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 document 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 document). 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.

Other metrics management monitors in its assessment of business performance include return on working capital (ROWC), return on capital employed (ROCE) and working capital velocity (WC velocity).

- ROWC is defined as annualized operating income, excluding restructuring, integration and other items, divided by the sum of the monthly average balances of receivables and inventory less accounts payable.
- ROCE is defined as annualized, tax effected operating income, excluding restructuring, integration 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.
- WC velocity is defined as annualized sales divided by the sum of the monthly average balances of receivable and inventory less accounts payable.

Any 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.

Second Quarter Fiscal 2013

	Second Quarter Ended Fiscal 2013							
	Op Income		Pre-tax		Net Income		Diluted EPS	
	$ in thousands, except per share data							
GAAP results	**$**	**195,573**	**$**	**168,894**	**$**	**137,481**	**$**	**0.99**
Restructuring, integration and other charges		24,906		24,906		19,885		0.14
Gain on bargain purchase and other				(59)		(23)		0.00
Income tax adjustments						(17,366)		(0.12)
Total adjustments		24,906		24,847		2,496		0.02
Adjusted results	**$**	**220,479**	**$**	**193,741**	**$**	**139,977**	**$**	**1.01**

Items impacting the second quarter of fiscal 2013 consisted of the following:

- Restructuring, integration and other charges of $24.9 million pre-tax consisted of $8.5 million for facility exit-related costs, $7.6 million for integration-related costs, $7.3 million for severance, $3.0 million for transaction costs associated with recent acquisitions, $0.3 million for other charges, and a credit of $1.8 million to adjust prior year restructuring reserves no longer required;
- A net gain consisting of an adjustment of $1.7 million pre-tax to increase the gain on bargain purchase recorded in the first quarter of fiscal 2013 to adjust the net assets acquired, partially offset by a loss on divestiture of $1.7 million pre-tax related to a small business in TS Asia; and
- An income tax adjustment of $17.4 million primarily related to a favorable settlement of a U.S. income tax audit for an acquired company.

Second Quarter Fiscal 2012

	Second Quarter Ended Fiscal 2012							
	Op Income		Pre-tax		Net Income		Diluted EPS	
	$ in thousands, except per share data							
GAAP results	**$**	**230,889**	**$**	**208,038**	**$**	**147,023**	**$**	**0.98**
Restructuring, integration and other charges		34,505		34,505		23,563		0.16
Other		-		1,399		854		0.01
Income tax adjustments		-		-		539		-
Total adjustments		34,505		35,904		24,956		0.17
Adjusted results	**$**	**265,394**	**$**	**243,942**	**$**	**171,979**	**$**	**1.15**

Items impacting the second quarter of fiscal 2012 consisted of the following:

- Restructuring, integration and other charges of $34.5 million pre-tax related to cost reduction actions initiated during the second quarter and acquisition and integration charges associated with acquired businesses. The charges consisted of $19.8 million for severance, $7.4 million for facility exit costs, $3.4 million for integration costs, $3.1 million for transaction costs, $1.7 million for other restructuring charges, and a reversal of $0.9 million to adjust prior year restructuring reserves;
- $1.4 million pre-tax related to the write-down of a small investment and the write-off of deferred financing costs associated with the early retirement of a credit facility; and
- An income tax adjustment of $0.5 million primarily related to the combination of a favorable audit settlement and release of a valuation allowance on certain deferred tax assets which were determined to be realizable, mostly offset by changes to existing tax positions primarily for transfer pricing.

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:

- Q2FY13 - Restructuring, integration and other charges of $24.9 million pre-tax, $19.9 million after tax and $0.14 per share on a diluted basis for the second quarter. Restructuring charges of $16.1 million pre-tax consisted of $7.3 million for severance, $8.5 million for facility exit costs and fixed asset write-downs and $0.3 million for other restructuring charges. Pre-tax integration costs and acquisition transaction costs were $7.6 million and $3.0 million, respectively. In addition, the Company recorded a credit of $1.8 million pre-tax to adjust reserves related to prior year restructuring activity that were no longer required; a net gain consisting of an adjustment of $1.7 million pre-tax to increase the gain on bargain purchase recorded in the first quarter of fiscal 2013 to adjust the net assets acquired, partially offset by a loss on divestiture of $1.7 million pre-tax related to a small business in TS Asia; and an income tax adjustment of $17.4 million primarily related to a favorable settlement of a U.S. income tax audit for an acquired company. (Form 8-K filed January 24, 2013)
- Q1FY13 - Restructuring, integration and other charges of $37.4 million pre-tax which consisted of $25.9 million for severance, $4.0 million for facility exit related costs, $0.3 million for other charges, $2.8 million for transaction costs associated with recent acquisitions, $5.0 million for integration-related costs, and a reversal of $0.6 million to adjust prior year restructuring reserves. A gain on the bargain purchase of $31.3 million pre-and after tax related to the Internix, Inc. acquisition for which the gain was not taxable and an income tax adjustment of $12.2 million primarily related to a favorable settlement of an income tax audit. (Form 8-K filed October 25, 2012, and Form 10-Q filed October 26,2012))
- Q4FY12 – Restructuring, integration and other charges of $20.5 million pre-tax, which included $6.7 million of other charges related to legal claims; a small adjustment to the gain on bargain purchase related to the business in Japan acquired in the third quarter; and a net tax benefit of $4.0 million, which is comprised of (i) a tax benefit of $26.3 million for the release of tax reserves against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2012, partially offset by (ii) a tax provision of $22.3 million primarily related to the impact of withholding tax related to legal entity reorganizations and the establishment of tax reserves against deferred tax assets that were determined to be unrealizable during the fourth quarter of fiscal 2012. (Form 8-K filed August 8, 2012 and Form 10-K filed August 10,2012)
- Q3FY12 - Restructuring, integration and other charges of $18.6 million pre-tax related to cost reduction actions initiated during the third quarter and acquisition and integration charges associated with acquired businesses. The charges consisted of $6.7 million for severance, $3.1 million for facility exit costs and fixed asset write downs, $4.0 million for integration costs, $4.2 million for acquisition transaction costs, $1.4 million for other restructuring charges, and a reversal of $0.8 million to adjust prior year restructuring reserves; a gain on the bargain purchase of $4.5 million pre- and after tax related to an acquisition for which the gain was not taxable; and an income tax adjustment of $5.2 million related primarily to the combination of favorable audit settlements, certain reserve releases and the release of a valuation allowance on deferred tax assets which were determined to be realizable. (Form 8-K filed April 26, 2012 and Form 10-Q filed April 27, 2012)
- Q2FY12 - Restructuring, integration and other charges of $34.5 million pre-tax related to cost reduction actions initiated during the second quarter and acquisition and integration charges associated with acquired businesses. The charges consisted of $19.8 million for severance, $7.4 million for facility exit costs, $3.4 million for integration costs, $3.1 million for transaction costs, $1.7 million for other restructuring charges, and a reversal of $0.9 million to adjust prior year restructuring reserves. Other costs include $1.4 million pre-tax related to the write-down of a small investment and the write-off of deferred financing costs associated with the early retirement of a credit facility; and an income tax adjustment of $0.5 million primarily related to the combination of a favorable audit settlement and release of a valuation allowance on certain deferred tax assets which were determined to be realizable, mostly offset by changes to existing tax positions primarily for transfer pricing. (Form 8-K filed January 26, 2012 and Form 10-Q filed January 27, 2012)

- Q1FY12 - Restructuring, integration and other charges of $28.1 million pre-tax which were incurred primarily in connection with the acquisition and integration of acquired businesses and consisted of $10.8 million for transaction costs associated with the recent acquisitions, $8.3 million for severance, $7.3 million for integration-related costs, $2.4 million for facility exit related costs and other charges, and a reversal of $0.7 million to adjust prior year restructuring reserves. A gain on the bargain purchase of $31.0 million pre-and after tax related to the Unidux acquisition for which the gain was not taxable partially offset by $2.0 million pre-tax of charges primarily related to the write down of two buildings in EMEA; and an income tax adjustment of $13.9 million primarily related to the non-cash write-off of a deferred tax asset associated with the integration of an acquisition. (Form 8-K filed October 25,2011 and Form 10-Q filed October 28, 2011)
- Q4FY11 - Restructuring, integration and other charges of $7.3 million pre-tax related to the integration of businesses acquired; a credit of $3.6 million pre-tax related to the reversal of restructuring and purchase accounting reserves established in prior years; and a tax benefit of $52.7 million related primarily to the release of tax reserves against deferred tax assets that were determined to be realizable during the fourth quarter of fiscal 2011 (Form 8-K filed August 10, 2011 and Form 10-K filed August 12, 2011)
- 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 and Form 10-Q filed April 29, 2011)