AVNET INC
Form 424B2
June 21, 2010

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-155971

**Prospectus Supplement**
**June 17, 2010**
**(To Prospectus dated December 5, 2008)**

**$300,000,000**

**Avnet, Inc.**

**5.875% Notes due 2020**

Avnet will pay interest on the notes on June 15 and December 15 of each year, commencing on December 15, 2010. The notes will mature on June 15, 2020, unless earlier redeemed.

Avnet may redeem some or all of the notes at any time at the make-whole redemption price set forth under Description of the Notes Optional Redemption in this prospectus supplement. If Avnet experiences a change of control triggering event, Avnet may be required to purchase the notes from holders at a price equal to 101% of their principal amount plus accrued and unpaid interest to the repurchase date as described under Description of the Notes Change of Control in this prospectus supplement.

The notes will be Avnet s senior unsecured obligations and will rank equally with Avnet s other existing and future senior unsecured indebtedness.

**See Risk Factors beginning on page S-7 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended June 27, 2009, incorporated herein by reference, to read about factors you should consider before investing in the notes.**

**The notes will not be listed on any securities exchange. There is currently no market for the notes.**

| | **Price to Public(1)** | **Underwriting Discounts and Commissions** | **Proceeds (Before Expenses) to Avnet** |
|---|---|---|---|
| Per note | 99.473% | 0.650% | 98.823% |
| Total | $298,419,000 | $1,950,000 | $296,469,000 |

(1) Plus accrued interest from June 22, 2010, if settlement occurs after that date.

**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.**

Delivery of the notes in book-entry form only will be made through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme, on or about June 22, 2010.

*Joint Book-Running Managers*

**BofA Merrill Lynch** **J.P. Morgan**

*Co-Managers*

| | | |
|---|---|---|
| **Credit Suisse** | **BNP PARIBAS** | **Credit Agricole CIB** |
| **RBS** | **Scotia Capital** | **Wells Fargo Securities** |

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### Prospectus Supplement



### Prospectus



You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. Avnet has not, and the underwriters have 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, the Company and Avn are to Avnet, Inc. and its consolidated subsidiaries, unless otherwise specified or unless the context otherwise requires.

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## FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ), with respect to the business, results of operations, financial condition and prospects of Avnet. These statements are based on management s current expectations and are subject to uncertainties and changes in factual circumstances. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by them. You can find many of these statements by looking for words such as believes, expects, anticipates, should, may, estimates or similar expressions in this prospectus supplement and the accompanying prospectus or in documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

The forward-looking statements are subject to numerous assumptions, risks and uncertainties. You should not place undue reliance on forward-looking statements, each of which speaks only as of the date on which such statement is made. Avnet does not assume any obligation to update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made. The following factors and the Risk Factors beginning on page S-7 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended June 27, 2009, incorporated herein by reference, as well as other potential risks and uncertainties that are discussed in our reports and documents filed with the SEC, could cause actual results to differ materially from those described in the forward-looking statements:

- the effect of global economic conditions, including the current global economic downturn;
- general economic and business conditions (domestic and foreign) affecting Avnet s financial performance and, indirectly, Avnet s credit ratings, debt covenant compliance, and liquidity and access to financing;
- competitive pressures among distributors of electronic components and computer products resulting in increased competition for existing customers or otherwise;
- cyclicality in the technology industry, particularly in the semiconductor sector;
- allocation of products by suppliers;
- legislative or regulatory changes affecting Avnet s businesses;
- adverse changes in the securities or credit markets;
- changes in interest rates and currency fluctuations affecting Avnet s financial performance; and
- difficulties in integrating or operating recently acquired operations, as well as pending acquisitions that affect our current business or distract our management.

## WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement and the accompanying prospectus are a part of a registration statement on Form S-3 (File No. 333-155971), which Avnet filed with the Securities and Exchange Commission (the SEC ) under the Securities Act. Avnet refers you to this registration statement for further information concerning Avnet and this offering.

Avnet files annual, quarterly and special reports, proxy statements and other information with the SEC (File No. 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 website 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 800-732-0330.

## INCORPORATION BY REFERENCE

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 June 27, 2009;

Avnet s Quarterly Report on Form 10-Q for the quarters ended October 3, 2009 (as amended on Form 10-Q/A to include XBRL exhibits), January 2, 2010 and April 3, 2010; and

Avnet s Current Reports on Form 8-K filed on August 20, 2009, October 15, 2009, December 4, 2009, December 15, 2009, February 12, 2010, March 29, 2010, April 6, 2010, May 3, 2010, May 24, 2010 and May 28, 2010.

All documents which Avnet files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding information furnished pursuant to Item 2.02 or Item 7.01, or corresponding information furnished under Item 9.01 or included as an exhibit, on any current report on Form 8-K), after the date of this prospectus supplement and before the termination of this offering of 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 date of such documents. Certain statements in and portions of this prospectus supplement and the accompanying prospectus 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 will be deemed to incorporate information furnished but not filed with the SEC.

Avnet will provide you without charge, upon your written or oral request, a copy of the indenture relating to the notes offered hereby, 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).

## 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 and storage products and embedded subsystems. Avnet creates a vital link in the technology supply chain that connects more than 300 of the world s leading electronic component and computer product manufacturers and software developers with a global customer base of more than 100,000 original equipment manufacturers ( OEMs ), electronic manufacturing services ( EMS ) providers, original design manufacturers ( ODMs ) and value-added resellers ( VARs ). 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 services.

Avnet has two operating groups Electronics Marketing and Technology Solutions. Both operating groups have operations in each of the three major economic regions of the world: the Americas; Europe, the Middle East and Africa ( EMEA ); and Asia/ Pacific.

Electronics Marketing markets and sells semiconductors and interconnect, passive and electromechanical devices for more than 300 of the world s leading electronic component manufacturers. Electronics Marketing markets and sells its products and services to a diverse customer base serving many end-markets, including automotive, communications, computer hardware and peripheral, industrial and manufacturing, medical equipment, military and aerospace. Electronics Marketing also offers an array of value-added services that help customers evaluate, design-in and procure electronic components throughout the lifecycle of their technology products and systems.

Technology Solutions markets and sells mid- to high-end servers, data storage, software, and the services required to implement these products and solutions to the VAR channel. Technology Solutions 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. As a global technology sales and marketing organization, Technology Solutions has dedicated sales and marketing divisions focused on specific customer segments including OEMs, independent software vendors, system builders, system integrators and VARs.

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. Avnet s telephone number is 480-643-2000.

### Recent Developments

On March 28, 2010, Avnet entered into a definitive agreement to acquire Bell Microproducts, Inc. ( Bell ) in an all cash transaction for $7.00 per share of Bell stock. This per share price represents an equity value of approximately

$252 million and a transaction value of approximately $631 million assuming a net debt position for Bell of $379 million as of March 31, 2010. Bell is a distributor and reseller of data storage and server products and solutions, computer component products and peripherals, as well as a variety of software applications. The acquisition is subject to the approval of Bell s shareholders and regulatory authorities in the European Union. All other approvals have been obtained. Following the announcement of the acquisition, putative class actions were filed by shareholders of Bell against Bell and its directors, and in some cases, against Avnet. Each of these actions seeks, among other things, unspecified money damages and certain of the actions also seek an injunction prohibiting completion of the acquisition on the agreed-upon terms.

## 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, see Description of the Notes in this prospectus supplement.*

| | |
|---|---|
| Issuer | Avnet, Inc., a New York corporation |
| Notes Offered | $300 million in aggregate principal amount of 5.875% Notes due 2020. |
| Maturity | June 15, 2020. |
| Interest | Interest on the notes will accrue from the date of their original issuance at the annual rate of 5.875% per year and will be payable in cash semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2010. |
| Ranking | The notes will be Avnet s senior unsecured obligations and will rank equally in right of payment with all of Avnet s other existing and future senior unsecured indebtedness. At April 3, 2010, Avnet had approximately $994.7 million of unsecured senior indebtedness outstanding, including Avnet s senior unsecured credit facility. The notes will not be guaranteed by any of Avnet s subsidiaries. The subsidiary debt to which the notes would be effectively subordinated totaled $58.1 million at April 3, 2010. |
| Optional Redemption | Avnet may, at its option, redeem some or all of the notes at any time, or from time to time, at the make-whole redemption price described in Description of the Notes Optional Redemption. |
| Change of Control | If a Change of Control Triggering Event (as defined herein) occurs, each holder will have the right to require Avnet to repurchase all or any part ($2,000 or an integral multiple of $1,000 in excess thereof) of such holder s notes at a redemption price equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the repurchase date. See Description of the Notes Change of Control. |
| Covenants | The indenture governing the notes contains covenants for the benefit of noteholders. These covenants restrict our ability to:<br>incur certain secured debt;<br>enter into sale and lease-back transactions; or<br>consolidate, merge or sell or transfer all or substantially all of our assets.<br>These covenants are, however, subject to important exceptions, which are described in this prospectus supplement. See Description of the Notes Covenants. |

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| Further Issuance | We may create and issue additional notes ranking equally and ratably with the notes in all respects, so that such additional notes shall be consolidated with the notes, including for purposes of voting and redemptions. |

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| Use of Proceeds | Avnet expects to use the net proceeds of this offering for general corporate purposes, with specific purposes to be determined. See Use of Proceeds. |
| Form, Denomination and Registration | The notes will be issued in fully registered form. The notes will be issued in minimum denominations of $2,000 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 Depositary, Global Notes. |
| Governing Law | State of New York. |
| Listing | The notes will not be listed on any securities exchange. |
| Trustee | Wells Fargo Bank, National Association. |

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## Summary Financial Information and Other Data

The summary consolidated financial information and other data below is derived from the consolidated financial statements of Avnet. Avnet refers 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 from our Annual Report on Form 10-K for the fiscal year ended June 27, 2009 and our Quarterly Report on Form 10-Q for the quarter ended April 3, 2010. This summary financial information should be read in conjunction with the footnotes below as there are various special items recorded in certain periods presented.

| | Nine Months Ended | | Fiscal Years Ended | | |
|---|---|---|---|---|---|
| | April 3, 2010 | March 28, 2009(1) | June 27, 2009(1) | June 28, 2008(1) | June 30, 2007(1) |
| | | | (In millions) | | |
| **Statement of Operations Data:** | | | | | |
| Sales | $ 13,946.3 | $ 12,464.5 | $ 16,229.9 | $ 17,952.7 | $ 15,681.1 |
| Cost of sales | 12,311.9 | 10,884.3 | 14,206.9 | 15,639.0 | 13,632.5 |
| Gross profit | 1,634.4 | 1,580.2 | 2,023.0 | 2,313.7 | 2,048.6 |
| Selling, general and administrative expenses | 1,190.5 | 1,174.0 | 1,531.5 | 1,564.0 | 1,362.6 |
| Impairment charges(2) | | 1,348.8 | 1,411.1 | | |
| Restructuring, integration and other charges(3) | 25.4 | 55.8 | 99.3 | 38.9 | 7.4 |
| Operating income (loss) | 418.5 | (998.4) | (1,018.9) | 710.8 | 678.6 |
| Other income (expense), net | 3.6 | (8.2) | (11.7) | 20.9 | 10.0 |
| Interest expense | (45.9) | (64.1) | (78.7) | (88.2) | (91.9) |
| Gain on sale of assets(4) | 8.8 | | 14.3 | 49.9 | 3.0 |
| Debt extinguishment costs(5) | | | | | (27.4) |
| Income (loss) before income taxes | 385.0 | (1,070.7) | (1,095.0) | 693.4 | 572.3 |
| Income tax provision | 115.7 | 28.1 | 34.7 | 203.8 | 187.9 |
| Net income (loss) | $ 269.3 | $ (1,098.8) | $ (1,129.7) | $ 489.6 | $ 384.4 |

| | April 3, 2010 | June 27, 2009(1) | June 28, 2008(1) | June 30, 2007(1) |
|---|---|---|---|---|
| | | (In millions) | | |
| **Balance Sheet Data:** | | | | |
| Cash and cash equivalents | $ 754.6 | $ 943.9 | $ 640.4 | $ 557.4 |
| Working capital | 2,884.3 | 2,688.4 | 3,191.3 | 2,711.2 |
| Total assets | 7,157.8 | 6,273.5 | 8,195.2 | 7,343.7 |
| Total debt | 992.6 | 969.9 | 1,213.1 | 1,181.2 |
| Total liabilities | 4,136.8 | 3,512.7 | 4,053.3 | 3,926.4 |

| | | | | |
|---|---|---|---|---|
| Shareholders equity | 3,021.0 | 2,760.9 | 4,141.9 | 3,417.4 |

*(Footnotes on next page)*

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(1) As adjusted for the retrospective application of an accounting standard. The Financial Accounting Standards Board issued authoritative guidance which requires the issuer of certain convertible debt instruments that may be settled in cash (or other assets) on conversion to separately account for the debt and equity (conversion option) components of the instrument. The standard requires the convertible debt to be recognized at the present value of its cash flows discounted using the non-convertible debt borrowing rate at the date of issuance. The resulting debt discount from this present value calculation is to be recognized as the value of the equity component and recorded to additional paid-in-capital. The discounted convertible debt is then required to be accreted up to its face value and recorded as non-cash interest expense over the expected life of the convertible debt. In addition, deferred financing costs associated with the convertible debt are required to be allocated between the debt and equity components based upon relative values. During the first quarter of fiscal 2010, the Company adopted this standard; however, there was no impact to the fiscal 2010 consolidated financial statements because the Company s $300.0 million 2% Convertible Senior Debentures, to which this standard applies, were extinguished in fiscal 2009. Due to the required retrospective application of this standard to prior periods, the Company adjusted the prior period comparative consolidated financial statements. The following table summarizes the adjustments to increase (decrease) previously reported balances.

| | Fiscal Year Ended | | | Nine Months Ended |
|---|---|---|---|---|
| **Adjustments Increase (Decrease)** | **June 27, 2009** | **June 28, 2008** | **June 30, 2007** | **March 28, 2009** |
| | | **(In millions)** | | |
| Selling, general and administrative expenses | $ (0.3) | $ (0.4) | $ (0.4) | $ (0.3) |
| Interest expense | 12.2 | 15.9 | 14.8 | 12.2 |
| Income tax provision | (4.6) | (6.0) | (5.7) | (4.6) |
| Net income | (7.3) | (9.5) | (8.7) | (7.3) |
| Prepaid and other current assets | | (0.3) | (0.7) | |
| Other assets | | (4.6) | (10.7) | |
| Long term debt | | (12.2) | (28.1) | |
| Shareholders equity | $ | $ 7.3 | $ 16.8 | $ |

(2) During the first nine months of fiscal 2009, the Company recognized non-cash goodwill and intangible asset impairment charges totaling $1.35 billion pre-tax and $1.31 billion after-tax. In the second quarter of fiscal 2009, due to a steady decline in the Company s market capitalization primarily related to the global economic downturn, the Company determined that an interim impairment test was necessary. Based on the test results, the Company recognized a non-cash goodwill impairment charge of $1.32 billion pre-tax and $1.28 billion after-tax to write off all goodwill related to its Electronics Marketing Americas, Electronics Marketing Asia, Technology Solutions EMEA and Technology Solutions Asia reporting units. The Company also evaluated the recoverability of its long-lived assets at each of the four reporting units where goodwill was deemed to be impaired. Based upon this evaluation, the Company recognized a non-cash intangible asset impairment charge of $31.4 million pre- and after-tax. In addition to the impairment charges recognized during the first nine months of fiscal 2009, the Company also recognized an additional impairment charge of $62.3 million pre- and after-tax during the fourth quarter of fiscal 2009.

(3)

During the first nine months of fiscal 2010, the Company recognized restructuring, integration and other charges of $25.4 million pre-tax and $18.8 million after-tax related to the remaining cost reduction actions that began in the prior year. In response to the global economic slowdown, the Company initiated significant cost reduction actions during fiscal 2009 in order to realign its expense structure with market conditions. As a result, the Company recognized restructuring, integration and other charges of $55.8 million pre-tax and $40.0 million after-tax for the first nine months of fiscal 2009 and $99.3 million pre-tax and $65.3 million after-tax for fiscal 2009. During fiscal 2008, the Company incurred restructuring, integration and other charges totaling $38.9 million pre-tax and $31.5 million after-tax related to cost reductions considered necessary by management to improve the performance of certain business units and integration costs associated with recently acquired businesses. During fiscal 2007, the Company incurred certain

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restructuring, integration and other charges amounting to $7.4 million pre-tax and $5.3 million after-tax as a result of cost-reduction initiatives in all three regions, acquisition-related costs and other items.

(4) During the first nine months of fiscal 2010, the Company recognized a gain on sale of assets totaling $8.8 million pre-tax and $5.4 million after-tax as a result of certain earn-out provisions associated with the prior sale of an equity investment. During fiscal 2009, the Company recognized a gain totaling $14.3 million pre-tax and $8.7 million after-tax also as a result of certain earn-out provisions associated with the prior sale of an equity investment. During fiscal 2008, the Company recognized a gain on sale of assets totaling $49.9 million pre-tax and $32.2 million after-tax related to the sale of an equity investment, the sale of a building in the EMEA region and the receipt of contingent purchase price proceeds related to a prior sale of a business. During fiscal 2007, the Company recorded a gain related to the first receipt of contingent purchase price proceeds from a prior sale of a business.

(5) Debt extinguishment costs incurred during fiscal 2007 related to the October 2006 redemption of all of Avnet s 93/4% Notes due March 15, 2014 and totaled $27.4 million pre-tax and $16.5 million after-tax.

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## RISK FACTORS

*An investment in the notes involves risks. You should carefully consider the following risk factors and the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended June 27, 2009, before making an investment in the notes. The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus includes forward-looking statements that involve risks and uncertainties. See Forward-Looking Statements in this prospectus supplement. Avnet s actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus supplement.*

### Risks Relating to the Notes

***Any secured debt of Avnet will have claims with respect to the secured assets that are superior to that of the notes.***

The indenture contains a covenant that restricts the incurrence of secured debt, although that restriction is subject to important exceptions. Avnet s other debt instruments permit Avnet and its subsidiaries to incur a substantial amount of indebtedness that can be secured by Avnet s assets. All of Avnet s secured debt, if any, to the extent of the value of the assets securing such debt or the amounts of secured debt outstanding, whichever is less, will be superior to the notes. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, Avnet s pledged assets would be available to satisfy obligations of the secured debt before any payment could be made on the notes. To the extent that these assets cannot satisfy in full Avnet s secured debt, the holders of such debt would have a claim for any shortfall that would rank equally in right of payment with the notes. In that event, Avnet may not have sufficient assets remaining to pay amounts due on any or all of the notes. At April 3, 2010, Avnet did not have any outstanding consolidated secured debt; however, it may issue secured debt in the future and such secured debt will have a right of payment superior to that of the notes.

Additionally, under Avnet s accounts receivable securitization program, Avnet is able to sell on an ongoing basis most of its domestic trade accounts receivables to a bankruptcy remote subsidiary, which, in turn, sells a portion of these receivables to a bank conduit. Receivables sold under the securitization program, and the proceeds from these receivables, will not be available for repayment of the notes and the indenture governing the notes does not restrict Avnet s ability to securitize its receivables. At April 3, 2010, Avnet had no borrowings outstanding under its securitization program.

***The claims of creditors of Avnet s subsidiaries are superior to the claims of Avnet s equity interests in its subsidiaries.***

Avnet s equity interest in its subsidiaries is subordinate to any debt and other liabilities and commitments, including trade payables and lease obligations, of Avnet s subsidiaries, whether or not secured. The notes will not be guaranteed by Avnet s subsidiaries and Avnet may not have direct access to the assets of its subsidiaries unless these assets are transferred by dividend or otherwise to Avnet. At April 3, 2010, Avnet s subsidiary debt to which the notes would effectively be subordinated totaled $58.1 million. Most of Avnet s subsidiary debt is guaranteed by Avnet. Avnet s subsidiaries also have the ability to borrow an additional $442.9 million under various lines of credit, which are cancelable on short-term notice, and $450.0 million under Avnet s securitization program. The ability of the subsidiaries to pay dividends or otherwise transfer assets to Avnet is subject to various restrictions under applicable law. Avnet s right to receive assets of any of its subsidiaries upon the subsidiary s liquidation or reorganization is subordinated effectively to the claim of that subsidiary s creditors. As note holders claims to the assets of Avnet s subsidiaries are derivative of Avnet s equity claims in its subsidiaries, the claims of Avnet s subsidiaries creditors are superior to any claims of the note holders to any assets of Avnet s subsidiaries and any subsidiaries that Avnet may in the future acquire or establish.

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***An active trading market may not develop for the notes.***

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange. The underwriters have advised Avnet that they presently intend to make a market in the notes as permitted by applicable law. However, the underwriters are not obligated to make a market in the notes and may cease their market-making activities at any time at their discretion without notice. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for securities and by changes in the financial performance or prospects of Avnet and/or companies in Avnet s industry generally. As a result, Avnet cannot assure you that an active trading market will develop or be maintained for the notes, in which case the market price and liquidity of the notes may be adversely affected.

***The indenture does not restrict the amount of additional debt that Avnet may incur.***

The notes and the indenture governing the notes do not limit the amount of unsecured debt that may be incurred by Avnet, permits Avnet to incur secured debt under specified circumstances, and permits Avnet s subsidiaries to incur debt, whether secured or unsecured, without restriction. The incurrence of additional debt by Avnet or any of its subsidiaries may have important consequences for the holder of the notes, including making it more difficult for Avnet to satisfy its obligations with respect to the notes, a loss in the market value of the notes and a risk that the credit rating of the notes is lowered or withdrawn.

***Avnet may be unable to purchase the notes upon a change of control.***

Upon the occurrence of a Change of Control Triggering Event described herein, each holder of notes will have the right to require Avnet to repurchase all or any part of such holder s notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date. If Avnet experiences a Change of Control Triggering Event, there can be no assurance that Avnet would have sufficient financial resources available to satisfy its obligations to repurchase the notes. Avnet s failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for Avnet and the holders of the notes. See Description of the Notes Change of Control.

***Noteholders may not be able to determine when a change of control has occurred giving rise to such holders rights to having their notes repurchased by Avnet following a sale of all or substantially all of Avnet s assets.***

The Change of Control definition applicable to the notes as described in Description of the Notes Change of Control includes a clause relating to the sale, conveyance, transfer or lease of all or substantially all of Avnet s assets and the assets of Avnet s subsidiaries taken as a whole. Although there is a limited body of case law interpreting the term substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, a noteholder s ability to require Avnet to repurchase such holder s notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all or substantially all of the assets of Avnet and its subsidiaries, taken as a whole, to another person may be uncertain in some circumstances.

***Changes in Avnet s credit ratings may adversely affect the value of the notes.***

The notes are expected to be rated Baa3 and BBB- by Moody s Investors Service, Inc. and Standard & Poor s Ratings Services, respectively. Ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significa