

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, 1998

AVNET, INC.

(Exact name of Registrant as Specified in its Charter)

New York	1-4224	11-1890605
(State or other jurisdiction of Incorporation)	(Commission File Number)	IRS Employer Identification No.)

2211 South 47 Street, Phoenix, Arizona	85034
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 602-643-2000

80 Cutter Mill Road, Great Neck, New York	11021
(Former name or former address if changed since last report)	

Item 5. Other Events

The following Press Release of Avnet, Inc. was issued July 30, 1998. Such Press Release is filed as Exhibit 99 attached hereto.

Item 7. Financial Statements and Exhibits

(a) See Exhibit 99.

(b) Inapplicable.

(c) Exhibits:

27 Financial Data Schedule (electronic filing only)

99 Press Release of Avnet, Inc.

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 5, 1998

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

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
27	Financial Data Schedule (electronic filing only)
99	Press Release of Avnet, Inc. issued July 30, 1998

July 30, 1998

AVNET REPORTS RESULTS FOR FISCAL 1998

Phoenix, AZ - Avnet, Inc. (NYSE:AVT) reported results today for its fourth quarter and fiscal year ended June 26, 1998. For the fourth quarter, diluted earnings per share, excluding special charges referred to below, were \$1.01 as compared with \$1.13 in last year's fourth quarter. Consolidated net income, excluding special charges, was \$37.7 million as compared with last year's fourth quarter net income of \$47.4 million. The comparative net income, excluding special charges, was negatively impacted by the interest expense associated with the Company's stock repurchase program. Sales increased to a record \$1.54 billion, up 10% as compared with sales of \$1.40 billion in the prior year's fourth quarter. Including the special charges discussed below, the current year's fourth quarter net income and diluted earnings per share were \$16.6 million and \$0.44, respectively.

Included in the Company's current year fourth quarter results are \$35.4 million pre-tax and \$21.2 million after-tax (\$0.57 per share on a diluted basis) of incremental special charges associated principally with the reorganization of its Electronic Marketing Group. Approximately \$25.7 million of the pre-tax charge is included in operating expenses and \$9.7 million is included in cost of sales. These charges include severance; real property lease termination costs; inventory reserves required related to supplier terminations; the writedown of goodwill and other items.

For the 1998 fiscal year, net income, excluding special charges and a one-time gain, was \$163.9 million, or \$4.12 per share on a diluted basis. This compares with last year's net income of \$182.8 million, or \$4.25 per share. Sales were a record \$5.92 billion, up 10% from last year's sales of \$5.39 billion. Net income and diluted earnings per share, including special items, were \$151.4 million and \$3.80 per share, respectively. Diluted earnings per share for fiscal 1998 in total exceeds by \$0.04 the sum of the applicable amounts for each of the quarters of 1998 due to the effect of the stock repurchase program and the special charges.

In addition to the fourth quarter special charges referred to above, the fiscal 1998 results include the second quarter \$33.8 million pre-tax gain on the sale of the Company's former Channel Master business and \$13.3 million of costs relating to the divestiture of Avnet Industrial, the closure of the Company's Corporate Headquarters in Great Neck, NY, and the loss on the sale of Company owned real estate. The net effect of these items was to increase the second quarter's pre-tax income, net income, and earnings per share on a diluted basis by \$20.5 million, \$8.7 million, and \$0.21 per share, respectively.

Roy Vallee, Avnet's Chairman and CEO, said that the special charges in the fourth quarter arose out of the Company's decision to change its organizational structure to better focus on its core businesses in order to better meet the needs of both its customers and suppliers. As a result, the Company now consists of two major strategic business units -- the Electronics Marketing Group (EMG) and the Computer Marketing Group (CMG). EMG, which consists of three regional operations -- the Americas, EMEA (Europe, Middle East, and Africa) and Asia/Pacific regions -- focuses on the global distribution and value-added services associated with

electronic components. CMG focuses on middle to high end, value-added computer products distribution in North America, Europe, and Australia. The principal amount of the special charges reflect the impact of the Company's decision described above on its EMG Americas operation. Although it is expected that EMG EMEA will be reorganized along lines similar to that of the Americas during the first quarter of fiscal 1999, a final detailed plan has not been firmly established by management nor are the plans at a stage where the aggregate costs associated therewith can be accurately quantified.

Mr. Vallee reported that sales for CMG grew 21% and 29% for the fourth quarter and fiscal year, respectively, as compared with last year. He indicated that the market which CMG serves remains strong. He further reported that although average selling prices and margins continue to be depressed due to the global inventory correction cycle, sales for EMG for the fourth quarter and fiscal year were up 11% and 8%, respectively, as compared with the prior year period.

During the fourth quarter, the Company completed its current stock repurchase program. Since the program was announced in August 1996, the Company has used \$450 million, including approximately \$132 million in this year's fourth quarter, to repurchase almost 7.5 million shares.

AVNET, INC.
FINANCIAL HIGHLIGHTS AND STATEMENTS
FISCAL YEAR ENDED JUNE 26, 1998

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- 7 - Fiscal Year and Fourth Quarter Highlights
- 8 - Consolidated Statements of Income - Fiscal Year
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- 10 - Consolidated Balance Sheets

The complete financial statements, including notes thereto and the management discussion and analysis, will appear in the Company's annual report to shareholders. The information contained herein is derived from such statements.

AVNET, INC.
(millions except per share data)

Fiscal Years Ended

	June 26, 1998 *	June 27, 1997		% Change
Sales	5,916.3	5,390.6	+	10%
Income before income taxes	267.3	313.4	-	15%
Net income	151.4	182.8	-	17%
Earnings per share:				
Basic	\$3.85	\$4.29	-	10%
Diluted	\$3.80	\$4.25	-	11%

Fourth Quarters Ended

	June 26, 1998 **	June 27, 1997		% Change
Sales	\$1,544.6	\$1,398.6	+	10%
Income before income taxes	29.8	80.4	-	63%
Net income	16.6	47.4	-	65%
Earnings per share:				
Basic	\$0.45	\$1.15	-	61%
Diluted	\$0.44	\$1.13	-	61%

* Fiscal year 1998 results include the net positive impact of special items amounting to \$20.5 million pre-tax, \$8.7 million after-tax and \$0.21 per share on a diluted basis recorded in the second quarter, and the negative impact of special charges amounting to \$35.4 million pre-tax, \$21.2 million after-tax and \$0.57 per share on a diluted basis recorded in the fourth quarter and as described below.

**Fiscal year 1998 fourth quarter results include the impact of incremental special charges associated with the reorganization of the Company's Electronic Marketing Group amounting to \$35.4 million pre-tax, \$21.2 million after-tax and \$0.57 per share on a diluted basis.

AVNET, INC.
CONSOLIDATED STATEMENTS OF INCOME
(thousands, except per share data)

	Fiscal Years Ended	
	June 26, 1998	June 27, 1997
Sales	\$5,916,267	\$5,390,626
Cost of sales	4,935,848	4,428,779
Gross profit	980,419	961,847
Operating expenses	709,243	634,101
Operating income	271,176	327,746
Other income, net	2,363	11,749
Interest expense	(39,988)	(26,076)
Gain on sale of Channel Master	33,795	-
Income before income taxes	267,346	313,419
Income taxes	115,922	130,656
Net income	\$ 151,424	\$ 182,763
Earnings per share:		
Basic	\$3.85	\$4.29
Diluted	\$3.80	\$4.25
Shares used to compute earnings per share:		
Basic	39,375	42,598
Diluted	39,823	43,049

AVNET, INC.
CONSOLIDATED STATEMENTS OF INCOME
(thousands, except per share data)

	Fourth Quarters Ended	
	June 26, 1998	June 27, 1997
Sales	\$1,544,576	\$1,398,635
Cost of sales	1,304,270	1,152,944
Gross profit	240,306	245,691
Operating expenses	198,612	159,942
Operating income	41,694	85,749
Other income, net	924	1,818
Interest expense	(12,806)	(7,173)
Income before income taxes	29,812	80,394
Income taxes	13,248	33,021
Net income	\$ 16,564	\$ 47,373
Earnings per share:		
Basic	\$0.45	\$1.15
Diluted	\$0.44	\$1.13
Shares used to compute earnings per share:		
Basic	37,142	41,344
Diluted	37,434	41,879

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

	June 26, 1998	June 27, 1997
Assets:		
Current assets:		
Cash and cash equivalents	\$ 82,607	\$ 59,312
Receivables	894,289	800,015
Inventories	1,061,739	1,007,074
Other	29,722	30,035
Total current assets	2,068,357	1,896,436
Property, plant & equipment	155,491	181,509
Goodwill	460,882	476,935
Other assets	48,967	39,191
Total assets	\$2,733,697	\$2,594,071
Liabilities:		
Current liabilities:		
Borrowings due within one year	\$ 243	\$ 178
Accounts payable	451,441	433,762
Accrued expenses and other	155,423	143,513
Total current liabilities	607,107	577,453
Long-term debt, less due within one year	810,695	514,426
Total liabilities	1,417,802	1,091,879
Shareholders' equity	\$1,315,895	\$1,502,192

THIS SCHEDULE CONTAINS SUMMARY FINACIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

YEAR	
	JUN-26-1998
	JUN-26-1998
	82,607
	0
	926,096
	31,807
	1,061,739
	2,068,357
	336,183
	180,692
	2,733,697
	607,107
	810,695
	0
	0
	44,335
	1,271,560
2,733,697	
	5,916,267
	5,918,630
	4,935,848
	5,645,091
	0
	0
	39,988
	267,346
	115,922
	151,424
	0
	0
	0
	151,424
	3.85
	3.80