AVNET INC
Form 424B5
August 15, 2005

Table of Contents

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, and is subject to completion or amendment. This preliminary prospectus supplement and the related prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

SUBJECT TO COMPLETION, DATED AUGUST 15, 2005

Prospectus Supplement	**Filed Pursuant to Rule**
August , 2005	**424(b)(5)**
(To Prospectus dated November 10, 2003)	**Registration No. 333-107474**

$250,000,000

Avnet, Inc.

% Notes Due 2015

Avnet will pay interest on the notes on and of each year. The first interest payment will be made on , 2006. The notes will mature on , 2015. Avnet may redeem some or all of the notes at any time at the make-whole redemption price set forth in this prospectus supplement under Description of Notes Optional Redemption.

The notes will be Avnet s unsecured senior obligations and will rank equally with Avnet s other unsecured senior indebtedness from time to time outstanding.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Price to public(1)	%	%
Underwriting discounts and commissions	%	%
Proceeds (before expenses) to Avnet(1)	$	$

(1) Plus accrued interest from August , 2005, if settlement occurs after that date.

Delivery of the notes in book-entry form only will be made through the facilities of The Depository Trust Company on or about August , 2005.

Joint Book-Running Managers

Banc of America Securities LLC **Credit Suisse First Boston**

Lead Manager

JPMorgan

Scotia Capital **ABN AMRO Incorporated** **BNP PARIBAS** **Wachovia Securities**

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or to which Avnet has referred you. Avnet has not authorized anyone to provide you with information that is different. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. The information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus may only be accurate as of the date of the applicable document.

References in this prospectus supplement and the accompanying prospectus to we, us, our and Avnet are Avnet, Inc. and its consolidated subsidiaries unless we state otherwise or unless the context otherwise requires.

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements with respect to Avnet s financial condition, results of operations and business. You can find many of these statements by looking for words like believes, expects, anticipates, estimates or similar expressions in this prospect supplement and the accompanying prospectus or documents incorporated by reference therein.

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:

A technology industry down-cycle, particularly in 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 Avnet s credit ratings, debt covenant compliance and liquidity, as well as Avnet s ability to maintain existing unsecured financing or to obtain new financing.

Avnet s ability to successfully integrate the Memec acquisition may impact Avnet s ability to achieve the desired synergy savings in the combined business.

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 prospectus supplement.

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.

ADDITIONAL INFORMATION

This prospectus supplement and the accompanying prospectus are a part of a registration statement on Form S-3, Registration No. 333-107474, which Avnet filed with the Securities and Exchange Commission (the SEC) under the Securities Act of 1933, as amended (the Securities Act). Avnet refers you to this registration statement for further information concerning Avnet and this offering of its securities.

Avnet files annual, quarterly and special reports, proxy statements and other information with the SEC (File Number 1-4224). These filings contain important information which does not appear in this prospectus supplement or the accompanying prospectus. For further information about Avnet, you may obtain these filings over the Internet at the SEC s web site at http://www.sec.gov. Avnet also posts certain of these filings on its web site at www.avnet.com. Information contained on our website is not intended to be incorporated by reference in this prospectus supplement or the accompanying prospectus and you should not consider that information a part of this prospectus supplement or the accompanying prospectus. Our website address is included in this prospectus supplement as an inactive textual reference only. You may also read and copy these filings at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580 Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-732-0330.

The SEC allows Avnet to incorporate by reference information into this prospectus supplement and the accompanying prospectus, which means that Avnet can disclose important information to you by referring you to other documents which Avnet has filed or will file with the SEC. Avnet is incorporating by reference in this prospectus supplement and the accompanying prospectus:

Avnet s Annual Report on Form 10-K for the fiscal year ended July 3, 2004,

Avnet s Quarterly Report on Form 10-Q for the quarter ended, October 2, 2004,

Avnet s Quarterly Report on Form 10-Q for the quarter ended, January 1, 2005,

Avnet s Quarterly Report on Form 10-Q for the quarter ended, April 2, 2005, and

Avnet s Current Reports on Form 8-K bearing cover dates of April 26, 2005, May 18, 2005, July 5, 2005, as amended on August 15, 2005, and August 10, 2005.

All documents which Avnet has filed or will file, as applicable, with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, as amended (the Exchange Act) (excluding information furnished pursuant to Item 2.02 or Item 7.01 on any current report on Form 8-K), after the date of this prospectus supplement and the accompanying prospectus and before the termination of this offering of Avnet s securities will be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and to be a part of it from the filing dates of such documents. Certain statements in and portions of this prospectus supplement update and replace information in the above listed documents incorporated by reference. Likewise, statements in or portions of a future document incorporated by reference in this prospectus supplement and the accompanying prospectus may update and replace statements in and portions of this prospectus supplement and the accompanying prospectus or the above listed documents. Nothing in this prospectus supplement and the accompanying prospectus shall be deemed to incorporate information furnished but not filed with the SEC.

Avnet shall provide you without charge, upon your written or oral request, a copy of the indenture or other agreement relating to Avnet s securities offered by this prospectus supplement and the accompanying prospectus, and any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, other than exhibits to such documents which are not specifically incorporated by reference into such documents. Please direct your written or telephone requests to the Corporate Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, Arizona 85034 (Telephone 480-643-2000).

PROSPECTUS SUMMARY

The following summary contains information about Avnet and this offering. It does not contain all of the information that may be important to you in making a decision to purchase the notes. For a more comprehensive understanding of Avnet and this offering, Avnet urges you to read this entire prospectus supplement and the accompanying prospectus carefully, including the documents incorporated by reference herein, and Avnet s consolidated financial statements and related notes contained in such documents.

Avnet, Inc.

Avnet is one of the world s largest industrial distributors, based on sales, of electronic components, enterprise computer products and embedded subsystems. Avnet provides cost-effective services and solutions vital to a broad base of more than 100,000 original equipment manufacturers (OEMs), contract manufacturers, original design manufacturers, value-added resellers (VARs) and end-users. Avnet distributes electronic components, computer products and software as received from its suppliers or with assembly or other value added by Avnet. Additionally, Avnet provides engineering design, materials management and logistics services, system integration and configuration, and supply chain advisory services.

The Company consists of two operating groups Electronics Marketing (EM) and Technology Solutions (TS) each with operations in the three major economic regions of the world: the Americas, EMEA (Europe, Middle East and Africa) and Asia/ Pacific. A brief summary of each operating group is provided below:

EM markets and sells semiconductors and interconnect, passive and electromechanical devices. EM markets and sells its products to 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 design chain, supply chain and product enhancement services to its customers.

TS markets and sells mid- to high-end servers, data storage, software and networking solutions, and the services required to implement these solutions, to the VAR channel and enterprise computing customers. TS also focuses on the worldwide OEM market for computing technology, system integrators and non-PC OEMs that require embedded systems and solutions including engineering, product prototyping, integration and other value-added services.

Avnet s common stock is quoted on the New York Stock Exchange under the symbol AVT. Avnet s principal executive offices are located at 2211 South 47th Street, Phoenix, Arizona 85034.

Recent Developments

On August 10, 2005, Avnet reported revenues of $11.07 billion for fiscal 2005, ended July 2, 2005, up 8.0% over fiscal 2004 revenues of $10.24 billion. Net income for fiscal 2005 was $168.2 million, or $1.39 per share on a diluted basis, as compared with net income of $72.9 million, or $0.60 per share on a diluted basis in fiscal 2004, which included certain restructuring and debt extinguishment costs (discussed further in notes 1 and 2 to Summary Financial Information and Other Data on pages S-6 and S-7). Fiscal 2005 net income and diluted earnings per share of $168.2 million and $1.39, respectively, were up 34.0% as compared with fiscal 2004 net income of $125.6 million, or $1.04 per share, excluding such charges in fiscal 2004.

Fiscal 2005 operating income of $321.3 million grew 58.9% as compared with fiscal 2004 operating income of $202.2 million, including certain restructuring charges in fiscal 2004. Fiscal 2005 operating income grew 24.6% as compared with fiscal 2004 operating income of $257.9 million, excluding these charges. Operating income as a percent of sales was 2.9% in fiscal 2005, an increase of 38 basis points over fiscal year 2004 operating income margin of 2.5%, excluding the charges noted above in fiscal 2004. This represents the third consecutive year of growth in both operating income and operating income margin.

Table of Contents

Revenue for fourth quarter fiscal 2005 was $2.83 billion representing an increase of 6.9% over fourth quarter fiscal 2004 and an increase of 2.4% sequentially over third quarter fiscal 2005. Excluding the impact of foreign currency translation, fourth quarter fiscal 2005 sales were up 5.5% year over year and up 3.8% sequentially. Net income for fourth quarter fiscal 2005 was $47.3 million, or $0.39 per share on a diluted basis, as compared with prior year net income of $48.7 million, or $0.40 per share on a diluted basis. Fiscal 2005 fourth quarter diluted earnings per share were positively impacted by approximately $0.02 due to a lower income tax provision for the year as a result of the final mix of profits for the fiscal year by country with varying statutory tax rates.

Operating income for fourth quarter fiscal 2005 was $85.7 million, essentially flat as compared with operating income of $85.8 million in the year ago quarter. Operating income as a percent of sales was 3.0% in the fourth quarter of fiscal 2005, which was down 21 basis points from last year s fourth quarter. Even though TS operating income for the fourth quarter grew significantly year over year, it was not enough to offset the decline experienced by EM, which was due primarily to the lingering impact of the mid-cycle inventory correction and higher corporate expenses due to Sarbanes-Oxley compliance efforts.

On July 5, 2005, Avnet acquired Memec Group Holdings Limited (Memec), a global distributor that markets and sells a portfolio of semiconductor devices from industry leading suppliers in addition to providing customers with engineering expertise and design services. The consideration for this acquisition consisted of stock and cash valued at approximately $744 million, including the assumption of approximately $240 million of Memec s net debt (debt less cash acquired) and transaction costs. Under the terms of the agreement, Memec investors received 24.01 million shares of Avnet common stock and approximately $64 million of cash. The shares of Avnet common stock were valued at $17.42 per share which represents the 5-day average stock price beginning two days before the acquisition announcement on April 26, 2005.

Memec, with sales of $2.29 billion in its fiscal year ended December 31, 2004, is anticipated to be fully integrated into the EM group of Avnet, Inc. by the end of fiscal 2006, with a substantial portion of the integration completed by the end of the second quarter of fiscal 2006. The acquisition of Memec will provide for expansion of EM in each of the three major economic regions as well as allowing Avnet to gain entry into the Japanese market.

In August 2005, Avnet amended its accounts receivable securitization program to, among other things, increase the maximum amount available for borrowing from $350 million to $450 million. In addition, the amended program now provides that financing under the program no longer qualifies as off balance sheet financing. As a result, the receivables and related debt obligation will remain on Avnet s consolidated balance sheet when amounts are drawn on the program. The program, as amended, has a one year term, which expires in August 2006.

Tender Offer

On August , 2005, Avnet commenced an offer to purchase (the Tender Offer) up to $250 million of its outstanding 8.00% Notes due November 15, 2006 at a price of $ per $1,000 principal amount of the 8.00% Notes due November 15, 2006. The Tender Offer will expire on September , 2005, unless Avnet terminates or extends the offer. The consummation of this offering is not contingent upon completion of the Tender Offer, but the Tender Offer is conditioned upon the successful consummation of this offering.

Table of Contents

The Offering

The following summary contains basic information about the notes. It does not contain all the information that may be important to you. For a more complete understanding of the notes, please refer to the section of this prospectus supplement entitled Description of Notes and the section of the accompanying prospectus entitled Description of Debt Securities.

Issuer	Avnet, Inc.
Notes Offered	$250 million in aggregate principal amount of % Notes due 2015.
Maturity Date	, 2015.
Interest	Interest on the notes will accrue from the date of their issuance at the annual rate of % per year and will be payable in cash semi-annually in arrears on and of each year, commencing , 2006.
Ranking	The notes will be Avnet s unsecured senior obligations and will rank equally in right of payment with all of Avnet s existing and future senior unsecured indebtedness. The notes will not be guaranteed by any of Avnet s subsidiaries and so will be effectively subordinated to all of the debt of these subsidiaries that is not guaranteed by Avnet, which amounted to $77.4 million at April 2, 2005.
Optional Redemption	Avnet may, at its option, redeem some or all of the notes at any time at the make-whole redemption price described in Description of Notes Optional Redemption.
Use of Proceeds	Avnet expects to use the net proceeds from this offering, together with approximately $ million of cash and cash equivalents, to fund its tender offer to repurchase up to $250 million of its outstanding 8.00% Notes due November 15, 2006. If Avnet acquires less than $250 million of the outstanding 8.00% Notes due November 15, 2006 in the tender offer, any remaining net proceeds will be used for working capital and general corporate purposes. See Use of Proceeds.
Form, Denomination and Registration	The notes will be issued in fully registered form. The notes will be issued in denominations of $1,000 principal amount and multiples of $1,000 in excess thereof. The notes will be represented by one global note, deposited with the trustee under the indenture governing the notes as custodian for The Depository Trust Company (DTC) and registered in the name of Cede & Co., DTC s nominee. Beneficial interests in the global note will be shown on, and any transfers thereof will be effected only through records maintained by DTC and its participants. See Description of the Notes Form, Denomination and Registration.

Table of Contents

Summary Financial Information and Other Data

The summary consolidated financial data below is derived from the consolidated financial statements of Avnet. We refer you to those financial statements, accompanying notes and management s discussion and analysis, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. The As Adjusted balance sheet data as of April 2, 2005 is presented as if the financing contemplated within this prospectus supplement had occurred on April 2, 2005. This summary financial information should be read in conjunction with the footnotes below as there are various special items recorded in certain of the periods presented.

	Fiscal Years Ended			Nine Months Ended	
	July 3, 2004(1)(2)	**June 27, 2003(3)(4)**	**June 28, 2002(5)(6)**	**April 2, 2005**	**April 3, 2004(1)(2)**
			(in millions)		
Statement of Operations Data:					
Sales	$ 10,244.7	$ 9,048.4	$ 8,920.2	$ 8,241.4	$ 7,601.7
Cost of sales(5)	8,879.9	7,833.4	7,697.4	7,153.4	6,604.9
Gross profit	1,364.8	1,215.0	1,222.8	1,088.1	996.8
Selling, general and administrative expenses	1,107.0	1,095.5	1,167.8	852.5	824.8
Restructuring and other charges(1)(3)(5)	55.6	106.8	58.0		55.6
Operating income (loss)	202.2	12.7	(3.0)	235.6	116.4
Other income, net	7.1	26.2	6.8	2.2	7.1
Interest expense	(94.6)	(104.8)	(124.6)	(63.1)	(74.2)
Debt extinguishment costs(2)(4)	(16.4)	(13.5)			(16.4)
Income (loss) from continuing operations before income taxes	98.4	(79.4)	(120.8)	174.7	33.0
Income tax provision (benefit)	25.5	(33.3)	(36.4)	53.7	8.8
Income (loss) before cumulative effect of change in accounting principle	72.9	(46.1)	(84.4)	121.0	24.2
Cumulative effect of change in accounting principle(6)			(580.5)		
Net income (loss)	$ 72.9	$ (46.1)	$ (664.9)	$ 121.0	$ 24.2

	As of the Fiscal Year Ended			As of April 2, 2005	
	July 3, 2004	**June 27, 2003**	**June 28, 2002**	**Actual**	**As Adjusted(7)**
			(in millions)		

Balance Sheet Data:					
Cash and cash equivalents	$ 312.7	$ 395.5	$ 159.2	$ 594.3	$
Working capital	1,839.0	1,820.0	1,928.7	2,067.4	
Total assets	4,863.6	4,499.5	4,682.0	5,062.5	
Total debt	1,356.8	1,466.1	1,625.1	1,250.1	
Total liabilities	2,910.2	2,667.0	2,877.5	2,915.3	
Shareholders equity	1,953.4	1,832.5	1,804.5	2,147.3	

(1) Includes the impact of restructuring and other charges recorded in the first and second quarters of fiscal 2004 in connection with cost cutting initiatives and the combination of the Computer Marketing and Applied Computing operating groups into one operating group called Technology Solutions. These charges included severance costs, charges for consolidation of certain owned and leased facilities, write-offs of certain capitalized information technology initiatives, the impairment of owned assets in Avnet s

(footnotes continued on next page)

Table of Contents

(footnotes continued from previous page)

European operations, and the write-off of remaining unamortized deferred loan costs associated with Avnet s multi-year credit facility terminated in September 2003. These restructuring and other charges amounted to $55.6 million pre-tax, all of which was included as a component of operating expenses, and $38.5 million after-tax.

(2) During the third quarter of fiscal 2004, Avnet incurred debt extinguishment costs associated with the cash tender offer for $273.4 million of its 7 7/8% Notes due February 15, 2005. These charges amounted to $16.4 million pre-tax and $14.2 million after-tax.

(3) Includes the impact of restructuring and other charges recorded during the second quarter of fiscal 2003 related to certain actions taken as part of Avnet s cost-reduction efforts. The charges related to severance costs, consolidation of selected facilities and the discontinuation of certain information technology-related initiatives. The charges totaled $106.8 million pre-tax (all of which is included as a component of operating expenses) and $65.8 million after-tax.

(4) During the third quarter of fiscal 2003, Avnet incurred $13.5 million of debt extinguishment costs associated with the early redemption of a portion of its 6.45% Notes due August 15, 2003 and its 8.20% Notes due October 17, 2003.

(5) Includes the impact of restructuring and other charges related to the write-down of certain assets acquired in the 2001 acquisition of Kent Electronics Corporation, net of certain recoveries of previous reserves, and other charges taken in response to business conditions, including an impairment charge to write-down certain investments in unconsolidated Internet-related businesses to their fair value and severance charges for workforce reductions announced during the fourth quarter of fiscal 2002. The net restructuring and other charges amounted to $79.6 million pre-tax ($21.6 million included in cost of sales and $58.0 million included as a component of operating expenses) and $62.1 million after-tax.

(6) Avnet adopted Statement of Financial Accounting Standards No. 142, hereinafter SFAS 142, Goodwill and Other Intangible Assets, on June 30, 2001, the first day of Avnet s fiscal year 2002. SFAS 142, which requires that ratable amortization of goodwill be replaced with periodic tests for goodwill impairment, resulted in a transition impairment charge recorded by Avnet of $580.5 million. This charge is reflected as a cumulative change in accounting principle in the consolidated statement of operations.

(7) The as adjusted balance sheet data as of April 2, 2005 has been adjusted from the actual balances to reflect the sale of the notes in this offering and the use of the proceeds from this offering, together with million of cash and cash equivalents, to fund Avnet s tender offer for $250 million of its outstanding 8.00% Notes due November 15, 2006. See Use of Proceeds and Capitalization.

Ratio of Earnings to Fixed Charges

The following table sets forth our ratio of earnings to fixed charges for the periods presented.

Fiscal Year Ended					Nine Months Ended	
July 3, 2004(1)	**June 27, 2003(2)**	**June 28, 2002(3)(4)**	**June 29, 2001(5)**	**June 30, 2000(6)**	**April 2, 2005**	**April 3, 2004(1)**
1.9x	*	*	1.4x	3.6x	3.2x	1.4x

* Earnings were deficient in covering fixed charges by $79.4 million and $120.8 million for the fiscal years ended June 27, 2003 and June 28, 2002, respectively.

(1) Includes the impact of restructuring and other charges recorded in the first and second quarters of fiscal 2004 in connection with cost cutting initiatives and the combination of Computer Marketing and Applied Computing operating groups into one operating group called Technology Solutions. These charges included severance costs, charges for consolidation of certain owned and leased facilities, write-offs of certain capitalized information technology initiatives, the impairment of owned assets in Avnet s European operations, and the write-off of remaining unamortized deferred loan costs associated with Avnet s multi-year credit facility terminated in September 2003. These restructuring and other charges amounted to $55.6 million pre-tax. In addition, during the third quarter of fiscal 2004, Avnet incurred debt extinguishment costs associated with the cash tender offer of $273.4 million of its 7^{7}/8% Notes due February 15, 2005. These charges amounted to $16.4 million pre-tax. The total impact of the restructuring and debt extinguishment costs on results of fiscal 2004 amounted to $72.0 million pre-tax.

(2) Includes the impact of restructuring and other charges recorded during the second quarter of fiscal 2003 related to certain actions taken as part of Avnet s cost-reduction efforts. The charges related to severance costs, consolidation of selected facilities and the discontinuation of certain information technology-related initiatives. The charges totaled $106.8 million pre-tax. The loss before income taxes for fiscal 2003 also includes $13.5 million of debt extinguishment costs associated with the early redemption of a portion of its 6.45% Notes due August 15, 2003 and its 8.20% Notes due October 17, 2003. The total impact of the restructuring and debt extinguishment costs on the results for the year ended June 27, 2003 amounted to $120.3 million pre-tax.

(3) Includes the impact of restructuring and other charges related to the write-down of certain assets acquired in the 2001 acquisition of Kent, net of certain recoveries of previous reserves, and other charges taken in response to business conditions, including an impairment charge to write-down certain investments in unconsolidated Internet-related businesses to their fair value and severance charges for workforce reductions announced during the fourth quarter of fiscal 2002. The net restructuring and other charges amounted to $79.6 million pre-tax.

(footnotes continued on next page)

Table of Contents

(footnotes continued from previous page)

(4) Excludes the impact of Avnet s adoption of SFAS 142, Goodwill and Other Intangible Assets, on June 30, 2001, the first day of Avnet s fiscal year 2002. SFAS 142, which requires that ratable amortization of goodwill be replaced with periodic tests for goodwill impairment, resulted in a transition impairment charge recorded by Avnet of $580.5 million. This charge is reflected as a cumulative charge in accounting principle in the consolidated statement of operations. Including the cumulative effect of change in accounting principle, Avnet recorded a net loss of $664.9 million in the year ended June 28, 2002.

(5) Includes the impact of restructuring and other charges related to the acquisition and integration of Kent, which was accounted for as a pooling-of-interest, and other integration, reorganization and cost reduction initiatives taken in response to business conditions. The charges amounted to $327.5 million pre-tax.

(6) Includes restructuring and other charges associated with: (a) the integration of Marshall Industries, Eurotronics B.V., SEI Marco Group and JBA Computer Solutions; (b) the reorganization of the Asian operations of the Electronics Marketing operating group; (c) the reorganization of the European operations of the Electronics Marketing operating group, including the consolidation of certain European warehousing operations; and (d) costs incurred in connection with certain litigation brought by Avnet. The total restructuring and other charges for fiscal 2000 amounted to $49.0 million pre-tax.

Table of Contents

USE OF PROCEEDS

Management estimates that the net proceeds from this offering will be approximately $ million, after deducting the underwriting discounts and commissions but before deducting other offering expenses. Avnet will use the net proceeds from this offering, together with approximately $ million of cash and cash equivalents, to fund its tender offer for $250 million of its outstanding 8.00% Notes due November 15, 2006, as described under Prospectus Summary The Tender Offer. Avnet will deposit the net proceeds from this offering into an account pending completion of the Tender Offer. If Avnet acquires less than $250 million of the outstanding 8.00% Notes due November 15, 2006 in the Tender Offer, any remaining net proceeds will be used for working capital and general corporate purposes.

CAPITALIZATION

The following table sets forth the actual consolidated cash and cash equivalents, short-term debt and capitalization of Avnet at April 2, 2005, and these amounts as adjusted to reflect the sale of the notes in this offering and the application of the net proceeds thereof, together with approximately $ million from cash and cash equivalents, to repurchase $250 million of its 8.00% Notes due November 15, 2006. See Use of Proceeds.

	April 2, 2005	
	Actual	**As Adjusted(1)**
	(in millions)	
Cash and cash equivalents	$ 594.3	$
Short-term debt:		
Bank credit facilities(2)	67.9	
Other debt due within one year	0.9	
Total short-term debt	68.8	
Long-term debt, less amounts due within one year:		
8.00% Notes due November 15, 2006(3)	400.0	
$9^3/4$% Notes due February 15, 2008	475.0	
2% Convertible Debentures due March 15, 2034	300.0	
% Notes due , 2015 (offered hereby)		
Other long-term debt(4)	7.8	
Subtotal	1,182.8	
Fair value adjustment for hedged 8.00% and $9^3/4$% Notes(4)	(1.5)	
Total long-term debt	1,181.3	
Total debt	1,250.1	
Shareholders equity:		
Common stock, $1.00 par value	120.7	
Additional paid-in capital	568.0	
Retained earnings	1,235.8	