Fiscal 2003 First Quarter

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 30, 2002
Commission File No. 0-18706

Black Box Corporation

(Exact name of registrant as specified in its charter)

Delaware	95-3086563
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1000 Park Drive
Lawrence, Pennsylvania 15055
(Address of principal executive offices)

724-746-5500
Registrant's telephone number, including area code

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____x___ **No________**

The number of shares outstanding of the Registrant's common stock, $.001 par value, as of August 13, 2002 was 19,912,644 shares.

PART I FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

BLACK BOX CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

ASSETS	(Unaudited) June 30, 2002	March 31, 2002
Current assets:		
Cash and cash equivalents	$ 15,440	$ 13,423
Accounts receivable, net of allowance for doubtful accounts of $8,119 and $8,207, respectively	111,164	115,969
Inventories, net	45,982	46,081
Costs and estimated earnings in excess of billings on uncompleted contracts	23,359	24,015
Other current assets	21,252	19,959
Total current assets	217,197	219,447
Property, plant and equipment, net of accumulated depreciation of $41,172 and $38,635, respectively	40,251	41,063
Intangibles, net of accumulated amortization of $48,795 and $48,578, respectively	389,218	387,286
Other assets	3,379	2,991
Total assets	$ 650,045	$ 650,787
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	$ 1,160	$ 3,189
Accounts payable	31,462	34,279
Billings in excess of costs and estimated earnings on uncompleted contracts	3,654	4,235
Other accrued expenses	29,847	31,125
Accrued income taxes	6,434	3,155
Total current liabilities	72,557	75,983
Long-term debt	62,333	75,497
Other liabilities	9,074	9,209
Stockholders' equity:		
Preferred stock authorized 5,000,000; par value $1.00; none issued and outstanding		
Common stock authorized 100,000,000; par value $.001; issued 22,403,514 and 22,351,049, respectively	22	22
Additional paid-in capital	289,150	287,714
Retained earnings	326,953	312,288
Treasury stock, at cost, 2,194,300 and 2,105,000, re:	(104,049)	(100,355)
Accumulated other comprehensive income/(loss)	(5,995)	(9,571)
Total stockholders' equity	506,081	490,098
Total liabilities and stockhold	$ 650,045	$ 650,787

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In thousands, except per share amounts)

	Three month period ended June 30, 2002	2001
Revenues	$ 154,412	$ 207,116
Cost of sales	92,520	128,172
Gross profit	61,892	78,944
Selling, general and administrative expenses	37,704	52,654
Intangibles amortization	101	0
Operating income	24,087	26,290
Interest expense, net	772	2,109
Other expense/(income), net	37	248
Income before income taxes	23,278	23,933
Provision for income taxes	8,613	8,850
Net income	$ 14,665	$ 15,083
Basic earnings per common share	$ 0.72	$ 0.77
Diluted earnings per common share	$ 0.70	$ 0.73
Weighted average common shares	20,266	19,495
Weighted average common and common equivalent shares	21,023	20,616

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)

(Dollars in thousands)

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Change In Other Comprehensive Income (Loss)	Total
Balance at March 31, 2001	21,406,367	$21	($100,355)	$248,053	$250,246	($9,014)	$388,951
Net income	-	-	-	-	62,042	-	62,042
Issuance of common stock	654,562	1	-	28,070	-	-	28,071
Exercise of options	290,120	-	-	8,954	-	-	8,954
Tax benefit from exercised options	-	-	-	2,637	-	-	2,637
Comprehensive loss	-	-	-	-	-	(557)	(557)
Balance at March 31, 2002	22,351,049	22	(100,355)	287,714	312,288	(9,571)	490,098
Net income	-	-	-	-	14,665	-	14,665
Purchase of treasury stock	-	-	(3,694)	-	-	-	(3,694)
Issuance of common stock	11,080	-	-	-	-	-	-
Exercise of options	41,385	-	-	905	-	-	905
Tax benefit from exercised options	-	-	-	531	-	-	531
Change In Other Comprehensive Income (Loss)	-	-	-	-	-	3,576	3,576
Balance at June 30, 2002	22,403,514	$22	($104,049)	$289,150	$326,953	($5,995)	$506,081

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Dollars in thousands)

	Three month period ended June 30, 2002	2001
Cash flows from operating activities:		
Net income	$ 14,665	$ 15,083
Adjustments to reconcile net income to cash provided by operating activities:		
Intangibles amortization	101	-
Depreciation	1,942	2,018
Changes in working capital items:		
Accounts receivable, net	5,720	14,007
Inventories, net	188	(1,263)
Other current assets	(1,136)	(3,996)
Accounts payable and accrued liabilities	(2,066)	(19,099)
Cash provided by operating activities	19,414	6,750
Cash flows from investing activities:		
Capital expenditures, net of disposals	(273)	(804)
Mergers, net of cash acquired	(2,749)	(8,290)
Cash (used in) investing activities	(3,022)	(9,094)
Cash flows from financing activities:		
Revolving credit borrowings, net	(15,193)	4,512
Proceeds from exercise of options	1,436	3,270
Purchase of treasury stock	(3,694)	-
Cash (used in)/provided by financing activities	(17,451)	7,782
Foreign currency exchange impact on cash flow	3,076	(1,134)
Increase/(decrease) in cash and cash equivalents	2,017	4,304
Cash and cash equivalents at beginning of period	13,423	6,209
Cash and cash equivalents at end of period	$ 15,440	$ 10,513
Cash paid for interest	$ 796	$ 2,036
Cash paid for income taxes	$ 6,044	$ 13,005

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(Dollars in thousands, except per share amounts)

Note 1: Basis of Presentation

The Financial Statements presented herein and these notes are unaudited. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Although Black Box Corporation (the "Company") believes that all adjustments necessary for a fair presentation have been made, interim periods are not necessarily indicative of the results of operations for a full year. As such, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's most recent Form 10-K as filed with the SEC for the fiscal year ended March 31, 2002. The consolidated Balance Sheet as of March 31, 2002 was derived from the audited Balance Sheet included in the most recent Form 10-K.

Note 2: Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. The net inventory balances are as follows:

	June 30, 2002	**March 31, 2001**
Raw materials	$ 2,148	$ 2,417
Work-in-process	11	5
Finished goods	47,487	47,017
Inventory reserve	(3,664)	(3,358)
Inventory, net	$ 45,982	$ 46,081

Note 3: Financial Derivatives

The Company has entered and will continue in the future, on a selective basis, to enter into forward exchange contracts to reduce the foreign currency exposure related to certain intercompany transactions. On a monthly basis, the open contracts are revalued to fair market value, and the resulting gains and losses are recorded in accumulated other comprehensive income. These gains and losses offset the revaluation of the related foreign currency denominated receivables, which are also included in accumulated other comprehensive income.

At June 30, 2002, the open foreign exchange contracts were in Euro, Canadian dollars, Swiss francs, Japanese yen, and Australian dollars. These open contracts, valued at approximately $7,564, have a fair value of $7,591 and will expire in one to two months. The open contracts have contract rates of 1.01 Euro, 1.5512 Canadian dollars, 1.48 Swiss francs, 123.79 Japanese yen and 1.786 Australian dollars, all per U.S. dollar. There was no effect on net income for the three months ended June 30, 2002 for these contracts.

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(Dollars in thousands, except per share amounts)

Note 4: Comprehensive Income
Comprehensive income consisted of the following:

	Three months ended June 30, 2002	Three months ended June 30, 2001
Net income	$ 14,665	$ 15,083
Other comprehensive income:		
Foreign currency translation adjustment	3,776	(344)
Unrealized gains on derivatives designated and qualified as cash flow hedges	(200)	58
Comprehensive income	$ 18,241	$ 14,797

The components of accumulated other comprehensive income/(loss) consisted of the following:

	June 30, 2002	March 31, 2002
Foreign currency translation adjustment	$ (5,627)	$ (9,403)
Unrealized gains on derivatives designated and qualified as cash flow hedges	(368)	(168)
Total accumulated other comprehensive income/(loss)	$ (5,995)	$ (9,571)

Note 5: Earnings Per Share

Basic earnings per common share were computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted earnings per common share were computed under the treasury stock method based on the weighted average number of common shares issued and outstanding. The following table details this calculation:

(Shares in thousands)	Three months ended June 30, 2002	Three months ended June 30, 2001
Net income for earnings per share computation	$ 14,665	$ 15,083
Basic earnings per common share:		
Weighted average common shares	20,266	19,495
Basic earnings per common share	$ 0.72	$ 0.77
Diluted earnings per common share:		
Weighted average common shares	20,266	19,495
Shares issuable from assumed conversion of stock options and contingently issuable shares from acquisitions (net of tax savings)	757	1,121
Weighted average common and common equivalent shares	21,023	20,616
Diluted earnings per common share	$ 0.70	$ 0.73

Excluded from the calculation above are 181 thousand shares and 10 thousand for the three months ended June 30, 2002 and 2001, respectively as the exercise price was greater than the average market price for those time periods.

Note 6: New Accounting Standards

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of and supersedes FASB Statement No. 121. This statement retains the fundamental provisions of SFAS No. 121 for recognition and measurement of the impairment of long-lived assets to be held and used and measurement of long-lived assets to be disposed of by sale. The provisions of this standard must be applied for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 144 in the first quarter of Fiscal 2003. Its adoption did not have a material effect on the Company's financial statements or results of operations.

In April 2002, SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections", was issued. The Statement updates, clarifies and simplifies existing accounting pronouncements. While the technical corrections to existing pronouncements are not substantive in nature, in some instances, they may change accounting practice. The provisions of this standard related to SFAS No. 13 are effective for transactions occurring after May 15, 2002. All other provisions of this standard must be applied for financial statements issued on or after May 15, 2002. The application of SFAS No. 145 did not have a material effect on the Company's financial statements or results of operations.

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity," under which a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at fair value when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002.

Note 7 – Changes in Business

During the three months ended June 30, 2002, the Company successfully completed one business combination that has been accounted for using the purchase method of accounting, Societe d'Installation de Reseaux Informatiques et Electriques. In connection with this business combination, the Company used approximately $3,000 in cash to acquire all of the outstanding shares of the company and resulted in goodwill of $1,730 and other intangibles of approximately $420 in accordance with SFAS No. 141, "Business Combinations," which the Company adopted during the second quarter of Fiscal 2002. The other intangibles balance consisted of non-compete agreements and backlog.

As of June 30, 2002, all non-compete agreements had an estimated gross value of $2,343 and accumulated amortization of $155. As of June 30, 2002, the backlog intangibles had a gross value of $203 and accumulated amortization of $129. See Note 8, "Intangible Assets".

During Fiscal 2002, the Company successfully completed 18 business combinations that have been accounted for using the purchase method of accounting: April 2001 – Haddad Electronic Supply, Inc., FBS Communications, L.P. and Integrated Cabling Systems, Inc.; May 2001 – Computer Cables and Accessories Ltd; June 2001 – Vivid Communications, Inc. and DESIGNet, Inc; July 2001 – J.C. Informática Integral S.A. de C.V., Consultoría en Redes S.A. de C.V. and SIC Comunicaciones S.A. de C.V. (together "Grupo Gresco"); August 2001 – LJL Telephone and Communication, Inc., AB Lofamatic and Optech Fibres Ltd.; September 2001 – GCS Network Services Ltd. and Di.el. Distribuzioni Elettroniche S.r.l.; October 2001 – Lanetwork Sales Ltd; January 2002 – Trend Communications, TW Netzwerkservice GmbH, TeleFuture Communications Ltd., and Netzwerke Kabelsystem GmbH; and March 2002 – TeleAce Communication PTE Ltd. In connection with the above 18 business combinations, the Company issued an aggregate of 510 thousand shares of its common stock and used approximately $21,000 in cash to acquire all of the outstanding shares of the above 18 companies.

The aggregate purchase price of the above 18 companies including deal costs was approximately $50,500 and resulted in goodwill of $43,900 and other intangibles of approximately $2,100 in accordance with SFAS No. 141, "Business Combinations," which the Company adopted during the second quarter of Fiscal 2002. The other intangibles balance consisted of non-compete agreements and backlog. As of March 31, 2002, the non-compete agreements had an estimated gross value of $1,900 and accumulated amortization of $92. As of March 31, 2002, the backlog intangibles had a gross value of $203 and accumulated amortization of $78.

As of June 30, 2002, certain merger agreements provide for contingent payments of up to $9,706. Upon meeting future operating performance goals, goodwill will be adjusted for the amount of the contingent payments.

The Company has consolidated the results of operations for each of the acquired companies as of the respective merger date. The following table reports pro forma information as if the acquired entities had been purchased at the beginning of the stated periods:

(Dollars in thousands, except per share amounts)

		Three months ended June 30,	
		2002	**2001**
Revenue	As reported	$ 154,412	$ 207,116
	Mergers-pre BBC	1,050	13,286
	Pro forma	155,462	220,402
Net income	As reported	$ 14,665	$ 15,083
	% of revenues	9.5%	7.3%
	Mergers-pre BBC	138	1,569
	% of revenues	13.1%	11.8%
	Pro forma	14,803	16,652
	% of revenues	9.5%	7.6%
Diluted earnings per share	As reported	$ 0.70	$ 0.73
	Pro forma	0.70	0.81

Note 8: Intangible Assets

On April 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," under which goodwill and other intangible assets with indefinite lives are not amortized. Such intangibles were evaluated for impairment as of April 1, 2001 by comparing the fair value of each reporting unit to its carrying value, and no impairment existed. In addition, during the third quarter of Fiscal 2002, the Company evaluated its intangible assets for impairment and none existed. During the third quarter of each future fiscal year, the Company will evaluate the intangible assets for impairment with any resulting impairment reflected as an operating expense. The Company's only intangibles as identified in SFAS No. 141 other than goodwill, are its trademarks, non-compete agreements and acquired backlog.

As of June 30, 2002, the Company's trademarks had a gross carrying amount of $35,992 and accumulated amortization of $8,253 and the Company believes this intangible has an indefinite life.

The Company had the following other intangibles as of June 30, 2002:

	Gross Carrying Amount	**Accumulated Amortization**
Non-Compete Agreements	$ 2,343	$ 155
Acquired Backlog	203	129
Total	$ 2,546	$ 284

The non-compete agreements and acquired backlog are amortized over their estimated useful lives of 10 years and 1 year, respectively. Amortization expense for the non-compete agreements and acquired backlog intangibles during the three months ended June 30, 2002 was $101. The estimated amortization expense for each of the five fiscal years subsequent to March 31, 2002 for the non-compete agreements and acquired backlog intangibles is as follows: remainder of 2003-$250; 2004-$234; 2005-$234; 2006-$234; and 2007-$234.

(Dollars in thousands, except per share amounts)

The changes in the carrying amount of goodwill, by reporting segment, for the three months ended June 30, 2002, are as follows:

	Three months ended June 30, 2002		
	Phone	**On-Site**	**Total**
Balance as of March 31, 2002	$ 60,540	$ 297,090	$ 357,630
Goodwill related to acquisitions and earnout payments during the quarter	--	1,730	1,730
Balance as of June 30, 2002	$ 60,540	$ 298,820	$ 359,360

Note 9: Treasury Stock

The Company previously announced its intention to repurchase up to 2.5 million shares of its Common Stock from April 1, 1999 through March 31, 2002. As of March 31, 2002, the Company had repurchased 2.1 million shares at prevailing market prices for an aggregate purchase price of $100,355. In May 2002, the Company's Board of Directors authorized the repurchase of an additional one million shares. The Company repurchased 89.3 thousand shares during the first quarter of Fiscal 2003 for an aggregate purchase price of $3,694. Funding for these stock repurchases came from existing cash flow and borrowings under existing credit facilities.

Note 10: Indebtedness

Long-term debt is as follows:

	June 30, 2002	**March 31, 2001**
Revolving credit agreement	$ 61,800	$ 75,000
Other debt	1,693	3,686
Total debt	63,493	78,686
Less: current portion	(1,160)	(3,189)
Long-term debt	$ 62,333	$ 75,497

On April 4, 2000, Black Box Corporation of PA, a domestic subsidiary of the Company, entered into a $120,000 Revolving Credit Agreement ("Long Term Revolver") and a $60,000 Short Term Credit Agreement ("Short Term Revolver") (together the "Syndicated Debt") with Mellon Bank, N.A. and a group of lenders. The Long Term Revolver was scheduled to expire on April 4, 2003 and the Short Term Revolver was scheduled to expire on April 4, 2002. In April 2002, the Long Term Revolver was extended to April 4, 2005 and the Short Term Revolver was extended to April 2, 2003. The interest on the borrowings is variable based on the Company's option of selecting the banks prime rate plus an applicable margin as defined in the agreement or the Euro-dollar rate plus an applicable margin as defined in the agreement.

(Dollars in thousands, except per share amounts)

The weighted average interest rate on all indebtedness of the Company as of June 30, 2002 was approximately 2.8%.

Note 11: Restructuring

In the fourth quarter of Fiscal 2002, the Company recorded a restructuring charge of approximately $3,500 primarily related to adjusting staffing levels in its European and Latin American Operations and facility closures in the U.S. Also at March 31, 2002, the Company had an accrual of $584 related to continuing costs of a previously closed facility done at the time of the merger. The components of the restructuring accrual at June 30, 2002 are as follows:

	Accrued March 31, 2002	Cash Expenditures	Accrued June 30, 2002
Employee Severance	$ 1,443	$ 630	$ 813
Facility Closures	1,439	243	1,196
Total	$ 2,882	$ 873	$ 2,009

Note 12: Segment Reporting

The Company manages the business primarily on a product and service line basis. Its two primary reportable segments are comprised of On-Site Services and Phone Services. The "Other" information presented herein includes expenses directly related to the Company's on-going mergers and acquisitions program. The Company reports its two segments separately because of differences in the ways the product and service lines are operated. Consistent with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," the Company aggregates similar operating segments into reportable segments.

The Company evaluates the performance of each segment based on "Worldwide Operating Income." A segment's worldwide operating income is its operating income before amortization. Revenues and the related profits on intercompany transactions are reported by the segment providing the third-party revenues. Intersegment sales, segment interest income or expense and expenditures for segment assets are not presented to or reviewed by management, and therefore are not presented below.

Summary information by reportable segment is as follows:

	Three months ended June 30,	
On-Site Services	**2002**	**2001**
Revenues	$ 90,858	$ 121,051
Worldwide operating income	11,948	9,907
Depreciation	666	985
Amortization	97	--
Segment assets	544,304	494,966

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(Dollars in thousands, except per share amounts)

	Three months ended June 30,	
Phone Services	**2002**	**2001**
Revenues	$ 63,554	$ 86,065
Worldwide operating income	12,598	17,007
Depreciation	977	1,090
Amortization	4	--
Segment assets	484,625	519,784

	Three months ended June 30,	
Other	**2002**	**2001**
Revenues	$ --	$ --
Worldwide operating income	(358)	(624)
Depreciation	(57)	(57)
Amortization	--	--
Segment assets	28,957	28,635

The following is a reconciliation between certain reportable segment data and the corresponding consolidated amounts:

	Three months ended June 30,	
Revenue	**2002**	**2001**
Total revenues for phone and on-site segments	$ 154,412	$ 207,116
Other revenues	--	--
Total consolidated revenues	$ 154,412	$ 207,116

	Three months ended June 30,	
Worldwide Operating Income/Operating Income	**2002**	**2001**
Total worldwide operating income for phone and on-site segments	$ 24,546	$ 31,941
Other worldwide operating income	(358)	(5,651)
Total consolidated worldwide operating income	24,188	26,290
Amortization expense	101	-
Total operating income	$ 24,087	$ 26,290

(Dollars in thousands, except per share amounts)

On-Site Services worldwide operating income for the three months ended June 30, 2001was reduced by a special operating expense of approximately $5,000 related primarily to the reserve of two receivables from on-site customers who filed for bankruptcy protection in that quarter.

Assets	**June 30, 2002**	**March 31, 2002**
Total assets for phone and on-site segments	$ 1,028,929	$ 1,016,073
Other assets	28,957	28,874
Corporate eliminations	(407,841)	(394,160)
Total consolidated assets	$ 650,045	$ 650,787

Management is also presented with and reviews information about its geographic areas. The following is presented:

	Three months ended June 30,	
Revenues	**2002**	**2001**
North America	$ 107,283	$ 154,120
Europe	36,018	39,070
Pacific Rim	6,503	8,701
Latin America	4,608	5,225
Total revenues	$ 154,412	$ 207,116

Assets	**June 30, 2002**	**March 31, 2002**
North America	$ 509,332	$ 513,008
Europe	116,151	111,584
Pacific Rim	10,705	11,653
Latin America	13,867	14,542
Total consolidated assets	$ 650,045	$ 650,787

Note 13: Subsequent Events

In July 2002, the Company acquired EDC Communications Limited and EDC Communications (Ireland) Limited. Established in 1989, EDC provides technical design, installation and maintenance services for premise cabling and related products to customers in Belfast, Northern Ireland and Dublin, Republic of Ireland. The results of operations and financial position of EDC are not material to the Company's consolidated results of operations or financial position.

ITEM 2 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (DOLLARS IN THOUSANDS)

General:

The table below should be read in conjunction with the following discussion.

	Three Months Ended June 30,	
	2002 (1Q03)	2001 (1Q02)
Total Revenues	$154,412	$207,116
Percentage of Total Revenues:		
On-Site Services Revenues		
North America	48%	53%
International	11	5
Subtotal	59	58
Phone Services Revenues		
North America	22	22
International	19	20
Subtotal	41	42
Total Revenues	100%	100%

Fiscal 2002 Compared To Fiscal 2001:

Total Revenues

Total revenues for 1Q03 were $154,412, a decrease of 25% compared to 1Q02 total revenues of $207,116. If exchange rates had remained constant from the first quarter last year, 1Q03 total revenues would have been $1,488 less.

On-Site Services Revenues

Revenues from on-site services were $90,858 for 1Q03 compared to $121,051 for 1Q02. Included in 1Q03 is approximately $6,000 of revenues from mergers completed after 1Q02. Overall, the on-site services revenue decline was due to general economic conditions that affected customer demand offset in part by the Company's continued geographic expansion by merger of its on-site technical services capabilities. 1Q03 revenues resulting from acquisitions accounted for using the purchase method were $219.

North America on-site services revenues were $73,882 for 1Q03 compared to $109,289 for 1Q02. The decrease in North America on-site services revenues was due to the downturn in the economy described above.

International on-site services revenues increased 44% to $16,976 for 1Q03 from $11,762 for 1Q02. The growth of International on-site services revenues was driven by the Company's continued geographic expansion of its technical services capabilities and deeper penetration in existing markets.

Phone Services Revenues

Revenues from the Company's phone services business for 1Q03 were $63,554 compared to $86,065 for 1Q02. Phone services revenues from North America decreased to $33,401 for 1Q03 from $44,831 for 1Q02 while International phone services revenues decreased to $30,153 for 1Q03 from $41,234 for 1Q02. The decline in North America and International phone services revenues was driven by the general economic downturn.

Revenues by Geography

Reported revenue dollar and percentage changes by geographic region were as follows: North America revenues decreased $46,837, or 30%, to $107,283; Europe revenues decreased $3,052, or 8%, to $36,018; Pacific Rim revenues decreased $2,198, or 25%, to $6,503; and Latin American revenues decreased $617, or 12%, to $4,608. If the exchange rate relative to the U.S. dollar had remained unchanged from 1Q02, the European, Pacific Rim and Latin America revenues would have decreased 12%, 25% and 11%, respectively.

Gross Profit

Gross profit for 1Q03 decreased to $61,892, or 40.1% of revenues, from $78,944, or 38.1% of revenues for 1Q02. The decrease in gross profit dollars over prior year was due primarily to the decline in revenues while the increase in gross profit percentage was due primarily to cost reduction efforts in the Company's phone services business.

SG&A Expenses

Selling, general and administrative ("SG&A") expenses for 1Q03 were $37,704, or 24.4% of revenues, a decrease of $14,950 over SG&A expenses of $52,654, or 25.4% of revenues for 1Q02. Included in 1Q02 was a special expense of $5,027 primarily attributable to the Company reserving for two accounts receivable from customers who filed for Chapter 11 bankruptcy protection during that quarter. The remaining dollar decrease from 1Q02 to 1Q03 related to the Company's cost reduction efforts worldwide.

Operating to Net Income

Operating income for 1Q03 was $24,188, or 15.7% of revenues, compared to $26,290, or 12.7% of revenues in 1Q02.

If the Company had not incurred the special expense described above, operating income for 1Q02 would have been $31,317, or 15.1% of revenues. The increase in operating income percentage was due primarily to the gross profit improvement in phone services mentioned above.

Intangibles amortization for 1Q03 was $101 compared to 1Q02 of $0.

Net interest expense for 1Q03 decreased to $772 from $2,109 for 1Q02 due to reductions in both interest rates and the outstanding debt.

The tax provision for 1Q03 was $8,613, an effective tax rate of 37.0%, compared to 1Q02 of $8,850, an effective tax rate of 37.0%. The annual effective tax rates were higher than the U.S. statutory rate of 35.0% primarily due to state income taxes, offset by foreign income tax credits.

Net income for 1Q03 was $14,665, or 9.5% of revenues, compared to $15,083, or 7.3% of revenues for 1Q02. Excluding the special charge described above in SG&A expenses, net income for 1Q02 would have been $18,250, or 8.8% of revenues. The increase in net income as a percentage of revenue was primarily due to the Company's cost reduction efforts.

Liquidity and Capital Resources:

During 1Q03, free cash flow (cash flow from operating activities less capital expenditures and foreign currency translation adjustments, plus proceeds from stock option exercises) was $23,653 compared to $8,082 for 1Q02. Cash flow from operating activities for 1Q03 and 1Q02 was $19,417 and $6,750, respectively. Reflected as a source of cash flow from operating activities in 1Q03 are decreases in accounts receivable and inventories, offset in part by decreases in accounts payable and accrued liabilities, all generally related to the decline in revenues. In 1Q02, decreases in accounts receivables were a source of cash flow from operating activities, while increases in inventories, other assets and various liabilities were a use of cash flow.

The Company's debt decreased by $15,193 during 1Q03 as a result of first quarter free cash flow being used to pay down debt. As of the end of 1Q03, the Company had cash and cash equivalents of $15,440, working capital of $144,640 and long-term debt of $62,333.

On April 4, 2000, Black Box Corporation of PA, a domestic subsidiary of the Company, entered into a $120,000 Revolving Credit Agreement ("Long Term Revolver") and a $60,000 Short Term Credit Agreement ("Short Term Revolver") (together the "Syndicated Debt") with Mellon Bank, N.A. and a group of lenders. The Long Term Revolver was scheduled to expire on April 4, 2003 and the Short Term Revolver was scheduled to expire on April 3, 2002. In April 2002, the Long Term Revolver was extended until April 4, 2005 and the Short Term Revolver was extended until April 2, 2003.

The Company's total debt at the end of 1Q03 of $63,493 was comprised of $61,800 under the Long Term Revolver and $1,693 of various other loans. The weighted average interest rate on all indebtedness of the Company for 1Q03 and 1Q02 was approximately 2.8% and 6.0%, respectively. The weighted average interest rate on all indebtedness of the Company as the end of 1Q03 was 2.8%. In addition, at the end of 1Q03, the Company had $2,735 of letters of credit outstanding and $115,465 available under the Syndicated Debt.

Interest on the Syndicated Debt is variable based on the Company's option of selecting the bank's Euro-dollar rate plus an applicable margin or the prime rate plus an applicable margin. The majority of the Company's borrowings are under the Euro-rate option. The applicable margin is adjusted each quarter based on the consolidated leverage ratio as defined in the agreement. The applicable margin varies from 0.75% to 1.75% (0.75% at the end of 1Q03) on the Euro-dollar rate option and from zero to 0.75% (zero at the end of 1Q03) on the prime rate option. The Syndicated Debt provides for the payment of quarterly commitment fees on unborrowed funds, also based on the consolidated leverage ratio. The commitment fee percentage ranges from 0.20% to 0.375% (0.20% for the Short Term Revolver and 0.25% for the Long Term Revolver at the end of 1Q03). The Syndicated Debt is unsecured; however, the Company, as the ultimate parent, guarantees all borrowings and the debt contains various restrictive covenants.

The net cash impact of mergers transactions during 1Q03 was $2,749 while capital expenditures, net of disposals, were $273. Capital expenditures for Fiscal 2003 are projected to be approximately $5,000 and will be focused primarily on information systems and facility improvements.

The Company previously announced its intention to repurchase up to 2.5 million shares of its Common Stock from April 1, 1999 through March 31, 2002. As of March 31, 2002, the Company had repurchased 2.1 million shares at prevailing market prices for an aggregate purchase price of $100,355. In May 2002, the Company’s Board of Directors approved the repurchase of an additional 1 million shares of its Common Stock. During 1Q03, the Company repurchased 89.3 thousand shares for an aggregate purchase price of $3,694. Funding for these stock repurchases came from existing cash flow and borrowings under credit facilities.

The Company has operations, customers and suppliers worldwide, thereby exposing the Company's financial results to foreign currency fluctuations. In an effort to reduce this risk, the Company generally sells and purchases inventory based on prices denominated in U.S. dollars. Intercompany sales to subsidiaries are generally denominated in the subsidiaries' local currency, although intercompany sales to the Company's subsidiaries in Brazil, Chile, Denmark, Mexico, Norway and Sweden are denominated in U.S. dollars. The gains and losses resulting from the revaluation of the intercompany balances denominated in foreign currencies are recorded to accumulated other comprehensive income.

The Company has entered and will continue in the future, on a selective basis, to enter into forward exchange contracts to reduce the foreign currency exposure related to certain intercompany transactions. On a monthly basis, the open contracts are revalued to fair market value, and the resulting gains and losses are recorded in accumulated other comprehensive income. These gains and losses offset the revaluation of the related foreign currency denominated receivables, which are also included in accumulated other comprehensive income. At the end of 1Q03, the open foreign exchange contracts related to intercompany transactions were in Euro, Canadian dollars, Swiss francs, Japanese yen and Australian dollars. These open contracts are valued at approximately $7,564 and will expire in one to two months. The open contracts have contract rates of 0.99 Euro, 1.512 Canadian dollars, 1.48 Swiss francs, 123.79 Japanese yen and 0.56 Australian dollars, all per U.S. dollar.

The Company believes that its cash flow from operations and its existing credit facilities will be sufficient to satisfy its liquidity needs for the foreseeable future.

Critical Accounting Policies:

In preparing the Company’s financial statements in conformity with accounting principles generally accepted in the United States, judgments and estimates are made about the amounts reflected in the financial statements. As part of the financial reporting process, the Company’s management collaborates to determine the necessary information on which to base judgments and develop estimates used to prepare the financial statements. Historical experience and available information is used to make these judgments and estimates. However, different amounts could be reported using different assumptions and in light of different facts and circumstances. Therefore, actual amounts could differ from the estimates reflected in the financial statements.

In addition to the significant accounting policies described in Note 1 of the Consolidated Financial Statements, the Company believes that the following discussion addresses its critical accounting policies.

Revenue Recognition

The Company recognizes revenue for phone services operations when title transfers at the time of shipment and the price for the product has been determined.

For its on-site services, the Company recognizes revenues on short-term projects (generally projects with a duration of less than one month) as the projects are completed and invoiced to the client. Revenues from long-term projects are recognized according to the percentage of completion method. Under the percentage of completion method, income is recognized based on a ratio of estimated costs incurred to total estimated contract costs. Losses, if any, on such contracts are provided in full when they become known. Billing in excess of costs and estimated earnings on uncompleted contracts are classified as current liabilities and any costs and estimated earnings in excess of billings are classified as current assets.

Accounting for Judgment and Estimates

The Company establishes reserves when it is probable that a liability or loss has been incurred and the amount can be reasonably estimated. Reserves by their nature relate to uncertainties that require exercise of judgment both in accessing whether or not a liability or loss has been incurred and estimating any amount of potential loss. The most important areas of judgment and estimates affecting the Company's financial statements include accounts receivable collectibility, inventory valuation, pending litigation and the realization of deferred tax assets.

Long-Lived Assets

The Company evaluates the recoverability of property, plant and equipment and intangible assets other than goodwill whenever events or changes in circumstances indicate the carrying amount of any such assets may not be fully recoverable. Changes in circumstances include technological advances, changes in the Company's business model, capital strategy, economic conditions or operating performance. The Company's evaluation is based upon, among other things, assumptions about the estimated future undiscounted cash flows these assets are expected to generate. When the sum of the undiscounted cash flows is less than the carrying value, the Company would recognize an impairment loss. The Company continually applies its best judgment when performing these evaluations to determine the timing of the testing, the undiscounted cash flows used to assess recoverability and the fair value of the asset.

The Company evaluates the recoverability of the goodwill attributable to each of its reporting units as required under SFAS No. 142, "Goodwill and Other Intangible Assets," by comparing the fair value of each reporting unit with its carrying value. The Company continually applies its best judgment when performing these evaluations to determine the financial projections used to assess the fair value of each reporting unit.

Restructuring

The Company accrues the cost of restructuring activities in accordance with the appropriate accounting guidance depending upon the facts and circumstances surrounding the situation. The Company exercises its judgment in estimating the total costs of each of these activities. As these activities are implemented, the actual costs may differ from the estimated costs due to changes in the facts and circumstances that were not foreseen at the time of the initial cost accrual.

Conversion to the Euro Currency:

On January 1, 1999, certain members of the European Union established fixed conversion rates between their existing currencies and the European Union's common currency, the Euro. The Company conducts business in member countries. The transition period for the introduction of the Euro was between January 1, 1999 and June 30, 2002. The Company has converted to the Euro, as required, and believes the conversion did not materially impact its operations or financial results.

New Accounting Pronouncements:

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of and supersedes FASB Statement No. 121. This statement retains the fundamental provisions of SFAS No. 121 for recognition and measurement of the impairment of long-lived assets to be held and used and measurement of long-lived assets to be disposed of by sale. The provisions of this standard must be applied for fiscal years beginning after December 15, 2001. The Company adopted the new standard in the first quarter of Fiscal 2003. Its adoption did not have a material effect on the Company's financial statements or results of operations.

In April 2002, SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections", was issued. The Statement updates, clarifies and simplifies existing accounting pronouncements. While the technical corrections to existing pronouncements are not substantive in nature, in some instances, they may change accounting practice. The provisions of this standard related to SFAS No. 13 are effective for transactions occurring after May 15, 2002. All other provisions of this standard must be applied for financial statements issued on or after May 15, 2002, with early application encouraged. The Company is currently evaluating the effects of SFAS No. 145.

In June 2002, the Financial Accounting Standards Board issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity," under which a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at fair value when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002.

Inflation:

The overall effects of inflation on the Company have been nominal. Although long-term inflation rates are difficult to predict, the Company continues to strive to minimize the effect of inflation through improved productivity and cost reduction programs as well as price adjustments within the constraints of market competition.

Forward Looking Statements:

When included in this Quarterly Report on Form 10-Q or in documents incorporated herein by reference, the words "expects," "intends," "anticipates," "believes," "estimates," and analogous expressions are intended to identify forward-looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, the ability of the Company to identify, acquire and operate additional on-site technical service companies, general economic and business conditions, competition, changes in foreign, political and economic conditions, fluctuating foreign currencies compared to the U.S. dollar, rapid changes in technologies, customer preferences and various other matters, many of which are beyond the Company's control. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and speak only as of the date of this Quarterly Report on Form 10-Q. The Company expressly disclaims any obligation or undertaking to release publicly any updates or any changes in the Company's expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based.

Item 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks in the ordinary course of business that include foreign currency exchange rates. In an effort to mitigate the risk, the Company, on a selective basis, will enter into forward exchange contracts. At June 30, 2002, the Company had open contacts valued at approximately $7,564 with a fair value of approximately $7,591.

In the ordinary course of business, the Company is also exposed to risks that interest rate increases may adversely affect funding costs associated with the $61,800 of variable rate debt. For the three month periods ended June 30, 2002 and June 30, 2001, an instantaneous 100 basis point increase in the interest rate would reduce the company's expected earnings in the subsequent three months by $97 and $179, respectively, assuming the Company employed no intervention strategies.

Item 6 – EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

21.1 Subsidiaries of the Company

(b) Reports on Form 8-K

Current Report of Form 8-K for the event dated June 24, 2002, covering Item 4 thereof, relating to the appointment of Ernst & Young LLP and dismissal of Arthur Andersen LLP as the Company's independent auditors.

SIGNATURE

Pursuant to the requirements 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.

BLACK BOX CORPORATION

August 14, 2002

By:___/s/ Anna M. Baird_______
Anna M. Baird
Chief Financial Officer, Treasurer,
And Principal Accounting Officer

EXHIBIT INDEX

Exhibit No.	
21.1	Subsidiaries of the Company

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Name	Doing Business As	State of Incorporation
Black Box Corporation		
ATIMCO Network Services, Inc.	Black Box Network Services - Western Pennsylvania	Pennsylvania
American Telephone Wiring Company	Black Box Network Services - West Virginia	West Virginia
Midwest Communications Technologies, Inc.	Black Box Network Services - Cleveland, Columbus, Detroit	Ohio
Associated Network Solutions, Inc.	Black Box Network Services - Central Florida	Florida
Advanced Communications Corporation	Black Box Network Services - South Carolina	South Carolina
Ohmega Installations Limited	Black Box Network Services - Newbury (UK)	
Cable Consultants, Incorporated	Black Box Network Services - Atlanta	Georgia
Todd Communications, Inc.	Black Box Network Services - North Carolina	North Carolina
Comm Line, Inc.	Black Box Network Services - Cincinnati	Ohio
Business Communication Concepts, Inc.	Black Box Network Services - Washington, D.C.	Virginia
Koncepts Communications of L.I., Corp.	Black Box Network Services - Tri-State	New York
Communication Contractors, Inc.	Black Box Network Services - Chicago	Illinois
DataCom-Link, Inc.	Black Box Network Services - Indiana	Indiana
U.S. Premise Networking Services, Inc.	Black Box Network Services - Minnesota	Minnesota
Datech Holdings Limited	Black Box Network Services - Nottingham (UK)	
Black Box Network Services, Inc. - Government Solutions		Tennessee
R&D Services, Inc.	Black Box Network Services - New England	Massachusetts
Delaney Telecom, Inc.	Black Box Network Services - Philadelphia	Pennsylvania
Delaney Electrical Services, Inc.	Black Box Network Services - Philadelphia	Pennsylvania
K&A Communications, Inc.	Black Box Network Services - St. Louis	Missouri
Jet Line Communications, Inc.	Black Box Network Services - Dallas	Texas
FBS Communications, LP	Black Box Network Services - San Antonio	Texas
A.T.S., Inc.	Black Box Network Services - Huntington	West Virginia
Advanced Network Technologies, Inc.	Black Box Network Services - California	California
Teldata Corporation	Black Box Network Services - Tennessee	Tennessee
ST Communications & Cabling, Inc.	Black Box Network Services - Kansas City	Missouri

Black Box Network Services & Electrical, Inc.		New York
Black Box Network Services Baltimore, Inc.		Delaware
Black Box Network Services Greater Pittsburgh, Inc.		Delaware
Datel Communications, Inc.	Black Box Network Services - Arizona	Arizona
Data Specialties Europe Ltd.	Black Box Network Services - Cambridge (UK)	
Midwest Electronics and Communications, Inc.	Black Box Network Services - Denver	Colorado
Duracom, Inc.	Black Box Network Services - Seattle Black Box Network Services - Oregon	Washington
Orchard Network Solutions Ltd.	Black Box Network Services - Cambridge (UK)	
Societe Industrielle de Telephonie, Alarme et Video	Black Box Network Services - France	
Netcabling B.V.	Black Box Network Services - Belgium	
Bernhard Merz AG.	Black Box Network Services - Switzerland	
Universal Connections, Incorporated	Black Box Network Services - Indiana	Indiana
Michael Electric, Inc.	Black Box Network Services - New Jersey	New Jersey
Integrated Cabling Systems, Inc.	Black Box Network Services - Nebraska	Nebraska
Computer Cables and Accessories Ltd.	Black Box Network Services - London (UK)	
DESIGNet, Inc.	Black Box Network Services - San Jose	California
J.C. Informatica Integral S.A. de C.V., Consultoria en Redes S.A. de C.V. and SIC Comunicaciones S.A. de C.V.	Black Box Network Services - Mexico	
LJL Telephone and Communication, Inc.	Black Box Network Services - New England	Massachusetts
AB Lofamatic	Black Box Network Services - Sweden	
Optech Fibres Ltd.	Black Box Network Services - Cumbria (UK)	
GCS Network Services Ltd.	Black Box Network Services - Northampton (UK)	
Di.el. Distribuzioni Elettroniche S.r.l.	Black Box Network Services - Rome (Italy)	
Lanetwork Sales Ltd.	Black Box Network Services - Kitchener (Canada)	
TW Netzwerkservice GmbH	Black Box Network Services - Bavaria (Germany)	
Telefuture Communications, Ltd.	Black Box Network Services - New Rochelle	New York
NKS Netzwerke Kabel Systeme GmbH	Black Box Network Services - Stuttgart (Germany)	
TeleAce Communications Pte Ltd	Black Box Network Services – Singapore	
Societe d'Installation de Reseaux Informatiques et Electricques (SERIE)	Black Box Network Services - France	

Bbox Holding Company	Delaware
Black Box Corporation of Pennsylvania	Delaware
Black Box Catalogue, Ltd.	
Black Box Canada Corporation	
Black Box Foreign Sales Corporation	
Black Box France, S.A.	
Black Box Datacom, B.V.	
Black Box Communication SANV	
Indacom N.V.	
Blue Box, B.V.	
Ascor bvba	
BB Technologies, Inc.	Delaware
Datacom Black Box Services AG	
Black Box Deutschland GmbH	
Black Box Italia, SpA	
Black Box Japan Kabushiki Kaisha	
Black Box Catalog Australia Pty. Ltd.	
Black Box Catalog New Zealand Limited	
Black Box do Brazil Industria e Comercio Ltda.	
Black Box de Mexico, S.A. de C.V.	
Alpeco Puerto Rico, Inc.	
South Hills Datacomm Chile, S.A.	
Black Box Comunicaciones, SA	
Schoeller Connectivity Gmbh	
Black Box Norge AS	
Black Box Finland OY	
Black Box Sverige AB	
Black Box Denmark	

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Black Box Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, certifies that to his or her knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Fred C. Young

Fred C. Young
Chief Executive Officer
August 14, 2002

/s/ Anna M. Baird

Anna M Baird
Chief Financial Officer
August 14, 2002

This certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.