

## **Non-GAAP Financial Information**

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company also discloses in this press release certain non-GAAP financial information including adjusted operating income, adjusted net income and adjusted diluted earnings per share, as well as revenue adjusted for the impact of acquisitions and other items (as defined in the Pro Forma (Organic) Revenue section of this release). Management believes pro forma revenue is a useful measure for evaluating current period performance as compared with prior periods and for understanding underlying trends.

Management believes that operating income adjusted for restructuring, integration and other items is a useful measure to help investors better assess and understand the Company’s operating performance, especially when comparing results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Avnet's normal operating results. Management analyzes operating income without the impact of these items as an indicator of ongoing margin performance and underlying trends in the business. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes.

Management believes net income and EPS adjusted for the impact of the items described above is useful to investors because it provides a measure of the Company’s net profitability on a more comparable basis to historical periods and provides a more meaningful basis for forecasting future performance. Additionally, because of management’s focus on generating shareholder value, of which net profitability is a primary driver, management believes net income and EPS excluding the impact of these items provides an important measure of the Company’s net results of operations for the investing public. However, analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

### *Fourth Quarter Fiscal 2011*

	Fourth Quarter Ended Fiscal 2011				Fiscal Year Ended Fiscal 2011			
	Op Income	Pre-tax	Net Income	Diluted EPS	Op Income	Pre-tax	Net Income	Diluted EPS
	<i>\$ in thousands, except per share data</i>							
<b>GAAP results</b> .....	<b>\$ 267,178</b>	<b>\$ 250,012</b>	<b>\$ 238,830</b>	<b>\$ 1.54</b>	<b>\$ 929,979</b>	<b>\$ 870,966</b>	<b>\$ 669,069</b>	<b>\$ 4.34</b>
Restructuring, integration and other charges.....	7,297	7,297	5,812	0.04	88,428	88,428	63,838	0.41
Restructuring and purchase accounting credits.....	(3,573)	(3,573)	(2,519)	(0.02)	(11,252)	(11,252)	(7,669)	(0.05)
<i>subtotal</i> .....	<i>3,724</i>	<i>3,724</i>	<i>3,293</i>	<i>0.02</i>	<i>77,176</i>	<i>77,176</i>	<i>56,169</i>	<i>0.36</i>
Gain on bargain purchase and other.....	-	-	-	-	-	(22,715)	(25,720)	(0.17)
Net tax benefit.....	-	-	(52,726)	(0.34)	-	-	(32,901)	(0.21)
Total adjustments.....	<u>3,724</u>	<u>3,724</u>	<u>(49,433)</u>	<u>(0.32)</u>	<u>77,176</u>	<u>54,461</u>	<u>(2,452)</u>	<u>(0.02)</u>
<b>Adjusted results</b> .....	<b>\$ 270,902</b>	<b>\$ 253,736</b>	<b>\$ 189,397</b>	<b>\$ 1.22</b>	<b>\$ 1,007,155</b>	<b>\$ 925,427</b>	<b>\$ 666,617</b>	<b>\$ 4.32</b>

Items impacting the fourth quarter of 2011 consisted of the following (see the Notes to Consolidated Statements of Operations later in this release for further discussion):

- restructuring, integration and other charges of \$7.3 million pre-tax related to the integration of businesses acquired;
- a credit of \$3.6 million pre-tax related to the reversal of restructuring and purchase accounting reserves established in prior years; and
- a net tax benefit of \$52.7 million related primarily to the release of tax reserves against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2011.

Items impacting the fiscal year 2011 consisted of the following (see the Notes to Consolidated Statements of Operations later in this release for further discussion):

- restructuring, integration and other charges of \$88.4 million pre-tax related to the acquisition and integration of businesses acquired during fiscal 2011;
- a credit of \$11.3 million pre-tax related to the reversal of restructuring and purchase accounting reserves established in prior years;
- a gain on bargain purchase and other of \$22.7 million pre-tax related primarily to the acquisition of a business in Japan; and
- a net tax benefit of \$32.9 million related primarily to the release of tax reserves against deferred tax assets that were determined to be realizable and, to a lesser extent, net favorable audit settlements, partially offset by changes to existing tax positions.

### *Fiscal Year 2010*

	Fiscal Year Ended 2010			
	Op Income	Pre-tax	Net Income	Diluted EPS
	<i>\$ in thousands, except per share data</i>			
<b>GAAP results</b> .....	<b>\$ 635,600</b>	<b>\$ 585,083</b>	<b>\$ 410,370</b>	<b>\$ 2.68</b>
Restructuring, integration and other .....	25,419	25,419	18,789	0.12
Gain on sale of assets.....	-	(8,751)	(5,370)	(0.03)
Net reduction in tax reserves.....	-	-	842	0.01
Total adjustments.....	25,419	16,668	14,261	0.09
<b>Adjusted results</b> .....	<b>\$ 661,019</b>	<b>\$ 601,751</b>	<b>\$ 424,631</b>	<b>\$ 2.77</b>

<sup>(1)</sup> EPS does not foot due to rounding.

Items impacting the full fiscal year 2010 consisted of the following (see the Notes to Consolidated Statements of Operations later in this release for further discussion):

- restructuring, integration and other charges of \$25.4 million pre-tax, of which \$18.9 million pre-tax related to the Company's previously announced cost reduction actions and integration of businesses, \$6.5 million pre-tax for a value-added tax exposure in Europe, \$3.2 million of acquisition-related costs and a credit of \$3.2 million related to the reversal of restructuring reserves established in prior periods;
- a gain of \$8.8 million pre-tax associated with the prior sale of its equity investment in Calence LLC; and
- a net increase in taxes of \$0.8 million related to adjustments for prior year tax returns and additional tax reserves, net of a benefit from a favorable income tax audit settlement.

### **Quarterly Reconciliations**

References to restructuring and other charges, debt extinguishment costs and other items and/or the exclusion thereof refer to the following charges taken in the quarters indicated (with reference to the appropriate SEC filing in which further disclosure of these charges first appeared). All other quarters had no such charges recorded:

**Q4 FY11** - Restructuring, integration and other charges of \$7.3 million pre-tax related to the integration of businesses acquired; a credit of \$3.6 million pre-tax related to the reversal of restructuring and purchase accounting reserves established in prior years; and a tax benefit of \$52.7 million related primarily to the release of tax reserves against

deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2011

**Q3 FY11** - Restructuring, integration and other charges of \$16.3 million pre-tax were incurred in connection with the acquisition and integration of acquired businesses. A loss on investments of \$6.3 million pre-tax related to the write down of investments in smaller technology start-up companies and income tax adjustments of \$3.0 million primarily related to uncertainty surrounding deferred tax assets, additional transfer pricing exposure and audit settlements. (Form 8-K filed April 28, 2011)

**Q2FY11** - Restructuring, integration and other charges of \$29.1 million pre-tax which were incurred primarily in connection with the acquisition and integration of acquired businesses and consisted of \$10.6 million pre-tax for severance, \$11.5 million pre-tax for facility exit related costs, fixed asset write downs and other related charges, \$8.8 million pre-tax for integration-related costs, \$1.3 million pre-tax for transaction costs associated with acquisitions, \$0.4 million pre-tax for other charges, and a reversal of \$3.5 million to adjust prior year restructuring reserves; and income tax adjustments of \$2.9 million primarily related to uncertainty surrounding deferred tax assets and additional transfer pricing exposure. (Form 8-K filed January 27, 2011 and Form 10-Q filed January 28, 2011)

**Q1FY11** - Restructuring, integration and other charges of \$28.1 million pre-tax which were incurred primarily in connection with the acquisition and integration of acquired businesses. A gain on the bargain purchase of \$31.0 million pre-and after tax related to the Unidux acquisition for which the gain was not taxable partially offset by \$2.0 million pre-tax of charges primarily related to the write down of two buildings in EMEA; and an income tax adjustment of \$13.9 million primarily related to the non-cash write-off of a deferred tax asset associated with the integration of an acquisition. (Form 8-K filed October 28, 2010)

**Q3FY10** - Restructuring, integration and other charges of \$7.3 million pre-tax which included (i) \$6.5 million pre-tax for a value-added tax exposure in Europe related to an audit of prior years, (ii) \$2.1 million pre-tax related to acquisition-related costs, and (iii) a credit of \$1.3 million pre-tax related to reversals of restructuring reserves no longer deemed necessary. Gain on the sale of assets of \$3.2 million pre-tax as a result of a final earn-out payment associated with the earlier sale of the Company's equity investment in Calence LLC. A net tax benefit of \$2.3 million related to adjustments for a prior year tax return and a benefit from a favorable income tax audit settlement partially offset by additional tax reserves for existing tax positions. . (Form 8-K Filed April 29, 2010 and Form 10-Q filed April 30, 2010)

**Q2 FY10** – The Company recognized a gain on the sale of assets amounting to \$5.5 million pre-tax, \$3.4 million after tax and \$0.02 per share on a diluted basis, as a result of certain earn-out provisions associated with the earlier sale of the Company's prior equity investment in Calence. (Form 8-K filed January 28, 2010 and Form 10-Q filed January 29, 2010)

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

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

Return on Working Capital (ROWC) is defined as annualized sales divided by the monthly average balances of receivables plus inventory less accounts payable.  
Operating income drop through is defined as the portion of gross profit dollar growth that drops through to the operating income line.

Working capital is defined as accounts receivable plus inventory less accounts payable.