

Fiscal 2004 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 28, 2003  
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

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

Yes  No

The number of shares outstanding of the Registrant's common stock, \$0.001 par value, as of November 5, 2003 was 17,951,365 shares.

**PART I FINANCIAL INFORMATION**

**ITEM 1 – FINANCIAL STATEMENTS**

**BLACK BOX CORPORATION  
CONSOLIDATED BALANCE SHEETS**

*(In Thousands, Except Share and Per Share Amounts)*

	<b>(Unaudited) September 28, 2003</b>	<b>March 31, 2003</b>
<b><i>Assets</i></b>		
Current assets:		
Cash and cash equivalents	\$ 8,422	\$ 14,043
Accounts receivable, net of allowance for doubtful accounts of \$11,989 and \$11,710, respectively	96,119	100,263
Inventories, net	40,910	40,047
Costs and estimated earnings in excess of billings on uncompleted contracts	14,804	18,261
Other current assets	15,823	16,052
Total current assets	176,078	188,666
Property, plant and equipment, net	31,563	34,737
Goodwill, net	373,983	369,790
Other intangibles, net	29,464	29,509
Other assets	3,098	4,027
Total assets	\$ 614,186	\$ 626,729
<b><i>Liabilities and Stockholders' Equity</i></b>		
Current liabilities:		
Current debt	\$ 604	\$ 926
Accounts payable	28,947	30,508
Billings in excess of costs and estimated earnings on uncompleted contracts	2,849	3,295
Other accrued expenses	25,973	32,405
Accrued income taxes	2,651	2,940
Total current liabilities	61,024	70,074
Long-term debt	47,848	49,453
Other liabilities	11,176	12,780
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 22,707,304 and 22,594,034 shares, respectively	23	23
Additional paid-in capital	298,762	295,271
Retained earnings	380,760	359,037
Treasury stock, at cost, 4,632,817 and 3,822,500 shares, respectively	(195,508)	(163,547)
Accumulated other comprehensive income	10,101	3,638
Total stockholders' equity	494,138	494,422
Total liabilities and stockholders' equity	\$ 614,186	\$ 626,729

**See Notes To Consolidated Financial Statements**

**BLACK BOX CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

*(In Thousands, Except Per Share Amounts)*

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 28, 2003</b>	<b>September 29, 2002</b>	<b>September 28, 2003</b>	<b>September 29, 2002</b>
Revenues	\$ 129,268	\$ 162,731	\$ 257,615	\$ 317,143
Cost of sales	75,393	99,351	150,293	191,871
Gross profit	53,875	63,380	107,322	125,272
Selling, general and administrative expenses	34,536	38,613	69,521	76,317
Intangibles amortization	45	108	134	209
Operating income	19,294	24,659	37,667	48,746
Interest expense, net	440	766	860	1,538
Other(income)/expense, net	25	33	16	70
Income before income taxes	18,829	23,860	36,791	47,138
Provision for income taxes	6,778	8,825	13,244	17,438
Net income	\$ 12,051	\$ 15,035	\$ 23,547	\$ 29,700
Basic earnings per common share	\$ 0.66	\$ 0.75	\$ 1.28	\$ 1.48
Diluted earnings per common share	\$ 0.64	\$ 0.74	\$ 1.24	\$ 1.44
Weighted average common shares	18,208	19,982	18,412	20,118
Weighted average common and common equivalent shares	18,803	20,418	18,931	20,663
Dividend per share	\$ 0.05	--	\$ 0.10	--

See Notes To Consolidated Financial Statements

**BLACK BOX CORPORATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

*(In Thousands, Except Share Amounts)*

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Treasury</u>	<u>Additional</u>	<u>Retained</u>	<u>Accumulated</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Stock</u>	<u>Paid-in</u>	<u>Earnings</u>	<u>Other</u>	<u>Total</u>
						<u>Capital</u>		<u>Comprehensive</u>	
								<u>Income</u>	
<b>Balance at March 31, 2002</b>	0	\$0	22,351,049	\$22	\$(100,355)	\$287,714	\$312,288	\$(9,571)	\$490,098
Comprehensive income:									
Net income							48,685		48,685
Foreign currency translation adjustment								12,808	12,808
Unrealized gains on derivatives designated and qualified as cash flow hedges								233	233
Reclassification of unrealized losses on expired derivatives								168	168
Comprehensive income									61,894
Dividends declared							(1,936)		(1,936)
Purchase of treasury stock					(63,192)				(63,192)
Issuance of common stock			23,836	1		968			969
Exercise of options			219,149			4,767			4,767
Net benefit from exercised options						1,822			1,822
<b>Balance at March 31, 2003</b>	0	0	22,594,034	23	(163,547)	295,271	359,037	3,638	494,422
Comprehensive income:									
Net income							23,547		23,547
Foreign currency translation adjustment								6,013	6,013
Unrealized gains on derivatives designated and qualified as cash flow hedges								683	683
Reclassification of unrealized gains on expired derivatives								(233)	(233)
Comprehensive income									30,010
Dividends declared							(1,824)		(1,824)
Purchase of treasury stock					(31,961)				(31,961)
Exercise of options			104,770			2,582			2,785
Net benefit from exercised options						656			706
<b>Balance at September 28, 2003</b> (audited)	0	\$0	22,707,304	\$23	\$(195,508)	\$298,762	\$380,760	\$10,101	\$494,138

**See Notes To Consolidated Financial Statements**

**BLACK BOX CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
*(In Thousands)*

	<b>Six months ended</b>	
	<b>September 28, 2003</b>	<b>September 29, 2002</b>
<b><i>Cash Flows From Operating Activities</i></b>		
Net income	\$ 23,547	\$ 29,700
Adjustments to reconcile net income to cash provided by operating activities:		
Intangibles amortization	134	209
Depreciation	3,218	3,910
Net gain from sale of property	(301)	--
Changes in working capital items:		
Accounts receivable, net	5,903	11,271
Inventories, net	(356)	(3,817)
Other current assets	6,436	(2,441)
Accounts payable and accrued liabilities	(7,878)	(4,261)
Cash provided by operating activities	30,703	42,205
<b><i>Cash Flows From Investing Activities</i></b>		
Capital expenditures	(894)	(1,254)
Capital asset disposals	1,695	574
Merger transactions, net of cash acquired and prior merger-related payments	(1,018)	(7,289)
Cash used in investing activities	(217)	(7,969)
<b><i>Cash Flows From Financing Activities</i></b>		
Repayments of borrowings	(52,488)	(49,132)
Proceeds from borrowings	50,500	33,150
Proceeds from the exercise of options	2,785	2,127
Payment of dividends	(1,824)	--
Purchase of treasury stock	(36,680)	(20,715)
Cash used in financing activities	(37,707)	(34,570)
Foreign currency exchange impact on cash	1,600	(431)
Decrease in cash and cash equivalents	(5,621)	(765)
Cash and cash equivalents at beginning of year	14,043	13,423
Cash and cash equivalents at end of period	\$ 8,422	\$ 12,658
<b><i>Supplemental Cash Flow:</i></b>		
Cash paid for interest	\$ 839	\$ 1,589
Cash paid for income taxes	14,785	16,126

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 consolidated 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"). Black Box Corporation (the "Company") believes that these financial statements reflect all adjustments of a normal, recurring nature necessary for a fair presentation of the results for the interim periods presented. Interim periods are not necessarily indicative of the results of operations for a full year. As such, these unaudited financial statements should be read in conjunction with the audited 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, 2003. The consolidated Balance Sheet as of March 31, 2003 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 periods presented as September 30, 2003 and 2002 was September 28, 2003 and September 29, 2002, respectively. The ending dates for all other periods are as presented.

***Note 3: Stock-Based Compensation***

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 No. 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.

Had the Company elected to recognize compensation cost based on the fair value basis under SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts as follows:

**Three months ended**  
**September 30,**

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**Six months ended**  
**September 30,**

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**BLACK BOX CORPORATION**  
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(UNAUDITED)

*(Dollars in thousands, except per share amounts)*

		2003	2002	2003	2002
Net income	As reported	\$ 12,051	\$ 15,035	\$ 23,547	\$ 29,700
	Stock-based employee compensation under fair-value based method for all awards, net of related tax effects	2,354	2,031	5,381	4,313
	Pro forma	\$ 9,697	\$ 13,004	\$ 18,166	\$ 25,387
Basic earnings per share	As reported	\$ 0.66	\$ 0.75	\$ 1.28	\$ 1.48
	Pro forma	\$ 0.53	\$ 0.65	\$ 0.99	\$ 1.26
Diluted earnings per share	As reported	\$ 0.64	\$ 0.74	\$ 1.24	\$ 1.44
	Pro forma	\$ 0.52	\$ 0.64	\$ 0.96	\$ 1.23

The incremental fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

		September 30,	
		2003	2002
Expected life (in years)		4.7	4.3
Risk free interest rate		3.9%	4.9%
Expected volatility rate		53%	52%
Dividend yield		0%	--

**Note 4: 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, 2003	March 31, 2003
Raw materials	\$ 1,795	\$ 1,909
Work-in-process	19	3
Finished goods	43,525	42,116
Subtotal	45,339	44,028
Excess and obsolete inventory reserves	(4,429)	(3,981)
Inventory, net	\$ 40,910	\$ 40,047

**Note 5: 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

**BLACK BOX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(UNAUDITED)

*(Dollars in thousands, except per share amounts)*

income. These gains and losses offset the revaluation of the related foreign currency denominated receivables and payables, which are also included in accumulated other comprehensive income.

At September 30, 2003, the open foreign exchange contracts were in Euro, Pound sterling, Canadian dollars, Swiss francs, Japanese yen, Swedish krona and Australian dollars. The total open contracts, with a notional amount of approximately \$13,427, have a fair value of \$13,728 and will expire within six months. The open contracts have contract rates of 0.8705 to 0.9023 Euro, 0.6138 to 0.634 Pound sterling, 1.3558 to 1.4121 Canadian dollars, 1.3237 to 1.3488 Swiss francs, 111.99 to 118.36 Japanese yen, 8.0248 to 8.4025 Swedish krona and 1.4736 to 1.5571 Australian dollars, all per U.S. dollar.

**Note 6: Comprehensive Income**

Comprehensive income consisted of the following:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Net income	\$ 12,051	\$ 15,035	\$ 23,547	\$ 29,700
Other comprehensive income:				
Foreign currency translation adjustment	1,304	153	6,013	3,929
Unrealized gains on derivatives designated and qualified as cash flow hedges, net of reclassification of unrealized losses on expired derivatives	83	351	450	151
<b>Comprehensive income</b>	<b>\$ 13,438</b>	<b>\$ 15,539</b>	<b>\$ 30,010</b>	<b>\$ 33,780</b>

The components of accumulated other comprehensive income consisted of the following:

	<b>September 30, 2003</b>	<b>March 31, 2003</b>
Foreign currency translation adjustment	\$ 9,418	\$ 3,405
Unrealized gains on derivatives designated and qualified as cash flow hedges	683	233
<b>Total accumulated other comprehensive income</b>	<b>\$ 10,101</b>	<b>\$ 3,638</b>

**Note 7: 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:

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*(Dollars in thousands, except per share amounts)*

<i>(Shares in thousands)</i>	<b>Three months ended September 30,</b>		<b>Six months ended September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Net income for earnings per share computation	\$ 12,051	\$ 15,035	\$ 23,547	\$ 29,700
Basic earnings per common share:				
Weighted average common shares	18,208	19,982	18,412	20,118
Basic earnings per common share	\$ 0.66	\$ 0.75	\$ 1.28	\$ 1.48
Diluted earnings per common share:				
Weighted average common shares	18,208	19,982	18,412	20,118
Shares issuable from assumed conversion of stock options and contingently issuable shares from acquisitions (net of tax savings)	595	436	519	545
Weighted average common and common equivalent shares	18,803	20,418	18,931	20,663
Diluted earnings per common share	\$ 0.64	\$ 0.74	\$ 1.24	\$ 1.44

The Company also has 937,669 shares and 2,243,000 shares issuable upon the exercise of outstanding stock options for the three months ended September 30, 2003 and 2002, respectively, and 2,401,343 shares and 1,423,000 shares for the six months ended September 30, 2003 and 2002, respectively. The exercise price of such options was greater than the average market price for those time periods and as such do not impact the share count.

**Note 8: New Accounting Standards**

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). A variable interest entity ("VIE") is one where the contractual or ownership interests in an entity change with changes in the entity's net asset value. This interpretation requires the consolidation of a VIE by the primary beneficiary, and also requires disclosure about VIEs where an enterprise has a significant variable interest but is not the primary beneficiary. The Company does not believe that this statement will have a material impact on the Company's consolidated financial statements or results of operations.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, except in certain instances, and for hedging relationships designated after June 30, 2003. In addition, except in certain instances, all provisions of this Statement should be applied prospectively. The application of SFAS No. 149 did not have a material effect on the Company's consolidated financial statements or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." The provisions of SFAS No. 150 require issuers to classify as liabilities, or assets in some circumstances, certain classes of freestanding financial instruments that embody obligations for the issuer. The provisions of SFAS No. 150

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*(Dollars in thousands, except per share amounts)*

are effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective at the beginning of the first interim period beginning after December 15, 2003. The adoption of SFAS No. 150 is not expected to have a material effect on the Company's consolidated financial statements or results of operations.

**Note 9: Changes in Business**

During the six months ended September 30, 2003, the Company paid approximately \$425 for obligations related to mergers completed in prior periods.

During Fiscal 2003, the Company successfully completed three business combinations that have been accounted for using the purchase method of accounting, June 2002 – Societe d'Installation de Reseaux Informatiques et Electriques; July 2002 – EDC Communications Limited and EDC Communications (Ireland) Limited; and January 2003 – Rowe Structured Cabling Ltd. The aggregate purchase price of these three business combinations was approximately \$4,600 and resulted in goodwill of \$3,317 and other intangibles of \$348 in accordance with SFAS No. 141, "Business Combinations."

As of September 30, 2003, certain merger agreements provide for contingent payments of up to \$2,891. Upon meeting future operating performance goals, goodwill will be adjusted for the amount of the contingent payments.

**Note 10: 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 conducted its annual impairment analysis and no impairment 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. During the fourth quarter of Fiscal 2003, the Company changed its reportable segments and in accordance with SFAS No. 142, evaluated its intangibles for impairment and none existed.

As of September 30, 2003, the Company's trademarks had a net carrying amount of \$27,739. The Company believes this intangible has an indefinite life.

The Company had the following other intangibles as of September 30, 2003:

	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>
Non-Compete Agreements	\$ 2,136	\$ 411
Acquired Backlog	318	318
<b>Total</b>	<b>\$ 2,454</b>	<b>\$ 729</b>

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

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agreements and acquired backlog intangibles during the three and six months ended September 30, 2003 was \$45 and \$134, respectively.

The estimated amortization expense for each of the five fiscal years subsequent to September 30, 2003 for the non-compete agreements and acquired backlog intangibles is as follows: remainder of fiscal 2004 – \$94; fiscal 2005 – \$186; fiscal 2006 – \$186; fiscal 2007 – \$186; and fiscal 2008 – \$186.

The changes in the carrying amount of goodwill, net of amortization, by reporting segment for the six months ended September 30, 2003, are as follows:

	<b>North America</b>	<b>Europe</b>	<b>All Other</b>	<b>Total</b>
Balance as of March 31, 2003	\$ 309,214	\$ 58,973	\$ 1,603	\$ 369,790
Goodwill during the period related to:				
Actual earnout payments	355	--	70	425
Currency translation	654	3,093	21	3,768
Balance as of September 30, 2003	\$ 310,223	\$ 62,066	\$ 1,694	\$ 373,983

The changes in total intangible assets, net of accumulated amortization, from March 31, 2003 to September 30, 2003 are as follows:

	<b>Trademarks</b>	<b>Non- Competes and Backlog</b>	<b>Goodwill</b>	<b>Total</b>
Balance as of March 31, 2003	\$ 27,739	\$ 1,770	\$ 369,790	\$ 399,299
Change in net intangible assets during the period related to:				
Amortization expense	--	(45)	--	(45)
Actual earnout payments	--	--	425	425
Currency translation	--	--	3,768	3,765
Balance as of September 30, 2003	\$ 27,739	\$ 1,725	\$ 373,983	\$ 403,447

**Note 11: Treasury Stock**

The Company previously announced intentions to repurchase up to 5.5 million shares of its Common Stock from April 1, 1999 through September 30, 2003. During the second quarter of Fiscal 2004, the Company repurchased approximately 0.4 million shares for an aggregate purchase price of \$17,402 and for the first six months of Fiscal 2004, repurchases totaled 0.8 million shares for \$31,961. Since inception of the repurchase program in April 1999 through

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September 2003, the Company has repurchased in aggregate approximately 4.3 million shares for approximately \$196,000. Funding for the stock repurchases came from existing cash flow and cash on hand. During the first half of the fiscal year, the Company used \$4,719 of cash on hand for stock repurchases.

Additional repurchases of stock may occur from time to time depending upon factors such as the Company's cash flows and general market conditions. While the Company expects to continue to repurchase shares for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases.

**Note 12: Indebtedness**

Long-term debt is as follows:

	<b>September 30, 2003</b>	<b>March 31, 2003</b>
Revolving credit agreement	\$ 47,700	\$ 49,100
Other debt	752	1,279
<b>Total debt</b>	<b>48,452</b>	<b>50,379</b>
Less: current portion	(604)	(926)
<b>Long-term debt</b>	<b>\$ 47,848</b>	<b>\$ 49,453</b>

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 when it expired. On April 4, 2003, the Company entered into an agreement whereby Citizens Bank of Pennsylvania became successor agent to Mellon Bank, N.A. Mellon Bank continues to be a Participant in the credit agreement.

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 Syndicated Debt 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, 2003 was approximately 1.85%.

**Note 13: Restructuring**

In the fourth quarter of Fiscal 2003, the Company recorded a restructuring charge of \$6,536 primarily related to adjusting staffing levels and real estate consolidations. Of this charge, \$5,034 related to severance for 245 total team members (\$4,299 related to severance for 130 team members in Europe; \$581 related to severance for 94 team members in North America; \$154 related to severance for 21 individuals in Latin America) and \$1,502 related to real estate consolidations.

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*(Dollars in thousands, except per share amounts)*

In the fourth quarter of Fiscal 2002, the Company recorded a restructuring charge of approximately \$3,500 primarily related to adjusting staffing levels and real estate consolidations. Of this charge, \$2,168 related to severance for 105 total team members (\$1,830 related to severance for 60 team members in Europe; \$230 related to severance for 19 team members in Latin America; \$108 related to severance for 26 team members in North America) and \$1,332 related to real estate consolidations. The components of the restructuring accrual at September 30, 2003 are as follows:

	<b>Accrued March 31, 2003</b>	<b>Cash Expenditures</b>	<b>Other</b>	<b>Accrued September 30, 2003</b>
Team Member Severance	\$ 4,375	\$ 3,894	\$ --	\$ 481
Facility Closures	1,806	706	453	647
<b>Total</b>	<b>\$ 6,181</b>	<b>\$ 4,600</b>	<b>\$ 453</b>	<b>\$ 1,128</b>

The Company anticipates the majority of the restructuring accrual will be paid by the end of Fiscal 2004.

**Note 14: Segment Reporting**

As required by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," the Company reports the results of operating segments. During the fourth quarter of Fiscal 2003, the Company changed its primary segments to be on a geographical basis as this is now the way it manages the business to be more responsive to the organization's operating structure. The primary reportable segments are comprised of North America, Europe and All Other. Consistent with SFAS No. 131, the Company aggregates similar operating segments into reportable segments.

The accounting policies of the various segments are the same as those described in "Summary of Significant Accounting Principles" in Note 1 of the Company's annual report on Form 10-K for the fiscal year ended March 31, 2003. The Company evaluates the performance of each segment based on operating income. Inter-segment sales and 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:

	<b>Three months ended September 30,</b>		<b>Six months ended September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b>North America</b>				
Revenues	\$ 88,473	\$ 114,670	\$ 174,890	\$ 222,639
Operating income	11,806	17,154	23,695	33,239
Depreciation	1,055	1,372	2,234	2,748
Amortization	11	40	23	81
Segment assets	574,406	605,979	574,406	605,979

**BLACK BOX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(UNAUDITED)

*(Dollars in thousands, except per share amounts)*

<b>Europe</b>	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Revenues	\$ 32,037	\$ 38,372	\$ 65,635	\$ 74,390
Operating income	5,351	5,444	9,953	11,081
Depreciation	385	456	803	891
Amortization	27	61	102	116
Segment assets	121,281	119,307	121,281	119,307

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

<b>All Other</b>	<b>Three months ended September 30,</b>		<b>Six months ended September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Revenues	\$ 8,758	\$ 9,689	\$ 17,090	\$ 20,114
Operating income	2,137	2,061	4,019	4,426
Depreciation	103	140	181	271
Amortization	7	7	9	12
Segment assets	16,646	18,472	16,646	18,472

The following reconciles certain segment assets to total consolidated assets:

<b>Assets</b>	<b>September 30, 2003</b>	<b>March 31, 2003</b>
Assets for North America, Europe and All Other segments	\$ 712,333	\$ 727,349
Corporate eliminations	(98,148)	(100,620)
<b>Total consolidated assets</b>	<b>\$ 614,186</b>	<b>\$ 626,729</b>

Management is also presented with and reviews revenues by service type. The following information is presented:

<b>Revenues</b>	<b>Three months ended September 30,</b>		<b>Six months ended September 30,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Hotline Services	\$ 58,994	\$ 64,324	\$ 114,970	\$ 127,878
Structured Cabling Services	52,543	76,690	107,143	149,824
Telephony Services	17,731	21,717	35,502	39,441
<b>Total revenues</b>	<b>\$ 129,268</b>	<b>\$ 162,731</b>	<b>\$ 257,615</b>	<b>\$ 317,143</b>

**Note 15: Commitments and Contingencies**

As previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended March 31, 2003, two arbitration awards against the Company for \$1.5 million and \$1.3 million were being appealed. The Company has received adverse decisions on these appeals and has taken further appeals. Based on the facts currently available to the Company, management believes all such matters are adequately provided for, covered by insurance, without merit, not probable that an unfavorable outcome will result, or of such amounts which upon resolution will not have a material adverse effect on the consolidated financial position, results of operations or cash flow of the Company.

As previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended March 31, 2003, the Company has been named as a defendant in two substantially similar complaints alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. These actions were consolidated in a lawsuit in

**BLACK BOX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

*(Dollars in thousands, except per share amounts)*

the United States District Court for the Western District of Pennsylvania in a case captioned *In Re Black Box Corporation Securities Litigation* (Civil Action No. 03-CV-412). On October 3, 2003, the plaintiffs in this action filed a Consolidated Class Action Complaint in this matter. The Company believes that the claims are without merit and intends to defend itself vigorously.

As previously disclosed on Form 8-K filed on October 28, 2003, the Company received a formal order of investigation issued by the SEC in connection with an inquiry pursuant to which the Staff of the SEC has requested additional information from the Company and several of its officers, directors and team members. The Company is responding to the SEC subpoenas and intends to cooperate fully with the inquiry. Prior to this formal inquiry, the Company voluntarily furnished information to the SEC. The Company believes that this inquiry resulted from its March 11, 2003 press release concerning its anticipated fourth quarter 2003 results and trading in Black Box securities occurring prior thereto.

**ITEM 2 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The Company manages its business based on geographic segments: North America, Europe and All Other. In addition, certain revenue and gross profit information by service type is also provided herein for purposes of further analysis.

*Dollars in Thousands*

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

	<b>Three months ended September 30,</b>				<b>Six months ended September 30,</b>			
	<b>2003 (2Q04)</b>	<b>2002 (2Q03)</b>			<b>2003 (2Q04YTD)</b>	<b>2002 (2Q03YTD)</b>		
		<u>% of total revenues</u>		<u>% of total revenues</u>		<u>% of total revenues</u>		<u>% of total revenues</u>
<b>By Geography</b>								
Revenues:								
North America	\$ 88,473	68%	\$114,670	70%	\$174,890	68%	\$222,639	70%
Europe	32,037	25%	38,372	24%	65,635	25%	74,390	24%
All Other	8,758	7%	9,689	6%	17,090	7%	20,114	6%
Total	\$129,268	100%	\$162,731	100%	\$257,615	100%	\$317,143	100%
Operating Income:								
North America	\$ 11,806		\$ 17,154		\$ 23,695		\$ 33,239	
% of North America revenues	13.3%		15.0%		13.5%		14.9%	
Europe	\$ 5,351		\$ 5,444		\$ 9,953		11,081	
% of Europe revenues	16.7%		14.2%		15.2%		14.9%	
All Other	\$ 2,137		\$ 2,061		\$ 4,019		4,426	
% of All Other revenues	24.4%		21.3%		23.5%		22.0%	
Total	\$ 19,294		\$ 24,659		\$ 37,667		\$ 48,746	
% of Total revenues	14.9%		15.2%		14.6%		15.4%	

	<u>Three months ended September 30,</u>				<u>Six months ended September 30,</u>			
	<u>2003</u>		<u>2002</u>		<u>2003</u>		<u>2002</u>	
	<u>(2Q04)</u>	<u>% of</u>	<u>(2Q03)</u>	<u>% of</u>	<u>(2Q04YTD)</u>	<u>% of</u>	<u>(2Q03YTD)</u>	<u>% of</u>
		<u>total</u>		<u>total</u>		<u>total</u>		<u>total</u>
		<u>revenues</u>		<u>revenues</u>		<u>revenues</u>		<u>revenues</u>
<b>By Service Type</b>								
Revenues:								
Hotline Services	\$ 58,994	46%	\$ 64,324	40%	\$ 114,970	45%	\$ 127,878	41%
Structured Cabling Services	52,543	40%	76,690	47%	107,143	41%	148,824	47%
Telephony Services	17,731	14%	21,717	13%	35,502	14%	39,441	12%
Total	\$129,268	100%	\$162,731	100%	\$257,615	100%	\$317,143	100%
Gross Profit:								
Hotline Services	\$ 30,862		\$ 32,936		\$ 59,971		\$ 64,598	
% of Hotline Services revenues	52.3%		51.2%		52.2%		50.5%	
Structured Cabling Services	\$ 17,003		\$ 24,135		\$ 35,137		\$ 48,678	
% of Structured Cabling Services revenues	32.4%		31.5%		32.8%		32.5%	
Telephony Services	\$ 6,010		\$ 6,309		\$ 12,214		\$ 11,996	
% of Telephony Services revenues	33.9%		29.1%		34.4%		30.4%	
Total	\$ 53,875		\$ 63,380		\$107,322		\$125,272	
% of Total revenues	41.7%		38.9%		41.7%		39.5%	

## **I. Second Quarter Fiscal 2004 (2Q04) Compared To Second Quarter Fiscal 2003 (2Q03):**

### **Total Revenues**

Total revenues for 2Q04 were \$129,268, a decrease of 21% compared to 2Q03 total revenues of \$162,731. If exchange rates had remained constant from the second quarter last year, 2Q04 total revenues would have been lower by \$3,303, or 2%.

### **Revenues by Geography**

#### **North America Revenues**

Revenues in North America were \$88,473 for 2Q04, a decrease of 23% compared to \$114,620 for 2Q03. The North America revenue decline was generally due to weak general economic conditions that affected client demand.

#### **Europe Revenues**

Revenues in Europe were \$32,037 for 2Q04, a decrease of 17% compared to \$38,372 for 2Q03. The Europe revenue decline was due to weak general economic conditions that affected client demand, offset in part by the positive impact of the exchange rate relative to the U.S. dollar. If the exchange rate relative to the U.S. dollar had remained unchanged from 2Q03, Europe revenues would have decreased by 24%.

#### **All Other Revenues**

Revenues for All Other were \$8,758 for 2Q04, a decrease of 10% compared to \$9,689 for 2Q03. The revenue decline in these regions was due to weak general economic conditions that affected client demand, offset by the positive impact of the exchange rate relative to the U.S. dollar. If the exchange rate relative to the U.S. dollar had remained unchanged from 2Q03, All Other revenues would have decreased 13%.

#### **Revenues by Service Type**

##### **Hotline Services**

Revenues from hotline services for 2Q04 were \$58,994, a decrease of 8% compared to \$64,324 for 2Q03. The Company believes the overall decline in hotline services revenues was driven by weak general economic conditions.

##### **Structured Cabling Services**

Revenues from structured cabling services were \$52,543 for 2Q04, a decrease of 31% compared to \$76,690 for 2Q03. The Company believes the overall decline in structured cabling services revenue was driven by weak general economic conditions.

##### **Telephony Services**

Revenues from telephony services were \$17,731 for 2Q04, a decrease of 18% compared to \$21,717 for 2Q03. The Company believes the overall decline in telephony services revenue was driven by weak general economic conditions.

#### **Gross Profit**

Gross profit dollars for 2Q04 decreased to \$53,875 from \$63,380 for 2Q03. The decrease in gross profit dollars over prior year was due to the decline in revenues. Gross profit as a percent of revenues for 2Q04 increased to 41.7% of revenues from 38.9% of revenues for 2Q03. The increase in gross profit percentage was due primarily to cost reduction efforts.

Gross profit dollars for hotline services for 2Q04 was \$30,862, or 52.3% of revenues, compared to \$32,936, or 51.2% of revenues for 2Q03. Gross profit dollars for structured cabling services for 2Q04 was \$17,003, or 32.4% of revenues, compared to \$24,135, or 31.5% of revenues for 2Q03. Gross profit dollars for telephony services for 2Q04 was \$6,010, or 33.9% of revenues, compared to \$6,309, or 29.1% of revenues for 2Q03.

### **SG&A Expenses**

Selling, general and administrative ("SG&A") expenses for 2Q04 were \$34,536 a decrease of \$4,077 over SG&A expenses of \$38,613 for 2Q03. The dollar decrease from 2Q04 to 2Q03 related to the Company's cost reduction efforts worldwide. SG&A expenses as a percent of revenues for 2Q04 increased to 26.7% of revenues from 23.7% of revenues for 2Q03. The percentage increase relates to funding of strategic growth initiatives. Included in SG&A is a pre-tax gain of \$531 from sale of property, offset in part by the disposal of \$230 in leasehold improvements related to another property.

### **Intangibles Amortization**

Intangibles amortization for 2Q04 was \$45 compared to 2Q03 of \$108.

### **Operating Income**

Operating income for 2Q04 was \$19,294, or 14.9% of revenues, compared to \$24,659 or 15.2% of revenues in 2Q03.

The decrease in operating income dollars is primarily due to the decrease in revenues while the decline in the operating income as a percentage of revenues was due primarily to the additional SG&A expenses as a percentage of revenues as described above.

### **Net Interest Expense**

Net interest expense for 2Q04 decreased to \$440 from \$766 for 2Q03 due to reductions in the outstanding debt from \$63,048 at the end of 2Q03 to \$48,452 at the end of 3Q04 and the interest rate reduction of approximately 0.75% during the period from 2Q03 to 2Q04.

### **Provision for Income Taxes**

The tax provision for 2Q04 was \$6,778, an effective tax rate of 36.0%, compared to 2Q03 of \$8,825, an effective tax rate of 37.0%. The Company reduced its annual effective tax rate to 36.0% during the third quarter of Fiscal 2003 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**

Net income for 2Q04 was \$12,051, or 9.3% of revenues, compared to \$15,035, or 9.2% of revenues for 2Q03.

## **II. First Half Fiscal 2004 (2Q04YTD) Compared to First Half Fiscal 2003 (2Q03YTD):**

### **Total Revenues**

Total revenues for 2Q04YTD were \$257,615, a decrease of 19% compared to 2Q03YTD total revenues of \$317,143. If exchange rates had remained constant from the same periods last year, 2Q04YTD total revenues would have been lower by \$9,189, or 22%.

### **Revenues by Geography**

#### **North America Revenues**

Revenues in North America were \$174,890 for 2Q04YTD, a decrease of 21% compared to \$222,639 for 2Q03YTD. The North America revenue decline was generally due to weak general economic conditions that affected client demand.

#### **Europe Revenues**

Revenues in Europe were \$65,635 for 2Q04YTD, a decrease of 12% compared to \$74,390 for 2Q03YTD. The Europe revenue decline was due to weak general economic conditions that affected client demand, offset in part by the positive impact of the exchange rate relative to the U.S. dollar. If the exchange rate relative to the U.S. dollar had remained unchanged from the same periods last year, Europe revenues would have decreased by 28%.

#### **All Other Revenues**

Revenues for All Other were \$17,090 for 2Q04YTD, a decrease of 15% compared to \$20,114 for 2Q03YTD. The revenue decline in these regions was due to weak general economic conditions that affected client demand, offset by the positive impact of the exchange rate relative to the U.S. dollar. If the exchange rate relative to the U.S. dollar had remained unchanged from the same periods last year, All Other revenues would have decreased 19%.

### **Revenues by Service Type**

#### **Hotline Services**

Revenues from hotline services for 2Q04YTD were \$114,970, a decrease of 10% compared to \$127,878 for 2Q03YTD. The Company believes the overall decline in hotline services revenues was driven by weak general economic conditions.

#### **Structured Cabling Services**

Revenues from structured cabling services were \$107,143 for 2Q04YTD, a decrease of 28% compared to \$148,824 for 2Q03YTD. The Company believes the overall decline in structured cabling services revenue was driven by weak general economic conditions.

#### **Telephony Services**

Revenues from telephony services were \$35,502 for 2Q04YTD, a decrease of 10% compared to \$39,441 for 2Q03YTD. The Company believes the overall decline in telephony services revenue was driven by weak general economic conditions.

### **Gross Profit**

Gross profit dollars for 2Q04YTD decreased to \$107,322 from \$125,272 for 2Q03YTD. The decrease in gross profit dollars over prior year was due to the decline in revenues. Gross profit

as a percent of revenues for 2Q04YTD increased to 41.7% of revenues from 39.5% of revenues for 2Q03YTD. The increase in gross profit percentage was due primarily to cost reduction efforts.

Gross profit dollars for hotline services for 2Q04YTD was \$59,971, or 52.2% of revenues, compared to \$64,598, or 50.5% of revenues for 2Q03YTD. Gross profit dollars for structured cabling services for 2Q04YTD was \$35,137, or 32.8% of revenues, compared to \$48,678, or 32.5% of revenues for 2Q03YTD. Gross profit dollars for telephony services for 2Q04YTD was \$12,214, or 34.4% of revenues, compared to \$11,996, or 30.4% of revenues.

### **SG&A Expenses**

Selling, general and administrative ("SG&A") expenses for 2Q04YTD were \$69,521 a decrease of \$6,796 over SG&A expenses of \$76,317 for 2Q03YTD. The dollar decrease from 2Q04YTD to 2Q03YTD related to the Company's cost reduction efforts worldwide. SG&A expenses as a percent of revenues for 2Q04YTD were 27.0% of revenues compared to 24.1% of revenues for 2Q03YTD. The percentage increase relates to funding of strategic growth initiatives.

### **Intangibles Amortization**

Intangibles amortization for 2Q04YTD was \$134 compared to 2Q03YTD of \$209.

### **Operating Income**

Operating income for 2Q04YTD was \$37,667, or 14.6% of revenues, compared to \$48,747 or 15.4% of revenues in 2Q03YTD.

The decrease in operating income dollars is primarily due to the decrease in revenues while the decline in the operating income as a percentage of revenues was due primarily to the additional SG&A expenses as a percentage of revenues as described above.

### **Net Interest Expense**

Net interest expense for 2Q04YTD decreased to \$860 from \$1,538 for 2Q03YTD due to reductions in the outstanding debt from \$63,048 at the end of 2Q03 to \$48,452 at the end of 2Q04 and the interest rate reduction of approximately 0.75% during the period from 2Q03YTD to 2Q04YTD.

### **Provision for Income Taxes**

The tax provision for 2Q04YTD was \$13,244, an effective tax rate of 36.0%, compared to 2Q03YTD of \$17,438, an effective tax rate of 37.0%. The Company reduced its annual effective tax rate to 36.0% during the third quarter of Fiscal 2003 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**

Net income for 2Q04YTD was \$23,547, or 9.1% of revenues, compared to \$29,700, or 9.4% of revenues for 2Q03YTD.

## **III. Liquidity and Capital Resources:**

Cash Provided by Operating Activities for 2Q04YTD and 2Q03YTD was \$30,703 and \$42,205, respectively. Reflected as a source of cash from operating activities in 2Q04YTD are decreases in accounts receivables and unbilled accounts and other current assets offset in part by an increase in inventories and a decrease in accounts payable and accrued liabilities. In 2Q03YTD, decreases in accounts receivables were a source of cash flow from operating activities, while an increase in inventories and decreases in other current assets, accounts payable and accrued liabilities were a use of cash flow.

In addition to Cash Provided by Operating Activities of \$30,703 in 2Q04YTD, the Company had additional cash flow of \$5,186. This was generated from \$2,785 of stock option exercises, \$1,600 of foreign currency exchange impact on cash, and \$801 from disposals of capital assets. The Company's 2Q04YTD cash flow was used for repurchases of Company stock of \$31,059, debt reduction of \$1,988, dividend payments of \$1,824 and merger activity of \$1,018.

In addition, the Company used \$5,621 of cash on hand for additional stock repurchases during the first half of the fiscal year.

Beginning in the third quarter of Fiscal 2003 and in all subsequent quarters, the Company's Board of Directors has declared quarterly cash dividends of \$0.05 per share on all outstanding shares of Black Box's common stock.

The dividend declared in 2Q04 totaled \$920 and was paid on October 15, 2003 to stockholders of record at the close of business on September 30, 2003.

As of the end of 2Q04, the Company had cash and cash equivalents of \$8,422, working capital of \$115,054 and long-term debt of \$47,848.

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 when it expired.

The Company's total debt at the end of 2Q04 of \$48,452 was comprised of \$47,700 under the Long Term Revolver and \$752 of various other third party, non-employee loans. The weighted average interest rate on all indebtedness of the Company at the end of 2Q04 and 2Q03 was approximately 1.85% and 2.61%, respectively. In addition, at the end of 2Q04, the Company had \$4,846 of letters of credit outstanding and \$67,454 available under the Long Term Revolver.

Interest on the Long Term Revolver 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 2Q04) on the Euro-dollar rate option and from zero to 0.75% (zero at the end of 2Q04) on the prime rate option. The Long Term Revolver provides for the payment of quarterly commitment fees on unborrowed funds, also based on the consolidated leverage ratio. The commitment fee percentage ranges from 0.25% to 0.375% (0.25% at the end of 2Q04). The Long Term Revolver 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 2Q04YTD was \$1,018. During 2Q04YTD, capital expenditures were \$894, while capital disposals were \$1,695. Capital expenditures for Fiscal 2004 are projected to be \$3,000 to \$4,000 and will be spent primarily on information systems, general equipment and facility improvements.

The Company previously announced intentions to repurchase up to 5.5 million shares of its Common Stock from April 1, 1999 through September 30, 2003. During 2Q04, the Company repurchased approximately 0.4 million shares for an aggregate purchase price of \$17,402 and for 2Q04YTD, repurchases totaled 0.8 million shares for \$31,961. Since inception of the repurchase program in April 1999 through 2Q04, the Company has repurchased in aggregate approximately 4.3 million shares for approximately \$196,000. Funding for the stock repurchases came from existing cash flow. Additional repurchases of stock may occur from time to time depending upon factors such as the Company's cash flows and general market conditions. While the Company expects to continue to repurchase shares for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases.

The Company has operations, clients 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 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 and payables, which are also included in accumulated other comprehensive income in stockholders' equity on the Consolidated Balance Sheet. At September 30, 2003, the open foreign exchange contracts were in Euro, Pound sterling, Canadian dollars, Swiss francs, Japanese yen, Swedish krona and Australian dollars. The total open contracts, with a notional amount of approximately \$13,427, have a fair value of \$13,728 and will expire within six months. The open contracts have contract rates of 0.8705 to 0.9023 Euro, 0.6138 to 0.634 Pound sterling, 1.3558 to 1.4121 Canadian dollars, 1.3237 to 1.3488 Swiss francs, 111.99 to 118.36 Japanese yen, 8.0248 to 8.4025 Swedish krona and 1.4736 to 1.5571 Australian dollars, all per U.S. dollar.

The Company believes that its cash provided by operating activities will be sufficient to satisfy its liquidity needs for the foreseeable future.

#### **IV. Critical Accounting Policies:**

##### **Introduction**

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.

The Company's critical accounting policies are described in the Form 10-K for the year ended March 31, 2003. There have been no significant changes to these policies during the two subsequent quarters.

## **V. New Accounting Pronouncements:**

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). A variable interest entity ("VIE") is one where the contractual or ownership interests in an entity change with changes in the entity's net asset value. This interpretation requires the consolidation of a VIE by the primary beneficiary, and also requires disclosure about VIEs where an enterprise has a significant variable interest but is not the primary beneficiary. The Company does not believe that this statement will have a material impact on the Company's consolidated financial statements or results of operations.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, except in certain instances, and for hedging relationships designated after June 30, 2003. In addition, except in certain instances, all provisions of this Statement should be applied prospectively. The application of SFAS No. 149 did not have a material effect on the Company's consolidated financial statements or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." The provisions of SFAS No. 150 require issuers to classify as liabilities, or assets in some circumstances, certain classes of freestanding financial instruments that embody obligations for the issuer. The provisions of SFAS No. 150 are effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective at the beginning of the first interim period beginning after December 15, 2003. The adoption of SFAS No. 150 is not expected to have a material effect on the Company's consolidated financial statements or results of operations.

## **VI. 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.

## **VII. 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 and other risk factors are discussed in greater detail in the Company's most recent Annual Report on Form 10-K on file with the Securities and Exchange Commission. 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. Investors should also be aware that the Company does not provide forecasts regarding its future financial results. In addition, while the Company does, from time to time, communicate with securities analysts and stockholders, it is against the Company's practice to disclose to them any material non-public information or other confidential commercial information. Accordingly, stockholders should not assume that the Company agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, the Company has a practice against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of the Company.

### **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 September 30, 2003, the Company had open contracts, which equal approximately \$13,427 at the contract rates, with a fair value of approximately \$13,728.

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 variable rate debt. For the three-month periods ended September 30, 2003 and 2002, an instantaneous 100 basis point increase in the interest rate would reduce the Company's expected net income in the subsequent three months by \$76 and \$99, respectively, assuming the Company employed no intervention strategies.

### **Item 4 – CONTROLS AND PROCEDURES**

An evaluation was performed as of September 28, 2003, under the supervision and with the participation of Company management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Act")). Based on that evaluation, management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports that we file or submit under the Act is recorded, processed, summarized and reported in accordance with the rules and forms of the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no absolute assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. However, the controls have been designed to provide reasonable assurance of achieving the controls' stated goals. There have been no changes in our internal control over financial reporting during the last fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting or in other factors that could significantly affect internal controls subsequent to their evaluation.

## PART II OTHER INFORMATION

### Item 1 – LEGAL PROCEEDINGS

As previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended March 31, 2003, two arbitration awards against the Company for \$1.5 million and \$1.3 million were being appealed. The Company has received adverse decisions on these appeals and has taken further appeals. Based on the facts currently available to the Company, management believes all such matters are adequately provided for, covered by insurance, without merit, not probable that an unfavorable outcome will result, or of such amounts which upon resolution will not have a material adverse effect on the consolidated financial position, results of operations or cash flow of the Company.

As previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended March 31, 2003, the Company has been named as a defendant in two substantially similar complaints alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. These actions were consolidated in a lawsuit in the United States District Court for the Western District of Pennsylvania in a case captioned *In Re Black Box Corporation Securities Litigation* (Civil Action No. 03-CV-412). On October 3, 2003, the plaintiffs in this action filed a Consolidated Class Action Complaint in this matter. The Company believes that the claims are without merit and intends to defend itself vigorously.

As previously disclosed on Form 8-K filed on October 28, 2003, the Company received a formal order of investigation issued by the SEC in connection with an inquiry pursuant to which the Staff of the SEC has requested additional information from the Company and several of its officers, directors and team members. The Company is responding to the SEC subpoenas and intends to cooperate fully with the inquiry. Prior to this formal inquiry, the Company voluntarily furnished information to the SEC. The Company believes that this inquiry resulted from its March 11, 2003 press release concerning its anticipated fourth quarter 2003 results and trading in Black Box securities occurring prior thereto.

#### Item 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On August 12, 2003, the Company's stockholders voted on the following four 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 increase the number of shares authorized; (iii) the amendment to the 1992 Director Stock Option Plan to increase the number of shares authorized; and (iv) the ratification of the appointment of Ernst & Young LLP as independent public accountants for the fiscal year ending March 31, 2004.

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	16,181,905	734,672	0	0
Thomas W. Golonski	16,454,062	462,515	0	0
Thomas G. Greig	16,020,799	895,778	0	0
William R. Newlin	13,100,831	3,815,746	0	0
Brian D. Young	15,926,511	990,066	0	0
Fred C. Young	16,387,628	528,949	0	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>
13,344,869	3,507,542	64,162	4

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>
13,354,541	3,539,219	22,814	3

The appointment of Ernst & Young LLP as independent public accountants for the fiscal year ending March 31, 2004 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>
16,710,816	187,896	17,865	0

## **Item 6 – EXHIBITS AND REPORTS ON FORM 8-K**

### (a) Exhibits

#### 21.1 Subsidiaries of the Company

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities and Exchange Act of 1934, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities and Exchange Act of 1934, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities and Exchange Act of 1934, as amended, and 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 furnished during the quarter ended September 28, 2003

Current report on Form 8-K for the event dated July 22, 2003 covering Item 5 thereof disclosing and filing the Company's press release related to first quarter fiscal 2004 results.

## **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 11, 2003

By: /s/ Michael McAndrew  
Michael McAndrew  
Chief Financial Officer, Treasurer  
and Principal Accounting Officer

## EXHIBIT INDEX

Exhibit  
No.

- 21.1 Subsidiaries of the Company
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## SUBSIDIARIES OF THE COMPANY

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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
<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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 (Montpellier, France)	Black Box Network Services Reseavux Mediterranee SAS (Montpellier, 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)	

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State of Incorporation</u>
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)	
		<b><u>State of</u></b>
<b><u>Legal Name</u></b>	<b><u>Doing Business As</u></b>	<b><u>Incorporation</u></b>
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 GmbH (Austria)

Black Box Norge AS (Norway)

Black Box Finland OY

Black Box AB (Sweden)

Black Box A/S (Denmark)

Black Box Comunicaciones, SAU (Spain)

Black Box GmbH (Austria)

Black Box Norge AS (Norway)

Black Box Finland OY

Black Box AB (Sweden)

Black Box A/S (Denmark)

## CERTIFICATION

I, Fred C. Young, certify that:

I have reviewed this quarterly report on Form 10-Q of Black Box Corporation;

Based on my knowledge, this 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 report;

Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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-15(e) and 15d-15(e)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
- b) [omitted in accordance with SEC Release No. 33-8238/34-47986]
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedure, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons

performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 11, 2003

/s/ Fred C. Young\_\_\_\_\_

Fred C. Young  
Chief Executive Officer

## CERTIFICATION

I, Michael McAndrew, certify that:

I have reviewed this quarterly report on Form 10-Q of Black Box Corporation;

Based on my knowledge, this 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 report;

Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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-15(e) and 15d-15(e)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
- b) [omitted in accordance with SEC Release No. 33-8238/34-47986]
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 11, 2003

/s/ Michael McAndrew

Michael McAndrew  
Chief Financial Officer

**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 28, 2003 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  
November 11, 2003

/s/ Michael McAndrew

Michael McAndrew  
Chief Financial Officer  
November 11, 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.