

## INVESTOR DAY

### REXEL REVISES UPWARDS ITS 2010 GUIDANCE AND PRESENTS ITS MEDIUM-TERM TARGETS

Rexel, a world leader in the distribution of electrical supplies, is holding today an Investor Day through a conference call (see below for dial-in details) because of unfavourable weather conditions preventing the Group from holding this event in London as scheduled.

During the conference call, which includes a presentation of the turnaround of its operations in the UK, Rexel will update the market on the strategic roadmap it unveiled last year, revise upwards its 2010 guidance and present its medium-term targets.

Rexel's strategy focuses on consolidating the Group's market leadership by:

- **Capturing higher growth opportunities** in markets such as energy efficiency and renewable energies while increasing the share of solutions and services provided to its clients worldwide,
- **Leading the consolidation of the global electrical-supply market** through acquisitions that aim at increasing the Group's market share in key mature markets, expanding its presence in emerging markets and seizing opportunities to broaden its offer of value-added services. In line with this strategy, Rexel issued today a separate press release announcing the acquisition of Grossauer in Switzerland, which will grow Rexel's sales in the country by more than 15%,
- **Enriching its business model** geared towards higher value-added solutions and services, notably through continued optimization of back-office functions and reduction in capital employed,
- **Further deleveraging the Group and strengthening its balance-sheet** through strong cash-flow generation and tight control of working capital.

Rexel's strong fundamentals and strategic priorities will both contribute to the significant increase of the Group's profitability.

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## OUTLOOK

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### Rexel is revising upwards its full-year 2010 targets:

- Full-year sales should be close to €11.9 billion (vs. previous guidance in July of a slight increase on a constant and same-day basis and vs. €11.3 billion in 2009),
- Adjusted EBITA margin<sup>1</sup> should be close to 4.9% (vs. previous guidance in July of above 4.5% and vs. 4.0% in 2009),
- Free cash-flow before interest and tax should be around €450 million (vs. previous guidance in July of above €400 million) and net debt at year-end should be slightly above €2.2 billion (including the acquisition of Grossauer and vs. €2.4 billion at Dec. 31, 2009) with an indebtedness ratio<sup>2</sup> below 3.5 times (vs. 4.32x at Dec. 31, 2009).

**Rexel is also unveiling its medium-term targets.** Over the medium-term and across a normal business cycle, Rexel should:

- Post solid sales growth, fuelled both by annual organic growth of at least 1 to 2 percentage points above the GDP of the regions in which the Group operates and by acquisitions,
- Significantly enhance its profitability, in lockstep with sales growth, and generate adjusted EBITA margin<sup>1</sup> of close to 6.5%,
- Strengthen its balance-sheet by generating between €500 million and €700 million of free cash-flow before interest and tax on an annual basis, by maintaining its indebtedness ratio<sup>2</sup> around 3x and by aiming at investment grade status,
- Increase its return on capital employed to close to 14% in 2013 (vs. 7% in 2009).

<sup>1</sup> Adjusted means excluding the non-recurring effect related to changes in copper-based cable prices and before amortization of purchase price allocation

<sup>2</sup> Net debt/EBITDA, as calculated under the Senior Credit Agreement terms

## Jean-Charles Pauze, Chairman of the Management Board and CEO, said:

*“Rexel has significantly strengthened its fundamentals, improved its business model and strengthened its balance-sheet through the market downturn, as a result of strong actions to develop sales, reduce costs and generate robust cash flow. The Group is well positioned to seize opportunities in long-term growth markets, such as energy efficiency and renewable energies, and to resume its acquisition strategy.*

*Our enhanced business model geared towards providing more value-added solutions and services to our clients and our continuing efforts to improve returns on capital employed allow us to revise upwards our 2010 guidance and to set ambitious medium-term targets that will represent historical highs for Rexel.”*

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## CONFERENCE CALL DETAILS

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The conference call will start today at 2pm (CET time).

To join the call, the dial-in is +33 (1) 1 70 99 35 16.

Replay details (available until December 9):

- France: +33 (1) 70 99 3294 (pin code 4391424#)
- UK: +44 20 7959 6720 (pin code 4391424#)
- USA: +1 303 590 3030 (pin code 4391424#)

A slideshow of the presentations will be available on the Company's website at the same time.

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## CALENDAR

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February 9, 2011: Fourth-quarter and full-year 2010 results.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

### FINANCIAL ANALYSTS / INVESTORS

Marc Maillet

☎ +33 1 42 85 76 12

mmaillet@rexel.com

Florence Meilhac

☎ +33 1 42 85 57 61

fmeilhac@rexel.com

### PRESS

Pénélope Linage

☎ +33 1 42 85 76 28

plinage@rexel.com

Brunswick

Thomas Kamm

☎ +33 1 53 96 83 92

tkamm@brunswickgroup.com

Rexel, a global leader in the distribution of electrical supplies, serves three main end markets: industrial, commercial and residential. The Group operates in 34 countries, with a network of some 2,100 branches, and employs 28,000 people. Rexel's sales were €11.3 billion in 2009. Its majority shareholders are an investor group led by Clayton, Dubilier & Rice, Eurazeo and BAML Capital Partners.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is integrated in the following indices: SBF 120, CAC Mid 100, SBF250, CAC AllShares and FTSE EuroMid.

For more information, visit Rexel's web site at [www.rexel.com](http://www.rexel.com)

## DISCLAIMER

*The Group is indirectly exposed to fluctuations in copper price in connection with the distribution of cable products. Cables accounted for approximately 15% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also depend on suppliers' commercial policies and on the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:*

*- the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the selling price of cables from one period to another. This effect mainly relates to sales;*

*- the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the selling price of cables between the moment they are purchased and the time they are sold, until all such inventory is sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA is the non-recurring effect on gross profit offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses (essentially, the variable portion of compensation of sales personnel, which accounts for approximately 10% of the variation in gross profit).*

*Both these effects are assessed as much as possible on the whole of cable sales in the period. Internal Rexel Group procedures stipulate that entities that do not have the information systems that allow such exhaustive calculation have to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period. Considering the sales covered, the Rexel Group deems the effects thus measured a reasonable estimate.*

*This press release may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 21, 2010 under number R.10-024. These forward-looking statements are not guarantees of Rexel's future performance. Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.*