

2011

REXEL ACTIVITY AND CORPORATE RESPONSIBILITY REPORT



Rexel

ELECTRICAL SUPPLIES

3 PERFORMANCE IN ACTIONS

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REXEL PERFORMANCE IN ACTIONS

IN JUST A FEW YEARS, WE HAVE GONE FROM BEING AN ELECTRICAL SUPPLIES DISTRIBUTOR TO A PROVIDER OF ECO-EFFICIENT ENERGY SOLUTIONS AND SERVICES. OUR CUSTOMERS BENEFIT FROM OUR EXPERTISE TO CHOOSE THE BEST EQUIPMENT. FOR THEM WE DELIVER IT, HELP THEM INSTALL IT AND MONITOR ITS PERFORMANCE.

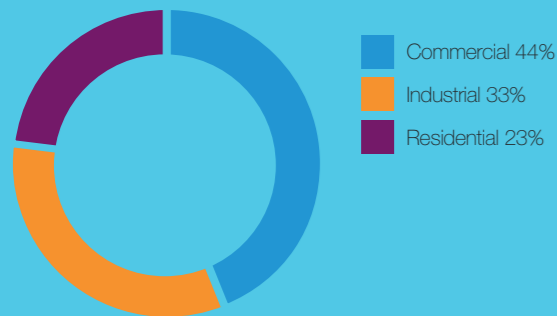
2011 KEY FIGURES

N° **1** | IN NORTH AMERICA
IN ASIA-PACIFIC

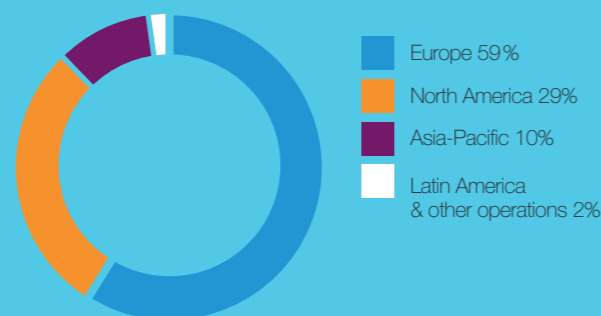
N° **2** | IN EUROPE

FINANCE

2011 SALES BY END-MARKET



2011 SALES BY GEOGRAPHICAL AREA



2,100 BRANCHES, 40 BANNERS,
28,000 EMPLOYEES, 37 COUNTRIES

SALES €12.7bn
(+6.3%)

+39%
net income,
or €319 million

€601 million
Free cash flow before
interest and taxes

16% part of key accounts
in total sales or €2bn
(10% increase)

+20%
growth in share
of e-commerce
in total sales

SOCIAL

+400%
training hours
or 214,000 hrs in 2011

61%
of entities have at least one
general labor representative
(excluding Hygiene, Safety
and Working Conditions
Committee)

4,591
new recruitment in 2011
(16.2% of total staff)

60%
of Group employee individual
compensation packages
have a variable part

ENVIRONMENT

+56%
sales in "wind energy"
solutions (€85 million)

+60%
sales in lighting
retrofit products
(€170 million)

20% of the Group's
entities are
ISO 14001
Certified

13,270
Tons of waste
reclaimed
by the Group
in 2011

GLOBAL LEADERSHIP

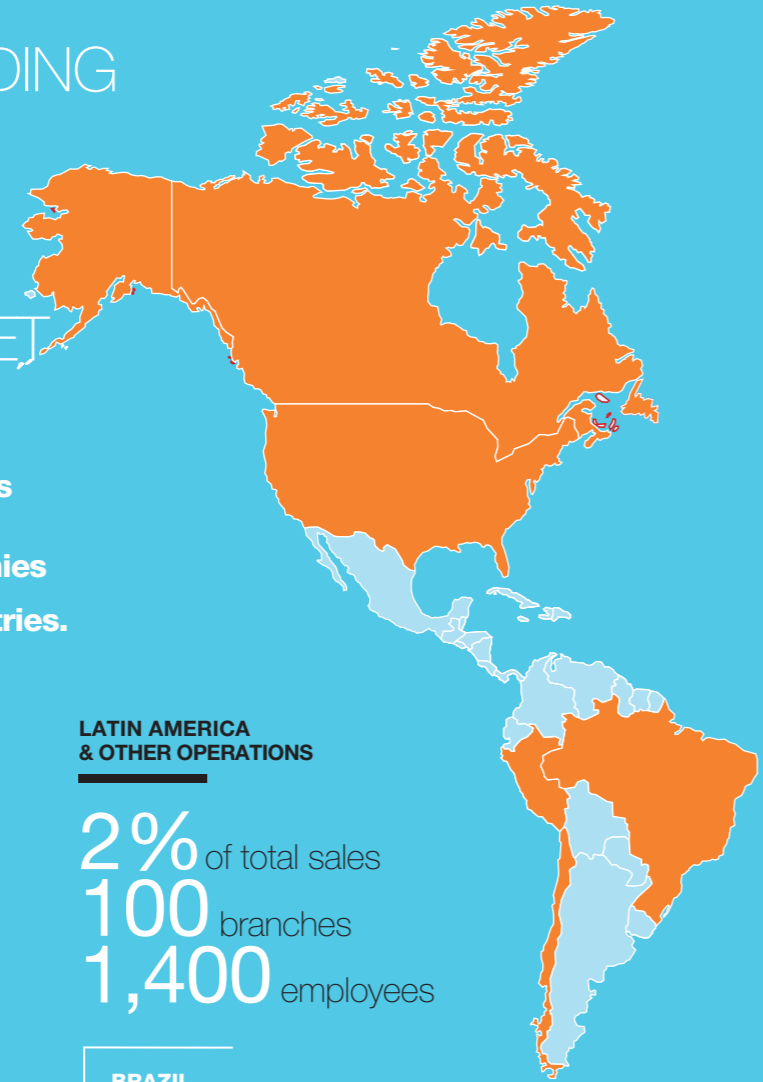
REXEL IS THE LEADING DISTRIBUTOR OF **ELECTRICAL SUPPLIES AND SOLUTIONS** FOR EVERY MARKET **WORLDWIDE.**

The Group is working to accelerate its presence in **areas with high growth potential** – China, Southeast Asia, Latin America and the Middle East – and is consolidating its positions in **mature economies** in Europe and North America. **Rexel has operations in 37 countries.**

NORTH AMERICA

N° 1
29% of total sales
500 branches
7,200 employees

- CANADA**
Nedco
Westburne
- UNITED STATES**
Gexpro
Rexel Inc.



LATIN AMERICA & OTHER OPERATIONS

2% of total sales
100 branches
1,400 employees

- BRAZIL**
Delamano
Etil
Nortel
- CHILE**
Flores Y Kersting
Rexel Electra
- PERU**
V&F Tecnologia

EUROPE

N° 2
59% of total sales
1,250 branches
16,400 employees

COUNTRIES

- United Kingdom/Ireland**
IRELAND
UNITED KINGDOM
- Southern Continental Europe**
FRANCE
ITALY
PORTUGAL
SPAIN
- Northern Europe**
BELGIUM
ESTONIA
FINLAND
LATVIA
LITHUANIA
LUXEMBOURG
NETHERLANDS
NORWAY
RUSSIA
SWEDEN
- Central and Eastern Europe**
AUSTRIA
CZECH REPUBLIC
GERMANY
HUNGARY
POLAND
SLOVAKIA
SLOVENIA
SWITZERLAND



ASIA-PACIFIC

N° 1
10% of total sales
250 branches
3,000 employees

COUNTRIES

- AUSTRALIA
- CHINA
- INDIA
- INDONESIA
- MALAYSIA
- NEW ZEALAND
- SINGAPORE
- SOUTH KOREA
- THAILAND

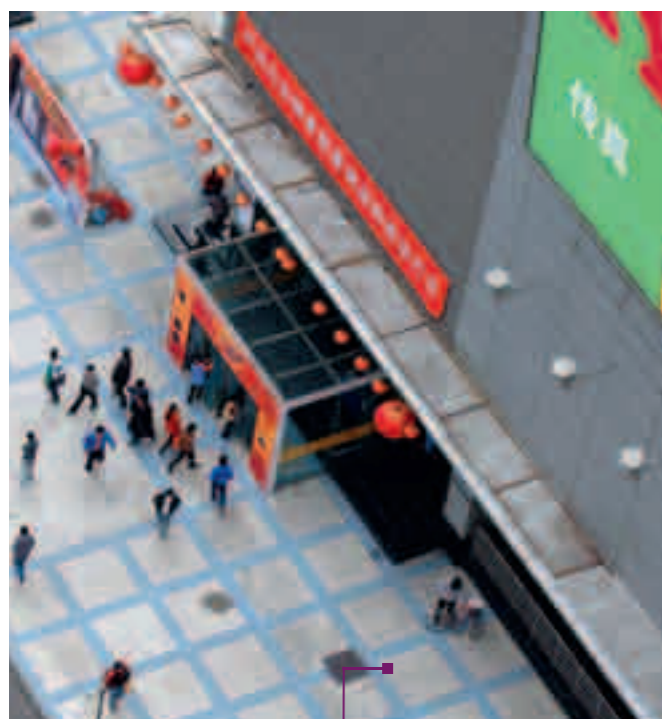
BANNERS

- AD Electronics
- Beijing Lucky Well Zhineng
- Beijing Zhongheng
- EIW
- Gexpro Asia
- Huazhang Electric
- Ideal
- Impel
- Inaco
- John R. Turk
- Lear&Smith
- Page Data
- Redeal Networks
- Rexel
- Suzhou Xidian
- Wuhan Rockcenter
- Yantra Automation

BANNERS

- ABM Rexel
- Coaxel
- Denmans
- Elektro-Material AG
- Elektronabava
- Elektroskandia
- Grossauer
- Hagard : HAL
- Hagemeyer
- Kellihers
- Moel
- Newey & Eyre
- Onexis
- Parker Merchating
- Regro
- Rexel
- Schäcke
- Selga
- Senate
- Storel
- Regro
- WF

MILESTONES IN 2011



JANUARY

ACQUISITIONS in Brazil and India

Rexel expands its global operations with the acquisitions of Nortel Suprimentos Industriais and Yantra Automation, which give it a foothold in Brazil and India, respectively.

Acquisitions in China

Rexel is stepping up its external development efforts in countries with high growth potential and strengthening its position in China with the acquisitions of Beijing Lucky Well Zhineng and Wuhan Rockcenter.



At the C&B awards ceremony (Compensations & Benefits), the Rexel Group wins the International Social Responsibility Award for its social protection plan *Rexel Plus Protection for All*.

FEBRUARY

TRADE SHOWS in France

Rexel France attends the Énéo Trade Show in Lyon, France where it presents its *Electrical Event* space, providing energy management solutions for the home, the commercial sector and industry.



APRIL

Green Towers

Following a project where Rexel helped complete an eco-friendly and eco-efficient upgrade, the twin Deutsche Bank towers in Frankfurt officially opens and are renamed the Green Towers.

Mobile web services

Rexel Belgium launches a new sales app for the iPhone that lets customers place orders, look up prices and product availability, perform quick searches, scan bar codes and even locate a branch.

MAY

Acquisition in India

Rexel acquires its second company in India, AD Electronics.



Rexel launches an online magazine about all electrical efficiency issues (www.electrical-efficiency.com). It records almost 100,000 visits one year after the launch.

JUNE



The headquarters for this Rexel British subsidiary relocates to a building in Birmingham equipped with the highest performance electrical solutions in terms of energy consumption and showcases the Group's environmental commitments.

Social media

Rexel completes its corporate social media initiative with a new Twitter feed, a Facebook fan page and channels on Dailymotion and YouTube.

SEPTEMBER

Acquisition in France

Rexel acquires a 70% stake in Inoveha, a French company specializing in energy audits.

CONTRACT

Newey & Eyre sign a four-year contract with Tata Steel UK, a global leader in steel manufacturing. N & E plans to supply all of Tata Steel's UK-based sites with low-consumption electrical maintenance and lighting products.

AWARD

After France's 24th national contest "Un des Meilleurs Ouvriers de France" (One of the Best Workers in France), three of Rexel's employees win the prestigious award in the Sales Advisor category for energy solutions in the electricity sector.



AUGUST

AUCKLAND MUSEUM

Two of the Group's New Zealand subsidiaries, Rexel and Ideal, are part of a project to renovate the iconic Auckland Art Museum built in 1887. They provide expert lighting solutions for the exhibit spaces.

OCTOBER



The testing laboratory at Bizline, Rexel's private brand specializing in tools and accessories for electricians, receives official accreditation from Cofrac, the French Accreditation Committee.

Services

Rexel France introduces a wide range of services for its customers, mainly featuring financing solutions, short- and long-term leasing and administrative support for obtaining Energy Saving Certificates.



NOVEMBER

Acquisition in Peru

Rexel strengthens its presence in Latin America with the acquisition in Peru of V&F Tecnologia, a distributor of electrical equipment in Lima.

Message from **Roberto Quarta**

Chairman of the Supervisory Board

2011 was a year of both continuity and change for Rexel. Continuity because the Group reported another solid performance in 2011, and even surpassed its own targets. Change, as Rexel orchestrated an exemplary management transition that culminated in February 2012 with the appointment of Rudy Provoost as Chairman of the Management Board to succeed Jean-Charles Pauze.

Rexel's excellent 2011 results attest to the relevance of the Group's strategic decisions: it has built up positions in businesses with strong growth potential, such as energy efficiency, while offering customers ever more value-added services. These results also reflect the Group's capacity to adapt to a tough environment and are the fruits of rigorous management. Despite a challenging economic environment, Rexel sales increased in all geographic regions, rising 6.3% to €12.7 billion. Even more remarkable, Rexel's profitability reached an all-time high. Lastly, the Group surpassed its cash flow target and reduced net debt by €195 million during the year.

Bolstered by these excellent performances, Rexel revised upwards its dividend distribution policy and proposes to pay a dividend of €0.65 per share for the year 2011, a payout of 46%

of Group net income. Moreover, the liquidity of Rexel's shares should increase following the decision at the beginning of this year by the consortium controlling Rexel to reduce their equity stake by 11% while remaining an active, dedicated shareholder.

On behalf of the Supervisory Board, I would like to warmly thank Jean-Charles Pauze for all his efforts at the Group's helm over the past ten years. Under his direction, Rexel has doubled in size, significantly enhanced its business model, reinforced its positions in fast-growing markets and consolidated its position as world leader. After a selection process that complies with the highest standards of corporate governance, we have appointed an outstanding successor, Rudy Provoost. His experience in the electrical sector, his international stature and his strong management skills will allow Rexel to continue on the path of profitable growth while stepping up its commitments to corporate social responsibility. /



“Rexel's excellent 2011 results attest to the relevance of the Group's strategic decisions”

JEAN-CHARLES PAUZE | In 1991, Jean-Charles Pauze became Chairman and Chief Executive Officer of Steelcase Strafor | In 1998, he was appointed Chairman of the Management Board of Guilbert (PPR Group) | In 2002, he joined Rexel as CEO and became President of Rexel's Management Board in February 2007, until February 2012 |



“Rexel is stronger and better positioned to continue being a leader in its market”

Message from **Jean-Charles Pauze** Chairman of the Management Board (UNTIL FEBRUARY 2012)

The financial and economic crises that we have faced have taught us to be agile, operationally excellent and resilient. Growth was only possible thanks to the support of our shareholders, who, having accompanied us since 2005, enabled Rexel to seize attractive acquisition opportunities that contributed to our expansion.

In 2011, Rexel delivered an excellent performance. Organic growth was strong, profit margins reached record highs, and we strengthened our presence in fast-growing countries while lowering our debt. Thanks to the dedication and responsiveness of all our staff, Rexel is now stronger, more flexible and better positioned to continue being a leader in its market.

Rexel has solid fundamentals in place for further growth. I am convinced that the next decade will be filled with new developments for the Group as it responds to the challenges raised by transformations in the economy and in the energy landscape. I wish to warmly thank the teams that allowed us to record these remarkable accomplishments, and who are now responsible for writing a new page in Rexel's history. /

Over the past decade, the Group racked up numerous achievements, to which I had the great pleasure of contributing. At the start of the decade, the priority was to find our way back to profitability. Improvements were made continuously to streamline information systems and logistics, and to develop new ways of reaching our customers. Over the years, we have strengthened all of our fundamentals, keeping pace with the market's needs and with advances in technology. From a traditional electrical equipment distributor, we have gradually expanded our offer to include solutions and services that are geared towards energy efficiency and new markets requiring ever greater expertise and added value.

RUDY PROVOOST | held variety of senior executive positions between 1984 and 2000 at Procter & Gamble, Canon and Whirlpool. After joining Philips in 2000, he became President of Philips' Consumer Electronics division in 2004, before becoming President of its Lighting sector in 2008 | Rudy Provoost became a member of the Management Board of Rexel in October 2011, and was named Chairman of the Management Board in February 2012 |

Interview with **Rudy Provoost**

Chairman of the Management Board

How do you see Rexel's 2011 results?

Rudy Provoost: Rexel registered an excellent performance in 2011, despite a challenging economic environment. The year can be summed up in three key points. First, with organic growth of 6.3%, we demonstrated that we have the structural capacity to surpass GDP growth in the countries where we do business, by seizing opportunities in growing segments, notably in energy efficiency. Second, we exceeded our targets and are reporting a record high profit margin of 5.7% of sales. Finally, we strengthened our positions both in mature markets and in fast-growing countries through ten acquisitions and expanded into new countries – in particular, Brazil, India and Peru.

You arrived at Rexel in October 2011, before becoming Chairman of the Management Board in February. What struck you the most?

R.P.: I was already well acquainted with Rexel, having been a supplier to the Group in what had been a long-standing partnership. During my first round-the-world trip to meet Rexel teams, what struck me the most was the Group's energy, enthusiasm, and know-how and the solidity of its organization. Rexel is a world leader in its sector. It owes this leadership position to

the combination of a very well executed strategy, a strong customer franchise, strong supplier relationships and a highly committed and consistently performing workforce. We are going to continue building on these strengths, and I see my role as a catalyst for accelerating Rexel's development. It is up to us to write a new chapter in the Company's success story.

What makes Rexel so strong?

R.P.: The Group's expertise in developing energy efficiency solutions and value-added services is significant. In recent years, Rexel has participated in a wide variety of renovation projects allowing customers to generate substantial energy savings. Moreover, Rexel has proven to be able to offer customers complementary services in combination with the equipment we distribute. These services, often tailor-made and customized, are designed around specific value propositions. For example, we are developing maintenance and repair services for industrial customers, while providing equipment installers and contractors with logistics services for major construction sites.



“Rexel has solid fundamentals: focus and discipline in execution, a strong entrepreneurial spirit, and consistency in performance”

Interview with Rudy Provoost

strengthening our information management capabilities. Moreover, we need to build a strong culture of cooperation and actively manage our resources for increasing returns on investments and assets. Leveraging best practices, optimizing resource allocation and driving synergies offer substantial opportunities to innovate and create competitive advantage.

→ What role does external growth play?

R. P.: Growth through acquisitions is a vital part of our development. In mature economies, where profitability has a direct correlation to market share, we aim to be a top player in every country in which we do business. The distribution sector is still highly fragmented, and there are plenty of attractive acquisition opportunities. Fast-growing countries also offer the Group a market with great potential. In 2011, we expanded into new countries, such as Brazil, India and Peru. Fast-growing countries now account for 7% of Group revenues, and our goal is to double our sales in these markets between 2010 and 2013.

What are your strategic priorities for the years ahead?

R. P.: Rexel has solid fundamentals. Focus and discipline in execution, a strong entrepreneurial spirit, and consistency in performance provide a strong platform for the future. Against this background, I have outlined clear priorities going forward. First of all, profitable growth is at the top of that priority list. We are going to expand and invest in strengthening our positions in the more profitable industrial and commercial vertical markets, while further developing our offer in the field of energy management, and extending our portfolio of value-added services. Next, we are raising the bar in the field of operational excellence, for the benefit of our clients. This encompasses strategic supply chain and e-commerce initiatives, as well as increasing the effectiveness of our branch network and

Rexel claims to be committed to sustainable development. Corporate social responsibility and environmental issues have been somewhat eclipsed by the crisis. How do you plan to approach these challenges?

R. P.: For me sustainable development is a matter of principle and fits perfectly with the mission of Rexel. The company is clearly positioned in segments that are at the heart of sustainable development: energy efficiency, renewable energies and intelligent buildings.

Moreover, our employees feel strongly that the company they work for should be a committed player, one that gives real meaning to its business. Along these lines, we signed a partnership this year with the NGO Ashoka, to help fund social entrepreneurs with innovative projects in the field of energy efficiency in 2012. This partnership and theme are fully aligned with our business and dovetail perfectly with our approach. Rexel is also a member of the United Nations Global Compact. Through this commitment, we wish to contribute to a more citizen-minded global economy and show our determination to be a responsible player, with regard to both our employees – as illustrated by our focus on ethics and career development – as well as all of our stakeholders.



“The key is to position ourselves as the brand of choice and partner of preference for and with our customers and suppliers”

How do you see the future?

R. P.: In recent years, our Group has demonstrated its ability to deliver on commitments. Our challenge is to continue along those lines, while raising the bar and accelerating business development in strategic areas such as energy efficiency and renewable energy, automation, and intelligent buildings and habitats. The key is to position ourselves as the brand of choice and partner of preference in creating value for and with our customers and suppliers. /

The Executive Committee helps manage the Group's business.

It is a special body that deliberates on strategic planning, coordinates initiatives, monitors performance and initiates cross-functional projects. Its members include the Management Board members, the Communications and Sustainable Development Group Senior Vice President and the regional Senior Vice Presidents.

THE EXECUTIVE COMMITTEE (MARCH 31, 2012)



3	9	12	1	10	8	11
2	5	6	4	7		
<p>1 Rudy Provoost Chairman of the Management Board and CEO</p>	<p>2 Michel Favre Management Board Member Chief Financial Officer and Group Senior Vice President</p>	<p>3 Pascal Martin Management Board Member Group Senior Vice President Business Development and Corporate Operations</p>	<p>4 Jean-Dominique Perret Management Board Member Group Senior Vice President Human Resources, Group Delegate for International Businesses</p>	<p>5 Pascale Giet Group Senior Vice President Communications and Sustainable Development</p>	<p>6 Patrick Berard Senior Vice President Southern Continental Europe</p>	<p>7 Jérémy de Brabant Senior Vice President Nordics & Benelux</p>
<p>GROUP SENIOR VICE PRESIDENTS</p>			<p>REGIONAL SENIOR VICE PRESIDENTS</p>		<p>EUROPE</p>	
			<p>NORTH AMERICA</p>		<p>ASIA-PACIFIC</p>	
			<p>8 Michel Klein Senior Vice President Central & Eastern Europe</p>		<p>10 Jeff Hall Senior Vice President and CEO Canada</p>	
			<p>9 Henri-Paul Laschkar Senior Vice President UK and Ireland</p>		<p>11 Chris Hartmann Executive Vice President and CEO Rexel Holdings USA</p>	
					<p>12 Mitch Williams Senior Vice President Asia-Pacific</p>	

**THE INTEGRATOR
OF ELECTRICAL
SOLUTIONS
TAILORED
FOR ITS CUSTOMERS**

61%

of the Group's employees are in direct contact with customers. Their skills and know-how can resolve all issues their customers may have.

“Training in new technologies”

Independent electricians and small installers are eager for training and services, especially in energy management.



INSTALLERS AND INDEPENDENT ELECTRICIANS

Rexel branch networks: advice, proximity and made-to-order

Small installers and independent electricians are Rexel's core customers – and now their trade is undergoing a major shift. They are no longer ‘cable-pullers’ like in the old days and many of them have mastered new technologies. Independent electricians, small and medium heating and plumbing contractors and installation specialists make up the majority of Rexel's client base, accounting for 40% of its sales. They are evenly represented between independent contractors or small businesses with fewer than six workers and companies with 6-49 employees. For the most part, they upgrade residential and small business properties. They have progressed in terms of organization and using online catalogs – and ordering on the internet has become commonplace.

Value-added services

They want to improve their knowledge base and are requesting value-added services like equipment leasing and preconfigured equipment. Another requirement for them is keeping updated on products, standards and regulations, which change quickly. But with the introduction of new energy efficiency solutions, the primary concern for independent contractors is still the sales process. It is sometimes difficult for technicians to explain the economic reasoning behind a return on investment for equipment that is usually more costly to buy. This task has become even more difficult now that customers are frequently taking time to learn about the latest products online.

Proximity and local service

Independent contractors still consider their local Rexel branch as the go-to place for information, training and advice. Since it is nearby and provides products and services as well as an expert staff, they can save time, pick up new jobs and improve their technical and professional knowledge. /

E-COMMERCE IN 2011

20% increase in sales

40 e-commerce sites, including three new sites in Spain, Italy and the United Kingdom and eight upgraded sites in Canada, the Netherlands, Sweden and Austria.

Over 130 features that can be configured by market on the global platform: advanced search features, in-depth content, updated navigation and layout, expanded online services (order history, electronic invoicing, etc.).

THE PARTNER FOR INSTALLERS AND INDEPENDENT ELECTRICIANS



EDMONTON BRANCH (CANADA)

Gains in expertise, time and efficiency

In a world where products, technologies and jobs are changing rapidly, small and medium installers and independent contractors have to **DEVELOP THEIR SKILLS** to keep their competitive edge.

Skills development

Installers have to learn new skills to take on new clients in fast growing sectors like climate control and renewable energies, without returning to school.

Rexel offers them modular solutions specifically designed for each country and usually organized in partnership with manufacturers or specialist institutions. As part of this effort, in 2011, Rexel France expanded its offering with some 30 customer workshops lasting from a few hours to five days that provide different types of information from new lighting sources to climate control equipment. In the United Kingdom, Rexel offers certificate courses for independent contractors in photovoltaic solutions and heat pumps.

Other very popular ways to obtain information are trade shows and branch showrooms. For example, Rexel Netherlands introduced LEDZmeet⁽¹⁾, an LED lighting center that uses a more theme-based approach and offers tours and presentations on demand for installers or their customers. The Electrifest in Canada held by Nedco Ontario was a great success. Rexel France co-organized the *Énéo* Trade Show in Lyon to showcase its Active Home and raise awareness about energy performance.

The internet is yet another building block. On the heels of Inxel TV⁽²⁾ – Rexel France's

TV channel available online since 2010 – came the new online magazine on electrical efficiency (see page 50) and specialized sites like the British renewable energy website⁽³⁾.

Sales support

When it comes to selling energy savings, technically-gifted independent installers need simple devices to convince end clients of the benefits of the solutions they are proposing. To this end, Rexel has introduced turnkey sales plans for independent contractors. There were two new developments in France in 2011. A website to promote heating upgrade solutions⁽⁴⁾ that is designed to inform consumers and provide custom estimates. These pre-qualified requests are then forwarded to the nearest partner installer. This helps them with the sales process and brings in new business.

The second development was the EIG (Economic Interest Group) called *Réseau Énergie Habitat*⁽⁵⁾ (Home Energy Network) where Rexel worked in association with a banking organization, an energy audits company (Inoveha), and three building equipment distributors. →

WEBSITES

- (1) www.ledzmeet.com
- (2) www.inxel.tv
- (3) www.rexelrenewableenergy.co.uk
- (4) www.moninstallateurexpert.fr
- (5) www.reseau-energie-habitat.fr

BACKGROUND ↓

Public and private single-family homes and apartment buildings – the residential market is the core business for independents contractors and installers. This market is a key priority for the environment, the economy and employment.

INSIGHT The residential market AT STAKE

Rising energy prices, new lighting and home automation technologies, changing standards for consumption and government subsidies – there is considerable potential for improving energy efficiency in the residential sector.

The biggest units: heating and lighting, can be cut by 25-33% using a combination of high-performance equipment and smart energy management. Consumer education and dedication are crucial components, as is consideration for their needs. Reducing energy consumption does not have to be a disadvantage for users and, even in the design phase, new energy solutions have to meet expectations on comfort, simplicity and ease of use.

As people are spending more to heat their homes and new concerns over energy insecurity are mounting, energy efficiency in the residential sector has a major role to play. Every household that can meet the low-consumption building standards represents some €1,000 in purchasing power*.

* Source: www.electrical-efficiency.com

A QUESTION ON ELECTRICITY: What is grid parity? | Grid parity refers to levelizing the cost of producing photovoltaic power with conventional production methods (gas, coal, nuclear). The rising costs of fossil fuels and the productivity increase of photovoltaic power are bringing us closer to this balance. This day could arrive as soon as 2013 in Italy, 2014 in Spain, 2017 in Germany and the UK and 2018 in France. Therefore, the modest gains being made today in the photovoltaic market are expected to be followed by a significant resurgence within the next decade especially because the potential for productivity remains high. | www.electrical-efficiency.com

THE PARTNER FOR INSTALLERS AND INDEPENDENT ELECTRICIANS

→ The EIG offers a turnkey solution provided by a group of Rexel partner installers for renovation projects worth an average of €35,000. The service was piloted in two regions in 2011 and will be rolled out nationwide in 2012.

These complex energy management solutions also presented an opportunity to develop support services for installers that save them time and provide security for their projects. The so-called Winning Services introduced in France in late 2011 involve compiling administrative files for photovoltaic equipment installations, financing solutions for customers, assisting with new heat pump installation and obtaining ESCs (Energy-Saving Certificates).

As a general rule, all of the Group's subsidiaries do their best to help installers better manage the financial assistance measures available to their customers (tax deductions, special lending rates, etc.). In 2011, the Energy Summits that were held in the United-States to explain all the loans, financial assistance and subsidies available, remained very popular.

A local network

Rexel's branches make up a local network that is highly valued by installers, even more so now that they are supplemented with new online access. Independent contractors prefer to stop by the branches and Rexel is always working to improve

its merchandising: packaging, signage, information, in-store advertising, etc. Branches are meeting new client demands by creating self-service areas, showrooms and meeting places where contractors can request information and advice. And they are still very grateful that Rexel provides them with products outside the branch through a secure double-door system or after-hours service. They also appreciate the versatility of traveling sales reps who visit building sites and show installers new products and techniques.

In 2011, Rexel continued rolling out its e-commerce sites which feature a shared platform designed by the Group that can be configured to meet local or sector-based specifications.

It now offers a number of services with 130 features and provides all networks the most effective web services, so they can expand their operations and increase online sales. In 2011, 8 e-commerce sites were upgraded in Canada, in the Netherlands, in Sweden and in Austria and 3 new sites were opened in Spain, in Italy and in the United Kingdom (see page 22).

New mobile applications already being used in France and Norway were tested in 2011 in four countries (the Netherlands, Canada, Belgium and the US). They are either mobile versions of the e-commerce sites or targeted applications and will gradually be introduced in other countries and on other smartphone platforms. /

BACKGROUND ↓

A low-consumption building (LCB) consumes about four times less energy than a conventional building. Standards vary by country. In France, they are 50 kwh/m²/year for new buildings and under 80kwh/m²/year* for renovated buildings.

* Source: Label BBC-effinergie

CASE STUDY

Low consumption building SIGMA HOME, UK

In October 2011, Rexel UK, the British subsidiary of Rexel Group, unveiled its sustainable home in the BRE Innovation Park in Watford, north-west of London. The house, originally built

by the Stewart Milne Group, entitled the 'Sigma Home', was the first home in the UK designed to the Code for Sustainable Homes Level 5, and therefore offered the ideal showcase for Rexel's innovative energy solutions and products. Rexel has partnered with key suppliers to demonstrate to visitors in a live working

environment, the efficiency of new technologies used in the residential sector, such as: LED lighting, air-air heat pumps, PV and solar thermal panels, recharging stations for electrical vehicles, and a home automation system. The property is actually two identical homes: the first, furnished and equipped, was inhabited and tested

by a family over a one-year period, for two weeks each season, and the second is a mirror-image, exposing the structure of the building and equipment installed, that combine to contribute to the overall energy efficiency of the building. Supporting technical information and case studies are also displayed in each of the rooms.

At the occasion of the house inauguration, Rexel is launching its Energy Solutions branding, which specializes in 'one-stop-shop' renewable technologies provision. The exhibit is attractive not only to specifiers but also end users of the new technologies, and will be regularly updated in its content and presentation.





“Having a global, responsive and expert partner at your side”

Large installers are now looking to work with global distributors that can provide them with the support they need in logistics, organization and services.

LARGE INSTALLERS

Targeted and reliable project expertise

The largest prime contractors in technical infrastructure are SNC Lavalin, KBR, Shaw, Fluor, Bechtel and Technip. These giants of engineering and construction expertise manage the world’s largest project sites in mining, oil, gas and transport infrastructures. Large construction companies and electrical installers are the other major players operating on large construction sites.

Working with global players

They account for about 20% of Rexel’s turnover and are a potential market for significant growth, particularly in emerging countries. The two prerequisites for working with the large installers are performance and reliability. Procurement, product availability, logistics, e-commerce systems, administrative support and monitoring have to be flawless. These installers work for public and private general contractors worldwide and are looking to partner with global players that can adapt to specific demands in terms of logistics, organization and services.

Flexibility and adaptability

When construction projects last several years and are valued in the hundreds of millions and sometimes billions of euros, the organization and crews have to be up to the task. In addition to the technical expertise these projects require, Rexel must show a critical ability to plan complex projects and handle any unforeseen changes. Large installers require flexibility, specifically by providing flawless technical support and being highly responsive in the field. The capacity to meet any demand in any situation, even the most unexpected, is a key criterion in working successfully with these types of clients. /

REXEL IPG (INTERNATIONAL PROJECTS GROUP) IN 2011

62 million euros in sales

28% increase in sales

34 people around the world

THE DISTRIBUTOR FOR LARGE INSTALLERS



Local expertise backed by a global platform

To meet the expectations of large installers, Rexel has developed a **POWERFUL LOGISTICS SYSTEM**, solid project management and a worldwide platform.

Thinking globally to act locally

Engineering Procurement Construction (EPC) Companies expect their suppliers to implement structures that are adapted to their own. Rexel IPG (the dedicated large projects structure) with global support allows the Group to be involved in the very early stage of the contract giver's tenders. Regional management centers also allow it to research the best solutions to respond to specifications. This is a winning strategy as the turnover generated by Rexel IPG increased by 28% in 2011. For example: the WorleyParsons contract, one of the leaders in the energy field with the Samref project (see Case study p.29).

The Group's local entities on the building site handle procurement, storage and billing. They are also assigned to manage the site's entire supply chain, which includes determining needs and volumes, providing and overseeing inventories and monitoring services. This approach ensures the prime contractor that its specifications will be followed while risks and costs are reduced.

In 2011, Rexel IPG's global strategy culminated in a worldwide, long-term agreement with SNC-Lavalin, one of the world's leading engineering firms.

Distribution made to order

No matter where the building site is located, Rexel designs and guarantees customized distribution services. A dedicated agency or an on-site warehouse with Rexel staff to manage restocking and inventory will guarantee satisfaction for the prime contractor. In 2011, Rexel's subsidiary in Australia installed a warehouse in the construction site for a correctional institution in Queensland, which saved the project a lot of time. In an effort to adapt to various types of building sites, Rexel also offers sequenced deliveries and packages equipment in secure digitally-tagged containers. In addition, the Group provides supplemental services like inventory handling and waste management.

Another benefit for large construction projects is computerized procurement. Rexel offers specialized online catalogs and high-level EDI solutions to manage all building site subcontracting and serve as a purchasing and storage platform. In 2011, Rexel was able to help its large contractors avoid unnecessary purchases and over-use by accurately monitoring and managing their subcontractors. Accurate reporting naturally results from Rexel's ability to monitor customer networks and IT systems. /



CASE STUDY WorleyParsons REXEL IPG

WorleyParsons, based in Australia, is one of the largest engineering firms specializing in the energy sector.

In 2011, Rexel IPG won a contract to supply the Samref oil refinery site (Saudi Arabia) with electrical equipment. This project is being coordinated from the Rexel IPG offices in the Middle East, Europe and North America. The contract was worth 2 million euros in 2011 and 6 million euros in 2012.



“Being able to count on reliable and optimized procurement”

Industrial clients have to be able to count on a partner that makes their production line secure while allowing them to improve the energy performance of their installations.

INDUSTRIAL CUSTOMERS

Dedicated organization and customized logistics solutions

From SMEs to large corporations, industrial clients account for about 20% of Rexel's sales. Size is not a key distinguishing feature because their needs are often determined at the plant level. They have two distinct types of requests for electrical equipment. Rexel provides services not only to OEMs (Original Equipment Manufacturers) who need electrical parts for larger sub-assemblies such as electrical panels but also for industrial customers in MRO (Maintenance, Repair and Operations) for their production lines and facility maintenance.

Procurement and storage

In both cases, industrial clients expect reliability, productivity and value-added services. Reliability and consistency in procurement are the foundations of industrial production and must be achieved through seamless logistics organization. Unlike on building sites for large installers, these tasks are highly predictable and mainly involve managing workflows. Industrial clients also count on distributors to contribute to productivity gains in purchasing, procurement and storage. More than just per-part prices, they look at the total cost of ownership. When it comes to services, industrials want recommendations on targeted solutions for automated and motorized systems, as well as tailored to their specific business sector.

Improving energy management

In light of these expectations, Rexel provides its industrial clients a single point of contact, a distribution network near production units, customized solutions and specialized organization and crews. The same thing applies to the ever increasing demands of the Group SME customers who are trying to improve their energy management and where Rexel is able to meet their expectations with diagnostic and energy efficiency solutions. /

LOGISTICS PERFORMANCE IN 2011

1 day reduction in average time saved on storage

4% reduction in logistics costs

10 million euros saved by optimizing product transportation

15 million euros saved by optimizing procurement and warehousing



LOGISTICS CENTER
DOURGES (FRANCE)

THE PARTNER FOR INDUSTRIAL CUSTOMERS

Constant streamlining of workflow management

From optimizing workflow management to energy management for production units, Rexel offers a full RANGE OF HIGH-PERFORMANCE SERVICES for its industrial clients.

Optimizing distribution and making it reliable

It only takes one missing critical part to shut down an entire plant. That's why reliability is the top priority in procurement management to guarantee productivity and production quality. Plus, given that 60% of a product's cost comes from procurement and storage fees, reducing these expenses is the other major concern for industrial clients and, in turn, distributors.

Rexel always strives to optimize the logistics services it provides and this effort continued in 2011 using proven strategies. For example, to improve service quality and cut costs, it is outsourcing transportation – which is already the case in some countries, such as Sweden – and at the same time looking for the best operators, like in Finland.

Rexel is also pursuing its efforts to optimize client procurement services by associating its suppliers in the process. Most problems with availability actually happen upstream of the supply chain, which is why contracts with suppliers, or SLAs*, are so important. They stipulate the precise procedures to follow, from delivery to product returns, sharing information and setting up key indicators. In 2011, new countries and suppliers

* SLA: Service Level Agreement

joined this so-called supplier partnership system, which includes signing SLAs. These highly structured partnerships help improve the level of service and increase the volume of transactions.

Specializing offers and organization

To better meet the needs of industrial clients, Rexel uses both horizontal and vertical specialization for its organization, its crews and its solutions. The expertise inherent to this specialization ensures the offer and the project monitoring are relevant, as proven by the success of Gexpro Services in the United States.

One of the eco-efficient equipment lines Rexel offers in the industrial sector is motors and automated systems. They are key components of energy management because they account for up to 70% of an industrial facility's electricity consumption. New regulations are gradually requiring the use of high-efficiency motors. Coupled with variable-speed systems, they can offer up to 60% in energy savings. →

BACKGROUND ↓

Since the global electrical power marketplace (production, distribution, transport and sales) is so large and undergoing increased deregulation in Europe, it is creating some attractive opportunities for Rexel, a recognized expert in the field.

CASE STUDY Electrical distribution NORWAY

Norway has about 50 different local and regional electricity distributors that are undergoing consolidation

and are increasingly using the services of subcontractors. Rexel's subsidiary in Norway, Elektroskandia, already has a specialized crew of 22 people in the market that maintains the distribution grids. The Norwegians put a high value on Rexel's delivery services, which include next-day delivery by container, single-number ordering for kits and onsite

delivery using GPS order tracking. Elektroskandia is now planning to rely on these good working relationships to position itself in the electricity sales market, the highly promising "last mile connection" which features the installation of smart meters.



A QUESTION ON ELECTRICITY: Why use EDI? | EDI makes it possible for Rexel's information systems to exchange data with its customers' systems. Because it avoids the need to send documents and enter data, Electronic Data Interchange offers considerable advantages in terms of speed, reliability, security and cost. It has become inseparable from just-in-time inventories and helps improve customer satisfaction and loyalty. When volumes or contract terms allow, Rexel now offers EDI as a matter of course and knows how to adapt to its customers' needs to serve them better using a variety of exchange and content formats. In 2011, EDI accounted for 6% of Rexel's total sales and is growing at an annual rate of 17%. |



THE PARTNER FOR INDUSTRIAL CUSTOMERS

→ Specializing in the fastest growing markets also gives Rexel an edge in the bidding process and in designing customized solutions. This is obvious in the latest contracts with electricity suppliers in Norway, railway networks in the United Kingdom, hospitals in France and oil producers in the United States.

Rexel also offers the ultimate in specialization – expertise where a market and a solution intersect. A good example is the American company Capital Light, which specializes in lighting for chain stores. The success of wind energy solutions (56% turnover increase in 2011) substantiates the increasing popularity of renewable energies, especially in Canada where Rexel is now working with a whole range of players (manufacturers, subcontractors, installers, etc.). One of the Group's Canadian subsidiaries, Westburne, is well positioned to reap the benefits of a market that is expected to increase tenfold by 2025.

Moving toward energy management

Rexel's comprehensive expertise in energy efficiency now means it can offer large industrial clients national and international multi-site services. In 2011, Rexel signed a master agreement with Michelin that covers 90 sites in eight countries.

Newey & Eyre (one of Rexel's subsidiaries in the United Kingdom) also signed a contract with Tata Steel UK to supply electrical maintenance and low-consumption lighting products to all the global steel giant's British sites. Rexel's expertise also means it can provide assistance for SMEs in their energy management process to improve equipment efficiency and management. This approach consists in conducting energy diagnostics, proposing customized recommendations and introducing dedicated and integrated logistics solutions.

In 2011, the Energy Efficiency Development Manager at Rexel France, Marc Labarde, was given the distinguished honor of being named "One of the Best Workers in France" (*Un des Meilleurs Ouvriers de France*) in the Energy Solutions category. His project was on ventilating paint booths for Nicolas Industries, a company that designs and manufactures special automotive equipment and wide loads. Marc Labarde's solution to use variable-speed motors was both smart and innovative. The return on investment is under 15 months. /

BACKGROUND ↓

In 2000, Rexel began building a solid operating platform in China through the consecutive acquisitions of Hailongxing (Beijing), Hualian (Shanghai), Huazhang (Hangzhou), Xidian (Suzhou), Beijing Lucky Well Zhineng (Beijing and Tianjin) and Wuhan Rockcenter Automation (Wuhan). In 2011, Rexel's turnover in China increased by 14% with excellent results in the industrial automated systems segment.

INSIGHT Huazhang Automation chosen by VMI CHINA

Huazhang Automation, one of Rexel's banners in China, was voted Best Supplier of 2011 by VMI Yantai, the Chinese subsidiary of the leading supplier to the rubber

and tire industry, based in the Netherlands. Huazhang provides spare engine parts and tools to automotive industry players, as well as technical and logistical assistance. An account manager was assigned to guarantee just-in-time delivery and his presence on the site has made it possible to overcome many

issues. Prior to this, Huazhang reconditioned and re-labeled over 1,000 references. The decision to go with a warehouse in the free zone gives the company the ability to issue its invoices in foreign currency and simplify re-export procedures. Huazhang was commended by VMI for its excellence in customer service and, more specifically,

for its initiatives aimed at simplifying procedures and improving reliability. VMI orders with Huazhang Automation were substantial in 2011, and are set to increase in the years to come.



ELECTRICAL
PANEL ASSEMBLY
IN BEIJING, CHINA

“Understanding the issues of energy management”

Public and private commercial sector players are accountable for the energy resources they consume. They look for partners to build sustainable cost-saving strategies.

PRIVATE AND PUBLIC COMMERCIAL CLIENTS

Tailored solutions for energy efficiency

Over 44% of Rexel's turnover is made in the public and private commercial sectors where the Group works with installers and end clients.

Whether in the health sector, retail, offices, public buildings or urban lighting, the recent energy management requirement has brought in new players and decision-makers. Public authorities, energy, environment and IT managers are now all concerned about a “multi-energy” approach. One of the fastest growing fields is energy upgrades, an area where clients are not the only good contacts to have. Striving to adopt a more aggressive yet collaborative approach, Rexel is now partnering with new pace-setters in this market.

Cutting the energy bill

It is essential to consult with architects, engineering firms and even integrators and facility managers before the sales process begins. The single objective for all of them is to prove to end users that they can cut their energy bills. This must be done by conducting an initial consumption inventory and then introducing a managed energy efficiency solution. It makes complete sense to partner with an engineering firm, as Rexel offers the credibility of multi-manufacturer offer and both technical and sector-specific expertise. It is mutually beneficial because engineering firms and architects are usually well positioned to identify projects and convince clients.

An integrated offer in project mode

Working with these different players on a series of projects makes for better consistency and efficiency in audits and energy management solutions. Rexel is confident this proactive collaborative approach is a win-win situation and it can now integrate solutions and services for its clients in project mode. /

A GREENER GOLF COURSE

To help the **Coventry Golf Club** (United Kingdom) reduce its carbon footprint, Rexel UK conducted a full energy audit and recommended a solution that combined lighting and new solar panels:

16 solar panels

£4,600/year saved on energy costs and **5 tons** of CO₂ cut

£42,500/year in revenue over 25 years from selling electricity back to the grid

25% savings on total energy costs

A QUESTION ON ELECTRICITY: What is the ROI* for an LED lighting system?

The buying cost of LEDs, or electroluminescent diodes, is five to ten times higher than conventional light bulbs, but they save 80-90% in electricity consumption. They also have a lifespan that is 20 to 30 times longer and drastically reduce maintenance and replacement costs. These two facts combine to provide an ROI* of 12-18 months. And they virtually cut annual lighting bills by 90%. When LEDs are used with motion detectors and a management system, the cost can be further cut in half.

*Return on investment

THE SERVICE INTEGRATOR FOR PRIVATE AND PUBLIC COMMERCIAL CLIENTS

A global approach to energy management

Bundling products and services into an END-TO-END OFFER, usually in partnership with other pace-setters, requires expertise and is part of a long-term process.

A multi-partner process

In the commercial sector and elsewhere, rising energy prices and regulatory reforms are prompting a need for cost-saving solutions. In mature markets, the renovation sector is at the forefront with 30 times more volumes than the construction sector. This is especially true as energy efficiency has become a key factor in determining the property or leasing value of a building.

These days, decisions are being made by energy or environment managers, IT managers and even local authorities. They are briefed by architects, engineering firms and integrators. To promote its energy management equipment, in 2011, Rexel France attended the *Salon des maires* (Mayors' Trade Fair) to present a variety of solutions specially designed for local authorities.

In addition to these products, this population is interested in full-service offers that meet their needs in building energy management, lighting efficiency, accessibility, etc. Effective solutions have to integrate a so-called multi-fluid energy management approach and happen in stages, from the initial diagnostic to continuous building monitoring. That is why it is necessary to work in partnership with all the decision-makers.

Rexel has a competitive edge in this process because it offers interoperable equipment (KNX standard), user-friendly interfaces and upgradable installations.

Building management systems

Building Management System (BMS) solutions combine energy efficient equipment with control and management systems like motion detection, metering systems, centralized control and programmable management.

More generally, there was a sharp rise in energy efficiency projects recommended by Rexel in 2011. Lighting retrofit projects were up 57%. Some of the projects in France during the year included a full lighting upgrade for the Mantes-la-Jolie Hospital (80% cost savings) and designing a dual-flow ventilation system for a school in Château-Thierry (Aisne region), which gave the children better heating and cleaner air to breathe. →



INSIGHT 2,000 fewer energy-consuming gas stations GEXPRO, USA

In 2011, Rexel's American subsidiary Gexpro signed a contract to supply and finance equipment to reduce energy consumption at 2,000 independent service

stations in North America. Conducted in association with Blue Earth and eCORE Technology, the project involved lighting retrofits, installing more efficient refrigeration motors and new energy management systems.

Gexpro will be providing all the equipment, including the lighting units and motors. The project costs an estimated total of \$60 million, or \$30,000 per service station.

REXEL ENERGY SOLUTIONS' 7-STEP PROGRAM IN THE UNITED KINGDOM

- 1 | Feasibility study
- 2 | Energy audit
- 3 | Alternative offer
- 4 | Energy-saving numbered objectives
- 5 | Project planning
- 6 | Monitoring installation
- 7 | Post-project inspection

THE SERVICE INTEGRATOR FOR PRIVATE AND PUBLIC COMMERCIAL CLIENTS

→ A photovoltaic solution was chosen in the United Kingdom for two large public housing projects that included customized procurement management for 458 houses in Surrey and 63 houses (out of a final total of 2,000) in Scotland. An electricity consumption audit at the Coventry Golf Club also helped determine two priorities – exterior lighting and solar panels – that resulted in reducing the energy bill by 25%. Rexel even set an example by carrying out projects to upgrade its own buildings. The lighting at the Rexel warehouse in Mansfield, Massachusetts was completely overhauled (with an ROI of under two years) and the Rexel France headquarters in Paris was equipped with an energy consumption metering and monitoring system. The system can be controlled online and serves as a life-size Energy Management System (EMS) that Rexel's sales reps will soon be able to show their clients from any internet connection.

Aligning the sales activities

In the commercial sector and elsewhere, energy efficiency management is optimized with specialized crews, first-rate experts and an offer that brings together the finest manufacturers.

The most active sectors include health, hotels, public buildings, offices, retail outlets and urban lighting. In particular, public contracts require a keen knowledge of administrative complexity. After months of preparation, in 2010, Gexpro received approval from the United States General Services Administration (GSA), giving it the go-ahead to offer services to all federal government agencies.

Most countries have introduced a special sales organization to respond to the needs of the commercial and industrial sectors. A pioneering leader in the market, Gexpro was named the 2011 Best of the Best for marketing excellence by the National Association of Electrical Distributors (NAED) for its "Active 8 program". Similar initiatives have been carried out by Rexel Energy Solutions in the UK, Kandela in Finland and Genera in Spain. After Rexel France created the position of Energy Efficiency Development Manager in 2011, about 50 commercial account representatives will be recruited in 2012 who will mainly focus on identifying and pre-qualifying the needs of commercial users. /

RESPONSIBLE SOLUTIONS



86% of the Group's employees say they are treated with respect (2011 internal Satisfaxion survey).

“Promoting ethics is a part of our daily responsibility”



JOHN GSCHWIND,
VP LEGAL, GENERAL
COUNSEL AND
CORPORATE SECRETARY
REXEL HOLDINGS USA &
ETHICS CORRESPONDENT
FOR THE UNITED STATES

His implication in conveying good ethical practices to American employees has allowed the USA to obtain some of the best scores in the 2011 issue of the internal Satisfaxion survey.

SOCIAL RESPONSIBILITY

Developing career paths for every employee

In a group as diverse as Rexel, one of the key factors of building cohesive teams and operations is the dedication of all employees to the Group's founding principles. This by no means involves downplaying cultural differences, but rather instilling a foundation of common values and seeing that they are clearly identified, shared and applied.

Shared foundations

Ethical relations in the workplace are one of the very linchpins of our Group. This can be seen not only with our employees but also with our customers and suppliers. Rexel has created an Ethics Guide and manages a network of correspondents throughout the world. They convey good ethics principles and ensure best practices are being used. Anyone, whether they are an employee or not, can contact them anonymously, either to ask a question or to report an issue concerning ethics. In 2011 they implemented local action plans adopted by the Management Committees.

Developing new skills

One of Rexel's other tenets of social commitment is developing its employees' skills. Not only is this vital for building motivation and loyalty, it is also a critical issue for the Group in terms of assimilating new technologies, products and markets. Rexel is convinced that its success relies on the ability of its employees to anticipate, manage and maximize these changes.

Associate employees to the Group's performance

Quite logically the Group links its employees to its corporate performance. Recognizing the fact that each member of the workforce contributes to collective results has traditionally been associated with Rexel's culture. Employee shareholding and variable compensation are among Rexel's preferred methods for ensuring the feeling of truly belonging to a Group. In 2012 Rexel will be launching two websites dedicated to employee shareholding that include information on the range of initiatives that has been taken since 2007. /

THE 2011 ETHICS PROGRAM

5 ethics initiatives were selected by **the 21 Management Committees** and incorporated into the 2011/2012 action plans.

8 principles set the framework for **socially responsible practices:** enforce the Ethics Guide, apply and follow the law, conduct internal controls, treat people with dignity and respect, integrity, freedom of speech and social dialogue, responsibility and transparency.

20 practices outlining **conduct and proper action** in a variety of sensitive situations involving purchasing, customers, gifts, the environment, conflicts of interest, confidentiality, health and safety, harassment, diversity, public speaking and involvement in politics and associations.

40 ethics correspondents in the Group.

SOCIAL RESPONSIBILITY

The three keys to a win-win situation

Rexel's 28,000 employees are the company's **BEST RESOURCE**. The Group as a responsible employer has implemented a **SOCIALLY DYNAMIC ATMOSPHERE** founded on skill building and association to the Group's performance.

A work environment built on respect

Rexel provides all of its employees around the world with an ethical, fair and supportive work environment. In 2010, the Group bolstered the operational foundation for its ethics program (see above: The 2011 Ethics Program) by asking the ethics correspondents network and local managers to hold workshops worldwide to discuss ethics. Each country chose 12 issues, five of which had been selected by the Management Committees.

The local action plans were launched in 2011 and will continue in 2012. Some of the plans that have already been implemented include *The Guide to Being a Model Rexelian*, a series of nine lighthearted videos on the rules of workplace etiquette that were released at the Group's Paris headquarters in Autumn 2011. And in Spain, stricter procedures were put into place to protect the confidentiality of ethics cases. One of the core principles in the Ethics Guide is anti-discrimination and equal opportunity. In 2011, Rexel placed an emphasis on seniors (25% of employees are over 50) and, more generally, staff members with extensive experience. A consultation program called *Rexel Experience* was introduced in the European countries to improve diagnostics and offer solutions.

The *Rexel Plus Protection for All* plan guarantees a minimum level of social protection

covering occupational illness and work-related accidents is now operating in 11 countries. The plan received the International Social Responsibility Award at the C&B Awards Ceremony. The companies Rexel acquired in 2011 already complied with the Group's standard practices for social protection. Finally, Rexel conducted an opinion survey in 2011 that polled 96% of its employees in 24 countries to gauge their level of satisfaction in eight different areas, including employee commitment and wellbeing (see Insight box on page 47).

Skills development

In a world where jobs and markets are changing quickly, training is a vital tool for learning new skills, anticipating innovations and managing change. Technical and regulatory training is being led at country level. In 2011, 18,047 employees received 214,048 hours of training. In France, three employees were given the distinguished honor of being named "One of the Best Workers in France" (*Un des Meilleurs Ouvriers de France*) in the Electrical Energy Solutions Sales and Consulting category. Management training took a novel turn in setting an objective to not only develop skills but also to introduce new processes by forming project groups to work on concrete plans that drive growth (see A question on careers on page 47). →

BACKGROUND ↓

Launched in 2007, International Traineeship is an international internship program designed to find young talents and increase Rexel's visibility with French *grandes écoles* (engineering and business schools). The number of participants is expected to grow from 12 in 2011 to some 20 trainees in 2012.

CASE STUDY

The American Dream International Traineeship

Aged 25, Sylvain Viravaud was in his fifth year studying industrial logistics at the *École supérieure de logistique industrielle* in Rennes, France, and had never been to the United States. When Xavier Derycke, Group Supply Chain Director, offered him a six-

month internship in the Washington, DC area, he jumped at the chance. He started by spending two weeks in Paris, in April 2010, before flying to Boston where he was greeted by his tutor, Bill Dawson – then he headed to Upper Marlboro. His task was to help the warehouse team install a new management software system. Sylvain polished up his English, earned the trust of his co-workers and, most importantly,

proved he has what it takes. At the end of his six-month internship, Rexel Inc. asked him to stay on to optimize the processes and speed up the workflows. Upon his return to Paris in May 2011, Sylvain was hired as Procurement Manager at Bizline (one of Rexel's private brands). For Xavier Derycke, his experience once again proves that companies prosper when they give young people a chance and put their trust in them.

EMPLOYEE SHAREHOLDING IN 2011

On December 31, 2011, former and current employees owned **0.6%** of Rexel's equity and voting rights through **the employee shareholding plans**.

5,206 Rexel employees in France benefited from the *Prime de partage des bénéfices* of €150.

37% of these bonus recipients chose to deposit the €150 in their Group savings plan (PEG), in a fund invested in Rexel's shares, and then to benefit from their employer matching contribution of €150 gross.

The number of employee shareholders in France increased by **66%**.

SOCIAL RESPONSIBILITY

→ Another program was launched in 2011 called *Business Leadership Cycle* for the Group's current and future leaders. It entails three one-week seminars over a period of 10 months. In June 2012, 90 managers will have attended the program. Yet another program called *Breakthrough Workshops* places a half-dozen high-potential employees at a time in sessions where they work for four months on designing an original initiative in a dynamic market segment.

Also in 2011, the branch simulator program called *Elixir* was tested in three countries where 12 people (branch managers and others) role-played managing a branch for a year in two-day sessions. In the end, 6,000 employees will participate and gain a fuller perspective of Rexel's core business. The *Elixir* program modeled the complexity of how a Rexel branch operates.

Compensation linked to the Group's performance

Employee shareholding and variable compensation form an integral part of the Rexel culture and contribute to both creating a real sense of belonging to the Group and boosting employee motivation by connecting them to the company's profits. The employee shareholding policy was introduced in 2007 when Rexel went public and continued in 2010 with the new Opportunity10 plan. As part of an exclusive offer, the plan gave 80% of employees in 12 countries the opportunity to buy shares in their company with preferential terms, with a discounted subscription price and employer matching contribution (free shares outside France). In 2011 an exceptional free share plan was offered to 536 branch managers and operational managers in recognition for their dedication and outstanding contribution.



A QUESTION ON CAREERS: What are the processes behind innovation? | The main goal of manager training is to **prepare Rexel's future** in booming markets. The learning happens in project groups that are given methodological materials that teach them to **think and manage differently** and provide practical training. Participants in the *Business Leadership Cycle* embarked on the Must Win Battle, a strategic challenge for the Group presented to the Executive Committee. Some of the 12 growth opportunities proposed so far include **new business models, energy-saving solutions and intelligent systems**. In the same spirit, the *Breakthrough Workshops* delved into the topic of charging stations for electric vehicles and producing residential electricity with wind power.

The six Rexel subsidiaries in France also gave their employees a chance to receive the legally mandated *Prime de partage des bénéfices* of up to €150 gross. At the same time, eligible employees were offered an option to deposit the €150 in their Group Savings Plan (PEG), in a fund invested in Rexel shares and then to benefit from their employer matching contribution of €150. Over a third of employees chose Rexel shares and the employer matching contribution, increasing the number of shareholders in France by 66%. The preferential terms Rexel is offering are generating more and more interest in employee shareholding inside the Group. In 2012, two websites dedicated to employee shareholding will be launched providing employees with a general information platform at the occasion of the end of the lock-in period of the Opportunity07 plan (the share purchase plan introduced in 2007 when the Group went public).

The other core initiative linking wages to performance, the individual variable compensation, is now used for 60% of employees. In addition, almost half of the staff worldwide are eligible for an incentive plan based on collective results. "Our remuneration policies that link collective performance to recognition for individual performance are a motivator for Rexel's employees", says Laurence Galand, Head of Group of Social Development and Remuneration. /

BACKGROUND ↓

The opinion survey took place in May 2011 and polled 27,000 employees in 24 countries. The firm that conducted the survey, Towers Watson, used a methodology Rexel had applied in 2006 and others large companies have also used. It covered eight themes: respect, wellbeing, commitment, compensation, management, careers, communications and strategy.

INSIGHT Satisfaxion 2011 OPINION SURVEY

The results of the survey are significant. It was sent to 96% of the Group's workforce worldwide and achieved a 68% response rate, reaching 89% among the 200 top managers. The key finding was a noticeable improvement in

employee satisfaction since 2006 across all themes polled. This increase is especially evident in compensation (up 7%), respect (up 6%) and understanding of the strategy (up 6%). Overall, respect was still the most popular theme, with an 86% satisfaction level, all questions combined. A notable 75% of people surveyed think they are being well informed about Rexel's ethics commitments, mainly through the Ethics Guide.

As for commitment and wellbeing, a higher percentage of respondents said they are "very satisfied" at Rexel than at most of the companies in the Towers Watson sample group. Four out of five people also say their work gives them a feeling of personal satisfaction. Based on the survey's findings, action plans have been drawn up for each country and will be implemented in 2012.



“Helping communities right where they live”

BRAZIL

“Dr. Electrics” is an awareness initiative on saving energy. Rexel’s subsidiary in Brazil, Nortel, brought the campaign into local schools.

COMMUNITY INVOLVEMENT

Joining the energy debate and taking action in communities

Rexel is fortunate to be positioned in a growth area and to provide valuable solutions to solve one of society’s most pressing issues. Since its products and services make it possible to consume energy better, they are actually helping conserve energy resources, reduce greenhouse gas emissions and save money for businesses and consumers alike. Promoting energy efficiency is a key objective reflected in its strategic, sales, societal and humanitarian pursuits.

Promoting energy efficiency

The Group is actively involved in promoting energy efficiency. In addition to its marketing offer, Rexel is truly contributing to the debate on energy use in Europe and around the world. Its credibility depends on its expertise, proximity to consumers and independence from manufacturers. Great strides were taken in this direction in 2011 with the new online magazine on electrical efficiency and the completion of the first international survey on how European and American consumers perceive energy efficiency.

Supporting the most disadvantaged

Rexel’s commitment to society is also reflected in its support for disadvantaged communities in all the countries where the Group operates. These initiatives are planned locally so the Group can gain a better foothold in the networks in which the Group’s entities are involved. They also translate into a desire among employees to become involved in corporate sponsorship and empower the poorest communities by providing their know-how and expertise. By starting to develop a Societal Charter project, the Group is demonstrating its desire to focus these initiatives on the common theme of energy efficiency. The goal is to make Rexel’s commitment to society more cohesive and more practical, while maintaining the autonomy of national teams. /

THE FIRST REXEL SURVEY ON ENERGY EFFICIENCY

The survey was conducted by Harris Interactive in July 2011 on a **sample of 4,000 people** in France, Germany, the United Kingdom and the United States.

9 out of 10 people consider energy efficiency to be an important issue.

90% of those polled feel it is up to consumers to take action on energy efficiency, before government and industry.



COMMUNITY INVOLVEMENT

Knowing how... and letting people know

Promoting ENERGY EFFICIENCY is one of the Group's top priorities for social commitment. The main goal is to encourage through information and education ACCESS FOR ALL on better uses for available energy, particularly in disadvantaged communities.

Promoting energy efficiency

Businesses, consumers and public authorities are concerned by global energy issues, environmental impact and technological advances in electrical devices and the development of renewable energies. Rexel naturally intends to join the debate. The Group has a duty to share its expertise in its core business of electrical efficiency.

This commitment became a reality with the launch of its online magazine⁽¹⁾ on electrical efficiency in June 2011. Available in both English and French, it is aimed at professionals and the general public and designed to improve awareness of the issues at stake and accelerate the availability of the knowledge and innovations related to environmentally efficient solutions. By the end of 2011 it had posted 120 articles on regulations, the markets affected and solutions for everything from home automation to high-efficiency motors and the future of the solar or wind energy markets.

As the website was being launched, Rexel commissioned Harris Interactive to conduct an international survey on how European and American consumers perceive issues related to energy efficiency (see above: The First Rexel Survey

WEBSITES

(1) www.electrical-efficiency.com
or www.efficacite-electrique.fr

on Energy Efficiency). Respondents in the survey also confirmed that electrical distributors play an important role in its promotion.

Becoming involved in communities

While the Group has upheld the relationships formed over the years between its subsidiaries and local associations, it is gradually creating a more structured social policy. In 2011, Rexel joined the Global Compact and committed to following a set of key principles on human rights, labor, the environment and anti-corruption. The Group is looking to focus its social commitment on energy efficiency, a uniting topic in line with its core business. In 2011, Rexel set out to develop a Societal Charter, much like the Ethics Charter project, that will lay down the broad principles of this commitment and will be organized into a set of more operational guidelines. Many initiatives launched in 2011 pre-empted the arrival of the official charter.

The most remarkable action was signing an agreement with Ashoka (see below), not to mention local initiatives like "Dr. Electrics", an energy-saving awareness campaign conducted in schools by Brazilian subsidiary Nortel. /



BACKGROUND ↓

Founded in 1980, Ashoka is a non-governmental organization that operates in 60 countries and works to select, finance and support innovative social entrepreneurs. It is a unique approach to 'philanthropic risk capital' that over the years has proven effective on many continents.

CASE STUDY Ashoka PARTNERSHIP

In 2011, Rexel signed an initial two-year global partnership with Ashoka to provide financial backing and support for social entrepreneurs who

demonstrate clear leadership and a capacity to innovate on issues relating to energy efficiency. The Group's goal is ultimately to put together a pool of social entrepreneurs worldwide focused on access to energy efficiency for all. Ashoka uses a very stringent process to search for and select social entrepreneurs according to criteria that are perfectly aligned with Rexel's societal commitment values. A call for projects will be

launched in 2012 to sponsor two social entrepreneurs and the winners will receive a three-part support package from the Group: a funding grant, access to the infrastructure (storage, transport, etc.) and advice from Rexel's experts. The process will eventually lead to giving the Group an effective channel for supporting its societal commitment to energy efficiency.



“Our action
is an integral
part of a long
term outlook”

ELSE STROM RASCH,
QUALITY AND
ENVIRONMENT MANAGER
FOR ELEKTROSKANDIA
NORWAY

Else Strom Rash
is in charge of the
environmental
management system
put in place in Norway,
ensures that ISO 9001
and 14001 certifications
are maintained and
is the local coordinator
for Group action plans.

ENVIRONMENTAL COMMITMENT

Promoting energy efficiency solutions and reducing its environmental impact

Rexel's commitment to the environment is reflected in both its role as an expert in improving energy performance for its customers and its aspiration to reduce its own impact on the environment. These two efforts go hand in hand and, when it comes to the environment, the Group has a duty to set an example.

Spreading eco-efficient solutions

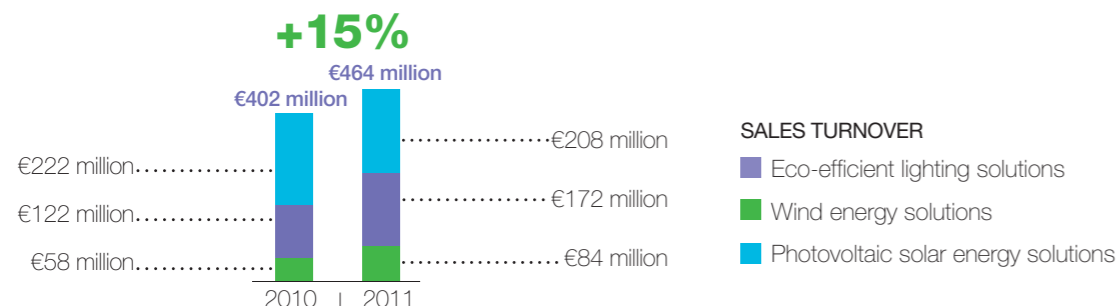
Rexel strives to accelerate the availability of eco-efficient electrical solutions and the use of new energies in every market – industrial, residential and commercial – and in every country. Some of the measures the Group is taking include educating customers, raising their awareness about issues in energy efficiency, providing advice and customized solutions. Of course, clear economic arguments and return on investment are crucial factors to convince customers. But the best way to prove how efficient these solutions are remains to use them oneself... which is what Rexel does whenever possible. For example, the proof came in 2011 when many buildings (branches, warehouses and offices) were “re-lamped” and building management systems were installed at the Rexel France and Newey & Eyre (UK) headquarters.

Reducing the environmental impact

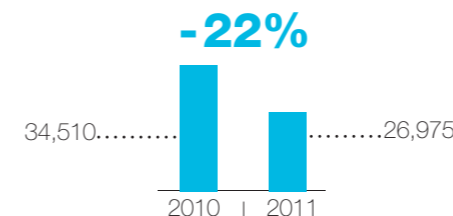
Out of that same concern for setting an example, the Group is working to reduce its carbon footprint. It is a complex procedure that calls for perseverance and modesty. The first step was completed when a carbon footprint assessment was done for the Group's operations in 2010. More will follow in the coming years.

At the same time, Rexel is continuing its efforts to reduce its energy consumption levels, primarily in transport and buildings, and improving its waste management processes. Solid progress has already been made with the introduction of selective sorting, electrical waste collection and recycling. Employee awareness is one of the main ingredients of the Group's commitment in each of these domains. That is why the Environment correspondents play such an important role. They are the key contacts for the environmental management systems and key players in identifying and spreading good practices. /

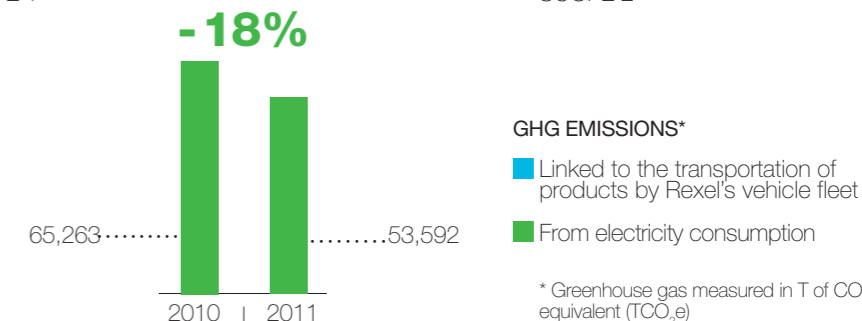
Solutions ECO-EFFICIENT LIGHTING AND RENEWABLE ENERGIES



Carbon footprint GHG EMISSIONS* SCOPE 1



Carbon footprint GHG EMISSIONS* SCOPE 2



ENVIRONMENTAL COMMITMENT

Focusing and acting now for the future

Rexel's environmental commitment is rooted in three broad strategies to promote solutions for **ENERGY EFFICIENCY**, reduce the **CARBON FOOTPRINT** and instill **ENVIRONMENTAL MANAGEMENT**. In 2011, the Group structured its approach to reflect a long-term vision.

Promoting energy efficient solutions

Rexel's environmental commitment is initially apparent in its energy efficient products and services. Alongside its array of eco-efficient products, especially low-consumption lighting (up 41% in 2011), Rexel also offers end-to-end solutions for building energy performance management. In 2011 there were a number of energy renovation projects in commercial buildings, such as the full lighting retrofit for the Mantes-la-Jolie Hospital, France (80% savings).

A new full-service offer in renewable energies – solar, wind and geothermal – is also improving efforts in informed and responsible energy consumption. In 2011, Rexel's activity in the photovoltaic segment remained steady in most countries and growth was particularly strong in the United States (up 70%) and the United Kingdom. There was also a considerable surge in wind power in Canada. Rexel is supporting this offer with targeted organization. For example, the *Green Days* seminars are prompting the development of new eco-efficient solutions. On the heels of the United States,

many subsidiaries are designing targeted offers, like Rexel Energy Solutions in the UK, Kandela in Finland and Genera in Spain.

Reducing the carbon footprint

After publishing its first carbon report in 2010, Rexel consolidated its data collection and analysis processes and laid out broad strategies for reducing its emissions. Carbon accounting is a vital step in the direction the Group chose for 2011 to understand the sources and volumes of its emissions. Scoreboards were established for each country and emphasis was placed on raising employee awareness (see below). This process will ultimately result in expanding the scope of the carbon report and then moving on to the actual management phase. An intermediate phase is planned for 2013 when five more countries become part of the report and new indirect emissions will be incorporated.

If there were ever a need to prove the Group's dedication to this project, it was made clear in 2011 when Rexel took part in the Carbon Disclosure Project, an independent association that conducts carbon performance assessments for large corporations. Rexel is working to reduce its emissions by making energy efficient improvements in its own buildings. →

BACKGROUND ↓

For the second year in a row, last November Rexel held its internal Ecodays campaign to raise employee awareness about sustainable development. A website in eight languages accompanied the effort in 2011.

CASE STUDY
The Ecodays Platform
GOOD PRACTICES

Twenty-four of the Group's countries took part in the 2011 Ecodays event, which attracted over 8,400 employees to the website

created specially for the occasion. The collaborative and company-wide event in 2011 was based on the theme of "Energy Efficiency in the Workplace". The website contained general information on the topic, case studies within Rexel and everyday tips for saving energy. An online discussion forum brought in numerous comments from

employees and sparked internal debates. Good practices were compiled to spread throughout the Group and will serve as a base for the Environmental Charter update. With a total of 18,000 logins in five days, the platform proved that the employees are interested in and committed to the environment.

A QUESTION ON THE ENVIRONMENT: How to measure emissions?

Do companies have to account for all of their emissions in all the countries they do business from a lifecycle perspective? The answers to these questions are determining factors for comparing data, tracking how they change and managing emissions reduction. By becoming a member of the *Entreprises pour l'environnement* (Companies for the Environment, or *EpE*) association, Rexel is helping spread information and good practices on these issues. In May 2011, *EpE* published an overview of its work called *Mesurer et piloter ses émissions de gaz à effet de serre* (Measuring and managing your greenhouse gas emissions) for which Rexel provided *EpE* the data that was collected in its first general carbon footprint assessment (late 2010).



PV PANELS INSTALLATION

ENVIRONMENTAL COMMITMENT

In 2011, the Group's subsidiaries continued rolling out energy management solutions, most notably with lighting retrofit in their buildings in Germany, Austria, the United Kingdom and the United States (see below: Insight). Reducing emissions caused by transport is more difficult to do and gradual progress is being made by working more closely with carriers and making environmental conditions part of the calls for tenders and contracts.

Yet another new development is the Regro branch in Innsbruck, Austria. It is now generating half of its daily electricity consumption from its photovoltaic panel system. Also in Austria, the Schäcke branch in Villach will be installing a similar system in 2012.

Environmental management

The Group's environmental management is led by a desire to incorporate the environment as a performance indicator, constantly changing management systems and an increasingly stringent set of regulations. Rexel's commitment to the environment is at the very least reflected in the Environmental Charter and, in some more advanced countries, ISO 14001 certification of their environment management system. The goal is evidently to steer all the entities and facilities through a step-by-step process toward efficient management of their environmental performance.

In 2011, the Czech Republic obtained ISO 14001 certification and joined the seven other Group subsidiaries that had already been certified.

There is a mounting body of regulations and they are requiring an extensive amount of work from distributors (product component information, traceability, etc.). In 2011, Rexel stepped up its compliance with Europe's new REACH standards (Registration Evaluation and Authorization of Chemicals) and RoHS regulations (Restriction of Hazardous Substances Directive). Another milestone in 2011 was the Cofrac (French Accreditation Board) accreditation of the Bizline testing laboratory, which was a testament to the commitment of the Group's private brand to quality.

With respect to extra-financial reporting (social and environmental responsibility), the Group pre-emptively complied with the provisions in Article 225 of the Grenelle II Act. Lastly, Rexel continued its efforts in electrical and electronic waste collection (nearly 5,000 tons of WEEE were collected in 2011). A compelling initiative was also carried out in the United States in partnership with Veolia where customers were being given boxes (with prepaid port tax stamps) to send back their recyclable waste directly to the Veolia treatment plants. /



BACKGROUND ↓
Lighting alone accounts for nearly 10% of a building's energy consumption. Current advances in product design and lighting management are helping make gains of some 65%. With the lighting retrofits in some of its headquarters and retail buildings, Rexel is proving that it is possible – and profitable – to consume less and better.

INSIGHT
Lighting upgrade
REXEL USA

In 2011, Rexel USA started a project to renovate 65 of its sites (56,000 m²), including its corporate headquarters in Dallas, Texas and a 10,000 m² warehouse in Mansfield, Massachusetts. Light fixtures, ballasts and

low-consumption light sources, motion and light detectors – all the new technologies were used to optimize the lighting. New-generation bulbs and fluorescent tubes actually helped consume 5 to 10 times less electricity and increased their lifespan by the same amount. At the same time, motion and light detectors connected to optimization software led to additional

gains of 50%. These conditions generally provide a return on investment of under two years. In late 2011, 30 sites had been retrofitted, generating annual savings of about €140,000. The savings for the Mansfield warehouse alone are estimated at 863 MWh/year. The building's new motion detectors automatically switch off the lights if there is no movement for 15 minutes.

In 2011, 30 Rexel sites in the US retrofitted their lighting systems, generating annual cost savings of €140,000.

The optimally designed lighting system is also less glaring on the eyes and more pleasant for the employees. In addition, maintenance costs went down and less air conditioning is used in the summer because the lights emit less heat. The project will

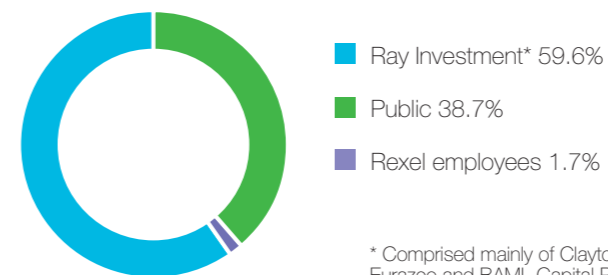
continue in 2012 and 2013 with more savings in store. For Rexel USA, the initiative is a model good practice that boosts its credibility in the eco-efficient lighting market.

Regular and transparent financial relations with all of its shareholders.

In an unpredictable economic climate, Rexel's stock price was down 18.8% in 2011 in line with shifts in the SBF 120 and the CAC 40. In the first three months of 2012, the share price was valued at 23.8%.

SHARES AND SHAREHOLDERS

Shareholding structure MARCH 2, 2012



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

SHARE PRICE



SHARE PRICE IN 2011

Share price on December 31: €13.20
 2011 High: €18.86
 2011 Low: €10.11
 Number of shares on December 31: 268,819,759
 Market capitalization on December 31: €3.50 billion

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

SHAREHOLDER EVENTS

Annual General Shareholders Meeting: 16 May 2012
 First-half 2012 results: 27 July 2012
 Third-quarter 2012 results: 31 October 2012

SHARE PROFILE ↓

ISIN: FR0010451203
 Code: RXL
 Market: Eurolist by NYSE Euronext
 Indexes: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, FTSE4Good, ASPI Eurozone® and STOXX600.

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⁽¹⁾. Rexel also organizes meetings in Paris and other regions of France in association with the *Fédération Française des Clubs d'Investissement*, the NYSE Euronext stock exchange and the French Investor Relations Society (CLIFF). In 2011, nearly 500 shareholders attended the Rexel information meetings in Biarritz and Rennes. The Group plans to organize a series of meetings outside Paris in 2012.

Rexel introduces online management and information tools.

The Annual Shareholders Meeting is also a major event in the Group's relations with its shareholders since it is a place reserved for meeting and discussions. Since 2011, Rexel has been providing its shareholders yet another way to cast their votes: e-voting on a dedicated website. For the first time, in 2011 the Group introduced an e-convene that contains all the information on logging into the Shareholders Meeting website, a move that is part of Rexel's eco-friendly policy. Following the e-voting, an e-release was sent out to encourage people to register for e-statements and pay by wire transfer instead of check. /

WEBSITE
 (1) www.rexel.com

SECURITIES SERVICES

Rexel has contracted BNP Paribas Securities Services to provide financial and securities services for the Group. Since February 26, 2008, the Group has benefited 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

GCT Émetteurs
 Immeuble GMP-Europe
 9, rue du Débarcadère
 93761 Pantin Cedex - France
 In France: 0826 109 119 (€0.15/min)

In 2012, Rexel will be meeting its individual shareholders
 - in Annecy on October 9*
 - in Bordeaux on November 15*

* Dates subject to change.

Shareholder contact:
actionnaires@rexel.com
 Toll free in France: 0800 666 111

Rexel is a *société anonyme* (limited company) with a Management Board and a Supervisory Board,

an organization enabling it to split the management and control functions attributed to the Management Board and Supervisory Board.

CORPORATE GOVERNANCE

(MARCH 31, 2012)

THE MANAGEMENT BOARD

Rudy Provoost

Chairman of the Management Board and CEO

Michel Favre

Chief Financial Officer and Group Senior Vice President

Pascal Martin

Group Senior Vice President Business Development and Corporate Operations

Jean-Dominique Perret

Group Senior Vice President Human Resources, Group Delegate for International Businesses

THE SUPERVISORY BOARD

Roberto Quarta, Chairman

Patrick Sayer, Vice-Chairman

François David*

Eurazeo represented by Marc Frappier

Fritz Fröhlich*

Françoise Gri*

Manfred Kindle

Angel L. Morales

Luis Marini-Portugal

David Novak

Akshay Singh

Thomas Farrell, Observer

* Independent member.

COMMITTEES OF THE SUPERVISORY BOARD

The Audit Committee is composed of Fritz Fröhlich (Chairman), David Novak, Luis Marini-Portugal and Akshay Singh. Its primary mission is to review and oversee accounting and financial information, to oversee the mission and the independence of the statutory auditors, to oversee internal audit work and monitor the effectiveness of internal control systems and risk management. It met seven times during the 2011 financial year.

The Nominations Committee is composed of Patrick Sayer (Chairman), Roberto Quarta, Angel L. Morales, Françoise Gri and Fritz Fröhlich. Its main missions are to issue recommendations on potential nominations or replacement of 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 eight times during the 2011 financial year.

The Compensation Committee is composed of Françoise Gri (Chairwoman), Akshay Singh, Luis-Marini Portugal, Roberto Quarta, François David and Fritz Fröhlich. Its primary missions are to make recommendations and issue opinions on all elements of remuneration of the members of the Management Board and Executive Committee and on the policy

of granting stock options and free shares. It met 12 times during the 2011 financial year.

The Strategic Committee is composed of David Novak (Chairman), Patrick Sayer, François David and Angel L. Morales. Its primary missions are to issue recommendations to the Supervisory Board on draft strategic plans and annual budgets as well as on all strategic projects for the Group, such as acquisitions, transfers or investments, advice on the creation of any business activity or subsidiary, investments in any business activity and the acquisition of any participation in a country in which the company has no business, to examine and advise on any operation involving a significant change in the scope of the company and its subsidiaries and to examine, in conjunction with the Audit Committee, the financial structure of the Rexel Group. It met nine times during the 2011 financial year.

The Supervisory Board's regulations may be consulted on the web site www.rexel.com

STATUTORY AUDITORS

Principal auditors:
Ernst & Young Audit, KPMG Audit
Alternative auditors:
SAS AUDITEX,
SCP Jean-Claude André et Autres

PERFORMANCE KEY FIGURES

€12.7bn

2011 total sales for the Rexel Group, or an increase of 6.3% over 2010.

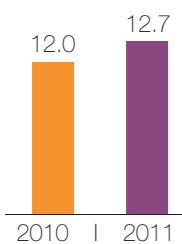
FINANCIAL KEY FIGURES

SUSTAINED **GROWTH**, STRONG **PROFITABILITY** AND A STRENGTHENED **FINANCIAL STRUCTURE** IN 2011.

In 2011, Rexel posted a very good performance: organic growth was strong, profitability reached an historic high and the Group strengthened its footprint in energy markets while continuing to deleverage.

In 2012, Rexel will continue to seize growth opportunities, reinforce its leadership, extend the range of value-added services offered to its consumers and expand in energy efficiency.

+6.3%

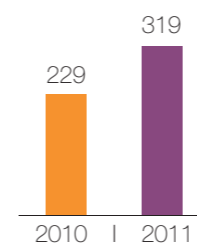


Sales

€12.7 billion (up 6.3% vs. 2010)

In 2011, Rexel's consolidated sales grew by 6.3% to €12.7 billion. Every geographic area recorded sustained growth on a constant and same-day basis. Europe and Asia-Pacific were up 5.5%, North America 8.3% and Latin America 16%.

+39.2%

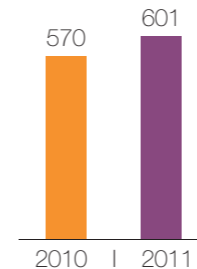


Net income

€319 million (+ 39.2% vs. 2010)

In 2011, Rexel's net income recorded an increase of over 39%. This was due not only to the 18.7% rise in operating income before other income and charges, but also to the 5.9% reduction in net financial expenses (€191.1 million in 2011 versus €203.1 million in 2010).

+5.5%

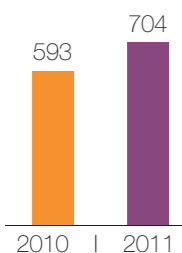


Free cash flow before interest and tax

€601 million (up 5.5% vs. 2010)

In 2011, Rexel's free cash flow remained high at €601 million versus €569.8 million in 2010. Cash flow in 2011 accounted for over 75% of EDITDA. As a percentage of sales and on a constant and same-day basis, the working capital decreased from 10.6% in 2010 to 10.3% in 2011.

+18.7%

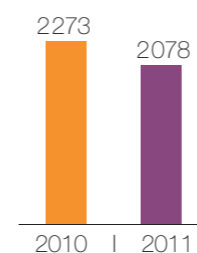


Operating income before other income and expenses

€704 million (up 18.7% vs. 2010)

The Group recorded a net improvement of operational profitability in 2011, chiefly due to tight control of administrative and marketing expenses (including depreciations) that only went up 2.6% versus growth of 6.3% in consolidated sales.

-€195 million



Net debt

€2,078 million (vs. €2,273 million at December 31, 2010)

In 2011, Rexel continued to deleverage by reducing its net debt by €195 million in the year. The Group's debt ratio (financial debt to EBITDA), calculated according to the terms of the senior credit agreement, was reduced from 3.19 at December 31, 2010 to 2.40 at December 31, 2011.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

<i>In millions of euros - For the year ended December 31</i>	2011	2010
Sales	12,717.1	11,960.1
Cost of goods sold	(9,599.6)	(9,014.5)
Gross profit	3,117.5	2,945.6
Distribution and administrative expenses	(2,413.6)	(2,352.5)
Operating result before other income and expenses	703.9	593.1
Other income	39.6	16.1
Other expenses	(146.6)	(123.8)
Operating result	596.9	485.4
Financial income	54.5	49.3
Interest expense on borrowings	(183.2)	(189.8)
Other financial expenses	(62.4)	(62.6)
Net financial expense	(191.1)	(203.1)
Share of profit / (loss) of associates	2.8	4.7
Net income before income tax	408.6	287.0
Income tax	(89.6)	(57.8)
Net income	319.0	229.2
Portion attributable:		
to the Group	318.3	228.5
to non-controlling interests	0.7	0.7
Earnings per share:		
Basic earnings per share (in euros)	1.20	0.87
Fully diluted earnings per share (in euros)	1.18	0.86

CONSOLIDATED BALANCE SHEET

<i>In millions of euros - For the year ended December 31</i>	2011	2010
ASSETS		
Goodwill	4,002.2	3,931.2
Intangible assets	935.7	934.4
Property, plant and equipment	261.7	245.4
Long-term investments	122.5	132.1
Investments in associates	11.8	9.3
Deferred tax assets	144.3	138.6
Total non-current assets	5,478.2	5,391.0
Inventories	1,240.8	1,203.1
Trade accounts receivable	2,122.9	2,022.0
Current tax assets	21.0	29.7
Other accounts receivable	455.2	406.4
Assets held for sale	3.7	23.1
Cash and cash equivalents	413.7	311.9
Total current assets	4,257.3	3,996.2
Total assets	9,735.5	9,387.2
EQUITY		
Share capital	1,344.1	1,301.0
Share premium	1,412.2	1,383.7
Reserves and retained earnings	1,383.0	1,140.4
Total equity attributable to equity holders of the parents	4,139.3	3,825.1
Non-controlling interests	11.5	9.3
Total equity	4,150.8	3,834.4
LIABILITIES		
Interest bearing debt (non-current part)	2,182.3	2,463.5
Employee benefits	166.2	174.4
Deferred tax liabilities	132.9	144.5
Provision and other non-current liabilities	157.6	156.3
Total non-current liabilities	2,639.0	2,938.7
Interest bearing debt (current part)	323.5	116.8
Accrued interest	10.0	5.2
Trade accounts payable	1,903.3	1,866.2
Income tax payable	56.0	39.8
Other current liabilities	652.9	584.1
Liabilities related to assets held for sale	-	2.0
Total current liabilities	2,945.7	2,614.1
Total liabilities	5,584.7	5,552.8
Total equity and liabilities	9,735.5	9,387.2

CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOWS FROM OPERATING ACTIVITIES

In millions of euros - For the year ended December 31

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	596.9	485.4
Depreciation, amortization and impairment of assets	176.1	139.8
Employee benefits	(19.8)	(15.5)
Change in other provisions	1.7	(47.6)
Other non-cash operating items	(15.6)	18.1
Interest paid	(155.4)	(160.7)
Income tax paid	(85.9)	(36.9)
Operating cash flows before change in working capital requirements	498.0	382.6
Change in inventories	(27.5)	(26.6)
Change in trade receivables	(68.4)	(48.8)
Change in trade payables	12.9	121.6
Changes in other working capital items	13.1	(4.2)
Change in working capital requirements	(69.9)	42.0
Net cash from operating activities	428.1	424.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(94.8)	(59.4)
Proceeds from disposal of property, plant and equipment	26.4	7.0
Acquisition of subsidiaries, net of cash acquired	(100.5)	(67.3)
Proceeds from disposal of subsidiaries, net of cash	44.8	13.3
Change in long-term investments	(0.6)	(1.8)
Dividends received from associates	0.6	1.4
Net cash from investing activities	(124.1)	(106.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	2.4	9.7
Contribution received from minority shareholders	0.8	-
Disposal / (Purchase) of treasury shares	(30.8)	1.1
Net change in credit facilities and other financial borrowings	(122.8)	(303.6)
Net change in securitization	(5.0)	(34.3)
Net change in finance lease liabilities	16.5	(5.2)
Dividends paid	(19.2)	(0.1)
Net cash from financing activities	(158.1)	(332.4)
Net (decrease) / increase in cash and cash equivalents	145.9	(14.6)
Cash and cash equivalents at the beginning of the period	311.9	359.6
Effect of exchange rate changes on cash and cash equivalents	(44.1)	(33.1)
Cash and cash equivalents at the end of the period	413.7	311.9

NON-CONTROLLING INTERESTS

In millions of euros

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	TOTAL ATTRIBUTABLE TO THE GROUP	NON-CONTROLLING INTERESTS	TOTAL
For the year ended December 31, 2010								
At January 1, 2010	1,291.1	1,392.2	789.2	(39.2)	(29.1)	3,404.2	7.8	3,412.0
Net income	-	-	228.5	-	-	228.5	0.7	229.2
Other comprehensive income	-	-	-	162.1	9.8	171.9	0.8	172.7
Total comprehensive income for the period	-	-	228.5	162.1	9.8	400.4	1.5	401.9
Share capital increase	9.9	(8.5)	8.9	-	-	10.3	-	10.3
Share-based payments	-	-	9.8	-	-	9.8	-	9.8
Disposal (Purchase) of treasury shares	-	-	0.4	-	-	0.4	-	0.4
At December 31, 2010	1,301.0	1,383.7	1,036.8	122.9	(19.3)	3,825.1	9.3	3,834.4
For the year ended December 31, 2011								
At January 1, 2011	1,301.0	1,383.7	1,036.8	122.9	(19.3)	3,825.1	9.3	3,834.4
Net income	-	-	318.3	-	-	318.3	0.7	319.0
Other comprehensive income	-	-	-	9.1	13.5	22.6	0.9	23.5
Total comprehensive income for the period	-	-	318.3	9.1	13.5	340.9	1.6	342.5
Dividends paid	-	-	(105.2)	-	-	(105.2)	(0.2)	(105.4)
Share capital increase	43.1	28.5	17.0	-	-	88.6	0.8	89.4
Share-based payments	-	-	19.6	-	-	19.6	-	19.6
Disposal (Purchase) of treasury shares	-	-	(29.7)	-	-	(29.7)	-	(29.7)
At December 31, 2011	1,344.1	1,412.2	1,256.8	132.0	(5.8)	4,139.3	11.5	4,150.8

INDICATORS

ENVIRONMENTAL INDICATORS*

	UNIT	2011	2010	CHANGE
CONSUMPTION				
Water consumption	m3	498,643	401,974	24%
Total energy consumption, including:	MWh	350,375	351,529	0%
Electricity consumption	MWh	175,259	196,017	-11%
Gas consumption	MWh	157,710	142,848	10%
Fuel consumption	MWh	10,677	12,012	-11%
Packaging consumption, including:	Tons	7,800	4,108	-
Cardboard	Tons	3,808	2,293	-
Plastics	Tons	469	377	-
Wood	Tons	3,090	-	-
Other packaging	Tons	434	1,438	-
Total paper consumption, including:	Tons	2,481	2,595	-4%
Commercial paper	Tons	1,303	1,333	-2%
Stationary paper and others	Tons	1,224	1,262	-3%
WASTE				
Total quantity of waste generated	Tons	20,717	18,676	11%
Total quantity of waste valorized	Tons	13,270	11,104	20%
% of branches implementing WEEE recycling	%	63%	72%	8%
CARBON FOOTPRINT - CO₂ EMISSIONS				
GHG Emissions - Scope 1				
Energy-related GHG emissions - on-site combustion (gas & fuel)	CO ₂ eq. tons	34,541	31,918	8%
GHG emissions linked to the transportation of products by the Rexel fleet	CO ₂ eq. tons	26,975	34,510	-22%
GHG emissions linked to business travels by car	CO ₂ eq. tons	30,112	-	-
GHG Emissions - Scope 2				
Energy-related GHG emissions - Electricity consumption	CO ₂ eq. tons	53,592	65,263	-18%
SALE OF "ECO-EFFICIENT LIGHTING AND RENEWABLE ENERGY" SOLUTIONS				
Total sales from sale of "eco-efficient lighting and renewable energy" solutions	In millions of euros	463	402	15%
Sales from eco-efficient lighting solutions	In millions of euros	172	122	41%
Sales from "wind energy" solutions	In millions of euros	84	58	45%
Sales from "photovoltaic solar energy" solutions	In millions of euros	208	222	-6%

SOCIAL INDICATORS*

	2011	2010
HEADCOUNTS		
Total headcount	28,310	27,716
% of women	23.1%	22.6%
% of managers	19.5%	19.4%
% of employees with Fixed Term Contracts	4.1%	3.6%
Average age of employees	40.1 years	40.3 years
Total number of new recruits	4,591	3,732
Turnover	14.2%	14.5%
WORKING TIME ORGANIZATION		
Absenteeism rate	2.8%	3.0%
TRAINING		
% of employees trained during the year	63.7%	48.1%
DIVERSITY		
% employees reporting handicap	0.8%	0.7%
HEALTH & SAFETY		
Frequency rate	7.8%	7.7%
Severity Rate	0.2%	0.1%
% trained employees in safety	40%	41%
EMPLOYEE SHAREHOLDING		
% of the share capital held by employees or former employees in the context of the employee shareholding plans	0.60%	0.62%

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

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