PRESS RELEASE
Paris, February 13, 2017

FULL-YEAR 2016 RESULTS
FULL-YEAR 2016 PERFORMANCE IN LINE WITH GUIDANCE
ORGANIC SALES STABILIZED IN Q4, WITH IMPROVEMENT IN ALL THREE GEOGRAPHIES
STRONG 58% INCREASE IN NET INCOME FROM CONTINUING OPERATIONS
STABLE PROPOSED DIVIDEND OF €0.40 PER SHARE PAYABLE IN CASH

FULL-YEAR 2016 PERFORMANCE IN LINE WITH GUIDANCE

- **Sales of €13.2bn, down 1.9% on a constant and same-day basis, including negative effects from copper (-0.9%) and Oil & Gas (-0.9%)**
- **Adjusted EBITA margin of 4.2%, down 27bps year-on-year**
- **Solid cash-flow at 69% of EBITDA before interest and tax and 42% of EBITDA after interest and tax**

ORGANIC SALES STABILIZED IN Q4, WITH IMPROVEMENT IN ALL THREE GEOGRAPHIES

- **Europe back to growth (+1.7% in Q4), mainly driven by France**
- **Sequential improvement in North America (-2.0% in Q4 after -6.0% in Q3), driven by the USA, and Asia-Pacific (-1.9% in Q4 after -5.6% in Q3), mainly driven by China**

STRONG 58% INCREASE IN NET INCOME FROM CONTINUING OPERATIONS

STABLE PROPOSED DIVIDEND OF €0.40 PER SHARE PAYABLE IN CASH

Key figures[1]	FY 2016	YoY change
Sales	**€13,162.1m**	
On a reported basis		-2.8%
On a constant and actual-day basis		-1.7%
On a constant and same-day basis		-1.9%
Adjusted EBITA	**€549.8m**	**-7.6%**
As a percentage of sales	4.2%	
Change in bps as a % of sales	-27bps	
Reported EBITA	**€539.6m**	**-5.8%**
Operating income	**€397.0m**	**+4.6%**
Net income from continuing op.	**€134.3m**	**+58.0%**
Recurring net income	**€250.3m**	**-7.1%**
FCF before interest and tax from continuing op.	**€439.1m**	**vs. €562.6m**
Net debt at end of period	**€2,172.6m**	**-1.2%**

[1] See definition in the Glossary section of this document

Patrick BERARD, Chief Executive Officer, said:

"Our performance in 2016 was in line with guidance, despite an environment that remained challenging throughout most of the year.
In the last quarter of the year, Rexel posted stable organic sales after three quarters of decline. Sales improved sequentially in all three geographies, mainly driven by France, reflecting improved activity in all end-markets; the USA, where Oil & Gas started to show signs of stabilization while construction activity remained solid; and China, thanks to improving industrial activity.
This sequential improvement in sales trends and the strategic orientations that we will present today at our Capital Markets Day augur well for 2017. The outlook for the year, fully consistent with the medium-term ambitions that we will detail during the Capital Markets Day, targets a resumption of organic growth, with sales up in the low single digits, and a mid to high single-digit increase in adjusted EBITA, both on a constant and adjusted basis.
We will propose a cash dividend of €0.40 per share, stable compared to last year and in line with our pay-out policy."

FINANCIAL REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2016

- *Financial statements as of December 31, 2016 were authorized for issue by the Board of Directors on February 10, 2017. They have been audited by statutory auditors.*
- *The following terms: EBITA, Adjusted EBITA, EBITDA, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q4, sales were down 1.5% year-on-year on a reported basis and stable year-on-year on a constant and same-day basis, reflecting improvement in organic sales in all three geographies

In the full year, sales were down 2.8% year-on-year on a reported basis and down 1.9% year-on-year on a constant and same-day basis

In the fourth quarter, Rexel posted sales of €3,457.7 million, down 1.5% on a reported basis and stable on a constant and same-day basis. Excluding the 0.1% negative impact due to the change in copper-based cable prices, sales were up 0.1% on a constant and same-day basis.

The 1.5% decrease in reported sales included:

- A net negative currency effect of €28.9 million (mainly due to the depreciation of the British pound against the euro),
- A net negative effect of €7.3 million from changes in the scope of consolidation (acquisitions of Sofinther in France and Brohl & Appell in the US and divestments of Poland, Slovakia and Baltics),
- A negative calendar effect of 0.5 percentage points.

In the full year, Rexel posted sales of €13,162.1 million, down 2.8% on a reported basis and down 1.9% on a constant and same-day basis. Excluding the 0.9% negative impact due to the change in copper-based cable prices, sales were down 1.0% on a constant and same-day basis.

The 2.8% decrease in reported sales included:

- A net negative currency effect of €212.7 million (mainly due to the depreciation of the British pound and Canadian dollar against the euro),
- A net positive effect of €59.2 million from changes in the scope of consolidation (acquisitions of Sofinther in France, Electro-Industrie en Acoustiek in Belgium, Zhonghao Technology in China and Brohl & Appell in the US and divestments of Poland, Slovakia and Baltics),
- A positive calendar effect of 0.2 percentage points.

Europe (54% of Group sales): +1.7% in Q4 and -0.1% in FY on a constant and same-day basis

In the fourth quarter, sales in Europe decreased by 2.8% on a reported basis, including three negative effects: a calendar effect of -1.1%, a negative net scope effect of €12.7m and a negative currency effect of €50.5m (mainly due to the depreciation of the British pound against the euro). On a constant and same-day basis, sales were up 1.7%. This return to organic sales growth in Q4 represented a significant improvement over Q3 (-1.6%) and was mainly driven by France.

- In France (35% of the region's sales), sales were up 3.6%, mainly reflecting improved performance in all three segments (non-residential, residential and industry).
- In Scandinavia (14% of the region's sales), sales remained solid and grew by 3.2%. This performance was driven by strong activity in Sweden (+10.0%).
- In Germany (11% of the region's sales), sales were up 1.2%, continuing to improve sequentially since the beginning of 2016.

- In the UK (11% of the region's sales), sales continued to be impacted by adverse market conditions since the Brexit vote and lower sales of photovoltaic equipment since the end of feed-in tariffs on December 31, 2015. UK sales were down 7.9%, of which -6.1 percentage points due to a sharp drop of 92% in sales of photovoltaic equipment.
- In other European countries:
  - Benelux (8% of the region's sales) posted strong growth of 10.4%, with Belgium up 5.5% and The Netherlands up 18.4%,
  - Sales in Switzerland (6% of the region's sales) continued to be impacted by unfavorable market conditions (down 2.0%) while Austria (5% of the region's sales) was up 1.5%,
  - Southern Europe (5% of the region's sales) posted sales drops in all countries: Spain (-8.0%) was mainly impacted by export activity while domestic activity was down only 2.2%; Italy was down 3.5% and Portugal down 2.4%.

North America (36% of Group sales): -2.0% in Q4 and -4.1% in FY on a constant and same-day basis

In the fourth quarter, sales in North America were up 0.5% on a reported basis, including a positive calendar effect of 0.7%, a positive currency effect of €17.7m (mainly due to the appreciation of the American and Canadian dollars against the euro) and a positive scope effect of €5.4m. This is a strong sequential improvement compared to the 6.0% drop posted in Q3, mainly driven by the US.

- In the US (80% of the region's sales), sales posted significant sequential improvement and were down only 1.5% (vs. -6.6% in Q3), of which:
  - -1.5 percentage points were attributable to lower O&G sales, despite a sequential improvement (-23% vs. -31% in Q3),
  - -1.6 percentage points were attributable to branch network optimization.

  Excluding both impacts, sales were up 1.6% in Q4, reflecting contrasting performance:
    - Solid construction activity contributed to sales growth at both Rexel C&I and Platt,
    - Capitol Light posted double-digit growth, boosted by new projects,
    - Automation activity improved sequentially, with a limited drop year-on-year,
    - Other businesses (mostly Gexpro operations) posted a combined drop in sales in the mid-single digits, due to continued weak industrial activity.
- In Canada (20% of the region's sales), sales were stable sequentially, down 4.0%, of which:
  - -1.7 percentage points attributable to lower O&G sales (down 23% year-on-year),
  - -1.5 percentage points attributable to lower wind sales (down 89% year-on-year).

  Excluding both impacts, sales were down 0.8% in Q4, reflecting weak sales to industry.

Asia-Pacific (10% of Group sales): -1.9% in Q4 and -2.7% in FY on a constant and same-day basis

In the fourth quarter, sales in Asia-Pacific were down 1.6% on a reported basis, including a negative calendar effect of 0.8% and a positive currency effect of €3.9m (mainly due to the appreciation of the Australian and New Zealand dollars offsetting the depreciation of the Chinese yuan against the euro). On a constant and same-day basis, sales were down 1.9%, mainly reflecting a sequential improvement in China and growth in Australia.

- **Asia** (52% of the region's sales), driven by China, improved sequentially. Sales were down 4.1% (vs. -9.0% in Q3):
  - In China (c. 67% of Asia), sales dropped by a limited 1.9% (vs. double-digit declines in the two previous quarters), reflecting strong improvement in industrial automation products and solutions,

- In South-East Asia (22% of Asia), sales continued to be impacted by the sharp drop (-32%) in O&G activity and were down 16.8% (vs. -13.3% in Q3),
- In the Rest of Asia (11% of Asia), sales continued to grow by double digits (+17.2%), with sales up 19.9% in India and 14.3% in the Middle East.

- **Pacific** (48% of the region's sales), driven by Australia, also improved sequentially. Sales were up 0.6% (vs. -1.9% in Q3):
  - In Australia (80% of Pacific), sales were up 0.7% (vs. -2.6% in Q3), despite more challenging comparables,
  - In New Zealand (20% of Pacific), sales were broadly stable (+0.1%), as project activity in the Auckland region offset the slowdown of rebuilding activity in the Christchurch region, which is close to completion.

PROFITABILITY
Improved gross margin
Adjusted EBITA margin of 4.2%, in line with guidance

In the full year, gross margin stood at 24.2% of sales, up 14bps year-on-year, reflecting broadly stable margin in Europe (at 26.7% of sales) and improvement in North America (up 13bps at 22.1% of sales) and Asia-Pacific (up 63bps at 18.0% of sales).

Opex (incl. depreciation) were slightly up in value (+0.4%) but deteriorated by 41bps to 20.0% of sales. In Europe, opex were up 2.8%, mainly reflecting higher depreciation related to increased investment and higher salaries and benefits, while sales were flat on a constant and actual-day basis. In North America and Asia-Pacific, opex were down 2.3% and 0.6% respectively, but these decreases did not offset drops in sales of 4.1% and 2.8% respectively on a constant and actual-day basis. Corporate Holdings and Other costs were reduced by 25% from €36.6m in FY 2015 to €27.3m in FY 2016.

As a result, adjusted EBITA margin stood at €549.8m, down 27bps to 4.2% of sales, in line with guidance.

Reported EBITA stood at €539.6m in the full year (including a €10.1m negative one-off copper effect), down 5.8% year-on-year.

NET INCOME
Strong 58% increase in net income from continuing operations

Operating income in the full year stood at €397.0 million, up 4.6% year-on-year.

- Amortization of intangibles resulting from purchase price allocation amounted to €18.7 million (vs. €17.0 million in 2015),
- Other income and expenses amounted to a net charge of €124.0 million (vs. a net charge of €176.5 million in 2015). They included:
  - €59.3 million of restructuring costs (vs. €58.7 million in 2015),
  - €46.8 million from goodwill impairment (vs. €84.4 million in 2015), mainly related to operations in China (€38.3 million), Slovenia (€4.7 million) and South-East Asia (€3.8 million).

Net financial expenses in the full year amounted to €146.3 million (vs. €210.0 million in 2015). This reduction reflected both lower one-off charges related to refinancing operations that amounted to €(16.3)m in 2016 vs. €(52.5)m in 2015 and the reduction in interest expense on gross debt from €(125.5)m in 2015 to €(108.9)m in 2016. In the full year, the average effective interest rate on gross debt decreased by 35 basis points year-on-year, reflecting recent debt refinancing operations: it stood at 3.54% (vs. 3.89% in 2015).

Income tax in the full year represented a charge of €116.4 million (vs. €84.4 million in 2015). The increase is mainly due to higher profit before tax. The effective tax rate stood at 46.4% (vs. 49.8% in 2015).

Net income from continuing operations in the full year was up 58.0%, at €134.3 million (vs. €85.0 million in 2015).

There was no impact from discontinued operations (vs. a loss of €69.3 million in 2015).

Reported net income in the full year amounted to €134.3 million (vs. €15.7 million in 2015).

Recurring net income in the full year amounted to €250.3 million (vs. €269.4 million in 2015) (see appendix 2).

FINANCIAL STRUCTURE
Solid generation of free cash-flow
Stable net debt and indebtedness ratio

In the full year, free cash-flow before interest and tax from continuing operations was an inflow of €439.1 million (vs. an inflow of €562.6 million in 2015). This net inflow included:

- Gross capital expenditure of €115.8 million (vs. €119.5 million in 2015),
- An outflow of €26.1 million from change in working capital (vs. an inflow of €103.8 million in 2015).

At December 31, 2016, net debt stood at €2,172.6 million (vs. €2,198.7 million at December 31, 2015). Net debt was reduced by €42.2 million before the unfavorable impact of currency and by €26.1 million after this impact. It took into account:

- €118.8 million of net interest paid during the year,
- €54.6 million of income tax paid during the year,
- €91.6 million of net financial investments during the year,
- €120.3 million of dividend paid during the year,
- €16.1 million of negative currency effect.

At December 31, 2016, the indebtedness ratio (Net financial debt / EBITDA), as calculated under the Senior Credit Agreement terms, stood at 3.0x, stable year-on-year.

STABLE PROPOSED DIVIDEND OF €0.40 PER SHARE, PAYABLE IN CASH

Rexel will propose to shareholders a dividend of €0.40 per share, similar to last year and representing 48% of the Group's recurring net income (vs. 45% last year). This is in line with Rexel's policy of paying out at least 40% of recurring net income.

This dividend, payable in cash early in July 2017, will be subject to approval at the Annual Shareholders' Meeting to be held in Paris on May 23, 2017.

2017 OUTLOOK

In an environment that will likely continue to be impacted by economic and political uncertainty, Rexel aims at achieving the following full-year 2017 targets, which are fully consistent with the medium-term ambitions and strategy that Rexel will outline today at its Capital Markets Day (CMD):

- After two years of decline, **Rexel targets resuming organic growth, with sales up in the low single digits (on a constant and same-day basis)**; this target takes into consideration market prospects prevailing as of today and the first effects of measures detailed during today's CMD to accelerate organic growth over the medium-term;
- In addition, **Rexel targets a mid to high single-digit increase in adjusted EBITA**; this target reflects the expected growth in sales combined with the first effects of measures detailed during today's CMD to improve operational and financial performance over the medium-term;
- Lastly, **Rexel targets an indebtedness ratio** (net debt-to-EBITDA as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017**.

CALENDAR

April 28, 2017	First-quarter results
May 23, 2017	Annual shareholders' meeting
July 31, 2017	Second-quarter and half-year results
October 27, 2017	Third-quarter and nine-month results

FINANCIAL INFORMATION

The financial report for the period ended December 31, 2016 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.
A slideshow of the fourth-quarter and full-year 2016 results is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, a leader in the professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its customers to be at their best in running their business, by providing a broad range of sustainable and innovative products, services and solutions in the field of technical supply, automation and energy management. Rexel operates through a network of some 2,000 branches in 32 countries, with more than 27,000 employees. The Group's sales were €13.2 billion in 2016.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices : FTSE4Good, STOXX® (STOXX® Global ESG Impact, STOXX® Low Carbon indices Global, Europe et EURO), Ethibel Sustainability Index Excellence Europe and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR). For more information, visit Rexel's web site at www.rexel.com

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GLOSSARY

REPORTED EBITA (Earnings Before Interest, Taxes and Amortization) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation.*

The non-recurring effect related to changes in copper-based cables price was, at the EBITA level:

	Q4 2015	Q4 2016	FY 2015	FY 2016
Non-recurring copper effect at EBITA level	**(7.0)**	**4.1**	**(20.3)**	**(10.1)**

GROUP

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	3,473.6	**3,457.7**	**-0.5%**	13,384.1	**13,162.1**	**-1.7%**
on a constant basis and same days			***+0.0%***			***-1.9%***
Gross profit	834.8	**829.4**	**-0.6%**	3,219.2	**3,184.3**	**-1.1%**
as a % of sales	*24.0%*	*24.0%*	*-4 bps*	*24.1%*	*24.2%*	*14 bps*
Distribution & adm. expenses (incl. depreciation)	(669.8)	(679.5)	+1.4%	(2,623.9)	(2,634.5)	+0.4%
EBITA	165.0	**149.9**	**-9.1%**	595.3	**549.8**	**-7.6%**
as a % of sales	*4.7%*	*4.3%*	*-41 bps*	*4.4%*	*4.2%*	*-27 bps*
Headcount (end of period)	-	-	-	27,538	**27,309**	**-0.8%**

EUROPE

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	1,829.2	**1,839.4**	**+0.6%**	7,151.0	**7,168.5**	**+0.2%**
on a constant basis and same days			***+1.7%***			***-0.1%***
France	655.1	**668.5**	*+2.0%*	2,497.7	**2,539.9**	*+1.7%*
on a constant basis and same days			*+3.6%*			*+1.3%*
United Kingdom	226.5	**208.6**	*-7.9%*	982.3	**933.5**	*-5.0%*
on a constant basis and same days			*-7.9%*			*-5.3%*
Germany	203.5	**203.3**	*-0.1%*	802.7	**801.4**	*-0.2%*
on a constant basis and same days			*+1.2%*			*-0.9%*
Scandinavia	246.6	**254.5**	*+3.2%*	906.9	**930.8**	*+2.6%*
on a constant basis and same days			*+3.2%*			*+2.1%*
Gross profit	495.4	**487.5**	**-1.6%**	1,911.3	**1,912.8**	**+0.1%**
as a % of sales	*27.1%*	*26.5%*	*-58 bps*	*26.7%*	*26.7%*	*-5 bps*
Distribution & adm. expenses (incl. depreciation)	(370.5)	(385.0)	+3.9%	(1,486.9)	(1,528.5)	+2.8%
EBITA	125.0	**102.5**	**-18.0%**	424.4	**384.3**	**-9.5%**
as a % of sales	*6.8%*	*5.6%*	*-126 bps*	*5.9%*	*5.4%*	*-57 bps*
Headcount (end of period)	-	-	-	15,805	**15,778**	**-0.2%**

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NORTH AMERICA

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	1,297.7	**1,280.9**	**-1.3%**	4,891.2	**4,689.1**	**-4.1%**
on a constant basis and same days			***-2.0%***			***-4.1%***
United States	1,022.1	**1,020.3**	*-0.2%*	3,827.7	**3,684.9**	*-3.7%*
on a constant basis and same days			*-1.5%*			*-3.7%*
Canada	275.7	**260.6**	*-5.5%*	1,063.5	**1,004.2**	*-5.6%*
on a constant basis and same days			*-4.0%*			*-5.6%*
Gross profit	280.8	**281.8**	**+0.4%**	1,074.4	**1,036.3**	**-3.5%**
as a % of sales	*21.6%*	*22.0%*	*36 bps*	*22.0%*	*22.1%*	*13 bps*
Distribution & adm. expenses (incl. depreciation)	(230.4)	(233.4)	+1.3%	(878.2)	(857.9)	-2.3%
EBITA	50.4	**48.5**	**-3.9%**	196.2	**178.4**	**-9.1%**
as a % of sales	*3.9%*	*3.8%*	*-10 bps*	*4.0%*	*3.8%*	*-21 bps*
Headcount (end of period)	-	-	-	8,259	**8,003**	**-3.1%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	346.7	**337.5**	**-2.7%**	1,342.0	**1,304.6**	**-2.8%**
on a constant basis and same days			***-1.9%***			***-2.7%***
China	120.1	**117.8**	*-1.9%*	497.4	**450.8**	*-9.4%*
on a constant basis and same days			*-1.9%*			*-9.4%*
Australia	130.7	**130.0**	*-0.5%*	506.1	**503.9**	*-0.4%*
on a constant basis and same days			*+0.7%*			*-0.2%*
New Zealand	32.4	**32.0**	*-1.4%*	122.0	**126.0**	*+3.3%*
on a constant basis and same days			*+0.1%*			*+3.3%*
Gross Profit	58.6	**60.0**	**+2.5%**	233.4	**235.1**	**+0.7%**
as a % of sales	*16.9%*	*17.8%*	*89 bps*	*17.4%*	*18.0%*	*63 bps*
Distribution & adm. expenses (incl. depreciation)	(60.4)	(56.5)	-6.4%	(222.1)	(220.8)	-0.6%
EBITA	(1.8)	**3.5**	**-287.7%**	11.3	**14.3**	**+26.6%**
as a % of sales	*-0.5%*	*1.0%*	*156 bps*	*0.8%*	*1.1%*	*25 bps*
Headcount (end of period)	-	-	-	3,227	**3,287**	**1.8%**

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Appendix 2: Consolidated financial data

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	**3,509.8**	**3,457.7**	**-1.5%**	**13,537.6**	**13,162.1**	**-2.8%**
Gross profit	**831.5**	**833.3**	**0.2%**	**3,222.6**	**3,172.8**	**-1.5%**
as a % of sales	*23.7%*	*24.1%*		*23.8%*	*24.1%*	
Distribution & adm. expenses (excl. depreciation)	(649.5)	(653.9)	0.7%	(2,558.9)	(2,536.1)	-0.9%
EBITDA	**182.1**	**179.4**	**-1.5%**	**663.7**	**636.7**	**-4.1%**
as a % of sales	*5.2%*	*5.2%*		*4.9%*	*4.8%*	
Depreciation	(24.3)	(25.5)		(90.7)	(97.1)	
EBITA	**157.8**	**153.9**	**-2.4%**	**573.0**	**539.6**	**-5.8%**
as a % of sales	*4.5%*	*4.5%*		*4.2%*	*4.1%*	
Amortization of intangibles resulting from purchase price allocation	(4.2)	(5.0)		(17.0)	(18.7)	
Operating income bef. other inc. and exp.	**153.5**	**148.9**	**-3.0%**	**555.9**	**521.0**	**-6.3%**
as a % of sales	*4.4%*	*4.3%*		*4.1%*	*4.0%*	
Other income and expenses	(101.3)	(79.0)		(176.5)	(124.0)	
Operating income	**52.2**	**69.9**	**33.8%**	**379.4**	**397.0**	**4.6%**
Financial expenses (net)	(32.5)	(32.2)		(210.0)	(146.3)	
Net income (loss) before income tax	**19.7**	**37.7**	**90.8%**	**169.4**	**250.7**	**48.0%**
Income tax	(25.4)	(36.7)		(84.4)	(116.4)	
Net income (loss) from continuing operations	**(5.7)**	**1.0**	**n.m.**	**85.0**	**134.3**	**58.0%**
Net income (loss) from discontinued operations	0.0	0.0		(69.3)	0.0	
Net income (loss)	**(5.7)**	**1.0**	**n.m.**	**15.7**	**134.3**	**n.m.**

BRIDGE BETWEEN OPERATING INCOME BEFORE OTHER INCOME AND OTHER EXPENSES AND ADJUSTED EBITA

in €m	Q4 2015	Q4 2016	FY 2015	FY 2016
Operating income before other income and other expenses	**153.5**	**148.9**	**555.9**	**521.0**
Change in scope of consolidation	1.9	0.0	11.3	0.0
Foreign exchange effects	(1.6)	0.0	(9.3)	0.0
Non-recurring effect related to copper	7.0	(4.1)	20.3	10.1
Amortization of intangibles assets resulting from PPA	4.2	5.0	17.0	18.7
Adjusted EBITA on a constant basis	**165.0**	**149.9**	**595.3**	**549.8**

RECURRING NET INCOME

in €m	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Reported net income	(5.7)	**1.0**	**-116.8%**	85.0	**134.3**	**+58.0%**
Non-recurring copper effect	7.0	**(4.0)**		20.6	**10.1**	
Other expense & income	101.3	**79.0**		176.5	**124.0**	
Financial expense		**(0.8)**		52.5	**16.3**	
Tax expense	(31.1)	**(12.4)**		(65.2)	**(34.4)**	
Recurring net income	71.5	**62.8**	**-12.2%**	269.4	**250.3**	**-7.1%**

SALES AND PROFITABILITY BY SEGMENT

Reported basis (€m)	Q4 2015	Q4 2016	Change	FY 2015	FY 2016	Change
Sales	**3,509.8**	**3,457.7**	**-1.5%**	**13,537.6**	**13,162.1**	**-2.8%**
Europe	1,892.4	1,839.4	-2.8%	7,289.3	7,168.5	-1.7%
North America	1,274.6	1,280.9	+0.5%	4,898.1	4,689.1	-4.3%
Asia-Pacific	342.8	337.5	-1.6%	1,350.3	1,304.6	-3.4%
Gross profit	**831.5**	**833.3**	**+0.2%**	**3,222.6**	**3,172.8**	**-1.5%**
Europe	502.7	493.6	-1.8%	1,921.7	1,915.1	-0.3%
North America	272.0	279.6	+2.8%	1,066.0	1,022.4	-4.1%
Asia-Pacific	56.9	60.0	+5.5%	234.9	235.1	+0.1%
EBITA	**157.8**	**153.9**	**-2.4%**	**573.0**	**539.6**	**-5.8%**
Europe	123.0	108.5	-11.7%	413.7	386.9	-6.5%
North America	46.2	46.4	+0.4%	188.3	165.6	-12.0%
Asia-Pacific	(2.2)	3.5	n.m.	10.4	14.3	+37.6%

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2015	December 31, 2016
Goodwill	4,266.6	4,300.2
Intangible assets	1,108.0	1,109.5
Property, plant & equipment	288.7	282.4
Long-term investments	33.8	41.8
Deferred tax assets	159.0	128.4
Total non-current assets	**5,856.2**	**5,862.3**
Inventories	1,535.0	1,579.3
Trade receivables	2,129.4	2,187.3
Other receivables	542.8	513.1
Assets classified as held for sale	53.8	0.3
Cash and cash equivalents	804.8	619.3
Total current assets	**5,065.8**	**4,899.3**
Total assets	**10,922.1**	**10,761.6**

Liabilities (€m)	December 31, 2015	December 31, 2016
Total equity	**4,352.9**	**4,383.3**
Long-term debt	2,342.1	2,195.1
Deferred tax liabilities	211.2	240.0
Other non-current liabilities	415.6	423.2
Total non-current liabilities	**2,968.9**	**2,858.3**
Interest bearing debt & accrued int.	668.5	610.0
Trade payables	2,138.3	2,179.0
Other payables	742.7	730.9
Liabilities rel. to assets held for sale	50.7	0.0
Total current liabilities	**3,600.2**	**3,519.9**
Total liabilities	**6,569.1**	**6,378.3**
Total equity & liabilities	**10,922.1**	**10,761.6**

1 *Net debt includes Debt hedge derivatives for €(12.3)m at Dec. 31, 2016 and €(6.4)m at Dec. 31, 2015. It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(0.7)m at December 31, 2015.*

Change in Net Debt

€m	Q4 2015	Q4 2016	FY 2015	FY 2016
EBITDA	**182.1**	**179.4**	**663.7**	**636.7**
Other operating revenues & costs[1]	(20.8)	(20.3)	(91.4)	(72.9)
Operating cash-flow	**161.2**	**159.1**	**572.3**	**563.8**
Change in working capital	398.6	274.1	103.8	(26.1)
Net capital expenditure, of which:	(36.3)	(18.5)	(113.5)	(98.6)
Gross capital expenditure	*(45.5)*	*(31.0)*	*(119.5)*	*(115.8)*
Disposal of fixed assets & other	*9.2*	*12.5*	*6.0*	*17.2*
Free cash-flow from continuing op. before int. & tax	**523.6**	**414.7**	**562.6**	**439.1**
Net interest paid / received	(31.1)	(26.8)	(141.0)	(118.8)
Income tax paid	(12.0)	(8.2)	(108.4)	(54.6)
Free cash-flow from continuing op. after int. & tax	**480.4**	**379.7**	**313.3**	**265.6**
FCF from discontinued operations	(0.0)	0.0	(18.5)	0.0
Net financial investment	(3.7)	2.1	(27.3)	(91.6)
Dividends paid	0.0	0.0	(91.3)	(120.3)
Net change in equity	2.9	4.7	1.8	6.2
Other	(7.2)	(0.6)	(32.9)	(17.8)
Currency exchange variation	(48.5)	(47.4)	(130.7)	(16.1)
Decrease (increase) in net debt	**423.9**	**338.4**	**14.4**	**26.1**
Net debt at the beginning of the period	**2,622.6**	**2,511.0**	**2,213.1**	**2,198.7**
Net debt at the end of the period	**2,198.7**	**2,172.6**	**2,198.7**	**2,172.6**

1 *Includes restructuring outflows of €12.9m in Q4 2015 and €16.5m in Q4 2016 and of €68.0m in FY 2015 and €49.1m in FY 2016*

Appendix 3: Working Capital Analysis

Constant basis	December 31, 2015	December 31, 2016
Net inventories		
as a % of sales 12 rolling months	***11.5%***	***11.8%***
as a number of days	*51.0*	*51.9*
Net trade receivables		
as a % of sales 12 rolling months	***15.8%***	***16.4%***
as a number of days	*50.2*	*50.0*
Net trade payables		
as a % of sales 12 rolling months	***15.7%***	***16.4%***
as a number of days	*61.6*	*62.8*
Trade working capital		
as a % of sales 12 rolling months	***11.5%***	***11.8%***
Total working capital		
as a % of sales 12 rolling months	***9.9%***	***10.2%***

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Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	31/12/2015	31/12/2016	Year-on-Year Change
Europe	**15,805**	**15,778**	**-0.2%**
USA	*6,046*	*5,935*	-1.8%
Canada	*2,213*	*2,068*	-6.6%
North America	**8,259**	**8,003**	**-3.1%**
Asia-Pacific	**3,227**	**3,287**	**1.8%**
Other	**246**	**241**	**-2.2%**
Group	**27,538**	**27,309**	**-0.8%**

Branches comparable	31/12/2015	31/12/2016	Year-on-Year Change
Europe	**1,205**	**1,196**	**-0.7%**
USA	*377*	*372*	-1.3%
Canada	*197*	*188*	-4.6%
North America	**574**	**560**	**-2.4%**
Asia-Pacific	**263**	**267**	**1.5%**
Group	**2,042**	**2,023**	**-0.9%**

Appendix 5: Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

- 1€ = 1.10USD
- 1€ = 1.50CAD
- 1€ = 1.50AUD
- 1€ = 0.85GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017:

	Q1e	Q2e	Q3e	Q4e	FYe
Scope effect	**€(25.7)m**	**€(11.3)m**	**€0.0m**	**€0.0m**	**€(36.9)m**
As a % of 2016 sales	*-0.8%*	*-0.3%*	*0.0%*	*0.0%*	*-0.3%*
Change effect	**€(19.4)m**	**€(0.4)m**	**€4.9m**	**€(27.9)m**	**€(42.8)m**
As a % of 2016 sales	*-0.6%*	*0.0%*	*+0.2%*	*-0.8%*	*-0.3%*
Calendar effect	**+4.1%**	**-2.5%**	**-1.0%**	**-2.5%**	**-0.6%**

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 7, 2016 under number D16-0299. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on April 7, 2016 under number D16-0299, as well as the consolidated financial statements and activity report for the 2015 fiscal year which may be obtained from Rexel's website (www.rexel.com).