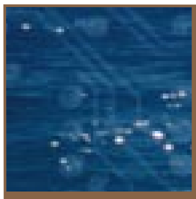
Tech Data

2001 Summary

Annual Report

Year Ended January 31, 2001

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. Ranked 95th on the Fortune 500, the 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 and configuration services as well as a full range of award-winning electronic commerce solutions. The company generated sales of $20.4 billion for its most recent fiscal year, which ended January 31, 2001.

ANNUAL MEETING

The annual meeting of shareholders of the company will be held at 4:30 p.m. on Tuesday, June 19, 2001, 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, access our Web site at www.techdata.com. Alternatively, you may contact our Investor Relations department by e-mailing ir@techdata.com or by calling 800-237-8931, ext. 75855.

TRANSFER AGENT

Communications regarding lost stock certificates and address changes should be directed to our transfer agent, Mellon Investor Services LLC.

Mellon Investor Services LLC
Overpeck Center, 85 Challenger Road
Ridgefield Park, NJ 07660
800-756-3353

CORPORATE COUNSEL

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

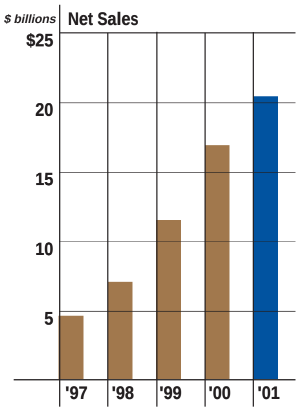
INDEPENDENT ACCOUNTANTS

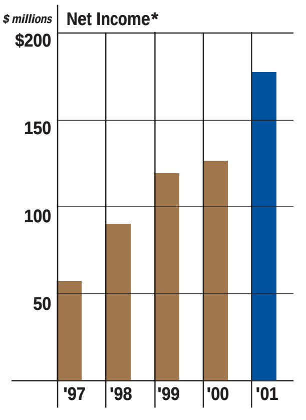
Ernst & Young LLP, Tampa, FL

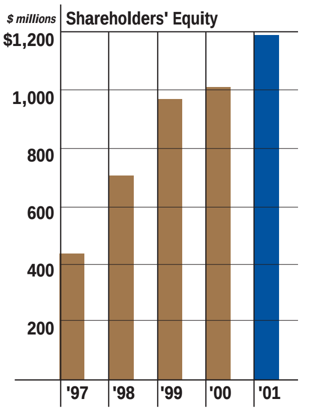
STOCK LISTING

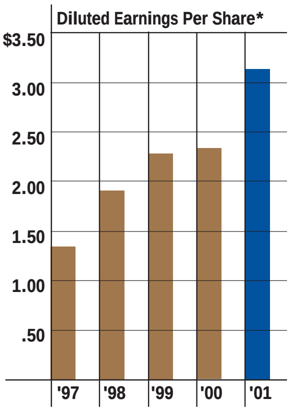
The Company's common stock is traded on The Nasdaq Stock Market under the symbol TECD.

Financial Highlights
Tech Data Corporation and Subsidiaries







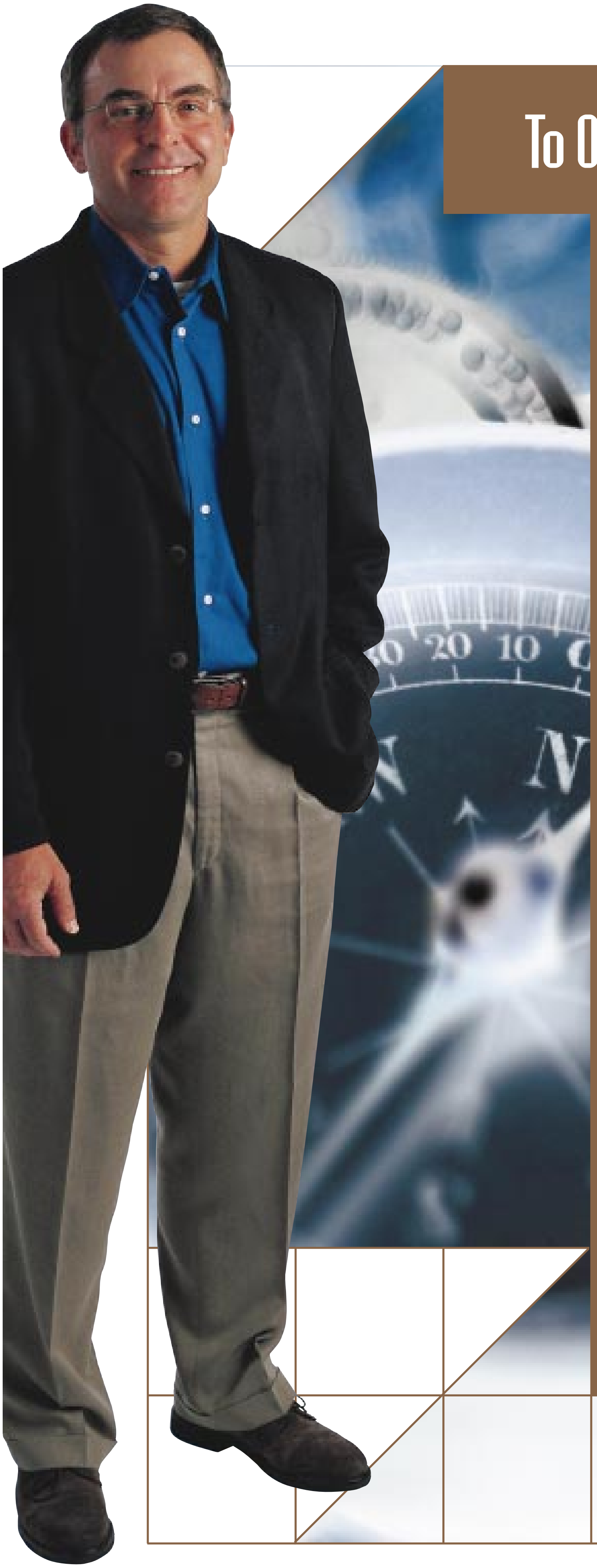


For the year ended January 31: *(In thousands, except per share data)*	**1997**	**1998**	**1999***	**2000**	**2001**	**FY 2001 vs. FY 2000 growth rate**
Net sales	$4,598,941	$7,056,619	$11,528,999	$16,991,750	**$ 20,427,679**	**20%**
Operating income	115,011	172,638	230,304	271,872	**362,756**	**33%**
Net income	56,973	89,485	119,375	127,501	**177,983**	**40%**
Net income per diluted share	1.35	1.92	2.29	2.34	**3.14**	**34%**
At year end: *(In thousands)*						
Working capital	$ 351,993	$ 537,381	$ 725,057	$ 795,589	**$ 967,283**	**22%**
Total assets	1,545,294	2,185,383	3,844,987	4,123,818	**4,615,545**	**12%**
Total shareholders' equity	438,381	702,588	967,291	1,013,695	**1,195,314**	**18%**

***** *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.

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.



To Our Shareholders:

This fiscal year was the best in Tech Data's 26-year history. For the year ended January 31, 2001, we generated record sales and profitability, surpassing the $20 billion mark in revenue while increasing net income 40% to $178 million, or $3.14 per diluted share. These stellar results attest to the earnings power of our business model, while again proving that Tech Data has the most outstanding team in the IT logistics industry.

Tech Data's superior financial performance reflects the operational excellence we achieved throughout our global organization. Our selling, general and administrative (SG&A) expenses as a percentage of sales are the lowest in our industry — just 3.59% for the fiscal year. The efficiencies and economies of scale we deliver translate into a significant competitive advantage.

In our industry, it's imperative to maintain extraordinarily low costs *and* deliver high-value services to both ends of the supply chain. Tech Data's customers — the solution providers and resellers of technology products — and vendor partners leverage our infrastructure in a multitude of ways. In addition to our core logistics management function, we provide credit, education programs, certification training, technical support, systems integration services, product management, marketing, e-commerce solutions and much more. We have become a central force in the IT industry, bringing new value to our customers and vendors each day.

It's a dynamic business, particularly considering the myriad factors involved in ensuring that companies and consumers worldwide receive the products they want, when they want them. We take the complexity out of the procurement process, making it much easier to buy and sell comprehensive computing solutions. This capability underlies the steady growth our industry has experienced, and our ongoing critical value to trading partners.

Our success has always been based on a relatively simple premise: respond proficiently to fast-changing industry conditions without ever losing customer focus. With this straightforward approach, we have navigated our way to remarkable accomplishments, often while facing new types of challenges from virtually every direction.

Over the past year, for example, analysts predicted that business-to-business exchanges, Internet resellers and application service providers (ASPs) would all take substantial share from distributors. In actuality, their impact on us was more positive than negative. ASPs and Internet resellers, in fact, are among our customers today. Manufacturers, meanwhile, were depicted as focusing all their efforts on driving more business direct, when in reality their collective channel focus continued unabated.

And with good reason. For most manufacturers, it does not make economic sense to maintain large direct sales forces, or to attempt to replicate the comprehensive logistics management services and fulfillment expertise we provide. Consequently, distribution's share of the total IT marketplace is projected to grow from approximately 27% in 1998 to an estimated 33% by 2004, according to International Data Corp., a leading IT research firm.

Although it's possible that a larger share of commodity-oriented PCs may be sold directly over time, our systems business grew 29% and represented 28% of our total sales last year. This offering includes a vast range of servers and other hardware devices that are typically sold as part of comprehensive solutions — solutions comprising peripherals, software, storage and networking equipment that our customers install and support with unparalleled capability. More than 70% of our business comes from non-PC categories, many of which offer higher margins than PCs.

Tech Data's business model is strengthening through other means, too. Our electronic commerce revenue has grown steadily, for example, reaching more than $5.4 billion on an annualized basis at the conclusion of our fourth quarter. We're sharing best practices across all of our international operations, with intense focus on further maximizing our systems infrastructure investments.

An example of how we are sharing and applying best practices pertains to our Activity-Based Costing (ABC) model. Through ABC methodologies, we have become more precise in analyzing the "cost to serve" all types of customers as well as vendors. With this information, we have been able to better manage our costs, while optimizing product and service pricing as well as partner contractual agreements. We have refined our ABC practices in our U.S. operations over the past two years and are now applying these practices within our European locations.

Specialized Business Units (SBUs) also became part of our worldwide corporate culture in fiscal 2001. These focus areas include dedicated, specially trained sales and support personnel to help customers sell, deploy and service today's hottest IT solutions in a broad range of product categories. Our move to establish SBUs mirrors Tech Data's historical evolution. It epitomizes how far we've come — from a regional pick-pack-and-ship company to a global supply chain specialist.

Throughout the years, we've received numerous accolades and honors that have chronicled Tech Data's progress and exceptional industry performance. Current year achievements included breaking into the Fortune 100, ranking 95th, and emerging as the IT industry's Most Preferred Distributor in all product categories, according to a survey conducted annually by CMP Media, the leading publisher of IT reseller channel magazines.

Although the current fiscal year's outlook is clouded by economic uncertainty, we are confident that Tech Data remains the most cost-effective, efficient solution for flowing product from the manufacturing floor to the end-user desktop. We've proven it year after year and we will continue to live up to this expectation. We also make it our business to live up to your expectations.

Thank you for your investment in Tech Data — the world's best-performing provider of IT products and logistics services.

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

VISION

On the right course

After 26 years of success in the IT industry, it's safe to say Tech Data is clearly on the right course. Times have changed, but so has the company. We've demonstrated our ability to navigate any market conditions, continually delivering new value to our customers and vendor partners.

Our vision is to be the leading provider of IT products and logistics services in the e-commerce age. We are achieving this goal through four primary strategies:

- ❑ **Excellence in Execution** of the core functions that customers most value — beyond on-time product delivery and shipping accuracy
- ❑ **Proactive Initiatives** that include market-driven Specialized Business Units and Customer Relationship Management technology, enabling Tech Data to grow faster than the industry
- ❑ **Electronic Commerce Focus** that allows us to create a leading EC marketplace with unsurpassed functionality and flexibility, providing greater cost savings and efficiencies to the company as well as its business partners
- ❑ **Supply Chain Management Solutions** that involve partnering with customers and vendors to streamline, enhance and reduce the costs of end-to-end product procurement and fulfillment

Finding the ways

Specialized Business Units (SBUs) are among the ways we are now charting our success. These units include cross-organizational dedicated resources to address customer needs in a broad range of technology categories: Apple Solutions; CAD/Graphics; Components; Digital Imaging; Enterprise; Information Appliances; Licensing; Supplies & Accessories; and Networking Solutions.

SBUs give us the opportunity to expand our market share in new ways — against competitors who typically lack the economies of scale that we enjoy. This commitment and focus also brings unprecedented value to our customers.

“You never know what the next hot product is going to be,” commented one solution provider in a March 12, 2001, cover story on our SBUs in *CRN*, the industry’s leading trade publication. “But Tech Data is going to let us know what it is. You can bet on that.”

Apple Solutions™

CAD/Graphics™

Components™

Digital Imaging™

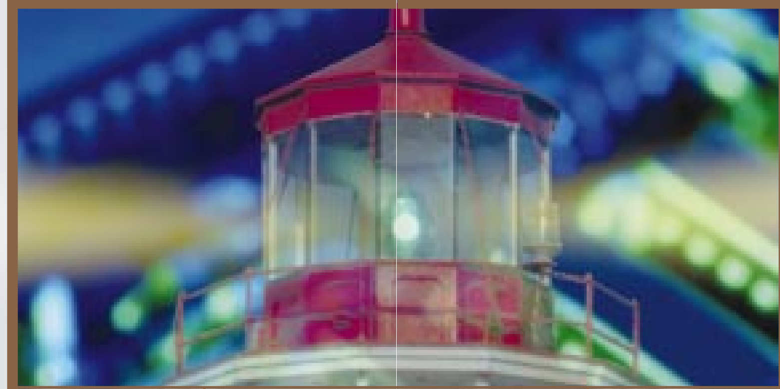
Enterprise™

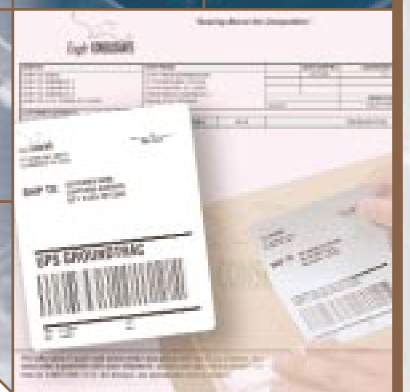
Information Appliances™

Licensing™

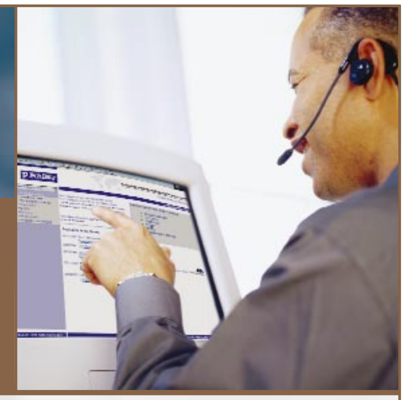
Networking Solutions™

Supplies & Accessories™





A new wave of innovation



We are applying cutting-edge technology to advance our own business model, just like we are helping our customers break into new and emerging markets. Customer Relationship Management (CRM) solutions are being deployed to ensure we continually deliver the highest level of overall service possible. We are more closely integrating our information systems so all departments can better respond to customer requirements and new opportunities.

Electronic commerce innovations are among the recurring achievements throughout our worldwide operations. Annualized EC volume surpassed $5.4 billion at the conclusion of the fiscal year. Our results received widespread recognition. For example, we ranked 113th in *InformationWeek’s* 500 Most Innovative Users of IT and 13th in *Inter@ctive Week’s* Interactive 500 listing, based on EC sales volume.

In addition to enhancing our Web site and adding new capabilities via our Rapid Application Development (RAD) team, we are extending comprehensive e-procurement capabilities to both ends of the supply chain. Technology solution providers can now establish electronic storefronts with vast order management capabilities via Tech Data’s SupplyXpert solution introduced in 2000.

Tools such as SupplyXpert are also complemented by a growing array of Tech Data services that support customer and vendor outsourcing needs. Outsourcing gives solution providers the opportunity to cut infrastructure expense, while increasing their focus on core competencies. This approach also frees up valuable resources to help them drive incremental sales and improve service levels. For vendors, outsourcing optimizes and reduces the cost of back-office functions. It paves the way to move from fixed, higher-cost structures to more variable cost structures that are particularly ideal as demand cycles fluctuate.

Through outsourcing arrangements, Tech Data remains transparent to end-user customers, while performing various services for today’s solution providers. For example, we frequently configure systems prior to shipping via our Private Label Delivery℠ option that fully retains customer brand identity. We are also piloting a service that enables us to bill end users directly on behalf of our customers. These and other services now under development are all part of our focus on tightening and strengthening the worldwide supply chain for IT products and services.

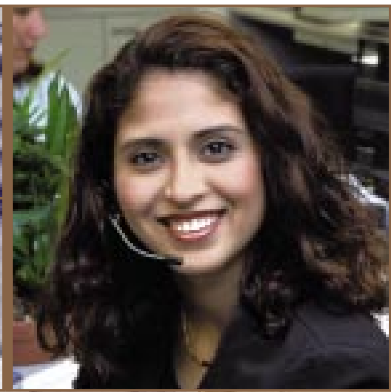
LEADERSHIP

The right crew

Tech Data's worldwide management team knows how to focus, motivate employees, and ultimately reach ambitious goals. They have displayed superior leadership through up-and-down economic cycles, intense pricing environments, dramatic technological evolution, market paradigm shifts, and much more. While great leadership guides the company, the anchor of our success is the thousands of front-line and back-office Tech Data associates worldwide.

Our team delivers superior customer satisfaction. In addition to being named Most Preferred Distributor in CMP Media's 2001 Preferred Distributor Study in each of the six categories — systems, software, mass storage, networking, peripherals and components — Tech Data rated highly for product knowledge and technical support, product availability, delivery accuracy and speed as well as other services.

This phenomenal team bridges more than just international borders. Tech Data ships to over 70 countries from 34 locations each day, while uniting people from cultures across the world in support of a common vision. Through this spirit and determination, we do what's right for the customer, the company and our shareholders. We have the right crew for any business challenge.



On board and motivated

A recent comprehensive survey of our employees in the Americas reaffirmed some key perceptions about Tech Data associates. Conducted by a leading global management consulting firm, the survey found that respondents are fully on board with the company's strategy and objectives. We consistently ranked above the 75th percentile in relation to normative data based on responses from many other large companies. Among the results, more than 85% of our respondents stated that they understand and believe in the company's objectives, are proud to work here, and feel motivated to help Tech Data succeed.

Our business is about people working together to optimize results. While we continue to automate and utilize technology to support overall objectives, we know there's no replacement for people and their indispensible role in our achievements. This fact will always remain central to our values.

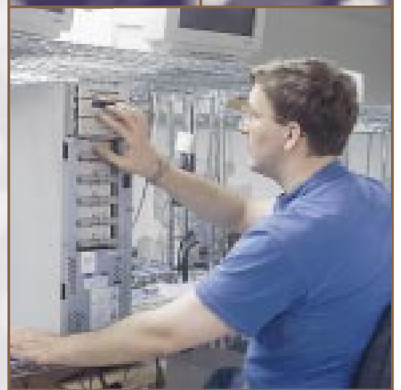
'An innate ability to adapt'

Although a number of competitors have had great difficulty contending with industry challenges in recent years, Tech Data has gained strength and considerable market share year after year. We've done it through hard work and perseverance, as you would expect from a market leader.

In our industry, like in any other, you must earn the trust of customers, their confidence and their business. To do so consistently, you must be willing to change — ultimately in concert with the flow of the entire IT industry. Our ability to respond to change was recognized in the 3rd annual *Forbes* Platinum 400 listing of the nation's "best big companies." Published January 8, 2001, Tech Data climbed 118 places to 201st on this prestigious ranking.

"To make the Platinum 400," the magazine summarizes, "a company must be an industry leader in long-term and short-term return on capital, growth in both sales and earnings … . But it takes more than mere metrics to join the Forbes Platinum 400. The companies listed here share some personality traits that serve them well — an innate ability to adapt to change; a hunger to innovate and go against the grain; resiliency in a down industry and amid doubts on Wall Street; and a relentless will to be miserly even in boom times."

The Platinum 400 editorial goes on to point out one of the positives of slowing economic conditions: "Hard times can separate good companies from the great ones." Tech Data is destined to remain a great one.



PERFORMANCE

Rising global success

Tech Data's unparalleled financial performance is rooted in a long history of operational excellence. We have built the instruments for success, applied the right measurements and know how to swiftly make adjustments to optimize results. We have also established the right mix of products, developed a broad range of customers across all market segments, and diversified internationally to widen our profit potential.

This balanced composition reflects our approach to all aspects of our business, from tightly managing assets to prudently developing services and carefully evaluating new business opportunities. We negotiate a vast sea of dynamic market conditions every day, and our prospects are high for long-term success.

Consider our selling, general and administrative (SG&A) expenses, which were reduced to a record low of 3.59% of sales during the last fiscal year. Tech Data's ability to maintain such a low cost structure puts us in a prime position not only with customers but also vendor partners. Both naturally prefer to do business with an established, financially sound market leader.

While expanding our global position over the past decade, we have also discovered new efficiencies and ways to further optimize our business model. Cost-cutting ideas and productivity enhancements routinely circulate throughout all locations comprising Tech Data's worldwide operations.

Our Activity-Based Costing (ABC) practices, for example, are being implemented on an international basis. First introduced in our U.S. operations, ABC helps us to fully understand myriad cost factors in doing business with vendors and customers. With this knowledge, we can quickly adjust pricing models and apply the most appropriate terms and conditions for each relationship. Through consultative sessions, we also communicate ABC information to our partners and make recommendations that can help them improve their own operations.

Launching new and expanded services

Our service organizations have all responded to the fast-changing demands of the IT marketplace. Together, they comprise a powerful competitive advantage. Some of our service highlights during the past year included:

- ❑ Broadening our education curriculum with new courses and the introduction of online interactive certification training for resellers
- ❑ Bolstering technical support with Web-based offerings to complement traditional phone-based services that already address thousands of customer issues each day
- ❑ Excelling in securing the terms or financing options customers need to support their purchases, while also increasing the availability of leasing alternatives — again with greater online options for faster service
- ❑ Getting closer than ever to our growing customer base through sales programs that help specialized solution providers partner with one another, in addition to driving more business with Tech Data
- ❑ Sharpening logistics and integration capabilities, with on-time shipping rates and other key metrics rising to the highest levels in company history
- ❑ Greatly strengthening vendor alliances in all market segments, positioning the company for optimal sales and profitability

All Tech Data service areas have their sights locked squarely on customer needs. As noted above, we are also leveraging the Web and other online tools to automate and simplify a multitude of functions. By combining modern tools and traditional customer-centric business values, Tech Data services go well beyond just complementing our pick-pack-and-ship core competencies. Today, this comprehensive offering represents a vital dimension to our overall value proposition.

The value channel

Distribution is gaining momentum. Even those attempting to sell more products directly to end users recognize the inherent value and efficiency of our infrastructure. International Data Corp. (IDC), a leading market research firm, projects that distribution will steadily increase its overall share of the worldwide market for IT products. According to IDC, Tech Data's global sales today constitute only about 9% of the total available IT distribution market. That points to remarkable growth potential on the horizon.

We see other encouraging trends, as well. IT manufacturers and publishers increasingly view Tech Data as the conduit to sales in the lucrative small-to-mid-size business, or SMB, market. Our customers recommend and implement the products that support SMB operations throughout the world. Together, we form the "value channel" for today's comprehensive networked business solutions.

This company will always discover and seize new opportunities around every turn. We have the ***vision***. Our ***leadership*** is second to none. And our ***performance*** speaks for itself. Tech Data is clearly on the right course.

Tech Data Corporation

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	Chief Executive Officer, VIAG Telecom AG
James M. Cracchiolo	Group President, American Express Global Financial Services
Daniel M. Doyle	Chairman and Chief Executive Officer, BrainBuzz.com, Inc.
Kathy Misunas	Business Advisor
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 Worldwide Operations
Jeffery P. Howells	Executive Vice President and Chief Financial Officer
Perry Monych	President of U.S. Operations
Graeme Watt	President of Europe
Joseph A. Osbourn	Executive Vice President and Worldwide Chief Information Officer
Patrick O. Connelly	Senior Vice President of Credit Services, the Americas
Timothy J. Curran	Senior Vice President of U.S. Sales
Charles V. Dannewitz	Senior Vice President of Taxes
Henrik Funch	Senior Vice President of Northern Europe
Lawrence W. Hamilton	Senior Vice President of Human Resources
William J. Hunter	Senior Vice President and Chief Financial Officer of Europe
Elio Levy	Senior Vice President of U.S. Marketing
Yuda Saydun	Senior Vice President and President of Latin America
Lisa G. Thibodeau	Senior Vice President of U.S. Sales and Marketing Operations
William K. Todd, Jr.	Senior Vice President of Logistics and Integration Services
Joseph B. Trepani	Senior Vice President and Corporate Controller
Gerard Youna	Senior Vice President of Southern Europe
Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary
David R. Vetter	Corporate Vice President and General Counsel

Headquarters

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

Principal Subsidiaries

Tech Data Canada, Inc.	6911 Creditview Road • Mississauga, Ontario L5N 8G1 • Canada
Tech Data Education, Inc.	5350 Tech Data Drive • Clearwater, FL 33760
Tech Data Finance SPV, Inc.	1655 North Main Street • Suite 295 • Walnut Creek, CA 94596
Tech Data Germany AG	Wolfratshauser, Strasse 84 • D-81379 Munich • Germany
Tech Data Germany Holding GmbH	Wolfratshauser, Strasse 84 • D-81379 Munich • Germany
Tech Data Latin America, Inc.	8501 N.W. 17th Street • Suite 101 • Miami, FL 33126
Tech Data Product Management, Inc.	5350 Tech Data Drive • Clearwater, FL 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, 2001

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	**59-1578329**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
5350 Tech Data Drive Clearwater, Florida	**33760**
(Address of principal executive offices)	**(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 23, 2001: $1,697,000,000.

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 23, 2001
Common stock, par value $.0015 per share	53,876,554

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's Proxy Statement for use at the Annual Meeting of Shareholders on June 19, 2001 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.

In May 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.

In March 1994, the Company entered the European market through the acquisition of a privately-held distributor subsequently named Tech Data France, SA (''Tech Data France'').

To complement its Miami-based Latin American export business, the Company opened a sales office and distribution center near Sao 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, in July 1997 (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. In April 1999, all of the shares of Computer 2000 were integrated into Tech Data Germany AG (''Tech Data Germany''). The Company currently owns approximately 99.9% of the outstanding stock of Tech Data Germany and 100% of Computer 2000's stock. The Company is in the process of changing the names of many of Computer 2000's subsidiaries to match the Tech Data brand.

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 German market, Tech Data chose to sell its controlling interest in Macrotron effective on July 1, 1998. At the time of the sale, Tech Data owned 99% and 91% of Macrotron's outstanding common and preferred stock, respectively, 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 in a variety of IT segments, including peripherals, systems, networking and software, which accounted for 44%, 28%, 17% and 11%, respectively, of sales in fiscal 2001. The Company offers products from manufacturers and publishers such as Adobe, Apple, Cisco, Compaq, Computer Associates, Creative Labs, Epson, Hewlett-Packard, IBM, Intel, Iomega, Lexmark, Microsoft, Nortel Networks, NEC, Palm, 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. 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 make it cost efficient for vendors to rely on wholesale distributors to serve this customer base. 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.

International Data Corp., a leading market research firm, projects that the microcomputer distribution industry's share of the overall IT marketplace will grow from 27% in 1998 to 33% in 2004. The Company attributes this growth to the following primary factors. First, by leveraging its infrastructure and efficiently managing operations, Tech Data and other industry leaders provide manufacturers and publishers a cost-effective alternative to selling directly to resellers or end users. Second, resellers are increasingly relying on wholesale distributors for product availability and flexible financing alternatives. Tech Data's ability to provide a ''virtual warehouse'' of products for resellers means that they no longer need to hold inventory, which reduces costs and risks associated with handling the product. In addition to enabling fast reseller access to a comprehensive hardware and software offering, the Company frequently ships products to end users on behalf of its customers, thereby reducing the customers' costs of storing, maintaining, and shipping the products themselves. Tech Data facilitates this approach by personalizing shipping labels and packing documents with customers' brand identities (e.g., logos), marketing messages and other specialized content.

The microcomputer distribution industry has changed significantly over the past two years as weaker players either exited the market or moved into new business models because of their inability to compete or maintain profitable operations. This industry shift has created additional growth and profit opportunities for successful companies like Tech Data, which experienced improved market conditions in fiscal 2001 compared to the previous year which was characterized by extraordinarily intense price competition.

As resellers and vendors continue to seek ways to reduce costs and improve efficiencies, distributors are responding with a variety of new value-added services. Many of these services are now delivered in conjunction with outsourcing initiatives in which companies choose to focus more exclusively on core competencies and rely on third-party suppliers for other requirements. The outsourcing trend is evident among both small and large IT resellers as well as vendors. In response, Tech Data and various competitors provide sales/account management, credit, technical support, education, marketing logistics management and other business solutions.

The increasing utilization of electronic ordering and information delivery systems, including the ability to transact business over the World Wide Web, continues to have a significant impact on the cost efficiency of the wholesale distribution model. Distributors such as Tech Data—with the financial and technical resources to develop, implement and operate scaleable information management systems—have been able to reduce both their customers' and their own transaction costs through more efficient purchasing and lower selling and delivery costs. Among related developments, distributors are now working to establish a more seamless supply chain in which end-user purchases flow immediately from reseller Web sites direct to distributor logistics centers in closest proximity to order destination. Taking advantage of this emerging paradigm, Tech Data introduced SupplyXpert last year. This tool offers resellers a dynamic Web storefront with extensive capabilities to streamline the entire order management process from requisition to fulfillment.

In summary, the microcomputer distribution industry continues to address a broad spectrum of reseller and vendor requirements. The economies of scale and global reach of large industry leaders are expected to continue to be significant competitive advantages in this marketplace.

It should be noted, we have seen a downturn in the United States economy in the fourth quarter of fiscal 2001, which has affected growth in demand for the products we sell. While we expect the economic downturn in the United States to continue well into fiscal 2002, there can be no certainty as to the degree of the severity or duration of this downturn. We cannot predict the extent and timing, if any, of the impact of economies in Canada, Europe and other countries and geographic regions in which we conduct business. To the extent that this occurs, the microcomputer industry in general, and demand for the products we sell, are likely to be negatively affected in these countries and geographic regions.

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 non-exclusive 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 or 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 Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Asset Management.

With the exception of Hewlett-Packard and Compaq, no single vendor accounted for more than 10% of the Company's net sales during fiscal 2001, 2000, or 1999. Sales of Hewlett-Packard products accounted for 19%, 19%, and 18% of net sales in fiscal 2001, 2000 and 1999, respectively, and sales of Compaq products accounted for 20%, 16% and 13% of net sales in fiscal 2001, 2000 and 1999, respectively.

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.

Customers, Products and Services

The Company sells more than 75,000 microcomputer products including peripherals, systems, 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 value-added resellers (VARs), corporate resellers, direct marketers, retailers and Internet resellers.

The market for VARs, which constituted approximately 55% of Tech Data's net sales in fiscal 2001, is attractive because VARs generally rely on distributors as their principal source of computer products and financing. This reliance is due to VARs typically not having the resources to establish a large number of direct purchasing relationships or stock significant product inventories. 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 directly. Corporate resellers constituted approximately 24% of the Company's net sales in fiscal 2001. Tech Data also has developed special programs to meet the unique needs of retail, direct marketers and Internet resellers, which constituted approximately 21% of the Company's net sales in fiscal 2001. No single customer accounted for more than 5% of the Company's net sales during fiscal 2001, 2000, or 1999.

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 cases, 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 web order entry and EDI services), customized shipping documents, product configuration/integration 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 34 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 2,300 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 six 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 its customers. By the fourth quarter of fiscal 2001, approximately 25% ($5.4 billion on an annualized basis) of the Company's worldwide sales dollar volume originated from orders received electronically.

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

Tech Data operates in a market characterized by intense competition, based upon such factors as 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 all of these areas.

Tech Data competes against several companies in the North American market, including Ingram Micro and Synnex. In Latin America, Tech Data competes against Ingram Micro and several regional and local distributors. Competition outside of the Americas includes Ingram Micro, Actebis and a variety of smaller regional and local distributors throughout Europe.

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, 2001, the Company had approximately 10,500 employees located as follows: United States—4,200, Europe—5,400, and all other regions—900. 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 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

Tech Data operates predominantly in a single industry segment as a wholesale distributor of computer-based technology products and services. Therefore, 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 2001, 2000, and 1999, 45%, 51% and 45%, 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 23, 2001 are as follows:

Steven A. Raymund, Chairman of the Board of Directors and Chief Executive Officer, age 45, 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 Worldwide Operations, age 37, joined the Company in July 1989 as a Software Product Manager and served in various management positions with the Company's Spain and Portugal operations between 1990 and 1995 when he was promoted to Regional Managing Director. In March 1999, he was appointed Executive Vice President of U.S. Sales and Marketing, in January 2000 he was promoted to President of the Americas, and in August 2000, he was promoted to President of Worldwide Operations. Mr. Cano holds a Masters Degree in Business Administration from IESE Business School in Barcelona and an Engineering Degree from Barcelona University.

Jeffery P. Howells, Executive Vice President and Chief Financial Officer, age 44, 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.

Perry Monych, President of U.S. Operations, age 46, joined the Company in December 2000. Prior to joining the Company, he was President and Chief Executive Officer of GE Access from November 1997 to November 2000. He was also President and CEO of GE Capital IT Solutions—North America from July 1996 to November 1997, and President and CEO of GE Capital IT Solutions—Canada from December 1993 to July 1996. Mr. Monych holds a Masters Degree in Business Administration from Harvard University and a Bachelor of Science Degree in Forestry from the University of British Columbia.

Graeme Watt, President of Europe, age 40, joined the Company in January 1988 as Financial Controller for the United Kingdom and Ireland and was promoted to Managing Director in 1995. He was promoted to Regional Managing Director for Tech Data's Computer 2000 Group in January 2000, and in August 2000 he was promoted to President of Europe. Prior to joining the Company, he was with Arthur Young for two years as a Chartered Accountant. Mr. Watt holds a Bachelors Degree in Physiology from Edinburgh University.

Joseph A. Osbourn, Executive Vice President and Worldwide Chief Information Officer, age 53, joined the company in October 2000. Prior to joining the Company, he was Senior Vice President and Chief Information Officer at Kmart Corporation from September 1999 to September 2000, and was Vice President of Information Services at Walt Disney World Company from September 1989 to September 1999. Mr. Osbourn holds a Masters Degree in Business Administration from Memphis State University and a Bachelors Degree in Physics from the University of Louisville.

Patrick O. Connelly, Senior Vice President of Credit Services, the Americas, age 55, joined the Company in August 1994 as Vice President of Credit Services, the Americas and in April 2001 he was promoted to Senior Vice President of Credit Services, the Americas. Prior to joining the Company, he was employed by Unisys Corporation for nine years as Worldwide Director of Credit. Mr. Connelly holds a Masters Degree in Business Administration from the University of South Florida and B.A. Degrees in History and French from the University of Texas at Austin.

Timothy J. Curran, Senior Vice President of U.S. Sales, age 49, 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 46, 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.

Henrik Funch, Senior Vice President of Northern Europe, age 45, joined the Company in January 2001. Prior to joining the Company he was employed by GE Capital IT Solutions for 5 years, most recently on its Executive Board for Europe. Mr. Funch has almost 20 years of experience in the IT industry including 9 years with IBM and 4 years with Andersen Consulting. Mr. Funch holds both a Masters and a Bachelors Degree in Economics from the Copenhagen School of Economics.

Lawrence W. Hamilton, Senior Vice President of Human Resources, age 43, 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.

William J. Hunter, Senior Vice President and Chief Financial Officer of Europe, age 41, joined the Company in April 1994 as Assistant Controller. In September 1996, he was promoted to Director of International Finance and in June 1997 became the Vice President and Controller for Europe. Effective June 1999, Mr. Hunter was promoted to Senior Vice President and Chief Financial Officer for Europe. From January 1989 to April 1994 he was employed by Price Waterhouse. Mr. Hunter is a Certified Public Accountant, a Certified Management Accountant and holds a B.A. Degree in Philosophy from Tulane University and a B.S. Degree in Accounting from the University of South Florida.

Elio Levy, Senior Vice President of U.S. Marketing, age 53, 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 48, 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 Universite Libre de Bruxelles and a Masters of Business Administration Degree, Finance/Marketing from U.C.L.A.

Lisa Thibodeau, Senior Vice President of U.S. Sales and Marketing Operations, age 42, joined the Company in March 1995 as Assistant Controller. She was promoted to the position of Vice President and U.S. Controller in September 1997. In May 2000, she was promoted to Senior Vice President of U.S. Sales and Marketing Operations. Prior to joining the Company, Ms. Thibodeau was employed from May 1989 to March 1995 at Walt Disney World, most recently as Finance Manager. Ms. Thibodeau is a Certified Public Accountant and holds a Bachelors Degree in Business Administration from the University of Massachusetts at Amherst and a Masters Degree in Business Administration from Rollins College.

William K. Todd Jr., Senior Vice President of Logistics and Integration Services, age 56, joined the Company in June 1999 as Vice President and General Manager of Configuration and Assembly and was promoted to Senior Vice President of Logistics and Integration Services 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 40, 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.

Gerard Youna, Senior Vice President of Southern Europe, age 47, joined the Company in 1989 as the Managing Director for Tech Data France. In 1999 he was promoted to Regional Managing Director for France and Israel. In September 2000, he was promoted to Senior Vice President for Southern Europe. Mr. Youna received a degree in IT Engineering from the Institut Informatique d'Entreprise in Paris, France.

Arthur W. Singleton, Corporate Vice President, Treasurer and Secretary, age 40, 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 B.A. Degrees in English and Economics from Bucknell University and a J.D. Degree from the University of Florida.

ITEM 2. *Properties*

Tech Data's executive offices are located in Clearwater, Florida. As of January 31, 2001, the Company operated a total of 34 distribution centers to provide its customers timely delivery of products. These distribution centers are located in the following principal markets: U.S.—6, Canada—3, Latin America—5, Europe—18 and the Middle East—2. In addition to the above distribution centers, the Company operates a distribution facility in the United States located within the manufacturing facilities of IBM. The Company also operates training centers in 10 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, 2001.

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 sale prices for the Company's common stock as reported by The Nasdaq Stock Market. The approximate number of shareholders as of January 31, 2001 was 27,000.

	Sales Price	
	High	Low
Fiscal year 2001		
Fourth quarter	$44 9/16	$24 15/16
Third quarter	55 7/8	32
Second quarter	52 1/8	35 3/8
First quarter	43 3/4	20 5/8
Fiscal year 2000		
Fourth quarter	$27 7/8	$18 5/8
Third quarter	39 5/16	18
Second quarter	44 7/8	22 1/4
First quarter	32	14 1/2

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,				
	2001	2000	1999(1)	1998	1997
Income statement data:					
Net sales	$20,427,679	$16,991,750	$11,528,999	$7,056,619	$4,598,941
Cost of products sold	19,331,616	16,058,086	10,806,153	6,590,873	4,277,160
Gross profit	1,096,063	933,664	722,846	465,746	321,781
Selling, general and administrative expenses	733,307	661,792	492,542	293,108	206,770
Operating income	362,756	271,872	230,304	172,638	115,011
Interest expense, net	92,285	65,965	44,988	29,908	21,522
Net foreign currency exchange (gain) loss	(3,884)	5,153	(5,027)	—	—
Gain on the sale of Macrotron AG	—	—	(15,700)	—	—
Income before income taxes	274,355	200,754	206,043	142,730	93,489
Provision for income taxes	96,033	72,837	76,215	52,816	36,516
Income before minority interest	178,322	127,917	129,828	89,914	56,973
Minority interest	339	416	876	429	—
Net income	$ 177,983	$ 127,501	$ 128,952	$ 89,485	$ 56,973
Net income per common share:					
Basic	$ 3.34	$ 2.47	$ 2.59	$ 2.00	$ 1.39
Diluted	$ 3.14	$ 2.34	$ 2.47	$ 1.92	$ 1.35
Weighted average common shares outstanding:					
Basic	53,234	51,693	49,727	44,715	40,870
Diluted	59,772	58,508	54,161	46,610	42,125
Dividends per common share	—	—	—	—	—
Balance sheet data:					
Working capital	$ 967,283	$ 795,589	$ 725,057	$ 537,381	$ 351,993
Total assets	4,615,545	4,123,818	3,844,987	2,185,383	1,545,294
Revolving credit loans	1,249,576	1,006,809	817,870	540,177	396,391
Long-term debt	320,757	316,840	308,521	8,683	8,896
Shareholders' equity	1,195,314	1,013,695	967,291	702,588	438,381

(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). For further discussion, 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,		
	2001	2000	1999
Net sales	100.00%	100.00%	100.00%
Cost of products sold	94.63	94.51	93.73
Gross profit	5.37	5.49	6.27
Selling, general and administrative expenses	3.59	3.89	4.27
Operating income	1.78	1.60	2.00
Interest expense, net	0.45	0.39	0.39
Net foreign currency exchange (gain) loss	(0.01)	0.03	(0.04)
Gain on sale of Macrotron AG	0.00	0.00	(0.14)
Income before income taxes	1.34	1.18	1.79
Provision for income taxes	0.47	0.43	0.66
Income before minority interest	0.87	0.75	1.13
Minority interest	0.00	0.00	0.01
Net income	0.87%	0.75%	1.12%

Fiscal Years Ended January 31, 2001 and 2000

Net sales increased 20.2% to $20.4 billion in fiscal 2001 compared to $17.0 billion in the prior year. This increase is attributable to market share gains as well as the addition of new product lines and the expansion of existing product lines in all geographies. U.S. operations were especially strong, growing 34% over the prior year as customers shifted business to the Company due to our high level of execution and extensive service offerings. Worldwide sales growth would have been even greater in fiscal 2001 had the euro not devalued against the dollar. On a local currency basis, Europe actually grew 20% (19% if adjusted for the change in fiscal year—see Note 3 of Notes to Consolidated Financial Statements), however, when translated into U.S. dollars, the region had 4% growth. In addition to the U.S. and European growth, other international sales grew approximately 28% over fiscal 2000. Total international sales in fiscal 2001 represented approximately 45% of consolidated net sales compared with 51% in the prior year.

Gross profit increased $162.4 million over the prior year to $1.1 billion in fiscal 2001 compared to $933.7 million in fiscal 2000. Gross margins decreased 12 basis points to 5.37% in fiscal 2001 compared to 5.49% in fiscal 2000. This decrease is attributable to the aforementioned decrease in the mix of higher gross margin international sales relative to worldwide sales (in large part due to the devaluation of the euro), competitive pressures, the Company's higher mix of systems sales to total product sales and increased participation in customer outsourcing activities. Both of these latter businesses typically involve lower gross margins but provide acceptable operating and pre-tax margins, because of cost and working capital efficiencies.

Selling, general and administrative expenses (“SG&A”) increased 10.8% or $71.5 million to $733.3 million in fiscal 2001 from $661.8 million in fiscal 2000. However, as a percentage of net sales, SG&A actually decreased 30 basis points to 3.59% from 3.89% in the prior year. While the dollar value of SG&A increased due to additional expenses required to support the increase in business, the decrease in SG&A as a percentage of sales is attributable to the benefits realized by the Company’s ongoing focus on improving operating efficiencies as well as the significant economies of scale achieved during the past year, as the Company effectively leveraged its investment in infrastructure and resources.

As a result of the factors described above, operating income in fiscal 2001 increased 33.4% to $362.8 million (1.78% of net sales) from $271.9 million (1.60% of net sales).

Interest expense increased 39.9% to $92.3 million in fiscal 2001 from $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 and an increase in average short-term interest rates.

The Company realized a net foreign currency exchange gain of $3.9 million in fiscal 2001 compared to a loss of $5.2 million in fiscal 2000. This gain is largely due to the Company realizing benefits from the strengthening euro during the fourth quarter of fiscal 2001.

The provision for income taxes increased 31.8% to $96.0 million in fiscal 2001 from $72.8 million in fiscal 2000. This increase is attributable to the increase in taxable income during the year offset by a decrease in the Company’s effective tax rate to 35.0% in fiscal 2001 from 36.3% in fiscal 2000. The decrease in the effective rate is primarily due to fluctuations and changes in the mix of taxable income within the Company’s various geographies and tax jurisdictions reported in each period.

As a result of the factors described above, net income in fiscal 2001 increased 39.6% or $50.5 million to $178.0 million ($3.14 per diluted share) compared to $127.5 million ($2.34 per diluted share) in fiscal 2000.

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, 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 51% of consolidated net sales compared with 45% in the prior year.

Gross profit increased $210.8 million over the prior year to $933.7 million in fiscal 2000 compared to $722.8 million in fiscal 1999. Gross margins decreased 78 basis points to 5.49% in fiscal 2000 compared to 6.27% in fiscal 1999. This decrease is attributable to competitive pressures and the Company’s increased participation in customer outsourcing activities which provide lower gross margins but provide acceptable operating and pre-tax margins because of cost and working capital efficiencies.

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 3.89% in fiscal 2000 from 4.27% 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 1.60% of net sales, compared to $230.3 million, or 2.00% of net sales, in fiscal 1999. A factor contributing to the decrease in the operating profit margin from 2.00% in fiscal 1999 to 1.60% 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.

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 SFAS No. 138 ''Accounting for Certain Derivative Instruments and Certain Hedging Activities—amendment of FASB Statement No. 133.'' As amended, SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. SFAS 133, as amended is effective for fiscal years beginning after June 15, 2000. The impact of adoption of this statement on the Company's results of operations will not be material.

In December 1999, the Securities and Exchange Commission (''SEC'') issued Staff Accounting Bulletin No. 101 (''SAB 101''), ''Revenue Recognition in Financial Statements''. This was followed by

Staff Accounting Bulletin No. 101A, "Implementation Issues Related to SAB 101", in March 2000 and by Staff Accounting Bulletin No. 101B, "Second Amendment: Revenue Recognition in Financial Statements" ("SAB 101B"), in June 2000. These bulletins summarize certain of the SEC's views about applying generally accepted accounting principles to revenue recognition in financial statements. The impact of SAB 101B on the Company was to delay the implementation date of SAB 101 until the fourth quarter of fiscal year 2001. The impact of these bulletins on the Company's results of operations was not material.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125" ("SFAS 140"). SFAS 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral. The accounting standards of SFAS 140 are effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The future impact of this statement on the Company's results of operations will not 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 $99.4 million in fiscal 2001 was primarily attributable to net income of $178.0 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 of supply of inventory which declined to 30.2 days at the end of fiscal 2001 from 31.0 days at the end of fiscal 2000 while maintaining high order fill rates.

Net cash used in investing activities of $80.0 million during fiscal 2001 was attributable to the Company's investment of $60.8 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 $18.2 million related to the acquisition of additional shares of Computer 2000 and approximately $1.0 million related to other insignificant acquisitions. The Company expects to make capital expenditures of approximately $115.0 million during fiscal 2002 to further expand its management information systems, office facilities and equipment for distribution centers.

Net cash provided by financing activities of $293.1 million during fiscal 2001 reflects the net borrowings under the Company's revolving credit loans and long-term debt of $248.2 million in addition to proceeds from stock option exercises (including the related income tax benefit) of $45.0 million.

The Company currently maintains a $495 million (increased from $460 million subsequent to January 31, 2001) revolving credit facility with a syndicate of banks which expires in May 2003. The Company pays interest under this revolving credit facility at the applicable eurocurrency rate plus a margin based on the Company's credit rating. Additionally, the Company maintains an $800 million Receivables Securitization Program with a syndicate of banks expiring in May 2001, which the Company intends to renew before expiration for another 12 month period. The Company pays interest on the Receivables Securitization Program at designated commercial paper rates plus an agreed-upon margin. In addition to these credit facilities, the Company maintains additional lines of credit and overdraft facilities totaling approximately $625 million.

The aforementioned credit facilities total approximately $1.9 billion, of which $1.25 billion was outstanding at January 31, 2001. These credit facilities contain covenants that must be complied with on a continuous basis, including the maintenance of certain financial ratios and restrictions on payment of dividends. The Company is in compliance with all such covenants. For a more detailed discussion of the Company's credit facilities, see Note 5 of Notes to Consolidated Financial Statements.

In August 2000, the Company filed a universal shelf registration statement with the Securities and Exchange Commission for $500 million of debt and equity securities. The net proceeds from any issuance are expected to be used for general corporate purposes, including capital expenditures, the repayment or refinancing of debt and to meet working capital needs. As of January 31, 2001, the Company had not issued any debt or equity securities, nor can any assurances be given that the Company will issue any debt or equity securities under this registration statement in the future.

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 requirements through fiscal 2002.

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 information technology systems which contain 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.

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-denominated 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.

ITEM 7a. ***Qualitative and Quantitative Disclosures About Market Risk***

The Company, as a large international organization, faces exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve and could have a material impact on the Company's financial results in the future. 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 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 and to not enter into foreign currency derivative instruments for speculative or trading purposes. The Company's primary exposure relates to transactions in which the currency collected from customers is different from the currency used to purchase the product sold in Europe, Canada and South America. In addition, 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. In addition, the Company has hedged a portion of its net investments in operations in Europe with offsetting foreign currency denominated debt. 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: Canadian dollar, Danish krone, euros, Norwegian krone, Swedish krona, Swiss franc, British pound, Dutch guilder and Chilean peso.

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, 2001 and January 31, 2000, approximately 19% and 25%, 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 $2.3 million at January 31, 2001, and the average, high and low VaR amounts for the year then ended were $2.0 million, $2.8 million and $1.0 million, respectively. This exposure primarily is related to short-term debt with variable interest rates.

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 $2.7 million at January 31, 2001 and the average, high and low VaR amounts for the year then ended were $3.7 million, $7.1 million and $2.0 million, respectively.

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.

The Company also has invested approximately $8 million in certain privately-held companies, both of which can still be considered in the start-up or development stages. These investments are inherently risky as the market for the technologies or products they have under development are typically in the early stages and may never materialize. The Company could lose its entire initial investment in these companies.

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***

Index to Financial Statements

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:

We have audited the accompanying consolidated balance sheet of Tech Data Corporation and subsidiaries as of January 31, 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the Index at Item 14a. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tech Data Corporation and subsidiaries at January 31, 2001, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP

Tampa, Florida
March 23, 2001

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 consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Tech Data Corporation and its subsidiaries at January 31, 2000, and the results of their operations and their cash flows for each of the two years in the period ended January 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein for each of the two years ended January 31, 2000 when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule 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 of America, 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 the other auditors provide a reasonable basis for our opinion. We have not audited the consolidated financial statements of Tech Data Corporation for any period subsequent to January 31, 2000.

/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 the 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	/s/ JEFFERY P. HOWELLS
Steven A. Raymund Chairman of the Board of Directors and Chief Executive Officer	Jeffery P. Howells Executive Vice President and Chief Financial Officer

March 23, 2001

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

	January 31, 2001	January 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 138,925	$ 31,786
Accounts receivable, less allowance of $64,465 and $61,617	2,142,792	1,906,315
Inventories	1,669,574	1,540,030
Prepaid and other assets	114,977	109,674
Total current assets	4,066,268	3,587,805
Property and equipment, net	153,196	154,008
Excess of cost over fair value of acquired net assets, net	299,692	302,531
Other assets, net	96,389	79,474
	$4,615,545	$4,123,818
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit loans	$1,249,576	$1,006,809
Accounts payable	1,519,167	1,524,330
Accrued expenses	330,242	261,077
Total current liabilities	3,098,985	2,792,216
Long-term debt	320,757	316,840
Total liabilities	3,419,742	3,109,056
Minority interest	489	1,067
Commitments and contingencies (Note 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; 53,796,432 and 52,231,581 issued and outstanding	81	78
Additional paid-in capital	575,223	530,238
Retained earnings	734,231	556,248
Accumulated other comprehensive loss	(114,226)	(72,874)
Total shareholders' equity	1,195,314	1,013,695
	$4,615,545	$4,123,818

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,		
	2001	2000	1999
Net sales	$20,427,679	$16,991,750	$11,528,999
Cost of products sold	19,331,616	16,058,086	10,806,153
Gross profit	1,096,063	933,664	722,846
Selling, general and administrative expenses	733,307	661,792	492,542
Operating income	362,756	271,872	230,304
Interest expense, net	92,285	65,965	44,988
Net foreign currency exchange (gain) loss	(3,884)	5,153	(5,027)
Gain on the sale of Macrotron AG	—	—	(15,700)
Income before income taxes	274,355	200,754	206,043
Provision for income taxes	96,033	72,837	76,215
Income before minority interest	178,322	127,917	129,828
Minority interest	339	416	876
Net income	$ 177,983	$ 127,501	$ 128,952
Net income per common share:			
Basic	$ 3.34	$ 2.47	$ 2.59
Diluted	$ 3.14	$ 2.34	$ 2.47
Weighted average common shares outstanding:			
Basic	53,234	51,693	49,727
Diluted	59,772	58,508	54,161

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

TECH DATA CORPORATION
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, 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 of $5,965			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 of $5,191			1,134	1	24,853			24,854
Effect of change in year end of certain subsidiaries (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
Issuance of common stock for stock options exercised and related tax benefit of $9,449			1,564	3	44,985			44,988
Comprehensive income						177,983	(41,352)	136,631
Balance—January 31, 2001	227	$5	53,796	$81	$575,223	$734,231	$(114,226)	$1,195,314

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,		
	2001	2000	1999
Cash flows from operating activities:			
Cash received from customers	$ 20,114,486	$ 16,788,960	$ 11,094,731
Cash paid to suppliers and employees	(20,047,551)	(16,684,316)	(10,948,414)
Interest paid	(94,823)	(69,554)	(39,926)
Income taxes paid	(71,497)	(39,367)	(62,895)
Net cash (used in) provided by operating activities	(99,385)	(4,277)	43,496
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(19,198)	(42,898)	(115,000)
Sale of Macrotron AG	—	—	227,843
Expenditures for property and equipment	(38,079)	(59,038)	(47,796)
Software development costs	(22,705)	(18,381)	(4,856)
Net cash (used in) provided by investing activities	(79,982)	(120,317)	60,191
Cash flows from financing activities:			
Proceeds from issuance of common stock	44,988	24,854	16,543
Net borrowings (repayments) on revolving credit loans	248,712	99,447	(114,151)
Principal payments on long-term debt	(557)	(162)	(213)
Net cash provided by (used in) financing activities	293,143	124,139	(97,821)
Effect of change in year end of certain subsidiaries (Note 3)	—	23,626	—
Effect of exchange rate changes on cash	(6,637)	—	—
Net increase in cash and cash equivalents	107,139	23,171	5,866
Cash and cash equivalents at beginning of year	31,786	8,615	2,749
Cash and cash equivalents at end of year	$ 138,925	$ 31,786	$ 8,615
Reconciliation of net income to net cash (used in) provided by operating activities:			
Net income	$ 177,983	$ 127,501	$ 128,952
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	63,922	57,842	42,605
Provision for losses on accounts receivable	41,447	40,877	34,810
Gain on sale of Macrotron AG	—	—	(15,700)
Deferred income taxes	(1,789)	1,306	500
Changes in assets and liabilities:			
(Increase) in accounts receivable	(313,197)	(202,790)	(434,268)
(Increase) in inventories	(146,093)	(220,585)	(49,830)
(Increase) decrease in prepaid and other assets	(11,603)	(25,430)	89,140
Increase in accounts payable	11,863	136,748	387,136
Increase (decrease) in accrued expenses	78,082	80,254	(139,849)
Total adjustments	(277,368)	(131,778)	(85,456)
Net cash (used in) provided by operating activities	$ (99,385)	$ (4,277)	$ 43,496

The accompanying Notes to Consolidated Financial Statements are an integral part of these 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. For further discussion, 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. 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. Shipping costs are included in the cost of products sold.

Inventories

Inventories 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.

Excess of Cost Over Fair Value of Acquired Net Assets

The excess of cost over fair value of acquired net assets (''goodwill'') is being amortized on a straight-line basis over 15 to 40 years. Amortization expense was $8,690,000, $8,836,000 and $5,714,000 in 2001, 2000 and 1999, respectively. The accumulated amortization of goodwill is $23,187,000 and $16,713,000 at January 31, 2001 and 2000, respectively.

Intangibles

Included within other assets at January 31, 2001 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 $10,096,000, $9,297,000 and $8,442,000 in 2001, 2000, and 1999, respectively. The accumulated amortization of such costs was $48,442,000 and $31,262,000 at January 31, 2001 and 2000, respectively. The remaining unamortized balance of such costs was $57,019,000 and $45,202,000 at January 31, 2001 and 2000, 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.

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 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.

Foreign Currency Translation

Assets and liabilities of foreign operations that operate in a local currency environment are translated to U.S. dollars at the exchange rates in effect at the balance sheet date, with the related translation gains or losses reported as a separate component of shareholders' equity (in the cumulative foreign currency translation adjustment account or ''CTA''). Income and expense accounts of foreign operations are translated at the weighted average exchange rates during the year.

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 90 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 with gains and losses on these contracts recorded in income in the period in which their value changes. Gains and losses resulting from effective accounting 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, 2001 and 2000 are as follows:

	January 31, 2001		January 31, 2000	
	Notional Amounts	Estimated Fair Value	Notional Amounts	Estimated Fair Value
	(In thousands)		(In thousands)	
Foreign exchange forward contracts	$403,275	$(6,600)	$455,100	$11,100
Purchased currency options	21,000	—	52,200	1,400
Interest rate swaps	84,100	(300)	9,700	—

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 $270,000,000 at January 31, 2001 based upon available market information. The carrying value of the convertible subordinated notes at January 31, 2001 was $300,000,000.

Comprehensive Income

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. Comprehensive income is comprised exclusively of changes in the Company's CTA account. For the years ended January 31, 2001, 2000 and 1999, the Company recorded deferred income taxes in the CTA account of $20,101,000, $12,942,000, and $4,376,000, respectively.

Stock-based Compensation

The Company measures compensation costs in accordance with the Accounting Principles Board Opinion No. 25, ''Accounting for Stock Issued to Employees.'' In accordance with the requirements of SFAS 123 ''Accounting for Stock-Based Compensation'', the appropriate pro forma disclosures relating to net income and earnings per share are provided. For further discussion 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:

	Year ended January 31, 2001			Year ended January 31, 2000			Year ended January 31, 1999		
	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	$177,983	53,234	$3.34	$127,501	51,693	$2.47	$128,952	49,727	$2.59
Effect of dilutive securities:									
Stock options . .		1,205			1,482			1,767	
5% convertible subordinated notes	9,750	5,333		9,450	5,333		4,726	2,667	
Net income per common share —diluted	$187,733	59,772	$3.14	$136,951	58,508	$2.34	$133,678	54,161	$2.47

At January 31, 2001, 2000 and 1999, there were 1,502,990, 2,580,000 and 1,571,000 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 $101,400,000 and $87,051,000 at January 31, 2001 and 2000 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. During the years ended January 31, 2000 and January 31, 1999, the effect of changes in foreign exchange rates on cash balances was 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 and other non-cash activity.

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. For further discussion, 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 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 SFAS No. 133'' and SFAS No. 138 ''Accounting for Certain Derivative Instruments and Certain Hedging Activities—amendment of FASB Statement No. 133''. As amended, SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. SFAS 133, as amended is effective for fiscal years beginning after June 15, 2000. The impact of adoption of this statement on the Company's results of operations will not be material.

In December 1999, the Securities and Exchange Commission (''SEC'') issued Staff Accounting Bulletin No. 101 (''SAB 101''), ''Revenue Recognition in Financial Statements''. This was followed by Staff Accounting Bulletin No. 101A, ''Implementation Issues Related to SAB 101'', in March 2000 and by Staff Accounting Bulletin No. 101B, ''Second Amendment: Revenue Recognition in Financial Statements'' (''SAB 101B''), in June 2000. These bulletins summarize certain of the SEC's views about applying generally accepted accounting principles to revenue recognition in financial statements. The impact of SAB 101B on the Company was to delay the implementation date of SAB 101 until the fourth quarter of fiscal year 2001. The impact of these bulletins on the Company's results of operations was not material.

In September 2000, the FASB issued SFAS No. 140, ''Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125'' (''SFAS 140''). SFAS 140 revised the standards for accounting for securitizations and other transfers of financial assets and collateral. The accounting standards of SFAS 140 are effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The impact of this statement on the Company's results of operations will not 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 31, 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 $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 on April 13, 1999 Computer 2000 adopted a resolution to integrate with Tech Data Germany AG (''Tech Data Germany''). As a result of this integration Tech Data Germany acquired 100% of the shares of Computer 2000 in exchange for cash and a small amount of shares of Tech Data Germany. Computer 2000 remains as a wholly-owned subsidiary of Tech Data Germany. 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 years ended January 31, 2001 and January 31, 2000, the Company acquired additional shares of Computer 2000 common stock, which including other cash payments, has resulted in additional consideration of $18,200,000 and $18,300,000, respectively. The aggregate purchase price of approximately $536,500,000 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 $347,200,000 ($304,000,000 at the January 31, 2001 exchange rate) is being amortized on a straight-line basis over 40 years.

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). For further discussion, 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 Computer 2000 and disposition of Macrotron had occurred as of the beginning of the year ended January 31, 1999 (in thousands, except per share amounts):

	Year ended January 31, 1999
Net sales	$13,694,426
Net income	125,954
Net income per common share:	
Basic	2.48
Diluted	2.34

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 disposition noted above been consummated as of the beginning of the period, 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 purchase price allocation resulted in approximately $12,479,000 in excess purchase price over the net fair market value of tangible assets acquired as of January 31, 2001, to be amortized over a period of 20 years from the date of acquisition. 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, 2001 includes twelve months of results, while January 31, 2000 includes only 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 2001 and 2000, the Company entered into capital leases for a distribution center in Germany which totaled $5,418,000 and $8,476,000 at January 31, 2001 and January 31, 2000, respectively.

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

	Month ended January 31, 2000
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, 2001	January 31, 2000
	(In thousands)	
Land	$ 7,771	$ 7,644
Buildings and improvements	71,655	59,676
Furniture, fixtures and equipment	227,216	220,911
Construction in progress	13,212	8,015
	319,854	296,246
Less—accumulated depreciation	(166,658)	(142,238)
	$ 153,196	$ 154,008

Property and equipment includes approximately $13,000,000 of assets under capital leases. See Note 6—Long-Term Debt.

NOTE 5. REVOLVING CREDIT LOANS

	January 31, 2001	January 31, 2000
	(In thousands)	
Receivables Securitization Program, average interest rate of 7.03% at January 31, 2001, expiring May 17, 2001	$ 575,000	$ 460,000
Multi-currency Revolving Credit Facility, average interest rate of 6.12% at January 31, 2001, expiring May 7, 2003	328,351	345,551
Other revolving credit facilities, average interest rate of 6.26%, expiring on various dates throughout 2001	346,225	201,258
	$1,249,576	$1,006,809

The Company has an agreement (the "Receivables Securitization Program") with six 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 $800,000,000. Under this program, the Company legally isolated certain U.S. trade receivables into a wholly-owned bankruptcy remote special purpose entity. 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 major foreign currencies up to a maximum of $460,000,000 (increased to $495,000,000 subsequent to January 31, 2001) 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 $625,000,000 at January 31, 2001 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, 2001, the Company was in compliance with all such covenants.

NOTE 6. LONG-TERM DEBT

	January 31, 2001	January 31, 2000
	(In thousands)	
Mortgage note payable, interest at 10.25%, principal and interest of $85,130 payable monthly, balloon payment due 2005	$ 8,365	$ 8,521
Convertible subordinated debentures, interest at 5.00% payable semi-annually, due July 2003	300,000	300,000
Capital leases	12,937	8,476
	321,302	316,997
Less—current maturities (included in accrued expenses)	(545)	(157)
	$320,757	$316,840

Principal maturities of long-term debt (excluding capitalized lease obligations) at January 31, 2001 for the succeeding five fiscal years are as follows: 2002—$173,000; 2003—$190,000; 2004—$300,210,000; 2005—$7,792,000.

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 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.

Principal maturities of capitalized lease obligations (including interest of $6,730,000) at January 31, 2001 are as follows: 2002 through 2006—$1,220,000 annually and $13,567,000 thereafter.

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,	
	2001	2000
	(In thousands)	
Deferred tax liabilities:		
Accelerated depreciation and amortization	$ 13,678	$ 14,733
Capitalized advertising program costs	462	625
Currency translation	—	13,142
Other—net	359	5,047
Total deferred tax liabilities	14,499	33,547
Deferred tax assets:		
Accruals not currently deductible	8,042	9,515
Reserves not currently deductible	21,877	21,067
Loss carryforwards	55,744	60,506
Currency translation	3,664	—
Other—net	—	4,097
	89,327	95,185
Less: valuation allowance	(18,243)	(17,224)
Total deferred tax assets	71,084	77,961
Net deferred tax asset	$ 56,585	$ 44,414

The net change in the valuation allowance for deferred tax assets was an increase of $1,019,000, $1,187,000 and $16,037,000 at January 31, 2001, 2000 and 1999, respectively. The valuation increase in 1999 relates primarily to loss carryforwards acquired in the acquisition of Computer 2000. No benefit has been recognized with regard to these loss carryforwards.

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

	Year ended January 31,		
	2001	2000	1999
		(In thousands)	
Current:			
Federal	$ 68,498	$ 42,693	$ 50,153
State	3,348	2,933	6,816
Foreign	25,976	25,905	18,746
Total current	97,822	71,531	75,715
Deferred:			
Federal	(5,825)	(805)	(3,093)
State	(793)	127	(424)
Foreign	4,829	1,984	4,017
Total deferred	(1,789)	1,306	500
	$96,033	$72,837	$76,215

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,		
	2001	2000	1999
Tax at U.S. statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	.6	1.0	2.0
Other—net	(.6)	.3	—
	35.0%	36.3%	37.0%

The components of pretax earnings are as follows:

	Year ended January 31,		
	2001	2000	1999
		(In thousands)	
United States	$164,854	$113,229	$140,850
Foreign	109,501	87,525	65,193
	$274,355	$200,754	$206,043

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 2002 through 2011. A valuation allowance of $18,243,000 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 $235,000,000 at January 31, 2001. 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, 2001, the Company had four stock-based compensation plans. Under the Company's various stock-based compensation plans, which cover 16,100,000 shares, the Company is authorized to award officers, employees, and non-employee members of the Board of Directors grants of restricted stock, options to purchase common stock, stock appreciation rights (''SARs''), limited stock appreciation rights (''Limited SARs''), and performance awards that are dependent upon achievement of specified performance goals. Stock options granted have a maximum term of 10 years, unless a shorter period is specified by the stock option committee. Awards under the plans are priced as determined by the stock option committee with the exception of stock option awards that are priced at the fair market value on the date of grant. Awards generally vest between one and five years from the date of grant. The Company applies APB Opinion 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for these plans.

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

	January 31, 2001		January 31, 2000		January 31, 1999	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	6,042,560	$24.12	4,364,075	$26.88	3,881,545	$19.43
Granted	2,646,310	31.84	3,050,700	17.87	1,661,400	40.27
Exercised	(1,453,927)	21.55	(948,180)	16.21	(609,620)	14.24
Canceled	(931,191)	28.40	(424,035)	26.69	(569,250)	28.68
Outstanding at year end	6,303,752	27.20	6,042,560	24.12	4,364,075	26.88
Options exercisable at year end	1,487,113		1,993,750		768,425	
Available for grant at year end	3,165,310		869,635		3,496,000	

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 1/31/01	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable at 1/31/01	Weighted-Average Exercise Price
Under $ 14.38	514,210	4.04	$12.34	416,910	$11.87
14.56-16.50	1,229,180	8.09	16.46	271,500	16.34
17.13-24.13	1,046,252	6.07	21.93	402,402	21.90
24.97-41.00	3,219,110	8.49	33.76	339,500	39.06
41.75-51.38	295,000	8.49	45.04	56,801	45.35
	6,303,752			1,487,113	

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 biweekly 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 288,684 shares as of January 31, 2001. 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 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,		
	2001	2000	1999
Net income	$163,365	$113,603	$120,548
Net income per common share:			
Basic	3.07	2.20	2.42
Diluted	2.73	1.95	2.32

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 2001, 2000 and 1999 was $18.24, $9.20 and $24.04, respectively. The following assumptions were used for the years ended January 31, 2001, 2000 and 1999, respectively:

Year Ended January 31,	Grant Date	Expected Option Term	Expected Volatility	Risk-Free Interest Rate	Expected Dividend Yield
2001	4/4/2000	4	67%	6.29%	0%
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%

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.

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, 2001 and 2000, the number of shares of Tech Data common stock held by the Company's 401(k) Savings Plan amounted to 796,000 shares and 825,000 shares, respectively. Aggregate contributions made by the Company to the 401(k) Savings Plan and the ESOP were $2,686,000, $2,740,000 and $1,992,000 for 2001, 2000 and 1999, 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.

Subsequent to January 31, 2001, the Company completed a capitalization wherein it exchanged 192,525 shares of its common stock for all of the issued and outstanding shares of preferred stock.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases distribution facilities and certain equipment under noncancelable operating leases that expire at various dates through 2015. Rental expense for all operating leases amounted to $46,786,000, $39,394,000 and $27,015,000 in 2001, 2000 and 1999, respectively. Future minimum lease payments under all such leases for the succeeding five fiscal years are as follows: 2002—$25,973,000; 2003—$22,360,000; 2004—$18,243,000; 2005—$13,372,000; 2006—$7,785,000 and thereafter—$57,267,000.

Contingencies

The Company has guaranteed the repayment of indebtedness of certain customers to unrelated third parties. The total amount of indebtedness covered by these guarantees approximated $17,000,000 at January 31, 2001.

NOTE 11. SEGMENT INFORMATION

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 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.

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

	United States	Europe	Other International	Total
Fiscal year 2001				
Net sales to unaffiliated customers	$11,258,506	$7,813,334	$1,355,839	$20,427,679
Operating income	$ 238,270	$ 100,458	$ 24,028	$ 362,756
Identifiable assets	$ 1,835,019	$2,431,017	$ 349,509	$ 4,615,545
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

NOTE 12. UNAUDITED INTERIM FINANCIAL INFORMATION

	Quarter ended			
	April 30	July 31	October 31	January 31
	(In thousands, except per share amounts)			
Fiscal year 2001				
Net sales	$4,924,516	$4,996,973	$5,189,186	$5,317,004
Gross profit	257,859	265,233	280,677	292,294
Net income	37,219	40,782	47,246	52,736
Net income per common share:				
Basic	.71	.77	.88	.98
Diluted	.68	.72	.82	.92

	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

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 2001 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 2001 Annual Meeting of Shareholders will be filed with the Commission prior to May 31, 2001.

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) No reports on Form 8-K were filed during the fourth quarter of the fiscal year ended January 31, 2001.

(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.
3-G(15)	—Articles of Amendment to Articles of Incorporation of the Company filed on June 25, 1997.
3-H(20)	—By-Laws of the Company as adopted on March 25, 1997.
3-I(20)	—Amendment to By-Laws of the Company as adopted on March 30, 1999.
3-J(20)	—Amendment to By-Laws of the Company as adopted on April 5, 2000.
3-K(21)	—Amendment to By-Laws of the Company as adopted on June 23, 1998.
3-L(21)	—Articles of Amendment to Amended and Restated Articles of Incorporation of the Company as of June 24, 1998.
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.

Exhibit Number	Description
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.
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(6)	—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.
10-AAa(20)	—Transfer and Administration Agreement dated May 19, 2000.
10-AAb(20)	—Credit Agreement dated as of May 8, 2000.
10-AAc(20)	—Amended and Restated Participation Agreement dated as of May 8, 2000.
10-AAd(20)	—Amended and Restated Lease Agreement dated as of May 8, 2000.
10-AAe(20)	—Amended and Restated Agency Agreement dated as of May 8, 2000.
10-AAf(22)	—Retirement Savings Plan as amended July 14, 1999.

Exhibit Number	Description
10-AAg(23)	—Tech Data Corporation 401(K) Savings Plan dated January 1, 2000.
10-AAh(3)	—Amendment Number 1 to the Transfer and Administration Agreement dated November 2, 2000.
10-AAi(24)	—2000 Non-Qualified Stock Option Plan of Tech Data Corporation.
10-AAj(24)	—2000 Equity Incentive Plan of Tech Data Corporation.
21(3)	—Subsidiaries of Registrant.
99-A(3)	—Cautionary Statement For Purposes of the ''Safe Harbor'' Provisions of the Private Securities Litigation Reform Act of 1995.

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(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) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2000, File No. 0-14625.
(20) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2000, File No. 0-14625.
(21) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-3, File No. 333-44848.

(22) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-85509.

(23) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-93801.

(24) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-59198.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509, 333-59198) and Form S-3 (No. 333-44848) of Tech Data Corporation, of our report dated March 23, 2001, with respect to the consolidated financial statements and schedule of Tech Data Corporation and subsidiaries included in the Annual Report (Form 10-K) for the year ended January 31, 2001.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP

Tampa, Florida
April 23, 2001

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-44848) and Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509 and 333-59198) of Tech Data Corporation of our report dated March 28, 2000 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP

Tampa, Florida
April 23, 2001

CONSENT OF INDEPENDENT AUDITORS

We consent to incorporation by reference in the registration statements on Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509 and 333-59198) and Form S-3 (333-44848) 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, 2001 annual report on Form 10-K of Tech Data Corporation.

/s/ KPMG HARTKOPF + RENTROP TREUHAND KG

KPMG Hartkopf + Rentrop Treuhand KG
Wirtschaftsprüfungsgesellschaft

Cologne
April 23, 2001

SCHEDULE II

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

Allowance for doubtful accounts receivable and sales returns:	Balance at beginning of period	Activity: Charged to cost and expenses	Activity: Deductions	Activity: Other(1)	Balance at end of period
January 31,					
2001	$61,617	$41,447	$(42,467)	$ 3,868	$64,465
2000	60,521	40,877	(44,932)	5,151	61,617
1999	29,731	34,810	(31,707)	27,687	60,521

(1) ''Other'' includes recoveries, acquisitions, dispositions, 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 April 27, 2001.

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	April 27, 2001
/s/ JEFFERY P. HOWELLS Jeffery P. Howells	Executive Vice President and Chief Financial Officer; Director (principal financial officer)	April 27, 2001
/s/ JOSEPH B. TREPANI Joseph B. Trepani	Senior Vice President and Corporate Controller (principal accounting officer)	April 27, 2001
/s/ ARTHUR W. SINGLETON Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary	April 27, 2001
/s/ CHARLES E. ADAIR Charles E. Adair	Director	April 27, 2001

Signature	Title	Date
/s/ MAXIMILIAN ARDELT Maximilian Ardelt	Director	April 27, 2001
/s/ JAMES M. CRACCHIOLO JAMES M. CRACCHIOLO	Director	April 27, 2001
/s/ DANIEL M. DOYLE Daniel M. Doyle	Director	April 27, 2001
/s/ EDWARD C. RAYMUND Edward C. Raymund	Director; Chairman Emeritus	April 27, 2001
/s/ KATHY MISUNAS Kathy Misunas	Director	April 27, 2001
/s/ DAVID M. UPTON David M. Upton	Director	April 27, 2001
/s/ JOHN Y. WILLIAMS John Y. Williams	Director	April 27, 2001

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, 2001 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. The Company's policies are in compliance with Regulation FD.

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. Specific risk factors may also be communicated at the time forward-looking statements are made. 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 that may be able to offer resellers lower prices than the Company. The Company also faces competition from companies entering or expanding into the fulfillment and e-commerce supply chain services market.

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. Future gross profit and operating 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.

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 or experience disruptions, 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.

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 are 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 increases in the event of a general economic downturn affecting a large number of the Company's customers.

Management of Expansion

The Company has experienced rapid expansion in recent years. 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.

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. The Company will continue to 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

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.

The Company also relies on arrangements with independent shipping companies, such as Federal Express and United Parcel Service, for the delivery of our products from vendors and to customers. The failure or inability of these shipping companies to deliver products, or the unavailability of their shipping services, could have a material adverse effect on the Company's business.

Vendor Relations

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. Currently, the rebates and purchase discounts offered by vendors are influenced by sales volumes and percentage increases in sales, and are subject to changes by the vendors. 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.

The Company receives a significant percentage of revenues from products it purchases from relatively few manufacturers. Each manufacturer may make rapid, significant and adverse changes in their sales terms and conditions. The Company's gross margins could be materially and negatively impacted if the company is unable to pass through the impact of these changes to our reseller customers or cannot develop systems to manage ongoing supplier pass through programs. In addition, the Company's standard vendor distribution agreement permits termination without cause by either party upon 30 days notice. The loss of a relationship with any of the Company's key vendors, or the significant reduction in demand for their products may adversely effect 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. As a result of recent unfavorable economic conditions, the Company has experienced a reduction in the growth rate of sales. If these economic conditions continue or worsen, or if a wider or global economic slowdown occurs, the Company's business may be impacted adversely.

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. Some of the factors that may effect the market price of the Common Stock, in addition to those discussed above, are changes in investment recommendations by securities analysts, changes in market valuations of competitors and key vendors, and fluctuations in the stock market price and volume of traded shares generally, but particularly in the technology sector.

Forecasts

The forecasts of volume and timing of orders are based on many factors and subjective judgments, and the Company cannot assure that the forecasts are accurate. The Company makes many management decisions on the basis of the forecasts, including the hiring and training of personnel, which represents a significant portion of our overall expenses. Thus, the failure to generate revenue according to expectations could have a material adverse effect on the results of the operations of the Company.

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, 2001

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 23, 2001: $1,697,000,000.

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 23, 2001
Common stock, par value $.0015 per share	53,876,554

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's Proxy Statement for use at the Annual Meeting of Shareholders on June 19, 2001 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.

In May 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.

In March 1994, the Company entered the European market through the acquisition of a privately-held distributor subsequently named Tech Data France, SA (''Tech Data France'').

To complement its Miami-based Latin American export business, the Company opened a sales office and distribution center near Sao 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, in July 1997 (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. In April 1999, all of the shares of Computer 2000 were integrated into Tech Data Germany AG (''Tech Data Germany''). The Company currently owns approximately 99.9% of the outstanding stock of Tech Data Germany and 100% of Computer 2000's stock. The Company is in the process of changing the names of many of Computer 2000's subsidiaries to match the Tech Data brand.

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 German market, Tech Data chose to sell its controlling interest in Macrotron effective on July 1, 1998. At the time of the sale, Tech Data owned 99% and 91% of Macrotron's outstanding common and preferred stock, respectively, 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 in a variety of IT segments, including peripherals, systems, networking and software, which accounted for 44%, 28%, 17% and 11%, respectively, of sales in fiscal 2001. The Company offers products from manufacturers and publishers such as Adobe, Apple, Cisco, Compaq, Computer Associates, Creative Labs, Epson, Hewlett-Packard, IBM, Intel, Iomega, Lexmark, Microsoft, Nortel Networks, NEC, Palm, 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. 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 make it cost efficient for vendors to rely on wholesale distributors to serve this customer base. 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.

International Data Corp., a leading market research firm, projects that the microcomputer distribution industry's share of the overall IT marketplace will grow from 27% in 1998 to 33% in 2004. The Company attributes this growth to the following primary factors. First, by leveraging its infrastructure and efficiently managing operations, Tech Data and other industry leaders provide manufacturers and publishers a cost-effective alternative to selling directly to resellers or end users. Second, resellers are increasingly relying on wholesale distributors for product availability and flexible financing alternatives. Tech Data's ability to provide a ''virtual warehouse'' of products for resellers means that they no longer need to hold inventory, which reduces costs and risks associated with handling the product. In addition to enabling fast reseller access to a comprehensive hardware and software offering, the Company frequently ships products to end users on behalf of its customers, thereby reducing the customers' costs of storing, maintaining, and shipping the products themselves. Tech Data facilitates this approach by personalizing shipping labels and packing documents with customers' brand identities (e.g., logos), marketing messages and other specialized content.

The microcomputer distribution industry has changed significantly over the past two years as weaker players either exited the market or moved into new business models because of their inability to compete or maintain profitable operations. This industry shift has created additional growth and profit opportunities for successful companies like Tech Data, which experienced improved market conditions in fiscal 2001 compared to the previous year which was characterized by extraordinarily intense price competition.

As resellers and vendors continue to seek ways to reduce costs and improve efficiencies, distributors are responding with a variety of new value-added services. Many of these services are now delivered in conjunction with outsourcing initiatives in which companies choose to focus more exclusively on core competencies and rely on third-party suppliers for other requirements. The outsourcing trend is evident among both small and large IT resellers as well as vendors. In response, Tech Data and various competitors provide sales/account management, credit, technical support, education, marketing logistics management and other business solutions.

The increasing utilization of electronic ordering and information delivery systems, including the ability to transact business over the World Wide Web, continues to have a significant impact on the cost efficiency of the wholesale distribution model. Distributors such as Tech Data—with the financial and technical resources to develop, implement and operate scaleable information management systems—have been able to reduce both their customers' and their own transaction costs through more efficient purchasing and lower selling and delivery costs. Among related developments, distributors are now working to establish a more seamless supply chain in which end-user purchases flow immediately from reseller Web sites direct to distributor logistics centers in closest proximity to order destination. Taking advantage of this emerging paradigm, Tech Data introduced SupplyXpert last year. This tool offers resellers a dynamic Web storefront with extensive capabilities to streamline the entire order management process from requisition to fulfillment.

In summary, the microcomputer distribution industry continues to address a broad spectrum of reseller and vendor requirements. The economies of scale and global reach of large industry leaders are expected to continue to be significant competitive advantages in this marketplace.

It should be noted, we have seen a downturn in the United States economy in the fourth quarter of fiscal 2001, which has affected growth in demand for the products we sell. While we expect the economic downturn in the United States to continue well into fiscal 2002, there can be no certainty as to the degree of the severity or duration of this downturn. We cannot predict the extent and timing, if any, of the impact of economies in Canada, Europe and other countries and geographic regions in which we conduct business. To the extent that this occurs, the microcomputer industry in general, and demand for the products we sell, are likely to be negatively affected in these countries and geographic regions.

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 non-exclusive 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 or 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 Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Asset Management.

With the exception of Hewlett-Packard and Compaq, no single vendor accounted for more than 10% of the Company's net sales during fiscal 2001, 2000, or 1999. Sales of Hewlett-Packard products accounted for 19%, 19%, and 18% of net sales in fiscal 2001, 2000 and 1999, respectively, and sales of Compaq products accounted for 20%, 16% and 13% of net sales in fiscal 2001, 2000 and 1999, respectively.

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.

Customers, Products and Services

The Company sells more than 75,000 microcomputer products including peripherals, systems, 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 value-added resellers (VARs), corporate resellers, direct marketers, retailers and Internet resellers.

The market for VARs, which constituted approximately 55% of Tech Data's net sales in fiscal 2001, is attractive because VARs generally rely on distributors as their principal source of computer products and financing. This reliance is due to VARs typically not having the resources to establish a large number of direct purchasing relationships or stock significant product inventories. 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 directly. Corporate resellers constituted approximately 24% of the Company's net sales in fiscal 2001. Tech Data also has developed special programs to meet the unique needs of retail, direct marketers and Internet resellers, which constituted approximately 21% of the Company's net sales in fiscal 2001. No single customer accounted for more than 5% of the Company's net sales during fiscal 2001, 2000, or 1999.

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 cases, 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 web order entry and EDI services), customized shipping documents, product configuration/integration 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 34 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 2,300 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 six 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 its customers. By the fourth quarter of fiscal 2001, approximately 25% ($5.4 billion on an annualized basis) of the Company's worldwide sales dollar volume originated from orders received electronically.

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

Tech Data operates in a market characterized by intense competition, based upon such factors as 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 all of these areas.

Tech Data competes against several companies in the North American market, including Ingram Micro and Synnex. In Latin America, Tech Data competes against Ingram Micro and several regional and local distributors. Competition outside of the Americas includes Ingram Micro, Actebis and a variety of smaller regional and local distributors throughout Europe.

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, 2001, the Company had approximately 10,500 employees located as follows: United States—4,200, Europe—5,400, and all other regions—900. 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 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

Tech Data operates predominantly in a single industry segment as a wholesale distributor of computer-based technology products and services. Therefore, 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 2001, 2000, and 1999, 45%, 51% and 45%, 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 23, 2001 are as follows:

Steven A. Raymund, Chairman of the Board of Directors and Chief Executive Officer, age 45, 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 Worldwide Operations, age 37, joined the Company in July 1989 as a Software Product Manager and served in various management positions with the Company's Spain and Portugal operations between 1990 and 1995 when he was promoted to Regional Managing Director. In March 1999, he was appointed Executive Vice President of U.S. Sales and Marketing, in January 2000 he was promoted to President of the Americas, and in August 2000, he was promoted to President of Worldwide Operations. Mr. Cano holds a Masters Degree in Business Administration from IESE Business School in Barcelona and an Engineering Degree from Barcelona University.

Jeffery P. Howells, Executive Vice President and Chief Financial Officer, age 44, 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.

Perry Monych, President of U.S. Operations, age 46, joined the Company in December 2000. Prior to joining the Company, he was President and Chief Executive Officer of GE Access from November 1997 to November 2000. He was also President and CEO of GE Capital IT Solutions—North America from July 1996 to November 1997, and President and CEO of GE Capital IT Solutions—Canada from December 1993 to July 1996. Mr. Monych holds a Masters Degree in Business Administration from Harvard University and a Bachelor of Science Degree in Forestry from the University of British Columbia.

Graeme Watt, President of Europe, age 40, joined the Company in January 1988 as Financial Controller for the United Kingdom and Ireland and was promoted to Managing Director in 1995. He was promoted to Regional Managing Director for Tech Data's Computer 2000 Group in January 2000, and in August 2000 he was promoted to President of Europe. Prior to joining the Company, he was with Arthur Young for two years as a Chartered Accountant. Mr. Watt holds a Bachelors Degree in Physiology from Edinburgh University.

Joseph A. Osbourn, Executive Vice President and Worldwide Chief Information Officer, age 53, joined the company in October 2000. Prior to joining the Company, he was Senior Vice President and Chief Information Officer at Kmart Corporation from September 1999 to September 2000, and was Vice President of Information Services at Walt Disney World Company from September 1989 to September 1999. Mr. Osbourn holds a Masters Degree in Business Administration from Memphis State University and a Bachelors Degree in Physics from the University of Louisville.

Patrick O. Connelly, Senior Vice President of Credit Services, the Americas, age 55, joined the Company in August 1994 as Vice President of Credit Services, the Americas and in April 2001 he was promoted to Senior Vice President of Credit Services, the Americas. Prior to joining the Company, he was employed by Unisys Corporation for nine years as Worldwide Director of Credit. Mr. Connelly holds a Masters Degree in Business Administration from the University of South Florida and B.A. Degrees in History and French from the University of Texas at Austin.

Timothy J. Curran, Senior Vice President of U.S. Sales, age 49, 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 46, 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.

Henrik Funch, Senior Vice President of Northern Europe, age 45, joined the Company in January 2001. Prior to joining the Company he was employed by GE Capital IT Solutions for 5 years, most recently on its Executive Board for Europe. Mr. Funch has almost 20 years of experience in the IT industry including 9 years with IBM and 4 years with Andersen Consulting. Mr. Funch holds both a Masters and a Bachelors Degree in Economics from the Copenhagen School of Economics.

Lawrence W. Hamilton, Senior Vice President of Human Resources, age 43, 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.

William J. Hunter, Senior Vice President and Chief Financial Officer of Europe, age 41, joined the Company in April 1994 as Assistant Controller. In September 1996, he was promoted to Director of International Finance and in June 1997 became the Vice President and Controller for Europe. Effective June 1999, Mr. Hunter was promoted to Senior Vice President and Chief Financial Officer for Europe. From January 1989 to April 1994 he was employed by Price Waterhouse. Mr. Hunter is a Certified Public Accountant, a Certified Management Accountant and holds a B.A. Degree in Philosophy from Tulane University and a B.S. Degree in Accounting from the University of South Florida.

Elio Levy, Senior Vice President of U.S. Marketing, age 53, 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 48, 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 Universite Libre de Bruxelles and a Masters of Business Administration Degree, Finance/Marketing from U.C.L.A.

Lisa Thibodeau, Senior Vice President of U.S. Sales and Marketing Operations, age 42, joined the Company in March 1995 as Assistant Controller. She was promoted to the position of Vice President and U.S. Controller in September 1997. In May 2000, she was promoted to Senior Vice President of U.S. Sales and Marketing Operations. Prior to joining the Company, Ms. Thibodeau was employed from May 1989 to March 1995 at Walt Disney World, most recently as Finance Manager. Ms. Thibodeau is a Certified Public Accountant and holds a Bachelors Degree in Business Administration from the University of Massachusetts at Amherst and a Masters Degree in Business Administration from Rollins College.

William K. Todd Jr., Senior Vice President of Logistics and Integration Services, age 56, joined the Company in June 1999 as Vice President and General Manager of Configuration and Assembly and was promoted to Senior Vice President of Logistics and Integration Services 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 40, 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.

Gerard Youna, Senior Vice President of Southern Europe, age 47, joined the Company in 1989 as the Managing Director for Tech Data France. In 1999 he was promoted to Regional Managing Director for France and Israel. In September 2000, he was promoted to Senior Vice President for Southern Europe. Mr. Youna received a degree in IT Engineering from the Institut Informatique d'Entreprise in Paris, France.

Arthur W. Singleton, Corporate Vice President, Treasurer and Secretary, age 40, 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 B.A. Degrees in English and Economics from Bucknell University and a J.D. Degree from the University of Florida.

ITEM 2. ***Properties***

Tech Data's executive offices are located in Clearwater, Florida. As of January 31, 2001, the Company operated a total of 34 distribution centers to provide its customers timely delivery of products. These distribution centers are located in the following principal markets: U.S.—6, Canada—3, Latin America—5, Europe—18 and the Middle East—2. In addition to the above distribution centers, the Company operates a distribution facility in the United States located within the manufacturing facilities of IBM. The Company also operates training centers in 10 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, 2001.

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 sale prices for the Company's common stock as reported by The Nasdaq Stock Market. The approximate number of shareholders as of January 31, 2001 was 27,000.

	Sales Price	
	High	Low
Fiscal year 2001		
Fourth quarter	$44 9/16	$24 15/16
Third quarter	55 7/8	32
Second quarter	52 1/8	35 3/8
First quarter	43 3/4	20 5/8
Fiscal year 2000		
Fourth quarter	$27 7/8	$18 5/8
Third quarter	39 5/16	18
Second quarter	44 7/8	22 1/4
First quarter	32	14 1/2

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,				
	2001	2000	1999(1)	1998	1997
Income statement data:					
Net sales	$20,427,679	$16,991,750	$11,528,999	$7,056,619	$4,598,941
Cost of products sold	19,331,616	16,058,086	10,806,153	6,590,873	4,277,160
Gross profit	1,096,063	933,664	722,846	465,746	321,781
Selling, general and administrative expenses	733,307	661,792	492,542	293,108	206,770
Operating income	362,756	271,872	230,304	172,638	115,011
Interest expense, net	92,285	65,965	44,988	29,908	21,522
Net foreign currency exchange (gain) loss	(3,884)	5,153	(5,027)	—	—
Gain on the sale of Macrotron AG	—	—	(15,700)	—	—
Income before income taxes	274,355	200,754	206,043	142,730	93,489
Provision for income taxes	96,033	72,837	76,215	52,816	36,516
Income before minority interest	178,322	127,917	129,828	89,914	56,973
Minority interest	339	416	876	429	—
Net income	$ 177,983	$ 127,501	$ 128,952	$ 89,485	$ 56,973
Net income per common share:					
Basic	$ 3.34	$ 2.47	$ 2.59	$ 2.00	$ 1.39
Diluted	$ 3.14	$ 2.34	$ 2.47	$ 1.92	$ 1.35
Weighted average common shares outstanding:					
Basic	53,234	51,693	49,727	44,715	40,870
Diluted	59,772	58,508	54,161	46,610	42,125
Dividends per common share	—	—	—	—	—
Balance sheet data:					
Working capital	$ 967,283	$ 795,589	$ 725,057	$ 537,381	$ 351,993
Total assets	4,615,545	4,123,818	3,844,987	2,185,383	1,545,294
Revolving credit loans	1,249,576	1,006,809	817,870	540,177	396,391
Long-term debt	320,757	316,840	308,521	8,683	8,896
Shareholders' equity	1,195,314	1,013,695	967,291	702,588	438,381

(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). For further discussion, 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,		
	2001	2000	1999
Net sales	100.00%	100.00%	100.00%
Cost of products sold	94.63	94.51	93.73
Gross profit	5.37	5.49	6.27
Selling, general and administrative expenses	3.59	3.89	4.27
Operating income	1.78	1.60	2.00
Interest expense, net	0.45	0.39	0.39
Net foreign currency exchange (gain) loss	(0.01)	0.03	(0.04)
Gain on sale of Macrotron AG	0.00	0.00	(0.14)
Income before income taxes	1.34	1.18	1.79
Provision for income taxes	0.47	0.43	0.66
Income before minority interest	0.87	0.75	1.13
Minority interest	0.00	0.00	0.01
Net income	0.87%	0.75%	1.12%

Fiscal Years Ended January 31, 2001 and 2000

Net sales increased 20.2% to $20.4 billion in fiscal 2001 compared to $17.0 billion in the prior year. This increase is attributable to market share gains as well as the addition of new product lines and the expansion of existing product lines in all geographies. U.S. operations were especially strong, growing 34% over the prior year as customers shifted business to the Company due to our high level of execution and extensive service offerings. Worldwide sales growth would have been even greater in fiscal 2001 had the euro not devalued against the dollar. On a local currency basis, Europe actually grew 20% (19% if adjusted for the change in fiscal year—see Note 3 of Notes to Consolidated Financial Statements), however, when translated into U.S. dollars, the region had 4% growth. In addition to the U.S. and European growth, other international sales grew approximately 28% over fiscal 2000. Total international sales in fiscal 2001 represented approximately 45% of consolidated net sales compared with 51% in the prior year.

Gross profit increased $162.4 million over the prior year to $1.1 billion in fiscal 2001 compared to $933.7 million in fiscal 2000. Gross margins decreased 12 basis points to 5.37% in fiscal 2001 compared to 5.49% in fiscal 2000. This decrease is attributable to the aforementioned decrease in the mix of higher gross margin international sales relative to worldwide sales (in large part due to the devaluation of the euro), competitive pressures, the Company's higher mix of systems sales to total product sales and increased participation in customer outsourcing activities. Both of these latter businesses typically involve lower gross margins but provide acceptable operating and pre-tax margins, because of cost and working capital efficiencies.

Selling, general and administrative expenses (“SG&A”) increased 10.8% or $71.5 million to $733.3 million in fiscal 2001 from $661.8 million in fiscal 2000. However, as a percentage of net sales, SG&A actually decreased 30 basis points to 3.59% from 3.89% in the prior year. While the dollar value of SG&A increased due to additional expenses required to support the increase in business, the decrease in SG&A as a percentage of sales is attributable to the benefits realized by the Company's ongoing focus on improving operating efficiencies as well as the significant economies of scale achieved during the past year, as the Company effectively leveraged its investment in infrastructure and resources.

As a result of the factors described above, operating income in fiscal 2001 increased 33.4% to $362.8 million (1.78% of net sales) from $271.9 million (1.60% of net sales).

Interest expense increased 39.9% to $92.3 million in fiscal 2001 from $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 and an increase in average short-term interest rates.

The Company realized a net foreign currency exchange gain of $3.9 million in fiscal 2001 compared to a loss of $5.2 million in fiscal 2000. This gain is largely due to the Company realizing benefits from the strengthening euro during the fourth quarter of fiscal 2001.

The provision for income taxes increased 31.8% to $96.0 million in fiscal 2001 from $72.8 million in fiscal 2000. This increase is attributable to the increase in taxable income during the year offset by a decrease in the Company's effective tax rate to 35.0% in fiscal 2001 from 36.3% in fiscal 2000. The decrease in the effective rate is primarily due to fluctuations and changes in the mix of taxable income within the Company's various geographies and tax jurisdictions reported in each period.

As a result of the factors described above, net income in fiscal 2001 increased 39.6% or $50.5 million to $178.0 million ($3.14 per diluted share) compared to $127.5 million ($2.34 per diluted share) in fiscal 2000.

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, 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 51% of consolidated net sales compared with 45% in the prior year.

Gross profit increased $210.8 million over the prior year to $933.7 million in fiscal 2000 compared to $722.8 million in fiscal 1999. Gross margins decreased 78 basis points to 5.49% in fiscal 2000 compared to 6.27% in fiscal 1999. This decrease is attributable to competitive pressures and the Company's increased participation in customer outsourcing activities which provide lower gross margins but provide acceptable operating and pre-tax margins because of cost and working capital efficiencies.

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 3.89% in fiscal 2000 from 4.27% 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 1.60% of net sales, compared to $230.3 million, or 2.00% of net sales, in fiscal 1999. A factor contributing to the decrease in the operating profit margin from 2.00% in fiscal 1999 to 1.60% 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.

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 SFAS No. 138 ''Accounting for Certain Derivative Instruments and Certain Hedging Activities—amendment of FASB Statement No. 133.'' As amended, SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. SFAS 133, as amended is effective for fiscal years beginning after June 15, 2000. The impact of adoption of this statement on the Company's results of operations will not be material.

In December 1999, the Securities and Exchange Commission (''SEC'') issued Staff Accounting Bulletin No. 101 (''SAB 101''), ''Revenue Recognition in Financial Statements''. This was followed by

Staff Accounting Bulletin No. 101A, ''Implementation Issues Related to SAB 101'', in March 2000 and by Staff Accounting Bulletin No. 101B, ''Second Amendment: Revenue Recognition in Financial Statements'' (''SAB 101B''), in June 2000. These bulletins summarize certain of the SEC's views about applying generally accepted accounting principles to revenue recognition in financial statements. The impact of SAB 101B on the Company was to delay the implementation date of SAB 101 until the fourth quarter of fiscal year 2001. The impact of these bulletins on the Company's results of operations was not material.

In September 2000, the FASB issued SFAS No. 140, ''Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125'' (''SFAS 140''). SFAS 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral. The accounting standards of SFAS 140 are effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The future impact of this statement on the Company's results of operations will not 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 $99.4 million in fiscal 2001 was primarily attributable to net income of $178.0 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 of supply of inventory which declined to 30.2 days at the end of fiscal 2001 from 31.0 days at the end of fiscal 2000 while maintaining high order fill rates.

Net cash used in investing activities of $80.0 million during fiscal 2001 was attributable to the Company's investment of $60.8 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 $18.2 million related to the acquisition of additional shares of Computer 2000 and approximately $1.0 million related to other insignificant acquisitions. The Company expects to make capital expenditures of approximately $115.0 million during fiscal 2002 to further expand its management information systems, office facilities and equipment for distribution centers.

Net cash provided by financing activities of $293.1 million during fiscal 2001 reflects the net borrowings under the Company's revolving credit loans and long-term debt of $248.2 million in addition to proceeds from stock option exercises (including the related income tax benefit) of $45.0 million.

The Company currently maintains a $495 million (increased from $460 million subsequent to January 31, 2001) revolving credit facility with a syndicate of banks which expires in May 2003. The Company pays interest under this revolving credit facility at the applicable eurocurrency rate plus a margin based on the Company's credit rating. Additionally, the Company maintains an $800 million Receivables Securitization Program with a syndicate of banks expiring in May 2001, which the Company intends to renew before expiration for another 12 month period. The Company pays interest on the Receivables Securitization Program at designated commercial paper rates plus an agreed-upon margin. In addition to these credit facilities, the Company maintains additional lines of credit and overdraft facilities totaling approximately $625 million.

The aforementioned credit facilities total approximately $1.9 billion, of which $1.25 billion was outstanding at January 31, 2001. These credit facilities contain covenants that must be complied with on a continuous basis, including the maintenance of certain financial ratios and restrictions on payment of dividends. The Company is in compliance with all such covenants. For a more detailed discussion of the Company's credit facilities, see Note 5 of Notes to Consolidated Financial Statements.

In August 2000, the Company filed a universal shelf registration statement with the Securities and Exchange Commission for $500 million of debt and equity securities. The net proceeds from any issuance are expected to be used for general corporate purposes, including capital expenditures, the repayment or refinancing of debt and to meet working capital needs. As of January 31, 2001, the Company had not issued any debt or equity securities, nor can any assurances be given that the Company will issue any debt or equity securities under this registration statement in the future.

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 requirements through fiscal 2002.

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 information technology systems which contain 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.

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-denominated 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.

ITEM 7a. ***Qualitative and Quantitative Disclosures About Market Risk***

The Company, as a large international organization, faces exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve and could have a material impact on the Company's financial results in the future. 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 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 and to not enter into foreign currency derivative instruments for speculative or trading purposes. The Company's primary exposure relates to transactions in which the currency collected from customers is different from the currency used to purchase the product sold in Europe, Canada and South America. In addition, 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. In addition, the Company has hedged a portion of its net investments in operations in Europe with offsetting foreign currency denominated debt. 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: Canadian dollar, Danish krone, euros, Norwegian krone, Swedish krona, Swiss franc, British pound, Dutch guilder and Chilean peso.

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, 2001 and January 31, 2000, approximately 19% and 25%, 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 $2.3 million at January 31, 2001, and the average, high and low VaR amounts for the year then ended were $2.0 million, $2.8 million and $1.0 million, respectively. This exposure primarily is related to short-term debt with variable interest rates.

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 $2.7 million at January 31, 2001 and the average, high and low VaR amounts for the year then ended were $3.7 million, $7.1 million and $2.0 million, respectively.

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.

The Company also has invested approximately $8 million in certain privately-held companies, both of which can still be considered in the start-up or development stages. These investments are inherently risky as the market for the technologies or products they have under development are typically in the early stages and may never materialize. The Company could lose its entire initial investment in these companies.

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***

Index to Financial Statements

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:

We have audited the accompanying consolidated balance sheet of Tech Data Corporation and subsidiaries as of January 31, 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the Index at Item 14a. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tech Data Corporation and subsidiaries at January 31, 2001, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Ernst & Young LLP

Tampa, Florida
March 23, 2001

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 consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Tech Data Corporation and its subsidiaries at January 31, 2000, and the results of their operations and their cash flows for each of the two years in the period ended January 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein for each of the two years ended January 31, 2000 when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule 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 of America, 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 the other auditors provide a reasonable basis for our opinion. We have not audited the consolidated financial statements of Tech Data Corporation for any period subsequent to January 31, 2000.

/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 the 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	/s/ JEFFERY P. HOWELLS
Steven A. Raymund Chairman of the Board of Directors and Chief Executive Officer	Jeffery P. Howells Executive Vice President and Chief Financial Officer

March 23, 2001

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

	January 31, 2001	January 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 138,925	$ 31,786
Accounts receivable, less allowance of $64,465 and $61,617	2,142,792	1,906,315
Inventories	1,669,574	1,540,030
Prepaid and other assets	114,977	109,674
Total current assets	4,066,268	3,587,805
Property and equipment, net	153,196	154,008
Excess of cost over fair value of acquired net assets, net	299,692	302,531
Other assets, net	96,389	79,474
	$4,615,545	$4,123,818
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit loans	$1,249,576	$1,006,809
Accounts payable	1,519,167	1,524,330
Accrued expenses	330,242	261,077
Total current liabilities	3,098,985	2,792,216
Long-term debt	320,757	316,840
Total liabilities	3,419,742	3,109,056
Minority interest	489	1,067
Commitments and contingencies (Note 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; 53,796,432 and 52,231,581 issued and outstanding	81	78
Additional paid-in capital	575,223	530,238
Retained earnings	734,231	556,248
Accumulated other comprehensive loss	(114,226)	(72,874)
Total shareholders' equity	1,195,314	1,013,695
	$4,615,545	$4,123,818

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, 2001	2000	1999
Net sales	$20,427,679	$16,991,750	$11,528,999
Cost of products sold	19,331,616	16,058,086	10,806,153
Gross profit	1,096,063	933,664	722,846
Selling, general and administrative expenses	733,307	661,792	492,542
Operating income	362,756	271,872	230,304
Interest expense, net	92,285	65,965	44,988
Net foreign currency exchange (gain) loss	(3,884)	5,153	(5,027)
Gain on the sale of Macrotron AG	—	—	(15,700)
Income before income taxes	274,355	200,754	206,043
Provision for income taxes	96,033	72,837	76,215
Income before minority interest	178,322	127,917	129,828
Minority interest	339	416	876
Net income	$ 177,983	$ 127,501	$ 128,952
Net income per common share:			
Basic	$ 3.34	$ 2.47	$ 2.59
Diluted	$ 3.14	$ 2.34	$ 2.47
Weighted average common shares outstanding:			
Basic	53,234	51,693	49,727
Diluted	59,772	58,508	54,161

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

TECH DATA CORPORATION
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, 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 of $5,965			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 of $5,191			1,134	1	24,853			24,854
Effect of change in year end of certain subsidiaries (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
Issuance of common stock for stock options exercised and related tax benefit of $9,449			1,564	3	44,985			44,988
Comprehensive income						177,983	(41,352)	136,631
Balance—January 31, 2001	227	$5	53,796	$81	$575,223	$734,231	$(114,226)	$1,195,314

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, 2001	2000	1999
Cash flows from operating activities:			
Cash received from customers	$ 20,114,486	$ 16,788,960	$ 11,094,731
Cash paid to suppliers and employees	(20,047,551)	(16,684,316)	(10,948,414)
Interest paid	(94,823)	(69,554)	(39,926)
Income taxes paid	(71,497)	(39,367)	(62,895)
Net cash (used in) provided by operating activities	(99,385)	(4,277)	43,496
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(19,198)	(42,898)	(115,000)
Sale of Macrotron AG	—	—	227,843
Expenditures for property and equipment	(38,079)	(59,038)	(47,796)
Software development costs	(22,705)	(18,381)	(4,856)
Net cash (used in) provided by investing activities	(79,982)	(120,317)	60,191
Cash flows from financing activities:			
Proceeds from issuance of common stock	44,988	24,854	16,543
Net borrowings (repayments) on revolving credit loans	248,712	99,447	(114,151)
Principal payments on long-term debt	(557)	(162)	(213)
Net cash provided by (used in) financing activities	293,143	124,139	(97,821)
Effect of change in year end of certain subsidiaries (Note 3)	—	23,626	—
Effect of exchange rate changes on cash	(6,637)	—	—
Net increase in cash and cash equivalents	107,139	23,171	5,866
Cash and cash equivalents at beginning of year	31,786	8,615	2,749
Cash and cash equivalents at end of year	$ 138,925	$ 31,786	$ 8,615
Reconciliation of net income to net cash (used in) provided by operating activities:			
Net income	$ 177,983	$ 127,501	$ 128,952
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	63,922	57,842	42,605
Provision for losses on accounts receivable	41,447	40,877	34,810
Gain on sale of Macrotron AG	—	—	(15,700)
Deferred income taxes	(1,789)	1,306	500
Changes in assets and liabilities:			
(Increase) in accounts receivable	(313,197)	(202,790)	(434,268)
(Increase) in inventories	(146,093)	(220,585)	(49,830)
(Increase) decrease in prepaid and other assets	(11,603)	(25,430)	89,140
Increase in accounts payable	11,863	136,748	387,136
Increase (decrease) in accrued expenses	78,082	80,254	(139,849)
Total adjustments	(277,368)	(131,778)	(85,456)
Net cash (used in) provided by operating activities	$ (99,385)	$ (4,277)	$ 43,496

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. For further discussion, 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. 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. Shipping costs are included in the cost of products sold.

Inventories

Inventories 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.

Excess of Cost Over Fair Value of Acquired Net Assets

The excess of cost over fair value of acquired net assets (''goodwill'') is being amortized on a straight-line basis over 15 to 40 years. Amortization expense was $8,690,000, $8,836,000 and $5,714,000 in 2001, 2000 and 1999, respectively. The accumulated amortization of goodwill is $23,187,000 and $16,713,000 at January 31, 2001 and 2000, respectively.

Intangibles

Included within other assets at January 31, 2001 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 $10,096,000, $9,297,000 and $8,442,000 in 2001, 2000, and 1999, respectively. The accumulated amortization of such costs was $48,442,000 and $31,262,000 at January 31, 2001 and 2000, respectively. The remaining unamortized balance of such costs was $57,019,000 and $45,202,000 at January 31, 2001 and 2000, 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.

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 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.

Foreign Currency Translation

Assets and liabilities of foreign operations that operate in a local currency environment are translated to U.S. dollars at the exchange rates in effect at the balance sheet date, with the related translation gains or losses reported as a separate component of shareholders' equity (in the cumulative foreign currency translation adjustment account or ''CTA''). Income and expense accounts of foreign operations are translated at the weighted average exchange rates during the year.

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 90 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 with gains and losses on these contracts recorded in income in the period in which their value changes. Gains and losses resulting from effective accounting 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, 2001 and 2000 are as follows:

	January 31, 2001		January 31, 2000	
	Notional Amounts	Estimated Fair Value	Notional Amounts	Estimated Fair Value
	(In thousands)		(In thousands)	
Foreign exchange forward contracts	$403,275	$(6,600)	$455,100	$11,100
Purchased currency options	21,000	—	52,200	1,400
Interest rate swaps	84,100	(300)	9,700	—

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 $270,000,000 at January 31, 2001 based upon available market information. The carrying value of the convertible subordinated notes at January 31, 2001 was $300,000,000.

Comprehensive Income

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. Comprehensive income is comprised exclusively of changes in the Company's CTA account. For the years ended January 31, 2001, 2000 and 1999, the Company recorded deferred income taxes in the CTA account of $20,101,000, $12,942,000, and $4,376,000, respectively.

Stock-based Compensation

The Company measures compensation costs in accordance with the Accounting Principles Board Opinion No. 25, ''Accounting for Stock Issued to Employees.'' In accordance with the requirements of SFAS 123 ''Accounting for Stock-Based Compensation'', the appropriate pro forma disclosures relating to net income and earnings per share are provided. For further discussion 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:

	Year ended January 31, 2001			Year ended January 31, 2000			Year ended January 31, 1999		
	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	$177,983	53,234	$3.34	$127,501	51,693	$2.47	$128,952	49,727	$2.59
Effect of dilutive securities:									
Stock options		1,205			1,482			1,767	
5% convertible subordinated notes	9,750	5,333		9,450	5,333		4,726	2,667	
Net income per common share —diluted	$187,733	59,772	$3.14	$136,951	58,508	$2.34	$133,678	54,161	$2.47

At January 31, 2001, 2000 and 1999, there were 1,502,990, 2,580,000 and 1,571,000 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 $101,400,000 and $87,051,000 at January 31, 2001 and 2000 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. During the years ended January 31, 2000 and January 31, 1999, the effect of changes in foreign exchange rates on cash balances was 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 and other non-cash activity.

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. For further discussion, 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 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 SFAS No. 133'' and SFAS No. 138 ''Accounting for Certain Derivative Instruments and Certain Hedging Activities—amendment of FASB Statement No. 133''. As amended, SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. SFAS 133, as amended is effective for fiscal years beginning after June 15, 2000. The impact of adoption of this statement on the Company's results of operations will not be material.

In December 1999, the Securities and Exchange Commission (''SEC'') issued Staff Accounting Bulletin No. 101 (''SAB 101''), ''Revenue Recognition in Financial Statements''. This was followed by Staff Accounting Bulletin No. 101A, ''Implementation Issues Related to SAB 101'', in March 2000 and by Staff Accounting Bulletin No. 101B, ''Second Amendment: Revenue Recognition in Financial Statements'' (''SAB 101B''), in June 2000. These bulletins summarize certain of the SEC's views about applying generally accepted accounting principles to revenue recognition in financial statements. The impact of SAB 101B on the Company was to delay the implementation date of SAB 101 until the fourth quarter of fiscal year 2001. The impact of these bulletins on the Company's results of operations was not material.

In September 2000, the FASB issued SFAS No. 140, ''Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125'' (''SFAS 140''). SFAS 140 revised the standards for accounting for securitizations and other transfers of financial assets and collateral. The accounting standards of SFAS 140 are effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The impact of this statement on the Company's results of operations will not 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 31, 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 $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 on April 13, 1999 Computer 2000 adopted a resolution to integrate with Tech Data Germany AG (''Tech Data Germany''). As a result of this integration Tech Data Germany acquired 100% of the shares of Computer 2000 in exchange for cash and a small amount of shares of Tech Data Germany. Computer 2000 remains as a wholly-owned subsidiary of Tech Data Germany. 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 years ended January 31, 2001 and January 31, 2000, the Company acquired additional shares of Computer 2000 common stock, which including other cash payments, has resulted in additional consideration of $18,200,000 and $18,300,000, respectively. The aggregate purchase price of approximately $536,500,000 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 $347,200,000 ($304,000,000 at the January 31, 2001 exchange rate) is being amortized on a straight-line basis over 40 years.

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). For further discussion, 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 Computer 2000 and disposition of Macrotron had occurred as of the beginning of the year ended January 31, 1999 (in thousands, except per share amounts):

	Year ended January 31, 1999
Net sales	$13,694,426
Net income	125,954
Net income per common share:	
Basic	2.48
Diluted	2.34

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 disposition noted above been consummated as of the beginning of the period, 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 purchase price allocation resulted in approximately $12,479,000 in excess purchase price over the net fair market value of tangible assets acquired as of January 31, 2001, to be amortized over a period of 20 years from the date of acquisition. 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, 2001 includes twelve months of results, while January 31, 2000 includes only 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 2001 and 2000, the Company entered into capital leases for a distribution center in Germany which totaled $5,418,000 and $8,476,000 at January 31, 2001 and January 31, 2000, respectively.

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

	Month ended January 31, 2000
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, 2001	January 31, 2000
	(In thousands)	
Land	$ 7,771	$ 7,644
Buildings and improvements	71,655	59,676
Furniture, fixtures and equipment	227,216	220,911
Construction in progress	13,212	8,015
	319,854	296,246
Less—accumulated depreciation	(166,658)	(142,238)
	$ 153,196	$ 154,008

Property and equipment includes approximately $13,000,000 of assets under capital leases. See Note 6—Long-Term Debt.

NOTE 5. REVOLVING CREDIT LOANS

	January 31, 2001	January 31, 2000
	(In thousands)	
Receivables Securitization Program, average interest rate of 7.03% at January 31, 2001, expiring May 17, 2001	$ 575,000	$ 460,000
Multi-currency Revolving Credit Facility, average interest rate of 6.12% at January 31, 2001, expiring May 7, 2003	328,351	345,551
Other revolving credit facilities, average interest rate of 6.26%, expiring on various dates throughout 2001	346,225	201,258
	$1,249,576	$1,006,809

The Company has an agreement (the ''Receivables Securitization Program'') with six 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 $800,000,000. Under this program, the Company legally isolated certain U.S. trade receivables into a wholly-owned bankruptcy remote special purpose entity. 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 major foreign currencies up to a maximum of $460,000,000 (increased to $495,000,000 subsequent to January 31, 2001) 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 $625,000,000 at January 31, 2001 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, 2001, the Company was in compliance with all such covenants.

NOTE 6. LONG-TERM DEBT

	January 31, 2001	January 31, 2000
	(In thousands)	
Mortgage note payable, interest at 10.25%, principal and interest of $85,130 payable monthly, balloon payment due 2005	$ 8,365	$ 8,521
Convertible subordinated debentures, interest at 5.00% payable semi-annually, due July 2003	300,000	300,000
Capital leases	12,937	8,476
	321,302	316,997
Less—current maturities (included in accrued expenses)	(545)	(157)
	$320,757	$316,840

Principal maturities of long-term debt (excluding capitalized lease obligations) at January 31, 2001 for the succeeding five fiscal years are as follows: 2002—$173,000; 2003—$190,000; 2004—$300,210,000; 2005—$7,792,000.

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 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.

Principal maturities of capitalized lease obligations (including interest of $6,730,000) at January 31, 2001 are as follows: 2002 through 2006—$1,220,000 annually and $13,567,000 thereafter.

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,	
	2001	2000
	(In thousands)	
Deferred tax liabilities:		
Accelerated depreciation and amortization	$ 13,678	$ 14,733
Capitalized advertising program costs	462	625
Currency translation	—	13,142
Other—net	359	5,047
Total deferred tax liabilities	14,499	33,547
Deferred tax assets:		
Accruals not currently deductible	8,042	9,515
Reserves not currently deductible	21,877	21,067
Loss carryforwards	55,744	60,506
Currency translation	3,664	—
Other—net	—	4,097
	89,327	95,185
Less: valuation allowance	(18,243)	(17,224)
Total deferred tax assets	71,084	77,961
Net deferred tax asset	$ 56,585	$ 44,414

The net change in the valuation allowance for deferred tax assets was an increase of $1,019,000, $1,187,000 and $16,037,000 at January 31, 2001, 2000 and 1999, respectively. The valuation increase in 1999 relates primarily to loss carryforwards acquired in the acquisition of Computer 2000. No benefit has been recognized with regard to these loss carryforwards.

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

	Year ended January 31, 2001	2000	1999
		(In thousands)	
Current:			
Federal	$ 68,498	$ 42,693	$ 50,153
State	3,348	2,933	6,816
Foreign	25,976	25,905	18,746
Total current	97,822	71,531	75,715
Deferred:			
Federal	(5,825)	(805)	(3,093)
State	(793)	127	(424)
Foreign	4,829	1,984	4,017
Total deferred	(1,789)	1,306	500
	$96,033	$72,837	$76,215

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, 2001	2000	1999
Tax at U.S. statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	.6	1.0	2.0
Other—net	(.6)	.3	—
	35.0%	36.3%	37.0%

The components of pretax earnings are as follows:

	Year ended January 31, 2001	2000	1999
		(In thousands)	
United States	$164,854	$113,229	$140,850
Foreign	109,501	87,525	65,193
	$274,355	$200,754	$206,043

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 2002 through 2011. A valuation allowance of $18,243,000 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 $235,000,000 at January 31, 2001. 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, 2001, the Company had four stock-based compensation plans. Under the Company's various stock-based compensation plans, which cover 16,100,000 shares, the Company is authorized to award officers, employees, and non-employee members of the Board of Directors grants of restricted stock, options to purchase common stock, stock appreciation rights (''SARs''), limited stock appreciation rights (''Limited SARs''), and performance awards that are dependent upon achievement of specified performance goals. Stock options granted have a maximum term of 10 years, unless a shorter period is specified by the stock option committee. Awards under the plans are priced as determined by the stock option committee with the exception of stock option awards that are priced at the fair market value on the date of grant. Awards generally vest between one and five years from the date of grant. The Company applies APB Opinion 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for these plans.

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

	January 31, 2001		January 31, 2000		January 31, 1999	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	6,042,560	$24.12	4,364,075	$26.88	3,881,545	$19.43
Granted	2,646,310	31.84	3,050,700	17.87	1,661,400	40.27
Exercised	(1,453,927)	21.55	(948,180)	16.21	(609,620)	14.24
Canceled	(931,191)	28.40	(424,035)	26.69	(569,250)	28.68
Outstanding at year end	6,303,752	27.20	6,042,560	24.12	4,364,075	26.88
Options exercisable at year end	1,487,113		1,993,750		768,425	
Available for grant at year end	3,165,310		869,635		3,496,000	

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 1/31/01	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable at 1/31/01	Weighted-Average Exercise Price
Under $ 14.38	514,210	4.04	$12.34	416,910	$11.87
14.56-16.50	1,229,180	8.09	16.46	271,500	16.34
17.13-24.13	1,046,252	6.07	21.93	402,402	21.90
24.97-41.00	3,219,110	8.49	33.76	339,500	39.06
41.75-51.38	295,000	8.49	45.04	56,801	45.35
	6,303,752			1,487,113	

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 biweekly 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 288,684 shares as of January 31, 2001. 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 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,		
	2001	2000	1999
Net income	$163,365	$113,603	$120,548
Net income per common share:			
Basic	3.07	2.20	2.42
Diluted	2.73	1.95	2.32

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 2001, 2000 and 1999 was $18.24, $9.20 and $24.04, respectively. The following assumptions were used for the years ended January 31, 2001, 2000 and 1999, respectively:

Year Ended January 31,	Grant Date	Expected Option Term	Expected Volatility	Risk-Free Interest Rate	Expected Dividend Yield
2001	4/4/2000	4	67%	6.29%	0%
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%

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.

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, 2001 and 2000, the number of shares of Tech Data common stock held by the Company's 401(k) Savings Plan amounted to 796,000 shares and 825,000 shares, respectively. Aggregate contributions made by the Company to the 401(k) Savings Plan and the ESOP were $2,686,000, $2,740,000 and $1,992,000 for 2001, 2000 and 1999, 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.

Subsequent to January 31, 2001, the Company completed a capitalization wherein it exchanged 192,525 shares of its common stock for all of the issued and outstanding shares of preferred stock.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases distribution facilities and certain equipment under noncancelable operating leases that expire at various dates through 2015. Rental expense for all operating leases amounted to $46,786,000, $39,394,000 and $27,015,000 in 2001, 2000 and 1999, respectively. Future minimum lease payments under all such leases for the succeeding five fiscal years are as follows: 2002—$25,973,000; 2003—$22,360,000; 2004—$18,243,000; 2005—$13,372,000; 2006—$7,785,000 and thereafter—$57,267,000.

Contingencies

The Company has guaranteed the repayment of indebtedness of certain customers to unrelated third parties. The total amount of indebtedness covered by these guarantees approximated $17,000,000 at January 31, 2001.

NOTE 11. SEGMENT INFORMATION

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 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.

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

	United States	Europe	Other International	Total
Fiscal year 2001				
Net sales to unaffiliated customers	$11,258,506	$7,813,334	$1,355,839	$20,427,679
Operating income	$ 238,270	$ 100,458	$ 24,028	$ 362,756
Identifiable assets	$ 1,835,019	$2,431,017	$ 349,509	$ 4,615,545
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

NOTE 12. UNAUDITED INTERIM FINANCIAL INFORMATION

	Quarter ended			
	April 30	July 31	October 31	January 31
	(In thousands, except per share amounts)			
Fiscal year 2001				
Net sales	$4,924,516	$4,996,973	$5,189,186	$5,317,004
Gross profit	257,859	265,233	280,677	292,294
Net income	37,219	40,782	47,246	52,736
Net income per common share:				
Basic	.71	.77	.88	.98
Diluted	.68	.72	.82	.92

	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

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 2001 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 2001 Annual Meeting of Shareholders will be filed with the Commission prior to May 31, 2001.

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) No reports on Form 8-K were filed during the fourth quarter of the fiscal year ended January 31, 2001.

(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.
3-G(15)	—Articles of Amendment to Articles of Incorporation of the Company filed on June 25, 1997.
3-H(20)	—By-Laws of the Company as adopted on March 25, 1997.
3-I(20)	—Amendment to By-Laws of the Company as adopted on March 30, 1999.
3-J(20)	—Amendment to By-Laws of the Company as adopted on April 5, 2000.
3-K(21)	—Amendment to By-Laws of the Company as adopted on June 23, 1998.
3-L(21)	—Articles of Amendment to Amended and Restated Articles of Incorporation of the Company as of June 24, 1998.
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.

Exhibit Number	Description
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.
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(6)	—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.
10-AAa(20)	—Transfer and Administration Agreement dated May 19, 2000.
10-AAb(20)	—Credit Agreement dated as of May 8, 2000.
10-AAc(20)	—Amended and Restated Participation Agreement dated as of May 8, 2000.
10-AAd(20)	—Amended and Restated Lease Agreement dated as of May 8, 2000.
10-AAe(20)	—Amended and Restated Agency Agreement dated as of May 8, 2000.
10-AAf(22)	—Retirement Savings Plan as amended July 14, 1999.

Exhibit Number	Description
10-AAg(23)	—Tech Data Corporation 401(K) Savings Plan dated January 1, 2000.
10-AAh(3)	—Amendment Number 1 to the Transfer and Administration Agreement dated November 2, 2000.
10-AAi(24)	—2000 Non-Qualified Stock Option Plan of Tech Data Corporation.
10-AAj(24)	—2000 Equity Incentive Plan of Tech Data Corporation.
21(3)	—Subsidiaries of Registrant.
99-A(3)	—Cautionary Statement For Purposes of the ''Safe Harbor'' Provisions of the Private Securities Litigation Reform Act of 1995.

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(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) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2000, File No. 0-14625.
(20) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2000, File No. 0-14625.
(21) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-3, File No. 333-44848.

(22) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-85509.

(23) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-93801.

(24) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-8, File No. 333-59198.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509, 333-59198) and Form S-3 (No. 333-44848) of Tech Data Corporation, of our report dated March 23, 2001, with respect to the consolidated financial statements and schedule of Tech Data Corporation and subsidiaries included in the Annual Report (Form 10-K) for the year ended January 31, 2001.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP

Tampa, Florida
April 23, 2001

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-44848) and Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509 and 333-59198) of Tech Data Corporation of our report dated March 28, 2000 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP

Tampa, Florida
April 23, 2001

CONSENT OF INDEPENDENT AUDITORS

We consent to incorporation by reference in the registration statements on Form S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509 and 333-59198) and Form S-3 (333-44848) 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, 2001 annual report on Form 10-K of Tech Data Corporation.

/s/ KPMG HARTKOPF + RENTROP TREUHAND KG

KPMG Hartkopf + Rentrop Treuhand KG
Wirtschaftsprüfungsgesellschaft

Cologne
April 23, 2001

SCHEDULE II

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

Allowance for doubtful accounts receivable and sales returns:	Balance at beginning of period	Activity: Charged to cost and expenses	Activity: Deductions	Activity: Other(1)	Balance at end of period
January 31,					
2001	$61,617	$41,447	$(42,467)	$ 3,868	$64,465
2000	60,521	40,877	(44,932)	5,151	61,617
1999	29,731	34,810	(31,707)	27,687	60,521

(1) "Other" includes recoveries, acquisitions, dispositions, 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 April 27, 2001.

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	April 27, 2001
/s/ JEFFERY P. HOWELLS Jeffery P. Howells	Executive Vice President and Chief Financial Officer; Director (principal financial officer)	April 27, 2001
/s/ JOSEPH B. TREPANI Joseph B. Trepani	Senior Vice President and Corporate Controller (principal accounting officer)	April 27, 2001
/s/ ARTHUR W. SINGLETON Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary	April 27, 2001
/s/ CHARLES E. ADAIR Charles E. Adair	Director	April 27, 2001

Signature	Title	Date
/s/ MAXIMILIAN ARDELT Maximilian Ardelt	Director	April 27, 2001
/s/ JAMES M. CRACCHIOLO JAMES M. CRACCHIOLO	Director	April 27, 2001
/s/ DANIEL M. DOYLE Daniel M. Doyle	Director	April 27, 2001
/s/ EDWARD C. RAYMUND Edward C. Raymund	Director; Chairman Emeritus	April 27, 2001
/s/ KATHY MISUNAS Kathy Misunas	Director	April 27, 2001
/s/ DAVID M. UPTON David M. Upton	Director	April 27, 2001
/s/ JOHN Y. WILLIAMS John Y. Williams	Director	April 27, 2001

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, 2001 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. The Company's policies are in compliance with Regulation FD.

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. Specific risk factors may also be communicated at the time forward-looking statements are made. 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 that may be able to offer resellers lower prices than the Company. The Company also faces competition from companies entering or expanding into the fulfillment and e-commerce supply chain services market.

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. Future gross profit and operating 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.

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 or experience disruptions, 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.

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 are 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 increases in the event of a general economic downturn affecting a large number of the Company's customers.

Management of Expansion

The Company has experienced rapid expansion in recent years. 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.

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. The Company will continue to 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

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.

The Company also relies on arrangements with independent shipping companies, such as Federal Express and United Parcel Service, for the delivery of our products from vendors and to customers. The failure or inability of these shipping companies to deliver products, or the unavailability of their shipping services, could have a material adverse effect on the Company's business.

Vendor Relations

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. Currently, the rebates and purchase discounts offered by vendors are influenced by sales volumes and percentage increases in sales, and are subject to changes by the vendors. 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.

The Company receives a significant percentage of revenues from products it purchases from relatively few manufacturers. Each manufacturer may make rapid, significant and adverse changes in their sales terms and conditions. The Company's gross margins could be materially and negatively impacted if the company is unable to pass through the impact of these changes to our reseller customers or cannot develop systems to manage ongoing supplier pass through programs. In addition, the Company's standard vendor distribution agreement permits termination without cause by either party upon 30 days notice. The loss of a relationship with any of the Company's key vendors, or the significant reduction in demand for their products may adversely effect 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. As a result of recent unfavorable economic conditions, the Company has experienced a reduction in the growth rate of sales. If these economic conditions continue or worsen, or if a wider or global economic slowdown occurs, the Company's business may be impacted adversely.

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. Some of the factors that may effect the market price of the Common Stock, in addition to those discussed above, are changes in investment recommendations by securities analysts, changes in market valuations of competitors and key vendors, and fluctuations in the stock market price and volume of traded shares generally, but particularly in the technology sector.

Forecasts

The forecasts of volume and timing of orders are based on many factors and subjective judgments, and the Company cannot assure that the forecasts are accurate. The Company makes many management decisions on the basis of the forecasts, including the hiring and training of personnel, which represents a significant portion of our overall expenses. Thus, the failure to generate revenue according to expectations could have a material adverse effect on the results of the operations of the Company.