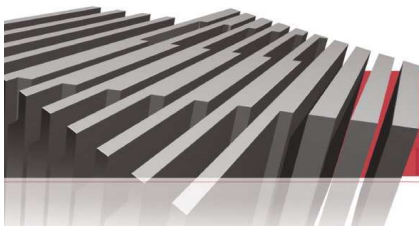
- Earnings Per Share grew 25%<sup>(1)</sup> year over year
  - EPS of \$0.69 was a fiscal Q1 record
- Return on Capital Employed (ROCE) up 68 basis points year over year
- Growth from acquisitions drove revenue up 12.3% year over year



(1) GAAP EPS grew 57% including debt extinguishment cost in the prior year.

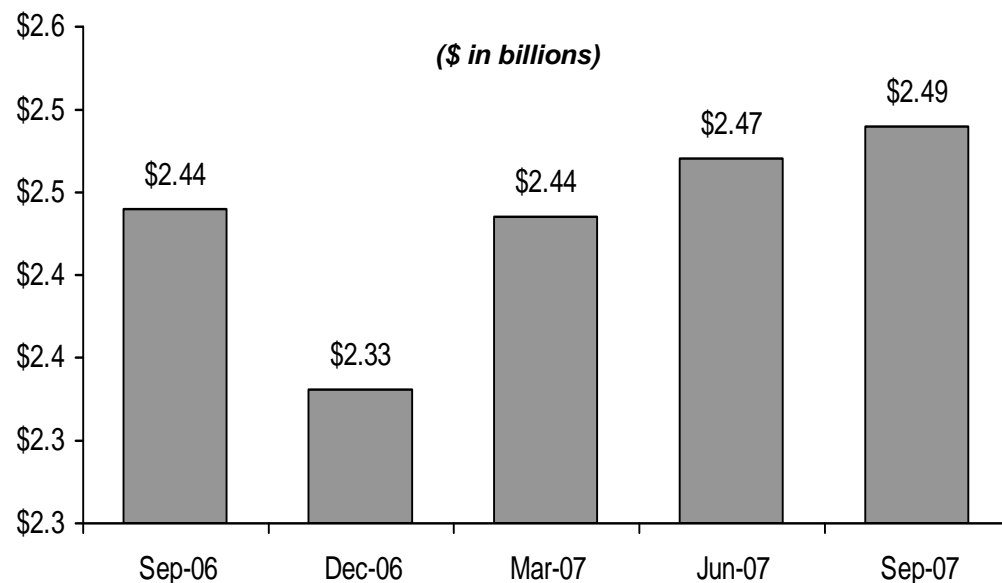
# Financial Highlights – Electronics Marketing

- Eighth consecutive quarter of year over year improvement in operating income margin and dollars
- Record Asset Velocity
- Return on Working Capital (ROWC) up 239 basis points year over year
- EM Asia set record for revenue and profits
  - ROWC approaching long term target





# Electronics Marketing (EM) Revenue



	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07
Americas	\$ 0.97	\$ 0.89	\$ 0.92	\$ 0.95	\$ 0.91
EMEA	0.79	0.77	0.91	0.83	0.83
Asia	0.68	0.67	0.61	0.69	0.75
<b>Total</b>	<b>\$ 2.44</b>	<b>\$ 2.33</b>	<b>\$ 2.44</b>	<b>\$ 2.47</b>	<b>\$ 2.49</b>

## ■ Y-O-Y growth rates

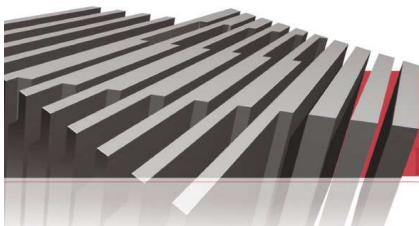
- Up 2.3%, pro forma<sup>(1)</sup>  
up 2.1%
- Asia grew 9.5%
- EMEA<sup>(2)</sup> up 4.6%, down  
2.7% in constant dollars
- Americas down 4.8%

(1) Pro forma is adjusted to include acquisitions in prior periods

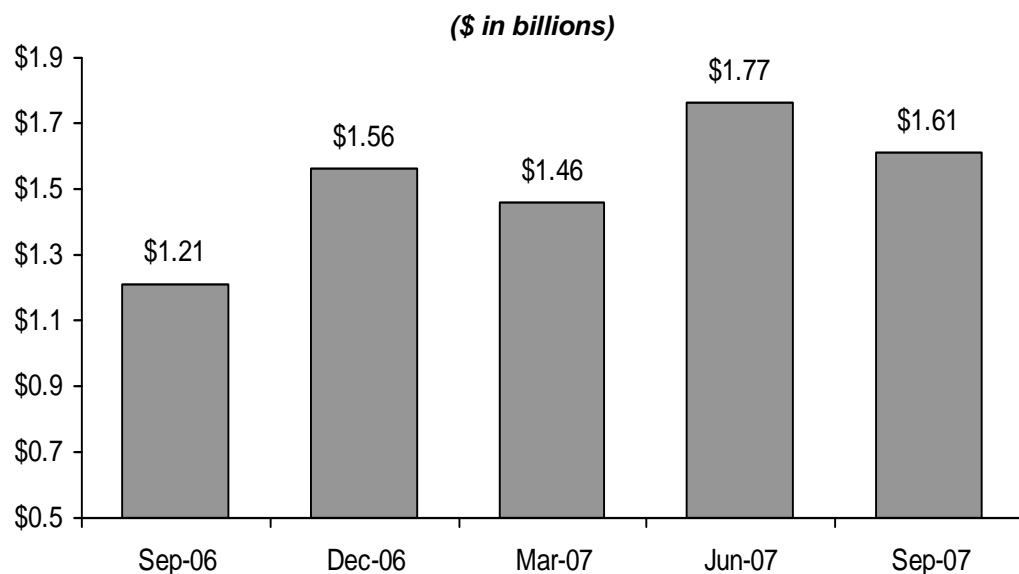
(2) EMEA year over year pro forma up 3.9%, down 3.4% pro forma in constant dollars

# Financial Highlights – Technology Solutions

- Revenue grew 32.5% year over year primarily due to acquisitions
- 17<sup>th</sup> consecutive quarter of year over year increase in operating income dollars and margin
- Completed acquisition of Magirus Enterprise Infrastructure Division
  - ~ \$500M distributor of IBM and HP enterprise products in Europe
- Announced acquisition of IT Solutions Division of Acal plc
  - ~ \$200M distributor of storage area networking products in Europe



# Technology Solutions (TS) Revenue



	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07
Americas	\$ 0.82	\$ 1.01	\$ 1.04	\$ 1.23	\$ 1.07
EMEA	0.33	0.49	0.36	0.41	0.43
Asia	0.06	0.06	0.06	0.13	0.11
<b>Total</b>	<b>\$ 1.21</b>	<b>\$ 1.56</b>	<b>\$ 1.46</b>	<b>\$ 1.77</b>	<b>\$ 1.61</b>

## ■ Y-O-Y growth rates

- Up 32.5%, pro forma<sup>(1)</sup>  
up 2.6%
- Asia up 31.6%<sup>(1)</sup>
- EMEA up 20.1%, 11.0%  
in constant dollars<sup>(1)</sup>
- Americas down 5.1%<sup>(1)</sup>

(1) Adjusted for the addition of Access and Azure and the change to net revenue treatment.

# Financial Overview

Ray Sadowski  
Chief Financial Officer



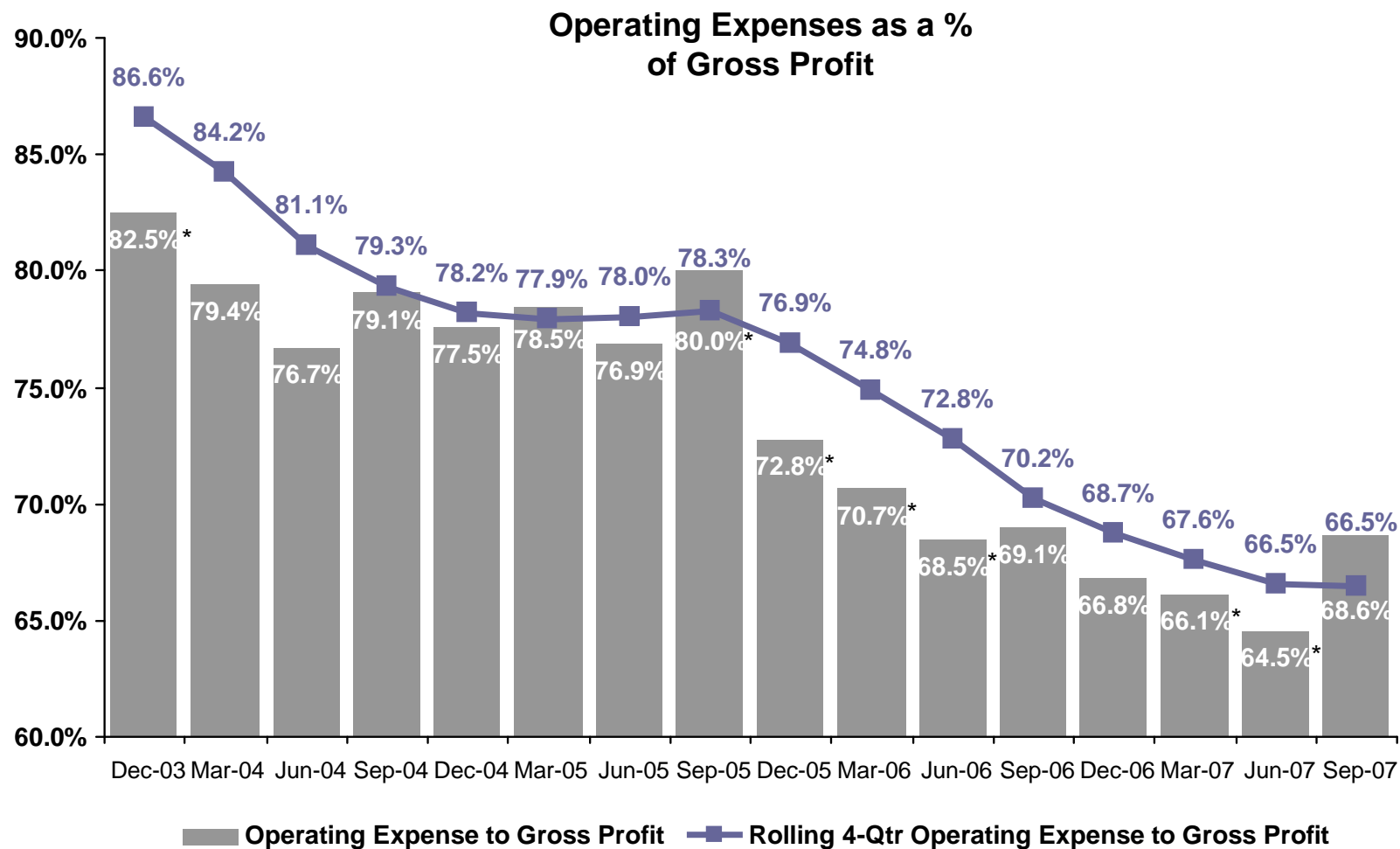
# P&L Summary: Q1 Year-over-Year

(\$ In Millions, Except Per Share Information)

			Increase / (Decrease)	
	Q1 FY08	Q1 FY07	\$ Change	% Change <sup>(1)</sup>
Sales	\$4,098.7	\$3,648.4	\$450.3	12.3%
Gross profit	526.5	468.4	58.1	12.4%
<i>Gross profit margin</i>	12.8%	12.8%	0.0%	
Operating expenses	361.3	323.4	37.9	11.7%
Operating income	165.2	145.0	20.2	14.0%
<i>Operating income margin</i>	4.0%	4.0%	0.0%	
Interest expense	(18.6)	(22.3)	(3.7)	-16.7%
Other income	7.4	3.7	3.7	98.0%
Income before tax	154.0	126.4	27.6	21.9%
Taxes	48.5	45.7	2.8	6.1%
<i>Effective tax rate</i>	31.5%	36.2%	-4.7%	
Net income excluding certain charges	\$105.5	\$80.7	\$24.8	30.8%
Diluted earnings per share excluding certain charges	\$0.69	\$0.55	\$0.14	25.5%
After tax reconciliation to GAAP				
Debt extinguishment costs		(16.6)		
GAAP net income	\$105.5	\$64.1	\$41.4	64.5%
GAAP diluted earnings per share	\$0.69	\$0.44	\$0.25	56.8%

(1) Percentage change calculated based upon results rounded to thousands.

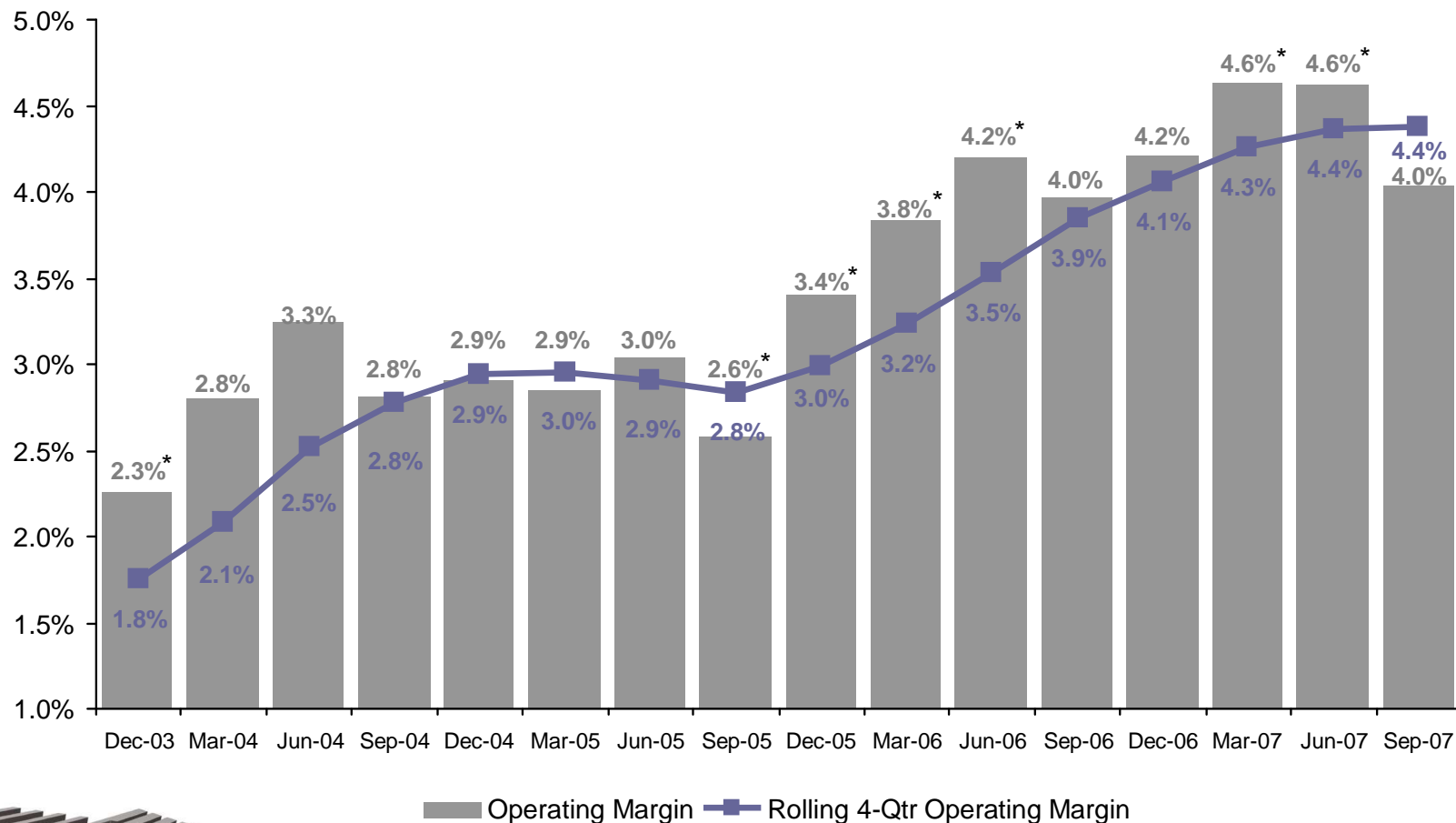
# Operational Excellence



\* Including restructuring and other charges operating expenses as a percentage of gross profit dollars were 89.6%, 83.3%, 79.3%, 74.2%, 69.9%, 67.7% and 64.3% in the December 2003, September 2005, December 2005, March 2006, June 2006, March 2007 and June 2007 quarters, respectively.

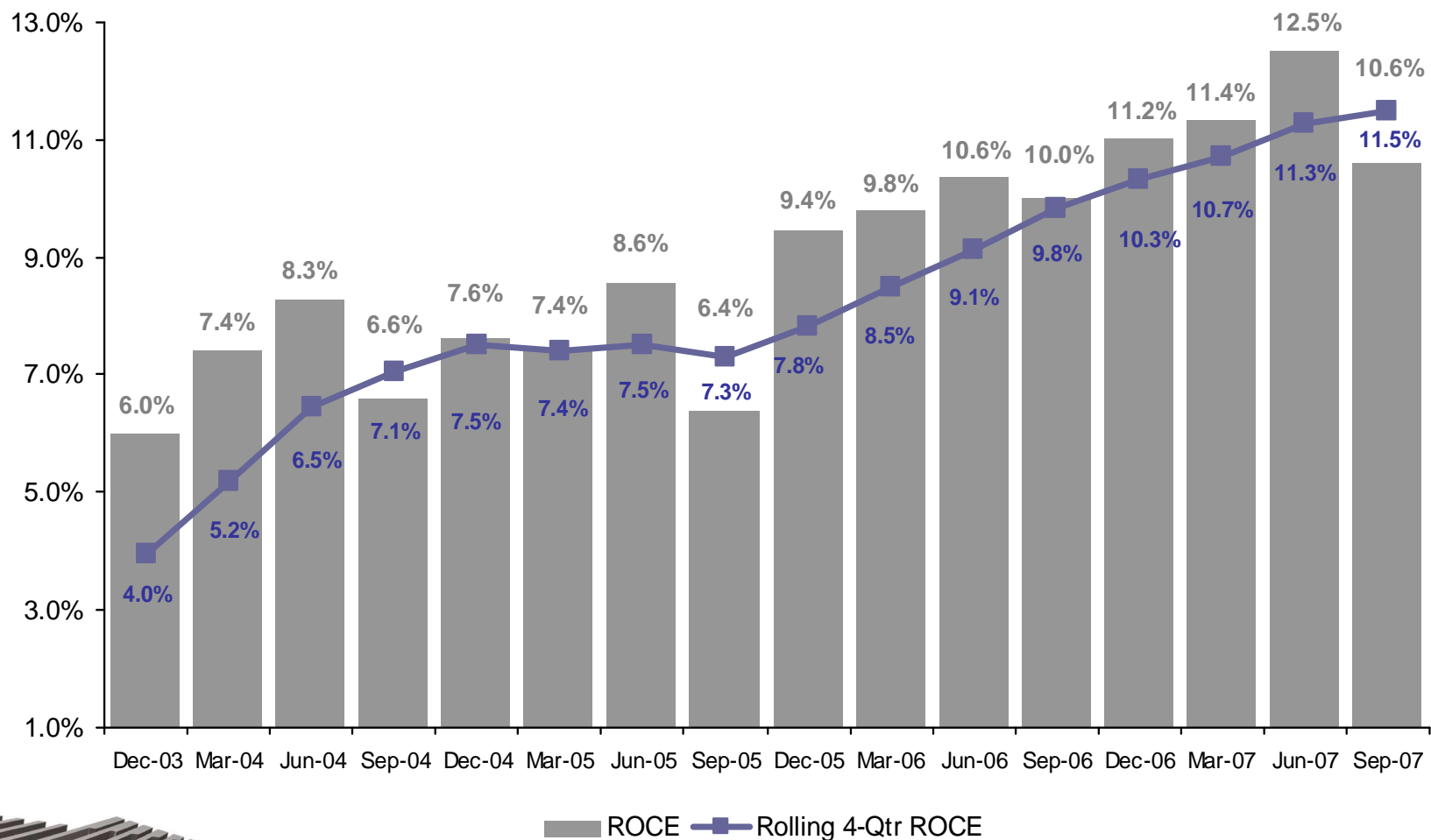
# Improved Operating Income

## Operating Income Margin



\* Including restructuring and other charges operating income margin was 1.3%, 2.2%, 2.5%, 3.4%, 4.0%, 4.4%, and 4.7% in the December 2003, September 2005, December 2005, March 2006, June 2006, March 2007 and June 2007 quarters, respectively.

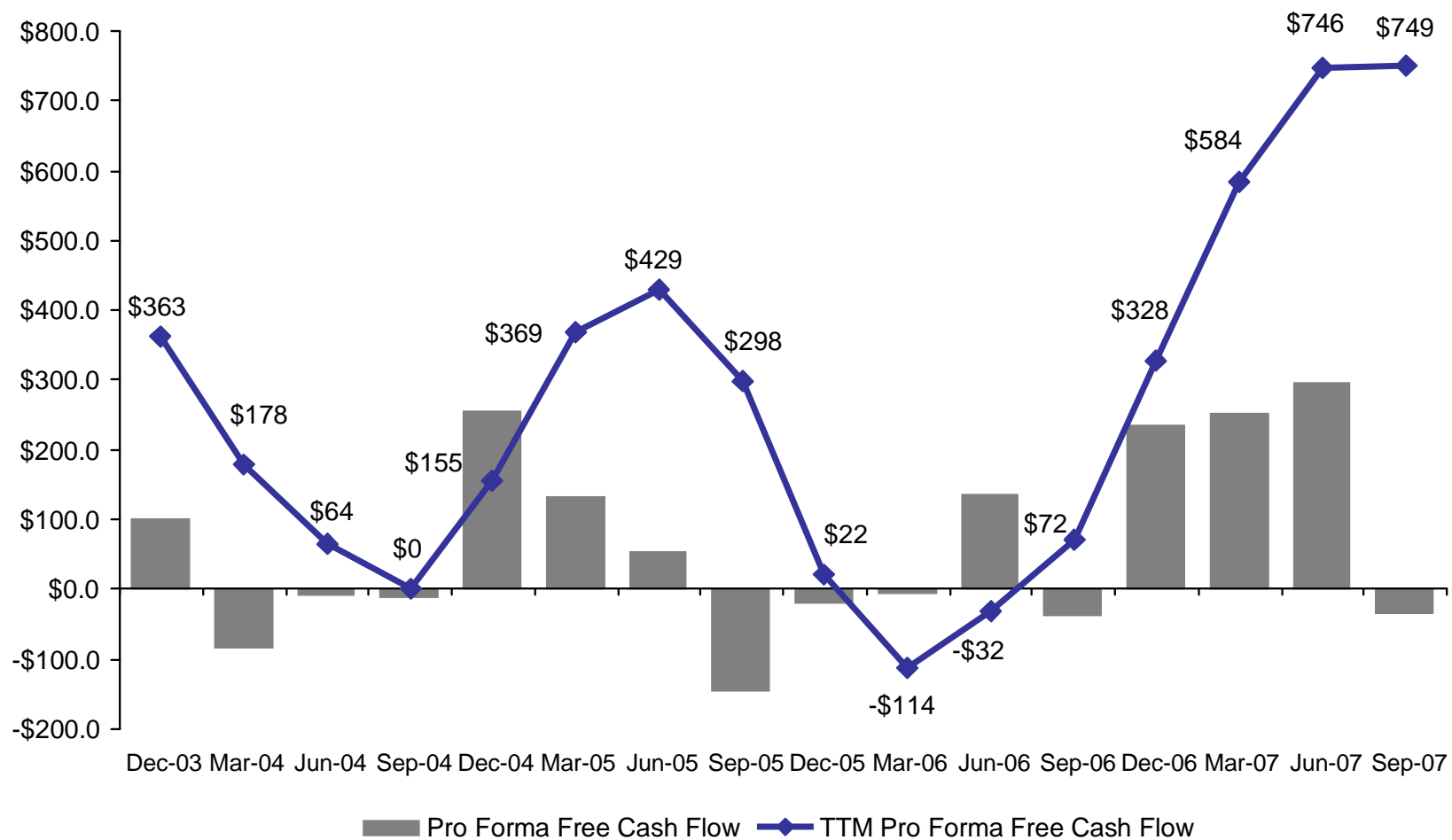
# Creating Shareholder Value - ROCE



Note: ROCE does not include restructuring and other charges.



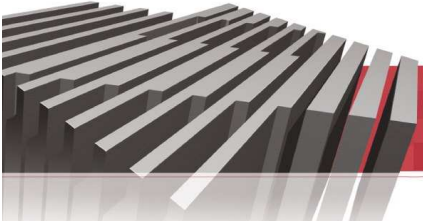
# Generating Solid Cash Flow



Note: Free Cash Flow before cash used for acquisitions.

# December 2007 Quarter (Q2 FY08)

- Enterprise Revenue: \$4.45 to \$4.65 billion
- Group Revenues
  - EM: \$2.4 to \$2.5 billion
  - TS: \$2.05 to \$2.15 billion
- Non-GAAP EPS<sup>(1)</sup>: \$0.83 to \$0.87; up 24%-30% over prior year second quarter



(1) Excludes amortization of intangibles or integration charges related to the acquisitions that have closed or will close in the December quarter.



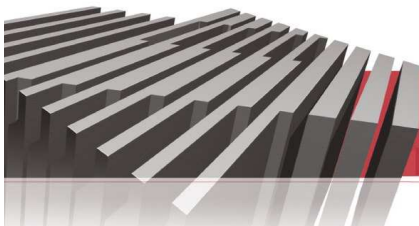
# Question and Answer Session

*Please feel free to contact  
Avnet's Investor Relations Personnel at:*

**480-643-7394**

**investorrelations@avnet.com**

**www.ir.avnet.com**



# Non-GAAP Results and Regulation G

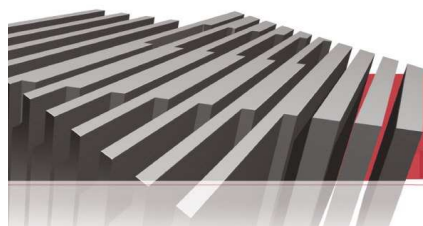
- Reconciliation of the Company's reported first quarter of fiscal 2007 results to the results adjusted for debt extinguishment costs is included in the following table:

<u>Quarter ended September 30, 2006</u>	<u>Pre-tax Income</u>	<u>Net Income</u>	<u>Diluted EPS</u>
	<i>(in thousands, except per share data)</i>		
GAAP results	\$ 99,073	\$ 64,143	\$ 0.44
Debt extinguishment costs	27,358	16,538	0.11
Adjusted results	<u>\$ 126,431</u>	<u>\$ 80,681</u>	<u>\$ 0.55</u>

# Non-GAAP Results and Regulation G

- Pro forma sales is defined as sales adjusted for (i) the impact of the classification of sales of supplier service contracts on an agency (net) basis, which was effective beginning in the third quarter of fiscal 2007, as if the net revenue accounting was applied to periods prior to the change and (ii) the impact of certain acquisitions, including Access Distribution acquired on December 31, 2006, Azure Technologies acquired in April 2007 and Flint Distribution acquired in July 2007, to include the sales recorded by these businesses as if the acquisitions had occurred at the beginning of fiscal 2007. Prior period sales adjusted for these impacts are presented below:

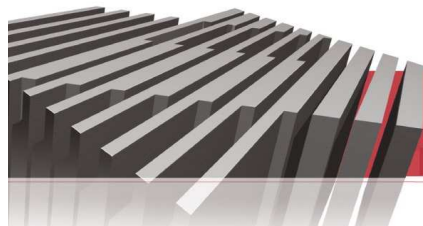
	<u>Sales as Reported</u>	<u>Gross to Net Impact</u>	<u>Acquisition Sales</u>	<u>Pro forma Sales</u>
	<i>(in thousands)</i>			
Q1 Fiscal 2007.....	\$ 3,648,400	\$ (95,810)	\$ 455,631	\$ 4,008,221
Q2 Fiscal 2007.....	3,891,180	(118,607)	524,168	4,296,741
Q3 Fiscal 2007.....	3,904,262	-	21,949	3,926,211
Q4 Fiscal 2007.....	4,237,245	-	14,767	4,252,012
Fiscal year 2007.....	<u>\$ 15,681,087</u>	<u>\$ (214,417)</u>	<u>\$ 1,016,515</u>	<u>\$ 16,483,185</u>



# Non-GAAP Results and Regulation G

References to restructuring and other charges, debt extinguishment costs and other items and/or the exclusion thereof refer to the following charges taken in the quarters indicated (with reference to the appropriate SEC filing in which further disclosure of these charges first appeared). All other quarters had no such charges recorded:

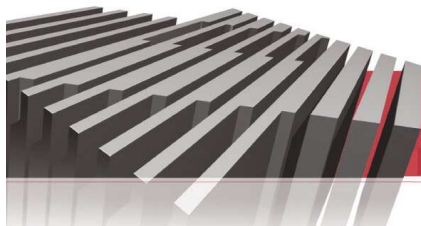
- Q4 FY07 – Restructuring, integration and other items amounted to a pre-tax benefit in the fourth quarter of \$1.2 million, which consisted of (i) a prior year acquisition-related benefit of \$12.5 million, net of (ii) restructuring, integration and other charges of \$11.3 million related to further cost-reduction initiatives across the Company as well as Access integration-related costs. (Form 8-K filed August 8, 2007 and Form 10-K filed August 29, 2007)
- Q3 FY07 – (1) Restructuring and other charges, including integration cost relating to the acquisition of Access as well as other cost reduction initiatives amounting to \$8.5 million pre-tax, \$6.0 million after tax and \$0.04 per share on a diluted basis, and (2) an additional gain on sales of business in the amount of \$3.0 million pre-tax, \$1.8 million after tax and \$0.01 per share on a diluted basis due the receipt of contingent purchase price proceeds related to the sale of TS' single tier businesses in the Americas. (Form 8-K filed April 26, 2007 and Form 10-Q filed May 9, 2007)
- Q1FY07 – Debt extinguishment costs of \$27.4 million pre-tax, \$16.5 million after tax and \$0.11 per share on a diluted basis associated with the redemption of its outstanding 9¾% Notes due February 15, 2008. (Form 8-K filed October 26, 2006 and Form 10-Q filed November 8, 2006)
- Q4 FY06 - (1) Restructuring and other charges, including integration costs, relating to the Memec acquisition, divestitures, and other actions amounting to \$6.8 million pre-tax, \$7.3 million after tax and \$0.05 per share on a diluted basis; (2) a one-time loss of \$13.6 million pre-tax, \$14.3 million after tax and \$0.10 per share on a diluted basis associated with the sale of two small, non-core businesses; and (3) debt extinguishment costs of \$10.9 million pre-tax, \$6.6 million after tax and \$0.04 per share on a diluted basis associated with the early repayment of \$113.6 million of the 9¾% Notes due February 15, 2008. (Form 8-K filed August 9, 2006 and Form 10-K filed August 30, 2006)
- Q3 FY06 – (1) Restructuring and other charges, including integration costs, relating to the Memec acquisition and other actions amounting to \$17.0 million pre-tax (\$1.4 million of which is included in cost of sales), \$11.2 million after tax and \$0.08 per share on a diluted basis; and (2) a one-time gain of \$10.9 million pre-tax, \$7.3 million after tax and \$0.05 per share on a diluted basis associated with the divestiture of two TS businesses (Form 8-K filed April 27, 2006 and Form 10-Q filed May 8, 2006)



# Non-GAAP Results and Regulation G

References to restructuring and other charges and debt extinguishment costs and/or the exclusion thereof refer to the following charges taken in the quarters indicated (with reference to the appropriate SEC filing in which further disclosure of these charges first appeared). All other quarters had no such charges recorded:

- Q2 FY06 – (1) Restructuring and other charges and integration costs, substantially all related to the Memec acquisition, totaling \$32.4 million pre-tax (\$7.5 million of which is included in cost of sales), \$21.4 million after tax, and \$0.14 per share on a diluted basis. (Form 8-K filed January 25, 2006 and Form 10-Q filed February 3, 2006)
- Q1 FY06 – (1) Restructuring and integration costs substantially all related to the acquisition of Memec, totaling \$13.8 million pre-tax, \$10.0 million after tax and \$0.07 per diluted share; (2) Debt extinguishment costs associated with the repurchase of \$254.1 million of the 8.00% Notes due November 15, 2006 totaling \$11.7 million pre-tax, \$7.1 million after tax and \$0.05 per diluted share. (Form 8-K filed October 27, 2005 and Form 10-Q filed November 9, 2005)
- Q3 FY04 – Debt extinguishment costs associated with the cash tender offer completed during the quarter for \$273.4 million of the 7 7/8% notes due February 15, 2005 totaling \$16.4 million pre-tax, \$14.2 million after-tax and \$0.12 per diluted share (Form 8-K filed April 29, 2004 and Form 10-Q filed May 18, 2004)
- Q2 FY04 – Charges related to cost cutting initiatives and the previously announced combination of the Computer Marketing and Applied Computing operating groups into one operating group now called Technology Solutions. These charges include severance costs, charges for consolidation of certain owned and leased facilities, write-offs of certain capitalized IT-related initiatives and the impairment of certain owned assets in the Company's European operations totaling \$23.5 million pre-tax, \$16.4 million after-tax and \$0.14 per diluted share (Form 8-K filed January 29, 2004 and Form 10-Q filed February 13, 2004)
- The Company occasionally refers to comparative results in both delivered dollars and constant dollars. Delivered dollars reflect the reported results while constant dollars reflect the adjustment for fluctuations in foreign currency exchange rates between the two comparative periods.



# Closing Remarks

*Thank you for attending.*

*We look forward to hosting you next quarter!*

