

ARROW ELECTRONICS INC
Form 10-Q
July 29, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 28, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-4482

ARROW ELECTRONICS, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

11-1806155
(I.R.S. Employer
Identification Number)

7459 South Lima Street, Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

(303) 824-4000
(Registrant's telephone number, including area code)

No Changes
(Former name, former address and former fiscal year, if changed since last report)

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 for such 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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer (do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 98,838,427 shares of Common Stock outstanding as of July 25, 2014.

ARROW ELECTRONICS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands except per share data)

(Unaudited)

	Quarter Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Sales	\$5,676,539	\$5,306,085	\$10,758,579	\$10,155,714
Costs and expenses:				
Cost of sales	4,929,018	4,616,513	9,307,230	8,824,070
Selling, general, and administrative expenses	489,908	470,874	967,811	922,279
Depreciation and amortization	39,712	32,599	76,283	64,104
Restructuring, integration, and other charges	9,632	30,224	21,246	51,834
	5,468,270	5,150,210	10,372,570	9,862,287
Operating income	208,269	155,875	386,009	293,427
Equity in earnings of affiliated companies	1,181	1,360	2,598	3,343
Loss on prepayment of debt	—	—	—	4,277
Interest and other financing expense, net	28,920	30,199	58,557	59,729
Income before income taxes	180,530	127,036	330,050	232,764
Provision for income taxes	52,470	37,000	94,798	64,770
Consolidated net income	128,060	90,036	235,252	167,994
Noncontrolling interests	176	101	248	184
Net income attributable to shareholders	\$127,884	\$89,935	\$235,004	\$167,810
Net income per share:				
Basic	\$1.29	\$.87	\$2.36	\$1.61
Diluted	\$1.27	\$.86	\$2.33	\$1.58
Weighted-average shares outstanding:				
Basic	99,449	103,225	99,695	104,542
Diluted	100,562	104,024	100,980	105,892

See accompanying notes.

ARROW ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Quarter Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Consolidated net income	\$128,060	\$90,036	\$235,252	\$167,994
Other comprehensive income:				
Foreign currency translation adjustment	(14,222) 14,311	(24,729) (51,859
Unrealized gain (loss) on investment securities, net	5,134	581	5,730	(1,397