Fiscal 2003 Third 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 December 29, 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________**

Indicate by check mark whether the registrant is an accelerated filer (as defined In Rule 12b-2 of the Exchange Act).

Yes____x___ **No _______**

The number of shares outstanding of the Registrant's common stock, $.001 par value, as of February 10, 2003 was 19,304,414 shares.

PART I FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

BLACK BOX CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

ASSETS	(Unaudited) December 29, 2002	March 31, 2002
Current assets:		
Cash and cash equivalents	$ 13,447	$ 13,423
Accounts receivable, net of allowance for doubtful accounts of $8,409 and $8,207, respectively	110,577	115,969
Inventories, net	44,991	46,081
Costs and estimated earnings in excess of billings on uncompleted contracts	20,431	24,015
Other current assets	17,875	19,959
Total current assets	207,321	219,447
Property, plant and equipment, net of accumulated depreciation of $44,682 and $38,635, respectively	36,994	41,063
Intangibles, net of accumulated amortization of $48,936 and $48,578, respectively	397,675	387,286
Other assets	3,113	2,991
Total assets	$ 645,103	$ 650,787
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	$ 1,761	$ 3,189
Accounts payable	31,122	34,279
Billings in excess of costs and estimated earnings on uncompleted contracts	4,097	4,235
Other accrued expenses	32,625	31,125
Accrued income taxes	3,967	3,155
Total current liabilities	73,572	75,983
Long-term debt	51,469	75,497
Other liabilities	7,365	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 22,571,914 and 22,351,049, respectively	23	22
Additional paid-in capital	294,357	287,714
Retained earnings	355,790	312,288
Treasury stock, at cost, 3,067,500 and 2,105,000, respectively	(138,208)	(100,355)
Accumulated other comprehensive income/(loss)	735	(9,571)
Total stockholders' equity	512,697	490,098
Total liabilities and stockholders' equity	$ 645,103	$ 650,787

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION

(UNAUDITED)

(In thousands, except per share amounts)

	Three months ended December 29, 2002	Three months ended December 31, 2001	Nine months ended December 29, 2002	Nine months ended December 31, 2001
Revenues	$ 153,062	$ 179,241	$ 470,205	$ 583,429
Cost of sales	92,423	108,397	284,294	358,610
Gross profit	60,639	70,844	185,911	224,819
Selling, general and administrative expenses	37,471	42,604	113,788	141,173
Intangibles amortization	96	82	305	107
Operating income	23,072	28,158	71,818	83,539
Interest expense, net	671	1,382	2,209	5,367
Other expense/(income), net	44	2	114	255
Income before income taxes	22,357	26,774	69,495	77,917
Provision for income taxes	7,580	9,905	25,018	28,823
Net income	$ 14,777	$ 16,869	$ 44,477	$ 49,094
Basic earnings per common share	$ 0.75	$ 0.84	$ 2.23	$ 2.48
Diluted earnings per common share	$ 0.73	$ 0.81	$ 2.17	$ 2.36
Weighted average common shares	19,596	20,007	19,937	19,816
Weighted average common and common equivalent shares	20,225	20,955	20,513	20,793

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION

IN STOCKHOLDERS' EQUITY

(UNAUDITED)

(Dollars in thousands)

	Common Stock		Treasury	Additional Paid-in	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Stock	Capital	Earnings	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
Change in 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	-	-	-	-	44,477	-	44,477
Dividend Declared					(975)		(975)
Purchase of treasury stock	-	-	(37,853)	-	-	-	(37,853)
Issuance of common stock	24,630	1	-	1,001	-	-	1,002
Exercise of options	196,235	-	-	4,366	-	-	4,366
Tax benefit from exercised options	-	-	-	1,276	-	-	1,276
Change in comprehensive income	-	-	-	-	-	10,306	10,306
Balance at December 29, 2002	22,571,914	$23	($138,208)	$294,357	$355,790	$735	$512,697

See Notes to Consolidated Financial Statements

BLACK BOX CORPORATION

(UNAUDITED)

(Dollars in thousands)

	Nine months ended December 29, 2002	Nine months ended December 31, 2001
Cash flows from operating activities:		
Net income	$ 44,477	$ 49,094
Adjustments to reconcile net income to cash provided by operating activities:		
Intangibles amortization	305	107
Depreciation	5,747	6,140
Changes in working capital items:		
Accounts receivable, net	6,729	44,208
Inventories, net	1,232	3,514
Other current assets	6,090	(247)
Accounts payable and accrued liabilities	(2,221)	(52,479)
Cash provided by operating activities	62,359	50,337
Cash flows from investing activities:		
Capital expenditures, net of disposals	(706)	(1,937)
Merger transactions, net of cash acquired and prior merger-related payments	(7,561)	(18,910)
Cash used in investing activities	(8,267)	(20,847)
Cash flows from financing activities:		
Revolving credit borrowings, net	(25,567)	(26,930)
Proceeds from exercise of options	4,366	7,498
Purchase of treasury stock	(37,853)	-
Cash used in financing activities	(59,054)	(19,432)
Foreign currency exchange impact on cash flow	4,986	(394)
Increase in cash and cash equivalents	24	9,664
Cash and cash equivalents at beginning of period	13,423	6,209
Cash and cash equivalents at end of period	$ 13,447	$ 15,873
Cash paid for interest	$ 2,212	$ 5,295
Cash paid for income taxes	$ 23,472	$ 35,726

See Notes to Consolidated Financial Statements

(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, beginning in Fiscal 2003, end on the Sunday nearest each calendar quarter end. The actual ending date for the period presented as December 31, 2002 was December 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:

	December 31, 2002	**March 31, 2002**
Raw materials	$ 2,025	$ 2,417
Work-in-process	1	5
Finished goods	46,792	47,017
Inventory reserve	(3,827)	(3,358)
Inventory, net	$ 44,991	$ 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.

(Dollars in thousands, except per share amounts)

At December 31, 2002, the open foreign exchange contracts were in Euro, Pound sterling, Canadian dollars, Swiss francs, Japanese yen and Australian dollars. These open contracts are valued at approximately $27,014 and will expire in one to six months. The open contracts have an average contract rate of 1.01 Euro, 0.6474 Pound sterling, 1.5754 Canadian dollars, 1.494 Swiss francs, 121.35 Japanese yen and 1.83 Australian dollars, all per U.S. dollar.

Note 5: Comprehensive Income

Comprehensive income consisted of the following:

	Three months ended December 31,		**Nine months ended December 31,**	
	2002	**2001**	**2002**	**2001**
Net income	$ 14,777	$ 16,869	$ 44,477	$ 49,094
Other comprehensive income:				
Foreign currency translation adjustment	6,538	(1,125)	10,467	239
Unrealized gains (losses) on derivatives designated and qualified as cash flow hedges	(312)	(101)	(161)	(28)
Comprehensive income	$ 21,003	$ 15,643	$ 54,783	$ 49,305

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

	December 31, 2002	**March 31, 2002**
Foreign currency translation adjustment	$1,064	$ (9,403)
Unrealized gains on derivatives designated and qualified as cash flow hedges	(329)	(168)
Total accumulated other comprehensive income/(loss)	$ 735	$ (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 based on the weighted average number of common shares issued and outstanding, plus the dilutive effect of options (using the treasury stock method) and contingently issuable shares. The following table details this calculation:

	Three months ended December 31,		Nine months ended December 31,	
(Shares in thousands)	**2002**	**2001**	**2002**	**2001**
Net income for earnings per share computation	$ 14,777	$ 16,869	$ 44,477	$ 49,094
Basic earnings per common share:				
Weighted average common shares	19,596	20,007	19,937	19,816
Basic earnings per common share	$ 0.75	$ 0.84	$ 2.23	$ 2.48
Diluted earnings per common share:				
Weighted average common shares	19,596	20,007	19,937	19,816
Shares issuable from assumed conversion of stock options and contingently issuable shares from acquisitions (net of tax savings)	629	948	576	977
Weighted average common and common equivalent shares	20,225	20,955	20,513	20,793
Diluted earnings per common share	$ 0.73 0.	$ 0.81	$ 2.17	$ 2.36

Excluded from the calculation above are 814,064 shares and 11,936 shares issuable upon the exercise of outstanding stock options for the three months ended December 31, 2002 and 2001, respectively and 1,452,134 shares and 11,936 shares for the nine months ended December 31, 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 SFAS 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 SFAS 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 Statement No. 13 are effective for transactions occurring after May 15, 2002. All other provisions of this standard must be applied for years beginning 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 standard are effective for exit or disposal activities that are initiated after December 31, 2002. The Company believes that the adoption of SFAS No. 146 will not have a material impact on its financial statements or results of operations.

On December 31, 2002, the Financial Accounting Standards Board issued SFAS No. 148 "Accounting for Stock-Based Compensation – Transition and Disclosure." SFAS No. 148 amends FASB Statement No. 123 "Accounting for Stock-Based Compensation," to provide alternative methods of transition to Statement No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of Statement 123 and APB Opinion No. 28 "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While the statement does not amend Statement 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of Statement 123 or the intrinsic value method of Opinion 25. The Company continues to apply Opinion No 25 in accounting for stock-based compensation. SFAS No. 148 amendments of the transition and annual disclosure requirements of Statement 123 are effective for fiscal years ending after December 15, 2002 and will be included in the Company's Form 10-K for Fiscal 2003.

Note 8 – Changes in Business

During the nine months ended December 31, 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 third quarter of Fiscal 2002. The other intangibles balance consisted of non-compete agreements and backlog. In addition, during the nine months ended December 31, 2002, the Company paid approximately $4,000 for obligations related to mergers completed in prior periods.

As of December 31, 2002, all non-compete agreements had an estimated gross value of $1,861 and accumulated amortization of $235. As of December 31, 2002, the backlog intangibles had a gross value of $281 and accumulated amortization of $256. See Note 9, "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.; December 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 510,000 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 $1,800 in accordance with SFAS No. 141, "Business Combinations," which the Company adopted during the third 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 December 31, 2002, certain merger agreements provide for contingent payments of up to $5,192. 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 December 31,		Nine months ended December 31,	
		2002	**2001**	**2002**	**2001**
Revenues:	As reported	$ 153,062	$ 179,241	$ 470,205	$ 583,429
	Mergers-pre BBC	--	5,777	1,721	28,161
	Pro forma	$ 153,062	$ 185,018	$ 471,926	$ 611,590
Net income:	As reported	$ 14,777	$ 16,869	$ 44,477	$ 49,094
	% of revenues	9.7%	9.4%	9.5%	8.4%
	Mergers-pre BBC	--	775	178	3,410
	% of revenues	--	13.4%	10.3%	12.1%
	Pro forma	$ 14,777	$ 17,644	$ 44,655	$ 52,504
	% of revenues	9.7%	9.5%	9.5%	8.6%
Diluted earnings per share:	As reported	$ 0.73	$ 0.81	$ 2.17	$ 2.36
	Pro forma	$ 0.73	$ 0.84	$ 2.18	$ 2.53

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 and Fiscal 2003, 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 December 31, 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 December 31, 2002:

	Gross Carrying Amount	**Accumulated Amortization**
Non-Compete Agreements	$ 1,861	$ 235
Acquired Backlog	281	256
Total	$ 2,142	$ 491

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 nine months ended December 31, 2002 was $96 and $305, 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-$70; 2004-$200; 2005-$186; 2006-$186; and 2007-$186.

(Dollars in thousands, except per share amounts)

The changes in the carrying amount of goodwill, net of amortization, by reporting segment for the nine months ended December 31, 2002, are as follows:

	Phone	**On-Site**	**Total**
Balance as of March 31, 2002	$ 60,540	$ 297,090	$ 357,630
Goodwill related to acquisitions, earnout payments and other during period	1,115	9,540	10,655
Balance as of December 31, 2002	$ 61,655	$ 306,630	$ 368,285

Note 10: Treasury Stock

The Company previously announced its intention to repurchase up to 2,500,000 shares of its Common Stock from April 1, 1999 through March 31, 2002. As of March 31, 2002, the Company had repurchased 2,105,000 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 1,000,000 shares. During the first nine months of Fiscal 2003, the Company repurchased 962,500 shares for an aggregate purchase price of $37,853. Funding for these repurchases came from existing cash flow and borrowings under existing credit facilities.

Note 11: Indebtedness

Long-term debt is as follows:

	December 31, 2002	**March 31, 2002**
Revolving credit agreement	$ 51,000	$ 75,000
Other debt	2,230	3,686
Total debt	53,230	78,686
Less: current portion	(1,761)	(3,189)
Long-term debt	$ 51,469	$ 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 December 31, 2002 was approximately 2.17%.

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 recognized at the time of one of its acquisitions. The components of the restructuring accrual at December 31, 2002 are as follows:

	Accrued March 31, 2002	**Cash Expenditures**	**Accrued December 31, 2002**
Employee Severance	$ 1,443	$ 1,357	$ 86
Facility Closures	1,439	541	898
Total	$ 2,882	$ 1,898	$ 984

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.

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

Summary information by reportable segment is as follows:

	Three months ended December 31,		Nine months ended December 31,	
On-Site Services	**2002**	**2001**	**2002**	**2001**
Revenues	$ 90,165	$ 105,057	$ 279,430	$ 343,382
Worldwide operating income (before amortization)	10,838	14,239	34,444	43,772
Depreciation	965	976	3,035	2,998
Amortization	96	82	305	107
Segment assets	577,229	511,118	577,229	511,118

	Three months ended December 31,		Nine months ended December 31,	
Phone Services	**2002**	**2001**	**2002**	**2001**
Revenues	$ 62,897	$ 74,184	$ 190,775	$ 240,047
Worldwide operating income (before amortization)	12,671	14,411	38,714	46,467
Depreciation	931	1,115	2,887	3,317
Amortization	2	--	--	--
Segment assets	504,568	502,329	504,568	502,329

	Three months ended December 31,		Nine months ended December 31,	
Other	**2002**	**2001**	**2002**	**2001**
Revenues	$ --	$ --	$ --	$ --
Worldwide operating income (before amortization)	(341)	(410)	(1,035)	(1,566)
Depreciation	(59)	(61)	(175)	(175)
Amortization	--	--	--	--
Segment assets	29,179	28,790	29,179	28,790

(Dollars in thousands, except per share amounts)

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

	Three months ended December 31,		Nine months ended December 31,	
Revenue	**2002**	**2001**	**2002**	**2001**
Total revenues for phone and on-site segments	$ 153,062	$ 179,241	$ 470,205	$ 583,429
Other revenues	--	--	--	--
Total consolidated revenues	$ 153,062	$ 179,241	$ 470,205	$ 583,429

Worldwide Operating	Three months ended December 31,		Nine months ended December 31,	
Income/Operating Income	**2002**	**2001**	**2002**	**2001**
Total worldwide operating income (before amortization) for phone and on-site segments	$ 23,509	$ 28,650	$ 73,158	$ 85,212
Other worldwide operating income (before amortization)	(341)	(410)	(1,035)	(1,566)
Total consolidated worldwide operating income (before amortization)	23,168	28,240	72,123	83,646
Amortization expense	96	82	305	107
Total operating income (after amortization)	$ 23,072	$ 28,158	$ 71,818	$ 83,539

On-Site Services worldwide operating income for the nine months ended December 31, 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.

Assets	**December 31, 2002**	**March 31, 2002**
Total assets for phone and on-site segments	$ 1,081,797	$ 1,016,073
Other assets	29,179	28,874
Corporate eliminations	(465,873)	(394,160)
Total consolidated assets	$ 645,103	$ 650,787

(Dollars in thousands, except per share amounts)

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

	Three months ended December 31,		Nine months ended December 31,	
Revenues	**2002**	**2001**	**2002**	**2001**
North America	$ 102,017	$ 124,372	$ 323,488	$ 424,026
Europe	41,457	40,887	115,847	117,696
Pacific Rim	6,325	8,572	19,572	25,732
Latin America	3,263	5,410	11,298	15,975
Total revenues	$ 153,062	$ 179,241	$ 470,205	$ 583,429

Assets	**December 31, 2002**	**March 31, 2002**
North America	$ 503,561	$ 513,008
Europe	119,423	111,584
Pacific Rim	10,584	11,653
Latin America	11,535	14,542
Total consolidated assets	$ 645,103	$ 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 December 31,		Nine months ended December 31,	
	2002 (3Q03)	**2001 (3Q02)**	**2002 (3Q03YTD)**	**2001 (3Q02YTD)**
Total Revenues	$ 153,062	$ 179,241	$ 470,205	$ 583,429
Percentage of Total:				
On-Site Services				
North America	46%	50%	47%	52%
International	13	9	12	7
Subtotal On-Site	59	59	59	59
Phone Services				
North America	20	19	21	21
International	21	22	20	20
Subtotal Phone	41	41	41	41
Total	100%	100%	100%	100%

Third Quarter Fiscal 2003 (3Q03) Compared To Third Quarter Fiscal 2002 (3Q02):

Total Revenues

Total revenues for 3Q03 were $153,062, a decrease of 15% compared to 3Q02 total revenues of $179,241. If exchange rates had remained constant from the third quarter last year, 3Q03 total revenues would have been $4,068 less.

On-Site Services Revenues

Revenues from on-site services were $90,165 for 3Q03 compared to $105,057 for 3Q02. Included in 3Q03 is approximately $2,722 of revenues from mergers completed after 3Q02. Overall, the on-site services revenue decline was due to weak general economic conditions that affected customer demand offset in part by the impact of the Company’s geographic expansion by merger of its on-site technical services capabilities that occurred after 3Q02.

North America on-site services revenues were $71,008 for 3Q03 compared to $89,365 for 3Q02. The decrease in North America on-site services revenues was due to the economic conditions described above.

International on-site services revenues increased 22% to $19,157 for 3Q03 from $15,692 for 3Q02. 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 that occurred after 3Q02.

Phone Services Revenues

Revenues from the Company's phone services business for 3Q03 were $62,897 compared to $74,184 for 3Q02. Phone services revenues from North America decreased to $31,009 for 3Q03 from $35,007 for 3Q02 while International phone services revenues decreased to $31,888 for 3Q03 from $39,177 for 3Q02. The decline in North America and International phone services revenues was driven by a general economic downturn.

Revenues by Geography

Reported revenue dollar and percentage changes over prior year's third quarter by geographic region were as follows: North America revenues decreased $22,355, or 18%, to $102,017; Europe revenues increased $570, or 1%, to $41,457; Pacific Rim revenues decreased $2,247, or 26%, to $6,325; and Latin American revenues decreased $2,147, or 40%, to $3,263. If the exchange rate relative to the U.S. dollar had remained unchanged from 3Q02, the European, Pacific Rim and Latin America revenues would have decreased 8%, 28% and 39%, respectively.

Gross Profit

Gross profit for 3Q03 decreased to $60,639, or 39.6% of revenues, from $70,844, or 39.5% of revenues for 3Q02. The decrease in gross profit dollars over prior year was due to the decline in revenues.

SG&A Expenses

Selling, general and administrative ("SG&A") expenses for 3Q03 were $37,471, or 24.5% of revenues, a decrease of $5,133 over SG&A expenses of $42,604, or 23.8% of revenues for 3Q02. The dollar decrease from 3Q02 to 3Q03 related to the Company's cost reduction efforts worldwide.

Operating to Net Income

Operating income before intangibles amortization for 3Q03 was $23,168, or 15.1% of revenues, compared to $28,240, or 15.8% of revenues in 3Q02.

The decrease in operating income before intangibles amortization percentage was due primarily to the increase in SG&A as a percentage of revenues.

Intangibles amortization for 3Q03 was $96 compared to 3Q02 of $82.

Operating income (after intangibles amortization) for 3Q03 was $23,072, or 15.1% of revenues, compared to $28,158, or 15.7% of revenues in 3Q02.

Net interest expense for 3Q03 decreased to $671 from $1,382 for 3Q02 due to debt reduction of $49,597 from 3Q02 to 3Q03 and reduction in the interest rate during this period.

The tax provision for 3Q03 was $7,580, an effective tax rate of 33.9%, compared to 3Q02 of $9,905, an effective tax rate of 37.0%. The tax rate for 3Q03 was lower than the currently projected annual effective tax rate of 36.0% as the Company made the adjustment during the quarter from the previously expected rate of 37.0%. The Company reduced its annual effective tax rate to 36.0% as a result of reduced state income taxes. 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 3Q03 was $14,777, or 9.7% of revenues, compared to $16,869, or 9.4% of revenues for 3Q02. The increase in net income as a percentage of revenues was due primarily to the Company's lower effective tax rate.

First Nine Months Fiscal 2003 (3Q03YTD) Compared To First Nine Months Fiscal 2002 (3Q02YTD):

Total Revenues

Total revenues for 3Q03YTD were $470,205, a decrease of 19% compared to 3Q02YTD total revenues of $583,429. If exchange rates had remained constant from the same periods last year, 3Q03YTD total revenues would have been $9,229 less.

On-Site Services Revenues

Revenues from on-site services were $279,430 for 3Q03YTD compared to $343,382 for 3Q02YTD. Included in 3Q03YTD is approximately $7,725 of revenues from mergers completed after 3Q02. Overall, the on-site services revenue decline was due to weak general economic conditions that affected customer demand offset in part by the impact of the Company's geographic expansion by merger of its on-site technical services capabilities that occurred after 3Q02.

North America on-site services revenues were $224,877 for 3Q03YTD compared to $301,972 for 3Q02YTD. 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 $54,553 for 3Q03YTD from $41,410 for 3Q02YTD. The growth of International on-site services revenues was driven by the Company's geographic expansion of its technical services capabilities and deeper penetration in existing markets that occurred after 3Q02.

Phone Services Revenues

Revenues from the Company's phone services business for 3Q03YTD were $190,775 compared to $240,047 for 3Q02YTD. Phone services revenues from North America decreased to $98,611 for 3Q03YTD from $122,054 for 3Q02YTD while International phone services revenues decreased to $92,164 for 3Q03YTD from $117,993 for 3Q02YTD.
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 nine months by geographic region were as follows: North America revenues decreased $100,538, or 24%, to $323,488; Europe revenues decreased $1,849, or 2%, to $115,847; Pacific Rim revenues decreased $6,160, or 24%, to $19,572; and Latin American revenues decreased $4,677, or 29%, to $11,298. 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 9%, 25% and 29%, respectively.

Gross Profit

Gross profit for 3Q03YTD decreased to $185,911, or 39.5% of revenues, from $224,819, or 38.5% of revenues for 3Q02YTD. 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 3Q03YTD were $113,788, or 24.2% of revenues, a decrease of $27,385 over SG&A expenses of $141,173, or 24.2% of revenues for 3Q02YTD. Included in prior year's first nine months 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 3Q02YTD to 3Q03YTD related to the Company's cost reduction efforts worldwide.

Operating to Net Income

Operating income before intangibles amortization for 3Q03YTD was $72,123, or 15.3% of revenues, compared to $83,646, or 14.3% of revenues in 3Q02YTD.

If the Company had not incurred the special expense described above, operating income before intangibles amortization for 3Q02YTD would have been $88,673, or 15.2% of revenues.

Intangibles amortization for 3Q03YTD was $305 compared to 3Q02YTD of $107.

Operating income (after intangibles amortization) for 3Q03YTD was $71,818, or 15.3% of revenues, compared to $83,539, or 14.3% of revenues in 3Q02YTD.

Net interest expense for 3Q03YTD decreased to $2,209 from $5,367 for 3Q02YTD due to debt reduction of $49,597 from 3Q02 to 3Q03 and reduction in the interest rate during this period.

The tax provision for 3Q03YTD was $25,018, an effective tax rate of 36.0%, compared to 3Q02YTD of $28,823, an effective tax rate of 37.0%. The Company reduced its annual effective tax rate to 36.0% as a result of reduced state income taxes. 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 3Q03YTD was $44,477**,** or 9.5% of revenues, compared to $49,094, or 8.4% of revenues for 3Q02YTD. Excluding the special charge described above in SG&A expenses, net income for 3Q02YTD would have been $52,261, or 9.0% 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:

Cash flow from operating activities (defined by generally accepted accounting principles as net income plus non-cash charges of depreciation and amortization, less changes in working capital) for 3Q03 and 3Q02 was $24,523 and $25,948, respectively. Reflected as a source of cash flow from operating activities in 3Q03 are decreases in unbilled accounts and other current assets offset in part by increases in accounts receivables and inventories and decreases in accounts payable and accrued liabilities. In 3Q02, decreases in accounts receivables, inventories and other current assets were a source of cash flow from operating activities, while decreases in accounts payable and other liabilities were a use of cash flow.

During 3Q03, free cash flow (defined as cash flow from operating activities less capital expenditures and foreign currency translation adjustments, plus proceeds from stock option exercises) was $28,017 compared to $28,891 for 3Q02. The Company's 3Q03 free cash flow was used to repurchase approximately $17,000 of Company stock, reduce debt by approximately $10,000 and increase cash on hand by approximately $1,000.

Also during 3Q03, the Company's Board of Directors declared a quarterly cash dividend of $0.05 per share on all outstanding shares of Black Box's common stock, payable on January 15, 2003 to stockholders of record at the close of business on December 31, 2002. Accordingly, the Company recorded a liability of $975 in 3Q03.

Cash flow from operating activities for 3Q03YTD and 3Q02YTD was $62,359 and $50,337, respectively. Reflected as a source of cash flow from operating activities during 3Q03YTD are decreases in accounts receivable, unbilled accounts, inventories and other current assets, offset in part by decreases in accounts payable and accrued liabilities, all generally related to the decline in revenues. For 3Q02YTD, decreases in accounts receivables and inventories were a source of cash flow from operating activities, while decreases in other current assets and various liabilities were a use of cash flow.

For 3Q03YTD, free cash flow as defined above was $71,005 compared to $55,504 for 3Q02YTD. The Company's 3Q03YTD free cash flow was used to repurchase approximately $38,000 of Company stock, reduce debt by approximately $26,000 and pay merger obligations of approximately $7,000.

As of the end of 3Q03, the Company had cash and cash equivalents of $13,447, working capital of $133,749 and long-term debt of $51,469.

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 3Q03 of $53,230 was comprised of $51,000 under the Long Term Revolver and $2,230 of various other loans. The weighted average interest rate on all indebtedness of the Company for 3Q03 and 3Q02 was approximately 2.43% and 3.71%, respectively. The weighted average interest rate on all indebtedness of the Company as the end of 3Q03 was 2.17%. In addition, at the end of 3Q03, the Company had $3,565 of letters of credit outstanding and $125,435 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 3Q03) on the Euro-dollar rate option and from zero to 0.75% (zero at the end of 3Q03) 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 3Q03). 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 3Q03YTD was $272 while capital expenditures, net of disposals, were $26. Capital expenditures, net of disposals, for all of Fiscal 2003 are projected to be approximately $2,000 and will be focused primarily on information systems and facility improvements.

The Company previously announced its intention to repurchase up to 2,500,000 shares of its Common Stock from April 1, 1999 through March 31, 2002. As of March 31, 2002, the Company had repurchased 2,105,000 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 1,000,000 shares of its Common Stock. During the first nine months of Fiscal 2003, the Company repurchased 962,500 shares for an aggregate purchase price of $37,853. 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 3Q03, the open foreign exchange contracts related to intercompany transactions were in Euro, Pound sterling, Canadian dollars, Swiss francs, Japanese yen and Australian dollars. These open contracts are valued at approximately $27,014 and will expire in one to six months. The open contracts have an average contract rate of 1.01 Euro, 0.6474 Pound sterling, 1.5754 Canadian dollars, 1.494 Swiss francs, 121.35 Japanese yen and 1.83 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. Its intangible assets were initially evaluated for impairment as of April 1, 2001 and then again during the third quarters of Fiscal 2002 and Fiscal 2003 by comparing the fair value of each reporting unit to its carrying value, and no impairment existed.

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 Form 10-K, 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 (projects with a duration of greater than one month, generally two to four months) 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.

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 SFAS 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 SFAS 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 years beginning after May 15, 2002. The application of SFAS No. 145 did not have a material effect on the Company's financials 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 standard are effective for exit or disposal activities that are initiated after December 31, 2002. The Company believes that the adoption of SFAS No. 146 will not have a material impact on its financial statements or results of operations.

On December 31, 2002, the Financial Accounting Standards Board issued SFAS No. 148 "Accounting for Stock-Based Compensation – Transition and Disclosure." SFAS No. 148 amends FASB Statement No. 123 "Accounting for Stock-Based Compensation," to provide alternative methods of transition to Statement No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of Statement 123 and APB Opinion No. 28 "Interim Financial Reporting," to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While the statement does not amend Statement 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of Statement 123 or the intrinsic value method of Opinion 25. The Company continues to apply Opinion No 25 in accounting for stock-based compensation. SFAS No. 148 amendments of the transition and annual disclosure requirements of Statement 123 are effective for fiscal years ending after December 15, 2002 and will be included in the Company's Form 10-K for Fiscal 2003.

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 will enter into forward exchange contracts on a selective basis. At December 31, 2002, the Company had open contracts, which equal approximately $27,014 at the contract rates, with a fair value of approximately $27,980.

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 $51,000 of variable rate debt. For the three-month periods ended December 31, 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 $85 and $257, 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 5 – OTHER INFORMATION

In November 2002, the Audit Committee of the Board of Directors reviewed the proposed services of the Company's independent accountants, Ernst & Young, LLP. The Committee pre-approved payment of up to $125,000 for assistance with tax compliance and up to $100,000 for other non-audit services such as tax planning initiatives and other projects when identified.

Item 6 – EXHIBITS AND REPORTS ON FORM 8

(a) Exhibits

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 December 13, 2002 covering Item 5 thereof disclosing and filing the Company's press release related to organizational changes.

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

February 12, 2003

By: /s/ Michael McAndrew
Michael McAndrew
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: February 12, 2003

/s/ Fred C. Young

Fred C. Young
Chief Executive Officer

I, Michael McAndrew, 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: February 12, 2003

/s/ Michael McAndrew

Michael McAndrew
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	
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

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Legal Name	Doing Business As	State of Incorporation
Black Box Corporation	Black Box Corporation	Delaware
ATIMCO Network Services, Inc.	Black Box Network Services - Western Pennsylvania	Pennsylvania
American Telephone Wiring Company	Black Box Network Services – Charleston, 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
Koncepts Communications of L.I., Corp.	Black Box Network Services - Tri-State	New York
Communication Contractors, Inc.	Black Box Network Services - Chicago	Illinois
U.S. Premise Networking Services, Inc.	Black Box Network Services - Minneapolis	Minnesota
Datech Holdings Limited	Black Box Network Services - Nottingham (UK)	
Black Box Network Services, Inc. - Government Solutions	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 Cabling	Pennsylvania
Delaney Electrical Services, Inc.	Black Box Network Services – Philadelphia Electrical	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	West Virginia
Advanced Network Technologies, Inc.	Black Box Network Services – Southern California	California

Legal Name	Doing Business As	State of Incorporation
Teldata Corporation	Black Box Network Services – Tennessee Commercial	Tennessee
ST Communications & Cabling, Inc.	Black Box Network Services - Kansas City	Missouri
Black Box Network Services & Electrical, Inc.	Black Box Network Services & Electrical, Inc. Allcom Electric	New York
Black Box Network Services Baltimore, Inc.	Black Box Network Services Baltimore Black Box Network Services Virginia Black Box Network Services D.C.	Delaware
Datel Communications, Inc.	Black Box Network Services - Arizona	Arizona
Data Specialties Europe Ltd. (holding company)	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
Black Box Network Services (Cambridge) Ltd. (UK)	Black Box Network Services (Cambridge) Ltd. (UK)	
Black Box Network Services Reseavux Mediterranee SAS (Montpelier, France)	Black Box Network Services Reseavux Mediterranee SAS (Montpelier, France)	
Black Box Network Services AG (Switzerland)	Black Box Network Services AG (Switzerland)	
Michael Electric, Inc.	Black Box Network Services - New Jersey	New Jersey
Integrated Cabling Systems, Inc.	Black Box Network Services - Nebraska	Nebraska
Black Box Network Services (London) Ltd. (UK)	Black Box Network Services (London) Ltd. (UK)	
DESIGNet, Inc.	Black Box Network Services - San Jose	California
Black Box Network Services Puebla S.A. de C.V. (Mexico)	Black Box Network Services Puebla S.A. de C.V. (Mexico)	
Black Box Network Services AB (Sweden)	Black Box Network Services AB (Sweden)	
Optech Fibres Ltd.	Black Box Network Services - Northwest (UK)	
Black Box Network Services (Northampton) Ltd. (UK)	Black Box Network Services (Northampton) Ltd. (UK)	
Black Box Network Services srl – Rome (Italy)	Black Box Network Services srl – Rome (Italy)	

Legal Name	Doing Business As	State of Incorporation
Lanetwork Sales Ltd.	Black Box Network Services - Kitchener (Canada)	
Black Box Netzwerkservice Bayern GmbH (Germany)	Black Box Netzwerkservice Bayern GmbH (Germany)	
Telefuture Communications, Ltd.	Black Box Network Services - New Rochelle	New York
Black Box Netzwerkservice Stuttgart GmbH (Germany)	Black Box Netzwerkservice Stuttgart GmbH (Germany)	
Black Box Network Services Singapore Pte Ltd.	Black Box Network Services Singapore Pte Ltd.	
Black Box Services Paris SAS	Black Box Services Paris SAS	
Black Box Network Services (N. Ireland) Ltd.	Black Box Network Services (N. Ireland) Ltd.	
Black Box Network Services (Dublin) Ltd.	Black Box Network Services (Dublin) Ltd.	
BBox Holding Company	BBox Holding Company	Delaware
Black Box Corporation of Pennsylvania	Black Box Corporation of Pennsylvania	Delaware
Black Box UK, Ltd.	Black Box UK, Ltd.	
Black Box Canada Corporation	Black Box Canada Corporation	
Black Box Foreign Sales Corporation	Black Box Foreign Sales Corporation	
Black Box France, S.A.S.	Black Box France, S.A.S.	
Black Box Datacom, B.V. (Netherlands)	Black Box Datacom, B.V. (Netherlands)	
Black Box Network Products NV (Belgium)	Black Box Network Products NV (Belgium)	
Black Box Network Design NV (Belgium)	Black Box Network Design NV (Belgium)	
Black Box Network Cabling NV (Belgium)	Black Box Network Cabling NV (Belgium)	
Blue Box (Netherlands)	Blue Box (Netherlands)	
BB Technologies, Inc.	BB Technologies, Inc.	Delaware
Datacom Black Box Services AG (Switzerland)	Datacom Black Box Services AG (Switzerland)	
Black Box Deutschland GmbH (Germany)	Black Box Deutschland GmbH (Germany)	
Black Box Italia, srl	Black Box Italia, srl	
Black Box Network Services Kabushiki Kaisha (Japan)	Black Box Network Services Kabushiki Kaisha (Japan)	

Legal Name	Doing Business As	State of Incorporation
Black Box Network Services Australia Pty Ltd.	Black Box Network Services Australia Pty Ltd.	
Black Box Network Services New Zealand Limited	Black Box Network Services New Zealand Limited	
Black Box do Brazil Industria e Comercio Ltda.	Black Box do Brazil Industria e Comercio Ltda.	
Black Box de Mexico, S.A. de C.V.	Black Box de Mexico, S.A. de C.V.	
Black Box P.R. Corp. (Puerto Rico)	Black Box P.R. Corp. (Puerto Rico)	
Black Box Chile, S.A.	Black Box Chile, S.A.	
Black Box Comunicaciones, SAU (Spain)	Black Box Comunicaciones, SAU (Spain)	
Black Box GmbH (Austria)	Black Box GmbH (Austria)	
Black Box Norge AS (Norway)	Black Box Norge AS (Norway)	
Black Box Finland OY	Black Box Finland OY	
Black Box AB (Sweden)	Black Box AB (Sweden)	
Black Box A/S (Denmark)	Black Box A/S (Denmark)	

Exhibit 99.1

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 December 29, 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 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 results of operations of the Company.

/s/ Fred C. Young

Fred C. Young
Chief Executive Officer
February 12, 2003

/s/ Michael McAndrew

Michael McAndrew
Chief Financial Officer
February 12, 2003

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.