Welcome to Avnet's
Fourth Quarter Fiscal Year 2013
Teleconference and Webcast

August 07, 2013 2:00 p.m. Eastern Time

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Business Highlights

Rick Hamada
Chief Executive Officer

Q4 FY13 Avnet, Inc. Highlights

- Revenue ↑ 4.5% Y/Y to $6.6B; organic[1] ↑ 0.5% (C$[3])
  - Q/Q organic[1] revenue ↑ 5.0% (C$[3])
  - Q4 near high end of normal seasonality; all three regions delivered positive growth
- Gross Profit% ↓ 33 BPS Y/Y; GP% ↓ 30 BPS Q/Q
- Operating Inc[2]$ ↓ 4.8% Y/Y; OI%[2] ↓ 33 BPS Y/Y
  - Q/Q Operating Inc[2]$ ↑ 14.2%; OI%[2] ↑ 28 BPS
- EPS[2] of $0.98 ↓ 1.0% Y/Y; ↑ 8.9% Q/Q
- Cash Flow from Operations = $267M in Q4, $696M TTM

(1) Organic revenue is defined on slide 12
(2) Excludes restructuring, integration, and other charges
(3) C$ = constant dollars and is defined on slide 14

Q4 FY13 EM Highlights

- Revenue ↑ 5.5% Y/Y to $4.0B; organic[1] ↑ 2.6% (C$[2])
  - First positive Y/Y organic growth in 8 quarters
  - Q/Q organic[1] revenue ↑ 4.7% (C$[2]); > normal seasonality
- Gross Profit% ↓ 61 BPS Y/Y; ↓ 34 BPS Q/Q
  - Y/Y ↓ primarily due to EMEA region
  - Q/Q ↓ due to competitive pressure in the western regions
- Operating Inc % ↓ 66 BPS Y/Y to 4.4%; ↑ 15 BPS Q/Q
  - Y/Y decline due to gross profit margin ↓ in the EMEA region
- Book to bill > 1 in all 3 regions for third consecutive quarter

(1) Organic revenue is defined on slide 12
(2) C$ = constant dollars and is defined on slide 14

Q4 FY13 TS Highlights

- Revenue ↑ 3.0% Y/Y to $2.6B; organic(1) ↓ 2.4% (C$(2))
  - Q/Q organic(1) revenue ↑ 5.4% (C$(2))
  - Within normal seasonality of +3% to +7%
- Gross Profit% ↑ 3 BPS Y/Y; GP% ↓ 25 BPS Q/Q
  - Y/Y ↓ due to product mix and competitive pressure in EMEA
- Operating Inc % ↑ 15 BPS Y/Y to 2.8%; ↑ 29 BPS Q/Q
  - ROWC ↑ 245 BPS Y/Y; ↑ 437 BPS Q/Q
- Storage, Services, & Software ↑ Y/Y; offset by ↓ in Servers

(1) Organic revenue is defined on slide 12
(2) C$ = constant dollars and is defined on slide 14
ROWC = Return on working capital is defined on slide 14

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Additional Financial Highlights

Kevin Moriarty
Chief Financial Officer

FY 2014 Structural & Reporting Changes

- Reverse logistics business, Avnet Integrated, will be combined with Technology Solutions service offerings to form Avnet Services within TS
- Regional computing components businesses will be combined into a single global organization, Avnet Global Computing Components, within TS
- As a result of these changes, approximately $450 million of annual revenue that had been reported in EM, will be consolidated within TS
- Amortization of intangibles will be excluded from adjusted results

	Fiscal Year 2013					
	Q1' FY13	Q2' FY13	Q3' FY13	Q4' FY13	FY2013	FY2014
Impact of Amortization Change			*($ in millions)*			
EM operating income	$2.8	$2.8	$3.0	$3.0	**$11.6**	**20%**
TS operating income	$4.3	$5.2	$5.8	$5.5	**$20.8**	**80%**
Avnet operating income	$7.1	$8.0	$8.8	$8.5	**$32.4**	**~$32.5**
Avnet net income*	$5.0	$5.6	$6.1	$6.0	**$22.7**	
Avnet earnings per share*	$0.03	$0.04	$0.05	$0.04	**$0.16**	

** Assumes an effective tax rate of 30%*

Sept 2013 Quarter Outlook (Q1 FY14) (1)

- Group Revenue
  - EM: $3.70 to $4.00 billion
  - TS: $2.35 to $2.65 billion
- Enterprise Revenue: $6.05 to $6.65 billion
- Non-GAAP EPS(2): $0.83 to $0.93
  - Assumes 139.0 million average diluted shares outstanding and a tax rate of 28% - 30%

(1) The guidance assumes that the average Euro to U.S. Dollar currency exchange rate for the first quarter of fiscal 2014 is $1.32 to €1.00.
(2) Excludes restructuring and integration charges related to costs reductions and acquisitions and amortization of intangibles

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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 fourth quarter and fiscal 2013 results as adjusted is presented below:

	Fourth Quarter Ended Fiscal 2013				Fiscal Year Ended Fiscal 2013			
	Op Income	Pre-tax	Net Income	Diluted EPS	Op Income	Pre-tax	Net Income	Diluted EPS *
	$ in thousands, except per share data							
GAAP results	**$ 162,826**	**$ 127,139**	**$ 126,091**	**$ 0.91**	**$ 625,981**	**$ 549,265**	**$ 450,073**	**$ 3.21**
Restructuring, integration and other charges	59,845	59,845	43,610	0.31	149,501	149,501	116,382	$0.83
Gain on bargain purchase and other	-	339	339	-	-	(31,011)	(30,974)	(0.22)
Net tax benefit	-	-	(34,197)	(0.24)	-	-	(50,376)	(0.36)
Total adjustments	59,845	60,184	9,752	0.07	149,501	118,490	35,032	$0.25
Adjusted results	**$ 222,671**	**$ 187,323**	**$ 135,843**	**$ 0.98**	**$ 775,482**	**$ 667,755**	**$ 485,105**	**$ 3.47**

* Does not foot due to rounding of individual components.

Non-GAAP Results and Regulation G

Organic Revenue

Organic revenue is defined as reported revenue adjusted for: (i) the impact of acquisitions by adjusting Avnet's prior periods to include the sales of businesses acquired as if the acquisitions had occurred at the beginning of fiscal 2012; (ii) the impact of two small divestitures by adjusting Avnet's prior periods to exclude the sales of the business divested as if the divestiture had occurred at the beginning of fiscal 2012; and (iii) the impact of the transfer of a business unit from TS Americas to EM Americas that was completed at the beginning of fiscal 2013. Sales, taking into account the combination of these adjustments, are referred to as "organic sales."

	Revenue as Reported	Acquisition / Divested Revenue	Pro forma Revenue
		(in thousands)	
Q1 Fiscal 2013	$ 5,870,057	$ 242,534	$ 6,112,591
Q2 Fiscal 2013	6,699,465	42,529	6,741,994
Q3 Fiscal 2013	6,298,699	17,749	6,316,448
Q4 Fiscal 2013	6,590,703	(634)	6,590,069
Fiscal year 2013	$ 25,458,924	$ 302,178	$ 25,761,102
Q1 Fiscal 2012	$ 6,426,006	$ 438,155	$ 6,864,161
Q2 Fiscal 2012	6,693,572	442,505	7,136,077
Q3 Fiscal 2012	6,280,557	347,236	6,627,793
Q4 Fiscal 2012	6,307,386	268,989	6,576,375
Fiscal year 2012	$ 25,707,521	$ 1,496,885	$ 27,204,406

Non-GAAP Results and Regulation G

References to restructuring, integration and other charges, 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):

- Q4FY13 - Restructuring, integration and other charges of $59.8 million pre-tax related to cost reduction actions initiated during the fourth quarter and acquisition and integration charges associated with acquired businesses, a small adjustment to the gain on bargain purchase related to the business in Japan acquired in the first quarter and a net tax benefit of $34.2 million, which is comprised of (i) a tax benefit of $27.6 million for the release of tax valuation allowances against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2013, and (ii) a tax benefit of $6.6 million related to the release of existing reserves due to audit settlement and statute expiration (Form 8-K filed August 07, 2013)
- Q3FY13 - Restructuring, integration and other charges of $27.3 million pre-tax consisted of $14.9 million for integration-related costs of which $8.8 million related to the exit from two multi-employer pension plans in Japan, $14.6 million for severance, a credit of $10.8 million for acquisition related charges of which $11.2 million related to the reversal of an earn-out liability, $7.1 million for other charges of which $6.6 million related to the exit of a non-integrated business, $2.2 million for facility exit-related costs, and a credit of $0.6 million to adjust prior year restructuring reserves no longer required. An income tax adjustment of $13.4 million primarily related to the increase to a valuation allowance against existing deferred tax assets and increases to tax reserves. (Form 8-K filed April 25, 2013 and Form 10-Q filed April 26, 2013)
- Q2FY13 - Restructuring, integration and other charges of $24.9 million pre-tax, $19.9 million after tax and $0.14 per share on a diluted basis for the second quarter. Restructuring charges of $16.1 million pre-tax consisted of $7.3 million for severance, $8.5 million for facility exit costs and fixed asset write-downs and $0.3 million for other restructuring charges. Pre-tax integration costs and acquisition transaction costs were $7.6 million and $3.0 million, respectively. In addition, the Company recorded a credit of $1.8 million pre-tax to adjust reserves related to prior year restructuring activity that were no longer required; a net gain consisting of an adjustment of $1.7 million pre-tax to increase the gain on bargain purchase recorded in the first quarter of fiscal 2013 to adjust the net assets acquired, partially offset by a loss on divestiture of $1.7 million pre-tax related to a small business in TS Asia; and an income tax adjustment of $17.4 million primarily related to a favorable settlement of a U.S. income tax audit for an acquired company. (Form 8-K filed January 24, 2013 and Form 10-Q filed January 25, 2013)
- Q1FY13 - Restructuring, integration and other charges of $37.4 million pre-tax which consisted of $25.9 million for severance, $4.0 million for facility exit related costs, $0.3 million for other charges, $2.8 million for transaction costs associated with recent acquisitions, $5.0 million for integration-related costs, and a reversal of $0.6 million to adjust prior year restructuring reserves. A gain on the bargain purchase of $31.3 million pre-and after tax related to the Internix, Inc. acquisition for which the gain was not taxable and an income tax adjustment of $12.2 million primarily related to a favorable settlement of an income tax audit. (Form 8-K filed October 25, 2012 and Form 10-Q filed October 26, 2012)
- Q4FY12 – Restructuring, integration and other charges of $20.5 million pre-tax, which included $6.7 million of other charges related to legal claims; a small adjustment to the gain on bargain purchase related to the business in Japan acquired in the third quarter; and a net tax benefit of $4.0 million, which is comprised of (i) a tax benefit of $26.3 million for the release of tax reserves against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2012, partially offset by (ii) a tax provision of $22.3 million primarily related to the impact of withholding tax related to legal entity reorganizations and the establishment of tax reserves against deferred tax assets that were determined to be unrealizable during the fourth quarter of fiscal 2012. (Form 8-K filed August 8, 2012 and Form 10-K filed August 10, 2012)
- Q3FY12 - Restructuring, integration and other charges of $18.6 million pre-tax related to cost reduction actions initiated during the third quarter and acquisition and integration charges associated with acquired businesses. The charges consisted of $6.7 million for severance, $3.1 million for facility exit costs and fixed asset write downs, $4.0 million for integration costs, $4.2 million for acquisition transaction costs, $1.4 million for other restructuring charges, and a reversal of $0.8 million to adjust prior year restructuring reserves; a gain on the bargain purchase of $4.5 million pre- and after tax related to an acquisition for which the gain was not taxable; and an income tax adjustment of $5.2 million related primarily to the combination of favorable audit settlements, certain reserve releases and the release of a valuation allowance on deferred tax assets which were determined to be realizable. (Form 8-K filed April 26, 2012 and Form 10-Q filed April 27, 2012)
- Q2FY12 - Restructuring, integration and other charges of $34.5 million pre-tax related to cost reduction actions initiated during the second quarter and acquisition and integration charges associated with acquired businesses. The charges consisted of $19.8 million for severance, $7.4 million for facility exit costs, $3.4 million for integration costs, $3.1 million for transaction costs, $1.7 million for other restructuring charges, and a reversal of $0.9 million to adjust prior year restructuring reserves. Other costs include $1.4 million pre-tax related to the write-down of a small investment and the write-off of deferred financing costs associated with the early retirement of a credit facility; and an income tax adjustment of $0.5 million primarily related to the combination of a favorable audit settlement and release of a valuation allowance on certain deferred tax assets which were determined to be realizable, mostly offset by changes to existing tax positions primarily for transfer pricing. (Form 8-K filed January 26, 2012 and Form 10-Q filed January 27, 2012)
- Q1FY12 - Restructuring, integration and other charges of $28.1 million pre-tax which were incurred primarily in connection with the acquisition and integration of acquired businesses and consisted of $10.8 million for transaction costs associated with the recent acquisitions, $8.3 million for severance, $7.3 million for integration-related costs, $2.4 million for facility exit related costs and other charges, and a reversal of $0.7 million to adjust prior year restructuring reserves. A gain on the bargain purchase of $31.0 million pre-and after tax related to the Unidux acquisition for which the gain was not taxable partially offset by $2.0 million pre-tax of charges primarily related to the write down of two buildings in EMEA; and an income tax adjustment of $13.9 million primarily related to the non-cash write-off of a deferred tax asset associated with the integration of an acquisition. (Form 8-K filed October 25,2011 and Form 10-Q filed October 28, 2011)
- Q4FY11 - Restructuring, integration and other charges of $7.3 million pre-tax related to the integration of businesses acquired; a credit of $3.6 million pre-tax related to the reversal of restructuring and purchase accounting reserves established in prior years; and a tax benefit of $52.7 million related primarily to the release of tax reserves against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2011 (Form 8-K filed August 10, 2011 and Form 10-K filed August 12, 2011)

Non-GAAP Results and Regulation G

- The Company occasionally refers to comparative results in both reported dollars and constant dollars. Reported dollars reflect the GAAP results while constant dollars reflect the adjustment for fluctuations in foreign currency exchange rates between the two comparative periods.

- Return on Capital Employed (ROCE) is defined as annualized tax effected operating income, excluding restructuring, integration, impairment charges and other items, divided by the monthly average balances of interest-bearing debt and equity less cash and cash equivalents.

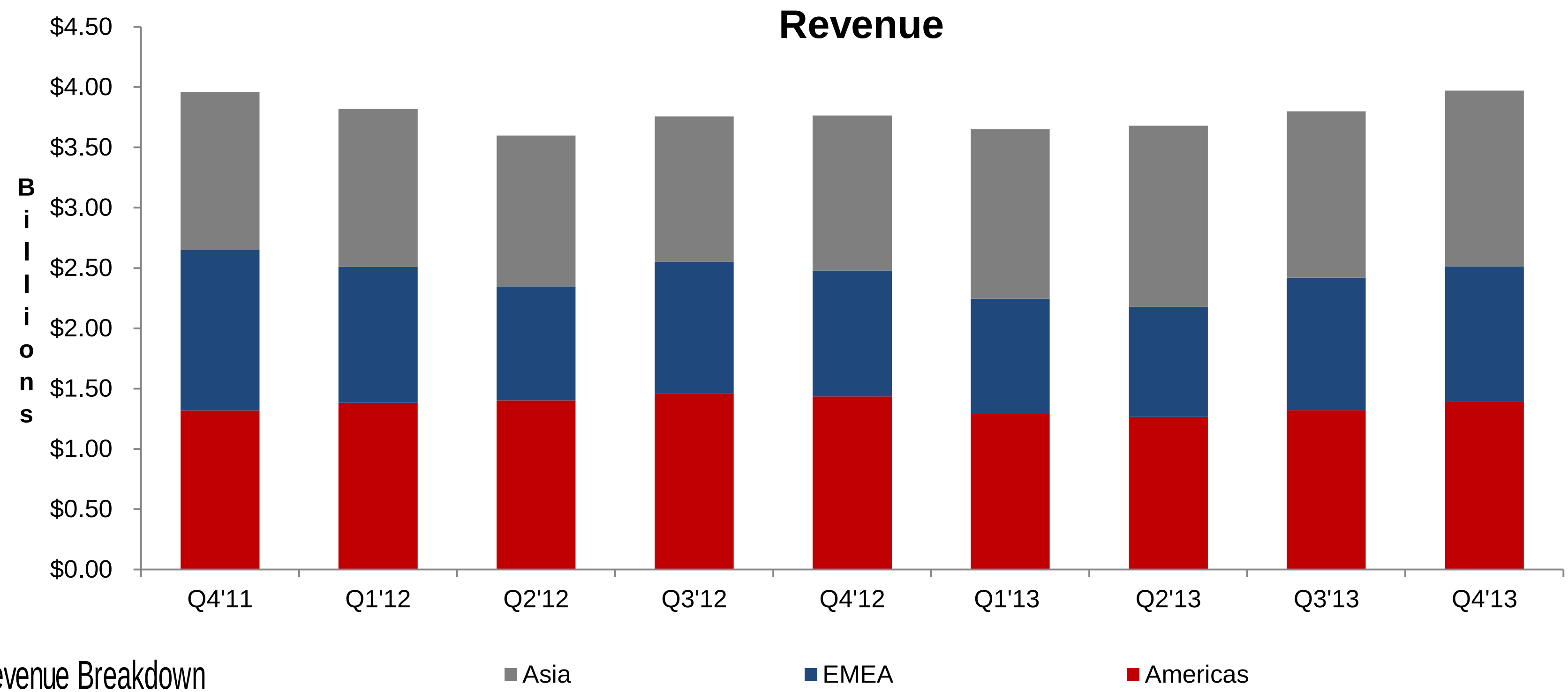
- Return on Working Capital (ROWC) is defined as annualized operating income, excluding restructuring, integration and other items, divided by the sum of the monthly average balances of receivables and inventory less accounts payable.

- Working capital is defined as receivables plus inventory less accounts payable.

- Economic profit dollars is defined as tax effected operating income, excluding restructuring, integration, impairment charges and other items, less the monthly average balances of interest-bearing debt and equity (including the impact of restructuring, integration, impairment charges and other items) less cash and cash equivalents multiplied by 10% per annum charge on capital.

Appendix

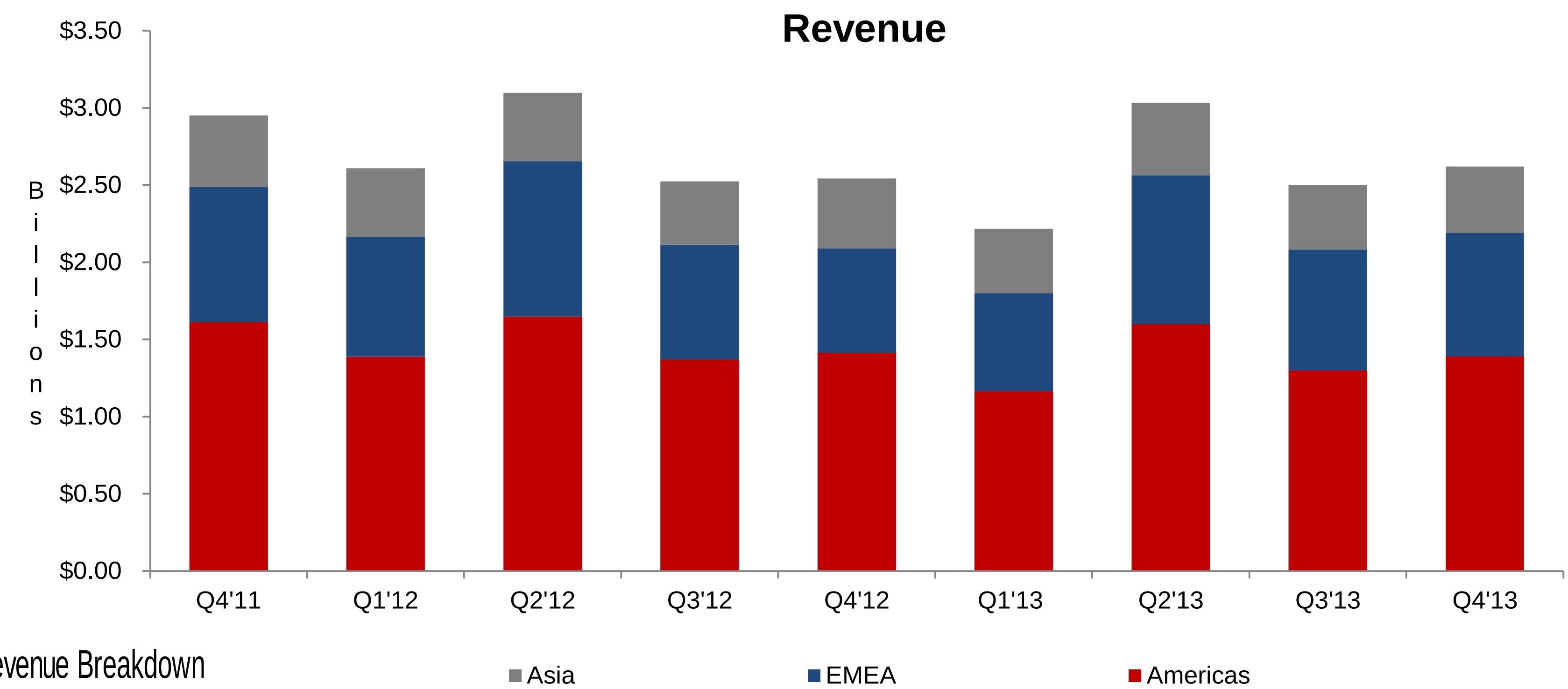
EM Revenue



EM Revenue Breakdown
(In Billions)

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Americas	$1.32	$1.38	$1.40	$1.46	$1.44	$1.29	$1.26	$1.32	$1.39
EMEA	$1.33	$1.13	$0.95	$1.09	$1.04	$0.96	$0.91	$1.10	$1.12
Asia	$1.31	$1.31	$1.25	$1.21	$1.28	$1.40	$1.50	$1.38	$1.46
Total	$3.96	$3.82	$3.60	$3.76	$3.76	$3.65	$3.67	$3.80	$3.97

TS Revenue



TS Revenue Breakdown
(In Billions)

	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13
Americas	$1.61	$1.39	$1.65	$1.37	$1.41	$1.16	$1.60	$1.30	$1.39
EMEA	$0.88	$0.78	$1.01	$0.74	$0.68	$0.64	$0.96	$0.78	$0.80
Asia	$0.46	$0.44	$0.44	$0.41	$0.45	$0.42	$0.47	$0.42	$0.43
Total	$2.95	$2.61	$3.10	$2.52	$2.54	$2.22	$3.03	$2.50	$2.62