

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): January 23, 2003

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)

Item 5. Other Events

On January 23, 2003 Avnet, Inc. issued a press release regarding fiscal year 2003 second quarter results, a copy of which is filed hereto as Exhibit 99.

Management may from time to time, comment on expectations concerning Avnet's 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 Avnet's quarterly earnings conference calls, such new expectations will be posted on the Investor Relations home page of Avnet's web site.

Item 7. Financial Statements and Exhibits.

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

99 Press Release of Avnet, Inc. dated January 23, 2003

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: January 27, 2003

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 January 23, 2003

JANUARY 23, 2003

AVNET, INC. REPORTS SECOND QUARTER FISCAL 2003 RESULTS
RETURNS TO PROFITABILITY BEFORE SPECIAL CHARGES

Phoenix, Arizona - Avnet, Inc. (NYSE:AVT) today reported that second quarter fiscal 2003 revenues increased from the prior sequential quarter, and the Company returned to profitability before special charges. On quarterly revenues of \$2.35 billion, the Company reported net income, before special charges, of \$7.1 million, or \$0.06 per share on a diluted basis. These results compare with revenues of \$2.36 billion and a net loss of \$2.6 million, or \$0.02 per share on a diluted basis, for the second quarter of fiscal 2002. Operating income, before special charges, was \$31.6 million, up by 58% from \$20.0 million on a sequential quarterly basis and up 33% from \$23.8 million as compared with the prior year second quarter. Including special charges outlined below, Avnet reported a net loss for the second quarter of \$58.7 million, or \$0.49 per share on a diluted basis.

Consolidated revenues increased significantly on a sequential quarterly basis due to stronger than expected seasonal demand in the Company's Computer Marketing group. Computer Marketing (CM) revenues increased 28.3% from the prior sequential quarter to \$682.9 million. Applied Computing (AC) also had a strong quarter, with revenues of \$459.7 million, up 14.9% from the prior sequential quarter. On a year-over-year basis, revenues at CM and AC were down by 3.1% and 4.9%, respectively, as compared with the second quarter of last year. Revenues at Electronics Marketing (EM) declined by 3.0% sequentially; however, revenues were up by 2.7% on a year-over-year basis. EM's sequential sales decline was due to continued weakness in the Americas-based components markets.

Enterprise gross profit margin declined slightly on a sequential basis from 13.69% in the first quarter of fiscal 2003 to 13.45% due primarily to the mix of business as the lower margin computer businesses (CM and AC) accounted for 49% of consolidated revenues as compared with 43% in the first quarter of fiscal 2002. Enterprise gross profit margin was essentially flat as compared with the prior year second quarter margin of 13.5% as the mix of business in each of these two quarters was very similar.

Operating profit margin, before special charges, of 1.35% in the second quarter of fiscal 2003 was up 34 basis points, as compared with 1.01% in the second quarter of fiscal 2002 and increased sequentially by 43 basis points primarily as a result of the increase in revenues from the first quarter of fiscal 2003.

In connection with the Company's continuing cost reduction initiatives, Avnet recorded certain special charges during the December 2002 quarter. Total special charges during the second quarter of fiscal 2003 amounted to \$106.7 million pre-tax (all of which is included in operating expenses) and \$65.8 million after-tax, or \$0.55 per share on a diluted basis. These charges related to severance for workforce reductions announced during the quarter, reserves for non-cancelable lease commitments and write-downs of owned assets at facilities identified for consolidation and charges related to write-offs of certain capitalized IT-related initiatives. Of the special charge of \$106.7 million, \$59.0 million represented non-cash write-downs and \$47.7 million requires the use of cash.

Ray Sadowski, Chief Financial Officer, stated, "The special charge was somewhat higher than our initial estimates as we increased our cost cutting actions to yield benefits in excess of \$90 million on an annualized basis, of which \$80 million was removed from the business as of the end of the December 2002 quarter."

Commenting on the Company's operating results, Chairman and Chief Executive Officer, Roy Vallee, stated, "I am definitely pleased with the performance of our team during the December 2002 quarter. We are beginning to realize the benefits of our organization's efforts to right-size the business to the current market environment, demonstrated by the increase in earnings per share, excluding special charges, on both a year-over-year and sequential quarterly basis." Mr. Vallee further noted: "We continue to believe that the industry is past the deepest part of this economic trough and we are in a stable but stagnant market. We remain committed to improving profitability in this environment."

The Company reported that it also continued its progress on reducing working capital and total debt during the December 2002 quarter. The Company generated cash of approximately \$307 million, primarily through working capital reductions and the previously announced tax refund of approximately \$165 million. As a result, the Company further reduced total debt for the eighth consecutive quarter. Since the peak of the last up-cycle in December 2000, debt has been reduced by nearly \$1.9 billion to \$1.4 billion, including as debt \$50 million outstanding under the accounts receivable securitization program, at December 27, 2002.

Mr. Sadowski commented, "Our value based management initiative is clearly having an important impact as we again had another quarter of improving working capital productivity. Each of the operating groups continue to increase their asset velocity as evidenced by the improvement of several working capital metrics."

Providing guidance on the March 2003 quarter and the balance of the fiscal year, Mr. Vallee stated, "Avnet should cross over into slight revenue growth for the enterprise year-over-year in the March 2003 quarter, although revenues will likely fall sequentially due to seasonal factors. We expect March 2003 quarter revenues to exceed the September 2002 quarter level of \$2.17 billion and be in the range of \$2.25 to \$2.3 billion for the quarter. We expect sequential revenue decline of 5-10% from our computer businesses, mitigated somewhat by 2-3% growth at our EM business. Factoring in the operating leverage we have following our most recent cost cutting actions, we expect earnings per share for the March 2003 quarter to be between \$0.07 and \$0.09, thereby producing another sequential quarter of EPS growth. Based upon current market conditions, we expect to exceed the current fiscal year 2003 earnings per share consensus estimates of \$0.21 before special charges."

For the first half of fiscal 2003, Avnet reported revenues of \$4.52 billion as compared with \$4.56 billion in the first half of fiscal 2002. The Company also reported net income, before special charges, of \$6.6 million, or \$0.06 per share on a diluted basis for the first half of fiscal 2003. This compares with a net loss before cumulative effect of change in accounting principle of \$21.8 million, or \$0.18 per share on a diluted basis for the same period in fiscal 2002. Including special items, Avnet reported a net loss of \$59.2 million, or \$0.49 per shares on a diluted basis, for the first half of fiscal 2003.

TELECONFERENCE WEB CAST AND UPCOMING EVENTS

Avnet will host a Web cast of its quarterly teleconference today at 5:00 p.m. Eastern Time. The live Web cast event, archive of the event, and other recent investor relations Web casts are available at WWW.IR.AVNET.COM. Please log onto the site 15 minutes prior to the start of the event to register or download any necessary software.

In addition, Avnet will present at the following investor conferences in February: Thomas Weisel Tech2003, February 4, 2003, 6:10 p.m. Eastern Time; CSFB Fixed Income Conference, February 11, 2003, 1:35 p.m. Eastern Time; and the Goldman Sachs Technology Investment Symposium, February 24, 2003, 12:30 p.m. Eastern Time. Also look for Avnet's presentations in March at: The Morgan

Stanley Semi and Systems Conference, March 4, 2003, time to be determined, and The Raymond James 24th Annual Institutional Investors Conference, also March 4, 2003, 8:05 a.m. Eastern Time. For a listing of conference details and how to access each available Web cast, along with additional upcoming events and other information, please visit Avnet's investor relations Web site at WWW.IR.AVNET.COM.

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 and may include words such as "believe", "should", "likely", and "expect". 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 effects of additional actions taken to lower costs, 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, 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 Annual Report on Form 10-K for fiscal 2002. 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, Ariz.-based Avnet, Inc. (NYSE:AVT) is the world's largest distributor of semiconductors, interconnect, passive and electromechanical components, embedded systems and computer products from leading manufacturers. Serving customers in 63 countries, Avnet also delivers services such as inventory management, supply-chain services, bill-of-materials analysis, systems integration and engineering design assistance. A Global Fortune 500 company, Avnet's revenues for fiscal 2002 (year ended June 28, 2002) were \$8.9 billion. Please feel free to visit Avnet's Investor Relations Web site at www.ir.avnet.com or contact us at investorrelations@avnet.com.

Contact:

John J. Hovis
Vice President and Director, Investor Relations
480-643-7053
investorrelations@avnet.com

AVNET, INC.
(MILLIONS EXCEPT PER SHARE DATA)

INCLUDING SPECIAL ITEMS (1)	SECOND QUARTERS ENDED -----	
	DECEMBER 27, 2002 (1) -----	DECEMBER 28, 2001 -----
SALES	\$2,346.7	\$2,359.9
LOSS BEFORE INCOME TAXES	(94.8)	(6.1)
NET LOSS	(58.7)	(2.6)
NET LOSS PER SHARE:		
BASIC	(\$0.49)	(\$0.02)
DILUTED	(\$0.49)	(\$0.02)
EXCLUDING SPECIAL ITEMS	SECOND QUARTERS ENDED -----	
	DECEMBER 27, 2002 -----	DECEMBER 28, 2001 -----
SALES	\$2,346.7	\$2,359.9
INCOME (LOSS) BEFORE INCOME TAXES	11.9	(6.1)
NET INCOME (LOSS)	7.1	(2.6)
NET EARNINGS (LOSS) PER SHARE:		
BASIC	\$0.06	(\$0.02)
DILUTED	\$0.06	(\$0.02)

(1) THE RESULTS FOR THE SECOND QUARTER OF FISCAL 2003 SHOWN ABOVE INCLUDE THE IMPACT OF INCREMENTAL SPECIAL CHARGES RECORDED IN CONNECTION WITH THE COMPANY'S CONTINUING COST REDUCTION INITIATIVES. THE CHARGES RELATED TO (A) SEVERANCE FOR WORKFORCE REDUCTIONS, (B) RESERVES FOR NON-CANCELABLE LEASE OBLIGATIONS, WRITE-DOWNS OF THE CARRYING VALUE OF OWNED FACILITIES AND WRITE-DOWNS OF OWNED ASSETS LOCATED IN THESE LEASED AND OWNED FACILITIES, AND (C) COSTS RELATED TO WRITE-OFFS OF CERTAIN CAPITALIZED IT-RELATED INITIATIVES. THE SPECIAL CHARGES AMOUNTED TO \$106.7 MILLION PRE-TAX (ALL OF WHICH IS INCLUDED IN SELLING, GENERAL AND ADMINISTRATIVE EXPENSES), \$65.8 MILLION AFTER-TAX AND \$0.55 PER DILUTED SHARE.

AVNET, INC.
(MILLIONS EXCEPT PER SHARE DATA)

INCLUDING SPECIAL ITEMS (1)	FIRST HALVES ENDED	
	-----	-----
	DECEMBER 27, 2002 (1)	DECEMBER 28, 2001 (2)
	-----	-----
SALES	\$ 4,520.6	\$ 4,561.0
LOSS BEFORE INCOME TAXES	(95.9)	(40.0)
NET LOSS	(59.2)	(21.8)
NET LOSS PER SHARE:		
BASIC	\$ (0.49)	\$ (0.18)
DILUTED	\$ (0.49)	\$ (0.18)

EXCLUDING SPECIAL ITEMS	FIRST HALVES ENDED	
	-----	-----
	DECEMBER 27, 2002	DECEMBER 28, 2001 (2)
	----	-----
SALES	\$ 4,520.6	\$ 4,561.0
INCOME (LOSS) BEFORE INCOME TAXES	10.8	(40.0)
NET INCOME (LOSS)	6.6	(21.8)
NET EARNINGS (LOSS) PER SHARE:		
BASIC	\$ 0.06	\$ (0.18)
DILUTED	\$ 0.06	\$ (0.18)

(1) THE RESULTS FOR THE FIRST HALF OF FISCAL 2003 SHOWN ABOVE INCLUDE THE IMPACT OF INCREMENTAL SPECIAL CHARGES RECORDED IN CONNECTION WITH THE COMPANY'S CONTINUED COST REDUCTION INITIATIVES. THE CHARGES RELATED TO (A) SEVERANCE FOR WORKFORCE REDUCTIONS, (B) RESERVES FOR NON-CANCELABLE LEASE OBLIGATIONS, WRITE-DOWNS OF THE CARRYING VALUE OF OWNED FACILITIES AND WRITE-DOWNS OF OWNED ASSETS LOCATED IN THESE LEASED AND OWNED FACILITIES, AND (C) COSTS RELATED TO WRITE-OFFS OF CERTAIN CAPITALIZED IT-RELATED INITIATIVES. THE SPECIAL CHARGES AMOUNTED TO \$106.7 MILLION PRE-TAX (ALL OF WHICH IS INCLUDED IN SELLING, GENERAL AND ADMINISTRATIVE EXPENSES), \$65.8 MILLION AFTER-TAX AND \$0.55 PER DILUTED SHARE.

(2) THE ABOVE OPERATING INFORMATION FOR THE FIRST HALF ENDED DECEMBER 28, 2001 EXCLUDES THE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE FOR THE IMPAIRMENT OF GOODWILL RECORDED AS A RESULT OF THE ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 142, "GOODWILL AND OTHER INTANGIBLES," FOR WHICH FURTHER DETAIL CAN BE FOUND ON THE ATTACHED STATEMENTS OF OPERATIONS.

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

INCLUDING SPECIAL ITEMS (1)	SECOND QUARTERS ENDED		FIRST HALVES ENDED	
	DECEMBER 27, 2002 (1)	DECEMBER 28, 2001	DECEMBER 27, 2002 (1)	DECEMBER 28, 2001
	-----	----	-----	----
SALES	\$ 2,346,665	\$ 2,359,850	\$ 4,520,555	\$ 4,561,045
COST OF SALES	2,031,099	2,041,234	3,907,370	3,931,867
	-----	-----	-----	-----
GROSS PROFIT	315,566	318,616	613,185	629,178
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	390,758	294,810	668,424	601,747
	-----	-----	-----	-----
OPERATING INCOME (LOSS)	(75,192)	23,806	(55,239)	27,431
OTHER INCOME, NET	4,658	3,195	10,596	3,789
INTEREST EXPENSE	(24,306)	(33,101)	(51,337)	(71,172)
	-----	-----	-----	-----
LOSS BEFORE INCOME TAXES	(94,840)	(6,100)	(95,980)	(39,952)
INCOME TAX BENEFIT	(36,183)	(3,524)	(36,835)	(18,169)
	-----	-----	-----	-----
LOSS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(58,657)	(2,576)	(59,145)	(21,783)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	--	--	--	(580,495)
	-----	-----	-----	-----
NET LOSS	\$ (58,657)	\$ (2,576)	\$ (59,145)	\$ (602,278)
	=====	=====	=====	=====
LOSS PER SHARE BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:				
BASIC	\$ (0.49)	\$ (0.02)	\$ (0.49)	\$ (0.18)
	=====	=====	=====	=====
DILUTED	\$ (0.49)	\$ (0.02)	\$ (0.49)	\$ (0.18)
	=====	=====	=====	=====
NET LOSS PER SHARE:				
BASIC	\$ (0.49)	\$ (0.02)	\$ (0.49)	\$ (5.10)
	=====	=====	=====	=====
DILUTED	\$ (0.49)	\$ (0.02)	\$ (0.49)	\$ (5.10)
	=====	=====	=====	=====
SHARES USED TO COMPUTE LOSS PER SHARE:				
BASIC	119,419	118,135	119,419	117,993
	=====	=====	=====	=====
DILUTED	119,419	118,135	119,419	117,993
	=====	=====	=====	=====

(1) THE RESULTS FOR THE SECOND QUARTER AND FIRST HALF OF FISCAL 2003 SHOWN ABOVE INCLUDE THE IMPACT OF INCREMENTAL SPECIAL CHARGES RECORDED IN CONNECTION WITH THE COMPANY'S CONTINUING COST REDUCTION INITIATIVES. THE CHARGES RELATED TO (A) SEVERANCE FOR WORKFORCE REDUCTIONS, (B) RESERVES FOR NON-CANCELABLE LEASE OBLIGATIONS, WRITE-DOWNS OF THE CARRYING VALUE OF OWNED FACILITIES AND WRITE-DOWNS OF OWNED ASSETS LOCATED IN THESE LEASED AND OWNED FACILITIES, AND (C) COSTS RELATED TO WRITE-OFFS OF CERTAIN IT-RELATED INITIATIVES. THE SPECIAL CHARGES AMOUNTED TO \$106.7 MILLION PRE-TAX (ALL OF WHICH IS INCLUDED IN SELLING, GENERAL AND ADMINISTRATIVE EXPENSES), \$65.8 MILLION AFTER-TAX AND \$0.55 PER DILUTED SHARE.

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

EXCLUDING SPECIAL ITEMS (1)	SECOND QUARTERS ENDED		FIRST HALVES ENDED	
	DECEMBER 27, 2002 (1)	DECEMBER 28, 2001	DECEMBER 27, 2002 (1)	DECEMBER 28, 2001
SALES	\$ 2,346,665	\$ 2,359,850	\$ 4,520,555	\$ 4,561,045
COST OF SALES	2,031,099	2,041,234	3,907,370	3,931,867
GROSS PROFIT	315,566	318,616	613,185	629,178
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	283,993	294,810	561,659	601,747
OPERATING INCOME	31,573	23,806	51,526	27,431
OTHER INCOME, NET	4,658	3,195	10,596	3,789
INTEREST EXPENSE	(24,306)	(33,101)	(51,337)	(71,172)
INCOME (LOSS) BEFORE INCOME TAXES	11,925	(6,100)	10,785	(39,952)
INCOME TAX PROVISION (BENEFIT)	4,833	(3,524)	4,181	(18,169)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	7,092	(2,576)	6,604	(21,783)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	--	--	--	(580,495)
NET INCOME (LOSS)	<u>\$ 7,092</u>	<u>\$ (2,576)</u>	<u>\$ 6,604</u>	<u>\$ (602,278)</u>
EARNINGS (LOSS) PER SHARE BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:				
BASIC	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.06</u>	<u>\$ (0.18)</u>
DILUTED	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.06</u>	<u>\$ (0.18)</u>
NET EARNINGS (LOSS) PER SHARE:				
BASIC	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.06</u>	<u>\$ (5.10)</u>
DILUTED	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.06</u>	<u>\$ (5.10)</u>
SHARES USED TO COMPUTE EARNINGS (LOSS) PER SHARE:				
BASIC	<u>119,419</u>	<u>118,135</u>	<u>119,419</u>	<u>117,993</u>
DILUTED	<u>119,419</u>	<u>118,135</u>	<u>119,419</u>	<u>117,993</u>

(1) THE RESULTS FOR THE SECOND QUARTER AND FIRST HALF OF FISCAL 2003 SHOWN ABOVE EXCLUDE THE IMPACT OF INCREMENTAL SPECIAL CHARGES RECORDED IN CONNECTION WITH THE COMPANY'S CONTINUING COST REDUCTION INITIATIVES. THE CHARGES RELATED TO (A) SEVERANCE FOR WORKFORCE REDUCTIONS, (B) RESERVES FOR NON-CANCELABLE LEASE OBLIGATIONS, WRITE-DOWNS OF THE CARRYING VALUE OF OWNED FACILITIES AND WRITE-DOWNS OF OWNED ASSETS LOCATED IN THESE LEASED AND OWNED FACILITIES, AND (C) COSTS RELATED TO WRITE-OFFS OF CERTAIN IT-RELATED INITIATIVES. THE SPECIAL CHARGES AMOUNTED TO \$106.7 MILLION PRE-TAX (ALL OF WHICH IS INCLUDED IN SELLING, GENERAL AND ADMINISTRATIVE EXPENSES), \$65.8 MILLION AFTER-TAX AND \$0.55 PER DILUTED SHARE.

AVNET, INC.
CONSOLIDATED BALANCE SHEETS
(THOUSANDS)

	DECEMBER 27, 2002 (1) -----	JUNE 28, 2002 (1) -----
ASSETS:		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 185,738	\$ 159,234
RECEIVABLES, NET	1,535,460	1,374,017
INVENTORIES	1,239,344	1,417,305
OTHER	74,230	254,976
	-----	-----
TOTAL CURRENT ASSETS	3,034,772	3,205,532
PROPERTY, PLANT & EQUIPMENT, NET	275,671	349,924
GOODWILL	846,221	844,597
OTHER ASSETS	262,028	281,901
	-----	-----
TOTAL ASSETS	4,418,692	4,681,954
	-----	-----
LESS LIABILITIES:		
CURRENT LIABILITIES:		
BORROWINGS DUE WITHIN ONE YEAR	483,974	59,309
ACCOUNTS PAYABLE	924,860	891,234
ACCRUED EXPENSES AND OTHER	295,046	326,293
	-----	-----
TOTAL CURRENT LIABILITIES	1,703,880	1,276,836
LONG-TERM DEBT, LESS DUE WITHIN ONE YEAR	906,381	1,565,836
OTHER LONG-TERM LIABILITIES	35,781	34,772
	-----	-----
TOTAL LIABILITIES	2,646,042	2,877,444
	-----	-----
SHAREHOLDERS' EQUITY	\$1,772,650	\$1,804,510
	=====	=====

(1) THE COMPANY HAS AN ACCOUNTS RECEIVABLE SECURITIZATION PROGRAM WHEREBY IT SELLS AN INTEREST IN A POOL OF ITS TRADE ACCOUNTS RECEIVABLE TO THIRD PARTY CONDUITS THROUGH A WHOLLY OWNED BANKRUPTCY-REMOTE SPECIAL PURPOSE ENTITY THAT IS CONSOLIDATED FOR FINANCIAL REPORTING PURPOSES. 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 DECEMBER 27, 2002 AND JUNE 28, 2002, THE COMPANY HAD SOLD \$50.0 MILLION AND \$200.0 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 CONSOLIDATED BALANCE SHEETS.

AVNET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(THOUSANDS)

	FIRST HALVES ENDED	
	DECEMBER 27, 2002 ----	DECEMBER 28, 2001 ----
CASH FLOWS FROM:		
OPERATIONS:		
NET LOSS	\$ (59,145)	\$(602,278)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	--	580,495
	-----	-----
LOSS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(59,145)	(21,783)
ADD NON-CASH AND OTHER RECONCILING ITEMS:		
DEPRECIATION AND AMORTIZATION	47,709	46,664
DEFERRED TAXES	(3,495)	(1,654)
OTHER, NET	79,481	17,807
	-----	-----
	64,550	41,034
RECEIVABLES	(6,922)	266,086
INVENTORIES	199,351	316,332
PAYABLES, ACCRUALS AND OTHER, NET	194,023	(19,129)
	-----	-----
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	451,002	604,323
	-----	-----
FINANCING:		
REPAYMENT UNDER ACCOUNTS RECEIVABLE SECURITIZATION PROGRAM	(150,000)	--
ISSUANCE OF NOTES IN PUBLIC OFFERING, NET OF ISSUANCE COSTS	--	394,328
REPAYMENT OF NOTES	--	(528,969)
REPAYMENT OF COMMERCIAL PAPER AND BANK DEBT, NET	(257,833)	(360,592)
REPAYMENT OF OTHER DEBT, NET	(1,539)	(2,315)
CASH DIVIDENDS	--	(17,673)
OTHER, NET	(67)	7,469
	-----	-----
NET CASH FLOWS USED FOR FINANCING ACTIVITIES	(409,439)	(507,752)
	-----	-----
INVESTING:		
PURCHASES OF PROPERTY, PLANT, AND EQUIPMENT	(16,098)	(45,628)
ACQUISITION OF OPERATIONS, NET	(1,899)	(25,356)
	-----	-----
NET CASH FLOWS USED FOR INVESTING ACTIVITIES	(17,997)	(70,984)
	-----	-----
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	2,938	1,265
	-----	-----
CASH AND CASH EQUIVALENTS:		
INCREASE	26,504	26,852
AT BEGINNING OF YEAR	159,234	97,279
	-----	-----
AT END OF PERIOD	\$ 185,738	\$ 124,131
	=====	=====

AVNET, INC.
SEGMENT INFORMATION
(MILLIONS)

	SECOND QUARTERS ENDED		FIRST HALVES ENDED	
	DECEMBER 27, 2002	DECEMBER 28, 2001	DECEMBER 27, 2002	DECEMBER 28, 2001
SALES -----				
ELECTRONICS MARKETING	\$ 1,204.1	\$ 1,172.0	\$ 2,445.9	\$ 2,409.5
COMPUTER MARKETING	682.9	704.8	1,215.1	1,276.7
APPLIED COMPUTING	459.7	483.1	859.6	874.8
CONSOLIDATED	<u>\$ 2,346.7</u>	<u>\$ 2,359.9</u>	<u>\$ 4,520.6</u>	<u>\$ 4,561.0</u>
OPERATING INCOME (LOSS) -----				
ELECTRONICS MARKETING	\$ 22.5	\$ (1.8)	\$ 37.2	\$ (6.8)
COMPUTER MARKETING	16.1	23.0	23.2	33.9
APPLIED COMPUTING	5.6	17.0	8.9	31.5
CORPORATE	(12.7)	(14.4)	(17.8)	(31.2)
CONSOLIDATED BEFORE SPECIAL CHARGES	<u>\$ 31.5</u>	<u>\$ 23.8</u>	<u>\$ 51.5</u>	<u>\$ 27.4</u>
SPECIAL CHARGES	\$ (106.7)	--	\$ (106.7)	--
CONSOLIDATED	<u>\$ (75.2)</u>	<u>\$ 23.8</u>	<u>\$ (55.2)</u>	<u>\$ 27.4</u>