
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): August 7, 2002

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 7. Financial Statements and Exhibits.

- (a) Inapplicable
- (b) Inapplicable
- (c) Exhibits:

99 Press Release of Avnet, Inc. dated August 7, 2002

Item 9. Regulation F-D Disclosure.

The press release of Avnet, Inc. issued on August 7, 2002 is being filed as Exhibit 99 hereto.

Management of Avnet, Inc. may, from time to time, comment on expectations concerning Avnet's future financial performance during discussions with investors, the media, investment analysts and others. To the extent management's expectations differ during those discussions from the comments made by management in Avnet's quarterly earnings conference calls, such new expectations will be posted on the Investor Relations home page of Avnet's web site.

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)

Date: August 7, 2002

By: /s/ Raymond Sadowski

Raymond Sadowski
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number

Description of Exhibit

99

Press Release of Avnet, Inc. dated August 7, 2002



Avnet, Inc.
2211 South 47th Street
Phoenix, AZ 85034

PRESS RELEASE

August 7, 2002

Avnet, Inc. Reports Fourth Quarter and Fiscal Year 2002 Results

Phoenix, Arizona — Avnet, Inc. (NYSE:AVT) today reported net income from continuing operations before special items of \$0.7 million, or \$0.01 per fully diluted share, on revenues of \$2.14 billion for its fiscal fourth quarter ended June 28, 2002. Net income from continuing operations, before special items, for the fourth quarter of fiscal 2001 was \$5.7 million, or \$0.05 per share, on revenues of \$2.54 billion. Including special items outlined below, Avnet reported a net loss from continuing operations for the fourth quarter of 2002 of \$61.4 million, or \$0.51 per share on a fully diluted basis, as compared with the previous fiscal 2001 fourth quarter loss from continuing operations of \$231.0 million or \$1.96 per fully diluted share.

Total special charges during the fourth quarter of fiscal 2002 amounted to \$79.6 million pre-tax (\$21.6 million included in cost of sales and \$58.0 million included in operating expenses) and \$62.1 million after-tax. Special items reported for the fourth quarter of fiscal 2002 included the impact of incremental charges related to the value of assets acquired in connection with the acquisition of Kent Electronics, the write-down of investments in Internet-related businesses, and severance costs. The impact on diluted earnings per share was \$0.52 for the fourth quarter and the full fiscal year.

Commenting on Avnet's results from operations, Roy Vallee, Avnet's Chairman and CEO stated, "We are pleased to see a return to profitability before special items in our fiscal fourth quarter, despite experiencing a second consecutive quarterly decline in sales. In addition, fourth quarter revenues were down over \$390 million year over year, and yet our team managed their way to profitability. This is a reflection of our global team's ability to manage through this difficult market environment."

Avnet reported that revenues from microprocessors and disk drives sold into the PC-Builder market declined by approximately \$100 million on a sequential quarterly basis due primarily to substantial excess inventories in the white-box PC manufacturing supply chain. These revenue declines were offset by slight growth in the sales of electronic components, enterprise computing products, and embedded systems into the non-PC OEM market, leaving Company-wide revenues down by approximately \$70 million sequentially. Enterprise gross profit margins improved sequentially for the second quarter in a row. The Company reported that, excluding special charges, it reduced operating expenses further during the fourth quarter bringing the total annualized reduction of operating expenses to approximately \$300 million since December 2000. Driven by cash generated through working capital reductions during the June 2002 quarter, Avnet reduced debt by approximately \$150 million, including amounts outstanding under its asset securitization program as debt. Since the end of December 2000, excluding the impact of its accounts receivable securitization program, Avnet has reduced debt by approximately \$1.5 billion.

Looking forward to the September quarter, Avnet anticipates it will experience the typical seasonality that accompanies the summer quarter. Based upon the anticipated mix in business revenues, sales and earnings are expected to be roughly flat compared to the June 2002 quarter. Beyond the September quarter, Mr. Vallee stated, "We anticipate that the December 2002 quarter will yield improved financial results, due primarily to the historic seasonal strength that normally accompanies our computing businesses. After that, we expect to see gradual improvements in the technology markets we serve."

Mr. Vallee concluded his remarks by stating: "It is our intent to file the CEO and CFO certifications required by the SEC and the Sarbanes-Oxley Act by the required due date, which is the date Avnet files its Form 10-K for fiscal 2002 which is due on or before September 26, 2002."

For the full fiscal year 2002 ended June 28, 2002, Avnet reported revenues of \$8.92 billion as compared with \$12.81 billion in fiscal 2001. For the full fiscal year 2002, Avnet reported a net loss from continuing operations, before special items, of \$22.3 million or \$0.19 per fully diluted share. Including special items and the cumulative effect of change in accounting principle discussed below, the Company reported a loss of \$664.9 million, or \$5.61 per share on a diluted basis. For the fiscal year 2001, the Company reported net income from continuing operations before special items of \$236.8 million or \$1.99 per fully diluted share. Including special items and income from discontinued operations, the Company reported net income of \$15.4 million or \$0.13 per fully diluted share.

The Company adopted Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets" on June 30, 2001, the first day of fiscal 2002. Therefore, the amortization of goodwill was suspended effective on that date. The Company also performed its transitional impairment analysis of goodwill as of June 30, 2001, as required by SFAS 142. This analysis yielded an impairment charge of \$580.5 million with a corresponding reduction in the book value of goodwill in the Company's EM and CM operations in Europe and Asia. The Company also completed its annual impairment analysis of the remaining goodwill as of March 29, 2002, the first day of its fiscal fourth quarter, which yielded no additional charge.

Forward Looking Statements

This press release 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. 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: changes in business conditions and the economy in general, changes in market demand and pricing pressures, allocations of products by suppliers, failure to obtain and retain expected synergies from newly acquired businesses, 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 Annual Report on Form 10-K for fiscal 2001 and the most recent quarterly report on Form 10-Q. Avnet is under no obligation to (and expressly disclaims any such obligation to) update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Phoenix, Arizona-based Avnet, Inc., a Fortune 500 company, is one of the world's largest distributors of semiconductors, interconnect, passive and electromechanical components, enterprise network and computer equipment, and embedded sub-systems from leading manufacturers. Serving customers in 63 countries, Avnet markets, inventories and adds value to these products and provides world-class supply-chain management and engineering services. Please feel free to visit Avnet's Web site at www.ir.avnet.com or contact us at investorrelations@avnet.com.

AVNET, INC.
(MILLIONS EXCEPT PER SHARE DATA)

INCLUDING SPECIAL ITEMS (1) (2)

	FOURTH QUARTERS ENDED		
	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)	% CHANGE
Sales	\$2,144.8	\$2,537.8	(15%)
Loss from continuing operations before income taxes	(77.9)	(315.6)	75%
Loss from continuing operations	(61.4)	(231.0)	73%
Loss per share from continuing operations:			
Basic	(\$0.51)	(\$1.96)	74%
Diluted	(\$0.51)	(\$1.96)	74%

EXCLUDING SPECIAL ITEMS

	FOURTH QUARTERS ENDED		
	JUNE 28, 2002 (3)	JUNE 29, 2001 (3)	% CHANGE
Sales	\$2,144.8	\$2,537.8	(15%)
Income from continuing operations before income taxes	1.7	11.9	(86%)
Income from continuing operations	0.7	5.7	(88%)
Earnings per share from continuing operations:			
Basic	\$ 0.01	\$ 0.05	(80%)
Diluted	\$ 0.01	\$ 0.05	(80%)

- (1) Fiscal 2002 fourth quarter results shown above include 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 operating expenses) and \$62.1 million after-tax. The impact on diluted earnings per share was \$0.52 for the fourth quarter.
- (2) Fiscal 2001 fourth quarter results shown above include 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 operating expenses) and \$236.7 million after-tax. The impact on diluted earnings per share was \$2.01 for the fourth quarter.
- (3) Effective as of the beginning of fiscal 2002, the Company 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. Had last year's results also excluded the amortization of goodwill, the fourth quarter net income for fiscal 2001 would have been higher by \$8.7 million (\$0.07 per share).

The above earnings are from continuing operations only. Information on discontinued operations and the impairment of goodwill under SFAS 142 can be found on the attached statements of operations.

AVNET, INC.
(MILLIONS EXCEPT PER SHARE DATA)

INCLUDING SPECIAL ITEMS (1) (2)

	FISCAL YEARS ENDED		
	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)	% CHANGE
Sales	\$8,920.2	\$12,814.0	(30%)
Income (loss) from continuing operations before income taxes	(120.8)	87.3	(238%)
Income (loss) from continuing operations	(84.4)	0.1	—
Earnings (loss) per share from continuing operations:			
Basic	(\$0.71)	—	—
Diluted	(\$0.71)	—	—

EXCLUDING SPECIAL ITEMS

	FISCAL YEARS ENDED		
	JUNE 28, 2002 (3)	JUNE 29, 2001 (3)	% CHANGE
Sales	\$8,920.2	\$12,814.0	(30%)
Income (loss) from continuing operations before income taxes	(41.2)	414.7	(110%)
Income (loss) from continuing operations	(22.3)	236.8	(109%)
Earnings (loss) per share from continuing operations:			
Basic	(\$0.19)	\$ 2.02	(109%)
Diluted	(\$0.19)	\$ 1.99	(110%)

- (1) Fiscal 2002 results shown above include 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 operating expenses) and \$62.1 million after-tax. The impact on diluted earnings per share was \$0.52 for the year.
- (2) Fiscal 2001 results shown above include 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 operating expenses) and \$236.7 million after-tax. The impact on diluted earnings per share was \$1.99 for the year.
- (3) Effective as of the beginning of fiscal 2002, the Company 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. Had last year's results also excluded the amortization of goodwill, net income for fiscal 2001 would have been higher by \$33.1 million (\$0.28 per share).

The above earnings are from continuing operations only. Information on discontinued operations and the impairment of goodwill under SFAS 142 can be found on the attached statements of operations.

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

INCLUDING SPECIAL ITEMS (1) (2)	FOURTH QUARTERS ENDED		FISCAL YEARS ENDED	
	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)
Sales	\$2,144,752	\$ 2,537,755	\$ 8,920,248	\$12,814,010
Cost of sales	1,862,105	2,225,323	7,697,434	10,948,484
Gross profit	282,647	312,432	1,222,814	1,865,526
Operating expenses	336,074	590,058	1,225,799	1,611,874
Operating income (loss)	(53,427)	(277,626)	(2,985)	253,652
Other income, net	2,005	8,397	6,755	25,495
Interest expense	(26,451)	(46,328)	(124,583)	(191,895)
Income (loss) from continuing operations before income taxes	(77,873)	(315,557)	(120,813)	87,252
Income taxes	(16,472)	(84,521)	(36,377)	87,155
Income (loss) from continuing operations	(61,401)	(231,036)	(84,436)	97
Income (loss) from discontinued operations, net of income taxes	—	(5,111)	—	15,305
Income (loss) before cumulative effect of change in accounting principle	(61,401)	(236,147)	(84,436)	15,402
Cumulative effect of change in accounting principle	—	—	(580,495)	—
Net income (loss)	(\$61,401)	(\$236,147)	(\$664,931)	\$ 15,402
Earnings (loss) per share from continuing operations:				
Basic	(\$0.51)	(\$1.96)	(\$0.71)	—
Diluted	(\$0.51)	(\$1.96)	(\$0.71)	—
Earnings (loss) per share before cumulative effect of change in accounting principle, net:				
Basic	(\$0.51)	(\$2.01)	(\$0.71)	\$ 0.13
Diluted	(\$0.51)	(\$2.01)	(\$0.71)	\$ 0.13
Net earnings (loss) per share:				
Basic	(\$0.51)	(\$2.01)	(\$5.61)	\$ 0.13
Diluted	(\$0.51)	(\$2.01)	(\$5.61)	\$ 0.13
Shares used to compute earnings (loss) per share:				
Basic	119,397	117,697	118,561	117,263
Diluted	119,397	117,697	118,561	118,815

(1) Fiscal 2002 fourth quarter and entire year results shown above include 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 operating expenses) and \$62.1 million after-tax. The impact on diluted earning per share was \$0.52 for the fourth quarter and the year.

(2) Fiscal 2001 fourth quarter and entire year results shown above include 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 operating expenses) and \$236.7 million after-tax. The impact on diluted earning per share was \$2.01 for the fourth quarter and \$1.99 for the year.

(3) Effective as of the beginning of fiscal 2002, the Company 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. Had last year’s results also excluded the amortization of goodwill, the fourth quarter and total year net income for fiscal 2001 would have been higher by \$8.7 million (\$0.07 per share) and \$33.1 million (\$0.28 per share), respectively.

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

EXCLUDING SPECIAL ITEMS (1) (2)	FOURTH QUARTERS ENDED		FISCAL YEARS ENDED	
	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)	JUNE 28, 2002 (1) (3)	JUNE 29, 2001 (2) (3)
Sales	\$2,144,752	\$2,537,755	\$ 8,920,248	\$12,814,010
Cost of sales	1,840,505	2,144,727	7,675,834	10,867,888
Gross profit	304,247	393,028	1,244,414	1,946,122
Operating expenses	278,051	343,169	1,167,776	1,364,985
Operating income	26,196	49,859	76,638	581,137
Other income, net	2,005	8,397	6,755	25,495
Interest expense	(26,451)	(46,328)	(124,583)	(191,895)
Income (loss) from continuing operations before income taxes	1,750	11,928	(41,190)	414,737
Income taxes	1,067	6,272	(18,838)	177,948
Income (loss) from continuing operations	683	5,656	(22,352)	236,789
Income (loss) from discontinued operations, net of income taxes	—	(5,111)	—	15,305
Income (loss) before cumulative effect of change in accounting principle	683	545	(22,352)	252,094
Cumulative effect of change in accounting principle	—	—	(580,495)	—
Net income (loss)	\$ 683	\$ 545	(\$602,847)	\$ 252,094
Earnings (loss) per share from continuing operations:				
Basic	\$ 0.01	\$ 0.05	(\$0.19)	\$ 2.02
Diluted	\$ 0.01	\$ 0.05	(\$0.19)	\$ 1.99
Earnings (loss) per share before cumulative effect of change in accounting principle, net:				
Basic	\$ 0.01	—	(\$0.19)	\$ 2.15
Diluted	\$ 0.01	—	(\$0.19)	\$ 2.12
Net earnings (loss) per share:				
Basic	\$ 0.01	—	(\$5.09)	\$ 2.15
Diluted	\$ 0.01	—	(\$5.09)	\$ 2.12
Shares used to compute earnings (loss) per share:				
Basic	119,397	117,697	118,561	117,263
Diluted	119,397	117,697	118,561	118,815

(1) Fiscal 2002 fourth quarter and entire year results 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 operating expenses) and \$62.1 million after-tax. The impact on diluted earning per share was \$0.52 for the fourth quarter the year.

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(3) Effective as of the beginning of fiscal 2002, the Company 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. Had last year’s results also excluded the amortization of goodwill, the fourth quarter and total year net income for fiscal 2001 would have been higher by \$8.7 million (\$0.07 per share) and \$33.1 million (\$0.28 per share), respectively.

AVNET, INC.
CONSOLIDATED BALANCE SHEETS
(THOUSANDS)

	JUNE 28, 2002 (1)	JUNE 29, 2001 (1)
Assets:		
Current assets:		
Cash and cash equivalents	\$ 159,234	\$ 97,279
Receivables	1,374,017	1,629,566
Inventories	1,417,305	1,917,044
Other	224,751	103,600
Total current assets	3,175,307	3,747,489
Property, plant & equipment	349,924	417,159
Goodwill	844,597	1,404,863
Other assets	312,126	294,637
Total assets	4,681,954	5,864,148
Less liabilities:		
Current liabilities:		
Borrowings due within one year	59,309	1,302,129
Accounts payable	891,234	853,196
Accrued expenses and other	326,293	414,740
Total current liabilities	1,276,836	2,570,065
Long-term debt, less due within one year	1,565,836	919,493
Other long-term liabilities	34,772	—
Total liabilities	2,877,444	3,489,558
Shareholders' equity	\$1,804,510	\$2,374,590

- (1) The Company 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 the Company with an additional source of liquidity at interest rates more favorable than it could receive through other forms of financing. At June 28, 2002 and June 29, 2001, the Company had sold \$200.0 million and \$350.0 million, respectively, of receivables under the program. This is reflected as a reduction of receivables, with the proceeds used to pay down debt, in the above balance sheet.

AVNET, INC.
SEGMENT INFORMATION
(MILLIONS)

SALES	FOURTH QUARTERS ENDED		FISCAL YEARS ENDED	
	JUNE 28, 2002	JUNE 29, 2001	JUNE 28, 2002	JUNE 29, 2001
Electronics Marketing	\$1,216.6	\$ 1,553.9	\$4,841.9	\$ 8,286.6
Computer Marketing	570.9	619.7	2,399.3	2,855.6
Applied Computing	357.3	364.2	1,679.1	1,671.8
Consolidated	\$2,144.8	\$ 2,537.8	\$8,920.3	\$12,814.0
OPERATING INCOME (LOSS)				
Electronics Marketing	\$ 18.1	\$ 41.5	\$ 22.7	\$ 532.4
Computer Marketing	19.0	14.7	63.0	86.4
Applied Computing	(2.2)	17.0	42.8	63.9
Headquarters	(8.7)	(23.3)	(51.9)	(101.5)
Consolidated Before Special Items	26.2	49.9	76.6	581.2
Special Items	(79.6)	(327.5)	(79.6)	(327.5)
Consolidated	(\$53.4)	(\$277.6)	(\$3.0)	\$ 253.7