

AVX CORP
Form 11-K
August 18, 2006

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

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 1-7201

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina**

Plan number: 001

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

**AVX Corporation
(AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina)
3900 Electronics Drive
Raleigh, North Carolina 27604**

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
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December 31, 2003 and 2002**

Report of Independent Registered Public Accounting Firm

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Supplemental Schedule

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Exhibit

23.1 Consent of PricewaterhouseCoopers LLP

Note: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of AFGWU Local 1028 401(k) Retirement Plan for Employees of AVX Corporation in Raleigh, North Carolina (the "Plan") at December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) at December 31, 2003 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

Atlanta, Georgia
August 11, 2006

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Statements of Net Assets Available for Benefits
December 31, 2003 and 2002**

	2003	2002
Assets		
Investments, at fair value		
	\$	\$
Mutual funds	3,118,358	2,239,196
Common/collective trust	2,134,979	1,804,710
Common stock of sponsor and affiliate	492,731	414,752
Participant loans	517,413	573,016
Total investments	6,263,481	5,031,674
Receivables		
Participant contributions	48,883	45,933
Employer contributions	123,064	127,937
Other receivable	16,071	-
Total receivables	188,018	173,870
Total assets	6,451,499	5,205,544
Liabilities		
Accrued administrative expenses	4,231	8,423
Total liabilities	4,231	8,423
	\$	\$
Net assets available for benefits	6,447,268	5,197,121

The accompanying notes are an integral part of these financial statements.

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2003**

	2003
Additions to net assets attributed to	
Investment income	
Net appreciation in fair value of investments	\$ 640,093
Interest and dividends	180,199
Total investments	820,292
Contributions	
Participant	502,703
Employer	313,443
Total contributions	816,146
Other income	16,071
Total additions	1,652,509
Deductions from net assets attributed to	
Benefits paid to participants and employee withdrawals	379,027
Administrative expenses	23,335
Total deductions	402,362
Net increase	1,250,147
Net assets available for plan benefits	
Beginning of year	5,197,121
	\$
End of year	6,447,268

The accompanying notes are an integral part of these financial statements.

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Notes to Financial Statements
December 31, 2003 and 2002**

1. Description of the Plan

The following description of the AFGWU Local 1028 401(k) Retirement Plan for Employees of AVX Corporation in Raleigh, North Carolina (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General and Eligibility

The Plan, which was adopted July 1, 1995, is a defined contribution plan established to provide retirement benefits to the employees of the AVX Corporation (the "Company" and the Plan sponsor) who are members of the AFGWU Local 1028 Union and have worked 90 days. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 20% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan currently offers various mutual funds, a common/collective trust and common stock of Kyocera Corporation and AVX Corporation as investment options for participants. The Company contributes a matching contribution on participant deferrals of up to 5% of compensation that a participant contributes to the Plan as follows:

Participant Contribution	Company Matching Contribution
1%	0.667% of compensation
2%	1.334% of compensation
3%	2.000% of compensation
4%	2.500% of compensation
5%	3.000% of compensation

Each year the Company also makes a fixed contribution to the Plan equal to 1% of each participant's annual compensation. Additional contributions are made for members with 20 years or more of service as of July 1, 1995. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (1) the Company's contribution and (2) plan earnings less an allocation of administrative expenses. Allocations are based on participant contributions and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled to

is that amount which can be provided from the participant's vested account.

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**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Notes to Financial Statements
December 31, 2003 and 2002**

Vesting

Participants are vested immediately in their contributions and employer matching contributions plus actual earnings thereon. Vesting in the Company's fixed contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after five years of qualifying service.

Participant Loans

Plan participants may borrow from their individual account balance in the Plan. A participant may have a maximum of two loans outstanding. A participant must have a minimum of \$5,000 account balance in order to receive a loan and the minimum loan amount permitted by the Plan is \$1,000. The maximum allowable loan from the Plan is 50% of the participant's vested account balance and may not exceed \$50,000. Loans bear interest at a rate determined by the Plan Committee; at December 31, 2003 the rate is 7% annually. All principal and interest repayments are credited to the individual participant's account.

Payment of Benefits

Benefits under the Plan are payable after termination of service or retirement in an amount equal to the vested interest in the participant's account. Benefits are paid as a lump sum or a payout as elected by the Plan participant. For participants terminating employment with vested balances less than \$5,000, the value of their vested balance is paid in one lump-sum.

Forfeitures

For the Plan year in which the forfeiture occurs, amounts of forfeitures shall be used to first reduce the Company's matching contributions and then to reduce the Company's fixed contribution. During the year ended December 31, 2003, there were no forfeitures used to reduce either matching or fixed contributions.

Administrative Expenses

The costs to administer the Plan are paid by the Plan and allocated to participants' accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting year. Actual results could differ from those estimates.

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Notes to Financial Statements
December 31, 2003 and 2002**

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. The common/collective trust is valued daily at the closing net asset value (or unit value) per share. The sponsor and affiliate common stocks are valued at quoted market prices as reported on a nationally recognized exchange. Participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded in the period earned. Dividends are recorded on the ex-dividend date.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

3. Investments

The fair value of individual investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2003 and 2002, are as follows:

	2003	2002
	\$	\$
Merrill Lynch Retirement Preservation Trust	2,134,979	1,804,710
Merrill Lynch Balanced Capital Fund	700,069	523,109
Merrill Lynch Global Allocation Fund	622,315	416,266
Merrill Lynch Core Bond Fund	465,751	437,288
Merrill Lynch S&P 500 Index Fund	338,431	-
Van Kampen Comstock Fund A	718,228	456,253
Kyocera Corporation Common Stock	415,073	371,406
Participant Loans	517,413	573,016
	\$	\$
	5,912,259	4,582,048

During 2003, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$640,093 as follows:

	\$
AVX Corporation Common Stock	31,425
Kyocera Corporation Common Stock	57,472
Mutual Funds	551,196
	\$
	640,093

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Notes to Financial Statements
December 31, 2003 and 2002**

4. Related-Party Transactions

Certain Plan investments are shares of mutual funds managed by Merrill Lynch. Merrill Lynch is the Investment Manager, as defined by the Plan, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. In addition, loans to participants (employees of the Company) qualify as party-in-interest transactions which also are exempt from the prohibited transaction rules.

At December 31, 2003, the Plan holds 6,195 shares of Kyocera Corporation common stock and 4,673 shares of AVX Corporation common stock with market values of \$415,073 and \$77,658, respectively. At December 31, 2002, the Plan held 6,497 shares of Kyocera Corporation common stock and 4,423 shares of AVX Corporation common stock with market values of \$371,303 and \$43,345, respectively.

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated, all participants shall become 100% vested in their accounts regardless of years of service. Participant accounts will be paid in accordance with plan provisions as soon as is practicable after the termination.

6. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 24, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

7. Reconciliation Between the Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2003 and 2002 to Form 5500:

	2003	2002
	\$	\$
Net assets available for benefits per the financial statements	6,447,268	5,197,121
Less:		
Participant contributions receivable	(48,883)	(45,933)
Employer contributions receivable	(123,064)	(127,937)
Other receivable	(16,071)	-
Add:		
Accrued administrative expense	4,231	8,423
	\$	\$
Net assets available for benefits per Form 5500	6,263,481	5,031,674

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Notes to Financial Statements
December 31, 2003 and 2002**

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements for the year ended December 31, 2003 to Form 5500:

	2003
	\$
Net increase in net assets available for benefits per the financial statements	1,250,147
Add:	
Participant contributions receivable at December 31, 2002	45,933
Employer contributions receivable at December 31, 2002	127,937
Accrued administrative expense at December 31, 2003	4,231
Less:	
Participant contributions receivable at December 31, 2003	(48,883)
Employer contributions receivable at December 31, 2003	(123,064)
Accrued administrative expense at December 31, 2002	(8,423)
Other income	(16,071)
	\$
Net assets available for benefits per Form 5500	1,231,807

8. Risks and Uncertainties

The Plan provides for various investment options in registered investment companies which invest in combinations of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Subsequent Event

Kyocera Corporation ("Kyocera") common stock has been offered to participants of the Plan since December 1996. The Plan held 6,195 shares and 6,497 shares of Kyocera common stock at December 31, 2003 and 2002. Kyocera is the majority owner of AVX Corporation, the Plan sponsor. This type of investment option requires that the Kyocera shares be registered with the Securities and Exchange Commission. Kyocera has committed to file a Form S-8 within the next 60 days to register 25,000 shares to be offered under the Plan. Plan participants who purchased shares in the Kyocera common stock prior to the registration of these shares have the right to rescind the purchase and obtain a reimbursement for the transaction. No action has been taken to date; however, the Plan sponsor is currently working on a communication plan to address this matter with participants.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

AVX Corporation (AFGWU Local 1028 401(k) Retirement Plan
for Employees of AVX Corporation in Raleigh, North Carolina)

By: /s/ Gerald
Boykin
Gerald Boykin
P l a n
Administrator
o f t h e
A F G W U
Local 1028
4 0 1 (k)
Retirement
P l a n f o r
Employees of
A V X
Corporation in
Raleigh, North
Carolina

Date: August 18,
2006

**AFGWU Local 1028 401(k) Retirement Plan for
Employees of AVX Corporation in Raleigh, North Carolina
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2003**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par of maturity value	(d) Cost**	(e) Current value
*	Merrill Lynch Retirement Preservation Trust	Common/collective trust		\$ 2,134,979
*	Merrill Lynch Balanced Capital Fund	Mutual Fund		700,069
*	Merrill Lynch Global Allocation Fund	Mutual Fund		622,315
*	Merrill Lynch Core Bond Fund	Mutual Fund		465,751
*	Merrill Lynch S&P 500 Index Fund	Mutual Fund		338,431
	Van Kampen Comstock Fund A	Mutual Fund		718,228
	Davis New York Venture Fund A	Mutual Fund		138,660
	State Street Research Aurora Fund A	Mutual Fund		134,904
				3,118,358
*	Kyorcera Corporation	Common Stock		415,073
*	AVX Corporation	Common Stock		77,658
				492,731
*	Participant Loans	Interest rates: 6% - 10% with varying maturity dates		517,413
				\$ 6,263,481

*Denotes a party-in-interest

**Not applicable for participant directed
investments