



AVX

A Kyocera Group Company

2009 | ANNUAL REPORT

TECHNOLOGY
the World Counts On





RELIABILITY for Generations

AVX is a leading worldwide manufacturer and supplier of a broad line of passive electronic components. Virtually all types of electronic devices use our products to store, filter, or regulate electric energy. AVX also manufactures and supplies high-quality electronic connectors and interconnect systems for use in electronic products.

AVX research and products are critical to new “green” technologies designed to conserve existing energy resources and to create dependable, affordable systems for using renewable energy sources, such as wind, sun and water. Reliability of AVX technology will ensure that this generation – and generations to come – will benefit from these green technologies.

AVX has research, manufacturing, sales and distribution facilities in 11 countries. The Company is organized into three reportable segments: Passive Components, KED Resale and Connectors.

The **Passive Components** segment consists primarily of surface mount and leaded ceramic capacitors, RF thick- and thin-film components, tantalum capacitors, switch mode ceramic capacitors, power film capacitors, super capacitors, EMI filters, thick- and thin-film packages, varistors, thermistors, inductors and resistive products.

The **KED Resale** segment consists primarily of ceramic capacitors, frequency control devices, SAW devices, sensor products, RF modules, actuators, acoustic devices and connectors produced by Kyocera and resold by AVX.

The **AVX Interconnect** segment consists primarily of Elco automotive, mobile phone/PDAs, backpanel, solid state lighting and memory product connectors.

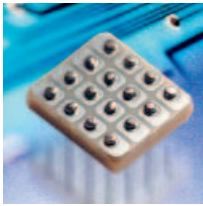
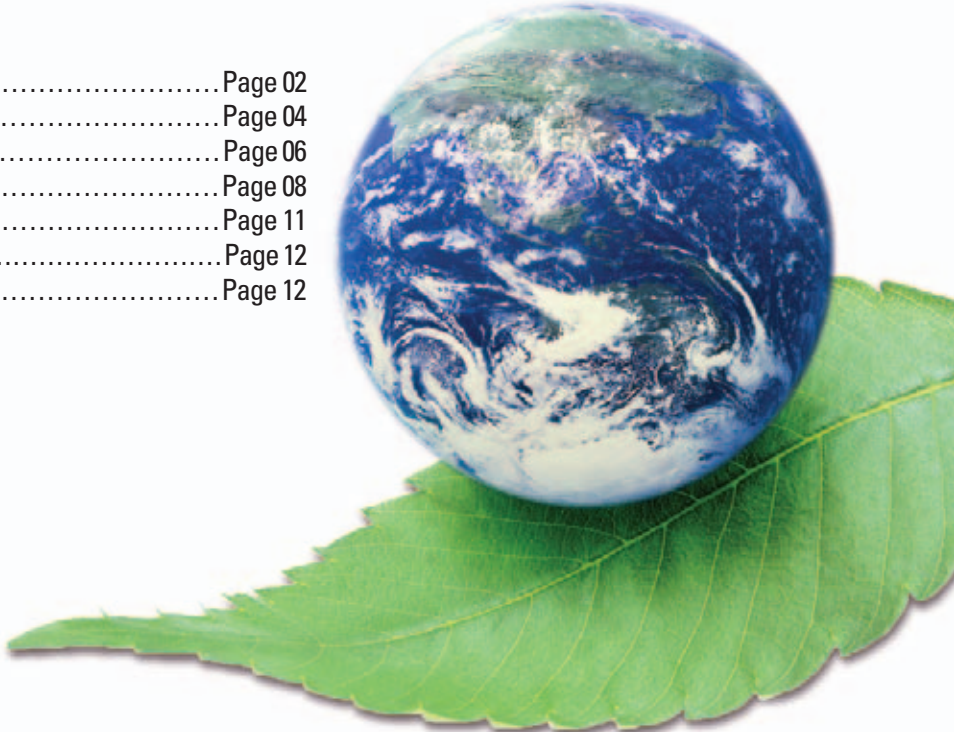


TABLE OF CONTENTS

- A Letter From the President Page 02
- Green Technology Page 04
- Decades of Reliability Page 06
- Innovation for Discovery Page 08
- Keeping Pace With a Fast-Moving World Page 11
- AVX Worldwide Manufacturing Locations Page 12
- Board of Directors Page 12



A Letter FROM THE PRESIDENT

The previous 12 months have seen the world economy in flux. Our fiscal year was characterized by two contrasting periods. The first half of the year saw relatively strong orders and resulting sales. During the second half of the year, the overall economic picture deteriorated significantly. The financial crisis spread throughout the world, causing our customers to lower their risks. This resulted in their reducing inventory and lowering their purchases of components and connectors.

Component sales on the positive side saw growth in Advanced Products, while the acquisition of American Technical Ceramics partially offset the lower-end consumer market slowdown.

KED Resale activity saw a year on year decline, especially late in the year as the consumer and telecommunications markets were significantly impacted by the economic slowdown.

Connector sales also decreased year on year, due to lower end-market demand, particularly as a result of the automotive market weakness around the world.

AVX reacted quickly to the market changes and adjusted overhead to match demand, combined facilities to increase efficiency, and selectively pared our product offerings, in order to focus on the components and connectors with the best profit margin opportunities. At this time, the component inventory throughout the supply chain is lean, so increases in demand will quickly flow through as new orders.

Near-term results for AVX will depend on the speed of recovery in global economic conditions, along with the resulting improvement of our key markets, such as telecommunications, medical, automotive, aerospace and consumer electronics.

Uncertainties in the credit and capital markets will continue to exert influence on our customers.

Long View is Optimistic

We are optimistic that long-term growth and profitability will continue, due to four basic reasons.

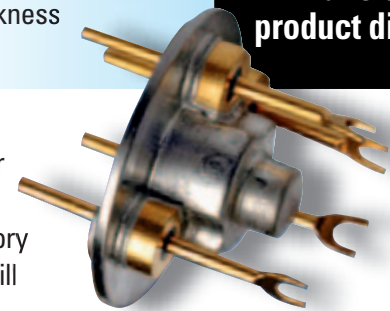
First, our financial strength gives AVX sustainability in the short-term and flexibility to respond in the long-term.

Secondly, this strength enables us to continue improving our production processes and the development of, and investment in, new technologies and products.

Thirdly, we anticipate increasing demand for our higher-margin Advanced Product and Connector lines.

And finally, the electronic age will continue to expand and, in turn, demand more electronic devices and functionality that incorporate our components and connectors.

**“Long-term reliability
is a phrase at the center our
financial, management and
product discussions every day.”**



Financial Strength Differentiates AVX

The financial condition of the Company is strong, particularly when compared to our competitors, as we have no debt and \$762.5 million of cash and security investments.

This gives the Company the ability to internally continue to develop new product solutions and it allows AVX to look externally and invest in other products to enhance the business.

The American Technical Ceramics acquisition in 2007 offers a favorable case study of AVX's approach to new opportunities that benefit our shareholders and customers.

ATC has a successful business model and a proven track record, and continues to design, develop, manufacture and market Single and Multilayer Capacitors, Resistive Products, Inductors and Custom Thin Film Products, thereby broadening the Company's product offering.

In this first year of our ownership of ATC, the ATC management group has continued to progress and develop new opportunities for product solutions. This ability is what originally attracted our interest in the acquisition and ATC continues to be a positive factor for our future.

Reliability – The History of AVX and Its Products

AVX's history is predictive of its future. Long-term reliability is a phrase at the center of our financial, management and product direction.

When times are challenging, AVX continues to pay dividends to shareholders and repurchase shares of AVX stock on the open market, which are held as treasury stock.

Cost Fluctuations

Metal, material and energy costs, which had been a major concern earlier in the year, moderated late in the year. An increase in the value of the US dollar had a negative effect on reported sales, but a positive impact on operating costs in Europe.

Summary

AVX possesses a solid financial foundation, proven management team, unequaled customer service and a wide-ranging product offering that continually improves through innovative research.

These attributes will drive our long-term success.

In closing, I'd like to thank our employees, customers and the Board of Directors for your support during this year, and invite all to the Annual Meeting on July 22, 2009.

John S. Gilbertson
Chief Executive Officer and President
AVX Corporation



AVX is Superior Reliability

From an engineering perspective, “reliability” is a term that describes the ability of a process, part or product to produce the same results every time. To AVX customers that are performing research, designing cutting-edge products and building today’s electronics, “reliability” means that AVX customers can expect the same product and performance every time. Whether it’s a commercial-grade component or an extended-reliability part used in avionics and space, “reliability” is the foundation and cornerstone of AVX business.

We take on the challenges facing the world with products that:

- Generate green energy solutions from wind and solar power.
- Remove transients and spikes from power lines.
- Increase battery life in handheld and mobile devices.
- Improve the quality of human life through advanced medical electronics.
- Protect circuits against harmful surges, transients or static discharges.
- Allow high-speed transmission of data and video.
- Integrate components into micro-miniature packages.



Challenge: Alternate Energy Sources

Reliable Solution: AVX Power Capacitors



AVX components are at the forefront of designs harnessing the power of alternate energy sources, such as wind farms, solar power generation, hybrid and electrical vehicles, as well as trams and high-speed trains.

More than half the electric power generating windmills that dot the landscape employ AVX Power Capacitors. Each windmill uses several hundred pounds of AVX capacitors – a market expected to grow in excess of 20% per year.

On-road hybrid and fully electric vehicles contain complex power systems that require products, such as the Power Capacitors produced by AVX. Auto manufacturers are rolling out new gas/electric hybrids every month. Public transportation is also embracing hybrids, all of which contain an abundance of AVX capacitors, circuit protection devices and connectors.



Challenge: Using Energy Wisely and Efficiently

Reliable Solution: BestCap®

Bar-code scanners are a familiar sight at retail store checkouts. These systems have evolved into hand-held units for remote inventory scanning (such as planeside data logging of FedEx or UPS packages) or RFID Wireless systems (for tracking everything from livestock to container vessels). At the forefront of these design advances you will find the innovative AVX BestCap supercapacitor technology, maintaining uninterrupted power for data transmissions even in harsh shock environments.

Meter readers don’t actually have to see the actual meter anymore. Whether it’s for an 80-story building in Taipei or a suburban US residential neighborhood, “smart meters” wirelessly transmit consumption use in efficient bursts to a meter reader driving by or to the Web for monitoring and providing maximum economic benefit.

AVX BestCap also supports a new generation of energy “harvesting”



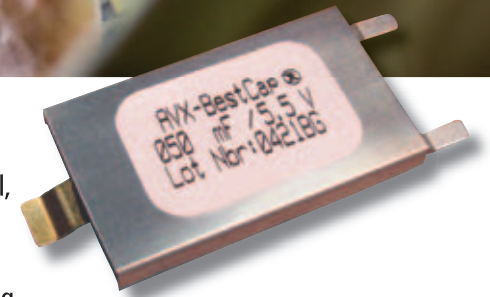
For the 2nd Consecutive Year, AVX named “Resistor/Capacitor Supplier of the Year” by Aviation/Electronics Giant, Rockwell Collins.

“AVX continuously exceeds our expectations with advancements in its technology, high levels of product quality, customer service and delivery performance across all product lines.”

Rockwell Collins Senior Director
Mark Mirelez

devices, turning “free” mechanical, thermal or photoelectric energy from the environment into usable power in remote wireless or lighting applications. When a machine at a remote location is out of calibration and experiencing excessive wear, a transducer turns the machine vibrations into electrical energy, which keeps the BestCap charged. When an out-of-calibration signal is detected, the BestCap triggers a module notifying maintenance headquarters that adjustment is required. Sports fans appreciate BestCap when automated faucets are installed in older stadiums with limited power access. A photocell converts ambient light to voltage, charging a BestCap, which then turns on the faucet when a proximity detector senses a hand close to the faucet.

With the combination of its high capacitance and low ESR (Equivalent Series Resistance), BestCap now offers an ultra-low ESR double-layer capacitor with an expanded temperature range of – 40 degrees to 75 degrees Celsius. The BestCap series is ideal for wireless applications, such as hand-held scanners, automatic meter reading, and memory back-up systems.



BestCap® Series
adds Ultra-Low
Resistance Capacitor



Challenge: Finding Better Ways to Feed the World
Reliable Solution: Signal Integrity Products

When AVX pioneered capacitors more than 50 years ago, computers were high-end, mainframe systems that took up whole rooms or floors of buildings. Today, the equivalent computing power can be found in systems just as likely to be found on a farm as in the office. Farming equipment is now highly automated, using a GPS-guided computer to maximize yield by delivery of precise amounts of seed, fertilizer, and water to specific locations. This level of computing power is made possible by low inductance capacitors and EMI filters that pass high-speed data and block unwanted interference.



Challenge: Innovations that Work for Decades
Reliable Solution: Making the Impossible Possible

Most of us can remember “new” product innovations from mobile phones the size of a brick, to color televisions and 8-track tape recorders. The world has come a long way very quickly since then. Today we have PDAs, HDTV and portable GPS systems. A common thread among all these devices has been the ability of the design engineer to rely on AVX to make the impossible possible. AVX parts initially built 10, 20 or even 30+ years ago are still working and still accurate to within 10 parts per million.

AVX’s reputation for superior performance is reflected in the fact that we have more high reliability products that meet or exceed qualification standards of companies and governments worldwide than any other capacitor supplier. Some of our power supply capacitor products have been flying in aerospace programs for more than 30 years. In fact, many customers with complex design requirements approach AVX during their initial design so that we can work together to create a new solution for their unique needs.

AVX Power Film Capacitors offer superb reliability-related benefits. Guaranteeing smooth power delivery at high voltage, they use a segmented electrode design, which minimizes inductance to tame problematic power transients and spikes. A segmented design provides controlled self-healing in cases of electrical overstress, keeping the power flowing. As a result, AVX Power Film achieves operational lifetimes of 10,000 hours versus 1,000 hours for a comparable electrolytic capacitor.

Global consulting company Frost & Sullivan tapped AVX to receive its annual award for “unparalleled excellence within its industry.” Frost & Sullivan noted, “AVX exhibits consistent growth, offers high-quality products, and has a positive social and economic impact on local and national communities. AVX has proven itself as expert in adjusting to market conditions by capturing and solidifying market presence, and through the execution of innovative strategies within the existing competitive landscape.”



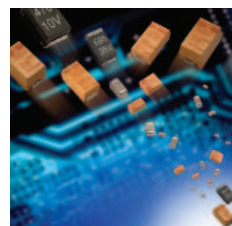
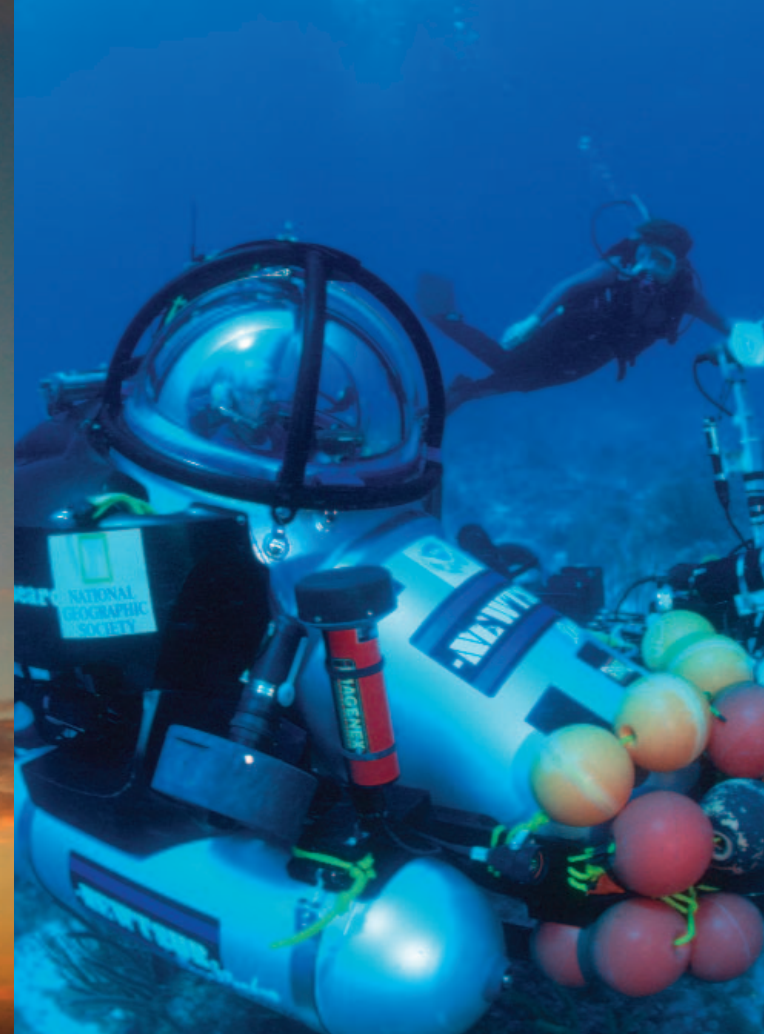
CKR Capacitor
 in service in the global aerospace industry for more than 30 years



2008 GLOBAL CAPACITOR COMPANY OF THE YEAR
 Award from Frost & Sullivan

“Experts in Adjusting to Market Conditions”



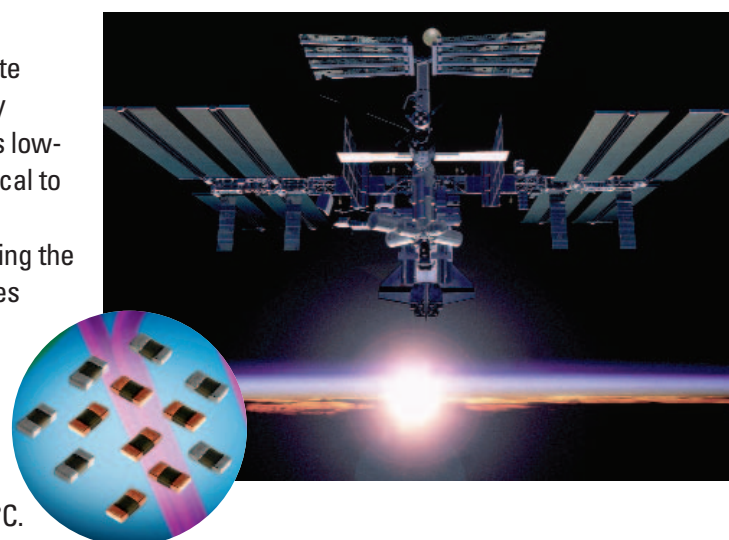


Challenge: Harsh Environments for Business & Exploration
Reliable Solution: Multi-Function, Micro-Sized, Lightweight Products

AVX has a dedicated team of world-class engineers and researchers that designs components able to withstand the harshest applications. It might be extreme operating temperatures (200deg C), severe shock and vibration in state-of-the-art high-performance aircraft turning at maximum G-force or, simply, the daily exposure to heat, dirt and rugged wear faced by cars, trucks & trains. These environments – and the people we keep protected and productive – demand the ultimate in reliability, while maintaining cutting edge performance.

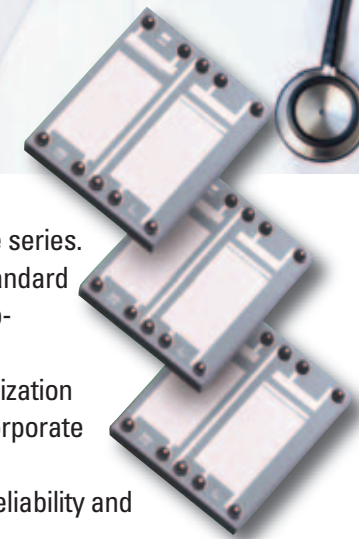
Integrating Multiple Functions

The exceptional ability of AVX to integrate multiple functions into a single part is not only welcome, but also necessary, in space. AVX's low-profile, lightweight, reliable solutions are critical to power circuits inside the International Space Station and to its astronaut family safely circling the earth. Or further out in space – 35 million miles out – the Mars Rover contains AVX passive components. These products – the result of extraordinary research and technology – continue to work to original specifications after more than 1,800 Martian days where planet temperatures range from -153°C to 20°C.



AVX also boasts the world's highest-precision, thin film-based RF passive series. This combination of capacitor and inductor technology provides reference-standard precision in packages, as small as a grain of sand for high-end PDAs and Web-enabled cell phones.

Pushing the limits of integration and miniaturization even further, AVX Passive MicroComponents incorporate multiple functions in a single die, shrinking space requirements, saving shipping costs, increasing reliability and cutting assembly time.



**ITALIAN TRADE ASSOCIATION:
"AVX BEST PASSIVE SUPPLIER"**

Based on a questionnaire sent to 1,500 customers and distributors, the Italian electronics industry trade association, Assodel, named AVX its top passive supplier. The award was presented during a gala dinner attended by 500 representatives of the Italian distribution world.

Stacked High-Current, High-Temperature Ceramic Capacitors Handle Harsh Operating Environments

AVX has developed stacked ceramic capacitors that can handle extreme temperatures and save board space for applications involving undersea exploration, down-hole oil drilling, engine controls, avionics, hybrid vehicles and aerospace. The SMX Series can operate at temperatures up to 200 degrees Celsius.

Molded Case Protects Ceramic Capacitors from Thermal & Mechanical Stress

AVX introduced the MH series of high capacitance/voltage (CV) designs, which mount a multi-layer ceramic capacitor (MLCC) in a molded case. It is easily placed in assembly, can be surface mounted without soldering, and is mechanically tougher than competing solutions. Used in automotive, industrial and telecom applications, the MH Series can withstand extreme operating temperatures from -55 to +125 degrees Celsius.



Challenge: Shrinking Space for Connectors

Reliable Solution: Board-to-Board Connectors

Another example of integrating functions and simplifying customer assembly is an AVX connector developed for phone manufacturers. Connections for the display, speaker, microphone and keyboard are created in a single piece that is essentially the back of the phone. After the electronic components are installed, the back is snapped on and the connections are automatically completed.

Challenge: Conversion to Higher-Quality, More Energy Efficient LED Lighting

Reliable Solution: AVX Advanced Connectors, Capacitors and Varistors

Everyday, the world accelerates its transition to cleaner, more efficient uses of energy. One example: LED Lighting – a more cost-effective, energy-efficient and intense illumination than either incandescent or fluorescent lighting. More common uses of LEDs range from hand-held devices to sports arena signs, advertising signs, solar panels or in today's increasingly energy-efficient automobiles.

AVX's award-winning failsafe capacitors, OxiCap®, FLEXITERM® and FLEXITERM® High Voltage enhance the reliability and longevity of the LEDs. For industrial applications, an AVX varistor is present to clamp and redirect harmful surges and spikes away from sensitive electronic devices.

AVX has patented an innovative new connector, which provides solutions to many of the challenges encountered in the shift to LED lighting. This expansion of our very successful and revolutionary surface mount insulation displacement connector system, offers cost-effective wire terminations to the circuit board and includes new board-to-board configurations for interconnection of multiple circuits.

By utilizing these connectors, LED lights can be "stacked" end-to-end to replace fluorescent tubes, while retaining the existing commercial lighting fixtures.



Challenge: A Constantly Changing World

Reliable Solution: AVX Innovation – The Varistor Case Study

The varistor's history showcases AVX's ability to take an idea or concept and develop a cost-effective technology that evolves over time to offer new reliable options for product engineers. In its simplest form, the varistor is a "surge protector", designed to shield circuits from damaging voltage spikes.

In 1961, AVX began offering a multi-layer capacitor (MLC) using ceramic technology to store a charge. AVX created a new component in 1986 by introducing the Zinc Oxide-Based Multilayer Varistor (MLV). This device is a surge protector, redirecting or grounding excessive voltage that comes through the line. These devices replace larger, bulkier diodes in suppressing power surges and protecting vital equipment. The MLV is

used in virtually every electronic device, including cell phones, computers, and hybrid buses.

Reliable Solution: AVX First to Market – OxiCap®

Continuing its innovative material developments, AVX was first in the industry to produce a capacitor based on niobium oxide technology. OxiCap® combines the electrical characteristics of tantalum capacitors with the safe material characteristics of a ceramic. These are ideal for expanding the bass response in audio circuits built into high-end MP3 players.



SUMMARY

The "reliability" of an AVX component speaks to its past performance and expectations for the future. In today's world, AVX Corporation stands as a symbol of reliability: our products have been in service for 30+ years and will be in emerging products that are still a twinkle in the designer's eye. Our continued innovation across a broad and unmatched line of passive products and connectors will continue to be developed, expanded and improved to solve tomorrow's design challenges. It's good to know there's something reliable and dependable in today's world – the presence of AVX.



FORTUNE MAGAZINE: "AVX ONE OF 40 BEST STOCKS TO RETIRE ON"

The 2008 edition of this annual list compiled by one of the nation's leading business magazines credits AVX as a company with no debt and one that has consistently used available cash to boost its dividend and buy back stock.



AVX Sales Channels (OEM 53%, Distribution 36%, EMS, 11%)

Customer Segments

- Computer 20%
- Telecom/Networking 17%
- Cellular 13%
- Industrial 12%
- Automotive 12%
- Consumer 11%
- Military 8%
- Medical 7%



Product Categories

- Passive Components 62%
 - Advanced Products 31%
 - Tantalum 19%
 - Ceramics 12%
- Kyocera Resale Components 26%
- AVX and KEC Resale Connectors 12%



Board of Directors

- John S. Gilbertson⁴
Chairman of the Board
AVX Corporation
- Kazuo Inamori⁴
Chairman Emeritus of the Board
Kyocera Corporation
- Donald B. Christiansen^{1,5}
Retired
- David DeCenzo^{1,3,5}
President,
Coastal Carolina University
- Kensuke Itoh^{2,3,4}
Kyocera Corporation
- Makoto Kawamura^{2,3,4}
Kyocera Corporation
- Tetsuo Kuba^{2,3,4}
Kyocera Corporation
- Rodney Lanthorne⁴
Kyocera Corporation
- Joseph Stach^{1,2,3,5}
Retired
- Yuzo Yamamura
Kyocera Corporation

Corporate Officers

- John S. Gilbertson
Chief Executive Officer and President
- C. Marshall Jackson
Executive Vice President of Sales
and Marketing
- Peter Venuto
Vice President of Sales
- Carl Eggerding
Vice President, Chief Technology Officer
- Kurt Cummings
Vice President, Chief Financial Officer,
Treasurer and Secretary
- Keith Thomas
Vice President, President of Kyocera
Electronic Devices
- Peter Collis
Vice President of Tantalum Products

¹ Audit Committee
² Compensation Committee
³ Equity Compensation Committee
⁴ Executive Committee
⁵ Special Advisory Committee

- John Sarvis
Vice President of Ceramic Products
- John Lawing
Vice President of Advanced Products

Stock Exchange

AVX's common stock is traded on the New York Stock Exchange (symbol: AVX).

Stock Transfer Agent and Registrar

The American Stock Transfer and Trust Company
 1-800-937-5449 (Shareholders Services)
www.amstock.com

Written shareholder correspondence and requests for transfers should be sent to:

The American Stock Transfer and Trust Company
 59 Maiden Lane, Plaza Level
 New York, New York 10038

Investor Questions

Investment questions from security analysts, portfolio managers and shareholders about AVX, and requests for a copy of AVX's Annual Report on Form 10-K for the fiscal year ended March 31, 2009, filed with the Securities and Exchange Commission, should be directed to:

Investor Relations

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PricewaterhouseCoopers LLP
 10 Tenth Street, Suite 1400
 Atlanta, Georgia 30309-3851



WORLDWIDE Manufacturing Locations

- 01 Sun Valley, California
- 02 Colorado Springs, Colorado
- 03 Juarez, Mexico
- 04 San Salvador, El Salvador
- 05 Olean, New York
- 06 Huntington Station, New York
- 07 Biddeford, Maine
- 08 Conway, South Carolina
- 09 Myrtle Beach, South Carolina
- 10 Jacksonville, Florida
- 11 Coleraine, Northern Ireland
- 12 Saint Apollinaire, France
- 13 Betzdorf, Germany
- 14 Lanskroun, Czech Republic
- 15 Uherske Hradiste, Czech Republic
- 16 Jerusalem, Israel
- 17 Penang, Malaysia
- 18 Tianjin, China



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