

Avnet Analyst Day 2008



Avnet, Inc.
December 16, 2008

Opening Remarks and Management Introductions



Vince Keenan
Vice President, Investor Relations

Agenda

8:00 am	Welcome and Introductions	Vince Keenan
8:05 am	Strategic Overview	Roy Vallee
8:40 am	Financial Update	Ray Sadowski
9:35am	Break	
9:55 am	Operational Update	Rick Hamada
10:30 am	Technology Solutions	John Paget
11:05 am	Electronics Marketing	Harley Feldberg
11:40 am	Wrap up	Roy Vallee
12:00 pm	Lunch	Balcony Room
1:30 pm	Conclude	

Safe Harbor Statement

- This presentation contains certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management’s current expectations and are subject to uncertainty and changes in factual circumstances. The forward-looking statements herein include statements addressing future financial and operating results of Avnet and may include words such as “will,” “anticipate,” “expect,” “believe,” and “should” and other words and terms of similar meaning in connection with any discussions of future operating or financial performance or business prospects. Actual results may vary materially from the expectations contained in the forward-looking statements.
- The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the Company’s ability to retain and grow market share and to generate additional cash flow, risks associated with any acquisition activities and the successful integration of acquired companies, any significant and unanticipated sales decline, changes in business conditions and the economy in general, changes in market demand and pricing pressures, any material changes in the allocation of product or product rebates by suppliers, allocations of products by suppliers, other competitive and/or regulatory factors affecting the businesses of Avnet generally.
- More detailed information about these and other factors is set forth in Avnet’s filings with the Securities and Exchange Commission, including the Company’s reports on Form 10-K, Form 10-Q and Form 8-K. Avnet is under no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Management Introductions



Roy Vallee

Chairman and
Chief Executive
Officer



Harley Feldberg

President, Electronics Marketing



Rick Hamada

Chief Operating Officer



John Paget

President, Technology Solutions



Ray Sadowski

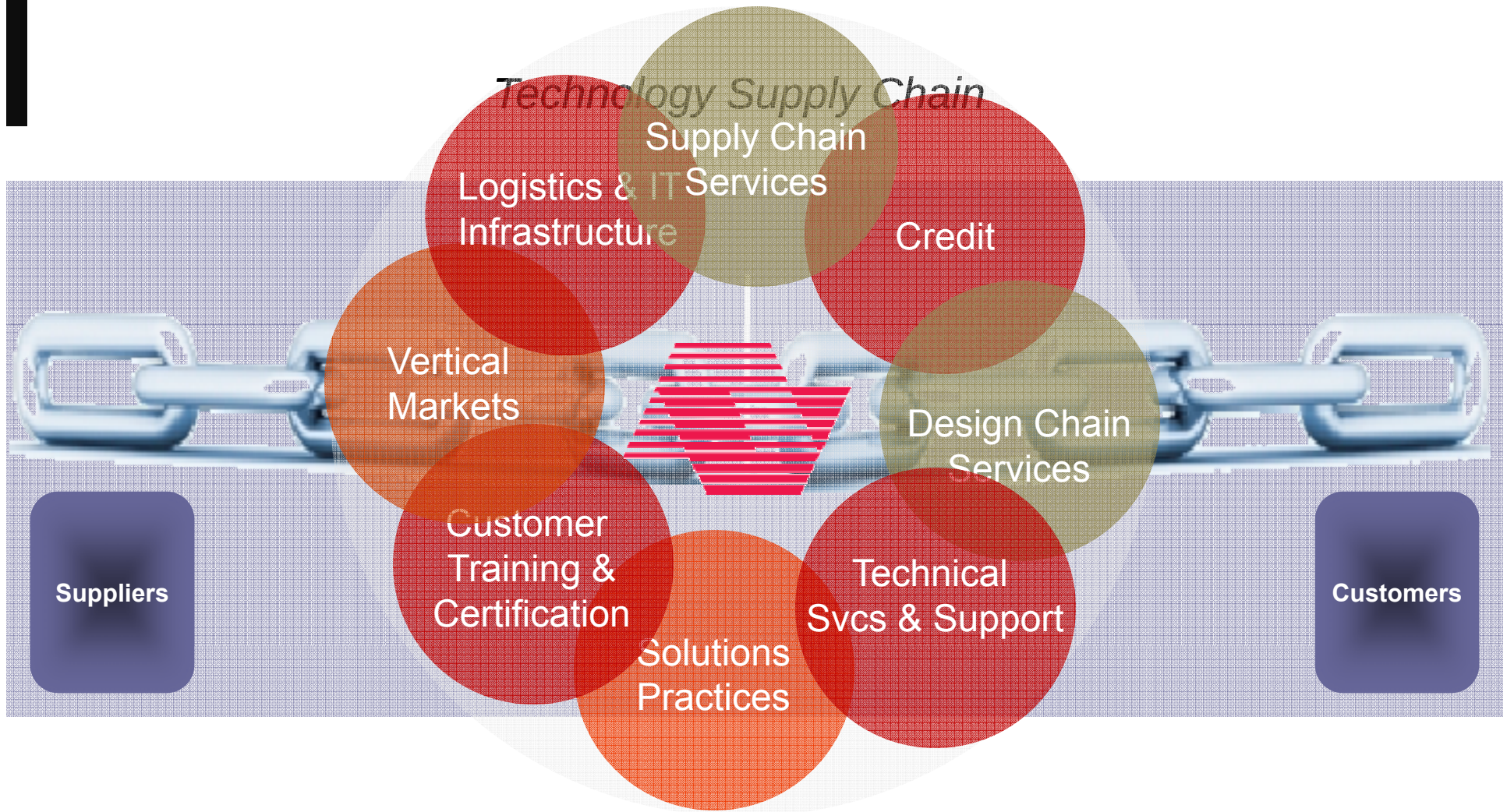
Chief Financial Officer

Strategic Overview



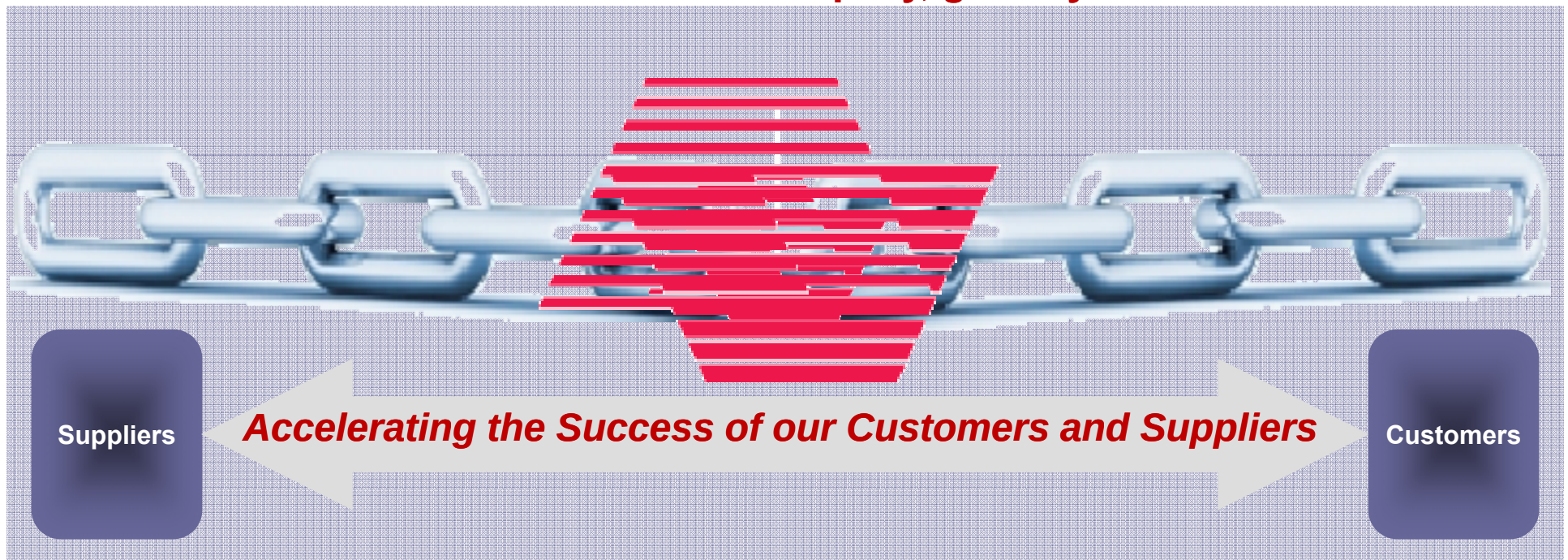
Roy Vallee
Chairman & Chief Executive Officer

Avnet: Adding Value to the Supply Chain



Avnet: Adding Value to the Supply Chain

**The leading technology marketing distribution
and services company, globally**



Business Segment Overview



Electronics Marketing (EM)

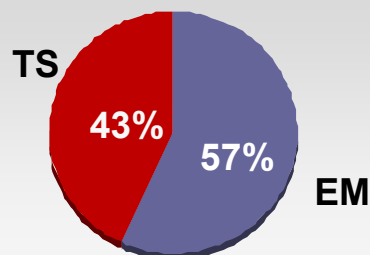
- Markets and distributes electronic components to OEMs, ODMs and EMS providers
 - Products include semiconductors, interconnect, passive, electromechanical and subsystems
 - Value-added services spanning the design and supply chains globally including substantial product enhancement



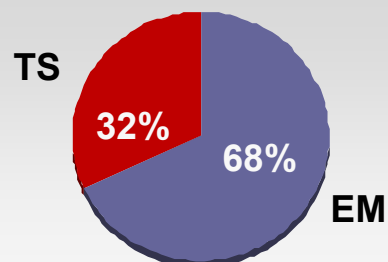
Technology Solutions (TS)

- Markets and distributes complex computer products to VARs, systems builders and OEMs
 - Products include enterprise servers, storage systems, embedded subsystems, networking software and services
 - Value-added services including marketing, tech support, configuration, integration, training and financial

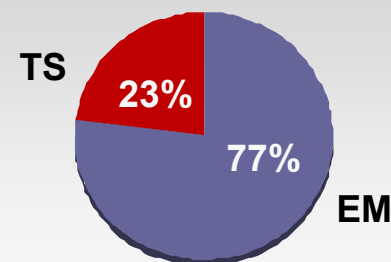
FY 2008 Revenue



FY 2008 EBIT¹



6/28/08 Working Capital²

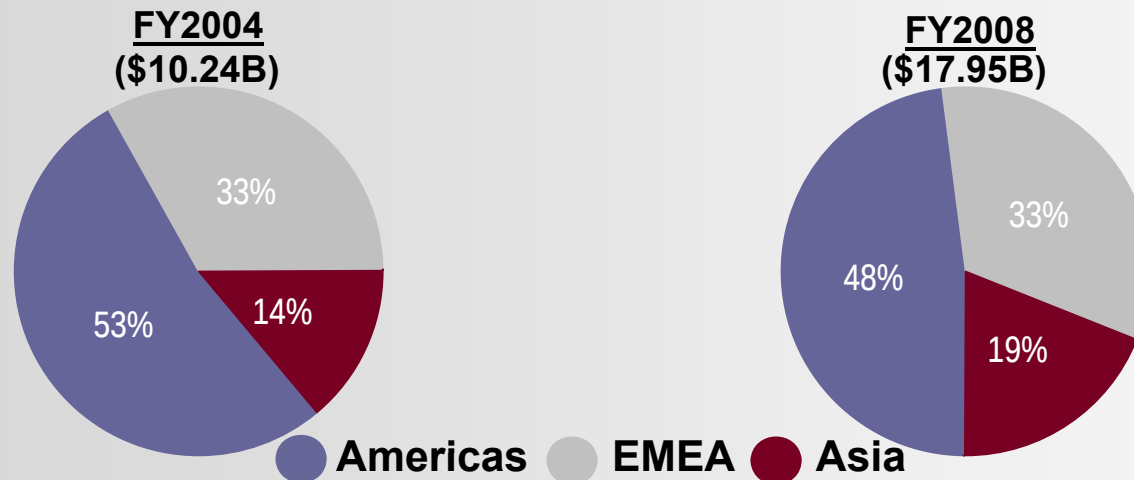


¹ Excludes corporate expenses, restructuring, integration and other charges ² Working capital = Trade Receivables + Inventory - Payables

Global Scale and Scope



- Global scale and scope are critical to success in technology distribution
 - Investing in scalable global IT infrastructure
 - Worldwide centralized value added logistics centers
- Avnet has achieved the industry's leading position
 - More than 300 locations in over 70 countries
 - 100,000+ customers
 - 300+ franchised suppliers



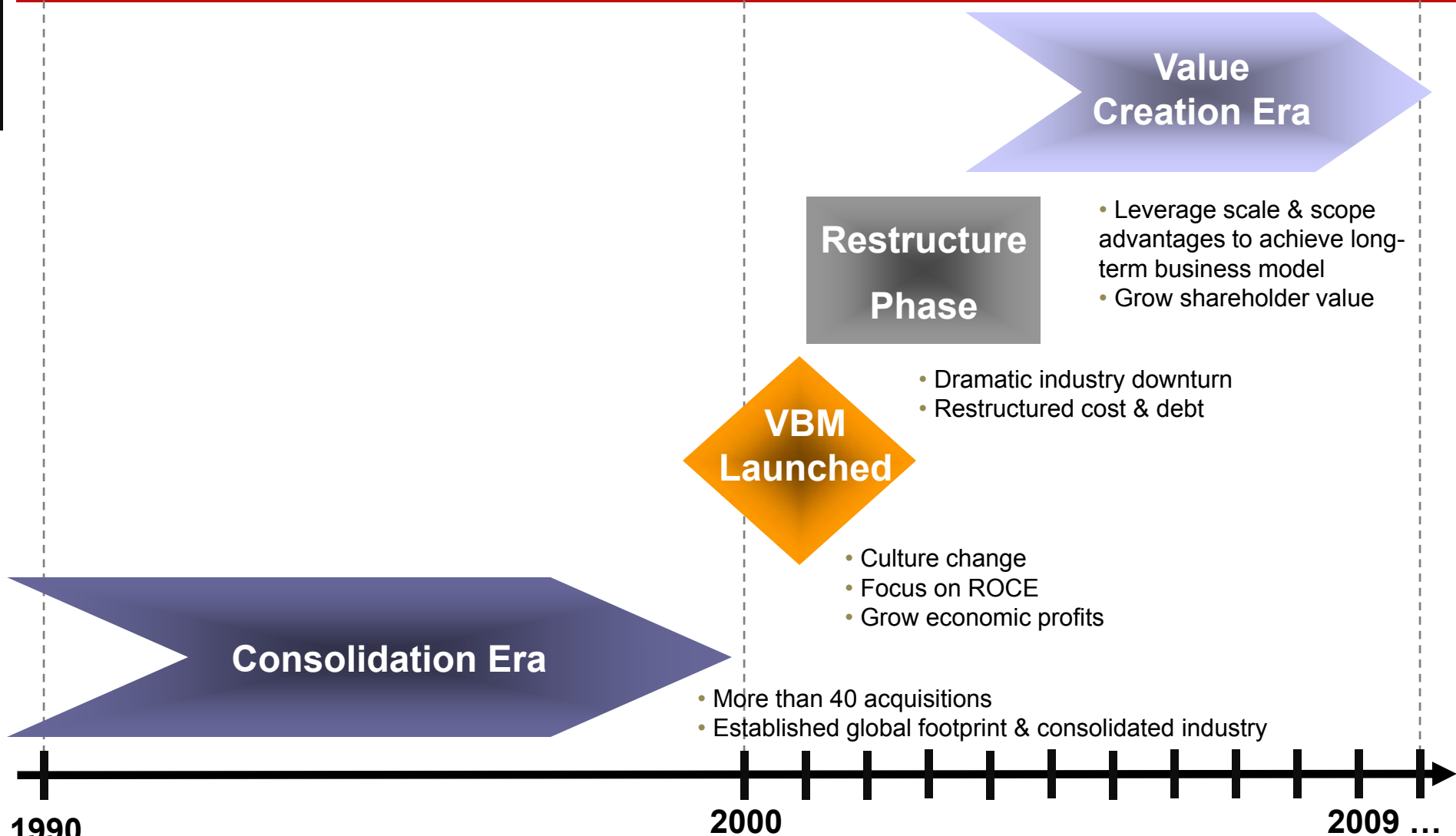
Fiscal Year 2008 Financial Highlights

- Revenue grew 15% to a record \$17.95 billion
 - Organic revenue growth of 5% despite macroeconomic conditions
- EPS¹ grew 15% to a record \$3.18
- Generated \$454 million cash flow from operations
- Completed 10 acquisitions² with total annualized revenue of more than \$1.5 billion
- ROCE¹ improved 7 basis points to 11.3%

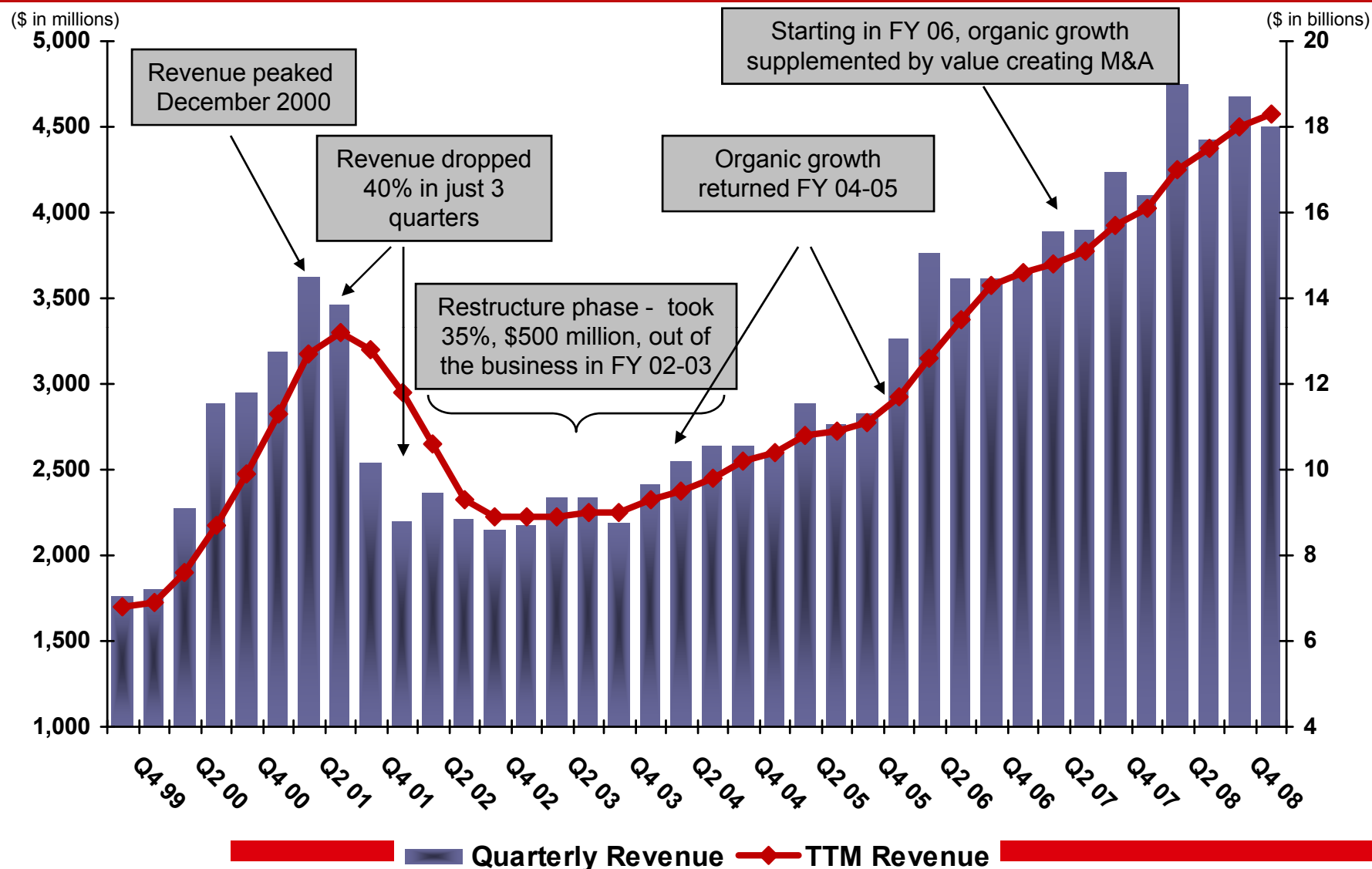
¹ Excludes restructuring, integration and other charges

² Three of the acquisitions closed early fiscal 2009

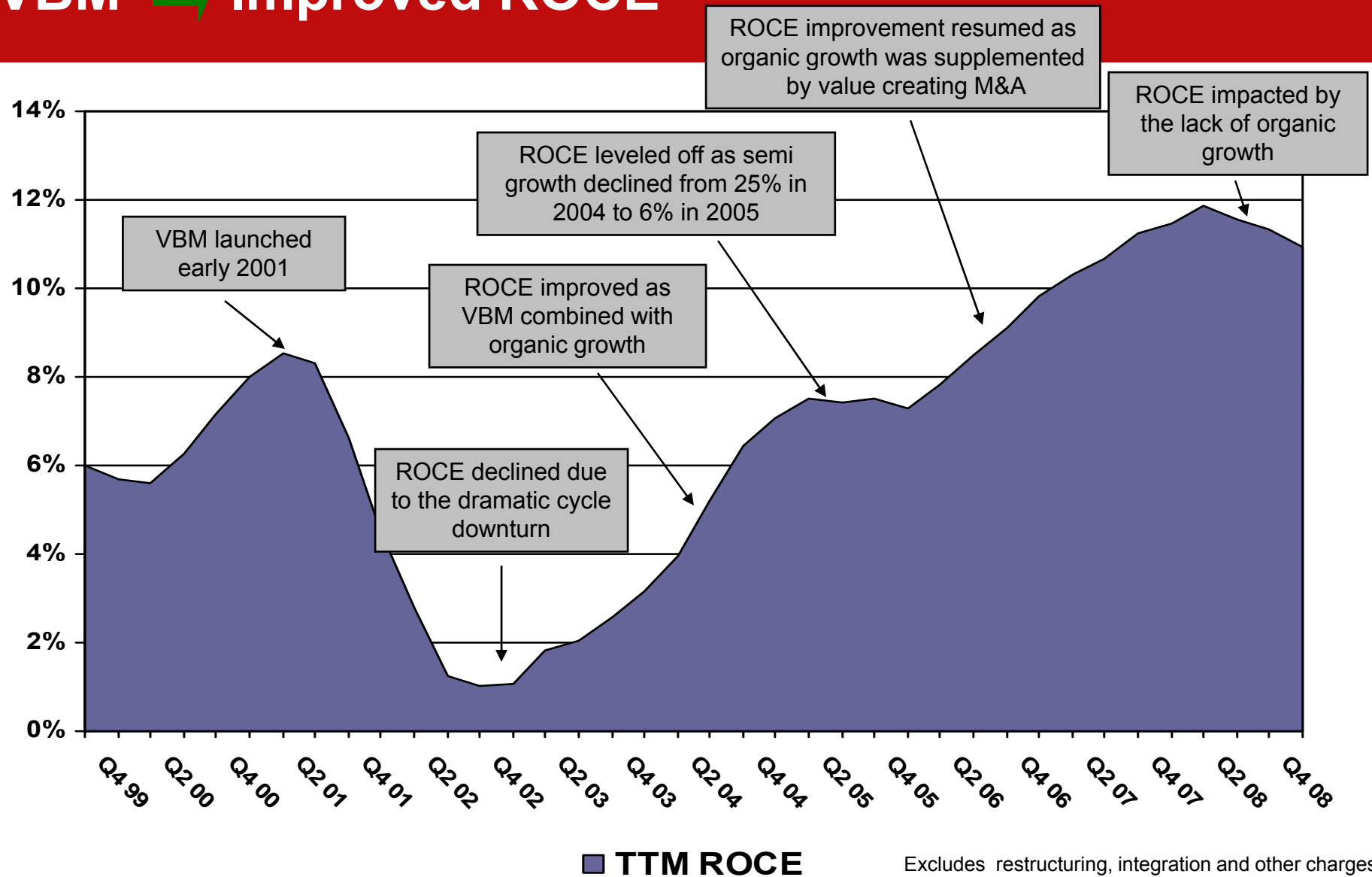
Avnet's Journey to Value Creation



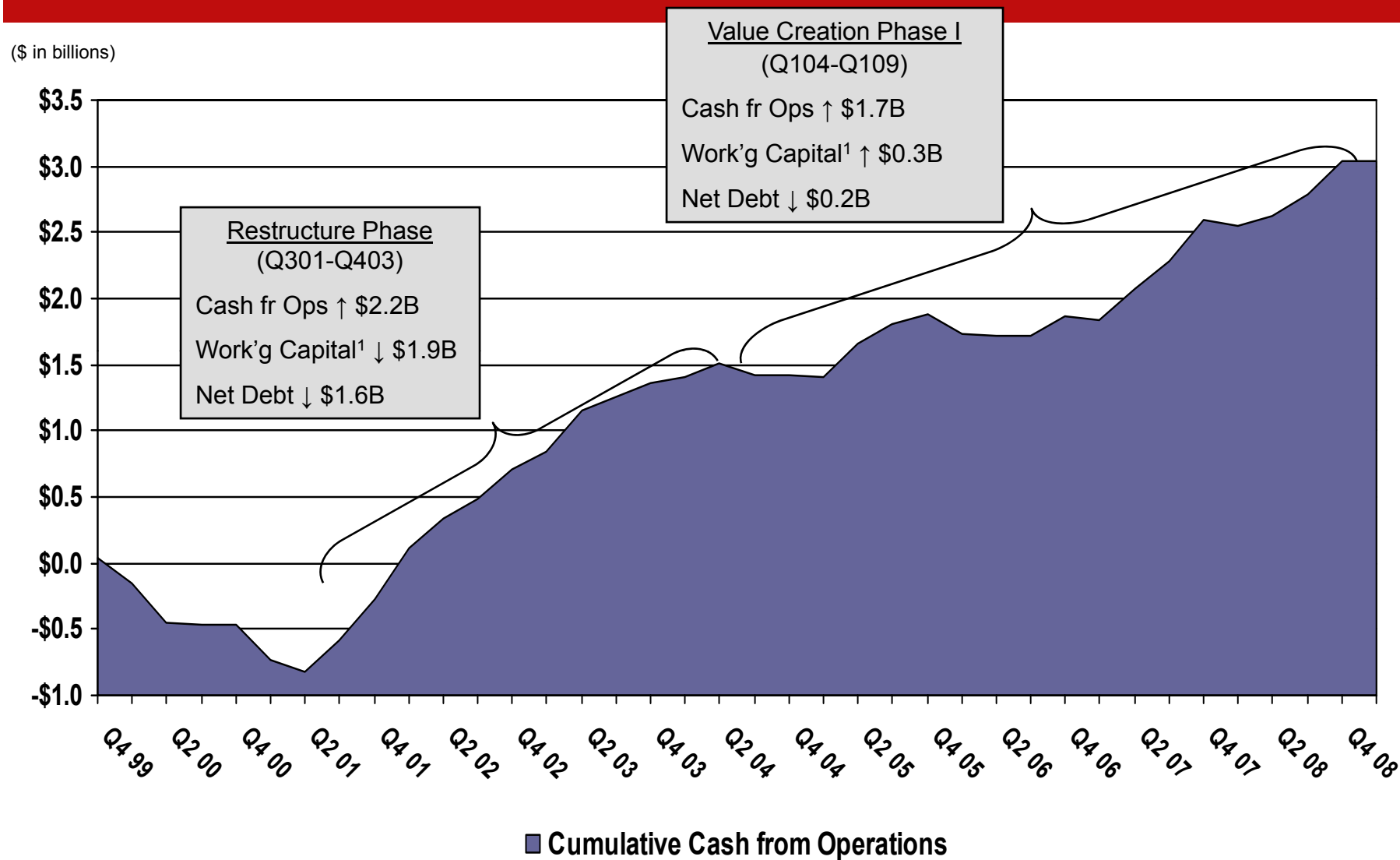
Avnet's Journey – The Last Ten Years



VBM → Improved ROCE

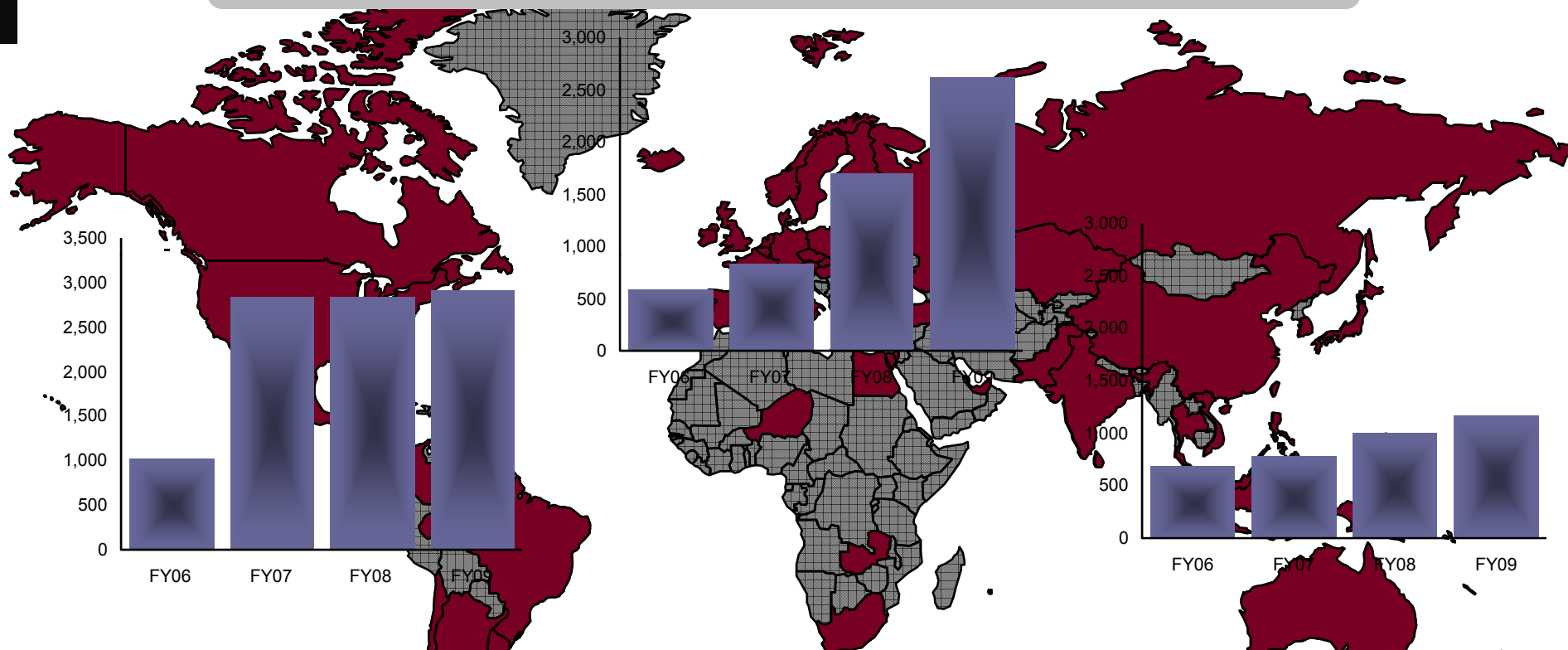


Improved ROCE → Cash Flow Generation



Strong Cash Flow → Value Creating M&A

Total Investment of \$1.8 billion



FY06
Acquisitions – 1
Revenue – \$2.3B

FY07
Acquisitions – 3
Revenue – \$2.0B

FY08
Acquisitions – 7
Revenue – \$1.1B

FY09
Acquisitions – 5
Revenue – \$1.2B

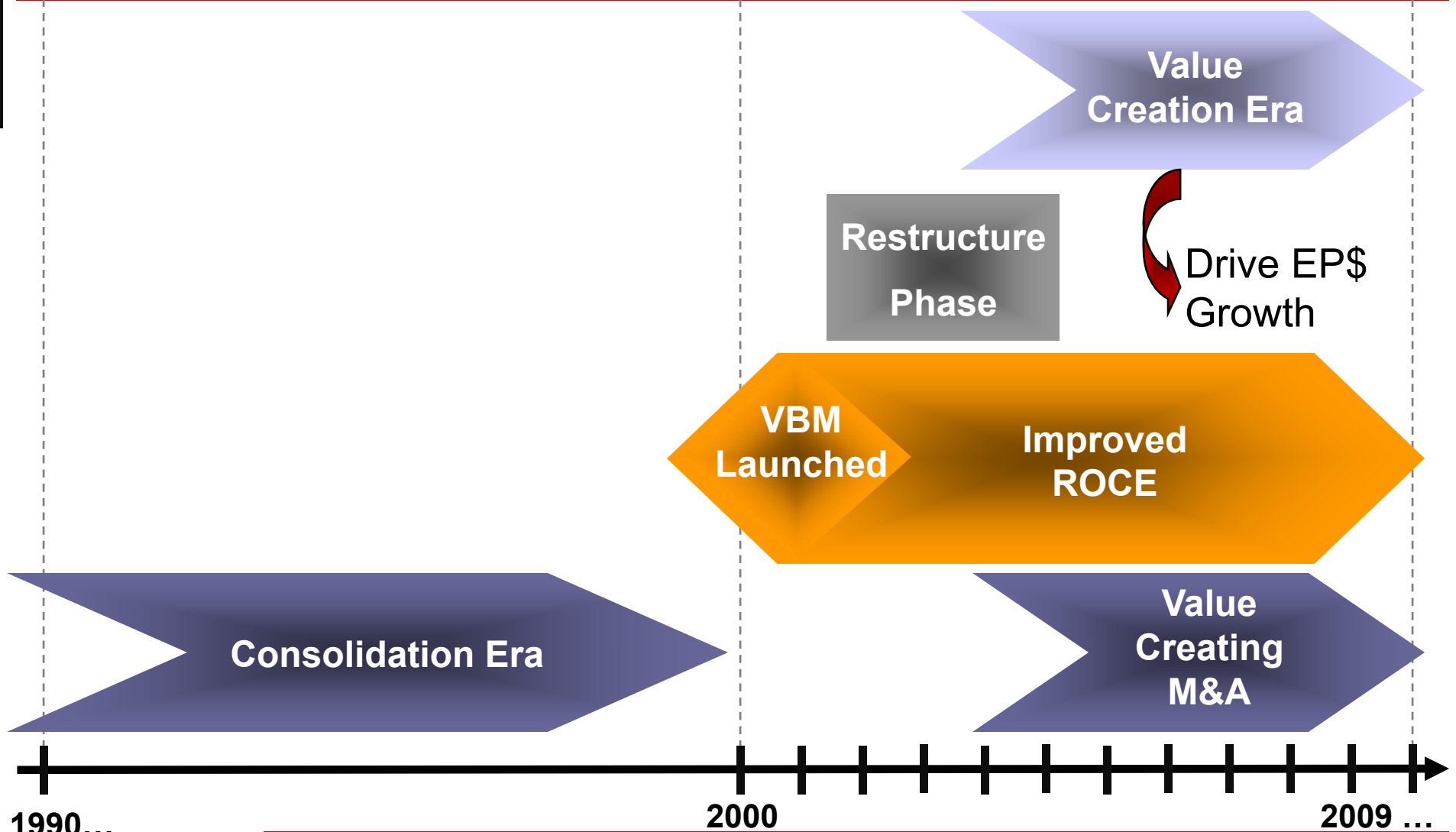
Total
Acquisitions – 16
Revenue – \$6.6B

VBM Driving Value Creation Culture

	FY 2002	FY 2008	
Revenue (in millions)	\$8.920	\$17,953	} VBM revenue selection, scope & M&A
- EM	\$4,842	\$10,327	
- TS	\$4,078	\$7,626	
Gross Profit/Employee (in thousands)	\$99	\$187	} Scale efficiencies
Expense/Gross Profit	93.8%	67.6%	
Operating Margin - %	0.9%	4.2%	} Margins and velocity driven by VBM focus & business mix
- EM	0.5%	5.5%	
- TS	2.6%	3.4%	
WC Velocity	3.7x	6.4x	
ROWC	3.2%	26.8%	} Focus on returns
ROCE	1.0%	11.3%	

1 Above numbers exclude restructuring, integration and other charges

It's a Journey, Forever...



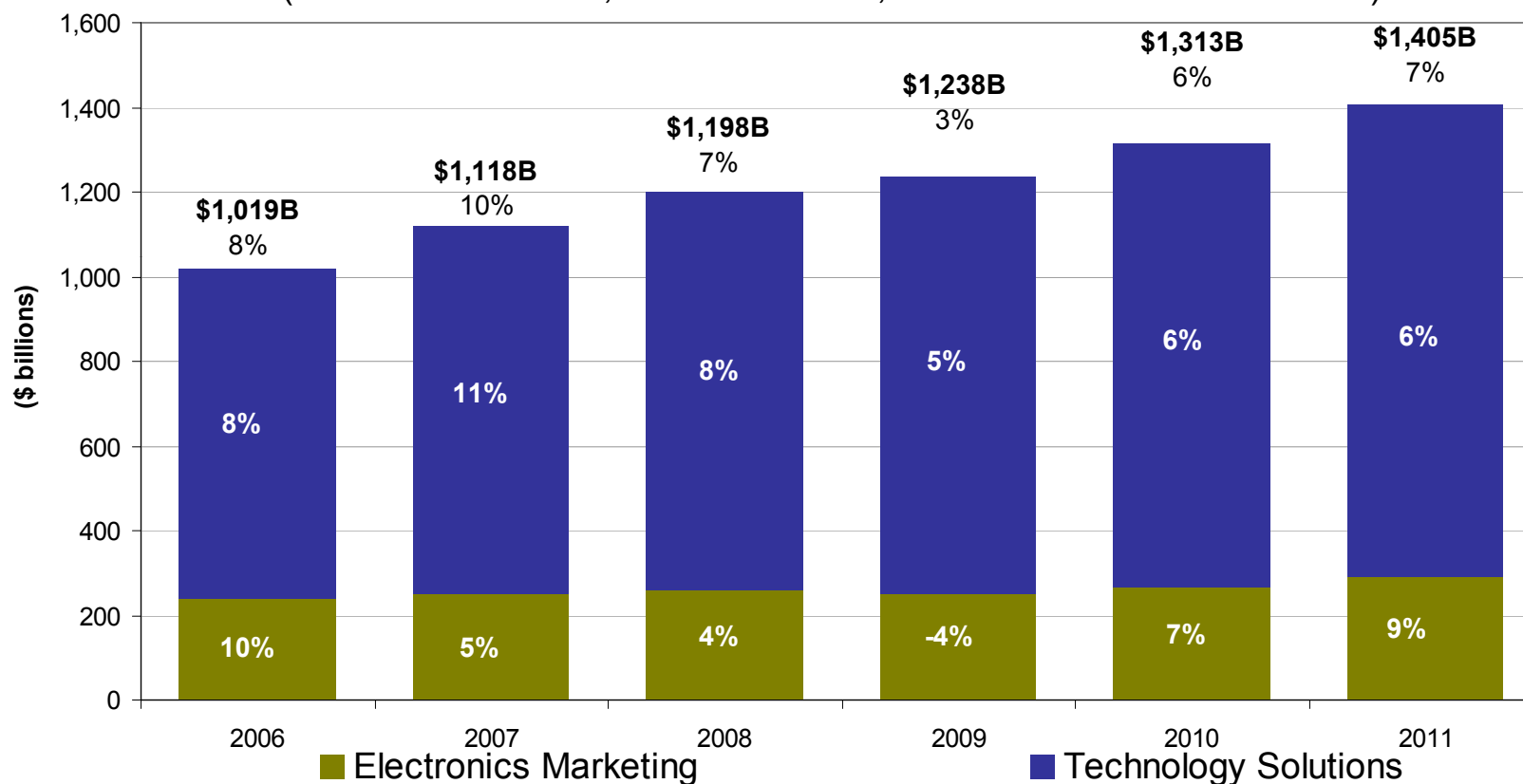


Industry Landscape

WW Avnet Inc. TAM Forecast

Avnet Total Available Market

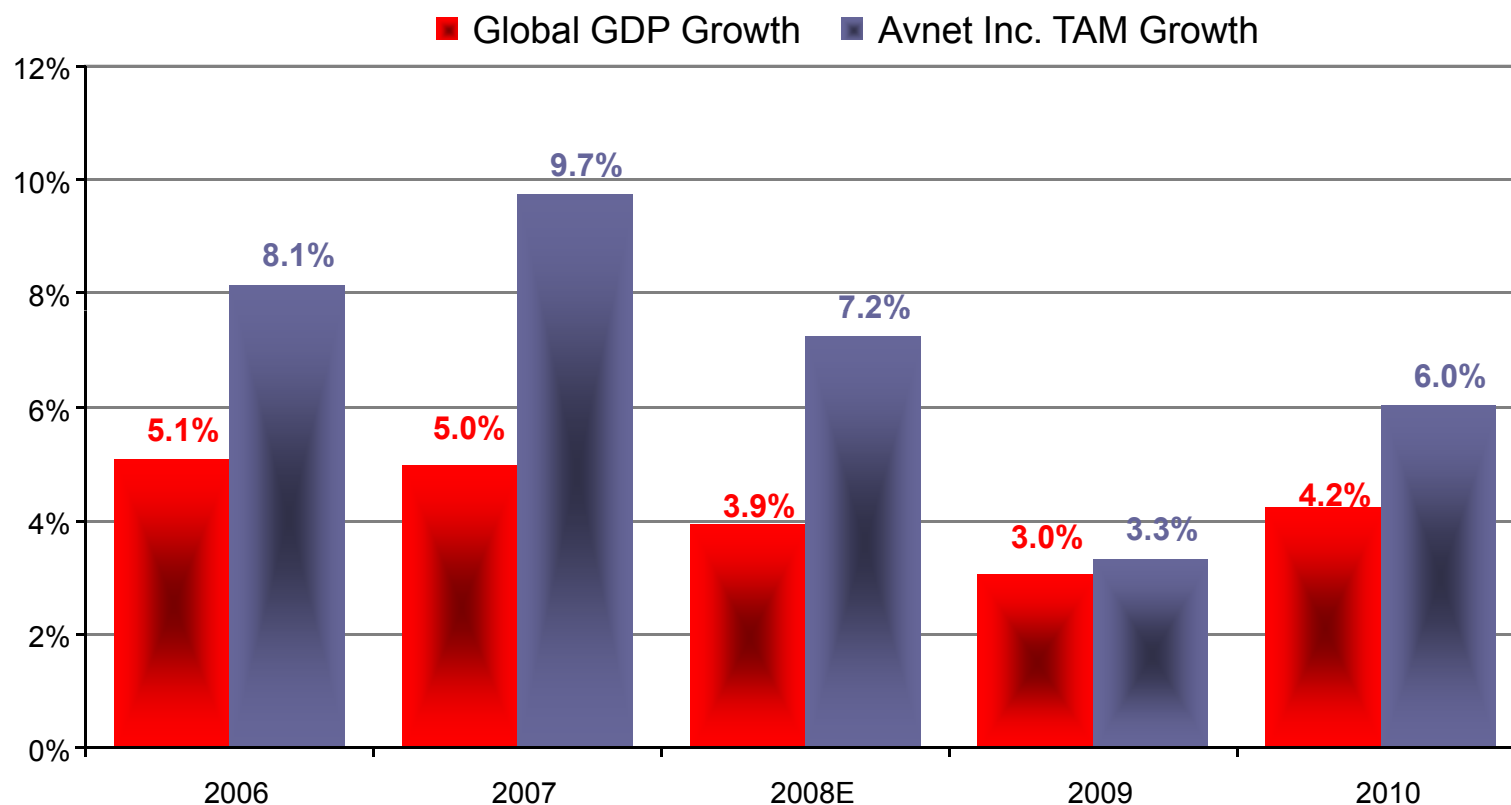
(EM excludes MPUs, DRAMs & Flash, TS includes MPUs & services)



Note: Percentages represent sequential growth rates.

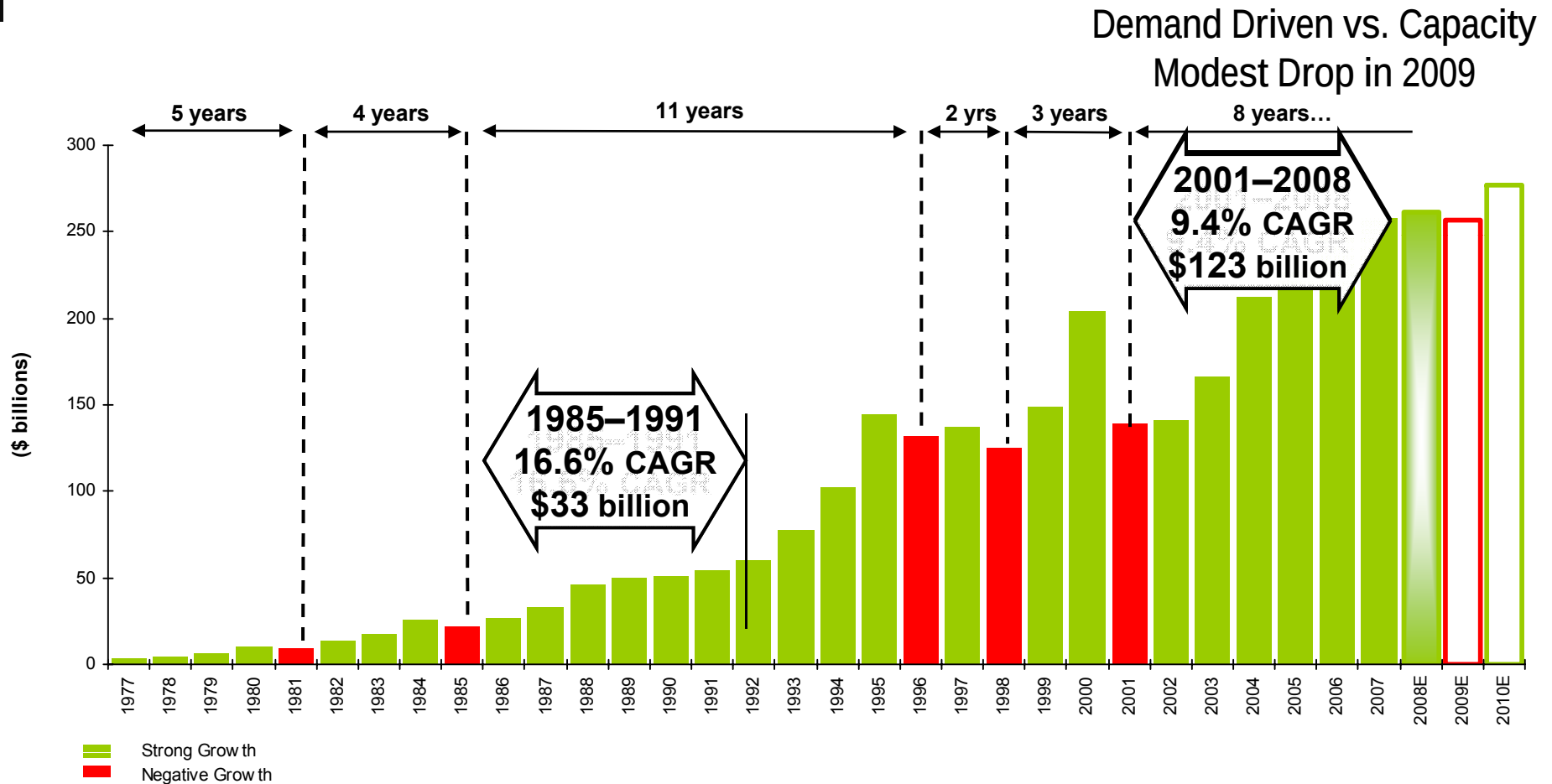
Sources: Bishop, Electronic Outlook, Fleck, Gartner, iSuppli, Paumanok, SIAWSTS (Rev: 12/4/08)

Avnet's TAM Grows Greater than Macro Economy



Sources: Bishop, Electronic Outlook, Fleck, Henderson, IDC, iSuppli, Paumanok, SIA/WSTS, IMF

Semiconductor Upcycle Forecasted to End in 2009



Source: SIA/WSTS

What is Different from 2001?

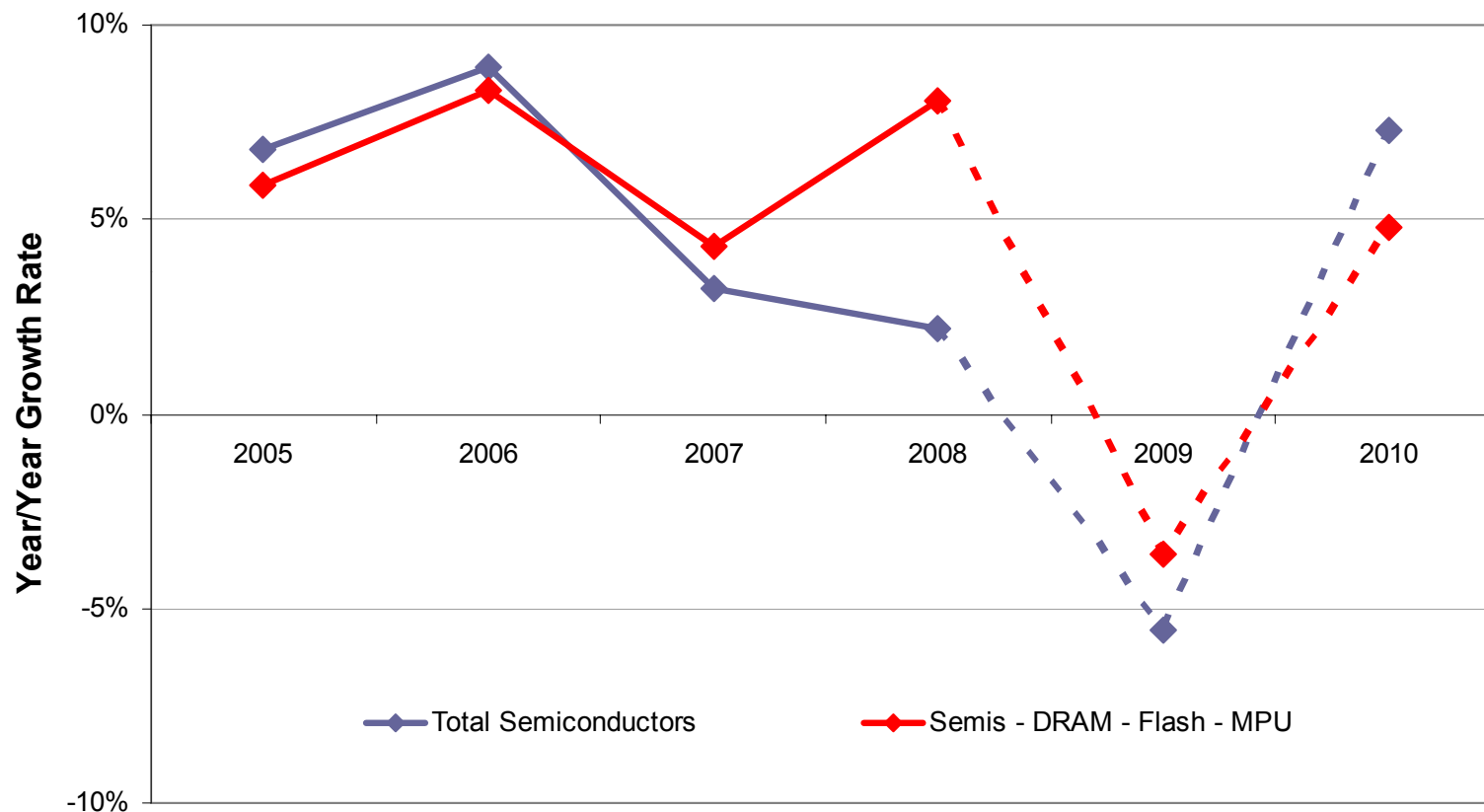
- Structural changes in the technology supply chain
 - Lower days of inventory across the supply chain
 - Higher percent of inventory at suppliers
 - Capacity managed better by the foundries
 - Multiplex demand from multiple semiconductor suppliers
 - Resulting in more stable lead times and ASPs
 - Significantly lower ASP inflation than in 2000 cycle



These changes should help mitigate the impact of the current macroeconomic downturn

Semiconductors – Modest Downturn in 2009

Semiconductor Annual Growth Rates



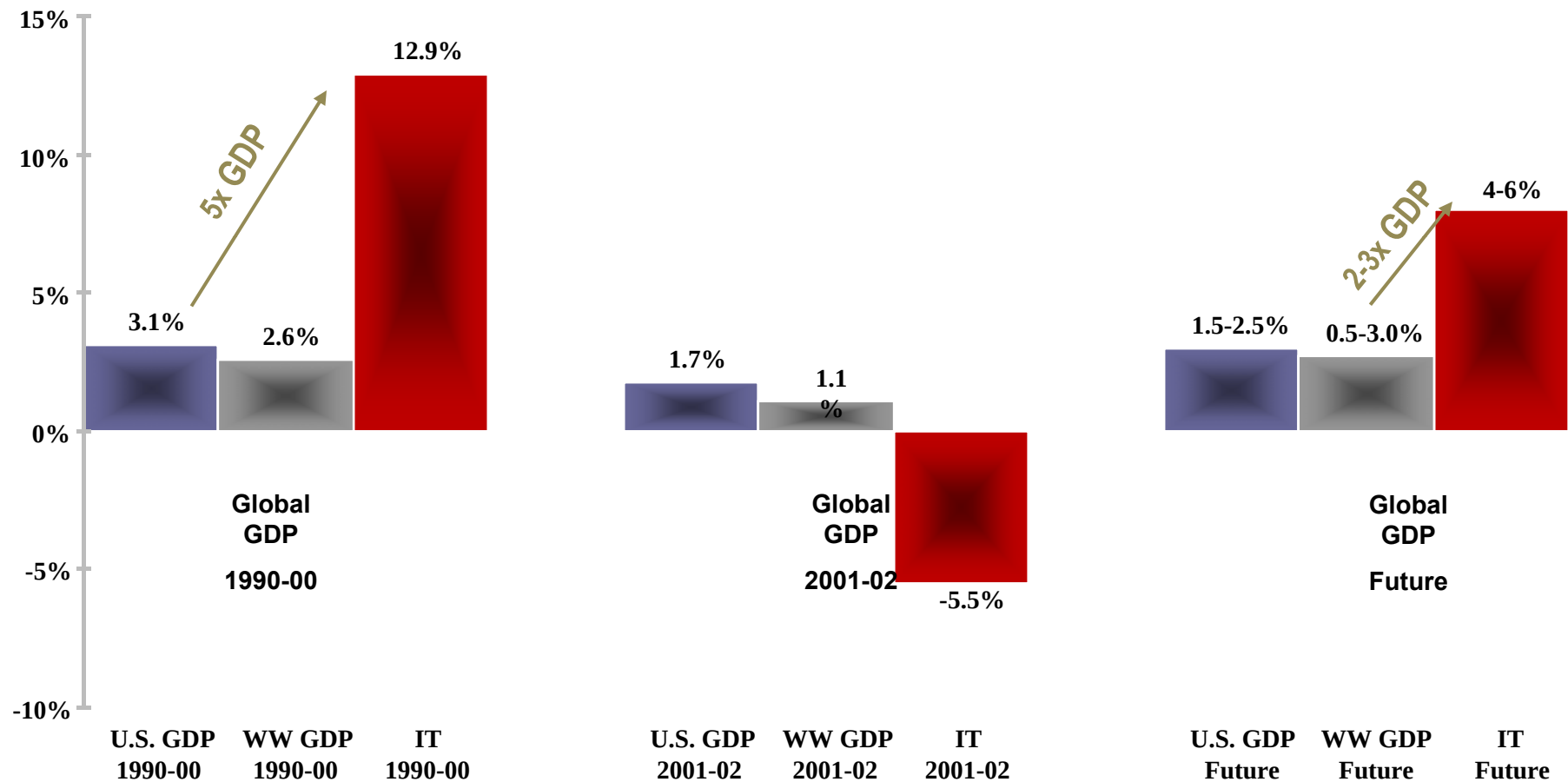
Source: SIA Nov-08 Forecast

EM Market Summary

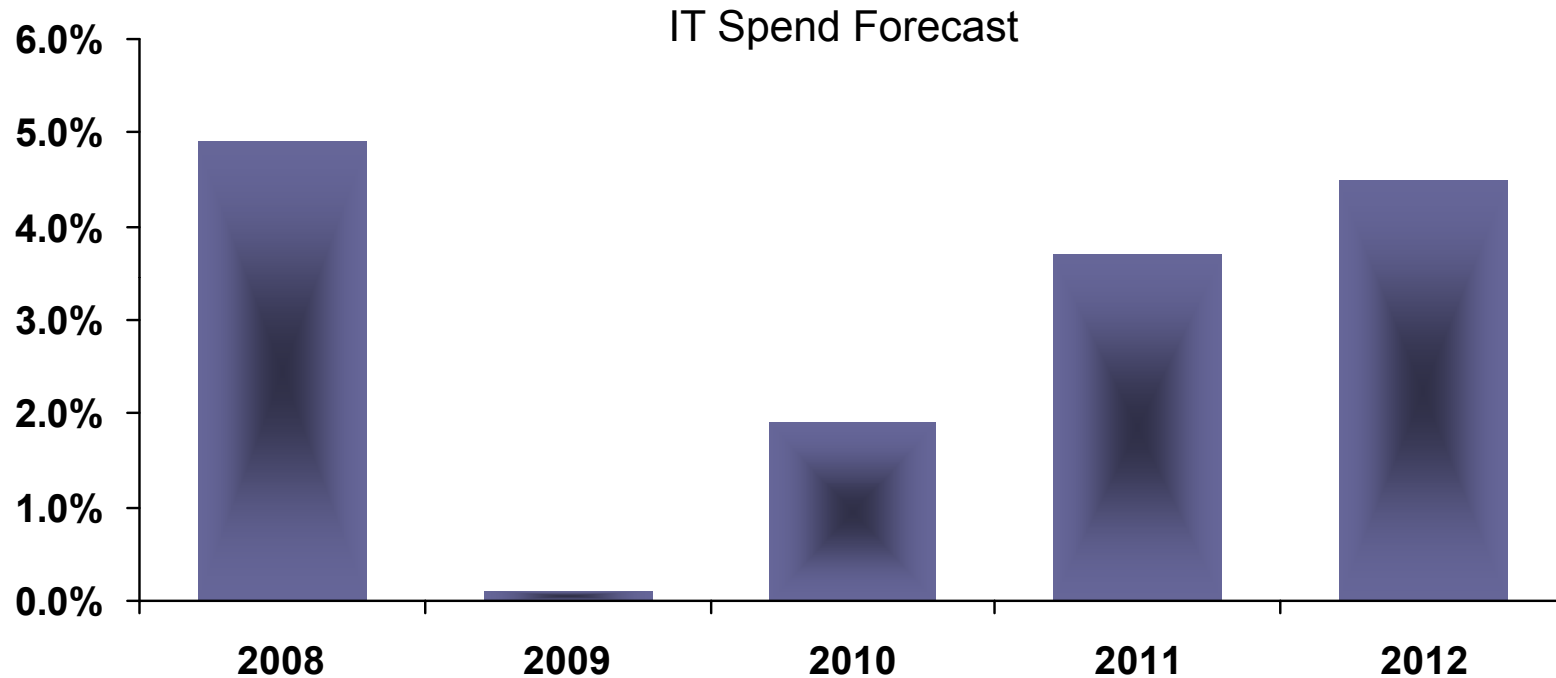
- 2009 projected negative growth down ~ 5%
 - End demand difficult to gauge given lack of visibility
- Not like 2001, demand driven not excess capacity
 - Structural changes in supply chain should help mitigate the impact
- Consumer and auto most impacted
 - Industrial and mil/aero markets should fare better
- Not expecting “snap back” recovery
 - Gradual improvement starting in second half of 2009 with resumption of growth in 2010

Future IT Spending Multiple Lower but Robust

IT Industry Growth vs WW GDP Growth



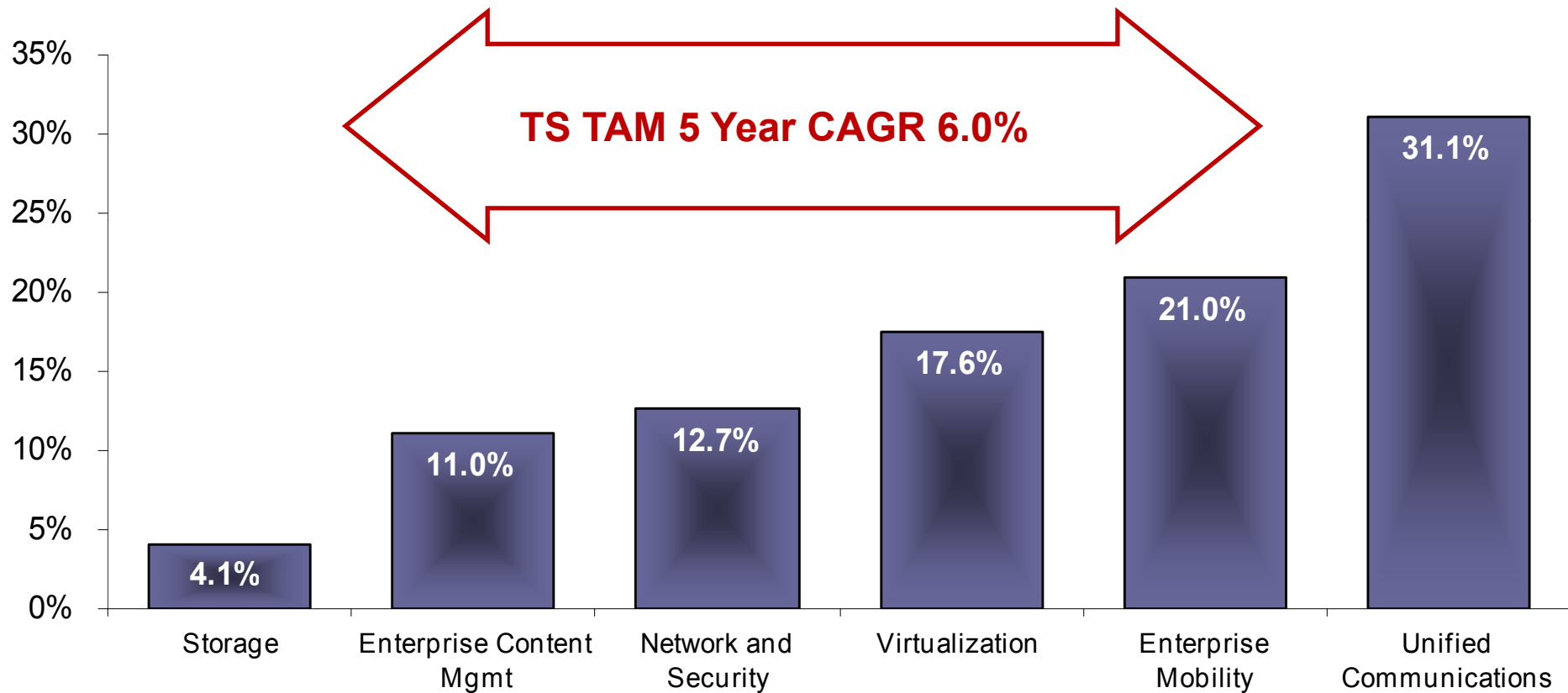
IDC and Gartner Forecast Changes



Both IDC and Gartner are forecasting 2009 to be flat in a worst case scenario

Certain Segments Growing Faster Than Overall TAM

Solution Practice Growth vs. TS TAM



Source: Avnet, IDC, Gartner, iSuppli

TS Market Summary

- Calendar 2009 IT market forecasted to be approximately flat worse case
- Spending expected to be more selective
 - Value added channel rises in importance
 - Solutions with a high ROI



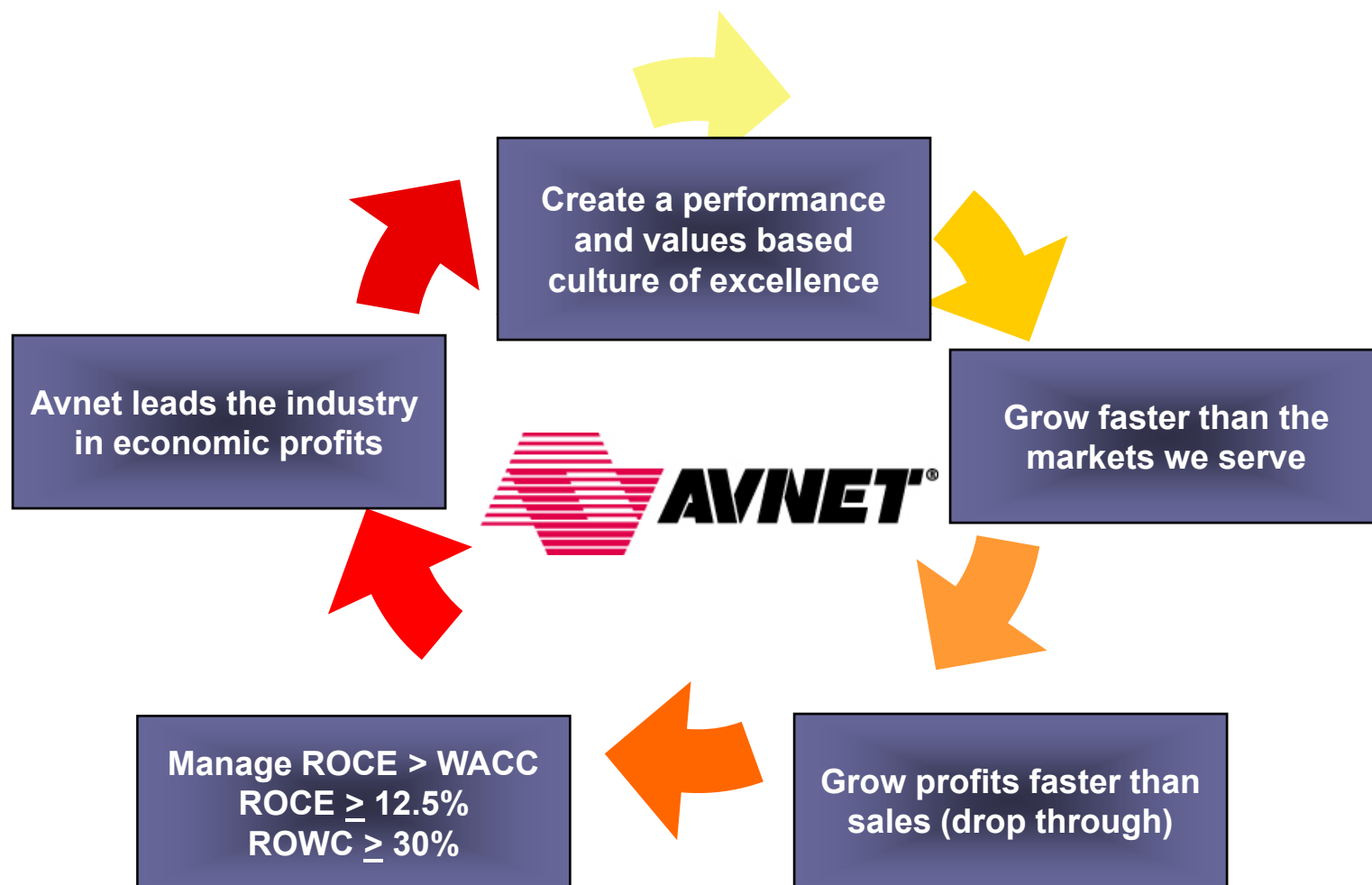
Under-spending in early part of decade will minimize impact of macro headwinds – can only delay IT spend so long

Vision



**Avnet will deliver
the highest value
to our customers, suppliers,
employees and shareholders
as the premier technology marketing,
distribution and services company,
globally.**

Supporting the Vision – Premier Faster

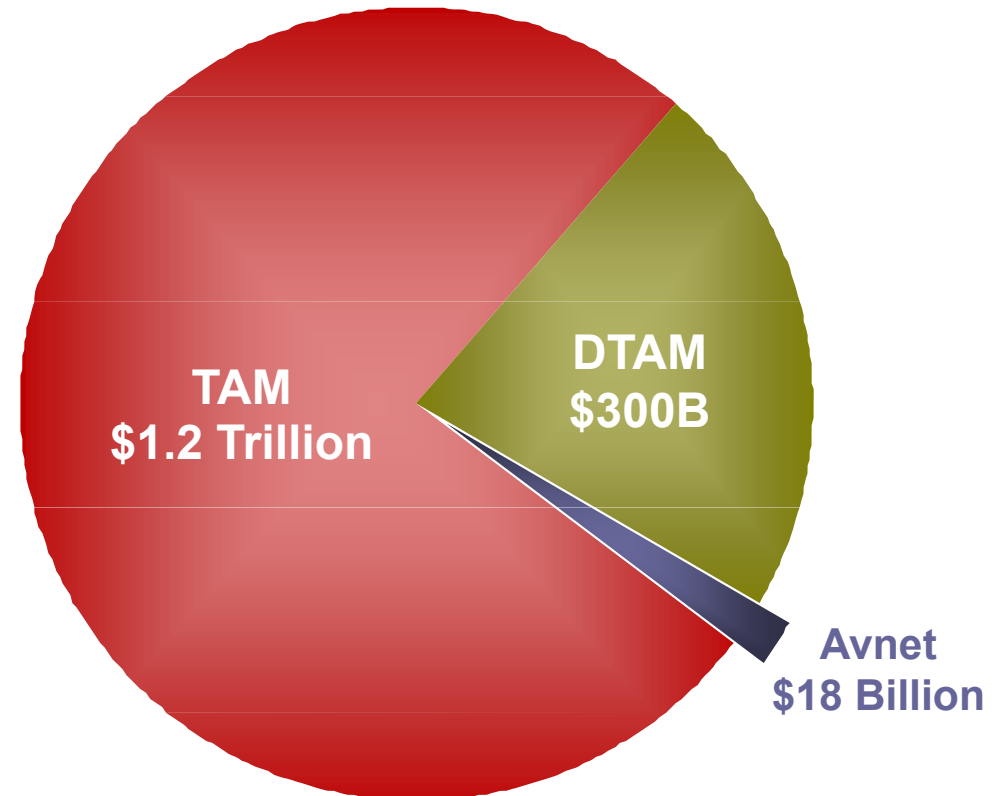


Technology Distribution Growth Opportunity

Note: Growth rates from Avnet TAM from FY08-FY11

Avnet TAM should grow ~ \$207B
EM TAM should grow ~\$32B
TS TAM should grow ~\$175B

1. Gain Share of DTAM
2. Direct TAM → DTAM Conversion
3. Expanding Our Served Market



2008 Total Direct Market

2008 Distribution Total Available Market

Fiscal Year 2008 Avnet Revenue

Profitable Growth – Building Scale & Scope

Core Growth Strategies:

- Employee Engagement
- Customer Loyalty
- Operational Excellence

**Expanded
Core
Business**

Extension Growth Strategies:

- New Suppliers
- New Customers
- New Services
- New Geographies

M&A Strategy

- Build opportunity pipeline by group and region
- Essential criteria
 - Culture
 - Strategy
 - Economics (ROCE)
- Given current market conditions
 - Lower base case projections
 - ROCE hurdle increased from $\geq 12.5\%$ to $\geq 14\%$
- Cash accumulation as appropriate

Avnet's Current Focus

- Calendar 2009 visibility is very limited
 - Assuming business gets worse before it gets better
 - However, technology markets should outperform economy
- Avnet's intent
 - React quickly to align cost structure
 - Closely monitor receivables and inventory
 - Leverage scale and scope along with strong balance sheet to take share
 - Selective M&A to improve competitive position
- Enter upturn as stronger competitor poised to grow faster than the market while increasing economic profit generation



Thank You!

Financial Report



Ray Sadowski
Chief Financial Officer

Agenda

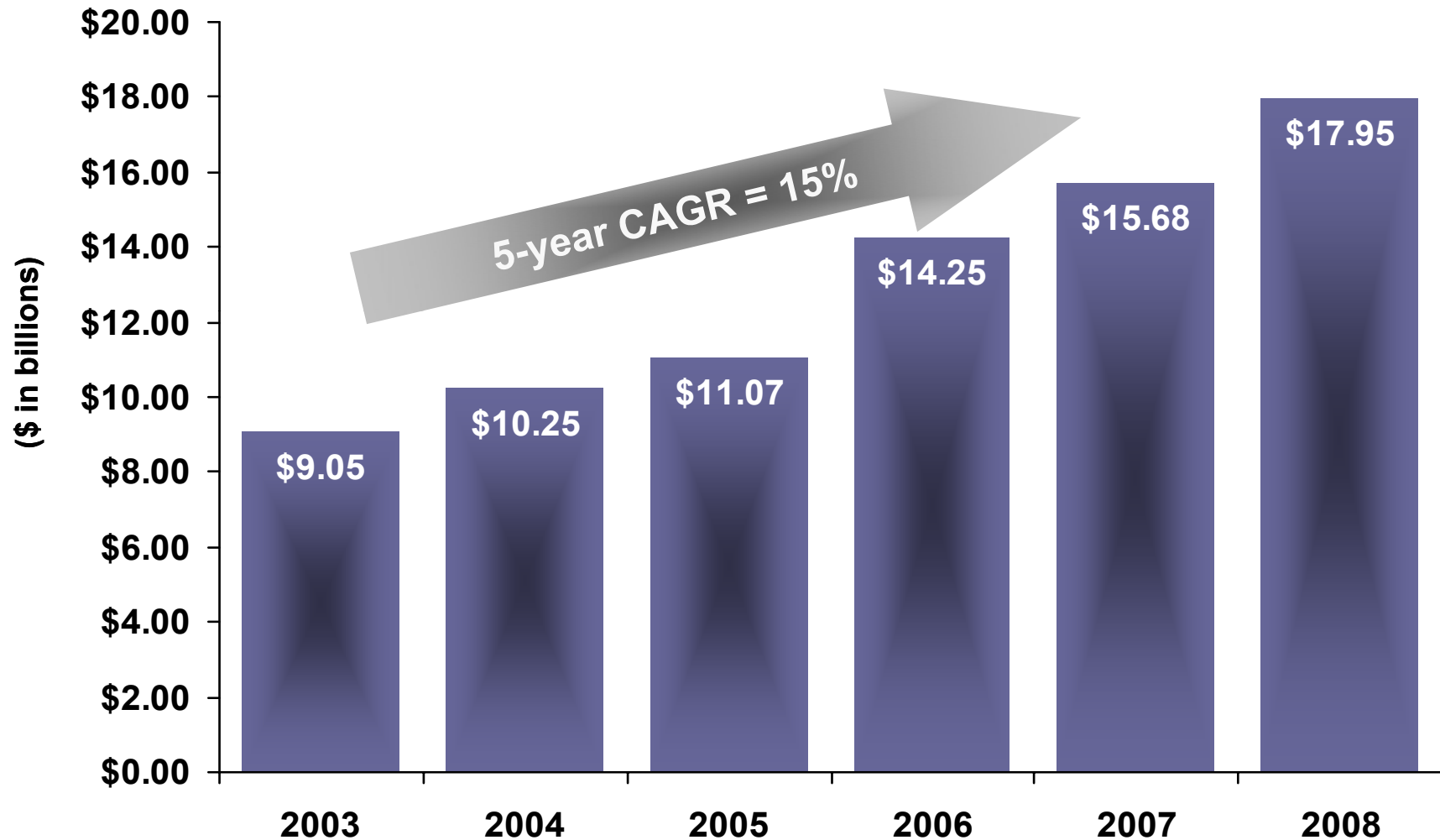
- Recent Results
- Strong Financial Position
- Current Environment
- Long-term Business Model

Recent Results

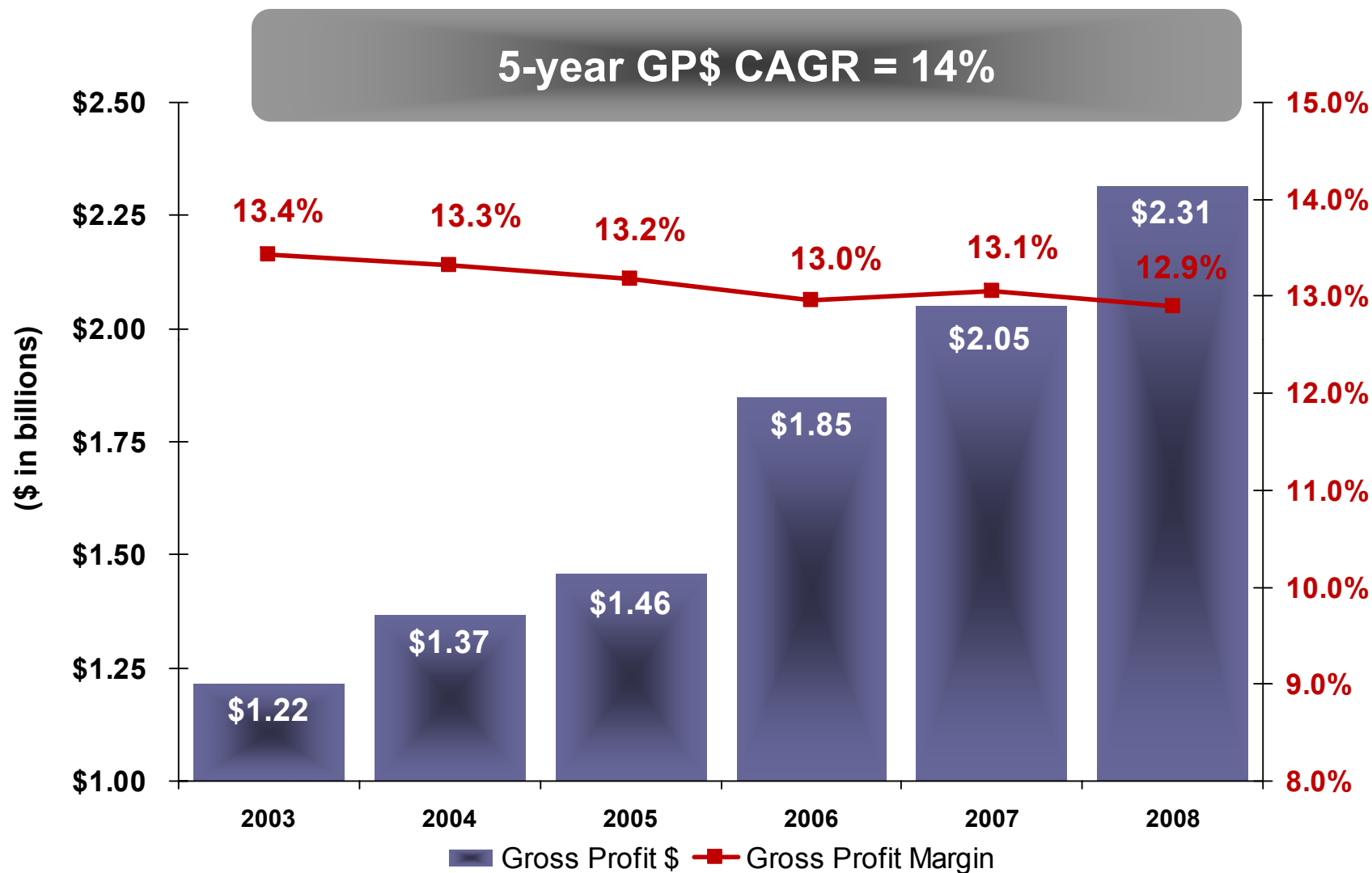


Ray Sadowski
Chief Financial Officer

Revenue Growth

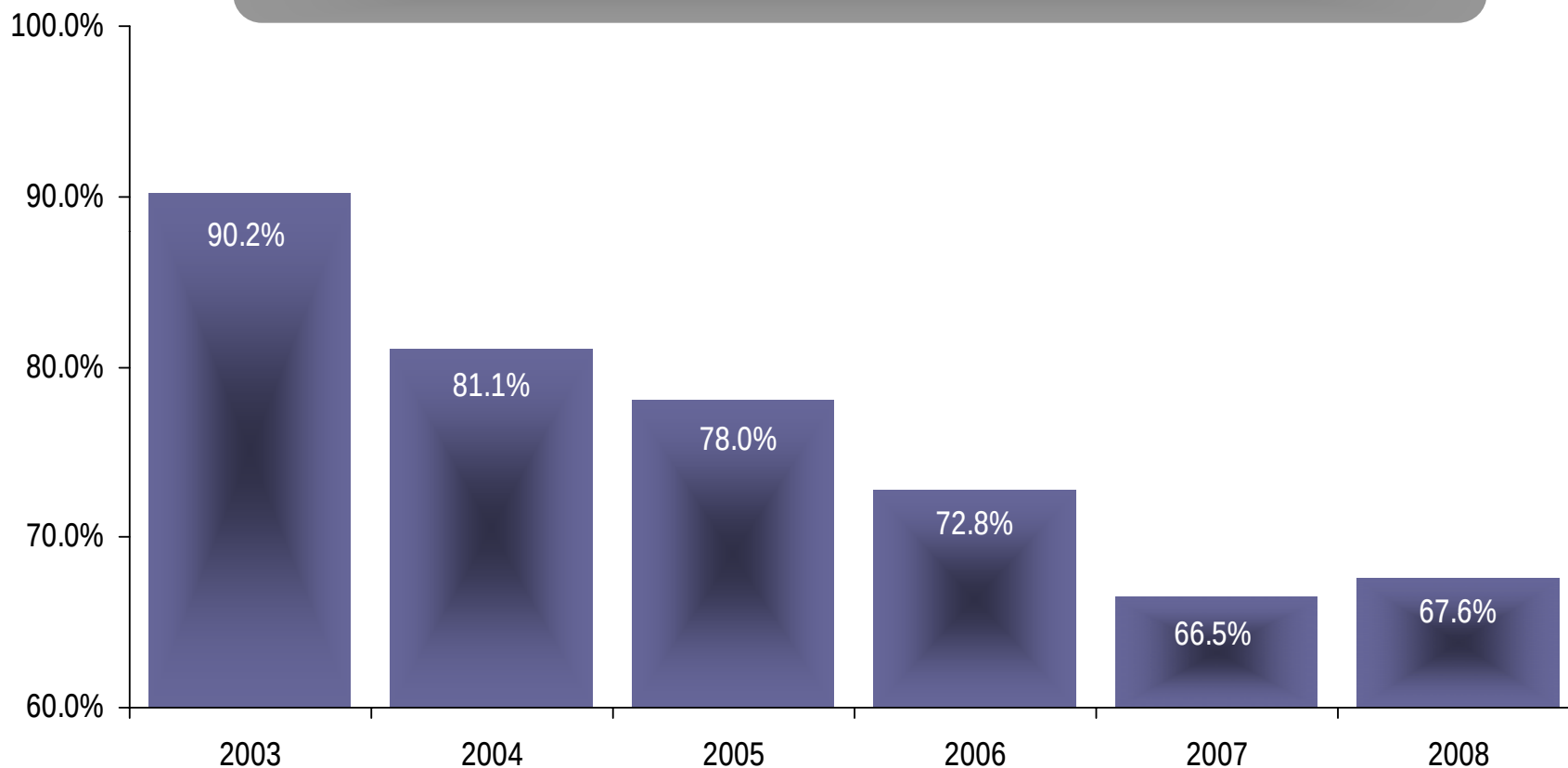


Gross Profit



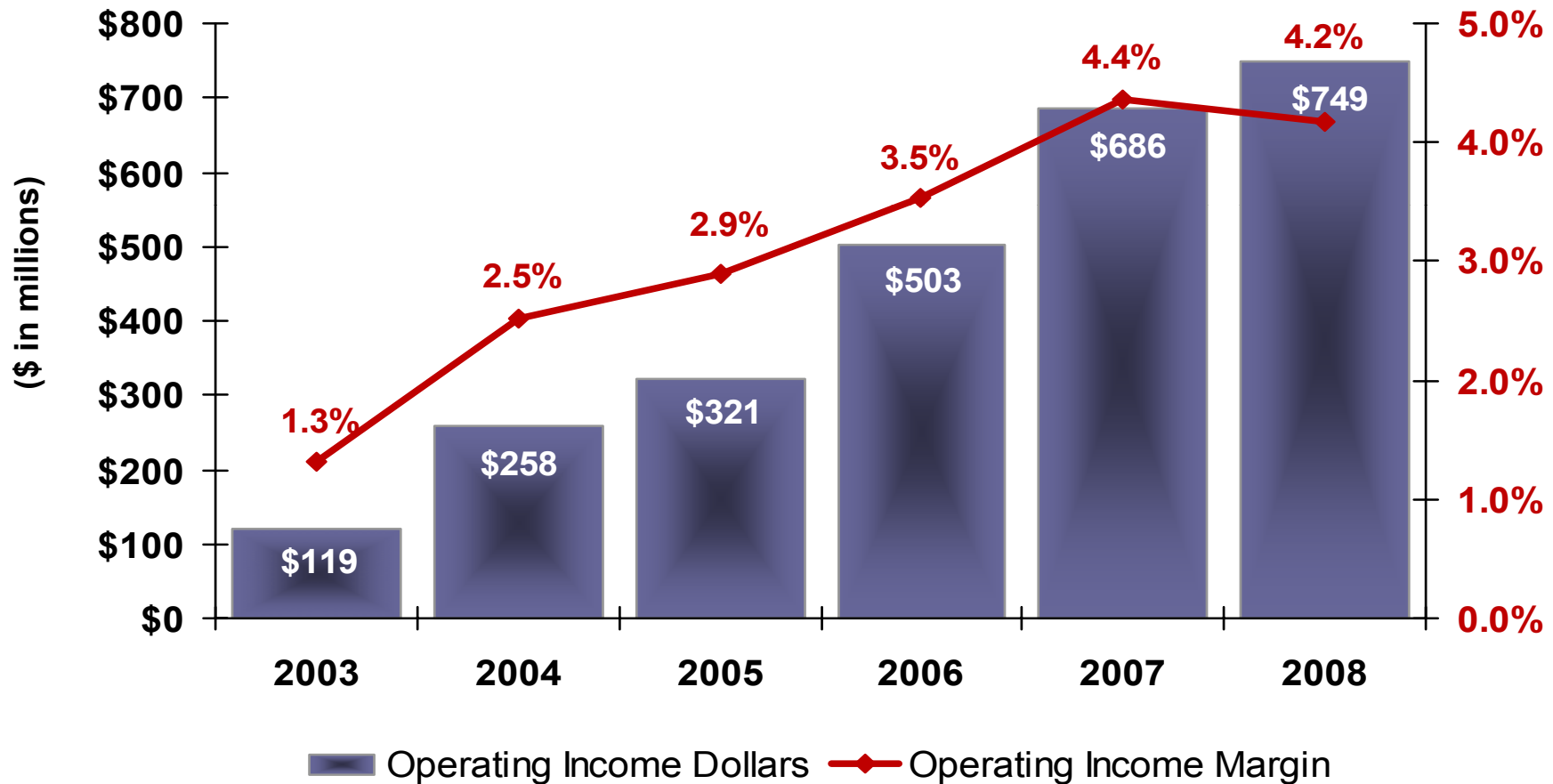
Operating Expense as a % GP\$

5-year Gross Profit \$ CAGR = 13.8%
5-year Operating Expenses CAGR = 7.4%



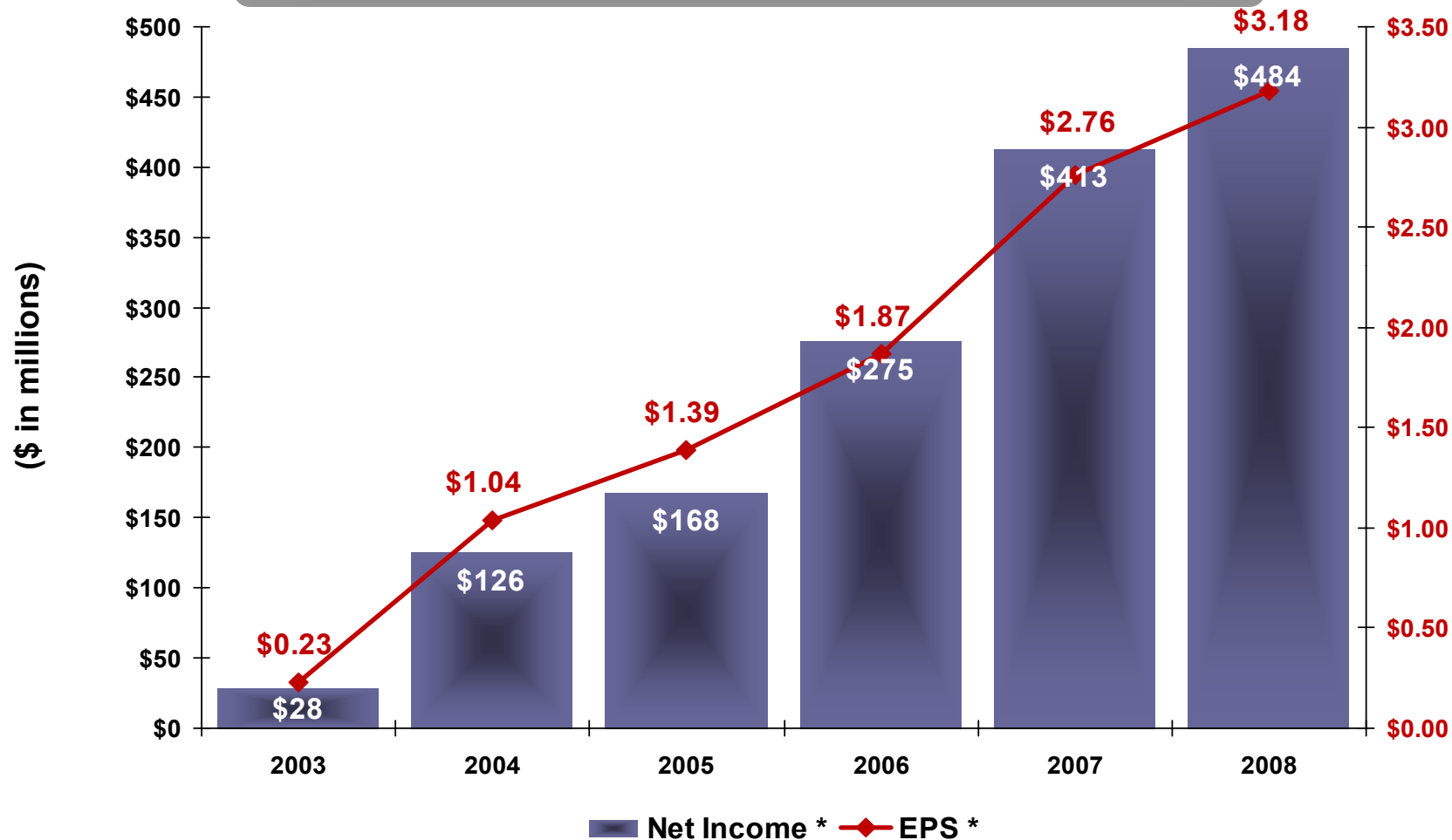
Operating Income

5-year Operating Income CAGR = 44%

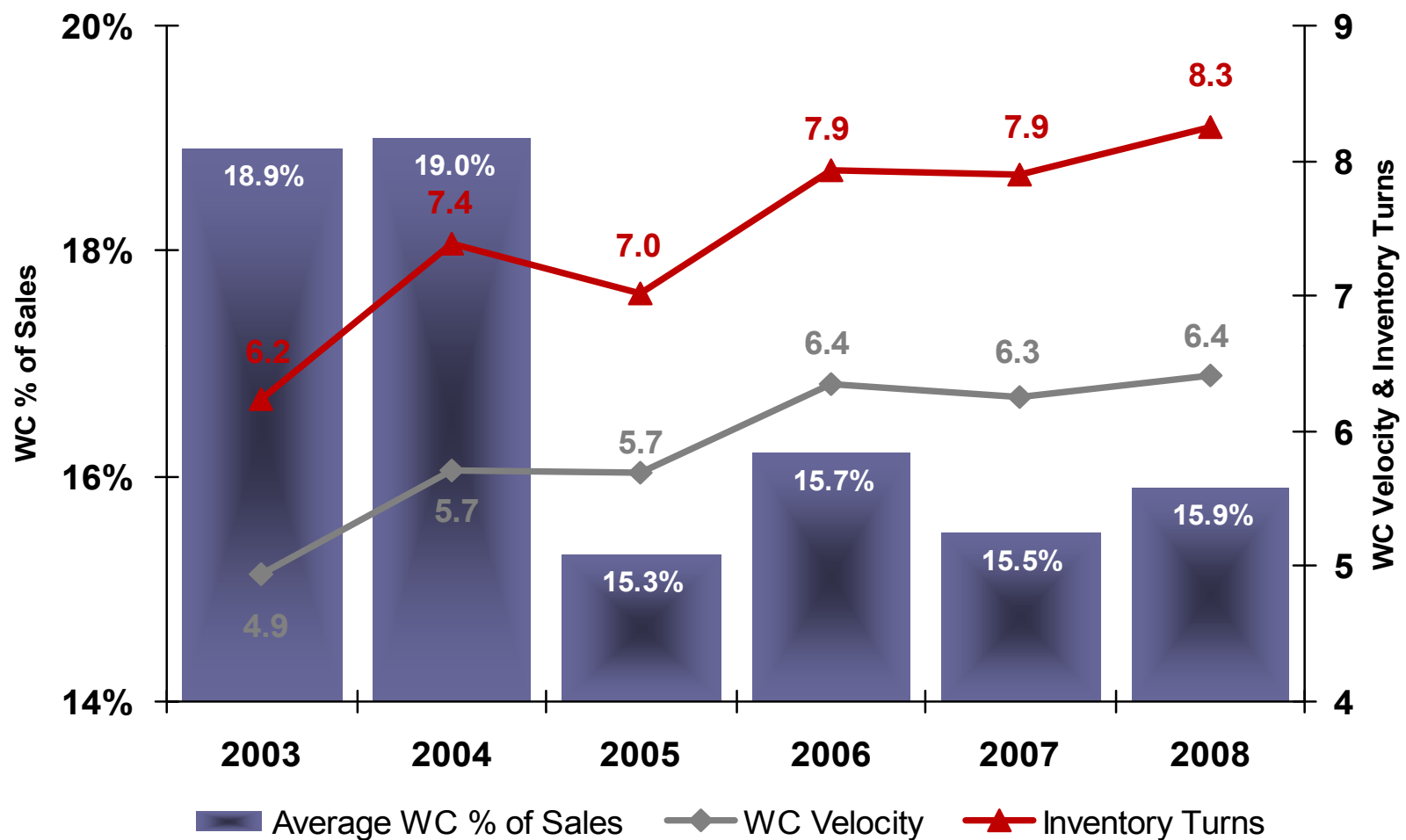


Net Income and EPS

5-year EPS CAGR = 69%

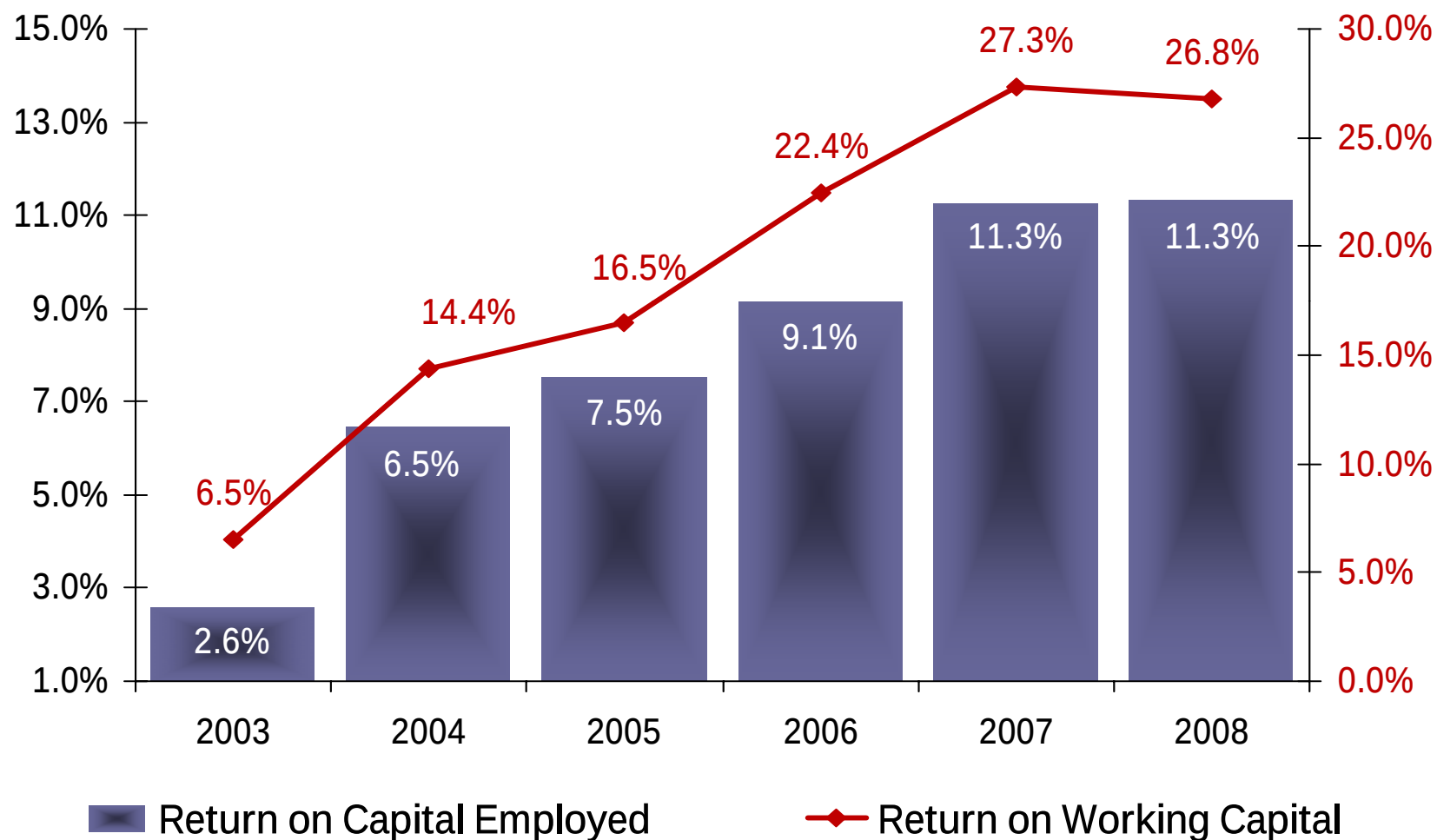


Working Capital

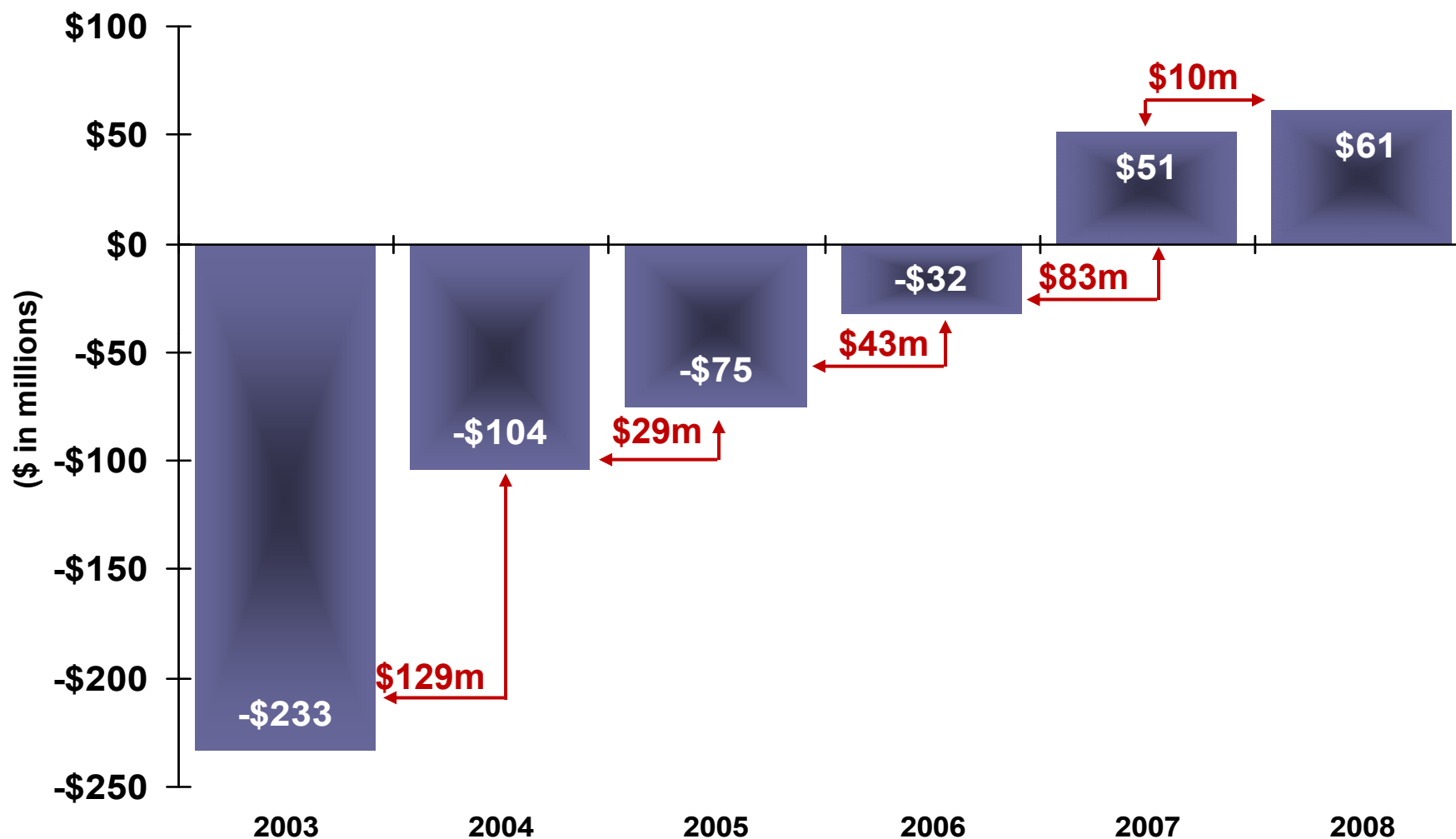


Note: Working capital equals inventory plus trade accounts receivable less accounts payable. Velocity and inventory turns are calculated using average working capital and inventory for the year.

Return on Capital



Economic Profit

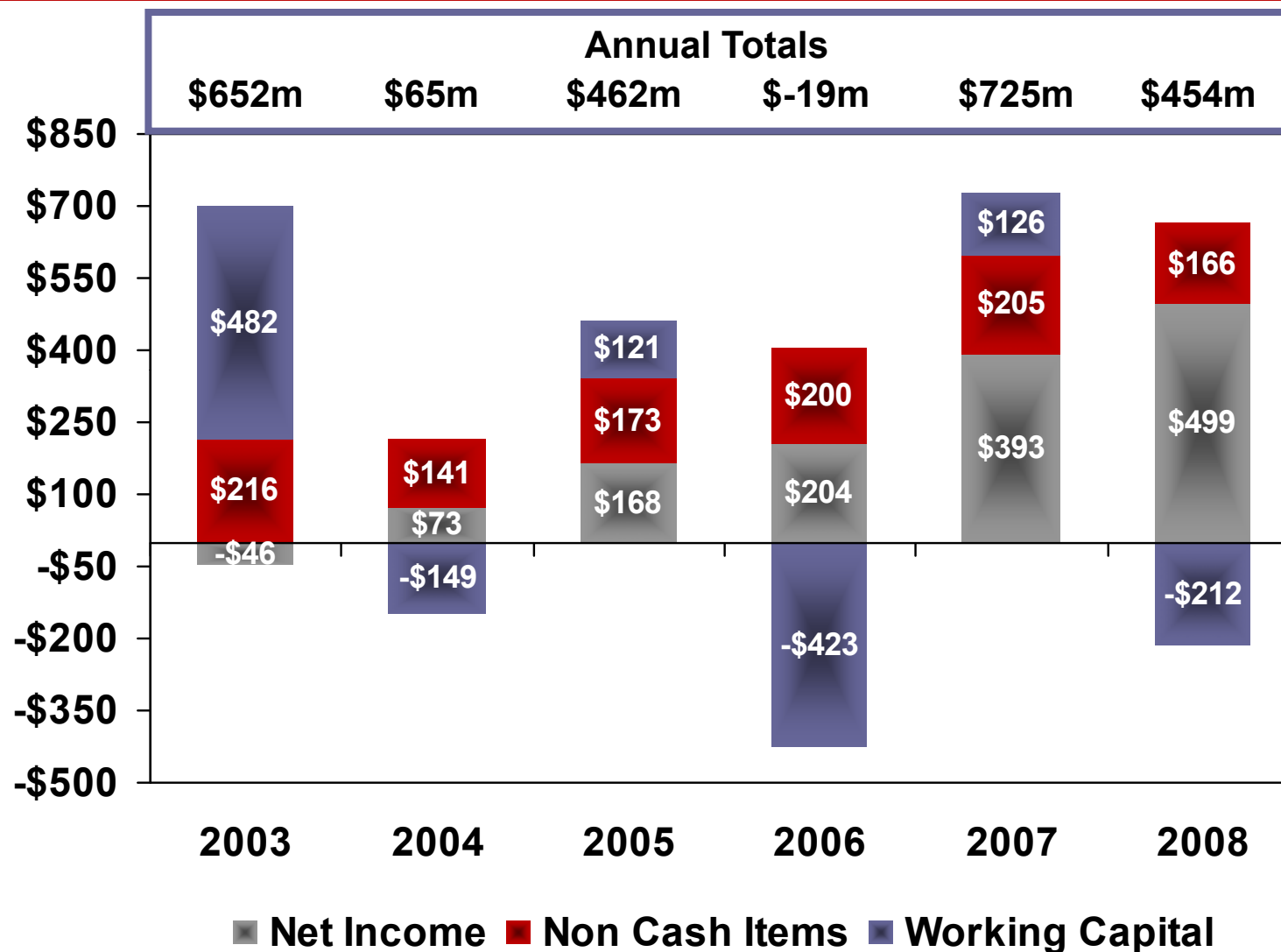


Strong Financial Position

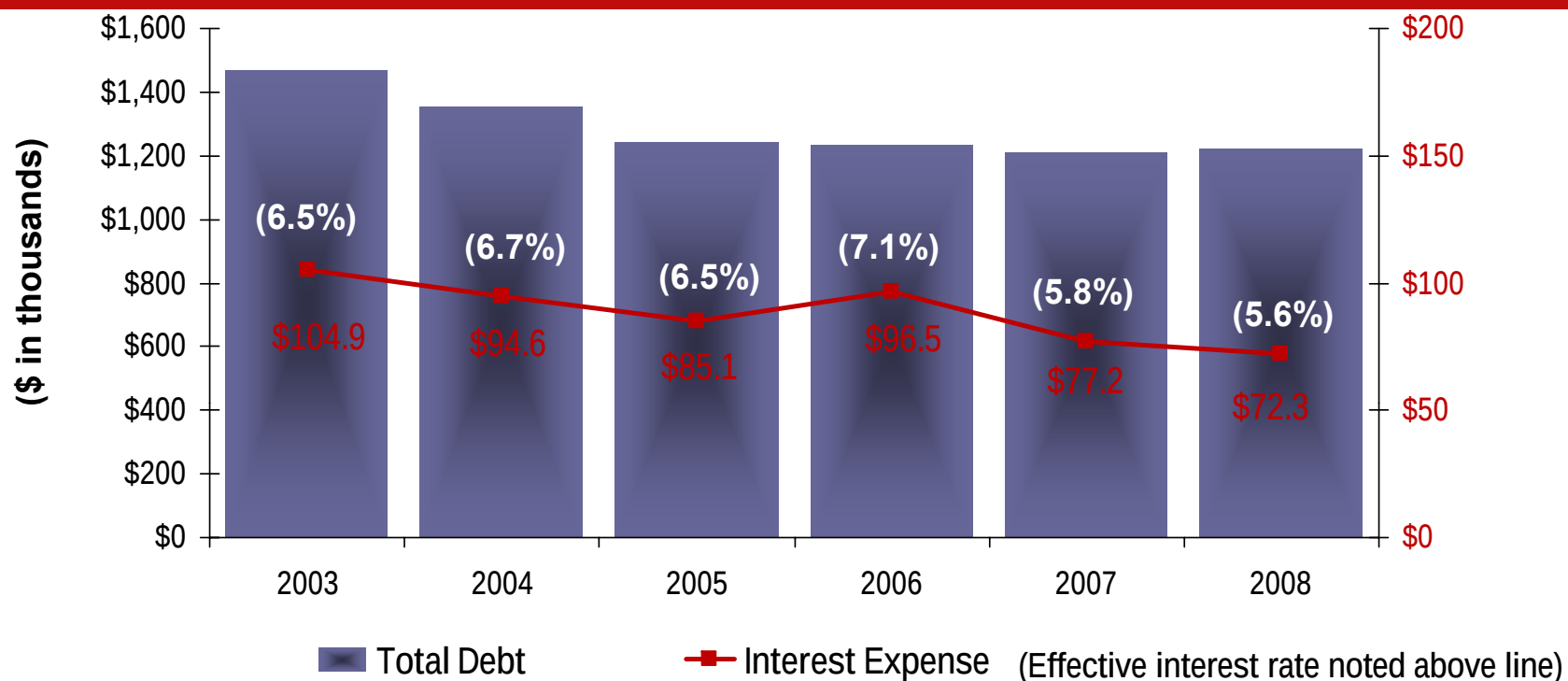


Ray Sadowski
Chief Financial Officer

Cash Flow from Operations



Strengthened Balance Sheet



Key Credit Statistics

	2003	2004	2005	2006	2007	2008
Debt To EBITDA	7.0	4.2	3.2	2.1	1.6	1.5
Interest Coverage	2.0	3.4	4.5	6.1	9.9	11.5
Debt To Capital	44.4%	41.0%	37.2%	30.4%	26.2%	22.9%

Solid Financial Position

- Available credit lines of \$950 million
 - A/R Securitization of \$450 million
 - Revolving Line of Credit of \$500 million
- Cash on hand in excess of \$350 million at the end of September
- TTM cash from operations rose to \$492 million exiting September 2008 quarter
- Improved investment grade credit statistics
 - LTM Debt / EBITDA = 1.5
 - EBITDA Coverage = 11.5

Available Credit Lines

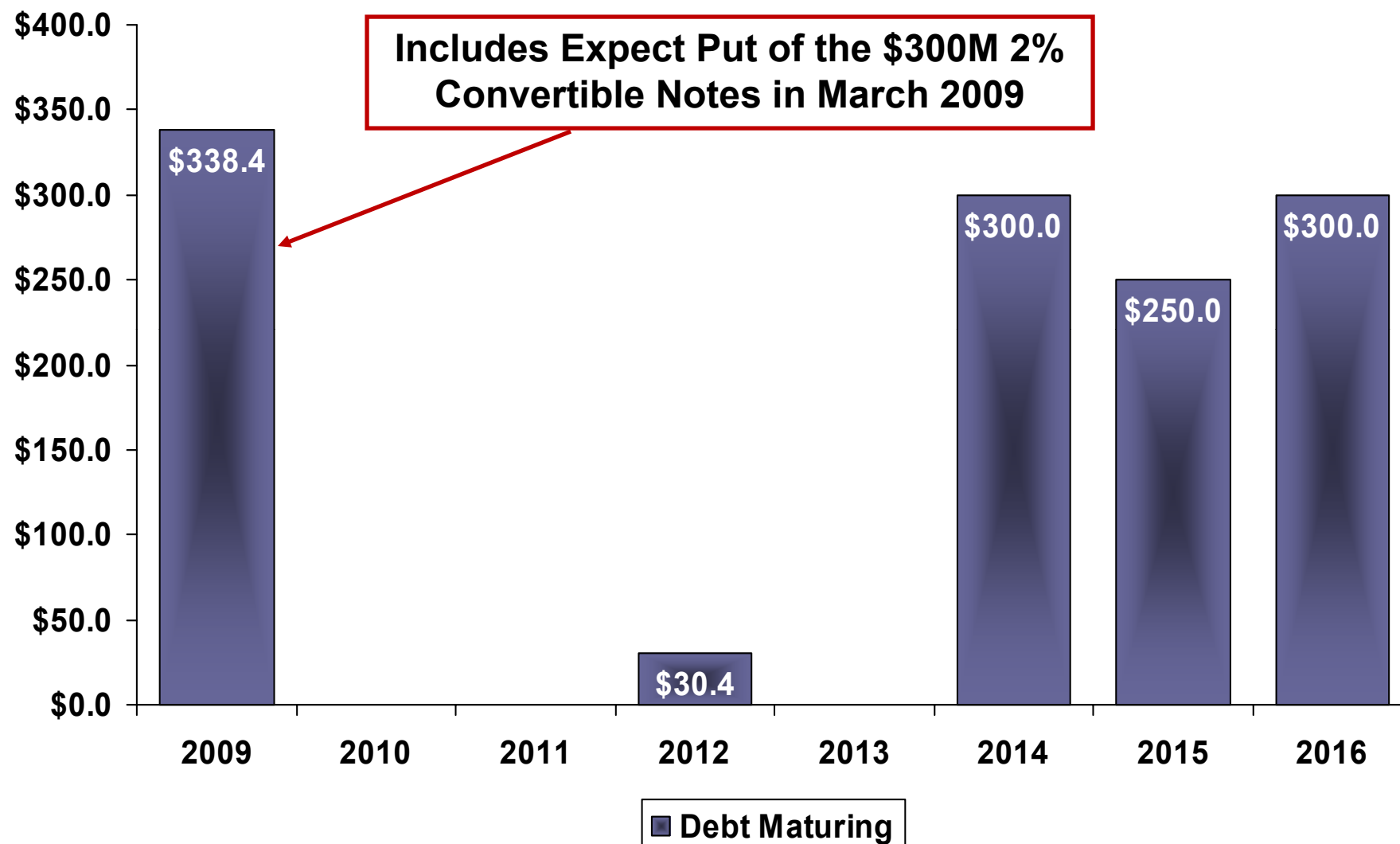
- A/R Securitization (\$450 million)
 - JP Morgan Chase \$150 million
 - Royal Bank of Scotland \$100 million
 - Scotia Capital \$100 million
 - BNP Paribas \$100 million
- Revolving Line of Credit (\$500 million)
 - Bank of America \$38 million
 - ABN AMRO \$38 million
 - Royal Bank of Scotland \$38 million
 - BNP Paribas \$38 million
 - Credit Suisse \$38 million
 - JP Morgan Chase \$38 million
 - 11 Other Banks \$272 million

**Strong
Bank
Partners**

Available Liquidity

- Available Liquidity:
 - Cash ~\$350M
 - Bank Lines ~\$950M
 - Total ~\$1,300M
- Required Liquidity:
 - Float ~\$300M
 - 2% Convertible Notes ~\$300M
 - Committed Acquisitions ~\$250M
 - Total ~\$850M
- Desired Reserve ~\$450M

Debt Maturities



Capital Allocation Strategy

- Disciplined internal resource allocation
- Maintain strong balance sheet with investment grade credit statistics
- Value creating M&A – ROCE $\geq$ 14.0%
- Return to shareholders when appropriate

Accounts Receivable Status / Credit Process

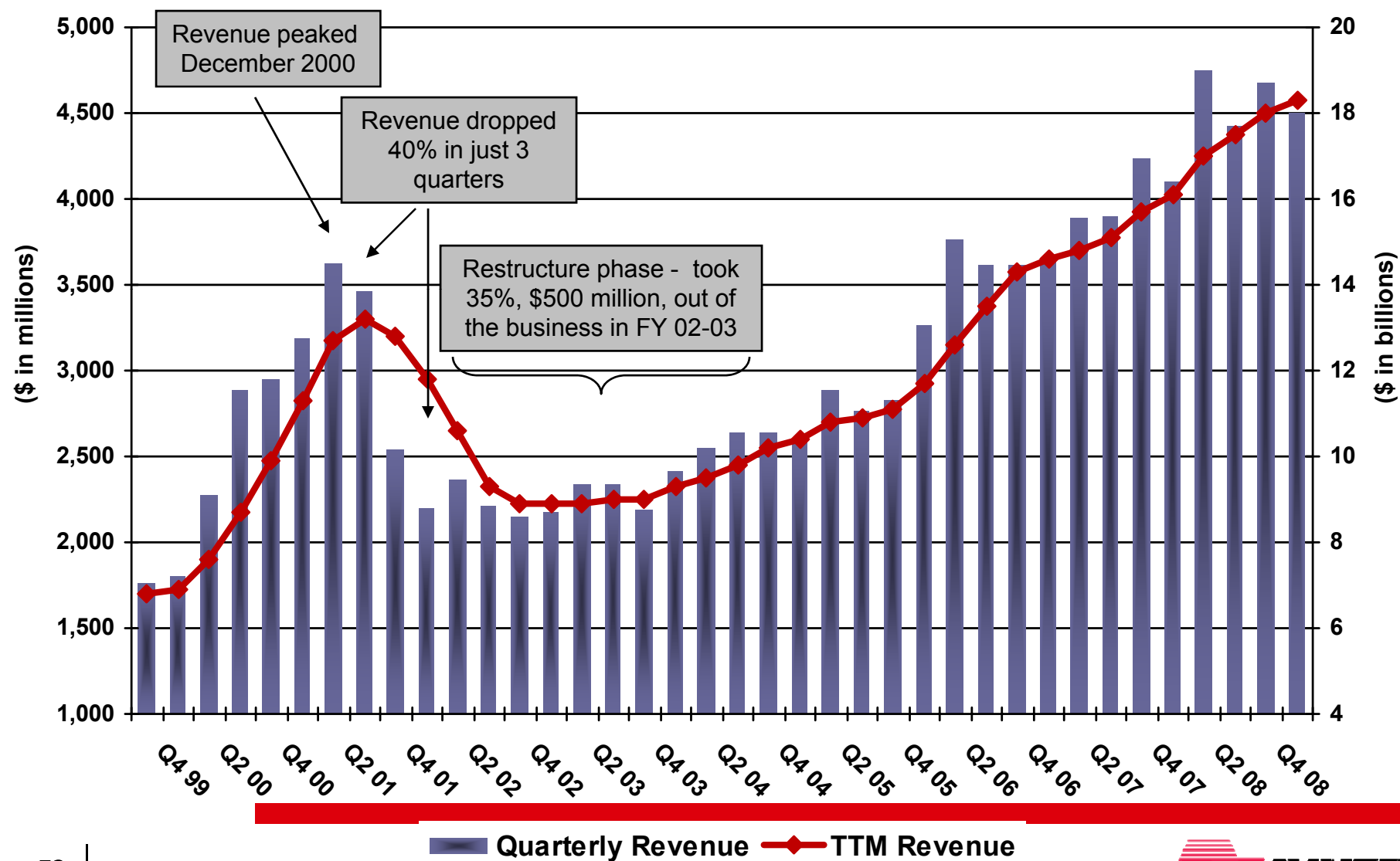
- \$3.1 billion of A/R outstanding @ September 2008
- No unanticipated changes to days outstanding
- No measurable changes in delinquencies (payments after due date)
- Significant expertise in managing credit risk
 - Regionally deployed team of ~ 250 individuals supporting the various businesses
- Manage / own end user receivable @ TS as appropriate
- Factoring, insurance programs, securitization to mitigate risk
- Consistent review of customer financials, their credit lines with banks, etc.
- Highly diversified credit exposure – no customer > 2% of sales

Current Environment

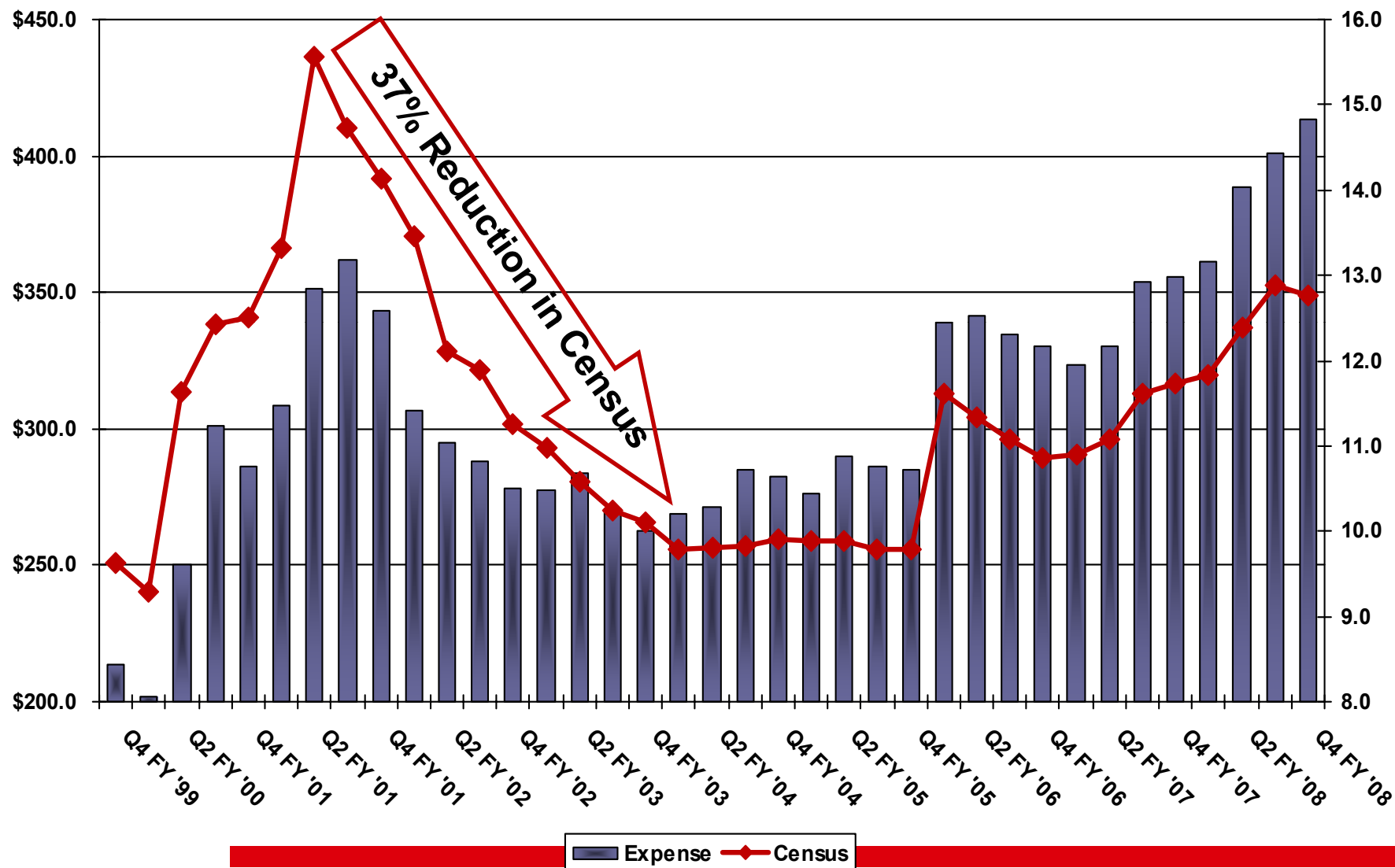


Ray Sadowski
Chief Financial Officer

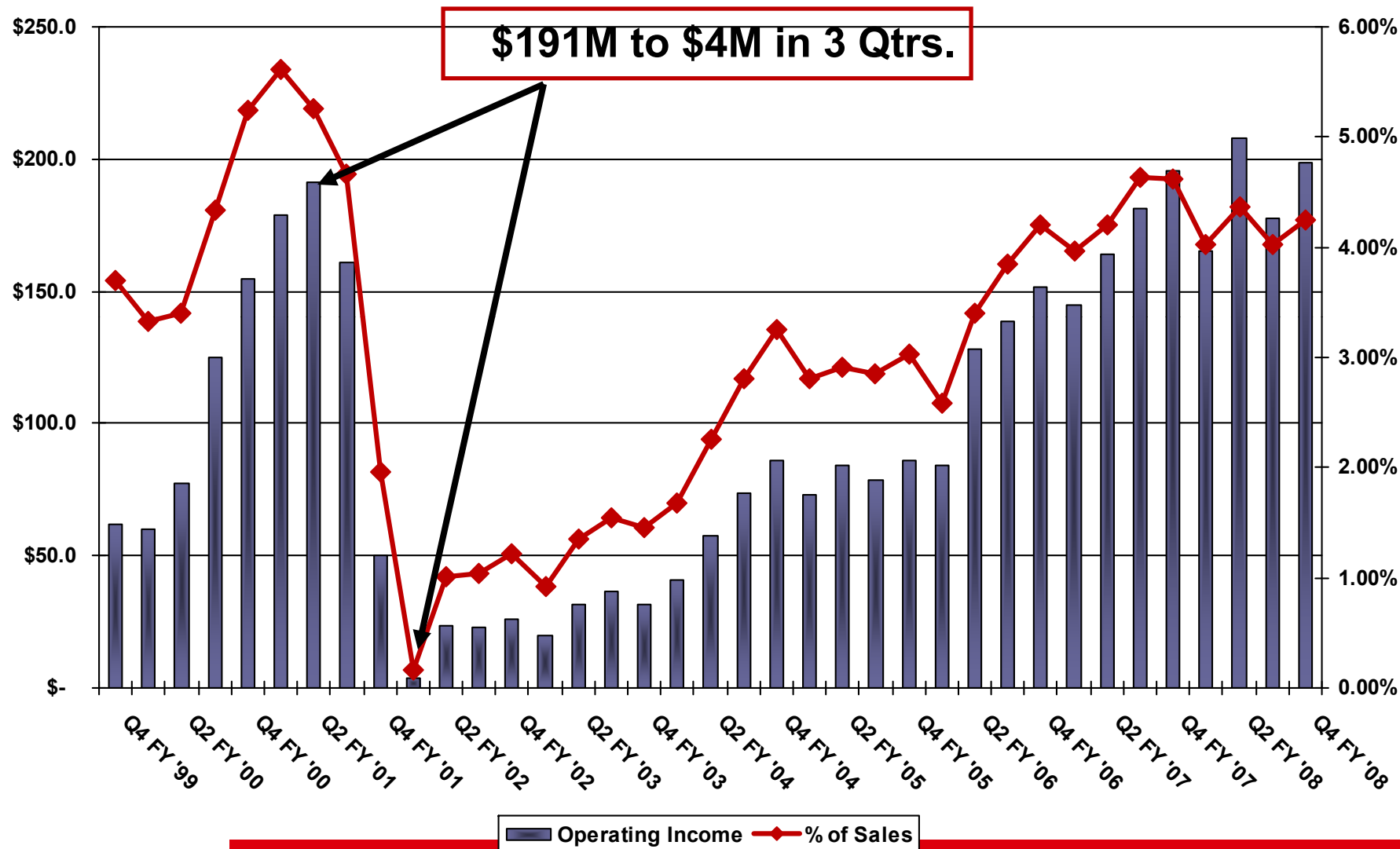
Today is Not Like the 2001 / 2002 Downturn



Avnet, Inc. – Expense & Census



Avnet, Inc. – Operating Income \$ and %



Model Assumptions

- Initial Actions:
 - Based on annualized sales of \$18.0 billion taking into account the impact of the strengthening of the U.S.\$ to the € and completed M&A
 - Cost reductions announced to date = ~ \$100 million
 - Goal to maintain operating margins and ROWC to roughly = F/Y 2008 of 4.1% and 27%, respectively
- Downside Case:
 - Sales decline of additional 10%
 - Various OI% and ROWC targets established for each business unit
- A Further Downside Case:
 - An further sales decline of an additional 10%
 - Actions to be taken based upon length & breadth of downturn
- Euro to U.S.\$ exchange rate of 1.30 vs. ~ 1.47 in F/Y 2008
- Impact on interest income or use for value creating M&A of cash generated not taken into account

Current Model / Actions to Date

- Annualized sales assumption \$18.0 Billion
 - Adjusted for FX & completed M&A
- Assumed fully impacted expense actions ↓ \$100 Million
- Goal of actions taken:
 - Maintain OI margins @ F/Y 08 levels ~ 4.1%
 - Maintain ROWC @ F/Y 2008 levels ~ 28%
- Impact on other metrics:
 - ROCE ~ 11%
 - EPS ~ \$3.00

1.) This is for modeling purposes only; results will vary based on actual revenue, rate of revenue change and time to realize benefits from actions taken.

2.) Assumes an average Euro to U.S.\$ exchange rate of 1.30 vs. ~ 1.47 in F/Y 2008.

3.) Impact on interest or use for value creating M&A of cash generated not taken into account.

Another 10% Down Model

• Sales	~\$18.0 Billion	→	~\$16.2 Billion
• GP @12.7%	~\$2.29 Billion	→	~\$2.06 Billion
	<u>No Actions</u>		<u>Expected Actions</u>
• Expense Δ	--	↓	~\$80M - \$120M
• OI%	~3.00% - 3.25%		~3.60% - 3.85%
• EPS	~\$1.85 - \$2.05		~\$2.30 - \$2.50
• ROWC	~21% - 23%		~25% - 27%
• ROCE	~8% - 9%		~10% - 11%

1.) This is for modeling purposes only; results will vary based on actual revenue, rate of revenue change and time to realize benefits from actions taken.

2.) Assumes an average Euro to U.S.\$ exchange rate of 1.30 vs. ~ 1.47 in F/Y 2008.

3.) Impact on interest or use for value creating M&A of cash generated not taken into account.

A Further 10% Down Model

- What if Sales & GP\$ fall another 10%?
 - Sales \$18.0B >>> \$16.2B >>> \$14.6B
 - Cash from WC ~ + \$250M ~ + \$250M = ~ + \$500M
- If we take no action to mitigate - which will not be the case:
 - OI% ~ 2.60% - 2.85% EPS ~ \$1.40 - \$1.60
 - ROWC ~ 18% - 20% ROCE ~ 6% - 7%
- Key driver to actions to be taken = length & breadth of downturn

This is for modeling purposes only; results will vary based on actual revenue, rate of revenue change and time to realize benefits from actions taken.
Assumes an average Euro to U.S.\$ exchange rate of 1.30 vs. ~ 1.47 in F/Y 2008.

Cost Reductions – Status of Actions

- \$105 million announced to date; value @ Euro to U.S.\$ FX rate of 1.30 = ~ \$95 million
- Approximately 900 jobs ~ 6% affected
- Roughly 80% expected to be completed by end of December 2008
- 100% expected to completed by end of March 2009
- Rough estimate of benefit by quarter:
 - Q1 = \$8 million; \$32 million annualized
 - Q2 = \$15 million; \$60 million annualized
 - Q3 = \$19 million; \$76 million annualized
 - Q4 = \$24 million; \$95 million annualized

Available Expense Levers / Considerations

Levers

- No new positions
- Reduce T&E and similar non-census items
- Reduce Contractors & Temps
- Hiring freeze
- Initial Census reductions
- Event cancellations
- Reduce training
- Facility Consolidation / Closure
- Wage freeze
- Further census reductions
- Wage reductions
- Exit certain business operations
- Consolidate certain business units
- Further census reductions
- Further structural changes

Revenue

Considerations

- Level of sales decline @ specific business units
- Impact of sales decline on activity levels
- Expected length of time before recovery begins
- Cost of census reductions
- Longer-term impact of census reduction
- Customer & supplier response

Long-term Business Model



Ray Sadowski
Chief Financial Officer

Long-Term Business Model

	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>Goal</u>
<u>Operating Income Margin</u>			
EM	5.5%	5.5%	5.7 - 6.2%
TS	3.9%	3.4%	3.9 - 4.4%
Avnet	4.4%	4.2%	4.4 - 4.9%
<u>WC Velocity</u>			
Avnet	6.3	6.4	6.4 - 7.0
<u>ROWC</u>			
Avnet	27.3%	26.8%	30 - 32%
<u>ROCE</u>			
Avnet	11.3%	11.3%	12.5% - 14.0%

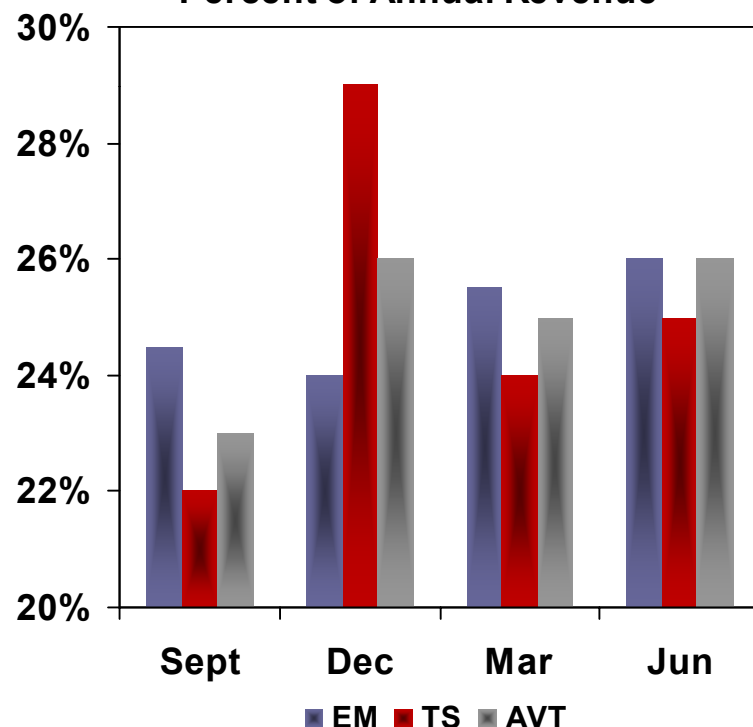
Note: Does not include restructuring, integration and other charges.

Revenue Seasonality

Sequential Revenue Growth

	Sept	Dec	Mar	Jun
EM	-1% to -4%	0% to -3%	+5% to +9%	0% to +2%
TS	-5% to -10%	+22% to +27%	-19% to -23%	+10% to +15%
Avnet	-3% to -7%	+8% to +11%	-5% to -8%	+4% to +7%

Percent of Annual Revenue



- Numbers provided are estimates for a typical quarter and can vary based upon several factors including but not limited to:
 - Economic/Market conditions
 - M&A activity
 - End of fiscal calendar

Summary

- Continuing focus on improving all key P&L and balance sheet metrics
- Strong balance sheet and liquidity
 - Improved investment grade credit statistics
- Remain focused on profitable growth and driving Economic Profit \$ over the long-term
 - ROCE = 12.5% - 14.0%
 - Consistent cash flow from operations
- Taking appropriate actions based upon changing environment
- Experienced Management team; highly capable of navigating through this challenging environment for long-term shareholder value



Thank You!

Avnet Analyst Day 2008



Avnet, Inc.
December 16, 2008

“Premier Faster”



Rick Hamada
Chief Operating Officer

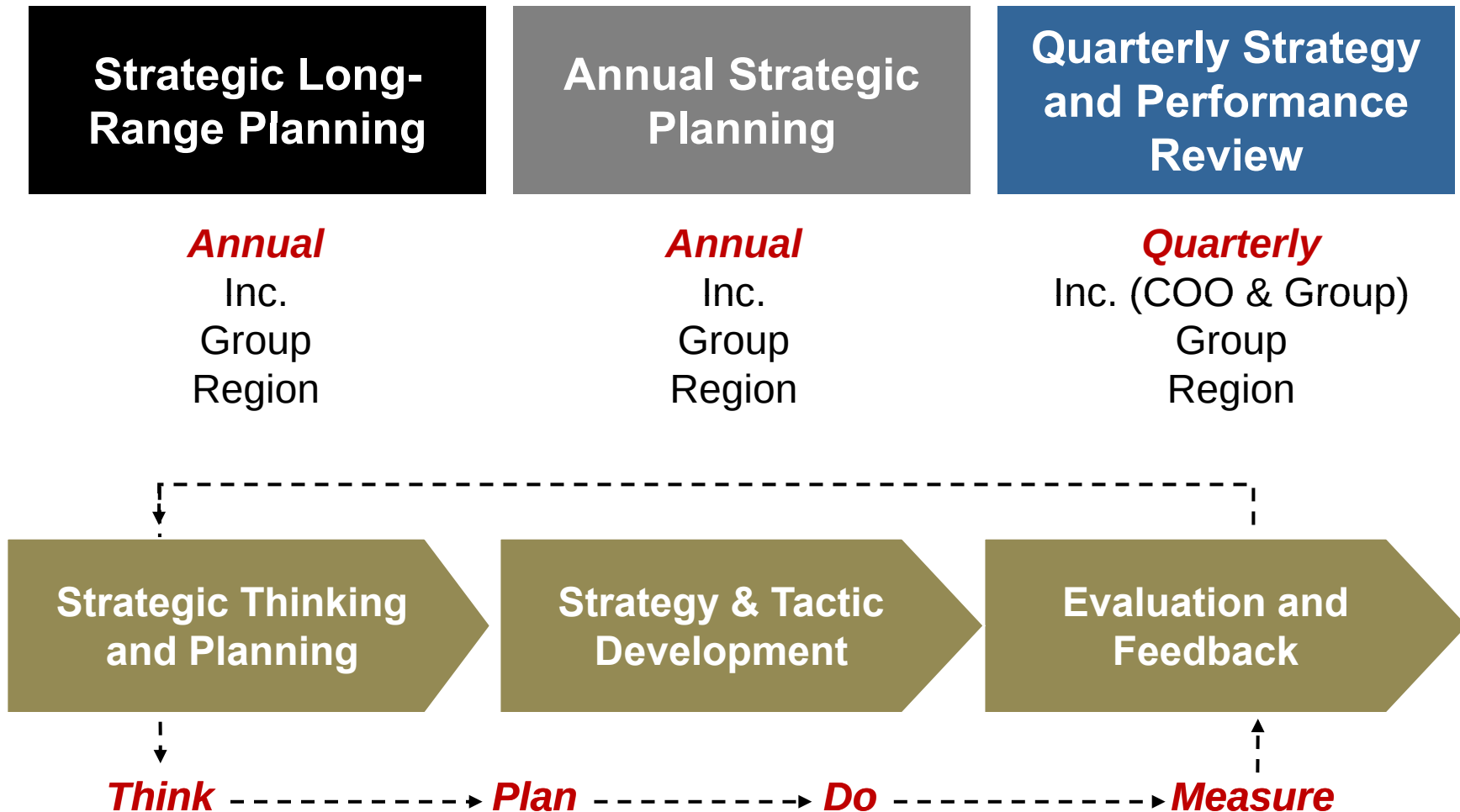
“Premier Faster” – Executing to our Vision

- From Plans to Execution
- Performance & Portfolio Management
- Enterprise-wide Initiatives
 - Employee Engagement
 - Customer Loyalty
 - Operational Excellence
- Enterprise Scale & Scope
 - Global Logistics
 - IT Tools and Systems

Strategic Framework



Strategic Planning and Management Process



Ongoing Discipline & Accountability

Financial Planning

- Portfolio Management
 - Quarterly/fiscal year financial goals
 - Income statement and balance sheet accountability
 - Quarterly reviews
- “Drop Through” Philosophy

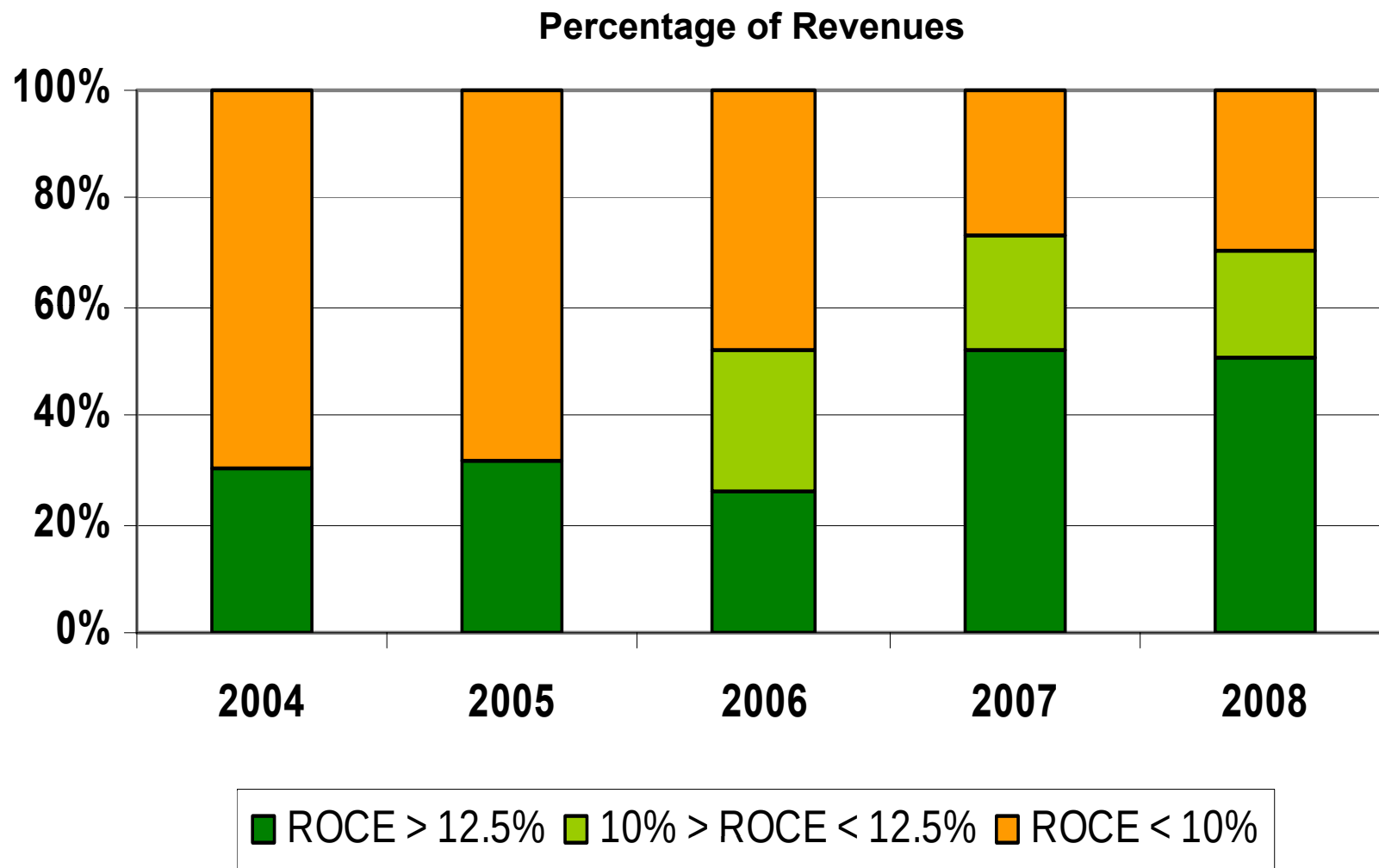
Strategic Planning

- Ongoing Strategic Plan Development & Review
 - Environmental scan
 - Resource allocations
 - Opportunity targets
 - Execution plans and metrics
- Quarterly Performance Evaluation

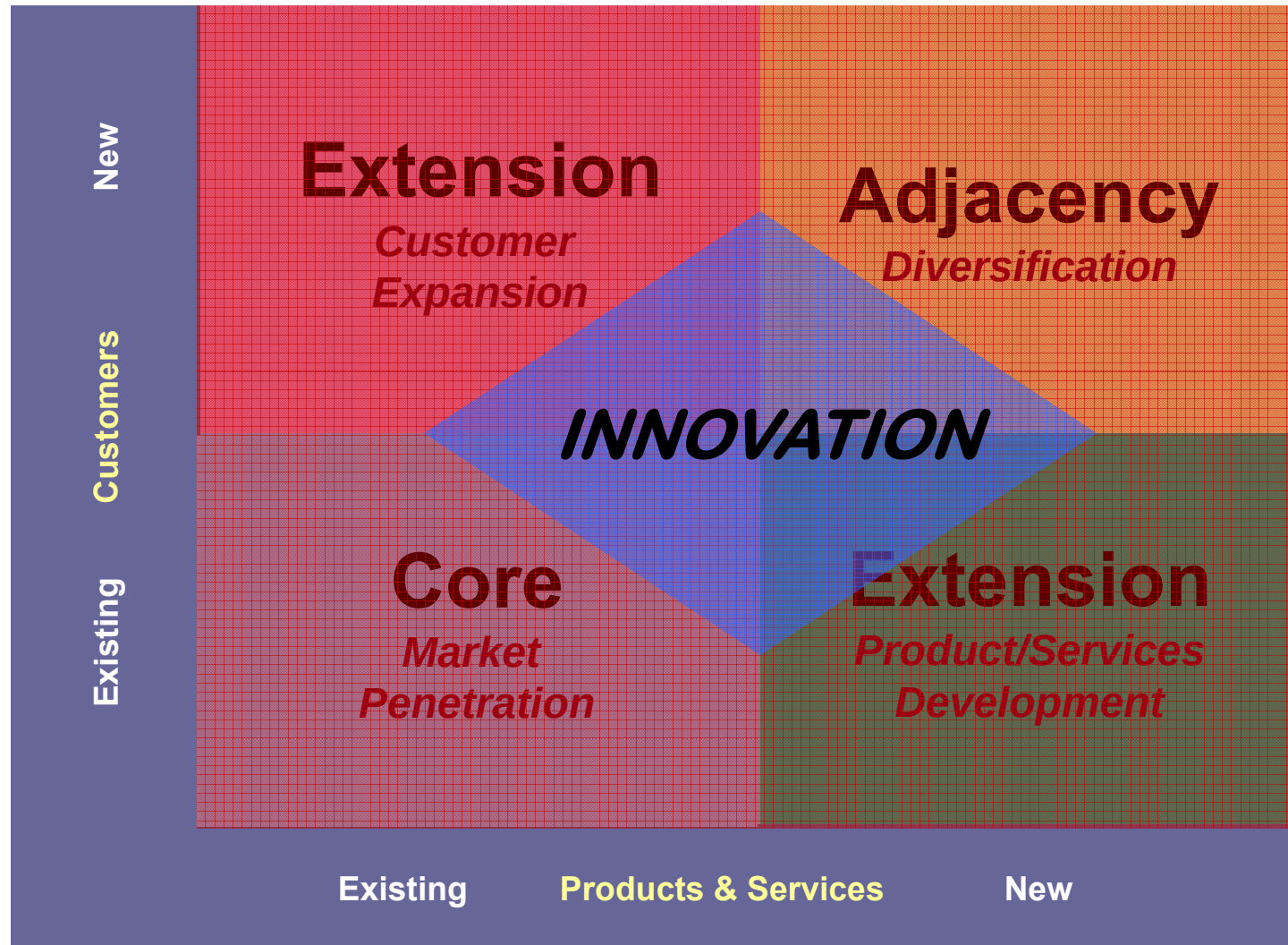
Performance Management: Balanced Scorecard

Metric Type	Global Objectives	Avnet KPMs
Shareholder	Deliver industry-leading economic profit.	ROCE $\geq$ 12.5% / ROWC $\geq$ 30.0%
		Economic Profit \$ Growth
Customer & Supplier	Be the preferred partner to our customers and suppliers.	Customer Loyalty
		Gross Profit \$ Growth
Operational Excellence	Consistently strive for flawless execution and process innovation.	Operating Expense to NGP
		Working Capital Velocity
Employee	Attract, develop and engage the best employees.	On Time Performance Appraisals with Development Plans
		Employee Engagement Index

Portfolio Performance – Group & Region

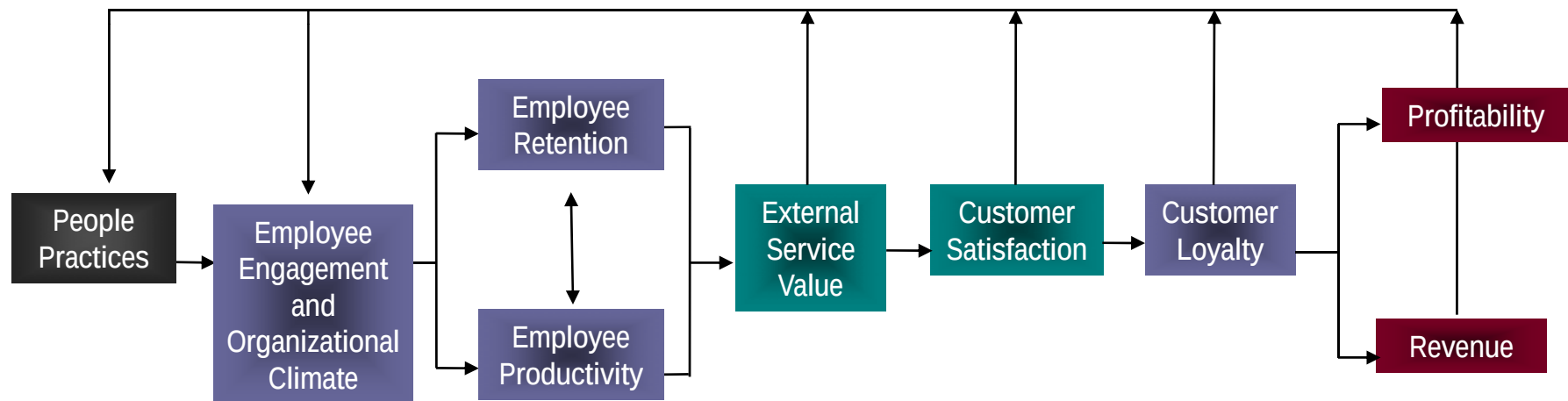


Strategic Alternatives for Growth



Engagement → Loyalty → Profitability

Thoughtful organizational development strategies lead to a more productive and engaged workforce, a more loyal customer base, and higher shareholder returns.



"Putting the Service-Profit Chain to Work," Heskett, et al., - *Harvard Business Review*

Enhanced Global Engagement

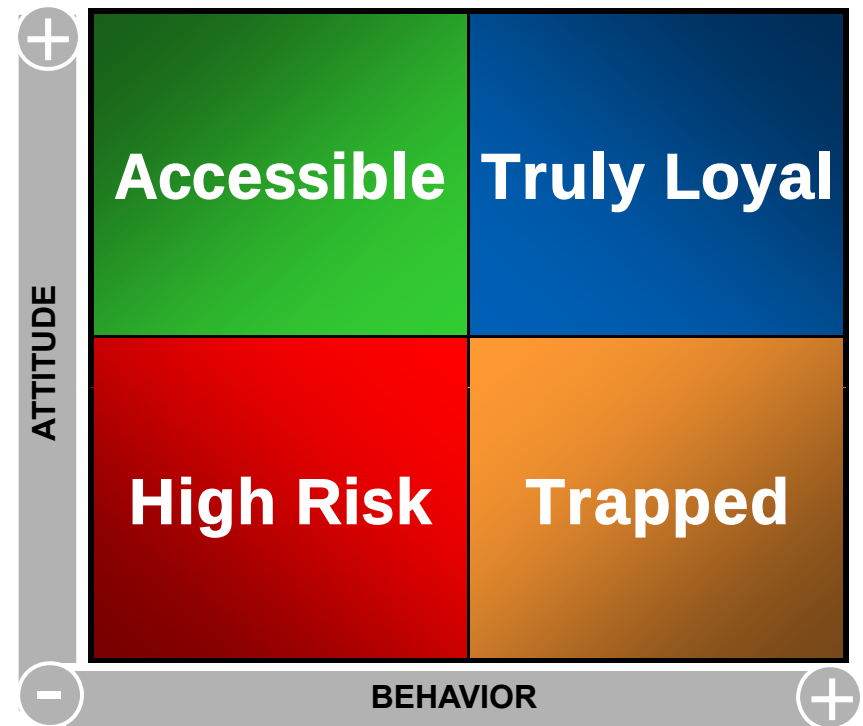
Avnet, Inc. Overall Trends (2004 – 2008)

Percent Favorable by Index	2004	2005	2006	2007	2008
Engagement Index	65%	68%	70%	73%	75%
Line of Sight	76%	76%	78%	81%	84%
Commitment	56%	60%	62%	66%	71%
Inclusiveness	56%	58%	62%	65%	68%
Values	63%	68%	69%	73%	78%

Key take-away for leadership: responding to employee feedback drives participation and engagement

Customer Loyalty Imperative

- Disciplined methodology
- Regional implementations
- Focus on:
 - Key drivers of loyalty
 - From multiple points of view/contact
- Complementary to additional VOC initiatives
- “Drill-downs” by segment, profitability, coverage
- Connections to Innovation, Strategic Planning, OpX



Voice of the Customer Drives Innovation

Process Innovation

- Continuous improvement
- Ease of doing business
- Enhance existing value
 - Reduced cycle time
 - Increased quality
- Incremental/cumulative

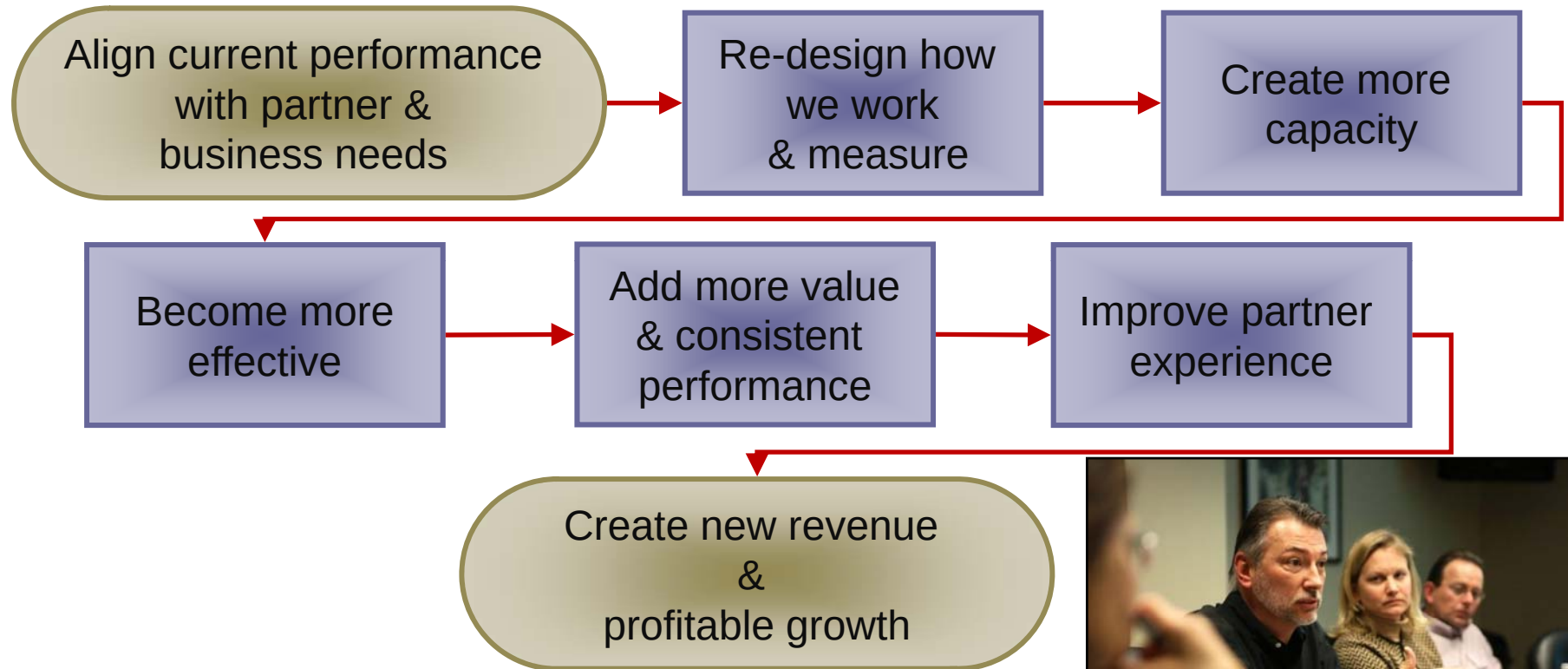
Business Innovation

- New businesses/models
- New value propositions
- “Repackaged” capabilities
- External collaboration
- What’s next?
- Our “R & D” area

Both are Required to Achieve Premier

Growth Through Operational Excellence

End-to-End Process Innovation



Growth Through Operational Excellence

Accomplishments



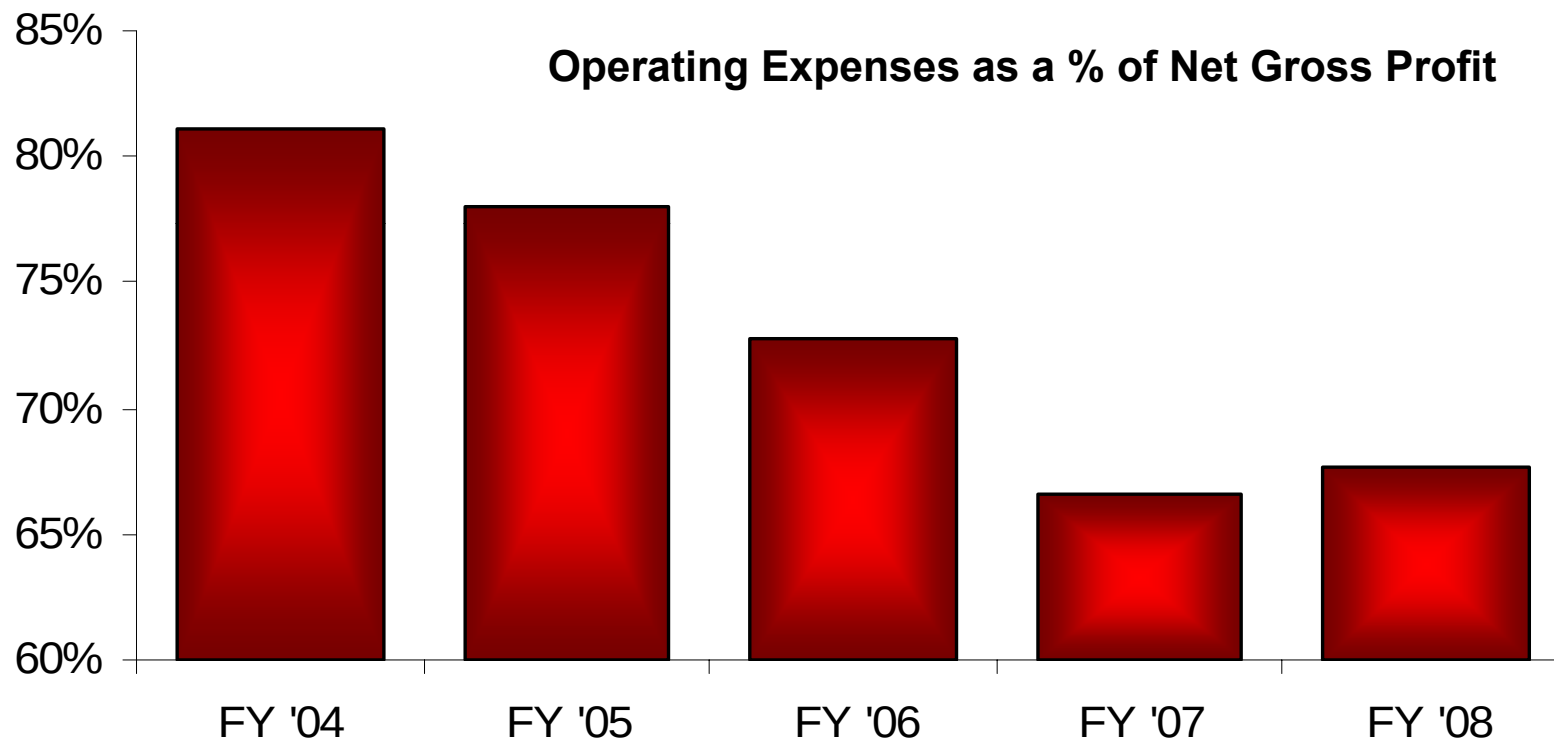
Trained – 11,000+ in operational excellence

Certifications – 150+ in one of 3 levels of expertise

Senior leaders globally trained in Hammer methodology



Operational Excellence



Note: Excludes restructuring and other charges

Operational Excellence

- Context:
 - Standardization
 - Efficiency/Productivity
 - Consistency
- Core (value creating):
 - Innovation
 - ROI
 - Differentiation
- Value Propositions have Lifecycles too
 - Core can/will become context...

Global Logistics Scale & Scope

2.23 Million Square Feet

6.21 Million Orders

37.7 Billion Units

8.6 Million Line Items

254 Million Devices
Programmed

275,000 Integrated Systems

Continuing Investment in Our Future Growth



Chandler, AZ



Tongeren, Belgium



Poing, Germany

Global IT Scale & Scope

1,850 Managed Servers

480 Software Applications

305 Terabytes of Storage

**90% of Supplier Orders Placed
Electronically (by value)**

**45% of Customer Orders
Received Electronically**

**7.5 million Sales/Inventory
Transactions Daily**

**61,500 World Wide Visitors to
Website Daily**

Capturing global scale: WMS, ERP, Order Management

Avnet: Serving Clients Around the Globe

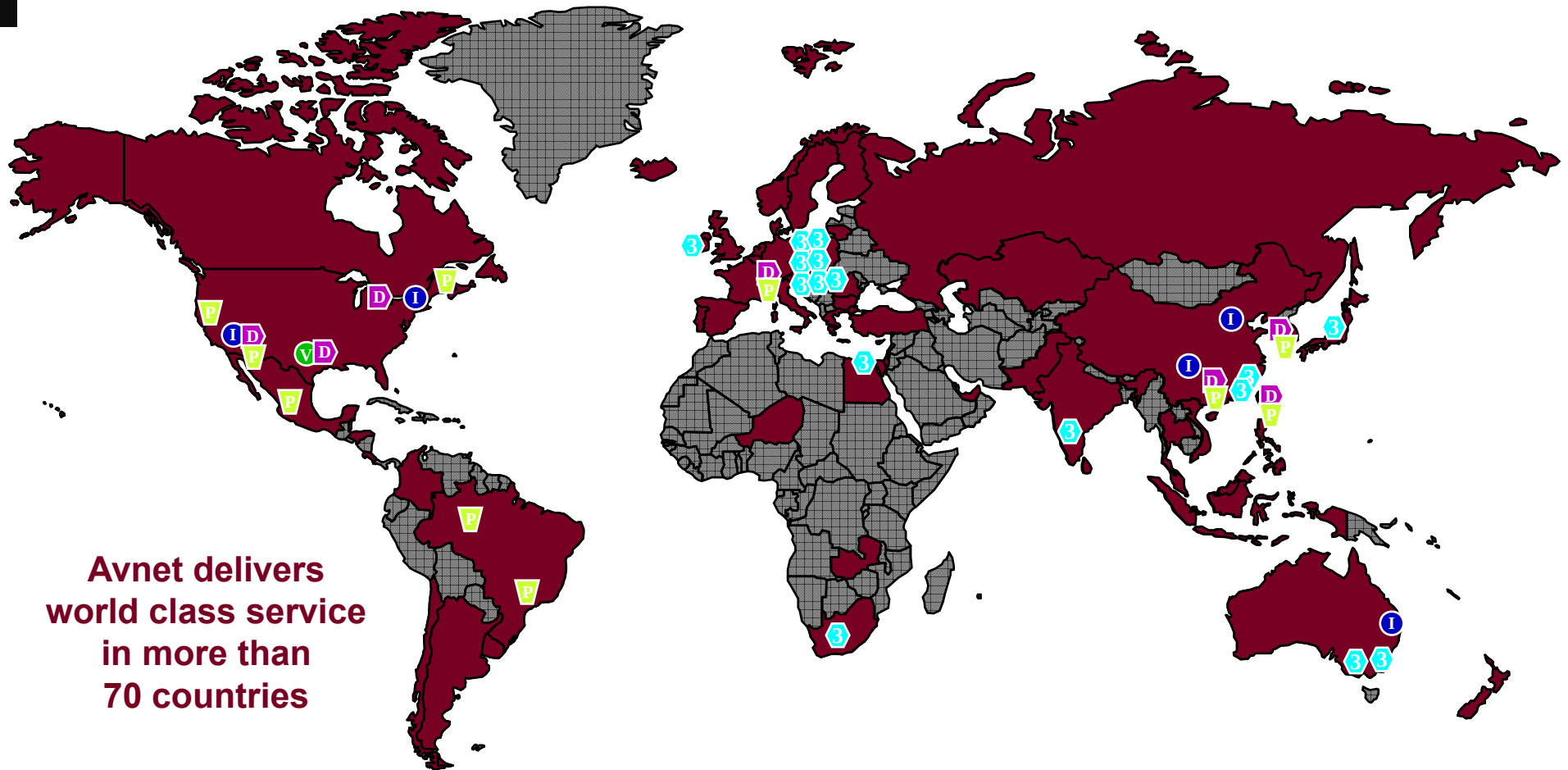
D Distribution
Centers

P Programming

V Value Add

I Integration

3 3rd Party Logistics



Avnet delivers
world class service
in more than
70 countries

Executing to the Vision

- Disciplined and Consistent Approach to:
 - Planning
 - Execution
 - Improvement
 - Innovation
- Incorporating:
 - Voice of the customer
 - Voice of our team
- And Leveraging Scope & Scale
 - To provide customer benefits
 - With goal of maximizing effectiveness



Thank You!

Technology Solutions



John Paget
President, Technology Solutions

TS Global: Mission

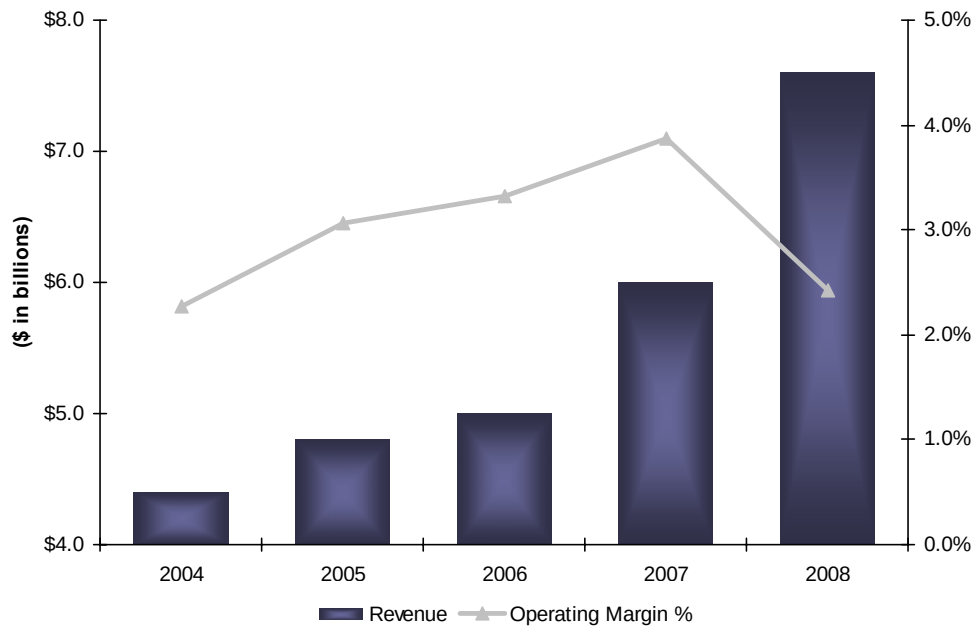
To lead our industry
in growth, innovation, value and effectiveness
in such a way that it ensures
we are an **indispensable** element
of our suppliers', customers' and employees'
success and future dreams.

TS Global: Snapshot

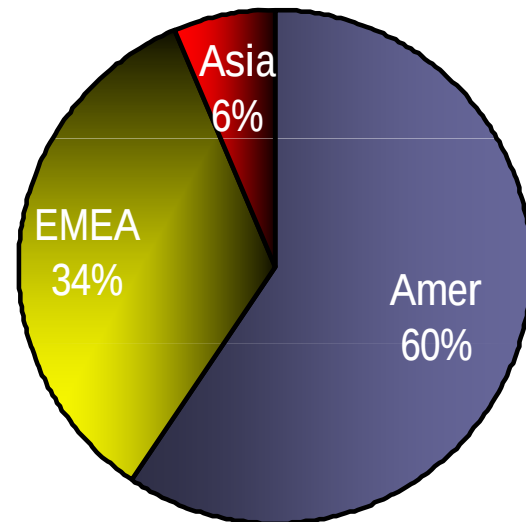
- #1 or #2 market share with top suppliers →
- > 3,700 employees around the world
- Largest global value-added technology solutions distributor
 - Locations in more than 30 countries in the Americas, EMEA and Asia Pacific



TS Global Revenue & Op Margin %



TS Global Revenue by Region (Q109)



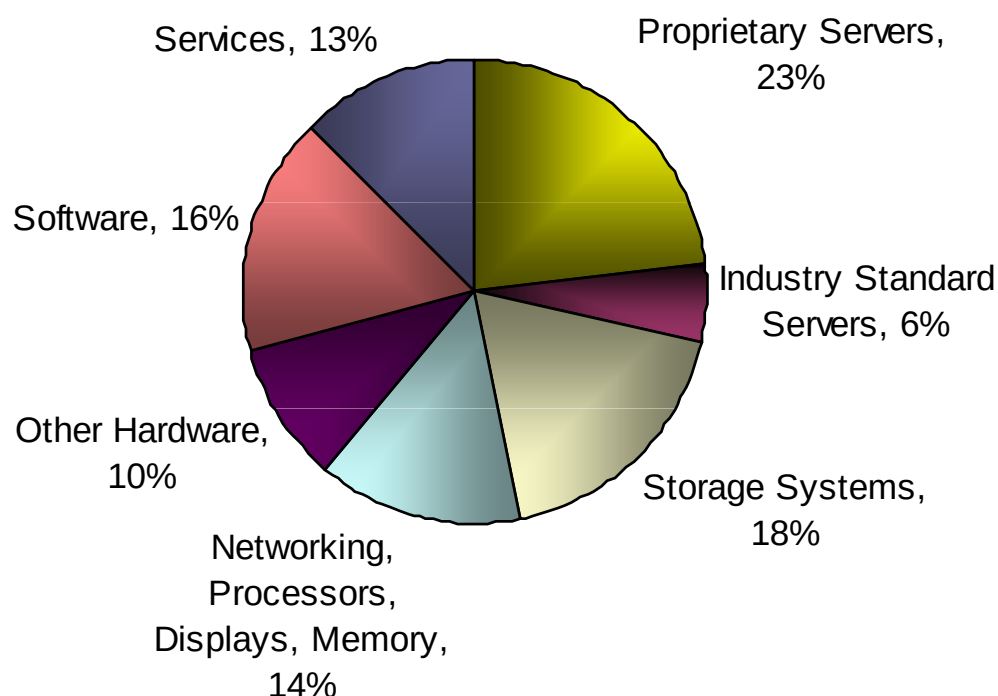
TS FY2008 Global Commodity Mix

Critical growth for solutions distribution in FY08...

- Services ↑ 285 bps
- Storage ↑ 265 bps

... with momentum in Q1 FY09 (Y/Y)

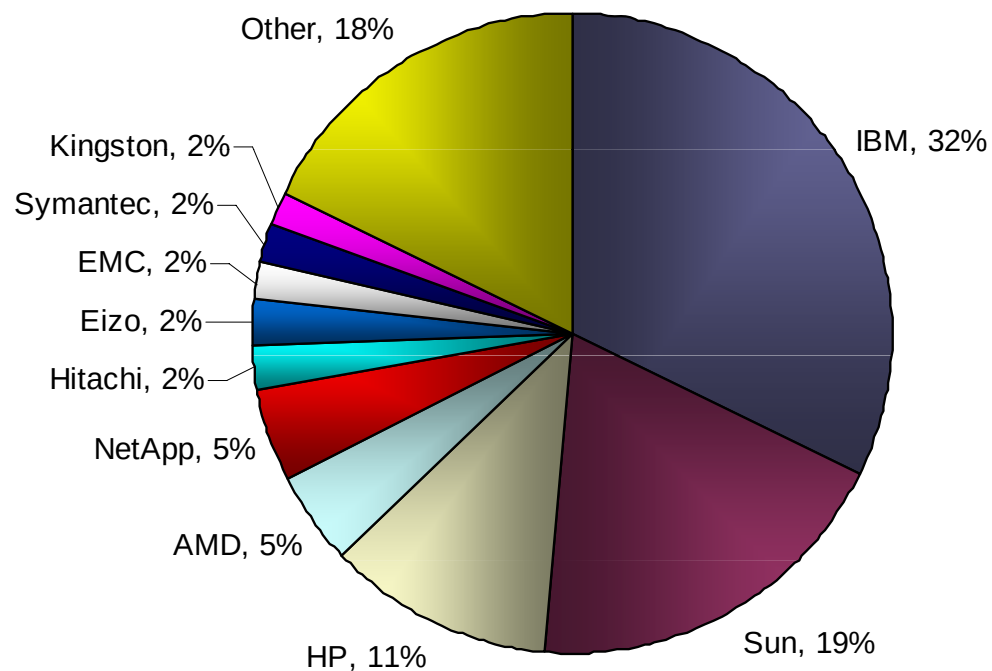
- Services Total ↑ 37%
 - Avnet services ↑ 165%
 - Resold services ↑ 32%
- Software ↑ 3%
- Networking ↑ 117%
- Storage ↑ 35%



TS FY2008 Global Supplier Revenue Mix

TS strengthens relationship with key suppliers with revenue growth

	FY08 <u>% Growth</u>
• IBM	↑ 20%
• Sun	↑ 218%
• HP	↑ 24%
• AMD	↓ 11%
• NetApp	↑ 61%
• Hitachi	↑ 132%
• EIZO	↑ 12%
• EMC	↑ 15%
• Symantec	↑ 90%
• Kingston	↑ 50%



Top 10 = 82%

TS Strategies – Profitable Growth Imperatives

Maintain the course...

- Focus resources and investments on high growth/high spend solutions and emerging markets to:
 - Strengthen our value proposition
 - Continue building our global scale and scope
 - Cause business model shift (to Services, Software, Hardware)
- Enable our customers to:
 - Increase their influence and customer base through our technology solution practices
 - Specialize and differentiate within key vertical markets

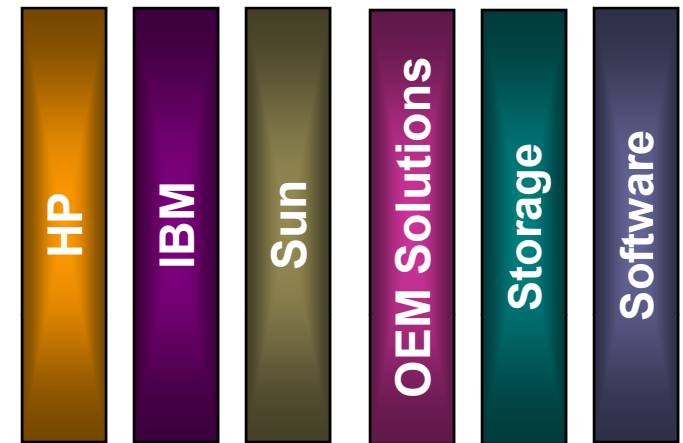
...as we protect/strengthen our short-term business position

- Generate internal efficiencies through cost reduction initiatives and integration synergies



Profitable Growth: Existing Customer Segments

Avnet Technology Solutions enables its suppliers to expand their presence in the SMB market segment



- Understanding of sub-segments and geographies
- Offering solutions in line with SMB purchasing, deployment and support preferences and requirements
 - Technology practices
 - Market verticals
 - End-to-End service offering to create total solutions for SMB customers
- Supporting partners in their SMB targeted market strategies through TS' scale, scope and experience
 - Reaching out to the small and mid-market

Profitable Growth: Solutions Practices

Security /
Networking

Unified
Comms

Virtualization /
Consolidation

Storage

Mobility

Document &
Content Mgmt

As IT complexity increases value required from partners and distributors, TS focuses on high growth technologies and responds to the demand, outpacing the market.

	<u>TS FY08 Growth</u>	<u>TAM CY08 Growth</u>	<u>TAM CAGR</u>
Security/Networking	177%	15%	13%
Unified Comms	12%	54%	31%
Virtualization/ Consolidation	130%	28%	18%
Storage	54%	4%	4%
Mobility	39%	27%	21%
Doc & Content Mgmt	8%	11%	11%

Sources: Avnet TS; IDC

Profitable Growth: Vertical Markets

Top customers are growing faster than the market
Top resellers are achieving double-digit growth

- HealthPath™ and GovPath™ U. booked a year in advance
- HealthPath
 - IDC increased its healthcare forecast by \$1B-\$1.4B / year thru 2011
 - HealthPath University™ graduates are averaging 65% annual growth
 - Many healthcare resellers doubled healthcare business in past year
- GovPath
 - Fed + state + local govt + education budgeting > \$184B annually ⁽¹⁾
 - Government using practically 100% COTS products ⁽¹⁾
 - TS' government practice revenue grew 20% Y/Y in Q1

Healthcare

Govt & Education

TS Global: Solutions Practices & Vertical Markets

High Growth ► Solutions Practices

Security /
Networking

- New supplier acquisition
- Assemble / integrate and wrap services around best-of-breed solutions

Unified
Comms

- Accelerate time to market; minimize expense and risk

Virtualization /
Consolidation

Storage

Mobility

Document &
Content Mgmt.

HARDWARE SOFTWARE
SOLUTIONS
SERVICES FINANCING

Gain Share ► Existing Customers

HP

IBM

Sun

OEM Solutions

Storage

Software

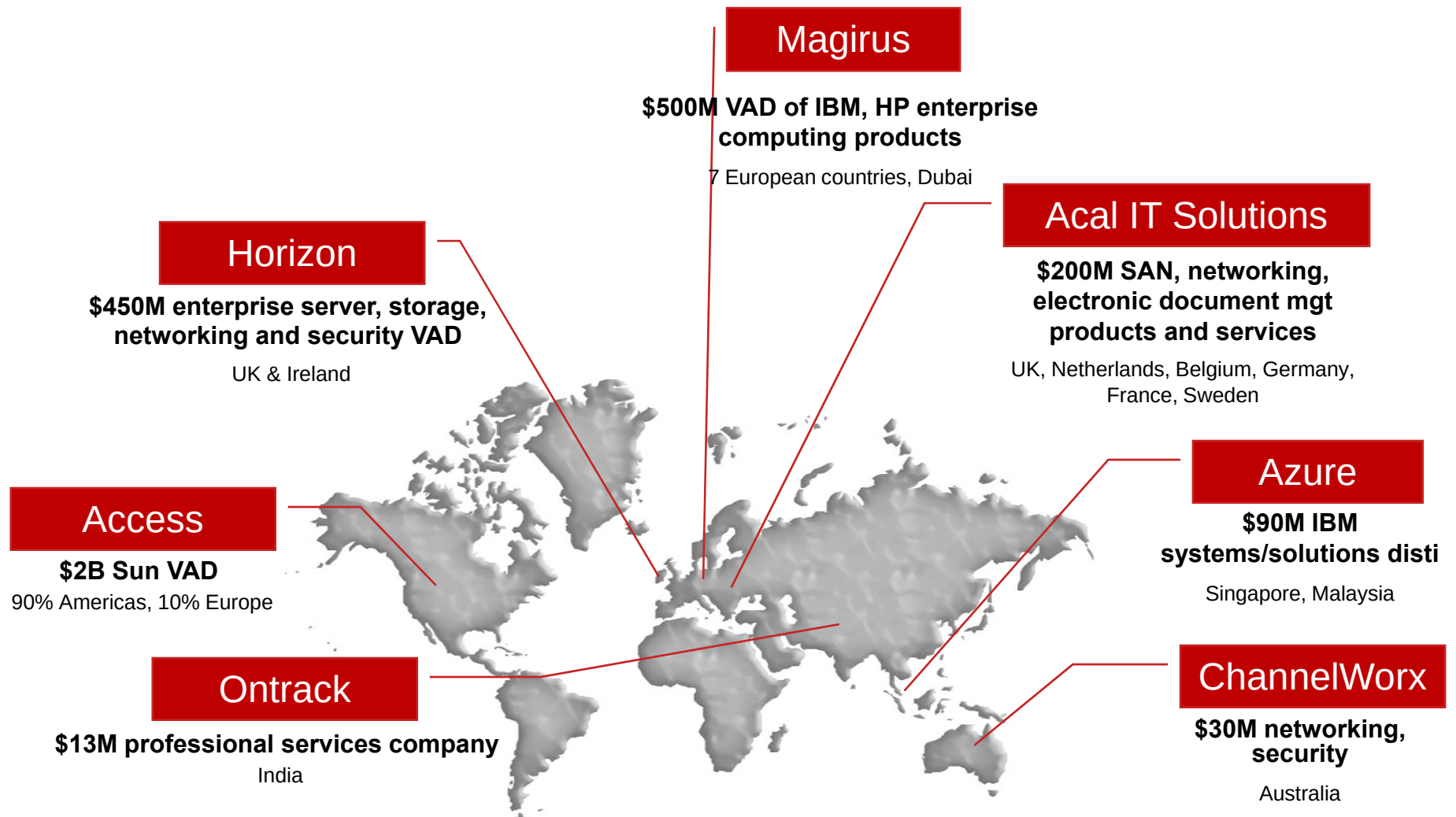
High Growth ► Vertical Markets

Healthcare

Govt & Education

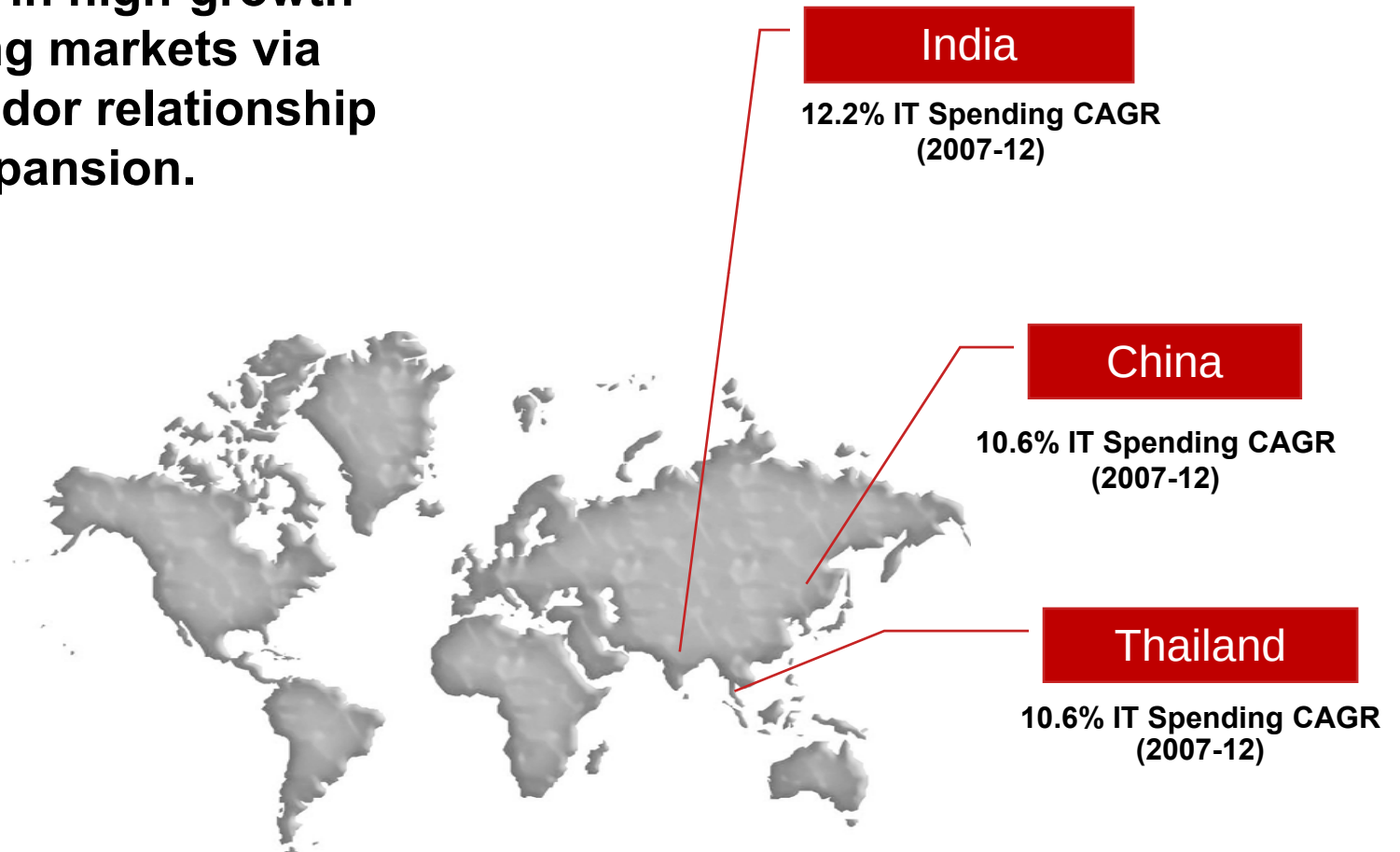
- Build Avnet and trading partner industry expertise
- Link channel trading partners (ISVs, SIs, OEMs, VARs) to provide solutions for vertical market customers

Profitable Growth: Acquisitions



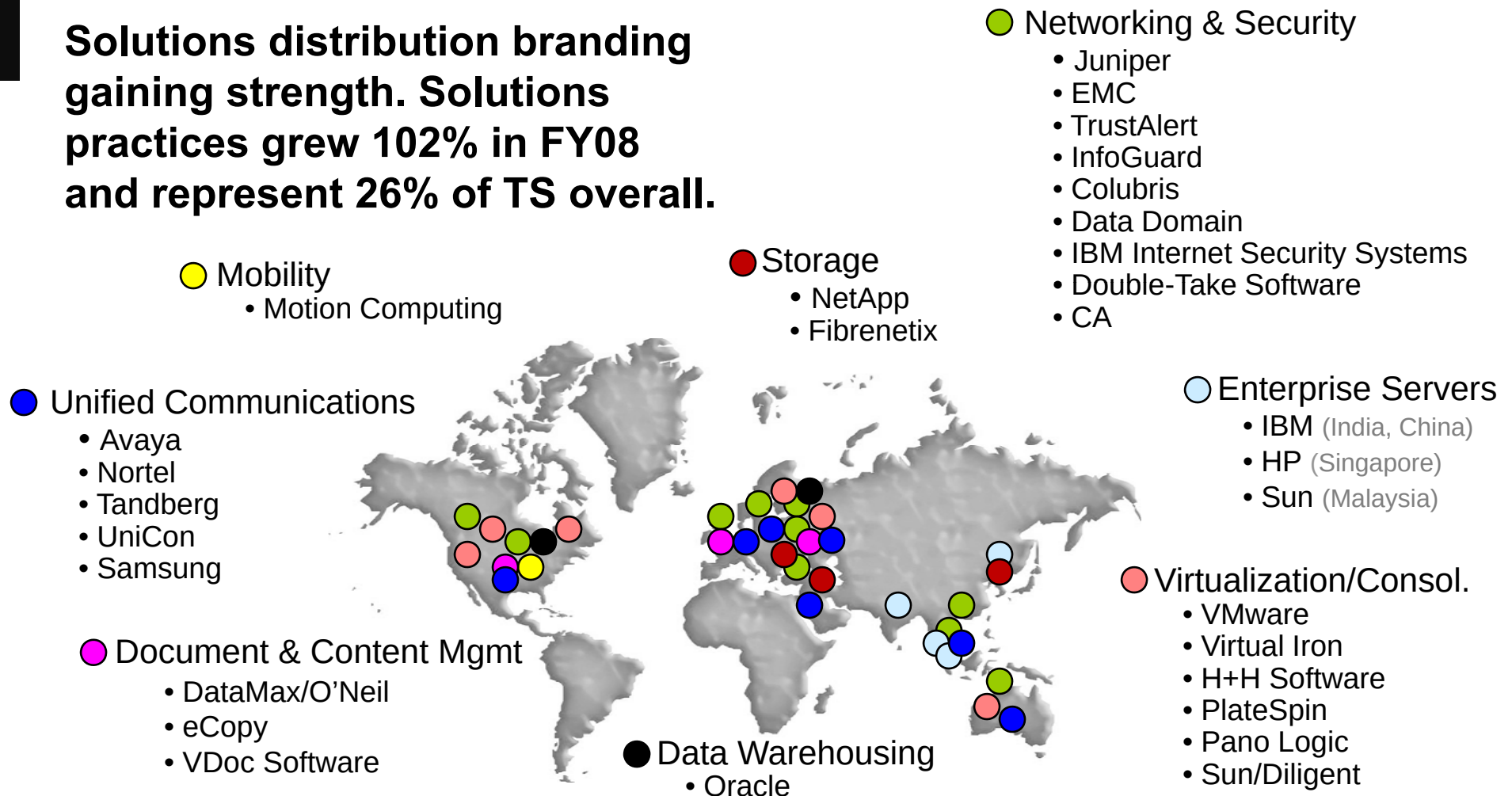
Profitable Growth: Emerging Markets

Investing in high-growth emerging markets via global vendor relationship expansion.



Profitable Growth: Globalizing Solutions Distribution

Solutions distribution branding gaining strength. Solutions practices grew 102% in FY08 and represent 26% of TS overall.



Regional Highlights & Priorities: Americas



Highlights

- Good performance in Q1 FY09
- Growth in targeted solutions practices
- Growth in targeted vertical practices
- Customer loyalty
- New vendor recruitment

Priorities

- Cross-sell existing products and services to existing market segments
- Sell existing and new products and services into high-growth vertical markets
- Improve margin and value

Regional Highlights & Priorities: EMEA



Highlights

- Strengthened position in largest markets: UK, Germany, Netherlands, central Europe
- Acquisitions: Magirus, ACAL, Horizon increase footprint, strengthen portfolio in target markets and leverage scale/scope
- Aligning cost structure with market potential across region

Priorities

- Improve financial performance
- Increase market share with key vendors
- Expand key franchises into new countries
- Geographic growth in emerging markets
- Focus on the business development of services, software and solutions

Regional Highlights & Priorities: APAC



Highlights

- Expansion into key geographies: China, India, Thailand
- Brand awareness
- Extending existing solutions, portfolio into other countries throughout region

Priorities

- Leverage investments: China, India, ASEAN
- Expand global portfolio throughout APAC
- Grow organically by leveraging server and storage solutions in Thailand, Vietnam and India
- Build out APAC infrastructure

TS Competitive Advantages

Value Proposition

- Strengthening and growing solutions practices
- Expanding global presence with positions in emerging, fastest growing markets

Revenue Mix

- Solutions as % of overall mix is growing
- Services revenue growing in overall business model
- Limited exposure to “troubled” verticals
- More than \$50M in cross-sell opportunities closed (through Q109)
- Managed services added to services offering

Vendor Relationships

- Global vendor management – Global VAR Advisory Council
- Primary vendors strengthening channel position

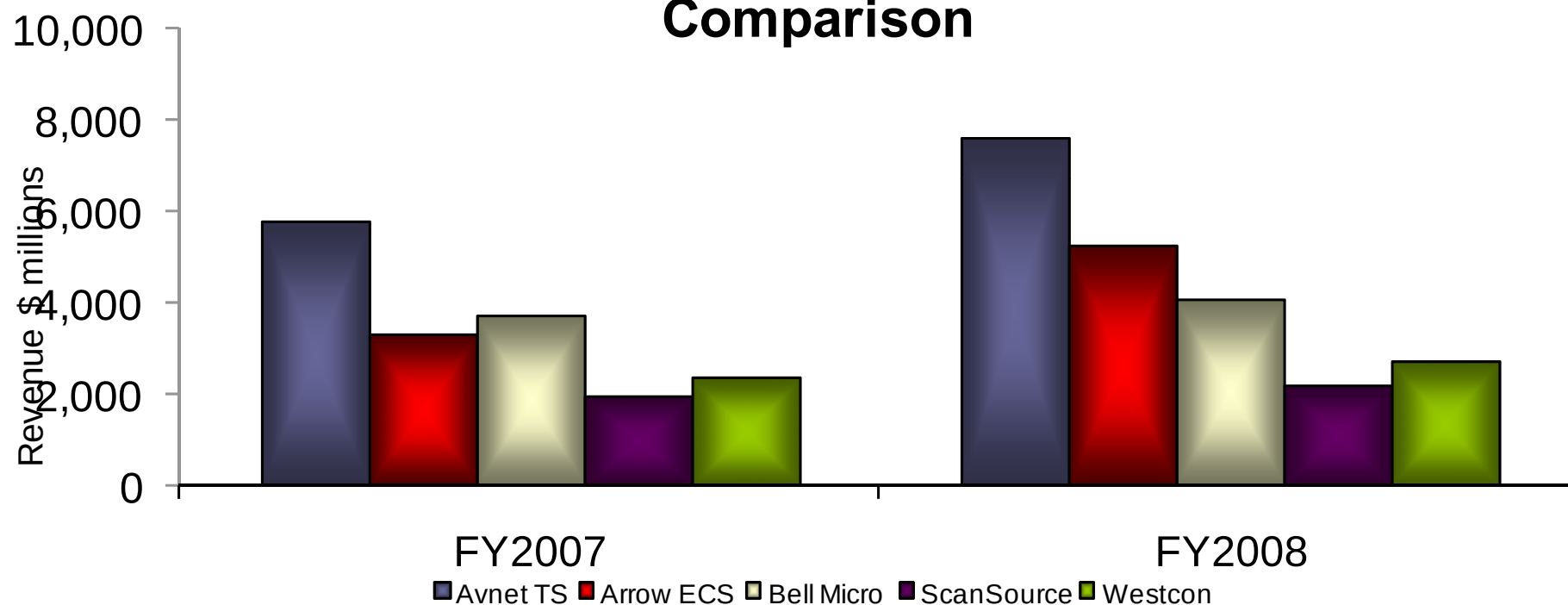
Relationship with our Customers

- Avnet-branded leasing and financing offering
- Customer loyalty



Segment Revenue Comparison

Value-Added Technology Distribution Sales Comparison



Leadership + Leverage + Expertise

Leadership Solutions Distribution

- Value-add category leader in enterprise distribution through solutions evolution
- Lead with technology-driven practices and vertical specialization
- Continued excellence in solutions practice penetration globally



Expertise Managing Mature Markets

- Leverage investment in high growth solutions and emerging markets while managing returns in mature markets

Leverage Global Scale & Scope

- Serve global customers and suppliers with global operations capabilities
- Expand footprint through organic growth and a selective M&A strategy

**Value-based management to deliver improvements
in operating margin and ROCE**



Global Leader Value-Added Distribution Solutions Distribution





Thank You!

Electronics Marketing



Harley Feldberg
President, Electronics Marketing

Agenda

- EM and the components market
- Impact of the global economic environment
- Our response
- Looking ahead – Leveraging scale and scope
- Q&A

About Avnet Electronics Marketing

Our Mission

Avnet Electronics Marketing will be the most successful electronic components distributor in the world by providing our customers & suppliers best-in-class design chain and supply chain solutions.

Design Chain Solutions

Synergistic solutions surrounding the customer's core chip design.

Supply Chain Solutions

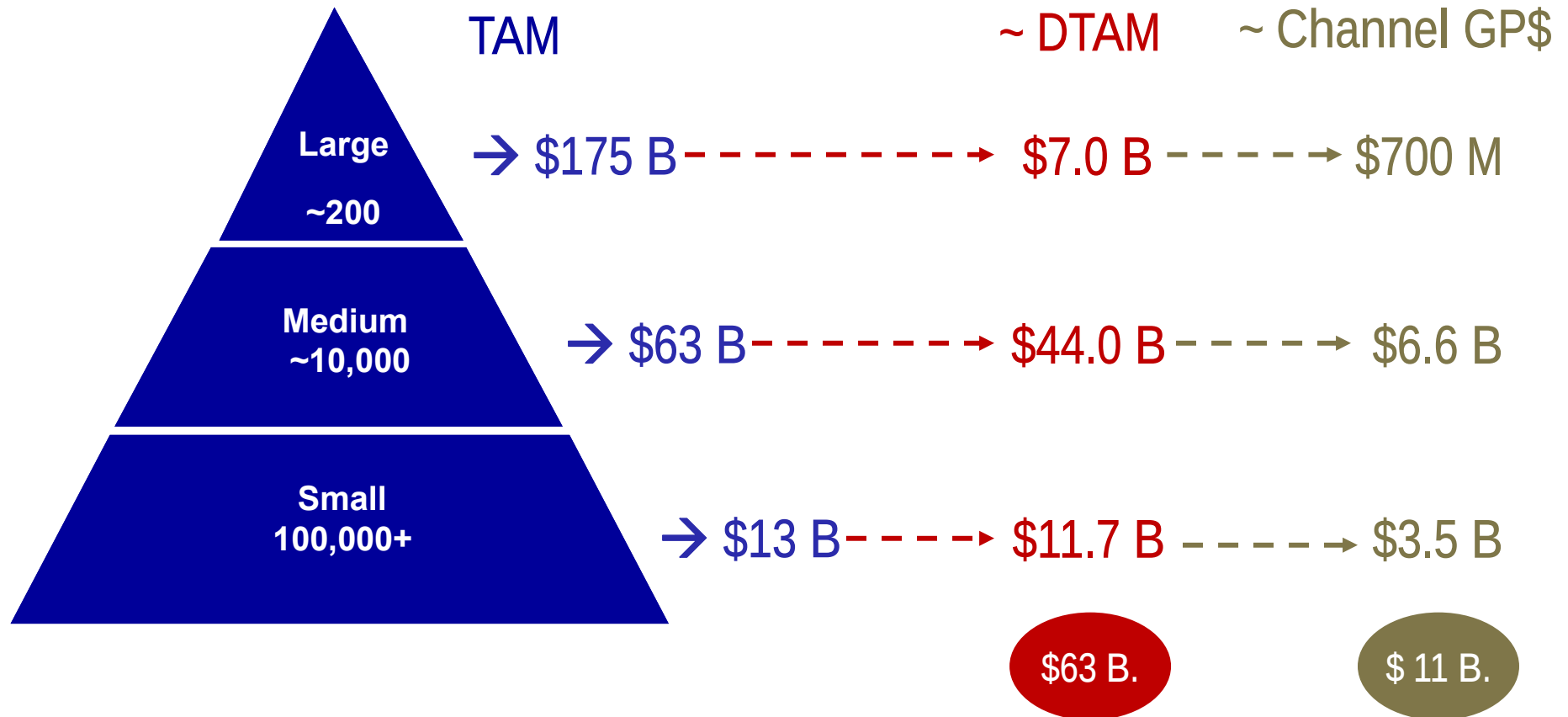
Supply chain services and solutions that help customers manage complexity.

Leverage our strengths as an industry leader

Leverage our global scale and scope

Leverage our ability to invest

TAM = \$251 Billion



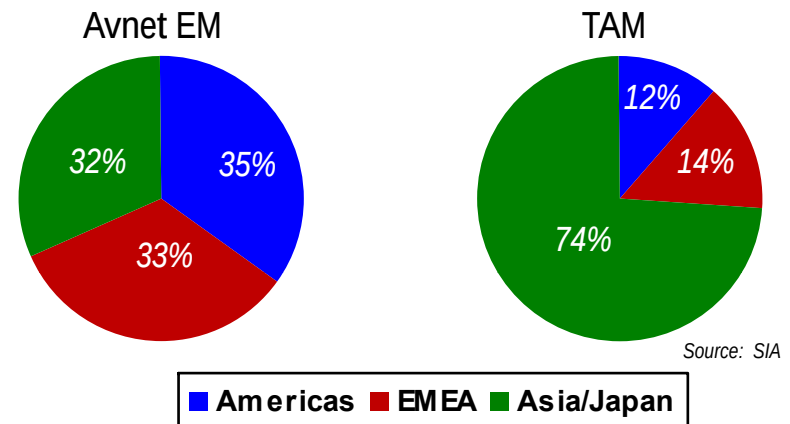
EM's business model

We have a diversified customer base

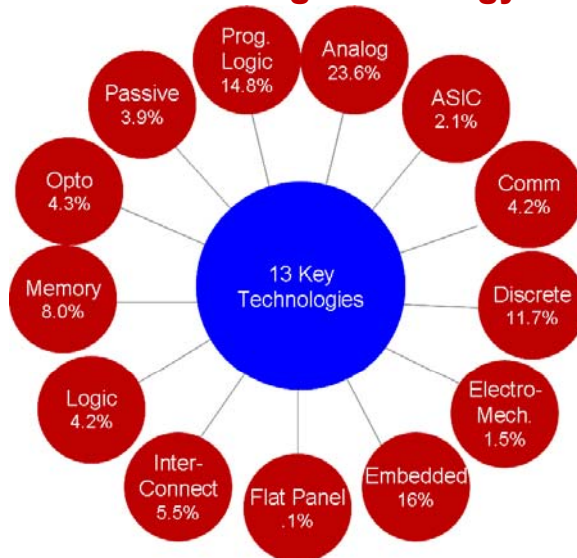
- No single customer makes up > 2% of GP\$
- We sell into all major electronic equipment end markets
- Our customer portfolio includes OEM's, EMS, ODM's, and Distributors

We have a balanced regional portfolio

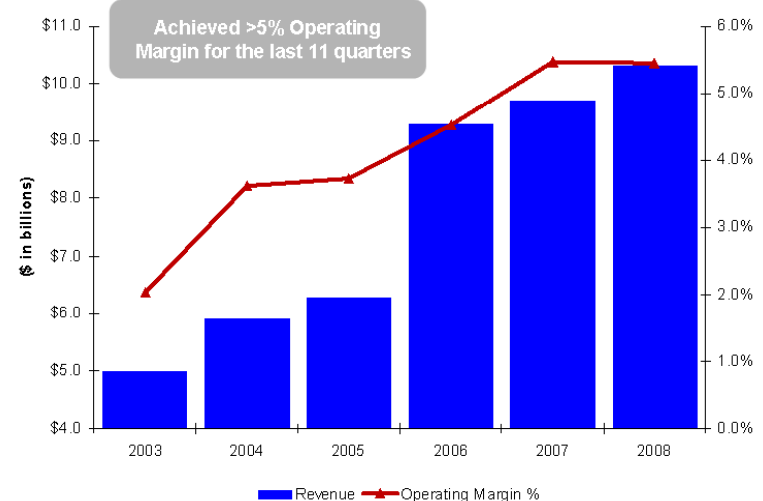
FY09 Q1



We have a leading technology offering



We've made consistent progress to our long term profitability model

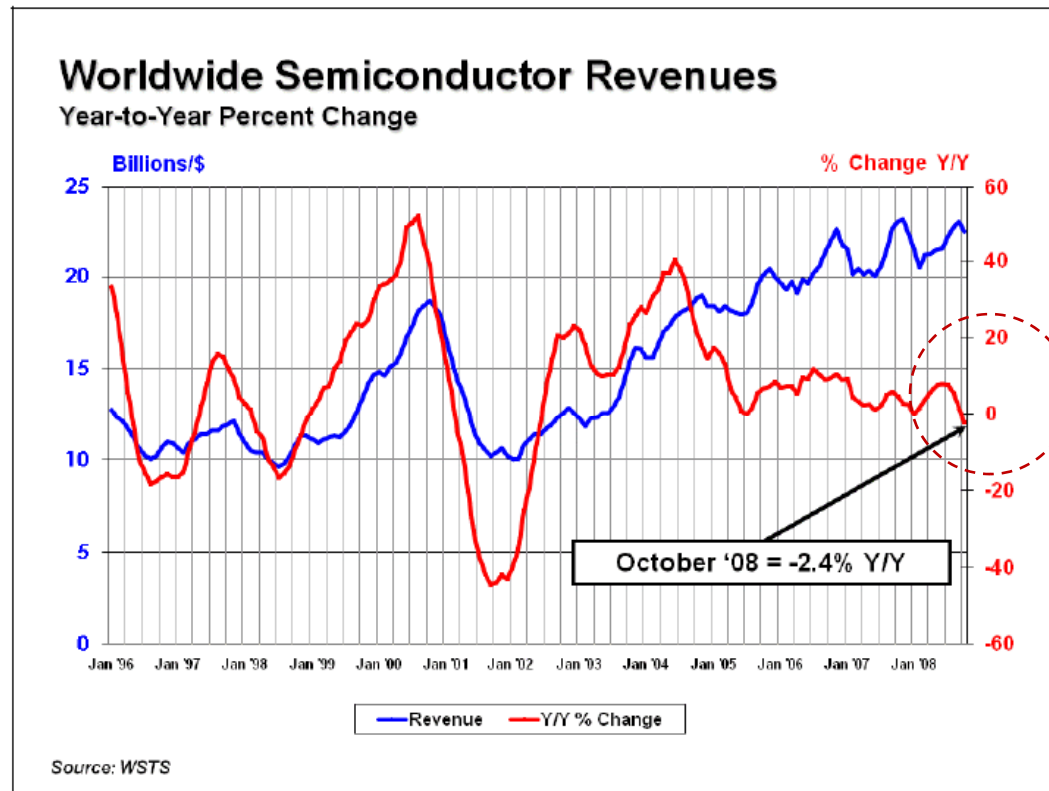




Impact of the global economic crisis

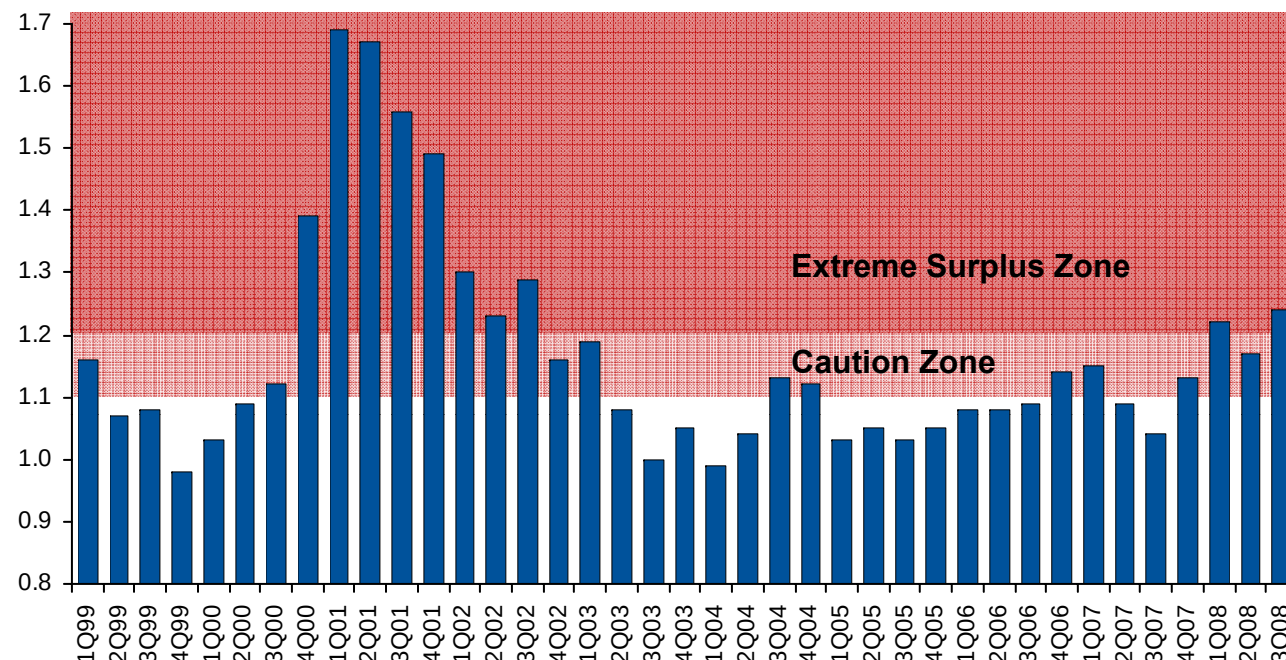
Recession-based demand declines evident

- Lack of visibility driving cautious attitude toward inventory replenishment.



- A much more efficient supply chain:
 - Anticipatory reduction in capex
 - Effective inventory management
- Questions remain:
 - How deep and how long?

Moderate inventory build



Source: Gartner DASI 12/9/08

Current last three quarters versus most recent stable period in DASI history

Inventory Days Summary	5Yr rolling Avg	Avg over 2Q05 to 3Q06	Q12008	Q22008	Q32008
Semiconductor Foundry	43.47	44.06	47.11	50.42	62.01
Semiconductor Vendors	70.84	70.90	76.46	73.86	80.28
Semiconductor Distributors	48.41	47.63	44.05	45.06	46.88
EMS/CEM Vendors	44.98	45.31	47.09	46.87	52.04
OEM					
Automotive	36.79	34.57	39.81	49.38	46.41
Wired Communications	64.73	62.05	65.60	65.76	71.91
Wireless Communications	40.29	36.56	41.84	49.75	56.30
Compute & Peripherals	22.62	21.58	22.00	21.07	21.61
Storage	33.66	33.75	42.61	38.02	39.27
Electronic Retail	67.89	66.90	67.90	66.88	72.91
Industrial	51.31	53.19	49.27	42.60	41.03
Military	32.03	33.41	34.02	33.89	33.30

Orange = above stable average by 10%; Blue - below stable average by 10%

- Distribution channel managing inventory well
- Avnet EM:
 - Continuing to maintain high inventory quality – less than 5% aged
 - 9.5% annual improvement in ROM for the last 6 years.



Our response – Evaluating the market on a quarterly basis

Across the globe

Expense Disciplines

- Variable compensation adjustments
- Hiring freeze
- Travel restrictions
- Marketing expense reductions
- Freight reduction



Stephen Wong
Asia 32 yrs



Tom McCartney
Japan 27 yrs

Less Consolidated Distribution Markets

- Goal: Manage ROWC to current goals
- Close monitoring of market trends for further adjustments in Q3/Q4

- Customer backlog and credit
- CYQ4 customer forecasts
- Exports
- Infrastructure build out
- Days of inventory



Phil Gallagher
Americas 26 yrs



Patrick Zammit
EMEA 16 yrs

Consolidated Distribution Markets

- Goal: Maintain ROWC
- Expense and working capital reductions commensurate with demand declines

We also see near-term opportunities...

- Challenges in the credit markets have created...
 - Undercapitalized competitors
 - Replace: Profitable market share gain opportunities
 - Buy: Strategic M&A being reviewed in all regions
 - Supplier's with channel risk
 - Evaluating regional relationships
 - Avnet's creditworthiness attractive
 - Customer's looking for flexibility without risk
 - Distributor partnerships that guarantee source of supply and short-term flexibility

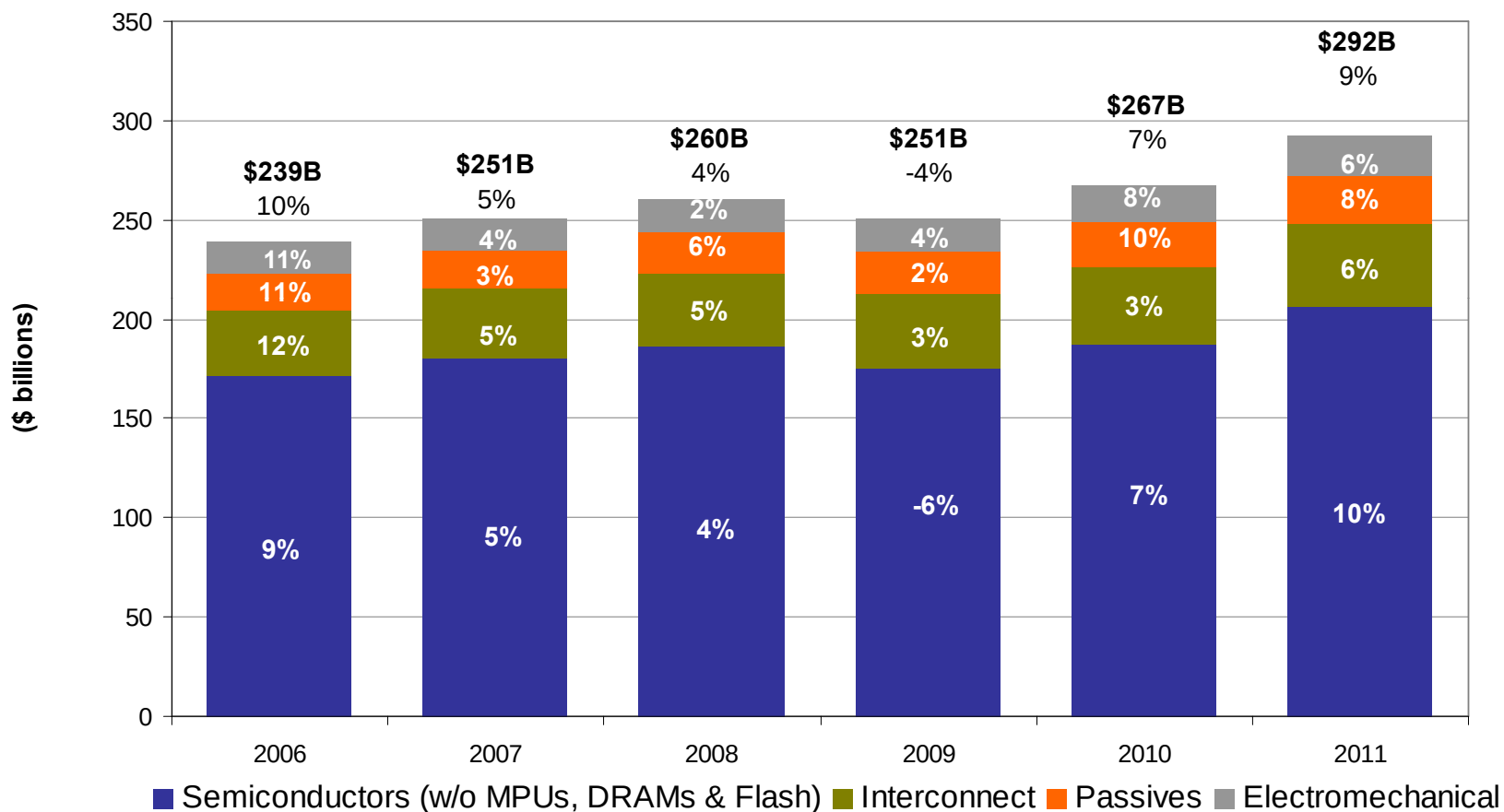
Challenging times = Strategic opportunity



Looking ahead...

Still a sizeable market opportunity

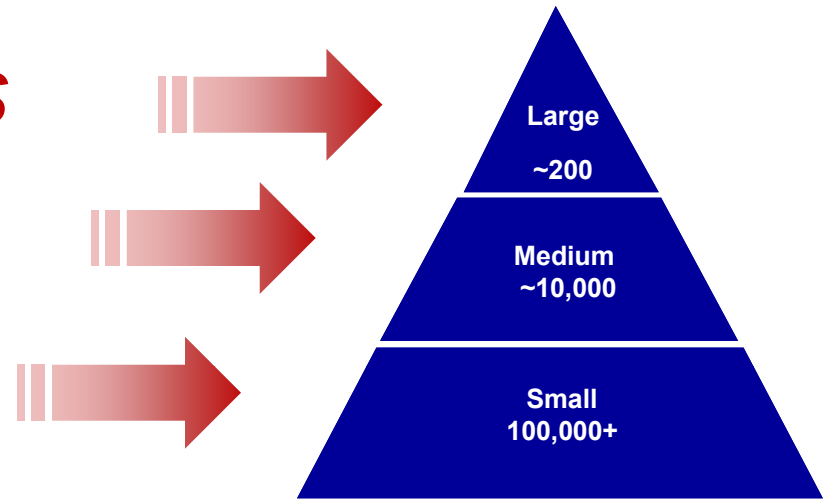
EM Total Available Market



Note: Percentages represent sequential growth rates.

Sources: Bishop, Electronics Outlook, Fleck, Gartner, iSuppli, SIAWSTS (Rev. 12/4/08)

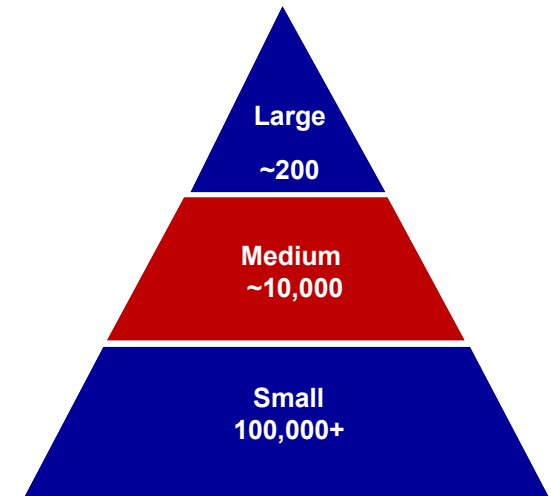
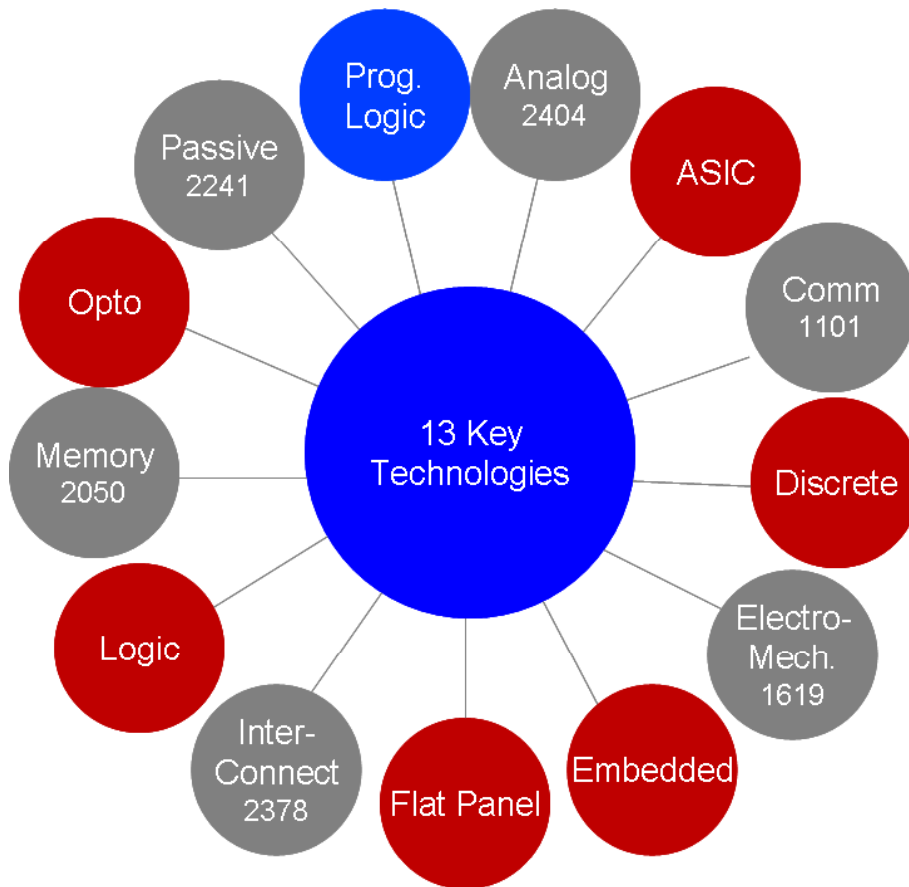
*Targeted strategies
to maximize
profitable growth*



Strategies that leverage our scope and scale

Design Chain

- Attach rate to the customer's core chip design.



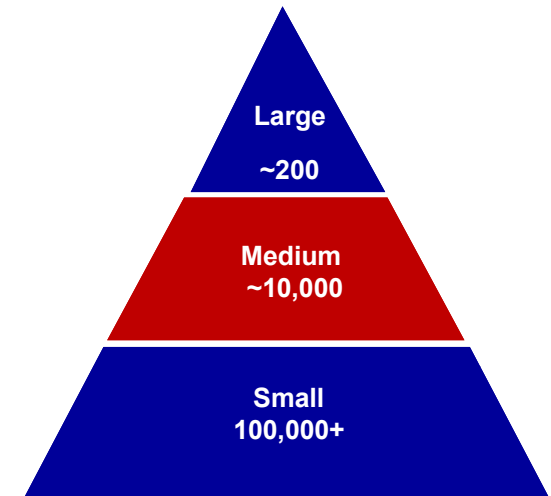
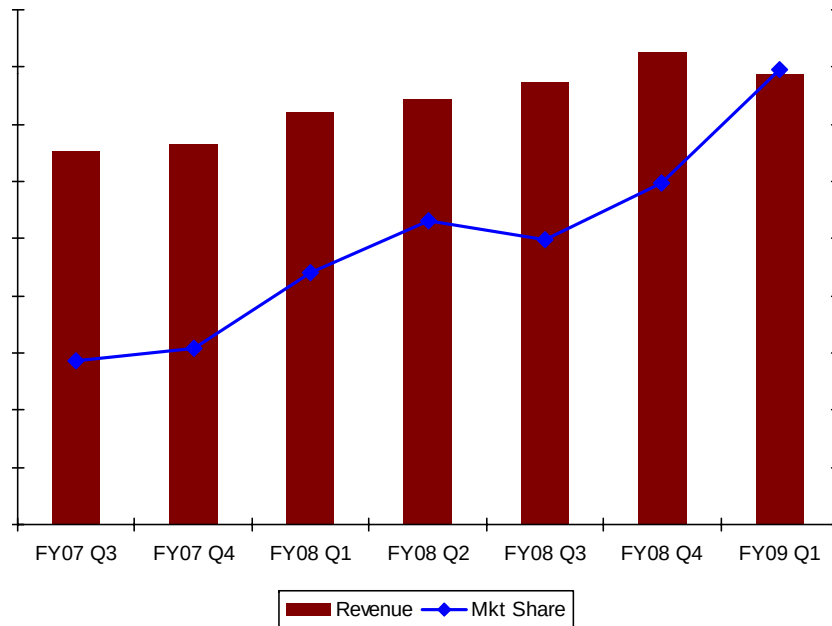
Single region example: Targeted technologies - \$753 M.

Strategies that leverage our scope and scale

IP&E Expansion

- Profitable market share expansion

IP&E Performance Trends



Betronik
Distribution. Logistik. Elemente®.



@bacusgroup.plc*

* Abacus pending

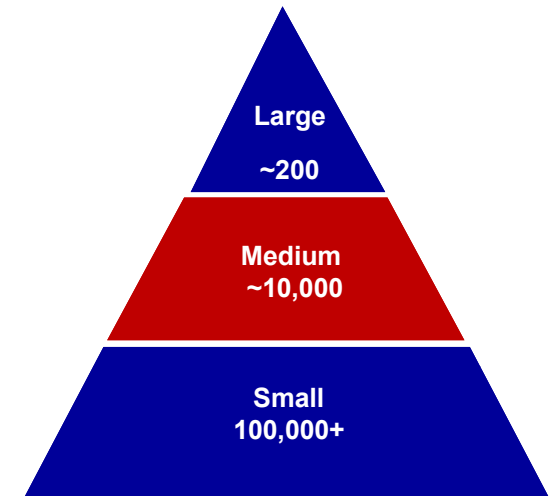
Strategies that leverage our scope and scale

Japan Business Development

- Creating scale through acquisition

Nippon Denso Industry Co., Ltd.

- An established distributor in Japan for over 50 years
- Doubles our Japan revenues
- Enhances our technical resources
- Increases our supplier base
- Brings new customer kozas in key end markets

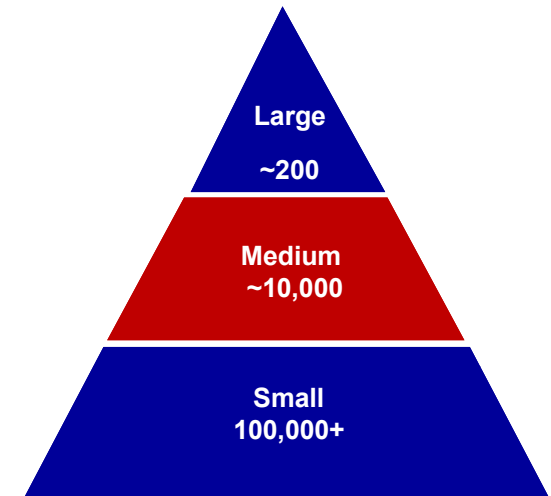
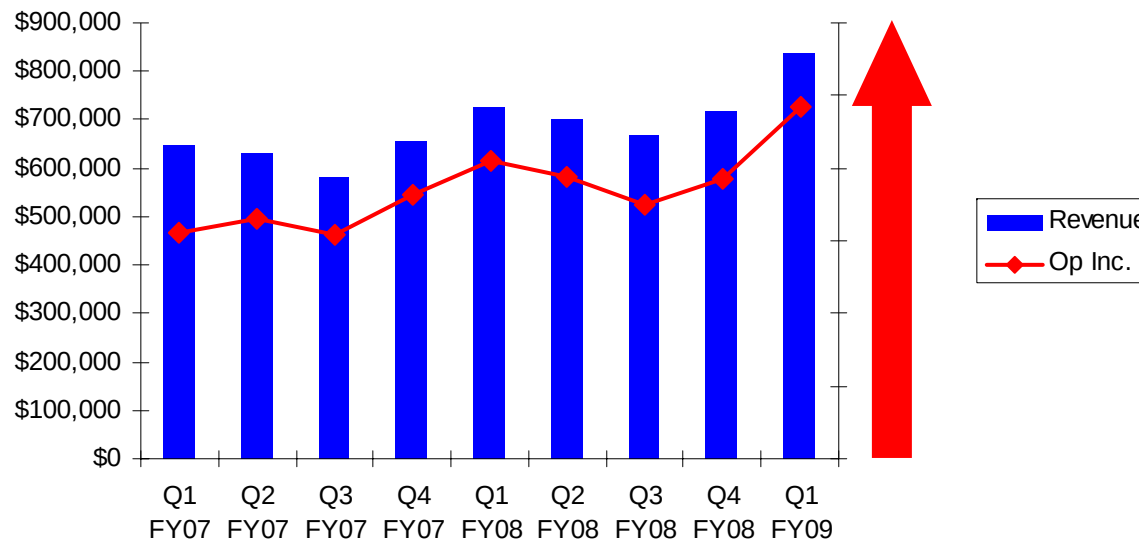


Strategies that leverage our scope and scale

Asia Business Development

- Developing a profitable business model in Asia

EM Asia Revenue and Op Inc Performance



EM is solidly positioned to win in the medium sized customer base

Design Chain

- Attach rate to the customer's core chip design.

IP&E Expansion

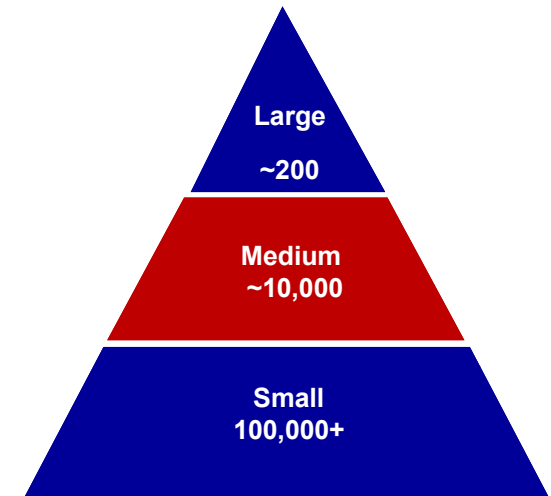
- Profitable market share expansion

Japan Business Development

- Creating scale through acquisition

Asia Business Development

- Developing an economically profitable business model in Asia

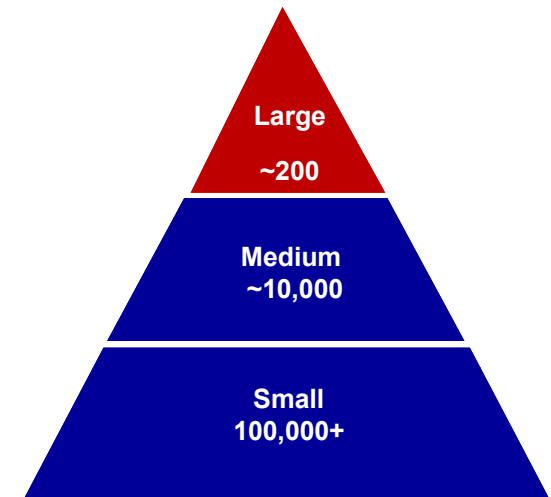
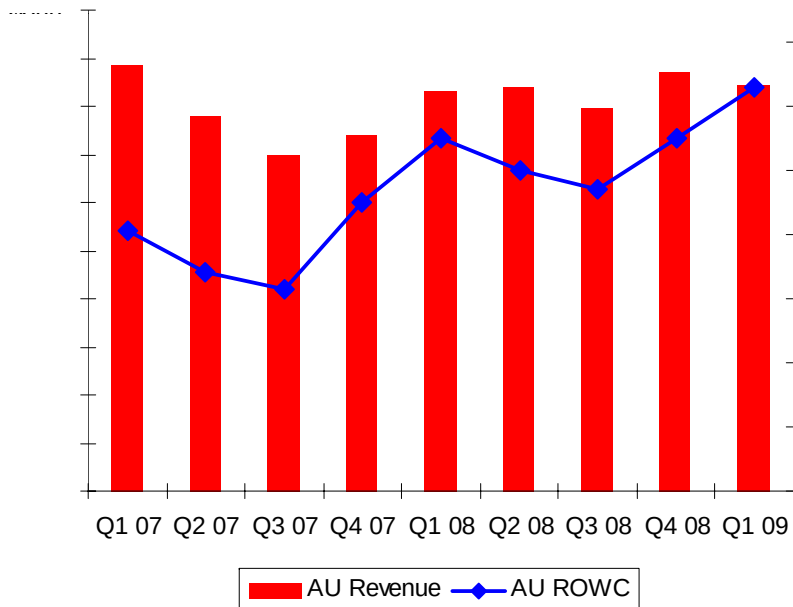


Strategies that leverage our scope and scale

Supply Chain

- Avnet United – TAM to DTAM
 - Profitable growth in Tier I customers
 - Supplier logistics models

Avnet United Performance Trends

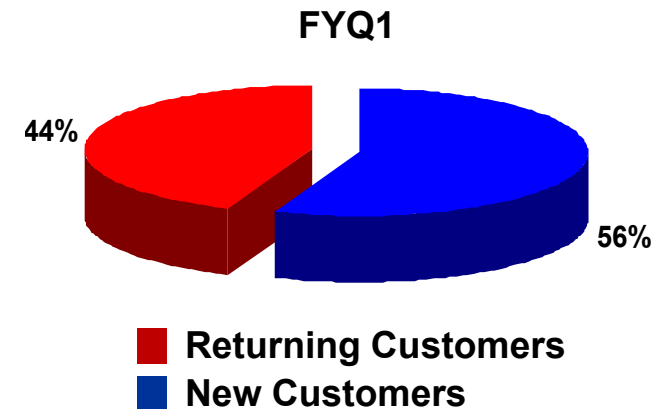
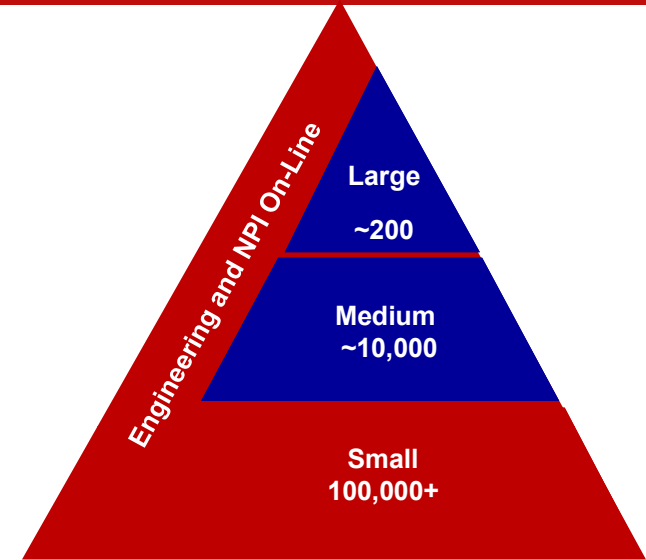
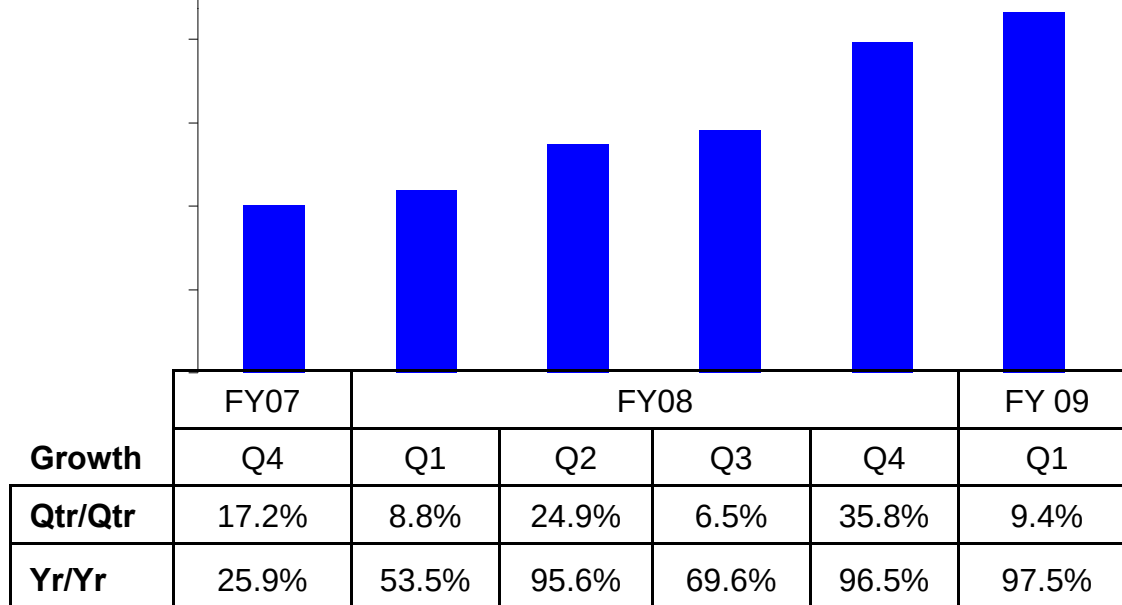


Strategies that leverage our scope and scale

Global e-Commerce – Avnet Express

- Common global e-commerce engine (IT)
- Online engineering for NPI - Winning early in the design phase

FY09 Q1 AvnetExpress.com Revenue Trend



In summary

This is a challenging environment, *but...*

- Not 2001 – We have a lot of efficiencies in place
- Taking it one quarter at a time
 - Closely monitoring projections, aligning costs and working capital
 - Well positioned with a seasoned executive team
- Focusing on near term opportunity and benefit
 - Organic: Profitable market share expansion
 - Selective M&A

We have a strong portfolio of growth strategies - we will continue to be aggressive!

Looking forward you can expect...

- A more consolidated industry with Avnet EM playing a larger role
- Continued progress to our long-term ROCE goal when growth resumes



Thank You!

Wrap-Up

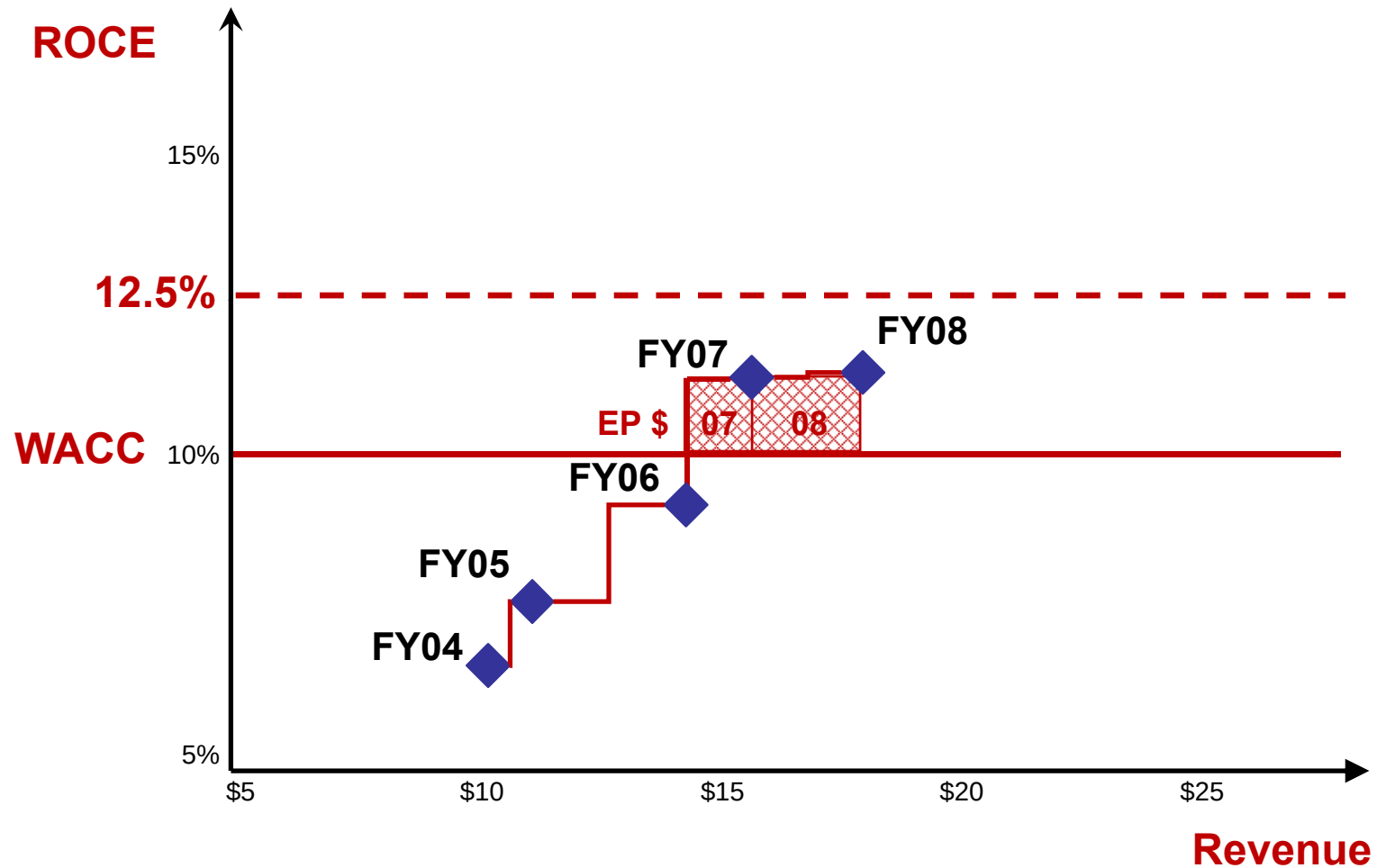


Roy Vallee
Chairman & Chief Executive Officer

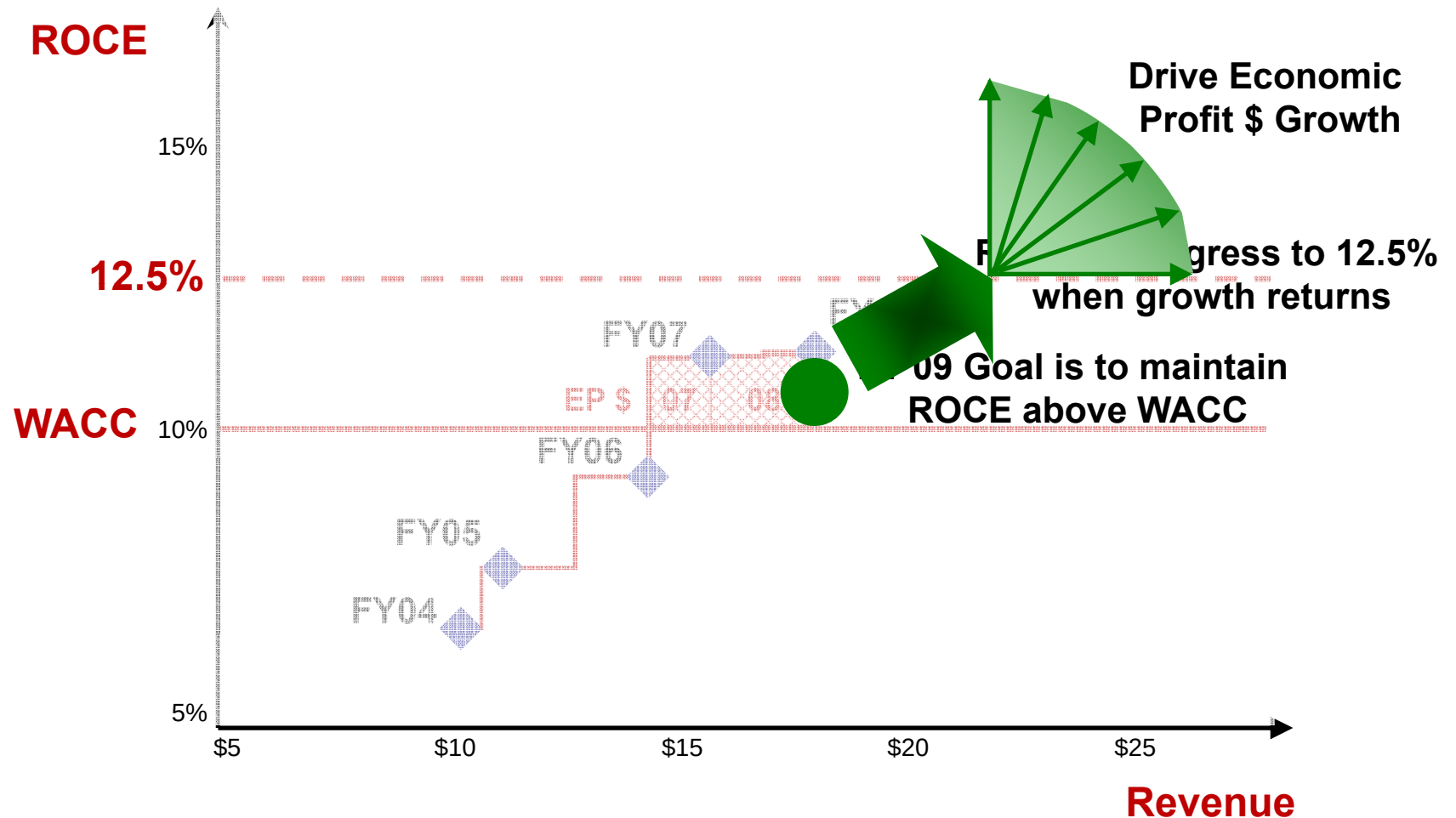
In Closing

- VBM embedded in the Avnet culture
- Disciplined portfolio management drives progress
- Maintain strong balance sheet and ample liquidity
- Continue to invest in growth strategies
 - Both organic and value-creating M&A
- Leverage our market and financial position to gain share during the downturn
- Continue to create shareholder value for the long term

Grow Shareholder Value/Economic Profits



Grow Shareholder Value/Economic Profits



Investment Thesis

- Avnet's served market grows faster than GDP
 - Diversified revenue stream from broad customer base across multiple market segments
- Global leader in value-added technology distribution
- Financial resources to fund growth
 - Ample liquidity and counter cyclical balance sheet
- Experienced leadership team
- Remain committed to achieving our long term ROCE goal



Thank You!