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 September 29, 1995 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 . . . . . 43,287,624 shs.

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

6 7/8% Notes Due March 15, 2004 . . . . $100,000,000

AVNET, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item I. Financial Statements

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

	September 29, 1995 (unaudited)	June 30, 1995 (audited)
Assets:		
Current assets:		
Cash and cash equivalents	$ 58,898	$ 49,332
Receivables, less allowances of $24,901 and $23,421, respectively	783,427	713,644
Inventories (Note 3)	827,045	747,477
Other 17,324	13,838	
Total current assets	1,686,694	1,524,291
Property, plant & equipment, at cost, net	147,784	145,611
Goodwill, net of accumulated amortization of $27,276 and $24,481, respectively	481,527	419,479
Other assets	36,213	36,214
Total assets	$2,352,218	$2,125,595
Liabilities:		
Current liabilities:		
Borrowings due within one year	$ 224	$ 493
Accounts payable	348,065	314,887
Accrued expenses and other	181,848	151,820
Total current liabilities	530,137	467,200
Long-term debt, less due within one year	437,929	419,016
Commitments and contingencies (Note 4)		
Total liabilities	968,066	886,216
Shareholders' equity (Note 5):		
Common stock $1.00 par, authorized 60,000,000 shares, issued 43,708,000 shares and 41,204,000 shares, respectively	43,708	41,204

Additional paid-in capital	414,925	310,843
Retained earnings	934,526	896,102
Cumulative translation adjustments	1,012	814
Common stock held in treasury at cost, 420,000 shares and 412,000 shares, respectively	(10,019)	(9,584)
Total shareholders' equity	1,384,152	1,239,379
Total liabilities and shareholders' equity	$2,352,218	$2,125,595

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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

	First Quarter Ended	
	September 29, 1995	September 30, 1994
	(unaudited)	
Sales	$1,189,102	$ 953,115
Cost of sales	960,401	767,110
Gross Profit	228,701	186,005
Operating expenses:		
Selling, shipping, general and administrative	139,856	124,567
Depreciation and amortization	8,386	6,530
Operating income	80,459	54,908
Investment and other income, net	871	700
Interest expense	(4,602)	(5,122)
Income before income taxes	76,728	50,486
Income taxes	32,184	21,559
Net income	$ 44,544	$ 28,927
Earnings per share	$1.02	$0.69
Shares used to compute earnings per share	43,720	43,332

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	First Quarter Ended	
	September 29, 1995	September 30, 1994
	(unaudited)	
Cash flows from operating activities:		
Net income	$ 44,544	$ 28,927
Add non-cash and other reconciling items:		
Depreciation and amortization	9,800	8,168
Deferred taxes	(425)	(365)
Other, net (Note 6)	4,478	4,061
	58,397	40,791
Receivables	(52,343)	(25,747)
Inventories	(77,648)	(36,063)
Payables, accruals and other, net	35,717	35,002
Net cash flows (used for) provided from operations	(35,877)	13,983
Cash flows from financing activities:		
Issuance of bank debt and commercial paper, net of issuance costs	123,653	38,500
Payment of other debt	(7,001)	(2,600)
Cash dividends (Note 6)	(6,121)	--
Other, net	1,000	620
Net cash flows provided from financing	111,531	36,520
Cash flows from investing activities:		
Purchases of property, plant and equipment	(6,431)	(8,311)
Acquisition of operations, net (Note 6)	(59,730)	(32,472)
Net cash flows used for investing	(66,161)	(40,783)
Effect of exchange rates on cash and cash equivalents	73	567
Cash and cash equivalents:		
- - increase	9,566	10,287
- - at beginning of year	49,332	53,876
- - at end of period	$ 58,898	$ 64,163

Additional cash flow information (Note 6)

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 September 29, 1995 and June 30, 1995; the results of operations for the first quarters ended September 29, 1995 and September 30, 1994; and the cash flows for the first quarters ended September 29, 1995 and September 30, 1994.

2.The results of operations for the first quarter ended September 29, 1995 are not necessarily indicative of the results to be expected for the full year.

3.Inventories:
(Thousands)

	September 29, 1995	June 30, 1995
Finished goods	$700,601	$651,939
Work in process	16,463	3,242
Purchased parts and raw materials	109,981	92,296
	$827,045	$747,477

4.From time to time, the Company may become liable with respect to pending and threatened litigation, taxes, and environmental and other matters. The Company has been designated a potentially responsible party or has had other claims made against it in connection with environmental clean-ups at several sites. Based upon the information known to date, the Company believes that it has appropriately reserved for its share of the costs of the clean-ups and it is not anticipated that any 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 stock option and stock incentive programs including shares to be reserved in connection with stock programs to be voted on at the November 15, 1995 Annual Meeting of Shareholders:	4,161,113

6.Additional cash flow information:

Other non-cash and reconciling items primarily include the provision for doubtful accounts.

Due to the change in the Company's fiscal year in fiscal 1994 and its historical dividend payment dates, the July 1, 1994 dividend payment was paid in fiscal 1994 and accordingly, no cash was used for dividends in the first quarter of fiscal 1995.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

6. Additional cash flow information (Continued)

Cash expended for the acquisition of operations in the first quarter of fiscal 1996 includes the cash paid for the acquisitions of VSI Electronics and Setron Schiffer Electronik GmbH & Co., KG, offset by cash received in connection with the sale of the motor, motor repair shop and OEM business of Brownell Electro. In the first quarter of fiscal 1995, cash expended for operations was primarily the cash paid in connection with the acquisition of Penstock, Inc.

Interest and income taxes paid in the first quarter were as follows:

(Thousands)

	1996	1995
Interest	$7,105	$5,101
Income taxes	$2,492	$6,625

Item 2 Management Discussion and Analysis

Results of Operations

For the first quarter of 1996 ended September 29, 1995, consolidated sales were a record $1,189.1 million, up 25% when compared with last year's first quarter sales of $953.1 million. Net income for the quarter of $44.5 million was also a record, up 54% as compared with $28.9 million in the comparable period last year. Earnings as a percentage of sales were up 0.7% of sales to 3.7% as compared with 3.0% in the first quarter of last year. Earnings per share of $1.02, a record for any first quarter in Avnet's history, were 48% higher than last year's $.69 per share. The increase in sales came entirely from the Company's Electronic Marketing Group, which posted record sales for the quarter, as sales of the Video Communications Group were down when compared with the same prior year quarter. Both the Electronic Marketing and Video Communications Groups had significant increases in net income as compared with the prior year period. During the first quarter of 1996, the Company completed the sale of the motor, motor repair shop and OEM business of Brownell Electro. Avnet Industrial, the remaining business of Brownell which serves the industrial marketplace primarily in MRO, together with the newly created Avnet Supply, a catalog business that serves the OEM/electronic production marketplace, and Allied Electronics now make up a new subgroup of the Electronic Marketing Group known as the Industrial Marketing Group. The results (which were not material) for Brownell, including the business that was sold, are included in the Electronic Marketing Group as of the first quarter of 1996, meaning that the Company's Electrical and Industrial Group has been eliminated as of the beginning of the 1996 fiscal year.

At the beginning of the current fiscal year, in July 1995, the Company completed the acquisition of VSI Electronics consisting of VSI Electronics (Australia) PTY Ltd., an Australian electronic components distributor, and VSI Electronics (NZ) Ltd., a New Zealand based electronic components distributor. In September 1995, the Company completed the acquisition of Setron Schiffer - Electronik GmbH & Co., KG, a limited partnership engaged in electronic distribution primarily through a catalogue and which operates in Germany and 20 other countries in Europe. These two acquisitions follow the seven acquisitions that the Company completed during fiscal 1995. The 1995 acquisitions were Penstock, Inc., acquired in the first quarter, Avnet Cable Technologies, acquired in the second quarter, Lyco Limited and a 70% interest in WKK Semiconductors, Ltd., acquired in the third quarter, and CK Electronique, BFI-IBEXSA International, Inc. and Sertek, Inc., acquired in the fourth quarter. Approximately 7% of the 25% increase in first quarter sales was derived from units which were acquired subsequent to the end of last year's first quarter.

Consolidated gross profit margins of 19.2% in the first quarter of 1996 were lower by 0.3% of sales as compared with 19.5% in the first quarter of last year. However, the Company's operating efficiency continued to improve as operating expenses as a percentage of sales fell to approximately 12.4%, down 1.3% of sales as compared with 13.7% in the first quarter of 1995. As a result, operating income as a percentage of sales increased to 6.8% in the first quarter of 1996 as compared with 5.8% in the first quarter of 1995.

Interest expense was lower in the first quarter of 1996 as compared with the comparable quarter last year due to the combination of a number of factors. The increase in interest rates and the increase in borrowings to fund the additional working capital requirements needed to support the growth in business and to fund the Company's acquisition program had the effect of increasing interest expense.

However, this increase was more than offset by the reversal of interest expense which was accrued at June 30, 1995 on the 6% Convertible Subordinated Debentures Due 2012 (the "Debentures") as well as the absence of interest expense associated with the Debentures in the first quarter of 1996. Following the Company's call for redemption of the Debentures, almost 100% of the outstanding Debentures were converted into common stock of the

Company during the first quarter of 1996, thereby eliminating the requirement to pay interest on the Debentures subsequent to the most recent interest payment of April 15, 1995 and necessitating the reversal of interest accrued at June 30, 1995. The Company's effective tax rate decreased slightly in the first quarter of 1996 as compared with the first quarter of 1995 due primarily to a significant increase in pre-tax income as compared with the relatively small increase in the amount of non-deductible goodwill amortization, and, to a lesser extent, to the mix of earnings between the domestic and foreign operations to which different tax rates apply.

The Company's Electronic Marketing Group's sales in the first quarter of 1996 were $1,144.3 million, accounting for 96% of consolidated sales, compared with $849.8 million, or 89% of consolidated sales, in the first quarter of last year. Of this $294.5 million or 35% increase in sales, approximately $106.0 million was attributable to sales by companies which were acquired subsequent to last year's first quarter and to Brownell which was part of the Electrical and Industrial Group last year. The Group's gross profit margins were slightly lower than in the prior year's comparable quarter, but lower operating expenses as a percentage of sales more than offset the decrease in gross profit margins. As a result, Group earnings were up 54% and its net profit margin on sales increased by 0.4% of sales as compared with last year's first quarter. Each of the Group's operating units posted improved sales and, except for one small unit, posted improved income from operations as compared with last year's first quarter. All of the acquisitions noted above also contributed to the Group's improved profitability.

The Video Communication Group's first quarter sales of $44.8 million, which represented 4% of consolidated sales as compared with 6% in last year's first quarter, were down 20% as compared with $56.2 million in the first quarter of last year, due to product transitioning from satellite TV decoders to more profitable DBS (direct broadcast satellite) business. Group earnings increased by 64% compared with the prior year period.

As mentioned above, the Electrical and Industrial Group was eliminated as of the beginning of fiscal 1996 due to the sale of the motor, motor repair shop and OEM business of Brownell and the transfer of the Avnet Industrial business to the Electronic Marketing Group. Accordingly, its sales and net loss for the current quarter were included in the Electronic Marketing Group, while the prior period's results were included in the Electrical and Industrial Group. There was no restatement of prior period Group results due to the immaterial impact of the operations to both the Electronic Marketing Group and the Company as a whole.

Liquidity and Capital Resources

During the first quarter of 1996, the Company generated $58.4 million from income before depreciation and other non-cash items, and used $94.3 million for working capital needs resulting in $35.9 million of net cash flows being used for operations. In addition, the Company used $11.5 million for other normal business operations including purchases of property, plant and equipment ($6.4 million) and dividends ($6.1 million), offset by cash generated from other immaterial items ($1.0 million). This resulted in $47.4 million being used for normal business operations. The Company also used $66.7 million in connection with acquisitions, primarily VSI Electronics and Setron Schiffer-Electronik GmbH, KG., offset by cash received in connection with the sale of the motor, motor repair shop and OEM business of Brownell Electro, and for the repayment of other debt. This overall net use of cash of $114.1 million was financed by a $123.7 million increase in bank debt and commercial paper offset by a $9.6 million increase in cash and cash equivalents.

The Company's quick assets at September 29, 1995, totaled $842.3 million as compared with $763.0 million at June 30, 1995 and exceeded the Company's current liabilities by $312.2 million as compared with a $295.8 million excess at June 30, 1995. Working capital at September 29, 1995 was $1,156.6 million as compared with $1,057.1 million at June 30, 1995. At the end of the first quarter, to support each dollar of current liabilities, the Company had $1.59 of quick assets and $1.59 of other current assets for a total of $3.18 of current assets as compared with $3.26 at June 30, 1995.

In August 1995, the Company notified its Debentureholders of its decision to call for redemption on September 15, 1995 the entire amount of outstanding Debentures. Holders of $105.2 million of the Debentures exercised their right to convert the Debentures into approximately $2.4 million shares of Avnet common stock at a conversion price of $43.00 principal amount per share, thereby increasing shareholders' equity by $105.2 million. The remaining outstanding Debentures, amounting to $0.1 million, were redeemed on September 15, 1995, at a premium of 1.2% plus accrued interest.

During the first quarter of 1996, taking into account the conversion of the Debentures, shareholders' equity increased by $144.8 million to $1,384.2 million at September 29, 1995, while total debt increased by $18.6 million to $438.2 million. As a result, the total debt to capital (shareholders' equity plus total debt) ratio was 24.0% at September 29, 1995 as compared with 25.0% at June 30, 1995.

At September 29, 1995, the Company did not have any material commitments for capital expenditures. The Company and the former owners of a Company-owned site in Oxford, North Carolina have entered into a Consent Decree and Court Order with the Environmental Protection Agency (EPA) for the environmental clean-up of the site, the cost of which, according to the EPA's remedial investigation and feasibility study, is estimated to be approximately $6.3 million, exclusive of the $1.5 million in EPA past costs paid by the potentially responsible parties (PRP's). Pursuant to a Consent Decree and Court Order entered into between the Company and the former owners, the former owners have agreed to bear at least 70% of the clean-up costs of the site, and the Company will be responsible for not more than 30% of those costs. The Company is also a PRP in an environmental clean-up at a site in North Smithfield, Rhode Island. In addition, the Company has received notice from a third party of its intention to seek indemnification for costs it may incur in connection with an environmental clean-up at a site in Rush, Pennsylvania resulting from the alleged disposal of wire insulation material at the site by a former unit of the Company. Based upon the information known to date, the Company believes that it has appropriately accrued in the financial statements for its share of the costs of the clean-up at these sites. The Company is also a PRP or has been notified of claims made against it at environmental clean-up sites in Huguenot, New York and in Hempstead, New York. At this time, the Company cannot estimate the amount of its potential liability, if any, for clean-up costs in connection with these sites, but does not anticipate that these matters or any other contingent matters will have a material adverse impact on the Company's financial condition, liquidity or results of operations.

The Company is not now aware of any commitments, contingencies or events within its control which may significantly change its ability to generate sufficient cash from internal or external sources to meet its needs.

PART II - OTHER INFORMATION

AVNET, INC. AND SUBSIDIARIES

EXHIBIT 11.1

COMPUTATION OF EARNINGS PER SHARE - PRIMARY

	First Quarter Ended	
	September 29, 1995	September 30, 1994
	(unaudited)	
A. Primary earnings per share:		
Common shares outstanding (weighted average)	*43,280,148	40,675,692
Common equivalent shares:		
Conversion of convertible debentures (weighted average)	--	2,448,487
Contingent shares issuable	111,697	103,991
Exercise of warrants and options using the treasury method	328,616	104,054
Total common and common equivalent shares	43,720,461	43,332,224
Income	$44,544,269	$28,927,029
Interest expense on convertible debentures - net of taxes	--	947,158
Income used for computing earnings per share	$44,544,269	$29,874,187
Net income	$1.02	$0.69

* The weighted average shares outstanding for the first quarter ended September 29, 1995 include 2,445,270 shares issued in connection with the conversion of the Company's 6% Convertible Subordinated Debentures.

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

AVNET, INC AND SUBSIDIARIES

EXHIBIT 11.2

COMPUTATION OF EARNINGS PER SHARE - FULLY DILUTED

	First Quarter Ended	
	September 29,	September 30,

	1995	1994
	(unaudited)	
B. Fully diluted earnings per share:		
Common and common equivalents	43,720,461	43,332,224
Additional dilution upon exercise of options and warrants	2,732	40,648
Total fully diluted shares	43,723,193	43,372,872
Income	$44,544,269	$28,927,029
Interest expense on convertible debentures - net of taxes	--	947,158
Income used for computing earnings per share	$44,544,269	$29,874,187
Fully diluted earnings per share:		
Net income	$1.02	$0.69

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

November 10, 1995
Date

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