

Fiscal 2003 Second 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 September 30, 2002
Commission File No. 0-18706**

Black Box Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-3086563
(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

No

The number of shares outstanding of the Registrant's common stock, \$.001 par value, as of November 13, 2002 was 19,435,391 shares.

PART I FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

BLACK BOX CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	(Unaudited) September 30, 2002	March 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,658	\$ 13,423
Accounts receivable, net of allowance for doubtful accounts of \$8,125 and \$8,207, respectively	109,689	115,969
Inventories, net	43,459	46,081
Costs and estimated earnings in excess of billings on uncompleted contracts	28,634	24,015
Other current assets	19,828	19,959
Total current assets	214,268	219,447
Property, plant and equipment, net of accumulated depreciation of \$42,957 and \$38,635, respectively	38,775	41,063
Intangibles, net of accumulated amortization of \$48,797 and \$48,578, respectively	392,795	387,286
Other assets	3,682	2,991
Total assets	\$ 649,520	\$ 650,787
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 646	\$ 3,189
Accounts payable	35,197	34,279
Billings in excess of costs and estimated earnings on uncompleted contracts	2,980	4,235
Other accrued expenses	29,636	31,125
Accrued income taxes	4,256	3,155
Total current liabilities	72,715	75,983
Long-term debt	62,402	75,497
Other liabilities	7,474	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 22,458,664 and 22,351,049, respectively	22	22
Additional paid-in capital	291,480	287,714
Retained earnings	341,988	312,288
Treasury stock, at cost, 2,667,500 and 2,105,000, respectively	(121,070)	(100,355)
Accumulated other comprehensive income/(loss)	(5,491)	(9,571)
Total stockholders' equity	506,929	490,098
Total liabilities and stockholders' equity	\$ 649,520	\$ 650,787

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In thousands, except per share amounts)

	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
Revenues	\$ 162,731	\$ 197,072	\$ 317,143	\$ 404,188
Cost of sales	<u>99,351</u>	<u>122,041</u>	<u>191,871</u>	<u>250,213</u>
Gross profit	63,380	75,031	125,272	153,975
Selling, general and administrative expenses	38,613	45,915	76,317	98,569
Intangibles amortization	<u>108</u>	<u>25</u>	<u>209</u>	<u>25</u>
Operating income	24,659	29,091	48,746	55,381
Interest expense, net	766	1,876	1,538	3,985
Other expense/(income), net	<u>33</u>	<u>5</u>	<u>70</u>	<u>253</u>
Income before income taxes	23,860	27,210	47,138	51,143
Provision for income taxes	<u>8,825</u>	<u>10,068</u>	<u>17,438</u>	<u>18,918</u>
Net income	<u>\$ 15,035</u>	<u>\$ 17,142</u>	<u>\$ 29,700</u>	<u>\$ 32,225</u>
Basic earnings per common share	<u>\$ 0.75</u>	<u>\$ 0.86</u>	<u>\$ 1.48</u>	<u>\$ 1.64</u>
Diluted earnings per common share	<u>\$ 0.74</u>	<u>\$ 0.83</u>	<u>\$ 1.44</u>	<u>\$ 1.56</u>
Weighted average common shares	<u>19,982</u>	<u>19,843</u>	<u>20,118</u>	<u>19,697</u>
Weighted average common and common equivalent shares	<u>20,418</u>	<u>20,762</u>	<u>20,663</u>	<u>20,693</u>

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES
IN STOCKHOLDERS' EQUITY

(UNAUDITED)

(Dollars in thousands)

	Common Stock		Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount					
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
Change in comprehensive income (loss)	-	-	-	-	-	(557)	(557)
Balance at March 31, 2002	22,351,049	22	(100,355)	287,714	312,288	(9,571)	490,098
Net income	-	-	-	-	29,700	-	29,700
Purchase of treasury stock	-	-	(20,715)	-	-	-	(20,715)
Issuance of common stock	24,630	-	-	1,001	-	-	1,001
Exercise of options	82,985	-	-	2,127	-	-	2,127
Tax benefit from exercised options	-	-	-	638	-	-	638
Change in comprehensive income (loss)	-	-	-	-	-	4,080	4,080
Balance at September 30, 2002	<u>22,458,664</u>	<u>\$22</u>	<u>(\$121,070)</u>	<u>\$291,480</u>	<u>\$341,988</u>	<u>(\$5,491)</u>	<u>\$506,929</u>

See Notes to Consolidated Financial Statements

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

	Six months ended September 30,	
	2002	2001
Cash flows from operating activities:		
Net income	\$ 29,700	\$ 32,225
Adjustments to reconcile net income to cash provided by operating activities:		
Intangibles amortization	209	25
Depreciation	3,910	4,110
Changes in working capital items:		
Accounts receivable, net	7,617	20,011
Inventories, net	2,764	2,297
Other current assets	(5,938)	(2,989)
Accounts payable and accrued liabilities	(426)	(31,290)
Cash provided by operating activities	37,836	24,389
Cash flows from investing activities:		
Capital expenditures, net of disposals	(680)	(1,908)
Merger transactions, net of cash acquired and prior merger-related payments	(7,289)	(16,453)
Cash (used in) investing activities	(7,969)	(18,361)
Cash flows from financing activities:		
Revolving credit borrowings, net	(15,749)	(2,190)
Proceeds from exercise of options	2,127	3,436
Purchase of treasury stock	(20,715)	-
Cash (used in)/provided by financing activities	(34,337)	1,246
Foreign currency exchange impact on cash flow	3,705	696
Increase/(decrease) in cash and cash equivalents	(765)	7,970
Cash and cash equivalents at beginning of period	13,423	6,209
Cash and cash equivalents at end of period	\$ 12,658	\$ 14,179
Cash paid for interest	\$ 1,589	\$ 3,769
Cash paid for income taxes	\$ 16,126	\$ 25,919

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: Fiscal Years and Basis of Presentation

The Company’s fiscal year ends on March 31. Its fiscal quarters consist of 13 weeks and end on the Sunday nearest each calendar quarter end. The actual ending date for the period presented as September 30, 2002 was September 29, 2002. The ending dates for all other periods are as presented.

Note 3: Inventories

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

	September 30, 2002	March 31, 2001
Raw materials	\$ 2,072	\$ 2,417
Work-in-process	2	5
Finished goods	45,111	47,017
Inventory reserve	(3,726)	(3,358)
Inventory, net	\$ 43,459	\$ 46,081

Note 4: 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.

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share amounts)

At September 30, 2002, the open foreign exchange contracts were in Euro, Canadian dollars, Swiss francs, Japanese yen, and Australian dollars. These open contracts, which equal approximately \$7,166 at the contract rates, have a fair value of \$7,116 and will expire in two to six months. The open contracts have contract rates of 1.027 Euro, 1.5819 Canadian dollars, 1.49 Swiss francs, 116.59 to 127.73 Japanese yen and 1.79 Australian dollars, all per U.S. dollar.

Note 5: Comprehensive Income

Comprehensive income consisted of the following:

	Three months ended		Six months ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Net income	\$ 15,035	\$ 17,142	\$ 29,700	\$ 32,225
Other comprehensive income:				
Foreign currency translation adjustment	153	2,074	3,929	1,364
Unrealized gains on derivatives designated and qualified as cash flow hedges	351	20	151	73
Comprehensive income	\$ 15,539	\$ 19,236	\$ 33,780	\$ 33,662

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

	September 30,	March 31,
	2002	2002
Foreign currency translation adjustment	\$ (5,474)	\$ (9,403)
Unrealized gains on derivatives designated and qualified as cash flow hedges	(17)	(168)
Total accumulated other comprehensive income/(loss)	\$ (5,491)	\$ (9,571)

Note 6: 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:

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share amounts)

<i>(Shares in thousands)</i>	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
Net income for earnings per share computation	\$ 15,035	\$ 17,142	\$ 29,700	\$ 32,225
Basic earnings per common share:				
Weighted average common shares	19,982	19,843	20,119	19,697
Basic earnings per common share	\$ 0.75	\$ 0.86	\$ 1.48	\$ 1.64
Diluted earnings per common share:				
Weighted average common shares	19,982	19,843	20,119	19,697
Shares issuable from assumed conversion of stock options and contingently issuable shares from acquisitions (net of tax savings)	436	919	544	996
Weighted average common and common equivalent shares	20,418	20,762	20,663	20,693
Diluted earnings per common share	\$ 0.74	\$ 0.83	\$ 1.44	\$ 1.56

Excluded from the calculation above are 2,243 thousand shares and 12 thousand shares issuable upon the exercise of outstanding stock options for the three months ended September 30, 2002 and 2001, respectively and 1,423 thousand shares and 12 thousand shares for the six months ended September 30, 2002 and 2001, respectively, as the exercise price of such options was greater than the average market price for those time periods.

Note 7: 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.

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

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 8 – Changes in Business

During the six months ended September 30, 2002, the Company successfully completed two business combinations that have been accounted for using the purchase method of accounting, June 2002 – Societe d'Installation de Reseaux Informatiques et Electriques; and July 2002 – EDC Communications Limited and EDC Communications (Ireland) Limited. The aggregate purchase price of these two business combinations was \$4,300 and resulted in goodwill of \$3,157 and other intangibles of approximately \$348 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. In addition, during the six months ended September 30, 2002, the Company paid approximately \$4,000 for obligations related to mergers completed in prior periods.

As of September 30, 2002, all non-compete agreements had an estimated gross value of \$1,861 and accumulated amortization of \$184. As of September 30, 2002, the backlog intangibles had a gross value of \$281 and accumulated amortization of \$208. 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.

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share amounts)

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 \$1,800 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 September 30, 2002, certain merger agreements provide for contingent payments of up to \$7,762. 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:

		Three months ended		Six months ended	
		September 30,		September 30,	
		2002	2001	2002	2001
Revenues:	As reported	\$ 162,731	\$ 197,072	\$ 317,143	\$ 404,188
	Mergers-pre BBC	64	8,500	1,721	22,384
	Pro forma	\$ 162,795	\$ 205,572	\$ 318,864	\$ 426,572
Net income:	As reported	\$ 15,035	\$ 17,142	\$ 29,700	\$ 32,225
	% of revenues	9.2%	8.7%	9.4%	8.0%
	Mergers-pre BBC	(1)	1,037	176	2,637
	% of revenues	--	12.2%	10.2%	11.8%
	Pro forma	\$ 15,034	\$ 18,179	\$ 29,876	\$ 34,862
	% of revenues	9.2%	8.8%	9.4%	8.2%
Diluted earnings per share:	As reported	\$ 0.74	\$ 0.83	\$ 1.44	\$ 1.56
	Pro forma	0.74	0.88	1.45	1.68

Note 9: 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.

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

As of September 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 September 30, 2002:

	Gross Carrying Amount	Accumulated Amortization
Non-Compete Agreements	\$ 1,861	\$ 184
Acquired Backlog	281	208
Total	\$ 2,142	\$ 392

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 and six months ended September 30, 2002 was \$108 and \$209, respectively. 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-\$156; 2004-\$186; 2005-\$186; 2006-\$186; and 2007-\$186.

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

	Phone	On-Site	Total
Balance as of March 31, 2002	\$ 60,540	\$ 297,090	\$ 357,630
Goodwill related to acquisitions and earnout payments during period	191	5,485	5,676
Balance as of September 30, 2002	\$ 60,731	\$ 302,575	\$ 363,306

Note 10: 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. During the six months of Fiscal 2003, the Company repurchased 562.5 thousand shares for an aggregate purchase price of \$20,715. Funding for these repurchases came from existing cash flow and borrowings under existing credit facilities.

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share amounts)

Note 11: Indebtedness

Long-term debt is as follows:

	September 30, 2002	March 31, 2001
Revolving credit agreement	\$ 62,000	\$ 75,000
Other debt	1,048	3,686
Total debt	63,048	78,686
Less: current portion	(646)	(3,189)
Long-term debt	\$ 62,402	\$ 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.

The weighted average interest rate on all indebtedness of the Company as of September 30, 2002 was approximately 2.61%.

Note 12: 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 one of its acquisitions. The components of the restructuring accrual at September 30, 2002 are as follows:

	Accrued March 31, 2002	Cash Expenditures	Accrued September 30, 2002
Employee Severance	\$ 1,443	\$ 872	\$ 571
Facility Closures	1,439	398	1,041
Total	\$ 2,882	\$ 1,270	\$ 1,612

BLACK BOX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share amounts)

Note 13: 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. For intercompany transactions, the segment providing the third-party billing reports the revenues and the related profits. 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:

On-Site Services	Three months ended		Six months ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Revenues	\$ 98,407	\$ 117,274	\$ 189,265	\$ 238,325
Worldwide operating income	11,658	14,618	23,606	29,533
Depreciation	1,048	1,037	2,070	2,022
Amortization	108	25	209	25
Segment assets	567,179	512,764	567,179	512,764

Phone Services	Three months ended		Six months ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Revenues	\$ 64,324	\$ 79,798	\$ 127,878	\$ 165,863
Worldwide operating income	13,445	15,030	26,043	32,621
Depreciation	979	1,112	1,956	2,202
Amortization	--	--	--	--
Segment assets	494,300	520,727	494,300	520,727

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

Other	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
Revenues	\$ --	\$ --	\$ --	\$ --
Worldwide operating income	(336)	(532)	(694)	(1,156)
Depreciation	(59)	(57)	(116)	(114)
Amortization	--	--	--	--
Segment assets	29,036	28,744	29,036	28,744

The following reconciles certain reportable segment data and the corresponding consolidated amounts:

Revenue	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
Total revenues for phone and on-site segments	\$ 162,731	\$ 197,072	\$ 317,443	\$ 404,188
Other revenues	--	--	--	--
Total consolidated revenues	\$ 162,731	\$ 197,072	\$ 317,443	\$ 404,188

Worldwide Operating Income/Operating Income	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
Total worldwide operating income for phone and on-site segments	\$ 25,103	\$ 29,648	\$ 49,649	\$ 56,562
Other worldwide operating income	(336)	(532)	(694)	(1,156)
Total consolidated worldwide operating income	24,767	29,116	48,955	55,406
Amortization expense	108	25	209	25
Total operating income	\$ 24,659	\$ 29,091	\$ 48,746	\$ 55,381

On-Site Services worldwide operating income for the six months ended September 30, 2001 was 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.

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

Assets	September 30, 2002	March 31, 2002
Total assets for phone and on-site segments	\$ 1,016,479	\$ 1,016,073
Other assets	29,036	28,874
Corporate eliminations	(395,995)	(394,160)
Total consolidated assets	\$ 649,520	\$ 650,787

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

Revenues	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
North America	\$ 114,188	\$ 145,534	\$ 221,471	\$ 299,654
Europe	38,373	37,739	74,390	76,809
Pacific Rim	6,744	8,459	13,247	17,160
Latin America	3,427	5,340	8,035	10,565
Total revenues	\$ 162,731	\$ 197,072	\$ 317,143	\$ 404,188

Assets	September 30, 2002	March 31, 2002
North America	\$ 514,269	\$ 513,008
Europe	111,477	111,584
Pacific Rim	10,583	11,653
Latin America	13,191	14,542
Total consolidated assets	\$ 649,520	\$ 650,787

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 September 30,		Six Months Ended September 30,	
	2002 (2Q03)	2001 (2Q02)	2002 (2Q03YTD)	2001 (2Q02YTD)
Total Revenues	\$ 162,731	\$ 197,072	\$ 317,143	\$ 404,188
Percentage of Total:				
On-Site Services				
North America	49%	52%	49%	53%
International	11	8	11	6
Subtotal On-Site	60	60	60	59
Phone Services				
North America	21	21	21	22
International	19	19	19	19
Subtotal Phone	40	40	40	41
Total	100%	100%	100%	100%

Second Quarter Fiscal 2003 (2Q03) Compared To Second Quarter Fiscal 2002 (2Q02):

Total Revenues

Total revenues for 2Q03 were \$162,731, a decrease of 17% compared to 2Q02 total revenues of \$197,072. If exchange rates had remained constant from the second quarter last year, 2Q03 total revenues would have been \$3,647 less.

On-Site Services Revenues

Revenues from on-site services were \$98,407 for 2Q03 compared to \$117,274 for 2Q02. Included in 2Q03 is approximately \$3,936 of revenues from mergers completed after 2Q02. Overall, the on-site services revenue decline was due to weak 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.

North America on-site services revenues were \$79,987 for 2Q03 compared to \$103,318 for 2Q02. The decrease in North America on-site services revenues was due to the economic conditions described above.

International on-site services revenues increased 32% to \$18,420 for 2Q03 from \$13,956 for 2Q02. 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 2Q03 were \$64,324 compared to \$79,798 for 2Q02. Phone services revenues from North America decreased to \$34,201 for 2Q03 from \$42,216 for 2Q02 while International phone services revenues decreased to \$30,123 for 2Q03 from \$37,582 for 2Q02. 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 over prior year's second quarter by geographic region were as follows: North America revenues decreased \$31,346, or 22%, to \$114,188; Europe revenues increased \$633, or 2%, to \$38,372; Pacific Rim revenues decreased \$1,715, or 20%, to \$6,503; and Latin American revenues decreased \$1,913, or 36%, to \$3,427. If the exchange rate relative to the U.S. dollar had remained unchanged from 2Q02, the European, Pacific Rim and Latin America revenues would have decreased 8%, 22% and 35%, respectively.

Gross Profit

Gross profit for 2Q03 decreased to \$63,380, or 38.9% of revenues, from \$75,031, or 38.1% of revenues for 2Q02. 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 2Q03 were \$38,613, or 23.7% of revenues, a decrease of \$7,302 over SG&A expenses of \$45,915, or 23.3% of revenues for 2Q02. The dollar decrease from 2Q02 to 2Q03 related to the Company's cost reduction efforts worldwide.

Operating to Net Income

Operating income before intangibles amortization for 2Q03 was \$24,767, or 15.2% of revenues, compared to \$29,116, or 14.8% of revenues in 2Q02.

The increase in operating income percentage was due primarily to the gross profit improvement in phone services mentioned above.

Intangibles amortization for 2Q03 was \$108 compared to 2Q02 of \$25.

Net interest expense for 2Q03 decreased to \$766 from \$1,876 for 2Q02 due to reductions in both interest rates and the outstanding debt.

The tax provision for 2Q03 was \$8,825, an effective tax rate of 37.0%, compared to 2Q02 of \$10,068, 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 2Q03 was \$15,035, or 9.2% of revenues, compared to \$17,142, or 8.7% of revenues for 2Q02. The increase in net income as a percentage of revenue was primarily due to the Company's cost reduction efforts.

First Half Fiscal 2003 (2Q03YTD) Compared To First Half Fiscal 2002 (2Q02YTD):

Total Revenues

Total revenues for 2Q03YTD were \$317,143, a decrease of 22% compared to 2Q02YTD total revenues of \$404,188. If exchange rates had remained constant from the same periods last year, 2Q03 total revenues would have been \$5,161 less.

On-Site Services Revenues

Revenues from on-site services were \$189,265 for 2Q03YTD compared to \$238,325 for 2Q02YTD. Included in 2Q03YTD is approximately \$6,775 of revenues from mergers completed after 2Q02. Overall, the on-site services revenue decline was due to weak 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.

North America on-site services revenues were \$153,869 for 2Q03YTD compared to \$212,607 for 2Q02YTD. The decrease in North America on-site services revenues was due to the economic conditions described above.

International on-site services revenues increased 38% to \$35,396 for 2Q03YTD from \$25,718 for 2Q02YTD. 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 2Q03YTD were \$127,878 compared to \$165,863 for 2Q02YTD. Phone services revenues from North America decreased to \$67,602 for 2Q03YTD from \$87,047 for 2Q02YTD while International phone services revenues decreased to \$60,276 for 2Q03YTD from \$78,816 for 2Q02YTD. 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 over prior year's first half by geographic region were as follows: North America revenues decreased \$78,183, or 26%, to \$221,471; Europe revenues decreased \$2,419, or 3%, to \$74,390; Pacific Rim revenues decreased \$3,913, or 23%, to \$13,247; and Latin American revenues decreased \$2,530, or 24%, to \$8,035. If the exchange rate relative to the U.S. dollar had remained unchanged from prior year, the European, Pacific Rim and Latin America revenues would have decreased 10%, 24% and 23%, respectively.

Gross Profit

Gross profit for 2Q03YTD decreased to \$125,272, or 39.5% of revenues, from \$153,975, or 38.1% of revenues for 2Q02YTD. 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 2Q03YTD were \$76,317, or 24.1% of revenues, a decrease of \$22,252 over SG&A expenses of \$98,569, or 24.4% of revenues for 2Q02YTD. Included in prior year's first half 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 1Q02. The remaining dollar decrease from 2Q02YTD to 2Q03YTD related to the Company's cost reduction efforts worldwide.

Operating to Net Income

Operating income before intangibles amortization for 2Q03YTD was \$48,955, or 15.4% of revenues, compared to \$55,406, or 13.7% of revenues in 2Q02YTD.

If the Company had not incurred the special expense described above, operating income for 2Q02YTD would have been \$60,433, or 15.0% of revenues. The increase in operating income percentage was due primarily to the gross profit improvement in phone services mentioned above.

Intangibles amortization for 2Q03YTD was \$209 compared to 2Q02YTD of \$25.

Net interest expense for 2Q03YTD decreased to \$1,538 from \$3,985 for 2Q02YTD due to reductions in both interest rates and the outstanding debt.

The tax provision for 2Q03YTD was \$17,438, an effective tax rate of 37.0%, compared to 2Q02YTD of \$18,918, 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 2Q03YTD was \$29,700, or 9.4% of revenues, compared to \$32,225, or 8.0% of revenues for 2Q02YTD. Excluding the special charge described above in SG&A expenses, net income for 2Q02YTD would have been \$35,392, 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 2Q03, free cash flow (cash flow from operating activities less capital expenditures and foreign currency translation adjustments, plus proceeds from stock option exercises) was \$19,334 compared to \$18,531 for 2Q02. Cash flow from operating activities for 2Q03 and 2Q02 was \$17,870 and \$17,639, respectively. Reflected as a source of cash flow from operating activities in 2Q03 are decreases in accounts receivable and inventories plus increases in accounts payable and accrued liabilities, offset in part by decreases in other current assets, all generally related to the decline in revenues. In 2Q02, decreases in accounts receivables, inventories and other current assets were a source of cash flow from operating activities, while decreases in various liabilities were a use of cash flow.

For 2Q03YTD, free cash flow was \$42,988 compared to \$26,613 for 2Q02YTD. Cash flow from operating activities for 2Q03YTD and 2Q02YTD was \$37,198 and \$24,389, respectively. Reflected as a source of cash flow from operating activities during 2Q03YTD are decreases in accounts receivable and inventories, offset in part by decreases in other current assets and accounts payable and accrued liabilities, all generally related to the decline in revenues. For 2Q02YTD, decreases in accounts receivables, inventories and other current assets were a source of cash flow from operating activities, while decreases in various liabilities were a use of cash flow.

During 2Q03, the Company's debt decreased by only \$445 from 1Q03 as second quarter free cash flow was primarily used for repurchases of the Company's stock. For the six months, debt decreased by \$15,638 from March 31, 2002. As of the end of 2Q03, the Company had cash and cash equivalents of \$12,658, working capital of \$141,553 and long-term debt of \$62,402.

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 2Q03 of \$63,048 was comprised of \$62,000 under the Long Term Revolver and \$1,048 of various other loans. The weighted average interest rate on all indebtedness of the Company for 2Q03 and 2Q02 was approximately 2.67% and 4.90%, respectively. The weighted average interest rate on all indebtedness of the Company as the end of 2Q03 was 2.61%. In addition, at the end of 2Q03, the Company had \$928 of letters of credit outstanding and \$117,072 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 2Q03) on the Euro-dollar rate option and from zero to 0.75% (zero at the end of 2Q03) 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 2Q03). 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 merger transactions and prior merger-related payments during 2Q03YTD was \$7,289 while capital expenditures, net of disposals, were \$680. 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 and 2Q03, the Company repurchased 89.3 thousand and 473.2 thousand shares, respectively, for an aggregate purchase price of \$20,715. Funding for these 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 2Q03, 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 \$7,166 and will expire in two to six months. The open contracts have contract rates of 1.027 Euro, 1.5819 Canadian dollars, 1.49 Swiss francs, 121.12 Japanese yen and 1.79 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.

Intangible Assets:

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," adopted by the Company on April 1, 2001, the Company evaluates its intangible assets for impairment during the third quarter of each fiscal year, with any resulting impairment reflected as an operating

expense. Accordingly, the Company will conduct such evaluation during its third quarter Fiscal 2003. Its intangible assets were initially evaluated for impairment as of April 1, 2001 and then again as of September 30, 2001 by comparing the fair value of each reporting unit to its carrying value, and no impairment existed. During the third quarter of each future fiscal year, the Company will evaluate the intangible assets for impairment.

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 revenues 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 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.

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 September 30, 2002, the Company had open contacts, which equal approximately \$7,166 at the contract rates, with a fair value of approximately \$7,116.

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 \$62,000 of variable rate debt. For the three-month periods ended September 30, 2002 and 2001, an instantaneous 100 basis point increase in the interest rate would reduce the company's expected net income in the subsequent three months by \$98 and \$201, respectively, assuming the Company employed no intervention strategies.

Item 4 – CONTROLS AND PROCEDURES

Based on their evaluation, as of a date within 90 days of the filing date of this Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rule 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) are effective. There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II OTHER INFORMATION

ITEM 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On August 15, 2002, the Company's stockholders voted on the following six matters at the Company's annual meeting of the stockholders: (i) the election of directors; (ii) the amendment to the 1992 Stock Option Plan to extend such plan's expiration date; (iii) the amendment to the 1992 Director Stock Option Plan to extend such plan's expiration date; (iv) the amendment to the 1992 Stock Option Plan to increase the number of shares authorized; (v) the amendment to the 1992 Director Stock Option Plan to increase the number of shares authorized; and (vi) the ratification of the appointment of Ernest & Young LLP as independent public accountants for the fiscal year ending March 31, 2003.

Each of the Company's nominees for director was re-elected at the annual meeting by the following vote:

	<u>Shares Voted For</u>	<u>Shares Withheld</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
William F. Andrews	18,451,982	250,111	0	0
Thomas G. Greig	18,451,984	250,109	0	0
William R. Newlin	18,299,218	402,875	0	0
Brian D. Young	18,426,713	275,380	0	0
Fred C. Young	18,379,019	323,074	0	0

The amendment to the 1992 Stock Option Plan to extend the expiration date was approved by the following vote:

<u>Shares Voted For</u>	<u>Shares Voted Against</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
14,348,671	4,311,839	41,583	0

The amendment to the 1992 Director Stock Option Plan to extend the expiration date was approved by the following vote:

<u>Shares Voted For</u>	<u>Shares Voted Against</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
15,744,291	2,916,262	41,540	0

The amendment to the 1992 Stock Option Plan to increase the number of shares authorized under the plan was approved by the following vote:

<u>Shares Voted For</u>	<u>Shares Voted Against</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
11,197,043	7,463,314	41,735	1

The amendment to the 1992 Director Stock Option Plan to increase the number of shares authorized:

<u>Shares Voted For</u>	<u>Shares Voted Against</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
12,679,263	5,979,694	43,135	1

The appointment of Ernst & Young LLP as independent public accountants for the fiscal year ending March 31, 2003 was approved by the following vote:

<u>Shares Voted For</u>	<u>Shares Voted Against</u>	<u>Shares Abstaining</u>	<u>Broker Non-Votes</u>
18,396,910	285,589	19,593	1

Item 6 – EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 10.1 1992 Stock Option Plan, as amended through August 15, 2002.
- 10.2 1992 Director Stock Option Plan, as amended through August 15, 2002.
- 21.1 Subsidiaries of the Company
- 99.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

Current report on Form 8-K for the event dated August 14, 2002 reporting under Item 9 that the certifications required by 18 U.S.C. Section 1350 accompanied the Company's Form 10-Q for the quarter ended June 30, 2002, which was filed with the Securities and Exchange Commission on such date.

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

November 14, 2002

By: /s/ Anna M. Baird
Anna M. Baird
Chief Financial Officer, Treasurer,
and Principal Accounting Officer

CERTIFICATIONS

I, Fred C. Young, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Black Box Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Fred C. Young

Fred C. Young
Chief Executive Officer

I, Anna M. Baird, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Black Box Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
- d) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - e) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Anna M. Baird _____
Anna M. Baird
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

- 10.1 1992 Stock Option Plan, as amended through August 15, 2002.
- 10.2 1992 Director Stock Option Plan, as amended through August 15, 2002.
- 21.1 Subsidiaries of the Company
- 99.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SUBSIDIARIES OF THE COMPANY

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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)	

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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 (SIRIE)	Black Box Network Services - France	
EDC Communications Limited	BBNS – Northern Ireland	
EDC Communications (Ireland) Limited	BBNS - Dublin	
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		

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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 September 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
November 14, 2002

/s/ Anna M. Baird

Anna M. Baird
Chief Financial Officer
November 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.