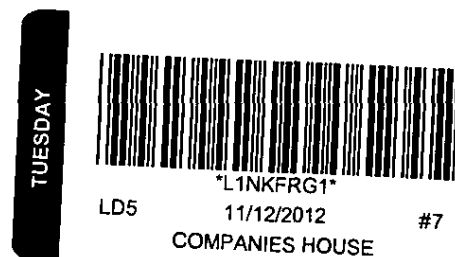


Memec Group Limited

Report and Accounts

30 June 2012



Registered number
3985622

Memec Group Limited
Report and accounts
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Memec Group Limited
Company Information

Directors

DR Birk
RJ Sadowski

Secretary

J Li (Resigned 15 November 2012)

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registered office

Avnet House
Rutherford Close
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

Registered number

3985622

Memec Group Limited

Directors' Report

The directors present their report and accounts for the period ended 30 June 2012

Principal activities

The company's principal activity during the period continued to be to act as an intermediate holding and treasury services company for its subsidiaries whose principal activities are the marketing and distribution of advanced semiconductor products

Review of the business

During the period the company continued to act as a holding company with no changes in investments or significant events

Future developments

The company continues to support and hold subsidiaries in the Asia pacific region

Results and dividends

The results of the company for the period are set out on page 7 The loss for the period after taxation amounted to \$23,842,000 (2011 profit of \$688,000)

The directors do not recommend the payment of a dividend (2011 \$nil)

Events since the balance sheet date

On 17 August 2012 82,000,000 new shares were allotted to the immediate parent company, Avnet Holdings UK Ltd, for \$82m in cash, raising funds for the purpose of making an acquisition in Japan On 23 August 2012 the entire share capital of Internix Inc in Japan was acquired for a total consideration in cash of JPY 5,849,429,685 (USD 73,661,122) Internix Inc is a Japanese electronic components distributor This acquisition substantially expands Avnet Electronics Marketing's (EM) presence in the Japanese market

Memec Group Limited

Directors' Report

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories

Economic risk

The main economic risks are regarded as being changes in the performance and hence valuation of the company's investments in the form of operating subsidiaries, the adequacy of capital levels of the company if the ongoing financing costs of the company are not covered by returns from investments or additional capital or funding

This risk is managed by the monitoring of the performance and valuation of investments and adjustments to funding and financial arrangement as deemed necessary

Competition risk

The directors of the company and subsidiaries manage competition risk through close attention to alternative sources of financing

Currency exchange risk

The directors of the company use foreign currency hedges each month to attempt to eliminate any exposure of foreign currency denominated asset and liability balances to changes in foreign currency exchange rates after the balance sheet date

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage financial risk

Directors

The following persons served as directors during the period

DR Birk
RJ Sadowski

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board and signed on its behalf on



RJ Sadowski
Director

December 7, 2012

Memec Group Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Memec Group Limited
Independent auditors' report
to the members of Memec Group Limited

We have audited the financial statements of Memec Group Limited for the period ended 30 June 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006

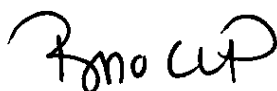
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Iain Henderson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

7th Dec 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Memec Group Limited
Profit and Loss Account
for the period from 3 July 2011 to 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Administrative expenses		(289)	(300)
Other operating income		267	222
Operating loss	2	<u>(22)</u>	<u>(78)</u>
Exceptional items			
Loss on the disposal of investments	3	-	(5)
Impairment of fixed asset investments		(24,116)	-
		<u>(24,138)</u>	<u>(83)</u>
Interest receivable and similar income	4	538	930
Interest payable and similar charges	6	(242)	(159)
(Loss)/profit on ordinary activities before taxation		<u>(23,842)</u>	<u>688</u>
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the period		<u>(23,842)</u>	<u>688</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two periods

The accompanying notes on pages 9 to 13 are an integral part of the financial statements

Memec Group Limited
Registered number: 3985622
Balance Sheet
as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Fixed assets			
Investments	8	115,381	139,497
Current assets			
Debtors	9	8,911	8,623
Creditors: amounts falling due within one year	10	(718)	(443)
Net current assets		<u>8,193</u>	<u>8,180</u>
Total assets less current liabilities		<u>123,574</u>	<u>147,677</u>
Provisions for liabilities			
Other provisions	11	(387)	(648)
Net assets		<u>123,187</u>	<u>147,029</u>
Capital and reserves			
Called up share capital	12	159,200	159,200
Profit and loss account	13	(36,013)	(12,171)
Shareholders' funds	14	<u>123,187</u>	<u>147,029</u>

The accompanying notes on pages 9 to 13 are an integral part of the financial statements



RJ Sadowski
Director

Approved by the board on *December 7, 2012*

Memec Group Limited
Notes to the Accounts
for the period from 3 July 2011 to 30 June 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. Under FRS 1 Cash Flow Statements (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As 100% of the voting rights of the company are controlled within the Avnet Inc group, the company has taken advantage under the exemptions permitted by FRS 8 Related Party Disclosures to not disclose details of balances held with other companies within that group

Investments

In the company's accounts, investments in subsidiary undertakings are stated at cost less provisions for impairment, if any

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

2 Operating loss	2012	2011
	\$'000	\$'000
This is stated after charging		
Auditors' remuneration for audit services	<u>2</u>	<u>2</u>
3 Exceptional items	2012	2011
	\$'000	\$'000
Impairment of fixed asset investments	(24,116)	-
Loss on disposal of investments	<u>-</u>	<u>(5)</u>
	<u>(24,116)</u>	<u>(5)</u>

Memec Group Limited
Notes to the Accounts
for the period from 3 July 2011 to 30 June 2012

4 Interest receivable and similar income	2012	2011
	\$'000	\$'000
Foreign exchange gain	348	915
Interest receivable from other group company	190	15
	<u>538</u>	<u>930</u>

5 Directors' emoluments

The directors of the company receive their remuneration from a fellow group company

6 Interest payable and similar charges	2012	2011
	\$'000	\$'000
Bank loans and overdrafts	4	2
Foreign exchange loss	238	157
	<u>242</u>	<u>159</u>

7 Taxation	2012	2011
	\$'000	\$'000
Analysis of charge in period		
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

	2012	2011
	\$'000	\$'000
(Loss)/profit on ordinary activities before tax	<u>(23,842)</u>	<u>688</u>
Standard rate of corporation tax in the UK	25 5%	27 5%
	\$'000	\$'000
Profit on ordinary activities multiplied by the standard rate of corporation tax	(6,080)	190
Effects of		
Expenses not deductible for tax purposes	-	19
Losses surrendered by group undertakings	(70)	(209)
Impairment provision not tax deductible	6,150	-
Current tax charge for period	<u>-</u>	<u>-</u>

Memec Group Limited
Notes to the Accounts
for the period from 3 July 2011 to 30 June 2012

7 Taxation (continued)

Tax losses of \$10,767,000 (2011 \$11,588,000) are available for future periods with an unrecognised deferred tax asset of \$2,745,000 (2011 \$3,187,000)

Deferred tax assets have not been recognised in respect of these losses as there is insufficient certainty over the timing and extent of future profits

8 Fixed asset investments

	Investments in subsidiary undertakings \$'000
Cost	
At 3 July 2011	168,412
At 30 June 2012	<u>168,412</u>
Impairment provision	
At 3 July 2011	(28,915)
Additions	(24,116)
At 30 June 2012	<u>(53,031)</u>
Net Book Value	
At 30 June 2012	<u>115,381</u>
At 2 July 2011	<u>139,497</u>

The company has an investment in the following principal subsidiary undertakings

Principal subsidiary undertakings	Country of incorporation and operation	Principal activity	Proportion of ordinary shares held by the company
Memec New Zealand Pty Limited	New Zealand	Dormant	100%
Avnet Japan Co Limited	Japan	Distribution	100%
Avnet EM Holdings (Japan) KG (1)	Japan	Holding company	100%
Unidux Inc (1)	Japan	Distribution	100%

(1) Held by Avnet Japan Co Limited

Memec Group Limited
Notes to the Accounts
for the period from 3 July 2011 to 30 June 2012

9 Debtors	2012 \$'000	2011 \$'000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	8,884	8,587
Other debtors	27	36
	<u>8,911</u>	<u>8,623</u>

A loan of JPY 689,462,400 (USD 7,828,107) was made to fellow group company on 16 July 2010. This is repayable on demand and accrues interest at a rate of 3 month JPY LIBOR plus a margin of 1%.

10 Creditors, amounts falling due within one year	2012 \$'000	2011 \$'000
Trade creditors	-	41
Amounts owed to group undertakings and undertakings in which the company has a participating interest	682	399
Other creditors	35	-
Accruals and deferred income	1	3
	<u>718</u>	<u>443</u>

11 Provisions for liabilities and charges	2012 \$'000	2011 \$'000
At 3 July 2011	648	818
Utilised in the period	(261)	(326)
Contribution received from tenant	-	156
	<u>387</u>	<u>648</u>

This is an onerous lease provision relating to a vacant site.

12 Share capital	Nominal value	2012 Number	2012 \$'000	2011 \$'000
Allotted, called up and fully paid Ordinary shares	\$1 each	159,200,002	<u>159,200</u>	<u>159,200</u>

13 Profit and loss account	2012 \$'000	2011 \$'000
At 3 July 2011	(12,171)	(12,859)
(Loss)/profit for the period	(23,842)	688
	<u>(36,013)</u>	<u>(12,171)</u>

Memec Group Limited
Notes to the Accounts
for the period from 3 July 2011 to 30 June 2012

14 Reconciliation of movement in shareholders' funds	2012 \$'000	2011 \$'000
At 3 July 2011	147,029	26,341
(Loss)/profit for the financial period	(23,842)	688
Shares issued	-	120,000
At 30 June 2012	<u>123,187</u>	<u>147,029</u>

15 Post balance sheet events

On 17 August 2012 82,000,000 new shares were allotted to the immediate parent company, Avnet Holdings UK Ltd, for \$82m in cash, raising funds for the purpose of making an acquisition in Japan. On 23 August 2012 the entire share capital of Internix Inc in Japan was acquired for a total consideration in cash of JPY 5,849,429,685 (USD 73,661,122). Internix Inc is a Japanese electronic components distributor. This acquisition substantially expands Avnet Electronics Marketing's (EM) presence in the Japanese market.

16 Ultimate controlling party

The ultimate parent company and the largest group in which the results of the company are consolidated is Avnet Inc, a company incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from Avnet Inc, Investor Relations, 2211 South 47th Street, Phoenix, Arizona, USA or by visiting Avnet Inc's Investor Relations website at www.ir.avnet.com.