

letter

No. 12

to Rexel's shareholders

GLOBAL LEADER IN THE PROFESSIONAL DISTRIBUTION OF PRODUCTS AND SERVICES FOR THE ENERGY WORLD



message from the Chairman

April 2013

Dear Shareholders,

2012 marked an important step forward for Rexel supported by robust annual results in line with the ambitious targets set by the "Energy in Motion" company plan.

Despite a very challenging market environment, we demonstrated the resilience of our business model by increasing our sales 5.8% on a reported basis to 13.4 billion Euro and posting solid profitability with reported EBITA up 6.2% to €767m. Moreover, we delivered above-target cash flow of €627.5m, allowing us to increase the dividend from €0.65 to €0.75 per share for 2012, which represents a pay-out ratio of 53% of the Group's recurring net income.

Our ability to drive strong cash flow generation has also allowed us to complete 12 acquisitions in 2012. These acquisitions, which represent a total investment of 620 million Euro and annualized sales of 830 million Euro, include two strategic acquisitions in the US, several tactical acquisitions in Europe and three acquisitions in the emerging markets of Brazil and Peru. We will continue to make acquisitions, both in mature and emerging markets, as an integral and vital part of our profitable growth plan.

We are pleased with the positive reaction to our performance by the financial markets, which also welcomed the decision by the consortium, controlling the majority of Rexel's shares, to reduce their equity stake, effectively increasing the company's free float and the liquidity of the shares.

Looking ahead, our intention remains to pursue our mid-term ambitions and targets as outlined in the "Energy in Motion" company plan and live up to our mission to help customers all over the world to create value by distributing and delivering innovative and sustainable products and services related to the world of energy.

I look forward to seeing you at the Annual General Shareholders' Meeting on the 22nd May.

Rudy Provoost
Chairman and CEO

A handwritten signature in black ink, appearing to read "Rudy Provoost".

contents

financial results	pages 2-3
strategy in action	pages 4
our commitments	page 5
shareholders' notebook	page 6

rexel

financial results

In 2012 Rexel posted an excellent performance despite a difficult economic environment and continued its dynamic external growth strategy. The 2012 results make up a robust base to allow Rexel to meet its medium-term objectives in the framework of the "Energy in Motion" company plan, launched last year. Rexel will propose, to the General Shareholders' Meeting to be held on May 22, 2013, a dividend of €0.75 per share for the 2012 fiscal year.

Organic growth of sales boosted by a solid contribution from acquisitions as well as from a positive currency exchange effect

Over the full year 2012, Rexel recorded sales of €13,499.2 million, up 5.8% on a reported basis. This increase includes a positive currency exchange effect of €515.0 million and a positive net effect of €479.2 million due to variations in the scope of consolidation. In 2012, Rexel intensified its external growth, strengthening its position on the US market with two strategic acquisitions, continuing its development in high growing economies, especially in Latin America, and continuing tactical acquisitions in Europe. On a constant and same-day basis, sales dropped by 1.8% including a negative effect of 0.7 points due to higher prices in copper-based cables.

Profitability improves despite challenging market conditions

In 2012, adjusted EBITA margin reached 5.7%, as compared with 5.6% for the full 2011 year. This improvement reflects the annual progression of the gross profit margin (24.6% vs. 24.4% in 2011) mitigated by an increase in administrative and distribution expenses (including depreciation) in the percentage of sales (18.9% vs. 18.8% in 2011). Operating income reached €47.4 million in 2012, an 8% increase as compared with 2011.

Net result improves slightly

For the whole of the year, net results increased by 0.8%, reaching 318.6 million euros (vs. €316.0 million in 2011). The difference between the growth of EBITA and net results can mainly be explained by the increase in the actual tax rate: it reached 29.4% in 2012 vs. 22.2% in 2011 when tax losses were carried forward.

Net financial expenditures amounted to €200.1 million. The effective interest rate improved slightly to 7.0% vs. 7.2% in 2011 thanks to optimized use of cash resources.

Key 2012 Group figures

SALES

(in billions of euros):

13.4

↗ +5.8%⁽¹⁾

EBITA MARGIN

5.7%

↗ +10 bps⁽¹⁾

NET INCOME

(in millions of euros)

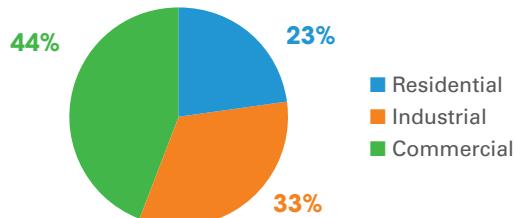
318.6

↗ +0.8%

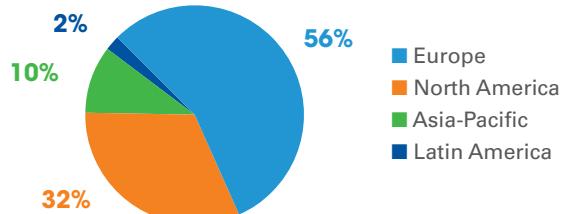
(1) At comparable scope of consolidation and exchange rates, and excluding the non-recurrent effect related to fluctuations in the price of copper-based cables and before depreciation of intangible assets recognized in the framework of purchase price allocations.

SALES BREAKDOWN

By end-market



By geography



Sound financial structure

The net cash resource flow available before interests and taxes reached 627.5 million euros in 2012, which exceeded the announced objective of €600 million.

As of December 31 2012, net debt reached 2,599.2 million euros vs. €2,078.2 million on December 31, 2011. This can be explained by €617.5 million in net financial investments: in 2012, Rexel was very active in external growth with two strategic acquisitions in the United States (Platt and Munro), which alone accounted for 70% of the year's financial investments.

The indebtedness ratio (Net financial debt / EBITDA), as calculated under the Senior Credit Agreement terms, stood at 2.95x on December 31, 2012.

Dividend

Proposal of a dividend that has risen to €0.75 per share

Rexel will propose a dividend of €0.75 per share (vs. €0.65 last year) paid in cash or shares, according to the choice of each shareholder, subject to approval of shareholders in the General Shareholders' Meeting which will be held on May 22, 2013 in Paris.

This €0.75 dividend represents a 53% pay-out ratio of the Group's net recurring income in 2012, thus complying with the policy of paying out at least 40% of the Group's net recurring income. This increase, compared with last year's dividend of €0.65, proves the Group's confidence in its structural capacities to generate a high flow of cash resources along the cycles.

Timetable to pay the dividend

The share's ex-dividend date is set at May 31 2013, as the record date is set at May 30 2013. Subject to approval by the General Shareholders' Meeting, the dividend may be paid either in cash or in shares. From May 31 to June 21 inclusive, you can inform your financial intermediary of your choice. Payment or delivery of shares will begin as of July 2 2013.

2013 and medium-term outlook

The ongoing uncertain economic climate leads Rexel to exercise caution with regards to the 2013 outlook.

The trend in organic sales is likely to remain negative in the first half, with an expected return to growth in the second half, helped by improving indicators in North America and fast-growing countries. As a result, the Group target slightly positive organic sales growth for the year as a whole.

On this basis, Rexel aim at delivering in 2013:

- Stable adjusted EBITA⁽¹⁾ margin of 5.7%,
- Free cash flow of more than €600 million before interest and tax, corresponding to around €300 million after interest and tax.

Assuming a return to organic sales growth in the second half of 2013 and beyond, combined with the benefits of the "Energy in Motion" company plan, Rexel confirms its medium-term objectives of an adjusted EBITA margin above 6.5% and free cash flow after interest and tax above €500 million in 2015.

(1) On a constant and adjusted basis.



YOUR QUESTIONS

IS A NEW BOND ISSUE PLANNED FOR 2013?

Last March, Rexel successfully issued bonds for €650 million and 500 million U.S. dollars respectively at 5.125% and 5.250%. This operation allowed the Group to refinance its euro-bonds issued in 2009 at 8.25% at a good price as well as increasing available funds for general needs. With the recent refinancing of its Senior Credit Agreement at five years, Rexel has significantly increased the maturity of its financial debt and improved its financial flexibility.

strategy in action

As part of “Energy in Motion”, Rexel identified three areas of priority to boost organic growth: firstly, high potential business categories related to energy efficiency, renewable energies and building automation, secondly, international customers and large projects, and lastly, the vertical markets of oil&gas and mining. Here are a few projects at a glance highlighting these growth priorities.

High potential business categories

Rexel UK awarded a three year contract for solar PV by British Gas
Under the three year contract Rexel will provide the energy giant with an end-to-end solution that includes a logistics platform as well as all the necessary products: solar panels, inverters, meters, cables, isolators and roof brackets. Rexel will retrofit homes, schools and office buildings between 2012-2014.

Rexel's national network of 440 branches in the UK and Ireland means that the products for domestic jobs can be collected from a branch local to the house, while the products for commercial jobs such as office buildings or schools are sent directly from the national distribution network. Along with the robust supply chain that Rexel has built, this reduces unnecessary transport and enables British Gas to offer its customers a reliable service.

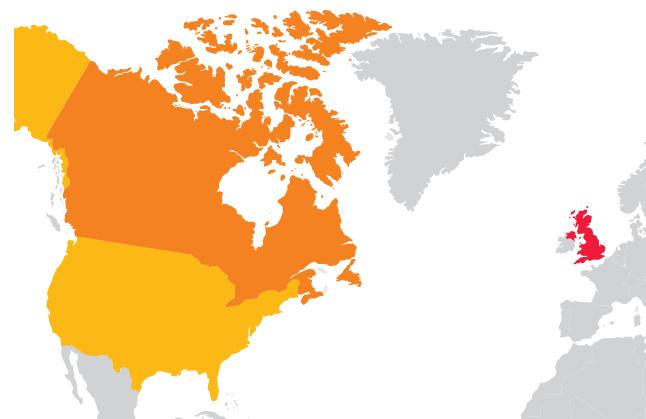
International customers and projects

Rexel IPG and Gexpro awarded a contract with a major German chemical company

Rexel IPG and Gexpro are bringing together their expertise in a single offering including on-site warehousing with dedicated employees, material take-off, project management, inventory management as well as sourcing of low cost lighting. The project is estimated to run from 2012 until 2015 for an estimated USD \$8 to 10 million over the period.

Vertical markets

Rexel awarded a significant MRO (Maintenance Repair Operations) contract in the US with a global oil and gas major
Building on an existing contract in Canada, the deal establishes Rexel as a partner of choice in the oil & gas vertical market. Rexel offers an aligned service and product offering across the US and Canada a competitive pricing structure, targeted cost savings objectives, strong relationships with key suppliers and an organizational network able to respond at a national and local level. The contract is for USD\$20 million in the USA, in addition to the USD\$15 million contract in Canada.

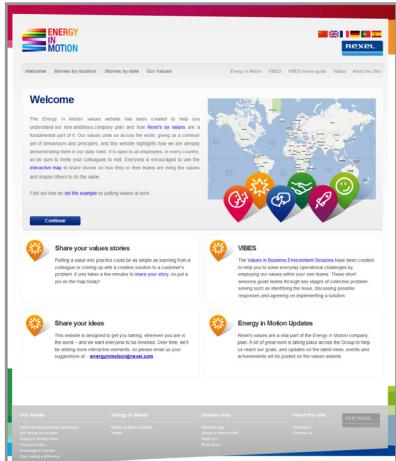


YOUR QUESTIONS

WHAT DOES REXEL MEAN BY VERTICAL MARKETS ?

A vertical market is a market segment with specific product and service needs and of a size that justifies a dedicated business model and team. Vertical markets represent an opportunity for Rexel to increase its presence in the value chain, drive sales and strengthen customer loyalty in a highly profitable market segment. As part of its “Energy in Motion” company plan, Rexel has primarily been focusing on the oil and gas and mining industries.

our commitments



A site to convey Rexel's values

In 2012, Rexel launched the "Energy in Motion" company plan which is built around new strategic priorities and whose roll out is key for the future of the Group. Commitment of our employees is the linchpin to implement this project and for it to succeed. A commitment which grows each day based on a culture of cooperation customer-centered, which promotes Rexel's corporate values.

To accelerate dynamics, a campaign based on Rexel's values was launched in January. It is supported by a dedicated interactive site. At the same time, workshops dubbed "Vibes" (Values in Business Environment Sessions), were launched at the beginning of 2013. The objective of these workshops is to integrate corporate values into everyday work in Rexel's branches or supply chain hubs. Some of these sessions were put online by participants in the sites dedicated to Rexel's values, to share best practices.

Measuring employee satisfaction

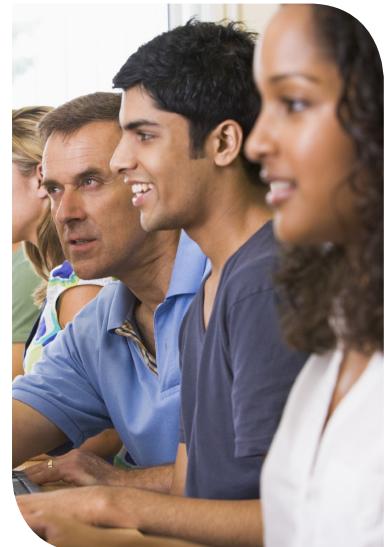


A new employee opinion survey was carried out in March 2013 in which over 29,000 employees in 30 countries took part. It was aimed at measuring the comprehension and buy-in of Group employees of

Rexel's strategy, its company plan as well as its values. Besides traditional themes concerning well-being in the workplace, ethics or commitment, questions in the survey also covered new themes such as "Energy in Motion" values, team spirit, customer approach and integration of acquisitions. "Satisfaxion13" results will be used as the baseline to identify future action plans, both on a Group level and on concerned subsidiary levels.

Bail pour Tous (Housing for All)

In 2012, Rexel France signed an agreement with the *Bail pour Tous* Association, which has 84 apartments and three reinsertion centers in Greater Paris, France for the homeless, who are undergoing economic and social exclusion. Rexel France carried out the energy audit for the first group of apartments and will contribute to their renovation as well as awareness-raising for tenants on energy efficiency.



YOUR QUESTIONS

HOW CAN CO₂ EMISSIONS LINKED TO TRANSPORTATION BE REDUCED?

A project to mutualize Gexpro and Rexel USA vehicles was put in place in 2012 in the Los Angeles region. The average number of trucks on a daily run dropped from 25 to 18, thus cutting CO₂ emissions annually by 90 tons. Mutualization will be expanded to include other regions by 2014.

Rexel at a glance

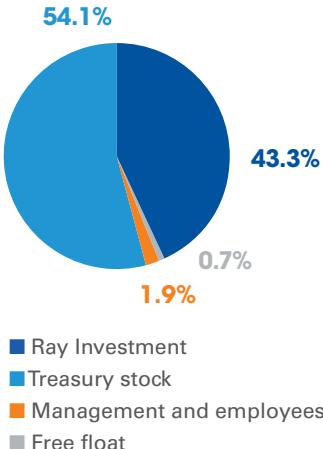
The General Shareholders' Meeting

Rexel's General Shareholders' Meeting will be held on May 22, 2013 in Paris. Like last year, Rexel will be setting up a dedicated internet site in French and in English to allow each shareholder to request an admission card, to vote by correspondence, or to give proxy to the Chairman or power of attorney to the person of their choice. The site will be open from May 3 at the latest to May 21, 2013 at 3:00 p.m. (Paris time). To convey your instructions, log on during this period to <https://gisproxy.bnpparibas.com/rexel.pg>

Increase in free float

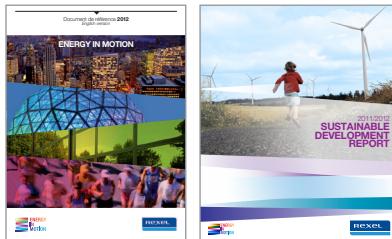
On February 14, Ray Investment, Rexel's main shareholder, sold 14.7% of the Group's equity as part of an accelerated book building to institutional investors. Ray Investment now holds a 43.3% stake and has expressed its intention to continue actively supporting Rexel's development. This investment has significantly improved Rexel's liquidity whose free float has increased from about 39% to nearly 54%.

New breakdown in equity



The 2012 Document de référence and the 2011-2012 Sustainable Development Report

Rexel published its *Document de référence* for the fiscal year that ended on December 31, 2012 as well as its 2011-2012 Sustainable Development Report. You can consult them or download them at www.rexel.com. These documents are also available in hard copy upon request.



Company Details

ISIN: FR0010451203

Market: Euronext NYSE

Number of shares (as at April 15, 2013):

271,975,882

Market capitalisation (as at April 15, 2013):

€4.4 billion

Indices: SBF 120, CAC Mid 100, CAC All-Tradable, CAC AllShares, FTSE EuroMid, FTSE4Good, Stoxx600, STOXX Europe Sustainability and ASPI Eurozone.

2013 Calendar

Thursday May 2, 2013

First quarter 2013 results

Wednesday May 22, 2013

Annual General Shareholders' Meeting

Friday July 26, 2013

Results of the second quarter and first half of 2013

Thursday October 31, 2013

Third quarter 2013 results

contact us

E-mail:

actionnaires@rexel.com

Telephone:

Toll-free: 0800 666 111

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

Internet:

www.rexel.com

(section: finance/shareholders)

Mail:

Service Actionnaires
189-193, bd Malesherbes
75017 Paris



www.facebook.com/rexel.group



http://twitter.com/#!/rexel_group

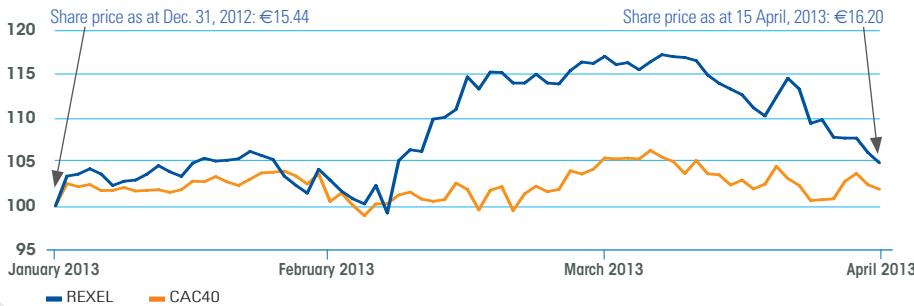
Dailymotion

<http://www.dailymotion.com/rexelgroup>

YouTube

<http://www.youtube.com/rexelgroup>

Share price since the beginning of the year



...see you soon!