

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended January 1, 2011

OR

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

For the transition period from _____ to _____

Commission File Number: 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

(Address of principal executive offices)

15055

(Zip Code)

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

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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 February 4, 2011, there were 17,763,686 shares of common stock, par value \$.001 (the "common stock"), outstanding.

BLACK BOX CORPORATION
FOR THE QUARTER ENDED JANUARY 1, 2011
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

BLACK BOX CORPORATION CONSOLIDATED BALANCE SHEETS

In thousands, except par value	January 1, 2011 (Unaudited)	March 31, 2010*
Assets		
Cash and cash equivalents	\$ 27,960	\$ 20,885
Accounts receivable, net of allowance for doubtful accounts of \$7,623 and \$9,505	154,557	141,211
Inventories, net	54,565	51,507
Costs/estimated earnings in excess of billings on uncompleted contracts	111,234	86,086
Prepaid and other current assets	27,140	28,090
Total current assets	375,456	327,779
Property, plant and equipment, net	22,210	23,568
Goodwill	646,620	641,965
Intangibles		
Customer relationships, net	90,829	93,619
Other intangibles, net	29,295	30,374
Other assets	10,304	8,059
Total assets	\$ 1,174,714	\$ 1,125,364
Liabilities		
Accounts payable	\$ 76,547	\$ 66,934
Accrued compensation and benefits	32,919	33,260
Deferred revenue	35,402	34,876
Billings in excess of costs/estimated earnings on uncompleted contracts	20,018	14,839
Income taxes	11,030	9,487
Other liabilities	39,884	41,798
Total current liabilities	215,800	201,194
Long-term debt	198,452	210,873
Other liabilities	17,524	23,303
Total liabilities	\$ 431,776	\$ 435,370
Stockholders' equity		
Preferred stock authorized 5,000, par value \$1.00, none issued	\$ —	\$ —
Common stock authorized 100,000, par value \$.001, 17,764 and 17,548 shares outstanding	25	25
Additional paid-in capital	463,494	451,778
Retained earnings	588,740	551,315
Accumulated other comprehensive income	14,257	9,971
Treasury stock, at cost 7,643 and 7,626 shares	(323,578)	(323,095)
Total stockholders' equity	\$ 742,938	\$ 689,994
Total liabilities and stockholders' equity	\$ 1,174,714	\$ 1,125,364

* Derived from audited financial statements

See Notes to the Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

In thousands, except per share amounts	Three (3) months ended January 1 and December 26,		Nine (9) months ended January 1 and December 26,	
	2011	2009	2011	2009
Revenues				
Hotline products	\$ 49,545	\$ 47,012	\$ 142,009	\$ 134,805
On-Site services	227,134	206,373	671,190	585,705
Total	276,679	253,385	813,199	720,510
Cost of sales				
Hotline products	26,987	24,406	76,823	70,267
On-Site services	159,040	142,150	465,990	398,727
Total	186,027	166,556	542,813	468,994
Gross profit	90,652	86,829	270,386	251,516
Selling, general & administrative expenses	64,296	64,198	191,450	192,596
Intangibles amortization	2,901	3,108	9,061	9,303
Operating income	23,455	19,523	69,875	49,617
Interest expense (income), net	1,028	1,852	4,460	6,592
Other expenses (income), net	(11)	40	(76)	(187)
Income before provision for income taxes	22,438	17,631	65,491	43,212
Provision for income taxes	8,528	6,612	24,887	16,205
Net income	\$ 13,910	\$ 11,019	\$ 40,604	\$ 27,007
Earnings per common share				
Basic	\$ 0.79	\$ 0.63	\$ 2.31	\$ 1.54
Diluted	\$ 0.78	\$ 0.63	\$ 2.30	\$ 1.54
Weighted-average common shares outstanding				
Basic	17,703	17,548	17,611	17,545
Diluted	17,940	17,561	17,675	17,545
Dividends per share	\$ 0.06	\$ 0.06	\$ 0.18	\$ 0.18

See Notes to the Consolidated Financial Statements

BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In thousands	Nine (9) months ended January 1 and December 26,	
	2011	2009
Operating Activities		
Net income	\$ 40,604	\$ 27,007
Adjustments to reconcile net income to net cash provided by (used for) operating activities		
Intangibles amortization and depreciation	13,672	15,097
Loss (gain) on sale of property	(67)	10
Deferred taxes	5,579	1,197
Tax impact from equity awards	995	766
Stock compensation expense	7,999	5,022
Change in fair value of interest-rate swaps	(1,920)	(126)
Changes in operating assets and liabilities (net of acquisitions):		
Accounts receivable, net	(9,161)	11,568
Inventories, net	(2,320)	3,617
Costs/estimated earnings in excess of billings on uncompleted contracts	(25,012)	(22,623)
All other current assets excluding deferred tax asset	(972)	6,037
Billings in excess of costs/estimated earnings on uncompleted contracts	4,723	(3,704)
Liabilities exclusive of long-term debt	1,952	(1,735)
Net cash provided by (used for) operating activities	\$ 36,072	\$ 42,133
Investing Activities		
Capital expenditures	(2,906)	(1,573)
Capital disposals	98	132
Acquisition of businesses (payments)/recoveries (see Note 9)	(12,811)	(10,687)
Prior merger-related (payments)/recoveries (see Note 9)	(1,829)	(7,738)
Net cash provided by (used for) investing activities	\$ (17,448)	\$ (19,866)
Financing Activities		
Proceeds from borrowings	\$ 174,815	\$ 130,890
Repayment of borrowings	(187,636)	(145,298)
Deferred financing costs	(700)	—
Purchase of treasury stock	(483)	—
Proceeds from the exercise of stock options	4,712	—
Payment of dividends	(3,166)	(3,157)
Net cash provided by (used for) financing activities	(12,458)	(17,565)
Foreign currency exchange impact on cash	\$ 909	\$ 634
Increase / (decrease) in cash and cash equivalents	\$ 7,075	\$ 5,336
Cash and cash equivalents at beginning of period	\$ 20,885	\$ 23,720
Cash and cash equivalents at end of period	\$ 27,960	\$ 29,056
Supplemental Cash Flow:		
Cash paid for interest	\$ 6,460	\$ 7,198
Cash paid for income taxes	17,040	11,618
Non-cash financing activities:		
Dividends payable	1,066	1,053
Capital leases	121	4

See Notes to the Consolidated Financial Statements

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

Note 1: Business and Basis of Presentation

Business

Black Box Corporation (“Black Box” or the “Company”) is a leading dedicated network infrastructure services provider. Black Box offers one-source network infrastructure services for communications systems. The Company’s services offerings include design, installation, integration, monitoring and maintenance of voice, data and integrated communications systems. The Company’s primary services offering is voice solutions (“Voice Services”); the Company also offers premise cabling and other data-related services (“Data Services”) and products. The Company provides 24/7/365 technical support for all of its solutions which encompass all major voice and data product manufacturers as well as 118,000 network infrastructure products (“Hotline products”) that it sells through its catalog and Internet Web site (such catalog and Internet Web site business, together with technical support for such business, being referred to as “Hotline Services”) and its Voice Services and Data Services (collectively referred to as “On-Site services”) offices. As of January 1, 2011, the Company had more than 3,000 professional technical experts in 195 offices serving more than 175,000 clients in 141 countries throughout the world. Founded in 1976, Black Box, a Delaware corporation, operates subsidiaries on five continents and is headquartered near Pittsburgh in Lawrence, Pennsylvania.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of Black Box have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) 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 GAAP for complete financial statements. 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 as of and 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 Annual Report on Form 10-K as filed with the Securities and Exchange Commission (“SEC”) for the fiscal year ended March 31, 2010 (the “Form 10-K”).

The Company’s fiscal year ends on March 31. The fiscal quarters consist of 13 weeks and end on the Saturday generally nearest each calendar quarter end, adjusted to provide relatively equivalent business days for each fiscal quarter. The actual ending dates for the periods presented in these Notes to the Consolidated Financial Statements as of December 31, 2010 and 2009 were January 1, 2011 and December 26, 2009. References herein to “Fiscal Year” or “Fiscal” mean the Company’s fiscal year ended March 31 for the year referenced. All references to dollar amounts herein are presented in thousands, except per share amounts, unless otherwise noted.

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

The preparation of financial statements in conformity with GAAP requires Company management (“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 project progress towards completion to estimated budget, allowances for doubtful accounts receivable, sales returns, net realizable value of inventories, loss contingencies, warranty reserves, intangible assets and goodwill. Actual results could differ from those estimates. Management believes the estimates made are reasonable. The Company assessed events subsequent to December 31, 2010 for potential recognition and disclosure in the consolidated financial statements. No events have occurred that would require adjustment to or disclosure in the consolidated financial statements.

Note 2: Significant Accounting Policies / Recent Accounting Pronouncements

Significant Accounting Policies

The significant accounting policies used in the preparation of the Company’s consolidated financial statements are disclosed in Note 2 of the Notes to the Consolidated Financial Statements within the Form 10-K. No additional significant accounting policies have been adopted during Fiscal 2011.

Recent Accounting Pronouncements

There have been no accounting pronouncements adopted during Fiscal 2011 that had a material impact on the Company's consolidated financial statements. There have been no new accounting pronouncements issued during Fiscal 2011 but not yet adopted that are expected to have a material impact on the Company's consolidated financial statements. During Fiscal 2011, the Company evaluated the impact of certain new accounting pronouncements that were disclosed in the Form 10-K but had not yet been adopted or evaluated by the Company. The Company's evaluation of such new accounting pronouncements is set forth below.

Revenue Arrangements with Multiple Deliverables

In October 2009, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Codification ("ASC") Update 2009-13, "Multiple-Deliverable Revenue Arrangements" ("ASC Update 2009-13"). ASC Update 2009-13 provides amendments to the criteria in Subtopic 605-24 for separating consideration in multiple-deliverable revenue arrangements. It establishes a hierarchy of selling prices to determine the selling price of each specific deliverable which includes vendor-specific objective evidence (if available), third-party evidence (if vendor-specific evidence is not available) or estimated selling price if neither of the first two is available. ASC Update 2009-13 also eliminates the residual method for allocating revenue between the elements of an arrangement and requires that arrangement consideration be allocated at the inception of the arrangement. Finally, ASC Update 2009-13 expands the disclosure requirements regarding a vendor's multiple-deliverable revenue arrangements. ASC Update 2009-13 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. This guidance does not apply to the Company.

Certain Revenue Arrangements That Include Software Elements

In October 2009, the FASB issued ASC Update 2009-14, "Certain Revenue Arrangements That Include Software Elements" ("ASC Update 2009-14"). ASC Update 2009-14 amends existing guidance to exclude tangible products that include software and non-software components that function together to deliver the product's essential functionality. ASC Update 2009-14 shall be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Earlier application is permitted as of the beginning of a company's fiscal year provided the company has not previously issued financial statements for any period within that year. An entity shall not elect early application of ASC Update 2009-14 unless it also elects early application of ASC Update 2009-13. The adoption of ASC Update 2009-14, as of April 1, 2011, will not have a material impact on the Company's consolidated financial statements.

Note 3: Inventories

The Company's inventories consist of the following:

	December 31, 2010	March 31, 2010
Raw materials	\$ 1,335	\$ 1,545
Finished goods	73,382	69,952
Subtotal	\$ 74,717	\$ 71,497
Excess and obsolete inventory reserves	(20,152)	(19,990)
Inventory, net	\$ 54,565	\$ 51,507

Note 4: Goodwill

The following table summarizes changes to Goodwill at the Company's reportable segments for the periods presented:

	North America	Europe	All Other	Total
Balance at March 31, 2010	\$ 571,867	\$ 67,913	\$ 2,185	\$ 641,965
Currency translation	(2)	1,497	86	1,581
Current period acquisitions (see Note 9)	3,155	—	—	3,155
Prior period acquisitions (see Note 9)	(81)	—	—	(81)
Balance at December 31, 2010	\$ 574,939	\$ 69,410	\$ 2,271	\$ 646,620

The Company conducted its annual goodwill impairment assessment during the third quarter of Fiscal 2011 using data as of October 2, 2010. The following table reconciles the carrying value of goodwill, as of October 2, 2010, for the Company's reportable segments as reported in its consolidated financial statements, to the carrying value of goodwill by reporting unit which is used for the annual goodwill impairment assessment:

	North America	Europe	All Other	Total
Goodwill (as reported in financial statements)	571,673	70,515	2,228	644,416
Adjustment	(30,370)	27,333	3,037	—
Goodwill (for annual impairment assessment) ¹	541,303	97,848	5,265	644,416

¹ Goodwill (for annual impairment assessment) represents the amount of goodwill that is "at risk" by reporting unit.

The results of the Company's annual goodwill impairment assessment conducted during the third quarter of Fiscal 2011 indicate that goodwill is not impaired in any of the Company's reporting units. The following table summarizes the estimated fair value of the reporting unit, the net book value of the reporting unit and the surplus of the estimated fair value of the reporting unit over the net book value of the reporting unit as of October 2, 2010:

	North America	Europe	All Other	Total
Estimated fair value of the reporting unit	716,924	126,140	62,601	905,665
Net book value of the reporting unit	584,718	116,108	24,754	725,580
Surplus	132,206	10,032	37,847	180,085

As previously disclosed, the Company uses an income approach to derive a present value of the reporting unit's projected future annual cash flows and the present residual value of the reporting unit. The Company uses a variety of underlying assumptions to estimate these future cash flows, which vary for each of the reporting units and include (i) future revenue growth rates, (ii) future operating profitability, (iii) the weighted-average cost of capital and (iv) a terminal growth rate. To illustrate the sensitivity of the discounted future cash flows, an instantaneous 100 basis point increase in the weighted-average cost of capital, which, holding all other assumptions constant, would be material to the estimated fair value of the reporting unit, would produce a decrease in the fair value of the reporting units by \$110,030, \$13,810 and \$5,461 for North America, Europe and All Other, respectively.

Since October 2, 2010, the Company's stock market capitalization has generally been lower than its net book value. Each of the Company's reporting units continues to operate profitably and generate significant cash flow from operations, and the Company expects that each will continue to do so in Fiscal 2011 and beyond. The Company also believes that a reasonable potential buyer would offer a control premium for the business that would adequately cover the difference between the recent stock trading prices and the book value.

Future events that could result in an interim assessment of goodwill impairment and/or an impairment loss include, but are not limited to, (i) significant underperformance relative to historical or projected future operating results, (ii) significant changes in the manner of or use of the assets or the strategy for the Company's overall business, (iii) significant negative industry or economic trends, (iv) a further decline in market capitalization below book value and (v) a modification to the Company's reporting segments. Management is currently considering alternative reporting segments for the purpose of making operational decisions and assessing financial performance. This contemplated change in reporting segments would affect the reporting units currently being used in the Company's annual goodwill impairment assessment. Any such change could result in an impairment charge which could have a material adverse effect on the results of operations for the period in which the impairment occurs.

Note 5: Intangible Assets

The following table summarizes the gross carrying amount, accumulated amortization and net carrying amount by intangible asset class for the periods presented:

	December 31, 2010			March 31, 2010		
	Gross Carrying Amount	Accum. Amort.	Net Carrying Amount	Gross Carrying Amount	Accum. Amort.	Net Carrying Amount
Definite-lived						
Non-compete agreements	\$ 10,572	\$ 9,016	\$ 1,556	\$ 10,391	\$ 8,193	\$ 2,198
Customer relationships	123,265	32,436	90,829	118,209	24,590	93,619
Acquired backlog	17,349	17,349	—	17,349	16,912	437
Total	\$ 151,186	\$ 58,801	\$ 92,385	\$ 145,949	\$ 49,695	\$ 96,254
Indefinite-lived						
Trademarks	35,992	8,253	27,739	35,992	8,253	27,739
Total	\$ 187,178	\$ 67,054	\$ 120,124	\$ 181,941	\$ 57,948	\$ 123,993

The Company's indefinite-lived intangible assets consist solely of the Company's trademark portfolio. The Company's definite-lived intangible assets are comprised of employee non-compete agreements, customer relationships and backlog obtained through business acquisitions.

The following table summarizes the changes to carrying amounts of intangible assets for the periods presented:

	Trademarks	Non-Competes and Backlog	Customer Relationships	Total
Balance at March 31, 2010	\$ 27,739	\$ 2,635	\$ 93,619	\$ 123,993
Amortization expense	—	(1,215)	(7,846)	(9,061)
Currency translation	—	10	—	10
Current period acquisitions (<i>see</i> Note 9)	—	126	5,056	5,182
Balance at December 31, 2010	\$ 27,739	\$ 1,556	\$ 90,829	\$ 120,124

Intangibles amortization was \$2,901 and \$3,108 for the three (3) months ended December 31, 2010 and 2009, respectively, and \$9,061 and \$9,303 for the nine (9) months ended December 31, 2010 and 2009, respectively. The Company acquired definite-lived intangibles from the completion of several acquisitions during Fiscal 2011 and 2010.

The following table details the estimated intangibles amortization expense for the remainder of Fiscal 2011, each of the succeeding four (4) fiscal years and the periods thereafter. These estimates are based on the carrying amounts of intangible assets as of December 31, 2010 that are provisional measurements of fair value and are subject to change pending the outcome of purchase accounting related to certain acquisitions:

Fiscal	
2011	\$ 2,941
2012	11,495
2013	10,517
2014	9,336
2015	8,197
Thereafter	49,899
Total	\$ 92,385

Note 6: Indebtedness

The Company's long-term debt consists of the following:

	December 31, 2010	March 31, 2010
Revolving credit agreement	\$ 197,815	\$ 209,860
Capital lease obligations	1,334	1,967
Other	151	7
Total debt	\$ 199,300	\$ 211,834
Less: current portion (included in Other liabilities)	(848)	(961)
Long-term debt	\$ 198,452	\$ 210,873

Revolving Credit Agreement

On January 30, 2008, the Company entered into a Third Amended and Restated Credit Agreement dated as of January 30, 2008 with Citizens Bank of Pennsylvania, as agent, and a group of lenders and, on October 8, 2010, the Company entered into the First Amendment to Credit Agreement primarily to permit the Company to make certain joint venture investments (as amended, the "Credit Agreement"). The Credit Agreement expires on January 30, 2013. Borrowings under the Credit Agreement are permitted up to a maximum amount of \$350,000, which includes up to \$20,000 of swing-line loans and \$25,000 of letters of credit. The Credit Agreement may be increased by the Company up to an additional \$100,000 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 0.50% to 1.125% (determined by a leverage ratio based on the Company's consolidated Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA")). The Credit Agreement requires the Company to maintain compliance with certain non-financial and financial covenants such as leverage and fixed-charge coverage ratios. As of December 31, 2010, the Company was in compliance with all financial covenants under the Credit Agreement.

The maximum amount of debt outstanding under the Credit Agreement, the weighted-average balance outstanding under the Credit Agreement and the weighted-average interest rate on all outstanding debt for the three (3) months ended December 31, 2010 was \$222,000, \$212,871 and 1.2%, respectively, compared to \$255,725, \$244,475 and 1.2%, respectively, for the three (3) months ended December 31, 2009. The maximum amount of debt outstanding under the Credit Agreement, the weighted-average balance outstanding under the Credit Agreement and the weighted-average interest rate on all outstanding debt for the nine (9) months ended December 31, 2010 was \$237,255, \$219,389 and 1.3%, respectively, compared to \$261,750, \$247,550 and 1.4%, respectively, for the nine (9) months ended December 31, 2009.

Capital lease obligations

The capital lease obligations are primarily for equipment. The lease agreements have remaining terms ranging from less than one (1) year to five (5) years with interest rates ranging from 4.5% to 12.3%.

Other

Other debt is comprised of other third-party, non-employee loans.

Unused available borrowings

As of December 31, 2010, the Company had \$4,565 outstanding in letters of credit and \$147,620 in unused commitments under the Credit Agreement.

Note 7: Derivative Instruments and Hedging Activities

The Company is exposed to certain market risks, including the effect of changes in foreign currency exchange rates and interest rates. The Company uses derivative instruments to manage financial exposures that occur in the normal course of business. It does not hold or issue derivatives for speculative trading purposes. The Company is exposed to non-performance risk from the counterparties in its derivative instruments. This risk would be limited to any unrealized gains on current positions. To help mitigate this risk, the Company transacts only with counterparties that are rated as investment grade or higher and all counterparties are monitored on a continuous basis. The fair value of the Company's derivatives reflects this credit risk.

Foreign Currency Contracts

The Company enters into foreign currency contracts to hedge exposure to variability in expected fluctuations in foreign currencies. Foreign currency assets and liabilities are translated into U.S. dollars at the rate of exchange existing at the year-end date. Adjustments resulting from these translations are recorded in Accumulated Other Comprehensive Income ("AOCI") within the Company's Consolidated Balance Sheets and will be included in income upon sale or liquidation of the foreign investment. As of December 31, 2010, the Company had open contracts in Australian and Canadian dollars, Danish krone, Euros, Mexican pesos, Norwegian kroner, British pounds sterling, Swedish krona, Swiss francs and Japanese yen which have been designated as cash flow hedges. These contracts had a notional amount of \$70,490 and will expire within seven (7) months. There was no hedge ineffectiveness for the three (3) and nine (9) months ended December 31, 2010 and 2009, respectively.

Interest-rate Swaps

On July 26, 2006, the Company entered into a five-year floating-to-fixed interest-rate swap that is based on a 3-month LIBOR rate versus a 5.44% fixed rate, has a notional value of \$100,000 (which reduced to \$50,000 as of June 26, 2009) and does not qualify for hedge accounting. On June 15, 2009, the Company entered into a three-year floating-to-fixed interest-rate swap that is based on a 3-month LIBOR rate versus a 2.28% fixed rate, has a notional value of \$100,000 reducing to \$50,000 after two (2) years and does not qualify for hedge accounting. Each interest-rate swap discussed above is collectively hereinafter referred to as the "interest-rate swaps."

The following tables detail the effect of derivative instruments on the Company's Consolidated Balance Sheets and Consolidated Statements of Income for the periods presented:

Classification	Asset Derivatives		Liability Derivatives		
	December 31, 2010	March 31, 2010	December 31, 2010	March 31, 2010	
Derivatives designated as hedging instruments					
Foreign currency contracts	Other liabilities (short-term)	\$ —	\$ —	\$ 933	\$ 3,130
Foreign currency contracts	Prepaid and other current assets	\$ 2,267	\$ 514	\$ —	\$ —
Derivatives not designated as hedging instruments					
Interest-rate swaps	Other liabilities (short-term)	\$ —	\$ —	\$ 3,351	\$ 5,271

Classification	Three (3) months ended December 31		Nine (9) months ended December 31		
	2010	2009	2010	2009	
Derivatives designated as hedging instruments					
Gain (loss) recognized in Comprehensive income on (effective portion) – net of taxes	Other comprehensive income	\$ 360	\$ (41)	\$ (92)	\$ (619)
(Gain) loss reclassified from AOCI into income (effective portion) – net of taxes	Selling, general & administrative expenses	\$ 89	\$ 92	\$ 407	\$ 282

	Classification	Three (3) months ended December 31		Nine (9) months ended December 31	
		2010	2009	2010	2009
Derivatives not designated as hedging instruments					
Gain (loss) recognized in income	Interest expense (income), net	\$ 1,074	\$ 303	\$ 1,920	\$ 126

Note 8: Fair Value Disclosures

Recurring fair value measurements

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2010, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Foreign currency contracts	\$ —	\$ 2,267	\$ —	\$ 2,267

	Liabilities at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Foreign currency contracts	\$ —	\$ 933	\$ —	\$ 933
Interest-rate swaps	—	3,351	—	3,351
Total	\$ —	\$ 4,284	\$ —	\$ 4,284

Non-recurring fair value measurements

The Company's assets and liabilities that are measured at fair value on a non-recurring basis include non-financial assets and liabilities initially measured at fair value in a business combination. As disclosed in Note 9, the Company completed an acquisition during the three (3) months ended December 31, 2010 which included operating assets, liabilities and certain intangible assets. The Company utilized level 2 and level 3 inputs to measure the fair value of these items.

Note 9: Acquisitions

Fiscal 2011 acquisitions

During the third quarter of Fiscal 2011, the Company acquired LOGOS Communications Systems, Inc. ("Logos"), a privately-held company headquartered in Westlake, OH. Logos has an active customer base which includes commercial, education and various local government agency accounts.

Also during the third quarter of Fiscal 2011, the Company acquired a non-controlling interest in Genesis Networks Integration Services, LLC, a new joint venture company which was formed in conjunction with Genesis Networks Enterprises, LLC ("Genesis"). This new joint venture company, based on Genesis' existing Networks Integration Services Division, strengthens and enhances Genesis' ability to deliver and support voice and data communications solutions to its enterprise customers.

The Company believes that Genesis Networks Integration Services, LLC is a variable interest entity. However, the Company is not the primary beneficiary and thus it will account for its non-controlling interest under the equity method. The non-controlling interest is recorded as a long-term asset in Other assets within the Company's Consolidated Balance Sheets and the net income (loss) attributable to the non-controlling interest is recorded in Other expenses (income), net within the Company's Consolidated Statements of Income.

The acquisition of Logos and the non-controlling interest in Genesis Networks Integration Services, LLC did not have a material impact on the Company's consolidated financial statements.

Fiscal 2010 acquisitions

During the third quarter of Fiscal 2010, the Company acquired Quanta Systems, LLC ("Quanta"), a privately-held company headquartered in Gaithersburg, MD. Quanta has an active customer base which includes various United States Department of Defense and government agency accounts.

Also, during the third quarter of Fiscal 2010, the Company acquired CBS Technologies Corp. ("CBS"), a privately-held company headquartered in Islandia, NY. CBS has an active customer base which includes commercial, education and various government agency accounts.

The acquisitions of Quanta and CBS, both individually and in the aggregate, did not have a material impact on the Company's consolidated financial statements.

The fair values of assets acquired and liabilities assumed for Logos are provisional and are based on the information that was available as of the acquisition date to estimate the fair value of assets acquired and liabilities assumed. The Company believes that the information available provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed but additional information not yet available is necessary to finalize those fair values. Thus, the provisional measurements of fair value are subject to change. The Company expects to finalize the valuation and complete the purchase price allocation as soon as practicable but no later than one-year from the acquisition date.

The results of operations of Logos, Quanta and CBS are included within the Company's Consolidated Statements of Income beginning on their respective acquisition dates.

Note 10: Income Taxes

The Company recorded income tax expense of \$8,528, an effective tax rate of 38.0%, and \$6,612, an effective tax rate of 37.5%, for the three (3) months ended December 31, 2010 and 2009, respectively, and \$24,887, an effective tax rate of 38.0%, and \$16,205, an effective tax rate of 37.5%, for the nine (9) months ended December 31, 2010 and 2009, respectively. The effective rate for the nine (9) months ended December 31, 2010 of 38.0% differs from the federal statutory rate primarily due to state income taxes, partially offset by uncertain income tax positions (including interest and penalties) and foreign earnings taxed at a lower statutory rate.

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate for the full fiscal year. Cumulative adjustments to the Company's estimate are recorded in the interim period in which a change in the estimated annual effective rate is determined.

During the three (3) months ended December 31, 2010, the Internal Revenue Services ("IRS") commenced an examination of the Company's U.S. federal income tax return for Fiscal 2009. The IRS has not yet proposed any adjustment to the Company's filing positions in connection with this examination. Upon completion of this examination, it is reasonably possible that the total amount of unrecognized benefits will change. Any adjustment to the unrecognized tax benefits would impact the effective tax rate. The Company cannot make an estimate of the impact on the effective rate for any potential adjustment at this time.

Fiscal 2008 and Fiscal 2010 remain open to examination by the IRS. Fiscal 2006 through Fiscal 2010 remain open to examination by state and foreign taxing jurisdictions.

Note 11: Stock-based Compensation

In August 2008, the Company's stockholders approved the 2008 Long-Term Incentive Plan (the "Incentive Plan") which replaces the 1992 Stock Option Plan, as amended, and the 1992 Director Stock Option Plan, as amended. As of December 31, 2010, the Incentive Plan is authorized to issue stock options, restricted stock units and performance shares, among other types of awards, for up to 2,583,022 shares of common stock, par value \$.001 (the "common stock").

The Company recognized stock-based compensation expense of \$2,493 (\$1,545 net of tax), or \$0.09 per diluted share, and \$1,743 (\$1,089 net of tax), or \$0.06 per diluted share, for the three (3) months ended December 31, 2010 and 2009, respectively, and \$7,999 (\$4,959 net of tax), or \$0.28 per diluted share, and \$5,022 (\$3,139 net of tax), or \$0.18 per diluted share, for the nine (9) months ended December 31, 2010 and 2009, respectively. Stock-based compensation expense is recorded in Selling, general & administrative expense within the Company's Consolidated Statements of Income.

Stock options

Stock option awards are granted with an exercise price equal to the closing market price of the common stock on the date of grant; such stock options generally become exercisable in equal amounts over a three-year period and have a contractual life of ten (10) years from the grant date. The fair value of stock options is estimated on the grant date using the Black-Scholes option pricing model which includes the following weighted-average assumptions.

	Nine (9) months ended	
	December 31	
	2010	2009
Expected life (in years)	4.9	5.0
Risk free interest rate	2.3%	2.6%
Annual forfeiture rate	2.1%	2.2%
Volatility	41.4%	45.6%
Dividend yield	0.8%	0.9%

The following table summarizes the Company's stock option activity for the period presented and as of December 31, 2010:

	Shares (in 000's)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)	Intrinsic Value (000's)
Outstanding at March 31, 2010	3,187	\$ 35.66		
Granted	234	32.21		
Exercised	(163)	28.84		
Forfeited or expired	(199)	42.41		
Outstanding at December 31, 2010	3,059	\$ 35.33	5.4	\$ 12,155
Exercisable at December 31, 2010	2,367	\$ 36.68	4.6	\$ 6,892

The weighted-average grant-date fair value of options granted during the nine (9) months ended December 31, 2010 and 2009 was \$11.69 and \$12.54, respectively. The total intrinsic value of options exercised during the nine (9) months ended December 31, 2010 and 2009 was \$1,035 and \$0, respectively, based on the closing stock price of the common stock on December 31, 2010 of \$38.29.

The following table summarizes certain information regarding the Company's non-vested stock options for the period presented:

	Shares (in 000's)	Weighted- Average Grant- Date Fair Value
Non-vested at March 31, 2010	866	\$ 9.42
Granted	234	11.69
Forfeited	(3)	8.56
Vested	(405)	9.21
Non-vested at December 31, 2010	692	\$ 10.32

As of December 31, 2010, there was \$4,173 of total unrecognized pre-tax stock-based compensation expense related to non-vested stock options which is expected to be recognized over a weighted-average period of 1.2 years.

Restricted stock units

Restricted stock unit awards are subject to a service condition and typically vest in equal amounts over a three-year period from the grant date. The fair value of restricted stock units is determined based on the number of restricted stock units granted and the closing market price of the common stock on the date of grant.

The following table summarizes the Company's restricted stock unit activity for the period presented:

	Shares (in 000's)	Weighted- Average Grant- Date Fair Value
Outstanding at March 31, 2010	149	\$ 28.75
Granted	175	30.72
Vested	(68)	29.28
Forfeited	(7)	29.58
Outstanding at December 31, 2010	249	\$ 29.97

The total fair value of shares that vested during the nine (9) months ended December 31, 2010 and 2009 was \$1,985 and \$517, respectively.

As of December 31, 2010, there was \$5,369 of total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock units which is expected to be recognized over a weighted-average period of 2.0 years.

Performance share awards

Performance share awards are subject to certain performance goals including the Company's Relative Total Shareholder Return ("TSR") Ranking and cumulative Adjusted EBITDA over a two (2) or three (3) year period. The Company's Relative TSR Ranking metric is based on the two (2) or three (3) year cumulative return to shareholders from the change in stock price and dividends paid between the starting and ending dates. The fair value of performance share awards (subject to cumulative Adjusted EBITDA) is determined based on the number of performance shares granted and the closing market price of the common stock on the date of grant. The fair value of performance share awards (subject to the Company's Relative TSR Ranking) is estimated on the grant date using the Monte-Carlo simulation which includes the following weighted-average assumptions.

	Nine (9) months ended December 31	
	2010	2009
Expected Volatility	52.3%	59.1%
Risk free interest rate	1.4%	1.1%
Dividend yield	0.8%	0.8%

The following table summarizes the Company's performance share award activity for the period presented:

	Shares (in 000's)	Weighted- Average Grant- Date Fair Value
Outstanding at March 31, 2010	100	\$ 33.05
Granted	79	33.24
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2010	179	\$ 33.13

No shares vested during the nine (9) months ended December 31, 2010.

As of December 31, 2010, there was \$3,246 of total unrecognized pre-tax stock-based compensation expense related to non-vested performance share awards which is expected to be recognized over a weighted-average period of 1.3 years.

Note 12: Earnings Per Share

The following table details the computation of basic and diluted earnings per common share from continuing operations for the periods presented (share numbers in thousands):

	Three (3) months ended		Nine (9) months ended	
	December 31		December 31	
	2010	2009	2010	2009
Net income	\$ 13,910	\$ 11,019	\$ 40,604	\$ 27,007
Weighted-average common shares outstanding (basic)	17,703	17,548	17,611	17,545
Effect of dilutive securities from equity awards	237	13	64	—
Weighted-average common shares outstanding (diluted)	17,940	17,561	17,675	17,545
Basic earnings per common share	\$ 0.79	\$ 0.63	\$ 2.31	\$ 1.54
Dilutive earnings per common share	\$ 0.78	\$ 0.63	\$ 2.30	\$ 1.54

The Weighted-average common shares outstanding (diluted) computation is not impacted during any period where the exercise price of a stock option is greater than the average market price. There were 1,229,978 and 3,325,772 non-dilutive equity awards outstanding for the three (3) months ended December 31, 2010 and 2009, respectively, and 1,239,231 and 3,428,447 non-dilutive equity awards outstanding for the nine (9) months ended December 31, 2010 and 2009, respectively, that are not included in the corresponding period Weighted-average common shares outstanding (diluted) computation.

Note 13: Comprehensive income and AOCI

The following table details the computation of comprehensive income for the periods presented:

	Three (3) months ended		Nine (9) months ended	
	December 31		December 31	
	2010	2009	2010	2009
Net income	\$ 13,910	\$ 11,019	\$ 40,604	\$ 27,007
Foreign currency translation adjustment	(2,087)	(1,749)	3,849	13,721
Derivative Instruments (net of tax):				
Net change in fair value of cash flow hedging instruments (net of tax)	360	(41)	(92)	(619)
Amounts reclassified into results of operations	89	92	407	282
Pension (net of tax):				
Unrealized gain (loss)	4	1	17	(138)
Amounts reclassified into results of operations	35	35	105	105
Other comprehensive income (loss)	\$ (1,599)	\$ (1,662)	\$ 4,286	\$ 13,351
Comprehensive income (loss)	\$ 12,311	\$ 9,357	\$ 44,890	\$ 40,358

The components of AOCI consisted of the following for the periods presented:

	December 31,	March 31,
	2010	2010
Foreign currency translation adjustment	\$ 17,147	\$ 13,298
Unrealized gains (losses) on derivatives designated and qualified as cash flow hedges	(5)	(320)
Unrecognized gain (losses) on defined benefit pension	(2,885)	(3,007)
Accumulated other comprehensive income	\$ 14,257	\$ 9,971

Note 14: Segment Reporting

Management reviews financial information for the consolidated Company accompanied by disaggregated information on revenues, operating income and assets by geographic region for the purpose of making operational decisions and assessing financial performance. Additionally, Management is presented with and reviews revenues and gross profit by service type. The accounting policies of the individual operating segments are the same as those of the Company.

The following table presents financial information about the Company's reportable segments by geographic region for the periods presented:

	Three (3) months ended		Nine (9) months ended	
	December 31		December 31	
	2010	2009	2010	2009
North America				
Revenues	\$ 239,455	\$ 217,124	\$ 710,479	\$ 621,635
Operating income	18,749	14,890	58,600	38,278
Depreciation	1,350	1,767	4,240	5,447
Intangibles amortization	2,890	3,098	9,028	9,270
Assets (as of December 31)	1,070,513	1,064,527	1,070,513	1,064,527
Europe				
Revenues	\$ 27,446	\$ 27,190	\$ 75,186	\$ 75,248
Operating income	2,851	3,111	6,340	7,755
Depreciation	90	76	261	253
Intangibles amortization	9	9	28	30
Assets (as of December 31)	134,236	138,081	134,236	138,081
All Other				
Revenues	\$ 9,778	\$ 9,071	\$ 27,534	\$ 23,627
Operating income	1,855	1,522	4,935	3,584
Depreciation	35	34	110	94
Intangibles amortization	2	1	5	3
Assets (as of December 31)	27,905	24,567	27,905	24,567

The sum of the segment revenues, operating income, depreciation and intangibles amortization equals the consolidated revenues, operating income, depreciation and intangibles amortization. The following reconciles segment assets to total consolidated assets as of December 31, 2010 and 2009:

	December 31	
	2010	2009
Segment assets for North America, Europe and All Other	\$ 1,232,654	\$ 1,227,175
Corporate eliminations	(57,940)	(62,622)
Total consolidated assets	\$ 1,174,714	\$ 1,164,553

The following table presents financial information about the Company by service type for the periods presented:

	Three (3) months ended		Nine (9) months ended	
	December 31		December 31	
	2010	2009	2010	2009
Data Services				
Revenues	\$ 62,890	\$ 45,342	\$ 170,836	\$ 140,680
Gross profit	15,427	12,078	43,853	38,167
Voice Services				
Revenues	\$ 164,244	\$ 161,031	\$ 500,354	\$ 445,025
Gross profit	52,667	52,145	161,347	148,811
Hotline Services				
Revenues	\$ 49,545	\$ 47,012	\$ 142,009	\$ 134,805
Gross profit	22,558	22,606	65,186	64,538

The sum of service type revenues and gross profit equals consolidated revenues and gross profit.

Note 15: Commitments and Contingencies

Regulatory Matters

As previously disclosed, the Company received a subpoena, dated December 8, 2004, from the United States General Services Administration ("GSA"), Office of Inspector General. The subpoena requires production of documents and information. The Company understands that the materials are being sought in connection with an investigation regarding potential violations of the terms of a GSA Multiple Award Schedule contract. On October 2, 2007, the Company was contacted by the United States Department of Justice which informed the Company that it was reviewing allegations by the GSA that certain of the Company's pricing practices under a GSA Multiple Award Schedule contract violated the Civil False Claims Act. The Company has executed an agreement with the United States tolling the statute of limitations on any action by the United States through July 1, 2010 in order for the parties to discuss the merits of these allegations prior to the possible commencement of any litigation by the United States. During Fiscal 2010, the Company recorded expense of \$2,850 in connection with this investigation. The Company continues to work with the GSA related to this matter. At the conclusion of this matter, the Company could be subject to damages, fines, penalties or other costs, either through settlement or judgment, which could be material.

Litigation Matters

The Company is involved in, or has pending, various legal proceedings, claims, suits and complaints arising out of the normal course of business. Based on the facts currently available to the Company, Management believes these matters are adequately provided for, covered by insurance, without merit or not probable that an unfavorable outcome will result.

There has been no other significant or unusual activity during Fiscal 2011.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The discussion and analysis for the three (3) and nine (9) months ended December 31, 2010 and 2009 as set forth below in this Item 2 should be read in conjunction with the response to Part 1, Item 1 of this report and the consolidated financial statements of Black Box Corporation (“Black Box,” the “Company,” “we” or “our”), including the related notes, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission (“SEC”) for the fiscal year ended March 31, 2010 (the “Form 10-K”). The Company’s fiscal year ends on March 31. The fiscal quarters consist of 13 weeks and generally end on the Saturday nearest each calendar quarter end, adjusted to provide relatively equivalent business days for each fiscal quarter. The actual ending dates for the periods presented as of December 31, 2010 and 2009 were January 1, 2011 and December 26, 2009, respectively. References to “Fiscal Year” or “Fiscal” mean the Company’s fiscal year ended March 31 of the year referenced. All dollar amounts are presented in thousands unless otherwise noted.

The Company

Black Box is a leading dedicated network infrastructure services provider. Black Box offers one-source network infrastructure services for communications systems. The Company’s services offerings include design, installation, integration, monitoring and maintenance of voice, data and integrated communications systems. The Company’s primary services offering is voice solutions (“Voice Services”); the Company also offers premise cabling and other data-related services (“Data Services”) and products. The Company provides 24/7/365 technical support for all of its solutions which encompass all major voice and data product manufacturers as well as 118,000 network infrastructure products (“Hotline products”) that it sells through its catalog and Internet Web site (such catalog and Internet Web site business, together with technical support for such business, being referred to as “Hotline Services”) and its Voice Services and Data Services (collectively referred to as “On-Site services”) offices. As of December 31, 2010, the Company had more than 3,000 professional technical experts in 195 offices serving more than 175,000 clients in 141 countries throughout the world. Founded in 1976, Black Box, a Delaware corporation, operates subsidiaries on five continents and is headquartered near Pittsburgh in Lawrence, Pennsylvania.

With respect to Voice Services, the Company’s revenues are primarily generated from the sale and/or installation of new voice communication systems, the maintenance of voice communication systems and moves, adds and changes (“MAC work”) as customers’ employees change locations or as customers move or remodel their physical space. The Company’s diverse portfolio of product offerings allows it to service the needs of its customers which it believes is a unique competitive advantage. With respect to the sale of new voice communication systems, most significant orders are subject to competitive bidding processes and, generally, competition can be significant for such new orders. The Company is continually bidding on new projects to replace projects that are completed. New voice communication system orders often generate a maintenance agreement to maintain the voice communication system which generally ranges from 1-3 years for commercial clients and 3-5 years for government clients. Sales of new voice communication systems and, to a lesser extent, MAC work, is dependent upon general economic growth and the Company’s customers’ capital spending. On the other hand, revenues from maintenance contracts generally are not dependent on the economy as customers seek to extend the life of their existing equipment and delay capital spending on new voice communication systems. The Company also has government contracts which generate significant revenues and are not as dependent on the overall economic environment as commercial customers. Maintenance and MAC work revenues also are dependent upon the Company’s history and relationship with its customers and its long track record of providing high-quality service.

Similarly, the Company’s revenues for Data Services are generated from the installation or upgrade of data networks and MAC work. The installation of new data networks is largely dependent upon commercial employment and building occupancy rates. Installed data networks, however, may need to be upgraded in order to provide for larger, faster networks to accommodate the growing use of network technology. Additionally, Data Services projects can include MAC work, similar to Voice Services projects, which is dependent on economic factors that are the same as those factors discussed above in relation to the Voice Services business.

There is and has been a trend toward convergence of voice and data networks. Since the Company has technical expertise in both of these areas, the Company believes that this is a competitive advantage. Both the Voice Services and Data Services businesses generate backlog. At December 31, 2010, the Company’s backlog, defined as expected revenue related to executed client purchase orders or contracts that are estimated to be complete within 180 days, was approximately \$212,000 and relates primarily to Voice Services and Data Services.

The Company generates Hotline Services revenues from the sale of more than 118,000 products through its catalog, Internet Web site and the Company's On-Site services offices. The sale of these products is a highly fragmented and competitive business. The Company has been in this business for over 30 years and has developed a reputation for providing high quality products, free 24/7/365 technical support, comprehensive warranties and rapid order fulfillment. With an average order size of less than one thousand dollars, the Company's Hotline Services is less impacted by capital spending and more so on general IT spending. The Company's Hotline Services business provides additional distribution and support capabilities along with access to Black Box branded products to both the Data Services and Voice Services businesses which provides cost benefits.

The Company services a variety of customers within most major industries, with the highest concentration in government, business services, technology, retail, healthcare and manufacturing. Factors that impact those verticals, therefore, could have an impact on the Company. While the Company generates most of its revenues in North America, the Company also generates revenues from around the world, primarily Europe, such that factors that impact the European market could impact the Company.

Company management ("Management") strives to develop extensive and long-term relationships with high-quality customers as Management believes that satisfied customers will demand quality services and product offerings even in economic downturns.

Management is presented with and reviews revenues and operating income by geographical segment. In addition, revenues and gross profit information by service type are provided herein for purposes of further analysis.

The Company has completed three (3) acquisitions from April 1, 2009 through December 31, 2010 that have had an impact on the Company's consolidated financial statements and, more specifically, North America Voice Services for the periods under review. During Fiscal 2011, the Company acquired LOGOS Communications Systems, Inc. ("Logos"). Fiscal 2010 acquisitions were (i) Quanta Systems, LLC ("Quanta") and (ii) CBS Technologies Corp. ("CBS"). The acquisitions noted above are collectively referred to as the "Acquired Companies." The results of operations of the Acquired Companies are included within the Company's Consolidated Statements of Income beginning on their respective acquisition dates.

The Company incurs certain expenses (*i.e.*, expenses incurred as a result of certain acquisitions) that it excludes when evaluating the continuing operations of the Company. The following table is included to provide a schedule of these current expenses and an estimate of these future expenses for Fiscal 2011 (by quarter) based on information available to the Company as of December 31, 2010:

	1Q11	2Q11	3Q11	4Q11	Fiscal 2011
Selling, general & administrative expenses					
Asset write-up depreciation expense on acquisitions	\$ —	\$ —	\$ —	\$ —	\$ —
Intangibles amortization					
Amortization of intangible assets on acquisitions	3,093	3,045	2,890	2,929	11,957
Total	\$ 3,093	\$ 3,045	\$ 2,890	\$ 2,929	\$ 11,957

The following table is included to provide a schedule of these expenses during Fiscal 2010 (by quarter):

	1Q10	2Q10	3Q10	4Q10	Fiscal 2010
Selling, general & administrative expenses					
Asset write-up depreciation expense on acquisitions	\$ —	\$ —	\$ 128	\$ 348	\$ 476
Intangibles amortization					
Amortization of intangible assets on acquisitions	4,031	2,134	3,099	5,886	15,150
Total	\$ 4,031	\$ 2,134	\$ 3,227	\$ 6,234	\$ 15,626

The following table provides information on Revenues and Operating income by reportable geographic segment (North America, Europe and All Other). The table below should be read in conjunction with the following discussions.

	Three (3) months ended December 31				Nine (9) months ended December 31			
	2010		2009		2010		2009	
	\$	% of total revenue	\$	% of total revenue	\$	% of total revenue	\$	% of total revenue
Revenues								
North America	\$239,455	86.6%	\$217,124	85.7%	\$710,479	87.4%	\$621,635	86.3%
Europe	27,446	9.9%	27,190	10.7%	75,186	9.2%	75,248	10.4%
All Other	9,778	3.5%	9,071	3.6%	27,534	3.4%	23,627	3.3%
Total	\$276,679	100%	\$253,385	100%	\$813,199	100%	\$720,510	100%
Operating income								
North America	\$ 18,749		\$ 14,890		\$ 58,600		\$ 38,278	
% of North America revenues	7.8%		6.9%		8.2%		6.2%	
Europe	\$ 2,851		\$ 3,111		\$ 6,340		\$ 7,755	
% of Europe revenues	10.4%		11.4%		8.4%		10.3%	
All Other	\$ 1,855		\$ 1,522		\$ 4,935		\$ 3,584	
% of All Other revenues	19.0%		16.8%		17.9%		15.2%	
Total	\$ 23,455	8.5%	\$ 19,523	7.7%	\$ 69,875	8.6%	\$ 49,617	6.9%

The following table provides information on Revenues and Gross profit by service type (Data Services, Voice Services and Hotline Services). The table below should be read in conjunction with the following discussions.

	Three (3) months ended December 31				Nine (9) months ended December 31			
	2010		2009		2010		2009	
	\$	% of total revenue	\$	% of total revenue	\$	% of total revenue	\$	% of total revenue
Revenues								
Data Services	\$ 62,890	22.7%	\$ 45,342	17.9%	\$170,836	21.0%	\$140,680	19.5%
Voice Services	164,244	59.4%	161,031	63.6%	500,354	61.5%	445,025	61.8%
Hotline Services	49,545	17.9%	47,012	18.5%	142,009	17.5%	134,805	18.7%
Total	\$276,679	100%	\$253,385	100%	\$813,199	100%	\$720,510	100%
Gross profit								
Data Services	\$ 15,427		\$ 12,078		\$ 43,853		\$ 38,167	
% of Data Services revenues	24.5%		26.6%		25.7%		27.1%	
Voice Services	\$ 52,667		\$ 52,145		\$161,347		\$148,811	
% of Voice Services revenues	32.1%		32.4%		32.2%		33.4%	
Hotline Services	\$ 22,558		\$ 22,606		\$ 65,186		\$ 64,538	
% of Hotline Services revenues	45.5%		48.1%		45.9%		47.9%	
Total	\$ 90,652	32.8%	\$ 86,829	34.3%	\$270,386	33.2%	\$251,516	34.9%

Third quarter of Fiscal 2011 (“3Q11”) compared to third quarter of Fiscal 2010 (“3Q10”):

Total Revenues

Total revenues for 3Q11 were \$276,679, an increase of 9% compared to total revenues for 3Q10 of \$253,385. The Acquired Companies contributed incremental revenue of \$10,280 and \$4,403 for 3Q11 and 3Q10, respectively. Excluding the effects of the acquisitions and the negative exchange rate impact of \$696 in 3Q11 relative to the U.S. dollar, total revenues would have increased 7% from \$248,982 to \$267,095 for the reasons discussed below.

Revenues by Geography

North America

Revenues in North America for 3Q11 were \$239,455, an increase of 10% compared to revenues for 3Q10 of \$217,124. The Acquired Companies contributed incremental revenue of \$10,280 and \$4,403 for 3Q11 and 3Q10, respectively. Excluding the effects of the acquisitions and the positive exchange rate impact of \$332 in 3Q11 relative to the U.S. dollar, North American revenues would have increased 8% from \$212,721 to \$228,843. The Company believes that this increase is primarily due to increased activity for both end-user and indirect sales of Data Services within the business services and financial services revenue verticals and a general increase in activity for Hotline Services.

Europe

Revenues in Europe for 3Q11 were \$27,446, an increase of 1% compared to revenues for 3Q10 of \$27,190. Excluding the negative exchange rate impact of \$1,541 in 3Q11 relative to the U.S. dollar, Europe revenues would have increased 7% from \$27,190 to \$28,987. The Company believes this increase is primarily due to a large order for Hotline Services within the business services revenue vertical. Revenues in Europe otherwise continue to be impacted by weak general economic conditions that affected client demand for Data Services and Hotline Services.

All Other

Revenues for All Other for 3Q11 were \$9,778, an increase of 8% compared to revenues for 3Q10 of \$9,071. Excluding the positive exchange rate impact of \$513 in 3Q11 relative to the U.S. dollar, All Other revenues would have increased 2% from \$9,071 to \$9,265.

Revenue by Service Type

Data Services

Revenues from Data Services for 3Q11 were \$62,890, an increase of 39% compared to revenues for 3Q10 of \$45,342. Excluding the negative exchange rate impact of \$35 in 3Q11 relative to the U.S. dollar for international Data Services, Data Services revenues would have increased 39% from \$45,342 to \$62,925. The Company believes that this increase is primarily due to increased revenue activity for both end-user and indirect sales in North America within the business services and financial services revenue verticals.

Voice Services

Revenues from Voice Services for 3Q11 were \$164,244, an increase of 2% compared to revenues for 3Q10 of \$161,031. The Acquired Companies contributed incremental revenue of \$10,280 and \$4,403 for 3Q11 and 3Q10, respectively. Excluding the effects of the acquisitions, Voice Services revenues would have decreased 2% from \$156,628 to \$153,964. The Company believes that this decrease is primarily due to the timing of revenue recognition for certain projects. There was no exchange rate impact on Voice Services revenues as all of the Company's Voice Services revenues are denominated in U.S. dollars.

Hotline Services

Revenues from Hotline Services for 3Q11 were \$49,545, an increase of 5% compared to revenues for 3Q10 of \$47,012. Excluding the negative exchange rate impact of \$661 in 3Q11 relative to the U.S. dollar for international Hotline Services, Hotline Services revenues would have increased 7% from \$47,012 to \$50,206. The Company believes this increase is primarily due to a large order in Europe within the business services revenue vertical and a general increase in activity in North America and All Other.

Gross profit

Gross profit dollars for 3Q11 were \$90,652, an increase of 4% compared to gross profit dollars for 3Q10 of \$86,829. Gross profit as a percent of revenues for 3Q11 was 32.8%, a decrease of 1.5% compared to Gross profit as a percentage of revenues for 3Q10 of 34.3%. The Company believes the percent decrease was due primarily to an increase in project-related work, which carries a lower margin than MAC work and maintenance work, for Voice Services, lower margin projects primarily due to several strategic investments and continued pricing pressures for Data Services and product mix for Hotline Services. The dollar increase is primarily due to the increase in revenues partially offset by the decrease in gross profit as a percentage of revenues.

Gross profit dollars for Data Services for 3Q11 were \$15,427, or 24.5% of revenues, compared to gross profit dollars for 3Q10 of \$12,078, or 26.6% of revenues. Gross profit dollars for Voice Services for 3Q11 were \$52,667, or 32.1% of revenues, compared to gross profit dollars for 3Q10 of \$52,145, or 32.4% of revenues. Gross profit dollars for Hotline Services for 3Q11 were \$22,558, or 45.5% of revenues, compared to gross profit dollars for 3Q10 of \$22,606, or 48.1% of revenues. Please see the preceding paragraph for the analysis of gross profit variances by segment.

Selling, general & administrative expenses

Selling, general & administrative expenses for 3Q11 were \$64,296, nearly equivalent to Selling, general & administrative expenses for 3Q10 of \$64,198. Selling, general & administrative expenses as a percent of revenues for 3Q11 were 23.2%, a decrease of 2.1% compared to Selling, general & administrative expenses as a percent of revenues for 3Q10 of 25.3%. The Company incurred certain Selling, general & administrative expenses that Management considers non-operating items. These items are historical stock option granting practices investigation and related matters costs of \$0 and \$318 and severance expenses of \$226 and \$860 for a total of \$226 and \$1,178, or 0.1% and 0.5% of revenues, for 3Q11 and 3Q10, respectively. Excluding these items, Selling, general & administrative expenses would have increased 2% from \$63,020 to \$64,070 and Selling, general & administrative expenses as a percent of revenues would have decreased 1.7% from 24.9% to 23.2% for 3Q10 and 3Q11, respectively. Management believes that the foregoing provides insight into components of these expenses to enable a better understanding of the Company's results of operations.

The increase in Selling, general & administrative expenses was primarily due to the increase in costs to support the total revenue growth discussed above. The decrease in Selling, general & administrative expenses as a percent of revenue over the prior year was primarily due to certain leveraging of the Company's cost structure as revenues continue to increase and efficiencies resulting from an ongoing evaluation of the Company's cost structure.

Intangibles amortization

Intangibles amortization for 3Q11 was \$2,901, a decrease of 7% compared to Intangibles amortization for 3Q10 of \$3,108. The decrease was primarily attributable to the amortization run-out for certain intangible assets partially offset by the addition of intangible assets from acquisitions completed subsequent to the third quarter of Fiscal 2010.

Operating income

As a result of the foregoing, Operating income for 3Q11 was \$23,455, an increase of 20% compared to Operating income for 3Q10 of \$19,523 and Operating income as a percent of revenues for 3Q11 was 8.5%, an increase of 0.8% compared to Operating income as a percent of revenues for 3Q10 of 7.7%.

Interest expense (income), net

Net interest expense for 3Q11 was \$1,028, a decrease of 44% compared to net interest expense for 3Q10 of \$1,852. Net interest expense as a percent of revenues for 3Q11 was 0.4%, a decrease of 0.3% compared to Net interest expense as a percent of revenues for 3Q10 of 0.7%. The Company's interest-rate swaps contributed gains of \$1,074 and \$303 for 3Q11 and 3Q10 respectively, due to the change in fair value. Excluding the effect of the interest-rate swaps, net interest expense would have decreased 2% from \$2,155, or 0.9% of revenues, for 3Q10, to \$2,102, or 0.8% of revenues, for 3Q11. This decrease in net interest expense is due to a decrease in the weighted-average outstanding debt from \$244,475 for 3Q10 to \$212,871 for 3Q11.

Provision for income taxes

The tax provision for 3Q11 was \$8,528, an effective tax rate of 38.0%. This compares to the tax provision for 3Q10 of \$6,612, an effective tax rate of 37.5%. The tax rate for 3Q11 was higher than 3Q10 due to an increase in uncertain income tax positions (including interest and penalties) partially offset by foreign currency exchange effects on previously-taxed income. The Company anticipates that its deferred tax asset is realizable in the foreseeable future.

Net income

As a result of the foregoing, Net income for 3Q11 was \$13,910, an increase of 26% compared to Net income for 3Q10 of \$11,019 and Net income as a percent of revenues for 3Q11 was 5.0%, an increase of 0.7% compared to Net income as a percent of revenues for 3Q10 of 4.3%.

Nine (9) months Fiscal 2011 (“3QYTD11”) compared to nine (9) months Fiscal 2010 (“3QYTD10”):

Total Revenues

Total revenues for 3QYTD11 were \$813,199, an increase of 13% compared to total revenues for 3QYTD10 of \$720,510. The Acquired Companies contributed incremental revenue of \$25,546 and \$4,403 for 3QYTD11 and 3QYTD10, respectively. Excluding the effects of the acquisitions and the negative exchange rate impact of \$1,182 in 3QYTD11 relative to the U.S. dollar, total revenues would have increased 10% from \$716,107 to \$788,835 for the reasons discussed below.

Revenues by Geography

North America

Revenues in North America for 3QYTD11 were \$710,479, an increase of 14% compared to revenues for 3QYTD10 of \$621,635. The Acquired Companies contributed incremental revenue of \$25,546 and \$4,403 for 3QYTD11 and 3QYTD10, respectively. Excluding the effects of the acquisitions and the positive exchange rate impact of \$1,374 in 3QYTD11 relative to the U.S. dollar, North American revenues would have increased 11% from \$617,232 to \$683,559. The Company believes that this increase is primarily due to increased activity for both end-user and indirect sales of Voice Services within the government (primarily federal and state) and retail revenue verticals, increased activity for both end-user and indirect sales of Data Services within the business services, financial services and technology revenue verticals and a general increase in activity for Hotline Services.

Europe

Revenues in Europe for 3QYTD11 were \$75,186, nearly equivalent to revenues for 3QYTD10 of \$75,248. Excluding the negative exchange rate impact of \$4,022 in 3QYTD11 relative to the U.S. dollar, Europe revenues would have increased 5% from \$75,248 to \$79,208. The Company believes this increase is primarily due to several large orders for Hotline Services within the business services revenue vertical. Revenues in Europe otherwise continue to be impacted by weak general economic conditions that affected client demand for Data Services and Hotline Services.

All Other

Revenues for All Other for 3QYTD11 were \$27,534, an increase of 17% compared to revenues for 3QYTD10 of \$23,627. Excluding the positive exchange rate impact of \$1,466 in 3QYTD11 relative to the U.S. dollar, All Other revenues would have increased 10% from \$23,627 to \$26,068.

Revenue by Service Type

Data Services

Revenues from Data Services for 3QYTD11 were \$170,836, an increase of 21% compared to revenues for 3QYTD10 of \$140,680. Excluding the positive exchange rate impact of \$183 in 3QYTD11 relative to the U.S. dollar for international Data Services, Data Services revenues would have increased 21% from \$140,680 to \$170,653. The Company believes that this increase is primarily due to increased activity for both end-user and indirect sales in North America within the business services, financial services and technology revenue verticals.

Voice Services

Revenues from Voice Services for 3QYTD11 were \$500,354, an increase of 12% compared to revenues for 3QYTD10 of \$445,025. The Acquired Companies contributed incremental revenue of \$25,546 and \$4,403 for 3QYTD11 and 3QYTD10, respectively. Excluding the effects of the acquisitions, Voice Services revenues would have increased 8% from \$440,622 to \$474,808. The Company believes that this increase is primarily due to increased activity for both indirect and end-user sales of Voice Services within the government (primarily federal and state) and retail revenue verticals. There was no exchange rate impact on Voice Services revenues as all of the Company's Voice Services revenues are denominated in U.S. dollars.

Hotline Services

Revenues from Hotline Services for 3QYTD11 were \$142,009, an increase of 5% compared to revenues for 3QYTD10 of \$134,805. Excluding the negative exchange rate impact of \$1,365 in 3QYTD11 relative to the U.S. dollar for international Hotline Services, Hotline Services revenues would have increased 6% from \$134,805 to \$143,374. The Company believes this increase is primarily due to several large orders in Europe within the business services revenue vertical and a general increase in activity in North America and All Other.

Gross profit

Gross profit dollars for 3QYTD11 were \$270,386, an increase of 8% compared to gross profit dollars for 3QYTD10 of \$251,516. Gross profit as a percent of revenues for 3QYTD11 was 33.2%, a decrease of 1.7% compared to Gross profit as a percent of revenues for 3QYTD10 of 34.9%. The Company believes the percent decrease was due primarily to an increase in project-related work, which carries a lower margin than MAC work and maintenance work, for Voice Services, lower margin projects primarily due to several strategic investments and continued pricing pressures for Data Services and product mix for Hotline Services. The dollar increase is primarily due to the increase in revenues partially offset by the decrease in gross profit as a percentage of revenues.

Gross profit dollars for Data Services for 3QYTD11 were \$43,853, or 25.7% of revenues, compared to gross profit dollars for 3QYTD10 of \$38,167, or 27.1% of revenues. Gross profit dollars for Voice Services for 3QYTD11 were \$161,347, or 32.2% of revenues, compared to gross profit dollars for 3QYTD10 of \$148,811, or 33.4% of revenues. Gross profit dollars for Hotline Services for 3QYTD11 were \$65,186, or 45.9% of revenues, compared to gross profit dollars for 3QYTD10 of \$64,538, or 47.9% of revenues. Please see the preceding paragraph for the analysis of gross profit variances by segment.

Selling, general & administrative expenses

Selling, general & administrative expenses for 3QYTD11 were \$191,450, a decrease of 1% compared to Selling, general & administrative expenses for 3QYTD10 of \$192,596. Selling, general & administrative expenses as a percent of revenues for 3QYTD11 were 23.5%, a decrease of 3.2% compared to Selling, general & administrative expenses as a percent of revenues for 3QYTD10 of 26.7%. The Company incurred certain Selling, general & administrative expenses that Management considers non-operating items. These items are historical stock option granting practices investigation and related matters costs of \$0 and \$4,574, the United States General Services Administration settlement of \$0 and \$2,145 and severance expenses of \$1,304 and \$2,521 for a total of \$1,304 and \$9,240, or 0.2% and 1.3% of revenues, for 3QYTD11 and 3QYTD10, respectively. Excluding these items, Selling, general & administrative expenses would have increased 4% from \$183,356 to \$190,146 and Selling, general & administrative expenses as a percent of revenues would have decreased 2.0% from 25.4% to 23.4% for 3QYTD10 and 3QYTD11, respectively. Management believes that the foregoing provides insight into components of these expenses to enable a better understanding of the Company's results of operations.

The increase in Selling, general & administrative expenses was primarily due to the increase in costs to support the total revenue growth discussed above. The decrease in Selling, general & administrative expenses as a percent of revenue over the prior year was primarily due to certain leveraging of the Company's cost structure as revenues continue to increase and efficiencies resulting from an ongoing evaluation of the Company's cost structure.

Intangibles amortization

Intangibles amortization for 3QYTD11 was \$9,061, a decrease of 3% compared to Intangibles amortization for 3QYTD10 of \$9,303. The decrease was primarily attributable to the amortization run-out for certain intangible assets partially offset by addition of intangible assets from acquisitions completed subsequent to the third quarter of Fiscal 2010.

Operating income

As a result of the foregoing, Operating income for 3QYTD11 was \$69,875, an increase of 41% compared to Operating income for 3QYTD10 of \$49,617 and Operating income as a percent of revenues for 3QYTD11 was 8.6%, an increase of 1.7% compared to Operating income as a percent of revenues for 3QYTD10 of 6.9%.

Interest expense (income), net

Net interest expense for 3QYTD11 was \$4,460, a decrease of 32% compared to net interest expense for 3QYTD10 of \$6,592. Net interest expense as a percent of revenues for 3QYTD11 was 0.5%, a decrease of 0.4% compared to Net interest expense as a percent of revenues for 3QYTD10 of 0.9%. The Company's interest-rate swaps contributed gains of \$1,920 and \$126 for 3QYTD11 and 3QYTD10, respectively, due to the change in fair value. Excluding the effect of the interest-rate swaps, net interest expense would have decreased 5% from \$6,718, or 0.9% of revenues, for 3QYTD10, to \$6,380, or 0.8% of revenues, for 3QYTD11. This decrease in net interest expense is due to decreases in the weighted-average interest rate from 1.4% for 3QYTD10 to 1.3% for 3QYTD11 and in the weighted-average outstanding debt from \$247,550 for 3QYTD10 to \$219,389 for 3QYTD11. The decrease in the weighted-average interest rate is due primarily to the overall decline in short-term interest rates.

Provision for income taxes

The tax provision for 3QYTD11 was \$24,887, an effective tax rate of 38.0%. This compares to the tax provision for 3QYTD10 of \$16,205, an effective tax rate of 37.5%. The tax rate for 3QYTD11 was higher than 3QYTD10 due to an increase in uncertain income tax positions (including interest and penalties) partially offset by foreign currency exchange effects on previously-taxed income. The Company anticipates that its deferred tax asset is realizable in the foreseeable future.

Net income

As a result of the foregoing, Net income for 3QYTD11 was \$40,604, an increase of 50% compared to Net income for 3QYTD10 of \$27,007 and Net income as a percent of revenues for 3QYTD11 was 5.0%, an increase of 1.3% compared to Net income as a percent of revenues for 3QYTD10 of 3.7%.

Liquidity and Capital Resources

Operating Activities

Net cash provided by operating activities during 3QYTD11 was \$36,072. Significant factors contributing to the source of cash were: net income of \$40,604 inclusive of non-cash charges of \$13,672 and \$7,999 for amortization/depreciation expense and stock compensation expense, respectively, as well as increases in trade accounts payable of \$6,140, billings in excess of costs of \$4,723 and accrued taxes of \$1,449. Significant factors contributing to a use of cash include increases in trade accounts receivable, net inventory and costs in excess of billings of \$9,161, \$2,320 and \$25,012, respectively, as well as decreases in restructuring reserves of \$3,071 and other liabilities of \$2,667. The increase in costs in excess of billings reflects additional large contracts where contract billing terms do not necessarily coincide with percentage-of-completion revenue recognition. It should be noted that the increase in costs in excess of billings represents revenue growth and not a delay in the collection of working capital. Changes in the above accounts are based on average Fiscal 2011 exchange rates.

Net cash provided by operating activities during 3QYTD10 was \$42,133. Significant factors contributing to the source of cash were: net income of \$27,007 inclusive of non-cash charges of \$15,097 and \$5,022 for amortization/depreciation expense and stock compensation expense, respectively, as well as decreases in net inventory of \$3,617 and net trade accounts receivable of \$11,568 and an increase in accrued expenses and accrued taxes of \$3,069 and \$2,814, respectively. Significant factors contributing to a use of cash include decreases in billings in excess of costs and restructuring reserves of \$3,704 and \$5,178, respectively, and an increase in costs in excess of billings of \$22,623. The increase in costs in excess of billings is primarily related to billing terms associated with certain government-related contracts. Changes in the above accounts are based on average Fiscal 2010 exchange rates.

As of December 31, 2010 and 2009, the Company had cash and cash equivalents of \$27,960 and \$29,056, respectively, working capital of \$159,656 and \$141,378, respectively, and a current ratio of 1.7 and 1.7, respectively.

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 twelve (12) months.

Investing Activities

Net cash used by investing activities during 3QYTD11 was \$17,448. Significant factors contributing to the cash outflow were: \$12,811 to acquire 100% of Logos and a non-controlling interest in Genesis Networks Integration Services, LLC, \$2,906 for gross capital expenditures and \$1,829 for holdbacks and contingent fee payments related to prior period acquisitions.

Net cash used by investing activities during 3QYTD10 was \$19,866. Significant factors contributing to the cash outflow were: \$10,687 to acquire Quanta and CBS, \$7,738 for holdbacks and contingent fee payments related to prior period acquisitions and \$1,573 for gross capital expenditures.

Financing Activities

Net cash used by financing activities during 3QYTD11 was \$12,458. Significant factors contributing to the cash outflow were \$12,821 of net payments on long-term debt and \$3,166 for the payment of dividends. Significant factors contributing to the cash inflow were \$4,712 of proceeds from the exercise of employee stock options.

Net cash used by financing activities during 3QYTD10 was \$17,565. Significant factors contributing to the cash outflow were \$14,408 of net payments on long-term debt and \$3,157 for the payment of dividends.

Total Debt

Revolving Credit Agreement – On January 30, 2008, the Company entered into a Third Amended and Restated Credit Agreement dated as of January 30, 2008 with Citizens Bank of Pennsylvania, as agent, and a group of lenders and, on October 8, 2010, the Company entered into the First Amendment to Credit Agreement primarily to permit the Company to make certain joint venture investments (as amended, the “Credit Agreement”). The Credit Agreement expires on January 30, 2013. Borrowings under the Credit Agreement are permitted up to a maximum amount of \$350,000, which includes up to \$20,000 of swing-line loans and \$25,000 of letters of credit. The Credit Agreement may be increased by the Company up to an additional \$100,000 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 0.50% to 1.125% (determined by a leverage ratio based on the Company’s consolidated Earnings Before Interest Taxes Depreciation and Amortization (“EBITDA”). The Credit Agreement requires the Company to maintain compliance with certain non-financial and financial covenants such as leverage and fixed-charge coverage ratios. As of December 31, 2010, the Company was in compliance with all financial covenants under the Credit Agreement.

As of December 31, 2010, the Company had total debt outstanding of \$199,300. Total debt was comprised of \$197,815 outstanding under the Credit Agreement and \$1,334 of obligations under capital leases. The maximum amount of debt outstanding under the Credit Agreement, the weighted-average balance outstanding under the Credit Agreement and the weighted-average interest rate on all outstanding debt for the three (3) months ended December 31, 2010 was \$222,000, \$212,871 and 1.2%, respectively, compared to \$255,725, \$244,475 and 1.2%, respectively, for the three (3) months ended December 31, 2009. The maximum amount of debt outstanding under the Credit Agreement, the weighted-average balance outstanding under the Credit Agreement and the weighted-average interest rate on all outstanding debt for the nine (9) months ended December 31, 2010 was \$237,255, \$219,389 and 1.3%, respectively, compared to \$261,750, \$247,550 and 1.4%, respectively, for the nine (9) months ended December 31, 2009.

As of December 31, 2010, the Company had \$4,565 outstanding in letters of credit and \$147,620 in unused commitments under the Credit Agreement.

Dividends

Fiscal 2011

3Q11 - The Company’s Board of Directors (the “Board”) declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,066 and was paid on January 14, 2011 to stockholders of record at the close of business on December 31, 2010.

2Q11 - The Board declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,057 and was paid on October 15, 2010 to stockholders of record at the close of business on October 1, 2010.

1Q11 - The Board declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,056 and was paid on July 19, 2010 to stockholders of record at the close of business on July 2, 2010.

Fiscal 2010

3Q10 - The Board declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,053 and was paid on January 8, 2010 to stockholders of record at the close of business on December 24, 2009.

2Q10 - The Board declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,053 and was paid on October 9, 2009 to stockholders of record at the close of business on September 25, 2009.

1Q10 - The Board declared a cash dividend of \$0.06 per share on all outstanding shares of the common stock. The dividend totaled \$1,052 and was paid on July 10, 2009 to stockholders of record at the close of business on June 26, 2009.

While the Company expects to continue to declare quarterly dividends, the payment of future dividends is at the discretion of the Board and the timing and amount of any future dividends will depend upon earnings, cash requirements and financial condition of the Company. Under the Credit Agreement, the Company is permitted to make any distribution or dividend as long as no Event of Default or Potential Default (each as defined in the Credit Agreement) occurs or is continuing.

Repurchase of Common Stock

Fiscal 2011

3Q11 - During the three (3) months ended December 31, 2010, the Company repurchased 28 shares of its common stock for an aggregate purchase price of \$1, or an average purchase price per share of \$36.08.

2Q11 - There were no repurchases of common stock during the three (3) months ended September 30, 2010.

1Q11 - During the three (3) months ended June 30, 2010, the Company made tax payments of \$482 and withheld 16,488 shares of common stock, which were designated as treasury shares, for an average price per share of \$29.26, related to share withholding to satisfy employee income taxes due as a result of the vesting in May 2010 of certain restricted stock units.

Fiscal 2010

There were no repurchases of common stock during Fiscal 2010.

Since the inception of the repurchase program in April 1999 through December 31, 2010, the Company has repurchased 7,626,223 shares of common stock for an aggregate purchase price of \$323,096, or an average purchase price per share of \$42.37. These shares do not include the treasury shares withheld for tax payments resulting from the vesting in May 2010 of certain restricted stock units. As of December 31, 2010, 873,777 shares were available under repurchase programs approved by the Board. Additional repurchases of common 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 common stock for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases. Under the Credit Agreement, the Company is permitted to repurchase its common stock as long as no Event of Default or Potential Default (each as defined in the Credit Agreement) occurs or is continuing, the leverage ratio (after taking into consideration the payment made to repurchase such common stock) would not exceed 2.75 to 1.0 and the availability to borrow under the Credit Facility would not be less than \$20,000.

Legal Proceedings

See the matter discussed in Note 15 of the Notes to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q (this "Form 10-Q"), which information is incorporated herein by reference.

Inflation

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

Valuation of Goodwill

The Company conducted its annual goodwill impairment assessment during the third quarter of Fiscal 2011 using data as of October 2, 2010. The following table reconciles the carrying value of goodwill, as of October 2, 2010, for the Company's reportable segments as reported in its consolidated financial statements, to the carrying value of goodwill by reporting unit which is used for the annual goodwill impairment assessment:

	North America	Europe	All Other	Total
Goodwill (as reported in financial statements)	\$ 571,673	\$ 70,515	\$ 2,228	\$ 644,416
Adjustment	(30,370)	27,333	3,037	—
Goodwill (for annual impairment assessment) ¹	\$ 541,303	\$ 97,848	\$ 5,265	\$ 644,416

¹ Goodwill (for annual impairment assessment) represents the amount of goodwill that is "at risk" by reporting unit.

The results of the Company's annual goodwill impairment assessment conducted during the third quarter of Fiscal 2011 indicate that goodwill is not impaired in any of the Company's reporting units. The following table summarizes the estimated fair value of the reporting unit, the net book value of the reporting unit and the surplus of the estimated fair value of the reporting unit over the net book value of the reporting unit as of October 2, 2010:

	North America	Europe	All Other	Total
Estimated fair value of the reporting unit	\$ 716,924	\$ 126,140	\$ 62,601	\$ 905,665
Net book value of the reporting unit	584,718	116,108	24,754	725,580
Surplus	\$ 132,206	\$ 10,032	\$ 37,847	\$ 180,085

As previously disclosed, the Company uses an income approach to derive a present value of the reporting unit's projected future annual cash flows and the present residual value of the reporting unit. The Company uses a variety of underlying assumptions to estimate these future cash flows, which vary for each of the reporting units and include (i) future revenue growth rates, (ii) future operating profitability, (iii) the weighted-average cost of capital and (iv) a terminal growth rate. To illustrate the sensitivity of the discounted future cash flows, an instantaneous 100 basis point increase in the weighted-average cost of capital, which, holding all other assumptions constant, would be material to the estimated fair value of the reporting unit, would produce a decrease in the fair value of the reporting units by \$110,030, \$13,810 and \$5,461 for North America, Europe and All Other, respectively.

Since October 2, 2010, the Company's stock market capitalization has generally been lower than its net book value. Each of the Company's reporting units continues to operate profitably and generate significant cash flow from operations, and the Company expects that each will continue to do so in Fiscal 2011 and beyond. The Company also believes that a reasonable potential buyer would offer a control premium for the business that would adequately cover the difference between the recent stock trading prices and the book value.

Future events that could result in an interim assessment of goodwill impairment and/or an impairment loss include, but are not limited to, (i) significant underperformance relative to historical or projected future operating results, (ii) significant changes in the manner of or use of the assets or the strategy for the Company's overall business, (iii) significant negative industry or economic trends, (iv) a further decline in market capitalization below book value and (v) a modification to the Company's reporting segments. Management is currently considering alternative reporting segments for the purpose of making operational decisions and assessing financial performance. This contemplated change in reporting segments would affect the reporting units currently being used in the Company's annual goodwill impairment assessment. Any such change could result in an impairment charge which could have a material adverse effect on the results of operations for the period in which the impairment occurs.

Critical Accounting Policies/Impact of Recently Issued Accounting Pronouncements

Critical Accounting Policies

The Company's critical accounting policies require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and are the most important to the portrayal of the Company's consolidated financial statements. The Company's critical accounting policies are disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Form 10-K. There have been no changes to the Company's critical accounting policies during the three (3) and nine (9) months ended December 31, 2010.

Impact of Recently Issued Accounting Pronouncements

See Note 2 of the Notes to the Consolidated Financial Statements for further discussion of recently-issued accounting standards and the related impact on the Company's consolidated financial statements.

Cautionary Forward Looking Statements

When included in this Form 10-Q or in documents incorporated herein by reference, the words "should," "expects," "intends," "anticipates," "believes," "estimates," "approximates," "targets," "plans" and analogous expressions are intended to identify forward-looking statements. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Although it is not possible to predict or identify all risk factors, such risks and uncertainties may include, among others, levels of business activity and operating expenses, expenses relating to corporate compliance requirements, cash flows, global economic and business conditions, successful integration of acquisitions, the timing and costs of restructuring programs, successful marketing of DVH services, successful implementation of the Company's M&A program, including identifying appropriate targets, consummating transactions and successfully integrating the businesses, successful implementation of the Company's government contracting programs, competition, changes in foreign, political and economic conditions, fluctuating foreign currencies compared to the U.S. dollar, rapid changes in technologies, client preferences, the Company's arrangements with suppliers of voice equipment and technology and various other matters, many of which are beyond the Company's control. Additional risk factors are included in the Form 10-K. 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 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-rate volatility and foreign currency exchange rates volatility. 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. The Company does not hold or issue any other financial derivative instruments (other than those specifically noted below) nor does it engage in speculative trading of financial derivatives.

Interest-rate Risk

The Company's primary interest-rate risk relates to its long-term debt obligations. As of December 31, 2010, the Company had total long-term obligations of \$197,815 under the Credit Agreement. Of the outstanding debt, \$150,000 was in variable rate debt that was effectively converted to a fixed rate through multiple interest-rate swap agreements (discussed in more detail below) and \$47,815 was in variable rate obligations. As of December 31, 2010, an instantaneous 100 basis point increase in the interest rate of the variable rate debt would reduce the Company's net income in the subsequent fiscal quarter by \$118 (\$73 net of tax) assuming the Company employed no intervention strategies.

To mitigate the risk of interest-rate fluctuations associated with the Company's variable rate long-term debt, the Company has implemented an interest-rate risk management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings caused by interest-rate volatility. The Company's goal is to manage interest-rate sensitivity by modifying the re-pricing characteristics of certain balance sheet liabilities so that the net-interest margin is not, on a material basis, adversely affected by the movements in interest rates.

On July 26, 2006, the Company entered into a five-year floating-to-fixed interest-rate swap that is based on a 3-month LIBOR rate versus a 5.44% fixed rate, has a notional value of \$100,000 (which reduced to \$50,000 as of June 26, 2009) and does not qualify for hedge accounting. On June 15, 2009, the Company entered into a three-year floating-to-fixed interest-rate swap that is based on a 3-month LIBOR rate versus a 2.28% fixed rate, has a notional value of \$100,000 reducing to \$50,000 after two (2) years and does not qualify for hedge accounting. Changes in the fair market value of the interest-rate swap are recorded as an asset or liability within the Company's Consolidated Balance Sheets and Interest expense (income) within the Company's Consolidated Statements of Income.

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 of foreign currency fluctuations, 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. The Company has entered and will continue in the future, on a selective basis, to enter into foreign currency contracts to reduce the foreign currency exposure related to certain intercompany transactions, primarily trade receivables and loans. All of the foreign currency 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 Accumulated Other Comprehensive Income ("AOCI") 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 AOCI to the Company's Consolidated Statements of Income. In the event it becomes probable that the hedged forecasted transaction will not occur, the ineffective portion of any gain or loss on the related cash flow hedge would be reclassified from AOCI to the Company's Consolidated Statements of Income.

As of December 31, 2010, the Company had open foreign currency contracts in Australian and Canadian dollars, Danish krone, Euros, Mexican pesos, Norwegian kroner, British pounds sterling, Swedish krona, Swiss francs and Japanese yen. The open contracts have contract rates ranging from 1.01 to 1.15 Australian dollar, 1.01 to 1.08 Canadian dollar, 5.71 to 5.99 Danish krone, 0.71 to 0.82 Euro, 12.66 to 12.66 Mexican peso, 5.81 to 6.57 Norwegian kroner, 0.62 to 0.68 British pound sterling, 6.65 to 7.51 Swedish krona, 0.96 to 1.15 Swiss franc and 93.10 to 93.10 Japanese yen, all per U.S. dollar. The total open contracts had a notional amount of \$70,490 and will expire within seven (7) months.

Item 4. Controls and Procedures.

Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

Management, including the Company's Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) for the Company. Management assessed the effectiveness of the Company's disclosure controls and procedures as of December 31, 2010. Based upon this assessment, Management has concluded that the Company's disclosure controls and procedures were effective as of December 31, 2010 to provide reasonable assurance that information required to be disclosed by the Company in the reports filed or submitted by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to Management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

The SEC's general guidance permits the exclusion of an assessment of the effectiveness of a registrant's disclosure controls and procedures as they relate to its internal control over financial reporting for an acquired business during the first year following such acquisition if, among other circumstances and factors, there is not adequate time between the acquisition date and the date of assessment. As previously noted in this Form 10-Q, Black Box completed the acquisition of Logos during Fiscal 2011. Logos represents approximately 1.0% of the Company's total assets as of December 31, 2010. Management's assessment and conclusion on the effectiveness of the Company's disclosure controls and procedures as of December 31, 2010 excludes an assessment of the internal control over financial reporting of Logos.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, the Company's internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 3, 2010 to October 31, 2010	—	\$ —	—	873,805
November 1, 2010 to November 28, 2010	28	\$ 36.08	28	873,777
November 29, 2010 to January 1, 2011	—	\$ —	—	873,777
Total	28	\$ 36.08	28	873,777

As of December 31, 2010, 873,777 shares were available under repurchase programs approved by the Board and announced on November 20, 2003, August 12, 2004 and November 7, 2006.

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

Additional repurchases of common 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 common stock for the foreseeable future, there can be no assurance as to the timing or amount of such repurchases. Under the Credit Agreement, the Company is permitted to repurchase its common stock as long as no Event of Default or Potential Default (each as defined in the Credit Agreement) occurs or is continuing, the leverage ratio (after taking into consideration the payment made to repurchase such common stock) would not exceed 2.75 to 1.0 and the availability to borrow under the credit facility would not be less than \$20 million.

Item 6. Exhibits.

Exhibit Number	Description
10.1	First Amendment to Credit Agreement, dated as of October 8, 2010, by and among Black Box Corporation of Pennsylvania and Norstan, Inc., as Borrowers, the Company, the other Guarantors parties thereto, the Lenders parties thereto and Citizens Bank of Pennsylvania ⁽¹⁾
10.2	Agreement between the Company and Kenneth P. Davis ⁽¹⁾
21.1	Subsidiaries of the Registrant ⁽¹⁾
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities 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 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 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.

BLACK BOX CORPORATION

Dated: February 10, 2011

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

EXHIBIT INDEX

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⁽¹⁾ Filed herewith.

AGREEMENT

This Agreement (this "Agreement") is made as of this 20th day of January, 2011 by and between **Black Box Corporation**, a Delaware corporation (the "Corporation"), and Kenneth P. Davis, an individual residing in the Commonwealth of Pennsylvania and an executive of the Corporation (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interests of the Corporation to enter into an agreement with the Executive providing for certain payments and benefits to the Executive.

NOW, THEREFORE, the parties hereto, each intending to be legally bound hereby, agree as follows:

1. Definition of Terms. The following terms when used in this Agreement shall have the meaning hereafter set forth:
 - (a) **"Annual Salary Adjustment Percentage"** shall mean the mean average percentage increase in base salary for all executive officers of the Corporation during the two full calendar years immediately preceding the time to which such percentage is being applied; provided, however, that if after a Change-in-Control, as hereinafter defined, there should be a significant change in the number of executive officers of the Corporation or in the manner in which they are compensated, then the foregoing definition shall be changed by substituting for the phrase "executive officers of the Corporation" the phrase "persons then performing the functions formerly performed by the executive officers of the Corporation."
 - (b) **"Cause for Termination"** shall mean:
 - (i) the deliberate and intentional failure by the Executive to devote substantially the Executive's entire business time and best efforts to the performance of the Executive's duties (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or disability);
 - or
 - (ii) engaging by the Executive in gross misconduct materially and demonstrably injurious to the Corporation;
 - or
 - (iii) the conviction of the Executive of, or the entry of a plea of guilty or *Nolo Contendre* by the Executive to, a crime involving an act of fraud or embezzlement against the Corporation or the conviction of the Executive of, or the entry of a plea of *Nolo Contendre* by the Executive to, any felony involving moral turpitude;

or

- (iv) the Executive's material breach of Section 4 or Section 8 hereof which continues for ten (10) days after receiving written notice thereof from, the Corporation or the Executive's willful failure to comply with instructions of the Board of Directors of the Corporation provided that such instructions would not give rise to Good Reason for Termination.

For purposes of this definition, no act, or failure to act, on the Executive's part shall be considered "deliberate and intentional" or to constitute gross misconduct unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interests of the Corporation.

- (c) **"Change-in-Control"** shall mean a change in control of the Corporation of such a nature that it would be required to be reported by the Corporation in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as in effect on the date hereof ("Exchange Act"); provided, however, that:
 - (i) without respect to the foregoing, such a change in control shall be deemed to have occurred if any "person" (as such term is used in sections 13(d) and 14(d)(2) of the Exchange Act) or any "group" (as such term is defined in Rule 13d-5(b) promulgated under the Exchange Act), is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities coupled with or followed by the existence of a majority of the board of directors of the Corporation consisting of individuals other than individuals who either were directors of the Corporation at least one year prior to or were nominated by those individuals who were directors of the Corporation at least one year prior to such person or group becoming a beneficial owner, directly or indirectly, of securities of the Corporation representing 20% or more of the combined voting power of the Corporation's then outstanding securities;

and

- (ii) without respect to the foregoing, if the Corporation shall sell all or substantially all of its assets or shall merge, consolidate or reorganize with another company, then such a change in control shall be deemed to have occurred if (x) upon conclusion of the transaction less than fifty-one percent (51%) of the outstanding securities entitled to vote generally in the election of directors of the acquiring company or resulting company are owned by persons who were the stockholders of the Corporation generally prior to

the transaction and following the transaction a majority of the board of directors of the acquiring company or resulting company consists of individuals other than individuals who either were directors of the Corporation at least one year prior to or were nominated by those individuals who were directors of the Corporation at least one year prior to such sale, merger, consolidation or reorganization or (y) following the transaction a person or group (as described in subclause (i) above) would be a beneficial owner, directly or indirectly, of securities of the acquiring company or resulting company representing 20% or more of the combined voting power of the acquiring company's or resulting company's then outstanding securities as described in subclause (i) above and a majority of the board of directors of the acquiring company or resulting company consists of individuals other than individuals who either were directors of the Corporation at least one year prior to or were nominated by those individuals who were directors of the Corporation at least one year prior to such sale, merger, consolidation or reorganization.

(d) **“Date of Termination”** shall mean:

- (i) if the Executive's employment is terminated for Disability, the date that a Notice of Termination is given to the Executive;
- (ii) if the Executive's employment terminates due to the Executive's death or Retirement, the date of death or Retirement, respectively;
- (iii) if the Executive decides to terminate employment upon Good Reason for Termination, the date specified by the Executive in a Notice of Termination, which date must be within sixty (60) days after the expiration of the Notice Period (as defined in Section 3(c) below); or
- (iv) if the Executive's employment is terminated for any other reason, the date on which a termination becomes effective pursuant to a Notice of Termination or, if no Notice of Termination is provided, the date that the Executive's employment was terminated.

(e) **“Disability”** shall mean such incapacity due to physical or mental illness or injury as causes the Executive to be unable to perform the Executive's duties with the Corporation during 90 consecutive days or 120 days during any six month period.

(f) **“Good Reason for Termination”** shall mean a material negative change in the Executive's service relationship with the Corporation and any Affiliate (as defined in this Section 1(f) below) of the Corporation, taken as a whole, without Executive's consent, on account of one or more of the following conditions:

- (i) A material diminution in Executive's base compensation;
- (ii) A material diminution in Executive's authority, duties or responsibilities; or

- (iii) A change in the geographic location at which Executive must report to and perform the majority of Executive's services of more than fifty (50) miles.

"Affiliate" shall mean, with respect to any person or legal entity, any other person or legal entity controlling, controlled by or under common control with such person or legal entity.

- (g) "**LTIP Plan**" shall mean an incentive compensation plan of the Corporation which would pay bonuses to the Executive based upon the achievement of specified goals during or at the end of an award period of more than one year (such as a three year incentive compensation plan).
- (h) "**Notice of Termination**" shall mean a written statement which sets forth the specific reason for termination and, if such is claimed to be Cause for Termination or Good Reason for Termination, in reasonable detail the facts and circumstances thereof.
- (i) "**Options**" shall mean any stock options issued pursuant to any present or future stock option plan of the Corporation.
- (j) "**Retirement**" shall mean a termination of the Executive's employment after age 65 or in accordance with any mandatory retirement arrangement with respect to an earlier age agreed to by the Executive.
- (k) "**Stock Awards**" shall mean any stock-based awards, other than Options, including any stock appreciation rights, restricted stock awards, or performance stock awards, issued pursuant to any present or future stock plan of the Corporation.

2. Termination by the Corporation Due to Cause for Termination. Should the Board of Directors of the Corporation determine that Cause for Termination exists, the Board of Directors of the Corporation by resolution duly adopted may at that time or during a period of two months thereafter terminate the Executive's employment due to Cause for Termination by delivering a Notice of Termination. If the Board of Directors of the Corporation fails to duly adopt within such two month period a resolution terminating the Executive's employment, then the Corporation shall be deemed to have waived its right to terminate the Executive due to those circumstances which constituted the Cause for Termination previously found to exist by the Board.

3. Payments Following Termination of Employment After Change-in-Control.

- (a) If during the term of this Agreement the Executive's employment with the Corporation shall be terminated:
 - (i) due to the Executive's death or Disability,
 - (ii) by the Executive at any time prior to a Change-in-Control,

- (iii) by the Executive following a Change-in-Control other than the Executive's having terminated for Good Reason for Termination,
- (iv) by the Corporation at any time prior to a Change-in-Control, or
- (v) by the Corporation following a Change-in-Control in accordance with Section 2 hereof or in accordance with Retirement,

then the Corporation shall have no obligations hereunder to the Executive from and after the Date of Termination and the only obligations of the Corporation to the Executive shall be in accordance with any other employment agreement applicable to the Executive and the then various policies, practices and benefit plans of the Corporation.

(b) If during the term of this Agreement a Change-in-Control shall have occurred and the Executive's employment shall have been involuntarily terminated on or before the second anniversary of the date of the Change-in-Control other than under the circumstances above described in subsection 3(a) (for example, a termination by the Executive for Good Reason for Termination within the foregoing period following a Change-in-Control shall entitle the Executive to the payments set forth in this subsection), then the Corporation shall pay the Executive on or before the sixtieth {60th} day following the Date of Termination the following sums:

- (i) in cash any unpaid portion of the Executive's full base salary for the period from the last period for which the Executive was paid to the Date of Termination; and
- (ii) an amount in cash as liquidated damages for lost future remuneration equal to the sum of
 - (A) the product obtained by multiplying:
 - (1) the lesser of
 - (i) two (2.0), or
 - (ii) a number equal to the number of calendar months remaining from the Date of Termination to the date on which the Executive is 65 years of age (or, if earlier, the age agreed to by the Executive pursuant to any prior arrangement) divided by twelve,times
 - (2) the sum of
 - (i) the greater of

- (x) the Executive's annual base salary for the year in effect on the Date of Termination,
- (y) in the case of termination by the Executive for Good Reason for Termination, the Executive's annual base salary in effect on the date immediately preceding the date of the earliest event which gave rise to the termination by the Executive for Good Reason for Termination,

or

- (z) the Executive's annual base salary for the year in effect on the date of the Change-in-Control,

plus

(ii) the greater of

- (x) one third (1/3) of the aggregate cash bonuses or awards (including any payments under an LTIP Plan) received by the Executive as incentive compensation or bonus during the three calendar years immediately preceding the Date of Termination,
- (y) in the case of termination by the Executive for Good Reason for Termination, one third (1/3) of the aggregate cash bonuses or awards (including any payments under an LTIP Plan) received by the Executive as incentive compensation or bonus during the three calendar years immediately preceding the date of the earliest event which gave rise to the termination by the Executive for Good Reason for Termination,

or

- (z) one third (1/3) of the aggregate cash bonuses or awards (including any payments under an LTIP Plan) received by the Executive as incentive compensation or bonus for the three calendar years immediately preceding the date of the Change-in-Control,

plus

(B) if the Executive immediately preceding the date of the Change-in-Control is a participant in an LTIP Plan and the award period has not been completed prior to the date of the Change-in-Control, an amount equal to

(1) the total cash award or bonus which would have been received by the Executive under such LTIP Plan assuming that, in addition to any goals met on or before the date of the Change-in-Control, all goals that were to be measured after the date of the Change-in-Control were achieved and the Executive remained in the employ of the Corporation at all relevant times under the LTIP Plan,

less

(2) any portion of the cash award or bonus for that award period previously paid to the Executive pursuant to such LTIP Plan.

(c) In order for the Executive to terminate for Good Reason for Termination under this Agreement, (i) the Executive must deliver a Notice of Termination to the Corporation at 1000 Park Drive, Lawrence, PA 15055, Attn: General Counsel, and within ninety (90) days of the event constituting Good Reason for Termination, (ii) the event must remain uncorrected during the Notice Period and (iii) the Date of Termination must occur within sixty (60) days after the expiration of the Notice Period, "Notice Period" means the thirty (30) days following the date that Executive notifies the Corporation in writing of Executive's intent to terminate employment for Good Reason for Termination.

4. Nondisclosure of Information.

(a) Executive acknowledges that the Corporation has invested and will continue to invest considerable resources in the research, development and advancement of the Corporation's business, which investment has or may result in the generation of proprietary, confidential and/or trade secret data, information, techniques and materials, tangible and intangible, which properly belong to the Corporation or in which the Corporation has an interest. Executive acknowledges and agrees that it would be unlawful for Executive to appropriate, to attempt to appropriate, or to disclose to anyone or use for a third party's benefit such data, information, techniques or materials, subject to the following:

(i) Executive acknowledges that the following constitute protectable confidential, trade secret or otherwise proprietary information of the Corporation or of a third party: all computer software and firmware and computer aided mechanisms related to the foregoing, files, programs, data or information received by the Corporation from a customer or prospective customer of the Corporation if such is confidential or proprietary to the

customer, data base management systems or other instrumentations, any proposals for development, any reports on findings of tests, investigative studies, consultations or the like, pricing policies, budgets, customer lists, strategic plans (whether or not communicated in writing), marketing and sales information, all written documents not generally in the public domain, any and all copies or imitations of the foregoing, and all other confidential, trade secret or proprietary information, whether or not copyrighted or patented and whether created solely by Executive, jointly with others, or solely by others.

- (ii) For purposes of this Section 4, all confidential, proprietary, or trade secret information enumerated or mentioned in Section 4(a)(i) is hereinafter referred to as “Information”. Any restrictions on disclosure and use of the Information will apply to all copies of the Information, whether in whole or in part.
- (iii) During the term of this Agreement and at all times after termination of this Agreement, unless authorized in writing by the Corporation, the Executive will not:
 - (1) use for the Executive’s benefit or advantage the Information, or
 - (2) use the Information for the benefit or advantage of any third party, or
 - (3) disclose or cause to be disclosed the Information or authorize or permit such disclosure of the Information to any unauthorized third party, or
 - (4) use the Information in any manner which is intended to injure or cause loss, whether directly or indirectly, to the Corporation.
- (iv) The Executive will not be liable for the disclosure of Information which:
 - (1) is in the public domain generally and as such becomes known to Executive through no wrongful act or breach of this Agreement; or
 - (2) is received rightfully by Executive from a third party having a lawful right to possess and to release the Information, provided the Executive agrees to promptly notify the Corporation if the Executive suspects that the information possessed by the third party is within the meaning of Information under this Agreement.
- (v) In any judicial proceeding, it will be presumed that the Information constitutes protectable trade secrets, and the Executive will bear the burden of proving that any Information is publicly or rightfully known by the Executive.

- (vi) The Executive will surrender to the Corporation at any time upon request, and upon termination of the Executive's employment with the Corporation for any reason, all written or otherwise tangible documentation representing or embodying the Information, in whatever form, whether or not copyrighted, patented, or protected as a mask work, and any copies or imitations of the Information, whether or not made by the Executive.
 - (vii) The Executive agrees to be available upon request for consultation after termination of employment to provide information and details with respect to any work or activity performed or materials created by the Executive alone or with others during the Executive's employment by the Corporation. The Executive will be reimbursed for these services.
- (b) Any and all creations, developments, discoveries, inventions, works of authorship, enhancements, modifications and improvements, including without limitation computer programs, data bases, data files and the like, (hereinafter collectively referred to as "Development" or "Developments"), whether or not the Developments are copyrightable, patentable, protectable as mask works or otherwise protectable (such as by contract or implied duty), and whether published or unpublished, conceived, invented, developed, created or produced by the Executive alone or with others during the term of the Executive's employment, whether or not during working hours and whether on the Corporation's premises or elsewhere, will be the sole and exclusive property of the Corporation if the Development is:
- (i) connected with the Corporation in any way, or
 - (ii) within the scope of the Executive's duties assigned or implied in accordance with the Executive's position, or
 - (iii) a product, service, or other item which would be in competition with the products or services offered by the Corporation or which is related to the Corporation's products or services, whether presently existing, under development, or under active consideration, or
 - (iv) in whole or in part, the result of the Executive's use of the Corporation's resources, including without limitation personnel, computers, data bases, communications facilities, word processing systems, programs, office facilities or otherwise.

During the term of the Executive's employment with the Corporation and, if the Corporation should then so request, after termination of such employment, the Executive agrees to assign and does hereby assign to the Corporation all rights in the Developments created by the Executive alone or with others during the term of the Executive's employment, and all rights in any trademarks, copyrights, patents, trade secrets and analogous intellectual property rights and any applications for registration for same, of the United States and such foreign countries as the Corporation may designate which are related to the Developments,

including without limitation all accompanying goodwill and the right to sue for infringement or misappropriation and to receive all proceeds related to any judgment or settlement of same. The Executive agrees to execute and deliver to the Corporation any instruments the Corporation deems necessary to vest in the Corporation sole title to and all exclusive rights in the Developments created by the Executive alone or with others during the term of the Executive's employment, and in all related trademarks, copyrights, mask work protection rights, and/or patent rights so created during the term of employment. The Executive agrees to execute and deliver to the Corporation all proper papers for use in applying for, obtaining, maintaining, amending and enforcing all such trademarks, copyrights, patents or such other legal protections as the Corporation may desire. The Executive further agrees to assist fully the Corporation or its nominees in the preparation and prosecution of any trademark, copyright, mask work protection, patent, or trade secret arbitration or litigation. The Executive shall be reimbursed on a reasonable hourly basis consistent with the compensation provided for herein for the Executive's services rendered following termination of employment.

- (c) The Executive's obligations and covenants in this Section 4 will be binding upon the Executive's heirs, legal representatives, successors and assigns.
- (d) The Corporation and the Executive agree that the rights conveyed by this Agreement are of a unique and special nature. The Executive and the Corporation agree that any violation of this Section 4 will result in immediate and irreparable harm to the Corporation and that in the event of any actual or threatened breach or violation of any of the provisions of this Section 4, the Corporation will be entitled as a matter of right to an injunction or a decree of specific performance without bond from any equity court of competent jurisdiction. The Executive waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law. Nothing in this Agreement will be construed as prohibiting the Corporation from pursuing any other remedies at law or in equity available to it for such breach or violation or threatened violation.

5. Medical Insurance or Similar Benefit Plans. If the Executive's employment should terminate under such circumstance as entitles the Executive to receive payments pursuant to Section 3(b) hereof, then, to the extent permitted by applicable law and the medical insurance and benefits policies to which Executive is entitled to participate. Employer shall maintain Executive's paid coverage for health insurance (through the payment of Executive's COBRA (as defined below) premiums) until the earlier to occur of: (a) Executive attaining the age of 65, (b) the date Executive is provided by another employer benefits substantially comparable to the benefits provided by the above-referenced medical plan (which Executive must provide prompt notice with respect thereto to the Employer) or (c) the expiration of the COBRA Continuation Period (as defined below). During the applicable period of coverage described in the foregoing sentence, Executive shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had Executive not been terminated and Employer will have no obligation to pay any benefits to, or premiums on behalf of Executive after such period ends. To the extent that such benefits are available under the above-referenced medical plan and Executive had such coverage immediately prior to

termination of employment, such continuation of benefits for Executive shall also cover Executive's dependents for so long as Executive is receiving benefits under this section. The COBRA Continuation Period for medical insurance under this section shall be deemed to run concurrently with the continuation period federally mandated by COBRA (generally 18 months), or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under the medical plan. For purposes of this Agreement, (a) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and (b) "COBRA Continuation Period" shall mean the continuation period for medical insurance to be provided under the terms of this Agreement which shall commence on the first day of the calendar month following the month in which the date of termination falls and generally shall continue for an 18 month period.

6. Other Employment. In the event of a termination of employment under the circumstances above described in Section 3(b) hereof, the Executive shall have no duty to seek any other employment after termination of the Executive's employment with the Corporation and the Corporation hereby waives and agrees not to raise or use any defense based on the position that the Executive had a duty to mitigate or reduce the amounts due the Executive hereunder by seeking other employment whether suitable or unsuitable and should the Executive obtain other employment, then the only effect of such on the obligations of the Corporation hereunder shall be that the Corporation shall be entitled to credit against any payments which would otherwise be made pursuant to Sections 5(a) or 5(b) hereof, any comparable payments to which the Executive is entitled under the employee benefit plans maintained by the Executive's other employer or employers in connection with services to such employer or employers after termination of the Executive's employment with the Corporation.
7. Stock Awards and Options. If the Executive's employment should terminate under the circumstances described in Section 3(a) hereof, the Executive's rights, if any, with respect to any outstanding Stock Awards and/or Options shall be governed by the plans and any related agreements pursuant to which such Stock Awards and/or Options were granted. If the Executive's employment should terminate under such circumstances as entitle the Executive to receive payments pursuant to Section 3(b) hereof, then, with respect to each outstanding Option or Stock Award which did not immediately vest and/or become exercisable upon the occurrence of a Change-in-Control, such Stock Award or Option shall remain outstanding in accordance with its terms provided that in any event it shall automatically vest upon termination of employment and/or become and remain exercisable at any time after termination of employment until the stated expiration date contained in the grant for such Stock Award or Option, provided that the expiration date of any such Option or Stock Award may not exceed ten years from the date of grant.
8. Noncompetition. During the period of employment of Executive by the Corporation and for five (5) years thereafter, the Executive will not, in any geographic area in which the Corporation is offering its services and products, without the prior written consent of the Corporation:
 - (a) directly or indirectly engage in,

- (b) assist or have an active interest in (whether as proprietor, partner, investor, shareholder, officer, director or any type of principal whatsoever), or
- (c) enter the employ of, or act as agent for, or advisor or consultant to, any person, firm, partnership, association, corporation or business organization, entity or enterprise which is or is about to become directly or indirectly engaged in,

any business which is competitive with any business of the Corporation or any subsidiary or affiliate thereof in which Executive is or was engaged; provided, however, that the foregoing provisions of this paragraph 8 are not intended to prohibit and shall not prohibit Executive from purchasing, for investment, not in excess of 1% of any class of stock or other corporate security of any company which is registered pursuant to Section 12 of the Securities Exchange Act of 1934.

Executive acknowledges that the breach by the Executive of the provisions of this Section 8 would cause irreparable injury to the Corporation, acknowledges and agrees that remedies at law for any such breach will be inadequate and consents and agrees that the Corporation shall be entitled, without the necessity of proof of actual damage, to injunctive relief in any proceedings which maybe brought to enforce the provisions of this Section 8. Executive acknowledges and warrants that the Executive will be fully able to earn an adequate livelihood for the Executive and the Executive's dependents if this Section 8 should be specifically enforced against the Executive and that such enforcement will not impair the Executive's ability to obtain employment commensurate with the Executive's abilities and fully acceptable to the Executive.

If the scope of any restriction contained in this Section 8 is too broad to permit enforcement of such restriction to its full extent, then such restriction shall be enforced to the maximum extent permitted by law and Executive and the Corporation hereby consent and agree that such scope may be judicially modified in any proceeding brought to enforce such restriction.

9. Terms. This Agreement shall be for an initial term of five years commencing on the date hereof. This Agreement shall automatically renew for an additional term of one year commencing on the fifth anniversary of the date hereof and for succeeding additional terms each of one year on each succeeding anniversary thereof until and unless either party sends written notice of non-renewal to the other party at least six months prior to a renewal date; provided, however, that if a Change-in-Control shall occur during the initial or renewed term of this Agreement, then this Agreement shall remain in effect until the second anniversary of the date of the Change-in-Control.

10. Miscellaneous.

- (a) This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania.
- (b) This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and may only be amended or modified by written agreement signed by the parties hereto. The parties acknowledge and agree that this Agreement supersedes, amends and restates in its entirety, renders null and void and terminates that certain Severance Agreement by and between the parties dated December 28, 2007.

- (c) The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner required of the Corporation and to perform it as if no such succession had taken place. Failure of the Corporation to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to terminate employment due to Good Reason for Termination. As used in this Agreement, "Corporation" shall mean the Corporation as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this subsection (c) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.
- (d) This Agreement shall inure to the benefit of and be enforceable by the Executive and the Corporation and their respective legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there be no such designee, to the Executive's estate.
- (e) Any notice or other communication provided for in this Agreement shall be in writing and, unless otherwise expressly stated herein, shall be deemed to have been duly given if mailed by United States registered mail, return receipt requested, postage prepaid, addressed in the case of the Executive to the Executive's office at the Corporation with a copy to the Executive's residence and in the case of the Corporation to its principal executive offices, attention of the Chief Executive Officer.
- (f) No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and approved by resolution of the Board of Directors of the Corporation. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Nothing contained herein shall impair the right of the Corporation to terminate the Executive's employment, subject to making any payments required to be made hereunder.

- (g) The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
- (h) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.
- (i) If litigation should be brought to enforce interpret or challenge any provision contained herein, the prevailing party in such litigation, if any, shall be entitled to its reasonable attorney's fees and disbursements and other costs incurred in such litigation and to interest on any money judgment obtained calculated at the prime rate of interest in effect from time to time at Citizen's Bank, N.A. (or its successor), from the date that the payment should have been made under this Agreement.
- (j) Excise Taxes.
 - (i) For purposes of this subsection 10(j), (1) a Payment shall mean any payment or distribution in the nature of compensation to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise; (2) Agreement Payment shall mean a Payment paid or payable pursuant to this Agreement (disregarding this subsection 10(j)); (3) Net After Tax Receipts shall mean the Present Value of a Payment net of all taxes imposed on the Executive with respect thereto under Sections 1 and 4999 of the Internal Revenue Code of 1986, as amended (the "Code") determined by applying the highest marginal rate under Section 1 of the Code applicable to the Executive's taxable income for such year; (4) "Present Value" shall mean such value determined in accordance with Section 280G(d)(4) of the Code; and (5) "Reduced Amount" shall mean the greatest aggregate amount of Payments, if any, which (x) is less than the sum of all Payments and (y) results in aggregate Net After Tax Receipts which are greater than the Net After Tax Receipts which would result if the aggregate Payments were made.
 - (ii) Anything in this Agreement to the contrary notwithstanding, in the event PriceWaterhouseCoopers L.L.P. (or if PriceWaterhouseCoopers L.L.P. is the audit firm for the Corporation at the time, another accounting firm of nationally recognized standing selected by Executive) (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Payments would meet the definition of a "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, the aggregate Agreement Payments shall be reduced to such Reduced Amount; provided, however, that if the Reduced Amount exceeds the aggregate Agreement Payments, the aggregate Payments shall, after the reduction of all Agreement Payments, be reduced (but not below zero) in the amount of such excess. All determinations made by the Accounting Firm under this Section shall be binding upon the Corporation and the Executive and shall be made within 60 days of the occurrence of an event which requires the Corporation to make payments to the Executive under this Agreement. No later than two

business days following the making of this determination by the Accounting Firm, the Corporation shall pay to or distribute for the benefit of the Executive such Payments as are then due to the Executive under this Agreement and shall promptly pay to or distribute for the benefit of the Executive in the future such Payments as become due to the Executive under this Agreement. The Corporation or its successor shall pay for the work done by the Accounting Firm. In the event that the Accounting Firm is unable or unwilling to make the determinations to be made under this subsection 10(j) or for any reason such determinations are not made within 60 days of the occurrence of the event which requires the Corporation to make payments to the Executive under this Agreement, the Corporation shall make all Payments as are then due to the Executive without reduction no later than two business days following the 60th day after the occurrence of the event which required the Corporation to make payments to the Executive under this Agreement.

- (iii) While it is the intention of the Corporation and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed (“Overpayments”) or that additional amounts which will not have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed (“Underpayment”), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based either upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success or controlling precedent or other substantial authority, determines that an Overpayment has been made, any such Overpayment paid or distributed by the Corporation to or for the benefit of the Executive shall be treated for all purposes as a loan ab initio to the Executive which the Executive shall repay to the Corporation together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such loan shall be deemed to have been made and no amount shall be payable by the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

- (k) The payments to be made under this Agreement are intended to be excepted from coverage under Section 409A (“Section 409A”) of the Code and the regulations promulgated thereunder and shall be construed accordingly. If the Corporation determines in good faith that any amounts to be paid to Executive under this Agreement are subject to Section 409A, the Corporation shall adjust or cause its Affiliate to adjust the form and/or the timing of such payments as determined to be necessary or advisable to be in compliance with Section 409A. If any payment must be delayed to comply with Section 409A, such payment will be paid at the earliest practicable date permitted by Section 409A. Notwithstanding any provision to the contrary, to the extent that any amounts payable hereunder are subject to the requirements of Section 409A and are payable on account of termination of employment, the payment of said amounts will be delayed for a period of six (6) months after the termination date (or, if earlier, the death of the Participant) for any Participant that is a “specified employee” (as defined in Section 409A). Any payment that would otherwise have been due or owing during such six-month period will be paid immediately following the end of the six-month period. ***Notwithstanding any provision of this Agreement to the contrary, Executive acknowledges and agrees that the Corporation and any Affiliate of the Corporation shall not be liable for, and nothing provided or contained in this Agreement will be construed to obligate or cause the Corporation or any Affiliate of the Corporation to be liable for, any tax, interest or penalties imposed on Executive related to or arising with respect to any violation of Section 409A.***

IN WITNESS WHEREOF, this Agreement has been executed on the date first above written.

ATTEST:

BLACK BOX CORPORATION

By: /s/ Vicky Reed

By: /s/ Terry Blakemore

Title: Chief Executive Officer & President

WITNESS:

/s/ Teresa Illinicki

/s/ Kenneth P. Davis

Kenneth P. Davis

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of October 8, 2010 (this "Amendment"), is by and among BLACK BOX CORPORATION OF PENNSYLVANIA, a Delaware corporation, and NORSTAN, INC., a Minnesota corporation, as Borrowers (collectively, the "Borrowers"), BLACK BOX CORPORATION, a Delaware corporation (the "Parent"), the other guarantors to the Credit Agreement (as hereinafter defined) (together with the Parent, the "Guarantors"), the lenders parties to the Credit Agreement (the "Lenders") and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania banking association, as administrative agent for the Lenders (in such capacity, the "Agent").

WITNESSETH:

WHEREAS, the Borrowers, the Guarantors, the Lenders and the Agent are parties to a Third Amended and Restated Credit Agreement, dated as of January 30, 2008 (the "Credit Agreement"), pursuant to which the Lenders have agreed, on the terms and subject to the conditions described therein, to make Loans to the Borrowers; and

WHEREAS, the Borrowers have requested the Lenders and the Agent to make certain changes to the Credit Agreement; and

WHEREAS, the Required Lenders and the Agent are willing to amend the Credit Agreement as set forth below; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows:

1.1. Section 1.01 of the Credit Agreement is hereby amended by adding thereto, in appropriate alphabetical sequence, a new definition of the term "Joint Venture Investment", to read as follows:

"Joint Venture Investment" shall mean an investment by a Loan Party or a Subsidiary of a Loan Party in a Person, which Person will not upon such investment be a Subsidiary of a Loan Party and which Person is in the same business as a Loan Party or a Subsidiary of a Loan Party or a related business (whether such investment is in the form of a loan or advance to such Person, the acquisition or other ownership (beneficially or of record) of stock, bonds, notes or other securities of or partnership (general or limited) or limited liability company interest in, or the making of any capital contribution to or other investment in, such Person), which investment is made pursuant to a written agreement and which is not an investment in securities which are listed for trading on any established trading market.

1.2. The definition of the term “Affiliate” contained in Section 1.01 of the Credit Agreement is hereby amended to read in its entirety as follows:

“Affiliate” of a Person (the “Specified Person”) shall mean any Person which directly or indirectly controls, or is controlled by, or is under common control with, the Specified Person. For purposes of the preceding sentence, “control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise. In addition to, and notwithstanding the generality of, the foregoing two sentences, each Person in which a Loan Party or a Subsidiary of a Loan Party has made a Joint Venture Investment shall be deemed, solely for purposes of Section 7.13, to be an Affiliate of such Loan Party or Subsidiary, as the case may be.

1.3. Section 6.01(e) of the Credit Agreement is hereby amended by adding at the end thereof a new sentence, to read as follows:

The Loan Parties shall include in each Quarterly Compliance Certificate furnished under Section 6.01(d) the aggregate amount of Joint Venture Investments as of the last day of the relevant fiscal quarter, calculated in accordance, and showing compliance, with Section 7.08(c).

1.4.. Section 7.06 of the Credit Agreement is hereby amended by deleting the word “and” at the end of clause (f) of such Section, adding the word “and” at the end of clause (g) of such Section, and inserting at the end of such Section a new clause (h), to read as follows:

(h) Guaranty Equivalents of Indebtedness of any Person in which a Loan Party or a Subsidiary of a Loan Party has an outstanding Joint Venture Investment, in an aggregate amount, for all such Guaranty Equivalents, which does not cause Section 7.08(c) to be violated.

1.5 Section 7.07 of the Credit Agreement is hereby amended by deleting the word “and” at the end of clause (c) of such Section, adding the word “and” at the end of clause (d) of such Section, and inserting at the end of such Section a new clause (e), to read as follows:

(e) Guaranty Equivalents of Indebtedness of any Person in which a Loan Party or a Subsidiary of a Loan Party has an outstanding Joint Venture Investment, in an aggregate amount, for all such Guaranty Equivalents, which does not cause Section 7.08(c) to be violated.

1.6. Section 7.08(a) of the Credit Agreement is hereby amended to read in its entirety as follows:

(a) Capital contributions to, the purchase of interests in, and other investments in any Loan Party and any Subsidiary of a Loan Party (including without limitation a Person that will become a Subsidiary of a Loan Party upon the consummation of such investment), including the repurchase by Parent of its own capital stock;

1.7. Section 7.08(c) of the Credit Agreement is hereby amended to read in its entirety as follows:

(c) So long as no Event of Default or Potential Default shall have occurred and be continuing or shall occur after giving effect thereto (and the Agent shall have received substantially contemporaneous notice of the consummation thereof), Joint Venture Investments in an aggregate cumulative (from October 1, 2010) amount then outstanding which, when added (without double-counting) to the outstanding amount at the time in question of Guaranty Equivalents referred to in Section 7.06(h), does not exceed \$25,000,000. For purposes of this Section 7.08(c), an outstanding amount of a Joint Venture Investment shall be equal to the fair market value of such Joint Venture Investment when made (but not less than the consideration paid therefor), less any amounts received for or on account of such Joint Venture Investment, including, but not limited to, any repayments, dividends, distributions or sale proceeds; provided that the outstanding amount of any Joint Venture Investment shall not be reduced to less than zero.

1.8. Section 7.11(a) of the Credit Agreement is hereby amended to read in its entirety as follows:

(a) Any Acquisition (as defined herein) that satisfies the following conditions: (i) no Event of Default or Potential Default shall have occurred and be continuing or shall occur after giving effect to such Acquisition; (ii) such Acquisition is of a Person in the same or similar line of business as any Loan Party or any Subsidiary of a Loan Party or of assets useful in the business of any Loan Party or any Subsidiary of a Loan Party; (iii) after giving effect to such Acquisition, the unused availability under the Revolving Credit Commitments, in the aggregate, is greater than \$20,000,000; and (iv) if the consideration payable in connection with such Acquisition exceeds \$50,000,000, the consent of the Required Lenders shall have been received;

1.9. Section 7.11 of the Credit Agreement is hereby further amended by redesignating clause (b) as clause (c) and by adding the following as Section 7.11(b):

(b) Joint Venture Investments permitted by Section 7.08(c); and

1.10. Section 7.12 of the Credit Agreement is hereby amended by deleting the word “and” at the end of clause (b) of such Section, adding the word “and” at the end of clause (c) of such Section, and inserting at the end of such Section a new clause (d), to read as follows:

(d) any Joint Venture Investment.

SECTION 2. Conditions to Effectiveness.

2.1. This Amendment shall become effective upon (a) the execution by the Borrowers, the Guarantors, the Required Lenders and the Agent, and delivery to the Agent, of this Amendment and (b) receipt by the Agent of such other certificates, corporate documents and other documents as the Agent may request and (c) the payment by the Borrowers to the Agent for the accounts of the respective Lenders which have signed this Agreement on or prior to October 20, 2010, a fee in an amount equal to twenty basis points times the Revolving Credit Committed Amount of the applicable Lender.

SECTION 3. Miscellaneous.

3.1. Effect of Amendment. The Credit Agreement, as amended by this Amendment, is in all respects ratified, approved and confirmed and shall, as so amended, remain in full force and effect.

3.2. Confirmation of Guaranty. Each of the Guarantors reaffirms the terms and conditions of the Loan Documents executed by it and acknowledges and agrees that such Loan Documents remain in full force and effect and are hereby ratified, reaffirmed and confirmed.

3.3. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to the conflict of law principles thereof.

3.4. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

[Signatures begin on Next Page]

**SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT WITH
BLACK BOX CORPORATION ET AL.**

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Amendment as of the date first above written.

BORROWERS:

BLACK BOX CORPORATION OF
PENNSYLVANIA

By: /s/ Michael McAndrew

Name: Michael McAndrew

Title: Vice President, Secretary and
Treasurer

NORSTAN, INC

By: /s/ Michael McAndrew

Name: Michael McAndrew

Title: Vice President, Secretary and
Treasurer

GUARANTORS:

BLACK BOX CORPORATION and each of
the DOMESTIC SUBSIDIARIES listed on
Annex A attached hereto and made a part
hereof

By: /s/ Michael McAndrew

Name: Michael McAndrew

Title: Secretary
of Black Box Corporation and of each
of the Domestic Subsidiaries listed on
Annex A hereto

**SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT WITH
BLACK BOX CORPORATION ET AL.**

AGENT:

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Debra L. McAllonis

Name: Debra L. McAllonis

Title: Senior Vice President

BANKS:

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Debra L. McAllonis

Name: Debra L. McAllonis

Title: Senior Vice President

WACHOVIA BANK, NATIONAL
ASSOCIATION

By: /s/ Michael J. Gigler

Name: Michael J. Gigler

Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,

By: /s/ D.W. Riefner

Name: D.W. Riefner

Title: S.V.P.

**SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT WITH
BLACK BOX CORPORATION ET AL.**

U. S. BANK NATIONAL ASSOCIATION

By: /s/ Kenneth R. Fieler

Name: Kenneth R. Fieler

Title: Assistant Vice President

BANK OF AMERICA, N. A.

By: /s/ Sandra Guerrieri

Name: Sandra Guerrieri

Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ David A. Wild

Name: David A. Wild

Title: Vice President

FIFTH THIRD BANK

By: /s/ Jim Janovsky

Name: Jim Janovsky

Title: Vice President

**SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT WITH
BLACK BOX CORPORATION ET AL.**

WELLS FARGO BANK, N. A.

By: /s/ Joseph J. Bianchin III

Name: Joseph J. Bianchin III

Title: Vice President

THE BANK OF NEW YORK MELLON

By: /s/ Carl S. Tabacjar, Jr.

Name: Carl S. Tabacjar, Jr.

Title: Vice President

PEOPLE'S UNITED BANK

By: /s/ Francis J. McGinn

Name: Francis J. McGinn

Title: SVP

TD BANK, N.A.

By: /s/ Maria Willner

Name: Maria Willner

Title: SVP

Annex A to First Amendment to Credit Agreement

GUARANTORS

ACS Communications, Inc.
ACS Dataline, LP
ACS Investors, LLC
ACS Partners, LLC
ACS Dataline of the Northwest, Inc.
ADS Telecom, Inc.
Advanced Communications Corporation
Advanced Network Technologies, Inc.
American Telephone Wiring Company
Atimco Network Services, Inc.
B & C Telephone, Inc.
BB Technologies, Inc.
BBox Holding Company
BCS II, LLC
Black Box Network and Electrical Services, Inc.
Black Box Network Services, Inc. - Government Solutions
Cable Consultants, Incorporated
CBS Technologies Corp.
Comm Line, Inc.
Communication Contractors, Inc.
Data Communications 2000, Inc.
Datel Communications, Inc.
Delaney Telecom, Inc.
DESIGNet, Inc.
FBS Communications, L.P.
Integrated Cabling Systems, Inc.
Jet Line Communications, Inc.
K & A Communications, Inc.
Koncepts Communications of L.I., Corp.
Michael Electric, Inc.
Midwest Communications Technologies, Inc.
Midwest Electronics and Communications, Inc.
Milgo Holdings Canada, LLC
Mutual Telecom Services Inc.
Network Communications Technologies, Inc.
NextiraOne California L.P. (executed on behalf of NextiraOne California L.P. by Norstan
Communications, Inc., its general partner
NextiraOne Federal, LLC
NextiraOne New York, LLC
NextiraOne, LLC
Norstan Canada Inc.
Norstan Communications, Inc.
Norstan Financial Services, Inc.
Norstan International, Inc.
Nortech Telecommunications Inc.

Nu-Vision Technologies, Inc.
Nu-Vision Technologies, LLC
NXO Installation, LLC
Quanta Systems, LLC
R & D Services, Inc.
Scottel Voice & Data, Inc.
Teldata Corporation
Telefuture Communications Ltd.
Todd Communications, Inc.
UCI Communications LLC
U.S. Premise Networking Services, Inc.
Vibes Technologies, Inc.

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
ACS Communications, Inc.	ACS Communications, Inc.	Texas
ACS Dataline of the Northwest, Inc.	Black Box Network Services Black Box Network Services — West	Oregon
ACS Investors, LLC	ACS Investors, LLC	Delaware
ACS Dataline, LP	Black Box Network Services Black Box Network Services — West	Texas
ACS Partners, LLC	ACS Partners, LLC	Texas
ADS Telecom, Inc.	Black Box Network Services	Florida
B & C Telephone, Inc.	Black Box Network Services Black Box Network Services — Spokane	Washington
BBox Holding Company	BBox Holding Company	Delaware
Advanced Communications Corporation	Black Box Network Services — South Carolina	South Carolina
Advanced Network Technologies, Inc.	Black Box Network Services — California	California
American Telephone Wiring Company	Black Box Network Services — West Virginia Operations	West Virginia
Atimco Network Services, Inc.	Black Box Network Services — Western Pennsylvania Operations	Pennsylvania
Black Box Corporation of Pennsylvania	Black Box Network Services	Delaware
BB Technologies, Inc.	BB Technologies, Inc.	Delaware
Black Box A/S	Black Box A/S	Denmark
Black Box Canada Corporation	Black Box Canada Corporation	Canada
Black Box Comunicaciones, S.A.	Black Box Comunicaciones, S.A.	Spain
Black Box Datacom B.V.	Black Box Datacom B.V.	Netherlands

<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 Service GmbH	Black Box Netzwerk Service GmbH	Germany
Black Box do Brasil Industria e Comercio Ltda.	Black Box do Brasil Industria e Comercio Ltda.	Brazil
Black Box France	Black Box France	France
Black Box GmbH	Black Box GmbH	Austria
Black Box Holdings Australia Pty. Ltd.	Black Box Holdings Australia Pty. Ltd.	Australia
Black Box Italia S.r.l.	Black Box Italia S.r.l.	Italy
Black Box Network Products NV	Black Box Network Products NV	Belgium
Black Box Network Cabling NV	Black Box Network Cabling NV	Belgium
Black Box Network Design NV	Black Box Network Design NV	Belgium
Black Box Network Services AG	Black Box Network Services AG	Switzerland
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 Network Services Kabushiki Kaisha	Black Box Network Services Kabushiki Kaisha	Japan
Black Box Network Services (UK) Limited	Black Box Network Services (UK) Limited Black Box Network Services (UK) Limited — Northern Ireland	England
Black Box P.R. Corp.	Black Box P.R. Corp.	Puerto Rico
Black Box Network and Electrical Services, Inc.	Black Box Network and Electrical Services, Inc. Allcom Electric	New York
Black Box Network Services, Inc. — Government Solutions	Black Box Network Services, Inc. — Government Solutions	Tennessee
Black Box Ventures Holding Company	Black Box Ventures Holding Company	Delaware

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Cable Consultants, Incorporated	Black Box Network Services — Atlanta	Georgia
Comm Line, Inc.	Black Box Network Services	Ohio
Communication Contractors, Inc.	Black Box Network Services — Chicago	Illinois
Datel Communications, Inc.	Black Box Network Services — Arizona	Arizona
Delaney Telecom, Inc.	Black Box Network Services	Pennsylvania
DESIGNet, Inc.	Black Box Network Services — San Jose	California
Integrated Cabling Systems, Inc.	Black Box Network Services — Nebraska	Nebraska
Jet Line Communications, Inc.	Black Box Network Services — Dallas	Texas
BBC Acquisition, LLC	BBC Acquisition, LLC	Texas
FBS Communications, L.P.	Black Box Network Services — San Antonio	Texas
K & A Communications, Inc.	Black Box Network Services	Missouri
Koncepts Communications of L.I., Corp.	Black Box Network Services — Tristate Operations	New York
LOGOS Communications Systems, Inc.	LOGOS Communications Systems, Inc.	Ohio
Michael Electric, Inc.	Black Box Network Services — New Jersey	New Jersey
Midwest Communications Technologies, Inc.	Black Box Network Services	Ohio
Midwest Electronics and Communications, Inc.	Black Box Network Services — Denver Operations	Colorado
R & D Services, Inc.	Black Box Network Services Black Box Network Services — New England	Massachusetts
Teldata Corporation	Black Box Network Services — Tennessee	Tennessee
Telefuture Communications Ltd.	Black Box Network Services — New Rochelle Office	New York
Todd Communications, Inc.	Black Box Network Services — North Carolina	North Carolina
U.S. Premise Networking Services, Inc.	Black Box Network Services — MN	Minnesota
Black Box AB	Black Box AB	Sweden
Black Box Chile S.A.	Black Box Chile S.A.	Chile

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
Black Box de Mexico, S.A. de C.V.	Black Box de Mexico, S.A. de C.V.	Mexico
Black Box Finland OY	Black Box Finland OY	Finland
Black Box Network Services AB	Black Box Network Services AB	Sweden
Black Box Network Services Corporation	Black Box Network Services Corporation	Taiwan
Black Box Network Services (Dublin) Limited	Black Box Network Services (Dublin) Limited	Ireland
Black Box Network Services Puebla S.A. de C.V.	Black Box Network Services Puebla S.A. de C.V.	Mexico
Black Box Network Services S.r.l.	Black Box Network Services S.r.l.	Italy
Black Box Network Services SDN. BHD.	Black Box Network Services SDN. BHD.	Malaysia
Black Box Network Services Singapore Pte Ltd.	Black Box Network Services Singapore Pte Ltd.	Singapore
Black Box Norge AS	Black Box Norge AS	Norway
Black Box Services Reseaux Mediterranee	Black Box Services Reseaux Mediterranee	France
CBS Technologies Corp.	Black Box Network Services	New York
Consultoria en Redes, S.A. de C.V.	Consultoria en Redes, S.A. de C.V.	Mexico
J.C. Informatica Integral, S.A. de C.V.	J.C. Informatica Integral, S.A. de C.V.	Mexico
Lanetwork Sales Ltd.	Lanetwork Sales Ltd.	Canada
Mutual Telecom Services Inc.	Black Box Network Services	Delaware
Network Communications Technologies, Inc.	Black Box Network Services Black Box Network Services — Charlotte	North Carolina
Norstan, Inc.	Black Box Network Services	Minnesota
Norstan Canada Inc.	Norstan Canada Inc.	Minnesota
Norstan Canada, Ltd./Norstan Canada, Ltee	Black Box Network Services	Canada
Norstan Communications, Inc.	Black Box Network Services	Minnesota

<u>Legal Name</u>	<u>Doing Business As</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
NextiraOne, LLC	Black Box Network Services Black Box Network Services — Illinois Black Box Network Services — Midwest Black Box Network Services — Northeast Black Box Network Services — Northwest Black Box Network Services — South	Delaware
Data Communications 2000, Inc.	Data Communications 2000, Inc.	California
Milgo Holdings Canada, LLC	Milgo Holdings Canada, LLC	Delaware
NextiraOne Canada ULC	NextiraOne Canada ULC	Canada
NextiraOne California L.P.	NextiraOne California L.P.	California
NXO Installation, LLC	NXO Installation, LLC	Delaware
NextiraOne Federal, LLC	Black Box Network Services Black Box Network Services — Federal	Delaware
Quanta Systems, LLC	Black Box Network Services — Federal Security Solutions	Delaware
NextiraOne New York, LLC	Black Box Network Services	Delaware
Vibes Technologies, Inc.	Black Box Resale Services	Minnesota
Norstan Financial Services, Inc.	Norstan Financial Services, Inc.	Minnesota
Norstan International, Inc.	Norstan International, Inc.	Minnesota
Nortech Telecommunications Inc.	Black Box Network Services — Elk Grove	Illinois
Nu-Vision Technologies, Inc.	Black Box Network Services	New York
Nu-Vision Technologies, LLC	Black Box Network Services Black Box Network Services — Oregon	New York
BCS II, LLC	BCS II, LLC	Delaware
Scottel Voice & Data, Inc.	Black Box Network Services Black Box Network Services — Pacific	California
UCI Communications LLC	Black Box Network Services	South Carolina

CERTIFICATION

I, R. Terry Blakemore, 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 change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the 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: February 10, 2011

/s/ R. Terry Blakemore

R. Terry Blakemore
President and 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 change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the 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: February 10, 2011

/s/ Michael McAndrew

Michael McAndrew

Executive Vice President, Chief Financial Officer,
Treasurer and Secretary (Principal Accounting 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 period ended January 1, 2011 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/ R. Terry Blakemore

R. Terry Blakemore
President and Chief Executive Officer
February 10, 2011

/s/ Michael McAndrew

Michael McAndrew
Executive Vice President, Chief Financial Officer,
Treasurer and Secretary (Principal Accounting Officer)
February 10, 2011

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.