

TECH DATA CORP
Form 8-K
March 02, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report: February 25, 2005

(Date of earliest event reported)

TECH DATA CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State of Incorporation)

0-14625
(Commission File Number)

59-1578329
(IRS employer

Identification No.)

5350 Tech Data Drive

Clearwater, Florida, 33760

(Address of principal executive offices)

Edgar Filing: TECH DATA CORP - Form 8-K

727-539-7429

(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement.

On February 25, 2005, the Board of Directors of Tech Data Corporation (the Company) approved the acceleration of vesting for all stock options awarded in March 2004 to employees and officers under the Company s stock option award program. While the Company typically issues options that vest equally over four years, as a result of this vesting acceleration, stock options to purchase approximately 1.5 million shares of the Company s common stock became immediately exercisable. The grant prices of the affected stock options range from \$41.08 to \$41.64 and the closing price of the Company s common stock on February 24, 2005, was \$41.20.

The primary purpose of the accelerated vesting is to eliminate future compensation expense the Company would otherwise recognize in its income statement with respect to these accelerated options upon the adoption of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* (SFAS 123R). SFAS 123R is effective from the first interim period that begins after June 15, 2005, and will require that compensation expense associated with stock options be recognized in the income statement, rather than as a footnote disclosure in the Company s consolidated financial statements. The estimated future compensation expense associated with these accelerated options that would have been recognized in the Company s income statement upon implementation of SFAS 123R is approximately \$20 million.

Item 9.01. Financial Statements and Exhibits

a) Exhibits

Exhibit 99.1 Press Release dated February 28, 2005.

SIGNATURES

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.

February 25, 2005

/s/ JEFFERY P. HOWELLS

Jeffery P. Howells
Executive Vice President &
Chief Financial Officer
Tech Data Corporation