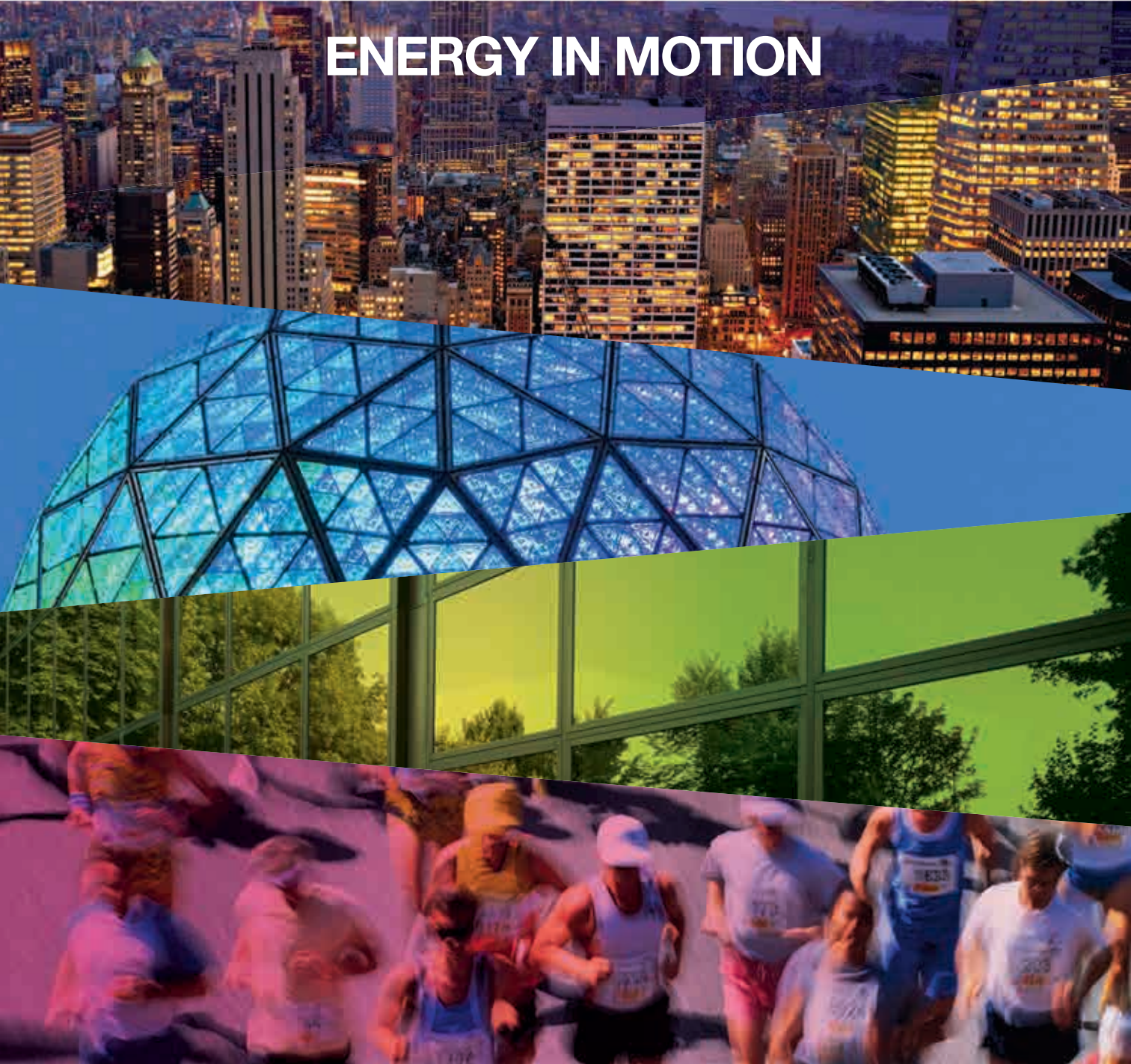


ENERGY IN MOTION



REXEL AT A GLANCE

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Rexel, Energy in Motion

Supporting our customers worldwide

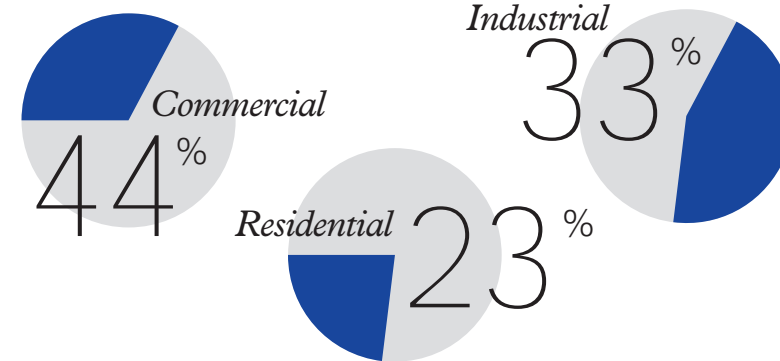
► **Rexel operates in 37 countries** with 2,300 branches, a distribution network of more than 40 banners and 31,000 employees. In recent years, Rexel has developed a strong platform, doubled in size and delivered strong results. The Group has expanded in emerging markets and strengthened its position in mature markets.

► **Rexel is a global leader in the distribution of sustainable and innovative products and services** for automation, technical supply and energy management, addressing three main markets - industrial, commercial and residential. The Group's mission is to support customers around the globe, wherever they are, to create value and run their business better.

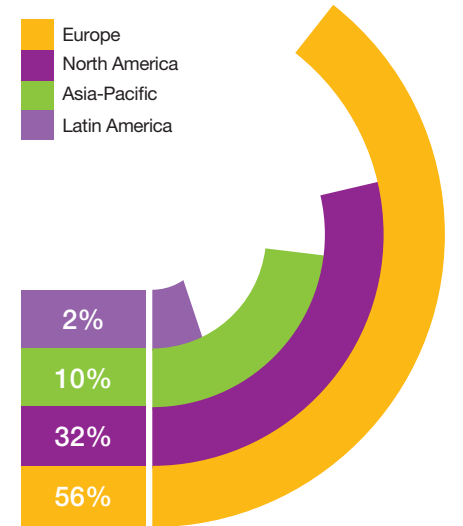
2012 key figures

SALES

— by end-market —



— by geographical area —



REXEL AROUND THE WORLD

2,300 branches, 31,000 employees, 37 countries.

ENVIRONMENT

+ 16% (vs. 2011)
sales in energy efficiency
(€523 m).

72%
of branches collect WEEE*
(+26% vs. 2011).

- 5% consumption
of electricity by the Group
(vs. 2011).

*waste electrical and electronic equipment.

SALES

€13.4 bn

+ 5.8% (vs. 2011)

HUMAN RESOURCES

58%
of employees are in direct
contact with customers

8,000

Rexel employees became Group shareholders between the first employee shareholding plan in 2007 and 2012 when Opportunity12 was launched – which accounts for 25% of the Group's employees (12/31/2012).

Rexel around the world

Rexel is the global leader in the professional distribution of products and services for the energy world. The Group is strengthening its presence in high growth potential areas such as Latin America and is consolidating its positions in mature economies in Europe and North America.

2,300
BRANCHES

31,000
EMPLOYEES



EUROPE

SOUTHERN EUROPE

- Belgium
- France
- Italy
- Luxembourg
- Portugal
- Spain

NORTHERN EUROPE

- Estonia
- Finland
- Ireland
- Netherlands
- Norway
- Russia
- Sweden
- United Kingdom

CENTRAL AND EASTERN EUROPE

- Austria
- Czech Republic
- Germany
- Hungary
- Poland
- Slovakia
- Slovenia
- Switzerland

56%
OF SALES

1,350
branches
17,000
employees



NORTH AMERICA

- Canada
- United States

32%
OF SALES

600 | 9,000
branches | employees

LATIN AMERICA

- Brazil
- Chile
- Peru

2%
OF SALES

100
branches
2,000
employees



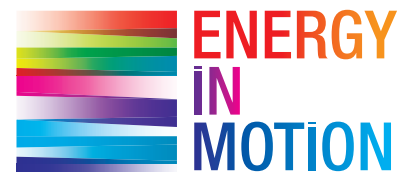
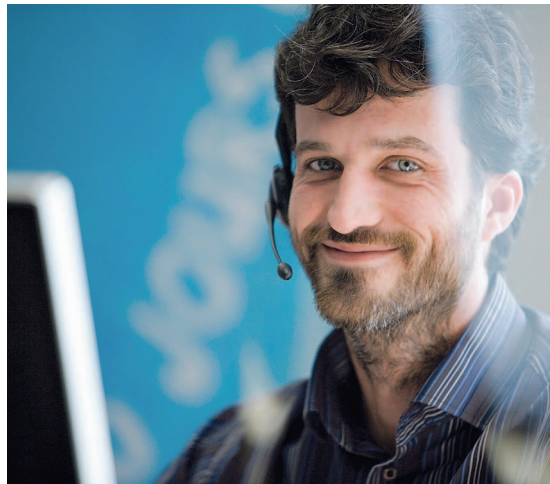
ASIA-PACIFIC

- Australia
- China
- India
- Indonesia
- Malaysia
- New Zealand
- Singapore
- South Korea
- Thailand
- Vietnam

10%
OF SALES

250 | 3,000
branches | employees

Milestones in 2012



JANUARY

CONFERENCE

Rexel and the CGEMP (The Center for Geopolitics of Energy and Raw Materials) hold a joint conference hosted by the Paris-Dauphine University, to deepen the reflection on energy transition.

INITIATIVE

Rexel launches the EcoPowerSavers brand in Australia, designed to help homeowners and businesses reduce their energy costs. This comprehensive offer includes auditing and project management.

FEBRUARY

SOCIAL RESPONSIBILITY

Rexel commits to the United Nations by signing the Global Compact and partners with the Ashoka organization to support social entrepreneurship.

MANAGEMENT TRANSITION

Rudy Provoost succeeds Jean-Charles Pauze as Rexel's Chairman of the Management Board and CEO.

AWARD

Fortune Magazine names Rexel among the World's Most Admired Companies.

MARCH

SUSTAINABLE DEVELOPMENT

Rexel enters the ASPI Eurozone® index, composed of 120 companies listed on the stock market in the euro zone with the highest social responsibility ratings as established by Vigeo.



AWARD

Rexel receives the "Corporate Finance Department - Industry Sector" Gold Trophy at the Finance Leaders Awards.

MAY

COMPANY PLAN

The Group unveils its company plan Energy in Motion. It sets four strategic priorities for 2015: profitable growth, active resources management, culture of cooperation and excellence in operations.



JUNE

STOCK MARKET INDEX

Rexel is included in the MSCI Global Standard European index, a prestigious reference for medium and large market capitalizations throughout the world.



JULY

INNOVATION

The AutoStore® inventory solution is implemented in Norway: an automated inventory management system designed for surface optimization and improved working conditions.

SEPTEMBER

EMPLOYEE SHAREHOLDING

The Group launches Opportunity12, its third employee shareholding plan. Since 2007, 8,000 Group employees have become Rexel shareholders.

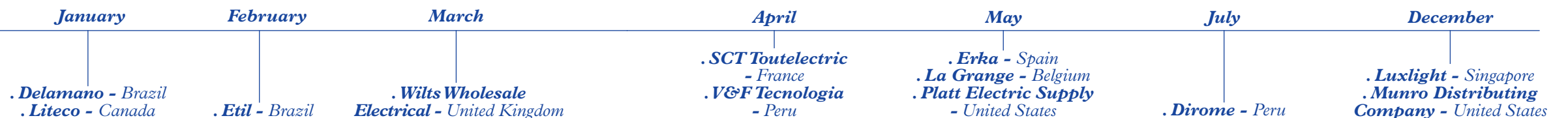


DECEMBER

MOBILE APPLICATIONS

Rexel's subsidiaries in Canada, Austria and Norway launch mobile versions of their websites. They allow product availability to be verified and orders to be made directly from building sites.

ACQUISITIONS





>>
**Milestones
in 2013**

JANUARY

GROUP VALUES

The Group launches an informative internal campaign dedicated to Rexel's values. Employees share their best practices and discuss their actions promoting these values.

SOCIAL RESPONSIBILITY

Rexel signs a partnership with Schneider Electric in order to support the Taiyuan Vocational School in China. This partnership aims to improve the training of underprivileged electrical engineering students.

FEBRUARY

SOCIAL RESPONSIBILITY

Rexel publishes its Group Community involvement Charter. The Group signs community programs promoting access to energy efficiency for disadvantaged people.

INNOVATION

Rexel France launches its Vesta tablet, a sales tool designed for installers that enables them to recommend eco-efficient solutions to the end user.



MARCH

ANNIVERSARY

Rexel's brand Bizline celebrates its 10-year anniversary by inviting 100 Group employees to run the Paris marathon for the benefit of *Électriciens Sans Frontières* (Electricians without Borders).



Which strategy for sustainable growth?



A global ambition and a worldwide network to serve our customers

- ▶ **Rexel's mission** is to support customers around the globe, wherever they are, to create value and run their business better, by providing a broad range of sustainable and innovative products and services for automation, technical supply and energy management.
- ▶ **To achieve this mission successfully**, Rexel has updated its strategy and outlined an ambitious company plan, entitled Energy in Motion.
- ▶ **Energy in Motion** captures the essence of our core business and the dynamic world we operate in, the commitment of our people to live up to the mission, and the passion to join forces with our suppliers and customers.

Message from Roberto Quarta

— Chairman of the Supervisory Board

2012 has been a year of robust performance and significant progress. In an increasingly challenging market environment, Rexel posted solid financial results and was able to meet its targets for the year. The announcement of a dividend increase to €0.75 per share for the year 2012, up from €0.65 in 2011, represents a pay-out ratio of 53% of the Group's recurring net income and should assure investors of the Group's ability to generate substantial free cash flow throughout the economic cycle.

News that the consortium controlling the majority of Rexel's shares had reduced their equity stake, while remaining an active and dedicated shareholder, had a positive impact, leading to an increase in the Company's free float and in the liquidity of the shares.

The quality of Rexel's performance and the relevance of the mid-term strategy embedded in the Group's Energy in Motion company plan, provide a strong platform for accelerating value creation in the future.

While the global market outlook remains uncertain, the Supervisory Board has every confidence in the Group's management teams, strategy and prospects for the foreseeable future.



”

The Supervisory Board has every confidence in the Group's management teams.



Interview with Rudy Provoost

— Chairman of the Management Board and CEO

Growth, resources management, culture of cooperation, excellence in operations... After a year 2012 marked by a sales increase, Rudy Provoost, Chairman of Rexel's Management Board, outlines the Group's strategy and addresses the progress made in the field of sustainability and corporate and social responsibility.

Looking back at 2012, how would you describe Rexel's performance?

Rudy Provoost 2012 marked an important step forward for Rexel. Despite an increasingly challenging market environment, we demonstrated the resilience of our business model with sales climbing to €13.4 billion and with solid profitability, as reflected in the 5.7% adjusted EBITA margin. Moreover, we maintained a healthy financial structure and delivered very strong cash flow before interest and tax of €627.5 million, which proves the Group's ability to generate the financial resources needed to invest in strategic acquisitions and to return an attractive dividend to our shareholders.

Can you explain the Company strategy in 2012?

R. P. In May 2012, we decided to set a new course of action with the launch of the Energy in Motion company plan. The plan is based on four strategic priorities: generating profitable growth, enhancing active resources management, embedding a culture of cooperation and driving excellence in operations. On the basis of these specific drivers of value creation, we aim to

make Rexel the brand of choice for our customers, the partner of preference for our suppliers, an employer of reference for current and future employees, and the most attractive company for investors. We made significant progress across all our strategic priorities and consider 2012 as a positive first step in implementing our company plan.

What are the key areas of focus for organic growth at Rexel?

R. P. As part of the Energy in Motion strategy, we identified three areas of priority: firstly, high potential business categories related to energy efficiency, renewable energies and building automation, secondly, international projects and customers, and thirdly, distinct vertical markets such as oil & gas and mining. Excluding the impact of renewable energies (photovoltaic and wind), which were unfavorably affected by regulatory changes, the high potential business categories grew by 19.4%. Overall, the combined performance of the Energy in Motion priority areas of growth added 7.2%, which confirms we are on the right track.



”
2012 marked an important step forward for the implementation of our company plan.



12
acquisitions in 2012
representing
€830 million in
annualized sales.

€13.4 billion
in sales in 2012
(+ 5.8% vs. 2011).

How do the other strategic priorities fit into the Company's plan and ambitions?

Generating profitable growth could not be achieved without making progress on our other strategic priorities. Like the pieces on a chessboard, you need to have all the chessmen in play to win.

With respect to active resources management, we have reinforced our Group leadership structure and focused our resource allocation on building capabilities in the areas of customer development, marketing, supplier relationship development and operations. We have also streamlined our geographical management structure in Europe for higher operational efficiency and market impact and reinforced our teams in key emerging markets.

The success of a company is highly correlated to the strength of its culture. We have ensured the smooth integration of the companies we have acquired, making them feel part of the Rexel family while encouraging best practice sharing to achieve optimal synergies. Moreover, the Energy in Motion company plan was launched with a 360° communication strategy which articulated the new mission and Company values and saw the roll-out of distinct initiatives to enhance strategic partnerships with key suppliers and customers.

The quality of our services goes hand-in-hand with customer satisfaction and loyalty, and we have stepped up our efforts to consistently achieve operational excellence. In particular, we

What role do acquisitions play in the execution of the Company strategy?

Over the last decade, Rexel has grown substantially and extended its global presence by driving consolidation and expansion through acquisitions. In 2012 we accelerated our external growth strategy with 12 acquisitions representing a total investment of €620 million and annualized sales of €830 million. These included two strategic acquisitions in the US: Platt Electric, a leading distributor in the western part of the country, and Munro Distributing Company, a specialist in energy efficiency and conservation solutions in the Eastern US and California. We also made several tactical acquisitions in Europe and we expanded in Emerging Markets through the acquisition of Etil and Delamano in Brazil and Dirome in Peru. Our most recent acquisition was LuxLight in Singapore, a premier player in high-end lighting solutions for the hospitality segment in Asia. Rexel will continue to make acquisitions, both in mature and emerging markets, as an integral and vital part of its profitable growth plan.

have been investing in better supply chain and working capital management, the development of e-business capabilities, as well as in high-performance IT systems and tools.

What progress has been made regarding sustainability and corporate and social responsibility?

In 2012, Rexel made good progress on various fronts. After the launch of Opportunity12 in the autumn - the Group's third share purchase plan since its IPO in 2007 - 8,000 Rexel employees are now shareholders in the Company.

We also extended employee benefits, improved job training, and updated our ethics guide. We have also made great strides in our societal commitments in the promotion of energy efficiency. In September, Rexel launched a community involvement charter, structuring its community involvement policy across the Group and formalizing its mission to support disadvantaged communities by providing the funding, tools and know-how to improve access to energy efficiency for all. We have since implemented the first community project through our partnership with Ashoka, which seeks to increase access to sustainable home ownership for disadvantaged people in the United States. We have also signed a partnership with one of our suppliers to provide job training for underprivileged students in Shanxi province, located in the east of China. We will continue to develop partnerships with our suppliers, NGOs and public authorities in the promotion of this mission for the foreseeable future.

”
Our clients' satisfaction and loyalty are driven by the quality of our services.

What does the future hold for Rexel?

The energy world is being transformed by progressively sophisticated technology, the smarter exchange of data, new economic models and an increasingly demanding customer at the center pulling all the strings. Rexel has the expertise and the determination to meet and exceed the demands and expectations of customers in technical supply, automation and energy management. Now, more than ever, our mission is to serve and support our customers to create value by providing a broad range of sustainable and innovative products and services to help them run their businesses better and more effectively, today and in the future.

Executive Committee

— April 30, 2013

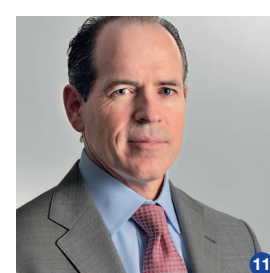
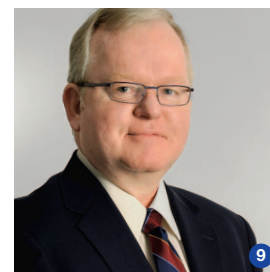
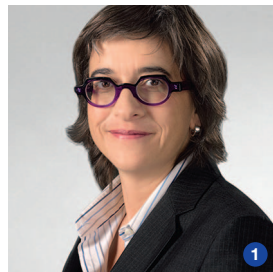


Rudy Provoost
Chairman of the Management Board and Chief Executive Officer

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-disciplinary projects.

— Group Senior Vice Presidents

1. Catherine Guillouard Management Board member, Chief Financial Officer and Group Senior Vice-President — **2. Pascal Martin** Management Board member, Group Senior Vice-President Corporate Strategy, Business Portfolio Management and New Business Development — **3. Jean-Dominique Perret** Group Senior Vice-President Human Resources, Group Delegate for International Businesses — **4. Pascale Giet** Group Senior Vice-President Communications and Sustainable Development — **5. Peter Hakanson** Group Senior Vice-President Operations



— Regional Senior Vice-Presidents

EUROPE **6. Patrick Berard** Senior Vice-President Southern Europe — **7. Henri-Paul Laschkar** Senior Vice-President Northern Europe — **8. Michel Klein** Senior Vice-President Central and Eastern Europe **NORTH AMERICA** **9. Chris Hartmann** Executive Vice-President and CEO USA — **10. Jeff Hall** Senior Vice-President and CEO Canada **ASIA-PACIFIC** **11. Mitch Williams** Senior Vice-President Asia Pacific

Corporate governance

— April 30, 2013

Rexel is a société anonyme (limited company) with a Management Board and Supervisory Board, an organization enabling it to split the management and control functions attributed to the Management Board and Supervisory Board.

— Management Board

- ▶ **RUDY PROVOOST**
Chairman of the Management Board
- ▶ **CATHERINE GUILLOUARD**
Chief Financial Officer and Group Senior Vice-President
- ▶ **PASCAL MARTIN**
Group Senior Vice-President Corporate Strategy, Business Portfolio Management and New Business Development

— Supervisory Board

- ▶ **ROBERTO QUARTA**, Chairman / CD&R
- ▶ **PATRICK SAYER**, Deputy Chairman / Eurazeo
- ▶ **MANFRED KINDLE**, CD&R
- ▶ **DAVID NOVAK**, CD&R
- ▶ **EURAZEO**, represented by Marc Frappier
- ▶ **ANGEL L. MORALES**, BAML
- ▶ **AKSHAY SINGH**, BAML
- ▶ **FRANÇOIS DAVID**, independent member
- ▶ **Fritz Fröhlich**, independent member
- ▶ **VIVIANNE AKRICHE**, Eurazeo
- ▶ **THOMAS FARRELL**, independent member

— Statutory Auditors

- Principal Statutory Auditors**
- ▶ ERNST & YOUNG AUDIT,
 - PRICEWATERHOUSECOOPERS AUDIT
- Deputy Statutory Auditors**
- ▶ SAS AUDITEX, ANIK CHAUMARTIN

— Supervisory Board Committees

- ▶ **THE AUDIT COMMITTEE**
The Audit Committee is composed of the following persons: Fritz Fröhlich (Chairman), Vivianne Akriche, David Novak, Akshay Singh and Thomas Farrell. Its primary missions are 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 six times during the 2012 financial year.
- ▶ **THE COMPENSATION COMMITTEE**
The Compensation Committee is composed up of the following persons: Patrick Sayer (Chairman), Akshay Singh, Roberto Quarta, François David and Fritz Fröhlich. Its primary missions are to make recommendations to the Supervisory Board 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 seven times during the 2012 financial year.
- ▶ **THE NOMINATIONS COMMITTEE**
The Nominations Committee is composed of the following persons: Roberto Quarta (Chairman), Patrick Sayer, Angel L. Morales and Fritz Fröhlich. Its main missions are to issue recommendations on potential nominations or replacements of members of the Management Board, Executive Committee and Supervisory Board, on Rexel's participation in Management Boards or equivalent bodies and to ensure that independent members of the Supervisory Board effectively meet independence criteria. It met five times during the 2012 financial year.
- ▶ **THE STRATEGIC COMMITTEE**
The Strategic Committee is composed of the following persons: David Novak (Chairman), Patrick Sayer, François David, Angel L. Morales and Thomas Farrell. Its primary missions are to issue recommendations on financial projects, acquisitions, shareholdings, disposals or investments, advice on the creation of any business activity or subsidiary, mergers, divisions, transfer of assets, on Rexel's draft strategic plans and annual budgets as well as on any proposal for the admission to trading on an organized exchange of tradable securities and on any operation involving a significant change in the scope of the company and its subsidiaries. It met seven times during the 2012 financial year.

Sustainable Development

As a signatory of the United Nations Global Compact since 2011, Rexel is committed to complying with its 10 key principles in the areas of human rights, labor, environment and anti-corruption, and to translating them into concrete initiatives.



With the firm belief that its success lies in a progressive approach undertaken with its stakeholders and the communities where it is present, the Group is pursuing an ambitious Sustainable Development policy.

Energy efficiency, a key challenge for Sustainable Development, is at the heart of Rexel's vocation. By helping its clients to reduce and optimize their energy consumption, the Group contributes to promoting eco-efficient products and renewable energies.

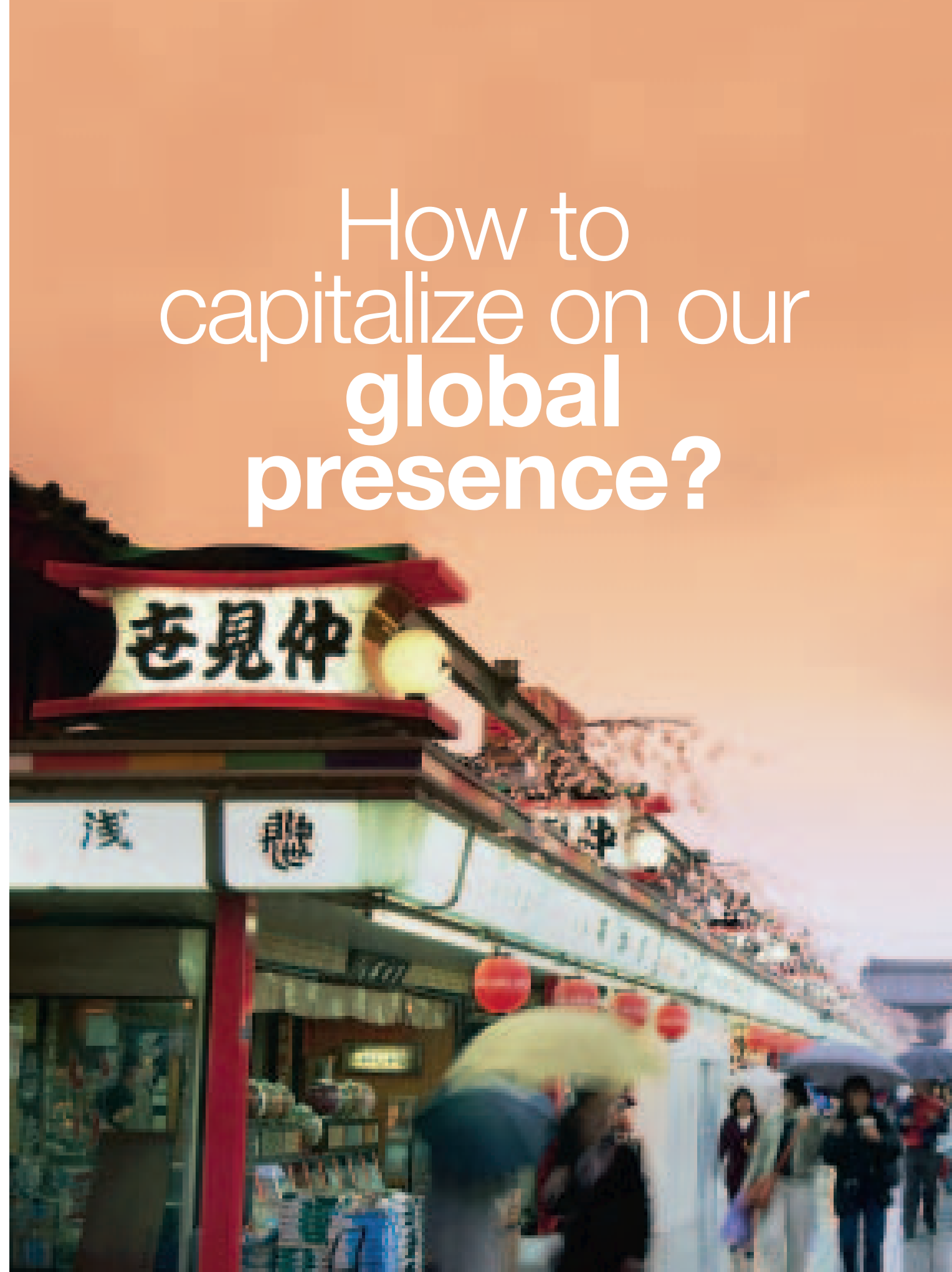
Energy efficiency is also an important part of the Group's social responsibility. In 2012, Rexel formalized its commitment to promoting access to energy efficiency for all and launched its first operational partnership with Ashoka, the largest global social entrepreneur network.

Rexel is also continuing its efforts to shrink its environmental footprint by improving eco-efficiency at its sites and by optimizing transportation and waste recovery. In 2012, the Group and its subsidiaries consolidated their environmental stewardship and enhanced their teams' expertise.



Sustainable Development goes hand in hand with employee engagement, which is fostered by shared values and ethics. In 2012, the Group's social responsibility allowed progress to be made in work safety and well-being, skill enhancement, social dialogue, equal opportunities and involving employees in Rexel's performance.

How to capitalize on our global presence?



A global vision and a worldwide network to serve our clients

► **Rexel enjoys a broad international presence.** The extent of its global reach is one of the keys to its position in electrical distribution: a business where markets, technology and clients ignore borders.

► **Today, over 80% of Rexel's turnover** comes from international markets outside of France, situated primarily in Europe and North America. The Group's local banners within these mature countries lie at the heart of its business and their consolidation is a priority. Rexel's more recent presence in emerging markets is intended to grow quickly. The Group continues to strengthen its relationships with the new international growth leaders: China and Brazil, and on a larger scale, Asia and Latin America.

► **Expanding the Group's scope to a global level** is also essential to supporting our major clients in their international development. Rexel offers them a comprehensive approach with both local and international procurement solutions.

► **To further reinforce its international presence,** Rexel is pursuing its acquisition policy. The implementation of the company plan Energy in Motion will reinforce the Group's global and cross-disciplinary strategy in terms of organization, resources and markets. To this extent, encouraging a culture of cooperation is one of Rexel's priorities.

TWO QUESTIONS FOR GUILLAUME CHAINIER, GROUP MERGERS & ACQUISITIONS DIRECTOR

An ambitious acquisitions strategy



GUILLAUME CHAINIER
Group Mergers & Acquisitions Director

How important are acquisitions to the Group?

A large part of the Group's DNA comes from acquisitions. They have always been one of the pillars of Rexel's development and remain at the core of our company plan Energy in Motion. After a brief slowdown in 2009 from the global economic crisis, we accelerated our pace at the end of 2010 and reached €622 million in 2012 (in company value). Since 2010, Rexel's 23 acquisitions have generated important additional sales. Over the years, Rexel has proven its ability to successfully manage acquisitions. Even though the Group has significant financial and operational integration require-

ments, it is very mindful about leaving a large degree of autonomy to the existing management.

What were the highlights of 2012?

Our acquisitions policy relies on a three-point strategy. The first point is strengthening the Group in mature territories and consolidating its market share. In 2012, this was illustrated by the acquisition of Platt and Munro in the United States. The second point is developing our presence in emerging markets, especially Asia and Latin America, in order to find new growth opportunities. In this respect, the main events of 2012 were the acquisition of Delemano and Etil in

Brazil, and that of Luxlight in Southeast Asia. The third and final point is reinforcing the Group's expertise in high value-added services, exemplified by the purchase of Inoveha (energy audits, see page 31) in 2011 and Munro (energy efficiency solutions, see page 24) in 2012.



— Acquisitions

2012

12 acquisitions
for a total amount of
€622 million

2013-2015

€500 million
per year



EVALUATING RISKS

Environmental audits

Before every acquisition, Rexel performs due diligence in order to identify the risks associated with the transaction. Regarding the environment, the due diligence procedure examines the company's regulatory compliance, the possibility of any pollution or soil and facility contamination, and the existing environmental management systems.

STRATEGIC ACQUISITION

UNITED STATES

By purchasing Platt Electric Supply, Rexel improved its presence in the Northwestern United States, where Platt is a major market player with a €315 million in sales in 2012, 111 branches and two logistics centers.



INTEGRATION

UNITED STATES

One of the most difficult challenges in acquisitions is employee integration. In the United States, Platt and Munro benefited from the best practices implemented in 2006 following Gexpro's purchase: weekly meetings were organized with the managers and the new system of health care and employee benefits was introduced to the staff less than a month after the acquisition.

LUXURY LIGHTING

SINGAPORE



Purchased in December 2012, Luxlight is located in Singapore and is specialized in quality architectural lighting. Present in Asia's high-end hospitality and residential markets, Luxlight provides high value-added services that complement Rexel's offer in Asia.

BRAZIL



— **Leadership in Sao Paulo** —
Thirteen months after the purchase of Nortel, Rexel strengthened its presence in Brazil through the acquisition of two new companies: Delamano and Etil. These two operations positioned the Group as market leader in the State of Sao Paulo, Brazil's largest (one-third of national GDP), and allowed it to increase sales by €85 million. Brazil is among the priorities of the Group's external growth strategy and these acquisitions are perfectly consistent with it. Delamano has strong expertise in maintenance, repair and operations (MRO). Etil is one of the main electrical suppliers in the State of Sao Paulo, particularly in the commercial and residential sectors.

The key to successful acquisitions
When we buy a company, we choose it mainly because of its people. To make a successful acquisition, it is essential to involve the operational teams in the process at the earliest possible stage, and to secure the loyalty of the managers.

— Guillaume Chainier, Group Mergers & Acquisitions Director

UNITED STATES

An energy efficiency breakthrough

The acquisition of **Munro Distributing Company** in November 2012 helped consolidate the Group's market share in North America while strengthening its energy efficiency expertise. In 2012, this rapidly growing company achieved €115 million in sales. It has strong partnerships with the ESCOs (Energy Service Companies), which are specialized in measuring and monitoring energy consumption. It took part in many LEED projects, which have the strictest American green building certification. Munro is also on the cutting edge of e-commerce.

ASIA AND LATIN AMERICA

Growing in emerging markets

The great shift in the global economy is pursuing its course. The weight of the BRICS countries (Brazil, Russia, India, China and South Africa) in global GDP grew from 16% in 2001 to 28% in 2012, and could reach 40% in 2017 according to the IMF*. For Rexel, as for many companies, the emerging markets have become the new drivers of growth in a global economy slowed by the economic crisis.

The Group's presence in fast growing markets is still modest, accounting for less than 10% of its turnover, which is explained by the extreme fragmentation and immaturity of the distribution market. Rexel will strengthen its positions in these territories by progressively consolidating its acquisitions and generating organic growth. The perspectives in Brazil, China and their neighbors in Asia or Latin America are promising: the rise of

the middle class, fast-paced urbanization and the development of local industry all provide excellent business opportunities for the Group. Rexel's presence is all the more important in these markets as their economic weight is attracting increasing numbers of large international companies. By establishing operations there, the Group can offer them high-quality global services. Finally, the wealth of raw materials in Brazil and in China leaves them very well positioned in vertical markets, in which Rexel has renowned expertise and the desire to develop its business.



* International Monetary Fund



SALVADOR PUGLIESE
Chief Operating Officer
of Nortel

BRAZIL

Rising power

Brazil has become the sixth largest world economic power. Its growth, slowed by the global economic crisis, should resume in 2013 at a rhythm of 4% or 5% per year. In less than two years, the Group has become number two in Brazil and market leader in the state of Sao Paulo, which has the largest and wealthiest population in the country. Rexel's market share in Brazil amounts to 5% and could reach 10% in the medium term. "By 2020, Brazil will be the fifth largest consumer market in the world," says Salvador Pugliese, Chief Operating Officer of Nortel, one of Rexel's Brazilian subsidiaries. "Such a dynamic environment offers great opportunities for acquisitions, organic growth, sharing best practices and winning global supply deals."

SOCIAL BENEFITS

INTERNATIONAL



The universal welfare scheme Rexel Plus Protection for All introduced by the Group in 2011 covers nearly 5,000 employees in 11 countries.



ENVIRONMENTAL STEWARDSHIP

BRAZIL AND UNITED STATES

Environmental stewardship is managed through specific annual reporting for all the Group's subsidiaries. The newly purchased companies are integrated in the year following the transaction. "The latest acquisitions, mainly in Brazil and the United States, have rapidly adapted to the Group's requirements," says Xavier Galliot, Group Sustainable Development Director.

RENEWABLE ENERGY

CHINA



China is the renewable energy market leader. With a subsidy program worth €300 billion, China hopes to raise the share of renewable energy in its energy mix to 40% by 2040. (source: www.electrical-efficiency.com)

EUROPE AND NORTH AMERICA

Consolidating our positions in mature markets

Consolidating the Group's presence in mature countries, which account for 90% of its turnover, is one of Energy in Motion's priorities. Despite a difficult economic environment in 2012, Europe maintained its sales and saw its profit-

ability resist. In North America, sales grew and profitability progressed. The acquisitions carried out on both continents helped secure the Group's leading positions. External growth will continue to have a decisive impact on Rexel's market share, especially in the United States, where the market is still considerably fragmented.

Energy efficiency markets were an important growth driver in 2012 in mature countries. Helped by large-scale government initiatives – such as the Green Deal in the United Kingdom, the Better Building Initiative in the United States, Energie Konzept in Germany or

RT 2012 in France – they allowed countries like the United States or the United Kingdom to register significant success.

The acceleration of organic growth in 2013 will continue to depend on three drivers identified by the company plan Energy in Motion: high potential products and services related to energy efficiency, key account customers and international projects, and targeted vertical market segments.



American outlook

In the United States, the market shares of industry leaders, Rexel included, do not exceed 6% or 7%. In light of this, the American market offers great consolidation perspectives.

— Guillaume Chainier, Group Mergers & Acquisitions Director

UNITED KINGDOM

The British spark

Already a leader in electrical distribution in the United Kingdom, Rexel has further secured its position by purchasing Wilts Wholesale Electrical, one of the country's largest independent equipment suppliers. In 2012, the United Kingdom also distinguished itself in the very competitive field of renewable energy with the online launch of a new brand, "Natural Sparx," designed to serve renewable energy professionals and solar panel installers. This offer was supported by a national promotional campaign. Natural Sparx received the Best Branding and Positioning award from the Chartered Institute of Marketing Construction Industry Group.

— Three European zones

22

European countries

are now grouped into three zones instead of four, and are structured around the market leaders: the United Kingdom for Northern Europe, France for Southern Europe and Germany for Central and Eastern Europe. This Group's new organization is more streamlined and efficient, and better suited to market realities.



INTERNATIONAL KEY ACCOUNTS

Managing international key accounts

Rexel accompanies its clients around the world, whether by supplying equipment for large installers' building works or by managing international key accounts. Its organization and expertise enhance its clients' efficiency, especially in emerging markets where Rexel offers the same level of service as in other markets.

Rexel offers its clients the best of both worlds. First, a worldwide entity that provides a comprehensive approach to conceiving, coordinating and managing their procurement. Second, a network of more than 2,300 branches located in 37 countries that ensure the operational implementation of contracts. "Negotiating international deals is more and more about long-term partnerships where optimizing procurement processes creates value for the client as well as for Rexel.



These are custom deals, aiming to reduce costs through a very global approach which may extend to taking over the logistics management of a work site or the supply chain of a major company," explains Laurent Marguerat, Group Internal Key Accounts Manager.

The management of international key projects and accounts and that of vertical markets (oil & gas, mining) have been merged into a single business unit, creating new synergies in 2013 and beyond.

VINCI ENERGIES INTERNATIONAL

"A shared desire to develop common business actions"

We operate in 25 countries (outside France): mainly in Europe, but also in Brazil, Morocco, Indonesia, and India. Until 2011, our teams in these countries had local relationships with Rexel. Our global agreement signed in 2012 for three years highlights our intention to be recognized as One Global Customer. Where we are present in the same countries, we share together the same business development interests. This business approach has fostered an agreement based on, one hand, the optimization of the purchasing; and, on other hand, the common managing vision through a governance model. We are already seeing the first results with a preferred relationship in each country and the implementation of concrete actions such as TCO (Total Cost of Ownership). We have now a real partnership dynamic in place.

— Sébastien de Laissardière, Head of Purchasing, Vinci Energies International



Rapid contract implementation

Rexel has the knowledge, the tools and the networks necessary to provide a quick and efficient implementation of international contracts and therefore support its clients' procurement strategy.

— Arnaud Picot, Group International Key Accounts Director





OUR VALUES IN ACTION

A decisive year for the culture of cooperation



A culture of cooperation is one of Rexel's strategic priorities. The Group's capacity to generate synergies is essential to optimizing its operation, sharing its best practices and developing its markets.

2012 was an important year for laying the foundations of the Group's culture of cooperation. In May 2012, Rexel launched around 30 "streams" identified as priority development avenues in terms of markets, solutions, clients and processes. Each one was entrusted to a "Practice Leader" appointed by the Executive Committee independently of traditional organizational and hierarchical structures. Their task was twofold.

First, perform a strategic analysis and initial market approach with the help of the Group's experts. Second, work with country managers to identify the operational framework of these strategic avenues in terms of organization, expertise and resources required for success. The "Practice Leaders" established informal networks and introduced working methods that provide the basis for the "streams" functioning. Organizing communities by field of expertise enabled the systematization and management of sharing best practices and business models in accordance with a cross-disciplinary rationale that is being spread throughout the Group. At the end of their mission, the "Practice Leaders" turned the reins over to the Group, which will implement this new organization in 2013.

HUMAN RESOURCES

Globe-trotter

Recruited in 2010 through the Group's International Traineeship program, financial controller Paula Gomez has continually traveled the world. From her Spanish homeland to Chile by way of the United States and France, this young recruit, the representative of a new generation of employees, appreciated "being able to get involved in many different business areas and learn more about the Group's activities."

— Company Plan

30
Energy in Motion
"streams"
launched in May 2012

ENERGY IN MOTION

"A collaborative project"



The building automation market is still relatively undeveloped at Rexel, although it is potentially attractive. The goal was to validate the idea with experts and field operatives to see how it could be developed. We worked with around ten people in five countries, selected based on their markets' maturity. We asked for their opinion, advice and collaboration. This participative approach broke down any territorial barriers and allowed us to include correspondents within a global framework. Together, we made assessments, reflected on a commercial offer and defined business models. This was not the result of theoretical reflection, but rather a kind of coaching session for field managers, very efficient and rewarding.

— Manuel Romera, Group Purchasing Marketing Director

How are we responding to energy efficiency challenges?



Offering global, reliable solutions for better energy management

► **Energy management has become a major global challenge** faced by governments as well as companies and private individuals. Despite diminishing resources, energy consumption will double over the next 20 years. Energy prices will continue to soar, further hindering growth and increasing households' fuel poverty. Furthermore, the environmental impact is likely to worsen in spite of the commitments made by numerous countries to reduce greenhouse gas emissions.

► **Nevertheless, there have never been as many technological and regulatory energy management initiatives** as those witnessed over the last few years. Electrical energy efficiency solutions have improved significantly. Renewable energy sources are poised to develop. Governments have launched large investment programs and incentives to support eco-efficiency. But the energy transition faces technical and financial obstacles, and—most importantly—user appropriation challenges.

► **Rexel's business is at the core of energy transition.** Thanks to its product and technology expertise, its role as an interface between manufacturers, installers and users and its capacity for designing customized solutions adapted to users' needs, the Group plays a key role in energy management.

ENERGY MANAGEMENT

Facilitating energy transition

A successful transition to energy management depends on understanding the issues at stake and how to address them. Large companies have the necessary skills to analyze and evaluate the impact of this transition, but such is not always the case for smaller companies, installers and private individuals.

One of Rexel's missions is to inform and train not only its installers, but also the end users, be they individuals or companies. At a time when governments are launching major energy efficiency programs while eco-efficiency solutions become more and more complex, Rexel prides itself on being a particularly dynamic and supportive partner. In the last few years, the Group has developed helpful tools for deciphering technical, social, economic and regulatory trends, such as the online magazine dedicated to electrical energy efficiency* and



BRIAN SMITHERS
Business Development
Director Rexel UK

the Rexel international barometer for energy efficiency. Other tools address more specific communications needs, including trade fairs and show-rooms or Rexel's commercial television channel in France (Inexel TV).

Financial and economic arguments have proven decisive in convincing users of the advantages offered by energy efficiency solutions. They want to know to what extent their energy expenses will be reduced and how long it will take before their investment pays off. "Our expertise in measuring energy consumption is a key asset. It allows us to prove the benefits of new technologies and to educate the consumer," explains Brian Smithers, Business Development Director Rexel UK. In the same respect, Rexel France has developed a wide range of evaluation tools including a professional tablet designed for energy audits (see page 32) or diagnosis websites aimed at the general public (moninstallateurexpert.fr), etc.

* www.electrical-efficiency.com



— Energy savings

30%
potential energy savings

through the refurbishment of European industrial and commercial buildings.

ECO-EFFICIENCY

UNITED STATES

In July 2012, the United States prohibited the production and sale of T12 fluorescent lamps, which still represent 50% of the country's commercial lighting. Rexel USA's team Energy Solutions ran an informative campaign aimed at users, offered them a measuring tool and legislation guides to help them determine if their existing lighting fell within the scope of the new legislation.

GREEN DEAL

UNITED KINGDOM



On January 1, 2013, the British Government launched a "Green Deal" offering households an incentive to undertake energy efficiency retrofits, notably in the form of zero-interest loans. Two months prior to the program launch, despite the fact that three quarters of households were expressing concern about their energy bills, 96% of them were still unaware of the Green Deal or had not understood it, according to a poll conducted by YouGov and Rexel in 2012.

INITIATIVE

FRANCE

Created in 2011, the GIE* *Réseau Energie Habitat*** combines the service offer provided by a consulting firm specialized in energy efficiency (Inoveha), three building material suppliers, a bank and Rexel for private individuals who wish to make energy efficiency improvements on their homes. In 2012, the GIE received the Best Business Performance Trophy awarded by the trade magazine *Le Moniteur*.
For further details: www.reseau-energie-habitat.fr and www.inoveha.fr

*Economic Interest Group
**Home Energy Network

CUSTOMIZED SERVICES

Promoting a comprehensive and integrated offer



Far more than an equipment supplier, Rexel is a prescriber of eco-efficient solutions including different energy efficiency-related business lines and services. Rexel tailors its offer to suit clients' specific needs, rather than relying on ready-made products and technologies. It aims to achieve a highly customized offer by combining different technical solutions. As an energy management expert, Rexel can deliver building audits and equipment recommendations and set up measurement and management tools and energy efficiency monitoring systems. But technical solutions alone – even the most comprehensive ones – are not

enough. To facilitate the implementation of the solutions it recommends, Rexel also offers a large panel of services: financial services in partnership with specialized agencies, subsidy file assembly and administrative support for file management, etc.

To better serve its clients, Rexel has adopted specific organization, expertise and team structures, an approach illustrated by Active 8 (United States), Rexel Energy Solutions (United Kingdom), Genera (Spain) and Kandela (Finland). The means of expression may vary from country to country, but its purpose is always achieving a global strategy that adds intelligence to technical solutions.

Enhancing Our Skills

To meet the energy efficiency challenge, we need to enhance our skills and make sure our sales teams are able to manage a complex business system that places return on investment, customer support and services at the core of our proposals.

— Franck Legardeur, Group Energy Efficiency Marketing Director



FRANCE

The Vesta Tablet



In February 2013, Rexel France launched a new tablet designed to help installers offer added-value energy efficiency solutions to their customers. Known as Vesta, this sales support tool allows them to develop an energy performance strategy from initial auditing to solution recommendation. Based on building assessment and information provided by the customer, the tablet performs a pre-audit enabling the installer to establish a diagnosis and make recommendations. Technological solutions are presented to the customer via 3D videos, a highly informative and attractive format. Vesta also includes a feature designed for evaluating the financial impact of recommended solutions and an integrated supplier database featuring the top brands on the market.

THREE QUESTIONS FOR GONZALO ERREJÓN, GROUP MARKETING AND SUPPLIER RELATIONSHIP DEVELOPMENT DIRECTOR

Offering reliable eco-efficient solutions



GONZALO ERREJÓN
Group Marketing and
Supplier Relationship
Development Director

What are Rexel's strengths in the energy efficiency market?

We have a thorough knowledge of existing product ranges, enabling us to offer complex solutions involving lighting, automation, renewable energy sources, etc. Our teams' expertise also allows us to combine different technologies and optimize their eco-efficiency. Acting as a solutions integrator, Rexel is a single contact and trusted partner. Our teams closely cooperate with their customers, are aware of their requirements and constraints and are able to offer them comprehensive turnkey solutions adapted to their needs.

How are the renewable energy markets expected to evolve?

So far, the solar and wind energy markets have been fueled by subsidies and the development of major projects destined to generate electricity for power grids. In the short term, more and more countries will reach energy production parity costs, which will change the nature of the game. Solar and wind energy will undoubtedly soar in new markets, such as the residen-

tial sector, and in new territories. Rexel is ready for these challenges. We have technical expertise, strong supplier relationships and deep knowledge of customers' needs, enabling us to offer them comprehensive solutions.

What is the outlook for automation systems?

Building energy management is a tremendously large market where clients' primary criterion is return on investment. Rexel acts as an independent energy advisor offering comprehensive solutions and

expertise on all required protocols. In the home automation market, customers want to reduce expenses, enhance their comfort and enjoy new services made possible by advances in tool connectivity. These technologies are still complex but their applications have been considerably simplified. Our goal is to help electrical contractors become home automation integrators fully capable of setting up a system and managing its maintenance and evolution.

FRANCE

Turning installers into genuine home automation integrators

The 3i Program, a service range offered by Rexel France, makes home automation accessible to all installers. It features a software application that can design a KNX*-based home automation installation from the ground plane, sparing electricians the programming. The necessary equipment is then identified, pre-configured, labeled and installed. Functioning and compliance are controlled via a kit provided to the installer. The system can be controlled locally or remotely.

*KNX is a global communications and interoperability standard in home automation and building management

FRANCE

Recreational boating, from a distance — Monitoring the energy consumption of Villefranche-sur-Mer's yacht harbor moorings is now achieved via smart meters that measure consumption from a distance and bill the final user directly.





CHINA

Lights and games — In 2012, Gexpro Asia undertook the complete renovation of a giant complex located in Macau with 40 floors, 3,000 suites, a 51,000-square-meter casino and a 15,000-seat concert hall. Gexpro Asia is managing the entire operation, from the audit to a 4-year partnership with the team in charge of maintaining the building. During the first phase, Rexel's subsidiary refitted the lighting in the car parks, offices, hotel rooms and restaurants. The transition to LED lighting contributed to savings of almost €1 million per year. A second phase will focus on the hotel stairs, the shopping mall and the casino. This mission is particularly challenging in terms of ambiance lighting.



FRANCE

American partners in Saint-Nazaire — Gexpro Services will ensure the procurement, control and assembly of the pieces designed for a giant turbine, located off the coast of Saint-Nazaire. Rexel and the contractor have been working together for several years, especially in Texas, Brazil and Spain. Gexpro will manage the entire procurement supply chain. Nearly 200 giant turbines are to be installed in France, each of them capable of powering 6,500 homes.

UNITED KINGDOM

Reducing the electric bill by 75%

In order to reduce its carbon footprint while lowering its electricity bills and enhancing students' safety, the University of Essex asked Rexel UK to provide a lighting solution along the external traffic areas of its Colchester campus. After installing and testing several fittings, Rexel replaced the metal halide lamps by LEDs. This operation will help save the equivalent of 56 tCO₂ per year and cut energy consumption by 75%.

— Fuel poverty

\$500

the average monthly energy bill

of a mobile home in the United States

UNITED STATES

Presidential solar panels

Like every other US President since Herbert Hoover, George W. Bush is entitled to a dedicated Presidential library. His is scheduled to open in Dallas in May 2013. This €200 million and 226,565 square feet facility will be LEED Platinum certified, the highest rating of the US Green Building Council. Gexpro has been chosen thanks to its ability to offer not only material but also technical support for the design of the photovoltaic system and its installation. The solar panels occupy most of the roof surface and will cover nearly 10% of the building's energy needs. Gexpro has also conducted the training for the lead electrical contractor installation team, as well as for the Library electrical maintenance team. The project amounts to €330,000.



MARK HARRISON
Global Wind
Energy Programs
Director Gexpro

UNITED STATES

Wind energy soars

In 2012, wind energy became the leading source of new US electricity generating capacity for the first time ever, providing approximately 42% of all new generating capacity. The same year, the US wind industry hit the 60 GW milestone. "Rexel now services all of the major OEMs* in the US, their key suppliers and a few of the major wind farm operators," explains Mark Harrison, Global Wind Energy Programs Director, Gexpro.

*Original Equipment Manufacturer

SWEDEN

Low energy and home automation —

The owner of this house in the suburbs of Göteborg wanted to minimize its energy consumption and support renewable energy development. Rexel Sweden installed solar panels on the roof (about 10kWc) and supplied a comprehensive home automation solution based on the KNX protocol** for optimizing energy consumption. After providing the user with information on the benefits offered by its diverse functionalities, Rexel recommended an easy-to-use home automation solution for controlling shutters, lighting, heating and energy management and provided a connection to the home audio and video system. The integration of these functions, managed by a single home automation application, was the main challenge of this project. Its final cost is estimated between €40,000 and €45,000.



GERMANY

A complex lighting project

In 2012, Hagemeyer Germany contributed to equipping the new Arnstorf secondary school in Lower Bavaria. This ambitious project involved setting up outdoor and indoor lighting controls, solar shades, door and shutter commands and the management of all automation systems. Rexel's German subsidiary installed 415 KNX** devices, some featuring innovative functionalities. For example, the door control system takes into account the school calendar and safety mechanisms while the indoor lighting automatically adapts to ambient brightness.

**KNX is a global communications and interoperability standard in home automation and building management

ECO-EFFICIENCY

AUSTRALIA



EcoPowerSavers is a one-stop eco-efficient solutions provider set up by Rexel Australia to help its customers comply with a new carbon tax effective since July 2012.

RELAMPING

FINLAND

Rexel Finland has outfitted 1,700 street lamps in Imatra, a city located in South-East Finland, with mercury-free light bulbs in compliance with new European legislation.

NEW CONTRACT

UNITED KINGDOM



Rexel's British banner has secured a contract worth nearly €3 million for the installation of lighting, power sockets, switches and light bulbs at a new luxury hotel which will open its doors in 2013 at The Shard, London's new futuristic tower.



CORPORATE SOCIAL RESPONSIBILITY

Promoting access to energy efficiency for all

Promoting access to energy efficiency for all, a key element of Rexel's core business, is a commitment related to the Group's social responsibility. "We wish to further engage with the communities in which we are present by making our energy expertise available to disadvantaged populations, to foster better energy usage and optimize its consumption," says Xavier Galliot, Group Sustainable Development Director.



In 2012, Rexel made its commitment official in a Charter and a Community Involvement Guide. These documents outline the scope of its engagement and the types of actions its subsidiaries and employees are encouraged to design and implement. The Group supports philanthropic actions in areas related to education, vocational training and home

equipment, designed to promote access to energy efficiency for the greatest number of people.

Besides local initiatives conducted by its subsidiaries, two important projects were launched by the Group in 2012. The first one supports an "Ashoka Fellow," an innovative social entrepreneur who included an energy efficiency dimension in her project. The second one involves a partnership with the Schneider Electric Foundation in order to support an Electrician Trade School in China.



ASHOKA
UNITED STATES

Rexel joins forces with Stacey Epperson

One year after signing a global partnership with Ashoka, the first worldwide network of social entrepreneurs operating in 60 countries, the Group and its American banners Rexel and Gexpro committed themselves to supporting one of them: Stacey Epperson. The Ashoka Fellow, founder of Next Step, aims to replace some of the millions of mobile homes in the United States, which are highly precarious and energy-consuming dwellings. Via a partnership with American builders, Next Step offers affordable eco-efficient factory-built homes, which meet with Energy Star standards. As a first step, Rexel offered a two-year €60,000 grant in support of the project. In 2013, Rexel will strengthen its engagement with Ashoka by launching a new program called "Impact" in France, Belgium and Switzerland designed to identify and train 15 social entrepreneurs in the field of energy efficiency.

COMMUNITY INVOLVEMENT

FRANCE



In 2012, Rexel France signed an agreement with the *Bail pour Tous* association, which manages 84 apartments and three rehabilitation centers in the Paris region dedicated to socially and economically isolated homeless people. Rexel France performed an energy audit on an initial apartment complex and will contribute to its refurbishment as well as to raising tenant energy conservation awareness.

PARTNERSHIP

CHINA



Within the framework of its partnership with the Schneider Electric Foundation, Rexel is contributing to upgrading the equipment at the Taiyuan Electrician Trade School, located in the Chinese province of Shanxi, in addition to supporting the training of 300 students over two years.

— Fuel poverty

3.8
million homes

are affected by fuel poverty in France, according to RAPPEL ("Réseau des Acteurs de la Pauvreté et de la Précarité Énergétique dans le Logement")

*Poverty and Household Energy Insecurity Actors' Network

What are our areas of expertise in vertical markets?

A cross-disciplinary approach to optimize expertise and solutions

► **Rexel has identified the most promising and fast-growing vertical markets**, in which the Group is either already well positioned, or well prepared to develop its business. The oil and gas industry, the mining industry and the utilities sector have been selected as priority business areas.

► **Most of the actors in these markets** are major international companies: infrastructure owners, engineering and industrial groups. Relationships are built at the international level, based on trust, through the efforts of dedicated teams delivering customized long-term services.

► **These markets are also extremely demanding** in terms of quality and security, requiring suppliers to comply with very stringent and specific norms and standards. They share certain similarities in their decision-making processes, their production cycles and the way in which they create value.

► **To better serve these markets**, the Group is developing a global, cross-disciplinary approach based on sharing best practices, business strategies and solutions among its teams.

THREE QUESTIONS FOR JÉRÉMY DE BRABANT, SENIOR VICE-PRESIDENT CUSTOMER DEVELOPMENT

Targeting specialized markets



JÉRÉMY DE BRABANT
Senior Vice President
Customer Development

What are the key features of vertical markets?

They are extremely specialized and integrated markets, whose quality and reliability requirements are among the world's most demanding. The decision makers require their suppliers to have specific skills and organization. Impeccable credentials are needed to enter these markets and suppliers must constantly improve their service quality to stay in the business.

What are Rexel's strengths?

Rexel has been operating in this sector for many years, both in project invest-

ment and in maintenance works. This dual global-local approach allows us to fulfill decision makers' requirements in matters of business strategy and the operational implementation of contracts. We know how to conceive and deploy customized services, whether they involve purchase management, storage or maintenance. We have dedicated teams, targeted product catalogues, on-site installations and high-end delivery and packaging solutions.

What are your priorities for 2013?

In 2012, our Company plan Energy in Motion identified the most profitable and promising sectors in terms of

growth opportunities. These include the oil and gas industry, the mining industry and the utilities sector. In order to best answer their needs, Rexel is currently strengthening its teams and enhancing its expertise and services. Implementing a cross-disciplinary approach will allow the Group to take better advantage of synergies, accelerate best practice sharing and develop its markets.

INTERNATIONAL PROJECTS GROUP

Worldwide support

Rexel IPG (International Projects Group) is the Group's vanguard, negotiating with major decision makers. This global structure specialized in large projects and infrastructure works counts around 40 people. Dedicated to the Group's banners, IPG responds to bids, identifies the best suppliers, offers the best-adapted solutions and coordinates the implementation of projects.



GLOBAL APPROACH

The oil and gas investment boom



The International Energy Agency (IEA) estimates that the worldwide demand for energy will grow by a third by 2035, 75% of which will still be oil and gas-based. Also following the Agency's outlook, the amounts invested in developing oil and gas production capacities should rise continuously over the same period. This investment boom is linked to the strong demand for energy in emerging countries and reflects the growing complexity of deep-sea offshore or shale gas exploration conditions, as well as the need to bring existing installations into compliance with environmental standards.

Thanks to its expertise in both the building and maintenance markets, Rexel fully masters the specificities of these industries that handle hazardous and flammable materials. Safety, quali-



PIERRE ALLARD-COULUON
Rexel IPG
Vice-President

ty and reliability are the three key principles upon which all the solutions offered by the Group are built. Rexel is also well positioned to answer the industry's growing energy efficiency demands for its installations.

The Group's worldwide dimension allows it to adapt to the major evolutions that this sector is undergoing. "An increasing number of projects are now managed by joint ventures between national companies and major oil companies, and Global Engineering, Procurement and Construction companies play a growing role in these projects," explains Pierre Allard-Couluon, Rexel IPG Vice President. "A global approach has become one of the major conditions for serving this market."

Quality Certifications

When we operate on an oil platform, in a mine, on a gas terminal or within a nuclear plant, all the products and processes used must comply with the most stringent quality certifications.

— Pierre Allard-Couluon,
Rexel IPG Vice President

UNITED STATES

The American Revolution

The United States, which imported 20% of its energy requirements in 2012, will become a net oil exporter by 2030. The growth of oil and shale gas exploitation, combined with better energy efficiency in transportation, will make it self-sufficient by 2035. (source: IEA, 2012)



SAUDI ARABIA

— IPG in Saudi Arabia — Rexel IPG has won a contract to take part in the construction of one of the world's largest integrated chemical facilities, located in Saudi Arabia. The total investments amount to more than €15 billion. Rexel IPG has been able to fit very early in this project, joining with one of the leading cables provider in Saudi Arabia. IPG obtained a Preferred Leverage Agreement, a key asset for its negotiations with the dozen of EPCs (Engineering, Procurement, Construction) selected. The contracts could be worth €20 million for Rexel subsidiaries in the United States, Netherlands and in Dubai.



NEW SERVICE

— An innovative service for engineering companies — A new addition to Rexel's solutions portfolio, the MTO (Material Take Off) has proven itself to be extremely well suited for EPC (Engineering, Procurement, Construction) companies. "This is an innovative service designed for all large capital projects in the oil industry, mining and others," explains Pierre Allard-Couluon, Rexel IPG Vice-President. The MTO releases our customers' engineers from time and resource consuming tasks that have lower added value. It identifies all the electrical supplies needed on the work site based on the facility construction drawings. To achieve this, Rexel IPG developed an e-collaboration computer program to keep a record of all supplies, as well as all connections with suppliers, and to ensure the provision of equipment with the proper technical specifications.



— Bobby Bobbit, Vertical Segment Manager,
Oil & Gas, Gexpro (United States)

Global expertise
Rexel's global footprint is key to our success in these markets and a great advantage over our competitors.

UNITED STATES AND CANADA

Strength through unity

In 2012, Rexel USA, Gexpro and Westburne Canada responded to a bid from a global petrochemical company under the Rexel banner and won a four-year contract worth €23 million.



OPTIMIZING OUR EXPERTISE

The use of synergies in the mining market

MICHAEL POWER
Executive General Director Energy Solutions, Rexel Holdings Australia

Driven by the energy demand of emerging economies and the record prices of raw materials, the global mining industry is set to continue its fast-paced growth. “The mining market is estimated at €8 billion for the purchase of electrical equipment alone, €5.5 billion of which will go to new projects and €2.5 billion to maintenance,” explains Michael Power, Executive General Director Energy Solutions, Rexel Holdings Australia. “The markets are concentrated in a

small number of countries, in particular Canada, Australia, Chile and Brazil, where Rexel has a very strong presence.”

Rexel has developed a specific internal organization and expertise in order to achieve the highest level of delivery reliability, which is the most critical demand within the mining industry. “Delayed deliveries of electrical equipment can affect the proper functioning of the mine, triggering major financial consequences,” says Michael Power. “Therefore, we need to have Rexel branches near the mining facilities, which are often located in remote locations.” The supply chain opti-

mization must also comply with industry requirements for smooth, fast and profitable operations.

In 2012, the company plan Energy in Motion selected the mining sector among the Group’s priority business fields. “In order to develop this market, we want to promote a more global approach that will allow us to make better use of mining synergies from one country to another,” explains Michael Power. This approach is based on exchanging information, sharing best practices and creating community networks within the Group. Its first results are expected in 2013.



— Vertical markets —
Oil & Gas and Mining

€490
million
in 2011

€680
million -
2015 goal



BRAZIL

— More services — Rexel’s Brazilian subsidiaries offer the widest range of services within the Group: energy audits, industrial equipment, safety equipment, etc. Their ambition to stay on top is all the more justified, with €50 billion to be invested in Brazil’s mines between 2011 and 2015.

(source: IBRAM, Brazilian Mining Association)



CHILE

Synergies at work

The gold reserve in this open pit quarry located in the Andes, on the border between Argentina and Chile, is expected to reach 500 tons. The quarry of Pascua Lama is among the most lucrative in the region. Operated by Fluor, one of the world’s largest engineering companies, quarrying will begin in 2013. Rexel IPG managed the business negotiations for this contract and passed it on to Rexel Chile. The local teams, trained by Rexel experts, have excellent knowledge of the regional suppliers and also have access to the Group’s global supply chain. Rexel’s sales with respect to this project reached €2.8 million in 2012.

The best way to leverage our strength is by exchanging information and best practices between countries.

— Michael Power, Executive General Director Energy Solutions, Rexel Holdings Australia

AUSTRALIA

— Contract renewal — Rexel Australia has renewed its maintenance contract for one of the largest mining sites in Australia, for a budget of €50 million over a five-year period.



— Investments —
Brazil

€50
billion

should be invested in Brazil’s mines
between 2011 and 2015
(source: IBRAM, Brazilian Mining Association).

CHILE

— Power room — Rexel Chile offers secure and mobile “ready to go” power generators in order to convert high voltage power supply into electricity that can be used on remote sites.



ACTIVE PARTNERSHIPS

Market opportunities in the **utilities sector**

Rexel has served electricity suppliers for a long time, providing them first and foremost with the electrical equipment required for energy distribution and the maintenance of distribution networks. This activity continues, while other activities are being developed. The way energy is produced and consumed is evolving and suppliers are affected by these changes. They must not only adapt to new electricity production sources but also promote energy efficiency with consumers.

The market for services and equipment sales on behalf of energy suppliers is still in its early stages. Nevertheless, the 2012 success of Nedco in Canada or ABM Rexel in Spain is very promising. “We have what it takes to develop this market,” says Mark Durant, Director of Energy Solutions, Nedco Canada. “Expertise in energy conservation and efficiency, a great lineup of products and manufacturers and a network of qualified local installers all allow us to offer turnkey solutions for the users, not to

MARK DURANT
Director of Energy Solutions,
Nedco Canada



mention a centralized and rigorous management approach that guarantees accurate reporting to the client.” Situations vary from one country to another, but energy suppliers are bound to become key growth vectors that fit perfectly with the Group’s vertical markets strategy.



CANADA

— **The pioneers** — The experience began in Ontario in 2008, when Nedco engaged with local utility distribution companies to offer small businesses the opportunity to update their lighting systems in order to reduce their power consumption. To date, Nedco and its installers have delivered lighting retrofits to nearly 80,000 companies. The program is continuing in Ontario, and Nova Scotia has asked Nedco to manage a similar program, also involving energy audits. Via this project, Nedco has enabled local small companies to save over 15 GWh per year. In recognition of this achievement, Nedco received the 2012 Partner of the Year award from Efficiency Nova Scotia.

— Audits — Spain

200 to 400
audits each month

performed by ABM Rexel, Rexel’s Spanish subsidiary, in customers’ households on behalf of Endesa, Spain’s primary public power company.

Innovation

You have first to decide that you ” want to do something different and to engage with utilities. Even if it’s quite a stretch from your traditional business.

— **Mark Durant**, Director of Energy Solutions, Nedco Canada

How to ensure operational excellence?



Offering our clients environmentally friendly integrated logistics solutions

► **Managing over 1 million available items**, 122 million orders and 45 million deliveries per year, logistics structures play an essential role in Rexel's activities. Properly processing orders and delivering products on time are the Group's alpha and omega. To achieve operational excellence, Rexel continuously improves its supply chain's service level, performance and productivity.

► **This improvement is less about resources and more about organization and culture.** A customer-centric culture is placed at the core of the "Lean" processes rolled out by the Group in all its major warehouses. Training teams, optimizing facility organization and implementing new processes simultaneously increases safety, quality and productivity. This complexity management strategy, which fosters long-term employee engagement, is one of the keys to operational excellence.

► **At a time when technologies are increasingly interconnected**, their integration within the supply chain is another challenge that the Group must continuously face. IT platforms, task automation, e-commerce and electronic services must be integrated to improve performance, without losing sight of logistics' main purpose: customer service.

► **Finally, logistics play a major role in shrinking the Group's environmental footprint.** Logistics centers' eco-efficiency, packaging reduction and transportation optimization are all listed among Rexel's environmental priorities.

LOGISTICS

Customer-centric supply chain optimization



PETER HAKANSON
Group Senior Vice-
President Operations

Logistics lie at the core of Rexel's performance. With each delivery, the Group's reputation is put to the test. "Customer expectations toward our supply chain may vary depending on the markets – vertical, industrial, major building works or other – but our operational staff share the same motto: customer service," explains Peter Hakanson, Group Senior Vice President Operations.

Our company plan Energy in Motion has set Rexel on a path to operational excellence by continuously optimizing its business practices and organization. In 2012, the rollout of "Lean" was a major illustration of this strategy. "This culture of ongoing optimization, put to practice in the field, is essential for transforming how everyday business operations are

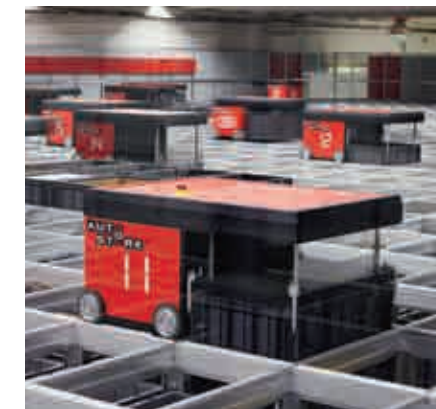
executed in the warehouses," explains Xavier Derycke, Group and North Europe Supply Chain Director. "Its success relies as much on management's determination as on training employees and raising their awareness." Initiated in 2011 in France, Belgium and Austria, the "Lean" approach was extended to Canada, the United States and Finland in 2012. Its first results speak for themselves: safety, productivity and service quality have all improved. Eventually, 60 of the Group's largest logistics structures

will implement Lean management. In parallel, the Group is further integrating the various supply chain components: logistics, IT, e-commerce and CRM. Consolidating services, in particular to optimize transportation and warehouse usage, is another operational excellence and cost cutting strategic move. "The integration of our supply chain with our main suppliers is also making progress and this process is now going far beyond exchanging service quality indicators," says Peter Hakanson.

NORWAY

AutoStore®

Established in summer 2012 at the Oslo warehouse, AutoStore is a highly innovative storage solution: a gigantic Meccano set consisting of 15 floors of plastic bins stacked one on top of the other over a 500-square-meter surface area. Robots pick up the products corresponding to the orders and bring them to the operator. The system is structured according to a near-industrial rationale that allows surface and performance optimization while improving working conditions.



The "Lean" mindset

In a "Lean" warehouse, when an order is not correctly processed employees do not simply process it again, they look for the cause of the dysfunction and its solution. They have a better understanding of the purpose of their work and are therefore more motivated.

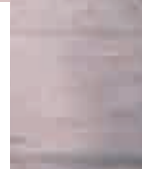
— Cédric Glorieux, Logistic Operational Support, Marquain Logistics Center, Belgium



GERMANY

Rationalizing logistics centers — In order to handle the 45,000 references stored in a warehouse, the ideal facility size ranges between 15,000-square-meter and 20,000-square-meter. Its location must also be at the “right” distance from its customers, which is within 350 km in Europe. These criteria are essential for rationalizing warehouses, whose number has increased through acquisitions. This process enables Rexel to diversify its product range by increasing the number of stored references and to significantly raise the level of service while lowering costs.

In 2012, Hagemeyer Deutschland consolidated five of its warehouses in the South of Germany. A single logistics center was opened in March 2013 in Maisach Gernlinden, equipped with a mechanized management system, which helps manage resources more efficiently and optimizes the flow of goods. Each step is secured using an optical scanner or by control numbers linked to an automated vocal system.



BELGIUM

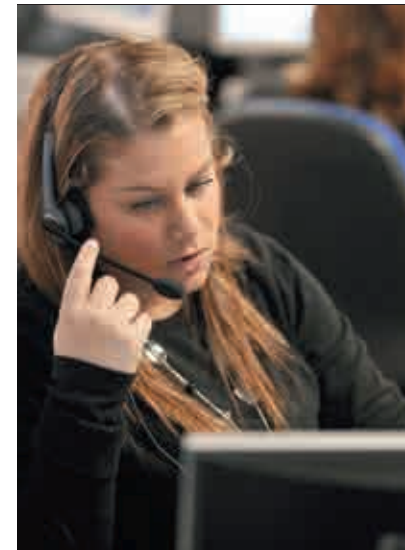
The “Lean” diet — Like all “Lean” warehouses, the facility located in Marquain, Belgium, is recognizable at a glance: the warehouse is perfectly tidy, the signage indicating the various zones is clear and the results and goals set for the main KPIs are displayed on large billboards.

Launched in April 2011 in this 18,000-square-meter warehouse with 110 employees, the “Lean” approach began by restructuring inventory and installing signage. A communication corner was created in each of the four business areas. Each morning, the team leaders gather their staff here for a 10-minute meeting to debrief on the previous day’s results and prepare for the day ahead. Team leaders, the logistics manager and the “Lean” manager also meet on a daily basis. As a result, in one year, workplace accidents were reduced by a third, productivity grew by over 3% and service quality increased by one point. The improvement process is ongoing: in 2013, operating standards will be examined in detail in order to optimize working methods and facilitate new employee integration.

— Logistics

122
million orders

45 million deliveries per year,
1 million product references,
over 90% of items delivered the same
day or overnight in 2012.



E-SERVICES

A growing e-services offer

Rexel offers a large range of e-services designed to facilitate customer relations, encompassed within a multichannel strategy including “upstream” product and services design, product information, customer counseling and configuration support. In each of the Group’s operating countries, local subsidiaries develop webshops that allow customers to order online, ensure follow-up on orders and billing, and facilitate access to product information and installation instructions.

Rexel is also offering more specific services, namely the EDI (electronic data interchange), designed for key customers. The EDI not only allows product catalogs tailored to customer’s needs to be sent, but it also enables Rexel to manage virtually customized orders and billing. Other more specific services are related to the DMI (Distributors Management Inventory), such as worksite inventory management.

— E-commerce

12%
of total sales in 2012
(webshops + EDI)



E-SERVICES

Digital media

► **SOCIAL NETWORKS** Customer loyalty initiatives are budding everywhere on Twitter, YouTube and Facebook, particularly at Gexpro US, Rexel UK and Onexis NL.

► **SMARTPHONES** Mobile applications or e-commerce sites are frequently used by Rexel customers in Belgium, Austria, Australia, Norway, France, Canada and the United States.

► **PUNCH-OUT** This feature of Rexel’s online portal enables major industrial groups to access up-to-date and customized data and to import it to their own information system.

► **LIVE-CHAT** Used mainly in North America, in particular at Platt, live-chat allows clients to have direct contact with customer service; it will be extended to other countries where the Group operates.

“An e-commerce service offer is vital to answer our clients’ requirements but it is not exclusive and needs to be integrated within a multichannel strategy.”

— Peter Hakanson, Group Senior Vice-President Operations

AUSTRIA

Online sales exceed 25%

In 2012, 28% of sales in Austria were online, 40% more than in 2011. The key to this success was the creation of an ambitious company plan that won over employees. Substantial means were mobilized to ensure quality product presentation and to run an effective communication campaign. The service enables customers to place their orders online after business hours for overnight delivery and to download the complete history of their purchases and bills. The installers, who are also excited about it, use the website as a sales tool for their own clients. E-service quality has become a key differentiation asset on the market.



**FREIGHT
COMMINGLING**

UNITED STATES



A pilot project pooling Gexpro's and Rexel USA's fleets was launched in 2012 in the Los Angeles area. The average number of trucks on a daily route dropped from 25 to 18, which reduced emissions by 90 tCO₂ per year. This system will be extended to other American states in the near future.

**EXEMPLARY
LIGHTING**

CHILE

The lighting retrofit of Rexel's distribution center in Santiago (Chile) in 2012 has helped cut energy consumption by 67% and improved working conditions.



FRANCE

Smart packaging

In 2012, Rexel France initiated a pilot project to replace the cardboard packaging used to resupply its branches and deliver orders to customers with plastic containers. The trial, conducted over 18 months at 13 branches in the Nancy area, cut cardboard consumption by 15 tons. Rexel France is considering deploying this initiative throughout all its branches and equipping the containers with electronic chips in order to optimize inventory management systems.

ENERGY CONSUMPTION AND WASTE RECOVERY

Green logistics to reduce the environmental footprint

“As an electrical distributor present in 37 countries, the Group's environmental footprint is widespread yet marginal compared to industrial companies,” explains Xavier Galliot, Group Sustainable Development Director. “Nevertheless, Rexel is fully aware of its responsibility and has committed itself to controlling its consumption of natural resources, reducing its greenhouse gas emissions and collecting and recycling its waste.” Logistics is one of the levers of the Group's environmental engagement, as the rollout of the “Lean” approach also aims to reduce waste volume.

Renovating lighting, heating and air conditioning in numerous logistics centers has helped cut energy consumption. As an example, electricity consumption was reduced by 5% in 2012. Also, different initiatives support the growing use of reusable packaging. Waste recovery levels progressed from 62% in 2011 to 71% in 2012. “The supply chain's main environmental impact lies in CO₂ emissions

XAVIER
GALLIOT
Group Sustainable
Development
Director



due to freight, which represent 70% of the Group's carbon footprint,” says Xavier Galliot.

In 2012, Rexel therefore intensified freight commingling, which means sharing flows with other local companies. This solution is now used by 80% of its subsidiaries. Its internal fleet management has also been optimized and streamlined. “Finally, while keeping up a high business and services level, freight emissions are 3% down in 2012. In exchange, emissions linked to employee business trips have increased by 5%,” adds Xavier Galliot, but they should level off thanks to the renewal of the fleet with less polluting vehicles.

Uniting our
teams around
**common
values**

Employee commitment to an ambitious project

► In 2012, Rexel adopted the company plan **Energy in Motion**, which relies on a four-point strategy. Its rollout is crucial to the future development of the Group, and its implementation and success rely first and foremost on employee commitment. This commitment is built each day through a culture of cooperation focused on customers' needs and respectful of company values.

► **Rexel's culture of cooperation** is intended to foster and consolidate collaborative relationships between the Group's employees. One of its key challenges is achieving a successful transition from a multi-local company to a global group by developing synergies between its different businesses and encouraging the sharing of best practices throughout the Company. Finally, the common goal of Rexel's employees, regardless of their position, is to meet customers' needs and expectations.

► In 2012, Rexel used every possible lever of information, training and, on a broader scale, human resources to establish skills management and communications dynamics essential to the success of Energy in Motion.

ENERGY IN MOTION

Information, training and engagement tools

2012 was dedicated to communicating the company plan to all employees and developing tools designed to facilitate its integration into the Group's operating procedures.

"Digital communications are integral to our culture of cooperation, to spread it but also to keep it alive," says François Motyl, Group Digital Communications Manager. The first step was the launch of the "EIM Toolkit" platform containing all the information on Energy in Motion, available to all employees in 16 languages. In parallel, an Energy in Motion community, was set up for 300 Group leaders. More broadly, communications are a key driver in implementing the company plan.

"The Business Leadership Cycle, a training course launched in 2011 with the IMD* Business School in Lausanne (Switzerland), helped Energy in Motion take root," says Christopher James, Head of Learning and Permanent Development. "The 90 leaders who attended the IMD course acquired a genuine Group culture and easily call each other on the other side of the world to share an issue, an idea or a project." To further spread this culture of cooperation, a series



CHRISTOPHER JAMES
Head of Learning and Permanent Development

of 90-minute workshops called Vibes (Values in Business Environment Sessions) were launched in early 2013. Their goal is to embed Company values in the everyday business issues of branches and logistics centers. In order to aid in sharing best practices, participants have summarized some of these sessions online.

Involving employees in Rexel performance is another preferred means of boosting their commitment. "Since 2007, 8,000 employees have decided to become shareholders, representing nearly a quarter of our current workforce," says Gaëtan Bézier, Group Social Affairs and Employee Shareholding Manager. This is a significant employee share ownership level, five years after the Group went public and following its third employee shareholding plan.

OPINION SURVEY

INTERNATIONAL

satisfaxion
13

The third edition of Rexel's internal opinion survey was launched in March 2013 and included 29,000 staff members in 30 countries. Aside from the usual themes regarding workplace well-being, ethics and engagement, the 56 questions also addressed new subjects: values, team spirit, client focus, integration of acquisitions... Satisfaxion13's findings will provide a solid basis for identifying future action plans both at Group and local levels.

WEBSITE

INTERNATIONAL

The "EIM Toolkit" is a website assembling all the information tools available on Rexel's Company plan: general information, printed material, Q&A, videos, etc. It is open to all employees to facilitate the Company plan rollout and its integration at local levels.

INTRANET

INTERNATIONAL



One, Rexel's new Intranet launched in Summer 2013, gathers all of the Group's digital contents into one place and provides the Group's nearly 18,000 employees with access to a consolidated digital directory.

* Institute for Management Development

COMMUNICATIONS

INTERNATIONAL



The last two international communications sessions produced for the Group's subsidiaries were focused on Energy in Motion and Opportunity12 (September 2012), followed by the presentation of the 2012 full-year results and the launch of the Satisfaxion13 employee opinion survey (February 2013).

PROFIT-SHARING

FRANCE

The six Rexel subsidiaries in France offered their employees the opportunity to receive the legally mandated *Prime de partage des profits** (worth €150) or to deposit it in a Group savings plan invested in Rexel shares and then benefit from a matching employer contribution of €250 in 2012. Over 40% of eligible employees chose the second option.

* Profit-sharing bonus

CHANGE MANAGEMENT

INTERNATIONAL



This customized training cycle delivered by IMD* is designed for teams managing priority markets and projects identified by the Group. A pilot group of 30 managers, whose mission is to support the cross-disciplinary rollout of Energy in Motion, joined the program in April 2013.

* Institute for Management Development



GAËTAN BÉZIER
Social Affairs and
Employee Shareholding
Manager

EMPLOYEE SHAREHOLDING

Opportunity12

Rexel's third employee shareholding plan was open to more than 90% of the Group's workforce in 16 countries—four more countries than in 2010 (China, Brazil, Australia and Finland). The share subscription price was equal to 80% of the average price of the Rexel share (outside of the United States) over the 20 trading days preceding the announcement of the offer. The offer was completed by a free share matching employer contribution (cash matching contribution in France). The employees could join the plan online in 13 out of 16 countries. "All the information concerning the operation was delivered online via the employee shareholding website created at the end of the lock-in period for the Opportunity07 plan," says Gaëtan Bézier, Social Affairs and Employee Shareholding Manager. The subscription rate progressed from 13.2% in 2010 to 14.4% in 2012.



— Share purchase plan —
China

1/4
of Rexel's Chinese
employees,

who were given the opportunity to join the Company's employee share purchase plan for the first time, decided to do so. This helped China to have the highest level of subscription for the 2012 operation.

ENERGY IN MOTION

“Collaborative platforms”

The photovoltaic team members work in different countries but they need to stay in touch with each other to discuss business development. We needed a large variety of skills and the collaborative platform helps us build a great team of product and business managers. In such a fast-evolving sector, this is a very efficient tool for sharing information and generating a collective dynamic.

— Steven Leeten, in charge of the launch of the photovoltaic “stream” of the Energy in Motion company plan



E-LEARNING

— Exploring Rexel's core business — *Elixir*, Rexel's branch simulator program tested in 2011, has been deployed in 10 countries and 300 staff members took part in it in 2012. This two-day training program enables employees to gain a better understanding of the complexity of operations in a Rexel branch. For operational teams, it provides an excellent opportunity to master the different aspects of branch management. It also provides a very good integration tool for all other employees. This exploration of Rexel's core business is much more than a role-playing game or a training program. *Elixir* helps federate teams, especially when the sessions bring together multidisciplinary groups. Certain countries also use *Elixir* as a communications platform to deliver key messages to their staff.



FRANCE

Dependency coverage

To cover the future risks and growing costs of dependency, Rexel France established a dependency insurance plan in January 2012. Financed jointly by employer and staff, its purpose is to pre-fund life annuity for fully dependent employees. This insurance, which covers nearly 5,000 Rexel employees in France, also allows workers with a dependent family member to benefit from a medical assistance guarantee as an optional benefit.



From the outset, digital communications were integral to the rollout of our Energy in Motion company plan.

— François Motyl, Group Digital Communications Manager

— Company plan —

6

Group values

- Deliver the best customer experience
- Join forces for success
- Encourage to innovate
- Engage people to develop their talents
- Trust each other
- Enjoy making a difference

CHINA AND UNITED KINGDOM

— Improving employment benefits — Following the findings of the 2011 employee survey, Satisfaxion, the Group worked to improve employment benefits in several countries in 2012.

In China, around two-thirds of Rexel's employees – more than 500 people – had no supplementary health insurance. A supplementary plan was implemented during the first quarter of 2012.

In the United Kingdom, the deductible paid by 1,000 of Group's workers according to their supplemental insurance policy was higher than the market standard. In early 2012, they were granted lower deductibles for medical consultations and out-patient care.

SOCIAL NETWORK

INTERNATIONAL

The Rexel community on LinkedIn includes 6,000 employees worldwide and enables the Group to instantly share information to related professional groups. Rexel also has 5,000 followers on LinkedIn.

SOCIAL DIALOGUE

EUROPE



Created in 2005, the European Works Council plays a major role in encouraging social dialogue and the representation of more than 15,000 Group employees.

PREVENTIVE HEALTH CARE

BRAZIL AND CHILE

In Brazil, the employee benefits package *Plano unico de beneficios*, funded entirely by the employer, was launched in 2012 to cover health and contingency risks for all Rexel workers and their families. In Chile, 130 employees attended the first edition of *La Feria de Salud*, an innovative initiative in preventive dental care, in August 2012.



ETHICS

— **Managing sensitive situations** — The new edition of Rexel's *Ethics Guide* has evolved to adapt to recent changes: the new company plan and Group Values, as well as the signature of the United Nations Global Compact, competition rules, the use of social media, etc. The Guide outlines the ethical principles and practices that govern the Company's everyday business activity,

including its relationships with customers, suppliers and employees. These rules establish ethically appropriate behavior in certain sensitive situations, such as those related to confidentiality, conflict of interest, corruption, harassment and diversity. Ethics correspondents appointed in each country are in charge of spreading these principles and conveying them to local teams where necessary.

INTEGRATION

Integrating young professionals

Several Group subsidiaries, particularly in Germany, the United Kingdom and the United States, are successfully conducting graduate recruitment programs. By providing hands-on experience in a given profession, these programs aim to ease and speed the integration of young managers within the Company. The results speak for themselves: in the United States, 70% of the top 20 managers participated in the Distribution and Sales Leadership Program.



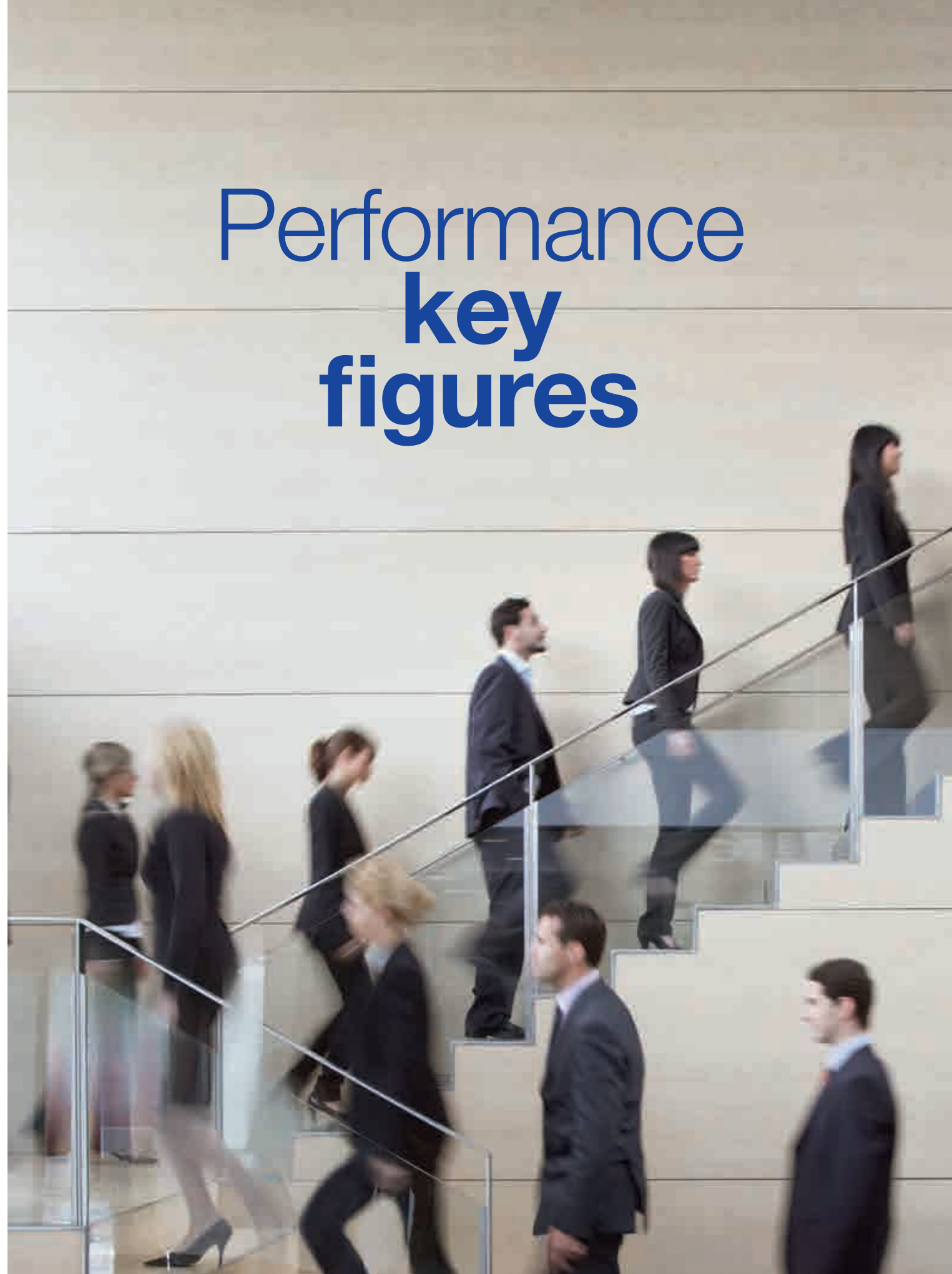
PORTUGAL

“From ideas to action”

We initiated a brainstorming workshop to find new ways of improving our customer relations as well as our performance levels. We began by identifying several key points – sales force productivity, project management and skill enhancement – and we then launched several initiatives. Our sales force was given tablets in order to have all the necessary information available when they meet the clients. We also developed a computer system that monitors all the tenders and we are currently launching a web-based forum to encourage employees to share their experience and know-how. An online library including all our data on technical issues, our products and services catalogues and our price lists is also being built.

— **Carla Gomes**, Rexel Portugal HR Manager

Performance key figures



Solid profitable growth and a robust business model

▶ **With its company plan Energy in Motion**, Rexel enters a new phase of profitable growth and sustainable performance improvement.

▶ **Across business cycles, Rexel has more than doubled its sales** since 2005, through a strategy combining organic growth and acquisitions. By accelerating organic growth – driven by the most promising products and solutions and the most dynamic market segments and large customers – and by pursuing a targeted and profitable external development policy, Rexel aims to further increase its sales at an even faster rate.

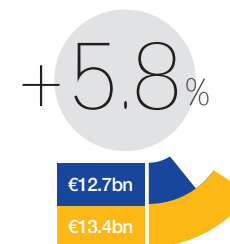
▶ **Enhanced operational performance**, active resources management and a robust business model will continue to boost the Group's operating profitability.

▶ **Generating higher value each day** for all of Rexel's stakeholders: customers, suppliers, employees and shareholders, and setting the foundations for tomorrow's wealth, lie at the heart of Rexel's strategy.

Financial key figures

In 2012, Rexel achieved robust profitability despite a challenging environment and pursued a dynamic external growth policy. The 2012 results provide a solid foundation enabling Rexel to reach the mid-term goals established in its company plan launched last year.

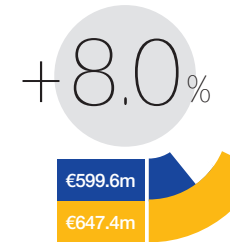
2011 2012



REPORTED SALES GROWTH

▶ **€13.4 billion**
(vs. €12.7 billion in 2011)

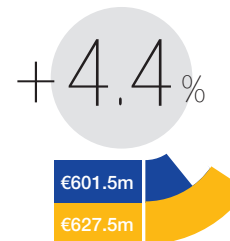
Despite a very challenging environment, Rexel delivered strong reported sales growth, driven notably by the solid contribution of acquisitions made throughout the year, in particular in the United States.



HIGHER OPERATING INCOME

▶ **€647.4 million**
(vs. €599.6 million in 2011)

Underpinned by a steady increase in its gross margin and efficient operational cost management, Rexel's operating margin further grew during the past exercise.



STRONG FREE CASH-FLOW GENERATION BEFORE INTEREST AND TAX

▶ **€627.5 million**
(vs. €601.5 million in 2011)

The low capital intensity of Rexel's business model and its tight working capital management allowed the Group to generate a free cash-flow before interest and tax above its initial target of around €600 million.



RISE IN PROPOSED DIVIDEND

▶ **€0.75 per share for 2012**
(vs. €0.65 for 2011)

Consistent with its policy of paying out at least 40% of the Group's recurring net income, Rexel will offer a higher dividend in 2013 than it did last year, reflecting the Group's confidence in its structural ability to generate strong cash-flow throughout the cycle.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF EUROS - FOR THE YEAR ENDED DECEMBER 31	2012	2011
Sales	13,449.2	12,717.1
Cost of goods sold	(10,134.2)	(9,599.6)
GROSS PROFIT	3,315.0	3,117.5
Distribution and administrative expenses	(2,560.9)	(2,410.9)
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES	754.1	706.6
Other income	15.9	39.6
Other expenses	(122.6)	(146.6)
OPERATING INCOME	647.4	599.6
Financial income	2.3	4.3
Interest expense on borrowings	(178.8)	(183.2)
Other financial expenses	(23.7)	(18.2)
NET FINANCIAL EXPENSES	(200.1)	(197.1)
Share of profit / (loss) of associates	3.1	2.8
NET INCOME BEFORE INCOME TAX	450.3	405.3
Income tax	(131.7)	(89.3)
NET INCOME	318.6	316.0
PORTION ATTRIBUTABLE		
to the Group	318.1	315.3
to non-controlling interests	0.5	0.7
EARNINGS PER SHARE		
Basic earnings per share (in euros)	1.18	1.18
Fully diluted earnings per share (in euros)	1.17	1.17

CONSOLIDATED BALANCE SHEET

IN MILLIONS OF EUROS - FOR THE YEAR ENDED DECEMBER 31

	2012	2011
ASSETS		
Goodwill	4,369.2	4,002.2
Intangible assets	1,035.8	935.7
Property, plant and equipment	282.7	261.7
Long-term investments	79.5	97.1
Investments in associates	10.8	11.8
Deferred tax assets	171.9	153.4
TOTAL NON-CURRENT ASSETS	5,949.9	5,461.9
Inventories	1,426.7	1,240.8
Trade accounts receivable	2,123.9	2,122.9
Current tax assets	26.1	21.0
Other accounts receivable	476.4	455.2
Assets held for sale	21.2	3.7
Cash and cash equivalents	291.9	413.7
TOTAL CURRENT ASSETS	4,366.2	4,257.3
TOTAL ASSETS	10,316.1	9,719.2
EQUITY		
Share capital	1,359.6	1,344.1
Share premium	1,418.3	1,412.2
Reserves and retained earnings	1,331.4	1,274.1
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	4,109.3	4,030.4
Non-controlling interests	8.3	11.5
TOTAL EQUITY	4,117.6	4,041.9
LIABILITIES		
Interest bearing debt (non-current part)	2,303.2	2,182.3
Employee benefits	372.9	280.4
Deferred tax liabilities	152.3	111.3
Provision and other non-current liabilities	101.8	157.6
TOTAL NON-CURRENT LIABILITIES	2,930.1	2,731.6
Interest bearing debt (current part)	618.3	323.5
Accrued interest	9.3	10.0
Trade accounts payable	1,937.2	1,903.3
Income tax payable	42.6	56.0
Other current liabilities	661.1	652.9
TOTAL CURRENT LIABILITIES	3,268.5	2,945.7
TOTAL LIABILITIES	6,198.6	5,677.3
TOTAL EQUITY AND LIABILITIES	10,316.1	9,719.2

CASH FLOWS FROM OPERATING ACTIVITIES

IN MILLIONS OF EUROS - FOR THE YEAR ENDED DECEMBER 31	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	647.4	599.6
Depreciation, amortization and impairment of assets	133.7	176.1
Employee benefits	(37.3)	(22.5)
Change in other provisions	(17.4)	1.7
Other non-cash operating items	22.1	(15.6)
Interest paid	(169.7)	(155.4)
Income tax paid	(143.4)	(85.9)
OPERATING CASH FLOWS BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	435.4	498.0
Change in inventories	(76.8)	(27.5)
Change in trade receivables	113.7	(68.4)
Change in trade payables	(55.5)	12.9
Changes in other working capital items	(18.6)	13.1
CHANGE IN WORKING CAPITAL REQUIREMENTS	(37.2)	(69.9)
NET CASH FROM OPERATING ACTIVITIES	398.2	428.1
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of tangible and intangible assets	(90.9)	(94.8)
Proceeds from disposal of tangible and intangible assets	7.1	26.4
Acquisition of subsidiaries, net of cash acquired	(595.6)	(100.5)
Proceeds from disposal of subsidiaries, net of cash disposed of	-	44.8
Change in long-term investments	0.4	(0.6)
Dividends received from associates	3.8	0.6
NET CASH FROM INVESTING ACTIVITIES	(675.2)	(124.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital	2.9	2.4
Contribution received from minority shareholders	-	0.8
Disposal / (Purchase) of treasury shares	(1.5)	(30.8)
Acquisition of non-controlling interests	(22.2)	-
Issuance of senior notes net of transaction costs	366.2	-
Buy-out of senior notes	(69.1)	-
Net change in credit facilities and other financial borrowings	(6.4)	(122.8)
Net change in securitization	14.8	(5.0)
Net change in finance lease liabilities	9.4	16.5
Dividends paid	(143.0)	(19.2)
NET CASH FROM FINANCING ACTIVITIES	151.1	(158.1)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(125.9)	145.9
Cash and cash equivalents at the beginning of the period	413.7	311.9
Effect of exchange rate changes on cash and cash equivalents	4.1	(44.1)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	291.9	413.7

NON-CONTROLLING INTERESTS

IN MILLIONS OF EUROS	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	TOTAL ATTRIBUTABLE TO THE GROUP	NON-CONTROLLING INTERESTS	TOTAL
FOR THE YEAR ENDED DECEMBER 31, 2011									
AT JANUARY 1, 2011 (AS REPORTED)	1,301.0	1,383.7	1,036.8	122.9	(19.3)	-	3,825.1	9.3	3,834.4
Effect of changes in accounting policies following the early adoption of revised IAS 19	-	-	(65.8)	-	-	-	(65.8)	-	(65.8)
AT JANUARY 1, 2011	1,301.0	1,383.7	971.0	122.9	(19.3)	-	3,759.3	9.3	3,768.6
Net income	-	-	315.3	-	-	-	315.3	0.7	316.0
Other comprehensive income	-	-	-	6.8	13.5	(37.8)	(17.5)	0.9	(16.6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	315.3	6.8	13.5	(37.8)	297.8	1.6	299.4
Appropriation of net income	-	-	(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	1,188.0	129.7	(5.8)	(37.8)	4,030.4	11.5	4,041.9
FOR THE YEAR ENDED DECEMBER 31, 2012									
AT JANUARY 1, 2012	1,344.1	1,412.2	1,188.0	129.7	(5.8)	(37.8)	4,030.4	11.5	4,041.9
Net income	-	-	318.1	-	-	-	318.1	0.5	318.6
Other comprehensive income	-	-	-	8.6	2.8	(111.1)	(99.7)	-	(99.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	318.1	8.6	2.8	(111.1)	218.4	0.5	218.9
Appropriation of net income	-	-	(173.5)	-	-	-	(173.5)	-	(173.5)
Share capital increase	15.5	6.1	11.8	-	-	-	33.4	-	33.4
Share based payments	-	-	21.0	-	-	-	21.0	-	21.0
Disposal (Purchase) of treasury shares	-	-	(2.0)	-	-	-	(2.0)	-	(2.0)
Acquisition of non-controlling interests	-	-	(18.9)	0.5	-	-	(18.4)	(3.7)	(22.1)
AT DECEMBER 31, 2012	1,359.6	1,418.3	1,344.5	138.8	(3.0)	(148.9)	4,109.3	8.3	4,117.6

ENVIRONMENTAL INDICATORS

INDICATOR	UNIT	2012 (constant perimeter)	2011 (constant perimeter)	VARIATION
CONSUMPTION OF RESOURCES				
ENERGY CONSUMPTION				
Consumption of natural gas	MWh GCV	146,370	157,710	-7%
Consumption of domestic fuel oil	MWh GCV	12,228	11,309	+8%
Consumption of electricity	MWh	165,782	175,295	-5%
Water consumption	m³	427,395	498,643	-14%
PACKAGING MATERIAL CONSUMPTION	Tons	8,139	7,182	+13%
Including cardboard	Tons	4,109	3,764	+9%
Including plastic film	Tons	451	353	+28%
Including wood packaging	Tons	3,288	2,912	+13%
Paper consumption	Tons	2,502	2,526	-1%
Including commercial paper	Tons	1,399	1,296	+8%
WASTE				
TOTAL QUANTITY OF WASTE GENERATED	Tons	18,134	20,376	-11%
Including total quantity of waste recovered	Tons	12,879	12,564	+3%
% of branches collecting WEEE from customers	%	72	57	+26%
GREENHOUSE GAS EMISSIONS				
Scope 1 direct emissions	T eq.CO₂	85,904	87,621	-2%
Including energy-related emissions – on-site combustion	T eq.CO ₂	29,050	30,843	-6%
Including emissions linked to the transportation of products	T eq.CO ₂	25,911	26,814	-3%
Including emissions linked to business travels by car	T eq.CO ₂	30,943	29,964	+3%
SCOPE 2 INDIRECT EMISSIONS				
Emissions related to the production of purchased electricity	T eq.CO ₂	50,916	54,182	-6%
SALES FROM ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS				
Sales from energy efficiency	€m	523	450	+16.3%
Sales from renewable energy solutions	€m	270	292	-7.5%

SOCIAL INDICATORS*

	2012	2011
HEADCOUNTS		
Total headcount	29,950	28,310
% of women	23.8%	23.1%
% of managers	17.5%	19.5%
% of employees with Fixed Term Contracts	2.3%	4.1%
Average age of employees	40.2 years	40.1 years
Total number of new recruits	4,003	4,591
Turnover	14%	14.2%
WORKING TIME ORGANIZATION		
Absenteeism rate	3.8%	2.8%
TRAINING		
% of employees trained during the year	57.8%	63.7%
DIVERSITY		
% of employees reporting handicap	0.8%	0.8%
HEALTH & SAFETY		
Frequency rate (per million of working hours)	7.20	7.8
Severity rate	0.14	0.2
% trained employees in safety	38.4%	40%
EMPLOYEE SHAREHOLDING		
% of the share capital held by employees or former employees in the context of the employee shareholding plans	0.38%	0.60%

* At December 31, 2012 the Rexel Group employed 29,950 persons. The reference headcount used for the social indicators stands at 28,895 because the data relating to Platt, a recently acquired US entity, could not be compiled.

Shares and shareholders

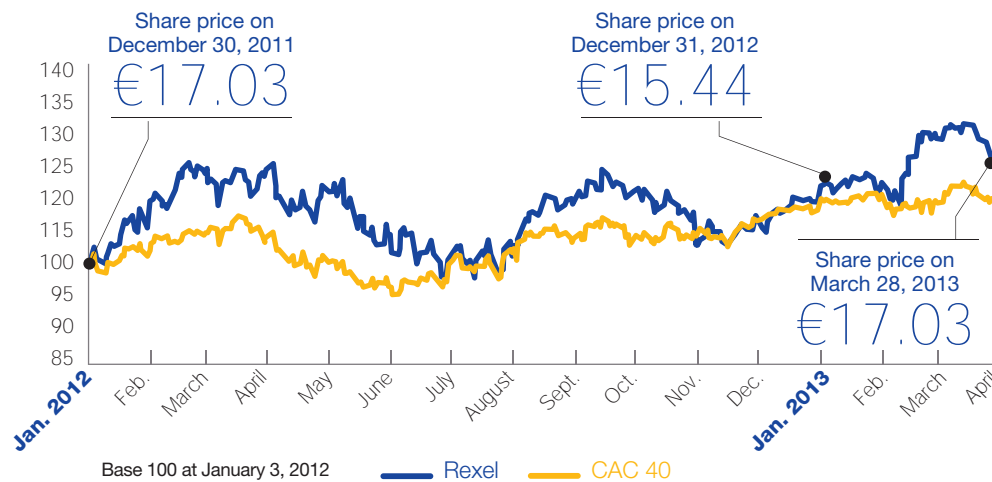
To continually earn the trust of its shareholders, Rexel is committed to regular and transparent financial communications.

Please visit www.rexel.com for updates on our financial performance.

MARKET CAPITALIZATION

€4.6 bn
AT MARCH 31, 2013

SHARE PRICE



Share profile

Code ISIN: **FR0010451203**

Mnemonic code: **RXL**

Market: **Eurolist by NYSE Euronext**

Number of shares (at March 31, 2013): **271,975,882**

Highest 2012 share price: **€16.94**

Lowest 2012 share price: **€12.70**

Shareholder events

Annual General Shareholders' Meeting, Paris
May 22, 2013

2013 First-half results
July 26, 2013

2013 Third Quarter results
October 31, 2013

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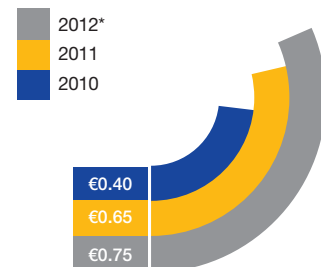
Rexel thanks its partners and employees who contributed to the texts and photographs included in this document. The information herein is developed in further detail in the 2012 Rexel *Document de référence* (registered with the French *Autorité des Marchés Financiers*) and in the 2011-2012 Rexel Sustainable Development Report. Both are available online at www.rexel.com

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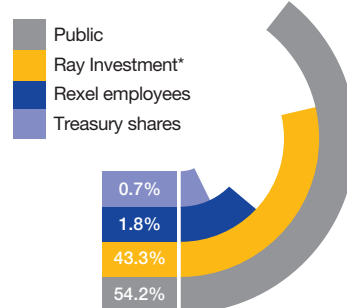
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DIVIDEND PER SHARE



*subject to shareholders approval (AGM on May 22, 2013)

SHAREHOLDING STRUCTURE (AT MARCH 31, 2013)



*consortium led by Clayton Dubilier & Rice, Eurazeo and BAML Capital Partners



Concept - Production: Marie-Hélène Moudingo - Sandrine Gazal / ©Textuel La Mine

Copy: Isabelle Huchet.

Printing: Olivier Blachère / E-Graphics.

Rexel - Managing Editor: Pascale Giet. **Publishing Managers:** François Ledard, Julien Fernandez, Karl-Stéphane David.

Publication: June 2013.



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at www.rexel.com



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