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

FORM 10-Q

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

For the quarterly period ended October 1, 2005

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

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

Yes

No

As of November 9, 2005, there were 17,255,393 shares of common stock (\$0.001 par value) outstanding.

BLACK BOX CORPORATION

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

**BLACK BOX CORPORATION
CONSOLIDATED BALANCE SHEETS**

In thousands, except par value Unaudited	October 1, 2005	March 31, 2005
Assets		
Cash and cash equivalents	\$ 11,925	\$ 11,592
Accounts receivable, net of allowance for doubtful accounts of \$7,698 and \$7,342	131,757	116,865
Lease receivables	645	1,697
Inventories, net	53,154	57,176
Costs and estimated earnings in excess of billings on uncompleted contracts	24,052	25,695
Deferred tax asset	10,496	9,236
Net current assets of discontinued operations	292	549
Other current assets	18,291	14,724
Total current assets	250,612	237,534
Property, plant and equipment, net	36,330	38,268
Goodwill, net	457,362	444,567
Other intangibles, net	51,403	44,157
Lease receivables, net of current portion	281	473
Deferred tax asset	4,561	3,793
Net assets of discontinued operations, net of current portion	248	373
Other assets	4,019	3,725
Total assets	\$ 804,816	\$ 772,890
Liabilities		
Current maturities of long-term debt	\$ 576	\$ 692
Current maturities of discounted lease rentals	247	890
Accounts payable	38,301	36,032
Billings in excess of costs and estimated earnings on uncompleted contracts	11,472	8,947
Deferred revenue	21,931	21,456
Accrued liabilities:		
Compensation and benefits	11,382	13,073
Restructuring	5,451	6,709
Other liabilities	38,320	33,905
Income taxes	9,744	3,295
Total current liabilities	137,424	124,999
Long-term debt	149,308	147,196
Discounted lease rentals	6	30
Other liabilities	75	75
Restructuring reserve	8,548	9,889
Stockholders' Equity		
Preferred stock authorized 5,000, par value \$1.00, none issued	—	—
Common stock authorized 100,000, par value \$.001, 17,131 and 16,840 shares outstanding	24	24
Additional paid-in capital	345,713	336,290
Retained earnings	446,786	428,632
Treasury stock, at cost, 6,935 shares	(296,807)	(296,797)
Accumulated other comprehensive income	13,739	22,552
Total stockholders' equity	509,455	490,701
Total liabilities and stockholders' equity	\$ 804,816	\$ 772,890

See Notes To Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

In thousands, except per share amounts Unaudited	Three months ended		Six months ended	
	October 1, 2005	October 2, 2004	October 1, 2005	October 2, 2004
Revenues	\$185,050	\$126,595	\$364,332	\$250,950
Cost of sales	111,168	74,280	219,510	146,755
Gross profit	73,882	52,315	144,822	104,195
Selling, general and administrative	50,647	35,227	101,567	71,124
Restructuring charges	—	—	5,290	—
Intangibles amortization	1,328	69	2,886	128
Operating income	21,907	17,019	35,079	32,943
Interest expense, net	2,330	508	4,289	917
Other expense/(income), net	40	40	(35)	47
Income before provision for income taxes	19,537	16,471	30,825	31,979
Provision for income taxes	6,740	5,848	10,634	11,353
Net income	\$ 12,797	\$ 10,623	\$ 20,191	\$ 20,626
<i>Earnings per common share</i>				
Basic	\$ 0.75	\$ 0.61	\$ 1.19	\$ 1.17
Diluted	\$ 0.74	\$ 0.60	\$ 1.17	\$ 1.14
<i>Weighted average common shares outstanding</i>				
Basic	17,022	17,425	16,933	17,601
Diluted	17,374	17,705	17,208	18,068
Dividends per share	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.11

See Notes To Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands Unaudited	Six months ended	
	October 1, 2005	October 2, 2004
Operating Activities		
Net income	\$ 20,191	\$ 20,626
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	7,380	2,840
Deferred tax (benefit)/provision	(2,053)	538
Tax impact from exercised options	(1,971)	(3,157)
Stock compensation expense	—	680
Changes in operating assets and liabilities (net of acquisitions):		
Accounts receivable, net	(8,913)	8,104
Inventories, net	5,704	(2,098)
Other current assets	304	(1,808)
Proceeds from lease contracts	1,282	—
Accounts payable and accrued liabilities	550	(5,007)
Net cash provided by operating activities	22,474	20,718
Investing Activities		
Capital expenditures	(1,600)	(1,641)
Capital disposals	1,001	700
Acquisition of businesses, net of cash acquired	(26,854)	—
Prior merger-related payments	(165)	(347)
Net cash used in investing activities	(27,618)	(1,288)
Financing Activities		
Repayment of borrowings	(105,235)	(61,073)
Proceeds from borrowings	105,948	77,049
Repayments on discounted lease rentals	(667)	—
Proceeds from the exercise of options	7,452	5,685
Payment of dividends	(2,021)	(1,774)
Deferred financing costs	—	(235)
Purchase of treasury stock	(10)	(37,574)
Net cash provided by/(used) in financing activities	5,467	(17,922)
Foreign currency exchange impact on cash	10	(1,101)
Increase in cash and cash equivalents	333	407
Cash and cash equivalents at beginning of year	11,592	9,306
Cash and cash equivalents at end of year	\$ 11,925	\$ 9,713
Supplemental Cash Flow:		
Cash paid for interest	\$ 4,285	\$ 912
Cash paid for income taxes	6,212	10,938
Non-cash financing activities:		
Dividends payable	1,028	1,035
Capital leases	683	—

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 unaudited interim consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

Black Box Corporation (the “Company”) believes that these consolidated financial statements reflect all normal, recurring adjustments needed to present fairly the Company’s results for the interim periods presented. The results for interim periods may not be indicative of the results of operations for any other interim period or for the full year.

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 Securities and Exchange Commission (“SEC”) for the fiscal year ended March 31, 2005.

The Company’s fiscal year ends on March 31. The fiscal quarters consist of 13 weeks and end on the Saturday nearest each calendar quarter end. The actual ending dates for the periods presented in these Notes as September 30, 2005 and 2004 were October 1, 2005 and October 2, 2004.

Note 2: Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the parent company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates in these financial statements include allowances for doubtful accounts receivable, sales returns, net realizable value of inventories, loss contingencies, warranty reserves and intangible assets. Actual results could differ from those estimates. Management believes the estimates made are reasonable.

Stock-Based Compensation

Stock options are granted to certain employees and members of the Company’s Board of Directors at the fair market value of the Company’s stock on the date of the grant. The Company accounts for its stock-based compensation plans under the provisions of Accounting Principles Board Opinion No. 25 “Accounting for Stock Issued to Employees” (“APB No. 25”), as amended and related guidance. Under

this guidance, there are no charges or credits to income with respect to stock options. The pro forma information below is based on provisions of SFAS No. 123 “Accounting for Stock-Based Compensation” (“SFAS No. 123”) as amended by SFAS No. 148 “Accounting for Stock-Based Compensation — Transition and Disclosure” issued in December 2002 (“SFAS No. 148”). SFAS No. 148 requires that the pro forma information regarding net income and earnings per share are determined as if the Company had accounted for its employee stock options under the fair value method as prescribed by SFAS No. 123.

The following table shows the effects on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, as amended to the stock-based awards:

		Three months ended September 30,		Six months ended September 30,	
		2005	2004	2005	2004
Net income	As reported	\$12,797	\$10,623	\$20,191	\$20,626
	Add: Stock-based employee compensation expense included in reported net income, net of related tax	—	439	—	439
	Deduct: Stock-based compensation expense determined by the fair value method for all awards, net of related tax	(2,645)	(2,698)	(5,222)	(5,028)
Net income	Pro forma	\$10,152	\$ 8,364	\$14,969	\$16,037
Earnings per share:	Basic — as reported	\$ 0.75	\$ 0.61	\$ 1.19	\$ 1.17
	Basic — pro forma	\$ 0.60	\$ 0.48	\$ 0.88	\$ 0.91
	Diluted — as reported	\$ 0.74	\$ 0.60	\$ 1.17	\$ 1.14
	Diluted — pro forma	\$ 0.58	\$ 0.47	\$ 0.87	\$ 0.89

The incremental fair value of each option grant is estimated on the date of grant using the Black-Scholes options pricing model. The model requires the use of various assumptions. The following assumptions were used in the six months ended:

	September 30,	
	2005	2004
Expected life (in years)	5.1	5.1
Risk free interest rate	3.9%	3.9%
Volatility	59%	60%
Dividend yield	0.7%	0.6%

During the second quarter of Fiscal 2005 (fiscal year ending March 31, 2005), the Company recorded compensation expense, as a result of a modification to a retiring director’s stock option agreements. Based on the guidance under FIN 44, “Accounting for Certain Transactions Involving Stock Compensation,” the Company recorded compensation expense in the amount of \$680. The expense was recorded as a component of Selling, General and Administrative expense.

Reclassification

Certain reclassifications have been made to the Consolidated Financial Statements for prior periods in order to conform to the Fiscal 2006 (fiscal year ending March 31, 2006) presentation.

Recent Accounting Pronouncements

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board (“FASB”) issued Statement No. 123 (revised 2004) “Share-Based Payment” (“SFAS No. 123(R)"). SFAS No. 123(R) is a revision of SFAS No. 123, supersedes APB No. 25 and amends FASB Statement No. 95 “Statement of Cash Flows.” SFAS No. 123(R) requires that companies recognize all share-based payments to employees and directors, including grants of employee and director stock options, in the financial statements. The recognized cost will be based on the fair value of the equity or liability instruments issued. Pro forma disclosure of this cost will no longer be an alternative under SFAS No. 123(R). SFAS No. 123(R) is effective for public companies at the beginning of the first annual reporting period that begins after June 15, 2005.

As permitted by SFAS No. 123, the Company currently accounts for its stock-based compensation plans under APB No. 25’s intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of SFAS No. 123(R)’s fair value method will have a significant impact on the Company’s results of operations, although it will have no impact on the Company’s overall financial position or cash flows. The impact of adopting SFAS No. 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted SFAS No. 123(R) in prior periods, the impact would have approximated the amounts in its pro forma disclosure as described in the disclosure of pro forma net income and earnings per share in Note 2 to Consolidated Financial Statements. Based on SFAS No. 123(R), the Company will transition to the new requirements by using the modified prospective transition method. This transition method requires compensation cost to be recognized for all share-based payments granted after the date of adoption and for all unvested awards existing on the date of adoption.

SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost be reported as a financing cash flow, rather than as an operating cash flow as required under current standards. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. The Company cannot estimate what those amounts will be in the future because they are dependant on, among other things, when employees or directors exercise stock options.

The Company plans to adopt SFAS No. 123(R) as of the first day of the first quarter of Fiscal 2007, or April 1, 2006, as required.

Foreign Earnings Repatriation

In October 2004, the “American Jobs Creation Act of 2004” was signed into law. The law provides for a special one-time deduction of 85% of certain foreign earnings that are repatriated. The law also includes a tax deduction of up to 9% of the lesser of (a) “qualified production activities income” or (b) taxable income. An issue arose as to whether that deduction should be accounted for as a special deduction or a tax rate reduction under FASB Statement No. 109.

In December 2004, the FASB issued Staff Position No. FAS 109-1 “Application of FASB Statement No. 109, Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004” (“SFAS No. 109”). The FASB staff believes that the deduction should be accounted for as a special deduction in accordance with SFAS No. 109. The Company is currently assessing the impact of this special deduction.

In December 2004, the FASB issued Staff Position No. FAS 109-2 “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004” (“FAS No. 109-2”). FAS No.109-2 allows additional time to assess the effect of repatriating international earnings under the law and requires explanatory disclosures from those who need the additional time.

The Company is evaluating the effects of the law and recent regulations on its plan for reinvestment or repatriation of international earnings. The possible amounts of unremitted earnings available for repatriation under the law and the potential range of income tax effects of such repatriation cannot be reasonably estimated as of the time of this filing.

Note 3: Inventories

Inventory balances, net of reserves for excess and obsolete inventories:

	October 1, 2005	March 31, 2005
Raw materials	\$ 1,392	\$ 1,447
Finished goods	65,166	68,275
Subtotal	66,558	69,722
Excess and obsolete inventory reserves	(13,404)	(12,546)
Inventory, net	\$ 53,154	\$ 57,176

Note 4: Goodwill and Other Intangible Assets

On April 1, 2001, the Company adopted SFAS No. 142 “Goodwill and Other Intangible Assets.” Under this Statement, goodwill and intangible assets with indefinite useful lives are not amortized. As required by the Statement, the Company performs an impairment test annually, or as often as impairment indicators are present. The Company’s policy is to evaluate its non-amortizable intangible assets for impairment during the third quarter of each fiscal year. The Company performed the most recent test during the third quarter of Fiscal 2005, and concluded that no impairment existed. The Company’s only intangibles, as identified in SFAS No. 141 “Business Combinations” (“SFAS No. 141”), other than goodwill, are its trademarks, non-compete agreements, customer relationships and acquired backlog.

Changes in the carrying amount of goodwill, net of accumulated amortization of \$40,352 and \$40,424 at September 30, 2005 and March 31, 2005, respectively, by reporting segment:

	North America	Europe	All Other	Total
Balance as of March 31, 2005	\$371,865	\$70,734	\$1,968	\$444,567
Currency translation	24	(5,104)	13	(5,067)
Goodwill on businesses acquired	17,705	—	—	17,705
Actual earnout payments	—	—	41	41
Other	116	—	—	116
Balance as of September 30, 2005	\$389,710	\$65,630	\$2,022	\$457,362

At September 30, 2005, certain merger agreements provided for contingent payments of up to \$4,797. If future operating performance goals are met, goodwill will be adjusted for the amount of the contingent payments.

The Company's amortizable intangible assets are comprised of the appraised fair market values of employee non-compete contracts, backlog and customer relationships obtained through business acquisitions. The Company has the following definite-lived intangibles:

	September 30, 2005			March 31, 2005		
	Gross Carrying Amount	Accum. Amort.	Net Carrying Amount	Gross Carrying Amount	Accum. Amort.	Net Carrying Amount
Non-compete agreements	\$ 4,084	\$1,524	\$ 2,560	\$ 2,676	\$1,105	\$ 1,571
Customer relationships	20,287	480	19,807	11,699	114	11,585
Acquired backlog	3,906	2,609	1,297	3,930	668	3,262
Total	\$28,277	\$4,613	\$23,664	\$18,305	\$1,887	\$16,418

Intangible asset amortization is computed using the straight-line method based upon the estimated useful lives of the respective assets, which range from one to twenty years.

Intangible asset amortization expense was \$1,328 and \$69 for the three months ended September 30, 2005 and 2004 and \$2,886 and \$128 for the six months ended September 30, 2005 and 2004. The Company acquired definite-lived intangibles from the completion of four acquisitions during the first six months of Fiscal 2006 (see Note 11). The estimated definite-lived intangibles recorded of 10,120 were based on a preliminary allocation pending completion of third party valuation, which is expected to be completed during the third quarter of Fiscal 2006. The Company recorded amortization expense of \$40 during the six months ended September 30, 2005 for these definite-lived assets.

Excluding the newly acquired definite-lived intangibles, the Company's estimated amortization expense for fiscal years ending March 31 are as follows:

	Years Ending March 31,
2006	\$ 5,056
2007	870
2008	671
2009	588
2010	588
Thereafter	8,645
	\$16,418

Intangible assets not subject to amortization consist solely of the Company's trademark portfolio. The net carrying amount was \$27,739 at September 30, 2005 and March 31, 2005.

The changes in the carrying amount of goodwill and intangible assets, net of accumulated amortization are as follows:

Three months ended September 30, 2005	Trademarks	Non- Competes and Backlog	Customer Relationships	Goodwill	Total
Balance at beginning of period	\$27,739	\$ 4,833	\$11,585	\$444,567	\$488,724
Change in net intangible assets during the period related to:					
Amortization expense	—	(2,490)	(367)	—	(2,857)
Currency translation	—	(17)	—	(5,067)	(5,084)
Acquisitions (Note 11)	—	1,531	8,589	17,705	27,825
Actual earnout payments	—	—	—	41	41
Other	—	—	—	116	116
Balance at end of period	\$27,739	\$ 3,857	\$19,807	\$457,362	\$508,765

Note 5: Indebtedness

Long-term debt consisted of the following:

	September 30, 2005	March 31, 2005
Revolving credit agreement	\$148,070	\$146,560
Capital lease obligations	1,677	772
Other	137	556
Total debt	149,884	147,888
Less: current portion	(576)	(692)
Long-term debt	\$149,308	\$147,196

On January 24, 2005, the Company entered into a Second Amended and Restated Credit Facility (together with an amendment dated February 17, 2005, the "Credit Agreement") with Citizens Bank of Pennsylvania, as agent, and a group of lenders. The Credit Agreement expires on August 31, 2008.

During the three months ended September 30, 2005, the maximum amount and weighted average balance outstanding under the Credit Agreement were \$173,195 and \$161,735, respectively. As of September 30, 2005, the Company had \$5,965 outstanding in letters of credit and \$85,965 available under the Credit Agreement. The weighted average interest rate on all outstanding debt was 5.04% and 2.25% for the three months ended September 30, 2005 and 2004, respectively, and 4.53% and 2.07% for the nine months ended September 30, 2005 and 2004, respectively. At September 30, 2005, the Company was in compliance with all required covenants under the Credit Agreement.

The capital lease obligations are primarily for facilities and equipment. The lease agreements have remaining terms ranging from two to five years with interest rates ranging from 7.60% to 9.25%.

Other debt is composed of various bank and third party loans secured by specific pieces of equipment and real property. The loans have remaining terms of one to four years with interest rates ranging from 1.23% to 9.50%.

Note 6: Derivative Instruments and Hedging Activities

The Company enters into derivative instruments to hedge exposure to variability in expected fluctuations in foreign currencies. All of the Company's derivatives have been designated and qualify as cash flow hedges. There was no hedge ineffectiveness during the three months ended September 30, 2005.

At September 30, 2005, the Company had open contracts in Australian and Canadian dollar, Danish krone, Euro, Japanese yen, Norwegian kroner, Pound sterling, Swedish krona and Swiss franc. These contracts had a notional amount of approximately \$72,017 and a fair value of \$69,602 and mature within the next eighteen months.

For the three months ended September 30, 2005, the Company recognized in earnings approximately \$131 in net gains on matured contracts. As of September 30, 2005, a loss of \$86 was included in other comprehensive income (loss) ("OCI"). This loss is expected to be credited to earnings during the year ended March 31, 2006 as the hedged transactions occur and it is expected that the loss will be offset by currency gains on the items being hedged.

Note 7: Earnings Per Share

The following table details this calculation for the three and six months ended September 30:

	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
Net income, as reported	\$12,797	\$10,623	\$20,191	\$20,626
Weighted average shares outstanding	17,022	17,425	16,933	17,601
Effect of dilutive securities from employee and director stock options	352	280	275	467
Weighted average diluted shares outstanding	17,374	17,705	17,208	18,068
Basic earnings per share	\$ 0.75	\$ 0.61	\$ 1.19	\$ 1.17
Diluted earnings per share	\$ 0.74	\$ 0.60	\$ 1.17	\$ 1.14

There is no impact to the weighted average share calculations during any period where the exercise price of a stock option is greater than the average market price during the same period. There were 1,957,098 and 2,805,486 non-dilutive options outstanding during the three months ended September 30, 2005 and 2004, respectively, and 2,595,489 and 901,774 non-dilutive options outstanding during the six months ended September 30, 2005 and 2004, respectively, that are not included in the above calculation.

Note 8: Comprehensive Income and Stockholders' Equity

Comprehensive income for the three and six months ended September 30 consisted of the following:

	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
Net income	\$12,797	\$10,623	\$20,191	\$20,626
Other comprehensive income:				
Foreign currency translation adjustment	718	97	(9,046)	43
Unrealized (losses)/gains on derivatives designated and qualified as cash flow hedges, net of reclassification of unrealized (losses)/gains on expired derivatives	75	(589)	233	(754)
Comprehensive income	\$13,590	\$10,131	\$11,378	\$19,915

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

	September 30, 2005	March 31, 2005
Foreign currency translation adjustment	\$13,653	\$22,699
Unrealized gains/(losses) on derivatives designated and qualified as cash flow hedges, net of reclassification of unrealized gains/(losses) on expired derivatives	86	(147)
Total accumulated other comprehensive income	\$13,739	\$22,552

During the six months ended September 30, additional paid-in-capital increased \$9,423 from the exercise of 285,225 stock options. The increase was comprised of \$7,452 from the exercise of options, net of tax and a tax benefit of \$1,971.

Note 9: Commitments and ContingenciesLitigation

The Company is, as a normal part of its business operations, a party to legal proceedings. Based on the facts currently available, management believes legal matters are adequately provided for, covered by insurance, without merit or not probable that an unfavorable outcome will result.

Product Warranties

Estimated future warranty costs related to certain products are charged to operations in the period the related revenue is recognized. The product warranty liability reflects the Company's best estimate of probable liability under those warranties.

There has been no significant or unusual activity during the three months ended September 30, 2005. As of September 30, 2005 and March 31, 2005, the Company has recorded a warranty reserve of \$1,865 and \$1,895, respectively.

The accrual for product warranties is classified with other accrued expenses in the Consolidated Balance Sheets. The expense for product warranties is classified with cost of sales in the Consolidated Income Statements.

Note 10: Restructuring and Other Charges

During the first quarter of Fiscal 2006 and fourth quarter of Fiscal 2005 (fiscal year ended March 31, 2005), the Company recorded restructuring and other charges of \$5,290 and \$5,059, respectively. The Fiscal 2006 restructuring charge of \$5,290 is related to staffing level adjustments and real estate consolidations. The Fiscal 2005 charge was comprised of restructuring expense of \$3,019 related to staffing level adjustments and real estate consolidations, as well as other charges of \$2,040 related to the resolution of a previously disclosed litigation matter. The restructuring charges are discussed in further detail below.

As announced in Fiscal 2005, the Company initiated a restructuring plan intended to right-size the organization and bring its expense structure in-line with anticipated revenues and changing market demand for its solutions and services. The restructuring charges recorded during the first quarter of Fiscal 2006 and fourth quarter of Fiscal 2005 of \$5,290 and \$3,019, respectively, relate to staffing level adjustments and real estate consolidations in the Europe and North America segments. With the additional charges incurred during the first quarter of Fiscal 2006, the Company has completed its restructuring plan.

As a result of the first quarter Fiscal 2006 restructuring actions, approximately 90 and 34 employees were involuntarily terminated in the Company's Europe and North America segments, respectively, resulting in a restructuring charge related to staffing level adjustments of \$2,951 and \$522 in Europe and North America, respectively. The Company also recorded a charge of \$1,817 in the first quarter of Fiscal 2006 related to idle facility rent obligations and the write-off of leasehold improvements related to these facilities resulting in a restructuring charge of \$791 and \$1,026 related to real estate consolidations in Europe and North America, respectively. The Company anticipates a majority of the remaining costs to be paid by the end of Fiscal 2006 with the exception of certain facility costs, which will extend through Fiscal 2012 (fiscal year ending March 31, 2012).

In the fourth quarter Fiscal 2005, approximately 28 employees were involuntarily terminated in the Company's Europe segment resulting in a restructuring charge of \$613. The Company also recorded a charge of \$2,406 in the fourth quarter of Fiscal 2005 related to idle facility rent obligations and the write-off of leasehold improvements related to these facilities. \$390 and \$2,016 of the fourth quarter Fiscal 2005 expense related to real estate consolidated in Europe and North America, respectively.

Also during the fourth quarter of 2005, the Company recorded a charge of \$2,040 that was classified with restructuring and other charges on the Consolidated Income Statements. The charge was related to a previously disclosed adverse arbitration award. The charge was comprised of \$1,778 awarded to the plaintiff, which included interest, fees and costs, as well as \$262 of legal fees incurred by the Company previously capitalized in Goodwill. As of March 31, 2005, the Company accrued the plaintiff's award of \$1,778 within accrued liabilities on the Consolidated Balance Sheet. On May 6, 2005, the Company paid the award of \$1,778 in satisfaction of this judgment in full.

Upon completion of the acquisition of Norstan, Inc. ("Norstan") during the fourth quarter of 2005, Company management committed to a plan of reorganization of Norstan's operations. In connection with these integration actions, the Company incurred severance costs of \$2,887 for the separation of approximately 150 employees. In addition, the Company incurred integration costs for facility consolidations of \$11,874.

These costs were included in the purchase price allocation for Norstan in accordance with SFAS No. 141. The Company anticipates a majority of the severance costs to be paid by the end of Fiscal 2006, with certain facility costs extending through Fiscal 2012.

As a result of the second quarter Fiscal 2006 acquisition of substantially all of the assets and certain liabilities of Universal Solutions of North America, L.L.C. and related entities (“Universal”), the Company’s management committed to a plan of reorganization of Universal’s operations. In connection with these integration actions, the Company incurred integration costs for facility consolidations of \$375. These costs were included in the purchase price allocation for Universal in accordance with SFAS No. 141. Facility costs to be paid are anticipated to extend through Fiscal 2008.

The following table summarizes the restructuring and other charges and the remaining reserves reflected on the Consolidated Balance Sheet:

Six months ended September 30, 2005	Employee Severance	Facility Closures	Total
Balance at beginning of period	\$ 2,789	\$13,809	\$16,598
Restructuring charge	3,473	1,817	5,290
Acquisition restructuring	—	375	375
Asset write-downs	—	(636)	(636)
Cash expenditures	(4,819)	(2,809)	(7,628)
Balance at end of period	\$ 1,443	\$12,556	\$13,999

Note 11: Acquisitions

During the second quarter of Fiscal 2006, the Company acquired substantially all of the assets and certain liabilities of Universal. Universal primarily provides planning, installation and maintenance services for voice and data network systems in 14 states.

The acquisition did not materially impact the Company’s net sales or net income during the three months ended September 30, 2005. In connection with the acquisition, the Company has prepared preliminary allocations of goodwill and definite-lived intangible assets of \$9,068 and \$4,899, respectively. The definite-lived intangible assets recorded represent the estimated fair market value of acquired customer relationships and non-compete agreements. The Company estimates that the definite-lived intangibles are to be amortized over a period of four to twenty years.

The allocation of the purchase price of the acquisition is based upon preliminary estimates of the fair values of certain assets acquired and liabilities assumed as of the date of the acquisition. Management, with the assistance of independent valuation specialists, is currently assessing the fair values of the tangible and intangible assets acquired and liabilities assumed. This preliminary allocation of the purchase price is dependant upon certain estimates and assumptions, which are preliminary and may vary from the amounts herein.

Note 12: Segment Reporting

As required by SFAS No. 131 “Disclosures about Segments of an Enterprise and Related Information” (“SFAS No. 131”), the Company reports the results of its operating segments on a geographic basis. During the fourth quarter of Fiscal 2003 (fiscal year ended March 31, 2003), the Company changed its primary segments to be on a geographic basis. This is consistent with how the Company is organized and how the business is managed on a day-to-day basis. 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 the Notes to the Company’s Consolidated Financial Statements for the year ended March 31, 2005 contained in the Company’s Annual report on Form 10-K. 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:

	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
North America				
Revenues	\$146,754	\$ 84,792	\$283,615	\$164,324
Operating income	16,537	10,835	28,396	18,745
Depreciation	2,057	918	4,017	1,935
Amortization	1,270	21	2,475	42
Segment assets	748,322	554,657	748,322	554,657
Europe				
Revenues	\$ 29,199	\$ 32,830	\$ 62,949	\$ 68,390
Operating income	3,427	3,697	3,060	9,349
Depreciation	166	300	362	639
Amortization	50	41	393	77
Segment assets	123,837	130,469	123,837	130,469
All Other				
Revenues	\$ 9,097	\$ 8,973	\$ 17,768	\$ 18,236
Operating income	1,943	2,487	3,623	4,849
Depreciation	38	66	115	138
Amortization	8	7	18	9
Segment assets	14,955	15,585	14,955	15,585

Operating income for the six months ended September 30, 2005 for North America and Europe was reduced by \$1,548 and \$3,742, respectively, for restructuring charges incurred during the first quarter.

The sum of the segment revenues, operating income, depreciation and amortization equals the consolidated revenues, operating income, depreciation and amortization. The following reconciles segment assets to total consolidated assets:

	September 30, 2005	March 31, 2005
Assets for North America, Europe and All Other segments	\$887,114	\$856,101
Corporate eliminations	(82,298)	(83,211)
Total consolidated assets	\$804,816	\$772,890

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

In thousands	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
Revenues				
Data services	\$ 52,584	\$ 50,537	\$105,485	\$ 98,726
Voice services	78,410	19,086	151,339	37,400
Hotline services	54,056	56,972	107,508	114,824
Total Revenues	\$185,050	\$126,595	\$364,332	\$250,950

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The Company offers one-source network infrastructure services for: data networks (Data Services), including structured cabling for wired and wireless systems; voice systems (Voice Services), including new and upgraded telephony systems; and 24/7/365 hotline technical support (Hotline Services) for more than 118,000 network infrastructure products that it sells through its catalog, Internet Web site and on-site services offices.

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. During the first quarter of Fiscal 2006, the Company recorded a pre-tax charge for restructuring of approximately \$5.3 million. There were no restructuring charges incurred during the second quarter of Fiscal 2006 and the first and second quarters of Fiscal 2005. In addition, the Company incurred non-cash charges during the first and second quarters of Fiscal 2006 of \$4.1 million pre-tax in connection with acquisition related expenses from the fourth quarter Fiscal 2005 purchase of Norstan.

The following table has been included to provide the allocation of the first and second quarters of Fiscal 2006 actual acquisition related expenses and the estimated allocation of the remaining Fiscal 2006 quarterly expenses and the estimated total expenses for Fiscal 2007 to Fiscal 2025, directly related to the acquisition of Norstan:

<i>Dollars in Thousands</i>						
P&L Impact:	1Q06	2Q06	3Q06	4Q06	FY06 Total	FY07 to FY25
Gross Profit	\$1,543	\$ —	\$ —	\$ —	\$1,543	\$ —
SG&A	169	155	127	39	490	—
Intangibles amortization	1,119	1,119	1,119	464	3,821	11,028
Total	\$2,831	\$1,274	\$1,246	\$503	\$5,854	\$11,028

During April 2005, the Company completed the acquisitions of Telecommunication Systems Management, Inc. (“TSM”), GTC Technology Group, Inc. and Technology Supply, Inc. (collectively referred to as “GTC”) and Business Communications, Inc., Bainbridge Communication, Inc., BCI of Tampa, LLC and Networx, L.L.C. (collectively referred to as “BCI”). These companies primarily provide full-service voice communication solutions and services in the Florida and Virginia markets. The acquisitions increase the Company’s operational footprint in these marketplaces, provide an opportunity to expand into large complex and multi-site customer solutions services and provide additional technical expertise and product offerings in the voice market. The results of operations for these acquisitions are included in the Company’s financial statements from the completion date of the acquisition. The revenues for these acquisitions are included in North America and Voice Services revenues.

During August 2005, the Company completed the acquisition of substantially all of the assets and certain liabilities of Universal. Universal primarily provides planning, installation and maintenance services for voice and data network systems in 14 states. The acquisition increases the Company’s operational footprint in these marketplaces, provides an opportunity to expand into large complex and multi-site customer

solutions services and provide additional technical expertise and product offerings in the voice market. The results of operations for this acquisition are included in the Company's financial statements from the completion date of the acquisition. The revenues for these acquisitions are included in North America and Voice Services revenues.

Dollars in Thousands, unless Otherwise Indicated

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

	Three months ended September 30,				Six months ended September 30,			
	2005 (2Q06)		2004 (2Q05)		2005 (2Q06YTD)		2004 (2Q05YTD)	
	\$	% of total revenues	\$	% of total revenues	\$	% of total revenues	\$	% of total revenues
By Geography								
Revenues:								
North America	\$146,754	79%	\$ 84,792	67%	\$283,615	78%	\$164,324	66%
Europe	29,199	16%	32,830	26%	62,949	17%	68,390	27%
All Other	9,097	5%	8,973	7%	17,768	5%	18,236	7%
Total	\$185,050	100%	\$126,595	100%	\$364,332	100%	\$250,950	100%
Operating Income:								
North America	\$ 16,537		\$ 10,835		\$ 28,396		\$ 18,745	
% of North America revenues	11.3%		12.8%		10.0%		11.4%	
Europe	\$ 3,427		\$ 3,697		\$ 3,060		\$ 9,349	
% of Europe revenues	11.7%		11.3%		4.9%		13.7%	
All Other	\$ 1,943		\$ 2,487		\$ 3,623		\$ 4,849	
% of All Other revenues	21.4%		27.7%		20.4%		26.6%	
Total	\$ 21,907		\$ 17,019		\$ 35,079		\$ 32,943	
% of Total revenues	11.8%		13.4%		9.6%		13.1%	
Restructuring charges and acquisition related expenses:								
North America	\$ 1,274		\$ —		\$ 5,653		\$ —	
Europe	—		—		3,742		—	
All Other	—		—		—		—	
Total	\$ 1,274		\$ —		\$ 9,395		\$ —	
% of Total revenues	.7%		—%		2.6%		—%	

Information on revenues and gross profit for Data Services, Voice Services and Hotline Services is presented below:

	Three months ended September 30,				Six months ended September 30,			
	2005 (2Q06)		2004 (2Q05)		2005 (2Q06YTD)		2004 (2Q05YTD)	
	\$	% of total revenues	\$	% of total revenues	\$	% of total revenues	\$	% of total revenues
By Service Type								
Revenues:								
Data Services	\$ 52,584	29%	\$ 50,537	40%	\$105,485	29%	\$ 98,726	39%
Voice Services	78,410	42%	19,086	15%	151,339	42%	37,400	15%
Hotline Services	54,056	29%	56,972	45%	107,508	29%	114,824	46%
Total	\$185,050	100%	\$126,595	100%	\$364,332	100%	\$250,950	100%
Gross Profit:								
Data Services	\$ 15,482		\$ 15,366		\$ 31,006		\$ 29,862	
% of Data Services revenues	29.4%		30.4%		29.4%		30.2%	
Voice Services	\$ 31,173		\$ 6,732		\$ 59,011		\$ 13,138	
% of Voice Services revenues	39.8%		35.3%		39.0%		35.1%	
Hotline Services	\$ 27,227		\$ 30,217		\$ 54,805		\$ 61,195	
% of Hotline Services revenues	50.4%		53.0%		51.0%		53.3%	
Total	\$ 73,882		\$ 52,315		\$144,822		\$104,195	
% of Total revenues	39.9%		41.3%		39.8%		41.5%	

Second Quarter Fiscal 2006 (2Q06) Compared to Second Quarter Fiscal 2005 (2Q05):

Total Revenues

Total revenues for 2Q06 were \$185,050, an increase of 46% compared to 2Q05 total revenues of \$126,595. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal during the first six months of Fiscal 2006, which added \$54,920 of revenues to 2Q06 results. Excluding the effects of the acquisitions, and the negative impact of exchange rates of \$139 relative to the U.S. dollar, revenues would have increased \$3,674, an increase of 3% over 2Q05.

Revenues by Geography

North America Revenues

Revenues in North America were \$146,754 for 2Q06, an increase of 73% compared to \$84,792 for 2Q05. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal in the first six months of Fiscal 2006, which added \$54,920 of revenues to 2Q06 results. Excluding the effects of the acquisitions and the positive impact of exchange rates of \$85 relative to the U.S. dollar, revenues would have increased 8%. The overall increase is due to

increased demand in Data Services and Voice Services and success in the Company's DVH (Data, Voice and Hotline) Services cross-selling initiatives.

Europe Revenues

Revenues in Europe were \$29,199 for 2Q06, a decrease of 11% compared to \$32,830 for 2Q05. The overall decrease was generally due to weak economic conditions that affected client demand and \$296 of negative impact of exchange rates relative to the U.S. dollar. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05, Europe revenues would have decreased a total of \$3,335 to \$29,495, a decrease of 10%.

All Other Revenues

Revenues for All Other were \$9,097 for 2Q06, an increase of 1% compared to \$8,973 for 2Q05. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05, All Other revenues would have decreased \$53 to \$9,026, with no change to the percentage increase.

Revenue by Service Type

Data Services

Revenues from Data Services were \$52,584 for 2Q06, an increase of 4% compared to \$50,537 for 2Q05. The Company believes the overall increase in Data Services revenue was due to increased demand in certain markets and success in cross-selling initiatives with the Company's other service lines, offset in part by \$194 negative impact of exchange rates relative to the U.S. dollar for its international Data Services. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05, Data Services revenues would have increased a total of \$2,241, with no change to the percentage increase.

Voice Services

Revenues from Voice Services were \$78,410 for 2Q06, an increase of 311% compared to \$19,086 for 2Q05. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal in the first six months of Fiscal 2006, which added \$54,920 of revenues to 2Q06 results. Excluding the effects of the acquisitions, Voice Services revenues increased 23% over 2Q05. The Company believes the overall increase in Voice Services revenue was due to increased demand for these services and success in cross-selling initiatives with the Company's other service lines. There was no exchange rate impact on Voice Service revenues as all of the Company's Voice Services revenue is denominated in U.S. dollars.

Hotline Services

Revenues from Hotline Services were \$54,056 for 2Q06, a decrease of 5% compared to \$56,972 for 2Q05. The Company believes the overall decline in Hotline Services revenues was due to decreased demand for these services, offset in part by \$54 positive impact of exchange rates relative to the U.S. dollar for its international Hotline Services. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05, Hotline Services revenues would have decreased a total of \$2,970, with no change to the percentage decrease.

Gross Profit

Gross profit dollars for 2Q06 increased to \$73,882 from \$52,315 for 2Q05. The increase in gross profit dollars over the prior year was due to the increase in revenues. Gross profit as a percent of revenues for 2Q06 decreased to 39.9% of revenues from 41.3% of revenues for 2Q05. The decrease in gross profit percentage was due to service mix.

Gross profit dollars for Data Services were \$15,482, or 29.4% of revenues, for 2Q06 compared to \$15,366, or 30.4% of revenues, for 2Q05. Gross profit dollars for Voice Services were \$31,173, or 39.8% of revenues, for 2Q06 compared to \$6,732, or 35.3% of revenues, for 2Q05. Gross profit dollars for Hotline Services were \$27,227, or 50.4% of revenues, for 2Q06 compared to \$30,217, or 53.0% of revenues, for 2Q05.

SG&A Expenses

Selling, general and administrative (“SG&A”) expenses for 2Q06 were \$50,647, an increase of \$15,420 over SG&A expenses of \$35,227 for 2Q05. SG&A expenses as a percent of revenue for 2Q06 were 27.4% of revenues comparable to 27.8% of revenues for 2Q05. The dollar increase is due to the fourth quarter Fiscal 2005 acquisition of Norstan and the first six months of Fiscal 2006 acquisitions of TSM, GTC, BCI and Universal.

Intangibles Amortization

Intangibles amortization for 2Q06 increased to \$1,328 from \$69 for 2Q05. The increase was primarily attributable to the addition of \$15,971 of intangible assets acquired through the Norstan acquisition during the fourth quarter of Fiscal 2005. The Company recorded an additional \$1,119 of amortization expense in 2Q06 due to these intangibles. For Fiscal 2006, the Company expects to incur in total \$3,821 of additional amortization expense relative to these acquired intangibles and approximately \$600 annually thereafter until Fiscal 2025. In 2Q06, the Company recorded \$40 of amortization expense related to definite-lived intangibles in the acquisitions of TSM, GTC and BCI. As of 2Q06, the Company has not recorded amortization expense relative to definite-lived intangibles acquired through the 2Q06 acquisition of Universal. The Company expects to finalize the valuation of these intangibles by 3Q06. See Notes to Consolidated Financial Statements for further details related to the acquisition.

Operating Income

Operating income for 2Q06 was \$21,907, or 11.8% of revenues, compared to \$17,019, or 13.4% of revenues, for 2Q05. The impact of the Norstan acquisition related expenses on operating income were \$1,274, or 1% of revenues.

Interest Expense, Net

Net interest expense for 2Q06 increased to \$2,330 from \$508 for 2Q05 due to an increase in the weighted average outstanding debt of approximately \$161,735 for 2Q06 compared to approximately \$57,417 for 2Q05. The increase in debt relates primarily to the fourth quarter Fiscal 2005 acquisition of Norstan and first half of Fiscal 2006 acquisitions of TSM, GTC, BCI and Universal. In addition, the weighted average interest rate outstanding for 2Q06 was 5.04%, an increase of 2.79% compared to the 2Q05 rate of 2.25%.

Provision for Income Taxes

The tax provision for 2Q06 was \$6,740, an effective tax rate of 34.5%. This compares to the tax provision for 2Q05 of \$5,848, an effective tax rate of 35.5%. The tax rate for 2Q06 was lower than 2Q05 due to the effect of implementing various international tax planning strategies.

The annual effective tax rate is lower than the U.S. statutory rate of 35.0% primarily due to foreign income taxes at rates lower than 35.0%. The Company anticipates that its deferred tax asset is realizable in the foreseeable future.

Net Income

Net income for 2Q06 was \$12,797, or 6.9% of revenues, compared to \$10,623, or 8.4% of revenues, for 2Q05. The increase in net income dollars is primarily due to the increase in revenues and gross profit, offset in part by increased interest expense and the impact of acquisition related expenses described above.

Six Months Fiscal 2006 (2Q06YTD) Compared to Six Months Fiscal 2005 (2Q05YTD):

Total Revenues

Total revenues for 2Q06YTD were \$364,332, an increase of 45% compared to 2Q05YTD total revenues of \$250,950. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal during the first six months of Fiscal 2006, which added \$108,502 of revenues to 2Q06YTD results. Excluding the effects of the acquisitions and the positive impact of exchange rates of \$1,327 relative to the U.S. dollar, revenues would have increased by \$3,553 or 1% over 2Q05YTD.

Revenues by Geography

North America Revenues

Revenues in North America were \$283,615 for 2Q06YTD, an increase of 73% compared to \$164,324 for 2Q05YTD. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal in the first six months of Fiscal 2006, which added \$108,502 of revenues to 2Q06YTD results. Excluding the effects of the acquisitions and the positive impact of exchange rates of \$169 relative to the U.S. dollar, revenues would have increased 6%. The overall increase is due to increased demand in Data Services and Voice Services and success in the Company's DVH (Data, Voice and Hotline) Services cross-selling initiatives.

Europe Revenues

Revenues in Europe were \$62,949 for 2Q06YTD, a decrease of 8% compared to \$68,390 for 2Q05YTD. The overall decrease was generally due to weak economic conditions that affected client demand, offset in part by \$909 positive impact of exchange rates relative to the U.S. dollar. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05YTD, Europe revenues would have decreased a total of \$6,350 to \$62,040, a decrease of 9%.

All Other Revenues

Revenues for All Other were \$17,768 for 2Q06YTD, a decrease of 3% compared to \$18,236 for 2Q05YTD. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05YTD, All Other revenues would have decreased a total of \$717 to \$17,519, a decrease of 4%.

Revenues by Service Type

Data Services

Revenues from data services were \$105,485 for 2Q06YTD, an increase of 7% compared to \$98,726 for 2Q05YTD. The Company believes the overall increase in Data Services revenue was due to increased demand in certain markets and success in cross-selling initiatives with the Company's other service lines and \$263 positive impact of exchange rates relative to the U.S. dollar for its international Data Services. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05YTD, Data Services revenues would have increased a total of \$6,496, with no change to the percentage increase.

Voice Services

Revenues from voice services were \$151,339 for 2Q06YTD, an increase of 305% compared to \$37,400 for 2Q05YTD. The increase was primarily due to the incremental revenue from the acquisition of Norstan in the fourth quarter of Fiscal 2005 and the acquisitions of TSM, GTC, BCI and Universal in the first six months of Fiscal 2006, which added \$108,502 of revenues to 2Q06YTD results. Excluding the effects of the acquisitions, Voice Services revenues increased 15% over 2Q05YTD. The Company believes the overall increase in Voice Services revenue was due to increased demand for these services and success in cross-selling initiatives with the Company's other service lines. There was no exchange rate impact on Voice Service revenues as all of the Company's Voice Services revenue is denominated in U.S. dollars.

Hotline Services

Revenues from hotline services were \$107,508 for 2Q06YTD, a decrease of 6% compared to \$114,824 for 2Q05YTD. The Company believes the overall decline in Hotline Services revenues was due to decreased demand for these services, offset in part by \$1,064 positive impact of exchange rates relative to the U.S. dollar for its international Hotline Services. If exchange rates relative to the U.S. dollar had remained unchanged from 2Q05YTD, Hotline Services revenues would have decreased a total of \$8,380, a decrease of 7%.

Gross Profit

Gross profit dollars for 2Q06YTD increased to \$144,822 from \$104,195 for 2Q05YTD. The increase in gross profit dollars over prior year was due to the increase in revenues. Gross profit as a percent of revenues for 2Q06YTD of 39.8% was comparable to 41.5% of revenues for 2Q05YTD. The decrease in gross profit percentage was due to service mix.

Gross profit dollars for hotline services for 2Q06YTD was \$54,805, or 51.0% of revenues, compared to \$61,195, or 53.3% of revenues, for 2Q05YTD. Gross profit dollars for data services for 2Q06YTD was \$31,006, or 29.4% of revenues, compared to \$29,862, or 30.2% of revenues, for 2Q05YTD. Gross profit dollars for voice services for 2Q06YTD was \$59,011, or 39.0% of revenues, compared to \$13,138, or

35.1% of revenues, for 2Q05YTD.

SG&A Expenses

SG&A expenses for 2Q06YTD were \$101,567, an increase of \$30,443 over SG&A expenses of \$71,124 for 2Q05YTD. SG&A expenses as a percent of revenues for 2Q06YTD were 27.9% of revenues compared to 28.3% of revenues for 2Q05YTD. The dollar increase is due to the fourth quarter Fiscal 2005 acquisition of Norstan and the first six months of Fiscal 2006 acquisitions of TSM, GTC, BCI and Universal.

Intangibles Amortization

Intangibles amortization for 2Q06YTD increased to \$2,886 from \$128 for 2Q05YTD. The increase was primarily attributable to the addition of \$15,971 of intangible assets acquired through the Norstan acquisition during the fourth quarter of Fiscal 2005. The Company recorded an additional \$2,238 of amortization expense in 2Q06YTD due to these intangibles. For Fiscal 2006, the Company expects to incur in total \$3,821 of additional amortization expense relative to these acquired intangibles and approximately \$600 annually thereafter until Fiscal 2025. In 2Q06YTD, the Company recorded \$40 of amortization expense related to definite-lived intangibles in the acquisitions of TSM, GTC and BCI. As of 2Q06, the Company has not recorded amortization expense relative to definite-lived intangibles acquired through the 2Q06 acquisition of Universal. The Company expects to finalize the valuation of these intangibles by 3Q06. See Notes to Consolidated Financial Statements for further details related to the acquisition.

Operating Income

Operating income for 2Q06YTD was \$35,079, or 9.6% of revenues, compared to \$32,943, or 13.1% of revenues, for 2Q05YTD. The impact of restructuring charges and acquisition related expenses on operating income for 2Q06YTD was \$9,395, or 2.6% of revenues.

Net Interest Expense

Net interest expense for 2Q06YTD increased to \$4,289 from \$917 for 2Q05YTD due to an increase in the weighted average outstanding debt of approximately \$164,293 for 2Q06YTD compared to approximately \$49,113 for 2Q05YTD. The increase in debt relates primarily to the fourth quarter Fiscal 2005 acquisition of Norstan and first six months of Fiscal 2006 acquisitions of TSM, GTC, BCI and Universal. In addition, the weighted average interest rate outstanding for 2Q06YTD was 4.53%, an increase of 2.46% compared to the 2Q05YTD rate of 2.07%.

Provision for Income Taxes

The tax provision for 2Q06YTD was \$10,634, an effective tax rate of 34.5%. This compares to the tax provision for 2Q05YTD of \$11,353, an effective tax rate of 35.5%. The tax rate for 2Q06YTD was lower than 2Q05YTD due to the effect of implementing various international tax planning strategies.

The annual effective tax rate is lower than the U.S. statutory rate of 35.0% primarily due to foreign income taxes at rates lower than 35.0%. The Company anticipates that its deferred tax asset is realizable in the foreseeable future.

Net Income

Net income for 2Q06YTD was \$20,191, or 5.5% of revenues, and is comparable to revenues of \$20,626, or 8.2% of revenues, for 2Q05YTD. The decrease in net income dollars is primarily due to the 1Q06 restructuring charge, increased interest expense and the impact of acquisition related expenses offset in part by increases in revenue and gross profit.

Liquidity and Capital Resources

Operating Activities

As of the end of 2Q06 and 2Q05, the Company had working capital of \$113,188 and \$118,214, respectively. The Company's current ratio was 1.82 and 3.07 as of the end of 2Q06 and 2Q05, respectively. The decrease in the current ratio is primarily driven by liabilities assumed as part of the acquisitions completed during the fourth quarter of 2005 and the first six months of fiscal 2006.

Net cash provided by operating activities during 2Q06YTD and 2Q05YTD was \$22,474 and \$20,718, respectively. The Company's major source of cash from operations was net income and the net change in inventory. The Company's primary use of cash from operations was the net change in accounts receivable.

The Company anticipates that approximately \$1,500 to \$2,500 will be incurred during Fiscal 2006 for the ongoing monitoring and testing requirements of Section 404 of the Sarbanes-Oxley Act of 2002. As of 2Q06YTD, the Company has incurred approximately \$467 related to these requirements.

The Company believes that its cash provided by operating activities and availability under its credit facility will be sufficient to fund the Company's working capital requirements, capital expenditures, dividend program, potential stock repurchases, potential future acquisitions or strategic investments and other cash needs for the next 12 months.

Investing Activities

Net cash used in investing activities during 2Q06YTD and 2Q05YTD was \$27,618 and \$1,288, respectively. The Company's primary use of cash during 2Q06YTD was related to the acquisition of businesses.

During 2Q06YTD, gross capital expenditures were \$1,600, while capital disposals were \$1,001. Gross capital expenditures for Fiscal 2006 are projected to be \$4,000 to \$6,000 and will be spent primarily on information systems, general equipment and facility improvements.

During 2Q06YTD, the Company paid \$26,854 to acquire TSM, GTC, BCI and Universal, net of cash acquired in the transactions. The cash impact of prior merger-related payments made during 2Q06YTD was \$165. See Note 11 of the Notes to Consolidated Financial Statements for additional detail on acquisitions made during the first six months of Fiscal 2006.

Financing Activities

Net cash provided by/(used) in financing activities during 2Q06YTD and 2Q05YTD was \$5,467 and \$(17,922), respectively. Cash provided

by financing activities in 2Q06YTD resulted primarily from \$7,452 cash received from the exercise of stock options, partially offset by cash used of \$2,021 for payment of dividends.

Total Debt

Borrowings under the Credit Agreement are permitted up to a maximum amount of \$240,000, which includes up to \$15,000 of swingline loans and \$25,000 of letters of credit. The Credit Agreement may be increased by the Company up to an additional \$60,000 with the approval of the lenders and may be unilaterally and permanently reduced by the Company to not less than the then outstanding amount of all borrowings. Interest on outstanding indebtedness under the Credit Agreement accrues, at the Company's option, at a rate based on either: (a) the greater of (i) the prime rate per annum of the agent then in effect and (ii) 0.50% plus the rate per annum announced by the Federal Reserve Bank of New York as being the weighted average of the rates on overnight Federal funds transactions arranged by Federal funds brokers on the previous trading day or (b) a rate per annum equal to the LIBOR rate plus 0.75% to 1.50% (determined by a leverage ratio based on the Company's EBITDA). The majority of the Company's borrowings were under the LIBOR option. The Credit Agreement expires on August 31, 2008.

The Company's total debt at the end of 2Q06 of \$149,884 was comprised of \$148,070 under the Credit Agreement, \$1,677 of obligations under capital leases and \$137 of various other third-party, non-employee loans. The weighted average interest rate on all indebtedness of the Company during 2Q06 and 2Q05 was approximately 5.04% and 2.25%, respectively. In addition, as of the end of 2Q06, the Company had \$5,965 of letters of credit outstanding and \$85,965 available under the Credit Agreement.

The Credit Agreement includes financial covenants requiring a minimum net worth, leverage and fixed charge coverage ratio. At the end of 2Q06, the Company was in compliance with all required covenants under the Credit Agreement.

Dividends

During 2Q06, the Company's Board of Directors declared a cash dividend of \$0.06 per share on all outstanding shares of the Company's common stock, par value \$.001 per share (the "Common Stock"). The dividend totaled \$1,028 and was paid on October 14, 2005 to stockholders of record at the close of business on September 30, 2005. The dividend declared during 3Q06 of \$0.06 per share will be paid on January 16, 2006 to stockholders of record on December 31, 2005. While the Company expects to continue to declare dividends for the foreseeable future, there can be no assurance as to the timing or amount of such dividends.

Repurchase of Common Stock

During 2Q06, the Company repurchased approximately 196 shares for \$10. Since inception of the repurchase program in April 1999 through September 30, 2005, the Company has repurchased in aggregate approximately 6,935,000 shares of the Common Stock for approximately \$297,000. Funding for the stock repurchases came primarily from existing cash flow from operations. 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 of the Common Stock for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases.

Foreign Currency Exchange Impact

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, Mexico and Singapore are denominated in U.S. dollars.

The Company has entered and will continue in the future, on a selective basis, to enter into foreign currency forward contracts to reduce the foreign currency exposure related to certain intercompany transactions, primarily trade receivables and loans. All of the contracts have been designated and qualify as cash flow hedges. The effective portion of any changes in the fair value of the derivative instruments is recorded in OCI until the hedged forecasted transaction occurs or the recognized currency transaction affects earnings. Once the forecasted transaction occurs or the recognized currency transaction affects earnings, the effective portion of any related gains or losses on the cash flow hedge is reclassified from OCI to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, the ineffective portion of any gain or loss on the related cash flow hedge would be reclassified from OCI to earnings at that time.

At the end of 2Q06, the open foreign exchange contracts were in Euro, Pound sterling, Canadian dollar, Swiss franc, Japanese yen, Swedish krona, Danish krone, Norwegian kroner and Australian dollar. The open contracts have contract rates of 0.7850 to 0.8283 Euro, 0.5361 to 0.5780 Pound sterling, 1.2585 to 1.2588 Canadian dollar, 1.2149 to 1.2985 Swiss franc, 108.10 to 108.80 Japanese yen, 7.2180 to 7.7524 Swedish krona, 5.5056 to 6.2057 Danish krone, 6.0092 to 6.5843 Norwegian kroner and 1.3017 to 1.3298 Australian dollar, all per U.S. dollar.

The total open contracts, with a notional amount of approximately \$72,017, have a fair value of \$69,602 and will expire within eighteen months.

Critical Accounting Policies

The Company's critical accounting policies are described in the Notes to the Company's Consolidated Financial Statements for the year ended March 31, 2005 contained in the Company's Annual Report on Form 10-K. There have been no significant changes to these policies during the subsequent quarters.

New Accounting Pronouncements

See Notes to Consolidated Financial Statements.

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 effects 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, 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, client preferences, the ability of the Company to identify, acquire and operate additional technical service companies 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 interest rates and foreign currency exchange rates. Market risk is measured as the potential negative impact on earnings, cash flows or fair values resulting from a hypothetical change in interest rates or foreign currency exchange rates over the next year.

Interest Rate Risk

The Company's primary interest rate risk relates to its long-term debt obligations. At October 1, 2005, the Company had total long-term obligations, including the current portion of those obligations, of \$149,890. Of that amount, \$1,820 was in fixed rate obligations and \$148,070 was in variable rate obligations. For the amounts in variable rate debt at October 1, 2005, an instantaneous 100 basis point increase in the interest rate would reduce the Company's expected net income in the subsequent quarter by \$265, assuming the Company employed no intervention strategies. The Company has no interest rate hedging agreements.

Foreign Exchange Rate Risk

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. To mitigate this risk, the Company has entered and will continue in the future, on a selective basis, to enter into foreign currency forward contracts to reduce the foreign currency exposure related to certain intercompany transactions. At October 1, 2005, the Company had total open contracts valued at approximately \$72,017 with a fair value of approximately \$69,602.

The Company does not hold or issue any other financial derivative instruments nor does it engage in speculative trading of financial derivatives.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q as of October 1, 2005, an evaluation was performed, 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 the Company's 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, has concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures were effective in all material respects at the reasonable assurance level to ensure that information required to be disclosed in reports that the Company files or submits under the Act is recorded, processed, summarized and timely reported in accordance with the rules and forms of the SEC.

The scope of management's assessment of the effectiveness of internal control over financial reporting includes all of the Company's material businesses except for Norstan, a material business acquired on January 25, 2005 representing approximately 20% and 21% of total assets as of October 1, 2005 and March 31, 2005, respectively. The Norstan portion of the business will be included in the current year assessment to be completed as of March 31, 2006.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including cost limitations, judgments used in decision making, assumptions regarding the likelihood of future events, soundness of internal controls, fraud, the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable, and not absolute, assurance of achieving their control objectives.

Changes in Internal Control Over Financial Reporting

In the second fiscal quarter ended October 1, 2005, there had been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
July 3, 2005 to July 31, 2005	—	—	—	565,166
August 1, 2005 to August 28, 2005	196	42.83	196	564,970
August 29, 2005 to October 1, 2005	—	—	—	564,970
Total	196	\$42.83	196	564,970⁽²⁾

(1) As of July 2, 2005, 565,166 shares were available for repurchase under repurchase programs approved by the Board of Directors and announced on November 20, 2003 and August 12, 2004.

(2) The repurchase programs have no expiration date and no programs were terminated prior to the full repurchase of the authorized amount.

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 of the Common Stock for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases.

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

On August 10, 2005, the Company's stockholders voted on the following three 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; and (iii) the ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm of the Company for Fiscal 2006. Out of the 16,846,117 shares of Common Stock outstanding as of the record date for the annual meeting of June 10, 2005, 15,261,593 votes were cast.

(i) Each of the Company's nominees for director was elected at the annual meeting by the following vote:

	Shares Voted For	Shares Withheld
William F. Andrews	13,823,839	1,437,754
Richard L. Crouch	8,997,669	6,263,924
Thomas G. Golonski	8,998,460	6,263,133
Thomas G. Greig	8,999,095	6,262,498
Edward A. Nicholson, Ph.D.	14,193,485	1,068,108
Fred C. Young	14,194,335	1,067,258

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

Shares Voted For	Shares Voted Against	Shares Abstaining	Broker Non-Votes
7,515,205	6,018,352	541,177	1,186,859

(iii) Ratification of the appointment of BDO Seidman, LLP as the independent registered public accounting firm of the Company for the fiscal year ending March 31, 2006:

Shares Voted For	Shares Voted Against	Shares Abstaining	Broker Non-Votes
15,250,813	7,129	3,651	0

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Description of executive officer incentive bonus plan for Fiscal 2006 ⁽¹⁾
10.2	Form of Black Box Corporation Non-Qualified Stock Option Agreement (pursuant to the 1992 Stock Option Plan) ⁽¹⁾
10.3	Form of Black Box Corporation Non-Qualified Stock Option Agreement (pursuant to the 1992 Director Stock Option Plan) ⁽¹⁾
10.4	1992 Stock Option Plan (as amended through August 9, 2005) ⁽¹⁾
21.1	Subsidiaries of Registrant ⁽¹⁾
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 ⁽¹⁾
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 ⁽¹⁾
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 ⁽¹⁾

⁽¹⁾ Filed herewith.

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.

Dated: November 10, 2005

BLACK BOX CORPORATION

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

EXHIBIT INDEX

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⁽¹⁾ Filed herewith.

Description of Executive Incentive Bonus Plan for Fiscal 2006

On August 9, 2005, the Board of Directors of Black Box Corporation adopted an executive incentive bonus plan for Fiscal 2006 (fiscal year ending March 31, 2006). The plan goals include one or more of the following: earnings per share, operating income, operating margin percentage and days sales outstanding (“DSOs”). Payments are scheduled to be made on a quarterly basis upon achievement of such goals on a year-to-date basis. Payout of the bonus is at 50% of target for achieving 90% of the goal increasing to 100% of target at 100% of goal. Payout could exceed 100% of target under the plan. In addition, payments may be made in the discretion of the Board of Directors.

**BLACK BOX CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT**

Employee-Optionee: _____

**Number of shares of
Common Stock (as defined below)
subject to this Option Agreement:** _____

Vesting Dates: All Options Shares (as defined below) are vested as of the Grant Date (as defined below).

Pursuant to the Black Box Corporation 1992 Stock Option Plan (the "Plan"), the stock option committee of the Board of Directors of Black Box Corporation (the "Company") has granted to you a Non-Qualified Option (as defined in the Plan) to purchase the number of shares of the Company's common stock, \$.001 par value, ("Common Stock") set forth above (the "Option"). Such number of shares (as such may be adjusted as described in Section 9 below or pursuant to the terms of the Plan) is herein referred to as the "Option Shares." This Option is not an "incentive stock option" as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and may not be treated as such for tax purposes by you or the Company. Additional terms and conditions of this Option are set forth below.

1. **Date of Grant.** This Option was granted to you on [month, day, year] (the "Grant Date").

2. **Termination of Option.** Your right to exercise this Option (and to purchase the Option Shares) shall expire and terminate in all events on the earlier of (i) the date which is ten (10) years from the Grant Date (the "Expiration Date") or (ii) the date determined in accordance with Section 8 below in the event you cease to be employed on a full-time basis by the Company or a subsidiary corporation or parent corporation of the Company as such terms are defined in the Plan (such entities hereinafter referred to as the "BB Group").

3. **Option Price.** The purchase price to be paid upon the exercise of this Option or any part of it will be \$[exercise price] per Option Share (the "Option Price").

4. **Vesting Provisions — Entitlement to Exercise the Option and Purchase Option Shares.** You may exercise this Option in whole or in part at any time from and after the Grant Date.

5. **Additional Provisions Relating to Exercise.**

- (a) Once you become entitled to exercise this Option or any part of it (and purchase Option Shares) as provided in Section 4 hereof, that right will continue until the date on which this Option expires or is terminated pursuant to Section 2 hereof.
- (b) The Board of Directors of the Company (or the stock option committee), in its sole discretion, may terminate the Plan and the Option at any time.

Strictly Private and Confidential

6. Exercise of Option. To exercise the Option, you must deliver a completed copy of the attached Option Exercise Form (Exhibit A hereto) to the address indicated on the Form, specifying the number of Option Shares being purchased as a result of such exercise, together with payment of the full Option Price for the Option Shares being purchased as a result of such exercise. Payment of the Option Price must be made in cash, by certified check or by delivery of that number of shares of previously-owned Common Stock having a fair market value equal to the exercise price applicable to that portion of the Option being exercised by the delivery of such shares. You must also pay any withholding taxes resulting from exercise of the Option before a stock certificate will be issued to you. You must deliver the properly-completed Option Exercise Form along with the appropriate payment due in order to exercise this Option.

7. Transferability of Option. This Option may not be transferred by you (other than by will or the applicable laws of descent and distribution), and may be exercised during your lifetime only by you.

8. Termination of Employment.

- (a) In the event that you cease to be employed by any member of the BB Group on a full-time basis by reason of “disability” (as defined in Section 22(e)(3) of the Code), this Option may only be exercised within one (1) year after the date you cease to be so employed, and only to the same extent that you were entitled to exercise this Option on the date you ceased to be so employed by reason of such disability, and did not theretofore do so.
- (b) In the event that you retire (at such age or upon such conditions as shall be specified by the Board of Directors) or are dismissed from your employment with any member of the BB Group other than for cause (as defined in Article XI of the Plan), this Option may only be exercised within three (3) months after the date you cease to be so employed, and only to the same extent that you were entitled to exercise this Option on the date you ceased to be so employed, and did not theretofore do so.
- (c) In the event that you die while employed on a full-time basis with any member of the BB Group, or during the one (1) year period following your disability in (a) above, or during the three (3) month period following your retirement or termination other than for cause in (b) above, this Option may only be exercised within one (1) year from your date of death by your legal representative or such other person who acquired the Option by bequest or inheritance or reason of your death, and only to the same extent you were entitled to exercise this Option on your date of death, and did not theretofore do so.
- (d) In the event that you voluntarily terminate your employment with the BB Group, or are discharged for cause (as defined in Article XI of the Plan), this Option shall terminate immediately upon the occurrence of such event.

Strictly Private and Confidential

(e) Notwithstanding any provision contained in this Section 8 to the contrary, in no event may this Option be exercised to any extent by you after the Expiration Date.

9. **Adjustments.** If the total number of outstanding shares of Common Stock of the Company shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation through reorganization, merger or consolidation, recapitalization, stock split, combination or exchange of shares, or declaration of any dividends payable in stock, the unexercised portion of the Option Shares covered by this Option may be appropriately adjusted by the Board of Directors or the stock option committee as to the number or kind of shares (to the nearest possible full share) and price per share thereof in order to preserve your proportionate interest in the Company and in order that the aggregate option price shall remain unchanged.

10. **Continuation of Employment.** Neither the Plan nor this Option shall confer upon you any right to continue in the employ of the BB Group, or limit in any respect the right of the BB Group to terminate your employment at any time.

11. **Plan Documents.** This Option Agreement is qualified in its entirety by reference to the Plan itself, a copy of which is attached hereto as Exhibit B, or which may be obtained from the office of the Chief Executive Officer at any time.

Please acknowledge your acceptance and agreement to the terms of this Option Agreement by signing this Option Agreement in the space provided below and returning it promptly to the Company.

Black Box Corporation

By: _____
Fred C. Young
Chief Executive Officer

I accept and agree to the terms of the Option as set forth herein.

Employee-Optionee

Date

Strictly Private and Confidential

**BLACK BOX CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT**

Director-Optionee: _____

Number of shares of
Common Stock (as defined below)
subject to this Option Agreement: _____

Vesting Dates: All Options Shares (as defined below) are vested as of the Grant Date (as defined below).

Pursuant to the Black Box Corporation 1992 Director Stock Option Plan (the "Plan"), the director stock option committee of the Board of Directors of Black Box Corporation (the "Company") has granted to you a Non-Qualified Option (as defined in the Plan) to purchase the number of shares of the Company's common stock, \$.001 par value, ("Common Stock") set forth above (the "Option"). Such number of shares (as such may be adjusted as described in Section 9 below or pursuant to the terms of the Plan) is herein referred to as the "Option Shares." This Option is not an "incentive stock option" as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and may not be treated as such for tax purposes by you or the Company. Additional terms and conditions of this Option are set forth below.

1. **Date of Grant.** This Option was granted to you on [month, day, year] (the "Grant Date").

2. **Termination of Option.** Your right to exercise this Option (and to purchase the Option Shares) shall expire and terminate in all events on the earlier of (i) the date which is ten (10) years from the Grant Date (the "Expiration Date") or (ii) the date determined in accordance with Section 8 below in the event you cease to be a director of the Company or a subsidiary corporation or parent corporation of the Company as such terms are defined in the Plan (such entities hereinafter referred to as the "BB Group").

3. **Option Price.** The purchase price to be paid upon the exercise of this Option or any part of it will be \$[exercise price] per Option Share (the "Option Price").

4. **Vesting Provisions — Entitlement to Exercise the Option and Purchase Option Shares.** You may exercise this Option in whole or in part at any time from and after the Grant Date.

5. **Additional Provisions Relating to Exercise.**

- (a) Once you become entitled to exercise this Option or any part of it (and purchase Option Shares) as provided in Section 4 hereof, that right will continue until the date on which this Option expires or is terminated pursuant to Section 2 hereof.

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- (b) The Board of Directors of the Company (or the director stock option committee), in its sole discretion, may terminate the Plan and the Option at any time.

6. Exercise of Option. To exercise the Option, you must deliver a completed copy of the attached Option Exercise Form (Exhibit A hereto) to the address indicated on the Form, specifying the number of Option Shares being purchased as a result of such exercise, together with payment of the full Option Price for the Option Shares being purchased as a result of such exercise. Payment of the Option Price must be made in cash, by certified check or by delivery of that number of shares of previously-owned Common Stock having a fair market value equal to the exercise price applicable to that portion of the Option being exercised by the delivery of such shares. You must also pay any withholding taxes resulting from exercise of the Option before a stock certificate will be issued to you. You must deliver the properly-completed Option Exercise Form along with the appropriate payment due in order to exercise this Option.

7. Transferability of Option. This Option may not be transferred by you (other than by will or the applicable laws of descent and distribution), and may be exercised during your lifetime only by you.

8. Termination of Directorship.

- (a) In the event that you cease to be a director of any member of the BB Group by reason of “disability” (as defined in Section 22(e)(3) of the Code), this Option may only be exercised within one (1) year after the date you cease to be a director of any member of the BB Group, and only to the same extent that you were entitled to exercise this Option on the date you ceased to hold such position by reason of such disability, and did not theretofore do so.
- (b) In the event that you retire (at such age or upon such conditions as shall be specified by the Board of Directors) or are dismissed from your position as a director of any member of the BB Group other than for cause (as defined in Article XI of the Plan), this Option may only be exercised within three (3) years after the date you cease to be a director of any member of the BB Group, and only to the same extent that you were entitled to exercise this Option on the date you ceased to hold such position, and did not theretofore do so.
- (c) In the event that you die while holding the position of director of any member of the BB Group, or during the one (1) year period following your disability in (a) above, or during the three (3) year period following your retirement or termination other than for cause in (b) above, this Option may only be exercised within one (1) year from your date of death by your legal representative or such other person who acquired the Option by bequest or inheritance or reason of your death, and only to the same extent you were entitled to exercise this Option on your date of death, and did not theretofore do so.
- (d) In the event that you voluntarily terminate your position as a director of any member of the BB Group, or are discharged for cause (as defined in Article XI

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of the Plan), this Option shall terminate immediately upon the occurrence of such event.

- (e) Notwithstanding any provision contained in this Section 8 to the contrary, in no event may this Option be exercised to any extent by you after the Expiration Date.

9. **Adjustments.** If the total number of outstanding shares of Common Stock of the Company shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation through reorganization, merger or consolidation, recapitalization, stock split, combination or exchange of shares, or declaration of any dividends payable in stock, the unexercised portion of the Option Shares covered by this Option may be appropriately adjusted by the Board of Directors or the director stock option committee as to the number or kind of shares (to the nearest possible full share) and price per share thereof in order to preserve your proportionate interest in the Company and in order that the aggregate option price shall remain unchanged.

10. **Continuation of Directorship.** Neither the Plan nor this Option shall confer upon you any right to continue your directorship, or limit in any respect the right of any member of the BB Group to terminate your directorship at any time.

11. **Plan Documents.** This Option Agreement is qualified in its entirety by reference to the Plan itself, a copy of which is attached hereto as Exhibit B, or which may be obtained from the office of the Chief Executive Officer at any time.

Please acknowledge your acceptance and agreement to the terms of this Option Agreement by signing this Option Agreement in the space provided below and returning it promptly to the Company.

Black Box Corporation

By: _____
Fred C. Young
Chief Executive Officer

I accept and agree to the terms of the Option as set forth herein.

Director-Optionee

Date

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BLACK BOX CORPORATION
1992 STOCK OPTION PLAN
(As Amended through August 9, 2005)

I. PURPOSES

BLACK BOX CORPORATION (the "Company") desires to afford certain of its key employees and the key employees of any subsidiary corporation or parent corporation of the Company now existing or hereafter formed or acquired who are responsible for the continued growth of the Company an opportunity to acquire a proprietary interest in the Company, and thus to create in such key employees an increased interest in and a greater concern for the welfare of the Company and its subsidiaries.

The Company, by means of this 1992 Stock Option Plan as originally approved on November 11, 1992, and as further amended on May 10, 1994, August 9, 1994, August 7, 1995, August 12, 1996, August 13, 1997, February 3, 1998, August 10, 1998, August 10, 1999, August 8, 2000, August 23, 2001, August 15, 2002, August 12, 2003, August 10, 2004, March 15, 2005, May 4, 2005 and August 9, 2005 (the "Plan"), seeks to retain the services of persons now holding key positions and to secure the services of persons capable of filling such positions.

The stock options ("Options") and stock appreciation rights ("Rights") offered pursuant to the Plan are a matter of separate inducement and are not in lieu of any salary or other compensation for the services of any key employee.

The Options granted under the Plan are intended to be either incentive stock options ("Incentive Options") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or options that do not meet the requirements for Incentive Options ("Non-Qualified Options"), but the Company makes no warranty as to the qualification of any Option as an Incentive Option.

II. AMOUNT OF STOCK SUBJECT TO THE PLAN; PER PERSON LIMITATION

The total number of shares of common stock of the Company which may be purchased or acquired pursuant to the exercise of Options or Rights granted under the Plan shall not exceed, in the aggregate, 9,200,000 shares of the authorized common stock, \$.001 par value per share, of the Company (the "Shares"), such number subject to adjustment as provided in Article XII hereof. Shares that are the subject of Rights and related Options shall be counted only once in determining whether the maximum number of Shares that may be purchased or awarded under the Plan has been exceeded. No person may receive Options or Rights under the Plan for more than 500,000 Shares in any given fiscal year.

Shares acquired under the Plan may be either authorized but unissued Shares or Shares of issued stock held in the Company's treasury, or both, at the discretion of the Company. If and to the extent that Options or Rights granted under the Plan expire or terminate without having been

exercised, the Shares covered by such expired or terminated Options or Rights shall again become available for award under the Plan.

Except as provided in Article XIX and subject to Article II, the Company may, from time to time during the period beginning on the date on which the Company consummates an underwritten initial public offering of Shares (the "Effective Date") and originally ending on November 30, 2002 but amended to end on November 30, 2012 (the "Termination Date"), grant to certain key employees of the Company, or of any subsidiary corporation or parent corporation of the Company now existing or hereafter formed or acquired, Incentive Options and/or Non-Qualified Options and/or Rights under the terms hereinafter set forth.

Provisions of the Plan that pertain to Options or Rights granted to an employee shall apply to Options, Rights or a combination thereof.

As used in the Plan, the term "subsidiary corporation" and "parent corporation" shall mean, respectively, a corporation coming within the definition of such terms contained in Sections 424(f) and 424(e) of the Code.

III. ADMINISTRATION

The board of directors of the Company (the "Board of Directors") shall designate from among its members an option committee, which may be the Compensation Committee of the Board of Directors (the "Committee"), to administer the Plan. The Committee shall consist of no fewer than two members of the Board of Directors, each of whom shall be a "disinterested person" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee shall be the act of the Committee. Any member of the Committee may be removed at any time either with or without cause by resolution adopted by the Board of Directors, and any vacancy on the Committee at any time may be filled by resolution adopted by the Board of Directors.

Subject to the express provisions of the Plan, the Committee shall have authority, in its discretion, to determine the employees to whom Options or Rights shall be granted, the time when such Options or Rights shall be granted, the number of Shares which shall be subject to each Option or Right, the purchase price or exercise price of each Option or Right, the period(s) during which such Options or Rights shall become exercisable (whether in whole or in part) and the other terms and provisions thereof (which need not be identical).

Subject to the express provisions of the Plan, the Committee also shall have authority to construe the Plan and the Options and Rights granted thereunder, to amend the Plan and the Options and Rights granted thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the terms and provisions of the Options (which need not be identical) and Rights (which need not be identical) granted thereunder and to make all other determinations necessary or advisable for administering the Plan. The Committee also shall have the authority to require, in its discretion, as a condition of the granting of any such Option or Right, that the employee agree (i) not to sell or otherwise dispose of Shares acquired pursuant to the exercise of such Option or Right for a period of six (6) months following the date of the

acquisition of such Option or Right and (ii) that in the event of termination of employment of such employee, other than as a result of dismissal without cause, such employee will not, for a period to be fixed at the time of the grant of the Option or Right, enter into any other employment or participate directly or indirectly in any other business or enterprise which is competitive with the business of the Company or any subsidiary corporation or parent corporation of the Company, or enter into any employment in which such employee will be called upon to utilize special knowledge obtained through employment with the Company or any subsidiary corporation or parent corporation thereof. In no event will an employee who is subject to the reporting requirements of Section 16(a) of the Exchange Act be entitled to sell or otherwise dispose of any Shares acquired pursuant to exercise of any such Options or Rights for a period of six (6) months from the date of the acquisition of such Options or Rights. Notwithstanding the foregoing, the Committee shall not have the authority to reprice any outstanding Option or Right without stockholder approval.

The determination of the Committee on matters referred to in this Article III shall be conclusive.

The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such legal counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award of Options or Rights granted hereunder.

IV. ELIGIBILITY

Options and Rights may be granted only to key employees of the Company or of any subsidiary corporation or parent corporation of the Company, except as hereinafter provided, and shall not be granted to any officer or director who is not also a key employee or to any member of the Committee. Any person who shall have retired from active employment by the Company or a subsidiary corporation or parent corporation thereof, although such person shall have entered into a consulting contract with the Company or a subsidiary corporation or parent corporation thereof, shall not be eligible to receive an Option or a Right.

The Plan does not create a right in any employee to participate in the Plan, nor does it create a right in any employee to have any Options or Rights granted to him or her.

V. OPTION PRICE AND PAYMENT

The price for each Share purchasable under any Option granted hereunder shall be such amount as the Committee shall, in its best judgment, determine to be not less than one hundred percent (100%) of the fair market value per Share at the date the Option is granted; provided, however, that in the case of an Incentive Option granted to a person who, at the time such Option is granted, owns shares of the Company or any subsidiary corporation or parent corporation of the Company which possesses more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of any subsidiary corporation or parent corporation of the Company, the purchase price for each Share shall be such amount as the Committee in its best judgment shall determine to be not less than one hundred ten percent (110%) of the fair

market value per Share at the date the Option is granted. In determining stock ownership of an employee for any purposes under the Plan, the rules of Section 424(d) of the Code shall be applied, and the Committee may rely on representations of fact made to it by the employee and believed by it to be true.

If the Shares are listed on a national securities exchange in the United States (which, for purposes of this Article V, shall be deemed to include any last sale reported over-the-counter market), on any date on which the fair market value per Share is to be determined, the fair market value per Share shall be deemed to be the average of the high and low quotations at which such Shares are sold on such national securities exchange on the date such Option is granted. If the Shares are listed on a national securities exchange in the United States on such date, but the Shares are not traded on such date, or such national securities exchange is not open for business on such date, the fair market value per Share shall be determined as of the closest preceding date on which such exchange shall have been open for business and the Shares shall have been traded. If the Shares are listed on more than one national securities exchange in the United States on the date on which the fair market value per Share is to be determined, the Committee shall determine which national securities exchange shall be used for the purpose of determining the fair market value per Share.

If a public market exists for the Shares on any date on which the fair market value per Share is to be determined but the Shares are not listed on a national securities exchange in the United States, the fair market value per Share shall be deemed to be the mean between the closing bid and asked quotations in the over-the-counter market for the Shares on such date. If there are no bid and asked quotations for the Shares on such date, the fair market value per Share shall be deemed to be the mean between the closing bid and asked quotations in the over-the-counter market for the Shares on the closest date preceding such date for which such quotations are available.

If no public market exists for the Shares on any date on which the fair market value per Share is to be determined, the Committee shall, in its sole discretion and best judgment, determine the fair market value of a Share.

For purposes of this Plan, the determination by the Committee of the fair market value of a Share shall be conclusive.

Upon the exercise of an Option granted hereunder, the Company shall cause the purchased Shares to be issued only when it shall have received the full purchase price for the Shares in cash or by certified check; provided, however, that in lieu of cash, the holder of an Option may, if and to the extent the terms of such Option so provide and to the extent permitted by applicable law, exercise an Option (i) in whole or in part, by delivering to the Company shares of common stock of the Company (in proper form for transfer and accompanied by all requisite stock transfer tax stamps or cash in lieu thereof) owned by such holder having a fair market value equal to the exercise price applicable to that portion of the Option being exercised by the delivery of such Shares or (ii) in part, by delivering to the Company an executed promissory note on such terms and conditions as the Committee shall determine, at the time of grant, in its sole discretion; provided, however, that the principal amount of such note shall not exceed eighty percent (80%) (or such lesser percentage as would be permitted by applicable

margin regulations) of the aggregate purchase price of the Shares then being purchased pursuant to the exercise of such Option. The fair market value of the stock so delivered shall be determined as of the date immediately preceding the date on which the Option is exercised, or as may be required in order to comply with or to conform to the requirements of any applicable laws or regulations.

VI. USE OF PROCEEDS

The cash proceeds of the sale of Shares pursuant to the Plan are to be added to the general funds of the Company and used for its general corporate purposes as the Board of Directors shall determine.

VII. TERM OF OPTIONS AND LIMITATIONS ON THE RIGHT OF EXERCISE

Any Option shall be exercisable at such times, in such amounts and during such period or periods as the Committee shall determine at the date of the grant of such Option; provided, however, that an Incentive Option shall not be exercisable after the expiration of ten (10) years from the date such Option is granted; and provided further that, in the case of an Incentive Option granted to a person who, at the time such Option is granted, owns stock of the Company or any subsidiary corporation or parent corporation of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any subsidiary corporation or parent corporation of the Company, such Option shall not be exercisable after the expiration of five (5) years from the date such Option is granted.

Except to the extent otherwise provided under the Code, to the extent that the aggregate fair market value of stock for which Incentive Options are exercisable for the first time by an employee during any calendar year (under all stock option plans of the Company and of any parent corporation or subsidiary corporation of the Company) exceeds one hundred thousand dollars (\$100,000), such Options shall be treated as Non-Qualified Options. For purposes of this limitation, (i) the fair market value of stock is determined as of the time the Option is granted, and (ii) the limitation will be applied by taking into account Options in the order in which they were granted.

Subject to the provisions of Article XVIII, the Committee shall have the right to accelerate, in whole or in part, from time to time, conditionally or unconditionally, rights to exercise any Option granted hereunder.

To the extent that an Option is not exercised within the period of exercisability specified therein, it shall expire as to the then unexercised part.

In no event shall an Option granted hereunder be exercised for a fraction of a Share.

VIII. EXERCISE OF OPTIONS

Options granted under the Plan shall be exercised by the optionee as to all or part of the Shares covered thereby by the giving of written notice of the exercise thereof to the Corporate Secretary of the Company at the principal business office of the Company, specifying the number of Shares to be purchased and specifying a business day not more than fifteen (15) days

from the date such notice is given for the payment of the purchase price against delivery of the Shares being purchased. Subject to the terms of Articles XIV, XVI, and XVII, the Company shall cause certificates for the Shares so purchased to be delivered to the optionee at the principal business office of the Company, against payment of the full purchase price, on the date specified in the notice of exercise.

IX. STOCK APPRECIATION RIGHTS

In the discretion of the Committee, a Right may be granted (i) alone, (ii) simultaneously with the grant of an Option (either Incentive or Non-Qualified) and in conjunction therewith or in the alternative thereto or (iii) subsequent to the grant of a Non-Qualified Option and in conjunction therewith or in the alternative thereto.

The exercise price of a Right granted alone shall be determined by the Committee but shall not be less than one hundred percent (100%) of the fair market value of one Share on the date of grant of such Right. A Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option, shall be transferable only upon the same terms and conditions as the related Option, and shall be exercisable only to the same extent as the related Option; provided, however, that a Right, by its terms, shall be exercisable only when the fair market value of the Shares subject to the Right and related Option exceeds the exercise price thereof.

Upon exercise of a Right granted simultaneously with or subsequent to an Option and in the alternative thereto, the number of Shares for which the related Option shall be exercisable shall be reduced by the number of Shares for which the Right shall have been exercised. The number of Shares for which a Right shall be exercisable shall be reduced upon any exercise of a related Option by the number of Shares for which such Option shall have been exercised.

Any Right shall be exercisable upon such additional terms and conditions as may from time to time be prescribed by the Committee.

A Right shall entitle the holder upon exercise thereof to receive from the Company, upon a written request filed with the Corporate Secretary of the Company at its principal offices (the "Request"), a number of Shares (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), an amount of cash, or any combination of Shares and cash, as specified in the Request (but subject to the approval of the Committee in its sole discretion, at any time up to and including the time of payment, as to the making of any cash payment), having an aggregate fair market value equal to the product of (i) the excess of the fair market value, on the day of such Request, of one Share over the exercise price per Share specified in such Right or its related Option, multiplied by (ii) the number of Shares for which such Right shall be exercised.

Any election by a holder of a Right to receive cash in full or partial settlement of such Right, and any exercise of such Right for cash, may be made only by a Request filed with the Corporate Secretary of the Company during the period beginning on the third business day following the date of release for publication by the Company of quarterly or annual summary statements of sales and earnings and ending on the twelfth business day following such date. Within thirty (30) days of the receipt by the Company of a Request to receive cash in full or

partial settlement of a Right or to exercise such Right for cash, the Committee shall, in its sole discretion, either consent to or disapprove, in whole or in part, such Request. A Request to receive cash in full or partial settlement of a Right or to exercise a Right for cash may provide that, in the event the Committee shall disapprove such Request, such Request shall be deemed to be an exercise of such Right for Shares.

If the Committee disapproves in whole or in part any election by a holder to receive cash in full or partial settlement of a Right or to exercise such Right for cash, such disapproval shall not affect such holder's right to exercise such Right at a later date, to the extent that such Right shall be otherwise exercisable, or to elect the form of payment at a later date, provided that an election to receive cash upon such later exercise shall be subject to the approval of the Committee. Additionally, such disapproval shall not affect such holder's right to exercise any related Option or Options granted to such holder under the Plan.

A holder of a Right shall not be entitled to request or receive cash in full or partial payment of such Right unless such Right shall have been held for six (6) months from the date of acquisition to the date of cash settlement thereof; provided, however, that such prohibition shall not apply if the holder of such Right is not subject to the reporting requirements of Section 16(a) of the Exchange Act. In no event will a holder of a Right who is subject to the reporting requirements of Section 16(a) of the Exchange Act be entitled to make such a request or receive cash in full or partial payment of such Right until the Company shall have satisfied the informational requirements of Rule 16b-3(e)(1) promulgated under the Exchange Act for the specified one year period.

A Right shall be deemed exercised on the last day of its term, if not otherwise exercised by the holder thereof, provided that the fair market value of the Shares subject to the Right exceeds the exercise price thereof on such date.

For all purposes of this Article IX, the fair market value of Shares shall be determined in accordance with the principles set forth in the Article V.

X. NON-TRANSFERABILITY OF OPTIONS AND STOCK APPRECIATION RIGHTS

Neither an Option nor a Right granted hereunder shall be transferable, whether by operation of law or otherwise, other than by will or the laws of descent and distribution, and any Option or Right granted hereunder shall be exercisable during the lifetime of the holder only by such holder. Except to the extent provided above, Options and Rights may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

XI. TERMINATION OF EMPLOYMENT

Upon termination of employment of any employee with the Company and all subsidiary corporations and parent corporations of the Company, an Option or Right previously granted to the employee, unless otherwise specified by the Committee in the Option or Right, shall, to the extent not theretofore exercised, terminate and become null and void, provided that:

(a) if the employee shall die while in the employ of such corporation or during either the three (3) month or one (1) year period, whichever is applicable, specified in clause (b) below and at a time when such employee was entitled to exercise an Option or Right as herein provided, the legal representative of such employee, or such person who acquired such Option or Right by bequest or inheritance or by reason of the death of the employee, may, not later than one (1) year from the date of death, exercise such Option or Right, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Committee in such Option or Right; and

(b) if the employment of an employee to whom such Option or Right shall have been granted shall terminate by reason of the employee's retirement (at such age or upon such conditions as shall be specified by the Board of Directors), disability (as described in Section 22(e)(3) of the Code) or dismissal by the employer other than for cause (as defined below), and while such employee is entitled to exercise such Option or Right as herein provided, such employee shall have the right to exercise such Option or Right so granted, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Committee in such Option or Right, at any time up to and including (i) three (3) months after the date of such termination of employment in the case of termination by reason of retirement or dismissal other than for cause and (ii) one (1) year after the date of termination of employment in the case of termination by reason of disability.

If an employee voluntarily terminates his or her employment, or is discharged for cause, any Option or Right granted hereunder shall, unless otherwise specified by the Committee in the Option or Right, forthwith terminate with respect to any unexercised portion thereof.

If an Option or Right granted hereunder shall be exercised by the legal representative of a deceased or disabled employee or former employee, or by a person who acquired an Option or Right granted hereunder by bequest or inheritance or by reason of death of any employee or former employee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such Option or Right.

For the purposes of the Plan, the term "for cause" shall mean (i) with respect to an employee who is party to a written agreement with, or, alternatively, participates in a compensation or benefit plan of the Company or a subsidiary corporation or parent corporation of the Company, which agreement or plan contains a definition of "for cause" or "cause" (or words of like import) for purposes of termination of employment thereunder by the Company or such subsidiary corporation or parent corporation of the Company, "for cause" or "cause" as defined in the most recent of such agreements or plans, or (ii) in all other cases, (a) the willful commission by an employee of a criminal or other act that causes substantial economic damage to the Company or a subsidiary corporation or parent corporation of the Company or substantial injury to the business reputation of the Company or a subsidiary corporation or parent corporation of the Company; (b) the commission by an employee of an act of fraud in the performance of such employee's duties on behalf of the Company or a subsidiary corporation or parent corporation of the Company; or (c) the continuing willful failure of an employee to perform the duties of such employee to the Company or a subsidiary corporation or parent

corporation of the Company (other than such failure resulting from the employee's incapacity due to physical or mental illness) after written notice thereof (specifying the particulars thereof in reasonable detail) and a reasonable opportunity to be heard and cure such failure are given to the employee by the Board of Directors or the Committee. For purposes of the Plan, no act, or failure to act, on the employee's part shall be considered "willful" unless done or omitted to be done by the employee not in good faith and without reasonable belief that the employee's action or omission was in the best interest of the Company or a subsidiary corporation or parent corporation of the Company.

For the purposes of the Plan, an employment relationship shall be deemed to exist between an individual and a corporation if, at the time of the determination, the individual was an "employee" of such corporation for purposes of Section 422(a) of the Code. If an individual is on military, sick leave or other bona fide leave of absence, such individual shall be considered an "employee" for purposes of the exercise of an Option or Right and shall be entitled to exercise such Option or Right during such leave if the period of such leave does not exceed ninety (90) days, or, if longer, so long as the individual's right to reemployment with the corporation granting the option (or a related corporation) is guaranteed either by statute or by contract. If the period of leave exceeds ninety (90) days, the employment relationship shall be deemed to have terminated on the ninety-first (91st) day of such leave, unless the individual's right to reemployment is guaranteed by statute or contract.

A termination of employment shall not be deemed to occur by reason of (i) the transfer of an employee from employment by the Company to employment by a subsidiary corporation or a parent corporation of the Company or (ii) the transfer of an employee from employment by a subsidiary corporation or a parent corporation of the Company to employment by the Company or by another subsidiary corporation or parent corporation of the Company. Furthermore, solely for purposes of determining the rights and obligations under any outstanding Options or Rights theretofore granted, in the event that the Company ceases to own, directly or indirectly, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of a subsidiary company by virtue of a recapitalization, stock dividend, stock split, split-up, spin-off, combination of shares or other like change in capital structure of the Company, the Committee may determine that employment by such former subsidiary (or any parent or subsidiary company of such subsidiary) shall continue to be deemed to be employment by the Company for purposes of the Plan.

In the event of the complete liquidation or dissolution of a subsidiary corporation, or in the event that the Company ceases to own, directly or indirectly, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock of such corporation, any unexercised Options or Rights theretofore granted to any person employed by such subsidiary corporation will be deemed canceled unless such person is employed by the Company or by any parent corporation or another subsidiary corporation after the occurrence of such event. In the event an Option or Right is to be canceled pursuant to the provisions of the previous sentence, notice of such cancellation will be given to each employee holding unexercised Options or Rights and such holder will have the right to exercise such Options or Rights in full (without regard to any limitation set forth or imposed pursuant to Article VII) during the thirty (30) day period following notice of such cancellation.

Notwithstanding anything to the contrary contained in this Article XI, in no event, however, shall any person be entitled to exercise any Option or Right after the expiration of the period of exercisability of such Option or Right as specified therein.

XII. ADJUSTMENT OF SHARES; EFFECT OF CERTAIN TRANSACTIONS

In the event of any change in the outstanding Shares through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe for Shares, or other like change in capital structure of the Company, the Committee shall make such adjustment to each outstanding Option and Right that it, in its sole discretion, deems appropriate. The term "Shares" after any such change shall refer to the securities, cash and/or property then receivable upon exercise of an Option or Right. In addition, in the event of any such change, the Committee shall make any further adjustments as may be appropriate to the maximum number of Shares which may be acquired under the Plan pursuant to the exercise of Options and Rights, the maximum number of Shares which may be so acquired by one employee and the number of Shares and prices per Share subject to outstanding Options and Rights as shall be equitable to prevent dilution or enlargement of rights under such Options or Rights, and the determination of the Committee as to these matters shall be conclusive. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Option and any related Right shall comply with the rules of Section 424(a) of the Code and (ii) in no event shall any adjustment be made which would render any Incentive Option granted hereunder to be other than an "incentive stock option" for purposes of Section 422 of the Code.

In the event of a "change in control" of the Company, all then outstanding Options and Rights shall immediately become exercisable. For purposes of the Plan, a "change in control" of the Company occurs if: (a) any "Person" (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than Odyssey Partners, L.P. and its affiliates (which, for purposes of this Article XII only, is deemed to include E.R. Yost) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly of securities of the Company representing (i) fifty percent (50%) or more of the combined voting power of the Company's then-outstanding securities; or (ii) twenty-five percent (25%) or more but less than fifty percent (50%) of the combined voting power of the Company's then-outstanding securities if such transaction(s) giving rise to such beneficial ownership are not approved by the Company's Board of Directors; or (b) at any time a majority of the members of the Board of Directors has been elected or designated by any Person, other than Odyssey Partners, L.P. and its affiliates (which, for purposes of this Article XII only, is deemed to include E.R. Yost); or (c) the Board of Directors shall approve a sale of all or substantially all of the assets of the Company or any merger, consolidation, issuance of securities or purchase of assets, in all cases other than to or with Odyssey Partners, L.P. or its affiliates (which, for purposes of this Article XII only, is deemed to include E.R. Yost), the result of which would be the occurrence of any event described in clause (a) or (b) above.

The Committee, in its discretion, may determine that, upon the occurrence of a transaction described in the preceding paragraph, each Option or Right outstanding hereunder shall terminate within a specified number of days after notice to the holder, and such holder shall receive, with respect to each Share subject to such Option or Right, cash in an amount equal to

the excess of the fair market value of such Shares immediately prior to the occurrence of such transaction over the exercise price per Share of such Option or Right. The provisions contained in the preceding sentence shall be inapplicable to an Option or Right granted within six (6) months before the occurrence of a transaction described above if the holder of such Option or Right is subject to the reporting requirements of Section 16(a) of the Exchange Act.

XIII. RIGHT TO TERMINATE EMPLOYMENT

The Plan shall not impose any obligation on the Company or on any subsidiary corporation or parent corporation thereof to continue the employment of any holder of Options or Rights and it shall not impose any obligation on the part of any holder of Options or Rights to remain in the employ of the Company or of any subsidiary corporation or parent corporation thereof.

XIV. PURCHASE FOR INVESTMENT

Except for hereinafter provided, the Committee may require an employee, as a condition upon exercise of any Option or Right granted hereunder, to execute and deliver to the Company (a) stock powers with respect to Shares underlying a particular Option or Right and required to be held by a custodian, and (b) a written statement, in form satisfactory to the Committee in which the employee represents and warrants that Shares are being acquired for such person's own account for investment only and not with a view to the resale or distribution thereof. The employee shall, at the request of the Committee, be required to represent and warrant in writing that any subsequent resale or distribution of Shares by the Employee shall be made only pursuant to either (i) a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement has become effective and is current with regard to the Shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the employee shall, prior to any offer of sale or sale of such Shares, obtain a prior favorable written opinion of counsel, in form and substance satisfactory to counsel for the Company, as to the application of such exemption thereto. The foregoing restriction shall not apply to (i) issuances by the Company so long as the Shares being issued are registered under the Securities Act and a prospectus in respect thereof is current or (ii) re-offerings of Shares by affiliates of the Company (as defined in Rule 405 or any successor rule or regulation promulgated under the Securities Act) if the Shares being re-offered are registered under the Securities Act and a prospectus in respect thereof is current.

XV. ISSUE OF CERTIFICATES, LEGENDS, PAYMENT OF EXPENSES

Upon any exercise of an Option or Right which may be granted hereunder and, in the case of an Option, payment of the purchase price, a certificate or certificates for the Shares shall be issued by the Company in the name of the person exercising the Option or Right and shall be delivered to or upon the order of such person.

The Company may endorse such legend or legends upon the certificates for Shares issued pursuant to the Plan and may issue such "stop transfer" instructions to its transfer agent in respect of such Shares as, in its discretion, it determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act,

(ii) implement the provisions of the Plan and any agreement between the Company and the optionee or grantee with respect to such Shares, or (iii) permit the Company to determine the occurrence of a disqualifying disposition, as described in Section 421(b) of the Code, of Shares transferred upon exercise of an Incentive Option granted under the Plan.

The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a Registration Statement under the Securities Act, which fees and expenses shall be borne by the recipient of the Shares unless such Registration Statement has been filed by the Company for its own corporate purposes (and the Company so states) in which event the recipient of the Shares shall bear only fees and expenses as are attributable solely to the inclusion of the Shares he or she received in the Registration Statement.

All Shares issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

XVI. WITHHOLDING TAXES

The Company may require an employee exercising a Right or Non-Qualified Option granted hereunder, or disposing of Shares acquired pursuant to the exercise of an Incentive Option in a disqualifying disposition (within the meaning of Section 421(b) of the Code), to reimburse the corporation that employs such employee for any taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance or disposition of such Shares. In lieu thereof, the corporation that employs such employee shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the employee upon such terms and conditions as the Committee shall prescribe. The corporation that employs such employee may, in its discretion, hold the stock certificate to which such employee is entitled upon the exercise of an Option as security for the payment of such withholding tax liability, until cash sufficient to pay that liability has been accumulated. In addition, at any time that the Company becomes subject to a withholding obligation under applicable law with respect to the exercise of a Right or Non-Qualified Option (the "Tax Date"), except as set forth below, a holder of a Right or Non-Qualified Option may elect to satisfy, in whole or in part, the holder's related personal tax liabilities (an "Election") by (i) directing the Company to withhold from Shares issuable in the related exercise either a specified number of Shares or Shares having a specified value (in each case not in excess of the related personal tax liabilities), (ii) tendering Shares previously issued pursuant to the exercise of an Option or Right or other Shares of the Company's common stock owned by the holder or (iii) combining any or all of the foregoing options in any fashion. An Election shall be irrevocable. The withheld Shares and other Shares tendered in payment shall be valued at their fair market value (determined in accordance with the principles set forth in Article V of the Plan) on the Tax Date. The Committee may disapprove of any Election, suspend or terminate the right to make Elections or provide that the right to make Elections shall not apply to particular Shares or exercises. The Committee may prescribe additional rules, in its discretion, to permit a holder of an Option or Right who is subject to the reporting requirements of Section 16(a) of the Exchange Act to effect such tax withholding in compliance with the Rules promulgated under Section 16 of the Exchange Act and the positions of the staff of the Securities and Exchange Commission

expressed in no-action or interpretative letters exempting such tax withholding transactions from liability under Section 16(b) of the Exchange Act. The Committee may also impose any additional conditions or restrictions on the right to make an Election as it shall deem appropriate.

XVII. LISTING OF SHARES AND RELATED MATTERS

The Committee may delay any award, issuance or delivery of Shares if it determines that listing, registration or qualification of Shares or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares under the Plan, until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

XVIII. AMENDMENT OF THE PLAN

The Board of Directors or the Committee, as the case may be, may, from time to time, amend the Plan, provided that no amendment shall be made, without the approval of the stockholders of the Company, that will (i) increase the total number of Shares reserved for Options under the Plan (other than an increase resulting from an adjustment provided for in Article XII), (ii) reduce the exercise price of any Incentive Option granted hereunder below the price required by Article V, (iii) modify the provisions of the Plan relating to eligibility, or (iv) materially increase the benefits accruing to participants under the Plan. The Board of Directors or the Committee, as the case may be, shall be authorized to amend the Plan and the Options granted thereunder to permit the Incentive Options granted thereunder to qualify as incentive stock options within the meaning of Section 422 of the Code. The rights and obligations under any Option or Right granted before amendment of the Plan or any unexercised portion of such Option or Right shall not be adversely affected by amendment of the Plan, Option or Right without the consent of the holder of such Option or Right.

XIX. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors may at any time suspend or terminate the Plan. The Plan, unless sooner terminated by action of the Board of Directors, shall terminate at the close of business on the Termination Date. Options and Rights may not be granted while the Plan is suspended or after it is terminated. Rights and obligations under any Option or Right granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except upon the consent of the person to whom the Option or Right was granted. The power of the Committee to construe and administer any Options or Rights granted prior to the termination or suspension of the Plan under Article III nevertheless shall continue after such termination or during such suspension.

XX. GOVERNING LAW

The Plan, such Options and Rights as may be granted thereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware from time to time obtaining.

XXI. PARTIAL INVALIDITY

The invalidity or illegibility of any provision hereof shall not be deemed to affect the validity of any other provision.

XXII. EFFECTIVE DATE

This Plan became effective at 5:30 P.M., New York City Time, on the Effective Date.

SUBSIDIARIES OF THE REGISTRANT

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Black Box Corporation	Black Box Corporation	Delaware
BBox Holding Company	BBox Holding Company	Delaware
Atimco Network Services, Inc.	Black Box Network Services — Western Pennsylvania Operations	Pennsylvania
American Telephone Wiring Company	Black Box Network Services — West Virginia Operations	West Virginia
Midwest Communications Technologies, Inc.	Black Box Network Services	Ohio
Associated Network Solutions, Inc.	Black Box Network Services Black Box Network Services — Central Florida Black Box Network Services — Southeast Florida	Florida
Advanced Communications Corporation	Black Box Network Services — South Carolina	South Carolina
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	Ohio
Koncepts Communications of L.I., Corp.	Black Box Network Services — Tristate Operations	New York
Communication Contractors, Inc.	Black Box Network Services — Chicago	Illinois
U.S. Premise Networking Services, Inc.	Black Box Network Services — MN	Minnesota
Black Box Network Services, Inc. — Government Solutions	Black Box Network Services, Inc. — Government Solutions	Tennessee
R & D Services, Inc.	Black Box Network Services Black Box Network Services — New England	Massachusetts
Delaney Telecom, Inc.	Black Box Network Services	Pennsylvania
K & A Communications, Inc.	Black Box Network Services	Missouri
Jet Line Communications, Inc.	Black Box Network Services — Dallas	Texas
FBS Communications, L.P.	Black Box Network Services — San Antonio	Texas
BBC Acquisition, LLC	BBC Acquisition, LLC	Texas
A.T.S., Inc.	Black Box Network Services — Huntington	West Virginia

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Advanced Network Technologies, Inc.	Black Box Network Services — California	California
Teldata Corporation	Black Box Network Services — Tennessee	Tennessee
ST Communications & Cabling, Incorporated	Black Box Network Services — Kansas City Black Box Network Services — Iowa	Missouri
Black Box Network and Electrical Services, Inc.	Black Box Network and Electrical Services, Inc. Allcom Electric	New York
Black Box Network Services Baltimore, Inc.	Black Box Network Services Baltimore, Inc. Black Box Network Services — Virginia Black Box Network Services — Kensington	Delaware
Datel Communications, Inc.	Black Box Network Services — Arizona	Arizona
Midwest Electronics and Communications, Inc.	Black Box Network Services — Denver Operations	Colorado
Michael Electric, Inc.	Black Box Network Services — New Jersey	New Jersey
Integrated Cabling Systems, Inc.	Black Box Network Services — Nebraska	Nebraska
DESIGNet, Inc.	Black Box Network Services — San Jose	California
Telefuture Communications Ltd.	Black Box Network Services — New Rochelle Office	New York
Black Box Universal Solutions, Inc.	Black Box Network Services	Tennessee
Black Box Corporation of Pennsylvania	Black Box Corporation of Pennsylvania Black Box Network Services	Delaware
BB Technologies, Inc.	BB Technologies, Inc.	Delaware
Black Box Canada Corporation	Black Box Canada Corporation	Canada
Black Box Foreign Sales Corporation	Black Box Foreign Sales Corporation	U.S. Virgin Islands
Black Box France, S.A.S.	Black Box France, S.A.S.	France
Black Box Services Reseaux Ile De France SAS	Black Box Services Reseaux Ile De France SAS	France
Black Box Datacom B.V.	Black Box Datacom B.V.	Netherlands
Black Box Network Products NV	Black Box Network Products NV	Belgium
Black Box Network Design NV	Black Box Network Design NV	Belgium
Black Box Network Cabling NV	Black Box Network Cabling NV	Belgium

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Black Box Deutschland GmbH	Black Box Deutschland GmbH	Germany
Black Box Netzwerk Services Bayern GmbH	Black Box Netzwerk Services Bayern GmbH	Germany
Black Box Netzwerk Services Stuttgart GmbH	Black Box Netzwerk Services Stuttgart GmbH	Germany
Black Box Italia S.r.l.	Black Box Italia S.r.l.	Italy
Black Box Network Services Kabushiki Kaisha	Black Box Network Services Kabushiki Kaisha	Japan
Black Box Network Services Australia Pty Ltd.	Black Box Network Services Australia Pty Ltd.	Australia
Black Box Network Services New Zealand Limited	Black Box Network Services New Zealand Limited	New Zealand
Black Box do Brasil Industria e Comercio Ltda.	Black Box do Brasil Industria e Comercio Ltda.	Brazil
Black Box de Mexico, S.A. de C.V.	Black Box de Mexico, S.A. de C.V.	Mexico
Black Box P.R. Corp.	Black Box P.R. Corp.	Puerto Rico
Black Box Chile S.A.	Black Box Chile S.A.	Chile
Black Box Comunicaciones S.A.	Black Box Comunicaciones S.A.	Spain
Black Box GmbH	Black Box GmbH	Austria
Black Box A/S	Black Box A/S	Denmark
Black Box Network Services AG	Black Box Network Services AG	Switzerland
Black Box Holdings Australia Pty. Ltd.	Black Box Holdings Australia Pty. Ltd.	Australia
Black Box Network Services (UK) Ltd.	Black Box Network Services (UK) Ltd. Black Box Network Services (UK) Ltd. — Northern Ireland	England
Black Box Network Services Reseaux Mediterranee SAS	Black Box Network Services Reseaux Mediterranee SAS	France
Black Box Network Services Gouda BV	Black Box Network Services Gouda BV	Netherlands
Black Box Networkservices Basel AG	Black Box Networkservices Basel AG	Switzerland
Black Box Network Services Puebla S.A. de C.V.	Black Box Network Services Puebla S.A. de C.V.	Mexico
JC Informatica Integral, S.A. de C.V.	JC Informatica Integral, S.A. de C.V.	Mexico
Consultoria en Redes, S.A. de C.V.	Consultoria en Redes, S.A. de C.V.	Mexico

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Black Box Network Services AB	Black Box Network Services AB	Sweden
Black Box Network Services s.r.l.	Black Box Network Services s.r.l.	Italy
Lanetwork Sales Ltd.	Black Box Network Services — Ajax Operations Black Box Network Services — Kitchener Operations	Canada
Black Box Network Services Singapore Pte Ltd.	Black Box Network Services Singapore Pte Ltd.	Singapore
Black Box Network Services (Dublin) Ltd.	Black Box Network Services (Dublin) Ltd.	Ireland
Black Box Norge AS	Black Box Norge AS	Norway
Black Box Finland OY	Black Box Finland OY	Finland
Black Box AB	Black Box AB	Sweden
Black Box Network Services Corporation	Black Box Network Services Corporation	Taiwan
Norstan, Inc.	Black Box Network Services	Minnesota
Norstan Communications, Inc.	Black Box Network Services	Minnesota
Vibes Technologies, Inc.	Black Box Resale Services	Minnesota
Norstan International, Inc.	Norstan International, Inc.	Minnesota
Norstan Canada Inc.	Norstan Canada Inc.	Minnesota
Norstan Canada, Ltd.	Black Box Network Services	Canada
Norstan Financial Services, Inc.	Norstan Financial Services, Inc.	Minnesota
Telecommunication Systems Management, Inc.	Black Box Network Services	Virginia
GTC Technology Group, Inc.	Black Box Network Services	Florida
Technology Supply, Inc.	Black Box Network Services	Florida
Business Communications, Inc.	Black Box Network Services	Florida
BCI of Tampa, LLC	Black Box Network Services	Florida
Bainbridge Communications, Inc.	Black Box Network Services	Georgia
Networx, L.L.C.	Black Box Network Services	Florida

CERTIFICATION

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 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;
3. 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;
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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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 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

5. 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 10, 2005

/s/ Fred C. Young

Fred C. Young
Chief Executive Officer

CERTIFICATION

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 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;
3. 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;
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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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 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

5. 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 10, 2005

/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 October 1, 2005 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 10, 2005

/s/ Michael McAndrew

Michael McAndrew
Chief Financial Officer
November 10, 2005

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.