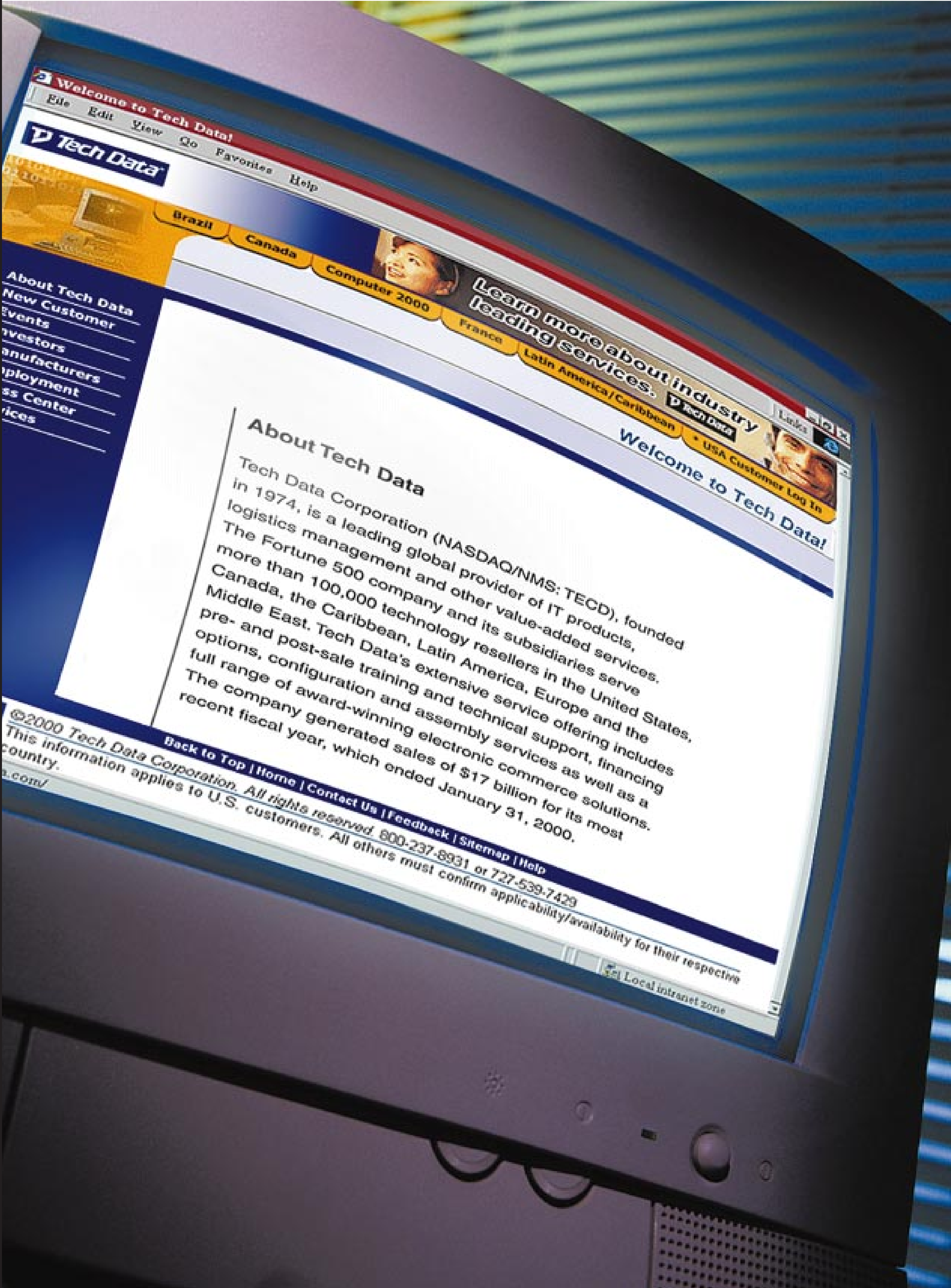
2000 SUMMARY

Annual Report

Year Ended January 31, 2000

Technology Products and Logistics Services

Tech Data®


Welcome to Tech Data!
File Edit View Go Favorites Help
Tech Data
Brazil
Canada
Computer 2000
France
Latin America/Caribbean
USA Customer Log In
Learn more about industry leading services.
Links
About Tech Data
New Customer
Welcome to Tech Data!
About Tech Data
Tech Data Corporation (NASDAQ/NMS: TECD), founded in 1974, is a leading global provider of IT products, logistics management and other value-added services. The Fortune 500 company and its subsidiaries serve more than 100,000 technology resellers in the United States, Canada, the Caribbean, Latin America, Europe and the Middle East. Tech Data's extensive service offering includes pre- and post-sale training and technical support, financing options, configuration and assembly services as well as a full range of award-winning electronic commerce solutions. The company generated sales of $17 billion for its most recent fiscal year, which ended January 31, 2000.
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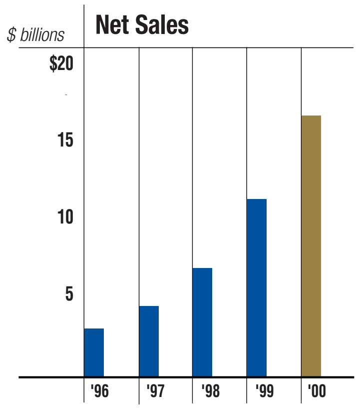
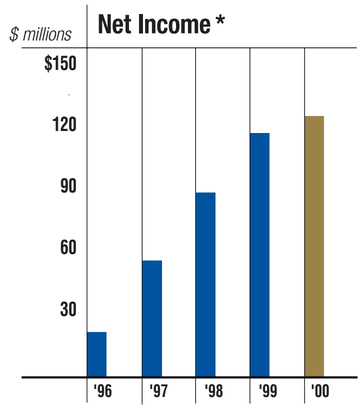
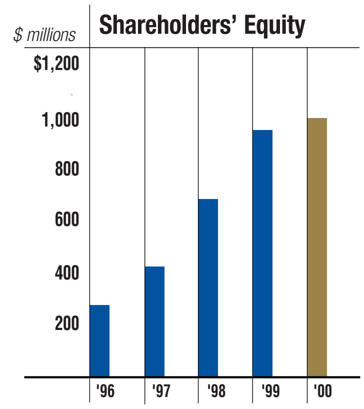
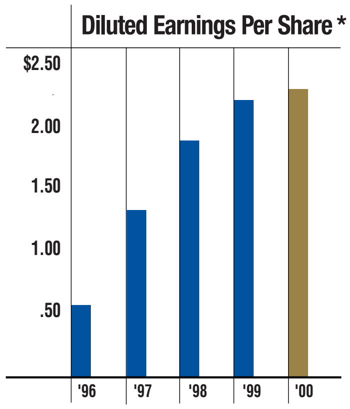
This information applies to U.S. customers. All others must confirm applicability/availability for their respective country.
Local intranet zone

TECH DATA CORPORATION AND SUBSIDIARIES









For the year ended January 31:	1996	1997	1998	1999*	2000	4-Year Compound Growth Rate
(In thousands, except per-share data)						
Net sales	$ 3,086,620	$ 4,598,941	$ 7,056,619	$11,528,999	**$16,991,750**	**53%**
Operating income	55,604	115,011	172,638	230,304	**271,872**	**49%**
Net income	21,541	56,973	89,485	119,375	**127,501**	**56%**
Net income per diluted share	.56	1.35	1.92	2.29	**2.34**	**43%**

At year end:	1996	1997	1998	1999	2000
(In thousands)					
Working capital	$ 201,704	$ 351,993	$ 537,381	$ 725,057	**$ 795,589**
Total assets	1,043,879	1,545,294	2,185,383	3,844,987	**4,123,818**
Total shareholders' equity	285,698	438,381	702,588	967,291	**1,013,695**

* *Amounts exclude the $9.6 million after-tax gain on the sale of Macrotron AG in fiscal year 1999. Including the gain, fiscal 1999 net income was $129.0 million, or $2.47 per diluted share.*

This Summary Annual Report provides basic financial information on Tech Data Corporation in a condensed format. Comprehensive financial reports are included in Tech Data Corporation's Annual Report on Form 10-K. Please refer to this document for a comprehensive discussion of the Company's performance. **(http://www.techdata.com/content/vistor/investrel/42989.pdf)**

This Summary Annual Report contains forward-looking statements, which contain risks and uncertainties that could affect expected results. Please refer to the Company's Form 10-K for a list of such risks and uncertainties.

Tech Data Corporation's market position has *never* been stronger. For the fiscal year ended January 31, 2000, we generated record sales and unparalleled profitability within the industry. Net sales for the year grew to $17 billion while net income exceeded $127 million.

To our shareholders:

These solid results came at a time of unprecedented price competition and fast-changing market dynamics. Our ability to navigate through the challenges and significantly grow market share reaffirms Tech Data's edge in management, business strategy, financial controls and overall execution. We performed exceptionally well in all areas of critical importance.

Electronic commerce advances were among the most exciting highlights last year as our EC volume doubled to an annualized rate of $4 billion in the fourth quarter. Such progress earned Tech Data 10th place on the Internet 500 published by *Interactive Week* magazine in November 1999, ahead of many popular dot-com destinations.

Inside the Internet

Tech Data's Internet-centric business model takes on many forms. Our fast-growing sales over the Web are just part of the picture. We are helping hundreds of traditional technology resellers and retailers establish their own business-to-business Internet-selling models, including the development of seamless links with our systems to facilitate information sharing and order processing. Promising new e-tailers are also relying on Tech Data for the physical infrastructure and services they need to operate. All customer segments are turning to us for access to the full line of products and custom configuration services they need to build comprehensive Internet computing solutions.

In addition to leveraging the Internet in every way possible, we continue to take other steps to increase efficiency and further reduce selling, general

Rising on the FORTUNE 500

FORTUNE 5 HUNDRED 2000

- **FY 2000 – 102nd**
- FY 1999 – 145th

Highest 10-year Return to Investors

- **FY 2000 – 26th**
- FY 1999 – 47th

and administrative expenses. For the most recent fiscal year, we drove SG&A to a record low of 3.89% of sales while constantly improving customer service.

The CompTIA industry organization acknowledged our stellar performance by presenting its 1999 Award of Excellence to Tech Data for electronic commerce innovation and superior service delivery. In February 2000, *FORTUNE* magazine declared Tech Data as one of America's Most Admired Companies, ahead of all IT industry competitors in the wholesalers category. Many of our vendor partners also formally recognized Tech Data with awards of distinction, underscoring our instrumental role in their success.

Our core competencies are taking on even greater significance today as vendors streamline their supply chain in favor of the largest and most financially sound logistics partners. Although this trend is still in its early stages, we are already reaping its benefits through stronger alliances with 3Com, Adaptec, Apple, Cisco, Compaq, Computer Associates, Hewlett-Packard, IBM, Intel, Iomega, NEC, Novell, Panasonic, Seagate and many others. With most major vendors, Tech Data continues to gain share and drive incremental sales growth.

Tech Data continues to expand its international presence. The 1999 acquisition of Globelle Corporation nearly doubled our sales in Canada, and we now have operations in 30 countries worldwide.

'Emerging power in the outsourcing market'

Technology vendors and resellers both view Tech Data as an ideal service provider to meet many types of outsourcing needs. Instead of performing certain functions in-house, they often find that we can do them better, faster and more economically. In fact, our expertise in product procurement, configuration and assembly, logistics management and other services prompted *VARBusiness* magazine to conclude: "Forget what you know about Tech Data as a distributor; it is an emerging power in the outsourcing market."

The outsourcing trend is pervasive among both small and large IT resellers. Rather than touch product prior to end-user delivery — adding costs and risks associated with handling — they frequently rely on our Private Label Delivery[SM] service so product can ship directly to their customers while they fully retain their own brand identity via custom labels and packing documents. Our approach delivers the efficiency of direct shipping while giving end users unsurpassed service and support through their preferred solution providers.

Growing global success

Tech Data's international business has grown from 14% of sales in fiscal 1996 to approximately 50% today. Our U.S. business remained strong throughout the past year, growing by 32%, while we advanced to the No. 1 position in Europe with annual sales in excess of $7.5 billion. Our Latin American operations faced difficult market conditions earlier in the year but ended fiscal 2000 with excellent sales and profitability, poised for future growth in this key geographic region. Tech Data Canada greatly strengthened its market position through the May 1999 acquisition and successful integration of Globelle Corporation, nearly doubling our sales in this part of the world while expanding our Middle Eastern presence through Globelle's subsidiary in Israel.

Tech Data's management team also continued to live up to its reputation

Our approach delivers the efficiency of direct shipping while giving end users unsurpassed service and support through their preferred solution providers.

as the best in the industry. In January 2000, Néstor Cano, Tech Data's executive vice president of U.S. sales and marketing, was promoted to president of the Americas responsible for U.S., Canadian and Latin American operations. Before joining Tech Data's headquarters team in March 1999, his diverse industry experience included 10 years with the company's Computer 2000 group in Europe. As managing director overseeing operations in Spain and Portugal, Néstor developed an extremely efficient and highly profitable organization that outpaced competitors in these markets.

In August, we appointed Karl Pohler president of our European operations. His outstanding career in the IT market began in 1980 with Digital Equipment Corporation's German subsidiary and included executive management positions with Sony as well as Computer 2000.

Across all operations, Tech Data has the right management depth and personnel to reach its aggressive business goals. A variety of programs are regularly enhanced to train and reward our people, so this competitive advantage becomes stronger year after year.

A solid investment

This past fiscal year marked our 25th anniversary as one of the most successful companies in the technology business. We also considered the year a pivotal turning point for the industry.

Weaker players found it virtually impossible to survive amidst the heated price competition, tighter vendor terms and conditions as well as reduced rebate opportunities. All of this was tough medicine for our marketplace, and we are still in the early stages of a shakeout that we expect to reshape the competitive landscape in our favor. From just about any perspective, this fiscal year looks much brighter than the last.

Throughout our history, we have successfully responded to the changes and challenges of doing business in one of the world's most demanding and remarkably complex industries. Our nearly 10,000 associates worldwide give us the talent, experience and steadfast commitment to ensure Tech Data's leadership in delivering the IT products, logistics management and other value-added services that make today's computing solutions possible.

We are excited about the future and the prospects for providing even greater value to our business partners and shareholders. Thank you for your ongoing support and confidence in Tech Data as a solid investment in the e-commerce age. ■

Steven A. Raymund
Chairman of the Board of Directors
and Chief Executive Officer

May 5, 2000

The Realtime Connection to a Virtual World

Nowadays anyone can publish a Web site. Kids are doing it all the time. Building Internet solutions is a different story. It's a story we're living and developing every day at Tech Data.

Tech Data Web sites generate millions of page hits daily throughout the world. Hits that help IT resellers build technological advantage for today's most successful businesses and those trying to get ahead. If there's a way to provide a service better, faster or more cost-effectively online, we're either doing it or making sure we can in the near future.

We're delivering real value, real results and real benefit online. B2C and B2B resellers relied increasingly on our infrastructure, product offering and services to conduct business last year, generating more than $500 million in revenue at Tech Data — double the amount from the previous year.

Our e-channels growth expectations are even higher this year as more and more Internet resellers and our vendors realize that their virtual-world models require far more physical bandwidth than they can economically build. For many, the decision is already clear; Tech Data's vast network of fulfillment centers, just-in-time delivery capability and realtime connections are what's needed to fully prosper in the IT marketplace.

Transaction volume represents only one important and recurring chapter in our *e-volution*. With just a few mouse clicks, for example, customers can access Tech Data's comprehensive product catalog, review detailed technical specifications, check current pricing, configure systems, see realtime product availability, create formal quotes, submit purchase orders, track shipments and review order history. And the story keeps getting better.

If there's a way to provide a service better, faster or more cost-effectively online, we're either doing it or making sure we can in the near future.

One $5 million day at a time

Tech Data's own Web business is an equally — if not more — compelling story compared to our success with e-tailers and other types of Internet resellers. Last year we crossed the $5 million mark in daily Web sales to resellers, and annualized electronic commerce revenue reached $4 billion at the end of last year, including electronic data interchange (EDI) and other EC capabilities.

Not only are we introducing greater functionality and many additional features in response to customer demand, we're breaking new ground by embracing and helping to shape e-commerce standards for the IT community. In addition to participating in the industry's RosettaNet consortium, formed for this purpose, we recently joined with several other IT logistics leaders and FedEx to form Viacore, an e-business hub that will enable fast, efficient deployment of RosettaNet standards to all trading partners. These and other initiatives, including new Web storefront solutions we're providing to resellers, will make electronic commerce more pervasive and as cost-effective as possible.

Within the business-to-business e-commerce setting, Forrester Research, Inc. estimates that market sales will reach $2.7 trillion by 2004. Tech Data is already a central force in this rapidly unfolding epic adventure and is certain to be among the leading authors of the digital economy's future. ■

1999 Awards and Honors

- *10th in the nation on* Interactive Week *magazine's Internet 500*
- *Dow Jones Business Directory* Select Site
- *33rd in the nation,* Business 2.0 *magazine's "Hottest Companies on the Net"*

Tech Data's global breadth allows tremendous economies of scale. With a physical presence in 30 countries worldwide, we're virtually everywhere our partners need to be. Whether our resellers need servers in São Paulo, peripherals in Prague or chipsets in Chattanooga, Tech Data and its subsidiaries provide the product assortment and infrastructure that keep the world of technology moving at the speed of light.

Across the Globe

In today's economy, globalization spells opportunity. Our vendor and reseller partners want to do business with international leaders, and large integrators are increasingly seeking global logistics support. Tech Data benefits from these trends as well as the diversified business profile we have established. Our international sales have soared from 14% of sales in fiscal 1996 to approximately 50% last year.

Fluent in all 'languages'

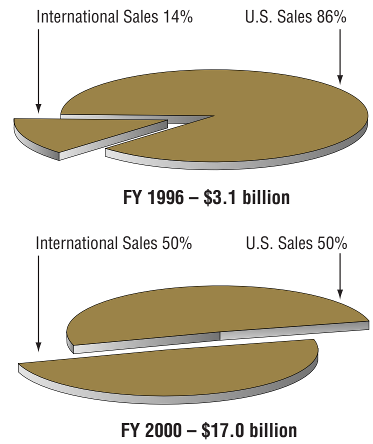
In Europe alone, 225 languages are spoken. Across the globe, more than 125 computer programming languages are employed. From Catalan to C++, German to JavaScript, Portuguese to PostScript, Tech Data is fluent.

Our nearly 10,000 associates worldwide do more than just speak the language. By successfully sharing best practices across our global enterprise, we leverage IT applications, merge global experience and attract top international talent. Ours is a world-class organization comprised of the best people in the industry.

throughout the world. Tech Data is translating these initiatives and activities into a customer-centric corporate culture that unites our people and operations as an even more vital force in the expanding IT universe.

Year after year, our growing geographic presence and high-caliber people combine to give Tech Data and its customers a leading edge. Whether our trading partners transact business using the euro, real, peso, dollar or other currency, we consistently deliver the best overall value. ■

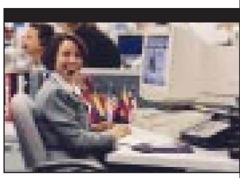
Tech Data's International Sales Growth



Year after year, our growing geographic presence and high-caliber people combine to give Tech Data and its customers a leading edge.

Global reach, local expertise

Through vast global reach as well as local market expertise and specialization, Tech Data provides its business partners with the best of all worlds. We recognize that every market is different, and by learning from each other in all disciplines, we can provide unparalleled services tailored to meet regional as well as in-country requirements



Tech Data placed 33rd on Business Week's *Info Tech 100 ranking of the world's best technology companies.*

The Source for Multivendor Solutions

Today's computing solutions require a diverse mix of hardware and software. The resellers who put it all together rely on Tech Data to have what they need when they need it.

As a leading provider of IT solutions, we offer customers the convenience of choosing from a comprehensive selection of more than 75,000 products. We also deliver extensive assistance along the way to help ensure they make the best decisions. It's one of the key reasons resellers continually view Tech Data as their preferred product source and business partner. Whether talking to one of our highly trained sales or tech support specialists or accessing detailed product specifications and other information via the Web, resellers know they receive unmatched decision support from Tech Data.

Making a good thing better

How are we making this competitive advantage even stronger? By forming highly specialized dedicated business units focused on today's fastest-growing and most lucrative technology segments. A number of these are already in place, producing solid results and even more promising futures. Examples include computer telephony, storage area networks, thin-client/server computing, supplies and accessories, digital imaging, CAD/graphics, Apple technology and enterprise solutions.

Comprised of cross-functional teams from sales, product marketing, education, marketing services, credit, technical services and other departments, these focused organizations optimize business development support for both customers and vendors. The information systems enhancements we're implementing this year will mean even greater responsiveness to specialized marketplace requirements while giving Tech Data unprecedented supply-chain management capabilities.

The answer to today's networking questions

It's imperative that resellers and vendors also do business with a supplier that understands the intricacies and compatibility issues associated with building complex networked solutions. This too is part of the Tech Data heritage, and a legacy we will leverage and strengthen throughout the new millennium.

Considering the speed of technological change today, it takes a special company to keep pace. One that understands shifting demand and emerging marketplace opportunities. Tech Data is that company and more. ■

Tech Data's Focused Business Units include dedicated resources to address today's fastest-growing – and most lucrative – technology market opportunities.

As a leading provider of IT solutions, we offer customers the convenience of choosing from a comprehensive selection of more than 75,000 products.

Success in business is often defined largely by your choice of service providers. That simple truth is particularly critical today.

We operate in a world where core competencies are treasured, and anything that may detract a company's focus or resources from them is a prime candidate for outsourcing. Companies are reevaluating virtually everything they do to better assess their real value-add and competitive advantage.

Custom Services for an Outsourcing World

Can someone else do it better, faster, cheaper? Is it possible to expand into new service offerings without increasing expenses? As IT resellers, manufacturers and publishers worldwide ask themselves these and other mission-critical questions, they are increasingly turning to Tech Data for answers.

Over the past 25 years we have been developing a broad range of services to address evolving marketplace needs. For thousands of companies, Tech Data's infrastructure already comprises much of their back office.

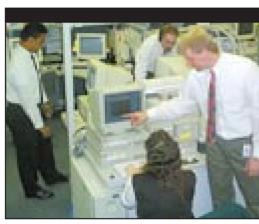
Our business philosophy extends beyond offering fast delivery of a full line of competitively priced products. Tech Data puts focus on the entire procurement process: product selection, order placement, inventory management, logistics and financial services. This customer-centric approach ensures that IT resellers receive close attention to their specialized needs. With the full support of our vendor partners, Tech Data provides a total commitment to reseller business needs.

For thousands of companies, Tech Data's infrastructure already comprises much of their back office. Many more are seeking ways to further leverage our capabilities.

Invisible yet indispensable

Tech Data's service offerings are typically provided in a manner transparent to end users. For example, even product containers can be "Private Labeled" with reseller logos and shipped directly to end-user sites. Packing documents are also customized based on reseller specifications. Our logistics services ensure the right products make it to the right locations — on time, anywhere. Systems configuration and assembly often takes place at one of our TDEnsemble℠ locations housed within our fulfillment centers.

Tech Data credit and financing solutions typically make the sale possible. If a technical issue arises, we do whatever it takes to arm our resellers with the answers. Our education services can be marketed directly by our customers, and we'll teach the classes on their behalf at our own training centers or end-user sites.



Comprehensive business-building programs also help vendors and a growing number of resellers communicate their messages to targeted markets.

This is just a glimpse behind the scenes at Tech Data — and at the future of our growing value-added services role in the IT marketplace. ■

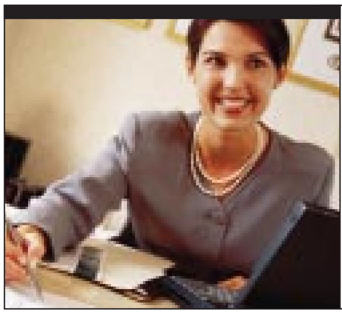
Tech Data Services

- *Configuration and Assembly*
- *Credit and Financial*
- *Custom Shipping*
- *E-business Solutions*
- *Enterprise Support*
- *Logistics Management*
- *Marketing Programs*
- *Technical Services*
- *Training and Education*

Some traditions should never change. Many get better with time. Tech Data began providing credit services to its customers 25 years ago, and the offering has evolved into a distinct marketplace advantage for the company. The vast majority of customer purchases are made possible through net terms or via one of our numerous alternative financing options.

The Financial Edge

Working with global financial service providers, Tech Data has developed some of the industry's most creative and cost-effective credit solutions. New and expanded offerings include OneLease[SM], our flexible end-user leasing program, a quick-credit program, and a broad range of Dun and Bradstreet reporting services that help resellers grow their businesses faster and more prudently than ever before.



Making it easier for resellers to buy from Tech Data:

- *Inventory/Accounts Receivable Financing*
- *Electronic Funds Transfer (EFT)*
- *Cross-corporate Guarantees*
- *Assignment of Proceeds*
- *Joint Purchase Orders*
- *Sight Draft and Standby Letters of Credit*
- *OneLease[SM]*

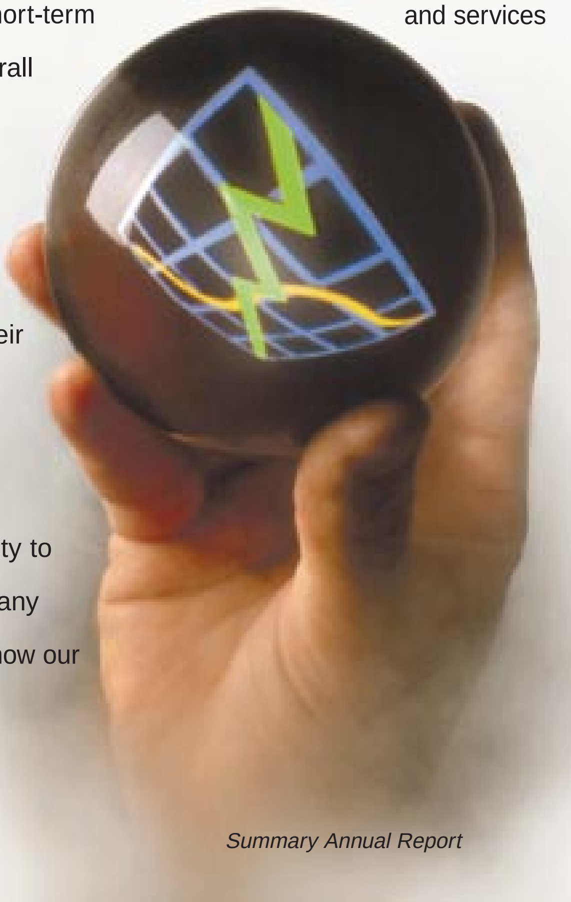
Tech Data's credit and financing solutions also yield tremendous benefit for the company's vendor partners, who typically do not have the desire or capability to address thousands of resellers' financial requirements worldwide. We provided more than $1.9 billion in credit to customers at January 31, 2000, while reducing bad debt expense to less than .25% of sales.

Besides providing the credit services resellers demand, Tech Data also offers targeted seminars and programs to help them become better informed, optimize short-term cash flow and improve overall financial management. Upstart entrepreneurs with exceptional technical talents and ideas often need assistance getting their businesses started. By helping them learn the fundamentals, Tech Data brings new depth and loyalty to its reseller partnerships. Many customers comment about how our business development seminars have actually helped them turn around negative fiscal trends and strengthen financial performance.

Tech Data's financial management practices build from the bottom line up as we continually invest in the company's future to meet the expectations of all business partners.

Walking the walk

The same business management principles we cover in our seminars are employed internally at Tech Data. Activity-based costing (ABC), for example, ensures that products and services are priced appropriately for each customer to mitigate risk, maximize sales and underscore the importance of process efficiency.



Tech Data's financial management practices build from the bottom line up as we continually invest in the company's future to meet the expectations of all business partners. It's another tradition that enhances our value to customers, vendors, employees and shareholders. A tradition that will always be a Tech Data hallmark of excellence. ■

BOARD OF DIRECTORS

Steven A. Raymund	Chairman of the Board of Directors and Chief Executive Officer, Tech Data Corporation
Jeffery P. Howells	Executive Vice President and Chief Financial Officer, Tech Data Corporation
Charles E. Adair	Partner, Cordova Ventures
Maximilian Ardelt	Member of the Board of Management, VIAG, AG
James M. Cracchiolo	President, American Express Travel Related Services International
Daniel M. Doyle	Chairman and Chief Executive Officer, BrainBuzz.com, Inc.
Kathy Misunas	President and Chief Executive Officer, brandwise, LLC
Edward C. Raymund	Chairman Emeritus
David M. Upton	Professor of Business Administration, Harvard Business School
John Y. Williams	Managing Director, Equity-South Advisors, LLC

OFFICERS

Steven A. Raymund	Chairman of the Board of Directors and Chief Executive Officer
Néstor Cano	President of the Americas
Karl Pohler	President of Europe
Jeffery P. Howells	Executive Vice President and Chief Financial Officer
H. John Lochow	Executive Vice President of Information Technology and Logistics and Chief Information Officer
Timothy J. Curran	Senior Vice President of U.S. Sales
Charles V. Dannewitz	Senior Vice President of Taxes
Lawrence W. Hamilton	Senior Vice President of Human Resources
Elio Levy	Senior Vice President of U.S. Marketing
Yuda Saydun	Senior Vice President, President of Latin America
William R. Todd, Jr.	Senior Vice President of U.S. Distribution, Configuration and Assembly Services
Joseph B. Trepani	Senior Vice President and Corporate Controller
Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary
David R. Vetter	Corporate Vice President, General Counsel
Patrick O. Connelly	Vice President of Credit Services

HEADQUARTERS

Tech Data Corporation	5350 Tech Data Drive • Clearwater, FL 33760 • 727-539-7429

PRINCIPAL SUBSIDIARIES

Computer 2000 AG	Wolfratshauser, Strasse 84 • D-81379 Munich • Germany
Tech Data Canada, Inc.	6895 Columbus Road • Mississauga, Ontario L5T 2G9 • Canada
Tech Data Latin America, Inc.	8501 N.W. 17th Street • Suite 101 • Miami, FL 33126
Tech Data Education, Inc.	5350 Tech Data Drive • Clearwater, FL 33760
Tech Data Finance SPV, Inc.	Suite 295 • 1655 North Main Street • Walnut Creek, CA 94596
Tech Data Product Management, Inc.	5350 Tech Data Drive • Clearwater, FL 33760

ANNUAL MEETING
The annual meeting of shareholders of the Company will be held at 4:30 p.m. on Tuesday, June 20, 2000, at Tech Data's headquarters:
5350 Tech Data Drive; Clearwater, FL 33760;
727-539-7429.

INVESTOR RELATIONS
Tech Data Corporation welcomes inquiries from its shareholders and other interested investors. For further information on the activities of the Company, additional copies of this report, or other financial information, please contact our Investor Relations department at 800-237-8931, ext. 75855, or through e-mail at ir@techdata.com. Additionally, information is available through the Company's World Wide Web site at www.techdata.com. Quarterly earnings information is available through the Company's fax-on-demand service by calling 800-758-5804, ext. 841125.

TRANSFER AGENT
Communications regarding lost stock certificates and address changes should be directed to our transfer agent, ChaseMellon Shareholder Services.

ChaseMellon Shareholder Services
85 Challenger Road, Overpeck Centre
Ridgefield Park, NJ 07660
800-756-3353

SECURITIES COUNSEL
Schifino & Fleischer, P.A., Tampa, FL

INDEPENDENT ACCOUNTANTS
PricewaterhouseCoopers LLP, Tampa, FL

STOCK LISTING
The Company's common stock is traded on The Nasdaq Stock Market under the symbol TECD.

www.techdata.com

TECH DATA CORPORATION

5350 Tech Data Drive

Clearwater, Florida 33760

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the fiscal year ended January 31, 2000

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from ________ to ________ .

Commission File Number 0-14625

TECH DATA CORPORATION
(Exact name of Registrant as specified in its charter)

Florida **(State or other jurisdiction of incorporation or organization)**	**59-1578329** **(I.R.S. Employer Identification Number)**
5350 Tech Data Drive **Clearwater, Florida** **(Address of principal executive offices)**	**33760** **(Zip Code)**

(Registrant's Telephone Number, including Area Code): (727) 539-7429

Securities registered pursuant to Section 12(g) of the Act:
Common stock, par value $.0015 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Aggregate market value of the voting stock held by non-affiliates of the registrant as of April 28, 2000: $2,063,000,000

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 28, 2000
Common stock, par value $.0015 per share	52,945,898

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's Proxy Statement for use at the Annual Meeting of Shareholders on June 20, 2000 is incorporated by reference in Part III of this Form 10-K to the extent stated herein.

PART I

ITEM 1. *Business*

Overview

Tech Data Corporation ("Tech Data" or the "Company") was incorporated in 1974 to market data processing supplies such as tape, disk packs, and custom and stock tab forms for mini and mainframe computers directly to end users. In 1984, the Company began marketing certain of its products to the newly emerging market of microcomputer dealers, broadened its product line to include hardware products, and withdrew entirely from end-user sales completing its transition to a wholesale distributor. The Company has since continually expanded its product lines, customer base and geographical presence.

On May 31, 1989, the Company entered the Canadian market through the acquisition of a distributor subsequently named Tech Data Canada Inc. ("Tech Data Canada"). Tech Data Canada serves customers in all Canadian provinces.

On March 24, 1994, the Company completed the non-cash exchange of 1,144,000 shares of its common stock for all of the outstanding capital stock of Softmart International, S.A. (subsequently named Tech Data France, SNC) ("Tech Data France"), a privately-held distributor of personal computer products based in Paris, France.

To complement its Miami-based Latin American export business, the Company opened a 33,000 square-foot sales office and distribution center near São Paulo, Brazil in February 1997.

Tech Data expanded its European presence by acquiring a controlling interest in Macrotron AG ("Macrotron"), a leading publicly-held distributor of personal computer products based in Munich, Germany, on July 1, 1997. Macrotron's product line included such leading vendors as 3Com, Canon, Compaq, Corel, Epson, Hewlett-Packard, IBM, Intel, Microsoft, Sony and Toshiba. (See Note 2 of Notes to Consolidated Financial Statements.)

Approximately one year later, in July 1998, Tech Data completed the acquisition of 83% of the voting common stock of Computer 2000 AG ("Computer 2000"), Europe's leading technology products distributor (see Note 2 of Notes to Consolidated Financial Statements). With a presence in significant geographic markets in Europe, the Middle East and Latin America, the purchase of Computer 2000 expanded Tech Data's presence into over 30 countries worldwide. As a result of this initial purchase, subsequent tender offer, open market purchases and private purchase transactions, the Company, in effect, currently owns approximately 99.8% of Computer 2000's outstanding stock. Computer 2000's product line includes such leading vendors as Apple, Cisco, Compaq, Epson, Hewlett-Packard, IBM, Intel, Microsoft, 3Com, and Toshiba.

With technology reseller customers in Germany, Switzerland and Austria, Computer 2000 had significant market overlap with Macrotron. As a result of this overlap, as well as the challenge of integrating two large competitors in the Germanic market, Tech Data chose to sell its controlling interest in Macrotron effective on July 1, 1998. Tech Data owned 99% and 91% of Macrotron's outstanding common and preferred stock, respectively, at the time of the sale and recorded a $15.7 million pre-tax gain on the transaction (see Note 2 of Notes to Consolidated Financial Statements).

In May 1999, the Company acquired Globelle Corporation, a leading publicly-held Canadian distributor, which nearly doubled the Company's Canadian business, adding additional critical mass and a complementary product and geographic focus (see Note 2 of Notes to Consolidated Financial Statements).

Tech Data is a leading provider of IT products, logistics management and other value-added services, and is the second largest based on worldwide sales. The Company distributes microcomputer hardware and software products to value-added resellers, corporate resellers, retailers, direct marketers and Internet resellers. The Company and its subsidiaries distribute to more than 70 countries and serve over 100,000 resellers in the United States, Canada, the Caribbean, Latin America, Europe and the Middle East. The Company's broad assortment of vendors and products meets the customers' need for a cost effective link to those vendors' products offered through a single source.

The Company provides its customers with leading products including systems, peripherals, networking and software, which accounted for 27%, 44%, 15% and 14%, respectively, of sales in fiscal 2000. The Company offers products from manufacturers and publishers such as Apple, Cisco, Compaq, Computer Associates, Creative Labs, Epson, Hewlett-Packard, IBM, Intel, Iomega, Microsoft, Northern Telecom, Novell, Okidata, Quantum, Seagate, Sony, Symantec, 3Com, Toshiba, Viewsonic, and Western Digital. The Company generally ships products the same day the orders are received from regionally located distribution centers. The customers are provided with a high-level of service through the Company's pre- and post-sale technical support, electronic commerce tools (including on-line order entry, product configuration services and electronic data interchange ("EDI") services), customized shipping documents and flexible financing programs.

Industry

The wholesale distribution model, like that provided by the Company, has proven to be well-suited for both manufacturers and publishers of microcomputer products ("vendors") and resellers of those products. The large number and diversity of resellers makes it cost efficient for vendors to rely on wholesale distributors which can leverage distribution costs across multiple vendors who outsource a portion of their distribution, credit, marketing and support services. Similarly, due to the large number of vendors and products, resellers often cannot or choose not to establish direct purchasing relationships. Instead, they rely on wholesale distributors, such as Tech Data, which can leverage purchasing costs across multiple vendors to satisfy a significant portion of their product procurement, delivery, financing, marketing and technical support needs.

The Company believes that the rates of growth of the wholesale distribution segment of the microcomputer industry and the Company continue to outpace that of the microcomputer industry as a whole for the following reasons. First, as a result of the use of open systems and off-the-shelf components, hardware and software products are increasingly viewed as commodities. The resulting price competition coupled with rising selling costs and shorter product life cycles make it difficult for manufacturers and publishers to efficiently sell directly to resellers or end-users and has prompted them to rely on more cost-efficient methods of distribution. Second, resellers are increasingly relying on wholesale distributors such as Tech Data for product availability and flexible financing alternatives rather than stocking large inventories themselves and maintaining credit lines to finance working capital needs. In addition, consolidation in the wholesale distribution industry continues as economies of scale and access to financial resources become more critical. Larger distributors, like the Company, that have been able to utilize economies of scale to lower costs and pass on the savings to its customers in the form of reduced prices have continued to take market share.

A number of emerging industry trends are providing new opportunities and challenges for Tech Data. The advent of the direct sales model for system products and other industry developments has led many manufacturers and distributors to reevaluate their business models. Leading systems manufacturers are introducing new policies, processes, terms and conditions as part of their overall effort to reduce costs and improve efficiency. Some manufacturers are moving toward "build-to-order" business models instead of the traditional "build-to-forecast" approach that requires forecasting market demand and manufacturing a broad range of systems based on these projections. The success of this new model will be driven by the extent to which reseller and manufacturer partners embrace the model and choose to make changes to their traditional ways of doing business.

As resellers continue to seek ways to reduce costs and improve efficiencies, distributors are responding with a variety of new value-added services. Tech Data's ability to provide a "virtual warehouse" of products for resellers means that they no longer need to hold inventory. Configuration and assembly services can be employed to customize systems. By the fourth quarter of fiscal 2000, approximately 58% of the Company's U.S. sales orders were drop-shipped directly to an end-user on behalf of a reseller. The majority of these orders were fulfilled using the Company's Private Label Delivery service which provides for customized packaging with reseller logos and marketing messages. The emergence of the Internet, and consequently Internet resellers, has created one of the industry's fastest-growing business segments. Through its comprehensive service offerings, the Company provides its reseller and vendor partners with a variety of outsourced distribution and logistics services.

The increasing utilization of electronic ordering and information delivery systems, including the ability to transact business over the World Wide Web, has had and is expected to continue to have a significant impact on the cost efficiency of the wholesale distribution industry. Distributors, such as Tech Data, with the financial and technical resources to develop, implement and operate state-of-the-art management information systems have been able to reduce both their customers' and their own transaction costs through more efficient purchasing and lower selling and delivery costs.

In summary, microcomputer distribution is experiencing rapid growth and consolidation, creating an environment in which market share gains and the resulting cost efficiencies are critical.

Business Strategy

Tech Data, as the world's second largest distributor of microcomputer products, believes that its infrastructure and the size of its operation position it to gain share in its current markets as well as continue its expansion into new geographic markets. The Company's size and performance have allowed it to make significant investments in personnel, management information systems, distribution centers and other capital resources. The Company provides a broad array of products and services for its resellers, which allows them to satisfy their needs from a single source. The Company's competitive advantage is the result of its low cost structure, investment in sophisticated management information systems and its access to capital to finance growth.

To maintain and enhance its leadership position in wholesale distribution, the Company's business strategy includes the following main elements:

Maintain low cost and efficient operations. The Company has pursued a strategy of profitable revenue growth by providing its customers with the benefit of operating efficiencies achieved through centralized management and control, stringent cost controls and automation. The Company strictly controls selling, general and administrative expenses; utilizes its highly automated order placement and processing systems to efficiently manage inventory and shipments and to reduce transaction costs; and realizes economies of scale in product purchasing, financing and working capital management. The Company has been successful in reducing selling, general and administrative expenses as a percentage of net sales from 5.31% for the fiscal year ended January 31, 1996 to 3.89% for the fiscal year ended January 31, 2000.

Leverage management information systems. In order to maintain and improve its operating efficiencies and services to its resellers, the Company continues to make investments in its state-of-the-art computer information systems. These systems provide the Company operating efficiencies and allow the Company to offer additional services such as the expansion of its electronic commerce capabilities, including electronic data interchange and order entry over the Company's World Wide Web site. Electronic commerce generates cost savings and operational efficiencies for Tech Data and its customers. By the fourth quarter of fiscal 2000, approximately 34% of the Company's U.S. sales dollar volume and approximately 60% of U.S. order lines were generated electronically over the Company's website and other links such as EDI. The Company believes that growth in its electronic commerce capabilities will provide incremental economies of scale and may further reduce transaction costs.

Offer a broad and balanced product mix. The Company offers its resellers a broad assortment of leading technology products. Currently, the Company offers more than 75,000 products from industry leading manufacturers and publishers. By offering a broad product assortment, the Company can benefit from its resellers' objective to procure product more efficiently by reducing the number of their direct vendor relationships. The Company is continually strengthening its product assortment to ensure it provides its customers with the latest technology products. The Company maintains a balanced product line of systems, peripherals, networking components and software to minimize the effects of fluctuation in supply and demand.

Foster customer loyalty through superior customer service. Tech Data's sales force provides superior customer service through a dedicated team approach in order to differentiate itself from its competitors and foster customer loyalty. The Company provides services such as flexible customer financing and credit programs, a suite of electronic commerce tools (including electronic order entry and access to product specifications), pre- and post-sale technical support, product configuration, customized shipping documents, flexible product return policies and customer education programs.

Provide geographic coverage in selected international markets. The Company has utilized its strong financial position, vendor relationships and distribution expertise to expand its business in selected international markets. The Company's future expansion strategy focuses on identifying companies with significant market positions and quality management teams in markets it considers to be attractive. The Company expanded into Europe in 1994 with an acquisition in France. In February 1997, the Company continued its international expansion through the development of an in-country subsidiary which stocks and distributes products in Brazil. The Company's purchase of Computer 2000 in July 1998 established the Company as the leading European distributor, as well as strengthened its position in Latin America. In May 1999, the purchase of Globelle Corporation allowed the Company to nearly double its presence in Canada. The Company currently maintains operations in 30 countries and ships products to resellers in more than 70 countries.

Vendor Relations

The Company's strong financial and industry positions have enabled it to obtain contracts with most leading manufacturers and publishers. The Company purchases products directly from manufacturers and publishers, generally on a nonexclusive basis. The Company's vendor agreements are believed to be in the form customarily used by each manufacturer and typically contain provisions which allow termination by either party upon 30 days notice. Generally, the Company's supplier agreements do not require it to sell a specified quantity of products or restrict the Company from selling similar products manufactured by competitors. Consequently, the Company has the flexibility to terminate or curtail sales of one product line in favor of another product line as a result of technological change, pricing considerations, product availability, customer demand and vendor distribution policies.

Such agreements generally contain stock rotation and price protection provisions which, along with the Company's inventory management policies and practices, reduce the Company's risk of loss due to slow-moving inventory, vendor price reductions, product updates or obsolescence. Under the terms of many distribution agreements, suppliers will credit the distributor for declines in inventory value resulting from the supplier's price reductions, subject to certain limitations. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of those inventory items purchased, subject to certain limitations. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. While the industry practices discussed above are sometimes not embodied in agreements and do not protect the Company in all cases from declines in inventory value, management believes that these practices provide a significant level of protection from such declines. No assurance can be given, however, that such practices will continue or that they will adequately protect the Company against declines in inventory value. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Asset Management."

Major computer systems manufacturers re-engineered their manufacturing processes whereby final assembly is being performed on a "build-to-order" methodology versus the alternative "build-to-forecast" methodology employed by these manufacturers in the past. Tech Data has expanded its TDEnsemble services over the past two years to include "build-to-order" capabilities ("channel assembly") on behalf of its manufacturing partners, in addition to resellers, seeking custom configuration of branded and unbranded systems. Tech Data was selected by Compaq, Hewlett-Packard and IBM to participate in their respective channel assembly initiatives. In addition to its own ISO 9002-certified centers in Fontana, California, Frederick, Maryland, and Swedesboro, New Jersey, Tech Data offers custom-configuration at its Factory*Direct* location which is located within IBM's facility in Research Triangle Park, North Carolina. During fiscal 2000 the Company expanded its Factory*Direct* program ("co-location") to include Hewlett-Packard printer products at their Saudston, Virginia facility.

In addition to providing manufacturers and publishers with one of the largest bases of resellers in the United States, Canada, the Caribbean, Latin America, Europe and the Middle East, the Company also offers manufacturers and publishers the opportunity to participate in a number of special promotions, training programs and marketing services targeted to the needs of its resellers.

With the exception of Hewlett-Packard and Compaq, no single vendor accounted for more than 10% of the Company's net sales during fiscal 2000, 1999, or 1998. Sales of Hewlett-Packard products accounted for 19%, 18%, and 13% of net sales in fiscal 2000, 1999 and 1998, respectively, and sales of Compaq products accounted for 16%, 13% and 13% of net sales in fiscal 2000, 1999 and 1998, respectively.

Customers, Products and Services

The Company sells more than 75,000 microcomputer products including systems, peripherals, networking components and software purchased directly from manufacturers and publishers in large quantities for sale to an active reseller base of more than 100,000 VARs, corporate resellers, direct marketers, retailers and Internet resellers.

The Company's VARs typically do not have the resources to establish a large number of direct purchasing relationships or stock significant product inventories. This market is attractive because VARs, which constituted approximately 57% of Tech Data's net sales in fiscal 2000, generally rely on distributors as their principal source of computer products and financing. Corporate resellers, retailers and direct marketers may establish direct relationships with manufacturers and publishers for their more popular products, but utilize distributors as the primary source for other product requirements and the alternative source for products acquired direct. Corporate resellers constituted approximately 24% of the Company's net sales in fiscal 2000. Tech Data also has developed special programs to meet the unique needs of retail, direct marketers and Internet resellers, who constituted approximately 19% of the Company's net sales in fiscal 2000. No single customer accounted for more than 5% of the Company's net sales during fiscal 2000, 1999, or 1998.

The Company pursues a strategy of continually strengthening its product line to offer its customers a broad assortment of the latest technology products. From time to time, the demand for certain products sold by the Company exceeds the supply available from the manufacturer or publisher. In such case, the Company generally receives an allocation of the available products. Management believes that the Company's ability to compete is not adversely affected by these periodic shortages and the resulting allocations.

Tech Data provides resellers a high-level of service through the Company's pre- and post-sale technical support, suite of electronic commerce tools (including on-line order entry and EDI services), customized shipping documents, product configuration services and flexible financing programs.

The Company delivers products throughout the United States, Canada, the Caribbean, Latin America, Europe and the Middle East from its 37 regionally located distribution centers. Locating distribution centers near its customers enables the Company to deliver products on a timely basis, thereby reducing the customers' need to invest in inventory. See Item 2 — Properties for further discussion of the Company's locations and distribution centers.

Sales and Electronic Commerce

Currently, the Company's sales force consists of approximately 2,000 field and inside telemarketing sales representatives. Field sales representatives are located in major metropolitan areas. Each field representative is supported by inside telemarketing sales teams covering a designated territory. The Company's team concept provides a strong personal relationship between representatives of the customers and Tech Data. Territories with no field representation are serviced exclusively by the inside telemarketing sales teams. Customers typically call their inside sales teams on dedicated toll-free numbers or contact the Company through various electronic methods to place orders. If the product is in stock and the customer has available credit, customer orders are generally shipped the same day from the distribution facility nearest the customer.

Increasingly, customers rely upon the Company's electronic ordering and information systems, in addition to its product catalogs and frequent mailings, as sources for product information, including availability and price. The Company's on-line computer system allows the inside sales teams to check for current stocking levels in each of the seven United States distribution centers. Likewise, inside sales teams in Canada, the Caribbean, Latin America, Europe and the Middle East can check on stocking levels in their respective distribution centers. Through the Company's website, most customers can gain remote access to the Company's information systems to check product availability and pricing and to place orders. Certain of the Company's larger customers have available EDI services whereby orders, order acknowledgments, invoices, inventory status reports, customized pricing information and other industry standard EDI transactions are consummated on-line which improves efficiency and timeliness for both the Company and the customers. By the fourth quarter of fiscal 2000 approximately 34% of the Company's U.S. sales dollar volume originated from orders received electronically and annualized worldwide electronic commerce sales volume was approximately $4 billion.

The Company provides comprehensive training to its field and inside sales representatives regarding technical characteristics of products and the Company's policies and procedures. In addition, the Company's ongoing training program is supplemented by product seminars offered by manufacturers and publishers.

Competition

The Company operates in a market characterized by intense competition. Competition within the industry is based on product availability, credit availability, price, delivery and various services and support provided by the distributor to the customer. The Company believes that it is equipped to compete effectively with other distributors in these areas. Major competitors include Ingram Micro, Inc., CHS Electronics, Inc., Merisel, Inc., and Microage, Inc. as well as a variety of smaller local and regional distributors. The only competitor larger than the Company is Ingram Micro, Inc.

The Company also competes with manufacturers and publishers who sell directly to resellers and end-users. The Company nevertheless believes that in the majority of cases, manufacturers and publishers choose to sell products through distributors rather than directly because of the relatively small volume and high selling costs associated with numerous small orders. Management also believes that the Company's prompt delivery of products and efficient handling of returns provide an important competitive advantage over manufacturers' and publishers' efforts to market their products directly.

Employees

On January 31, 2000, the Company had approximately 9,575 employees located as follows: United States – 4,067, Europe – 4,215, and all other regions – 1,293. Certain of the Company's employees in Canada are subject to collective bargaining or similar arrangements, as well as employees in various countries outside the United States in which the Company operates that have laws providing representation rights to employees on management boards. The Company considers its relations with its employees to be good.

Foreign and Domestic Operations and Export Sales

The Company operates predominantly in a single industry segment as a wholesale distributor of computer-based technology products and services. That is, the principal markets, products and services and methods of distribution from which each segment derives its revenues are essentially the same. The principal geographical areas in which the Company operates are the United States, Europe (including the Middle East) and Other International areas which include in-country operations in Canada, Brazil, Argentina, Chile, Peru, Uruguay and export sales to Latin America and the Caribbean from the United States. In fiscal 2000, 1999, and 1998, 50%, 45% and 23%, respectively, of the Company's sales were derived from sales outside of the United States.

See Note 11 of Notes to Consolidated Financial Statements for further information regarding the geographical distribution of the Company's net sales, operating income and identifiable assets.

Executive Officers

The Company's executive officers as of April 10, 2000 are as follows:

Steven A. Raymund, Chairman of the Board of Directors and Chief Executive Officer, age 44, has been employed by the Company since 1981, serving as Chief Executive Officer since January

1986 and as Chairman of the Board of Directors since April 1991. He has a B.S. Degree in Economics from the University of Oregon and a Masters Degree from the Georgetown University School of Foreign Service.

Néstor Cano, President of the Americas, age 36, joined the Company in July 1998 as a result of the Company's acquisition of Computer 2000. In March 1999, he was appointed Executive Vice President of U.S. Sales and Marketing and in January 2000 he was promoted to President of the Americas. Prior to his appointment in the United States, Mr. Cano served in various management positions with Computer 2000 from 1989 to 1998, most recently as Regional Managing Director of Spain and Portugal. Mr. Cano holds an Engineering Degree from Barcelona University.

Karl Pohler, President of Europe, age 46, joined the Company in September 1999 and was appointed Chairman of the Management Board of Computer 2000 AG, Tech Data's Munich-based subsidiary, and to a position on the Tech Data Germany AG Management Board. From August 1997 to August 1999, he served as President of the Board of Management at Sony's German subsidiary based in Cologne. From July 1993 to July 1997, he served as Chairman of the Management Board of Computer 2000 GmbH, Munich.

Jeffery P. Howells, Executive Vice President and Chief Financial Officer, age 43, joined the Company in October 1991 as Vice President of Finance and assumed the responsibilities of Chief Financial Officer in March 1992. In March 1993, he was promoted to Senior Vice President and Chief Financial Officer and was promoted to Executive Vice President and Chief Financial Officer in March 1997. In 1998, Mr. Howells was appointed to the Company's Board of Directors and to the Supervisory Board of Computer 2000 AG. From 1979 to 1991 he was employed by Price Waterhouse. Mr. Howells is a Certified Public Accountant and holds a B.B.A. Degree in Accounting from Stetson University.

H. John Lochow, Executive Vice President of Information Technology and Logistics, age 47, joined the Company in February 1998 as Senior Vice President and Chief Information Officer and in February 1999 was promoted to Executive Vice President of Information Technology and Logistics. Prior to joining the Company, he served as Chief Information Officer at Bell Canada and Chief Executive of their international subsidiary Bell Sygma from 1996 to February 1998. From 1994 to 1996, he was employed by AT&T Capital Corporation as Vice President of Systems and New Business Development and from 1989 to 1994 he was employed by CNA Insurance Companies as Vice President of Systems. Mr. Lochow holds a B.A. Degree in Mathematics from Thomas Edison University.

Timothy J. Curran, Senior Vice President of U.S. Sales, age 48, joined the Company in April 1997. Prior to joining the Company, he was employed by Panasonic Communications and Systems Company (including various other Panasonic affiliates) from 1983 to 1997 serving in a variety of senior management positions. Mr. Curran holds a B.A. Degree in History from the University of Notre Dame and a Ph.D. in International Relations from Columbia University.

Charles V. Dannewitz, Senior Vice President of Taxes, age 45, joined the Company in February 1995 as Vice President of Taxes and was promoted to Senior Vice President in April 2000. Prior to joining the Company, he was employed by Price Waterhouse for 13 years, most recently as a Tax Partner. Mr. Dannewitz is a Certified Public Accountant and holds a B.S. Degree in Accounting from Illinois Wesleyan University.

Lawrence W. Hamilton, Senior Vice President of Human Resources, age 42, joined the Company in August 1993 as Vice President of Human Resources and was promoted to Senior Vice President in March 1996. Prior to joining the Company, he was employed by Bristol-Myers Squibb

Company from 1985 to August 1993, most recently as Vice President - Human Resources and Administration of Linvatec Corporation (a division of Bristol-Myers Squibb Company). Mr. Hamilton holds a B.A. Degree in Political Science from Fisk University and a Masters of Public Administration, Labor Policy from the University of Alabama.

Elio Levy, Senior Vice President of U.S. Marketing, age 52, joined the Company in October 1991 as Director of Software and was promoted to Vice President of Networking in January 1993. In January 1995, he was assigned as Vice President of Marketing for Tech Data France and from January 1996 to June 1998 he served as President of Tech Data Canada. In July 1998, he returned to the Company's U.S. operations as Vice President and General Manager of International Marketing and in November 1998 he assumed the role of Vice President and General Manager, Peripherals. In April 2000 he was promoted to his current role of Senior Vice President of Marketing. Mr. Levy holds a B.S. Degree in Business from the College of Charleston.

Yuda Saydun, Senior Vice President and President of Latin America, age 47, joined the Company in May 1993 as Vice President and General Manager - Latin America. In March 1997 he was promoted to Senior Vice President and General Manager – Latin America and in April 2000 was promoted to President of Latin America. Prior to joining the Company, he was employed by American Express Travel Related Services Company, Inc. from 1982 to May 1993, most recently as Division Vice President, Cardmember Marketing. Mr. Saydun holds a B.S. Degree in Political and Diplomatic Sciences from Université Libre de Bruxelles and a Masters of Business Administration Degree, Finance/Marketing from U.C.L.A.

William K. Todd Jr., Senior Vice President, U.S. Distribution, Configuration and Assembly Services, age 55, joined the Company in June 1999 as Vice President and General Manager of Configuration and Assembly and was promoted to Senior Vice President of Distribution in April 2000. Prior to joining the Company, he was employed by Entex Information Services from September 1992 to June 1999 as the Senior Vice President of Distribution and Manufacturing. Mr. Todd holds a B.S. Degree in Business Management from New Hampshire College.

Joseph B. Trepani, Senior Vice President and Corporate Controller, age 39, joined the Company in March 1990 as Controller and held the position of Director of Operations from October 1991 through January 1995. In February 1995, he was promoted to Vice President and Worldwide Controller and to Senior Vice President and Corporate Controller in March 1998. Prior to joining the Company, Mr. Trepani was Vice President of Finance for Action Staffing, Inc. from July 1989 to February 1990. From 1982 to 1989, he was employed by Price Waterhouse. Mr. Trepani is a Certified Public Accountant and holds a B.S. Degree in Accounting from Florida State University.

Arthur W. Singleton, Corporate Vice President, Treasurer and Secretary, age 39, joined the Company in January 1990 as Director of Finance and was appointed Treasurer and Secretary in April 1991. In February 1995, he was promoted to Vice President, Treasurer and Secretary and was promoted to Corporate Vice President in April 2000. Prior to joining the Company, Mr. Singleton was employed by Price Waterhouse from 1982 to 1989. Mr. Singleton is a Certified Public Accountant and holds a B.S. Degree in Accounting from Florida State University.

David R. Vetter, Corporate Vice President and General Counsel, age 41, joined the Company in June 1993 and was promoted to Corporate Vice President in April 2000. Prior to joining the Company, he was employed by the law firm of Robbins, Gaynor & Bronstein, P.A. from 1984 to 1993, most recently as a partner. Mr. Vetter is a member of the Florida Bar and holds a B.A. Degree in English and Economics from Bucknell University and a J.D. Degree from the University of Florida.

Patrick O. Connelly, Vice President of Credit Services, age 54, joined the Company in August 1994. Prior to joining the Company, he was employed by Unisys Corporation for nine years as Worldwide Director of Credit. Mr. Connelly holds a B.A. Degree in History and French from the University of Texas at Austin.

ITEM 2. *Properties*

Tech Data's executive offices are located in Clearwater, Florida. The Company operates a total of 37 distribution centers to provide its customers timely delivery of products. These distribution centers are located in the following principal markets: U.S. – 7, Canada – 3, Latin America – 5, Europe – 20 and the Middle East – 2. In addition to the above distribution centers, the Company operates two distribution facilities in the United States which are located within the manufacturing facilities of IBM and Hewlett-Packard in connection with the Company's Factory*Direct* program (see Vendor Relations). The Company also operates training centers in ten cities in the United States.

The facilities of the Company are substantially utilized, well maintained and are adequate to conduct the Company's current business.

ITEM 3. *Legal Proceedings*

There are no material legal proceedings pending against the Company.

ITEM 4. *Submission of Matters to a Vote of Security Holders*

There have been no matters submitted to a vote of security holders during the last quarter of the fiscal year ended January 31, 2000.

PART II

ITEM 5. *Market for the Registrant's Common Stock and Related Shareholder Matters*

The Company's common stock is traded on the Nasdaq Stock Market under the symbol TECD. The Company has not paid cash dividends since fiscal 1983. The Board of Directors does not intend to institute a cash dividend payment policy in the foreseeable future. The table below presents the quarterly high and low sales prices for the Company's common stock as reported by The Nasdaq Stock Market. The approximate number of shareholders as of January 31, 2000 was 31,000.

	Sales Price	
	High	**Low**
Fiscal year 2000		
Fourth quarter	$ 27⅞	$ 18⅝
Third quarter	39 5/16	18
Second quarter	44⅞	22¼
First quarter	32	14½
Fiscal year 1999		
Fourth quarter	$ 44½	$ 26⅝
Third quarter	53⅛	36¾
Second quarter	49⅞	33¾
First quarter	50⅝	36⅛

ITEM 6. ***Selected Consolidated Financial Data***

The following table sets forth certain selected consolidated financial data and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's consolidated financial statements and notes thereto appearing elsewhere in this annual report.

FIVE YEAR FINANCIAL SUMMARY
(In thousands, except per share data)

	Year Ended January 31,				
	2000	1999(1)	1998	1997	1996
Income statement data:					
Net sales	$16,991,750	$11,528,999	$7,056,619	$4,598,941	$3,086,620
Cost and expenses:					
Cost of products sold	16,058,086	10,806,153	6,590,873	4,277,160	2,867,226
Selling, general and administrative expenses	661,792	492,542	293,108	206,770	163,790
	16,719,878	11,298,695	6,883,981	4,483,930	3,031,016
Operating income	271,872	230,304	172,638	115,011	55,604
Interest expense	65,965	44,988	29,908	21,522	20,086
Net foreign currency exchange loss (gain)	5,153	(5,027)	—	—	—
(Gain) on the sale of Macrotron AG	—	(15,700)	—	—	—
Income before income taxes	200,754	206,043	142,730	93,489	35,518
Provision for income taxes	72,837	76,215	52,816	36,516	13,977
Income before minority interest	127,917	129,828	89,914	56,973	21,541
Minority interest	416	876	429	—	—
Net income	$ 127,501	$ 128,952	$ 89,485	$ 56,973	$ 21,541
Net income per common share:					
Basic	$ 2.47	$ 2.59	$ 2.00	$ 1.39	$ .57
Diluted	$ 2.34	$ 2.47	$ 1.92	$ 1.35	$ .56
Weighted average common shares outstanding:					
Basic	51,693	49,727	44,715	40,870	37,846
Diluted	58,508	54,161	46,610	42,125	38,138
Dividends per common share	—	—	—	—	—
Balance sheet data:					
Working capital	$ 795,589	$ 725,057	$ 537,381	$ 351,993	$ 201,704
Total assets	4,123,818	3,844,987	2,185,383	1,545,294	1,043,879
Revolving credit loans	1,006,809	817,870	540,177	396,391	283,100
Long-term debt	316,840	308,521	8,683	8,896	9,097
Shareholders' equity	1,013,695	967,291	702,588	438,381	285,698

(1) Results for the fiscal year ended January 31, 1999 include six months of results for Computer 2000 (acquired effective July 1, 1998) and six months of results for Macrotron (sold effective July 1, 1998). See Note 2 of Notes to Consolidated Financial Statements.

ITEM 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Certain statements within this Item and throughout this Annual Report on Form 10-K and the documents incorporated herein are "forward-looking statements" as described in the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties and actual results could differ materially from those projected. Please refer to the cautionary statements and important factors discussed in Exhibit 99A for further information.

The following table sets forth the percentage of cost and expenses to net sales derived from the Company's Consolidated Statement of Income for each of the three most recent fiscal years.

	Percentage of Net Sales		
	Year ended January 31,		
	2000	1999	1998
Net sales	100.0%	100.0%	100.0%
Cost and expenses:			
Cost of products sold	94.5	93.7	93.4
Selling, general and administrative expenses	3.9	4.3	4.2
	98.4	98.0	97.6
Operating income	1.6	2.0	2.4
Interest expense	.4	.4	.4
Net foreign currency exchange loss (gain)	—	—	—
(Gain) on the sale of Macrotron AG	—	(.2)	—
Income before income taxes	1.2	1.8	2.0
Provision for income taxes	.4	.7	.7
Income before minority interest	.8	1.1	1.3
Minority interest	—	—	—
Net income	.8%	1.1%	1.3%

Fiscal Years Ended January 31, 2000 and 1999

Net sales increased 47.4% to $17.0 billion in fiscal 2000 compared to $11.5 billion in the prior year. This increase is attributable to the acquisition of Computer 2000 AG ("Computer 2000"), as well as the addition of new customers, gains in market share, the addition of new product lines and the expansion of existing product lines in all geographies. Sales in fiscal 2000 included 12 months of operations of Computer 2000, which the Company acquired in July 1998, whereas fiscal 1999 sales included six months of operations of Computer 2000 and six months of Macrotron AG, which was acquired in July 1997 and sold in July 1998. The Company's U.S., European and other international sales grew 32%, 66% and 68%, respectively, in fiscal 2000 compared to the prior year. Excluding the effect of acquisitions, sales growth rates in fiscal 2000 were approximately 32%, 14%, 12% and 22% in the U.S., Europe, other international markets, and worldwide, respectively. Total international sales in fiscal 2000 represented approximately 50% of consolidated net sales compared with 45% in the prior year.

The cost of products sold as a percentage of net sales was 94.5% in fiscal 2000 compared to 93.7% in the prior year. This increase is a result of competitive market conditions and the Company's increased participation in customer outsourcing activities which provide lower gross profit margins, while, because of cost and working capital efficiencies in these activities, maintain reasonable pre-tax margins.

Selling, general and administrative expenses increased 34.4% from $492.5 million in fiscal 1999 to $661.8 million in fiscal 2000, and as a percentage of net sales decreased to 3.9% in fiscal 2000 from

4.3% in the prior year. This decline in selling, general and administrative expenses as a percentage of net sales is attributable to greater economies of scale the Company realized during fiscal 2000 in addition to improved operating efficiencies. The dollar value increase in selling, general and administrative expenses is attributable to the acquisition of Computer 2000, increases in amortization of intangibles and other operating expenses needed to support the increased volume of business.

As a result of the factors described above, operating income in fiscal 2000 increased 18.0% to $271.9 million, or 1.6% of net sales, compared to $230.3 million, or 2.0% of net sales, in fiscal 1999. A factor contributing to the decrease in the operating profit margin from 2.0% in fiscal 1999 to 1.6% in fiscal 2000 was the competitive market conditions experienced by the Company. Additionally, operating margins in Europe are typically lower than the Company's U.S. business as a result of the region's higher cost structure.

Interest expense increased 46.6% from $45.0 million in fiscal 1999 to $66.0 million in fiscal 2000. This increase is the result of an increase in the Company's average outstanding indebtedness related to funding for continued growth and capital expenditures. The increase in interest expense was partially offset in fiscal 2000 by decreases in average short-term interest rates on the Company's floating rate indebtedness.

The Company incurred a net foreign currency exchange loss of $5.2 million in fiscal 2000, as compared to a net foreign currency exchange gain of $5.0 million in fiscal 1999, primarily related to international economic conditions that led to weaker currencies principally in Latin America and Europe as compared to the U.S. dollar.

The provision for income taxes decreased 4.4% to $72.8 million in fiscal 2000 from $76.2 million in the prior year. This decrease is attributable to a decrease in the Company's income before income taxes. The Company's average income tax rate declined to 36.3% in fiscal 2000 compared with 37.0% in the prior year due to fluctuations in the amount of federal, state and foreign taxable income reported in each period.

As a result of the factors described above, net income in fiscal 2000 increased to $127.5 million, or $2.34 per diluted share, compared to $119.4 million, or $2.29 per diluted share, in the prior year (excluding the after-tax gain on the sale of Macrotron of $9.6 million, realized in fiscal 1999). Net income for fiscal year 1999 totaled $129.0 million or $2.47 per diluted share including the gain on the sale of Macrotron.

Fiscal Years Ended January 31, 1999 and 1998

Net sales increased 63.4% to $11.5 billion in fiscal 1999 compared to $7.1 billion in the prior year. This increase is attributable to the acquisition of Computer 2000, as well as the addition of new product lines and the expansion of existing product lines. Sales for the fiscal year ended January 31, 1999 include six months of results for Computer 2000, in which the Company acquired a controlling interest in July 1998, and include six months of results for Macrotron AG, which was acquired in July 1997 and sold in July 1998. The Company's U.S., Europe and other international sales grew 17.0%, 295.5% and 32.9%, respectively, in fiscal 1999 compared to the prior year. The significant growth in the Company's international sales is attributable to the acquisition of Computer 2000. Excluding the effect of acquisitions and dispositions, sales growth rates in fiscal 1999 were approximately 17%, 27%, 15% and 20% in the U.S., Europe, other international areas and worldwide, respectively. Total international sales in fiscal 1999 represent approximately 45% of consolidated net sales compared with 23% in the prior year.

The cost of products sold as a percentage of net sales increased from 93.4% in fiscal 1998 to 93.7% in fiscal 1999. This increase is a result of competitive market prices and the Company's strategy of lowering selling prices in order to gain market share and to pass on the benefit of operating efficiencies to its customers.

Selling, general and administrative expenses increased 68.0% from $293.1 million in fiscal 1998 to $492.5 million in fiscal 1999, and as a percentage of net sales increased to 4.3% in fiscal 1999 from 4.2% in the prior year. The increase in selling, general and administrative expenses is attributable to the acquisitions of Macrotron AG and Computer 2000, increases in amortization of intangibles as well as other operating expenses needed to support the increased volume of business.

As a result of the factors described above, operating income in fiscal 1999 increased 33.4% to $230.3 million, or 2.0% of net sales, compared to $172.6 million, or 2.4% of net sales, in fiscal 1998. A factor contributing to the decrease in the operating profit margin from 2.4% in fiscal 1998 to 2.0% in fiscal 1999, was ongoing competitive pricing pressure experienced by the Company in its U.S. business. Additionally contributing to this decrease was the Company's more significant presence in Europe in fiscal 1999, principally as a result of the Computer 2000 acquisition. Operating margins in Europe are typically lower than the Company's U.S. business as a result of the region's higher cost structure.

Interest expense increased due to an increase in the Company's average outstanding indebtedness related to funding the acquisition of Computer 2000, funding for continued growth and capital expenditures. The increase in interest expense was partially offset in fiscal 1999 by decreases in average short-term interest rates on the Company's floating rate indebtedness.

The Company's results of operations in fiscal 1999 include a pre-tax gain of $15.7 million ($9.6 million net of income taxes) related to the July 1998 sale of Macrotron AG.

The Company's average income tax rate was 37.0% for fiscal 1999 and fiscal 1998.

Net income in fiscal 1999 increased 44.1% to $129.0 million, or $2.47 per diluted share, compared to $89.5 million, or $1.92 per diluted share, in the prior year. Excluding the gain on the sale of Macrotron, net income increased 33.4% to $119.4 million, or $2.29 per diluted share.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). This statement establishes requirements for accounting and reporting of derivative instruments and hedging activities. SFAS 133 was updated by the issuance of SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FAS No. 133" and is effective for fiscal years beginning after June 15, 2000. The future impact of this statement on the Company's results of operations is not expected to be material.

Impact of Inflation

The Company has not been adversely affected by inflation as technological advances and competition within the microcomputer industry has generally caused prices of the products sold by the Company to decline. Management believes that any price increases could be passed on to its customers, as prices charged by the Company are not set by long-term contracts.

Quarterly Data — Seasonality

The Company's quarterly operating results have fluctuated significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company. The Company's narrow operating margins may magnify the impact of these factors on the Company's operating results. Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and worldwide pre-holiday stocking in the retail channel during the September-to-November period. In addition, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations. See Note 12 of Notes to Consolidated Financial Statements for further information regarding the Company's quarterly results.

Liquidity and Capital Resources

Net cash used in operating activities of $4.3 million in fiscal 2000 was primarily attributable to income from operations of $127.5 million combined with increases in accounts payable and accrued expenses, offset by increases in accounts receivable, inventories and prepaid and other assets related to the growth of the Company's business. The Company continues to focus on improving asset turnover, as evidenced by its days sales outstanding in accounts receivable, which declined to 36.3 days at the end of fiscal 2000 as compared to 42.4 days at the end of fiscal 1999. Similarly, days of supply of inventory was reduced to 31.0 days at the end of fiscal 2000 from 34.4 days at the end of fiscal 1999 while maintaining superior order fill rates.

Net cash used in investing activities of $120.3 million during fiscal 2000 was attributable to the Company's investment of $77.4 million related to the expansion of the Company's management information systems, office facilities and equipment for its distribution centers combined with the use of $18.3 million related to the acquisition of additional shares of Computer 2000 and approximately $24.6 million related to the acquisition of Globelle (see Note 2 of Notes to Consolidated Financial Statements). The Company expects to make capital expenditures of approximately $125 million during fiscal 2001 to further expand its management information systems, office facilities and equipment for distribution centers.

Net cash provided by financing activities of $124.1 million during fiscal 2000 reflects the net borrowings under the Company's revolving credit loans of $99.4 million in addition to proceeds from stock option exercises (including the related income tax benefit) of $24.9 million.

As of January 31, 2000, the Company maintained domestic and foreign revolving credit agreements which provide maximum short-term borrowings of approximately $1.7 billion (including local country credit lines), of which $1.0 billion was outstanding at that date. The Company believes that cash from operations, available and obtainable bank credit lines and trade credit from its vendors will be sufficient to satisfy its working capital and capital expenditure needs through fiscal 2001.

Asset Management

The Company manages its inventories by maintaining sufficient quantities to achieve high order fill rates while attempting to stock only those products in high demand with a rapid turnover rate. Inventory balances fluctuate as the Company adds new product lines and when appropriate, makes large purchases, including cash purchases from manufacturers and publishers when the terms of such purchases are considered advantageous. The Company's contracts with most of its vendors provide price protection and stock rotation privileges to reduce the risk of loss due to manufacturer price reductions and slow moving or obsolete inventory. In the event of a vendor price reduction, the Company generally receives a credit for the impact on products in inventory, subject to certain limitations. In addition, the Company has the right to rotate a certain percentage of purchases, subject to certain limitations. Historically, price protection and stock rotation privileges as well as the Company's inventory management procedures have helped to reduce the risk of loss of carrying inventory.

The Company attempts to control losses on credit sales by closely monitoring customers' creditworthiness through its computer system which contains detailed information on each customer's payment history and other relevant information. The Company has obtained credit insurance which insures a percentage of the credit extended by the Company to certain of its larger domestic and international customers against possible loss. Customers who qualify for credit terms are typically granted net 30-day payment terms. The Company also sells products on a prepay, credit card, cash on delivery and floorplan basis.

Year 2000

The Company's Year 2000 ("Y2K") compliance project determined the readiness of the Company's business for the Year 2000. The Company defined Y2K "compliance" to mean that the computer code will process all defined future dates properly and give accurate results. The Company has experienced no problems with its computer systems since the beginning of 2000 but will continue to monitor the systems to assess whether any problems develop. In addition, the Company incurred approximately $11.2 million in expenses related to assessing and remedying any Y2K problems and upgrading computer systems, but does not expect to incur any additional material expenses related to Y2K issues going forward.

Euro Conversion

On January 1, 1999, eleven of the fifteen member countries of the European Union commenced a conversion from their existing sovereign currencies to a new, single currency called the euro. Fixed conversion rates between the existing currencies, the legacy currencies, and the euro were established and the euro became the common legal currency of the participating countries and will remain legal tender as denominations of euro until January 1, 2002. At that time, countries will issue new euro-denominated bills for use in cash transactions. All legacy currency will be withdrawn prior to July 1, 2002 completing the euro conversion on this date. As of January 1, 1999, the participating countries no longer control their own monetary policies by directing independent interest rates for the legacy currencies, and instead, the authority to direct monetary policy, including money supply and official interest rates for the euro, is exercised by the new European Central Bank.

The Company has implemented plans to address the issues raised by the euro conversion. These issues include, but are not limited to; the competitive impact created by cross-border price transparency; the need for the Company and its business partners to adapt IT and non-IT systems to accommodate euro-demoninated transactions; and the need to analyze the legal and contractual implications of the Company's contracts. The Company currently anticipates that the required modifications to its systems, equipment and processes will be made on a timely basis and does not expect that the costs of such modifications will have a material effect on the Company's financial position or results of operations.

Since the implementation of the euro on January 1, 1999, the Company has experienced improved efficiencies in its cash management program in Europe and has been able to reduce certain hedging activities as a direct result of the conversion. The Company has not experienced any material adverse effects on its financial position or results of operations in connection with the initial roll-out of the euro currency.

Market Risk

The Company is exposed to the impact of foreign currency fluctuation and interest rate changes due to its international sales and global funding. In the normal course of business, the Company employs established policies and procedures to manage its exposure to fluctuations in the value of foreign currencies and interest rates using a variety of financial instruments. It is the Company's policy to utilize financial instruments to reduce risks where internal netting cannot be effectively employed. It is the Company's policy not to enter into foreign currency or interest rate transactions for speculative or trading purposes.

In addition to product sales and costs, the Company has foreign currency risk related to debt that is denominated in currencies other than the U.S. dollar. The Company's foreign currency risk management objective is to protect its earnings and cash flows from the adverse impact of exchange rate movements. Foreign exchange risk is managed by using forward, option and swap contracts to hedge intercompany loans, trade receivables and payables. Hedged transactions are denominated primarily in the following currencies: Belgian Franc, Canadian Dollar, Danish Krone, European Monetary Unit, French Franc, Spanish Peseta, Finnish Markka, Norwegian Krone, German Mark, Swedish Krona, Swiss Franc and British Pound.

The Company is exposed to changes in interest rates primarily as a result of its short and long-term debt used to maintain liquidity and to finance working capital, capital expenditures and business expansion. Interest rate risk is also present in the forward foreign currency contracts hedging intercompany and third party loans. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve its objective, the Company uses a combination of fixed and variable rate debt. The nature and amount of the Company's long-term and short-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. As of January 31, 2000 and January 31, 1999, approximately 25% and 49%, respectively, of the outstanding debt had fixed interest rates (through the terms of such debt or through interest rate swap agreements). The Company finances working capital needs through bank loans, convertible subordinated debt and its accounts receivable securitization program. Interest rate swaps are used to hedge underlying debt obligations.

The Company uses a variety of techniques to assess the market risk of its derivative financial instruments. Techniques include a review of market value, sensitivity analysis and value at risk ("VaR"). VaR represents the potential losses for an instrument or portfolio from adverse changes in market factors for a specified time period and confidence level. The Company employs a variance/covariance approach, based on the interrelationship between currencies and interest rates, in its calculation of VaR. The VaR model measures the potential losses in fair value or earnings that could arise from changes in market conditions, using a 95 percent confidence level and assuming a one-day holding period.

VaR attributable to those interest rate sensitive exposures associated with the Company's exposure to interest rates was $5.0 million at January 31, 2000 and $4.0 million at January 31, 1999. The increase in the estimated VaR was due to the increase in the notional value of the financial instruments.

The VaR attributable to those foreign currency exchange rate instruments associated with the Company's exposure to foreign exchange rates as a result of its foreign currency denominated intercompany loans and trade receivables and payables was $7.3 million at January 31, 2000 and $14.9 million at January 31, 1999.

The Company's calculated VaR exposures represent an estimate of potential losses that would be recognized for an instrument or on its portfolio of derivative financial instruments assuming hypothetical movements in future market rates and are not necessarily indicative of actual results that may occur. It does not represent the maximum possible loss nor any expected loss that may occur, because actual future gains and losses will differ from those estimated, based on actual fluctuations in market rates, operating exposures and the timing thereof, and changes in the Company's portfolio of derivative financial instruments during the year.

The Company, however, believes that any loss incurred would be offset by the effects of currency and interest rate movements on the respective underlying hedged transactions. In addition, the maximum exposure associated with the purchase of options is limited to the premiums paid, which is recognized against income over the period being hedged.

Comments on Forward-Looking Information

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company has filed an Exhibit 99A which outlines cautionary statements and identifies important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements made by, or on behalf of, the Company. Such forward-looking statements, as made within this Form 10-K, should be considered in conjunction with the aforementioned Exhibit 99A.

ITEM 8. ***Financial Statements and Supplementary Data***

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All schedules and exhibits not included are not applicable, not required or would contain information which is shown in the financial statements or notes thereto.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of Tech Data Corporation:

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheet and the related consolidated statements of income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Tech Data Corporation and its subsidiaries ("the Company") at January 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2000 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the balance sheet of Computer 2000 Aktiengesellschaft and subsidiaries, a majority-owned subsidiary of the Company, which statement reflects total assets of $1,542,000,000 as of January 31, 2000. The statement was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the balance sheet amounts included for Computer 2000 Aktiengesellschaft and subsidiaries, is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP
Tampa, Florida
March 28, 2000

INDEPENDENT AUDITORS' REPORT

To the Executive Board of Computer 2000 Aktiengesellschaft, Munich:

We have audited the consolidated balance sheet of Computer 2000 Aktiengesellschaft and subsidiaries as of January 31, 2000 not separately presented herein. This consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated financial statement based on our audit.

We conducted our audit in accordance with the generally accepted auditing standards in Germany and United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in that balance sheet. An audit of a consolidated balance sheet also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of Computer 2000 Aktiengesellschaft and subsidiaries as of January 31, 2000, in conformity with generally accepted accounting principles of the United States.

/s/ KPMG HARTKOPF + RENTROP TREUHAND KG

KPMG Hartkopf + Rentrop Treuhand KG
Wirtschaftsprüfungsgesellschaft
Cologne
March 28, 2000

REPORT OF MANAGEMENT

To Our Shareholders:

The management of Tech Data Corporation is responsible for the preparation, integrity and objectivity of the consolidated financial statements and related financial information contained in this Annual Report. The financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States and, in the judgment of management, present fairly and consistently the Company's financial position and results of operations. The financial statements and other financial information in this report include amounts that are based on management's best estimates and judgments and give due consideration to materiality.

The Company maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The design, monitoring and revisions of the system of internal accounting controls involves, among other things, management's judgment with respect to the relative cost and expected benefits of specific control measures.

The Audit Committee of the Board of Directors is responsible for recommending to the Board the independent certified public accounting firm to be retained each year. The Audit Committee meets periodically with the independent accountants and management to review their performance and confirm that they are properly discharging their responsibilities. The independent accountants have direct access to the Audit Committee to discuss the scope and results of their work, the adequacy of internal accounting controls and the quality of financial reporting.

/s/ STEVEN A. RAYMUND
Steven A. Raymund
Chairman of the Board of Directors
and Chief Executive Officer

/s/ JEFFERY P. HOWELLS
Jeffery P. Howells
Executive Vice President
and Chief Financial Officer

March 28, 2000

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In thousands, except share amounts)

	January 31, 2000	January 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,786	$ 8,615
Accounts receivable, less allowance of $61,617 and $60,521	1,906,315	1,796,045
Inventories	1,540,030	1,369,351
Prepaid and other assets	109,674	113,952
Total current assets	3,587,805	3,287,963
Property and equipment, net	154,008	126,537
Excess of cost over acquired net assets, net	302,531	345,326
Other assets, net	79,474	85,161
	$4,123,818	$3,844,987
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit loans	$1,006,809	$ 817,870
Accounts payable	1,524,330	1,503,866
Accrued expenses	261,077	241,170
Total current liabilities	2,792,216	2,562,906
Long-term debt	316,840	308,521
Total liabilities	3,109,056	2,871,427
Minority interest	1,067	6,269
Commitments and contingencies (Notes 2 and 10)		
Shareholders' equity:		
Preferred stock, par value $.02; 226,500 shares authorized and issued; liquidation preference $.20 per share	5	5
Common stock, par value $.0015; 200,000,000 shares authorized; 52,231,581 and 51,098,442 issued and outstanding	78	77
Additional paid-in capital	530,238	505,385
Retained earnings	556,248	428,720
Accumulated other comprehensive (loss) income	(72,874)	33,104
Total shareholders' equity	1,013,695	967,291
	$4,123,818	$3,844,987

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share amounts)

	Year ended January 31,		
	2000	**1999**	**1998**
Net sales	$16,991,750	$11,528,999	$7,056,619
Cost and expenses:			
Cost of products sold	16,058,086	10,806,153	6,590,873
Selling, general and administrative expenses	661,792	492,542	293,108
	16,719,878	11,298,695	6,883,981
Operating income	271,872	230,304	172,638
Interest expense	65,965	44,988	29,908
Net foreign currency exchange loss (gain)	5,153	(5,027)	—
(Gain) on the sale of Macrotron AG	—	(15,700)	—
Income before income taxes	200,754	206,043	142,730
Provision for income taxes	72,837	76,215	52,816
Income before minority interest	127,917	129,828	89,914
Minority interest	416	876	429
Net income	$ 127,501	$ 128,952	$ 89,485
Net income per common share:			
Basic	$ 2.47	$ 2.59	$ 2.00
Diluted	$ 2.34	$ 2.47	$ 1.92
Weighted average common shares outstanding:			
Basic	51,693	49,727	44,715
Diluted	58,508	54,161	46,610

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance – January 31, 1997	227	$5	43,291	$65	$226,577	$210,283	$ 1,451	$ 438,381
Issuance of common stock in business purchase			407	1	9,255			9,256
Issuance of common stock for stock options exercised and related tax benefit			861	1	19,077			19,078
Issuance of common stock net of offering costs			3,691	5	148,971			148,976
Comprehensive income						89,485	(2,588)	86,897
Balance – January 31, 1998	227	5	48,250	72	403,880	299,768	(1,137)	702,588
Issuance of common stock in business purchase			2,196	3	84,964			84,967
Issuance of common stock for stock options exercised and related tax benefit			652	2	16,541			16,543
Comprehensive income						128,952	34,241	163,193
Balance – January 31, 1999	227	5	51,098	77	505,385	428,720	33,104	967,291
Issuance of common stock for stock options exercised and related tax benefit			1,134	1	24,853			24,854
Effect of change in year end of certain subsidiaries (see Note 3)						27	(17,086)	(17,059)
Comprehensive income						127,501	(88,892)	38,609
Balance – January 31, 2000	227	$5	52,232	$78	$530,238	$556,248	$(72,874)	$1,013,695

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)

	Year ended January 31,		
	2000	1999	1998
Cash flows from operating activities:			
Cash received from customers	$ 16,788,960	$ 11,094,731	$ 6,870,096
Cash paid to suppliers and employees	(16,684,316)	(10,948,414)	(6,914,537)
Interest paid	(69,554)	(39,926)	(29,909)
Income taxes paid	(39,367)	(62,895)	(51,949)
Net cash (used in) provided by operating activities	(4,277)	43,496	(126,299)
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(42,898)	(115,000)	(68,136)
Sale of Macrotron AG	—	227,843	—
Expenditures for property and equipment	(59,038)	(47,796)	(45,900)
Software development costs	(18,381)	(4,856)	(2,216)
Net cash (used in) provided by investing activities	(120,317)	60,191	(116,252)
Cash flows from financing activities:			
Proceeds from issuance of common stock	24,854	16,543	168,054
Net borrowings (repayments) from revolving credit loans	99,447	(114,151)	76,786
Principal payments on long-term debt	(162)	(213)	(201)
Net cash provided by (used in) financing activities	124,139	(97,821)	244,639
Effect of change in year end of certain subsidiaries (See Note 3)	23,626	—	—
Net increase in cash and cash equivalents	23,171	5,866	2,088
Cash and cash equivalents at beginning of year	8,615	2,749	661
Cash and cash equivalents at end of year	$ 31,786	$ 8,615	$ 2,749
Reconciliation of net income to net cash (used in) provided by operating activities:			
Net income	$ 127,501	$ 128,952	$ 89,485
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	57,842	42,605	26,364
Provision for losses on accounts receivable	40,877	34,810	22,634
Gain on sale of Macrotron AG	—	(15,700)	—
Deferred income taxes	1,306	500	3,720
Changes in assets and liabilities:			
(Increase) in accounts receivable	(202,790)	(434,268)	(183,481)
(Increase) in inventories	(220,585)	(49,830)	(181,393)
(Increase) decrease in prepaid and other assets	(25,430)	89,140	(8,317)
Increase in accounts payable	136,748	387,136	106,134
Increase (decrease) in accrued expenses	80,254	(139,849)	(1,445)
Total adjustments	(131,778)	(85,456)	(215,784)
Net cash (used in) provided by operating activities	$ (4,277)	$ 43,496	$ (126,299)

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

TECH DATA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Tech Data Corporation and its subsidiaries ("Tech Data" or the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation. See Note 3 – Change in Year End of Certain Subsidiaries.

Method of Accounting

The Company prepares its financial statements in conformity with generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Sales are recorded upon shipment. The Company allows its customers to return product for exchange or credit subject to certain limitations. Provision for estimated losses on such returns are recorded at the time of sale (see product warranty below). Funds received from vendors for marketing programs and product rebates are accounted for as a reduction of selling, general and administrative expenses or product cost according to the nature of the program.

Inventories

Inventories (consisting of computer related hardware and software products) are stated at the lower of cost or market, cost being determined on the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed over the estimated economic lives (or lease period if shorter) using the following methods:

	Method	Years
Buildings and improvements	Straight-line	3 - 39
Leasehold improvements	Straight-line	3 - 39
Furniture, fixtures and equipment	Accelerated and straight-line	3 - 10

Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to operations when incurred. When assets are sold or retired, the cost of the asset and the related accumulated depreciation are eliminated from the accounts and any gain or loss is recognized at such time.

Long-Lived Assets

Long-lived assets are reviewed for potential impairment at such time when events or changes in circumstances indicate that recovery of the asset is unlikely. Any impairment loss would be recognized when the sum of the expected, undiscounted future net cash flows is less than the carrying amount of the asset.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

Excess of Cost Over Acquired Net Assets

The excess of cost over acquired net assets ("goodwill") is being amortized on a straight-line basis over 15 to 40 years. Amortization expense was $8,836,000, $5,714,000 and $1,458,000 in 2000, 1999 and 1998, respectively. The accumulated amortization of goodwill is approximately $16,713,000 and $8,651,000 at January 31, 2000 and 1999, respectively.

Intangibles

Included within other assets at January 31, 2000 are certain intangible assets including capitalized software costs and the allocation of a portion of the purchase price of Computer 2000 AG ("Computer 2000") to software used within the Computer 2000 entities and the value of the customer base acquired (see Note 2 − Acquisition and Disposition of Subsidiaries). Such capitalized costs are being amortized over three to ten years with amortization expense of $9,297,000, $8,442,000 and $4,967,000 in 2000, 1999, and 1998, respectively. The accumulated amortization of such costs was $31,262,000 and $22,603,000 at January 31, 2000 and 1999, respectively. The remaining unamortized balance of such costs was $45,202,000 and $39,876,000 at January 31, 2000 and 1999, respectively.

Product Warranty

The Company's vendors generally warrant the products distributed by the Company and allow the Company to return defective products, including those that have been returned to the Company by its customers. The Company does not independently warrant the products it distributes; however, the Company does warrant the following: (1) services with regard to products configured for its customers, and (2) products it builds to order from components purchased from other sources. A provision for estimated warranty costs is recorded at the time of sale and periodically adjusted to reflect actual experience. Warranty expense was not material to the Company's Consolidated Statement of Income.

Income Taxes

Income taxes are accounted for under the liability method. Deferred taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their financial reporting amounts. Deferred taxes have not been provided on the cumulative undistributed earnings of foreign subsidiaries or the cumulative translation adjustment related to those investments since such amounts are expected to be reinvested indefinitely.

Foreign Currency Activities

The assets and liabilities of foreign operations are translated at the exchange rates in effect at the balance sheet date, with the related translation gains or losses reported as a separate component of comprehensive income. The results of foreign operations are translated at the weighted average exchange rates during the year. The Company recorded a net loss resulting from foreign currency transactions (including gains or losses on forward contracts) of $5,153,000 for the year ended January 31, 2000 and a net gain of $5,027,000 for the year ended January 31, 1999. The foreign currency loss for the fiscal year ended January 31, 1998 was immaterial.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

Concentration of Credit Risk

The Company sells its products to a large base of value-added resellers ("VARs"), corporate resellers, retailers, direct marketers and Internet resellers throughout the United States, Canada, the Caribbean, Latin America, Europe, and the Middle East. The Company also performs ongoing credit evaluations of its customers and generally does not require collateral. The Company has obtained credit insurance which insures a percentage of credit extended by the Company to certain of its larger domestic and international customers against possible loss. The Company makes provisions for estimated credit losses at the time of sale.

Derivative Financial Instruments

The Company operates internationally with distribution facilities in various locations around the world. The Company reduces its exposure to fluctuations in interest rates and foreign exchange rates by creating offsetting positions through the use of derivative financial instruments. The market risk related to the foreign exchange agreements is offset by changes in the valuation of the underlying items being hedged. The majority of the Company's derivative financial instruments have terms of 180 days or less. The Company currently does not use derivative financial instruments for trading or speculative purposes, nor is the Company a party to leveraged derivatives.

Derivative financial instruments are accounted for on an accrual basis. Income and expense are recorded in the same category as that arising from the related asset or liability being hedged. Gains and losses resulting from effective hedges of existing assets, liabilities or firm commitments are deferred and recognized when the offsetting gains and losses are recognized on the related hedged items.

The notional amount of forward exchange contracts and options is the amount of foreign currency to be bought or sold at maturity. The notional amount of interest rate swaps is the underlying principal used in determining the interest payments exchanged over the life of the swap. Notional amounts are indicative of the extent of the Company's involvement in the various types and uses of derivative financial instruments and are not a measure of the Company's exposure to credit or market risks through its use of derivatives. The estimated fair value of derivative financial instruments represents the amount required to enter into similar offsetting contracts with similar remaining maturities based on quoted market prices.

The Company's derivative financial instruments outstanding at January 31, 2000 and 1999 are as follows:

	January 31, 2000		January 31, 1999	
	Notional Amounts	Estimated Fair Value	Notional Amounts	Estimated Fair Value
	(In thousands)		(In thousands)	
Foreign exchange forward contracts	$455,100	$11,100	$438,000	$ 130
Purchased currency options	52,200	1,400	60,000	90
Interest rate swaps	9,700	—	329,000	(2,440)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of these items. The carrying amount of debt outstanding pursuant to bank credit agreements approximates fair value as interest rates on these instruments approximate current market rates. The estimated fair value of the convertible subordinated notes is approximately $260,000,000 at January 31, 2000 based upon available market information. The carrying value of the convertible subordinated notes at January 31, 2000 was $300,000,000.

Comprehensive Income

The Company has adopted SFAS No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 establishes standards for reporting and display of comprehensive income and its components in the Company's consolidated financial statements. Comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's balance of other comprehensive income is comprised exclusively of the cumulative foreign currency translation adjustment. For the years ended January 31, 2000 and 1999, the Company recorded deferred income taxes related to the change in the cumulative foreign currency translation adjustment of $12,942,000 and $4,376,000 respectively. The deferred income taxes related to the cumulative foreign currency translation adjustment for the year ended January 31, 1998 was not significant.

Stock-based Compensation

The Company has adopted the disclosure requirements of SFAS No. 123, "Accounting for Stock Based Compensation" ("SFAS 123"). As permitted by this pronouncement, the Company's measurement of compensation cost continues to be in accordance with the Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." In accordance with the requirements of SFAS 123, the appropriate pro forma disclosures relating to net income and earnings per share are provided. See Note 8 — Employee Benefit Plans.

Net Income Per Common Share

Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the reported period. Diluted EPS reflects the potential dilution that could occur assuming the conversion of the convertible subordinated notes and exercise of the stock options using the if-converted and treasury stock methods, respectively. The composition of basic and diluted net income per common share is as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

	Year ended 2000			Year ended 1999			Year ended 1998		
	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount
	(In thousands, except per share amounts)								
Net income per common Share – basic	$127,501	51,693	$2.47	$128,952	49,727	$2.59	$89,485	44,715	$2.00
Effect of dilutive securities:									
Stock options		1,482			1,767			1,895	
5% convertible subordinated notes	9,450	5,333		4,726	2,667		—	—	
Net income per common Share – diluted	$136,951	58,508	$2.34	$133,678	54,161	$2.47	$89,485	46,610	$1.92

At January 31, 2000, 1999 and 1998, there were 2,580,000, 1,571,000 and 98,000 shares, respectively, excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

Cash management system

Under the Company's cash management system, disbursements cleared by the bank are reimbursed on a daily basis from the revolving credit loans. As a result, checks issued but not yet presented to the bank are not considered reductions of cash or accounts payable. Included in accounts payable are $87,051,000 and $95,185,000 at January 31, 2000 and 1999 respectively, for which checks are outstanding.

Statement of cash flows

Short-term investments which have an original maturity of ninety days or less are considered cash equivalents in the statement of cash flows. The effect of changes in foreign exchange rates on cash balances is not material. See Note 2 – Acquisition and Disposition of Subsidiaries regarding the non-cash exchange of common stock and convertible notes in connection with business combinations.

Fiscal Year

The Company operates on a fiscal year that ends on January 31. For the period prior to fiscal 2000 the Company consolidated its European and Latin American subsidiaries on a fiscal year that ended on December 31. Effective for the year ended January 31, 2000, the Company changed the fiscal year end of the European subsidiaries from December 31 to January 31. See Note 3 - Change in Year End of Certain Subsidiaries.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). This statement establishes requirements for accounting and reporting of

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—(Continued)

derivative instruments and hedging activities. SFAS 133 was updated by the issuance of SFAS 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FAS No. 133" and is effective for fiscal years beginning after June 15, 2000. The future impact of this statement on the Company's results of operations is not expected to be material.

Reclassifications

Certain prior year balances have been reclassified to conform with the current year presentation.

NOTE 2. ACQUISITION AND DISPOSITION OF SUBSIDIARIES

Acquisition and Disposition of Macrotron AG

On July 1, 1997, the Company acquired approximately 77% of the voting common stock and 7% of the non-voting preferred stock of Macrotron AG ("Macrotron"), a distributor of personal computer products based in Munich, Germany. The initial acquisition was completed through an exchange of approximately $26,000,000 in cash and 406,586 shares of the Company's common stock, for a combined total value of approximately $35,000,000. The cash portion of the initial acquisition, the related tender offer and subsequent purchase of Macrotron's common and preferred stock were funded from the Company's revolving credit loan agreements. Prior to the disposition discussed below, the Company owned approximately 99% and 91% of Macrotron's common and preferred stock, respectively for a total purchase price of approximately $80,000,000. The acquisition of Macrotron was accounted for under the purchase method. The purchase price allocation resulted in approximately $53,500,000 in excess cost over the net fair market value of tangible assets acquired as of January 31, 1998 and was being amortized over a period of 20 years.

Effective July 1, 1998, pursuant to a Share Purchase Agreement dated June 10, 1998, the Company completed the sale of its majority interest in Macrotron to Ingram Micro, Inc. ("Ingram"). Tech Data owned 99% and 91% of Macrotron's outstanding common and preferred stock, respectively, at the time of the sale. The sale of Macrotron was completed through the receipt of approximately $228,000,000 from Ingram (approximately $100,000,000 for the Company's shares of Macrotron and the balance of $128,000,000 for the repayment of Macrotron's intercompany indebtedness). The Company recorded a $15,700,000 gain on the sale. Macrotron's operations were consolidated into the Company's consolidated financial statements on a calendar year basis. Consequently, the Company's fiscal year ended January 31, 1998 included Macrotron's operations for the six month period beginning July 1, 1997 and ending December 31, 1997. The Company's fiscal year ended January 1999 included the six month period beginning January 1, 1998 and ending June 30, 1998.

Acquisition of Computer 2000 AG

On July 1, 1998, Tech Data completed the acquisition of approximately 83% of the voting common stock of Computer 2000 AG ("Computer 2000"), a European distributor of technology products. The Company acquired 80% of the outstanding voting stock of Computer 2000 from its parent company, Klockner & Co. AG., a subsidiary of Munich-based VIAG AG, and an additional stake of approximately 3% of Computer 2000's shares from an institutional investor. The initial acquisition was completed through an exchange of approximately 2.2 million shares of Tech Data common stock and

NOTE 2. ACQUISITION AND DISPOSITION OF SUBSIDIARIES—(Continued)

$300,000,000 of 5% convertible subordinated notes, due July 2003 (coupon rate of 5.0%, five year term and convertible into shares of common stock at $56.25 per share). The Company commenced a tender offer for the remaining Computer 2000 shares and, as a result of this tender offer, open market purchases and private purchase transactions, the Company, in effect, currently owns approximately 99.8% of Computer 2000's outstanding stock at January 31, 2000. The tender offer, open market purchases and private purchase transactions were funded through the Company's revolving credit loan agreements.

The acquisition of Computer 2000 was accounted for under the purchase method. During the year ended January 31, 2000, the Company acquired additional shares of Computer 2000 common stock, which including other cash payments, has resulted in additional consideration of $18,300,000. The aggregate purchase price of approximately $518,300,000 was allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of net assets acquired of approximately $329,000,000 ($294,000,000 at the January 31, 2000 exchange rate) is being amortized on a straight-line basis over 40 years. In connection with the acquisition, the Company is subject to additional contingent purchase price payments. The Company is presently negotiating the resolution of this contingency and believes the ultimate settlement will not exceed $21,000,000. Any payments made related to this contingency will increase the purchase price of Computer 2000 and result in the recognition of additional goodwill.

For periods prior to fiscal 2000, the Company's subsidiaries outside of North America were included in its consolidated financial statements on a calendar basis. As such, the year ended January 31, 2000, included a full year of results for Computer 2000 and the year ended January 31, 1999 included six months of results for Computer 2000 (which was acquired effective July 1, 1998) and included six months of results for Macrotron (which was sold effective July 1, 1998). See Note 3 – Change in Year End of Certain Subsidiaries.

Pro forma information

The following unaudited pro forma results of operations reflect the effect on the Company's operations as if the above described acquisition of Macrotron had occurred at the beginning of the period presented below (in thousands, except per share amounts):

	Year ended January 31, 1998
Net sales	$7,623,852
Net income	90,161
Net income per common share:	
Basic	2.01
Diluted	1.93

NOTE 2. ACQUISITION AND DISPOSITION OF SUBSIDIARIES—(Continued)

The following unaudited pro forma results of operations reflect the effect on the Company's operations as if the above described acquisition of Computer 2000 and disposition of Macrotron had occurred at the beginning of each of the periods presented below (in thousands, except per share amounts):

	Year ended January 31,	
	1999	1998
Net sales	$13,694,426	$11,350,432
Net income	125,954	95,669
Net income per common share:		
Basic	2.48	2.04
Diluted	2.34	1.94

The unaudited pro forma information is presented for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the acquisitions and dispositions noted above been consummated as of the beginning of the respective periods, nor are they necessarily indicative of future operating results.

Acquisition of Globelle Corporation

On May 21, 1999, the Company acquired majority control of Globelle Corporation ("Globelle"), a mass storage and components distributor based in Canada. By October 8, 1999, the Company had acquired 100% of the outstanding stock of Globelle for total cash consideration of approximately $24,600,000. The acquisition of Globelle was accounted for under the purchase method. The preliminary purchase price allocation has resulted in approximately $12,921,000 in excess purchase price over the net fair market value of tangible assets acquired as of January 31, 2000, to be amortized over a period of 20 years. Pro forma financial information related to the Globelle acquisition has not been presented since the acquisition was not material to the Company's financial position or results of operations. The year ended January 31, 2000 includes seven months of results for Globelle.

Non-Cash Transactions

The Company issued $300,000,000 convertible subordinated notes and approximately 2,200,000 shares of common stock in conjunction with its acquisition of Computer 2000 in July 1998. In fiscal 2000, the Company entered into a capital lease for a distribution center in Germany which totaled $8,476,000 at January 31, 2000.

NOTE 3. CHANGE IN YEAR END OF CERTAIN SUBSIDIARIES

In fiscal 2000, the Company's board of directors approved a change in the fiscal year end of its European subsidiaries to January 31 to conform with the Company's year end. The Tech Data consolidated financial statements for the year ended January 31, 2000 include the operating results of these subsidiaries for the 12 months ended December 31, 1999 with the operating results for the month of January 2000 reflected in retained earnings as a result of the change which does not have a significant effect on the accompanying financial statements. Summarized financial information

NOTE 3. CHANGE IN YEAR END OF CERTAIN SUBSIDIARIES—(Continued)

associated with the month of January 2000 for those foreign subsidiaries affected by this change is as follows:

	Month ended January 31, 2000
	(In thousands)
Net sales	$617,284
Net income	27
Cash provided by/(used in)	
Operating activities	(34,270)
Investing activities	(596)
Financing activities	58,492

NOTE 4. PROPERTY AND EQUIPMENT

	January 31,	
	2000	1999
	(In thousands)	
Land	$ 7,644	$ 4,897
Buildings and improvements	59,676	36,995
Furniture, fixtures and equipment	220,911	156,414
Construction in progress	8,015	4,299
	296,246	202,605
Less-accumulated depreciation	(142,238)	(76,068)
	$ 154,008	$126,537

NOTE 5. REVOLVING CREDIT LOANS

	January 31,	
	2000	1999
	(In thousands)	
Receivables Securitization Program, average interest rate of 6.54% at January 31, 2000, expiring May 9, 2000	$ 460,000	$355,000
Multi-currency Revolving Credit Facility, average interest rate of 4.34% at January 31, 2000, expiring August 28, 2000	345,551	295,539
Other revolving credit facilities, average interest rate of 4.05%, expiring on various dates through 2000	201,258	167,331
	$1,006,809	$817,870

NOTE 5. REVOLVING CREDIT LOANS—(Continued)

The Company has an agreement (the "Receivables Securitization Program") with three financial institutions that allows the Company to transfer an undivided interest in a designated pool of U.S. accounts receivable on an ongoing basis to provide borrowings up to a maximum of $650,000,000. As collections reduce accounts receivable balances included in the pool, the Company may transfer interests in new receivables to bring the amount available to be borrowed up to the maximum. The Company pays interest on advances under the Receivables Securitization Program at a designated commercial paper rate plus an agreed-upon margin.

Under the terms of the Company's Multi-currency Revolving Credit Facility with a syndicate of banks, the Company is able to borrow funds in sixteen major foreign currencies up to a maximum of $550,000,000 on an unsecured basis. The Company pays interest on advances under this facility at the applicable eurocurrency rate plus a margin based on certain financial ratios. The Company can fix the interest rate for periods of 30 to 180 days under various interest rate options.

In addition to the facilities described above, the Company has additional lines of credit and overdraft facilities totaling approximately $500,000,000 at January 31, 2000 to support its worldwide operations. Most of these facilities are provided on an unsecured, short-term basis and are reviewed periodically for renewal.

The Company's credit agreements contain warranties and covenants that must be complied with on a continuing basis, including the maintenance of certain financial ratios and restrictions on payment of dividends. At January 31, 2000, the Company was in compliance with all such covenants.

NOTE 6. LONG-TERM DEBT

	January 31,	
	2000	1999
	(In thousands)	
Mortgage note payable, interest at 10.25%, principal and interest of $85,130 payable monthly, balloon payment due 2005	$ 8,521	$ 8,661
Mortgage note payable funded through Industrial Revenue Bond, interest at 6.90%, principal and interest payable quarterly, through 2000	—	22
Convertible subordinated debentures, interest at 5.00% payable semi-annually, due July 2003	300,000	300,000
Capital lease	8,476	—
	316,997	308,683
Less - current maturities (included in accrued expenses)	(157)	(162)
	$316,840	$308,521

Principal maturities of long-term debt (excluding capitalized lease obligations) at January 31, 2000 for the succeeding five fiscal years are as follows: 2001 - $157,000; 2002 - $172,000; 2003 - $191,000; 2004 - $300,211,000; 2005 - $234,000.

On July 1, 1998, the Company issued $300,000,000 convertible subordinated notes due July 1, 2003. The notes bear interest at 5% per year and are convertible any time prior to maturity, unless

NOTE 6. LONG-TERM DEBT—(Continued)

previously redeemed or repurchased, into shares of common stock at a conversion rate of 17.777 shares per $1,000 principal amount of notes, equivalent to a conversion price of approximately $56.25 per share. The notes are convertible into approximately 5,333,000 shares of the Company's common stock. The notes are redeemable in whole or in part, at the option of the Company at any time on or after July 1, 2001. These notes are subordinated in right of payment to all senior indebtedness of the Company and will be effectively subordinated to all indebtedness and other liabilities of the Company's subsidiaries.

Capitalized lease obligations provide for aggregate payments, including interest, of approximately $646,000 annually, payable through 2022. At January 31, 2000, future minimum lease payments for the lease were $13,216,000 including $4,740,000 representing interest.

NOTE 7. INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows:

	January 31,	
	2000	1999
	(In thousands)	
Deferred tax liabilities:		
Accelerated depreciation and amortization	$ 14,733	$ 19,821
Capitalized advertising program costs	625	2,174
Currency translation	13,142	1,996
Other – net	5,047	4,246
Total deferred tax liabilities	33,547	28,237
Deferred tax assets:		
Accruals not currently deductible	9,515	7,880
Reserves not currently deductible	21,067	22,777
Capitalized inventory costs	367	2,046
Loss carryforwards	60,506	59,996
Other – net	3,730	8,934
	95,185	101,633
Less: valuation allowance	(17,224)	(16,037)
Total deferred tax assets	77,961	85,596
Net deferred tax asset	$ 44,414	$ 57,359

NOTE 7. INCOME TAXES—(Continued)

Significant components of the provision for income taxes are as follows:

	Year ended January 31,		
	2000	1999	1998
		(In thousands)	
Current:			
Federal	$42,693	$50,153	$39,805
State	2,933	6,816	2,469
Foreign	25,905	18,746	6,822
Total current	71,531	75,715	49,096
Deferred:			
Federal	(805)	(3,093)	3,328
State	127	(424)	507
Foreign	1,984	4,017	(115)
Total deferred	1,306	500	3,720
	$72,837	$76,215	$52,816

The reconciliation of income tax attributable to continuing operations computed at the U.S. federal statutory tax rates to income tax expense is as follows:

	Year ended January 31,		
	2000	1999	1998
Tax at U.S. statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	1.0	2.0	1.4
Other − net	.3	—	.6
	36.3%	37.0%	37.0%

The components of pre-tax earnings are as follows:

	Year ended January 31,		
	2000	1999	1998
		(In thousands)	
United States	$113,229	$140,850	$126,757
Foreign	87,525	65,193	15,973
	$200,754	$206,043	$142,730

The Company's foreign subsidiaries had deferred tax assets relating to net operating loss carryforwards of $154,000,000. The majority of the net operating losses have an indefinite carryforward period with the remaining portion expiring in years 2001 through 2009. A valuation allowance of $17,000,000 has been recognized to offset the deferred tax assets relating to the net operating loss carryforwards.

The cumulative amount of undistributed earnings of international subsidiaries for which U.S. income taxes have not been provided was approximately $147,000,000 at January 31, 2000. It is not practical to estimate the amount of unrecognized deferred U.S. taxes on these undistributed earnings.

NOTE 8. EMPLOYEE BENEFIT PLANS

Stock Compensation Plans

At January 31, 2000, the Company had three stock-based compensation plans, as well as an employee stock purchase plan, an employee stock ownership plan and a retirement savings plan, which are described below. The Company applies APB Opinion 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its fixed stock option plans and its stock purchase plan.

Fixed Stock Option Plans

In August 1985, the Board of Directors adopted the 1985 Incentive Stock Option Plan (the "1985 Plan"), which covers an aggregate of 1,050,000 shares of common stock. The options were granted to certain officers and key employees at or above fair market value; accordingly, no compensation expense has been recorded with respect to these options. Options are exercisable beginning two years from the date of grant only if the grantee is an employee of the Company at that time. No options may be granted under the 1985 Plan after July 31, 1995.

In June 1990, the shareholders approved the 1990 Incentive and Non-Statutory Stock Option Plan (the "1990 Plan") which covers an aggregate of 10,000,000 shares (as amended in June 1997) of common stock. The 1990 Plan provides for the granting of incentive and non-statutory stock options, stock appreciation rights ("SARs") and limited stock appreciation rights ("Limited SARs") at prices determined by the stock option committee, except for incentive stock options which are granted at the fair market value of the stock on the date of grant. Incentive options granted under the 1990 Plan become exercisable over a five year period while the date of exercise of non-statutory options is determined by the stock option committee. As of January 31, 2000, no SARs or Limited SARs had been granted under the 1990 Plan. Options granted under the 1985 Plan and the 1990 Plan expire 10 years from the date of grant, unless a shorter period is specified by the stock option committee.

In June 1995, the shareholders approved the 1995 Non-Employee Director's Non-Statutory Stock Option Plan. Under this plan, the Company grants non-employee members of its Board of Directors stock options upon their initial appointment to the board and then annually each year thereafter. Stock options, granted at the fair market value of the stock on the date of grant, are awarded to members upon their initial appointment and vest and become exercisable at a rate of 20% per year. Annual awards vest and become exercisable one year from the date of grant. The number of shares subject to options under this plan cannot exceed 100,000 and the options expire 10 years from the date of grant.

NOTE 8. EMPLOYEE BENEFIT PLANS—(Continued)

A summary of the status of the Company's stock option plans is as follows:

	January 31, 2000		January 31 1999		January 31, 1998	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	4,364,075	$26.88	3,881,545	$19.43	3,285,818	$14.31
Granted	3,050,700	17.87	1,661,400	40.27	1,643,400	26.65
Exercised	(948,180)	16.21	(609,620)	14.24	(720,573)	13.23
Canceled	(424,035)	26.69	(569,250)	28.68	(327,100)	17.57
Outstanding at year end	6,042,560	24.12	4,364,075	26.88	3,881,545	19.43
Options exercisable at year end	1,993,750		768,425		601,895	
Available for grant at year end	869,635		3,496,000		4,588,000	

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 1/31/00	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable at 1/31/00	Weighted-Average Exercise Price
Under $ 14.38	846,185	5.21	$12.52	539,785	$11.99
14.56 - 16.50	1,989,665	8.99	16.41	806,375	16.29
17.13 - 24.13	1,416,360	6.98	22.30	525,190	22.41
24.97 - 41.00	1,579,850	8.01	38.36	87,600	34.71
41.75 - 48.69	210,500	8.01	44.89	34,800	44.56
	6,042,560			1,993,750	

Employee Stock Purchase Plan

Under the 1995 Employee Stock Purchase Plan approved in June 1995, the Company is authorized to issue up to 1,000,000 shares of common stock to eligible employees in the Company's U.S. and Canadian subsidiaries. Under the terms of the plan, employees can choose to have a fixed dollar amount or percentage deducted from their bi-weekly compensation to purchase the Company's common stock and/or elect to purchase shares once per calendar quarter. The purchase price of the stock is 85% of the market value on the exercise date and employees are limited to a maximum purchase of $25,000 in fair market value each calendar year. Since plan inception, the Company has sold 251,795 shares as of January 31, 2000. All shares purchased under this plan must be retained for a period of one year.

Pro Forma Effect of Stock Compensation Plans

Had the compensation cost for the Company's stock option plans and employee stock purchase plan been determined based on the fair value at the grant dates for awards under the plans consistent with the method prescribed by Statement of Financial Accounting Standards No. 123, "Accounting for

NOTE 8. EMPLOYEE BENEFIT PLANS—(Continued)

Stock-Based Compensation'', the Company's net income and net income per common share on a pro forma basis would have been (in thousands, except per share data):

	Year ended January 31,		
	2000	1999	1998
Net income	$113,603	$120,548	$85,344
Net income per common share:			
Basic	2.20	2.42	1.91
Diluted	1.95	2.32	1.83

The preceding pro forma results were calculated with the use of the Black-Scholes option-pricing model. The weighted-average fair value of options granted during fiscal 2000, 1999 and 1998 was $9.20, $24.04 and $14.80, respectively. The following assumptions were used for the years ended January 31, 2000, 1999 and 1998, respectively:

Year Ended January 31,	Grant Date	Expected Option Term	Expected Volatility	Risk-Free Interest Rate	Expected Dividend Yield
2000	3/29/1999	2-5	65%	5.00% - 5.23%	0%
	10/28/1999	5	65%	6.03%	0%
1999	3/29/1998	5	65%	5.68%	0%
1998	3/29/1997	4.87	56%	6.76%	0%

Results may vary depending on the assumptions applied within the model.

Stock Ownership and Retirement Savings Plans

In 1984 the Company established an employee stock ownership plan (the ''ESOP'') covering substantially all U.S. employees. Contributions, in the form of company stock, were made to employees' accounts on an annual basis upon approval by the Board of Directors. The ESOP provided for distribution of vested percentages of the Company's common stock to participants. Such benefit became fully vested after seven years of qualified service. The Company also offered its U.S. employees a retirement savings plan pursuant to section 401(k) of the Internal Revenue Code (''401(k) Plan''). The Company's 401(k) Plan provided the ability for the Company to match deferrals in an amount determined annually by the Company's Board of Directors, most recently equal to 50% of the first 5% of each participant's deferrals to a maximum contribution amount of $500.

Effective January 1, 2000, the Company merged the assets of the ESOP and 401(k) Plan to form the Tech Data Corporation 401(k) Savings Plan (''the 401(k) Savings Plan''). Participant deferrals are matched monthly, in the form of company stock, in an amount equal to 50% of the first 6% of participant deferrals, with no maximum, and participants are fully vested following four years of qualified service.

At January 31, 2000, 825,000 shares of Tech Data stock were held by the Company's 401(k) Savings Plan and at January 31, 1999, 813,000 shares of Tech Data common stock were held by the Company's ESOP. Aggregate contributions made by the Company to these plans were $2,740,000, $1,992,000 and $2,460,000 for 2000, 1999 and 1998, respectively.

NOTE 9. CAPITAL STOCK

Each outstanding share of preferred stock is entitled to one vote on all matters submitted to a vote of shareholders, except for matters involving mergers, the sale of all Company assets, amendments to the Company's charter and exchanges of Company stock for stock of another company which require approval by a majority of each class of capital stock. In such matters, the preferred and common shareholders will each vote as a separate class.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases distribution facilities and certain equipment under noncancelable operating leases which expire at various dates through 2015. Future minimum lease payments under all such leases for the succeeding five fiscal years are as follows: 2001 – $35,413,000; 2002 – $26,262,000; 2003 – $19,062,000; 2004 – $10,054,000; 2005 – $7,322,000 and $23,993,000 thereafter. Rental expense for all operating leases amounted to $39,394,000, $27,015,000 and $15,704,000 in 2000, 1999 and 1998, respectively.

NOTE 11. SEGMENT INFORMATION

The Company has adopted the disclosure requirements of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" which establishes standards for additional disclosure about operating segments for interim and annual financial statements. This standard requires financial and descriptive information be disclosed for segments whose operating results are reviewed by the chief executive officer for decisions on resource allocation.

The Company operates predominantly in a single industry segment as a wholesale distributor of computer-based technology products and related logistics and other value-added services. Based on geographic location, the Company has three principal segments. These geographical segments are 1) the United States, 2) Europe (including the Middle East) and 3) Other International areas (Canada, Argentina, Brazil, Chile, Peru, Uruguay, and export sales to Latin America and the Caribbean from the U.S.). The measure of segment profit is income from operations. The accounting policies of the segments are the same as those described in Note 1 — Summary of Significant Accounting Policies.

NOTE 11. SEGMENT INFORMATION—(Continued)

Financial information by geographic segments is as follows (in thousands):

	United States	Europe	Other International	Total
Fiscal year 2000				
Net sales to unaffiliated customers	$8,407,324	$7,528,978	$1,055,448	$16,991,750
Operating income	$ 165,813	$ 95,184	$ 10,875	$ 271,872
Identifiable assets	$1,806,376	$1,999,116	$ 318,326	$ 4,123,818
Fiscal Year 1999				
Net sales to unaffiliated customers	$6,359,124	$4,540,108	$ 629,767	$11,528,999
Operating income	$ 156,142	$ 73,585	$ 577	$ 230,304
Identifiable assets	$1,555,325	$2,112,546	$ 177,116	$ 3,844,987
Fiscal Year 1998				
Net sales to unaffiliated customers	$5,434,833	$1,148,036	$ 473,750	$ 7,056,619
Operating income	$ 148,485	$ 20,122	$ 4,031	$ 172,638
Identifiable assets	$1,558,337	$ 534,192	$ 92,854	$ 2,185,383

NOTE 12. UNAUDITED INTERIM FINANCIAL INFORMATION

	Quarter ended			
	April 30	July 31	October 31	January 31
	(In thousands, except per share amounts)			
Fiscal year 2000				
Net sales	$3,877,158	$4,024,965	$4,310,072	$4,779,555
Gross profit	225,242	222,484	231,353	254,585
Net income	28,024	29,416	33,004	37,057
Net income per common share:				
Basic	.55	.57	.63	.71
Diluted	.53	.54	.60	.67

	Quarter ended			
	April 30	July 31[(1)]	October 31	January 31[(1)]
	(In thousands, except per share amounts)			
Fiscal year 1999				
Net sales	$2,184,366	$2,213,261	$3,278,401	$3,852,971
Gross profit[(2)]	138,513	143,371	213,754	227,208
Net income	23,105	35,279	34,088	36,480
Net income per common share:				
Basic	.48	.73	.67	.71
Diluted	.46	.70	.63	.67

(1) Net income for the Company's quarters ended July 31, 1998 and January 31, 1999 include a pre-tax gain of $12,500,000 and $3,200,000, respectively, related to the sale of Macrotron. See further discussion in Note 2 — Acquisition and Disposition of Subsidiaries.

(2) Certain prior year balances have been reclassified to conform with current year presentation.

PART III

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

ITEMS 10, 11, 12 and 13.

The information required by Item 10 relating to executive officers of the registrant is included under the caption "Executive Officers" of Item 1 of this Form 10-K. The information required by Item 10 relating to Directors of the registrant and the information required by Items 11, 12 and 13 is incorporated herein by reference to the registrant's definitive proxy statement for the 2000 Annual Meeting of Shareholders. However, the information included in such definitive proxy statement under the subcaption entitled "Grant Date Present Value" in the table entitled "Option Grants in Last Fiscal Year", the information included under the caption entitled "Compensation Committee Report on Executive Compensation", and the information included in the "Stock Price Performance Graph" shall not be deemed incorporated by reference in this Form 10-K and shall not otherwise be deemed filed under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended. The definitive proxy statement for the 2000 Annual Meeting of Shareholders will be filed with the Commission prior to May 31, 2000.

ITEM 14. *Exhibits, Financial Statement Schedule, and Reports on Form 8-K*

(a) See index to financial statements and schedules included in Item 8.

(b) The Company filed the following reports on Form 8-K during the fiscal year ended January 31, 2000:

None

(c) The exhibit numbers on the following list correspond to the numbers in the exhibit table required pursuant to Item 601 of Regulation S-K.

Exhibit Number		Description
3-A(1)	—	Articles of Incorporation of the Company as amended to April 23, 1986.
3-B(2)	—	Articles of Amendment to Articles of Incorporation of the Company filed on August 27, 1987.
3-C(13)	—	By-Laws of the Company as amended to November 28, 1995.
3-F(9)	—	Articles of Amendment to Articles of Incorporation of the Company filed on July 15, 1993.
4-E(15)	—	Articles of Amendment to Articles of Incorporation of the Company filed on June 25, 1997.
10-F(4)	—	Incentive Stock Option Plan, as amended, and form of option agreement.
10-G(10)	—	Employee Stock Ownership Plan as amended December 16, 1994.
10-V(5)	—	Employment Agreement between the Company and Edward C. Raymund dated as of January 31, 1991.
10-W(5)	—	Irrevocable Proxy and Escrow Agreement dated April 5, 1991.
10-X(6)	—	First Amendment to the Employment Agreement between the Company and Edward C. Raymund dated November 13, 1992.

Exhibit Number		Description
10-Y[6]	—	First Amendment in the nature of a Complete Substitution to the Irrevocable Proxy and Escrow Agreement dated November 13, 1992.
10-Z[7]	—	1990 Incentive and Non-Statutory Stock Option Plan as amended.
10-AA[7]	—	Non-Statutory Stock Option Grant Form.
10-BB[7]	—	Incentive Stock Option Grant Form.
10-CC[8]	—	Employment Agreement between the Company and Steven A. Raymund dated February 1, 1992.
10-EE[10]	—	Retirement Savings Plan as amended January 26, 1994.
10-FF[9]	—	Revolving Credit and Reimbursement Agreement dated December 22, 1993.
10-GG[9]	—	Transfer and Administration Agreement dated December 22, 1993.
10-HH[10]	—	Amendments (Nos. 1-4) to the Transfer and Administration Agreement.
10-II[10]	—	Amended and Restated Revolving Credit and Reimbursement Agreement dated July 28, 1994, as amended.
10-JJ[10]	—	Revolving Foreign Currency Agreement dated August 4, 1994, as amended.
10-KK[13]	—	Amendments (Nos. 5,6) to the Transfer and Administration Agreement.
10-LL[13]	—	Amendments (Nos. 3-5) to the Amended and Restated Revolving Credit and Reimbursement Agreement dated July 28, 1994, as amended.
10-MM[13]	—	Amendments (Nos. 3-5) to the Revolving Foreign Currency Agreement dated August 4, 1994, as amended.
10-NN[12]	—	Non-Employee Directors' 1995 Non-Statutory Stock Option Plan.
10-OO[12]	—	1995 Employee Stock Purchase Plan.
10-PP[12]	—	Employment Agreement between the Company and A. Timothy Godwin dated as of December 5, 1995.
10-QQ[14]	—	Amended and Restated Transfer and Administration Agreement dated January 21, 1997.
10-RR[14]	—	Amendment Number 1 to the Amended and Restated Transfer and Administration Agreement dated January 21, 1997, as amended.
10-SS[14]	—	Revolving Credit and Reimbursement Agreement dated May 23, 1996.
10-TT[15]	—	Amendment Number 2 to the Amended and Restated Transfer and Administration Agreement dated January 21, 1997, as amended.
10-UU[15]	—	Revolving Credit and Reimbursement Agreement dated August 28, 1997.
10-VV[16]	—	Amendment Number 3 to the Amended and Restated Transfer and Administration Agreement dated January 21, 1997, as amended.
10-WW[17]	—	Amendments (Nos. 1-2) to the Revolving Credit and Reimbursement Agreement dated August 28, 1997, as amended.
10-XX[17]	—	Amendments (Nos. 4-6) to the Amended and Restated Transfer and Administration Agreement dated January 21, 1997, as amended.
10-YY[18]	—	Second Amended and Restated Transfer and Administration Agreement dated February 10, 1999.
10-ZZ[19]	—	Amendments (Nos. 1,2) to Second Amended and Restated Transfer and Administration Agreement.
21[19]	—	Subsidiaries of Registrant.
27[3]	—	Financial Data Schedule (included in the electronic version only).
99-A[3]	—	Cautionary Statement For Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995.

(1) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-1, File No. 33-4135.

(2) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-1, File No. 33-21997.

(3) Filed herewith.

(4) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8,

File No. 33-21879.

(5) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 1991, File No. 0-14625.

(6) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended October 31, 1992, File No. 0-14625.

(7) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 33-41074.

(8) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1993, File No. 0-14625.

(9) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1994, File No. 0-14625.

(10) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1995, File No. 0-14625.

(11) Incorporated by reference to the Exhibits included in the Company's Form 8-K filed on March 26, 1996, File No. 0-14625.

(12) Incorporated by reference to the Exhibits included in the Company's Definitive Proxy Statement for the 1995 Annual Meeting of Shareholders, File No. 0-14625.

(13) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1996, File No. 0-14625.

(14) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1997, File No. 0-14625.

(15) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-3, File No. 333-36999.

(16) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1998, File No. 0-14625.

(17) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 1999, File No. 0-14625.

(18) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 1999, File No. 0-14625.

(19) To be filed by amendment.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Shareholders of Tech Data Corporation:

Our audits of the consolidated financial statements referred to in our report dated March 28, 2000 appearing on page 20 of this Form 10-K of Tech Data Corporation also included an audit of the Financial Statement Schedule listed in Item 14 of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP
Tampa, Florida
March 28, 2000

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-21879, 33-41074, 33-62181, 33-60479, 333-93801 and 333-85509) of Tech Data Corporation of our report dated March 28, 2000 appearing on page 20 of this Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule appearing above.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
Tampa, Florida
April 26, 2000

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to incorporation by reference in the registration statements on Form S-8 (No. 33-21879, 33-41074, 33-62181, 33-60479, 333-93801 and 333-85509) of Tech Data Corporation of our report dated March 28, 2000, relating to the consolidated balance sheet of Computer 2000 Aktiengesellschaft and subsidiaries as of January 31, 2000, which report appears in the January 31, 2000 annual report on Form 10-K of Tech Data Corporation dated March 28, 2000.

KPMG Hartkopf + Rentrop Treuhand KG
Wirtschaftsprüfungsgesellschaft
Cologne
April 26, 2000

SCHEDULE II

TECH DATA CORPORATION AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

		Additions			
Description	**Balance at Beginning of Period**	**Charged to Cost and Expenses**	**Deductions**	**Other(1)**	**Balance at End of Period**
Allowance for doubtful accounts receivable and sales returns:					
January 31,					
2000	$60,521	$40,877	$(44,932)	$ 5,151	$61,617
1999	29,731	34,810	(31,707)	27,687	60,521
1998	23,922	22,634	(26,153)	9,328	29,731

(1) Other includes recoveries, acquisitions, dispositions and the effect of fluctuations in foreign currency and the effect of the change in year end of certain subsidiaries (See Note 3 to Notes to Consolidated Financial Statements).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 1, 2000.

TECH DATA CORPORATION

By /s/ STEVEN A. RAYMUND

Steven A. Raymund,
Chairman of the Board of Directors;
Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature to this Annual Report on Form 10-K appears below hereby appoints Jeffery P. Howells and Arthur W. Singleton, or either of them, as his attorney-in-fact to sign on his behalf individually and in the capacity stated below and to file all amendments and post-effective amendments to this Annual Report on Form 10-K, and any and all instruments or documents filed as a part of or in connection with this Annual Report on Form 10-K or the amendments thereto, and the attorney-in-fact, or either of them, may make such changes and additions to this Annual Report on Form 10-K as the attorney-in-fact, or either of them, may deem necessary or appropriate.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEVEN A. RAYMUND Steven A. Raymund	Chairman of the Board of Directors; Chief Executive Officer	May 1, 2000
/s/ JEFFERY P. HOWELLS Jeffery P. Howells	Executive Vice President and Chief Financial Officer; Director (principal financial officer)	May 1, 2000
/s/ JOSEPH B. TREPANI Joseph B. Trepani	Senior Vice President and Corporate Controller (principal accounting officer)	May 1, 2000
/s/ ARTHUR W. SINGLETON Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary	May 1, 2000
/s/ CHARLES E. ADAIR Charles E. Adair	Director	May 1, 2000
/s/ MAXIMILIAN ARDELT Maximilian Ardelt	Director	May 1, 2000
/s/ JAMES M. CRACCHIOLO James M. Cracchiolo	Director	May 1, 2000

Signature	Title	Date
/s/ DANIEL M. DOYLE Daniel M. Doyle	Director	May 1, 2000
/s/ EDWARD C. RAYMUND Edward C. Raymund	Director; Chairman Emeritus	May 1, 2000
/s/ KATHY MISUNAS Kathy Misunas	Director	May 1, 2000
/s/ DAVID M. UPTON David M. Upton	Director	May 1, 2000
/s/ JOHN Y. WILLIAMS John Y. Williams	Director	May 1, 2000

Exhibit 99-A

Cautionary Statements for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a "safe harbor" for "forward-looking statements" to encourage companies to provide prospective information, so long as such information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the forward-looking statement(s). Tech Data Corporation (the "Company" or "Tech Data") desires to take advantage of the safe harbor provisions of the Act.

Except for historical information, the Company's Annual Report on Form 10-K for the year ended January 31, 2000 to which this exhibit is appended, the Company's quarterly reports on Form 10-Q, the Company's current reports on Form 8-K, periodic press releases, as well as other public documents and statements, may contain forward-looking statements within the meaning of the Act.

In addition, representatives of the Company, from time to time, participate in speeches and calls with market analysts, conferences with investors and potential investors in the Company's securities, and other meetings and conferences. Some of the information presented in such speeches, calls, meetings and conferences may be forward-looking within the meaning of the Act.

It is not reasonably possible to itemize all of the many factors and specific events that could affect the Company and/or the microcomputer products distribution industry as a whole. In some cases, information regarding certain important factors that could cause actual results to differ materially from those projected, forecasted, estimated, budgeted or otherwise expressed in forward-looking statements made by or on behalf of the Company may appear or be otherwise conveyed together with such statements. The following additional factors (in addition to other possible factors not listed) could affect the Company's actual results and cause such results to differ materially from those projected, forecasted, estimated, budgeted or otherwise expressed in forward-looking statements made by or on behalf of the Company:

Competition

The Company operates in a highly competitive environment, both in the United States and internationally. The computer wholesale distribution industry is characterized by intense competition, based primarily on product availability, credit availability, price, speed of delivery, ability to tailor specific solutions to customer needs, quality and depth of product lines and pre-sale and post-sale training, service and support. The Company competes with a variety of regional, national and international wholesale distributors, some of which have greater financial resources than the Company. In addition, the Company faces competition from direct sales by vendors which may be able to offer resellers lower prices than the Company.

Narrow Profit Margins

As a result of intense price competition in the industry, the Company has narrow gross profit and operating profit margins. These narrow margins magnify the impact on operating results of variations in sales and operating costs. The Company has partially offset the effects of its low gross profit margins by increasing sales and reducing operating expenses as a percentage of sales; however, there can be no assurance that the Company will maintain or increase sales or further reduce operating expenses as a percentage of sales in the future. Future gross profit margins may be adversely affected by changes in product mix, vendor pricing actions and competitive and economic pressures.

Risk of Declines in Inventory Value

The Company is subject to the risk that the value of its inventory will decline as a result of price reductions by vendors or technological obsolescence. It is the policy of most vendors of microcomputer products to protect distributors, such as the Company, which purchase directly from such vendors, from the loss in value of inventory due to technological change or the vendors' price reductions. Some vendors, however, may be unwilling or unable to pay the Company for products returned to them under purchase agreements. Moreover, industry practices are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value. No assurance can be given that such practices will continue, that unforeseen new product developments will not adversely affect the Company, or that the Company will be able to successfully manage its existing and future inventories.

Some major systems vendors are developing programs which will allow the Company to assemble systems from components provided by the vendors. While the Company has developed the ability to configure computer products, the process of assembling large volumes of systems from components will require new business practices by the Company. It is also uncertain how the vendors will apply policies related to price protection, stock rotation and other protections against the decline in inventory value to components.

Dependence on Information Systems

The Company is highly dependent upon its internal computer and telecommunication systems to operate its business. There can be no assurance that the Company's information systems will not fail, that the Company will be able to attract and retain qualified personnel necessary for the operation of such systems, that the Company will be able to expand and improve its information systems, or that the information systems of acquired companies will be sufficient to meet the Company's standards or can be successfully converted into an acceptable information system on a timely and cost-effective basis. Any of such problems could have an adverse effect on the Company's business.

The Company's Year 2000 ("Y2K") compliance project determined the readiness of the Company's business for Year 2000. The Company has experienced no significant problems with its computer systems since the beginning of 2000 but will continue to monitor the systems to assess whether any problems develop. While the Company has not experienced any significant Y2K problems to date, there can be no assurance that the Company will not experience material Y2K problems in the future. In addition, the Company faces risks to the extent that suppliers of products, services and business on a worldwide basis may experience post-Y2K issues.

Customer Credit Exposure

The Company sells its products to a large customer base of value-added resellers, corporate resellers, retailers and direct marketers. A significant portion of such sales is financed by the Company. As a result, the Company's business could be adversely affected in the event of the deterioration of the financial condition of its customers, resulting in the customers' inability to repay the Company. This risk would be increased in the event of a general economic downturn affecting a large number of the Company's customers.

Management of Expansion

The rapid expansion of the Company's business has required the Company to make significant recent additions in personnel and has significantly increased the Company's working capital requirements. Although the Company has experienced rapid expansion in recent years, such expansion should not be considered indicative of future expansion. Such expansion has resulted in new and increased responsibilities for management personnel and has placed and continues to place a strain upon the Company's management, operating and financial systems and other resources. There can be no assurance that the strain placed upon the Company's management, operating and financial systems and other resources will not have an adverse effect on the Company's business, nor can there be any assurance that the Company will be able to attract or retain sufficient personnel to continue the expansion of its operations.

Liquidity and Capital Resources

The Company's business requires substantial capital to finance accounts receivable and product inventory that are not financed by trade creditors. The Company has historically relied upon cash generated from operations, bank credit lines, trade credit from its vendors and proceeds from public offerings of its Common Stock to satisfy its capital needs and finance growth. In order to continue its expansion, the Company will need additional financing, including debt financing. The inability to obtain such sources of capital could have an adverse effect on the Company's business.

Acquisitions

As part of its growth strategy, the Company pursues the acquisition of companies that either complement or expand its existing business. As a result, the Company regularly evaluates potential acquisition opportunities, which may be material in size and scope. Acquisitions involve a number of risks and uncertainties, including expansion into new geographic markets and business areas, the requirement to understand local business practices, the diversion of management's attention to the assimilation of the operations and personnel of the acquired companies, the possible requirement to upgrade the acquired companies' management information systems to the Company's standards, potential adverse short-term effects on the Company's operating results and the amortization of any acquired intangible assets.

Foreign Currency Exchange Risks; Exposure to Foreign Markets

The Company conducts business in countries outside of the United States which exposes the Company to fluctuations in foreign currency exchange rates. The Company may enter into short-term forward exchange or option contracts to hedge this risk according to its outlook on future exchange rates; nevertheless, fluctuations in foreign currency exchange rates could have an adverse effect on the Company's business.

The Company's international operations are subject to other risks such as the imposition of governmental controls, currency devaluations, export license requirements, restrictions on the export of certain technology, political instability, trade restrictions, tariff changes, difficulties in staffing and managing international operations, difficulties in collecting accounts receivable and longer collection periods and the impact of local economic conditions and practices. As the Company continues to expand its international business, its success will be dependent, in part, on its ability to anticipate and effectively manage these and other risks. There can be no assurance that these and other factors will not have an adverse effect on the Company's business.

Product Supply Shortages

The Company is dependent upon the supply of products available from its vendors. The industry is characterized by periods of severe product shortages due to vendors' difficulty in projecting demand for certain products distributed by the Company. When such product shortages occur, the Company typically receives an allocation of product from the vendor. There can be no assurance that vendors will be able to maintain an adequate supply of products to fulfill all of the Company's customer orders on a timely basis. Failure to obtain adequate product supplies, if available to competitors, could have an adverse effect on the Company's business.

Vendor Relations

The loss of certain key vendors could have an adverse effect on the Company's business. In addition, the Company relies on various rebate and cooperative marketing programs offered by its vendors to defray expenses associated with distributing and marketing the vendors' products. Additionally, certain of the Company's vendors subsidize floor plan financing arrangements. A reduction by the Company's vendors in any of these programs could have an adverse effect on the Company's business.

General Economic Conditions

From time to time the markets in which the Company sells its products experience weak economic conditions that may negatively affect the Company's sales. Although the Company does not consider its business to be highly seasonal, it has experienced seasonally higher sales and earnings in the third and fourth quarters. To the extent that general economic conditions affect the demand for products sold by the Company, such conditions could have an adverse effect on the Company's business.

Exposure to Natural Disasters

The Company's headquarters facilities, certain of its distribution centers as well as certain vendors and customers are located in areas prone to natural disasters such as floods, hurricanes, tornadoes, earthquakes and other adverse weather conditions. The Company's business could be adversely affected should its ability to distribute products be impacted by such an event.

Labor Strikes

The Company's labor force is currently non-union with the exception of employees of certain Canadian and European subsidiaries which are subject to collective bargaining or similar arrangements. Additionally, the Company does business in certain foreign countries where labor disruption is more common than is experienced in the United States. The majority of the freight carriers used by the Company are unionized. A labor strike by a group of the Company's employees, one of the Company's freight carriers, one of its vendors, a general strike by civil service employees, or a governmental shutdown could have an adverse effect on the Company's business.

Volatility of Common Stock

Because of the foregoing factors, as well as other variables affecting the Company's operating results, past financial performance should not be considered a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. In addition, the Company's participation in a highly dynamic industry often results in significant volatility of the Common Stock price.