

**Initiatives
in motion** ✦
**Improving
the electrical
world**

**2009 ACTIVITY AND CORPORATE
RESPONSIBILITY REPORT**

REXEL

ELECTRICAL SUPPLIES

- ✦ **Leading distributor worldwide of electrical supplies**
- ✦ **N.1 in North America**
- ✦ **N.1 in Asia-pacific**
- ✦ **N.2 in Europe**
- ✦ **€11.3 billion in 2009 sales**
- ✦ **34 countries**
- ✦ **40 banners**
- ✦ **2,300 branches**
- ✦ **29,000 employees**

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Rexel, results and governance

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2009 key figures

✦ **Sales**
€11.3 billion

✦ **Operating income***
€450 million

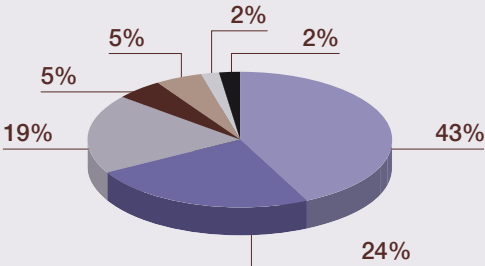
✦ **Free cash flow**
€880 million

✦ **Net debt**
€2.4 billion

✦ **Net income**
€81 million

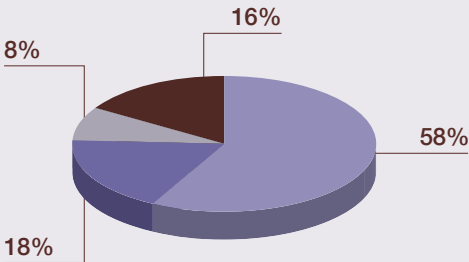
2009 SALES
BY PRODUCT FAMILY

- Installation equipment
- Conduits and cables
- Lighting
- Security and communication
- Climate control
- Tools
- Brown/white goods



2009 SALES
BY CUSTOMER

- Contractors
- Industrial companies
- Commercial companies
- Others

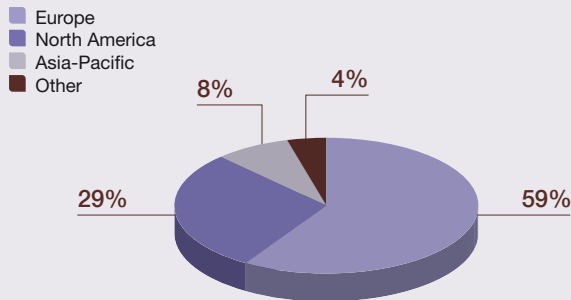


* Before other income and expenses (EBITA).

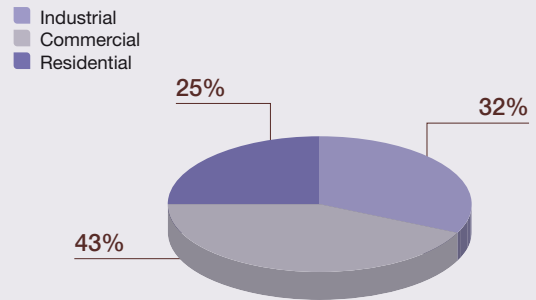
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2009 SALES
BY GEOGRAPHICAL AREA



2009 SALES
BY END-MARKET



NORTH AMERICA

600 branches
7,700 employees

Canada
United States

EUROPE

1,320 branches
16,900 employees

Austria	Ireland	Portugal
Belgium	Italy	Russia
Czech Republic	Latvia	Slovakia
Estonia	Lithuania	Slovenia
Finland	Luxembourg	Spain
France	Netherlands	Sweden
Germany	Norway	Switzerland
Hungary	Poland	United Kingdom

OTHER

80 branches
1,500 employees

Chile
ACE activities,
Conectis...

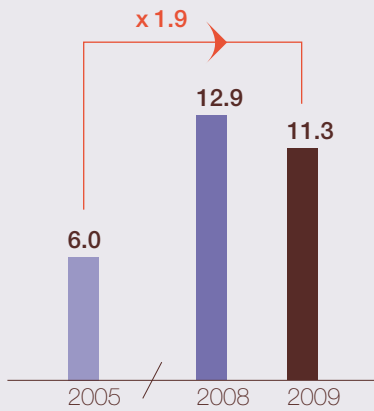
ASIA-PACIFIC

300 branches
2,600 employees

Australia	New Zealand
China	Singapore
Indonesia	Thailand
Malaysia	

Strong resilience and deleveraging in 2009

In 2009, Rexel further demonstrated its ability to withstand a very challenging business environment, while also sharply reducing its debt and strengthening its balance sheet structure. In 2010, the Group will pursue three priority objectives: consolidating its leadership position, improving its margins and generating robust free cash flow.

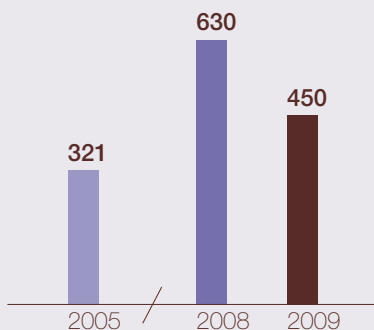


Sales

€11.3 billion

Sales declined by 12.1% as reported and by 17.2% on a constant basis and same number of working days, reflecting the recession that impacted the Group's three end-markets (residential, industrial and commercial).

Despite the decline in 2009, sales have almost doubled over the past five years, with average growth of 17% a year.



Operating income before other income and expenses (EBITA)

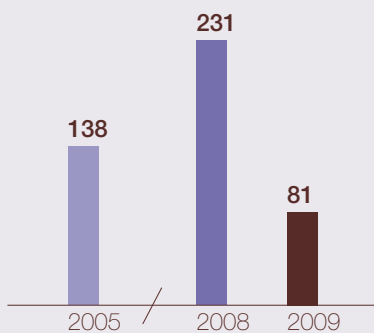
€450 million

Supported by a firm gross margin and drastic cost-cutting measures, EBITA held up well in the face of weaker sales, with EBITA margin contracting by just 90 basis points over the year (to 4.0% of sales from 4.9% in 2008).

Despite the decline in 2009, EBITA has increased by an average 9% a year over the past five years.

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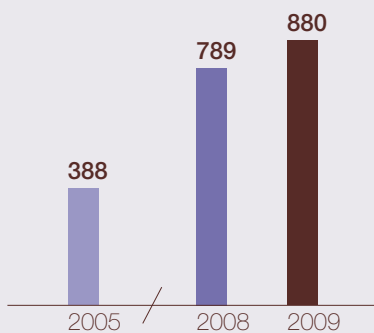


Net income

€81 million

Net income fell by 65% in 2009, primarily due to the decline in EBITA as a result of lower sales and the non-recurring restructuring outflows generated by the cost-reduction programs.

Excluding the restructuring costs and other non-recurring items, recurring net income amounted to €166 million, compared with €138 million in 2005.

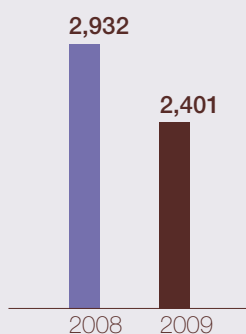


Free cash flow before interest and tax

€880 million

Free cash flow before interest and tax rose by 11% over the year, as effective working capital management and a more selective approach to capital expenditure helped to offset the impact of lower EBITA and the recognition of restructuring costs.

Over the past five years, cash flow before interest and tax has increased by an average 23% a year.



Net debt

€2.4 billion at December 31, 2009

Thanks to 2009's robust cash flow, net debt declined by €531 million over the year. In addition, Rexel lengthened the maturity of its debt and enhanced its financial flexibility by issuing bonds and arranging a new senior credit agreement.

Over the past five years, Rexel has financed an active acquisition strategy that has seen the purchase of around 30 companies, including such major acquisitions as Gexpro (formerly GE Supply) in the US and Hagemeyer in Europe.

Corporate governance

Rexel is a *société anonyme* (limited company) with a Management Board and Supervisory Board enabling it to split the management and control functions, which have been attributed to the Management Board and Supervisory Board respectively.

(at March 31, 2010)

The Management Board

Jean-Charles Pauze

Chairman of the Management Board
and Chief Executive Officer

Michel Favre

Group Senior Vice President,
Finance, Control and Legal Affairs

Pascal Martin

Group Senior Vice President,
Business Development and Corporate Operations

Jean-Dominique Perret

Group Senior Vice President, Human Resources,
Group Delegate Latin America

The Supervisory Board

Roberto Quarta

Chairman

Patrick Sayer

Vice Chairman

Joe Adorjan*

François David*

Eurazeo represented by Marc Frappier

Fritz Fröhlich*

Manfred Kindle

Luis Marini-Portugal

David Novak

Guido Padovano

Matthew Turner

* *Independent member.*

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Statutory auditors

Principal auditors

Ernst & Young Audit
KPMG Audit

Deputy auditors

M. Gabriel Galet
SCP Jean-Claude André
et Autres

Supervisory Board Committees

AUDIT COMMITTEE

The Audit Committee is composed of Fritz Fröhlich (Chairman), Joe Adorjan, Luis Marini-Portugal, David Novak and Matthew Turner. Its role is to ensure the accuracy and fair presentation of the individual and consolidated financial statements and to issue recommendations on finance, accounting and internal controls. It met seven times during 2009.

NOMINATIONS COMMITTEE

The Nominations Committee is composed of Patrick Sayer (Chairman), Fritz Fröhlich, Guido Padovano and Roberto Quarta. Its main missions are to issue recommendations on potential nominations, to replace/dismiss members of the Management Board, Executive Committee and Supervisory Board, and to ensure that independent members of the Supervisory Board effectively meet independence criteria. It met three times during 2009.

COMPENSATION COMMITTEE

The Compensation Committee is composed of Guido Padovano (Chairman), Joe Adorjan, François David, Luis Marini Portugal and Roberto Quarta. Its main missions are to make recommendations and issue opinions on the compensation of members of the Management Board and Executive Committee members and on stock option grants and free shares policy. It met ten times during 2009.

STRATEGIC COMMITTEE

The Strategic Committee is composed of David Novak (Chairman), Joe Adorjan, François David, Patrick Sayer and Matthew Turner. Its main missions are to issue recommendations for the Supervisory Board on strategic planning and annual budget proposals, as well as on any of the Group's strategic projects (such as acquisitions, disposals or investments). It met three times during 2009.

Internal rules of the Supervisory Board are available on the Group's website: www.rexel.com

Executive Committee

The Executive Committee assists the Management Board with the management of the Group's main businesses. The Executive Committee, which meets every two months, brings together the regional senior vice presidents, the Communication and Sustainable development vice president and the Management Board members. The Executive Committee is a special body for discussing strategic planning, coordinating initiatives, monitoring performance and initiating cross-functional projects in compliance with the Group's corporate governance.

(at March 31, 2010)



Jean-Charles Pauze

Chairman of the Management Board,
and Chief Executive Officer

Corporate Vice Presidents



Michel Favre

Management Board member,
Group Senior Vice President,
Finance, Control and Legal Affairs



Pascal Martin

Management Board member,
Group Senior Vice President,
Business Development
and Corporate Operations



Jean-Dominique Perret

Management Board member,
Group Senior Vice President,
Human Resources
Group Delegate Latin America



Laetitia Olivier

Group Senior Vice President,
Communication and Sustainable
Development

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Regional Senior Vice Presidents

EUROPE



Patrick Bérard
Senior Vice President,
Southern Continental Europe



Werner Hardt
Senior Vice President,
Northern Europe



Michel Klein
Senior Vice President,
Central & Eastern Europe



Henri-Paul Laschkar
Senior Vice President,
UK and Ireland

NORTH AMERICA



Chris Hartmann
Executive Vice President and CEO,
Int. Electric Supply Corp (Rexel USA)



Jérémy de Brabant
Senior Vice President and CEO,
Rexel, Inc. (USA)



Mitch Williams
Senior Vice President and CEO,
Gexpro (USA)



Jeff Hall
Senior Vice President and CEO,
Canada

ASIA-PACIFIC



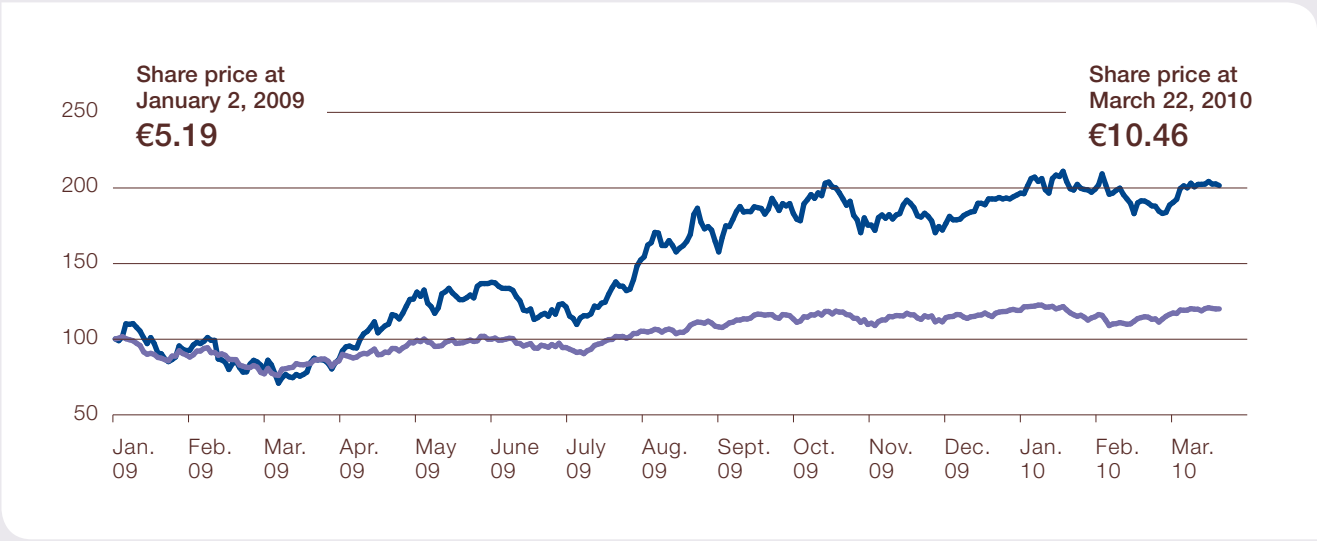
Hubert Salmon
Senior Vice President,
Asia-Pacific

Share and shareholders

The Rexel share price recovered sharply in 2009, as investors appreciated the company's ability to resist the economic downturn and deploy measures to strengthen its balance sheet. Rexel is committed to nurturing regular, transparent relations with all of its shareholders.

Share price

Base 100 as at January 2, 2009 ■ REXEL ■ SBF 120



Share price in 2009

Share price at 31 December.....	€10.20
2009 high.....	€10.64
2009 low.....	€3.56
Number of shares at 31 December.....	258,220,018
Market capitalization at 31 December.....	€2,6 billion

The Group's share price can be followed at www.rexel.com

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Shareholder events

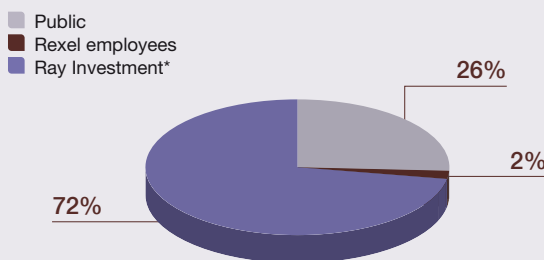
Annual General Meeting of Shareholders	20 May 2010
First-half 2010 results	28 July 2010
Third-quarter 2010 results	10 November 2010

Share profile

ISIN: FR0010451203
Code: RXL
Market: Eurolist by NYSE Euronext
Indices: NEXT 150, SBF 120, SBF 250, CAC MID 100, CAC AllShares

SHAREHOLDING STRUCTURE

At 31 December 2009



* Comprised mainly of Clayton, Dubilier & Rice, Eurazeo and BAML Capital Partners.

Securities services

Rexel has contracted BNP Paribas Securities Services to provide financial and securities services for the Group. Since 26 February 2008, the Group benefits from the Differed Settlement Service (SRD), which allows shareholders to wait until the last day of the month to settle the amount of their transactions in Rexel stock.

BNP Paribas Securities Services

Tel.:

- From France: 0826 109 119 (€0.15/min)
- From foreign countries: +331 55 77 40 57

Address:

BNP Paribas Securities Services - GCT Émetteurs
Immeuble GMP-Europe
9 rue du Débarcadère
93761 Pantin Cedex
France



IN 2010*, REXEL WILL MEET ITS SHAREHOLDERS IN THE REGIONS

Monday, 7 June in Blois

Tuesday, 28 September in Strasbourg

Thursday, 25 November in Montpellier

* Dates subject to change.

Shareholder contact

actionnaires@rexel.com

TOLL-FREE: 0 800 666 111

(toll-free from a fixed-line phone in France)

REXEL KEEPS SHAREHOLDERS REGULARLY AND TRANSPARENTLY INFORMED OF THE LATEST GROUP NEWS AND EVENTS

In addition to quarterly reports and the annual report, Rexel publishes a twice-yearly *Shareholders Letter*, offers investors in France a toll-free hotline and has a dedicated shareholders section on its website (www.rexel.com).

The most important event in the shareholder relationship is the annual meeting, which provides an unique opportunity to meet with senior management and discuss company issues.

Rexel also organizes meetings in Paris and other French cities in association with the Fédération Française des Clubs d'Investissement, the NYSE Euronext stock exchange and the *French Investor Relations Society* (CLIFF). In 2009, nearly 600 shareholders attended two Rexel information meetings, in Lille in June and Lyons in September. In its commitment to meeting more often with its French shareholders, the Group is planning to organize four meetings outside Paris in 2010.

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Key indicators and consolidated financial statements



Environmental indicators

Through daily and closely monitored actions, Rexel strives to reduce the carbon footprint of its distribution activities (transport, waste, energy consumption, etc.). In 2009, the Group introduced a number of measures to assess and optimize its consumption. And in 2010, it will conduct a complete carbon audit of the company.

All of the qualitative and quantitative information used to measure the Group's performance in terms of corporate responsibility, including the breakdown by region, indicator definitions, track record, comments, etc. are presented in Chapter 3 – Corporate Responsibility – of the 'Document de Référence Rexel 2009'.

Reporting procedures for social and environmental information are audited by Ernst & Young, Rexel's statutory auditors.

Environment	2009*	2008*	Variation
CONSUMPTION			
Electricity consumption (GWh)	205	208	- 2%
Natural gas consumption (GWh)	142	117	+ 21%
Domestic fuel-oil consumption (millions of liters)	3.5	4.3	- 18%
Raw materials consumption (tons):	2,989	-	-
- Cardboard	1,686	1,513	+ 11%
- Plastic	343	360	- 5%
Paper consumption (tons)	1,690	1,608	+ 5%
Fuel consumption (millions of liters)	21	17	+ 22%
WASTE			
Total quantity of waste treated (tons)	15,014	14,729	+ 2%
% of sites implementing an Electric and Electronic Equipment Waste management process**	59%	49%	+ 20%
CO₂ EMISSIONS			
Total CO ₂ emissions (teq CO ₂)	210,026	202,163	+ 4%
- CO ₂ emissions related to energy (teq CO ₂)	109,677	113,107	- 3%
- CO ₂ emissions related to transport (teq CO ₂)	104,546	89,056	+ 13%

* At constant reporting scope (see the Document de Référence Rexel 2009).

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Social indicators

Through its training policy, Rexel plays an active role in improving professional skills and expertise among its employees. Furthermore, the Group is keenly aware of the importance of non-discrimination in the workplace with regard to disabled people. Also, constant efforts are made to heighten awareness of and improve personal safety measures.

Social	2009	2008*
HEADCOUNTS		
Total headcount	29,272	33,309
% of women	23.6%	24.2%
% of employees with fixed-term contracts	3.2%	3.2%
Average age of employees	39.9 years old	39.3 years old
Total number of recruitments	2,812	5,684
Turnover	14.8%	17.4%
WORKING TIME ORGANIZATION		
Absenteeism rate	3.0%	2.6%
TRAINING		
Budget allocated to training	9.9	13.5
% of employees trained during the year	48.9%	43.4%
DIVERSITY		
% employees reporting a disability	0.7%	0.6%
HEALTH & SAFETY		
Accident frequency rate	7.8	9.4
Severity rate	0.1	0.2
% of employees trained in safety	42%	31.8%

* The 2008 reporting scope includes the Hagemeyer structure acquired during the year.

Consolidated financial statements

Consolidated income statement

FOR THE YEAR ENDED DECEMBER 31 (IN EURO MILLIONS)

	2009	2008
Sales	11,307.3	12,864.5
Cost of goods sold	(8,537.8)	(9,805.1)
Gross profit	2,769.5	3,059.4
Distribution and administrative expenses	(2,319.3)	(2,429.4)
Operating income before other income and expenses	450.2	630.0
Other income	33.1	124.4
Other expenses	(167.5)	(201.0)
Operating income	315.8	553.4
Financial income	47.7	74.7
Interest expense on borrowings	(173.2)	(224.8)
Refinancing related expenses	(21.2)	(11.0)
Other financial expenses	(56.4)	(49.1)
Financial expenses (net)	(203.1)	(210.2)
Net Income before income tax	112.7	343.2
Income tax	(31.7)	(111.7)
Net income	81.0	231.5
Attributable to:		
Equity holders of the parent company	80.6	230.2
Minority interests	0.4	1.3
Earnings per share:		
Basic earnings per share (in euro)	0.31	0.90
Fully diluted earnings per share (in euro)	0.31	0.88

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Consolidated balance sheet

FOR THE YEAR ENDED DECEMBER 31 (IN EURO MILLIONS)

	2009	2008
ASSETS		
Goodwill	3,759.4	3,654.1
Intangible assets	927.8	927.3
Property, plant & equipment	261.6	317.1
Long-term investments	53.3	53.7
Investments in associate	5.9	
Deferred tax assets	230.0	251.7
Total non-current assets	5,238.0	5,203.9
Inventories	1,141.4	1,329.0
Trade accounts receivable	1,901.5	2,363.3
Income tax receivable	32.0	4.0
Other accounts receivable	371.9	477.9
Assets classified as held for sale	10.5	4.6
Cash and cash equivalents	359.6	807.0
Total current assets	3,816.9	4,985.8
Total assets	9,054.9	10,189.7
EQUITY		
Share capital	1,291.1	1,280.0
Share premium	1,392.2	1,409.9
Reserves and retained earnings	720.9	534.4
Total equity attributable to equity holders of the parent	3,404.2	3,224.3
Minority interests	7.8	24.1
Total equity	3,412.0	3,248.4
LIABILITIES		
Interest bearing debt	2,677.3	3,454.6
Employee benefits	173.8	175.4
Deferred tax liabilities	221.7	221.7
Provision and other non-current liabilities	235.4	229.2
Total non-current liabilities	3,308.2	4,080.9
Interest bearing debt	77.8	276.1
Accrued interest	5.7	8.3
Trade accounts payable	1,676.0	1,930.0
Income tax payable	22.9	21.5
Other current liabilities	552.3	624.5
Total current liabilities	2,334.7	2,860.4
Total liabilities	5,642.9	6,941.3
Total equity and liabilities	9,054.9	10,189.7

Consolidated statement of changes in shareholders' equity

(IN EURO MILLIONS)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS AND OTHER RESERVES	FOREIGN CURRENCY TRANSLATION	FAIR VALUE	TREASURY SHARES	TOTAL ATTRIBUTABLE TO THE GROUP	MINORITY INTERESTS	TOTAL
At January 1, 2008	1,280.0	1,409.9	553.4	(18.8)	5.1	(8.3)	3,221.3	6.0	3,227.3
Foreign currency translation	-	-	-	(123.0)	-	-	(123.0)	0.7	(122.3)
Cash flow hedges	-	-	-	-	(29.9)	-	(29.9)	-	(29.9)
Available for sale financial assets	-	-	-	-	0.3	-	0.3	-	0.3
Income and expenses recognized directly in equity	-	-	-	(123.0)	(29.6)	-	(152.6)	0.7	(151.9)
Net income	-	-	230.2	-	-	-	230.2	1.3	231.5
Total comprehensive income for the period	-	-	230.2	(123.0)	(29.6)	-	77.6	2.0	79.6
Share-based payments	-	-	22.0	-	-	-	22.0	-	22.0
Treasury Shares	-	-	-	-	-	(2.2)	(2.2)	-	(2.2)
Dividends paid	-	-	(94.4)	-	-	-	(94.4)	-	(94.4)
Minority interests in companies acquired or sold	-	-	-	-	-	-	-	16.1	16.1
At December 31, 2008	1,280.0	1,409.9	711.2	(141.8)	(24.5)	(10.5)	3,224.3	24.1	3,248.4
Foreign currency translation	-	-	-	102.6	-	-	102.6	(0.3)	102.3
Cash flow hedges	-	-	-	-	(5.2)	-	(5.2)	-	(5.2)
Available for sale financial assets	-	-	-	-	0.6	-	0.6	-	0.6
Income and expenses recognized directly in equity	-	-	-	102.6	(4.6)	-	98.0	(0.3)	97.7
Net income	-	-	80.6	-	-	-	80.6	0.4	81.0
Total comprehensive income for the period	-	-	80.6	102.6	(4.6)	-	178.6	0.1	178.7
Issue of share capital	10.8	(17.7)	6.9	-	-	-	0.0	-	0.0
Share-based payments	0.3	-	5.3	-	-	-	5.6	-	5.6
Treasury shares	-	-	-	-	-	8.4	8.4	-	8.4
Transactions with minority shareholders	-	-	(12.6)	-	-	-	(12.6)	(16.4)	(29.0)
At December 31, 2009	1,291.1	1,392.2	791.4	(39.2)	(29.1)	(2.1)	3,404.3	7.8	3,412.1


Initiatives in motion

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Consolidated statement of cash flows

FOR THE YEAR ENDED DECEMBER 31 (IN EURO MILLIONS)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	315.8	553.4
Depreciation, amortization and impairment of assets	129.5	196.6
Employee benefits	(17.8)	(15.1)
Change in other provisions	7.3	25.3
Other non-cash operating items	12.0	(96.1)
Interest paid	(149.3)	(186.7)
Income tax paid	(52.7)	(109.8)
Operating cash flows before change in working capital requirements	244.8	367.6
Change in inventories	232.9	139.0
Change in trade receivables	521.8	185.1
Change in trade payables	(305.5)	(187.4)
Changes in other working capital items	22.4	(3.0)
Change in working capital	471.6	133.7
Net cash from operating activities	716.4	501.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(51.9)	(96.8)
Proceeds from disposal of property, plant and equipment	13.4	88.1
Acquisition of subsidiaries, net of cash acquired	(46.5)	(3,226.2)
Proceeds from disposal of subsidiaries, net of cash disposed of	-	905.2
Change in long-term investments	0.5	853.6
Net cash from investing activities	(84.5)	(1,476.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of share capital	0.3	-
Contribution received from minority shareholders	0.7	-
Disposal / (Repurchase) of treasury shares	8.6	(3.3)
Net change in credit facilities and other financial borrowings	(803.6)	1,030.8
Net change in securitization	(236.2)	354.0
Payment of finance lease liabilities	(7.7)	(66.3)
Dividends paid to shareholders and minority interests	(0.3)	(94.4)
Net cash from financing activities	(1,038.2)	1,220.8
Net (decrease) / increase in cash and cash equivalents	(406.3)	246.0
Cash and cash equivalents at the beginning of the period	807.0	515.2
Effect of exchange rate changes on cash and cash equivalents	(41.1)	45.8
Cash and cash equivalents at the end of the period	359.6	807.0



This document was produced by the Communication and Sustainable Development department of the Rexel Group.

Rexel thanks its partners and employees who have contributed photographs. The information herein is developed in further detail in the 2009 Rexel *Document de référence* (filed with AMF, the French Stock Market authority). The full institutional documentation concerning the Rexel group can be downloaded from www.rexel.com.

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Rexel

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02

Directors Messages

A review of 2009 and its main strategic directions, with **Roberto Quarta**, Chairman of the Supervisory Board and **Jean-Charles Pauze**, Chairman of the Management Board.

10

Initiative ✦1 in motion Large projects

Partnering large infrastructure projects and key accounts, all over the world, with an adaptable and solid organization.



18

Initiative ✦4 in motion Energy efficiency

Rexel advises customers and sells all low-energy solutions (lighting, automated systems, etc.), and those using renewable energies.

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Initiative ✦7 in motion Emerging countries

Capturing new growth markets, especially in Asia, India and South America.



Message from Roberto Quarta

CHAIRMAN OF THE SUPERVISORY BOARD



Firm resilience in the face of recession

The global business environment in 2009 was exceptionally challenging. All markets were affected by the fall-out from the financial crisis which caused the most significant decline in global economic activity in many years. Unsurprisingly, these affects were keenly felt in the electrical supplies distribution industry. For Rexel, despite a fall in revenue by a record of more than 12%, margin erosion was contained. Considering this gloomy backdrop, the Group can be satisfied with how it responded. Prompt management action allowed us to protect profitability, and we also maintained a sound and solid financial structure, with reduced debt and enhanced operational flexibility.

The recession that has weighed on the industry for more than two years has now had repercussions beyond just growth. It has been a wake-up call for every industry stakeholder, requiring them to rethink their production processes and consumption practices. The electrical supplies distribution industry faces various challenges, including energy issues, the sustainability and eco-performance of installations, the effective management of large projects and the growing impact of e-commerce. As an industry leader Rexel's role is to respond to these challenges by innovating and helping customers find practical, real-world solutions to the challenge of achieving sustainable growth. We have been forced to think of ourselves not just as a distributor of products, but as a company helping deliver value-added solutions to our customers.


Reduced debt and a stronger balance sheet

Delivering these solutions, despite the unfavourable economy, has required Rexel to reshape its operations to take account of weaker markets, without sacrificing its capacity for growth. Management took decisive steps, including removing a €285 million cost from the business.



Deleveraging was one of our major priorities in 2009, which saw a €500 million reduction in net debt to €2.4 billion at year-end. We also focused on restructuring debt, by renegotiating all of our bank agreements and, in the fourth quarter, carrying out a bond issue. The success of the issue, which was twice oversubscribed, attested to investor confidence. Today, our long-term debt profile is more stable, our financial structure is healthier and we have enhanced our flexibility to pursue growth.

One aspect of the company's refinancing arrangements is that Rexel will not be paying a dividend this year, nor as long as the net debt/EBITDA ratio falls below 4 times. We will maintain every effort to reduce the debt load and resume paying regular dividends as soon as possible.


The Rexel stock price recovered sharply in 2009, as investors appreciated the company's ability to resist the economic downturn and deploy measures to strengthen its balance sheet. Since its initial public offering, Rexel has also been committed to nurturing regular, transparent relations with all of its shareholders.



The Group is consistently improving the guidelines for transparency, information and good governance.



Although we do not expect to see any real signs of improvement before the second half of the year, Rexel is well placed to capitalize on the recovery and to capture emerging opportunities that will help drive growth.



Improved governance for greater transparency and more efficient management

Rexel is committed to observing the highest standards of corporate governance. To this end, the Supervisory Board recommended to submit to the 2010 Shareholders' meeting a reduction to the term of office of the Supervisory Board members to 4 years and to organize staggered elections. Additionally, in 2009, the Board commissioned an assessment of its operation and organization by an independent consulting firm, whose audit emphasized the quality of the Board's supervision and communication. In a wide variety of ways, the Group is consistently improving the guidelines for transparency, information and good governance.

A robust, promising growth model

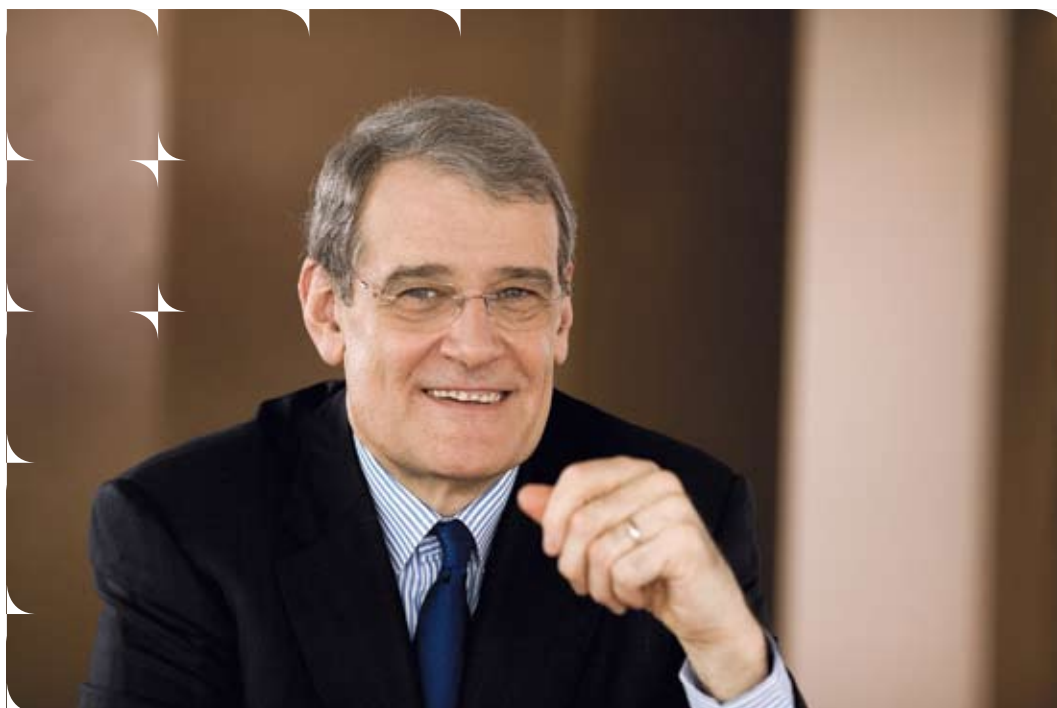
Although we do not expect to see any real signs of improvement before the second half of the year, Rexel is well placed to capitalize on the recovery when it takes place and to capture emerging opportunities that will help drive growth. We have a sound financial structure and our operating performance, evidenced by improving margins, testifies to the robustness of our strategy. The company has also shown itself able to adapt swiftly to changing circumstances and to innovate in response to changing customer needs.

For all these reasons, Rexel shareholders can look to the future with confidence. I would like to thank Jean Charles Pauze and his management team, as well as all the employees of Rexel, for their resilience and resourcefulness in a challenging year.



Interview with Jean-Charles Pauze

CHAIRMAN OF THE MANAGEMENT BOARD



The business environment has been particularly difficult these past two years. How has Rexel responded?

In 2009, we set three priority objectives: first, to maintain or improve our market share through sustainable sales and marketing initiatives; second, to protect our margins and profitability; and third, to strengthen and deleverage our balance sheet. All three of these objectives have been met.

We reported sales of €11.3 billion for the year, down 12% compared to 2008, and an EBITA margin of 4% that improved steadily with every quarter, demonstrating our ability to limit the impact of weaker demand on profitability. In addition, we continued to prove that our model can generate strong cash flow, which rose by 11% to €880 million in 2009. Lastly, we enhanced our financial flexibility and extended the maturity of our debt by issuing bonds and renegotiating our senior credit agreement. Our teams' fighting spirit and

proactive response to the downturn therefore enabled us to strengthen our operating and financial fundamentals, in order to upgrade our model more quickly and deliver more value added to our customers and shareholders.

How would you analyze the Group's performance by region?

Despite the slowdown, we gained market share in France, the United Kingdom and Germany, our three major markets in Europe. Sales in North America continued to suffer from the persistent slowdown in our end-markets, particularly in the commercial segment. On the other hand, the residential segment saw the first signs of an upturn late in the year, which should continue in 2010. In the Asia-Pacific region, operations in China enjoyed an excellent performance, with double-digit growth in sales. For the region as a whole, the EBITA margin stood at 5.4%, which amply exceeded the Group average.



Our teams' fighting spirit and proactive response to the downturn therefore enabled us to strengthen our operating and financial fundamentals, in order to upgrade our model more quickly and deliver more value added.



What measures has the Group taken to withstand the crisis?

In most of our host regions, Rexel teams successfully responded to the more restrictive business environment, in particular with measures to preserve gross margin by improving purchasing and more clearly defining the solutions offering in each country. At the same time, we implemented cost-cutting measures that resulted in net savings of €285 million over the year. By optimizing supply chain and transportation processes, closing underperforming branches and rightsizing the workforce, these actions enabled us to redeploy our business faster than the competition to align it with the new market conditions, while putting us on a sound footing to rebound when the economy recovers.

In 2010, what are the priorities in reducing costs and debt?

In 2009, we demonstrated our ability to adjust our cost base. In 2010, we'll start to reap the initial benefits of the extensive restructuring and rightsizing programs undertaken in three key countries, the United Kingdom, the United States and Spain. This year, Rexel should generate solid cash flow,

thanks to our strong financial discipline. Capital expenditure will not exceed 0.7% of sales. In addition, we'll continue to diligently manage our working capital requirement. Lastly, as announced, Rexel will not pay a dividend in 2010, in line with the commitments given as part of the senior credit agreement. Our strong generation of cash flow will enable us to continue deleveraging our balance sheet and resume dividend payments as soon as possible.

After a difficult 2009, what are your strategic objectives for 2010?

We are committed to strengthening our global market leadership, in a business environment that has not yet returned to growth but which at least is no longer in recession.

We will seize every structural growth opportunity, particularly in segments which we have identified as priorities. We will step up the process of shifting our business model towards more services and solutions. We will maintain our commitment to cutting costs and increasing cash flow. We will continue to make targeted acquisitions. And lastly, we are as involved as ever in sustainable development issues, which are a core aspect of our business. These are the *initiatives in motion* described in this annual report.

Which growth segments do you intend to focus on first?

We have identified three promising segments on which we intend to focus our sales and marketing drive. They are lighting retrofits in the energy efficiency market; renewable energies, especially the solar and wind power; and large infrastructure projects including in particular public-private partnerships. (...)

Interview with Jean-Charles Pauze

This strategy illustrates our commitment to broadening our customer base with a vertical, industry-based approach (petrochemicals, agri-foods, railways, hospitality, etc.); offering an effective portfolio of value-added services such as energy audits or financing advice; and building our customer value proposition around energy savings and return on investment. In 2009, these segments already represented €250 million in sales. By 2012, we intend to generate at least €400 million in additional sales thanks to these promising markets.

How is the Rexel model changing?

Until now, our business model was that of a product distributor, selling to contractors and installers through a network of branches. Efficient, backed by a powerful logistics chain and a vast assortment of SKUs, the model was also shaped by a deep commitment to availability and providing advice. Naturally, these fundamental characteristics of any distribution business remain major competitive advantages. But today, we are enhancing our system by stepping up the services component, to reach additional customers farther downstream in the chain.



The cost-cutting measures enabled us to redeploy our business faster than the competition to align it with the new market conditions, while putting us on a sound footing to rebound when the economy recovers.



Rexel expert teams advise EPCs for their large infrastructure projects

This involves a transactional approach which is increasingly electronic and segmented, in particular thanks to the growing importance of customer relationship management (CRM) and e-commerce. These different channels are positioning us closer to the customer, where relationships are still the heart of the business. We are also rethinking our logistics organization to enhance our responsiveness to demand, with, for example, custom-tailored pick-up options and customer inventory management.

What kind of acquisitions strategy will you deploy to support this shift?

To pursue its external growth strategy, Rexel has a €200 million budget to carry out targeted acquisitions capable of driving progress on three priority objectives: to expand in emerging markets, such as in Asia, India and Latin America, where the growth outlook is very promising; to strengthen our regional leadership by broadening and deepening our presence in certain developed markets; and to invest in companies that can extend our skills and expertise, especially in services.

How have you motivated Rexel teams to embrace these changes, which represent new challenges?

Rexel has built its growth on a strong entrepreneurial culture. In each country, our teams responded to the crisis by implementing the measures needed to align our organization with the new business environment. I would like to commend everyone for their hard work, which enabled us to deliver a very good performance.



San Francisco Bay Bridge renovation, in California - United States

The talented selling skills and technical expertise of our teams represent one of a service company's most powerful competitive advantages. That's why training and skills development programs are being deployed in every host country, to enable employees to adjust to new market conditions and acquire new capabilities, especially in areas related to energy efficiency and new energy sources. Indeed, more than half of employees attended a training course in 2009.

For a distributor like Rexel, what kind of challenges does environmental protection pose?

As a leader in the distribution of electric solutions, we have a responsibility to the environment not only through the solutions we sell, but also through our commitment to the environment in every aspect of our business. First of all, Rexel is playing an increasingly active role as specifier in the distribution and use of eco-responsible electrical solutions. That's why we are advising and assisting our customers to enhance their environmental awareness and assist them in deploying these high-performance electrical technologies. In our business operations, we are also making progress in shrinking our environmental footprint. In particular, this means that we have to rationalize our logistics chain and our inputs, as well as the use of raw materials, especially packaging and of course energy. That's why new metrics and resource-saving programs were introduced in 2009.



We're going to focus our efforts on markets that offer solid growth opportunities, particularly in three segments: energy efficiency, renewable energies and large infrastructure projects.



What are your medium-term priorities?

Most of the work of adapting to weaker demand has been accomplished over the past two years, with the implementation of cost-cutting measures, and more importantly, the optimization of our platform, so that we are ready to capitalize on the recovery and step up the development of promising segments. In 2010, we will continue to embody our role as the benchmark distributor. To realize this vision, we must further improve our margins and generate steady cash flow. Even as we continue to upgrade our model towards greater operating efficiency and more effective transactional processes, we're going to focus our efforts on markets that offer solid growth opportunities, particularly in three segments: energy efficiency, renewable energies and large infrastructure projects. Rexel already has structured teams in place to meet these challenges. Today, our leadership and customer intimacy – which are two of our competitive strengths – solidly position us to capitalize on growth opportunities in the distribution of energy solutions and services.



Rexel is involved in a number of infrastructure projects for the *Vancouver Winter Olympics* - Canada



Conception and procurement of the power solar solution for *Kyoto High School*, Poitiers - France

Initiatives in motion ✦ Improving the electrical world



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The world is changing.

Every day society is becoming richer and more complex. Every day new buildings are sprouting up. Factories, hospitals, and homes are connecting to the grid. Every day thousands of facilities and equipment are being installed, renovated and replaced.

Industry is constantly innovating to provide more efficient equipment. Every day millions of consumers are questioning the quality and performance of their existing products.

Rexel connects solutions to needs. As the leading distributor worldwide of electrical supplies, Rexel innovates with its range of services, including large project management, new sales and distribution methods, and more, to help electricians, contractors, the public sector and industry.

Working closely alongside all stakeholders in the electrical sector, Rexel uses its unique expertise to provide customers with solutions that are best adapted to their needs, particularly in terms of energy efficiency and renewable energies. As an international Group, Rexel promotes electrical progress across all continents while helping to protect the environment.

As the world changes, Rexel works to help it progress.



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Initiative ✦7
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The worldwide market for large infrastructure projects is booming. By 2016, analysts forecast it will be worth USD 14 trillion*. But building offshore oil rigs or state-of-the-art hospitals is a complex and costly operation which, at every stage, requires cutting-edge expertise in the management and delivery of electrical supplies. Professional distributors meet these challenges by working alongside their partners, driven by a dedication to full service which incorporates specialized logistics and tailor-made solutions.

Initiative 1 in motion

Large projects



* Trillion = billion of billion. Source: Global Insight (2008).

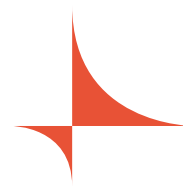
Rexel's four fields of excellence for large projects



- Oil and mining facilities
- Highway infrastructure: tunnels, bridges, etc.
- Large public-service facilities: hospitals, schools, sports stadiums, etc.
- Commercial facilities: shopping malls, offices, etc.

Our customers

- EPCs*
- Large contractors
- Key industrial accounts (construction, mining, oil and gas)



The six challenges facing large projects

Long-term commitment
(1 to 5 years)

Respecting deadlines
(financial challenges)

Managing unexpected events
(technical, climate, etc.)

Managing costs
(projects with a total value of over 1 billion euros)

Avoiding workload interruptions

Ensuring overall project coordination (different countries, different sites for decision-making and operations)

Serving large infrastructure projects with a flexible, solid organization

Organized to meet challenges

Building infrastructure on a large scale is an adventure that demands faultless upstream organization to cope with the unexpected turns and challenges that arise along the way. Rexel has established itself in this profitable market by means of the strengths of its international organization and the quality of its front-line teams. But how does it deploy the necessary skills to assist a petrochemicals company in Singapore or modernize a mining complex 3,200 meters up in the Andes mountains. For these programs, Rexel puts together specialized project teams for each type of market, and pools

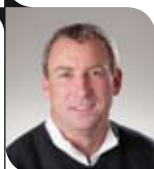
its international expertise from the tendering procedure through to project site management. Thus an oil infrastructure project may be analyzed by the Houston engineering team, tracked by the London sales teams and managed by Rexel in France for deployment in, say, Africa. This organizational flexibility and proximity to customers at every step are the keys to a project's success.

Guaranteeing just-in-time, tailor-made solutions

Expertly managing large projects also requires tailor-made logistics at every stage of the process. One missing part may bring the whole program to a halt

with catastrophic financial consequences. Beyond the price of the part itself, its just-in-time availability is crucial. To ensure this, Rexel is constantly designing new solutions such as specialized on-site branches and specific supply systems which fit seamlessly into the production process. Offering a global solution means being able to provide customer inventory management to optimize supplies and reduce stock tie-ups. It means providing ready-to-use parts kits to save fitting time. It means anticipating, maximizing and tracking procurement budgets in real-time. All these are essential indicators to help customers manage their daily needs and cut costs. (...)

* EPCs: Engineering Procurement and Construction companies (e.g. Bechtel, Fluor, Technip, Shaw, etc.).



A mine 3,200 meters up in the Andes

3 questions for Eric Packer

General Manager of Rexel IPG

How is Rexel IPG involved in the mining industry in Chile?

Chile is the world's largest producer of copper and holds around 37% of global deposits. One of the country's major initiatives to expand copper production centers around two locations: a mine located at an altitude of 3,200 meters in the Andes mountains, and a mine and processing center 30 km north of Santiago. Rexel IPG and Rexel Chile supply electrical equipment for the site's facilities. The project is valued at some USD 10 million over two years.

Does the project require both local and international management?

Yes. The Group's new large projects entity (Rexel IPG) identifies global low-cost-country sourcing options, coordinates executive level relationships at the customer's headquarters in the US, leverages North

American operations (Westburne and Gexpro) to export items which are difficult to find in-country, and executes at the project sites with Rexel's Chilean teams.

How can such quantities of equipment be shipped to such a remote region?

Rexel Chile has set up logistics centers at both locations that operate as branches and warehouses. Teams of five Rexel employees rotate at each location to support construction at the site. Basic electrical equipment is available at all times while other products can be delivered within 24 hours from Rexel's logistics center in Santiago. This is quite an achievement when you consider the difficulties of transporting and storing equipment at such an altitude. Rexel also provides additional services such as customer inventory management using its OASIS software. Despite the tough working conditions, we do all we can to ensure that the project keeps running at cruising speed 24/7.

IPG: a specialized international structure

In 2009, Rexel consolidated its position on the large-projects market, continued to build its specialized teams, and strengthened its partnerships with EPCs*, the major players in the sector. The highlight of the year was the creation of Rexel International Project Group (IPG). Backed

by the expertise of its US subsidiary, Gexpro, it is based in the US and focuses solely on managing large international projects in fields such as petrochemicals, mining, industrial processes, and others. Each sector benefits from a network of experts who can work on site from the study and engineering phases, through to the final supply of equipment.

**INTERNATIONAL
PROJECTS
GROUP**
EMPOWERED BY REXEL

* EPCs : Engineering Procurement and Construction companies (e.g. Bechtel, Fluor, Technip, Shaw...).

A general-purpose distributor draws its strengths from being the customer's sole contact, and offering all products and associated services within the framework of a single structure. But market needs are changing. In the past they were quite similar, organized in terms of major geographical zones. Today, though, with customers including government agencies, EPCs, and key industrial accounts, the distributor has to respond to increasingly specific needs in terms of technical expertise, services, deadlines, and standards.

Initiative ✦ 2 in motion

Centers of expertise

Specializing our business approach around centers of expertise





Australia: Inaco and industrial safety

Industry is becoming increasingly concerned about the safety of its workforce and plants. To meet this demand, Inaco has deployed a purpose-built center of expertise. Its consultancy team provides a full range of products and services: from a full machine

safety risk assessment to automated control systems, training and more. In 2009, industrial safety accounted for 8% of Inaco's sales. Principal customers include iconic national firms and institutions such as Foster's Beer Brewery and the Royal Australian Mint.

From general-purpose to multi-specialist distributor

Changing market demand is shaping the traditional model of the general-purpose distributor. To meet growing customer requirements, understand the technologies of new solutions (e.g., eco-friendly products, home automation), the general-purpose distributor must increase its specialty skills. Answering public tenders, supplying a gas terminal or selling a solar panel to a small contractor do not seem to be part of the same profession. And yet, in all three cases, this is exactly what Rexel does. For its customers, Rexel has become a multi-specialist distributor of electrical equipment.

Speaking the same language

Efficiency means taking on board customers' culture, learning about their processes, understanding their needs, and offering the most appropriate products. But the challenges are not the same for an agri-food company as they are for a rail network operator. For the former, food safety and traceability concerns are of prime importance; for the latter, service

continuity and workforce safety are uppermost. It is precisely on observations such as these that Rexel has built its notion of "centers of expertise." These encompass specialist expertise that is tailored to a growing market and a type of customer, and enable Rexel to propose a coherent and growing offering of products.

Market opportunities

Rexel set up a number of specialty centers over 2008-2009. These are cross-functional units based on business opportunities and comprise qualified and specially trained sector-specific experts. They act as the preferred contact for customers and as a source of sound advice for the rest of the Group's sales teams. In France, a team specializing in energy efficiency solutions has been deployed across the regions. In the UK, a department bringing together four Rexel UK networks has been set up to work on the highly specialized British railways market (see *interview*). And results are spectacular; sales from rail-based activity in the UK doubled between 2008 and 2009.

Maximizing our networks' skills

In 2009, building on specific experience gained by some of the Group's networks, such as Gexpro Services in wind power and Capitol Light in commercial lighting, Rexel reinforced its fields of specialization. In Australia, Inaco now proposes industrial security products and services; in the Netherlands, the entire Rexel organization has been overhauled to cater to customer profiles and there are now three brands: Rexel, Hagemeyer Nederland and Onexis. These serve, in turn, SME electricians, small- and mid-sized contractors, and industrial customers. We have thus grown from a system of general-purpose networks to a model of complementary specialist brands to increase efficiency and get closer to our customers. In the years ahead, strengthening specialist expertise while remaining a general-purpose distributor is more than ever of strategic importance for the Rexel Group and its networks.



France: agri-food expertise

The agri-food sector is governed by strict standards and procedures in such areas as lighting for refrigerated warehouses, health and safety regulations, food chain and packaging traceability, and others. Rexel France has developed specific expertise for the industry. A team of technical sales representatives offers industrial operators a range of products and services that are specially adapted to suit the demands of this tightly regulated environment.



Rail infrastructure: a strong growth market

3 questions for John Hogan

Head of Newey & Eyre in the UK

Who initiates projects?

Central and local government and their various regulatory offices are the principal springboards for projects in the UK. *Network Rail* (which operates Britain's rail infrastructure) is the main driver as it is responsible for the upgrading of the network over the next 5 to 7 years. *London Underground* is another major area of activity as the modernization program continues to evolve.

What are the salient aspects of this market?

Quality of service is the primary feature. Respecting deadlines is the top priority and schedules must be strictly adhered to as contractors are working to extremely tight deadlines. Furthermore, the products

used are subject to very strict regulations and specifications. In addition to these demanding requirements, the rail sector calls for great care to be taken with security, and health and safety matters.

What is the outlook for development?

The upgrading, modernization and maintenance of Britain's rail infrastructure represent a total market of GBP 60 billion over the next 5 years. For Rexel, the focus will be on securing opportunities in the field of electrical materials and safety equipment. In light of the committed level of investment foreseen and our expertise in the sector, we are confident that we can achieve a leadership position.

Customer expectations are being changed by immediate access to data, goods and services. With new interactive tools, customers expect to be able to place orders on a Sunday evening, see if products are available, and pick up parcels at a time which is convenient for them. They also expect to be more valued and be given better advice. This is a major challenge for distributors who have to develop both their tools and way of working.

Initiative ✦ 3 in motion

E-commerce



Barcode reader for product labels and catalogs

Our vision of e-commerce: more efficient, closer to customers

Anticipating needs

Electrical contractors and SMEs now use IT in their everyday activities. But for many years, frontline businesses saw interactive tools more as a hindrance and an unnecessary middle step. However, progressively, change has become inevitable since time is precious, solutions ever more technical, and face-to-face contacts less frequent. Customers now have a range of efficient communication tools at their disposal. They want to be able to communicate and work remotely yet always keep in touch. Whether managing inventory through EDI¹

or buying an electrical panel through a webstore, customers wholly endorse this new, efficient and business-friendly solution.

New generation sales sites

As a trail-blazer in constant touch with the market, Rexel strives to improve the quality of its online and IT services. A wide choice of options has helped simplify procurement and keep customer costs down through the use of 24/7 ordering via online stores, bespoke marketplaces and e-catalogs, personalized purchasing cards, secure bays for night pick-ups, and more.



BOSS: Rexel France's CRM tool

In France, Rexel developed Boss, a specific CRM³ tool. This software program is now used by 800 traveling sales representatives who, via a laptop and 3G card, can track customer portfolios in real-time, consult sales records and manage their appointment diaries. This gives them the data to conduct more accurate analyses and thus better gear their sales advice.

Newey & Eyre's new webstore



Purchasing cards: simplicity, security, efficiency

These cards are issued in the customer's name and grant special sales conditions. For example, contractors can use their cards to place orders in a branch or by phone, without having to fill out an order form. The transaction is completely secure, thanks to previously agreed limits on the amount of purchases. And key accounts managers can track online the procurement accreditations and authorizations of their staff.



Rexel is developing new-generation e-commerce sites which are more user-friendly, include more powerful search engines and feature a wider range of products. Customers now have far more data to help them make their choice when consulting products, checking availability and ordering via Internet. In 2009, Rexel developed an electronic platform featuring advanced functions such as product traceability, targeted e-marketing and cross-selling². The online stores for this new platform will be rolled out successively during 2010 in Australia, the UK, Sweden, Canada, the Netherlands and Austria.

New CRM tool

Electrical equipment distributors constantly upgrade their offerings to cater to customer needs according to how much time it takes to know more about their customers: their profiles, technical or administrative practices, what they buy, the services they like, and the equipment they need. All this precious information helps each distributor provide better service and anticipate requirements. In 2009, Rexel took its management of customer relationships to new heights. For example, in France, Rexel developed Boss, a specific CRM³ tool.

Goal: 15-20% annual growth

New CRM tools, new e-commerce systems: Rexel is constantly improving its contact with customers and strengthening its bespoke services and marketing. Thanks to online sales, proximity has also become a "virtual" notion. Seen by Rexel as a direction for strategic development, e-commerce (which currently accounts for 9% of Rexel group sales) will continue to be a priority. Indeed, Rexel forecasts annual growth in the range of 15-20% for this channel over the coming years.

¹ Electronic Data Interchange.

² The strategy of pushing new products to current customers, based on their past purchases.

³ Customer Relationship Management.

Energy efficiency is now the number 1 topic when companies think about their electrical equipment as they take into account rising energy prices, ever stricter standards, tax incentives, and the carbon balance of products. Solutions do exist and customers are aware of both possible savings and the environmental issues at stake. The challenge now is to convince users and propose the most appropriate solution in each case.

Initiative ✦ 4 in motion

Energy efficiency



Proposing efficient and profitable solutions

Identifying avenues for progress

It is widely accepted that today's electrical installations are often obsolete, unsuitable, and energy-intensive. In homes, incandescent light bulbs and older-generation electric heaters are still common. Public areas are still heated and lit around the clock. In industry, badly tuned industrial motors waste half of all the energy they use. Yet there is a simple way to reduce this needless expenditure: experts believe that replacing current equipment with eco-efficient alternatives would bring instant energy savings of around 25%.

A strategy for long-term cost cutting

Because Rexel is convinced of the benefits energy efficiency can bring to customers and the environment, we actively support the profitable modernization of all electrical equipment and facilities. To do this, the Group works with manufacturers to find the most efficient solutions and helps encourage their widest possible use across the market.

However, within the context of this ambitious goal, many users are still reluctant since they see the new alternatives as expensive (for example, a low-energy lamp costs 3 to 5 times more than a tradi-

tional product). But the purchase price is, fortunately, not the only criterion to be considered. Other arguments plead in favor of the switch-over to new technologies such as lower utility bills and maintenance costs, backed up by government subsidies. Indeed, the strategy for change to new electrical equipment is seen more as a profitable investment in addition to its benefits for the environment.

In its advisory role, Rexel demonstrates that eco-efficiency can cut costs. On the frontline, its experts propose energy audits, simulations, and financing plans to its contractor and industrial customers. Over the past few years, the Group has developed a role as a leading advisor for



Industry: 30% to 60% savings on an electric motor

One of the best examples of potential savings that can be realized is the electric

motor. Fitted with an adjustable speed regulator, a modern high-output motor can reduce its energy consumption by 30-60%. The benefits for business are clear given that electric motors alone account for 70% of industry's electricity bill. To this end, Rexel proposes complete solutions incorporating a motor, control mechanism and reactive energy compensation device for the industrial and commercial markets.

Energy Efficient Solutions

- Lamps & Ballasts
- Industrial & Commercial Lighting Fixtures
- Lighting Controls
- Residential Lighting
- Energy Management & Automation
- Ventilation
- Recycling

Sustainable Building Solutions for:

- Commercial
- Education
- Healthcare
- Manufacturing
- Industry
- Residential

REXEL
Sustainable Building Solutions

Rexel USA: a new energy-efficient offering

The world's largest economy is often criticized for its energy-intensive way of life. In June 2009, Rexel Inc. decided to publish its "Guide to energy-efficient solutions." Twenty-five in-house specialists use the guide as a working tool to identify the most appropriate solutions for their industrial and commercial customers, i.e. those that offer the best return on investment. In 2006, a long-term process got under way with the launch of the Group's www.value-of-light.com web site within the context of the US government's Energy Act which encourages industry and businesses to save energy.



Towards positive-energy buildings

The course is set. In 10 years, all new buildings in Europe will have to comply with high energy-

performance standards. Rexel already proposes a wide range of equipment to reduce consumption and produce energy from renewable sources: heat pumps, solar panels, low-energy compact fluorescent light bulbs (CFL), home automation systems and so on. The ultimate goal is to design buildings which produce more energy than they use.



these types of solutions and has shown that investments today yield savings tomorrow.

Paths for action and improvement

While the main concern is the installation of new and less energy-intensive equipment, other action can be taken. This includes adjusting and automating existing installations and improving user

behavior. When individual efforts are taken as a whole, each user feels to be making a real contribution to saving energy. As a result, people need to be made more aware and environmentally responsible about their energy consumption. Rexel proposes measurement and monitoring tools that enable users (in both businesses and homes) to monitor consumption more accurately, and in the long term, by focusing on temperature, lighting and

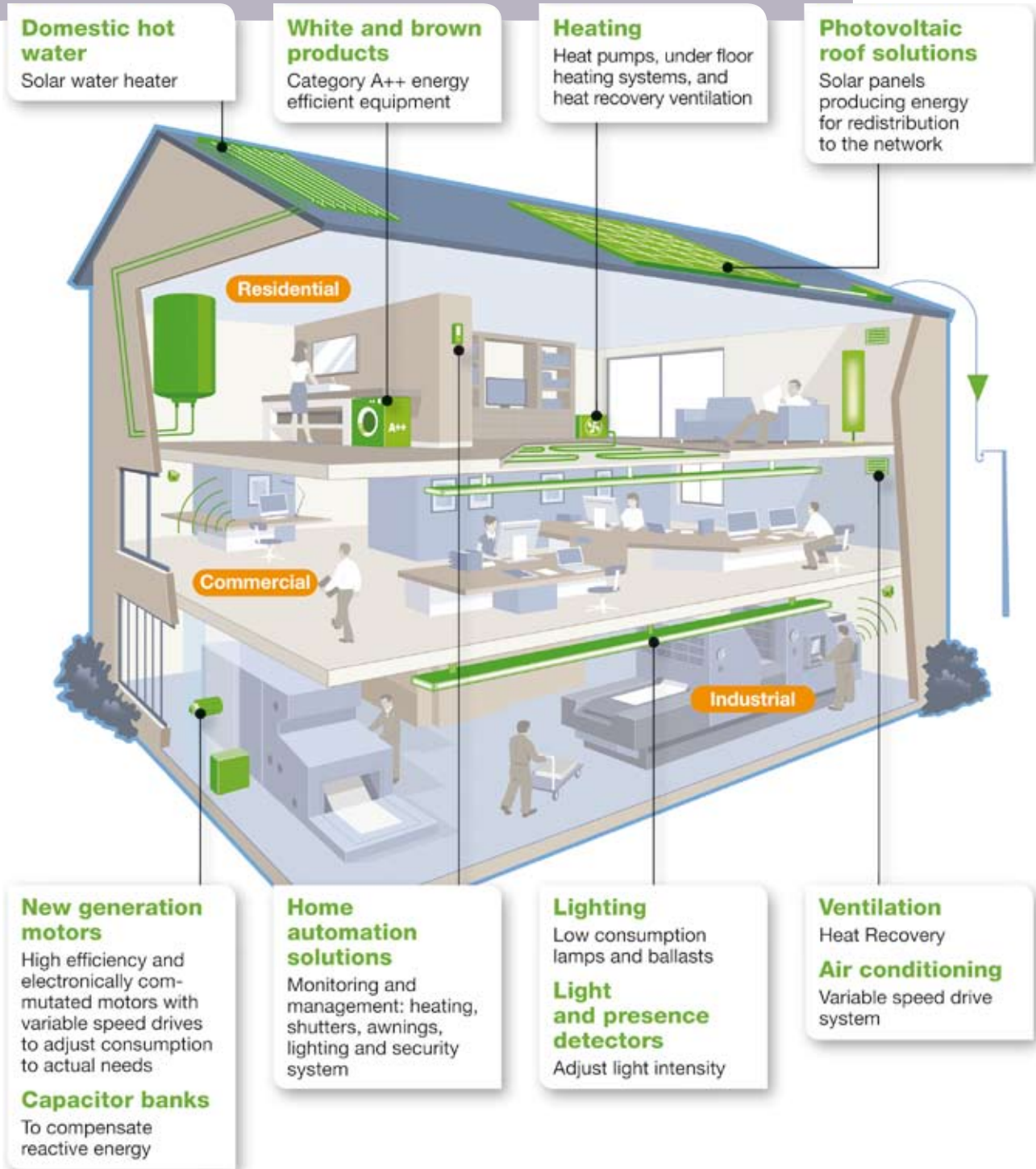
machine output. All these actions help to promote energy efficiency.

In 2009, Rexel set up a "Green Team" built around low-energy products and renewable energies. It comprises leading experts from many countries where Rexel is present and is a forum for sharing best practices, pooling sales strategies, and considering the "green offering" of the future.

Energy-efficient solutions

Rexel selects, recommends and sells all energy-efficient solutions for the residential, commercial, and industrial markets.

- low-energy equipment
- automated control systems
- monitoring and efficiency devices



New regulations mean that some 20 billion light bulbs will have to be replaced the world over in the next few years. This market, estimated at USD 140 billion in 2010 alone*, represents a huge opportunity for the whole industry. Indeed, electrical equipment manufacturers, contractors and distributors are going to be the key players in the rollout of sustainable and energy-saving lighting.

Initiative ✦ 5 in motion

Low-energy lighting

Improving the quality and eco-efficiency of lighting sources



* Source : Global Industry Analyst Inc.



Rexel focuses on four segments of the commercial market

Hotels: 24/7 lighting of public areas

Stores: lighting product displays and areas

Lighting for public spaces and car parks: energy savings, security, optimum traffic flow

Hospitals: security, technical standards



Product offerings compiled in partnership with major lighting brands

Lighting revolution

A riddle: what wastes 95% of its energy in producing heat and has to be replaced after just a few months of use? Answer: an incandescent light bulb. Incredible though it may seem, the 20th century was unable to produce a more efficient source of lighting. That is now history. Low-energy lighting is here to stay and old bulbs have had their day. In Europe, 100 watt bulbs were discontinued in 2009 and the others will disappear by 2012. A revolution is shaking up the lighting market.

Reducing waste

Aside from the regulatory aspects, change is clearly in the interest of customers. While giving out the same quantity of light as a conventional bulb, low-energy alternatives last, on average, six times longer and use five times less electricity. Furthermore, the higher purchase price is offset by energy savings made by the end of the first year. But energy-efficient lighting is not just about changing bulbs. A presence and motion sensor combined with a dimmer switch can reduce

consumption by half in a little-used room. All sectors are concerned by this change: in commercial buildings, for instance, installing modern, efficient lighting systems can generate energy savings of up to 70%.

Lighting expertise

On the frontline of the “lighting revolution,” Rexel informs its customers and recommends the most appropriate solutions. And to help with this technical and financial investment, the Group provides lighting expertise in the form of audits for different customers’ current installations, recommendations for the best solutions, calculations of the return on investment, and advice on the costs of maintenance, training, future technological upgrades and so on.

The last point is particularly important since the market is changing quickly. Indeed, analysts already predict that light emitting diodes (LEDs) will be the dominant lighting source of the future. LEDs consume almost no electricity, last ten times longer than even CFLs, and can deliver an endless variety of colors and brightness.

From operational advice to designing lighting environments

From its product offering to operational services, Rexel fulfils its role as an expert in partnership with major manufacturers. In 2009, Capitol Light, a subsidiary of Rexel USA which specializes in commercial lighting, advised on the replacement of the lighting systems in 1,000 stores of a famous clothing retailer chain in less than 13 weeks.

Since artificially-lit areas are, above all, places of every day life, work and leisure, comfort and style cannot be considered in isolation from efficiency. Consequently, Rexel works with architects and interior designers to create warm and welcoming ambiances. In 2009, in New Zealand, Rexel developed the Lighting by Design concept for the industrial and commercial markets. Rexel Italy opened its second Lighting Laboratori, a showroom where visitors can test all kinds of lighting atmospheres using state-of-the-art lighting techniques.



Light emitting diodes (LEDs)

A highly promising market for Rexel in the years ahead



Lighting renovation: a strong growth market in the UK

3 questions for **Laurence Dowding**

Head of Lighting Services - WF (Rexel UK)

In 2009, you played a key role in the West Quay shopping center in Southampton

We were involved in a major renovation project which included the lighting in a multi-storey car park. We supplied low-energy lighting with presence and movement sensors to control lighting levels and keep the duration of lighting to a minimum. Some 7,000 light fittings were installed in 8 months.

What is the customer's return on investment?

It's quite simple: the project cost EUR 390,000. In the first year, the customer realized savings of EUR 280,000 on their electricity bill. In less than two years, they will have completely recouped their investment and improved their carbon footprint significantly.

What are the other developments in lighting in the UK?

Thanks to the expertise of WF, Burger King's new head office lighting design saved 50% over the original specification utilizing presence detection and daylight harvesting. Buoyed by the increasing quest for energy savings, the lighting sector is growing quickly in the UK. In 2009, WF achieved a quarter of its sales from this single activity. Last October, encouraged by these good results, we pooled our expertise with Senate (another Rexel group network) to set up a specialized new Lighting team (Rexel Lighting Design and Solutions).

In SMEs, industry, and public-sector services, countless opportunities for improving electrical equipment are missed due to a lack of an appropriate sales approach. Identifying demand and responding with the right technical expertise allows us to offer end-users substantial savings and efficiency gains. With technical and sales skills that complement those of a contractor, the electrical supplies distributor is a key player who can convince and advise end-users in their procurement decisions.

Initiative 6 in motion

End-user



Strengthening our sales approach in favor of end-users

Encouraging decisions-to-buy

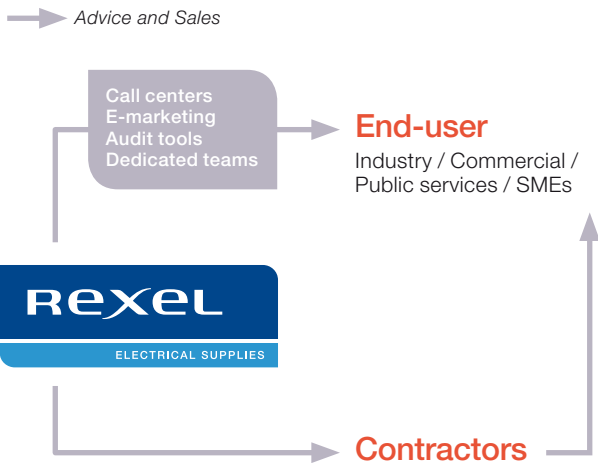
“You spend 100,000 euros on electricity for air conditioning every year? If you installed low-energy equipment on your premises you could be saving money in under 3 years.” When Rexel calls a prospective customer, we talk real facts and figures. Rexel sells energy savings and backs up its claims. With its commercial know-how, Rexel is well placed to guide customers and contractors towards lighting solutions that are good both for the

environment and their operating budgets. For Rexel, market opportunities are, above all, openings to be seized by the customer.

Exact needs and logistics power

Although Rexel does not install electrical equipment, it is perfectly placed to recommend it to customers. In the field of energy efficiency, it is more difficult for an electrician to persuade customers to buy sophisticated, often more expensive, equipment, which will, nevertheless,

make substantial savings possible. Rexel, on the other hand, has all the technical expertise, the ability to focus on exact needs, and the logistics force. It can also propose turnkey financing solutions. And it knows how to approach customers in need of information. To do all this, Rexel has set up efficient sales procedures to convince end-users (SMEs, industry, public-sector services, etc.) of the practical and financial benefits that are to be gained from making astute purchase decisions about electrical equipment.



Rexel Netherlands: Switch to Green program



In the Netherlands, Rexel, in partnership with manufacturers and contractors, has set up an original sales operation to provide advice on and sell low-energy solutions to commercial customers (hotels, schools, leisure centers, etc.).

With this packaged cross-functional program (special sales team, marketing and e-commerce tools), Rexel Netherlands has successfully recruited more customers to take up the green market.



Nedco helps Small- to Mid-sized Enterprises (SMEs) in Ontario to reduce their energy consumption

3 questions for **Bob Arbuckle**

Marketing manager, Nedco - Canada

Can you tell us about the **Power Savings Blitz** program?

In partnership with the *Ontario Power Authority* (OPA) and Local Distribution Companies (LDCs or hydro utilities), we are working with small businesses to help them upgrade their electrical equipment and save energy. It's the *Power Savings Blitz* program. LDCs finance up to CAD 1,000 in upgraded lighting for each eligible customer. Thanks to government subsidies, energy-saving schemes are no longer just for large companies.

What role does Nedco play?

Nedco, one of two Rexel networks in Canada, is responsible for introducing the program to potential customers, confirming their eligibility and carrying out an energy assessment. We arrange for an electrical

contractor to perform the retrofit and Nedco handles all invoicing, payment and reporting functions for the OPA and LDCs. After a very industrious 20 months, we are now the leading contributor to the program and we are working with several LDCs to develop entirely new conservation initiatives.

What are the first results?

The *Power Savings Blitz* is great for SMEs since they have nothing to pay. There are 425,000 potential businesses in Ontario. For Rexel in 2009, the program involved 30,000 installations and contributed to saving energy and reducing carbon footprints. It is good for the businesses, the sector and the environment.

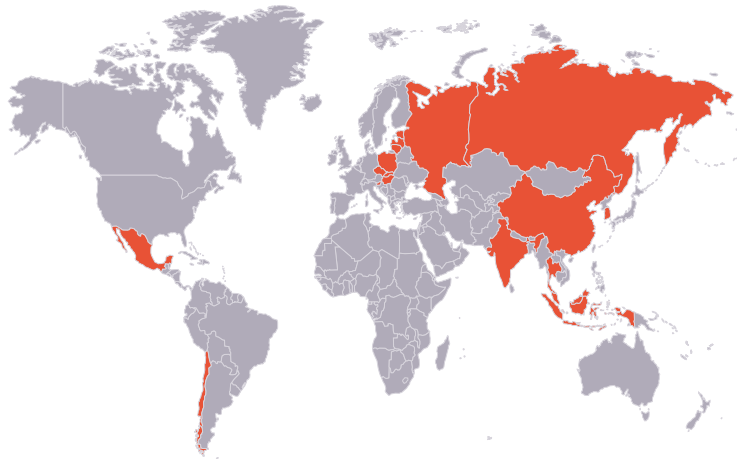
www.powersavingsblitz.ca

Emerging countries will enjoy average growth of 5% in 2010. That is five times more than in Europe or the US. Domestic demand for electrical supplies in emerging nations is being sustained by growing industrialization, urbanization, rising living standards, and the increasing interest foreign investors and industrialists are taking in these markets. In this environment, electrical supplies distributors play a key role in improving the quality of equipment and raising professional standards across the sector.

Initiative ✦ 7 in motion

Emerging countries





Rexel is present in 17 emerging countries

Latin America: Chile, Mexico

Europe: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russia, Slovenia

Asia: China, Indonesia, Malaysia, Singapore, Thailand, Vietnam + India



Capturing new territories of growth

In 2010: over 50% of global electricity consumption

China, South-East Asia, India, and South America are booming. In 2010, emerging countries will consume more than half of the world's electricity. From Mexico City to New Delhi, demand for expert advice is growing every day. First buoyed by demand from international construction firms and large infrastructure projects (plants, transportation), electrical supplies distribution now concerns most sectors of building and industry. Cheap products are giving way to established branded equipment. Aside from price, quality and service are becoming solid arguments in favor of the key distributors.

Market development and consolidation

Present in emerging countries for over 10 years, Rexel is actively involved in developing and consolidating these markets. And while these countries only account for 5% of the Group's total sales, Rexel is now more than ever aware of their commercial potential. Over the coming years, the Group plans to increase its presence in these new markets and to continue to upgrade professional standards in the electrical sector. The most promising countries are China, South-East Asia, India, Mexico, and Brazil.

China, the world's second-largest market

The most spectacular potential is to be found in China. Every year, 15 million people move to cities from the countryside; every year a metropolis the size of Paris rises out of nowhere. China is now the world's second-largest market for electrical supplies. Since 2000, Rexel has made four acquisitions in the country, including two companies specializing in industry. This strategy has enabled Rexel to become the country's leading distributor of automated systems, and the second-largest lighting distributor, with annual sales growth of 17%. In 2009, as part of preparations for Shanghai Expo, Rexel won several tenders including the contract to supply lighting for the "oriental crown" China pavilion and to modernize lighting in some of the city's 5-star hotels.

(...)



7,000 billboards in the Shanghai subway 3 questions for **Benoît Le Chatelier**

General Manager of Rexel China

How has Rexel been involved in the renovation of billboards in the Shanghai subway?

STDecaux (Groupe JCDecaux) holds the exclusive management rights for these facilities. It is responsible for installing modern billboards in the stations along the five new subway lines that are being built in the run-up to Expo 2010. After winning the tender, Rexel China worked with STDecaux and subcontractors from May to November 2009 to supply electrical equipment for some 7,000 subway advertising hoardings.

What challenges did the project bring?

The key was to be ready before the opening of Expo 2010. Deadlines were really tight. In just a few months we had to ensure the just-in-time supply of large

quantities of equipment including CFL tubes, sockets, ballast, clamps, fuse boxes, and more.

What added value did Rexel bring?

Rexel was the only distributor in China able to immediately offer all the products that were needed (50 products from 30 brands). Moreover, to maximize billboard assembly time, Rexel centralized and outsourced management of inventory and deliveries to subcontractors which saved time and simplified procedures. But our involvement in the project does not stop there. STDecaux is now in charge of the maintenance of the new equipment. Over the coming years, Rexel will be able to supply the spare parts they need.

From hotel complexes to copper mines: diversified projects

Emerging countries present Rexel with new challenges in terms of sales and logistics. In 2009, Gexpro supplied the lighting for the *Marina Bay Sands* in Singapore, one of the largest hotel-casinos in Asia with 2,600 rooms, 55 floors and a one-hectare roof terrace. For this mammoth

project, Gexpro supplied 100,000 lighting systems, 80% of which were delivered in less than 4 months.

Rexel is present in nine Central European countries with its two main banners: Rexel and Elektroskandia. In 2009, despite the difficult economic climate, these countries racked up aggregate sales of over EUR 250 million.

In South America, Rexel has a particularly high profile in Chile. In recent years, the Group has won major contracts in the mining sector (copper, silver, etc.), where it works with specialist EPCs.

Solar and wind power are the two renewable energy resources that will grow the fastest in the coming years. To address climate change issues in the post-Kyoto era, western nations have set ambitious emissions targets and created strong compliance incentives. Increasing numbers of homeowners are installing energy-efficient systems, while industrial customers are following suit. To support this historic shift, Rexel is leveraging its vast expertise, positioning itself as one of the leading distributors of renewable energy solutions.

Initiative ✦ 8 in motion

Renewable energies

Encouraging the development of solar and wind power





Tailor-made service for high-precision technology



Partner of major wind turbine manufacturers

3 questions for Bob Connors

Division President of Gexpro Services

How is Gexpro Services involved in the wind energy industry?

We supply major wind turbine manufacturers and their subcontractors with hardware, electrical and fabricated components utilized on their assembly lines and in field service operations. We work in the US, and also in Europe and in Asia where markets have grown considerably in recent years.

What added value does Gexpro Services provide?

Our first strength, as a supply chain service provider, is to provide bulk equipment at the best possible prices from the best global quality suppliers who respect our customers' proprietary engineering

specifications. The second essential quality for success is to provide customer inventory logistics programs which allow real-time adjustments to orders, inventories and shipments.

What is the growth potential of the sector?

Gexpro Services currently achieves a quarter of its sales in the wind market. We work with four of the world's six largest wind turbine manufacturers. Experts predict that over the next 10 years, the world wind power industry will increase its production capacity by a staggering 300% from 150 GW to over 600 GW*. This is a tremendous opportunity for Gexpro Services to grow with our key customers.

* EER forecast.

Wind power: a specialist profession

Building wind turbines is a challenge on an industrial scale. Towering over 100 meters high, with rotor blades spanning 60 meters, and including thousands of mechanical and electrical parts, assembling turbines is a huge task demanding expert precision. The sub-parts (tower, nacelle, turbine, blades) are so massive that they are built in customized manufacturing plants, shipped by special convoy, and then assembled on-site. The select group of market leaders is keenly aware of these production constraints. Manufacturing wind turbines is a job for engineering specialists. The world's six largest producers together account for over three-quarters of the market, which was estimated at USD 39 billion in 2009, mostly in the US, China, Germany and Denmark.

From choosing suppliers to managing procurement

In a world of global supply chain specialists, Rexel stands out for its experience, breadth of product choice, technical and logistics expertise, and its ability to steer projects from A to Z. The first task is to establish a global supply chain comprised of high quality, competitive C-parts suppliers (often located in low-cost countries). Then, it must develop tailor-made supply centers at the manufacturer's site and determine replenishment timing and economic order quantities. Lastly, over an assembly cycle of several weeks, the distributor must guarantee just-in-time deliveries and inventory replenishment, store parts ranging in weight from just

a few grams to several tons, and build complex assembly kits that significantly improve assembler efficiency.

Gexpro Services: experience and know-how

The ideal distributor is the one who can find the best solutions to meet all these logistical and technical needs. Rexel boasts an excellent track record and expertise with its Gexpro subsidiary, acquired from General Electric in 2006, one of the world's leading wind turbine manufacturers. In 2009, Gexpro Services recorded sales of over USD 100 million in the wind energy sector.



Solar power: Rexel's advantages

Technical expertise

Partnerships with manufacturers (kits)

Training for electrical contractors

Ability to recruit new customers and build loyalty

Financial and administrative expertise for end-users



More services and sales opportunities ahead

In several years, when the price of a subsidized kWh matches the market rate, owners of solar power equipment will use their own electricity. Households and companies will then become producer-consumers. Additionally, users will be able to monitor and manage their systems with

special control devices and smart grids. For example, depending on the weather, they will be able to choose between storing power and recharging, say, their fleet of electric vehicles. These developments open up a wealth of opportunities for any electrical supplies distributor who knows how to stay ahead with changing technologies.

Solar power: shining expertise

Photovoltaic power involves capturing the sun's rays and converting them into DC electrical current. The electricity generated is then sold on to an electricity company and fed into the grid at a preferential rate which is maintained, on average, for 20 years. The entire solar power sector has been built on this original, government-subsidized economic model. Households and industries that have embraced solar power are mostly investors looking for a return on their initial outlay. In 2009, the solar power market was worth some USD 27 billion and it is set to grow by 30% a year.

Advising and training contractors

However, the market was slow to get off the ground. Households, in particular, proved hard to convince. The technology, now perfected, had to be adapted to suit the particular features of different regions and types of roofs. Furthermore, it is a new venture for electrical contractors who have had to acquire new skills to fit rooftop solar panels, seal joints, and calculate an owner's return on investment.

Solar power is a sector with enormous growth potential where distributors have also deployed their full expertise. As a

supplier, Rexel sources the most suitable equipment from specialist manufacturers and packages it into kits. As a frontline specialist, the company meets contractors, explains the opportunities the market holds, and provides tailor-made training. Moreover, as a sales specialist, it helps electrical contractors find potential household customers (energy audits, information about tax incentives, and financing). (...)



Lycée Kyoto, Poitiers: the first 100% ecological school in Europe

In September 2009, the French city of Poitiers unveiled Europe's first completely fossil fuel-free school. Over 800 m² of solar panels have been installed on the roof. For heating, air-conditioning and so on, the school consumes 32 times less power than a comparable traditional establishment (i.e. 5kW/m²/year). The solar power system for this groundbreaking development was designed by Rexel at the earliest stages of the program and sets the trend for the use of photovoltaic solutions in public-sector facilities in the years ahead.

Solar power in Belgium, a tremendous success story

"The market was not ready when we started in 2007. We had to convince and train contractors who were really rather reluctant saying, 'Solar power in Belgium? It will never work!' So we organized a huge road show across the country to heighten awareness among electricians and explain how solar panels work. We trained over 1,800 electrical contractors. Today, the results speak for themselves: Rexel is the leading supplier of photovoltaic solutions in Belgium with sales of EUR 25 million, i.e. 10% of total sales, and in just two years! With a team of eight solar power experts, Rexel Belgium has captured the residential sector as well as the industrial market with customers such as the Stella Artois and Jupiler breweries. With the support of the manufacturer, we have achieved a remarkable feat in adapting the original panel clamps to fit Belgian roofs and putting together ready-to-install kits for electricians."

Steven Leeten,
Power Business Manager, Rexel Belgium

Household and business market

Initiated in Germany, Rexel widened this activity in 2009 to the rest of Europe and is now targeting the North American market. Also in 2009, Belgium served as a development model as it multiplied solar sales by 2.5 (*read testimony*). In Poitiers, France, Rexel was involved in designing the solar panel roof at the Lycée Kyoto, the first school in Europe to

operate entirely with clean energy. Solar power has branched out from its original clientele of households and now attracts a growing number of companies looking to put their roofs to good use. Indeed, the sector has become a strategic area of sales growth for Rexel. A sign of the success of solar power is witnessed by the fact that the Group's 25th supplier in terms of volume is a photovoltaic products manufacturer.



As an international Group and leading distributor of electrical supplies, Rexel faces a dual environmental responsibility. In selling its eco- and energy-efficient solutions, Rexel acts as an advisor and helps to improve the environmental performance of buildings and infrastructure worldwide. And as an ecologically responsible company, Rexel is committed to saving natural resources and minimizing the impact of its activities upon the environment.

Initiative ✦ 9 in motion

Sustainable Development



Putting sustainable development at the core of every day life

Encouraging eco-energy efficiency

Accelerating electrical progress in the 34 countries where the Group is present, Rexel designs product offerings and solutions which save energy and encourage the production of clean electricity. In 2009, Rexel sold over EUR 160 million of low-energy lighting (+40% compared with 2008) and over EUR 200 million of renewable energy solutions. With its expertise

and global vision in electrical applications, the Group can best advise its customers to help them install efficient solutions that save money and generate clean energy. At Rexel, we believe in consuming better and consuming less.

Reducing the environmental impact of our activities

While the direct impact on the environment of Rexel's business is only slight, distribution does, however, lead to a

number of indirect effects (transport, waste, energy consumption, etc.) that Rexel strives to reduce by means of daily and closely monitored actions. In 2009, Rexel introduced a series of measures to assess and improve its consumption. In 2010, in addition to improving its measurement tools, the Group will conduct a complete carbon inventory of its facilities. (...)

Rexel's commitments and actions to protect the environment

The Rexel Charter for the Environment

The Charter is posted at all sites and distributed to all employees. It contains 10 concrete actions which set out Rexel's commitment to protect the environment.

10 concrete actions

to protect the environment	2009	2008
Separate boxes so that they can be recycled	73%	49%
Separate all office papers, catalogues and magazines so that they can be recycled	68%	40%
Take part in the return of fluorescent tubes for recycling	72%	52%
Take part in the return of batteries for recycling	61%	52%
Return ink and toner cartridges to the manufacturers	73%	57%
Encourage all branches to use low-energy equipment and lighting	29%	24%
Organize at least one "commercial day" during the year for our customers promoting energy-saving lighting equipment	59%	50%
Review with all branch employees the ethics guide during the year	69%	63%
Inform all employees about the implementation of this charter at least once during the year	88%	61%
Inform our customers, partners and suppliers about our sustainable development policy	80%	55%
Average number of actions taken per branch	7	5

% of the Group's branches that have implemented the actions.



More ecologically aware employees

In February 2010, Rexel launched its **Eco-Days** campaign. This innovative environmental information program is designed to promote the simple everyday gestures and behavior that all employees can adopt to reduce the Group's carbon footprint. It focuses on the use of consumables (paper, printing, selective waste sorting) and efficient everyday energy management (lighting, air-conditioning). In 2010, the program will be deployed in other countries.

Cutting paper consumption and printing

In 2009, Rexel decided to team up with a preferred supplier to manage its office printing for a 5-year contract. The target is to significantly cut printing costs and reduce the Group's carbon footprint. The solution comprises a reduced and optimized network of printers, systematic printing on both sides of paper and expected savings of 20-60% according to the units. In addition to managing

the Group's printers, the new service provider will handle the collection and recycling of consumables such as toners, cartridges, and other items.

Optimizing transport

As part of its policy to optimize transport, Rexel is working with its Supply Chain and Indirect Spend departments to find ways of cutting down mileage, reducing fuel consumption and, as a result, lowering CO₂ emissions. But how? Delivery rounds are being optimized, vehicle fleets stream-

lined, and alternative transport methods used (hybrid vehicles, carpooling for employees). Eight service providers have been selected for their ability to help the Group in its environmental policies and produce accurate indicators.

For its office supplies, paper and IT consumables, Rexel has signed an agreement with an international supplier for 16 countries. This will significantly reduce the impact of transport by grouping orders together. In 2010, a progress monitoring indicator will be introduced.

Logistic Center

Rexel is determined to limit its impacts by optimising its supply-chain and reducing related transportation. Progress can also be made in package reduction.

Suppliers

Rexel favours sustainable and responsible long-term relationships with its suppliers, and constantly seeks to procure in an environmental-friendly way.

Headquarters

Rexel's commitment to the environment is supported by various actions: publication of a Guide and Charter for the Environment, signature of a new contract to reduce paper consumption and the launch of a new international campaign for environmental-friendly behaviour in the workplace.

Rexel's commitment to the Environment

- Reduce energy consumption.
- Improve the energy efficiency of its buildings.
- Limit its CO₂ emissions.
- Reduce water consumption.

Branch

Rexel collects electrical and electronic equipment refuse plus used batteries. In the branch it also contributes to waste recycling.

Customers

Rexel aims to raise customer awareness by promoting a wide range of eco-efficient and renewable energy products.

 Transportation flow

 Idea flow

The distribution market is undergoing profound change and Rexel's business model is evolving accordingly. New skills are constantly required to enrich the Group's expertise. To do this, we need to attract the most talented people, offer interesting career opportunities, and encourage solidarity with local communities. This is the challenge facing Rexel which intends to establish itself as a benchmark employer and a responsible partner in its relations with local communities.

Initiative ✦ 10 in motion

Social Responsibility



Encouraging talent

Developing skills

Through its training and development policy, Rexel plays an active role in improving professional skills and expertise among its employees and across the whole electrical sector. In 2009, Rexel rolled out a number of initiatives to improve performance and personal development including e-learning (Canada), e-integration (Australia), and leadership

training for managers in many countries. Hagemeyer Deutschland won the prestigious Rudolf Egerer award for its landmark training for young employees. In 2010, in support of the development of its new strategy, Rexel is introducing the *Business Education Platform*. This prestigious leadership training initiative will help managers reinforce their leadership through full ownership of the Group's business model.

Improving health and safety in the workplace

Safety of people and property within the Group's premises has always been a major concern for Rexel. All subsidiaries work daily to improve their processes and to suggest the best safety standards for logistics centers and branches. In 2009, the Group audited the health and safety procedures in force in the main



Web 2.0 for internal communications

In 2009, the company launched its new intranet portal, *One Source*. It is more visible, includes more information and ensures smoother communication between the countries. This shared resources platform includes decentralized publication tools. A further feature is the inclusion of over 20 sector-based sites, notably for business lines. With *One Source*, Rexel is strengthening ties among the Group's entities by fostering dialogue and the sharing of ideas and information.

Pursuing a commitment to ethical values

In 2010, the Group is staging an international operation to focus on ethics. In a process of dialogue, employees will be given the opportunity to let their managers know about any ethical problems they encounter in their day-to-day activities. A series of workshops will be held in the countries and management committees will rule on five key ethical issues that are raised by employees. Communication on a local and international level will draw conclusions and keep all stakeholders informed throughout the process.

Safety - facts & figures	2009	2008
Work-related accident frequency rate (per million hours worked)	7.8	9.4
Severity rate	0.1	0.2
% of employees following safety training	42%	31.8%

countries where it does business. Risk situations were clearly identified (driving forklifts, cutting cables, etc.). Reporting and improvement schemes have been introduced and, in many countries, safety training is now systematically provided for all new hires.

Although the H1N1 influenza pandemic has not been as serious as was initially feared, business continuity plans have been compiled for each country as part of a wider risk management policy across the Group. This include information about the procedures to be followed and the availability of protective equipment (masks, hand-wash gels, etc.).

A socially responsible policy

As a result of the downturn in activity in 2009, the Group reduced its workforce by 13%. In light of this situation, and after talks with the European Works Council, the Group has implemented a number of principles in the event of any reorganization. These principles stress the importance of providing employees with information. To this end, during reorganization in Estonia, as there were no local employees' representatives, the Estonian members of the European Works Council acted as the principal contacts for dialogue between staff and management.

These principles underline the Group's determination to avoid redundancies wherever possible. Alternative solutions such as short-time working (as in Italy and Finland), unpaid leave (US, Canada), and early retirement (Canada, Sweden) have helped to limit the number of layoffs.

The Rexel Group as a whole remains keenly aware of the importance of non-discrimination in the workplace for both recruitment and career management. In 2009, Rexel France introduced measures in favor of disabled workers and the percentage of employees with a disability increased from 1.1% to 1.6% between 2008 and 2009. (...)

Our commitment to helping communities

Through its commitment to local communities and the initiatives of its employees, the Group is helping to build a fairer, more humane, and closer-knit society. Rexel encourages its employees to be attentive to the special needs of local professional organizations and associations, and supports their outreach actions.



Canada's electrical industry helps to combat malnutrition



3 questions for Wayne Donaldson

Marketing and Purchasing Manager of Rexel Canada

Can you tell us about the *Hungry for Change* operation?

In 2008, with a friend, we decided to set up a charity to help children who suffer from malnutrition in the world, in partnership with Canadian NGO *Feed The Children*. Our aim is to make companies, employees, suppliers and customers in the Canadian electrical industry more aware of children's suffering and to encourage charitable giving to help improve their lives. The operation kicked off in October 2008.

Has Rexel Canada managed to bring the electrical industry together?

Yes, we were soon joined by Electro-Federation Canada (EFC). Over 325 companies, thousands of customers, employees and suppliers have all lent their support to *Hungry for Change*. It is a fine example of solidarity across the profession and we are very proud to be the cause of this initiative.

What are the results?

Extremely encouraging. We collected CAD 340,000 in 2009, i.e. 70% more than the previous year. To give you an idea, this amount can provide 1.5 million children with a meal in Africa. And 94% of donations go directly to children. Rexel now wants to take this action further and, where possible, set up the scheme in other countries where the Group is present.

Skills sponsorship

Rexel Italy participates in the *Lighting Design Master's* program at the University of Rome

In partnership with a professor at the University La Sapienza in Rome, Rexel opened two showroom-laboratories specialized in lighting. Dialog between the Specialized Masters in Lighting and Rexel has greatly increased and resulted in professors and students using the company's premises for workshops and specialized training.



Humanitarian aid

Rexel quick to help after the bush fires in Australia

Following the violent Australian bush fires of February 2009, the Rexel Group's Australian entity made a special donation to the local Red Cross to support victims of the disaster. The Asia Pacific sales region and Rexel headquarters joined in the fundraising campaign which gathered a total of over AUD 200,000.

Rexel worldwide through its banners



The Rexel Group distributes electrical solutions worldwide across its network of some forty general-purpose and specialist banners.

In 2009, Rexel's sales networks made a significant contribution to the Group's development.

Rexel France

Public-sector facilities: Rexel France is involved in several public-private partnerships (PPP) to build new hospitals and penal institutions.



Elektroskandia

Optimization: Sales activities in Poland and Russia are brought together under the Elektroskandia banner which is present in seven European countries.

Rexel IPG

Large projects: Creation of Rexel IPG, an international structure specializing in large projects.

**INTERNATIONAL
PROJECTS
GROUP**
EMPOWERED BY REXEL

Rexel China

Shanghai Expo: Rexel won the contract to supply LED lighting for the "oriental crown" China pavilion.

REXEL 蓝格赛

专业电气经销

Rexel Inc. - USA

Customer service: Deployment of *Impact Customer*, a large national customer service program.



And also

In Europe

ABM-Rexel
Coaxel
Denmans
Elektro-Material AG
Elektronabava
Hagard:HAL

Kellihers
Moel
Onexis
Parker Merchenting
Selga
Senate
Storel
WF

In Asia-Pacific

EIW
Gexpro Asia
Elektro Material AG
Elektronabava
Huazhang Electric
Ideal Electrical

Impel
John R. Turk
Lear&Smith
Page Data
Redeal Networks
Suzhou Xidian

Inaco

Safety: Inaco in Australia has set up an expertise center to improve safety and security for people and equipment in the industrial sector.



Westburne and Nedco

Sports infrastructure: the two Canadian networks helped to construct the sports facilities at the Vancouver Winter Olympics.



Newey & Eyre

E-commerce: Launch of the Neweysonline webstore.



Hagemeyer Deutschland

"Green towers": Hagemeyer Deutschland is involved in the renovation of the twin towers of Deutsche Bank's HQ in Frankfurt.



Gexpro

Renewable energies: Gexpro Services is developing its wind power activities.



Regro et Schäcke

Logistics: Regro and Schäcke in Austria are improving delivery performance with their national logistics center at Lintz.



In South America

Flores y Kersting

