



2002 SUMMARY
Annual Report
Year Ended January 31, 2002



Leading the future of IT products and logistics services

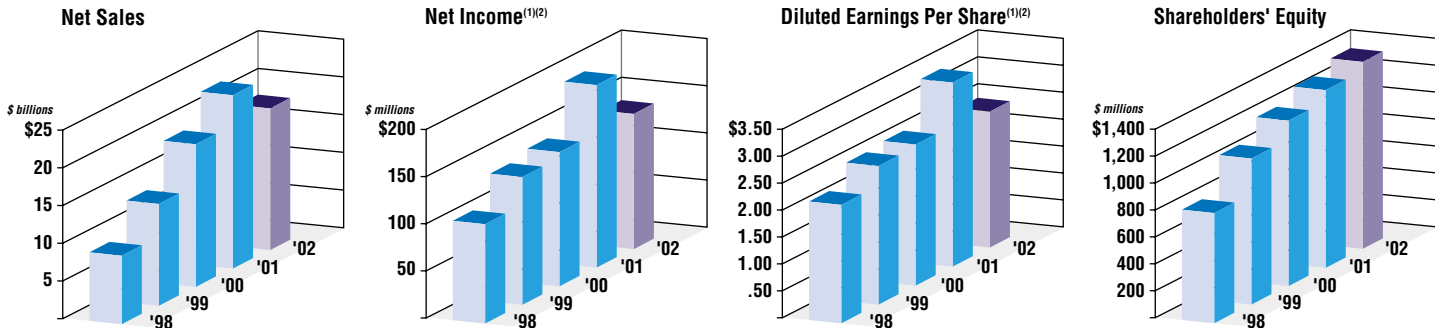


About Tech Data

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 117th 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 \$17.2 billion for its most recent fiscal year, which ended January 31, 2002.



Tech Data Corporation and Subsidiaries

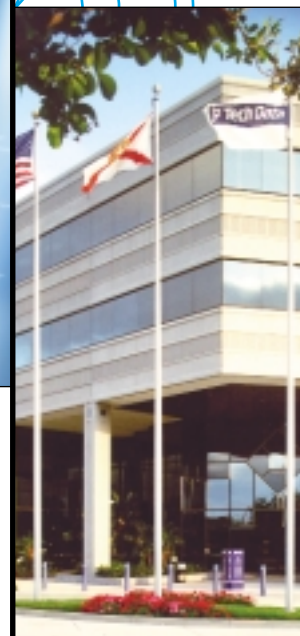


For the year ended January 31: <i>(In thousands, except per share data)</i>	1998	1999 ⁽¹⁾	2000	2001	2002 ⁽²⁾
Net sales	\$7,056,619	\$11,528,999	\$16,991,750	\$20,427,679	\$17,197,511
Operating income	172,638	230,304	271,872	362,756	250,116
Net income	89,485	119,375	127,501	177,983	128,597
Diluted earnings per share	1.92	2.29	2.34	3.14	2.27

At year end: <i>(In thousands)</i>	1998	1999	2000	2001	2002
Working capital	\$ 537,381	\$ 725,057	\$ 795,589	\$ 967,283	\$ 1,385,920
Total assets	2,185,383	3,844,987	4,123,818	4,615,545	3,458,330
Total shareholders' equity	702,588	967,291	1,013,695	1,195,314	1,259,933

⁽¹⁾Amounts exclude the \$9.6 million after-tax gain in fiscal year 1999. Including the gain, fiscal 1999 net income was \$129.0 million, or \$2.47 per diluted share.
⁽²⁾Amounts exclude the \$17.8 million after-tax charge in fiscal year 2002. Including the charge, fiscal 2002 net income was \$110.8 million, or \$1.98 per diluted share.

This Summary Annual Report provides basic financial information on Tech Data Corporation in a condensed format. Comprehensive financial information is included in Tech Data Corporation's Annual Report on Form 10-K. Some of the statements made within this Summary Annual Report are "Forward-Looking Statements" as described in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in these forward-looking statements. For additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements, please refer to the Company's Form 10-K and other periodic filings with the Securities and Exchange Commission.



Our fiscal year that ended January 31, 2002, clearly showed how responsive this company is to changing market conditions. Despite the economic recession's dramatic impact on the IT industry, Tech Data generated net income of \$128.6 million on sales of \$17.2 billion, or \$2.27 per diluted share, excluding special charges totaling \$17.8 million net of taxes recorded during the second and third quarters.

Tech Data's balance sheet is among the strongest in the industry. Over the course of the fiscal year we reduced net indebtedness by \$990 million, resulting in a ratio of debt to capital of 36%. We proficiently managed costs and delivered excellent service levels as we strengthened operations throughout the world.

We've faced many challenges throughout our 27-year history. Our corporate culture, operational knowledge and leadership have grown along the way with Tech Data's charter to provide technology solution providers the products and services they need to do business. In every discipline we can depend on extensive management depth. A seasoned management team — each member averaging 9 years of industry experience — leads this motivated, responsive workforce that reaffirms Tech Data as the ideal business partner.

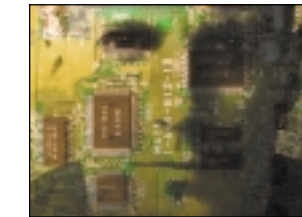
Strong leaders, however, can only excel if they have talented, committed and creative professionals on the team. Employee contributions were invaluable in making this difficult fiscal year a successful one. Their efforts are greatly appreciated and take on new meaning as the company becomes more specialized in step with industry trends. Whether developing online tools that streamline processes, configuring a computer telephony solution, or analyzing purchasing trends to optimize the availability of a hot product, our associates are the lifeblood of the company.

Our employees are the reason we were named to *Fortune's* Most Admired Company listing, ahead of all competitors. Employee dedication resulted in *Forbes* naming us for the fourth consecutive year to its Platinum 400 ranking of the nation's "best big companies." And, in November, *Business Week* placed us 3rd overall on its Info Tech 100 ranking of the best-performing companies in IT. The Info Tech 100 listing, which scores companies on revenues, revenue growth, return on equity, total return and profits, credited Tech Data as keeping "a tight lid on costs" in what the magazine described as the industry's "best category" — IT services and distributors. Again, our people are what made such esteemed honors possible.

Operational Excellence

These accomplishments truly reflect Tech Data's operational excellence. During the past decade, we reduced selling, general and administrative expenses from nearly 7% of sales to 3.9% this fiscal year, the lowest SG&A in the industry. E-business enhancements led to online sales totaling 31% of our fourth-quarter worldwide revenue, up from 25% in the year-ago quarter. Activity-Based Costing (ABC) capabilities in the U.S. supported key decisions, enabling the company to maximize results with both customers and vendor partners.

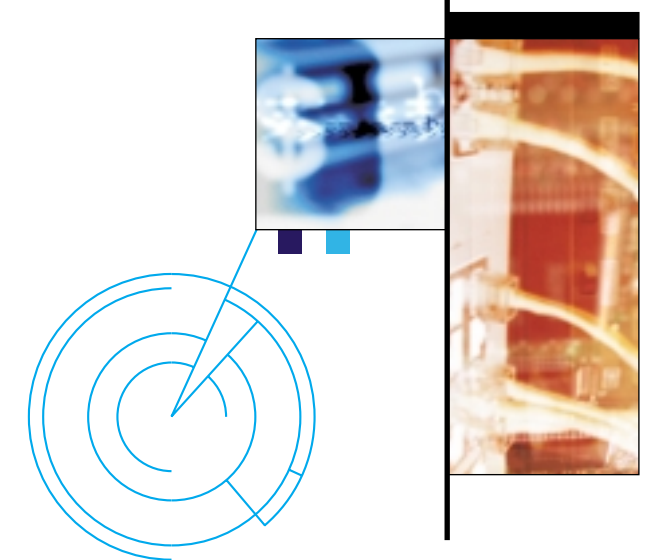
We are introducing ABC tools in other countries and sharing best practices across our worldwide enterprise to continue optimizing overall performance.



Recent Awards and Honors

- ***Fortune 500*** — ranked 117th in the nation
- ***Fortune's Most Admired Companies*** — ranked 2nd in electronics & office equipment wholesalers category
- ***BusinessWeek Info Tech 100*** — ranked 3rd in the nation

Through careful analysis and monitoring of technology trends, we are refining our product offering to meet customers' evolving solution requirements as well as our corporate objectives. Adept purchasing, asset management and logistics expertise keep us where we need to be on the technology spectrum, while ensuring our costs remain aligned with demand.



**to
our
Shareholders:**

Some of our recent vendor partnerships included pan-European contracts with Intel, Western Digital, IBM Technology Group and Maxtor. HP's large-format printers were added in the U.K., and Germany picked up Extreme Networks products as well as Sony VAIO laptops in an agreement that includes distribution in Austria. Check Point, PictureTel and Polycom (which subsequently merged), and StorageTek were among the vendors joining our U.S. lineup. Many existing vendors also introduced new products through our international network of logistics centers. We thank all of our vendor partners and customers for their support over the past year and look forward to increasing our business with them.

SBUs give Tech Data the ability to further diversify by reaching out to other lucrative niche business channels.

Our Specialized Business Units (SBUs) are designed to facilitate the procurement and deployment of emerging technology solutions in promising areas such as networking, digital imaging and software licensing. Dedicated resources develop the services and relationships to succeed in these areas, while leveraging targeted marketing programs.

SBUs give Tech Data the ability to further diversify by reaching out to other lucrative niche business channels. Our newly formed Enterprise Solutions business will focus on the enterprise market, providing support to customers that sell, install and service comprehensive NT-server-based computing solutions. Whatever direction the market takes, Tech Data will be there.

Collaborative Supply Chain Management


Success in our industry is largely predicated on how well we partner with customers and vendors, not only to drive sales but also to mutually reduce costs of doing business. Through collaborative supply chain management initiatives, we continue to advance the cost-effectiveness and efficiency of our business model. Whether addressing pricing procedures, strategic market penetration or special bid situations, we strive to do whatever we can to make our engagement more vital, more productive and more beneficial to all participants.

Technological advances, such as online software licensing tools and XML-based systems integration, streamline our service delivery to customers and vendors. Intranet capabilities and customer relationship management systems augment our internal processes.

Tech Data's infrastructure also delivers the added value that solution providers require, while handling the massive transaction volume that sustains our industry.

Customers enjoy unparalleled service and attention to their multifaceted needs. Our role is crucial — and gratifying — especially considering how together we help fuel business innovation and economic prosperity. Technology, after all, is the backbone of modern business.

Although the timing of a recovery from the IT industry's down cycle is unclear, it's evident that we'll be in a strong position when the rebound occurs. We have the strategy and talented people to drive our continued success. We have the partnerships, the vision and the opportunity to capitalize on new business directions. We are fully prepared for a promising future as the global IT distribution industry's leader in cost efficiency, profitability, service levels and targeted market penetration.

We thank you for your support as a valued shareholder of Tech Data Corporation, an investment at the center of the technology supply chain. 



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

Néstor Cano
President of Worldwide Operations

Technology to the World

It begins with a phone call or Web click.

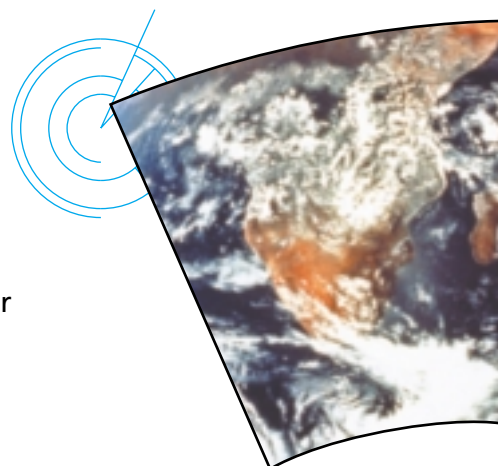
A Tech Data pre-sale support specialist answers a compatibility question. Ten different items are required to complete a network within a small business scheduled to open next week. In seconds, a credit check is performed and the order flashes from the sales center to the logistics center closest to the order's final destination. Conveyor belt systems roll half of the order directly to the carrier station. The other half — 12 laptop computers — needs to be custom-configured prior to shipping. A Tech Data technician installs high-speed modems, loads proprietary software, sets up the user profile, performs "burn-in" testing and conducts a quality assurance review before sending the systems out the door.

Tech Data's customer — the solution provider — wants the entire order shipped direct to the end user with their own brand identity on the container labels and packing documents. No problem. Upon arrival, however, the customer mentions a new requirement that was overlooked during the consultation and design phase of the project. The solution provider isn't sure it can be

Tech Data's model is extraordinarily efficient, demonstrated by the low selling, general and administrative expenses we maintain — 3.9% of sales during our last fiscal year.

done. A quick call to Tech Data's Systems Engineers (SE) group provides the answer. An SE e-mails a sample configuration to the site. Tech Data overnights two more products to address the issue. The business opens on schedule.

Similar scenarios play out daily throughout our worldwide operations. Service level commitments are met each step of the way. Sophisticated tracking systems monitor order status at all times. The pace is fast. The demands are high.



Every action must come together with craftsmanship-like precision. The solution provider gets both the products and services it requires all from one place with aggregated purchasing power. And the end customer focuses on doing business, not worrying about the technology infrastructure.

Tech Data's model is extraordinarily efficient, demonstrated by the low selling, general and administrative expenses we maintain — 3.9% of sales during our last fiscal year. As we look ahead, we continue to build new efficiencies while delivering even higher value to our customers. Our global four-point strategy has evolved with changing market conditions to support our overall business values, while giving our international operations a structured roadmap for success.



Excellence in Execution promotes seven key elements for ensuring partner satisfaction and loyalty: Accessibility, Availability, Pricing, Shipping Metrics and Service Level Agreements, Planning and Execution, and People. Operational efficiencies are advanced under this initiative. From the fundamentals of timely access to our people and services, to making sure we have the right products at the right places and at the right prices, this initiative is critical to the success of our daily operations.

Proactive Initiatives maximize market share and business diversification. This approach includes customer relationship management capabilities that strengthen account profiling and comprehensive business development initiatives. Our focus on proactive initiatives also advances the creation of unique services and Specialized Business Units with dedicated resources to support solution providers in today's most promising technology segments.

Cost Leadership underscores Tech Data's commitment to value, to driving the lowest possible costs for the highest possible returns. The approach governs all purchasing decisions and ensures the company is conducting proper cost/benefit analyses, driving continuous improvement and benchmarking productivity for

optimal capacity management. From the products the company offers, to the services it provides, associated costs must be justifiable and in line with defined strategic objectives. Fiscal accountability and budgetary discipline are instilled at all levels, and return on investment (ROI) given the highest priority.

E-Business in the IT distribution industry heavily depends on transaction volume, but it also thrives on information exchange. Tech Data's e-business objectives embrace both sides of this equation in the quest to increase efficiency and speed of execution. By continually increasing electronic commerce transaction volume, the company's highly trained sales organization is able to concentrate on consultative selling and new business development, particularly in more specialized market segments. Virtually every service at Tech Data now has an online alternative to phone communication. Whether checking a technical specification, registering for an event, confirming a shipment in transit or submitting a returns authorization document, the online equivalents save valuable time and money.

This four-point strategy is ingrained in our corporate culture. We share them with customers and vendors, listening intently to what they are saying and incorporating their feedback in our strategic planning processes. Extensive research also supports decision-making. And all indicators in recent years point firmly in the direction of increased specialization. Our industry increasingly depends on unique expertise — thorough capabilities focused on specific market segments. At Tech Data, we're implementing Specialized Business Units to capitalize on this trend.

Our Global Strategy

Specialized Services, Global Economies of Scale

Tech Data's SBUs deliver the economies of scale that only an industry leader like Tech Data can provide, while offering the attention to detail of a specialty distributor. Consider, for example, the supplies and accessories unit, which includes removable media, printer cartridges, cables and more. We not only source these products in large bulk quantities for customers around the world but also ship the peripheral devices and other equipment that drive sales in this market. Product and purchasing managers with extensive knowledge of this business channel know the

products to carry, where to stock them and what alternatives exist in the event of a shortage. The SBU teams develop business squarely around their strategic focus areas, while promoting add-on sales of larger comprehensive solutions.

Tech Data doesn't just follow technology trends — we're at the forefront of the industry, carefully selecting the ideal solutions for a changing marketplace. We're excited about the potential for our SBUs in this growing era of specialization. Numerous business segments warrant SBU support, and others, such as the enterprise space, require an even higher level of focus. Leveraging our technical and education resources in particular, we are establishing a separate organization to better reach customers in this arena where NT-server-based computing is of central importance.

By continually reaching out to new customers and markets, Tech Data maintains a balanced revenue stream that helps protect the company from over-dependency on a particular segment. No single customer represented more than 5% of sales last fiscal year. Nearly 60% of our sales volume is to value-added resellers (VARs), who are known for powerful support and vertical market expertise in

servicing the small-to-midsize business (SMB) market. The SMB market is considered one of the most promising markets for technology solution providers and the entire IT industry. We are poised to continue strengthening our position relative to this key market segment.

Vital Force in Product Lifecycle Management

In all the markets we serve, customers count on us to deliver a range of services beyond fast, accurate shipment of competitively priced products. What we do encompasses the entire procurement process and beyond. From product selection, financing, order placement and logistics to technical support, certification training and technology refresh, Tech Data is a vital force in IT product lifecycle management.

Since these services are transparent to end users, resellers of all sizes often leverage our infrastructure to expand the breadth of service to their customers. E-business capabilities such as our SupplyXpert tool enable solution providers to create Web storefronts where their clients can link seamlessly to Tech Data's systems. Through this application, they enable their customers to choose from more than 75,000 products, configure solutions online, place orders electronically and make shipping choices for any destination.

In addition to a vast selection of financing services, we conduct business development, credit and cash flow seminars that train solution providers to develop their organizations more efficiently and profitably through their Tech Data relationship. And we're constantly looking for new ways to help our customers grow margins and reduce costs.

Incorporating dozens of drivers and metrics, Activity-Based Costing practices are carefully administered to guide decision-making and two-way awareness of key cost factors in our relationships. This proactive yet pragmatic customer engagement philosophy gives Tech Data a distinct competitive edge.

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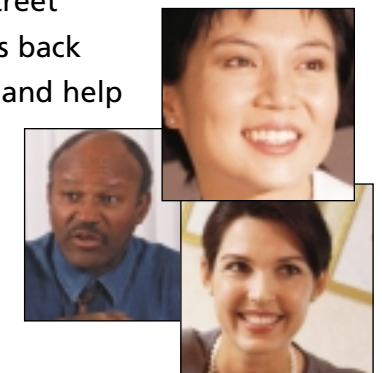
Resellable services like technical support and education are among the Tech Data offerings that resellers can leverage to build profits. The company can handle end-user technical inquiries on behalf of solution providers, for instance, or arrange training classes for their customers. These services permit our customers to extend a complete technology solution to their customers, without making additional investments

associated with establishing technical solution centers or education classrooms.

Extraordinary People

In every service we develop or market segment we pursue, the vision and leadership of our people drive Tech Data's success. Through continued sharing of best practices, the talents of our employees worldwide are fully engaged, cultivating fresh ideas and collective determination to achieve beyond expectations.

Our employees' commitment to the company and its customers was exemplified in their response to the Sept. 11 terrorist crisis. As solution providers scrambled to bring Wall Street systems back online and help



affected businesses return to operation, Tech Data employees worked fervently behind the scenes to keep up with their needs. The 24/7 services we made available gave our customers the comprehensive assistance they required during this intensely emotional time.



At all times, being a good business partner is intrinsically linked to the caliber of people employed. Our hiring, development and training processes instill the company's values and bring out the best in our team.

Employees thrive in Tech Data's dynamic, fast-paced work environment that is enriched through this strong commitment to traditional business values. Management and staff alike uphold each of these principles in their daily activity:

Integrity

The foundation of our business is integrity. All interactions with customers, vendors, suppliers, shareholders and fellow employees are conducted with integrity and mutual respect.

Employees

Our employees make the difference! We invest in the development of our employees and provide a professional, challenging and rewarding environment.

Partners

Strategic business partnerships with customers, vendors and suppliers produce benefits for all our business partners. We conduct our business in a manner which supports our business partners.

Shareholders

Our focus on profitability attracts sufficient capital for our continued growth and ensures a reasonable return on our shareholders' investments in our company.

Change

Our business continues to evolve based on ever-changing market conditions. Our willingness to embrace change is the key to our continued success.

Whether in the face of adversity or under ideal conditions, these values are the core guiding principles for every department and each individual contributor.

Our hiring, development and training processes instill the company's values and bring out the best in our team.

Where Tradition and Innovation Converge

Tech Data's adherence to traditional business values complements the company's ability to continually innovate. While many dot-com start-ups emerged and then faded over the past couple of years, Tech Data steadily evolved its Web site and XML integration capabilities, with E-business reaching \$5.0 billion in the last fiscal year.

Our "RAD" — or Rapid Application Development — approach to IT needs has enabled many timely advances in mission-critical aspects of the business. It's a no-frills, build-it, test-it, roll-it-out and measure-it means to delivering on expectations, while keeping overall IT development costs down.

Innovation in this industry, however, entails much more than IT advances. It applies to how we evolve services, adapt to industry paradigm shifts and follow new courses for success. Throughout the years, we've introduced creative, alternative solutions to traditional shipping and delivery, while continually improving other core competencies.

The steps we are taking today follow the same judicious business principles and practices that led to Tech Data's stature as the industry's best-performing distributor of IT products. We're building on our myriad accomplishments, fostering innovation and further solidifying our marketplace position. We are confident Tech Data will be in the right place at the right time for a rewarding future in this dynamic industry.

The steps we are taking today follow the same judicious business principles and practices that led to Tech Data's stature as the industry's best-performing distributor of IT products.

Board of Directors

Steven A. Raymund	Chairman of the Board of Directors and Chief Executive Officer, Tech Data Corporation
Charles E. Adair	Partner, Cordova Ventures
Maximilian Ardel	Chief Executive Officer, VIAG Telecom AG
James M. Cracchiolo	Group President, Global Financial Services, American Express Company
Daniel M. Doyle	Chairman and Chief Executive Officer, BrainBuzz.com, Inc.
Jeffery P. Howells	Executive Vice President and Chief Financial Officer, Tech Data Corporation
Kathy Misunas	Business Advisor
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 M. Monych	President of U.S. Operations
Graeme A. 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 Central Europe
Andrew Gass	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 F. 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
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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	Wolfratshausen, Strasse 84 • D-81379 Munich • Germany
Tech Data Germany Holding GmbH	Wolfratshausen, 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

ANNUAL MEETING

The annual meeting of shareholders of the company will be held at 4:00 p.m. on Tuesday, June 4, 2002, at Tech Data's headquarters: 5350 Tech Data Drive, Clearwater, FL 33760.

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-mail at ir@techdata.com or by phone at: 800-292-7906 or 727-538-5855.

TRANSFER AGENT

Communications regarding lost stock certificates and address changes should be directed to our transfer agent:

Mellon Investor Services LLC
85 Challenger Road
Ridgefield Park, NJ 07660
800-756-3353
www.melloninvestor.com

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.



TECH DATA CORPORATION
5350 Tech Data Drive
Clearwater, Florida 33760

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended January 31, 2002

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(b) of the Act:
Common stock, par value \$.0015 per share

Securities registered pursuant to Section 12(g) of the Act:
5% Convertible subordinated debentures due 2003
2% Convertible subordinated debentures due 2021

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 1, 2002: \$2,521,000,000.

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

<u>Class</u>	<u>Outstanding at April 1, 2002</u>
Common stock, par value \$.0015 per share	55,605,372

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's Proxy Statement for use at the Annual Meeting of Shareholders on June 4, 2002 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”) is a leading provider of information technology (“IT”) products, logistics management and other value-added services, and based on sales, is the world’s second largest distributor. The Company distributes microcomputer hardware and software products to value-added resellers, direct marketers, retailers, corporate resellers, and Internet resellers. The Company and its subsidiaries distribute to more than 80 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 products 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 46%, 24%, 15% and 15%, respectively, of sales in fiscal 2002. 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 logistics 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 integration services and electronic data interchange (“EDI”) services), customized shipping documents and flexible financing programs.

Tech Data 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. With the advent of microcomputer dealers, Tech Data made the transition to a wholesale distributor in 1984 by broadening its product line to include hardware products and withdrawing entirely from end-user sales.

In May 1989, the Company entered the Canadian market through the acquisition of a privately-held 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 logistics center near Sao Paulo, Brazil in February 1997.

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 its current level of 29 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 has changed the names of most of Computer 2000’s subsidiaries to match the Tech Data brand.

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).

Industry

The wholesale distribution model, like that provided by the Company, has proven to be well-suited for both manufacturers and publishers of IT 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 with vendors. 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.

Through collaborative supply chain management initiatives, distributors, like Tech Data, continue to advance the efficiency of this business model. By leveraging Tech Data’s infrastructure and logistics expertise, IT manufacturers and publishers benefit by a cost-effective alternative to selling directly to resellers or end users. The Company’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 resellers’ costs of storing, maintaining, and shipping the products themselves. Tech Data facilitates this approach by personalizing shipping labels and packing documents with its resellers’ brand identities (e.g. logos), marketing messages and other specialized content.

The increasing utilization of electronic ordering and information delivery systems, including the ability to transact business over the Web, continues to have a significant impact on the cost efficiency of the wholesale distribution model. For example, distributors are now working to establish a more seamless supply chain in which end-user orders flow immediately from reseller Web sites direct to distributor logistics centers in closest proximity to the order destination. Advances like these are possible due to the financial and technical resources available to large-scale distributors such as Tech Data, enabling a reduction in both their customers’ and their own transaction costs through more efficient purchasing and lower selling and delivery costs.

In summary, the IT logistics 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.

Tech Data’s fiscal 2002 results, like other companies in the technology industry, were negatively affected by the U.S. economic downturn. This downturn eventually spread to other regions throughout the world, albeit to a lesser extent. While it appears there has been a “bottoming out” of the global recession, there can be no assurance that further weakening will not occur. To the extent that this continues, the IT industry, in general, and worldwide demand for the products we sell, are likely to be negatively affected.

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, subject to certain limitations, will credit the distributor for declines in inventory value resulting from the supplier's price reductions. In addition, under many such agreements, the distributor has the right, subject to certain limitations, to return for credit or exchange for other products a portion of those inventory items purchased. 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.

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, Tech Data also offers manufacturers and publishers the opportunity to participate in a number of special promotions, training programs and marketing services targeted to the needs of its resellers.

With the exception of Hewlett-Packard Company ("HP") and Compaq Computer Corporation ("Compaq"), no single vendor accounted for more than 10% of Tech Data's net sales during fiscal 2002, 2001, or 2000. Sales of HP products accounted for 20%, 19%, and 19% of net sales in fiscal 2002, 2001, and 2000, respectively, and sales of Compaq products accounted for 18%, 20%, and 16% of net sales in fiscal 2002, 2001, and 2000, respectively.

On March 19 and 20, 2002, HP's and Compaq's shareholders, respectively, voted to approve a merger of the two entities. A member of HP's board of directors is contesting the vote. Based on the limited information currently available, the impact of this merger, should it occur, cannot at this time be estimated by Tech Data's management. Tech Data's business could be adversely impacted should the merged company decide to bypass the distribution channel and increase the level of business it transacts directly with end-users.

Customers, Products and Services

The Company sells more than 75,000 microcomputer products including peripherals, systems, networking 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 58% of Tech Data's net sales in fiscal 2002, 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. Direct marketers, retailers and corporate resellers 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. Tech Data also has developed special programs to meet the unique needs of direct marketers, retailers and Internet resellers, which constituted approximately 24% of the Company's net sales in fiscal 2002. Corporate resellers constituted approximately 18% of the Company's net sales in fiscal 2002. No single customer accounted for more than 5% of the Company's net sales during fiscal 2002, 2001, or 2000.

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 33 regionally located logistics centers. Locating logistics 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 logistics centers.

Sales and Electronic Commerce

Currently, the Company's sales force consists of approximately 2,000 field and inside telemarketing sales representatives. Field sales representatives are located in major metropolitan areas. Each field representative is supported by inside telemarketing sales teams covering a designated territory. The Company's team concept provides a strong personal relationship between representatives of the customers and Tech Data. Territories with no field representation are serviced exclusively by the inside telemarketing sales teams. Customers typically call their inside sales teams on dedicated toll-free numbers or contact the Company through various electronic methods to place orders. If the product is in stock and the customer has available credit, customer orders are generally shipped the same day from the logistics 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 logistics centers. Likewise, inside sales teams in Canada, the Caribbean, Latin America, Europe and the Middle East can check on stocking levels in their respective logistics 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. During fiscal 2002, approximately 29% (\$5.0 billion) of the Company's worldwide sales dollar volume originated from orders received electronically, up from approximately 24% in fiscal 2001.

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.

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, 2002, the Company had approximately 8,600 employees located as follows: United States—3,300, Europe—4,500, and all other regions—800. 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 2002, 2001, and 2000, 49%, 45% and 51%, respectively, of the Company's sales were derived from sales outside of the United States.

Tech Data intends to either close or sell its operations in Norway and potentially one other country during the first half of fiscal 2003. Charges and operating losses from exiting these markets are estimated to range from \$6 to \$9 million.

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 17, 2002 are as follows:

Steven A. Raymund, Chairman of the Board of Directors and Chief Executive Officer, age 46, 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 Bachelor of Science 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 38, joined the Company (via C2000 AG) in July 1989 as a Software Product Manager and served in various management positions with the Company's operations in Spain and Portugal between 1990 and 1995 where he was then 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 45, 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. From 1979 to 1991 he was employed by Price Waterhouse. Mr. Howells is a Certified Public Accountant and holds a Bachelor of Business Administration Degree in Accounting from Stetson University.

Perry M. Monych, President of U.S. Operations, age 47, 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 A. Watt, President of Europe, age 41, joined the Company (via C2000 AG) 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 54, 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 56, joined the Company in August 1994 as Vice President of Credit Services, 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 Bachelor of Arts Degrees in History and French from the University of Texas at Austin.

Timothy J. Curran, Senior Vice President of U.S. Sales, age 50, 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 Bachelor of Arts 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 47, joined the Company in February 1995 as Vice President of Taxes and was promoted to Senior Vice President of Taxes in April 2000. Prior to joining the Company, he was employed by Price Waterhouse for thirteen years, most recently as a Tax Partner. Mr. Dannewitz is a Certified Public Accountant and holds a Bachelor of Science Degree in Accounting from Illinois Wesleyan University.

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

Andy Gass, Senior Vice President of Northern Europe, age 37, joined the Company (via C2000 AG) in October 1995 as Finance and Operations Director of UK operations and was promoted to Deputy Managing Director in October 1998. From February 2000 to August 2001 Mr. Gass spent time as a Managing Director at Sage Enterprise Solutions. He then returned to the Company as Senior Vice President of Northern Europe in September 2001. Mr. Gass is a Chartered Accountant and holds a Bachelors Degree in Commerce from Edinburgh University.

Lawrence W. Hamilton, Senior Vice President of Human Resources, age 44, joined the Company in August 1993 as Vice President of Human Resources and was promoted to Senior Vice President of Human Resources 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 Bachelor of Arts 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 42, 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 Management Accountant and holds a Bachelor of Arts Degree in Philosophy from Tulane University and a Bachelor of Science Degree in Accounting from the University of South Florida.

Elio Levy, Senior Vice President of U.S. Marketing, age 54, 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 Bachelor of Science Degree in Business from the College of Charleston.

Yuda Saydun, Senior Vice President and President of Latin America, age 49, 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 Bachelor of Science Degree in Political and Diplomatic Sciences from Universite Libre de Bruxelles and a Masters of Business Administration Degree, Finance/Marketing from the University of California, Los Angeles.

Lisa G. Thibodeau, Senior Vice President of U.S. Sales and Marketing Operations, age 43, 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 57, 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 Bachelor of Science Degree in Business Management from New Hampshire College.

Joseph B. Trepani, Senior Vice President and Corporate Controller, age 41, 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 Bachelor of Science Degree in Accounting from Florida State University.

Gerard F. Youna, Senior Vice President of Southern Europe, age 48, 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 of 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 41, 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 Bachelor of Science Degree in Accounting from Florida State University.

David R. Vetter, Corporate Vice President and General Counsel, age 43, joined the Company in June 1993 as Vice President and General Counsel and was promoted to Corporate Vice President and General Counsel 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 Bachelor of Arts Degrees in English and Economics from Bucknell University and a Juris Doctorate Degree from the University of Florida.

ITEM 2. Properties

Tech Data's worldwide executive offices are located in Clearwater, Florida. As of January 31, 2002, the Company operated a total of 33 logistics centers to provide its customers timely delivery of products. These logistics centers are located in the following principal markets: U.S.—6, Canada—2, Latin America—5, Europe—18 and the Middle East—2. The Company also operates training centers in 10 cities in the United States.

The facilities of the Company are well maintained and are adequate to conduct the Company's current business. The Company does have some excess capacity in its physical infrastructure given the decline in sales volume over the past year.

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, 2002.

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 and 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 April 1, 2002 was 35,000.

	Sales Price	
	High	Low
Fiscal year 2002		
Fourth quarter	\$51.0500	\$37.1700
Third quarter	45.9900	33.0900
Second quarter	37.3700	27.8900
First quarter	38.4375	25.2500
Fiscal year 2001		
Fourth quarter	\$44.5625	\$24.9375
Third quarter	55.8750	32.0000
Second quarter	52.1250	35.3750
First quarter	43.7500	20.6250

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,				
	2002	2001	2000	1999(1)	1998
Income statement data:					
Net sales	\$17,197,511	\$20,427,679	\$16,991,750	\$11,528,999	\$7,056,619
Cost of products sold	16,269,481	19,331,616	16,058,086	10,806,153	6,590,873
Gross profit	928,030	1,096,063	933,664	722,846	465,746
Selling, general and administrative expenses	677,914	733,307	661,792	492,542	293,108
Special charges (Note 13)	27,000	—	—	—	—
Operating income	223,116	362,756	271,872	230,304	172,638
Interest expense, net	55,419	92,285	65,965	44,988	29,908
Net foreign currency exchange (gain) loss	(143)	(3,884)	5,153	(5,027)	—
Gain on the sale of Macrotron AG	—	—	—	(15,700)	—
Income before income taxes	167,840	274,355	200,754	206,043	142,730
Provision for income taxes	57,063	96,033	72,837	76,215	52,816
Income before minority interest	110,777	178,322	127,917	129,828	89,914
Minority interest	—	339	416	876	429
Net income	<u>\$ 110,777</u>	<u>\$ 177,983</u>	<u>\$ 127,501</u>	<u>\$ 128,952</u>	<u>\$ 89,485</u>
Net income per common share:					
Basic	<u>\$ 2.04</u>	<u>\$ 3.34</u>	<u>\$ 2.47</u>	<u>\$ 2.59</u>	<u>\$ 2.00</u>
Diluted	<u>\$ 1.98</u>	<u>\$ 3.14</u>	<u>\$ 2.34</u>	<u>\$ 2.47</u>	<u>\$ 1.92</u>
Weighted average common shares outstanding:					
Basic	<u>54,407</u>	<u>53,234</u>	<u>51,693</u>	<u>49,727</u>	<u>44,715</u>
Diluted	<u>60,963</u>	<u>59,772</u>	<u>58,508</u>	<u>54,161</u>	<u>46,610</u>
Dividends per common share	—	—	—	—	—
Balance sheet data:					
Working capital	\$ 1,385,920	\$ 967,283	\$ 795,589	\$ 725,057	\$ 537,381
Total assets	3,458,330	4,615,545	4,123,818	3,844,987	2,185,383
Revolving credit loans	86,046	1,249,576	1,006,809	817,870	540,177
Long-term debt	612,335	320,757	316,840	308,521	8,683
Shareholders' equity	1,259,933	1,195,314	1,013,695	967,291	702,588

(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).

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

Foreword

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 99-A for further information.

Results of Operations

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,		
	2002	2001	2000
United States	50.88%	55.11%	49.48%
Europe	42.06	38.25	44.31
Other international	7.06	6.64	6.21
Net sales	100.00	100.00	100.00
Cost of products sold	94.60	94.63	94.51
Gross profit	5.40	5.37	5.49
Selling, general and administrative expenses	3.94	3.59	3.89
Special charges (Note 13)	0.16	—	—
Operating income	1.30	1.78	1.60
Interest expense, net	0.32	0.45	0.39
Net foreign currency exchange (gain) loss	—	(0.01)	0.03
Income before income taxes	0.98	1.34	1.18
Provision for income taxes	0.34	0.47	0.43
Income before minority interest	0.64	0.87	0.75
Minority interest	—	—	—
Net income	<u>0.64%</u>	<u>0.87%</u>	<u>0.75%</u>

Fiscal Years Ended January 31, 2002 and 2001

Consolidated net sales decreased 15.8% to \$17.2 billion in fiscal 2002 compared to \$20.4 billion in the prior year. This decrease was primarily due to lower demand for technology-related products and services throughout the world and a weakening of the euro. Net sales from U.S. operations fell 22.3% to \$8.8 billion due primarily to economic weakness in the region. On a local currency basis, European net sales decreased 4.9% during the current year, and fell 7.4% in U.S. dollar terms due to a weakening of several European currencies against the U.S. dollar. Other international sales fell 10.5% in fiscal 2002 compared to the prior year due mostly to lower demand and a weaker currency in Canada and Latin America. Total international sales in fiscal 2002 represented approximately 49% of consolidated net sales compared with 45% in the prior year.

Gross profit decreased \$168.0 million from the prior year to \$928.0 million in fiscal 2002 compared to \$1.1 billion in fiscal 2001. Gross margins increased 3 basis points to 5.40% in fiscal 2002 compared to 5.37% in fiscal 2001. This increase is attributable to the positive effects of the Company's margin

improvement programs and the aforementioned increase in the mix of international sales in fiscal 2002, on which the Company typically realizes higher gross margins.

Selling, general and administrative expenses ("SG&A") decreased 7.6% or \$55.4 million to \$677.9 million in fiscal 2002 from \$733.3 million in fiscal 2001. This reduction in SG&A is attributable to the Company's highly variable cost structure and aggressive cost cutting measures taken to counter the effects of the economic downturn. The Company significantly reduced its payroll-related costs as it managed its employee base down from approximately 10,500 employees at the end of fiscal 2001 to approximately 8,600 at the end of fiscal 2002. Likewise, the Company cut back dramatically on discretionary expenses such as travel related costs, consulting and supplies. While these cost cutting measures were significant, they could not entirely offset the effect of the year-over-year sales decline and as a result SG&A, as a percentage of net sales, increased 35 basis points to 3.94% from 3.59% in the prior year. The greater mix of international sales in fiscal 2002 also contributed to the higher SG&A as a percentage of net sales, as the international model typically results in greater costs along with a higher gross margin (as previously discussed above).

Special charges of \$27.0 million were recognized in fiscal 2002. These special charges related to the Company recording: a) the write-off of previously capitalized software costs (\$20.1 million); b) the impairment of certain Internet-related investments (\$5.4 million) and; c) the write-off of development costs associated with a new German logistics center (\$1.5 million), the construction of which has been indefinitely deferred. The remaining Internet-related investment has a carrying value of approximately \$2.4 million at January 31, 2002. Investments in these types of technologies are inherently risky and the Company could lose the remainder of its investment.

In addition to those items mentioned above, operating income was negatively affected by operating losses in Latin America of approximately \$7.4 million during the fourth quarter; these operating losses were primarily related to currency devaluation and asset realization issues in Argentina and Brazil.

As a result of the factors described above, operating income in fiscal 2002 decreased 38.5% to \$223.1 million (1.30% of net sales) from \$362.8 million (1.78% of net sales) in fiscal 2001.

Interest expense decreased 39.9% to \$55.4 million in fiscal 2002 from \$92.3 million in fiscal 2001. This decrease is the result of a significant decrease in the Company's average outstanding indebtedness and a decrease in rates. The Company was able to reduce its outstanding debt net of cash by over \$990.4 million during the past year due to dramatic improvements in its inventory management and the cash generated from other operating activities.

The Company realized a net foreign currency exchange gain of \$0.1 million in fiscal 2002 compared to a gain of \$3.9 million in fiscal 2001. It continues to be the Company's goal to minimize foreign currency exchange gains and losses through effective hedging techniques. The Company's foreign exchange policy prohibits speculative hedges.

The provision for income taxes decreased 40.6% to \$57.1 million in fiscal 2002 from \$96.0 million in fiscal 2001. This decrease is attributable to the decrease in taxable income during the year combined with a decrease in the Company's effective tax rate to 34% in fiscal 2002 from 35% in fiscal 2001. 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 2002 decreased 37.8% to \$110.8 million (\$1.98 per diluted share) compared to \$178.0 million (\$3.14 per diluted share) in fiscal 2001. Excluding special charges, net income decreased 27.8% to \$128.6 million, or \$2.27 per diluted share in fiscal 2002.

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) in fiscal 2000.

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.

Critical Accounting Policies and Estimates

Management's discussion and analysis of its financial condition and results of operations are based upon Tech Data's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires Tech Data to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. On an on-going basis, Tech Data evaluates these estimates, including those related to bad debts, inventories, vendor incentives, investments, fixed assets, intangible assets, income taxes and contingencies. Our estimates and judgments are based on currently available information, historical results and other assumptions we believe are reasonable. Actual results could differ materially from these estimates. Tech Data believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of its consolidated financial statements.

Accounts Receivable

Tech Data maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. In estimating the required allowance, Tech Data takes into consideration the overall quality and aging of the receivable portfolio, the existence of credit insurance and specifically-identified customer risks. If actual customer performance were to deteriorate to an extent not expected by Tech Data, additional allowances may be required which could have an adverse effect on the Company's financial results.

Inventory

Tech Data values its inventory at the lower of its cost or market value. The Company writes down its inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value based upon an aging analysis of the inventory on hand, specifically known inventory-related risks, foreign currency fluctuations for foreign sourced product and assumptions about future demand and market conditions. These write-downs are reflected in the Company's cost of sales. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required which could have an adverse effect on the Company's financial results.

Vendor Incentives

The Company receives incentives from vendors related to cooperative advertising allowances, volume rebates and other miscellaneous agreements. These incentives are generally under quarterly, semi-annual or annual agreements with the vendors, however, some of these incentives are negotiated on an ad hoc basis to support specific programs mutually developed by the Company and the vendor. Cooperative advertising allowances are generally required by the vendor to be used by Tech Data exclusively for advertising or other marketing programs. These restricted cooperative advertising allowances are recognized as a reduction to selling, general and administrative expenses as the related marketing expenses are incurred. The Company records unrestricted volume rebates received as a reduction of inventory and recognizes the incentives as a reduction to cost of sales when the related inventory is sold. Amounts received or receivable from vendors that are not yet earned are deferred in the consolidated balance sheet.

In addition, the Company receives early payment discounts from certain of its vendors. The Company records early payment discounts received as a reduction of inventory and recognizes the discount as a reduction to cost of sales when the related inventory is sold.

Intangible Assets

The Company examines the carrying value of its excess of cost over fair value of acquired net assets (goodwill) and other intangible assets as current events and circumstances warrant to determine whether there are any impairment losses. If indicators of impairment were present in intangible assets used in operations and future cash flows were not expected to be sufficient to recover the assets' carrying amount, an impairment loss would be charged to expense in the period identified. No event has been identified that would indicate an impairment of the value of goodwill recorded in the consolidated financial statements. However, during fiscal 2002, the Company recorded a special charge of approximately \$20.1 million for certain of its software investments.

Income Taxes

Tech Data records valuation allowances to reduce its deferred tax assets to the amount expected to be realized. In assessing the adequacy of recorded valuation allowances, Tech Data considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event the Company determines it would be able to use a deferred tax asset in the future in excess of its net carrying value, an adjustment to the deferred tax asset would reduce income tax expense, thereby increasing net income in the period such determination was made. Likewise, should Tech Data determine that it is unable to use all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income tax expense, thereby reducing net income in the period such determination was made.

Contingencies

The Company accrues for contingent obligations, including estimated legal costs, when it is probable and the amount is reasonably estimable. As facts concerning contingencies become known, we reassess our position and make appropriate adjustments to the financial statements. Estimates that are particularly sensitive to future changes include tax, legal and other regulatory matters such as imports and exports which are subject to change as events evolve and as additional information becomes available during the administrative and litigation process.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 revises the standards of business combinations by eliminating the use of the pooling-of-interests method and requiring that all business combinations be accounted for using the purchase method of accounting. SFAS 141 also changes the criteria to recognize intangible assets apart from goodwill. The provisions of SFAS 141 are effective for all business combinations initiated after June 30, 2001. The impact of adoption of this statement on the Company's financial position and results of operations was not material.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 142 revises the standards of accounting for goodwill and indefinite-lived intangible assets by replacing the regular amortization of these assets with the requirement that they are reviewed annually for possible impairment, or more frequently if impairment indicators arise. Separable intangible assets that have finite lives will continue to be amortized over their estimated useful lives. The accounting standards of SFAS 142 are effective for fiscal years beginning after December 15, 2001. Application of the non-amortization provisions of the statement is expected to result in an increase in net income of approximately \$8.6 million (\$.14 per diluted share) per year. During the first quarter for the fiscal year ending January 31, 2003, the Company finalized the

required transitional impairment tests of goodwill and indefinite-lived intangible assets under the requirements of SFAS 142. Based on the results of the transitional impairment tests, Tech Data will not need to record any impairment for the adoption of this statement.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which is effective for fiscal periods beginning after December 15, 2001 and interim periods within those fiscal years. This statement supersedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", and the accounting and reporting provisions of Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", for the disposal of a segment of a business. Under the provisions of APB 30, a segment of a business to be disposed of was measured at the lower of its carrying amount or net realizable value, adjusted for expected future operating losses, whereas SFAS 121 used fair value less cost to sell and excludes future operating losses from the measurement. SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company is currently evaluating the potential impact, if any, the adoption of SFAS 144 will have on the Company's financial position and results of operations.

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 most price increases could be passed on to its customers, as prices charged by the Company are not set by long-term contracts; however, as a result of competitive pressure, there can be no assurance that the full effect of any such price increases could be passed on to its customers.

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 provided by operating activities of \$976.6 million in fiscal 2002 was primarily attributable to decreases in inventories and accounts receivable, in addition to net income adjusted for non-cash items. The Company continues to focus on improving asset turnover, as evidenced by its days of supply of inventory which declined to 21.0 days at the end of fiscal 2002 from 30.2 days at the end of fiscal 2001.

Net cash used in investing activities of \$49.4 million during fiscal 2002 was primarily attributable to the expansion or upgrade of the Company's management information systems, office facilities and equipment for its logistics centers. Depending upon economic conditions, the Company expects to

make capital expenditures of approximately \$75 million during fiscal 2003 to further expand or upgrade its IT systems, logistics centers and office facilities. Tech Data continues to make significant investments to implement new IT systems and upgrade its existing IT infrastructure in order to meet its changing business requirements. These implementations and upgrades occur at various levels throughout the Company and include, but are not limited to, new operating and enterprise systems, financial systems, web technologies, customer relationship management systems and telecommunications. While the Company believes it will realize increased operating efficiencies as a result of these investments, unforeseen circumstances or complexities could have an adverse impact on the Company's business.

Net cash used in financing activities of \$798.2 million during fiscal 2002 reflects the repayments of revolving credit loans, a portion of which was refinanced through the issuance of \$290.0 million of convertible subordinated debentures (\$284.2 million, net of expenses). In addition, the Company received \$36.4 million from stock option exercises (which does not include the related income tax benefit of \$7.0 million), benefit plans and purchases made through the Company's Employee Stock Purchase Plan.

The Company currently maintains a \$520.0 million revolving credit facility with a syndicate of banks that 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 ratings. Additionally, the Company currently maintains a \$700.0 million Receivables Securitization Program with a syndicate of banks expiring in May 2002, which the Company intends to reduce to \$500.0 million and renew for another year. 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 \$620.0 million.

The aforementioned credit facilities total approximately \$1.8 billion, of which \$86.0 million was outstanding at January 31, 2002. These credit facilities contain covenants that must be complied with on a continuous basis, including the maintenance of certain financial ratios, restrictions on payment of dividends and restrictions on the amount of common stock that may be repurchased annually. The Company was in compliance with all such covenants as of January 31, 2002. For a more detailed discussion of the Company's credit facilities, see Note 5 of Notes to Consolidated Financial Statements.

In December 2001, the Company issued \$290.0 million of convertible subordinated debentures due 2021. The debentures bear interest at 2% per year and are convertible into the Company's common stock at any time, if the market price of the common stock exceeds a specified percentage, beginning at 120% and declining $\frac{1}{2}\%$ each year until it reaches 110% at maturity, of the conversion price per share of common stock, or in other specified instances. Holders may convert debentures into 16.7997 shares per \$1,000 principal amount of debentures, equivalent to a conversion price of approximately \$59.53 per share. The debentures are convertible into 4,871,913 shares of the Company's common stock. Holders have the option to require the Company to repurchase the debentures on any of the fourth, eighth, twelfth or sixteenth anniversary dates from the issue date at 100% of the principal amount plus accrued interest to the repurchase date. The Company has the option to satisfy any debentures submitted for repurchase in either cash and/or the Company's common stock, provided that shares of common stock at the first purchase date will be valued at 95% of fair market value (as defined in the indenture) and at 97.5% of fair market value for all subsequent purchase dates. The debentures are redeemable in whole or in part for cash, at the option of the Company at any time on or after December 20, 2005. The Company will pay contingent interest on the debentures during specified six-month periods beginning on December 15, 2005, if the market price of the debentures exceeds specified levels. In addition, the dilutive impact of the \$290.0 million of convertible subordinated debentures, due 2021, is excluded from the diluted earnings per share calculations due to the contingent conversion feature.

In August 2000, the Company filed a universal shelf registration statement with the Securities and Exchange Commission for \$500.0 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, 2002, the Company had not issued any debt or equity securities under this registration statement, 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 2003.

Principal maturities of long-term debt and amounts due under future minimum lease payments are as follows:

	<u>Operating Leases</u>	<u>Capital Leases</u>	<u>Long-Term Debt</u>	<u>Total</u>
	(In thousands)			
Fiscal year:				
2003	\$ 37,730	\$ 1,779	\$ 191	\$ 39,700
2004	30,333	1,779	300,210	332,322
2005	23,135	1,779	7,792	32,706
2006	18,006	1,779	—	19,785
2007	13,500	1,779	—	15,279
Thereafter	133,413	12,166	290,000	435,579
Total payments	<u>256,117</u>	<u>21,061</u>	<u>598,193</u>	<u>875,371</u>
Less amounts representing interest	—	(5,827)	—	(5,827)
Total principal payments	<u>\$256,117</u>	<u>\$15,234</u>	<u>\$598,193</u>	<u>\$869,544</u>

The Company leases certain of its logistics centers and office facilities under a five-year synthetic lease facility provided by a group of financial institutions which expires in May 2005. The sum of future minimum lease payments under this lease facility at January 31, 2002 was approximately \$9.4 million, which is included in the schedule above. In accordance with the terms of the synthetic lease facility and the Internal Revenue Code, Tech Data claims tax deductions for interest and depreciation on the leased assets. The maximum funding of the Company's leasing activities available under the synthetic lease facility is \$135.0 million (of which the Company had utilized \$115.0 million at January 31, 2002). The synthetic lease facility has an initial term of five years, with rent obligations commencing on the date construction of a discrete project is complete. At any time during the term of the lease, the Company may, at its option, purchase the property at approximately the amount expended by the lessor to purchase the land and construct the building ("purchase value"). If the Company elects not to purchase the property at the end of the lease, Tech Data has guaranteed a percentage of the purchase value. This guaranty approximated \$100.1 million at January 31, 2002. See Note 10 of Notes to Consolidated Financial Statements for additional disclosure.

The Company has also entered into other agreements to lease certain office space, logistics centers and equipment for varying periods. Management expects that in the normal course of business, these leases will be renewed or replaced by other leases.

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 inventory value.

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 that 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 floor plan basis.

Euro Conversion

The Company conducts business in multiple currencies, including the currencies of various European countries in the European Union which began participating in the single European currency by adopting the euro as their common currency as of January 1, 1999. During the transition period that ended December 31, 2001, the existing currencies of the member countries remained legal tender and customers and vendors of the Company continued to use these currencies when conducting business. Currency rates during this period, however, were not computed from one legacy currency to another but instead were first converted into the euro. On January 1, 2002, euro denominated bills and coins were issued and began circulating. Most participating countries planned to withdraw legacy currencies from circulation by February 28, 2002. No material costs were incurred nor were there any material adverse effects on the Company's financial position or results of operations as a result of the conversion to the euro.

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 Latin 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. 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 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, 2002 and January 31, 2001, approximately 88% and 19%, 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 the interest rate risks of the underlying debt obligations.

Prior to January 31, 2002 the Company presented market risk exposures using value at risk (VaR). In an effort to provide more information regarding derivative financial instruments and market risk, the Company has decided to disclose this information in the tabular form.

The following table provides information about the Company's foreign currency derivative financial instruments outstanding as of January 31, 2002 and 2001. The information is provided in United States dollar equivalents. For the foreign currency contracts, the table presents the notional amount (at contractual exchange rates) and the weighted-average contractual foreign currency exchange rates. These contracts are generally for durations of 90 days or less.

FOREIGN CURRENCY CONTRACTS
NOTIONAL AMOUNTS BY EXPECTED MATURITY
AVERAGE FORWARD FOREIGN CURRENCY EXCHANGE RATE
(Dollar amounts in millions, except weighted average contract rates)

	January 31, 2002			January 31, 2001		
	Notional Amount	Weighted Average Contract Rate	Estimated Fair Value	Notional Amount	Weighted Average Contract Rate	Estimated Fair Value
United States Dollar Functional Currency						
Forward Contracts—Purchase United States Dollar						
Euro	\$ 4.45	0.890	\$ 0.16	\$70.50	0.886	\$(3.56)
Swiss Franc	27.12	1.659	0.91	27.41	1.751	(1.89)
Swedish Krona	9.53	10.494	0.16	5.29	9.438	0.04
Danish Krone	4.71	8.484	0.09	25.00	8.000	0.06
Norwegian Krone	—	—	—	5.70	8.772	0.04
Forward Contracts—Sell United States Dollar						
Canadian Dollar	\$36.86	1.587	\$(0.06)	\$ 4.95	1.515	\$ 0.05
Euro	24.63	0.869	(0.24)	72.86	0.933	(0.20)
Danish Krone	—	—	—	9.85	8.126	0.13
Miscellaneous other currencies	9.09	—	(0.17)	2.25	—	0.02
Euro Functional Currency						
Forward Contracts—Purchase United States Dollar						
Euro	\$32.95	0.890	\$ 1.19	\$ 2.13	0.937	\$ 0.01
German Mark	—	—	—	26.12	2.211	(1.23)
Spanish Peseta	—	—	—	3.06	182.243	(0.06)
Forward Contracts—Purchase Euro						
Miscellaneous other currencies	\$ 0.97	—	—	\$ 2.43	—	\$ 0.01
Purchased Call Options—Purchase United States Dollar						
German Mark	\$ —	—	—	\$10.00	2.055	\$ 0.31
Miscellaneous other currencies	—	—	—	5.00	—	0.08
Sold Put Options—Sell United States Dollar						
German Mark	\$ —	—	—	\$10.00	1.970	\$(0.05)
Miscellaneous other currencies	—	—	—	5.00	—	(0.08)
Other Miscellaneous Functional Currencies						
Forward Contracts—Purchase United States Dollar						
British Pound	\$24.04	1.428	\$ 0.33	\$57.29	1.456	\$(0.14)
Canadian Dollar	18.59	1.593	(0.04)	35.20	1.508	(0.20)
Chilean Peso	6.54	684.200	(0.20)	8.26	579.136	(0.06)
Miscellaneous other currencies	5.78	—	(0.03)	3.92	—	0.06
Forward Contracts—Purchase Euro						
British Pound	\$26.80	1.615	\$(0.44)	\$23.90	1.586	\$ 0.26
Swiss Franc	—	—	—	8.37	1.510	0.06
Miscellaneous other currencies	6.73	—	(0.03)	4.91	—	—
Purchased Call Options—Purchase United States Dollar						
Miscellaneous other currencies	\$ 3.00	—	\$ 0.04	\$ 3.00	—	\$ 0.01
Sold Put Options—Sell United States Dollar						
Miscellaneous other currencies	\$ 3.00	—	—	\$ 3.00	—	\$(0.20)
Purchased Call Options—Purchase Euro						
Miscellaneous other currencies	—	—	—	\$ 3.00	—	\$ 0.01
Sold Put Options—Sell Euro						
Miscellaneous other currencies	—	—	—	\$ 3.00	—	\$(0.04)

The following table provides information about the Company's derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents principal cash flows and related weighted-average interest rates by expected maturity dates. Fair value for these instruments was determined based on third party valuations. All amounts are stated in United States dollar equivalents.

DEBT AND INTEREST RATE CONTRACTS AS OF JANUARY 31, 2002
PRINCIPAL NOTIONAL AMOUNT BY EXPECTED MATURITY
(Dollar amounts in millions)

	Year ending January 31,					Total	Fair Value January 31, 2002
	2003	2004	2005	2006	Thereafter		
United States Dollar Functional Currency							
Liabilities							
US dollar denominated long-term debt (including current portion)							
Fixed rate debt	\$ 0.19	\$300.21	\$7.79	—	\$290.00	\$598.19	\$615.30
Average interest rate	3.62%	3.62%	2.23%	2.00%	2.00%		
Euro Functional Currency							
Liabilities							
Euro denominated debt—Revolving Credit							
Variable rate debt	\$32.98	—	—	—	—	\$ 32.98	\$ 32.98
Average interest rate	4.13%	—	—	—	—		
Euro denominated long-term debt (including current portion)							
Fixed rate debt	\$ 0.90	\$ 0.90	\$0.90	\$0.90	\$ 11.63	\$ 15.23	\$ 15.23
Average interest rate	5.92%	5.92%	5.92%	5.92%	5.92%		
Purchased Interest Rate Caps							
Euro							
Notional Amount	\$ 8.59	\$ 25.78	—	—	—	\$ 34.37	\$ —
Average strike rate	5.50%	6.00%	—	—	—		
Forward rate	3.40%	3.40%	—	—	—		
Sold Interest Rate Floors							
Euro							
Notional Amount	\$ 8.59	\$ 17.19	—	—	—	\$ 25.78	\$ (0.09)
Average strike rate	4.00%	4.30%	—	—	—		
Forward rate	3.40%	3.40%	—	—	—		
Other Miscellaneous Functional Currencies							
Liabilities							
Other Miscellaneous Currencies denominated debt—Revolving Credit							
Variable rate debt	\$53.07	—	—	—	—	\$ 53.07	\$ 53.07
Average interest rate	5.59%	—	—	—	—		
Purchased Interest Rate Caps							
Swiss Franc							
Notional Amount	\$11.65	\$ 5.83	—	—	—	\$ 17.48	\$ —
Average strike rate	4.50%	4.50%	—	—	—		
Forward rate	1.80%	3.00%	—	—	—		
Sold Interest Rate Floors							
Swiss Franc							
Notional Amount	\$11.65	\$ 5.83	—	—	—	\$ 17.48	\$ (0.20)
Average strike rate	3.30%	3.40%	—	—	—		
Forward rate	1.80%	3.00%	—	—	—		

DEBT AND INTEREST RATE CONTRACTS AS OF JANUARY 31, 2001
PRINCIPAL NOTIONAL AMOUNT BY EXPECTED MATURITY—(Continued)
(Dollar amounts in millions)

	Year ending January 31,					Total	Fair Value January 31, 2002
	2002	2003	2004	2005	Thereafter		
United States Dollar Functional Currency							
Liabilities							
US dollar denominated debt—Revolving Credit							
Fixed rate debt	\$611.25	—	—	—	—	\$611.25	\$611.25
Average interest rate	7.40%	—	—	—	—		
Euro denominated debt—Revolving Credit							
Variable rate debt	\$292.10	—	—	—	—	\$292.10	\$292.10
Average interest rate	5.82%	—	—	—	—		
US dollar denominated long-term debt (including current portion)							
Fixed rate debt	\$ 0.17	\$ 0.19	\$300.21	\$ 7.79	\$ —	\$308.36	\$278.36
Average interest rate	5.14%	5.14%	5.14%	10.25%	—		
Euro Functional Currency							
Liabilities							
Euro denominated debt—Revolving Credit							
Variable rate debt	\$282.51	—	—	—	—	\$282.51	\$282.51
Average interest rate	5.71%	—	—	—	—		
Euro denominated long-term debt (including current portion)							
Fixed rate debt	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.37	\$11.46	\$ 12.94	\$ 12.94
Average interest rate	6.11%	6.11%	6.11%	6.11%	6.11%		
Purchased Interest Rate Caps							
Euro							
Notional Amount	\$ 9.30	\$18.60	\$ 27.91	—	—	\$ 55.81	\$ 0.02
Average strike rate	4.50%	5.75%	6.00%	—	—		
Forward rate	4.61%	4.61%	4.61%	—	—		
Sold Interest Rate Floors							
Euro							
Notional Amount	\$ —	\$ 9.30	\$ 27.91	—	—	\$ 37.21	\$ (0.09)
Average strike rate	—	4.50%	4.17%	—	—		
Forward rate	—	4.61%	4.61%	—	—		
Other Miscellaneous Functional Currencies							
Liabilities							
Other Miscellaneous Currencies denominated debt—Revolving Credit							
Variable rate debt	\$ 63.72	—	—	—	—	\$ 63.72	\$ 63.72
Average interest rate	8.70%	—	—	—	—		
Purchased Interest Rate Caps							
Swiss Franc							
Notional Amount	—	\$12.20	\$ 6.09	—	—	\$ 18.29	\$ 0.01
Average strike rate	—	4.50%	4.50%	—	—		
Forward rate	—	3.35%	3.35%	—	—		
United States Dollar							
Notional Amount	—	\$10.00	—	—	—	\$ 10.00	\$ —
Average strike rate	—	7.25%	—	—	—		
Forward rate	—	5.26%	—	—	—		
Sold Interest Rate Floors							
Swiss Franc							
Notional Amount	—	\$12.20	\$ 6.09	—	—	\$ 18.29	\$ (0.10)
Average strike rate	—	3.30%	3.40%	—	—		
Forward rate	—	3.35%	3.35%	—	—		
United States Dollar							
Notional Amount	—	—	\$ 10.00	—	—	\$ 10.00	\$ (0.14)
Average strike rate	—	—	5.90%	—	—		
Forward rate	—	—	5.26%	—	—		

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 99-A 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 Exhibit 99-A.

ITEM 8. *Financial Statements and Supplementary Data*

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Tech Data Corporation and subsidiaries as of January 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended. Our audits 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 audits.

We conducted our audits 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 audits provide 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, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years 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 13, 2002

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the results of operations and cash flows for the year 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 the year 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 audit. We conducted our audit 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 audit provides a reasonable basis for our opinion.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP

Tampa, Florida
March 28, 2000

REPORT OF MANAGEMENT

To Our Shareholders:

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

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

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

/s/ STEVEN A. RAYMUND

Steven A. Raymund

Chairman of the Board of Directors and
Chief Executive Officer

/s/ JEFFERY P. HOWELLS

Jeffery P. Howells

Executive Vice President and
Chief Financial Officer

March 13, 2002

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

	January 31,	
	2002	2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 257,927	\$ 138,925
Accounts receivable, less allowance of \$60,155 and \$64,465	1,702,957	2,142,792
Inventories	910,823	1,669,574
Prepaid and other assets	99,823	114,977
Total current assets	2,971,530	4,066,268
Property and equipment, net	136,044	153,196
Excess of cost over fair value of acquired net assets, net	269,103	299,692
Other assets, net	81,653	96,389
	\$3,458,330	\$4,615,545
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Revolving credit loans	\$ 86,046	\$1,249,576
Accounts payable	1,193,033	1,519,167
Accrued expenses	306,531	330,242
Total current liabilities	1,585,610	3,098,985
Long-term debt	612,335	320,757
Total liabilities	2,197,945	3,419,742
Minority interest	452	489
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred stock, par value \$.02; 226,500 shares authorized; none and 226,500 issued and outstanding; liquidation preference \$.20 per share (Note 9)	—	5
Common stock, par value \$.0015; 200,000,000 shares authorized; 55,454,433 and 53,796,432 issued and outstanding	83	81
Additional paid-in capital	618,680	575,223
Retained earnings	845,008	734,231
Accumulated other comprehensive loss	(203,838)	(114,226)
Total shareholders' equity	1,259,933	1,195,314
	\$3,458,330	\$4,615,545

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,		
	2002	2001	2000
Net sales	\$17,197,511	\$20,427,679	\$16,991,750
Cost of products sold	16,269,481	19,331,616	16,058,086
Gross profit	928,030	1,096,063	933,664
Selling, general and administrative expenses	677,914	733,307	661,792
Special charges (Note 13)	27,000	—	—
Operating income	223,116	362,756	271,872
Interest expense, net	55,419	92,285	65,965
Net foreign currency exchange (gain) loss	(143)	(3,884)	5,153
Income before income taxes	167,840	274,355	200,754
Provision for income taxes	57,063	96,033	72,837
Income before minority interest	110,777	178,322	127,917
Minority interest	—	339	416
Net income	<u>\$ 110,777</u>	<u>\$ 177,983</u>	<u>\$ 127,501</u>
Net income per common share:			
Basic	<u>\$ 2.04</u>	<u>\$ 3.34</u>	<u>\$ 2.47</u>
Diluted	<u>\$ 1.98</u>	<u>\$ 3.14</u>	<u>\$ 2.34</u>
Weighted average common shares outstanding:			
Basic	<u>54,407</u>	<u>53,234</u>	<u>51,693</u>
Diluted	<u>60,963</u>	<u>59,772</u>	<u>58,508</u>

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, 1999	227	\$ 5	51,098	\$77	\$505,385	\$428,720	\$ 33,104	\$ 967,291
Issuance of common stock for benefit plans and stock options exercised including 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 (loss)						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 benefit plans and stock options exercised including related tax benefit of \$9,449			1,564	3	44,985			44,988
Comprehensive income (loss)						177,983	(41,352)	136,631
Balance—January 31, 2001	227	5	53,796	81	575,223	734,231	(114,226)	1,195,314
Issuance of common stock for benefit plans and stock options exercised including related tax benefit of \$7,022			1,465	2	43,452			43,454
Exchange of preferred to common shares (Note 9)	(227)	(5)	193		5			—
Comprehensive income (loss)						110,777	(89,612)	21,165
Balance—January 31, 2002	—	\$—	55,454	\$83	\$618,680	\$845,008	\$(203,838)	\$1,259,933

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,		
	2002	2001	2000
Cash flows from operating activities:			
Cash received from customers	\$ 17,511,511	\$ 20,114,486	\$ 16,788,960
Cash paid to suppliers and employees	(16,406,265)	(20,047,551)	(16,684,316)
Interest paid	(55,871)	(94,823)	(69,554)
Income taxes paid	(72,745)	(62,048)	(34,176)
Net cash provided by (used in) operating activities	<u>976,630</u>	<u>(89,936)</u>	<u>914</u>
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	(183)	(19,198)	(42,898)
Expenditures for property and equipment	(28,466)	(38,079)	(59,038)
Software development costs	(20,719)	(22,705)	(18,381)
Net cash used in investing activities	<u>(49,368)</u>	<u>(79,982)</u>	<u>(120,317)</u>
Cash flows from financing activities:			
Proceeds from the issuance of common stock, net of related tax benefit	36,432	35,539	19,663
Net (repayments) borrowings on revolving credit loans	(1,118,167)	248,712	99,447
Proceeds from issuance of long-term debt, net of expense	284,200	—	—
Principal payments on long-term debt	(634)	(557)	(162)
Net cash (used in) provided by financing activities	<u>(798,169)</u>	<u>283,694</u>	<u>118,948</u>
Effect of change in year end of certain subsidiaries (Note 3)	—	—	23,626
Effect of exchange rate changes on cash	(10,091)	(6,637)	—
Net increase in cash and cash equivalents	119,002	107,139	23,171
Cash and cash equivalents at beginning of year	138,925	31,786	8,615
Cash and cash equivalents at end of year	<u>\$ 257,927</u>	<u>\$ 138,925</u>	<u>\$ 31,786</u>
Reconciliation of net income to net cash provided by (used in) operating activities:			
Net income	<u>\$ 110,777</u>	<u>\$ 177,983</u>	<u>\$ 127,501</u>
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	63,488	63,922	57,842
Provision for losses on accounts receivable	40,764	41,447	40,877
Special charges (Note 13)	27,000	—	—
Deferred income taxes	(11,848)	(1,789)	1,306
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	314,000	(313,197)	(202,790)
Decrease (increase) in inventories	702,219	(146,093)	(220,585)
(Increase) in prepaid and other assets	(6,248)	(11,603)	(25,430)
(Decrease) increase in accounts payable	(264,722)	11,863	136,748
Increase in accrued expenses	1,200	87,531	85,445
Total adjustments	<u>865,853</u>	<u>(267,919)</u>	<u>(126,587)</u>
Net cash provided by (used in) operating activities	<u>\$ 976,630</u>	<u>\$ (89,936)</u>	<u>\$ 914</u>

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

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Tech Data is a leading provider of IT products, logistics management and other value-added services, and based on sales is the world's second largest distributor. 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 80 countries and serve over 100,000 resellers in the United States, Canada, the Caribbean, Latin America, Europe and the Middle East.

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:

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

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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") has been amortized on a straight-line basis over 15 to 40 years. Amortization expense was \$8,640,000, \$8,690,000, and \$8,836,000 in 2002, 2001 and 2000, respectively. The accumulated amortization of goodwill is \$30,308,000 and \$23,187,000 at January 31, 2002 and 2001, respectively. With the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", effective as of February 1, 2002, goodwill will no longer be amortized and will be reviewed annually for possible impairment.

Intangibles

Included within other assets at January 31, 2002 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 resulting in amortization expense of \$11,605,000, \$10,096,000, and \$9,297,000 in 2002, 2001, and 2000, respectively. The accumulated amortization of such costs was \$57,750,000 and \$48,442,000 at January 31, 2002 and 2001, respectively. The remaining unamortized balance of such costs was \$39,781,000 and \$57,019,000 at January 31, 2002 and 2001, 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 services with regard to products integrated for its customers. 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.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Concentration of Credit Risk

The Company sells its products to a large base of value-added resellers, direct marketers, retailers, corporate resellers, 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.

No single customer accounted for more than 5% of the Company's net sales during fiscal 2002, 2001, or 2000. Also, with the exception of HP and Compaq, no single vendor accounted for more than 10% of Tech Data's net sales during fiscal 2002, 2001, or 2000. Sales of HP products accounted for 20%, 19%, and 19% of net sales in fiscal 2002, 2001, and 2000, respectively, and sales of Compaq products accounted for 18%, 20%, and 16% of net sales in fiscal 2002, 2001, and 2000, respectively.

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 logistics 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.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company's derivative financial instruments outstanding at January 31, 2002 and 2001 are as follows:

	January 31, 2002		January 31, 2001	
	Notional Amounts	Estimated Fair Value	Notional Amounts	Estimated Fair Value
	(In thousands)		(In thousands)	
Foreign exchange forward contracts	\$238,790	\$1,630	\$399,400	\$(6,600)
Purchased currency options	3,000	40	21,000	40
Interest rate swaps	51,850	(290)	84,100	(300)

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 \$607,108,000 and \$270,000,000 at January 31, 2002 and 2001, respectively, based upon available market information.

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. The Company's balance of other comprehensive income is comprised exclusively of changes in the Company's CTA account. For the years ended January 31, 2002, 2001 and 2000, the Company recorded deferred income taxes in the CTA account of \$23,018,000, \$20,101,000, and \$12,942,000, 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 the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards No. 123 ("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.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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, 2002			Year ended January 31, 2001			Year ended January 31, 2000		
	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	\$110,777	54,407	<u>\$2.04</u>	\$177,983	53,234	<u>\$3.34</u>	\$127,501	51,693	<u>\$2.47</u>
Effect of dilutive securities:									
Stock options		1,223			1,205			1,482	
5% convertible subordinated notes	9,900	5,333		9,750	5,333		9,450	5,333	
Net income per common share—Diluted	<u>\$120,677</u>	<u>60,963</u>	<u>\$1.98</u>	<u>\$187,733</u>	<u>59,772</u>	<u>\$3.14</u>	<u>\$136,951</u>	<u>58,508</u>	<u>\$2.34</u>

At January 31, 2002, 2001 and 2000, there were 83,045, 1,502,990, and 2,580,000 shares, respectively, excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

In addition, the dilutive impact of the \$290.0 million of convertible subordinated debentures, due 2021, is excluded from the diluted earnings per share calculations due to the contingent conversion feature which requires the market price of the common stock to exceed a specified percentage, beginning at 120% and declining ½% each year until it reaches 110% at maturity, of the conversion price per share of common stock. Holders may convert debentures into 16.7997 shares per \$1,000 principal amount of debentures, equivalent to a conversion price of approximately \$59.53 per share.

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 \$95,300,000, and \$101,400,000 at January 31, 2002 and 2001, 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 year ended January 31, 2000, the effect of changes in foreign exchange rates on cash balances was not material.

Non-Cash Transactions

The Company entered into capital leases for a logistics center in Germany which totaled \$3,848,000, \$5,418,000 and \$8,476,000 at January 31, 2002, 2001 and 2000, respectively.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 141, “Business Combinations” (“SFAS 141”). SFAS 141 revises the standards of accounting for business combinations by eliminating the use of the pooling-of-interests method and requiring that all business combinations be accounted for using the purchase method of accounting. SFAS 141 also changes the criteria to recognize intangible assets apart from goodwill. The provisions of SFAS 141 are effective for all business combinations initiated after June 30, 2001. Impact of adoption of this statement on the Company’s financial position and results of operations was not material.

In June 2001, the FASB issued SFAS No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”). SFAS 142 revises the standards of accounting for goodwill and indefinite-lived intangible assets by replacing the regular amortization of these assets with the requirement that they are reviewed annually for possible impairment, or more frequently if impairment indicators arise. Separable intangible assets that have finite lives will continue to be amortized over their estimated useful lives. The accounting standards of SFAS 142 are effective for fiscal years beginning after December 15, 2001. Application of the non-amortization provisions of the statement is expected to result in an increase in net income after tax of approximately \$8.6 million (\$.14 per diluted share) per year. During the first quarter for the fiscal year ending January 31, 2003, the Company finalized the required transitional impairment tests of goodwill and indefinite-lived intangible assets under the requirements of SFAS 142. Based on the results of the transitional impairment tests, Tech Data will not need to record any impairment for the adoption of this statement.

In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”), which is effective for fiscal periods beginning after December 15, 2001 and interim periods within those fiscal years. This statement supersedes SFAS 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of”, and the accounting and reporting provisions of Accounting Principles Board (“APB”) Opinion No. 30, “Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions”, for the disposal of a segment of a business. Under the provisions of APB 30, a segment of a business to be disposed of was measured at the lower of its carrying amount or net realizable value, adjusted for expected future operating losses, whereas SFAS 121 used fair value less cost to sell and excluded future operating losses from the measurement. SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company is currently evaluating the potential impact, if any, the adoption of SFAS 144 will have on the Company’s financial position and results of operations.

Reclassifications

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

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 2. ACQUISITION AND DISPOSITION OF SUBSIDIARIES

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 (\$280,479,000 at the January 31, 2002 exchange rate) will no longer be amortized effective February 1, 2002 with the adoption of SFAS 142.

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 \$12,921,000 (\$11,773,000 at the January 31, 2002 exchange rate) in excess purchase price over the net fair market value of tangible assets acquired as of January 31, 2000, which will no longer be amortized effective February 1, 2002 with the adoption of SFAS 142. 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.

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. Tech Data’s consolidated financial statements for the year ended January 31, 2000 include the operating results of

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

these subsidiaries for the twelve 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. This change did 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:

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

NOTE 4. PROPERTY AND EQUIPMENT

	<u>January 31,</u>	
	<u>2002</u>	<u>2001</u>
	(In thousands)	
Land	\$ 8,134	\$ 7,771
Buildings and improvements	71,378	71,655
Furniture, fixtures and equipment	246,484	227,216
Construction in progress	1,302	13,212
	<u>327,298</u>	<u>319,854</u>
Less accumulated depreciation	<u>(191,254)</u>	<u>(166,658)</u>
	<u>\$ 136,044</u>	<u>\$ 153,196</u>

Property and equipment includes approximately \$14,800,000 and \$13,000,000 of assets under capital leases at January 31, 2002 and 2001, respectively. See Note 6—Long-Term Debt.

NOTE 5. REVOLVING CREDIT LOANS

	<u>January 31,</u>	
	<u>2002</u>	<u>2001</u>
	(In thousands)	
Receivables Securitization Program, expiring May 16, 2002	\$ —	\$ 575,000
Multi-currency Revolving Credit Facility, expiring May 7, 2003	—	328,351
Other revolving credit facilities, average interest rate of 4.96%, expiring on various dates throughout 2002	<u>86,046</u>	<u>346,225</u>
	<u>\$86,046</u>	<u>\$1,249,576</u>

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 \$700,000,000. Under this program, the Company legally isolated certain U.S. trade receivables into a wholly-owned

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

bankruptcy remote special purpose entity (balances included in accounts receivable were \$664,000,000 and \$860,000,000 at January 31, 2002 and 2001, respectively). 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 designated commercial paper rates plus an agreed-upon margin. The Company intends to reduce the Receivables Securitization Program to \$500,000,000 and renew it for another year prior to its expiration in May 2002.

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 \$520,000,000. Under this facility, the Company has provided either a pledge of stock or a guarantee of certain of its significant subsidiaries. The Company pays interest on advances under this facility at the applicable eurocurrency rate plus a margin based on the Company's credit ratings. 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 \$620,000,000 at January 31, 2002 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, restrictions on payment of dividends and restrictions on the amount of common stock that may be repurchased annually. At January 31, 2002, the Company was in compliance with all such covenants.

NOTE 6. LONG-TERM DEBT

	January 31,	
	2002	2001
	(In thousands)	
Mortgage note payable, interest at 10.25%, principal and interest of \$85,130 payable monthly, balloon payment due 2005	\$ 8,193	\$ 8,365
Convertible subordinated debentures, interest at 5.00% payable semi-annually, due July 2003	300,000	300,000
Convertible subordinated debentures, interest at 2.00% payable semi-annually, due December 2021	290,000	—
Capital leases	15,234	12,937
	613,427	321,302
Less—current maturities (included in accrued expenses)	(1,092)	(545)
	\$612,335	\$320,757

On July 1, 1998, the Company issued \$300,000,000 of convertible subordinated debentures due July 1, 2003. The debentures bear interest at 5% per year and are convertible any time prior to maturity into shares of common stock at a conversion rate of 17.777 shares per \$1,000 principal amount of debentures, equivalent to a conversion price of approximately \$56.25 per share. The debentures are convertible into 5,333,100 shares of the Company's common stock. The debentures are redeemable in whole or in part for cash, in certain circumstances, at the option of the Company at any time on or after July 1, 2001.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In December 2001, the Company issued \$290.0 million of convertible subordinated debentures due 2021. The debentures bear interest at 2% per year and are convertible into the Company's common stock at any time, if the market price of the common stock exceeds a specified percentage, beginning at 120% and declining ½% each year until it reaches 110% at maturity, of the conversion price per share of common stock, or in other specified instances. Holders may convert debentures into 16.7997 shares per \$1,000 principal amount of debentures, equivalent to a conversion price of approximately \$59.53 per share. The debentures are convertible into 4,871,913 shares of the Company's common stock. Holders have the option to require the Company to repurchase the debentures on any of the fourth, eighth, twelfth or sixteenth anniversary dates from the issue date at 100% of the principal amount plus accrued interest to the repurchase date. The Company has the option to satisfy any debentures submitted for repurchase in either cash and/or the Company's common stock, provided that shares of common stock at the first purchase date will be valued at 95% of fair market value (as defined in the indenture) and at 97.5% of fair market value for all subsequent purchase dates. The debentures are redeemable in whole or in part for cash, at the option of the Company at any time on or after December 20, 2005. The Company will pay contingent interest on the debentures during specified six-month periods beginning on December 15, 2005, if the market price of the debentures exceeds specified levels. In addition, the dilutive impact of the \$290.0 million of convertible subordinated debentures, due 2021, is excluded from the diluted earnings per share calculations due to the contingent conversion feature.

The aforementioned debentures are subordinated in right of payment to all senior indebtedness of the Company and are effectively subordinated to all indebtedness and other liabilities of the Company's subsidiaries.

Principal maturities of long-term debt at January 31, 2002 for succeeding fiscal years are as follows:

	Capital Lease Payments	Long-Term Debt	Total
	(In thousands)		
Fiscal year:			
2003	\$ 1,779	\$ 191	\$ 1,970
2004	1,779	300,210	301,989
2005	1,779	7,792	9,571
2006	1,779	—	1,779
2007	1,779	—	1,779
Thereafter	12,166	290,000	302,166
Total payments	21,061	598,193	619,254
Less amounts representing interest	(5,827)	—	(5,827)
Total principal payments	\$15,234	\$598,193	\$613,427

In August 2000, the Company filed a universal shelf registration statement with the Securities and Exchange Commission for \$500,000,000 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, 2002, the Company had not issued any debt or equity securities under this registration statement, nor can any assurances be given that the Company will issue any debt or equity securities under this registration statement in the future.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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:

	<u>January 31,</u>	
	<u>2002</u>	<u>2001</u>
	(In thousands)	
Deferred tax liabilities:		
Accelerated depreciation and amortization	\$ 11,154	\$ 13,678
Capitalized advertising program costs	618	462
Other, net	—	359
Total deferred tax liabilities	<u>11,772</u>	<u>14,499</u>
Deferred tax assets:		
Accruals not currently deductible	12,643	8,042
Reserves not currently deductible	26,705	21,877
Loss carryforwards	52,208	55,744
Currency translation	—	3,664
Other, net	87	—
	<u>91,643</u>	<u>89,327</u>
Less: valuation allowance	(17,614)	(18,243)
Total deferred tax assets	<u>74,029</u>	<u>71,084</u>
Net deferred tax asset	<u>\$ 62,257</u>	<u>\$ 56,585</u>

The net change in the valuation allowance for deferred tax assets was a decrease of \$629,000 at January 31, 2002 and an increase of \$1,019,000, and \$1,187,000 at January 31, 2001 and 2000, respectively.

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

	<u>Year ended January 31,</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
	(In thousands)		
Current:			
Federal	\$ 45,734	\$68,498	\$42,693
State	3,710	3,348	2,933
Foreign	19,467	25,976	25,905
Total current	<u>68,911</u>	<u>97,822</u>	<u>71,531</u>
Deferred:			
Federal	(7,199)	(5,825)	(805)
State	(941)	(793)	127
Foreign	(3,708)	4,829	1,984
Total deferred	<u>(11,848)</u>	<u>(1,789)</u>	<u>1,306</u>
	<u>\$ 57,063</u>	<u>\$96,033</u>	<u>\$72,837</u>

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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:

	<u>Year ended January 31,</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Tax at U.S. statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	1.1	.6	1.0
Taxes on foreign earnings over (under) U.S. tax rate	(2.6)	(1.8)	.3
Other—net	<u>.5</u>	<u>1.2</u>	<u>—</u>
	<u>34.0%</u>	<u>35.0%</u>	<u>36.3%</u>

The components of pretax earnings are as follows:

	<u>Year ended January 31,</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
	(In thousands)		
United States	\$ 99,210	\$164,854	\$113,229
Foreign	<u>68,630</u>	<u>109,501</u>	<u>87,525</u>
	<u>\$167,840</u>	<u>\$274,355</u>	<u>\$200,754</u>

The Company's foreign subsidiaries had deferred tax assets relating to net operating loss carryforwards of \$149,000,000. The majority of the net operating losses have an indefinite carryforward period with the remaining portion expiring in years 2003 through 2012. A valuation allowance of \$17,614,000 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 \$288,000,000 at January 31, 2002. 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, 2002, 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 of the Board of Directors. 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.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

	January 31, 2002		January 31, 2001		January 31, 2000	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	6,303,752	\$27.20	6,042,560	\$24.12	4,364,075	\$26.88
Granted	2,046,630	28.66	2,646,310	31.84	3,050,700	17.87
Exercised	(1,401,598)	24.36	(1,453,927)	21.55	(948,180)	16.21
Canceled	(429,088)	30.15	(931,191)	28.40	(424,035)	26.69
Outstanding at year end	6,519,696	\$28.08	6,303,752	\$27.20	6,042,560	\$24.12
Options exercisable at year end	1,845,192		1,487,113		1,993,750	
Available for grant at year end	2,853,030		3,165,310		869,635	
			Options Outstanding		Options Exercisable	
Range of Exercise Prices	Number Outstanding at 1/31/02	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable at 1/31/02	Weighted-Average Exercise Price	
\$10.63 - \$16.50	1,125,663	5.61	\$14.88	631,995	\$13.62	
17.13 - 24.13	760,967	4.71	21.91	394,162	21.75	
24.97 - 28.31	1,908,260	9.14	28.24	25,293	26.56	
28.50 - 38.31	1,641,239	8.17	31.18	327,516	31.46	
38.75 - 51.38	1,083,567	6.54	41.13	466,226	41.07	
	6,519,696	7.34	\$28.08	1,845,192	\$25.64	

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 316,512 shares as of January 31, 2002. All shares purchased under this plan must be retained for a period of one year.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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 SFAS 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,		
	2002	2001	2000
Net income	\$89,979	\$163,365	\$113,603
Net income per common share:			
Basic	\$ 1.65	\$ 3.07	\$ 2.20
Diluted	\$ 1.64	\$ 2.90	\$ 2.10

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 2002, 2001 and 2000 was \$16.63, \$18.24, and \$9.20, respectively. The following assumptions were used for the years ended January 31, 2002, 2001 and 2000, respectively:

Year Ended January 31,	Grant Date	Expected Option Term (years)	Expected Volatility	Risk-Free Interest Rate	Expected Dividend Yield
2002	4/2/2001	5	67%	4.37%	0%
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%

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"). At the Company's discretion, 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, 2002 and 2001, the number of shares of Tech Data common stock held by the Company's 401(k) Savings Plan amounted to 652,000 shares and 796,000 shares, respectively.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Aggregate contributions made by the Company to the 401(k) Savings Plan and the ESOP were \$2,140,000, \$2,686,000, and \$2,740,000 for 2002, 2001 and 2000, 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.

During the fiscal year ended January 31, 2002, the Company completed a transaction 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 logistics centers, office facilities and certain equipment under noncancelable operating leases that expire at various dates through 2015. Rental expense for all operating leases amounted to \$48,056,000, \$46,786,000, and \$39,394,000 in 2002, 2001 and 2000, respectively. Future minimum lease payments under all such leases for succeeding fiscal years are as follows (in thousands):

Fiscal year:	
2003	\$ 37,730
2004	30,333
2005	23,135
2006	18,006
2007	13,500
Thereafter	<u>133,413</u>
Total payments	<u>\$256,117</u>

The Company leases certain of its logistics centers and office facilities under a five-year synthetic lease facility provided by a group of financial institutions which expires in May 2005. The sum of future minimum lease payments under this lease facility at January 31, 2002 was approximately \$9.4 million, which is included in the schedule above. In accordance with the terms of the synthetic lease facility and the Internal Revenue Code, Tech Data claims tax deductions for interest and depreciation on the leased assets. The maximum funding of the Company's leasing activities available under the synthetic lease facility is \$135.0 million (of which the Company had utilized \$115.0 million at January 31, 2002). The synthetic lease facility has an initial term of five years, with rent obligations commencing on the date construction of a discrete project is complete. At any time during the term of the lease, the Company may, at its option, purchase the property at approximately the amount expended by the lessor to purchase the land and construct the building ("purchase value"). If the Company elects not to purchase the property at the end of the lease, Tech Data has guaranteed a percentage of the purchase value. This guaranty approximated \$100.1 million at January 31, 2002.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Properties leased under the synthetic lease facility, both completed and under construction, total 2.1 million square feet of space, with land totaling 194 acres located in Clearwater and Miami, Florida; Fort Worth, Texas; Fontana, California; Atlanta, Georgia and Swedesboro, New Jersey.

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 was approximately \$16,200,000 at January 31, 2002.

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):

	<u>United States</u>	<u>Europe</u>	<u>Other International</u>	<u>Total</u>
Fiscal year 2002				
Net sales to unaffiliated customers	\$ 8,750,475	\$7,233,251	\$1,213,785	\$17,197,511
Operating income(a)	\$ 142,100	\$ 70,806	\$ 10,210	\$ 223,116
Identifiable assets	\$ 1,255,788	\$1,951,767	\$ 250,775	\$ 3,458,330
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

(a) The amounts shown above include special charges in the amount of \$27.0 million recorded for the fiscal year ended January 31, 2002. Of this amount, \$25.5 million related to U.S. operations and \$1.5 million related to European operations. See Note 13—Special Charges.

TECH DATA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 12. UNAUDITED INTERIM FINANCIAL INFORMATION

	Quarter ended			
	April 30	July 31	October 31	January 31
	(In thousands, except per share amounts)			
Fiscal year 2002				
Net sales	\$4,679,992	\$4,136,584	\$4,215,951	\$4,164,984
Gross profit	251,193	224,162	228,215	224,460
Net income	31,799	13,987	28,508	36,483
Net income per common share:				
Basic	\$ 0.59	\$ 0.26	\$ 0.52	\$ 0.66
Diluted	\$ 0.57	\$ 0.25	\$ 0.51	\$ 0.63
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	\$ 0.71	\$ 0.77	\$ 0.88	\$ 0.98
Diluted	\$ 0.68	\$ 0.72	\$ 0.82	\$ 0.92

NOTE 13. SPECIAL CHARGES

In fiscal 2002, the Company recorded special charges totaling \$27.0 million before taxes. Of the \$27.0 million in special charges, the Company recognized \$20.1 million for the write-off of previously capitalized software. The Company made the decision to write off the software because the Company achieved most of the anticipated benefits originally planned when it purchased or began development of the software through alternative systems and processes. Thus, the Company no longer saw the benefit of incurring significant additional development costs necessary to implement the software.

The Company also recognized special charges of \$5.4 million during the fiscal year ended January 31, 2002 for the impairment of the Company's investments in the equity securities of certain privately-held, Internet-related companies. Recognition of an impairment charge was the result of the companies in which the investments were held experiencing a series of operating losses which appear to be other than temporary, and raised substantial doubts about Tech Data's ability to recoup its full investment.

Finally, the Company wrote off \$1.5 million of costs during the fiscal year ended January 31, 2002 associated with the development of a new logistics center in Germany. The construction of this facility has been indefinitely deferred as a result of the economic downturn.

The total of these special charges are presented separately as a component of income from operations in the Consolidated Statement of Income, and other than the \$1.5 million for the German logistics center, relates entirely to the Company's U.S. operations.

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

None.

TECH DATA CORPORATION AND SUBSIDIARIES

PART III

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 2002 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 2002 Annual Meeting of Shareholders will be filed with the Commission prior to May 31, 2002.

PART IV

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

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

(b) The Company filed a Current Report on Form 8-K on December 10, 2001 and on December 26, 2001 in connection with the issuance of its press releases, for the announcement, offering and sale of the \$290 million 2% convertible subordinated debentures.

(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.

<u>Exhibit Number</u>	<u>Description</u>
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.
4-A(26)	—Indenture between the Company and Bank One Trust Company N.A., dated as of December 10, 2001.
4-B(26)	—Registration Agreement dated as of December 10, 2001 between the Company and Salomon Smith Barney Inc., as representative of the initial purchasers.
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.

<u>Exhibit Number</u>	<u>Description</u>
10-V(5)	—Employment Agreement between the Company and Edward C. Raymund dated as of January 31, 1991.
10-W(5)	—Irrevocable Proxy and Escrow Agreement dated April 5, 1991.
10-X(6)	—First Amendment to the Employment Agreement between the Company and Edward C. Raymund dated November 13, 1992.
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.

<u>Exhibit Number</u>	<u>Description</u>
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.
10-AAg(23)	—Tech Data Corporation 401(K) Savings Plan dated January 1, 2000.
10-AAh(27)	—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.
10-AAk(25)	—Amendment Number 2 to the Transfer and Administration Agreement dated May 17, 2001.
21-A(3)	—Subsidiaries of Registrant.
23-A(3)	—Consent of Ernst & Young LLP.
23-B(3)	—Consent of PricewaterhouseCoopers LLP.
99-A(3)	—Cautionary Statement for Purposes of the “Safe Harbor” Provisions of the Private Securities Litigation Reform Act of 1995.

- (1) Incorporated by reference to the Exhibits included in the Company’s Registration Statement on Form S-1, File No. 33-4135.
- (2) Incorporated by reference to the Exhibits included in the Company’s Registration Statement on Form S-1, File No. 33-21997.
- (3) Filed herewith.
- (4) Incorporated by reference to the Exhibits included in the Company’s Registration Statement on Form S-8, File No. 33-21879.
- (5) Incorporated by reference to the Exhibits included in the Company’s Form 10-Q for the quarter ended July 31, 1991, File No. 0-14625.
- (6) Incorporated by reference to the Exhibits included in the Company’s Form 10-Q for the quarter ended October 31, 1992, File No. 0-14625.
- (7) Incorporated by reference to the Exhibits included in the Company’s Registration Statement on Form S-8, File No. 33-41074.
- (8) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1993, File No. 0-14625.
- (9) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1994, File No. 0-14625.
- (10) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1995, File No. 0-14625.
- (11) Incorporated by reference to the Exhibits included in the Company’s Form 8-K filed on March 26, 1996, File No. 0-14625.
- (12) Incorporated by reference to the Exhibits included in the Company’s Definitive Proxy Statement for the 1995 Annual Meeting of Shareholders, File No. 0-14625.
- (13) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1996, File No. 0-14625.
- (14) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1997, File No. 0-14625.
- (15) Incorporated by reference to the Exhibits included in the Company’s Registration Statement on Form S-3, File No. 333-36999.
- (16) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1998, File No. 0-14625.
- (17) Incorporated by reference to the Exhibits included in the Company’s Form 10-K for the year ended January 31, 1999, File No. 0-14625.
- (18) Incorporated by reference to the Exhibits included in the Company’s Form 10-Q for the quarter ended July 31, 1999, File No. 0-14625.

- (19) 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.
- (25) Incorporated by reference to the Exhibits included in the Company's Form 10-Q for the quarter ended July 31, 2001, File No. 0-14625.
- (26) Incorporated by reference to the Exhibits included in the Company's Registration Statement on Form S-3, File No. 333-76858.
- (27) Incorporated by reference to the Exhibits included in the Company's Form 10-K for the year ended January 31, 2001, File No. 0-14625.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements on Forms S-8 (Nos. 33-41074, 33-62181, 33-60479, 333-93801, 333-85509, 333-59198) and Forms S-3 (Nos. 333-44848 and 333-76858) of Tech Data Corporation, of our report dated March 13, 2002, 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, 2002.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP

Tampa, Florida
April 17, 2002

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-44848, 333-76858) 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 17, 2002

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

<u>Allowance for doubtful accounts receivable and sales returns:</u>	<u>Balance at beginning of period</u>	<u>Activity</u>			<u>Balance at end of period</u>
		<u>Charged to cost and expenses</u>	<u>Deductions</u>	<u>Other(1)</u>	
January 31,					
2002	\$64,465	\$40,764	\$(48,862)	\$3,788	\$60,155
2001	61,617	41,447	(42,467)	3,868	64,465
2000	60,521	40,877	(44,932)	5,151	61,617

- (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 24, 2002.

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.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ STEVEN A. RAYMUND</u> Steven A. Raymund	Chairman of the Board of Directors; Chief Executive Officer	April 24, 2002
<u>/s/ JEFFERY P. HOWELLS</u> Jeffery P. Howells	Executive Vice President and Chief Financial Officer; Director (principal financial officer)	April 24, 2002
<u>/s/ JOSEPH B. TREPANI</u> Joseph B. Trepani	Senior Vice President and Corporate Controller (principal accounting officer)	April 24, 2002
<u>/s/ ARTHUR W. SINGLETON</u> Arthur W. Singleton	Corporate Vice President, Treasurer and Secretary	April 24, 2002
<u>/s/ CHARLES E. ADAIR</u> Charles E. Adair	Director	April 24, 2002
<u>/s/ MAXIMILIAN ARDELT</u> Maximilian Ardelt	Director	April 24, 2002

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JAMES M. CRACCHIOLO</u> James M. Cracchiolo	Director	April 24, 2002
<u>/s/ DANIEL M. DOYLE</u> Daniel M. Doyle	Director	April 24, 2002
<u>/s/ KATHY MISUNAS</u> Kathy Misunas	Director	April 24, 2002
<u>/s/ DAVID M. UPTON</u> David M. Upton	Director	April 24, 2002
<u>/s/ JOHN Y. WILLIAMS</u> John Y. Williams	Director	April 24, 2002

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, 2002 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 logistics 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 logistics 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 logistics and product 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 to protect distributors 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, that the Company will be able to convert to new systems efficiently, that the Company will be able to integrate new programs effectively with its existing programs, 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 because of the general economic downturn affecting a large number of the Company's customers and in the event the Company's customers do not adequately manage their business or disclose properly their financial condition.

Management of Changes in Economic Environment

In previous years, the Company has experienced rapid expansion and is presently experiencing a general slowdown in the industry. Such changes have resulted in new and increased responsibilities for management personnel and placed 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, proceeds from public offerings of its Common Stock and proceeds from debt offerings to satisfy its capital needs and finance growth. The Company utilizes financing strategies such as receivables securitization, leases with tax and accounting treatment advantages, subordinated convertible debentures and revolving credit facilities. 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 or impairment 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, changes in the interpretation and enforcement of laws (in particular related to items such as duty and taxation), difficulties in collecting accounts receivable, 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.

Delivery Systems

The Company 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, even temporarily, could have a material adverse effect on the Company's business. The Company may also be adversely affected by an increase in freight surcharges due to rising fuel costs. There can be no assurance that Tech Data will be able to pass along the full effect of an increase in these surcharges to its customers.

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, or a significant change in their offerings, 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, or may merge with or acquire other significant manufacturers. 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, a change in their strategy (such as increasing direct sales), the merging of significant manufacturers, or significant changes in terms on 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 sales. As these economic conditions continue or worsen, or if a wider or global economic slowdown occurs, the Company's business may be impacted adversely.

Business markets generally are recently experiencing a new focus from government regulators and business partners that is creating a higher level of scrutiny of business activities. Such scrutiny may result in strained relations with business partners or may require additional assurances in order to conduct business. These results may increase the transaction costs and may adversely affect the Company's business.

Exposure to Natural Disasters

The Company's headquarters facilities, certain of its logistics 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.