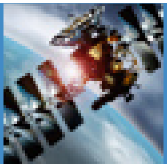
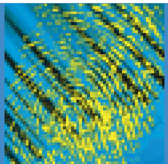
Second Quarter 2010 Earnings Call

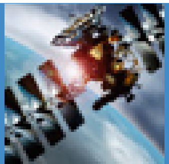
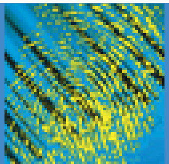
July 28, 2010


WELCOME

Greer Aviv

Manager,
Investor Relations

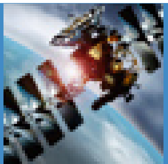
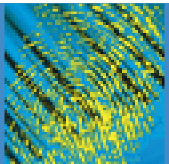

SAFE HARBOR STATEMENT

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

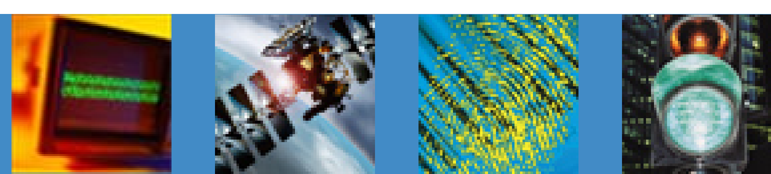
Chairman, President, and CEO


OVERVIEW

Outstanding second quarter with record-level revenue and EPS

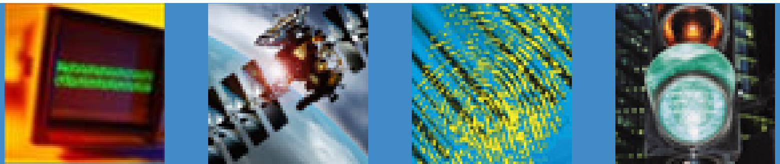
- Both business units drove the strength in the quarter
  - Global components sales +44% Y/Y
  - Global ECS +21% Y/Y
- Strong cash flow generation ahead of our expectations
- Earnings per share more than tripled Y/Y
- Returns on capital extremely strong
  - Return on working capital 2x greater than year-ago
  - Return on invested capital near record level
- Results demonstrate ability to maximize shareholder value and manage through cycles



OVERVIEW

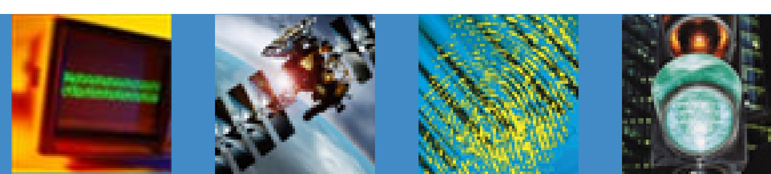
Outstanding second quarter with record-level revenue and EPS

- Global components sales ahead of normal seasonality
  - Strength in all regions
  - Upward trend in gross margin continued
- Global ECS sales growth better than normal seasonality
  - Good double-digit growth in practically all of our products
- Successful ERP implementation in Northern Europe
- Continue to invest in initiatives to grow the business
  - Organic growth driven by vertical market expansion and inventory
  - Completed the acquisitions of Converge, Verical, and Sphinx



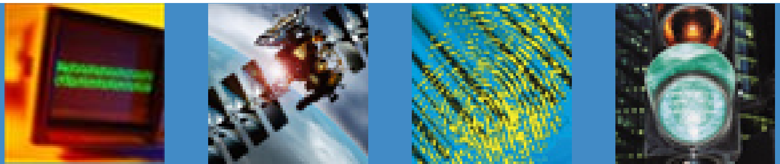
GLOBAL COMPONENTS

- Record-level sales above normal seasonality
  - Exceptional sales and operating income growth across all regions
- Upward trend in gross margin carried into Q2
  - Expanded 170 bps Y/Y and 40 bps Q/Q
- Lead times remain extended
- Book-to-bill above 1.1
  - In line with levels we saw in Q2 2009
- No meaningful change in cancellation rates
- Quarterly customer survey in North America
  - Outlook for purchase requirements heading into Q3 remains robust
- Will continue to outperform the market



GLOBAL ENTERPRISE COMPUTING SOLUTIONS

- Sales above normal seasonality and our expectations
  - Storage, software, services, and industry-standard servers grew at very strong double-digits rates Y/Y
- Strategic investments in key solution segments paying off
  - Sales mix and business model are changing
- Committed to actioning $20MM in annual efficiency initiatives from ERP implementation
  - Executed on $8MM in Q2
  - Expect remaining $12MM of savings to be realized starting in Q3



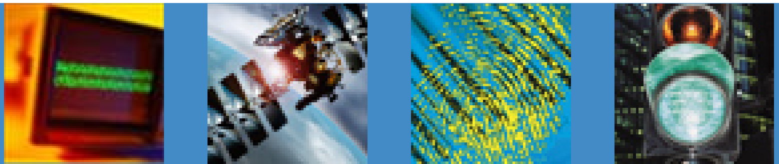
IN SUMMARY…

- Terrific performance in Q2
- Dedication to strategic objectives
- Strategic evolution to “sales excellence” organization
  - Profitable market share growth
  - Operational efficiency
  - Managing the business at best-in-class levels

FINANCIAL OVERVIEW

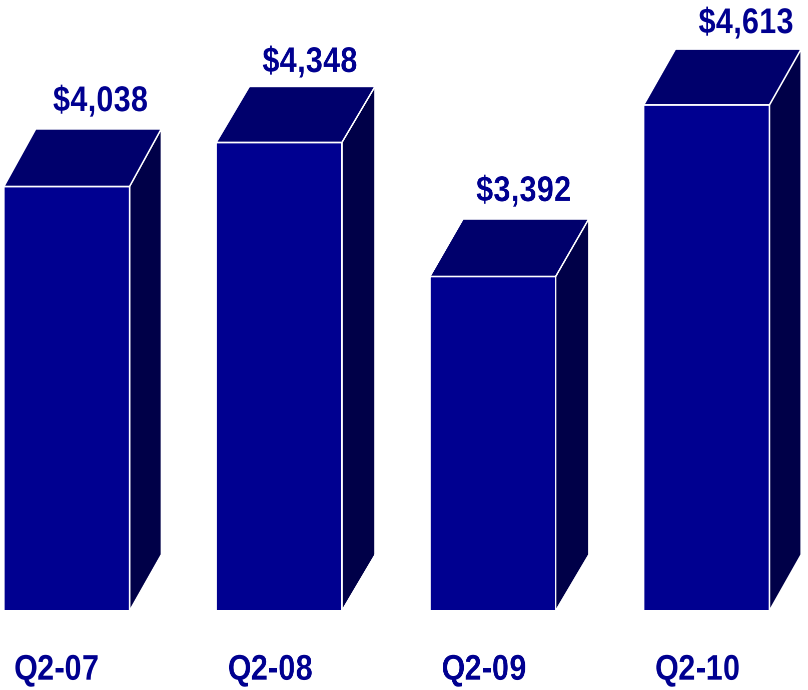
Paul Reilly

Executive Vice President, Finance and Operations & CFO



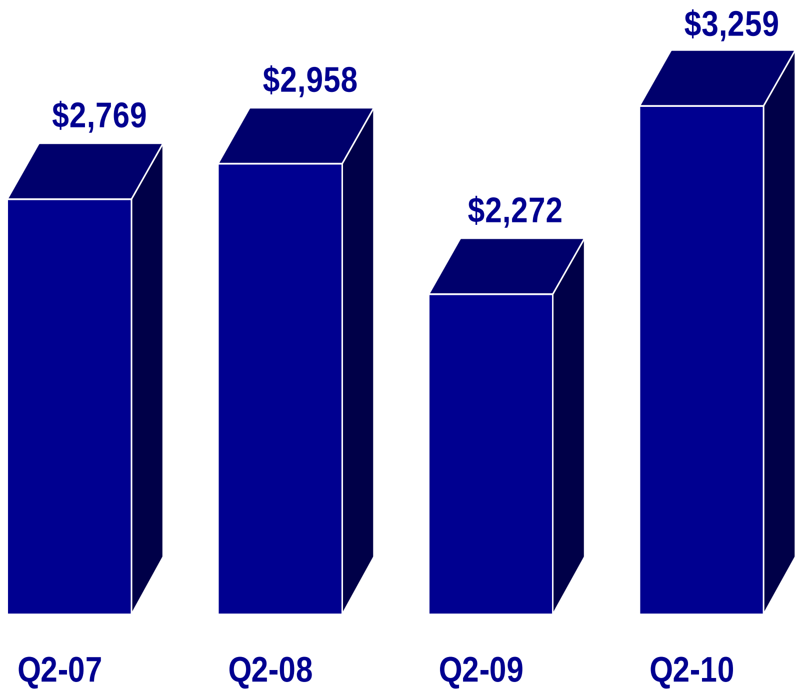
CONSOLIDATED SALES

($ in millions)

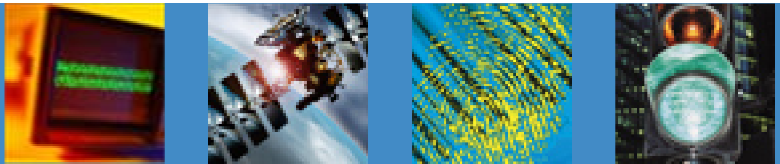


- Sales $4.6Bn
  - Ahead of expectations
  - +36% Y/Y, +9% Q/Q
    - + Third consecutive quarter of Y/Y growth
    - + Record level revenue
- Operating income grew more than 2.5x Y/Y

GLOBAL COMPONENTS
($ in millions)

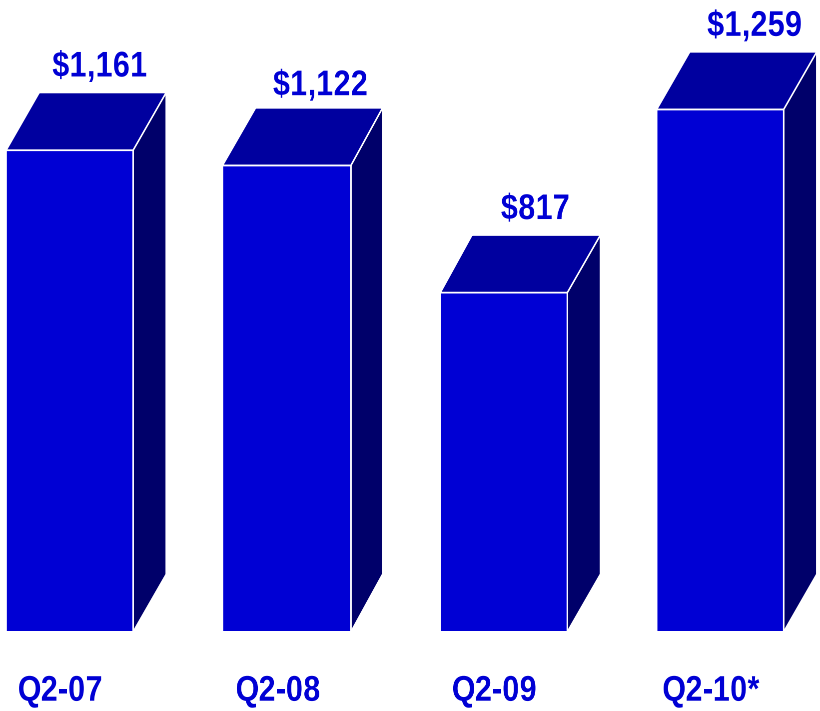


- Sales $3.3Bn
  - +44% Y/Y, +4% Q/Q
  - +46% Y/Y, +7% Q/Q ex FX
- Gross margin up 170 bps Y/Y and 40 bps Q/Q
- Near record low level of operating expense/sales
- Significant leverage
  - Operating income grew faster than sales Y/Y and Q/Q
  - Operating margin increased 300 bps Y/Y and 70 bps Q/Q
- ROWC more than doubled
  - Highest level we have seen in the last ten years



AMERICAS COMPONENTS REVENUE

($ in millions)

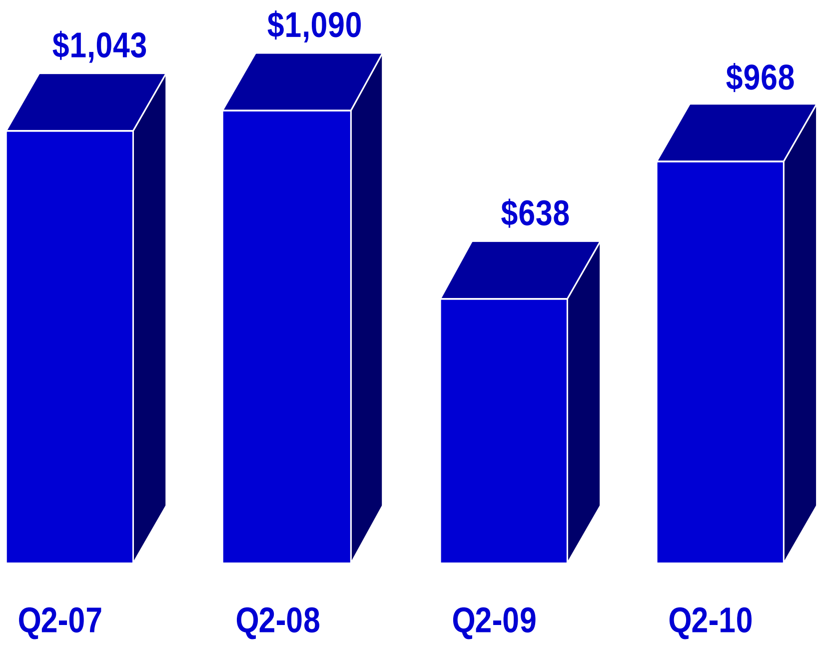


- Sales $1.3Bn
  - +54% Y/Y, +11% Q/Q
  - Substantially ahead of normal seasonality
- Strength across the board
  - Notable growth in aerospace & defense and lighting
- Operating income +114% Y/Y and +20% Q/Q
  - Grew more than 2x faster than sales Y/Y
- Q3 sales expected to be above normal seasonality

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

EUROPE COMPONENTS REVENUE

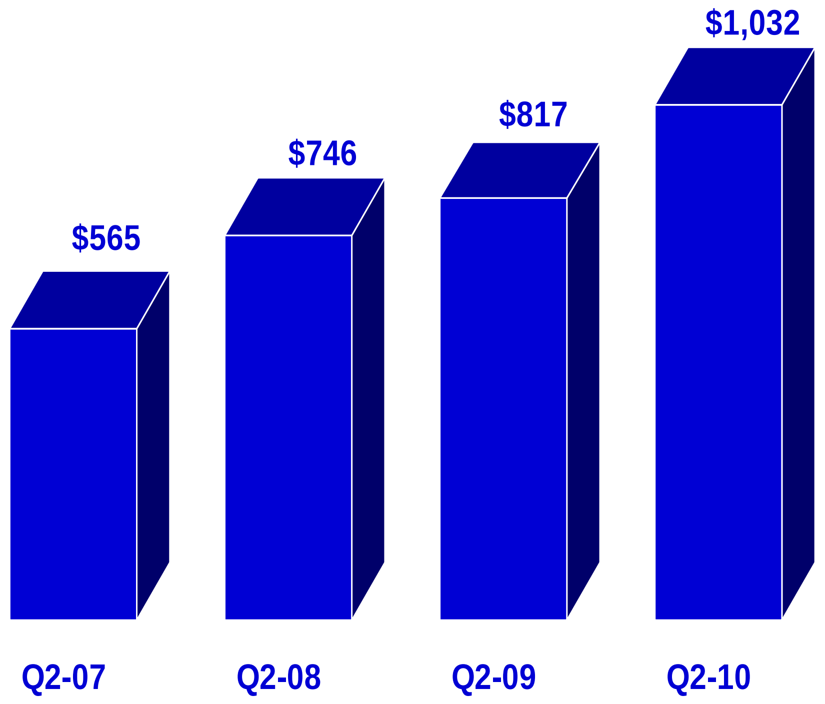
($ in millions)



- Sales $968MM
  - +52% Y/Y, flat Q/Q
  - +60% Y/Y, +8% Q/Q ex FX
  - Ahead of normal seasonality
- Strength across the board
  - Central Europe particularly strong
  - Transportation and lighting very strong
- Operating income grew almost 70x year-ago level
  - Operating margin rebounded to the 2007 level
- Q3 sales expected to be above normal seasonality

ASIA PAC COMPONENTS REVENUE

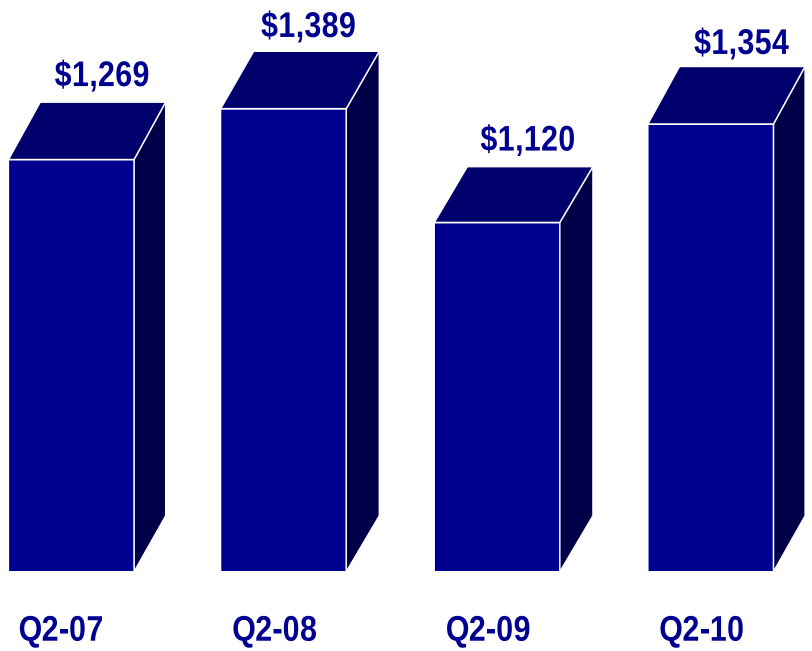
($ in millions)



- Sales $1.0Bn
  - +26% Y/Y, +1% Q/Q
  - Record level of sales, gross profit, and operating income
- Core business particularly strong
  - Sales up more than 50% Y/Y
- Strength in lighting, industrial, PEMCO, and automotive
- Operating income +153% Y/Y and +31% Q/Q
  - Operating margin doubled Y/Y and is at highest level since 2000
- Q3 sales expected to be in line with market

GLOBAL ENTERPRISE COMPUTING SOLUTIONS

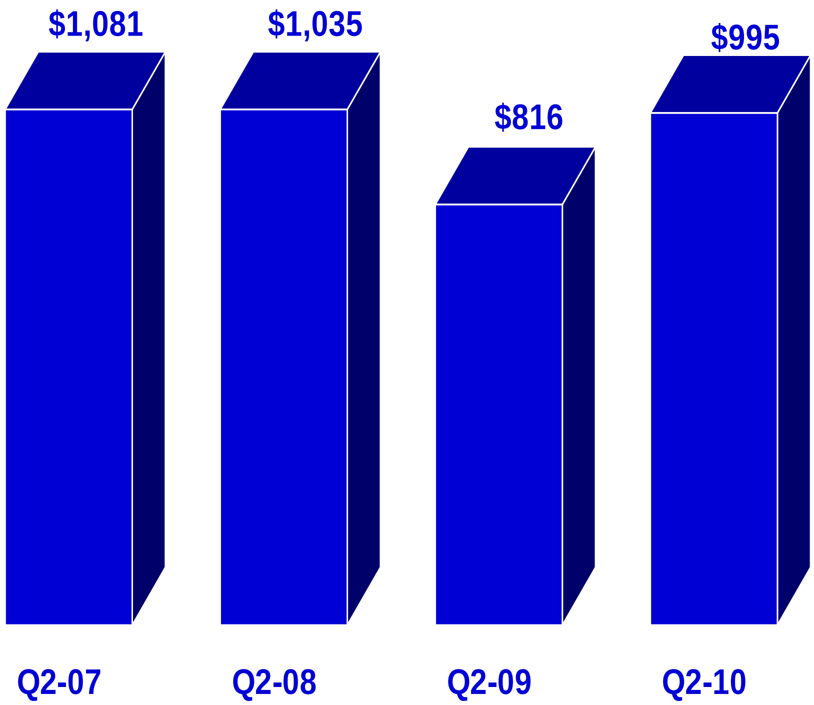
($ in millions)



- Sales $1.4Bn
  - +21% Y/Y, +22% Q/Q
  - Above normal seasonality
- Remain focused on expense control and improving productivity
- Significant operating leverage
  - Operating profit increased 25% Y/Y and 80% Q/Q
  - Grew almost 4x faster than sales Q/Q
- Q3 sales in line with normal seasonality

ECS NORTH AMERICA REVENUE

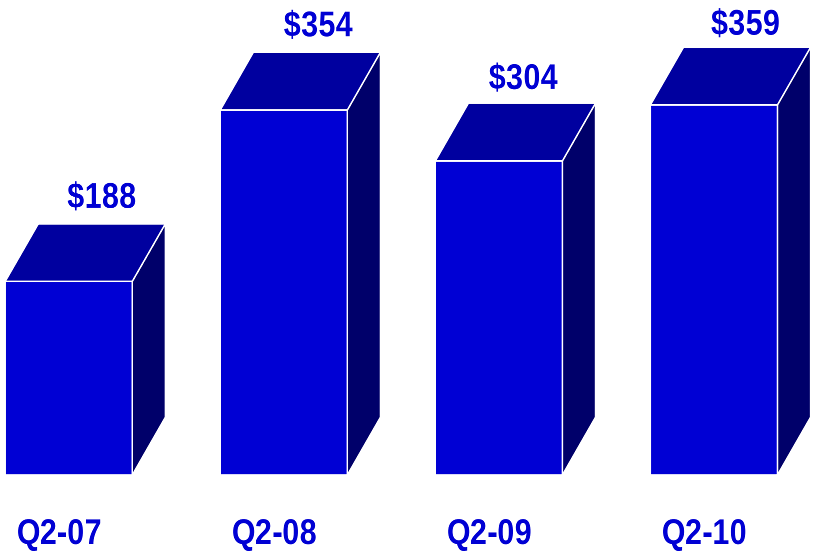
($ in millions)



- Sales $995MM
  - +22% Y/Y, +32% Q/Q
  - Ahead of normal seasonality
- Operating income increased substantially
  - +30% Y/Y and +79% Q/Q
  - Grew 2.5x faster than sales
- Return on working capital at record levels

ECS EUROPE REVENUE

($ in millions)



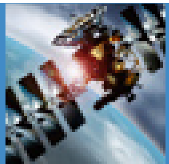
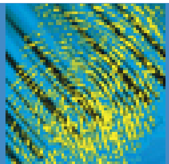
- Sales $359MM
  - +18% Y/Y, +2% Q/Q
  - +28% Y/Y, +12% Q/Q ex FX
  - In line with high end of normal seasonality in local currency
- Operating profit increased 28% Q/Q
  - Outpaced sales growth by almost 14x
- ROWC more than doubled Y/Y
  - Almost 2x corporate average

P&L HIGHLIGHTS

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

	2Q10	Q/Q Change	Y/Y Change
Sales	**$4,613**	***+9%***	***+36%***
Gross Profit Margin	**12.8%**	***+10bps***	***+90bps***
Operating Exp*/Sales	**8.5%**	***-60bps***	***-130bps***
Operating Income*	**$194.8**	***+28%***	***+177%***
Operating Margin*	**4.2%**	***+60bps***	***+210bps***
Net Income*	**$121.3**	***+31%***	***+226%***
Diluted EPS*	**$1.01**	***+33%***	***+226%***

** 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.*

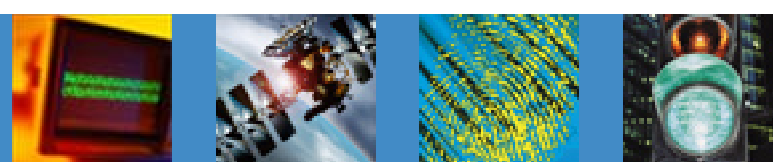





POSITION OF FINANCIAL STRENGTH

- Strong cash flow generation
  - Almost $65 million in cash from operations
- Active in the market buying back shares
  - Repurchased almost 2.7 million shares for $75 million
  - Increased authorization by an additional $100 million
- Focused management of working capital
  - Working capital to sales declined 100 bps Y/Y
  - ROWC more than doubled to the highest level in our history
- Balance sheet and capital structure strong
  - Conservative debt levels
  - Net debt to EBITDA less than 1x

Competitive advantage

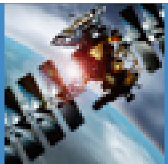
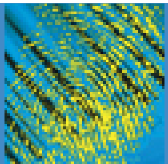
- Committed liquidity facilities provide flexibility to take advantage of opportunities that may arise
- ROIC of 14.3%
  - Increased almost 2.5x Y/Y to near record level



CLOSING COMMENTS

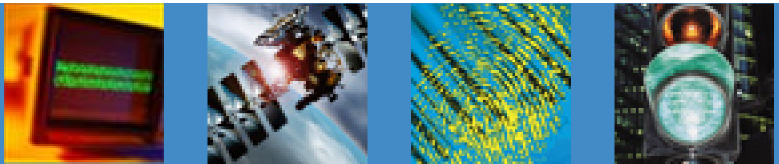
Mike Long

Chairman, President, and CEO


IN CLOSING…

- Record-level revenue and earnings per share
  - Very good cash flow generation
- Components business experiencing continued momentum
  - Robust growth trends
  - Significant increases in profitability and returns
- ECS sales exceeded our expectations
  - Profitability improved substantially
  - Delivered exceptional working capital management
- Emerged stronger from the downturn
- Executing on strategic objectives
  - Profitable market share growth
  - Operational excellence
  - Increasing mix of value-added services and capabilities
- Significant earnings leverage in the model
  - Expect to continue to generate premium returns for all shareholders



THIRD QUARTER 2010 GUIDANCE

Consolidated Sales	$4.39Bn to $4.79Bn
Global Components	$3.32Bn to $3.52Bn
Global ECS	$1.07Bn to $1.27Bn
Diluted EPS*	$0.96 to $1.06

***** Excluding charges, including $.03 estimated amortization of intangible assets.***

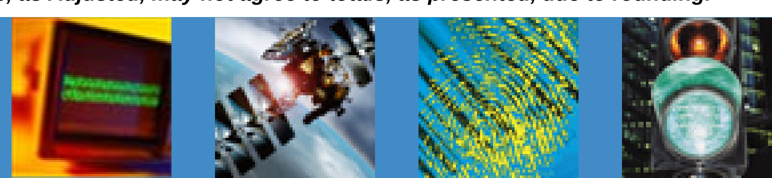
QUESTIONS & ANSWERS

EARNINGS RECONCILIATION

$ in thousands, except per share data

	Q2`10	Q1`10	Q2`09
Operating income, as Reported	$189,191	$145,270	$51,198
Restructuring, integration, and other charges	5,649	7,437	19,252
Operating income, as Adjusted	$194,840	$152,707	$70,450
Net income attributable to shareholders, as Reported	$116,193	$87,046	$21,097
Restructuring, integration, and other charges	4,095	5,545	16,124
Loss on prepayment of debt	964	--	--
Net income attributable to shareholders, as Adjusted	$121,252	$92,591	$37,221
Diluted EPS, as Reported	$.97	$.71	$.18
Restructuring, integration, and other charges	.03	.05	.13
Loss on prepayment of debt	.01	--	--
Diluted EPS, as Adjusted	$1.01	$.76	$.31

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:

Q2-10 Restructuring, Integration, and Other Charges: 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.

Q2-10 Loss on Prepayment of Debt: 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).

Q1-10 Restructuring, Integration, and Other Charges: During the first quarter of 2010, the company recorded restructuring, integration, and other charges of $7.4 million ($5.5 million net of related taxes or $.05 per share on both a basic and diluted basis) primarily related to initiatives taken by the company to improve operating efficiencies.

Q2-09 Restructuring, Integration, and Other Charges: During the second quarter of 2009, the company recorded restructuring, integration, and other charges of $19.3 million ($16.1 million net of related taxes or $.13 per share on both a basic and diluted basis) primarily related to initiatives taken by the company to improve operating efficiencies.

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