
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 the quarterly period ended March 28, 2003

Commission File #1-4224

Avnet, Inc.

Incorporated in New York

IRS Employer Identification No. 11-1890605

2211 South 47th Street,

**Phoenix, Arizona 85034
(480) 643-2000**

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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The total number of shares outstanding of the registrant's Common Stock (net of treasury shares) as of April 25, 2003
119,499,738 shares.

AVNET, INC. AND SUBSIDIARIES

INDEX

	Page No.
Forward-Looking Statements	2
PART I. FINANCIAL INFORMATION:	
Item 1. Financial Statements:	
Consolidated Balance Sheets at March 28, 2003 and June 28, 2002	3
Consolidated Statements of Operations for the third quarters and nine months ended March 28, 2003 and March 29, 2002	4
Consolidated Statements of Cash Flows for the nine months ended March 28, 2003 and March 29, 2002	5
Notes to Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures About Market Risk	25
Item 4. Controls and Procedures	26
PART II. OTHER INFORMATION:	
Item 1. Legal Proceedings	27
Item 6. Exhibits and Reports on Form 8-K	28
Signature Page	29
Certification of Chief Executive Officer	30
Certification of Chief Financial Officer	31

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements with respect to the financial condition, results of operations and business of Avnet, Inc. and subsidiaries (“Avnet” or the “Company”). You can find many of these statements by looking for words like “believes,” “expects,” “anticipates,” “estimates” or similar expressions in this Report or in documents incorporated by reference in this Report.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include the following:

- Continuation or worsening of the current technology industry down-cycle, particularly the semiconductor sector, would adversely affect Avnet’s expected operating results.
- Competitive pressures among distributors of electronic components and computer products may increase significantly through entry of new competitors or otherwise.
- General economic or business conditions, domestic and foreign, may be less favorable than management expected, resulting in lower sales and declining operating results which can, in turn, impact the Company’s credit ratings, debt covenant compliance and liquidity, as well as the Company’s ability to maintain existing unsecured financing or to obtain new financing.
- Legislative or regulatory changes may adversely affect the businesses in which Avnet is engaged.
- Adverse changes may occur in the securities markets.
- Changes in interest rates and currency fluctuations may reduce Avnet’s profit margins.
- Avnet may be adversely affected by the allocation of products by suppliers.

Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by them. Management cautions you not to place undue reliance on these statements, which speak only as of the date of this Report.

Avnet does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

AVNET, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 28, 2003	June 28, 2002
(Thousands, except share amounts)		
ASSETS:		
Current assets:		
Cash and cash equivalents (Note 5)	\$ 301,204	\$ 159,234
Receivables, less allowances of \$84,041 and \$99,073, respectively (Note 3)	1,496,964	1,374,017
Inventories	1,112,073	1,417,305
Other	145,574	254,976
Total current assets	3,055,815	3,205,532
Property, plant and equipment, net	263,206	349,924
Goodwill (Note 4)	853,593	844,597
Other assets	269,528	281,901
Total assets	\$4,442,142	\$4,681,954
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Borrowings due within one year (Note 5)	\$ 196,901	\$ 59,309
Accounts payable	828,581	891,234
Accrued expenses and other	315,863	326,293
Total current liabilities	1,341,345	1,276,836
Long-term debt, less due within one year (Note 5)	1,277,265	1,565,836
Other long-term liabilities	36,292	34,772
Total liabilities	2,654,902	2,877,444
Commitments and contingencies (Notes 6)		
Shareholders' equity (Notes 7 and 8):		
Common stock \$1.00 par; authorized 300,000,000 shares; issued 119,509,000 shares and 119,431,000 shares, respectively	119,509	119,431
Additional paid-in capital	568,399	569,437
Retained earnings	1,030,355	1,088,008
Cumulative other comprehensive income (Note 8)	69,116	27,812
Treasury stock at cost, 10,533 shares and 7,422 shares, respectively	(139)	(178)
Total shareholders' equity	1,787,240	1,804,510
Total liabilities and shareholders' equity	\$4,442,142	\$4,681,954

See Notes to Consolidated Financial Statements.

AVNET, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Third Quarters Ended		Nine Months Ended	
	March 28, 2003	March 29, 2002	March 28, 2003	March 29, 2002
	(Thousands, except per share data)			
Sales	\$2,340,468	\$2,214,451	\$6,861,023	\$6,775,496
Cost of sales	2,033,356	1,903,462	5,940,726	5,835,329
Gross profit	307,112	310,989	920,297	940,167
Selling, general and administrative expenses	270,863	287,978	939,287	889,725
Operating income (loss)	36,249	23,011	(18,990)	50,442
Other income, net	6,390	961	16,987	4,750
Interest expense	(26,650)	(26,959)	(77,988)	(98,131)
Debt extinguishment costs (Note 5)	(13,487)	—	(13,487)	—
Income (loss) before income taxes	2,502	(2,987)	(93,478)	(42,939)
Income tax provision (benefit)	1,010	(1,736)	(35,825)	(19,905)
Income (loss) before cumulative effect of change in accounting principle	1,492	(1,251)	(57,653)	(23,034)
Cumulative effect of change in accounting principle (Note 4)	—	—	—	(580,495)
Net income (loss)	\$ 1,492	\$ (1,251)	\$ (57,653)	\$ (603,529)
Earnings (loss) per share before cumulative effect of change in accounting principle (Notes 4 and 9):				
Basic	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (0.19)
Diluted	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (0.19)
Net earnings (loss) per share (Note 9):				
Basic	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (5.10)
Diluted	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (5.10)
Shares used to compute earnings (loss) per share (Note 9):				
Basic	119,486	118,859	119,441	118,282
Diluted	119,571	118,859	119,441	118,282

See Notes to Consolidated Financial Statements.

AVNET, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended	
	March 28, 2003	March 29, 2002
	(Thousands)	
Cash flows from operating activities:		
Net loss	\$ (57,653)	\$(603,529)
Cumulative effect of change in accounting principle (Note 4)	—	580,495
	(57,653)	(23,034)
Non-cash and other reconciling items:		
Depreciation and amortization	69,191	70,529
Deferred taxes	(35,501)	(1,932)
Other, net (Note 10)	92,471	26,362
	68,508	71,925
Changes in (net of effects of businesses acquired):		
Receivables	88,026	316,892
Inventories	341,038	438,360
Accounts payable	(76,085)	69,468
Accrued expenses and other, net	131,750	(144,177)
	553,237	752,468
Cash flows from financing activities:		
Reduced drawings under accounts receivable securitization program (Note 3)	(200,000)	(35,704)
Issuance of notes in public offering, net of issuance costs (Note 5)	465,312	394,328
Repayment of notes (Note 5)	(379,197)	(528,969)
Repayment of commercial paper and bank debt, net (Note 5)	(275,246)	(440,463)
Repayment of other debt, net (Note 5)	(1,274)	(1,259)
Cash dividends	—	(26,543)
Other, net	(461)	21,484
	(390,866)	(617,126)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(26,595)	(77,797)
Cash proceeds from sales of property, plant and equipment	9,014	7,869
Acquisition of operations and investments, net	(7,504)	(29,009)
	(25,085)	(98,937)
Effect of exchange rate changes on cash and cash equivalents	4,684	841
Cash and cash equivalents:		
— increase	141,970	37,246
— at beginning of period	159,234	97,279
	\$ 301,204	\$ 134,525
Additional cash flow information (Note 10)		

See Notes to Consolidated Financial Statements.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary, all of which are of a normal recurring nature, except for the cumulative effect of change in accounting principle discussed in Note 4, the debt extinguishment costs discussed in Note 5 and the special charges discussed in Note 12, to present fairly the Company's financial position, results of operations and cash flows. For further information, refer to the consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2002.

2. The results of operations for the nine months and third quarter ended March 28, 2003 are not necessarily indicative of the results to be expected for the full year.

3. Accounts receivable securitization:

In June 2001, the Company entered into a five-year accounts receivable securitization program (the "Program") with a financial institution. The Program allows the Company to sell, on a revolving basis, an undivided interest of up to \$350,000,000 in eligible U.S. receivables while retaining a subordinated interest in a portion of the receivables. The eligible receivables are sold without legal recourse to third party conduits through a wholly owned bankruptcy-remote special purpose entity that is consolidated for financial reporting purposes. The Company continues servicing the sold receivables and charges the third party conduits a monthly servicing fee at market rates; accordingly, no servicing asset or liability has been recorded. Cash received from the Program has been used primarily to pay down outstanding external financing.

The Program qualifies for sale treatment under Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." As of March 28, 2003, the Company had no drawings outstanding under the Program and therefore there are no securitized accounts receivable held by the third party conduits. As of June 28, 2002, the outstanding balance of securitized accounts receivable held by the third party conduits, net of applicable allowances, totaled \$324,570,000, of which the Company's subordinated retained interest was \$124,570,000. Accordingly, \$200,000,000 of accounts receivable balances were removed from the consolidated balance sheet at June 28, 2002, with those funds used to reduce outstanding debt.

The Program agreement requires the Company to maintain minimum senior unsecured credit ratings in order to continue utilizing the Program in its current form. In December 2002, the Company amended the Program agreement to lower the minimum ratings triggers to Ba2 by Moody's Investor Services ("Moody's") or BB by Standard & Pools ("S&P").

4. Goodwill and impairment:

The Company adopted Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations," and Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets," on the first day of fiscal 2002. SFAS 141 requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method and that certain identifiable intangible assets be recognized as assets apart from goodwill. The Company has no other material identifiable intangible assets besides goodwill. SFAS 142 requires that ratable amortization of goodwill be replaced with periodic tests for goodwill impairment. Therefore, the amortization of goodwill was suspended effective from the adoption date forward and in all periods presented herein.

The carrying amount of goodwill upon adoption of SFAS 142 on June 30, 2001 was \$1,404,863,000, net of accumulated amortization through that date. Under the transitional impairment provisions of SFAS 142, the Company identified and evaluated its reporting units for impairment of goodwill as of June 30, 2001 using a combination of present value and multiple of earnings valuation techniques. The carrying amounts of certain reporting units exceeded their fair values at the date of adoption. As a result of the transition to SFAS 142, the Company recorded an impairment charge of \$580,495,000, which was recorded in the consolidated statement

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

of operations as a cumulative effect of change in accounting principle during the nine months ended March 29, 2002.

The following table presents the carrying amount of goodwill, by reportable segment, for the nine months ended March 28, 2003:

	Electronics Marketing	Computer Marketing	Applied Computing	Total
	(Thousands)			
Carrying value at June 28, 2002	\$591,398	\$253,199	\$ —	\$844,597
Additions	8,474	—	—	8,474
Other	(56)	578	—	522
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying value at March 28, 2003	\$599,816	\$253,777	\$ —	\$853,593
	<hr/>	<hr/>	<hr/>	<hr/>

Additions during the nine months ended March 28, 2003 related primarily to the acquisitions of the remaining minority interests in Max India, Ltd. and Avnet Components Israel. The “Other” caption above primarily represents the impact of changes in foreign currency exchange rates on goodwill denominated in currencies other than U.S. dollars.

During the first quarter of fiscal 2003, the Company and the seller of certain European operations of the VEBA Electronics Group (consisting of EBV, WBC, Atlas Logistics and RKE Systems) resolved certain remaining purchase price contingencies related to this acquisition, which was completed during fiscal 2001. This resolution resulted in a refund to Avnet, totaling approximately \$6,486,000, of a portion of the amount paid by Avnet at the closing of the acquisition. This refunded purchase price was recorded as a reduction in operating expenses in the consolidated statement of operations for the first quarter of fiscal 2003 as the related goodwill had been written off as a result of the transition impairment test performed upon the adoption of SFAS 142.

5. External financing:

Short-term debt consists of the following:

	March 28, 2003	June 28, 2002
	(Thousands)	
Bank credit facilities	\$ 21,988	\$54,158
4.5% Convertible Notes due 2004	3,031	3,031
6.45% Notes due August 15, 2003	40,859	—
8.20% Notes due October 17, 2003	29,944	—
6 7/8% Notes due March 15, 2004	100,000	—
Other debt due within one year	1,079	2,120
	<hr/>	<hr/>
Short-term debt	\$196,901	\$59,309
	<hr/>	<hr/>

Bank credit facilities consist of various committed and uncommitted lines of credit with financial institutions utilized primarily to support the working capital requirements of foreign operations. The weighted average interest rates on the bank credit facilities at March 28, 2003 and June 28, 2002 were 4.5% and 3.4%, respectively.

As of its acquisition of Kent Electronics Corporation (“Kent”) on June 8, 2001, Avnet assumed Kent’s 4.5% Convertible Notes due 2004 (the “Notes”). During the first quarter of fiscal 2002, virtually all holders of the Notes exercised their put options by selling the Notes back to the Company. As of March 28, 2003 and

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

June 28, 2002, \$3,031,000 in Notes remain outstanding. The Company has the right to redeem all remaining Notes upon 30-day prior notice.

Long-term debt consists of the following:

	March 28, 2003	June 28, 2002
	(Thousands)	
6.45% Notes due August 15, 2003	\$ —	\$ 200,000
8.20% Notes due October 17, 2003	—	250,000
6 7/8% Notes due March 15, 2004	—	100,000
7 1/8% Notes due February 15, 2005	360,000	360,000
8.00% Notes due November 15, 2006	400,000	400,000
9 3/4% Notes due February 15, 2008	475,000	—
Syndicated bank credit facilities	—	178,410
Commercial paper	—	63,964
Other long-term debt	7,960	6,419
	1,242,960	1,558,793
Subtotal	1,242,960	1,558,793
Fair value adjustment for hedged 8.00% Notes	34,305	7,043
	1,277,265	1,565,836
Long-term debt	\$1,277,265	\$1,565,836

On February 6, 2003, the Company issued \$475,000,000 of 9 3/4% Notes due February 15, 2008 (the “9 3/4% Notes”). The net proceeds from this debt issuance were approximately \$465,312,000, net of underwriting fees. During the quarter ended March 28, 2003, the Company also redeemed \$159,141,000 of its 6.45% Notes due August 15, 2003 and \$220,056,000 of its 8.20% Notes due October 17, 2003. Proceeds from the 9 3/4% Notes were used to fund the tender and early redemption of the 6.45% and 8.20% Notes. Proceeds of \$79,531,000 from the 9 3/4% Notes are held in an escrow account which will be used to repay the remaining principal on the 6.45% and 8.20% Notes at their respective maturity dates plus interest due through their maturities. The Company incurred debt extinguishment costs of \$13,487,000 pre-tax, \$8,152,000 after tax and \$0.07 per share on a diluted basis during the quarter ended March 28, 2003 related primarily to premiums and other transaction costs associated with the tender and early redemption of a portion of the 6.45% and 8.20% Notes.

During the nine months ended March 28, 2003, the Company amended its syndicated bank credit facilities. Prior to these most recent amendments, the bank credit facilities included a multi-year credit facility with a syndicate of banks that provided up to \$428,750,000 in financing and a 364-day credit facility providing up to \$488,750,000 in financing (the original syndicated bank credit facility also included a \$82,500,000 term loan facility that matured in November 2001). The multi-year credit facility is a three-year revolving, multi-currency facility that matures on October 25, 2004. The Company may select from various interest rate options and maturities under this facility.

The amended terms of the multi-year credit facility reduced the available borrowings under the facility to \$350,000,000. Additionally, the 364-day credit facility was terminated as part of the fiscal 2003 amendments. There were no drawings on the 364-day credit facility at the time of its termination.

The amended agreement also modifies the interest coverage ratio, as defined therein, that the Company must maintain through the remaining term of the agreement. The amended agreement did not modify the other financial covenants of the bank credit facilities. The Company was in compliance with all of the covenants at March 28, 2003.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The amended agreement also contains a “springing lien” provision whereby borrowings under the amended multi-year credit facility will become secured by the inventory held by Avnet and certain of its domestic and foreign subsidiaries, substantially all of Avnet’s domestic real property, certain deposit accounts, certain receivables and pledges of stock of certain subsidiaries if (a) Avnet receives a debt rating of Ba1 or lower by Moody’s or BB+ or lower by S&P or (b) if Avnet terminates its current accounts receivable securitization program (see Note 3) without simultaneously entering into another securitization with similar terms.

The amended multi-year credit facility combined with the accounts receivable securitization program provide the Company with total available drawings of \$700,000,000. As of March 28, 2003, the Company has no borrowings outstanding under the multi-year credit facility or drawings under the accounts receivable securitization program.

Outstanding balances under the bank credit facilities at June 28, 2002 consist primarily of foreign currency borrowings under the multi-year credit facility described above with a weighted average interest rate of 4.4%. The weighted average interest rate on the commercial paper program was 3.7% at June 28, 2002. The Company classifies borrowings under its commercial paper program as long-term as it has the intent and ability to refinance such borrowings under its multi-year borrowing facility.

In November 2001, the Company entered into two interest rate swaps (the “Swaps”) with a total notional amount of \$400,000,000 in order to hedge the change in fair value of the 8.00% Notes due November 2006 (the “8% Notes”) related to fluctuations in interest rates. These contracts are classified as fair value hedges and mature in November 2006. The Swaps modify the Company’s interest rate exposure by effectively converting the fixed rate on the 8% Notes to a floating rate based on three-month U.S. LIBOR plus a spread through their maturities (4.2% at March 28, 2003). The hedged fixed rate debt and the Swaps are adjusted to current market values through interest expense in the accompanying consolidated statements of operations. The Company accounts for the hedges using the shortcut method as defined under Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended by Statement of Financial Accounting Standards No. 138, “Accounting for Certain Derivative Instruments and Hedging Activities.” Due to the effectiveness of the hedges since inception, the market value adjustments for the hedged debt and the Swaps directly offset one another. The fair value of the Swaps at March 28, 2003 and June 28, 2002 was \$34,305,000 and \$7,043,000, respectively, and is included in other long-term assets in the accompanying consolidated balance sheets. Additionally, included in long-term debt is a comparable fair value adjustment increasing the total liability by these same amounts.

6. From time to time, the Company may become liable with respect to pending and threatened litigation, tax, environmental and other matters. The Company has been designated a potentially responsible party or has become aware of other potential claims 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.

In connection with the Company’s January 2000 acquisition of 84% of the stock of Eurotronics B.V., which went to market as SEI, the Company entered into a share purchase agreement with the sellers that called for an additional payment of cash or common stock of the Company if the Company’s share price does not reach \$45.25 per share by January 2004. This guarantee would result in an additional payment to the sellers of approximately \$80,800,000 based upon the Company’s stock price as of March 28, 2003.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

7. Number of shares of common stock reserved for stock option and stock incentive programs as of March 28, 2003: ...
12,487,733

The Company follows Accounting Principles Board Opinion No. 25 (“APB 25”), “Accounting for Stock Issued to Employees,” in accounting for its stock-based compensation plans. In applying APB 25, no expense was recognized for options granted under the various stock option plans as the options granted during the periods presented had exercise prices equal to the market value of the underlying stock on the date of the grants. Statement of Financial Accounting Standards No. 148, “Accounting for Stock-Based Compensation — Transition and Disclosure — An Amendment of FASB Statement No. 123,” requires certain disclosure of the pro forma impact on net income (loss) and earnings (loss) per share as if a fair value-based method of measuring stock-based compensation, as defined by Statement of Financial Accounting Standards No. 123, “Accounting for Stock-Based Compensation,” had been applied.

Reported and pro forma net income (loss) and earnings (loss) per share are as follows:

	Third Quarters Ended		Nine Months Ended	
	March 28, 2003	March 29, 2002	March 28, 2003	March 29, 2002
	(Thousands, except per share data)			
Net income (loss), as reported	\$ 1,492	\$(1,251)	\$(57,653)	\$(603,529)
Less: Fair value impact of employee stock compensation, net of tax	(3,374)	(2,785)	(9,701)	(7,631)
Pro forma net loss	<u>\$ (1,882)</u>	<u>\$ (4,036)</u>	<u>\$ (67,354)</u>	<u>\$ (611,160)</u>
Earnings (loss) per share				
Basic and diluted — as reported	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ (0.48)</u>	<u>\$ (5.10)</u>
Basic and diluted — pro forma	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>	<u>\$ (0.56)</u>	<u>\$ (5.17)</u>

8. Comprehensive income (loss):

	Third Quarters Ended		Nine Months Ended	
	March 28, 2003	March 29, 2002	March 28, 2003	March 29, 2002
	(Thousands)			
Net income (loss)	\$ 1,492	\$ (1,251)	\$(57,653)	\$(603,529)
Foreign currency translation adjustments	13,737	(13,767)	41,304	(4,424)
Total comprehensive income (loss)	<u>\$15,229</u>	<u>\$ (15,018)</u>	<u>\$ (16,349)</u>	<u>\$ (607,953)</u>

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

9. Earnings (loss) per share:

	Quarters Ended		Nine Months Ended	
	March 28, 2003	March 29, 2002	March 28, 2003	March 29, 2002
	(Thousands, except per share data)			
Numerator:				
Income (loss) before cumulative effect of change in accounting principle	\$ 1,492	\$ (1,251)	\$ (57,653)	\$ (23,034)
Cumulative effect of change in accounting principle	—	—	—	(580,495)
Net income (loss)	\$ 1,492	\$ (1,251)	\$ (57,653)	\$ (603,529)
Denominator:				
Weighted average common shares for basic earnings (loss) per share	119,486	118,859	119,441	118,282
Net effect of dilutive stock options and restricted stock awards	85	—	—	—
Weighted average common shares for diluted earnings (loss) per share	119,571	118,859	119,441	118,282
Basic earnings (loss) per share:				
Income (loss) before cumulative effect of change in accounting principle	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (0.19)
Cumulative effect of change in accounting principle	—	—	—	(4.91)
Net earnings (loss) per basic share	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (5.10)
Diluted earnings (loss) per share:				
Income (loss) before cumulative effect of change in accounting principle	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (0.19)
Cumulative effect of change in accounting principle	—	—	—	(4.91)
Net earnings (loss) per diluted share	\$ 0.01	\$ (0.01)	\$ (0.48)	\$ (5.10)

The 4.5% convertible notes are excluded from the computation of earnings (loss) per share in each period presented as the effects were antidilutive. The effects of certain stock options and restricted stock awards are also excluded from the determination of the weighted average common shares for diluted earnings (loss) per share in each of the periods presented as the effects were antidilutive. Accordingly, in the third quarter and nine months ended March 28, 2003, the effects of approximately 10,798,000 and 10,883,000 shares, respectively, and in the third quarter and nine months ended March 29, 2002, the effects of approximately 10,659,000 shares in each period, related to stock options and restricted stock awards, are excluded from the computation above.

10. Additional cash flow information:

Other non-cash and other reconciling items primarily include the provision for doubtful accounts and certain non-cash special charges (See Note 12).

Interest and income taxes paid (refunded) in the first nine months of fiscal 2003 and 2002 were as follows:

	Nine Month Ended	
	March 28, 2003	March 29, 2002
	(Thousands)	
Interest	\$ 83,875	\$100,871
Income taxes	(172,947)	18,174

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

11. Segment information:

	Third Quarters Ended		Nine Months Ended	
	March 28, 2003	March 29, 2002	March 28, 2003	March 29, 2002
	(Thousands)			
Sales:				
Electronics Marketing	\$1,290,325	\$1,215,763	\$3,736,164	\$3,625,283
Computer Marketing	628,060	551,648	1,843,180	1,828,400
Applied Computing	422,083	447,040	1,281,679	1,321,813
	\$2,340,468	\$2,214,451	\$6,861,023	\$6,775,496
Operating income (loss):				
Electronics Marketing	\$ 30,535	\$ 11,396	\$ 67,727	\$ 4,627
Computer Marketing	13,120	10,095	36,335	43,969
Applied Computing	5,992	13,563	14,863	45,037
Corporate	(13,398)	(12,043)	(31,150)	(43,191)
	36,249	23,011	87,775	50,442
Special charges	—	—	(106,765)	—
	\$ 36,249	\$ 23,011	\$ (18,990)	\$ 50,442
Sales, by geographic area:				
Americas	\$1,257,067	\$1,284,676	\$3,843,958	\$4,077,158
EMEA	815,201	749,024	2,294,543	2,189,377
Asia	268,200	180,751	722,522	508,961
	\$2,340,468	\$2,214,451	\$6,861,023	\$6,775,496
			March 28, 2003	June 28, 2002
			(Thousands)	
Assets:				
Electronics Marketing			\$2,728,343	\$2,940,788
Computer Marketing			758,075	888,190
Applied Computing			396,952	513,840
Corporate			558,772	339,136
			\$4,442,142	\$4,681,954
Assets, by geographic area:				
Americas			\$2,748,405	\$2,892,410
EMEA			1,295,887	1,443,996
Asia			397,850	345,548
			\$4,442,142	\$4,681,954

The Company manages its business based upon the operating results of its three operating segments before special charges (see Note 12). During the second quarter of fiscal 2003, the approximate unallocated special charges related to Electronics Marketing, Computer Marketing and Applied Computing, respectively,

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

were \$84,238,000, \$19,103,000 and \$2,213,000. The remaining special charges recorded during the current fiscal year relate to corporate activities.

Beginning in fiscal 2003, the Company allocated its remaining goodwill, previously included in the total assets for “Corporate,” to the applicable segment level in order to better evaluate and measure performance of its segment operations. The asset information as of June 28, 2002 in the table above has been reclassified to disclose this information on a basis consistent with the current year presentation.

12. Special charges:

During the second quarter of fiscal 2003, the Company executed certain actions as part of its ongoing cost reduction initiatives and, accordingly, recorded a special charge totaling \$106,765,000 pre-tax, \$65,750,000 after tax, or \$0.54 per diluted share for the second quarter. The entire pre-tax charge is included in selling, general and administrative expenses in the accompanying statements of operations. The charge consisted of severance costs (\$21,700,000 pre-tax), charges related to the consolidation of selected facilities (\$37,359,000 pre-tax) and charges related to certain IT-related initiatives (\$47,706,000 pre-tax).

Severance costs and charges related to the consolidation of selected facilities were taken during the second quarter in response to the current business environment. During the second quarter, management identified a number of facilities in each of the Company’s operating segments and geographic regions to be consolidated into other existing facilities. The charges relate to reserves for remaining non-cancelable lease obligations, write-downs of the carrying value of certain owned facilities to fair market value and write-downs to fair market value of owned assets located in these leased and owned facilities that have been vacated. All facilities identified for consolidation had been vacated by the end of the third quarter of fiscal 2003. Additionally, workforce reductions at these and other facilities worldwide resulted in more than 750 personnel to be terminated as part of the second quarter reorganization plan. Also during the second quarter of fiscal 2003, management evaluated and elected to discontinue a number of IT-related initiatives that, in light of recent business restructurings, no longer meet the Company’s return on investment standards for continued use or development. These non-cash charges relate to the write-off of capitalized hardware, software and software licenses.

Of the special charge of \$106,765,000, \$59,027,000 represented non-cash asset writedowns and \$47,738,000 requires the use of cash, of which \$16,976,000 had been expended as of March 28, 2003. The unutilized portion of the fiscal 2003 special charge at March 28, 2003 relates to severance accruals, substantially all of which the Company expects to utilize by the end of fiscal 2003, and contractual lease commitments, substantially all of which are scheduled to be utilized by the end of fiscal 2006. The unutilized portion of special charges recorded prior to fiscal 2003 relate primarily to contractual lease commitments, substantially all of which are scheduled to be utilized by the end of fiscal 2007.

The following table summarizes the Company’s special charge activity during the nine months ended March 28, 2003. During fiscal 2003, there have been no material adjustments to any reserves established during fiscal 2003 or before fiscal 2003 other than payment activity as detailed in “amounts utilized” in the table below:

	Severance Costs	Facility Exit Costs	IT- Related Costs	Reorganization Costs	Acquisition Integration Costs	Total
	(Thousands)					
Balance at June 28, 2002	\$ —	\$ —	\$ —	\$8,075	\$21,322	\$ 29,397
Fiscal 2003 activity	21,700	37,359	47,706	—	—	106,765
Amounts utilized	13,557	14,962	47,484	6,860	7,327	90,190
Balance at March 28, 2003	\$ 8,143	\$22,397	\$ 222	\$1,215	\$13,995	\$ 45,972

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a description of the Company's critical accounting policies and an understanding of the significant factors that influenced the Company's performance during the third quarters and first nine months ended March 28, 2003 and March 29, 2002, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") should be read in conjunction with the Consolidated Financial Statements, including the related notes, appearing in Item 1 of this Report as well as the Company's Annual Report on Form 10-K for the year ended June 28, 2002.

OVERVIEW

Organization

Avnet, Inc. and its subsidiaries (the "Company" or "Avnet") is one of the world's largest industrial distributors, based on latest fiscal year sales, of electronic components, enterprise network and computer equipment and embedded subsystems. Avnet creates a vital link in the technology supply chain that currently connects over 250 of the world's leading electronic component and computer product manufacturers to a global customer base of over 100,000 original equipment manufacturers ("OEMs"), contract manufacturers, value-added resellers ("VARs") and end-users. Additionally, Avnet provides engineering design, material management and logistic services, system integration and configuration, and supply chain advisory services. The Company currently consists of three operating groups, Electronics Marketing ("EM"), Computer Marketing ("CM") and Applied Computing ("AC"), each with operations in the major economic regions of the world: the Americas, EMEA (Europe, Middle East and Africa) and Asia. A brief summary of each operating group is provided below:

- EM markets and sells semiconductors interconnect, passive and electromechanical devices and radio frequency/microwave components. EM markets and sells its products and services to all sizes of customers, spread across end-markets including communications, computer hardware and peripheral, industrial and manufacturing, medical equipment, and military and aerospace. EM also offers an array of value-added services to its customers, such as supply-chain management, engineering design, inventory replenishment systems, connector and cable assembly and semiconductor programming.
- CM markets and sells enterprise computing products and value-added services, including mid- to high-end servers, storage and networking solutions. CM markets and sells its products and services to the VAR channel and enterprise computing customers.
- AC markets and sells products and solutions including the latest computer component technologies and embedded systems and technical services, such as product prototyping, configuration, integration and other value-added services. AC markets and sells computer components and services to PC builders and manufacturers of application-specific embedded computing solutions in the non-PC marketplace. Primary end-markets include medical equipment, communications, industrial and manufacturing, and digital creation.

RESULTS OF OPERATIONS

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles ("GAAP"), the Company also discloses pro forma or non-GAAP results of operations that exclude certain items. Management believes that providing this additional information is useful to the reader to better assess and understand operating performance, especially when comparing results with previous periods or forecasting performance for future periods. Management believes the pro forma measures also help indicate underlying trends in the business. Management also uses pro forma measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. However, analysis of results and outlook on a pro forma or non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

The following tables reconcile the Company's GAAP results to results excluding certain special items, which consist of special charges recorded during the quarter ended December 27, 2002 (see "Operating Expenses" and Note 12 to the Consolidated Financial Statements appearing in Item 1 of this Report) and debt extinguishment costs (see "Financing" and Note 5 to the Consolidated Financial Statements appearing in Item 1 of this Report), for the quarter and nine months ended March 28, 2003 and for the prior sequential quarter ended December 27, 2002:

Third Quarter Ended March 28, 2003

	Results as Reported	Special Items	Adjusted Results
Sales	\$2,340,468	\$ —	\$2,340,468
Cost of sales	2,033,356	—	2,033,356
Gross profit	307,112	—	307,112
Selling, general and administrative expenses	270,863	—	270,863
Operating income	36,249	—	36,249
Other income, net	6,390	—	6,390
Interest expense	(26,650)	—	(26,650)
Debt extinguishment costs	(13,487)	13,487	—
Income before income taxes	2,502	13,487	15,989
Income tax provision	1,010	5,335	6,345
Net income	<u>\$ 1,492</u>	<u>\$ 8,152</u>	<u>\$ 9,644</u>
Earnings per share:			
Basic	<u>\$ 0.01</u>	<u>\$ 0.07</u>	<u>\$ 0.08</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.07</u>	<u>\$ 0.08</u>
Shares used to compute earnings per share:			
Basic	<u>119,486</u>	<u>119,486</u>	<u>119,486</u>
Diluted	<u>119,571</u>	<u>119,571</u>	<u>119,571</u>

Nine Months Ended March 28, 2003

	Results as Reported	Special Items	Adjusted Results
Sales	\$6,861,023	\$ —	\$6,861,023
Cost of sales	5,940,726	—	5,940,726
Gross profit	920,297	—	920,297
Selling, general and administrative expenses	939,287	(106,765)	832,522
Operating income (loss)	(18,990)	106,765	87,775
Other income, net	16,987	—	16,987
Interest expense	(77,988)	—	(77,988)
Debt extinguishment costs	(13,487)	13,487	—
Income (loss) before income taxes	(93,478)	120,252	26,774
Income tax provision (benefit)	(35,825)	46,350	10,525
Net income (loss)	\$ (57,653)	\$ 73,902	\$ 16,249
Earnings (loss) per share:			
Basic	\$ (0.48)	\$ 0.61	\$ 0.13
Diluted	\$ (0.48)	\$ 0.61	\$ 0.13
Shares used to compute earnings (loss) per share:			
Basic	119,441	119,441	119,441
Diluted	119,441	119,441	119,441

Second Quarter Ended December 27, 2002

	Results as Reported	Special Items	Adjusted Results
Sales	\$2,346,665	\$ —	\$2,346,665
Cost of sales	2,031,099	—	2,031,099
Gross profit	315,566	—	315,566
Selling, general and administrative expenses	390,758	(106,765)	283,993
Operating income (loss)	(75,192)	106,765	31,573
Other income, net	4,658	—	4,658
Interest expense	(24,306)	—	(24,306)
Income (loss) before income taxes	(94,840)	106,765	11,925
Income tax provision (benefit)	(36,183)	41,015	4,832
Net income (loss)	\$ (58,657)	\$ 65,750	\$ 7,093
Earnings (loss) per share:			
Basic	\$ (0.49)	\$ 0.54	\$ 0.05
Diluted	\$ (0.49)	\$ 0.54	\$ 0.05
Shares used to compute earnings (loss) per share:			
Basic	119,419	119,419	119,419
Diluted	119,419	119,419	119,419

Sales

The table below provides period sales for the Company and its operating groups:

PERIOD SALES BY OPERATING GROUP AND GEOGRAPHY

	Q3-03 (Mar-03)	Q2-03 (Dec-02)	Sequential % Change	Q3-02 (Mar-02)	Year - Year % Change
(Dollars in thousands)					
Avnet, Inc.	\$2,340,468	\$2,346,665	(0.3)%	\$2,214,451	5.7%
EM	1,290,325	1,204,074	7.2	1,215,763	6.1
CM	628,060	682,910	(8.0)	551,648	13.9
AC	422,083	459,681	(8.2)	447,040	(5.6)
EM					
Americas	\$ 585,175	\$ 584,830	0.1%	\$ 662,550	(11.7)%
EMEA	477,722	405,948	17.7	404,632	18.1
Asia	227,428	213,296	6.6	148,581	53.1
CM					
Americas	\$ 520,279	\$ 567,947	(8.4)%	\$ 440,637	18.1%
EMEA	100,786	105,455	(4.4)	104,788	(3.8)
Asia	6,995	9,508	(26.4)	6,223	12.4
AC					
Americas	\$ 151,613	\$ 161,005	(5.8)%	\$ 181,489	(16.5)%
EMEA	236,693	278,722	(15.1)	239,604	(1.2)
Asia	33,777	19,954	69.3	25,947	30.2
Totals by Region					
Americas	\$1,257,067	\$1,313,782	(4.3)%	\$1,284,676	(2.2)%
EMEA	815,201	790,125	3.2	749,024	8.8
Asia	268,200	242,758	10.5	180,751	48.4

The electronic component and computer products industry continued operating through another stable, but relatively weak technology marketplace during the third quarter of fiscal 2003. The technology markets in which Avnet competes continued to experience generally weak growth during the quarter with the exception of the Asian electronic components markets where semiconductor growth was especially strong. A large portion of Avnet's revenues comes from sales of semiconductors, which are highly cyclical. Avnet's sales, specifically within EM, closely follow the strength or weakness of the worldwide semiconductor market which continues to be stable but in a down-cycle overall.

Consolidated sales of \$2.34 billion were up \$126.0 million, or 5.7%, from the prior year third quarter consolidated sales of \$2.21 billion. The year-over-year benefit is a result of the strengthened Euro as well as an unusually strong quarter for CM, which benefited from some sales carryover from its typically strong second quarter as discussed further below. Consolidated sales are down slightly by \$6.2 million, or 0.3%, in comparison with the prior sequential quarter consolidated sales of \$2.35 billion. The sequential decline is largely driven by the expected weaker sales in the Company's computer businesses (CM and AC) where Avnet's second fiscal quarter is historically the strongest.

EM sales of \$1.29 billion in the third quarter of fiscal 2003 were up \$74.6 million, or 6.1%, over the prior year third quarter sales of \$1.22 billion. EM sales were up sequentially from the second quarter of fiscal 2003 by \$86.3 million, or 7.2%. The largest contributor to this growth, both year-over-year and sequentially, has been EM's sales in Asia. EM Asia's sales of \$227.4 million in the third quarter of fiscal 2003 increased by \$78.8 million, or 53.1%, year-over-year, indicative of that region's continually growing presence in the electronic component industry. Sequential growth in EM Asia was more modest at \$14.1 million or 6.6%. A

second contributor to EM's growth year-over-year and sequentially was the strength of the Euro, which was the single largest contributor to EM EMEA's sales increase. EM EMEA's sales for the third quarter of fiscal 2003 were \$477.7 million, increasing by \$73.1 million, or 18.1%, from the prior year third quarter and up \$71.8 million, or 17.7%, sequentially. EM Americas' sales of \$585.2 million were down by \$77.4 million, or 11.7%, from the prior year third quarter, which offset a portion of the gains in EM Asia and EM EMEA discussed above. Management attributes a part of the decline in EM Americas' sales to the continuing broad technology sector trend of OEMs moving their manufacturing and production facilities to Asia, most notably China. Trends in sales for EM Americas are also a function of the broad general economic challenges faced by technology markets in the US, driven by over-supply and general pricing pressures prevalent throughout the past two years. EM Americas' sales remained relatively flat with a \$0.3 million increase (less than 0.1%) from the second quarter of fiscal 2003.

CM sales of \$628.1 million during the quarter ended March 28, 2003 improved by \$76.4 million, or 13.9%, over the third quarter of fiscal 2002. This trend is most evident in the Americas as 80% or more of CM's sales typically originate from this region. A significant contributor to the year-over-year improvement is the sizable sales carryover, primarily in the Americas, from the December 2002 quarter, which is historically CM's strongest quarter. The carryover is partially a function of the timing of Avnet's fiscal periods. The second quarter, which ended on December 27, 2002, allowed for two business days of calendar 2002 to fall into Avnet's third fiscal quarter which, based upon the typical budgeting cycles of many of CM's large, calendar year-end customers, resulted in certain of CM's sizable calendar year-end sales to these customers falling in Avnet's third fiscal quarter. This carryover partially mitigated what has historically been a 10-20% decline in revenues from the second fiscal quarter to the third. As a result, CM's revenues declined sequentially by only \$54.9 million, or 8.0%, from the second quarter of fiscal 2003.

AC's third quarter sales of \$422.1 million declined by \$25.0 million, or 5.6%, from the prior year third quarter. Similarly, third quarter sales at AC declined sequentially by \$37.6 million, or 8.2%, from the second quarter of fiscal 2003. The sequential decline was expected as AC, similar to CM, typically experiences its strongest performance in the December quarter. AC's fiscal 2003 third quarter results were also impacted by lower sales into the PC builder customer base. AC has experienced ongoing pricing pressure for a number of quarters primarily in its volume microprocessor and disk drive businesses in the Americas and EMEA. Management continues to evaluate its business model with respect to this customer group in an effort to manage the impacts of these pricing trends, which have created profitability levels on certain product that management deems unacceptable. As a result, the Company will likely exit certain low-profit, low return-on-capital-employed business relationships during the fourth quarter of fiscal 2003. While this will impact AC's revenues, management expects that the annualized expense reductions resulting from these actions, estimated at approximately \$10 million, will more than offset any loss of sales. Management expects to record a special charge of approximately a similar amount during the fourth quarter of fiscal 2003 in its efforts to initiate this change.

During the third quarter of fiscal 2003, sales by region, as indicated in the table above, depicts the continued relative importance of the Asia region, which increased to 11.5% of consolidated sales across all three operating groups, up from 8.2% in the same quarter of fiscal 2002. The Company expects the Asia region to continue to be a primary growth driver for Avnet as this region is becoming a more vital link in the technology supply chain. As a result, the trend of growth of the Asia region as a percentage of consolidated sales will likely continue as the Company continues to develop its business in that region, specifically in the Peoples' Republic of China, where the Company continues to enhance its already established position. As a result of the 2001 acquisition of Sunrise Technology Ltd. and the organic growth of Avnet's existing businesses in the Peoples' Republic of China and other parts of Asia, management believes Avnet is well positioned to capitalize on the transition of Americas-based OEM customers to Asia.

As a result of the growth of Avnet's foreign sales as a percentage of consolidated sales, Avnet's business is increasingly exposed to risks of operating internationally. Such risks include potential restrictions on transfer of funds, foreign currency fluctuations, import and export duties and value added taxes, import and export regulations that could erode profit margins or restrict exports, changing foreign tax laws and regulations,

potential military conflicts, inflexible employee contracts in the event of business downturns and the burden and cost of compliance with foreign laws.

For the first nine months ended March 28, 2003, consolidated sales were \$6.86 billion, up \$85.5 million, or 1.3%, compared with \$6.78 billion for the same period of fiscal 2002. This increase is driven primarily by the improvement in sales in the third quarter of fiscal 2003 as compared with the third quarter of fiscal 2002 which, as discussed above, is a result of the strengthened Euro and an unusually strong third quarter for CM in the current fiscal year. For the same nine-month period, sales for EM were \$3.74 billion, up \$110.9 million, or 3.1%, over the same period in fiscal 2002 and sales for CM were \$1.84 billion, up \$14.8 million, or 0.8% from fiscal 2002. These increases were offset in part by AC sales of \$1.28 billion during the first nine months of fiscal 2003, which were down \$40.1 million, or 3.0%, from the same period in fiscal 2002.

Gross Profit Margins

Consolidated gross profit margins for the third quarter of fiscal 2003 were 13.12%, down 92 basis points compared with the 14.04% gross profit margins in the third quarter of fiscal 2002. This decline in consolidated gross profit margins was primarily attributable to mix of business issues, including the negative impact of the increased volume of lower gross profit margin computer product sales — specifically increased software sales, which carry lower gross profit margins than most other computer products.

EM accounted for 55.1% of consolidated sales for the third quarter, up slightly from 54.9% in the prior year third quarter. Management expects that the increased percentage of sales in favor of EM will continue when technology markets gradually improve into an anticipated up-cycle. Management also anticipates that the higher gross profit margins realized in prior up-cycles are achievable, and that levels currently experienced are not the result of any structured change in the industry, or of the markets the Company chooses to serve.

Gross profit margins for the first nine months of fiscal 2003 were 13.41% as compared with 13.88% during the same period for fiscal 2002. This decrease of 47 basis points is also due to the factors described above.

Operating Expenses

Operating expenses, which totaled \$270.9 million for the third quarter of fiscal 2003, were down \$17.1 million, or 5.9%, from \$288.0 million in operating expenses reported in the third quarter of fiscal 2002. Operating expenses in the third quarter of fiscal 2003 were down \$119.9 million sequentially from \$390.8 million reported in the second quarter of fiscal 2003. However, excluding the impact of certain special charges incurred in the second quarter as further described below, third quarter operating expenses are down sequentially by \$13.1 million, or 4.6%. The year-over-year reduction in operating expenses is primarily a result of cost reduction efforts and reorganizations initiated in the fourth quarter of fiscal 2002 and in the second quarter of fiscal 2003, each of which resulted in incremental special charges. The cost reductions on a sequential basis, excluding special charges, are offset in part by the strengthening of the Euro in the most recent quarter. In constant dollars, the sequential reduction in operating expenses, excluding special charges, would be approximately \$19.7 million. The constant dollar comparison reflects the impact of applying the average foreign currency exchange rates in effect in the second quarter of fiscal 2003 to the third quarter of fiscal 2003 operating expenses of all subsidiaries of Avnet with foreign functional currencies. This comparison is meaningful to note the Company's progress in achieving the cost reduction efforts of more than \$90 million on an annualized basis that the Company initiated during the second quarter of fiscal 2003.

The special charges impacting the results for the second quarter of fiscal 2003 are explained in detail in Note 12 to the Consolidated Financial Statements appearing in Item 1 of this Report. The special charge of \$106.7 million pre-tax and \$65.7 million after-tax, was taken as a result of multiple cost reduction initiatives stemming from certain reorganizations of the Company's operations during the second quarter of fiscal 2003.

As a percent of sales, operating expenses fell year-over-year from 13.0% in the quarter ended March 29, 2002 to 11.6%. The March 2003 quarter performance of 11.6% is the lowest level of operating expenses as a percent of sales in eight consecutive quarters of operation.

Operating expenses for the first nine months of fiscal 2003 were \$939.3 million compared with \$889.7 million for the same period of fiscal 2002. Excluding special charges discussed above, operating expenses for the first nine months of fiscal 2003 were \$832.5 million, down \$57.2 million from the same period of fiscal 2002.

Operating Income (Loss)

Consolidated operating income in the third quarter of fiscal 2003 was \$36.2 million, an increase of \$13.2 million from the third quarter of fiscal 2002 and an increase of \$111.4 million from the prior sequential quarter. Excluding the impact of special charges discussed above, consolidated operating income in the third quarter of fiscal 2003 increased by \$4.6 million over the \$31.6 million reported in the second quarter of fiscal 2003. The significant improvement in consolidated operating profit and operating profit margin is primarily attributable to the cost reduction efforts implemented across each of the Company's operating groups during the past nine months.

For the first nine months of fiscal 2003, the consolidated operating loss was \$19.0 million compared with income of \$50.4 million for the same time period in fiscal 2002. However, excluding the impact of special items recorded during fiscal 2003, the Company's year-to-date consolidated operating income was \$87.8 million. This year-over-year improvement, excluding special charges, represents a 74% increase in operating income.

Interest Expense

Interest expense of \$26.7 million for the third quarter of fiscal 2003 was down slightly from \$27.0 million in the prior year third quarter, but up from \$24.3 million in the prior sequential quarter. The improvement year-over-year is a function of the Company's continued efforts to reduce its debt with total reductions of approximately \$1.85 billion since December 2000. Interest expense increased sequentially by \$2.4 million primarily as a result of the higher interest rates associated with the new bond issuance of \$475.0 million during the March quarter (see "Financing" for further discussion). These bonds bear interest at 9 3/4% per annum, a higher rate than the 6.45% Notes due in August 2003 and the 8.20% Notes due in October 2003 that were partially redeemed during the quarter. Additionally, the tender offer to retire the 6.45% and 8.20% Notes was open for approximately a four week period during which the Company also had the new 9 3/4% Notes outstanding. Finally, since \$70.8 million of the 6.45% and 8.20% Notes remain outstanding after the redemptions completed in the third quarter, the Company is incurring interest costs on both the outstanding portions of the 6.45% and 8.20% Notes plus the 9 3/4% Notes.

Through the first nine months of fiscal 2003, interest expense was \$78.0 million as compared with \$98.1 million for the same period in fiscal 2002. This represents a 20.5% reduction in interest expense attributable to the Company's debt reduction efforts. This reduction is attributable primarily to the significant reductions of debt since December 2000.

Net Income (Loss)

As a result of the operational performance and other factors described in preceding sections of this MD&A, the Company's consolidated net income for the third quarter of fiscal 2003 was \$1.5 million, or \$0.01 per share on a diluted basis. Excluding the debt extinguishment costs incurred during the third quarter of fiscal 2003, the Company's consolidated net income was \$9.6 million (\$0.08 per share on a diluted basis). The Company also benefited in the most recent quarter from an increase in other income to \$6.4 million, net, an increase of \$5.4 million on a year-over-year basis. This other income consists primarily of interest income and gains on foreign exchange. These results compare with a third quarter fiscal 2002 loss of \$1.3 million, or \$0.01 per share on a diluted basis.

The Company recorded a net loss of \$57.7 million, or \$0.48 per share on a diluted basis, for the first nine months of fiscal 2003. The Company recorded net income of \$16.2 million (\$0.13 per share on a diluted basis) excluding the impact of special charges incurred during the nine month period as discussed above. This compares with a loss of \$23.0 million, or \$0.19 per share on a diluted basis, before the cumulative effect of

change in accounting principle associated with the adoption of Statement of Financial Accounting Standards No. 142 (see Note 4 to the Consolidated Financial Statements appearing in Item 1 of this Report) in the first nine months of fiscal 2002. Including the cumulative effect of change in accounting principle, the Company recorded a net loss of \$603.5 million, or \$5.10 per share on a diluted basis, in the first nine months of fiscal 2002.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

During the first nine months of fiscal 2003, cash generated from income before depreciation, amortization, deferred taxes and other non-cash items (primarily provisions for doubtful accounts and non-cash special charges) totaled \$68.5 million. During that period, \$484.7 million was generated by reductions in working capital (excluding cash and cash equivalents). The working capital reductions are primarily a result of the Company's efforts to improve its asset utilization and efficiency by reducing its receivables and inventories in what continues to be a relatively stable but weak electronic components and computer products industry. Reductions in receivables and inventories generated cash inflows of \$429.1 million during the first nine months of fiscal 2003 (\$236.6 million of these inflows were generated during the third quarter). The Company's efforts in these areas have yielded consistent improvement since the industry down-cycle began in both days' sales outstanding and in inventory turns with the latter ratio achieving its high point during this current down-cycle of 6.8 turns in the March 2003 quarter.

The net cash flow from operations discussed above was \$553.2 million for the first nine months of fiscal 2003. In addition, the Company used \$13.4 million for other normal business operations including purchases of property, plant and equipment (\$17.6 million, net of cash proceeds of \$9.0 million from property, plant and equipment sold during the period) and cash generated by other items (\$4.2 million). This resulted in \$539.8 million, net, being generated from normal business operations. Also during the first nine months of fiscal 2003, the Company used \$7.5 million for acquisitions primarily of the remaining minority interests in Max India, Ltd. and Avnet Components Israel. This overall net generation of cash of \$532.3 million was used to reduce drawings under the accounts receivable securitization program by \$200.0 million and to repay debt. As discussed below in "Financing," the Company also generated net cash proceeds of \$465.3 million from the February 2003 offering of the 9 3/4% Notes due February 15, 2008 which was used to redeem a significant portion of the 6.45% Notes and 8.20% Notes, both of which mature in calendar 2003. The net repayment of debt was \$655.7 million with a resulting net increase in cash and cash equivalents of \$141.9 million during the first nine months of fiscal 2003.

Capital Structure and Contractual Obligations

The following table summarizes the Company's capital structure as of the end of the first nine months of fiscal 2003 as compared with fiscal 2002 year-end:

Capital Structure

	March 28, 2003	June 28, 2002
	(Thousands)	
Short-term debt	\$ 196,901	\$ 59,309
Long-term debt	1,277,265	1,565,836
	-----	-----
Total debt	1,474,166	1,625,145
Shareholders' equity	1,787,240	1,804,510
	-----	-----
Total capitalization	\$3,261,406	\$3,429,655
	=====	=====

The table above excludes amounts outstanding under Avnet's accounts receivable securitization program. The Company had drawn \$200.0 million at June 28, 2002 under this program. There were no drawings at

March 28, 2003. See Note 3 to the Consolidated Financial Statements appearing in Item 1 of this Report. Long-term debt in the above table includes the fair value adjustment of \$34.3 million and \$7.0 million at March 28, 2003 and June 28, 2002, respectively, for the hedged 8.00% Notes discussed in “Financing” below.

For a description of the Company’s long-term debt and lease commitments for the next five years and thereafter, see Long-Term Contractual Obligations appearing in Item 7 in the Company’s Annual Report on Form 10-K. With the exception of pay downs of debt obligations discussed herein and regularly scheduled lease payments, there are no material changes to this information.

In connection with the Company’s January 2000 acquisition of 84% of the stock of Eurotronics B.V., which went to market as SEI, the Company entered into a share purchase agreement with the sellers that called for an additional payment of cash or common stock of the Company if the Company’s share price does not reach \$45.25 per share by January 2004. This guarantee would result in an additional payment to the sellers of approximately \$80.8 million based upon the Company’s stock price as of March 28, 2003.

Financing

On February 6, 2003, the Company issued \$475.0 million of 9 3/4% Notes due February 15, 2008 (the “9 3/4% Notes”). The net proceeds from this debt issuance were approximately \$465.3 million, net of underwriting fees. During the quarter ended March 28, 2003, the Company also redeemed \$159.1 million of its 6.45% Notes due August 15, 2003 and \$220.1 million of its 8.20% Notes due October 17, 2003. Proceeds from the 9 3/4% Notes were used to fund the tender and early redemption of the 6.45% and 8.20% Notes. Proceeds of \$79.5 million from the 9 3/4% Notes are held in an escrow account which will be used to repay the remaining principal on the 6.45% and 8.20% Notes at their respective maturity dates plus interest due through their maturities. The Company incurred debt extinguishment costs of \$13.5 million pre-tax, \$8.2 million after tax and \$0.07 per share on a diluted basis during the quarter ended March 28, 2003 related primarily to premiums and other transaction costs associated with the tender and early redemption of a portion of the 6.45% and 8.20% Notes.

During the nine months ended March 28, 2003, the Company amended its syndicated bank credit facilities. Prior to these amendments, the bank credit facilities included a multi-year credit facility with a syndicate of banks that provided up to \$428.8 million in financing and a 364-day credit facility providing up to \$488.7 million in financing (the original syndicated bank credit facility also included a \$82.5 million term loan facility that matured in November 2001). The multi-year credit facility is a three-year revolving, multi-currency facility that matures on October 25, 2004. The Company may select from various interest rate options and maturities under this facility.

The amended terms of the multi-year credit facility reduced the available borrowings under the facility to \$350.0 million. Additionally, the 364-day credit facility was terminated as part of the fiscal 2003 amendments. There were no drawings on the 364-day credit facility at the time of its termination.

The amended agreement also modifies the interest coverage ratio, as defined therein, that the Company must maintain through the remaining term of the agreement. The amended agreement did not modify the other financial covenants of the bank credit facilities. The Company was in compliance with all of the covenants at March 28, 2003.

The amended agreement also contains a “springing lien” provision whereby borrowings under the amended multi-year credit facility will become secured by certain assets of the Company and its subsidiaries if certain events occur. These events include: (a) the establishment of a debt rating of Ba1 or lower by Moody’s Investor Services (“Moody’s”) or BB+ or lower by Standard and Poor’s (“S&P”) or (b) the termination of Avnet’s current accounts receivable securitization program (see Note 3 to the Consolidated Financial Statements appearing in Item 1 of this Report) without simultaneously entering into another securitization with similar terms. There were no borrowings outstanding on the facility at March 28, 2003. See further discussion of the Company’s liquidity at “Liquidity Analysis.”

The amended multi-year facility does not prohibit the Company from drawing upon its availability, if needed, to pay down outstanding debt obligations as they come due.

The multi-year, 364-day and term loan facility discussed above replaced, in October 2001, a \$1.25 billion 364-day credit facility with a syndicate of banks that expired upon its maturity in that same month. The Company was able to select from various interest rate options and maturities under this facility, although the Company utilized the facility primarily as back-up for its commercial paper program.

In November 2001, the Company issued \$400.0 million of 8.0% Notes due November 15, 2006 (the "8% Notes"). The net proceeds received by the Company from the sale of the 8% Notes were approximately \$394.3 million after deduction of the underwriting discounts and other expenses associated with the sale. The net proceeds from the 8% Notes were used to repay commercial paper and other short-term indebtedness. The 8% Notes are hedged with two interest rate swaps as discussed in Note 5 to the Consolidated Financial Statements appearing in Item 1 of this Report. The swaps effectively convert the 8% Notes from a fixed rate to a floating rate based upon U.S. LIBOR plus a spread. The Company accounts for the hedges using the shortcut method as defined under Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative and Hedging Activities." Due to the effectiveness of the hedges since inception, the market value adjustments for the hedged 8% Notes and for the swaps directly offset one another in interest expense.

In October 2001, Avnet Financial Services CVA, a wholly owned subsidiary incorporated in Belgium, entered into an agreement with a Belgian bank which provides for the issuance of up to Euro 100 million in Treasury Notes. The Treasury Note program is a multi-currency program pursuant to which short-term notes may be issued with maturities from seven days to one year with either fixed or floating rates of interest. This program is intended to partially finance the working capital requirements of the Company's European operations.

In addition to its primary financing arrangements, the Company has several small lines of credit in various locations to fund the short-term working capital, foreign exchange, overdraft and letter of credit needs of its wholly owned subsidiaries in Europe and Asia. These facilities are generally guaranteed by Avnet. The Company also has available to it certain vendor financing programs for its payables, creating additional flexibility for short-term financing needs.

Covenants and Conditions

The amended multi-year credit agreement described above contains certain covenants with various limitations on total debt, capital expenditures, investments and acquisitions, and require that net worth, interest coverage and other ratios be maintained at specific levels. Similarly, the receivable securitization program contains certain covenants relating to the quality of the receivables sold under the program. If these conditions are not met, the Company may not be able to borrow any additional funds under these facilities and might be required to repay any amounts outstanding. Circumstances that could affect the Company's ability to meet the required financial covenants and conditions in its various financing arrangements include the duration and depth of the current economic downturn and its impact on profitability, perceived financial strength or weakness by credit rating agencies and various other economic, market and industry factors. The Company was in compliance with all covenants for these facilities at March 28, 2003.

The Company is also required to maintain minimum senior unsecured credit ratings in order to continue using the receivable securitization program in its present form. If the Company's credit rating is reduced to Ba2 or lower by Moody's or BB or lower by S&P — two grades below the Company's current rating levels, the Company may be in default under the securitization program. Both the bank credit facility and the securitization program contain certain standard cross-default provisions, meaning that if there is a default under one facility, such as a covenant breach or a credit ratings trigger, that default can also trigger a default under the other facility. If any event of default occurs, the Company would either have to negotiate with the lenders to modify the facilities or pay off all amounts outstanding, terminate the facilities and, if necessary, seek alternative financing.

See "Liquidity Analysis" for further discussion of the Company's availability under these various facilities.

Liquidity Analysis

Under its two primary borrowing facilities (the multi-year credit facility and the accounts receivable securitization program) the Company has total borrowing capacity of \$700.0 million against which there are no amounts outstanding at March 28, 2003. The Company also has an additional \$301.2 million of cash and cash equivalents on hand at March 28, 2003, although \$79.5 million of that cash on hand is in an escrow account and restricted to pay down the remaining principal and interest on the 6.45% and 8.20% Notes as discussed above in "Financing." This liquidity is more than sufficient for the Company to pay down its \$70.8 million of notes maturing in calendar 2003 and its \$103.0 million of notes maturing in calendar 2004 with the remainder used, as necessary, to fund the working capital and ongoing operational needs of the Company.

The following table highlights the Company's liquidity ratios as of the end of the third quarter of fiscal 2003 with a comparison to the fiscal 2002 year-end:

Comparative Analysis Liquidity(1)

	March 28, 2003(2)	June 28, 2002	% Change
	(Dollars in thousands)		
Current assets	\$3,055,815	\$3,205,532	(4.7)%
Quick assets	1,798,168	1,533,251	17.3
Current liabilities	1,341,345	1,276,836	5.1
Working capital	1,714,470	1,928,696	(11.1)
Total debt	1,474,166	1,625,145	(9.3)
Total capitalization	3,261,406	3,429,655	(4.9)
Quick ratio	1.3:1	1.2:1	
Working capital	2.3:1	2.5:1	
Debt to total capital ratio	45.2%	47.4%	

- (1) Excludes (i) receivables that have been sold from current and quick assets and (ii) amounts outstanding under the Company's accounts receivable securitization program from debt which totaled \$200.0 million at June 28, 2002. There were no drawings on the accounts receivable securitization program at March 28, 2003. See Note 3 to the Consolidated Financial Statements appearing in Item 1 of this Report.
- (2) Ratios that include cash and cash equivalents include \$79.5 million of restricted cash held in escrow at March 28, 2003 to fund remaining principal and interest payments on the 6.45% and 8.20% Notes (see "Financing" for further discussion).

The Company's quick assets at March 28, 2003 totaled \$1.80 billion as compared to \$1.53 billion at June 28, 2002. At March 28, 2003, quick assets were greater than the Company's current liabilities by \$456.8 million as compared with \$256.4 million at the end of fiscal 2002. The increase in quick assets is due in part to the increase in cash and cash equivalents resulting from the Company's positive cash flows and financing transactions completed during fiscal 2003 (see "Cash Flow" and "Financing" above) as well as the increase in receivables in the March 28, 2003 consolidated balance sheet which resulted in large part from the reduced drawings under the Company's accounts receivable securitization program in the most recent nine month period. Working capital at March 28, 2003 was \$1.71 billion as compared with \$1.93 billion at June 28, 2002. This decrease is primarily a result of the previously discussed inventory reductions since the end of fiscal 2002 offset in part by the increases in quick assets. At March 28, 2003, to support each dollar of current liabilities, the Company had \$1.34 of quick assets and \$0.94 of other current assets for a total of \$2.28 as compared with \$2.51 at June 28, 2002.

The Company does not currently have any material commitments for capital expenditures.

Recently Issued Accounting Pronouncements

In June 2002, the FASB issued Statement of Financial Accounting Standards No. 146 (“SFAS 146”), “Accounting for Costs Associated with Exit or Disposal Activities.” SFAS 146 supersedes former guidance addressing the financial accounting and reporting for costs associated with exit or disposal activities. SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized and measured when the liability is incurred (as opposed to upon the date of an entity’s commitment to a plan as provided for under previous guidance). The provisions of SFAS 146 are effective for any exit or disposal activities that are initiated by the Company after December 31, 2002.

In November 2002, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF Issue No. 02-16, “Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor.” EITF Issue No. 02-16 provides guidance as to the classification and timing of recognition of supplier rebates in the results of operations of the customer or reseller receiving the rebate. Substantially all of Avnet’s rebates are dependent on the resale of the product to Avnet’s customers and the rebates are typically not awarded until Avnet completes this sale. Avnet has historically accounted for these rebates as a reduction of cost of sales and, therefore, EITF Issue No. 02-16 did not have a material impact on the Company.

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 (“SFAS 148”), “Accounting for Stock-Based Compensation — Transition and Disclosure — An Amendment of FASB Statement No. 123.” SFAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of Statement of Financial Accounting Standards No. 123 (“SFAS 123”), “Accounting for Stock Based Compensation,” to require prominent disclosure in both annual and interim financial statements regarding the method of accounting for stock-based compensation. The Company continues to account for its stock-based employee compensation under Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” as allowed, but has adopted the disclosure provisions of SFAS 148 as indicated in Note 7 to the Consolidated Financial Statements appearing in Item 1 of this Report.

In January 2003, the FASB issued FASB Interpretation No. 46 (“FIN 46”), “Consolidation of Variable Interest Entities,” which requires the consolidation of variable interest entities (“VIEs”), as defined, based upon an assessment of a company’s investment interests in the VIE as it relates to the interests of other investors in the VIE. FIN 46 also includes certain disclosure requirements related to any VIEs. The consolidation requirements apply to any VIEs created after January 31, 2003 and, for any VIEs that existed prior to that date, the consolidation requirements are effective with Avnet’s first quarter of fiscal 2004 to the extent Avnet continues to hold an investment interest in any such VIEs as of the first day of that quarter. Avnet is currently completing its evaluation of the effect, if any, of FIN 46 on its consolidated financial statements.

In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149 (“SFAS 149”), “Amendment of Statement 133 on Derivative Instruments and Hedging Activities,” which amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts. SFAS 149 will be effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The provisions of SFAS 149 are to be applied prospectively.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company seeks to reduce earnings and cash flow volatility associated with changes in interest rates and foreign currency exchange rates by entering into financial arrangements intended to provide a hedge against a portion of the risks associated with such volatility. The Company continues to have exposure to such risks to the extent they are not hedged.

See Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in the Company’s Annual Report on Form 10-K for the year ended June 28, 2002 for discussion of market risks associated with interest rates and foreign currency exchange. Our exposure to foreign exchange risks have not changed materially since

June 28, 2002 as the Company continues to hedge the majority of its foreign exchange exposures. Thus, any increase or decrease in fair value of the Company's forward foreign exchange contracts is generally offset by an opposite effect on the related hedged positions.

See "Liquidity and Capital Resources" for further discussion of the Company's financing facilities and capital structure. As of March 28, 2003, 71% of the Company's debt bears interest at a fixed rate and 29% of the Company's debt bears interest at variable rates (including as variable rate debt the \$400.0 million 8.00% Notes due November 15, 2006 due to the fair value hedge of this debt (see "Financing" for further discussion)). Therefore, a hypothetical 1.0% (100 basis point) increase in interest rates would result in a \$3.1 million impact on income before income taxes in the Company's consolidated statement of operations for the nine months ended March 28, 2003.

Item 4. *Controls and Procedures*

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of a date within 90 days prior to the filing of this quarterly report (the "Evaluation Date"). Based on such evaluation, the Company's management has concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective such that material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms relating to the Company. The Company's management has also concluded that the Company's disclosure controls and procedures are designed to accumulate and communicate the information required to be disclosed by Avnet to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. No significant changes were made in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

In October 1993 Avnet and the former owners of an Avnet-owned site in Oxford, North Carolina entered into a Consent Decree and Court Order with the Environmental Protection Agency (the "EPA") for the environmental clean-up of the site, the cost of which, according to the EPA's remedial investigation and feasibility study, was estimated to be approximately \$6.3 million, exclusive of approximately \$1.5 million in EPA past costs paid by the potentially responsible parties ("PRPs"). Pursuant to a Consent Decree and Court Order entered into between Avnet and the former owners of the site in May 1993, the former owners have agreed to bear at least 70% of the clean-up costs of the site, and Avnet will be responsible for not more than 30% of those costs.

On September 26, 2002, Avnet's subsidiary, Sterling Electronics Corporation ("Sterling"), was added as a defendant in an existing lawsuit filed in the Superior Court of California, County of Los Angeles, by property owners and residents in or near the San Gabriel Valley Superfund Site. This master case is a consolidation of six different matters filed during the period from July 1997 through November 2001. Sterling once owned 92.46% of the capital stock of Phaostron, Inc., which has been named as a PRP for contamination at the site. In March 2003, the court dismissed all six cases on technical grounds, but allowed the plaintiffs the opportunity to properly serve newly-added industrial defendants, including Sterling, in any case not yet outside the mandatory service period. In four of the six cases, the applicable service period has expired. Sterling, therefore, cannot be re-added to those cases as a defendant. In the remaining two cases, the plaintiffs have until January 1, 2004 and November 30, 2004, respectively, to re-add Sterling as a defendant in the master case and properly perfect service of process on Sterling. Those plaintiffs have not indicated a monetary amount sought in this matter. Avnet believes that Sterling has meritorious defenses to liability, and, although the ultimate outcome is uncertain, based on current information, Avnet does not believe that its liability for this matter, if any, will be material to its financial position, cash flow or results of operations.

Avnet is a PRP at a manufacturing site in Huguenot, New York currently under investigation by the New York State Department of Environmental Conservation ("NYSDEC"), which site Avnet owned from the mid-1960s until the early-1970s. The estimated cost of the first phase of the environmental clean-up (to remediate contaminated soils) is approximately \$2.4 million based on an NYSDEC cost estimate. Avnet currently is engaged in litigation to apportion these costs among it and the current and former owners and operators of the site. Based on current information, Avnet does not anticipate its liability in the matter will be material to its financial position, cash flow or results of operations.

Based on the information known to date, management believes that Avnet has appropriately accrued in its consolidated financial statements for its share of the costs associated with these environmental clean-up sites.

The Company and/or its subsidiaries are also parties to various other legal proceedings arising from time to time in the normal course of business. While litigation is subject to inherent uncertainties, management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on the Company's financial position, cash flow or overall results of operations.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

- 3A. Restated Certificate of Incorporation of the Company (incorporated herein by reference to the Company's Report on Form 8-K dated February 12, 2001, Exhibit 3(j)).
- 3B. By-laws of the Company, effective July 27, 2001 (incorporated herein by reference to the Company's Current Report on Form 8-K dated September 25, 2001, Exhibit 4).
- 4. Note: The total amount of securities authorized under any instrument which defines the rights of the holders of the Company's long-term debt does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. Therefore, none of such instruments are required to be filed as exhibits to this Report. The Company agrees to furnish copies of such instruments to the Commission upon request.
- 10A. Seventh Amendment to Credit Agreement dated as of January 30, 2003 by and among the Company, the lenders party thereto, and Bank of America, N.A., as Administrative Agent.
- 10B. Eighth Amendment to Credit Agreement dated as of March 28, 2003 by and among the Company, the lenders party thereto, and Bank of America, N.A., as administrative agent.
- 99.1 Certification by Roy Vallee, Chief Executive Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification by Raymond Sadowski, Chief Financial Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.

B. Reports on Form 8-K:

During the third quarter of fiscal 2003, the Company filed the following Current Reports on Form 8-K: (1) Current Report on Form 8-K bearing cover date of January 9, 2003 in which the Company reported under Item 9 that it had issued a press release announcing that the second quarter of fiscal 2003 corporate update conference call would be held on January 23, 2003; (2) Current Report on Form 8-K bearing cover date of January 23, 2003 in which the Company reported under Item 5 that it had issued a press release announcing the second quarter of fiscal 2003 results; (3) Current Report on Form 8-K bearing cover date of January 27, 2003 in which the Company reported under Item 9 that it had issued a press release announcing the tender offer for its 6.45% Notes due August 2003 and its 8.20% Notes due October 2003; (4) Current Report on Form 8-K bearing cover date of January 31, 2003 in which the Company filed exhibits under Item 7 containing the pricing agreement, indenture, officers' certificate, opinion of general counsel and computation of earnings to fixed charges related to the Company's \$475 million 9 3/4% Notes due February 2008; (5) Current Report on Form 8-K bearing cover date of February 3, 2003 in which the Company reported under Item 9 that it had issued a press release announcing the pricing of its \$475 million 9 3/4% Notes due February 2008; (6) Current Report on Form 8-K bearing cover date of February 6, 2003 in which the Company reported under Item 9 that it had issued a press release announcing the completion of the \$475 million 9 3/4% Notes offering and the amendment of the Company's tender offer for its 6.45% Notes due August 2003 and its 8.20% Notes due October 2003; (7) Current Report on Form 8-K bearing cover date of February 20, 2003 in which the Company reported under Item 9 that it had issued a press release announcing its participation in the upcoming Goldman Sachs Technology Investment Symposium; (8) Current Report on Form 8-K bearing cover date of February 27, 2003 in which the Company reported under Item 9 that it had issued a press release announcing its participation in the upcoming Morgan Stanley Semiconductor and Systems Conference and the Raymond James 24th Annual Institutional Investors Conference; and (9) Current Report on Form 8-K bearing cover date of March 3, 2003 in which the Company reported under Item 9 that it had issued a press release announcing that it had closed its tender offer for its 6.45% Notes due August 2003 and its 8.20% Notes due October 2003.

SIGNATURES

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

Date: May 9, 2003

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Roy Vallee, Chief Executive Officer of Avnet, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ ROY VALLEE

Roy Vallee
Chief Executive Officer

Date: May 9, 2003

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Raymond Sadowski, Chief Financial Officer of Avnet, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ RAYMOND SADOWSKI

Raymond Sadowski
Chief Financial Officer

Date: May 9, 2003

Exhibit Index

- 3A. Restated Certificate of Incorporation of the Company (incorporated herein by reference to the Company's Report on Form 8-K dated February 12, 2001, Exhibit 3(j)).
- 3B. By-laws of the Company, effective July 27, 2001 (incorporated herein by reference to the Company's Current Report on Form 8-K dated September 25, 2001, Exhibit 4).
- 4. Note: The total amount of securities authorized under any instrument which defines the rights of the holders of the Company's long-term debt does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. Therefore, none of such instruments are required to be filed as exhibits to this Report. The Company agrees to furnish copies of such instruments to the Commission upon request.
- 10A. Seventh Amendment to Credit Agreement dated as of January 30, 2003 by and among the Company, the lenders party thereto, and Bank of America, N.A., as Administrative Agent.
- 10B. Eighth Amendment to Credit Agreement dated as of March 28, 2003 by and among the Company, the lenders party thereto, and Bank of America, N.A., as administrative agent.
- 99.1 Certification by Roy Vallee, Chief Executive Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification by Raymond Sadowski, Chief Financial Officer, under Section 906 of the Sarbanes-Oxley Act of 2002.

SEVENTH AMENDMENT TO CREDIT AGREEMENT

THIS SEVENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of January 30, 2003, is entered into by and among AVNET, INC., a New York corporation ("Avnet"), the lenders party to the Credit Agreement referred to below (each a "Lender" and, collectively, the "Lenders") and BANK OF AMERICA, N.A., as administrative agent for itself and the other Lenders (in such capacity, the "Administrative Agent").

RECITALS

A. Avnet, the Lenders and the Administrative Agent are parties to that certain Credit Agreement (Multi-Year) dated as of October 25, 2001, as amended or modified by that First Amendment to Credit Agreement (Multi-Year) dated as of March 29, 2002, that Second Amendment to Credit Agreement (Multi-Year) dated as of October 10, 2002, that certain letter agreement dated as of November 8, 2002, that Third Amendment to Credit Agreement dated as of November 23, 2002, that Fourth Amendment to Credit Agreement dated as of December 9, 2002, that Fifth Amendment to Credit Agreement dated as of December 12, 2002, and that Sixth Amendment to Credit Agreement dated as of December 13, 2002 (as so amended or modified, the "Credit Agreement"), pursuant to which the Administrative Agent and the Lenders have extended certain credit facilities to Avnet and certain of its Subsidiaries.

A. Avnet has requested that the Administrative Agent and the Lenders agree to certain amendments of the Credit Agreement.

A. The Administrative Agent and the Lenders are willing to amend the Credit Agreement subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to such terms in the Credit Agreement as amended hereby.

1. Amendments to Credit Agreement. The Credit Agreement shall be amended, effective as of the Effective Date, as follows:

(a) At Section 1.01, the defined term "Total Free Liquid Assets" shall be amended by deleting the word "and" before clause (c) and adding a new subsection (d) as follows:

"and (d) Permitted Investments made with the Net Proceeds of a Permitted Capital Markets Transaction to the extent subject to the Substantive Defeasement of any Capital Markets Notes having original stated maturities in year 2003 in accordance with Section 6.18"

(a) At Section 1.01, the following defined terms shall be amended and restated in their entirety as follows:

"Permitted Debt" means Debt of Avnet arising under or in connection with any Capital Markets Notes issued by Avnet after the Second Amendment Date, provided that: (a) such Debt has an original stated maturity of not less than three years, and no amortization of principal, including pursuant to any sinking fund arrangement; (b) such Debt provides no right of Mandatory Redemption, other than (i) one solely exercisable more than three years after the date of issuance, or (ii) arising solely upon a change of control event relating to Avnet that would constitute a Change of Control, or (iii) one arising solely upon certain asset sales, provided that the terms of such Debt allow Avnet to repay any and all Obligations prior to such Mandatory Redemption; (c) no instrument or agreement evidencing such Debt contains any maintenance-based debt covenants, nor any covenants or events of default that are more restrictive than may be customary at the time of issuance for non-investment grade rated public debt offerings, nor contain a Third Party Negative Pledge other than as expressly permitted by Section 6.20; (d) such Debt shall not be convertible or exchangeable into other Debt that is not itself Permitted Debt; (e) such Debt is not guaranteed, on the date such Debt is issued, by (nor, on the date such Debt is issued, subject to any agreement to provide any guaranty by) any Subsidiary of Avnet, other than Subsidiaries that on or before the date such guaranty is executed in favor of the holder of such Debt are required by the terms of this Agreement to execute and deliver to the Administrative Agent a Guaranty Agreement pursuant to Section 6.13(b); and (such Debt is not entitled to the benefit of any Lien, other than the right to share equally and ratably in certain Liens granted to third parties (other than the Lender Liens) on substantially the same terms as contained in the 2008 Senior Note Indenture.

"Substantive Defeasement" means, in respect of any outstanding Debt represented by Capital Markets Notes, that Avnet has irrevocably deposited funds with a bank, pursuant to an escrow or trust arrangement for the exclusive benefit of the holders of such Notes (or their trustee or agent), or otherwise in accordance with any express defeasance terms specified in the indenture governing such Capital Markets Notes, for the sole purpose of repaying such Notes, together with interest thereon in the amount anticipated to accrue up to the date of final payment.

(b) Section 1.01 shall be further amended by inserting the following new defined terms in the proper alphabetical order:

"Excess Amount" has the meaning set forth in Section 2.06(b)(ii).

"Preliminary Prospectus" has the meaning set forth in the definition of the "2008 Senior Notes."

"2008 Senior Note Indenture" means the terms of the October 2000 Indenture relating to the terms of the 2008 Senior Notes (including

any resolutions or officer's certificates relating to the terms of the 2008 Senior Notes).

"2008 Senior Notes" means Senior Notes (including convertible Senior Notes) to be issued by Avnet and described more particularly in that preliminary prospectus dated January 27, 2003 (the "Preliminary Prospectus") (provided that the terms thereof shall contain no material changes from the terms thereof described in the Preliminary Prospectus, unless approved by the Required Lenders), and any senior or senior subordinated notes issued pursuant to any supplemental or additional prospectus or offering circular issued in connection with the issuance of Capital Markets Notes on or before February 14, 2003, which are convertible into Avnet's common stock, having substantially the same or less restrictive terms as to covenants, events of default and other material provisions (other than convertibility, tenor and interest rate) as contained in the Preliminary Prospectus.

(c) Section 2.06(b) shall be amended by:

(i) Inserting the clause number "(i)" before the beginning of the first sentence thereof; and

(ii) Inserting a new clause (ii) at the end thereof as follows:

"(ii) If on the date 350 days after the consummation of a transaction giving rise to an "Asset Sale Amount" (as defined in the 2008 Senior Note Indenture), Avnet shall not have applied an amount equal to such Asset Sale Amount by:

(A) Investing or committing to invest (and in fact so investing within an additional 90 days) in "Related Business Assets" (as defined in the 2008 Senior Note Indenture) and property (except in connection with the acquisition of a wholly owned Subsidiary in a "Related Business" (as defined in the 2008 Senior Note Indenture), other than notes, bonds, obligation and securities); or

(B) Making certain investments permitted under the 2008 Senior Note Indenture, which in Avnet's good faith reasonable judgment will immediately constitute or be part of the Related Business of Avnet or the applicable Subsidiary (if it continues to be a Subsidiary) immediately following such transaction;

then the Aggregate Commitments shall, immediately and automatically on such date, be permanently reduced by an amount equal to the amount of such Asset Sale Amount not so applied (the "Excess Amount"). To the extent that the then Outstanding

Amount of all Loans and L/C Obligations exceeds the Aggregate Commitments as reduced by the Excess Amount, the Borrowers shall immediately upon the effectiveness of the reduction in Aggregate Commitments hereunder prepay Loans in an amount equal to the amount by which such Outstanding Amount of all Loans and L/C Obligations exceeds the Aggregate Commitments as reduced by the Excess Amount, plus interest and any amounts owing under Section 3.05, and, if after repayment of all Loans the resulting Outstanding Amount still exceeds the Aggregate Commitments as reduced by the Excess Amount, Cash Collateralize L/C Obligations in an amount equal to such remaining excess."

(d) Section 2.15 shall be amended by adding the following as new subsection (c) thereto:

"(c) If at any time Avnet or any of its Subsidiaries becomes obligated to grant immediately to the holders of the 2008 Senior Notes (or any agent or trustee acting on their behalf) a Lien pursuant to any equal and ratable collateral sharing provision contained in the 2008 Senior Note Indenture, Avnet shall be deemed to have granted, on its own behalf or on behalf of such Subsidiary, a Lender Lien upon any and all assets and property subject to such Lien, as security for the Obligations, such that the Obligations are equally and ratably secured together with the obligations under the 2008 Senior Notes. This Agreement shall be deemed a security agreement for purposes of the Uniform Commercial Code. Avnet shall thereafter immediately execute and deliver, or cause such Subsidiary to execute and deliver, such instruments, documents and agreements, in form and substance satisfactory to the Administrative Agent, and shall perform or cause to be performed such other acts, as may be necessary or appropriate in the discretion of the Administrative Agent to Perfect such Lender Lien."

(e) Section 6.01 shall be amended as follows:

- subsection (q);
- (i) By deleting the word "or" at the end of
- (t); and
- (ii) By renumbering subsection (r) as subsection
- (iii) By inserting the following as new
- subsections (r) and (s):

"(r) prompt notice of the consummation of any transaction giving rise to an "Asset Sale Amount" (as defined in the 2008 Senior Note Indenture), other than any transaction that is not subject to compliance with the covenant described in the Preliminary Prospectus under the heading "Limitations on Sale of Assets and Subsidiary Stock; Offer to Repurchase from Excess Proceeds" and contained in the 2008 Senior Note

Indenture, setting forth the date of consummation and the amount of such Asset Sale Amount;

(s) if within 350 days after the consummation of a transaction giving rise to an "Asset Sale Amount" (as defined in the 2008 Senior Note Indenture), other than any transaction that is not subject to compliance with the covenant described in the Preliminary Prospectus under the heading "Limitations on Sale of Assets and Subsidiary Stock; Offer to Repurchase from Excess Proceeds" and contained in the 2008 Senior Note Indenture, Avnet shall not have applied an amount equal to such Asset Sale Amount as set forth in Section 2.06(b)(ii), immediate notice setting forth the applicable Excess Amount; or"

(f) Section 6.07 shall be amended at clause (n) thereof by deleting the final word "and", and at clause (o) thereof, by inserting the following immediately prior to the final period thereof:

";and

(p) Liens granted to holders of the 2008 Senior Notes (or any agent or trustee acting on their behalf) pursuant to any equal and ratable collateral sharing provision contained in the 2008 Senior Note Indenture, upon the creation of any Lien that is not a "Permitted Lien" (as defined in the 2008 Senior Note Indenture) ("Antecedent Lien"), provided and to the extent that such Antecedent Lien is a Permitted Lien hereunder."

(g) Section 6.08(b) shall be amended by adding the following proviso to the end thereof:

"and provided, further, that, other than any transaction that is not subject to compliance with the covenant described in the Preliminary Prospectus under the heading "Limitations on Sale of Assets and Subsidiary Stock; Offer to Repurchase from Excess Proceeds" and contained in the 2008 Senior Note Indenture, (1) at least 75% of the total consideration for any such Asset Sale shall consist of cash or cash equivalents or "Related Business Assets" (as defined in the 2008 Senior Note Indenture) and (2) Avnet shall determine in good faith that it or such Subsidiary is receiving fair market value for such Asset Sale."

(h) Section 6.13 shall be amended by:

(i) Inserting the clause number "(a)" before the beginning of the first sentence thereof; and

(ii) Inserting a new clause (b) at the end thereof as follows:

"(b) If at any time any Subsidiary of Avnet is then obligated immediately to guarantee any amounts on the 2008 Senior Notes, Avnet shall cause such Subsidiary immediately to guarantee the Obligations by

executing and delivering to the Administrative Agent such instruments, documents, agreements and opinions, in form and substance reasonably satisfactory to the Administrative Agent, as may be necessary or appropriate in the discretion of the Administrative Agent."

(i) Section 6.14(i) shall be amended by inserting after the phrase "in the ordinary course of business" the phrase ", or pursuant to documentation entered into substantially concurrently with the issuance of Capital Markets Notes on or before February 14, 2003, that are convertible into Avnet's common stock,".

(j) Section 6.17 shall be amended and restated in its entirety as follows:

"6.17 RESTRICTED PAYMENTS. Avnet shall not, and shall not permit any of its Subsidiaries to, (a) declare or pay any dividends in respect of its capital stock or other equity interests (other than dividends payable, but for fractional shares, solely in common stock of Avnet), or purchase, redeem, retire or otherwise acquire for value any of its capital stock or other equity interests now or hereafter outstanding, in each case other than pursuant to a Permitted Hedge Transaction, return any capital to its shareholders as such, or make any distribution of assets to its shareholders as such, or (b) other than solely with the proceeds of a Permitted Capital Markets Transaction to the extent permitted pursuant to Section 6.18, make any voluntary or optional prepayment or early repayment, early redemption, early exchange or early acquisition for value of, or establish any sinking fund with respect to, any Debt evidenced by Capital Markets Notes, in each case, other than the conversion of any Debt evidenced by Capital Markets Notes into the common stock of Avnet."

(k) Section 6.20 shall be amended and restated as follows:

"6.20 OTHER NEGATIVE PLEDGES. Avnet shall not, and shall not suffer or permit any of its Subsidiaries to, enter into or first become subject to after the Second Amendment Date any agreement or arrangement that directly or indirectly prohibits Avnet or any such Subsidiary from granting any Lien to the Administrative Agent (or restricting Perfection or enforcement of such Lien) with respect to any Springing Lien Assets or Collateral (a "Third Party Negative Pledge"), provided, that Avnet and its Subsidiaries may enter into or incur Third Party Negative Pledges (a) pursuant to an Acquisition permitted by Section 6.14(h), provided such Third Party Negative Pledge affects only assets and property so acquired and is not undertaken or incurred in contemplation of such Acquisition; or (b) pursuant to a transaction creating a Lien permitted by Section 6.07(b) or provided such Third Party Negative Pledge is limited to the assets or property subject to such Permitted Lien; or (c) pursuant to Permitted Debt comprising a Permitted Capital Markets Transaction, provided that such Third Party Negative Pledge is no more restrictive than that contained in the October 2000 Indenture."

(l) Article VI shall be further amended by adding the following new sections at the end thereof:

"6.30 TRANSACTIONS WITH AFFILIATES. Avnet shall not, and shall not permit any of its Subsidiaries to, enter into any transaction of any kind with any Affiliate of Avnet (other than any Wholly Owned Consolidated Subsidiary of Avnet), whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Avnet or such Subsidiary as would be obtainable by Avnet or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate.

6.31 MODIFICATION OF THE 2008 SENIOR NOTE INDENTURE. Avnet shall not enter into any amendment, revision, supplement or modification to the 2008 Senior Note Indenture that in any manner directly or indirectly (a) affects any defined term therefrom used in this Agreement, or (b) materially restricts or impairs any of the Administrative Agent's or Lenders' legal or contractual rights or remedies under this Agreement."

(m) Section 7.01 shall be amended as follows:

(i) In subsection (f), by replacing the dollar amount "\$35,000,000" with "\$15,000,000";

(ii) By amending and restating subsection (g) in its entirety as follows:

"(g) Any event or condition shall occur which (i) results in the acceleration of the maturity of any Debt or obligation of any Borrower or any Material Subsidiary in excess of \$15,000,000 or (ii) enables the Person to whom any Debt or obligation of the Borrower or any Material Subsidiary in excess of \$35,000,000 is owed, or any Person acting on such Person's behalf, to accelerate the maturity thereof;"

(iii) In subsection (n), by replacing the dollar amount "\$50,000,000" with "\$15,000,000".

2. Representations and Warranties. Avnet hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) No Default or Event of Default has occurred and is continuing, either immediately prior to or after giving effect to this Amendment.

(b) The execution, delivery and performance by Avnet of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable. The Credit Agreement as amended by this Amendment constitutes the legal, valid and binding obligations of Avnet, enforceable against it in accordance with its respective terms, without defense, counterclaim or offset.

(c) All representations and warranties of Avnet contained in Article V of the Credit Agreement as amended hereby are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.

(d) Avnet is entering into this Amendment on the basis of its own investigation and for its own reasons, without reliance upon the Administrative Agent, the Lenders, their respective Affiliates, or any other Person.

(e) As of the Effective Date, there are no Designated Borrowers under the Credit Agreement.

3. Effective Date. This Amendment will become effective as of the date shown first above, provided each of the following conditions precedent has been satisfied (the "Effective Date"):

(a) The Administrative Agent shall have received from each of Avnet and the Required Lenders a duly executed original (or, if elected by the Administrative Agent, an executed facsimile copy) counterpart to this Amendment.

(b) The Administrative Agent shall have received from the secretary or assistant secretary of Avnet a certificate providing satisfactory evidence of the authorization of the execution, delivery and performance by Avnet of this Amendment and any other documents contemplated hereby.

(c) The Administrative Agent shall have received from Avnet a certificate executed by a Responsible Officer of Avnet, dated as of the Effective Date and certifying that (i) all representations and warranties contained herein are true and correct on and as of the Effective Date as though made on and as of such date and (ii) on and as of the Effective Date, no event has occurred which has or would reasonably be likely to have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Avnet or of Avnet and its Subsidiaries taken as a whole, or on the facts and information regarding Avnet and its Subsidiaries as represented as of the date hereof.

(d) The Administrative Agent shall have received, in form and substance satisfactory to it, such additional approvals, consents, opinions, documents and other information as the Administrative Agent may request.

(e) The Effective Date shall have occurred no later than February 14, 2003.

For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter either sent, or made available for inspection, by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender.

4. Reservation of Rights. Avnet acknowledges and agrees that the execution and delivery by the Administrative Agent and the Required Lenders of this Amendment shall not (a)

be deemed to create a course of dealing or otherwise obligate the Administrative Agent or any Lender to execute similar amendments under the same or similar circumstances in the future or (b) be deemed to create any implied waiver of any right or remedy of the Administrative Agent or any Lender with respect to any term or provision of any Loan Document.

5. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement are and shall remain in full force and effect and all references therein to such Credit Agreement shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement. The Credit Agreement, as amended hereby, is hereby ratified by Avnet.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 9.19 AND 9.20 OF THE CREDIT AGREEMENT, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE HEREBY INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document (and any other document required herein) may be delivered by any party thereto either in the form of an executed original or an executed original sent by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by the Administrative Agent of a facsimile transmitted document purportedly bearing the signature of a Lender or Avnet shall bind such Lender or Avnet, respectively, with the same force and effect as the delivery of a hard copy original. Any failure by the Administrative Agent to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by the Administrative Agent.

(e) This Amendment, together with the Credit Agreement, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 9.01 of the Credit Agreement.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Credit Agreement, respectively.

(g) Avnet covenants to pay to or reimburse the Administrative Agent, upon demand, for all out-of-pocket costs and expenses incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment and the other documents contemplated hereby.

(h) This Amendment shall constitute a Loan Document.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

AVNET, INC.

By: /s/ David R. Birk

Name: David R. Birk

Title: Senior Vice President, Secretary and
General Counsel

Signature Page for the Seventh Amendment to Credit Agreement

S-1

BANK OF AMERICA, N.A., as the
Administrative Agent, A Lender, the L/C
Issuer and the Swing Line Lender

BY: /s/ Sugeet Manchanda

Name: Sugeet Manchanda

Title: Principal

Signature Page for the Seventh Amendment to Credit Agreement

ABN AMRO BANK N.V., as a Lender

By: /s/ MARIA VICKROY-PERALTA

Name: MARIA VICKROY-PERALTA

Title: EXECUTIVE DIRECTOR

By: /s/ PETER HSU

Name: PETER HSU

Title: VICE PRESIDENT

Signature Page for the Seventh Amendment to Credit Agreement

THE BANK OF NOVA SCOTIA, as a
Lender

By: /s/ [ILLEGIBLE]

Name: _____

TITLE: _____

Signature Page for the Seventh Amendment to Credit Agreement

BANK ONE, N.A., as a Lender

BY: /s/ Daniel E. Casey

Name: Daniel E. Casey

Title: Director

Signature Page for the Seventh Amendment to Credit Agreement

CREDIT SUISSE FIRST BOSTON, as a
Lender

By: /s/ Robert Hetu

Name: Robert Hetu

Title: Director

BY: /s/ Guy M. Baron

Name: Guy M. Baron

Title: Associate

Signature Page for the Seventh Amendment to Credit Agreement

S-7

WACHOVIA BANK, NATIONAL
ASSOCIATION, as a Lender

By: /s/ George L. Woolsey

Name: George L. Woolsey

Title: Vice President

Signature Page for the Seventh Amendment to Credit Agreement

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Eric Dybing

Name: Eric Dybing

Title: Second Vice President

Signature Page for the Seventh Amendment to Credit Agreement

S-12

STANDARD CHARTERED BANK, as a
Lender

By: /s/ MARY MACHADO SCHAMMEL

Name: MARY MACHADO SCHAMMEL

Title: Sr. Vice President

By: /s/ ROBERT REDDINGTON

Name: ROBERT REDDINGTON

Title: AVP/CREDIT DOCUMENTATION
STANDARD CHARTERED BANK NY

Signature Page for the Seventh Amendment to Credit Agreement

EIGHTH AMENDMENT TO CREDIT AGREEMENT

THIS EIGHTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of March 28, 2003, is entered into by and among AVNET, INC., a New York corporation ("Avnet"), the lenders party to the Credit Agreement referred to below (each a "Lender" and, collectively, the "Lenders") and BANK OF AMERICA, N.A., as administrative agent for itself and the other Lenders (in such capacity, the "Administrative Agent").

RECITALS

A. Avnet, the Lenders and the Administrative Agent are parties to that certain Credit Agreement (Multi-Year) dated as of October 25, 2001, as amended or modified by that First Amendment to Credit Agreement (Multi-Year) dated as of March 29, 2002, that Second Amendment to Credit Agreement (Multi-Year) dated as of October 10, 2002, that certain letter agreement dated as of November 8, 2002, that Third Amendment to Credit Agreement dated as of November 23, 2002, that Fourth Amendment to Credit Agreement dated as of December 9, 2002, that Fifth Amendment to Credit Agreement dated as of December 12, 2002, that Sixth Amendment to Credit Agreement dated as of December 13, 2002, and that Seventh Amendment to Credit Agreement dated as of January 30, 2003 (as so amended or modified, the "Credit Agreement"), pursuant to which the Administrative Agent and the Lenders have extended certain credit facilities to Avnet and certain of its Subsidiaries.

B. Avnet has requested that the Administrative Agent and the Lenders agree to certain amendments of the Credit Agreement.

The Administrative Agent and the Lenders are willing to amend the Credit Agreement subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to such terms in the Credit Agreement as amended hereby.

2. Amendments to Credit Agreement. The Credit Agreement shall be amended, effective as of the Effective Date, as follows:

(a) At Section 1.01, at the defined term "EBITDA", by replacing the dollar amount "\$25,000,000" with "\$47,700,000".

(b) Section 6.07(m) shall be amended by replacing the dollar amount "\$10,000,000" with "\$20,000,000".

(c) Section 6.14 shall be amended as follows:

(i) In clause (v) of subsection (h), by replacing the dollar amount "\$5,000,000" with "\$15,000,000"; and

(ii) In subsection (l), by replacing the dollar amount "\$5,000,000" with "\$15,000,000".

(d) Section 6.17 shall be amended by adding the following at the end thereof:

";provided, however, that notwithstanding the other provisions of this Section 6.17, Avnet shall be permitted to repay, prepay, cause the redemption or Substantive Defeasement of, or repurchase, and cancel any or all Capital Markets Notes having original stated maturities in year 2004 (collectively, the "2004 Notes Redemption"), provided Avnet delivers to the Administrative Agent on each date on which Avnet becomes obligated to consummate a 2004 Notes Redemption a certificate signed by a Responsible Officer of Avnet certifying that on and as of such date (i) there exists no Default or Event of Default, and (ii) the representations and warranties of Avnet contained in Article V of the Credit Agreement are true and correct, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date."

(e) Section 6.25 shall be deleted in its entirety and

replaced with the following:

"6.25 SEI INVESTMENT. Avnet shall, as and when required under the terms of the guarantee provision (the "SEI Guaranty Provision") in that Share Purchase Agreement dated as of August 25, 1999 between Avnet and SEI Investments B.V., pay or deliver any amount required to be paid or delivered pursuant to the SEI Guaranty Provision (collectively, the "SEI Payments") and such SEI Payments shall be (a) in the form of common stock of Avnet issued for such purposes (and not acquired by Avnet pursuant to any secondary market purchase or stock redemption program), or (b) in the form of cash, provided that in the event of any such cash payment, Avnet shall deliver to the Administrative Agent on the date such SEI Payment is made a certificate signed by a Responsible Officer of Avnet certifying that on and as of such date (the "SEI Payment Date"):

(i) there exists no Default or Event of Default;

(ii) on a pro forma basis, based upon (A) the most recent quarterly or annual financial statements delivered by Avnet under Section 6.01(a) or (b) or (B) if the SEI Payment Date falls between the end of a financial quarter and the date on which Avnet delivers financial statements pursuant to Section 6.01(a) or (b) in respect of such quarter, preliminary financial statements prepared by Avnet in accordance with GAAP and fairly presenting the financial condition of Avnet and its consolidated Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject to the absence of footnotes and to ordinary quarter-end adjustments, and in either event (A) and (B), modified to take into account the effect of such SEI Payment as if such SEI Payment had

occurred on the last day of such quarter, no breach of Section 6.11(b) or (c) would occur as a result of such SEI Payment, and attaching a properly completed pro forma Compliance Certificate to the same effect; and

(iii) the representations and warranties of Avnet contained in Article V of the Credit Agreement are true and correct, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date."

3. Representations and Warranties. Avnet hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) No Default or Event of Default has occurred and is continuing, either immediately prior to or after giving effect to this Amendment.

(b) The execution, delivery and performance by Avnet of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable. The Credit Agreement as amended by this Amendment constitutes the legal, valid and binding obligations of Avnet, enforceable against it in accordance with its respective terms, without defense, counterclaim or offset.

(c) All representations and warranties of Avnet contained in Article V of the Credit Agreement as amended hereby are true and correct as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.

(d) Avnet is entering into this Amendment on the basis of its own investigation and for its own reasons, without reliance upon the Administrative Agent, the Lenders or any other Person.

(e) As of the Effective Date, there are no Designated Borrowers under the Credit Agreement.

(f) The information set forth on Schedule 1 attached hereto in respect of Avnet do Brasil LTDA ("Avnet Brasil") and Soluciones Mercantiles, S. de R.L. de C.V. (Mexico) ("Soluciones") is true and correct in all material respects to the best of Avnet's knowledge.

4. Effective Date. This Amendment will become effective as of the date shown first above, provided each of the following conditions precedent has been satisfied (the "Effective Date"):

(a) The Administrative Agent shall have received from each of Avnet and the Required Lenders a duly executed original (or, if elected by the Administrative Agent, an executed facsimile copy) counterpart to this Amendment.

(b) The Administrative Agent shall have received from the secretary or assistant secretary of Avnet a certificate providing satisfactory evidence of the authorization of the execution, delivery and performance by Avnet of this Amendment and any other documents contemplated hereby.

(c) The Administrative Agent shall have received from Avnet a certificate executed by a Responsible Officer of Avnet, dated as of the Effective Date and certifying that (i) all representations and warranties contained herein are true and correct on and as of the Effective Date as though made on and as of such date and (ii) on and as of the Effective Date, no event has occurred which has or would reasonably be likely to have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Avnet or of Avnet and its Subsidiaries taken as a whole.

(d) The Administrative Agent shall have received satisfactory evidence that Avnet has paid (i) all Attorney Costs of the Administrative Agent, and (ii) all other reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith, in each case to the extent invoiced prior to the Effective Date (including any previously invoiced and outstanding Attorney Costs that relate to services previously provided).

(e) The Administrative Agent shall have received, in form and substance satisfactory to it, such additional approvals, consents, opinions, documents and other information as the Administrative Agent may request.

(f) The Administrative Agent shall have received, in form and substance satisfactory to it, an irrevocable notice pursuant to Section 2.06(a) of the Credit Agreement from Avnet (such notice, the "Reduction Notice"), which Reduction Notice shall specify the reduction of the Aggregate Commitments to \$350,000,000, such reduction to occur as of the Effective Date.

(g) The Effective Date shall have occurred no later than March 28, 2003.

For purposes of determining compliance with the conditions specified in this Section 4, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter either sent, or made available for inspection, by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender.

5. Reservation of Rights. Avnet acknowledges and agrees that the execution and delivery by the Administrative Agent and the Required Lenders of this Amendment shall not (a) be deemed to create a course of dealing or otherwise obligate the Administrative Agent or any Lender to execute similar amendments under the same or similar circumstances in the future or (b) be deemed to create any implied waiver of any right or remedy of the Administrative Agent or any Lender with respect to any term or provision of any Loan Document.

6. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement are and shall remain in full force and effect and all references therein to such Credit Agreement shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement. The Credit Agreement, as amended hereby, is hereby ratified by Avnet.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 9.19 AND 9.20 OF THE CREDIT AGREEMENT, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE HEREBY INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document (and any other document required herein) may be delivered by any party thereto either in the form of an executed original or an executed original sent by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by the Administrative Agent of a facsimile transmitted document purportedly bearing the signature of A Lender or Avnet shall bind such Lender or Avnet, respectively, with the same force and effect as the delivery of a hard copy original. Any failure by the Administrative Agent to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by the Administrative Agent.

(e) This Amendment, together with the Credit Agreement, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 9.01 of the Credit Agreement.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Credit Agreement, respectively.

(g) Avnet covenants to pay to or reimburse the Administrative Agent, upon demand, for all out-of-pocket costs and expenses incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment and the other documents contemplated hereby.

(h) This Amendment shall constitute a Loan Document.

(i) The Lenders hereby acknowledge that the Administrative Agent shall not be required to request foreign law Collateral Documents relating to pledges of shares or other interests (collectively, the "Specified Collateral Documents") of Avnet Brasil and Soluciones (collectively, the "Specified Subsidiaries"), and the Administrative Agent hereby agrees that Avnet shall not be required to deliver the Specified Collateral Documents regarding the Specified Subsidiaries; provided, however, that upon the occurrence of a Default or Event of Default, the Administrative Agent shall, at the request of the Required Lenders, require Avnet to deliver the Specified Collateral Documents regarding the Specified Subsidiaries and Avnet shall deliver the Specified Collateral Documents in accordance with the terms and conditions set forth in the Collateral Documents.

(j) The Lenders hereby consent (i) to the Administrative Agent returning to Avnet a stock certificate (the "eConnections Certificate") evidencing 3,867,366 shares of Series B Convertible Preferred Stock of eConnections, Inc. ("eConnections") and to Avnet tendering such eConnections Certificate to eConnections in connection with a liquidation plan by eConnections for a consideration of approximately \$0.2315 per share (the "eConnections Transaction"), and (ii) to Avnet selling 132,000 shares of common stock of Clear Technologies, Inc. through its Subsidiary Savoir Technology Group, Inc. pursuant to an existing contractual obligation for a consideration of \$1,500,000 or more, payable over five years following the sale of such shares (the "Clear Technologies Transaction"; and together with the eConnections Transaction, collectively, the "Permitted Dispositions") and (iii) to the Administrative Agent releasing all Lender Liens thereon; provided that (i) the Permitted Dispositions shall be substantially consummated no later than May 31, 2003, (ii) no Default or Event of Default shall exist on the date of the release of the Lender Liens in respect of the Permitted Dispositions, and (iii) no material change of the Permitted Dispositions shall have occurred without the prior written consent of the Required Lenders.

(k) Solely for the purpose of the Reduction Notice, the Lenders hereby waive the notice requirement in connection with a reduction of the Aggregate Commitments by Avnet set forth in clause (i) of Section 2.06(a) of the Credit Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

AVNET, INC.

By: /s/ Raymond Sadowski

Name: Raymond Sadowski

Title: Senior Vice President And
Chief Financial Officer

Signature Page for the Eighth Amendment to Credit Agreement

S-1

BANK OF AMERICA, N.A., as the
Administrative Agent, a Lender, the L/C
Issuer and the Swing Line Lender

By: /s/ Sugeet Manchanda

Name: Sugeet Manchanda

Title: Principal

Signature Page for the Eighth Amendment to Credit Agreement

S-2

ABN AMRO BANK N.V., as a Lender

By: /s/ Bassam Wehbe

Name: BASSAM WEHBE

Title: SENIOR VICE PRESIDENT

By: /s/ PETER HSU

Name: PETER HSU

Title: VICE PRESIDENT

Signature Page for the Eighth Amendment to Credit Agreement

THE BANK OF NOVA SCOTIA, as a
Lender

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

S-4

BANK OF TOKYO-MITSUBISHI
TRUST COMPANY, as a Lender

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

S-5

BANK ONE, N.A., as a Lender

By: /s/ Daniel E. Casey

Name: Daniel E. Casey

Title: Director

Signature Page for the Eighth Amendment to Credit Agreement

S-6

CREDIT SUISSE FIRST BOSTON, as a
Lender

By: /s/ Christopher Lally

Name: CHRISTOPHER LALLY

Title: VICE PRESIDENT

By: /s/ Guy M. Baron

Name: GUY M. BARON

Title: ASSOCIATE

Signature Page for the Eighth Amendment to Credit Agreement

WACHOVIA BANK, NATIONAL
ASSOCIATION, as a Lender

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

S-8

FLEET NATIONAL BANK, as a Lender

By: /s/ Steven J. Melicharel

Name: STEVEN J. MELICHAREL

Title: SVP

Signature Page for the Eighth Amendment to Credit Agreement

S-9

KBC BANK, N.V., as a Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

NATEXIS BANQUES POPULAIRES,
as a Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

THE NORTHERN TRUST COMPANY, as a Lender

By: /s/ Eric Dybing

Name: Eric Dybing

Title: Second Vice President

Signature Page for the Eighth Amendment to Credit Agreement

S-12

SKANDINAVISKA ENSKILDA
BANKEN AB (PUBL), as a Lender

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

STANDARD CHARTERED BANK, as
a Lender

By: /s/ Mary Machado Schammel

Name: MARY MACHADO SCHAMMEL

Title: Sr. Vice President

By: /s/ Robert Reddington

Name: ROBERT REDDINGTON

Title: AVP/CREDIT DOCUMENTATION
STANDARD CHARTERED BANK NY

Signature Page for the Eighth Amendment to Credit Agreement

UNICREDITO ITALIANO, NEW YORK
BRANCH, as a Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Signature Page for the Eighth Amendment to Credit Agreement

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
(AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

Pursuant to 18 U.S.C. Section 1350, the undersigned Chief Executive Officer of Avnet, Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 28, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

/s/ Roy Vallee

Roy Vallee
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
(AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

Pursuant to 18 U.S.C. Section 1350, the undersigned Chief Financial Officer of Avnet, Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 28, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2003

/s/ Raymond Sadowski

Raymond Sadowski
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.