BLACK BOX CORP
Form 10-Q
August 08, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended June 30, 2012
OR

| | |
|---|---|
| o | 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 | 95-3086563 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 1000 Park Drive, Lawrence, Pennsylvania | 15055 |
| (Address of principal executive offices) | (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. R Yes o 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). R Yes o 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 o | Accelerated filer R | Non-accelerated filer o (Do not check if a smaller reporting company) | Smaller reporting company o |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes R No
As of August 3, 2012, there were 16,868,801 shares of common stock, par value $.001 (the "common stock"), outstanding.

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BLACK BOX CORPORATION
FOR THE QUARTER ENDED JUNE 30, 2012
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

BLACK BOX CORPORATION
CONSOLIDATED BALANCE SHEETS

| In thousands, except par value | (Unaudited) June 30, 2012 | March 31, 2012* |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $19,847 | $22,444 |
| Accounts receivable, net of allowance for doubtful accounts of $5,620 and $6,273 | 155,297 | 163,888 |
| Inventories, net | 56,825 | 56,956 |
| Costs/estimated earnings in excess of billings on uncompleted contracts | 101,631 | 87,634 |
| Other assets | 23,593 | 22,678 |
| Total current assets | 357,193 | 353,600 |
| Property, plant and equipment, net | 27,491 | 27,109 |
| Goodwill, net | 345,387 | 346,438 |
| Intangibles, net | 123,081 | 126,541 |
| Other assets | 31,941 | 34,335 |
| Total assets | $885,093 | $888,023 |
| Liabilities | | |
| Accounts payable | $68,121 | $71,095 |
| Accrued compensation and benefits | 22,220 | 31,151 |
| Deferred revenue | 33,493 | 35,601 |
| Billings in excess of costs/estimated earnings on uncompleted contracts | 16,634 | 14,315 |
| Income taxes | 3,072 | 2,574 |
| Other liabilities | 35,256 | 32,697 |
| Total current liabilities | 178,796 | 187,433 |
| Long-term debt | 200,804 | 179,621 |
| Other liabilities | 25,051 | 26,585 |
| Total liabilities | $404,651 | $393,639 |
| Stockholders' equity | | |
| Preferred stock authorized 5,000, par value $1.00, none issued | $— | $— |
| Common stock authorized 100,000, par value $.001, 16,933 and 17,480 shares outstanding, 25,897 and 25,730 issued | 26 | 26 |
| Additional paid-in capital | 481,567 | 478,726 |
| Retained earnings | 351,819 | 347,242 |
| Accumulated other comprehensive income | 3,134 | 7,262 |
| Treasury stock, at cost 8,964 and 8,250 shares | (356,104) | (338,872) |
| Total stockholders' equity | $480,442 | $494,384 |
| Total liabilities and stockholders' equity | $885,093 | $888,023 |

* Derived from audited financial statements

See Notes to the Consolidated Financial Statements

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BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three (3) months ended June 30 and July 2 | |
|---|---|---|
| In thousands, except per share amounts | 2012 | 2011 |
| Revenues | | |
| Products | $44,148 | $47,719 |
| On-Site services | 203,689 | 220,707 |
| Total | 247,837 | 268,426 |
| Cost of sales * | | |
| Products | 24,201 | 26,267 |
| On-Site services | 144,362 | 155,578 |
| Total | 168,563 | 181,845 |
| Gross profit | 79,274 | 86,581 |
| Selling, general & administrative expenses | 63,950 | 66,644 |
| Intangibles amortization | 3,464 | 3,059 |
| Operating income | 11,860 | 16,878 |
| Interest expense (income), net | 1,930 | 1,065 |
| Other expenses (income), net | 361 | 292 |
| Income before provision for income taxes | 9,569 | 15,521 |
| Provision for income taxes | 3,637 | 5,898 |
| Net income | $5,932 | $9,623 |
| Earnings per common share | | |
| Basic | $0.34 | $0.54 |
| Diluted | $0.34 | $0.53 |
| Weighted-average common shares outstanding | | |
| Basic | 17,328 | 17,975 |
| Diluted | 17,389 | 18,145 |
| Dividends per share | $0.08 | $0.07 |

* Exclusive of depreciation and intangibles amortization.

See Notes to the Consolidated Financial Statements

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BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

| | Three (3) months ended June 30 and July 2 | |
|---|---|---|
| In thousands, except per share amounts | 2012 | 2011 |
| Net income | $5,932 | $9,623 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | (4,147) | 3,119 |
| Pension | | |
| Actuarial gain (loss), net of taxes of $2 and $2 | 4 | 4 |
| Actuarial gain (loss) reclassified into results of operations, net of taxes of $38 and $37 | 61 | 60 |
| Derivative instruments | | |
| Net change in fair value of cash flow hedges, net of taxes of $108 and $99 | (174) | (159) |
| Amounts reclassified into results of operations, net of taxes of $79 and $116 | 128 | 187 |
| Other comprehensive income (loss) | $(4,128) | $3,211 |
| Comprehensive income | $1,804 | $12,834 |

See Notes to the Consolidated Financial Statements

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BLACK BOX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three (3) months ended June 30 and July 2 | |
|---|---|---|
| In thousands | 2012 | 2011 |
| Operating Activities | | |
| Net income | $5,932 | $9,623 |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities | | |
| Intangibles amortization and depreciation | 4,829 | 4,479 |
| Loss (gain) on sale of property | (22) | (17) |
| Deferred taxes | 1,414 | 2,701 |
| Stock compensation expense | 2,871 | 3,372 |
| Change in fair value of interest-rate swaps | 646 | (912) |
| Changes in operating assets and liabilities (net of acquisitions) | | |
| Accounts receivable, net | 7,846 | 7,513 |
| Inventories, net | (79) | (6,582) |
| Costs/estimated earnings in excess of billings on uncompleted contracts | (14,127) | (3,146) |
| All other assets | (917) | (621) |
| Billings in excess of costs/estimated earnings on uncompleted contracts | 2,346 | 1,842 |
| All other liabilities | (14,109) | (4,650) |
| Net cash provided by (used for) operating activities | $(3,370) | $13,602 |
| Investing Activities | | |
| Capital expenditures | (1,788) | (2,036) |
| Capital disposals | 24 | 18 |
| Acquisition of businesses (payments)/recoveries | 17 | — |
| Prior merger-related (payments)/recoveries | (1,424) | (334) |
| Net cash provided by (used for) investing activities | $(3,171) | $(2,352) |
| Financing Activities | | |
| Proceeds from borrowings | $59,305 | $52,429 |
| Repayment of borrowings | (36,715) | (60,588) |
| Deferred financing costs | — | — |
| Purchase of treasury stock | (17,232) | (1,521) |
| Proceeds from the exercise of stock options | — | — |
| Payment of dividends | (1,224) | (1,075) |
| Net cash provided by (used for) financing activities | 4,134 | (10,755) |
| Foreign currency exchange impact on cash | $(190) | $484 |
| Increase/(decrease) in cash and cash equivalents | $(2,597) | $979 |
| Cash and cash equivalents at beginning of period | $22,444 | $31,212 |
| Cash and cash equivalents at end of period | $19,847 | $32,191 |
| Supplemental cash flow | | |
| Cash paid for interest | $915 | $1,945 |
| Cash paid for income taxes | 1,837 | 4,129 |
| Non-cash financing activities | | |
| Dividends payable | 1,355 | 1,262 |
| Capital leases | — | — |

See Notes to the Consolidated Financial Statements

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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 communications system integrator dedicated to designing, sourcing, implementing and maintaining today's complex communications solutions. The Company's primary service offering is voice communications solutions ("Voice Communications"); the Company also offers premise cabling and other data-related services solutions ("Data Infrastructure") and technology product solutions (“Technology Products”). The Company provides 24/7/365 technical support for all its solutions, which encompass all major voice and data product manufacturers as well as an extensive range of technology products that it sells through its catalog and Internet Web site and its Voice Communications and Data Infrastructure (collectively referred to as "On-Site services") offices. As of June 30, 2012, the Company had more than 3,000 professional technical experts in approximately 200 offices serving more than 175,000 clients in approximately 150 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, 2012 (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 June 30, 2012 and 2011 were June 30, 2012 and July 2, 2011. 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 parent company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain items in the consolidated financial statements of prior years have been reclassified to conform to the current year's presentation.

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.

## Note 2: Significant Accounting Policies

### 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 2013.

### Recent Accounting Pronouncements

There have been no accounting pronouncements adopted during Fiscal 2013 that had a material impact on the Company's consolidated financial statements. There have been no new accounting pronouncements issued but not yet adopted that are expected to have a material impact on the Company's consolidated financial statements.

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Note 3: Inventories

The Company’s Inventories consist of the following:

| | June 30, 2012 | March 31, 2012 |
|---|---|---|
| Raw materials | $1,399 | $1,260 |
| Finished goods | 74,421 | 74,596 |
| Inventory, gross | 75,820 | 75,856 |
| Excess and obsolete inventory reserves | (18,995) | (18,900) |
| Inventory, net | $56,825 | $56,956 |

Note 4: Goodwill

The following table summarizes Goodwill at the Company’s reportable segments:

| | North America | Europe | All Other | Total |
|---|---|---|---|---|
| Goodwill (gross) at March 31, 2012 | $592,608 | $69,383 | $2,244 | $664,235 |
| Accumulated impairment losses at March 31, 2012 | (277,364) | (40,433) | — | (317,797) |
| Goodwill (net) at March 31, 2012 | $315,244 | $28,950 | $2,244 | $346,438 |
| | | | | |
| Currency translation | 7 | (1,018) | (43) | (1,054) |
| Current period acquisitions | — | — | 3 | 3 |
| Prior period acquisitions (see Note 9) | — | — | — | — |
| | | | | |
| Goodwill (gross) at June 30, 2012 | $592,615 | $68,365 | $2,204 | $663,184 |
| Accumulated impairment losses at June 30, 2012 | (277,364) | (40,433) | — | (317,797) |
| Goodwill (net) at June 30, 2012 | $315,251 | $27,932 | $2,204 | $345,387 |

At June 30, 2012, the Company's stock market capitalization was comparable with net book value. Each of the Company's reporting units continues to operate profitably and generate cash flow from operations, and the Company expects that each will continue to do so in Fiscal 2013 and beyond. The Company also believes that a reasonable potential buyer would offer a control premium for the business that would adequately cover any difference between the recent stock trading prices and the book value.

Note 5: Intangible Assets

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

| | June 30, 2012 | | | March 31, 2012 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accum. Amort. | Net Carrying Amount | Gross Carrying Amount | Accum. Amort. | Net Carrying Amount |
| Definite-lived | | | | | | |
| Non-compete agreements | $12,154 | $10,311 | $1,843 | $12,228 | $10,194 | $2,034 |
| Customer relationships | 140,669 | 50,296 | 90,373 | 140,669 | 47,226 | 93,443 |
| Acquired backlog | 20,838 | 17,712 | 3,126 | 20,838 | 17,513 | 3,325 |
| Total | $173,661 | $78,319 | $95,342 | $173,735 | $74,933 | $98,802 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Indefinite-lived Trademarks | 35,992 | 8,253 | 27,739 | 35,992 | 8,253 | 27,739 |
| Total | $209,653 | $86,572 | $123,081 | $209,727 | $83,186 | $126,541 |

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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 the net carrying amounts by Intangible asset class:

| | Trademarks | Non-Competes and Backlog | Customer Relationships | Total |
|---|---|---|---|---|
| Balance at March 31, 2012 | $27,739 | $5,359 | $93,443 | $126,541 |
| Amortization expense | — | (394) | (3,070) | (3,464) |
| Currency translation | — | 4 | — | 4 |
| Current period acquisitions (see Note 9) | — | — | — | — |
| Prior period acquisitions (see Note 9) | — | — | — | — |
| Balance at June 30, 2012 | $27,739 | $4,969 | $90,373 | $123,081 |

Intangibles amortization was $3,464 and $3,059 for the three (3) months ended June 30, 2012 and 2011, respectively.

The following table details the estimated intangibles amortization expense for the remainder of Fiscal 2013, 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 June 30, 2012 that are provisional measurements of fair value and are subject to change pending the outcome of purchase accounting related to certain acquisitions:

| Fiscal | |
|---|---|
| 2013 | $10,425 |
| 2014 | 12,655 |
| 2015 | 11,174 |
| 2016 | 10,759 |
| 2017 | 9,427 |
| Thereafter | 40,902 |
| Total | $95,342 |

Note 6: Indebtedness

The Company’s Long-term debt consists of the following:

| | June 30, 2012 | March 31, 2012 |
|---|---|---|
| Revolving credit agreement | $200,705 | $179,470 |
| Other | 339 | 514 |
| Total debt | $201,044 | $179,984 |
| Less: current portion (included in Other liabilities) | (240) | (363) |
| Long-term debt | $200,804 | $179,621 |

Revolving Credit Agreement

On March 23, 2012, the Company entered into a Credit Agreement (the "Credit Agreement") with Citizens Bank of Pennsylvania, as administrative agent, and certain other lender parties. The Credit Agreement expires on March 23, 2017. Borrowings under the Credit Agreement are permitted up to a maximum amount of $400,000, which includes up to $25,000 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, in each case plus 0% to 0.75% (determined by a leverage ratio based on the Company's consolidated Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA") or (b) a rate per annum equal to the LIBOR rate plus 0.875% to 1.750% (determined by a leverage ratio based on the Company's consolidated EBITDA). The Credit Agreement requires the Company to maintain compliance with certain non-financial and financial covenants

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such as leverage and fixed-charge coverage ratios. As of June 30, 2012, the Company was in compliance with all 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 June 30, 2012 was $207,645, $190,844 and 1.5%, respectively, compared to $192,795, $179,824 and 1.1%, respectively, for the three (3) months ended June 30, 2011.

Unused available borrowings
As of June 30, 2012, the Company had $4,630 outstanding in letters of credit and $194,665 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 period-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 June 30, 2012, 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 $55,460 and will expire within eleven (11) months. There was no hedge ineffectiveness during Fiscal 2013 or Fiscal 2012.

Interest-rate Swaps
On June 15, 2009, the Company entered into a three-year floating-to-fixed interest-rate swap, with an effective date of July 27, 2009, that is based on a three-month LIBOR rate versus a 2.28% fixed rate and has a notional value of $100,000 (which reduced to $50,000 on July 27, 2011). On May 19, 2011, the Company entered into a one-year floating-to-fixed interest-rate swap, with an effective date of July 26, 2011, that is based on a three-month LIBOR rate versus a 0.58% fixed rate and has a notional value of $75,000. On November 15, 2011, the Company entered into a three-year floating-to-fixed interest-rate swap, with an effective start date of July 26, 2012, that is based on a three-month LIBOR rate versus a 1.25% fixed rate and has a notional value of $125,000. As of June 30, 2012, $125,000 of the total variable debt outstanding under the Credit Agreement was effectively converted to a fixed-rate through the interest rate swaps noted above. Each interest-rate swap discussed above does not qualify for hedge accounting and collectively hereinafter referred to as the "interest-rate swaps."

The following tables summarize the carrying amounts of derivative asset/liability and the impact on the Company's Consolidated Statements of Operations:

| | Classification | Asset Derivatives | | Liability Derivatives | |
|---|---|---|---|---|---|
| | | June 30, 2012 | March 31, 2012 | June 30, 2012 | March 31, 2012 |
| Derivatives designated as hedging instruments | | | | | |
| Foreign currency contracts | Other liabilities (current) | $— | $— | $1,353 | $1,272 |
| Foreign currency contracts | Other assets (current) | $171 | $323 | $— | $— |
| Derivatives not designated as hedging instruments | | | | | |
| Interest-rate swaps | Other liabilities (current) | $— | $— | $2,419 | $1,773 |

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| | Classification | Three (3) months ended June 30 2012 | 2011 |
|---|---|---|---|
| Derivatives designated as hedging instruments | | | |
| Gain (loss) recognized in other comprehensive income (effective portion), net of taxes | Other comprehensive income | $(174) | $(159) |
| (Gain) loss reclassified from AOCI into results of operations (effective portion), net of taxes | Selling, general & administrative expenses | $128 | $187 |
| Derivatives not designated as hedging instruments | | | |
| Gain (loss) recognized in results of operations | Interest expense (income), net | $646 | $912 |

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 June 30, 2012, 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 June 30, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Foreign currency contracts | $— | $171 | $— | $171 |
| | Liabilities at Fair Value as of June 30, 2012 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Foreign currency contracts | $— | $1,353 | $— | $1,353 |
| Interest-rate swaps | — | 2,419 | — | 2,419 |
| Total | $— | $3,772 | $— | $3,772 |

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 and Goodwill.

Note 9: Acquisitions

Fiscal 2013
There have been no acquisitions during the three (3) month period ended June 30, 2012.

Fiscal 2012
During the fourth quarter of Fiscal 2012, the Company acquired InnerWireless, Inc. ("InnerWireless"), a privately-held company headquartered in Richardson, TX. InnerWireless is the first Black Box acquisition in the rapidly-growing in-building wireless market and services clients in every industry from healthcare to Fortune 500 enterprises.

During the second quarter of Fiscal 2012, the Company acquired PS Technologies, LLC ("PS Tech"), a privately-held company headquartered in Dayton, OH. PS Tech is the first Black Box acquisition in the rapidly-growing enterprise

video communications market and services clients in the healthcare and government verticals.

The acquisition of InnerWireless and PS Tech, both individually and in the aggregate, did not have a material impact on the Company's consolidated financial statements.

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The fair values of assets acquired and liabilities assumed for InnerWireless and PS Tech 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.

Note 10: Income Taxes

The Company's provision for income taxes was $3,637, an effective tax rate of 38.0% on income before provision for income taxes of $9,569, and provision for income taxes was $5,898, an effective tax rate of 38.0% on income before provision for income taxes of $15,521, for the three (3) months ended June 30, 2012 and 2011, respectively. The effective rate for the three (3) months ended June 30, 2012 of 38.0% differs from the federal statutory rate primarily due to state income taxes and the write-off of certain deferred tax assets related to equity awards partially offset by the reduction of deferred tax liabilities associated with previously-taxed income 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 adjusted for certain discreet items 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.

Fiscal 2011 and Fiscal 2012 remains open to examination by the IRS and Fiscal 2008 through Fiscal 2012 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 June 30, 2012, the Incentive Plan is authorized to issue stock options, restricted stock units and performance shares, among other types of awards, for up to 2,887,728 shares of common stock, par value $0.001 per share (the "common stock").

The Company recognized stock-based compensation expense of $2,871 and $3,372 for the three (3) months ended June 30, 2012 and 2011, respectively. The Company recognized total income tax benefit for stock-based compensation arrangements of $1,055 and $1,237 for the three (3) months ended June 30, 2012 and 2011, respectively. Stock-based compensation expense is recorded in Selling, general & administrative expense within the Company’s Consolidated Statements of Operations.

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.

| | Three (3) months ended June 30 |
|---|---|

| | 2012 | | 2011 | |
|---|---|---|---|---|
| Expected life (in years) | 7.0 | | 4.8 | |
| Risk free interest rate | 0.8 | % | 1.7 | % |
| Annual forfeiture rate | 2.0 | % | 2.1 | % |
| Volatility | 44.6 | % | 45.3 | % |
| Dividend yield | 1.0 | % | 0.7 | % |

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The following table summarizes the Company's stock option activity:

| | Shares (in 000's) | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life (Years) | Intrinsic Value (000's) |
|---|---|---|---|---|
| Outstanding at March 31, 2012 | 2,827 | $ 34.95 | | |
| Granted | 184 | 22.07 | | |
| Exercised | — | — | | |
| Forfeited or expired | (93) | 31.79 | | |
| Outstanding at June 30, 2012 | 2,918 | $ 34.23 | 4.5 | $1,189 |
| Exercisable at June 30, 2012 | 2,559 | $ 35.22 | 3.9 | $2 |

The weighted-average grant-date fair value of options granted during the three (3) months ended June 30, 2012 and 2011 was $9.02 and $12.42, respectively. The intrinsic value of options exercised during the three (3) months ended June 30, 2012 and 2011 was $0 and $0, respectively. The aggregate intrinsic value in the preceding table is based on the closing stock price of the common stock on June 29, 2012 of $28.70.

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

| | Shares (in 000's) | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Non-vested at March 31, 2012 | 382 | $ 12.15 |
| Granted | 184 | 9.02 |
| Forfeited | (19) | 11.36 |
| Vested | (188) | 12.16 |
| Non-vested at June 30, 2012 | 359 | $ 10.57 |

As of June 30, 2012, there was $3,362 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 2.1 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:

| | Shares (in 000's) | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Outstanding at March 31, 2012 | 280 | $ 31.23 |
| Granted | 175 | 22.07 |
| Vested | (167) | 29.25 |
| Forfeited | (6) | 29.55 |
| Outstanding at June 30, 2012 | 282 | $ 26.76 |

The total fair value of shares that vested during the three (3) months ended June 30, 2012 and 2011 was $3,674 and $3,921, respectively.

As of June 30, 2012, there was $6,503 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 2.1 years.

Performance share awards

Performance share awards are subject to one of the performance goals - the Company's Relative Total Shareholder Return ("TSR") Ranking or cumulative Adjusted EBITDA - over a three (3) year period. The Company's Relative TSR Ranking metric is based on the 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 valuation method which includes the following weighted-average assumptions.

| | Three (3) months ended June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Expected volatility | 41.3% | 50.8% |
| Risk free interest rate | 0.4% | 0.9% |
| Dividend yield | 1.0% | 0.7% |

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

| | Shares (in 000's) | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Outstanding at March 31, 2012 | 183 | $ 33.77 |
| Granted | 111 | 22.35 |
| Vested | — | — |
| Forfeited | (11) | 30.98 |
| Outstanding at June 30, 2012 | 283 | $ 29.39 |

The total fair value of shares that vested during the three (3) months ended June 30, 2012 and 2011 was $0 and $1,679, respectively.

As of June 30, 2012, there was $4,430 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 2.2 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 June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Net income | $5,932 | $9,623 |
| Weighted-average common shares outstanding (basic) | 17,328 | 17,975 |
| Effect of dilutive securities from equity awards | 61 | 170 |
| Weighted-average common shares outstanding (diluted) | 17,389 | 18,145 |
| Basic earnings per common share | $0.34 | $0.54 |
| Dilutive earnings per common share | $0.34 | $0.53 |

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 3,039,195 and 2,362,433 non-dilutive equity awards outstanding for the three (3) months ended June 30, 2012 and 2011, respectively, that are not included in the corresponding period Weighted-average common shares outstanding (diluted) computation.

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Note 13: Stockholder's Equity

Accumulated Other Comprehensive Income

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

| | June 30, 2012 | March 31, 2012 |
|---|---|---|
| Foreign currency translation adjustment | $12,899 | $17,046 |
| Derivative instruments, net of tax | (199) | (153) |
| Defined benefit pension, net of tax | (9,566) | (9,631) |
| Accumulated other comprehensive income | $3,134 | $7,262 |

Dividends

The following table presents information about the Company's dividend program:

| Period | Record Date | Payment Date | Rate | Aggregate Value |
|---|---|---|---|---|
| 1Q13 | June 29, 2012 | July 13, 2012 | $0.08 | $1,355 |
| 1Q12 | July 1, 2011 | July 14, 2011 | $0.07 | $1,262 |

While the Company expects to continue to declare quarterly dividends, the payment of future dividends is at the discretion of the Company's Board of Directors (the "Board") and the timing and amount of any future dividends will depend upon earnings, cash requirements and the 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 shall have occurred and is continuing or shall occur as a result thereof. In addition, no distribution or dividend is permitted under the Credit Agreement if such event would violate a consolidated leverage ratio other than regular quarterly dividends not exceeding $15,000 per year.

Common Stock Repurchases

The following table presents information about the Company's common stock repurchases:

| | Three (3) months ended June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Common stock purchased | 714,049 | 45,778 |
| Aggregate purchase price | $17,232 | $1,521 |
| Average purchase price | $24.13 | $33.22 |

During the first quarter of Fiscal 2013, the Company made tax payments of $983 and withheld 44,697 shares of common stock, which were designated as treasury shares, at an average price per share of $21.99, related to share withholding to satisfy employee income taxes due as a result of the vesting in May 2012 of certain restricted stock units. During the first quarter of Fiscal 2012, the Company made tax payments of $1,521 and withheld 45,778 shares of common stock, which were designated as treasury shares, at an average price per share of $33.22, related to share withholding to satisfy employee income taxes due as a result of the vesting in May 2011 of certain restricted stock units and performance shares.

Since the inception of the repurchase program in April 1999 through June 30, 2012, the Company has repurchased 8,856,831 shares of common stock for an aggregate purchase price of $353,118, or an average purchase price per share of $39.87. These shares do not include the treasury shares withheld for tax payments resulting from the vesting of certain restricted stock units and performance shares. As of June 30, 2012, 643,169 shares were available under repurchase programs approved by the Board which includes 1,000,000 shares approved for repurchase by the Board on May 4, 2012. 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. 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 shall have occurred and is continuing or shall occur as a result thereof. In addition, no repurchase of common stock is permitted under the Credit Agreement if such event would violate a consolidated leverage ratio.



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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:

| | Three (3) months ended June 30 | |
|---|---|---|
| | 2012 | 2011 |
| North America | | |
| Revenues | $215,268 | $233,337 |
| Operating income | 9,561 | 13,986 |
| Depreciation | 1,215 | 1,288 |
| Intangibles amortization | 3,458 | 3,049 |
| Assets (as of June 30) | 837,774 | 1,081,123 |
| Europe | | |
| Revenues | $23,642 | $26,354 |
| Operating income | 1,261 | 2,278 |
| Depreciation | 100 | 100 |
| Intangibles amortization | 6 | 9 |
| Assets (as of June 30) | 72,080 | 129,934 |
| All Other | | |
| Revenues | $8,927 | $8,735 |
| Operating income | 1,038 | 614 |
| Depreciation | 50 | 32 |
| Intangibles amortization | — | 1 |
| Assets (as of June 30) | 27,976 | 27,834 |

The sum of the segment revenues, operating income, depreciation and intangibles amortization equals the consolidated revenues, operating income, depreciation and intangibles amortization. The following table reconciles segment assets to total consolidated assets as of June 30, 2012 and 2011:

| | June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Segment assets for North America, Europe and All Other | $937,830 | $1,238,891 |
| Corporate eliminations | (52,737) | (59,979) |
| Total consolidated assets | $885,093 | $1,178,912 |

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

| | Three (3) months ended June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Data Infrastructure | | |
| Revenues | $61,774 | $62,381 |
| Gross profit | 15,585 | 15,648 |
| Voice Communications | | |
| Revenues | $141,915 | $158,326 |
| Gross profit | 43,742 | 49,481 |
| Technology Products | | |
| Revenues | $44,148 | $47,719 |
| Gross profit | 19,947 | 21,452 |

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

Note 15: Commitments and Contingencies

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 material outcome will result.

There has been no other significant or unusual activity during Fiscal 2013.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations("MD&A").

The discussion and analysis for the three (3) months ended June 30, 2012 and 2011 as set forth below in this Part I, 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, 2012 (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 June 30, 2012 and 2011 were June 30, 2012 and July 2, 2011, respectively. References to "Fiscal Year" or "Fiscal" mean the Company’s fiscal year ended March 31 for the year referenced. All dollar amounts are presented in thousands except for per share amounts or unless otherwise noted.

The Company

Black Box is a leading communications system integrator dedicated to designing, sourcing, implementing and maintaining today's complex communications solutions. The Company's primary service offering is voice communications solutions ("Voice Communications"); the Company also offers premise cabling and other data-related services ("Data Infrastructure") and technology product solutions (“Technology Products”). The Company provides 24/7/365 technical support for all its solutions, which encompass all major voice and data product manufacturers as well as an extensive range of technology products that it sells through its catalog and Internet Web

site and its Voice Communications and Data Infrastructure (collectively referred to as "On-Site services") offices. As of June 30, 2012, the Company had more than 3,000 professional technical experts in approximately 200 offices serving more than 175,000 clients in approximately 150 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 Communications, the Company's revenues are primarily generated from the sale and/or installation of new voice communications systems, the maintenance of voice communications systems and moves, adds and changes ("MAC work") as clients' employees change locations or as clients move or remodel their physical space. The Company's diverse portfolio of product offerings allows it to service the needs of its clients independently of the manufacturer that they choose, which it believes is a unique competitive advantage. For the sale of new voice communications 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 communications systems orders often generate an agreement to maintain the voice communications system, which generally ranges from 1-3 years for commercial clients and 3-5 years for government clients. Sales of new voice communications systems and, to a lesser extent, MAC work, are dependent upon general economic growth and the Company's clients' capital spending. On the other hand, revenues from maintenance contracts generally are not dependent on the economy as clients seek to extend the life of their existing equipment and delay capital spending on new voice communications systems. The Company also has government contracts that generate significant revenues and are not as dependent on the overall economic environment as commercial clients. Maintenance and MAC work revenues are also dependent upon the Company's history and relationship with its clients and its long track record of providing high-quality service.

Similarly, the Company's revenues for Data Infrastructure 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 Infrastructure projects can include MAC work, similar to Voice Communications, which is dependent on economic factors that are the same as those factors discussed above in relation to the Voice Communications business.

There is and has been a trend toward convergence of voice and data networks, in each of which the Company has technical expertise which the Company believes is a competitive advantage. Both the Voice Communications and Data Infrastructure businesses generate backlog. At June 30, 2012, 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 $191,633 and relates primarily to Voice Communications and Data Infrastructure.

The Company generates Technology Products revenues from the sale of technology 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 35 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 Technology Products is less impacted by capital spending and more so by general information technology spending. The Company's Technology Products business provides additional distribution and support capabilities along with access to Black Box branded products to both the Voice Communications and Data Infrastructure businesses which provide cost benefits.

The Company services a variety of clients within most major industries, with the highest concentration in government, business services, manufacturing, banking, retail, healthcare and technology. 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 European markets could impact the Company.

Company management ("Management") strives to develop extensive and long-term relationships with high-quality clients as Management believes that satisfied clients 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 targets strategic acquisitions which it believes will deepen its capabilities and expand market opportunity. The Company has completed two (2) strategic acquisitions from April 1, 2011 through June 30, 2012 that have had an impact on the Company’s consolidated financial statements and, more specifically, North America Voice Communications and North America Data Infrastructure for the periods under review. There were no acquisitions during Fiscal 2013. During Fiscal 2012, the Company acquired InnerWireless, Inc. ("InnerWireless") which is its first acquisition in the rapidly-growing in-building wireless market and PS Technologies, LLC ("PS Tech") which is its first acquisition in the rapidly growing enterprise video communications market. 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 Operations beginning on their respective acquisition dates.

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The Company incurs certain expenses such as the amortization of intangible assets on acquisitions, restructuring expense and the change in fair value of the interest-rate swaps that it excludes when evaluating the continuing operations of the Company. The following table summarizes those expenses and the impact on Operating income and Income before provision for income taxes for the periods presented:

| | Three (3) months ended June 30 | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| Amortization of intangible assets on acquisitions | $3,458 | | $3,049 | |
| Restructuring expense | 1,980 | | 445 | |
| Impact on Operating income | $(5,438 | ) | $(3,494 | ) |
| Change in fair value of the interest-rate swaps | 646 | | (912 | ) |
| Impact on Income before provision for income taxes | $(6,084 | ) | $(2,582 | ) |

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 June 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2011 | | |
| | $ | % of total revenue | | $ | % of total revenue | |
| Revenues | | | | | | |
| North America | $215,268 | 86.9 | % | $233,337 | 86.9 | % |
| Europe | 23,642 | 9.5 | % | 26,354 | 9.8 | % |
| All Other | 8,927 | 3.6 | % | 8,735 | 3.3 | % |
| Total | $247,837 | 100 | % | $268,426 | 100 | % |
| Operating income | | | | | | |
| North America | $9,561 | | | $13,986 | | |
| % of North America revenues | 4.4 | % | | 6.0 | % | |
| Europe | $1,261 | | | $2,278 | | |
| % of Europe revenues | 5.3 | % | | 8.6 | % | |
| All Other | $1,038 | | | $614 | | |
| % of All Other revenues | 11.6 | % | | 7.0 | % | |
| Total | $11,860 | 4.8 | % | $16,878 | 6.3 | % |

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

| | Three (3) months ended June 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2011 | | |
| | $ | % of total revenue | | $ | % of total revenue | |
| Revenues | | | | | | |
| Data Infrastructure | $61,774 | 24.9 | % | $62,381 | 23.2 | % |
| Voice Communications | 141,915 | 57.3 | % | 158,326 | 59.0 | % |
| Technology Products | 44,148 | 17.8 | % | 47,719 | 17.8 | % |
| Total | $247,837 | 100 | % | $268,426 | 100 | % |
| Gross profit | | | | | | |
| Data Infrastructure | $15,585 | | | $15,648 | | |
| % of Data Infrastructure revenues | 25.2 | % | | 25.1 | % | |
| Voice Communications | $43,742 | | | $49,481 | | |
| % of Voice Communications revenues | 30.8 | % | | 31.3 | % | |
| Technology Products | $19,947 | | | $21,452 | | |
| % of Technology Products revenues | 45.2 | % | | 45.0 | % | |
| Total | $79,274 | 32.0 | % | $86,581 | 32.3 | % |

Three (3) months ended June 30, 2012 ("1Q13") compared to three (3) months ended June 30, 2011 ("1Q12"):

Total Revenues

Total revenues for 1Q13 were $247,837, a decrease of 8% compared to total revenues for 1Q12 of $268,426. The Acquired Companies contributed incremental revenue of $14,139 and $0 for 1Q13 and 1Q12, respectively. Excluding the effects of the acquisitions and the negative exchange rate impact of $2,537 in 1Q13 relative to the U.S. dollar, total revenues would have decreased 12% from $268,426 in 1Q12 to $236,235 in 1Q13 for the reasons discussed below.

Revenues by Geography

North America

Revenues in North America for 1Q13 were $215,268, a decrease of 8% compared to revenues for 1Q12 of $233,337. The Acquired Companies contributed incremental revenue of $14,139 and $0 for 1Q13 and 1Q12, respectively. Excluding the effects of the acquisitions and the negative exchange rate impact of $253 in 1Q13 relative to the U.S. dollar, North American revenues would have decreased 14% from $233,337 in 1Q12 to $201,382 in 1Q13. The Company believes that this decrease was primarily due to decreased activity for Voice Communications within the government revenue vertical primarily caused by delays in funding as well as project and task order initiation and for Data Infrastructure within the business services, financial services, retail services and manufacturing revenue verticals along with relatively comparable activity for Technology Products.

Europe

Revenues in Europe for 1Q13 were $23,642, a decrease of 10% compared to revenues for 1Q12 of $26,354. Excluding the negative exchange rate impact of $2,226 in 1Q13 relative to the U.S. dollar, European revenues would have decreased 2% from $26,354 in 1Q12 to $25,868 in 1Q13. The Company believes this decrease was primarily due a general decrease in activity for its Technology Products partially offset by a general increase in activity for Data

Infrastructure.

All Other
Revenues for All Other for 1Q13 were $8,927, an increase of 2% compared to revenues for 1Q12 of $8,735. Excluding the negative exchange rate impact of $58 in 1Q13 relative to the U.S. dollar, All Other revenues would have increased 3% from $8,735 in 1Q12 to $8,985 in 1Q13.



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Revenue by Service Type

Data Infrastructure

Revenues from Data Infrastructure for 1Q13 were $61,774, a decrease of 1% compared to revenues for 1Q12 of $62,381. The Acquired Companies contributed incremental revenue of $8,031 and $0 for 1Q13 and 1Q12, respectively. Excluding the effects of the acquisitions and the negative exchange rate impact of $881 in 1Q13 relative to the U.S. dollar for international Data Infrastructure, Data Infrastructure revenues would have decreased 12% from $62,381 in 1Q12 to $54,624 in 1Q13. The Company believes that this decrease was primarily due to decreased activity in North America within the business services, financial services, retail services and manufacturing revenue verticals partially offset by a general increase in activity in Europe.

Voice Communications

Revenues from Voice Communications for 1Q13 were $141,915, a decrease of 10% compared to revenues for 1Q12 of $158,326. The Acquired Companies contributed incremental revenue of $6,108 and $0 for 1Q13 and 1Q12, respectively. Excluding the effects of the acquisitions, Voice Communications revenues would have decreased 14% from $158,326 in 1Q12 to $135,807 in 1Q13. The Company believes that this decrease was primarily due to decreased activity within the government revenue vertical primarily caused by delays in funding as well as project and task order initiation. There was no exchange rate impact on Voice Communications revenues as all of the Company’s Voice Communications revenues are denominated in U.S. dollars.

Technology Products

Revenues from Technology Products for 1Q13 were $44,148, a decrease of 7% compared to revenues for 1Q12 of $47,719. Excluding the negative exchange rate impact of $1,656 in 1Q13 relative to the U.S. dollar for international Technology Products, Technology Products revenues would have decreased 4% from $47,719 in 1Q12 to $45,804 in 1Q13. The Company believes this decrease was primarily due to a decrease in government spending in North America and a general decrease in activity in Europe.

Gross profit

Gross profit for 1Q13 was $79,274, a decrease of 8% compared to gross profit for 1Q12 of $86,581. Gross profit as a percent of revenues for 1Q13 was 32.0%, a decrease of 0.3% compared to Gross profit as a percent of revenues for 1Q12 of 32.3%. The Company believes the percentage decrease was due primarily to competitive pricing pressure for projects in Voice Communications partially offset by a percentage increase in Technology Products primarily due to product mix and a percentage increase in Data Infrastructure primarily due to a higher gross profit as a percent of revenues from the Acquired Companies partially offset by an unusual cost overrun during 1Q13. The dollar decrease was primarily due to the decrease in revenues.

Gross profit for Data Infrastructure for 1Q13 was $15,585, or 25.2% of revenues, compared to gross profit for 1Q12 of $15,648, or 25.1% of revenues. Gross profit for Voice Communications for 1Q13 was $43,742, or 30.8% of revenues, compared to gross profit for 1Q12 of $49,481, or 31.3% of revenues. Gross profit for Technology Products for 1Q13 was $19,947, or 45.2% of revenues, compared to gross profit for 1Q12 of $21,452, or 45.0% 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 1Q13 were $63,950, a decrease of 4% compared to Selling, general & administrative expenses for 1Q12 of $66,644. Selling, general & administrative expenses as a percent of revenues for 1Q13 were 25.8%, an increase of 1.0%, compared to Selling, general & administrative expenses as a percent of revenues for 1Q12 of 24.8%. The decrease in Selling, general & administrative expenses was primarily due to the impact of the Company's continued effort to provide an efficient cost structure and a decrease in stock-based compensation expense of $501, partially offset by additional operating expenses for the Acquired Companies of $3,215 and restructuring expense of $1,535. The increase in Selling, general & administrative expenses as a percent of

revenue over the prior year was primarily team member costs related to bid proposals for upcoming projects and staffing to support expected awards and an increase in restructuring expense discussed above partially offset by the decrease in stock-based compensation expense discussed above.

Selling, general & administrative expenses generally include expenses for sales and marketing, engineering, product management, centers of excellence and corporate expenses. Many of these expenses do not change significantly with changes in revenue.

Intangibles amortization

Intangibles amortization for 1Q13 was $3,464, an increase of 13% compared to Intangibles amortization for 1Q12 of $3,059. The increase was primarily attributable to the addition of intangible assets from acquisitions completed subsequent to the first quarter of Fiscal 2012 partially offset by the amortization run-out for certain intangible assets.

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Operating income

As a result of the foregoing, Operating income for 1Q13 was $11,860, a decrease of 30% compared to Operating income for 1Q12 of $16,878 and Operating income as a percent of revenues for 1Q13 was 4.8%, a decrease of 1.5% compared to Operating income as a percent of revenues for 1Q12 of 6.3%.

Interest expense (income), net

Interest expense for 1Q13 was $1,930, an increase of 81% compared to Interest expense for 1Q12 of $1,065. Interest expense as a percent of revenues for 1Q13 was 0.8%, an increase of 0.4% compared to Interest expense as a percent of revenues for 1Q12 of 0.4%. The Company’s interest-rate swaps (as defined below) contributed a loss of $646 and a gain of $912 for 1Q13 and 1Q12, respectively, due to the change in fair value.

Excluding the Company's interest-rate swaps, the decrease in Interest expense is primarily due to a decrease in fixed settlements on the interest rate swaps caused by a reduction in the weighted-average swap rate partially offset by increases in the weighted-average interest rate from 1.1% for 1Q12 to 1.5% for 1Q13 and in the weighted-average outstanding debt from $179,824 for 1Q12 to $190,844 for 1Q13.

Provision for income taxes

The tax provision for 1Q13 was $3,637, an effective tax rate of 38.0%. This compares to the tax provision for 1Q12 of $5,898, an effective tax rate of 38.0%. 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 1Q13 was $5,932, a decrease of 38% compared to Net income for 1Q12 of $9,623 and Net income as a percent of revenues for 1Q13 was 2.4%, a decrease of 1.2% compared to Net income as a percent of revenues for 1Q12 of 3.6%.

Liquidity and Capital Resources

Operating Activities

Net cash used for operating activities during 1QYTD13 was $3,370. Significant factors contributing to the source of cash were: net income of $5,932 inclusive of non-cash charges of $4,829 and $2,871 for amortization/depreciation expense and stock compensation expense, respectively, as well as a decrease in trade accounts receivable of $7,846 and an increase in billings in excess of costs of $2,346. Significant factors contributing to the use of cash were: an increase in costs in excess of billings of $14,127 (primarily due to large contracts where contract billing terms do not necessarily coincide with percentage-of-completion revenue recognition) and decreases in accrued compensation, trade accounts payable and deferred revenue of $8,732 (primarily due to the payment of Fiscal 2012 year-end bonuses and incentive compensation during 1Q13), $2,672 and $2,068, respectively. Changes in the above accounts are based on average Fiscal 2013 exchange rates.

Net cash provided by operating activities during 1QYTD12 was $13,602. Significant factors contributing to the source of cash were: net income of $9,623 inclusive of non-cash charges of $4,479 and $3,372 for amortization/depreciation expense and stock compensation expense, respectively, and deferred taxes of $2,701, as well as increases in billings in excess of costs of $1,842 and trade accounts payable of $10,665 and a decrease in trade accounts receivable of $7,513. Significant factors contributing to the use of cash were: increases in inventory and costs in excess of billings of $6,582

and $3,146, respectively, as well as decreases in accrued compensation and benefits of $11,254 (primarily due to the payment of Fiscal 2011 year-end bonuses and incentive compensation during 1Q12), accrued expenses of $1,927 and deferred revenue of $2,059. Changes in the above accounts are based on average Fiscal 2012 exchange rates.

As of June 30, 2012 and 2011, the Company had Cash and cash equivalents of $19,847 and $32,191, respectively, working capital of $178,397 and $173,610, respectively, and a current ratio of 2.0 and 1.9, 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.

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Investing Activities
Net cash used for investing activities during 1QYTD13 was $3,171. Significant factors contributing to the use of cash were: $1,788 for gross capital expenditures and $1,424 for acquisition activity.

Net cash used for investing activities during 1QYTD12 was $2,352. Significant factors contributing to the use of cash were: $2,036 for gross capital expenditures and $334 for acquisition activity.

Financing Activities
Net cash provided by financing activities during 1QYTD13 was $4,134. Significant factors contributing to the source of cash were: $22,590 of net borrowings on long-term debt. Significant factors contributing to the use of cash were: $17,232 for the purchase of treasury stock (including $983 for the purchase of treasury stock related to the vesting in May 2012 of certain restricted stock units) and $1,224 for the payment of dividends.

Net cash used for financing activities during 1QYTD12 was $10,755. Significant factors contributing to the use of cash were: $8,159 of net payments on long-term debt, $1,521 for the purchase of treasury stock related to the vesting in May 2011 of certain restricted stock units and performance shares and $1,075 for the payment of dividends.

Total Debt
Revolving Credit Agreement – On March 23, 2012, the Company entered into a Credit Agreement (the "Credit Agreement") with Citizens Bank of Pennsylvania, as administrative agent, and certain other lender parties. The Credit Agreement expires on March 23, 2017. Borrowings under the Credit Agreement are permitted up to a maximum amount of $400,000, which includes up to $25,000 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, in each case plus 0% to 0.75% (determined by a leverage ratio based on the Company's consolidated Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA")) or (b) a rate per annum equal to the LIBOR rate plus 0.875% to 1.750% (determined by a leverage ratio based on the Company's consolidated 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 June 30, 2012, the Company was in compliance with all covenants under the Credit Agreement.

As of June 30, 2012, the Company had total debt outstanding of $201,044. Total debt was comprised of $200,705 outstanding under the Credit Agreement and $339 of obligations under capital leases and various other third-party, non-employee loans. 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 June 30, 2012 was $207,645, $190,844 and 1.5%, respectively, compared to $192,795, $179,824 and 1.1%, respectively, for the three (3) months ended June 30, 2011.

As of June 30, 2012, the Company had $4,630 outstanding in letters of credit and $194,665 in unused commitments under the Credit Agreement.

Dividends

The following table presents information about the Company's dividend program:

| Period | Record Date | Payment Date | Rate | Aggregate Value |
| --- | --- | --- | --- | --- |
| 1Q13 | June 29, 2012 | July 13, 2012 | $0.08 | $1,355 |
| 1Q12 | July 1, 2011 | July 14, 2011 | $0.07 | $1,262 |

While the Company expects to continue to declare quarterly dividends, the payment of future dividends is at the discretion of the Company's Board of Directors (the "Board") and the timing and amount of any future dividends will depend upon earnings, cash requirements and the financial condition of the Company. Under the New Credit Agreement, the Company is permitted to make any distribution or dividend as long as no Event of Default or Potential Default shall have occurred and is continuing or shall occur as a result thereof. In addition, no distribution or dividend is permitted under the Credit Agreement if such event would violate a consolidated leverage ratio other than regular quarterly dividends not exceeding $15,000 per year.

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Common Stock Repurchases

The following table presents information about the Company's common stock repurchases:

| | Three (3) months ended June 30 | |
|---|---|---|
| | 2012 | 2011 |
| Common Stock purchased | 714,049 | 45,778 |
| Aggregate purchase price | $17,232 | $1,521 |
| Average purchase price | $24.13 | $33.22 |

During the first quarter of Fiscal 2013, the Company made tax payments of $983 and withheld 44,697 shares of common stock, which were designated as treasury shares, at an average price per share of $21.99, related to share withholding to satisfy employee income taxes due as a result of the vesting in May 2012 of certain restricted stock units. During the first quarter of Fiscal 2012, the Company made tax payments of $1,521 and withheld 45,778 shares of common stock, which were designated as treasury shares, at an average price per share of $33.22, related to share withholding to satisfy employee income taxes due as a result of the vesting in May 2011 of certain restricted stock units and performance shares.

Since the inception of the repurchase program in April 1999 through June 30, 2012, the Company has repurchased 8,856,831 shares of common stock for an aggregate purchase price of $353,118, or an average purchase price per share of $39.87. These shares do not include the treasury shares withheld for tax payments resulting from the vesting in May 2011 and May 2010 of certain restricted stock units and performance shares. As of June 30, 2012, 643,169 shares were available under repurchase programs approved by the Board which includes 1,000,000 shares approved for repurchase by the Board on May 4, 2012. 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. There can be no assurance as to the timing or amount of such repurchases. Under the New Credit Agreement, the Company is permitted to repurchase its common stock as long as no Event of Default or Potential Default shall have occurred and is continuing or shall occur as a result thereof. In addition, no repurchase of common stock is permitted under the New Credit Agreement if such event would violate a consolidated leverage ratio.

Legal Proceedings

See 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

At June 30, 2012, the Company's stock market capitalization was comparable with net book value. Each of the Company's reporting units continues to operate profitably and generate cash flow from operations, and the Company expects that each will continue to do so in Fiscal 2013 and beyond. The Company also believes that a reasonable potential buyer would offer a control premium for the business that would adequately cover any difference between the recent stock trading prices and the book value.

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. 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 2013.

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Impact of Recently Issued Accounting Pronouncements

There have been no accounting pronouncements adopted during Fiscal 2013 that had a material impact on the Company's consolidated financial statements. There have been no new accounting pronouncements issued but not yet adopted that are expected to have a material 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 the Company's product and services offerings, 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, government budgetary constraints 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 June 30, 2012, the Company had total long-term obligations of $200,705 under the Credit Agreement. Of the outstanding debt, $125,000 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 $75,705 was in variable rate obligations. As of June 30, 2012, 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 $187 ($116 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 June 15, 2009, the Company entered into a three-year floating-to-fixed interest-rate swap, with an effective date of July 27, 2009, that is based on a three-month LIBOR rate versus a 2.28% fixed rate and has a notional value of $100,000 (which reduced to $50,000 on July 27, 2011). On May 19, 2011, the Company entered into a one-year floating-to-fixed interest-rate swap, with an effective date of July 26, 2011, that is based on a three-month LIBOR rate versus a 0.58% fixed rate and has a notional value of $75,000. On November 15, 2011, the Company entered into a three-year floating-to-fixed interest-rate swap, with an effective start date of July 26, 2012, that is based on a three-month LIBOR rate versus a 1.25% fixed rate and has a notional value of $125,000. 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 Operations.

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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 Operations. 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 Operations.

As of June 30, 2012, 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 0.94 to 1.03 Australian dollar, 1.00 to 1.04 Canadian dollar, 5.57 to 5.92 Danish krone, 0.73 to 0.80 Euro, 13.51 to 13.51 Mexican peso, 5.86 to 6.08 Norwegian kroner, 0.64 to 0.65 British pound sterling, 6.79 to 7.25 Swedish krona, 0.95 to 0.96 Swiss franc and 81.23 to 81.34 Japanese yen, all per U.S. dollar. The total open contracts had a notional amount of $55,460 and will expire within eleven (11) 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 June 30, 2012. Based upon this assessment, Management has concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2012 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 acquisitions of PS Tech and InnerWireless during Fiscal 2012. PS Tech and InnerWireless represent approximately 2% and 4%, respectively, of the Company's total assets as of June 30, 2012. Management’s assessment and conclusion on the effectiveness of the Company’s disclosure controls and procedures as of June 30, 2012 excludes an assessment of the internal control over financial reporting of PS Tech and InnerWireless.

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.

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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 |
|---|---|---|---|---|
| April 1, 2012 to April 29, 2012 | — | $— | — | 312,521 |
| April 30, 2012 to May 27, 2012 | 185,000 [1] | $22.06 | 185,000 | 1,127,521 |
| May 28, 2012 to June 30, 2012 | 484,352 | $25.12 | 484,352 | 643,169 |
| Total | 669,352 | $24.28 | 669,352 | 643,169 |

[1] Does not include 44,697 shares of common stock designated as treasury shares withheld to satisfy employee income taxes due as a result of the vesting in May 2012 of certain restricted stock units.

As of June 30, 2012, 643,169 shares, which includes 1,000,000 shares approved for repurchase by the Board on May 4, 2012, were available under repurchase programs approved by the Board and announced on November 11, 2003, August 10, 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. 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 shall have occurred and is continuing or shall occur as a result thereof. In addition, no repurchase of common stock is permitted under the Credit Agreement if such event would violate a consolidated leverage ratio.

Item 6. Exhibits.

| Exhibit Number | Description |
|---|---|
| 10.1 | Description of Fiscal 2013 Annual Incentive Plan (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) |

| | |
|---|---|
| 101 | Interactive Data File [2] |

(1) Filed herewith.

(2) In accordance with Rule 406T of Regulation S-T promulgated by the SEC, Exhibit 101 is deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Exchange Act and otherwise is not subject to liability under these sections.

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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

Date: August 8, 2012

/s/ MICHAEL MCANDREW

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

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EXHIBIT INDEX

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| 101 | Interactive Data File (2) |

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