Company Profile

Fiscal Q2, 2013

Avnet, Inc., a *Fortune 500* company, is one of the largest distributors of electronic components, computer products and embedded technology serving customers globally. Avnet accelerates its partners' success by connecting the world's leading technology suppliers with a broad base of customers by providing cost-effective, value-added services and solutions. Additional Avnet services include engineering design, materials management and logistic services, device programming, system integration and configuration and supply chain advisory services.

Why Choose Avnet?

- Avnet is an efficient and cost-effective sales and marketing channel helping suppliers reach a broad base of customers.
- Avnet's state-of-the-art logistics systems manage a high volume of transactions and complex information flows to ensure accurate and timely product delivery.
- Avnet is an efficient manager of more than 300,000 unique parts in the technology supply chain.
- Avnet's supply chain management solutions reduce customers' working capital and inventory risk.
- Avnet's value-added solutions for design chain management help customers reduce development cost and speed time to market.
- Avnet's experienced technical customers support teams ensure the highest quality solutions and products are utilized by the customer.

As an integral part of the technology supply chain, Avnet has global scale and scope advantages, along with the financial strength, to effectively drive growth opportunities for our customers around the world. Supported by this infrastructure, Avnet delivers the highest value to our customers by working closely with them on a local basis to meet market needs and address technology trends – better and faster. Together, we achieve a shared mission: accelerating business success by turning the promise of technology into reality.

Avnet's two operating groups – **Electronics Marketing (EM)** and **Technology Solutions (TS)**, operate in the three major economic regions of the world: the Americas; Europe, the Middle East and Africa; and Asia/Pacific (consisting of Asia, Australia and New Zealand).

Electronics Marketing markets and distributes semiconductors, interconnect, passive and electromechanical devices. Due to the continued expansion of the Avnet Express e-Commerce web offering, Avnet now offers customers access to approximately four million parts online. **Technology Solutions** markets enterprise and embedded technology products and services from the world's premier computer manufacturers and software suppliers.

Avnet Key Facts

- Over $25 billion in annual revenue
  - Avnet EM - $14.9 billion
  - Avnet TS - $10.8 billion
- Ranked #1 four years in a row as Fortune's Most Admired Company in its Industry
- Ranked #108 on Fortune 500 2012
- Ranked # 414 on Fortune's list of the World's Largest Corporations
- 82 acquisitions since 1991 (announced or complete)
- 100,000+ customers
- More than 700 suppliers
- 330+ locations worldwide
- Ships more than 30,000 line items per day

Avnet, headquartered in Phoenix, Arizona, has been in business since 1921 and was incorporated in 1955.
Visit www.avnet.com for more information

Avnet's senior leadership team offers 200+ years of industry experience

Rick Hamada
Chief Executive Officer

Erin Lewin
Acting General Counsel

Steve Church
Chief Business Development and Planning Officer

Harley Feldberg
President, Electronic Marketing

Philip Gallagher
President, Technology Solutions

Al Maag
Chief Communications Officer

MaryAnn Miller
Chief Human Resources Officer

Kevin Moriarty
Chief Financial Officer

Steve Phillips
Chief Information Officer

Ray Sadowski
Chief Administrative Officer

Gerry Fay
Chief Global Logistics and Operations Officer

Q2 Fiscal Year 2013 Financial Results:

Avnet, Inc.:

- Sales increased 14.1% sequentially, to $6.7 billion; pro forma revenue was up 10.4% sequentially and 9.4% in constant dollars.
- Adj. operating income decreased 16.9% Y/Y to $220.5 million; however, grew 60.5% sequentially due primarily to the better than expected growth and the impact of cost reduction actions that have recently been implemented.
- Adjusted diluted earnings per increased 71.2% sequentially but declined 12.2% year over year to $1.01.
- Cash from operations was $326 million in the December 2012 quarter and $690 million over the trailing twelve months.
- In FQ2, 2.5 million shares were repurchased; cumulative total is 17.7M shares.

Electronics Marketing:

- FQ2 reported revenue grew 0.6% sequentially to $3.7 billion while pro forma revenue was down 1.7% in constant dollars.
- Sequential revenue increase was due to better than expected volumes in Asia and was within normal seasonality of 0% to -3%.
- Operating income margin of 3.81% decreased 19 basis points sequentially and 105 basis points from the year ago quarter primarily due to the temporary benefit from the HDD shortages in the year ago quarter and the impact of the geographic mix shift to the lower margin Asia region.

Technology Solutions:

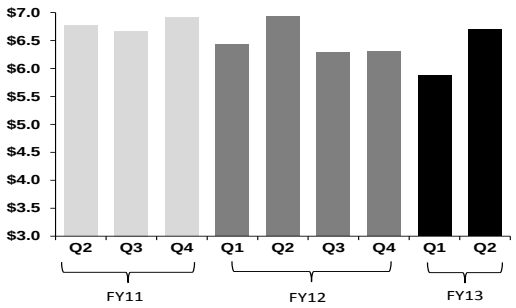
- FQ2 reported revenue increased 36.5% sequentially (35.0% in constant dollars) to $3.0 billion, due to a better than anticipated year end IT budget spend.
- Software, storage and services grew over 35% sequentially while storage and services led the portfolio elements that increased year over year.
- FQ2 operating income margin improved 202 basis points, due primarily to 3.6% with all three regions contributing to the improvement.

	FQ2 2013	FQ2 2012	% Change
Revenue*			
EM	3,674	3,596	2.9%
TS	3,026	3,098	(2.3%)
Total	$6,699	$6,693	(0.09%)
Operating Income*			
EM	333	317	5.0%
TS	187	174	7.5%
Corporate	(28)	(28)	-
Total	$220	$265	(17.0%)
Net Income*	140	172	(18.6%)
Diluted Earnings/(Loss) Per Share	$1.01	$1.15	(12.2%)

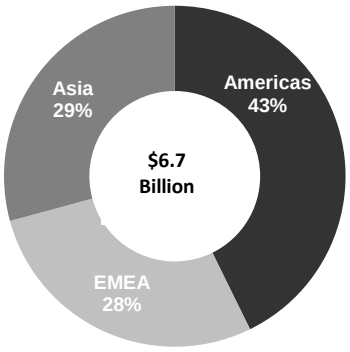
*Revenue, Op Income and Net Income in millions. Note: Op income, net income and EPS do not include restructuring, integration and other items.

Key Financial Metrics

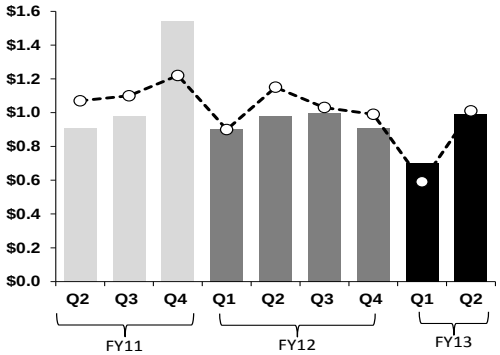
Revenue
($ in Billions)



Sales by Region Q2 13'



GAAP EPS
Adjusted EPS



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Accelerating Your Success™

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For additional financial information, please visit **www.ir.avnet.com**