Third Quarter 2010 Earnings Call

October 27, 2010

Welcome

Greer Aviv

Manager, Investor Relations

Safe Harbor Statement

Some of the comments to be made on today's call may include forward-looking statements, including statements addressing future financial results. These statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: industry conditions, the company's implementation of its new global financial system and the company's planned implementation of its new enterprise resource planning system, changes in product supply, pricing and customer demand, competition, other vagaries in the global components and global ECS markets, changes in relationships with key suppliers, increased profit margin pressure, the effects of additional actions taken to become more efficient or lower costs, and the company's ability to generate additional cash flow. Forward-looking statements are those statements, which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as "expects," "anticipates," "intends," "plans," "may," "will," "believes," "seeks," "estimates," and similar expressions. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Business Overview

Mike Long

Chairman, President, and CEO

Overview
Positive momentum continues…

- Q3 was another terrific quarter
  - Driven by very strong performance in both business units
- Earnings per share well ahead of expectations
  - Almost tripled Y/Y
  - Eighth consecutive quarter of exceeding Street estimates
- Significant earnings power in the business
- Returns advancing strongly
  - Return on working capital and return on invested capital almost 2x greater than year-ago
- We have made meaningful progress against strategic initiatives
  - Profitable market share growth
  - Gross profit optimization
  - Operational excellence

Overview

Positive momentum continues…

- Strong balance sheet and liquidity
- During Q3 we completed the acquisitions of Shared Technologies, Transim Technology Corporation, and Eshel Technology Group
- Announced signing of agreements to acquire Nu Horizons Electronics and the RF, Wireless and Power Division of Richardson Electronics
- Acquisitions accelerate strategy
  - Expand portfolio
  - Build strategic capabilities
  - Meet the evolving needs of suppliers and customers
- Expected to be accretive to earnings by $.25-$.42 per share annually in addition to $.15 to $.22 of annual accretion from other recently closed acquisitions

Global Components

- Sales ahead of normal seasonality
  - Extremely strong growth in Americas, Europe, and core Asia Pac
- Lead times stabilizing
- Book-to-bill at 1.1
- Cancellation rates in line with normal historical patterns in North America and Europe
  - Increased modestly in Asia Pac
- Quarterly customer survey in North America
  - Outlook for purchase requirements heading into Q4 remains positive
- Well positioned to outgrow the market
  - Strong line card
  - Broad technology portfolio
  - Diverse customer base

Global Enterprise Computing Solutions

- Sales in line with normal seasonality
  - Strong federal buying season in U.S.
  - Storage, software, and ISS grew at very strong double-digit rates Y/Y
  - Q/Q we saw solid double-digit growth in ISS; remaining products were in line with normal seasonality
- Overall IT spending has rebounded
  - Estimated to be up low-single digits in 2010
  - Pockets of IT market expected to grow faster
    - Markets served expected to be up high-single digits
- Strategic goal to participate in faster growing markets
  - Organically through new and expanded supplier relationships
  - Ability to bring new products to the data center

In Summary…

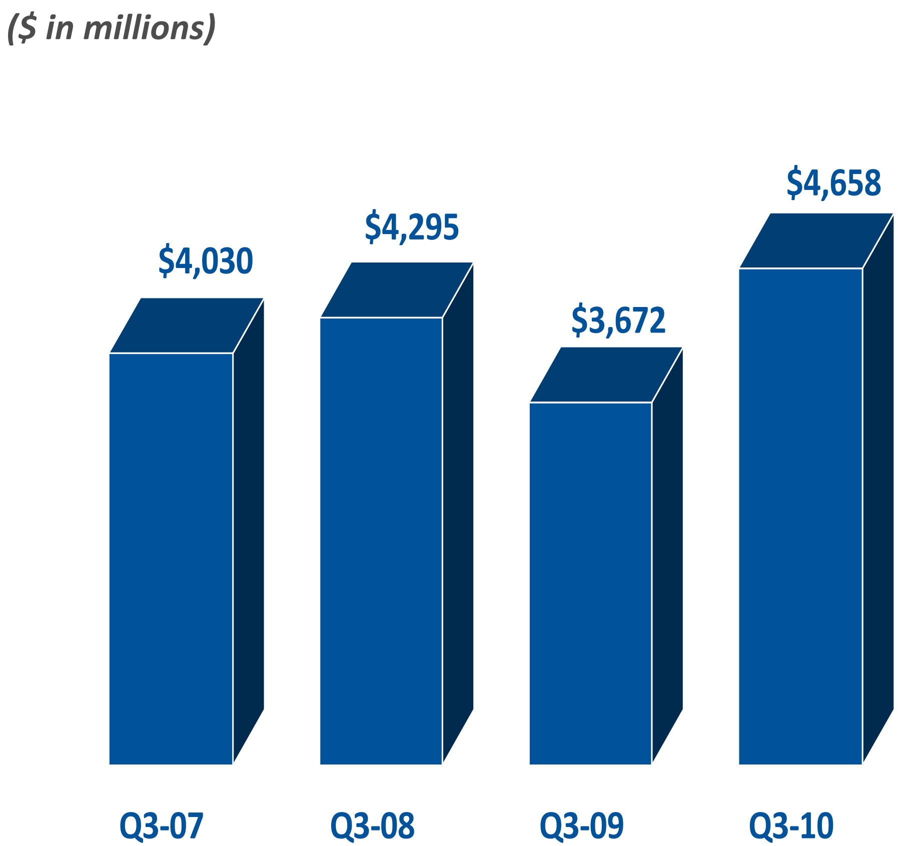
- Another quarter of impressive growth and profitability
- Progress on strategic evolution to sales excellence organization
  - Profitable market share growth
  - Gross profit optimization
  - Operational excellence
- Exciting new opportunities ahead
  - New markets and geographies
  - Expanded scale and scope

Financial Overview

Paul Reilly

Executive Vice President, Finance and Operations & CFO

Consolidated Sales



- Sales $4.7Bn
  - At high end of expectations
  - +27% Y/Y, +1% Q/Q
    - At high end of normal seasonality
    - Expect normal seasonality in Q4
- Operating income grew more than 5x faster than sales Y/Y

P&L Highlights

($ in millions, except per share data, may reflect rounding)

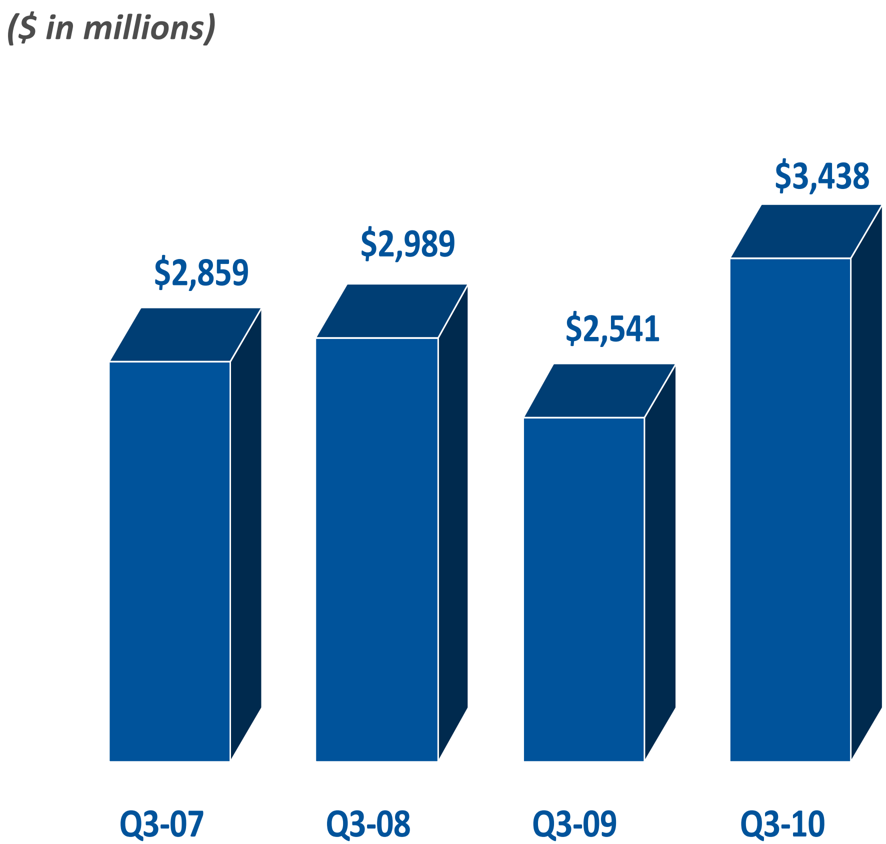
	3Q10	Q/Q Change	Y/Y Change
Sales	$4,658	+1%	+27%
Gross Profit Margin	13.1%	+30bps	+160bps
Operating Exp*/Sales	8.8%	+30bps	-40bps
Operating Income*	$198.9	+2%	+141%
Operating Margin*	4.3%	+10bps	+200bps
Net Income*	$128.0	+6%	+185%
Diluted EPS*	$1.08	+7%	+192%

** Represents GAAP measure adjusted to exclude the impact of restructuring and integration and other items affecting comparability. Includes amortization of intangible assets of $.03. See "Earnings Reconciliation" for a reconciliation between GAAP and "Adjusted" results.*

Position of Financial Strength

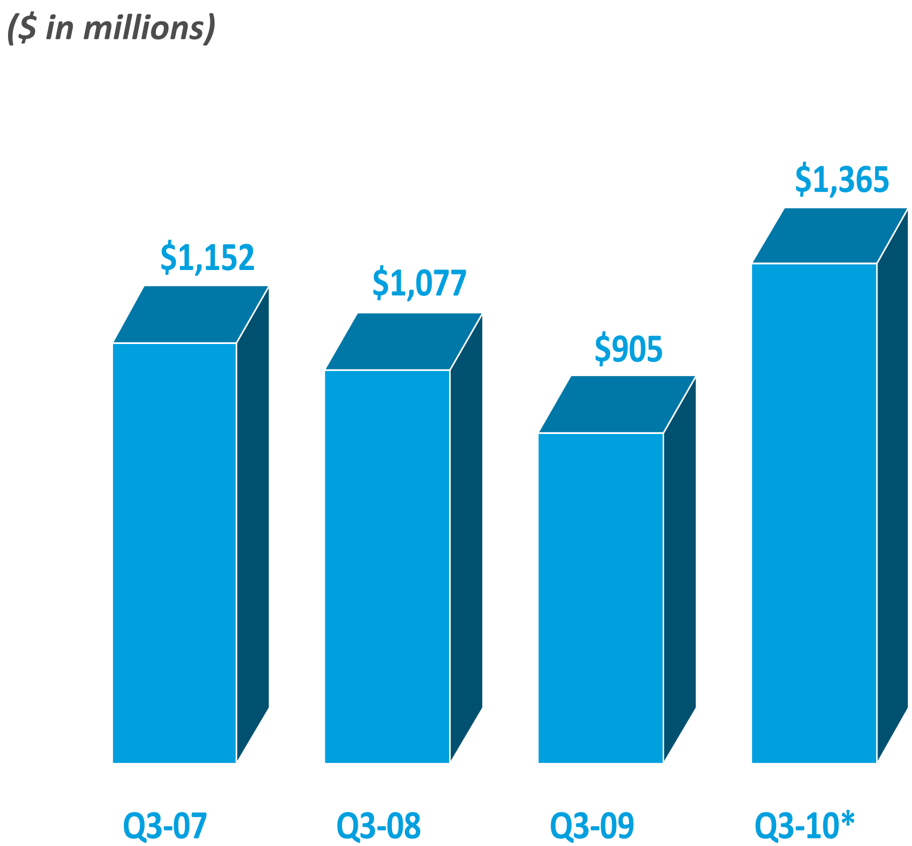
- ROIC of 13.7%
  - Increased almost 2x Y/Y
- Active in the market buying back shares
  - Executed on $125 million of $200 million authorization
- Retired $70 million of 9.15% debt due October 1
- Used $27 million in cash from operations
  - Continue to invest in the business to support growth
- Efficiently managing working capital
  - Working capital to sales below long-term target range
  - ROWC almost doubled Y/Y
- Balance sheet and capital structure strong
  - Conservative debt levels
  - Net debt to EBITDA approximately 1x

Global Components Revenue



- Sales $3.4Bn
  - +35% Y/Y, +6% Q/Q
  - +38% Y/Y, +5% Q/Q ex FX
- Gross margin up 200 bps Y/Y and flat Q/Q
- Record low level of operating expense/sales
- Significant leverage
  - Operating income grew 4x faster than sales Y/Y
  - Operating margin increased 250 bps Y/Y and 10 bps Q/Q
- ROWC increased more than 50% Y/Y

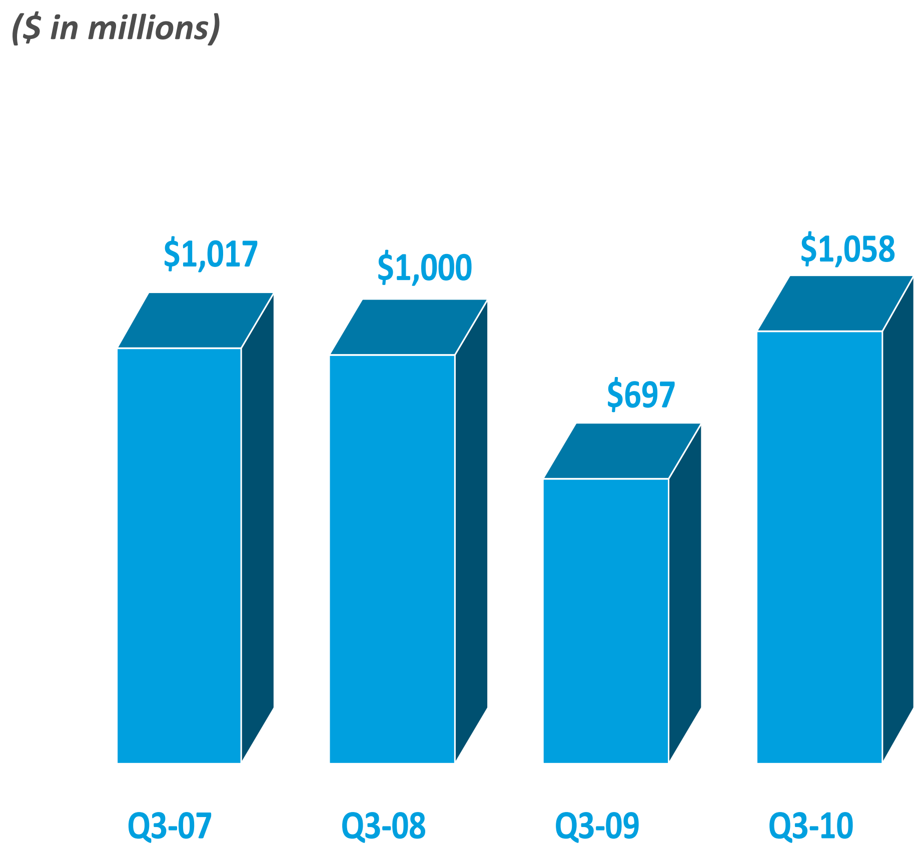
Americas Components Revenue



- Sales $1.4Bn
  - +51% Y/Y, +8% Q/Q
  - Substantially ahead of normal seasonality
- Broad based strength in Semi and PEMCO
- Vertical market growth very strong Y/Y
- Operating income +101% Y/Y and +13% Q/Q
  - Grew more than 2x faster than sales Y/Y
- Q4 sales expected to be in line with normal seasonality

** Includes A.E. Petsche, Converge, Verical, Transim, and Eshel.*

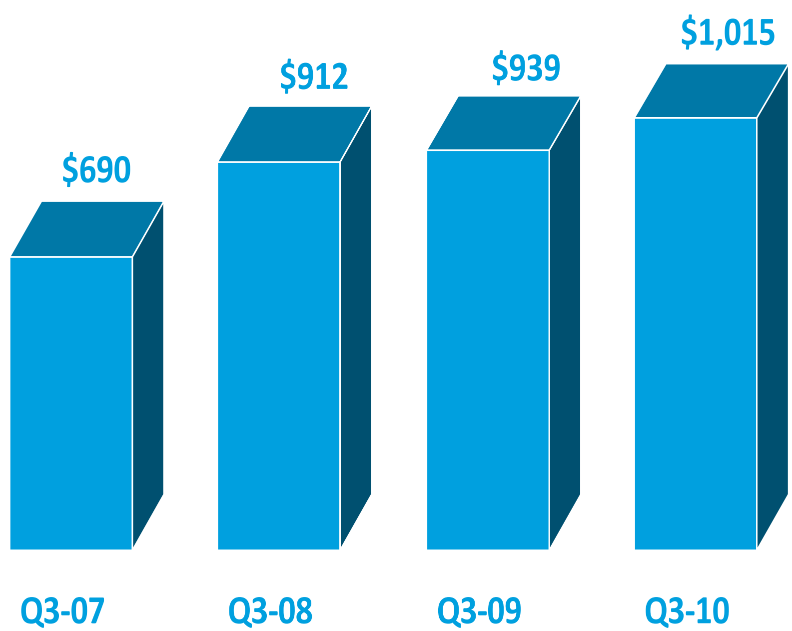
Europe Components Revenue



- Sales $1.1Bn
  - +52% Y/Y, +9% Q/Q
  - +64% Y/Y, +6% Q/Q ex FX
  - Well ahead of normal seasonality
- Performance in Central Europe particularly strong
  - Increased demand and strengthening exports
- Strong double-digit growth in vertical markets
- Operating income grew more than 5x year-ago level
  - 8x faster than sales growth
- Q4 sales expected to be in line with normal seasonality

Asia Pac Components Revenue

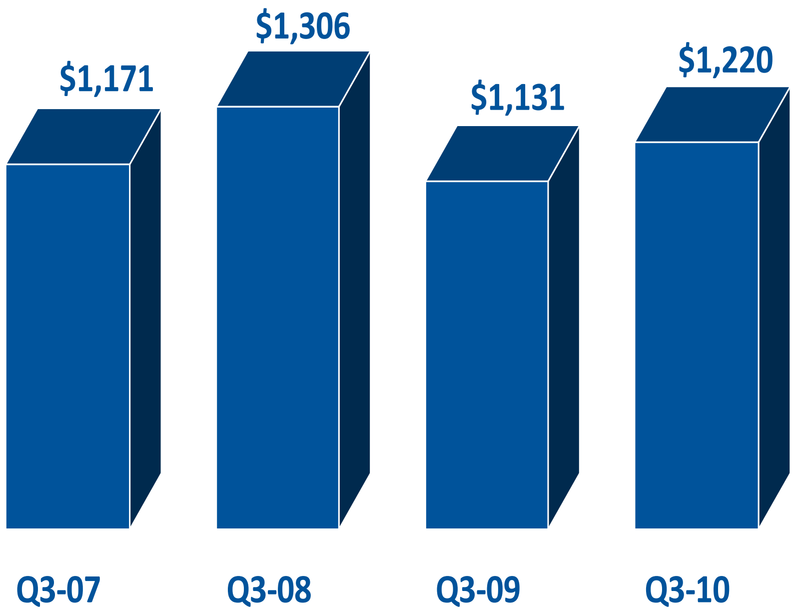
($ in millions)



- Core business still strong
  - Sales up more than 40% Y/Y
  - Solid gains in Greater China
- Sales $1.0Bn
  - +8% Y/Y, -2% Q/Q
- Strength in lighting, industrial, and automotive
- Operating income +82% Y/Y and -2% Q/Q
  - Increased more than 10x faster than sales Y/Y
- Q4 sales expected to be above normal seasonality

Global Enterprise Computing Solutions Revenue

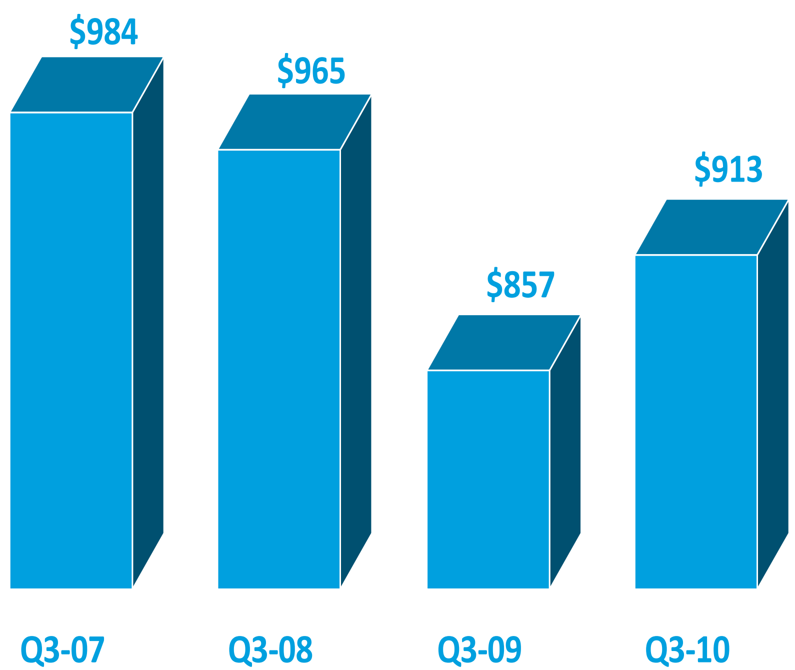
($ in millions)



- Sales $1.2Bn
  - +8% Y/Y, -10% Q/Q
  - In line with normal seasonality
- Gross margin +20 bps Y/Y and +90 bps Q/Q
- Operating income grew 10% Y/Y
  - Declined 18% Q/Q
- Q4 sales expected to be in line with normal seasonality

ECS North America Revenue

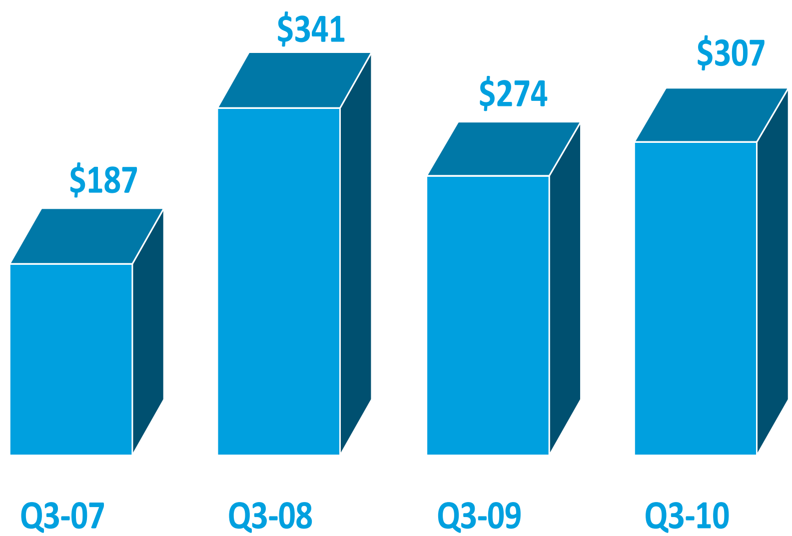
($ in millions)



- Sales $913MM
  - +7% Y/Y, -8% Q/Q
  - In line with normal seasonality
- Strong seasonal federal sales and good performance in storage
- Services business showing steady growth
- Operating income + 9% Y/Y

ECS Europe Revenue

($ in millions)



- Sales $307MM
  - +12% Y/Y, -15% Q/Q
  - +24% Y/Y, -17% Q/Q ex FX
- Strong performance in UK and the Nordic region
- Substantial Y/Y growth in services
- Operating profit increased 46% Y/Y
  - Almost 4x faster than sales growth

Closing Comments

Mike Long

Chairman, President, and CEO

In Closing…

- Very strong Q3
  - Exceptional EPS growth
  - Industry-leading operating margins
  - Very strong returns on capital
- All while still investing in the business for future growth
- Components business experienced fifth consecutive quarter of better than normal seasonality
- In ECS we saw very strong growth in newer initiatives including security and networking
- Global strategy capitalizes on financial strength and best-in-class operational efficiency
  - Effective go-to-market model
  - Cost-effective and efficient solutions for suppliers and customers
- Providing our suppliers and customers with a differentiated value proposition

Fourth Quarter 2010 Guidance

• Consolidated Sales	$5.0Bn to $5.4Bn
– Global Components	$3.325Bn to $3.525Bn
– Global ECS	$1.675Bn to $1.875Bn
• Diluted EPS*	$1.22 to $1.32

***** *Excluding charges, including $.04 estimated amortization of intangible assets.*

Questions & Answers

Earnings Reconciliation

($ in thousands, except per share data)

	Q3`10	Q2`10	Q3`09
Operating income, as Reported	$184,519	$189,191	$45,056
Restructuring, integration, and other charges	14,338	5,649	37,583
Operating income, as Adjusted	$198,857	$194,840	$82,639
Net income attributable to shareholders, as Reported	$118,502	$116,193	$12,581
Restructuring, integration, and other charges	9,506	4,095	29,075
Loss on prepayment of debt	--	964	3,228
Net income attributable to shareholders, as Adjusted	$128,008	$121,252	$44,884
Diluted EPS, as Reported	$1.00	$.97	$.10
Restructuring, integration, and other charges	.08	.03	.24
Loss on prepayment of debt	--	.01	.03
Diluted EPS, as Adjusted	$1.08	$1.01	$.37

The sum of the components for net income per share, as Adjusted, may not agree to totals, as presented, due to rounding.

Earnings Reconciliation

References to restructuring and other charges refer to the following incremental charges taken in the quarters indicated:

<u>Q3-10 Restructuring, Integration, and Other Charges</u>: During the second quarter of 2010, the company recorded restructuring, integration, and other charges of $14.3 million ($9.5 million net of related taxes or $.08 per share on both a basic and diluted basis) primarily related to initiatives taken by the company to improve operating efficiencies.

<u>Q2-10 Restructuring, Integration, and Other Charges</u>: During the second quarter of 2010, the company recorded restructuring, integration, and other charges of $5.6 million ($4.1 million net of related taxes or $.03 per share on both a basic and diluted basis) primarily related to initiatives taken by the company to improve operating efficiencies.

<u>Q2-10 Loss on Prepayment of Debt</u>: During the second quarter of 2010, the company recorded a loss on prepayment of debt of $1.6 million ($1.0 million net of related taxes or $.01 per share on both a basic and diluted basis).

<u>Q3-09 Restructuring and Integration Charges:</u> During the third quarter of 2009, the company recorded restructuring, integration, and other charges of $37.6 million ($29.1 million net of related taxes or $.24 per share on both a basic and diluted basis) primarily related to initiatives taken by the company to improve operating efficiencies.

<u>Q3-09 Loss on Prepayment of Debt:</u> During the third quarter of 2009, the company recorded a loss on prepayment of debt of $5.3 million ($3.2 million net of related taxes or $.03 per share on both a basic and diluted basis) related to the repurchase of $130.5 million principal amount of its 9.15% senior notes due 2010.

Third Quarter 2010 Earnings Call

October 27, 2010