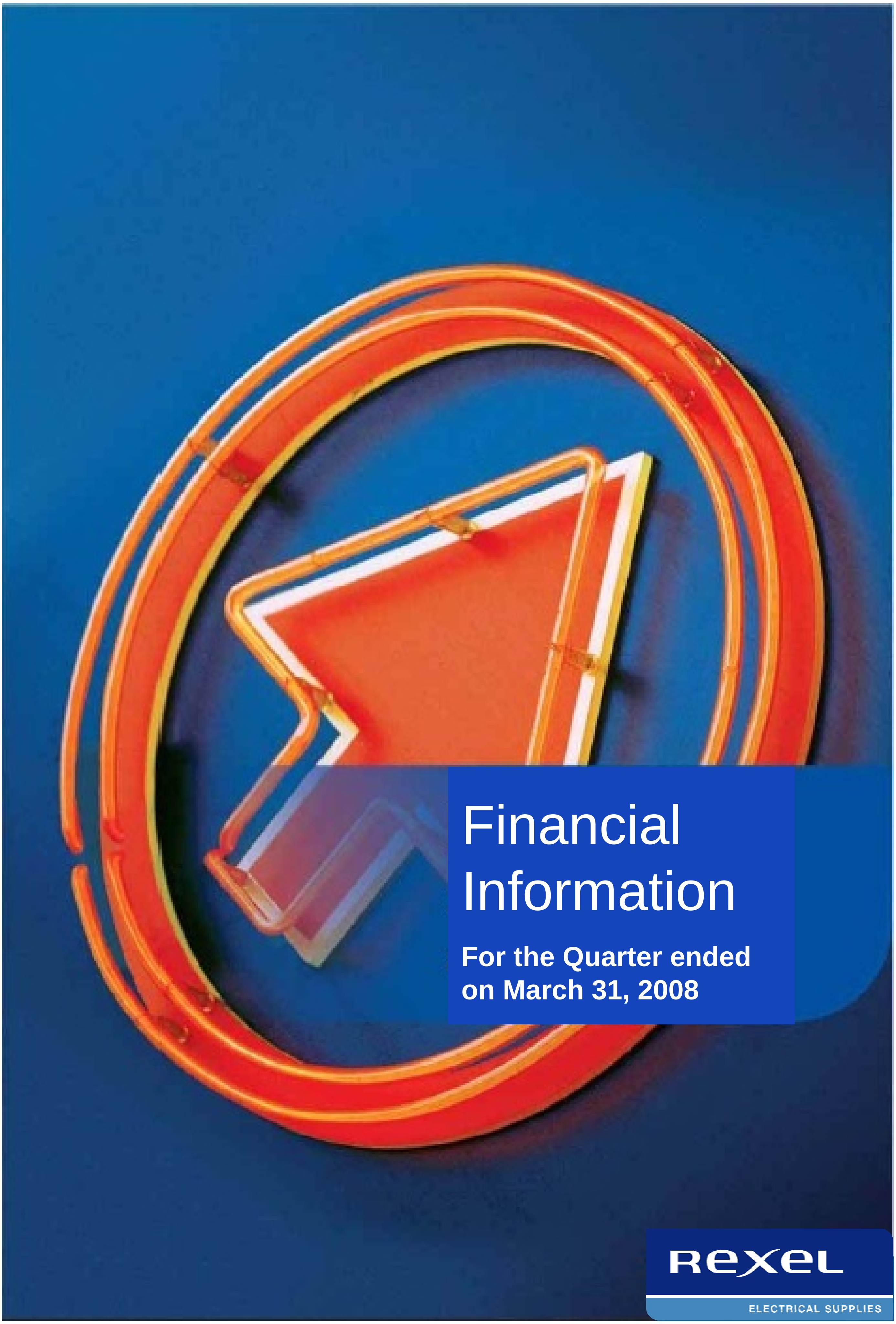

Financial Information

For the Quarter ended on March 31, 2008

Rexel

ELECTRICAL SUPPLIES

Société anonyme à Directoire et Conseil de Surveillance
au capital social de 1 279 969 135 euros
Siège social : 189-193, boulevard Malesherbes
75017 Paris
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Financial information for the quarter ended March 31, 2008

I. Activity report

1. | OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Organized in December 2004, Rexel is a holding company which acquired Rexel Distribution and its subsidiaries via its subsidiary, Ray Acquisition S.C.A., on March 16, 2005. Rexel shares have been listed for trading on the Eurolist market of Euronext Paris since April 4, 2007.

Following the tender offer in the Netherlands, ended on March 25, 2008 and initiated in the scope of the agreement entered into on November 22, 2007 between Rexel, Sonepar, and Hagemeyer, Rexel acquired control of Hagemeyer N.V., a Netherlands based company operating as a worldwide distributor of electrical supplies.

Concurrently, Rexel entered into an agreement with Sonepar in relation to the transfer to Sonepar of the businesses of Hagemeyer (other than those of its ACE division) located in the United States, Canada, Mexico, Australia, Switzerland, Austria, Sweden, China, and Southeast Asia (Malaysia, Thailand and Singapore), as well as of six branches located in Germany (the "Sonepar Entities").

In addition, Rexel is committed to transfer to Sonepar its current business in Germany and Sonepar is committed to transfer to Rexel its current business in Sweden.

The retained Hagemeyer entities were consolidated from March 31, 2008. As a consequence, the assets and liabilities of these entities are included in the Group consolidated balance sheet while flows are excluded from the consolidated income statement and cash flow statement. The current Rexel business in Germany that is to be transferred to Sonepar is no longer consolidated from March 31, 2008 and presented as assets held for sale in the Group consolidated balance sheet for its net book value. The flows of the income statement and of the cash flow statement of this German business of Rexel to be transferred to Sonepar are consolidated until that date. In addition, a pro forma income statement is disclosed in section 1.3 in order to reflect the effect of these operations as if they were realized on January 1st, 2008. This pro forma income statement also reflects the effect of the disposal of the electrical supplies distribution operations of Hagemeyer in Ireland because of Rexel's commitment to the European competition authorities to such disposal.

Numbers and percentages in this document may be calculated on the basis of numbers expressed in thousands of euros, or other currencies, and, accordingly, may differ from the numbers and percentages calculated on the basis of the numbers presented.

1.1 | Financial Situation of the Group

1.1.1 | Group Overview

The Group believes to be the worldwide leader in the professional distribution of low and ultra-low voltage electrical products based on sales and number of branches. The Group's business is organized around the three main geographic areas in which it operates: Europe, North America, and the Asia-Pacific zone. This geographic segmentation was determined on the basis of long-term economic trends, market characteristics, technical standards, products and suppliers operating in the countries within each geographic zone, as well as the proximity of markets. Operations deemed of lower materiality relative to the Group's operations as a whole and non-core operations are aggregated and presented under a separate segment called "Other Operations", as defined below. This segment also includes unallocated corporate overhead expenses.

In the first quarter of 2008, the Group recorded consolidated sales of €2,516.2 million, of which €1,244.0 million were generated in Europe (49% of sales), €1,053.1 million in North America (42% of sales), €202.3 million in the Asia-Pacific zone (8% of sales), and €16.8 million related to Other Operations (1% of sales).

The Europe zone consists principally of France (which accounts for approximately 50% of the Group's consolidated sales in this zone), Germany, the United Kingdom, Ireland, Austria, Switzerland, The Netherlands, Sweden, Italy, Belgium, Spain, and Portugal, as well as several Central European countries (Slovenia, Hungary, Slovakia, the Czech Republic, Poland and Russia). Following the acquisition of Hagemeyer, and for pro forma information, the Europe zone also includes Finland, Norway and the Baltic States.

The North America zone consists of the United States and Canada. The United States represents approximately 78% of the Group's consolidated sales in this zone and Canada the remaining 22%.

The Asia-Pacific zone consists of Australia, New Zealand, and China, as well as certain countries in Southeast Asia (Indonesia, Malaysia, Singapore and Thailand). Australia accounts for approximately 70% of the Group's consolidated sales in this zone and New Zealand close to 15%.

The Other Operations segment includes Chile, which represented approximately 0.5% of the Group's sales in the first quarter of 2008, and certain businesses managed at Group level (Bizline, Citadel and Conectis). Unallocated corporate overhead (mainly occupancy and personnel costs of the Paris headquarters) are also included in this segment, as well as the elimination of inter-segments operations. Finally, following the acquisition of Hagemeyer and for pro forma information, Other Operations include the ACE business (Agencies / Consumer Electronics).

The analysis below covers the Group's sales, gross profit, distribution and administrative expenses and operating income before other income and other expenses (EBITA) separately for each of the three geographic segments, as well as the Other Operations segment.

1.1.2 | Seasonality

Notwithstanding the relatively low degree of seasonality within the Group's sales, there is seasonality in cash flows due to variations in working capital requirements, with, generally, a weaker first quarter, comparable second and third quarters, and a stronger fourth quarter.

1.1.3 | Effects of the evolution of copper price

The Group is indirectly exposed to fluctuations in copper prices in connection with the distribution of cable products. Cables accounted for approximately 20% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cables prices also depend on suppliers' commercial policies and on the competition environment in the Group's markets. Changes in copper price have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance:

- <u>The recurring effect</u> related to the chance in copper-based cables price corresponds to the change in value of the copper part included in the selling price of cables from one period to another. The effect mainly relates to sales;

- <u>The non-recurring effect</u> related to the chance in copper-based cables price corresponds to the effect of copper price variations on the selling prices of cables between the moment they are purchased and the time they are sold, until all such inventory is sold (direct effect on gross profit), offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses (essentially, the variable portion of compensation of sales personnel, which accounts for approximately 10% of the variation in gross profit and has an effect on EBITA).

1.1.4 | Comparability of the Group's operating results

The Group has undertaken a number of acquisitions and disposals, and exchange rates may fluctuate significantly. Additionally, the number of working days in each period has an impact on the Group's consolidated sales. Finally, changes in copper price have an impact on Group's financial performance. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results below, financial information is also presented restated for the following adjustments.

Exclude the effects of acquisitions and disposals

The Group restates results to exclude the effects of acquisitions and disposals. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of its acquisition and ceases to include the results of a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding year, assuming that the preceding year would have had the same scope of consolidation for the same period as the current year.

In the year 2007, the Group acquired NCA (Australia), APPRO 5 (France), Clearlight Electrical (United-Kingdom), Tri-Valley Electric Supply (United States), Boutet (Belgium), EIW (Australia) as well as 51% of Huazhang Electric Automation (China). The total amount of such investments was €116.8 million for the year 2007 including prices adjustments on previous acquisitions. This amount is the price paid for the shares or assets acquired reduced by the acquired cash. In the same period, the Group disposed of the activity of the company Kontakt Systeme in Switzerland, deemed non-core, for an amount of €4.9 million.

In the first quarter of 2008, the Group acquired Beacon Electric Supply company, an electrical supplies distributor in the area of San Diego in the United States, and the business of the ABK Electrical Wholesale Pty.Ltd company, an electrical supplies distributor in Australia. These acquisitions amounted to €19.4 million.

Finally, the Group acquired Hagemeyer in an offering that ended on March 25, 2008. As of March 31, 2008, Rexel owns 98.73% of the outstanding shares and all of the convertible bonds outstanding for an amount of €3.1 billion through its subsidiary Kelium. Considering the acquisition date, the financial statements for the period from January 1st, 2008 to March 31, 2008 do not includes the flows related to the operations of Hagemeyer retained by Rexel. As a consequence, this operation was not restated in the information of the first quarter of 2007 on a constant basis.

Exclude the effects of fluctuations in exchange rates

Fluctuations in currency rates against the euro affect the euro value of the Group's sales, expenses and other balance sheet items as well as the income statement. Nonetheless, the Group has a relatively low exposure to the transaction risk of dealing in different currencies, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group compares its historical figures for the current year against the same period of the prior year figures, using for these figures the same euro exchange rates as in the current year.

Exclude the non-recurring effect related to changes in copper price

For the analysis of financial performance on a constant and Adjusted basis, the estimated non-recurring effect related to changes in copper-based cables price, as described in paragraph 1.1.3 – "Effects of the evolution of copper price" here above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "Adjusted" in the rest of this document.

Exclude the effects of different numbers of working days in each period to analyze sales

The Group's sales in a given period compared to another period are affected by the number of working days, which changes between periods. In the analysis of its consolidated sales, the Group neutralizes the effect of different numbers of working days between the two periods presented by comparing its historical figures for each month in the current year against the prior year figures, adjusted proportionally to the number of working days during the current year. This analysis by number of working days would not be relevant to the Group's other consolidated income statement items.

Exclude the effect of the amortization of the intangible assets recognized in preliminary allocation of the the purchase price of Hagemeyer

Since the acquisition of Hagemeyer and in order to make the information comparable to the one of the previous periods, the amortization of the intangible assets recognized in the purchase price of Hagemeyer allocation is excluded from Adjusted figures. This restatement will take effect after the completion of the Hagemeyer Offer, i.e. from the second quarter of 2008 onward. It is included in the disclosure of pro forma information. This restatement has an effect on EBITA only, as defined below, which is then said "Adjusted EBITA".

Accordingly, in the following discussion of the Group's consolidated results, the following information may be provided for comparison purpose:

- On a constant basis, meaning excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison on sales and headcounts;

- On a constant basis and same number of working days, meaning on a constant basis and restated for the effect of different numbers of working days in each period. Such information is used only for comparison related to sales;

- On a constant basis, Adjusted, meaning on a constant basis and adjusted for the two following elements:

    - the estimated non-recurring effect related to changes in copper-based cable price ;

    - the amortization of the intangible assets recognized in the allocation of the purchase price of Hagemeyer.

  Such information is used for comparison related to gross profit, distribution and administrative expenses and EBITA.

This information does not derive from accounting systems but is the best estimate of comparable data in accordance with the principles set out above.

EBITA is used to monitor the Group's performance. EBITA is defined as operating income before other income and expenses and is not an accepted accounting measure under IFRS. The table below sets out the reconciliation from actual operating income to Adjusted EBITA on a constant basis:

	Quarter ended March 31,	
(in millions of euros)	2008	2007
Operating income	130.6	143.9
(-) Other income and expenses	11.9	1.3
EBITA	**142.5**	**145.2**
External growth	-	2.0
Foreign exchange effect	-	(4.9)
Non recurring effect related to copper	3.9	11.1
Amortization of intangible assets recognized in the allocation of the purchase price of Hagemeyer	-	-
Adjusted EBITA on a constant basis	**146.4**	**153.4**

1.2 | Comparison of the financial results as at March 31, 2007 and March 31, 2006

In the first quarter of 2008, Rexel continued to improve its operating performance and cash flow generation: sales grew by 3.1% on a constant basis and same number of working days compared to the first quarter of 2007 to €2,516.2 million. Adjusted operating income before other income and other expenses (Adjusted EBITA) reached €146.4 million, a 4.6% decrease compared to the first quarter of 2007 on a constant basis, representing 5.8% of sales in the period compared to 6.2% of sales in the first quarter of 2007. The comparison of the figures for the first quarter of 2008 to the one of the first quarter of 2007 is impacted by the favorable effect of specific non-recurring commercial actions in the first quarter of 2007 in an amount of €16 million. Excluding this effect, the Adjusted EBITA grew 6.5%. In addition, the first quarter of 2008 included fewer working days that the first quarter of 2007, with an unfavorable effect on the first quarter of 2008 estimated to €8 million on Adjusted EBITA.

Free cash flow, after net investments and before interest and taxes paid, reached €121.9 million compared to €196.7 million in the same period of 2007. Finally the net income grew strongly to €62.5 million compared to €49.1 million, a 27.2% increase.

All geographic areas posted sales increase in the first quarter of 2008. Europe, which is 49% of consolidated sales, grew 3.7% on a constant basis and same number of working days while North America and the Asia-Pacific zone, representing 42% and 8% of consolidated sales posted respectively 1.2% and 8.2% sales growth on a constant basis and same number of working days.

Rexel's end-markets in the industrial and commercial businesses expanded in the first quarter of 2008 in Europe. The residential construction remained at high levels in the area in most countries, despite the downturn noticed notably in Germany, the United-Kingdom and Spain. In the Asia-Pacific zone, the growth was high in the commercial and industrial markets, especially in the mining industry, while the residential construction remained favorable in Australia. In the United States, the residential end-market and the commercial one, mainly for its residential-related part, remained negative in comparison with the same period of last year.

In this situation, Rexel pursues implementing its operating levers – including development of customers' services, continuous improvement of pricing structures and enrichment of suppliers' partnerships – and is ahead of forecast synergies from the integration of the US based network Gexpro. On a constant basis, the Adjusted gross margin thus posted a 40 basis points increase excluding the favorable non-recurring effects of the first quarter of 2007, due to the improvement of purchasing terms and of the logistic organization.

Rexel is continuously improving its logistic structures and the productivity of its support functions. Finally, Rexel launched a cost reduction plan in the United States in the beginning of 2007 that continued in the first quarter of 2008, in order to adapt to the current activity trends. These actions, together with strict costs containment in the other zones, resulted in an increase of distribution and administrative expenses limited to 1.8% in the first quarter of 2008 compared to the first quarter of 2007.

In the first quarter of 2008, Rexel carried on striving for the reduction of working capital requirements. As a percentage of sales, this latter was 13.3% on March 31, 2008, excluding Hagemeyer, compared to 14.2% on March 31, 2007. On March 31, 2008, including the consolidation of Hagemeyer operations, working capital requirement is 12.8%. Free cash flow before interest and taxes paid was €121.9 million in the first quarter of 2008.

1.2.1 | Rexel's consolidated financial results

The following table sets out Rexel's consolidated income statement for the first quarters of 2008 and 2007, in millions of euros and as a percentage of sales.

REPORTED	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	2,516.2	2,576.2	(2.3)%
Gross profit	627.1	638.3	(1.8)%
Distribution and administrative expenses[(1)]	(484.6)	(493.1)	(1.7)%
EBITA[(2)]	142.5	145.2	(1.9)%
Other income and expenses	(11.9)	(1.3)	
Operating income	130.6	143.9	(9.3)%
Financial expenses	(40.0)	(70.8)	(43.6)%
Income tax	(28.1)	(24.0)	17.1%
Net income	62.5	49.1	27.2%
as a % of sales	*2.5%*	*1.9%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	**2,516.2**	**2,487.5**	**1.2%**
Same number of working days			*3.1%*
Gross profit	631.5	629.8	0.3%
as a % of sales	*25.1%*	*25.3%*	
Distribution and administrative expenses	(485.1)	(476.4)	1.8%
as a % of sales	*(19.3)%*	*(19.1)%*	
EBITA[(2)]	**146.4**	**153.4**	**(4.6)%**
as a % of sales	***5.8%***	***6.2%***	

(1) Including depreciation	(18.1)	(16.8)	7.5%
(2) EBITA = Operating income before other income and other expenses.			

Sales

In the first quarter of 2008, Rexel's consolidated sales decreased by 2.3% to reach €2,516.2 million, a 3.1% growth on a constant basis and same number of working days. Acquisitions accounted for an increase of €32.8 million, while the negative effect of changes in exchange rates amounted to €121.5 million, mainly due to the depreciation of the US and Canadian dollars against the Euro.

The following table analyzes the changes in sales growth between the first quarters of 2007 and 2008, on a reported basis and on a constant basis and same number of working days:

		Growth 2008 vs. 2007
		Q1
Growth on a constant basis and same number of working days		3.1%
Number of working days effect		(1.9)%
Organic growth	(1)	*1.2%*
External growth		1.3%
Foreign exchange		(4.7)%
Total of external growth and foreign exchange	(2)	*(3.4)%*
Actual growth (1) x (2)		(2.3)%

(1) Organic growth compounded with external growth and foreign exchange

The calendar effect was particularly strong in the first quarter of 2008 and accounted for approximately 1.5 day of sales due to the early Easter, which usually affects the second quarter of the year.

Increase in copper-based cables prices, which represent approximately 20% of the Group's sales, accounted for approximately 0.6% in the 3.1% Group's sales growth on a constant basis and same number of working days.

Gross profit

In the first quarter of 2008, gross margin was 24.9% compared to 24.8% in the first quarter of 2007. On a constant basis, Adjusted gross margin decreased by 20 basis points from 25.3% in the first quarter of 2007 to 25.1% in the first quarter of 2008. Excluding the favorable non-recurring effect of specific commercial actions in the first quarter of 2007, Adjusted gross margin improved by 40 basis points. This improvement reflects the implementation of operational actions, notably the optimization of supply chain and logistic and synergies released with Gexpro.

Distribution and administrative expenses

Rexel pursued the optimization of its costs structure over the period. Distribution and administrative expenses as a percentage of sales posted a limited increase from 19.1% in the first quarter of 2007 to 19.3% in the first quarter of 2008. On a constant basis, Adjusted distribution and administrative expenses increased by 1.8% between 2007 and 2008, compared to a 1.2% increase in sales at actual number of working days. Adjusted personnel expenses increased by 0.8% on a constant basis while the average number of employees increased by 0.9% compared to the first quarter of 2007. At March 31, 2008, the number of employees was 35,413. At December 31, 2007, the number of employees was 25,596. Other distribution and administrative expenses increased by 3.4% between the first quarters 2007 and 2008.

Operating income before other income and other expenses (EBITA)

Operating income before other income and other expenses (EBITA) reached €142.5 million in the first quarter of 2008, a 1.9% decrease compared to the first quarter of 2007 on a reported basis. On a constant basis, Adjusted EBITA decreased by 4.6% while EBITA margin went down from 6.2% in the first quarter of 2007 to 5.8% in the first quarter of 2008. Excluding the non-recurring favorable effect from specific commercial actions in the first quarter of 2007, Adjusted EBITA increased by 6.5% and Adjusted EBITA margin improved by 30 basis points.

Other income and other expenses

In the first quarter of 2008, other income and other expenses amounted to a net expense of €11.9 million and included €16.4 million of costs in respect of free shares allocation plan granted in April 2007 concurrently to the IPO of Rexel. They also included a €7.0 million capital gain on the disposal of real estate properties in France.

Financial expenses

In the first quarter of 2008, net financial expenses were €40.0 million (compared to €70.8 million in the same period of 2007), including €11.0 million non-recurring costs related to the Group's debt restructuring following the Hagemeyer acquisition.

Tax expenses

The effective tax rate was 31.0% at March 31, 2008 compared to 32.8% at March 31, 2007.

Net income

Net income amounted to €62.5 million in the first quarter of 2008 compared to €49.1 million in the first quarter of 2007, a 27.2% increase.

1.2.2 | Europe

REPORTED	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	1,244.0	1,230.8	1.1%
Gross profit	334.6	330.3	13%
Distribution and administrative expenses	(251.0)	(243.1)	3.2%
EBITA(1)	83.6	87.2	(4.2)%
as a % of sales	*6.7%*	*7.1%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	**1,244.0**	**1,228.1**	**1.3%**
Same number of working days			*3.7%*
Gross profit	339.5	336.7	0.8%
as a % of sales	*27.3%*	*27.4%*	
Distribution and administrative expenses	(251.5)	(242.7)	3.6%
as a % of sales	*(20.2)%*	*(19.8)%*	
EBITA(1)	**88.0**	**94.0**	**(6.3)%**
as a % of sales	***7.1%***	***7.7%***	

(1) EBITA = Operating income before other income and other expenses.

In the first quarter of 2008, sales increased by 1.1% in Europe compared to the first quarter of 2007 and reached €1,244.0 million. Acquisitions accounted for a €6.0 million increase off-set by the unfavorable effect of changes in exchange rates in an amount of €8.7 million. On a constant basis and same number of working days, sales increased by 3.7%. Excluding cables, it was 4.3%.

In France, sales amounted to €617.4 million in the first quarter of 2008, a 3.4% increase on a constant basis and same number of working days. This growth notably stemmed from selling performance with small and medium contractors (approximately 33% of sales), which posted an increase in sales of approximately 8% in the first quarter of 2008. Sales by products families were driven by building equipment, which posted approximately 6% growth in volume over the period. Cables sales, representing approximately 15% of the mix, decreased in the wake of the decrease of purchase prices in the beginning of the year. However volumes increased by approximately 3%. In Germany, sales amounted to €99.6 million in the first quarter of 2008, a 1.1% decrease on a constant basis and same number of working days. This performance was realized in a still difficult environment in the south of Germany. Excluding cables, sales posted a 1.9% growth, mainly due to industrial products and automatisms, whose sales increased by approximately 9%. In the United-Kingdom, sales amounted to €81.5 million in the first quarter of 2008, a 6.1% increase on a constant basis and same number of working days. This well above-market growth was achieved through a favorable growth in small and medium contractors, which posted approximately 15% increase. Both banners contributed similarly to this growth. Approximately 15% of sales increase was due to the dynamism of commercial expansion. This latter continued in the first quarter of 2008 with the opening of two additional branches. In Benelux, sales increased by 11.9% on a constant basis and same number of working days to €106.6 million. This significantly higher than market growth was notably high with the small and medium contractors in Belgium and while all customers groups strongly improved in The Netherlands.

In the first quarter of 2008, gross profit amounted to €334.6 million, a 1.3% increase compared to the first quarter of 2007. On a constant basis, Adjusted gross margin remained stable to 27.3% of sales in the first quarter of 2008 compared to 27.4% in the first quarter of 2007. On-going improvements were cancelled by the favorable non-recurring effects in the first quarter of 2007. Excluding these effects, the estimated improvement in Adjusted gross margin is 50 basis points. This performance mainly stemmed from favorable changes in products and customers mix and from the optimization of restocking processes and better purchasing terms.

In the first quarter of 2008, distribution and administrative expenses amounted to €251.0 million, i.e. 20.2% of sales compared to 19.7% in 2007. On a constant basis, Adjusted distribution and administrative expense increased by 3.6%. Adjusted personnel expenses increased by 2.7% on a constant basis compared to a 0.7% increase of average headcount on a constant basis. Number of employees was 21,552 as at March 31, 2008 and included the Hagemeyer employees, excluding those from the Sonepar entities and those from Rexel operations in Germany that are to be transferred to Sonepar. Lease and maintenance expenses posted an above-inflation increase due to logistic and commercial initiatives. In the last twelve months, 24 branches opened in Europe, of which 14 in France. Numerous branch transfers were carried out in order to relocate selling points in areas where the Group anticipates stronger economic growth. In the logistics area, the implementation of a national distribution center in Austria as well as the improvement of several logistic centers in France also resulted in the increase in expenses.

Operating income before other income and other expenses (EBITA) amounted to €83.6 million, a 4.2% decrease compared to the first quarter of 2007. On a constant basis, Adjusted EBITA decreased by 6.3% and reached 7.1% of sales in the first quarter of 2008 compared to 7.7% in the first quarter of 2007. The comparison of the figures for the first quarter of 2008 to the one of the first quarter of 2007 is impacted by the favorable non-recurring effect of the first quarter of 2007. Excluding this effect, estimated Adjusted EBITA growth is 2.3%. In addition, the Easter days, falling in March in 2008 instead of April usually, had an estimated €6 million negative impact on Adjusted EBITA in the first quarter of 2008 compared to the first quarter of 2007.

1.2.3 | North America

REPORTED	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	1,053.1	1,165.0	(9.6)%
Gross profit	232.9	257.7	(9.6)%
Distribution and administrative expenses	(186.1)	(208.2)	(10.6)%
EBITA(1)	46.8	49.5	(5.4)%
as a % of sales	*4.4%*	*4.2%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	**1,053.1**	**1,053.4**	**0.0%**
Same number of working days			*1.2%*
Gross profit	232.2	237.5	(2.2)%
as a % of sales	*22.0%*	*22.5%*	
Distribution and administrative expenses	(186.0)	(187.9)	(1.0)%
as a % of sales	*(17.7)%*	*(17.8)%*	
EBITA(1)	**46.2**	**49.6**	**(6.9)%**
as a % of sales	***4.4%***	***4.7%***	

(1) EBITA = Operating income before other income and other expenses.

In the first quarter of 2008, sales in North America amounted to €1,053.1 million, a 9.6% decrease compared to 2007. This decrease mainly resulted from the €111.6 million unfavorable evolution of US and Canadian dollars against the Euro. On a constant basis and same number of working days, sales decreased by 1.2%. Excluding cables, sales growth was 1.1%.

In the United States, sales amounted to €823.1 million in the first quarter of 2008, a 1.1% increase on a constant basis and same number of working days. The downturn of residential construction had effects on residential-related commercial projects. Satisfying orders were nevertheless recorded in this quarter due to industrial customers, notably those in the energy sector. In Canada, sales amounted to €230.1 million in the first quarter of 2008, a 1.5% increase on a constant basis and same number of working days. The Canadian economy was negatively affected by several elements. It was slowed down first by the rise of the Canadian dollar compared to the US dollar and by the weakness of the US economy. This latter particularly affected the industrial sector, notably in Ontario and Quebec, but also the forestry operations in British Columbia.

In the first quarter of 2008, gross profit amounted to €232.9 million, a 9.6% decrease compared to 2007, mainly due to changes in exchange rates against the Euro. On a constant basis, Adjusted gross margin decreased by 50 basis points to 22.0% of sales in the first quarter of 2008 compared to 22.5% in the first quarter of 2007. This evolution is in particular the result of the favorable non-recurring effect in the first quarter of 2007. Excluding this effect, it posted an estimated growth of 20 basis points. This improvement stemmed from a better control and strengthened discipline in the implementation of Group pricing policies and from the improvement of purchasing terms.

Distribution and administrative expenses amounted to €186.0 million in the first quarter of 2008, i.e. 17.7% of sales, a 20 basis points improvement compared to the first quarter of 2007. On a constant basis, Adjusted distribution and administrative expenses decreased by 1.0%. Adjusted personnel costs decreased by 2.7% on a constant basis due to staff reductions implemented from the second quarter of 2007 and that were pursued in the first quarter of 2008 in order to adapt to current sales trends in the electrical distribution business. Headcount was reduced by 3.8% in this activity compared to the end of March 2007 (4.1% in the United States). In North America, headcount was reduced from 9,677 at December 31, 2007 to 9,592 at March 31, 2008 on a constant basis.

Operating income before other income and other expenses (EBITA) thus amounted to €46.8 million in the first quarter of 2008, a 5.4% decrease compared to the first quarter of 2007. On a constant basis, Adjusted EBITA decreased by 6.9%, to 4.4% of sales. The comparison of the figures for the first quarter of 2008 to the one of the first quarter of 2007 is impacted by the favorable the non-recurring effect of the first quarter of 2007. Excluding his effect, Adjusted EBITA posted an estimated 11.1% growth, due to the increase in gross profit and controlled evolution of costs.

1.2.4 | Asia-Pacific

REPORTED	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	202.3	166.5	21.5%
Gross profit	51.2	44.1	16.2%
Distribution and administrative expenses	(39.0)	(34.5)	13.4%
EBITA(1)	12.2	9.6	26.0%
as a % of sales	*6.0%*	*5.8%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	**202.3**	**191.9**	**5.4%**
Same number of working days			*8.2%*
Gross profit	51.4	49.3	4.4%
as a % of sales	*25.4%*	*25.7%*	
Distribution and administrative expenses	(39.0)	(38.4)	1.9%
as a % of sales	*(19.3)%*	*(20.0)%*	
EBITA(1)	**12.4**	**10.9**	**13.3%**
as a % of sales	***6.1%***	***5.7%***	

(1) EBITA = Operating income before other income and other expenses.

In the first quarter of 2008, sales in the Asia-Pacific zone increased by 21.5% compared to the first quarter of 2007 to €202.3 million, or 8.2% on a constant basis and same number of working days.

In the first quarter of 2008, sales in Australia amounted to €141.8 million, an 8.2% increase on a constant basis and same number of working days from 2007. Rexel considers that this growth exceeds the one of the Australian market, supported by strong industrial and mining businesses and a fair non-residential construction level. In the first quarter of 2008, sales growth was particularly high in Queensland, New South Wales and Western Australia. In these two latter states, the acquisition in late October 2007 of EIW and its 16 branches strengthens the commercial dynamism of the current banners. Industrial key accounts and large national contractors were the key growth drivers in the first quarter of 2008. In New-Zealand, sales amounted to €31.2 million, a 0.8 % decrease compared to 2007 on a constant basis and same number of working days in an economic environment affected by the downturn of the residential and commercial construction markets. In Asia, sales amounted to €29.3 million in the first quarter of 2008, a 19.6% increase on a constant basis and same number of working days compared to 2007, which evidences the fast development of professional distribution in these countries. Rexel should strengthen its leading position in the Chinese market in the coming months when the acquisition of the Suzhou Xidian company is approved by the appropriate authorities.

In the first quarter of 2008, gross profit increased by 16.2% to €51.2 million. On a constant basis, Adjusted growth margin decreased by 30 basis points in the zone, due to the significant growth in Asia where gross margin is lower because of the predominant share of projects is sales. In Australia, gross margin remained stable.

Distribution and administrative expenses were €39.0 million in the first quarter of 2008, i.e. 19.3% of sales compared to 20.7% in the first quarter of 2007. On a constant basis, Adjusted distribution and administrative expenses increased by 1.9% compared to the first quarter of 2007. This increase should be compared to the 5.4% one of sales. Adjusted personnel costs increased by 4.5% on a constant basis compared to a 2.5% increase of the average headcount, due to wages increases. Headcount increased from 2,687 at December 31, 2007 to 2,733 at March 31, 2008 on a constant basis.

Operating income before other income and other expenses (EBITA) thus amounted to €12.2 million in the first quarter of 2008, a 26.0% increase compared to 2007. On a constant basis, Adjusted EBITA increased by 13.3%, from 5.7% of sales in the first quarter of 2007 to 6.1% in the first quarter of 2008.

1.2.5 | Other operations

REPORTED	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	16.8	13.9	20.2%
Gross profit	8.4	6.2	34.1%
Distribution and administrative expenses	(8.5)	(7.3)	14.6%
EBITA(1)	(0.1)	(1.1)	(90.4)%
as a % of sales	*(0.7)%*	*(8.2)%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2008	2007	Changes in %
Sales	**16.8**	**14.1**	**18.4%**
Same number of working days			*20.2%*
Gross profit	8.4	6.3	32.2%
as a % of sales	*49.7%*	*44.5%*	
Distribution and administrative expenses	(8.6)	(7.4)	15.1%
as a % of sales	*(51.2)%*	*(52.5)%*	
EBITA(1)	**(0.2)**	**(1.1)**	**(87.9)%**
as a % of sales	***(0.8)%***	***(7.4)%***	

(1) EBITA = Operating income before other income and other expenses.

The Other Operations segment includes Chile, which represented approximately 1% of the Group's sales in 2007 and certain businesses managed at Group level (Bizline, Citadel and Conectis). Unallocated corporate overhead (mainly occupancy and personnel costs of the Paris headquarters) are also included in this segment, as well as elimination of inter-segments operations.

1.3 | Rexel Group consolidated pro forma income statement

The pro forma income statement for the first quarters of 2008 and 2007 was prepared so as to reflect the effect of (i) the completion of the public purchase offer of all of the outstanding shares and bonds of Hagemeyer, (ii) the completion of the asset swap agreed upon with Sonepar and (iii) the disposal of the electrical supplies distribution business of Hagemeyer in Ireland, as if these operations were completed on January 1st, 2008. The assumptions and principles used for its preparation are disclosed in the section 20.2 of the *Document de reference* registered by the *Autorité des Marchés Financiers* on April 30, 2008 under number R.08-046. In addition, the pro forma income statement for the first quarter of 2007 was prepared using the same exchange rates as the one used for the first quarter of 2008 (average rates over the period).

	Quarter ended March 31,		
(in millions of euros)	2008	2007	Change in %
Sales	**3,335.4**	**3,265.3**	***2.1%***
Variation à nombre de jours constant			*4.2%*
Gross profit	813.2	794.5	*2.4%*
Adjusted Gross profit	***821.5***	***813.0***	***1.0%***
Same number of working days	***24.6%***	***24.9%***	
Distribution and administrative expenses	(665.8)	(648.7)	*2.6%*
Operating income before other income and other expenses (EBITA)	147.4	145.8	*1.1%*
Adjusted EBITA	***159.0***	***167.5***	***(5.1)%***
as a % of sales	***4.8%***	***5.1%***	

Comparison of the Group performance between the two periods is affected by the favorable effect of non-recurring commercial actions in the first quarter of 2007. Excluding this effect, increase in Adjusted EBITA is 5%.

In addition, the lower number of working days in the first quarter of 2008 compared to the first quarter of 2007 had an unfavorable impact on the Adjusted EBITA of the first quarter of 2008 in an estimated amount of €12 million.

1.3.1 | Reconciliation of the published consolidated income statement of Rexel with the pro forma consolidated income statement

The Hagemeyer column in the table below reflects the impact of Hagemeyer entities excluding those that are to be transferred to Sonepar and the operations of Hagemeyer in Ireland that are to be disposed of. This column also includes the effect of the asset swap between Rexel and Sonepar.

First quarter 2008 *(en millions d'euros)*	Rexel	Hagemeyer Rexel entities	Other Operations related restatements	Pro forma
Sales	**2,516.2**	**819.2**	**-**	**3,335.4**
Cost of goods sold	(1,889.1)	(633.1)	-	(2,522.2)
Gross profit	**627.1**	**186.1**	**-**	**813.2**
Adjusted Gross profit	*631.5*	*190.0*	-	*821.5*
Distribution and administrative expenses	(484.6)	(177.4)	(3.8)	(665.8)
Operating income before other income and other expenses (EBITA)	**142.5**	**8.7**	**(3.8)**	**147.4**
Adjusted EBITA	*146.4*	*12.6*	-	*159.0*
Other income and expenses	(11.9)	(14.3)	-	(26.2)
Operating income	**130.6**	**(5.6)**	**(3.8)**	**121.2**
Share in results of equity affiliates	-	0.7	-	0.7
Net financial expense	(40.0)	0.6	(11.1)	(50.5)
Net income before income tax	**90.6**	**(4.3)**	**(14.9)**	**71.4**
Income tax	(28.1)	7.7	(1.7)	(22.1)
Net income	**62.5**	**3.4**	**(16.6)**	**49.3**
Depreciation	(18.1)	(7.5)	(3.8)	(29.4)

EBITA of Hagemeyer is historically the lowest in the first quarter. In the year 2007, Adjusted EBITA of the first quarter was thus below 15% of the Adjusted EBITA for the full year 2007.

1.3.2 | Pro forma income statement by geographic zone

The following table discloses the split by geographic zone of pro forma sales, Adjusted gross profit and Adjusted EBITA for the first quarter of 2008. Adjusted EBITA is EBITA excluding the amortization of intangible assets recognized in the purchase price of Hagemeyer preliminary allocation, restated for the changes in price of copper-based cables.

(in millions of euros)	Europe	North America	Asia Pacific	Other operations	Total pro forma
Sales	**1,965.1**	**1,053.1**	**202.3**	**114.9**	**3,335.4**
Adjusted Gross profit	502.9	232.2	51.4	35.0	821.5
as a % of sales	*25.6%*	*22.0%*	*25.4%*	*30.5%*	*24.6%*
Adjusted EBITA	**99.1**	**46.2**	**12.4**	**1.3**	**159.0**
as a % of sales	***5.0%***	***4.4%***	***6.1%***	***1.1%***	***4.8%***

The pro forma Adjusted gross margin was 25.6% in Europe due to a 22.5% level in the retained entities from Hagemeyer.

The breakdown of pro forma sales in the first quarter of 2008 is the following:

	In millions of euros	Change 2008 vs. 2007 Actual number of working days	Change 2008 vs. 2007 Same number of working days
Group Total	**3,335.4**	**2.1%**	**4.2%**
Europe	**1,965.1**	**2.2%**	**4.9%**
Of which:	-	-	-
France	617.4	1.8%	3.4%
United-Kingdom	315.8	(1.9)%	1.3%
Germany	200.7	7.8%	11.4%
Scandinavia	226.3	6.8%	10.2%
North America	**1,053.1**	**(0.0)%**	**1.2%**
Asia - Pacific	**202.3**	**5.4%**	**8.2%**
Other operations	**114.9**	**17.5%**	**16.5%**

1.4 | Outlooks regarding 2008

In the current challenging environment, anticipating further softening, Rexel confirms its 2008 objectives presented on March 31, 2008, namely:

- Limited revenue growth including bolt-on acquisitions compared to 2007 revenue of €13.0 billion;
- Adjusted EBITA margin comparable to the 2007 level of 5.4% excluding the favorable non-recurring items previously disclosed;

Taking into account a first quarter of Rexel on a stand-alone basis and the remaining 9 months with Hagemeyer retained entities and the asset swap with Sonepar (see chapter 13 of the *Document de reference* registered by the *Autorité des Marchés Financiers* on April 30, 2008 under number R.08-046).

2. | LIQUIDITY AND CAPITAL RESOURCES OF THE GROUP

2.1 | Cash flow as at March 31, 2008 and March 31, 2007

The following table sets out Rexel's cash flow for the first quarters of 2008 and 2007.

(in millions of euros)		Quarter ended March 31, 2008	2007
Operating cash flow [1]		153.8	160.4
Interest	(a)	(29.6)	(54.3)
Taxes	(a)	(24.4)	(13.0)
Changes in working capital requirement		(48.5)	4.0
Cash flow from operating activities	(b)	51.3	97.1
Cash flow from investing activities		(2,930.8)	15.9
Including operating capital expenditures [2]	*(c)*	*16.6*	*32.3*
Cash flow from financing activities		2,958.1	(72.0)
Net cash flow		78.6	41.0
Free cash flow:			
- before interest and taxes (b) – (a) + (c)		**121.9**	**196.7**
- after interest and taxes (b) + (c)		**67.9**	**129.4**

[1] Before interest, taxes and changes in working capital requirement.

[2] Net of disposals.

2.1.1 | Cash flow from operating activities

Rexel's cash flow from operating activities was a €51.3 million inflow in the first quarter of 2008 compared to €97.1 million in the first quarter of 2007.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements slightly decreased from €160.4 million in the first quarter of 2007 to €153.8 million in the first quarter of 2008. Operating income before depreciation, other income and other expenses (EBITDA) decreased from €162.1 million in the first quarter of 2007 to €160.5 million in the first quarter of 2008.

Interest and taxes

In the first quarter of 2008, interest paid amounted to €29.6 million compared to €54.3 million in the first quarter of 2007. This increase was due to the capitalization of the shareholders' loan and to the increase in share capital pursuant to the initial public offering of Rexel. The 9,375% interest bearing Senior Subordinated Notes was redeemed with the proceeds of the offering. The effect of these operations was partially off-set by the cost of financing the acquisition of Hagemeyer, which was €8.8 million over the period, not taking into account the transaction costs for the new senior credit agreement.

In the first quarter of 2008, €24.4 million income taxes were paid compared to €13.0 million paid in the first quarter of 2007. This increase is due to the higher taxable profit of operating entities.

Changes in working capital requirement

Cash consumed by changes in working capital requirement amounted to €48.5 million in the first quarter of 2008 compared to a €4.0 million inflow in the first quarter of 2007. This increase included in particular the increase in non trade working capital that was favorably affected at December 31, 2007 by 20 basis points of non-recurring items, while the inflow in the first quarter of 2007 was significantly impacted by the very favorable evolution of the capital requirements of Gexpro, which was acquired in 2006. As a percentage of the last twelve months sales converted using exchange rates effective as at the end of the period, the working capital requirement decreased from 14.2% at March 31, 2007 on a constant basis to 13.3% at March 31, 2008 (excluding Hagemeyer). This 90 basis points improvement includes 60 basis points related to the one-off effect of the repayment in the second quarter of 2007 of the tax installments paid in 2006. Working capital requirement is 12.8% as at March 31, 2008, after consolidation of Hagemeyer.

2.1.2 | Cash flow from investing activities

Rexel's cash flow from investing activities consists of acquisitions and disposals of fixed assets, as well as financial investments. Cash flow from investing activities amounted to a €2,930.8 million outflow in the first quarter of 2008 compared to a €15.9 million inflow in the first quarter of 2007.

(in millions of euros)	Quarter ended March 31,	
	2008	2007
Acquisitions of operating fixed assets[(1)]	16.6	32.3
Acquisitions of financial fixed assets[(1)]	(2,947.4)	(18.6)
Net change in long-term investments	-	2.2
Cash flow from investing activities	(2,930.8)	15.9

[(1)] Net of disposals.

Acquisitions and disposal of tangible fixed assets

Acquisition of operating fixed assets, net of disposals, were a €16.6 million outflow in the first quarter of 2008 compared to €32.3 million in first quarter of 2007.

In the first quarter of 2008, gross capital expenditures amounted to €22.3 million, i.e. 0.9% of the sales of the period, of which €4.9 million related to IT systems, €6.6 million to the renovation of existing branches and the opening of new branches, €2.9 million to logistics and €0.7 million to other investments. Changes in the related suppliers payable amounted to €7.2 million, accounting for an increase in the capital expenditures of the period. Disposals of fixed assets in the first quarter of 2008 amounted to €38.8 million and mainly related to a sale and leaseback transaction in the first quarter of 2008, on 4 logistic centers in France in an amount of €38.0 million.

In the first quarter of 2007, gross capital expenditures amounted to €15.0 million, i.e. 0.7% of the sales of the period, including €6.2 million related to IT systems, €4.9 million to the renovation of existing branches and the opening of new branches, €2.7 million to logistics and €0.4 million to other investments. Changes in the related suppliers payable amounted to €0.8 million, accounting for an increase in the capital expenditures of the period. Disposals of fixed assets amounted to €47.3 million, mainly including a sale and leaseback transaction of commercial premises in Switzerland in an amount of €46.3 million (€42.5 million net of related taxes).

Financial investments

Rexel's net financial investments represented a net outflow of €2,947.4 million in the first quarter of 2008 compared to €18.6 million in the first quarter of 2007.

In the first quarter of 2008, outflows in respect of financial investments mainly included the completion of the Hagemeyer offer in an amount of €2,912.8 million net of cash acquired. The other investments are comprised of the acquisition of Beacon in the United States for US $20.1 million (€13.1 million), the end of consolidation of Rexel Deutschland classified as "assets held for sale" as at March 31, 2008 for €16.9 million and a €2.7 million price adjustment related to the EIW company in Australia.

In the first quarter of 2007, financial investments included mainly a price adjustment paid in March 2007 related to the acquisition of Gexpro for US $9.7 million (€7.5 million) and the acquisition of APPRO 5 in France for €7.0 million.

Changes in long-term investments

Net cash from changes in long term investments was nil in the first quarter of 2008 compared to a net inflow of €2.2 million in the first quarter of 2007.

2.1.3 | Cash flow from financing activities

Cash flow from financing activities is comprised of changes in indebtedness, share capital issuances and payment of dividends.

In the first quarter of 2008, financing activities accounted for €2,958.1 million inflow. The net change in credit facilities amounted to €2,993.1 million and was comprised of the drawing under the new Senior Credit Agreement for €4,197.8 million, net of transaction fees. This amount was used to acquire the Hagemeyer shares and bonds for €3.1 billion, as well as to repay the 2007 Senior Credit Agreement for €949.0 million and refinance Hagemeyer pre-acquisition debt for €260.0 million. Repayments of finance lease liabilities amounted to €23.9 million and securitization programs decreased by €12.9 million.

In the first quarter of 2007, financing activities resulted in net cash outflows of €72.0 million, including a net decrease in securitization programs in an amount of €39.7 million, the repayment of the term loan A2 used by Rexel Distribution and Rexel Inc. for €21.7 million. Finance lease repayments amounted to €7.0 million.

2.2 | Sources of financing of the Group

In addition to the cash from operations and equity, the Group's main sources of financing are multilateral credit lines, debt issuances and securitization programs. At March 31, 2008, Rexel's consolidated net debt amounted to €4,764.4 million, and was made up as follows:

	March 31, 2008			December 31, 2007		
(in millions of euros)	Current	Non current	Total	Current	Non current	Total
Senior subordinated notes and indexed bonds	55.5	-	55.5	54.8	-	670.3
Senior credit facility	-	4,211.3	4,211.3	-	960.6	1,604.4
Securitization	-	900.5	900.5	-	1,012.1	1,007.5
Bank loans	6.8	11.6	18.4	5.9	5.0	10.6
Bank overdrafts and other credit facilities	127.8	-	127.8	45.1	-	34.0
Finance lease obligations	41.6	54.9	96.5	16.9	37.5	90.0
Less transaction costs	-	(49.9)	(49.9)	-	(16.1)	(82.6)
Total financial debt and accrued interest	**231.7**	**5,128.4**	**5,360.1**	**122.7**	**1,999.1**	**4,374.1**
Cash and cash equivalents			(595.7)			(473.1)
Net financial debt			**4,764.4**			**3,901.0**

Changes between the two dates are mainly related to financing of the offer on Hagemeyer shares and bonds (see note 10 – "Financial liabilities" to Rexel's Condensed Consolidated Interim Financial Statements as of March 31, 2008).

In the context of this acquisition, Rexel also refinanced its pre-existing debt as well as the Hagemeyer one and entered into a €5.4 billion senior credit agreement (the "New Credit Agreement") whose terms and conditions are disclosed in note 10 to the financial statements as at March 31, 2008. This agreement provides in particular that Rexel must comply with a maximum leverage ratio, determined as the ratio of net debt to consolidated EBITDA.

Net debt is converted to the average rate of the last twelve months and excludes drawings under term loan C of the New Credit Agreement, i.e. €737.0 million as at March 31, 2008.

Consolidated EBITDA means EBITDA adjusted for the non-recurring effect of changes in copper-based cables prices over the last twelve months and includes the EBITDA of the Sonepar Entities until completion of their effective transfer.

The first measurement date of the leverage ratio is set to June 30, 2008 and the maximum is 4.9. Based on net debt as at March 31, 2008 adjusted to include payments of the second quarter of 2008 in respect of the Hagemeyer acquisition and without taking into account the transfer of the Sonepar Entities, the leverage ratio would be approximately 4.3. Were the transfer of the Sonepar Entities completed for an estimated enterprise value of €1.6 billion, the leverage ration would then be approximately 3.8.

Repayment of the €45.7 million indexed bond on May 11, 2008

On May 11, 2008, Rexel Distribution redeemed the bonds issued in 1998 for a par value of €45.7 million (initially FRF300 million). The redemption price was €183.8354 per bond, i.e. a total amount of €55.75 million. Under the swap implemented upon the issuance of these bonds in order to hedge the market value of the bond, Rexel Distribution received an amount of €9.5 million corresponding to the difference between the last interest payment at the rate of three-month EURIBOR minus 0.08% and the fair value of the swap. Therefore, the net amount paid by Rexel under the redemption of the bond issue amounted to €45.7 million, corresponding to the par value of the bond issuance.

II.Condensed consolidated interim financial statements as of March 31, 2008

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Consolidated income statement

(in millions of euros)	*Notes*	For the quarter ended March 31 2008	2007
Sales	*4*	2,516.2	2,576.2
Cost of goods sold		(1,889.1)	(1,937.9)
Gross profit		**627.1**	**638.3**
Distribution and administrative expenses	*5*	(484.6)	(493.1)
Operating income before other income and expenses		**142.5**	**145.2**
Other income	*6*	7.3	0.8
Other expenses	*6*	(19.2)	(2.1)
Operating income		**130.6**	**143.9**
Financial income		11.7	10.4
Interest expense on borrowings		(34.8)	(75.1)
Refinancing related expenses		(11.0)	-
Other financial expenses		(5.9)	(6.1)
Financial expenses (net)	*7*	*(40.0)*	*(70.8)*
Net Income before income tax		**90.6**	**73.1**
Income tax	*8*	(28.1)	(24.0)
Net income		**62.5**	**49.1**
Attributable to:			
Equity holders of the parent		62.5	49.1
Minority interests		-	-
Earnings per share:			
Basic earnings per share (*in euros*)	*9*	0.24	0.39
Fully diluted earnings per share (*in euros*)		0.24	0.38

Consolidated balance sheet

(in millions of euros)	***Notes***	**As of March 31, 2008**	**As of December 31, 2007**
Assets			
Goodwill	***3***	3,619.4	2,608.3
Intangible assets		953.1	686.0
Property, plant & equipment		364.2	272.1
Long-term investments		141.2	76.8
Deferred tax assets		199.7	127.4
Total non-current assets		**5,277.6**	**3,770.6**
Inventories		1,479.1	1,143.2
Trade accounts receivable		2,506.5	2,018.5
Income tax receivable		4.9	1.4
Other accounts receivable		442.7	422.6
Assets classified as held for sale	***3***	1,666.6	-
Cash and cash equivalents	***10***	595.7	515.2
Total current assets		**6,695.5**	**4,100.9**
Total assets		**11,973.1**	**7,871.5**
Equity			
Share capital		1,280.0	1,280.0
Share premium		1,409.9	1,409.9
Reserves and retained earnings		544.3	531.4
Total equity attributable to equity holders of the parent		**3,234.2**	**3,221.3**
Minority interests		23.0	6.0
Total equity		**3,257.2**	**3,227.3**
Liabilities			
Interest bearing debt	***10***	5,128.4	1,999.1
Employee benefits		225.4	125.6
Deferred tax liabilities		234.7	161.5
Provision and other non-current liabilities		174.8	52.8
Total non-current liabilities		**5,763.3**	**2,339.0**
Interest bearing debt	***10***	217.2	118.1
Accrued interest	***10***	14.5	4.6
Trade accounts payable		2,041.4	1,659.3
Income tax payable		36.6	24.0
Other current liabilities		642.9	499.2
Total current liabilities		**2,952.6**	**2,305.2**
Total liabilities		**8,715.9**	**4,644.2**
Total equity and liabilities		**11,973.1**	**7,871.5**

Consolidated statement of cash flows

(in millions of euros)	***Note***	**For the quarter ended March 31** **2008**	**2007**
Cash flows from operating activities			
Operating income		130.6	143.9
Depreciation, amortisation and impairment of assets		18.1	16.8
Employee benefits		(1.7)	(0.2)
Change in other provisions		(2.4)	(0.1)
Other non-cash operating items		9.2	-
Interest paid		(29.6)	(54.3)
Income tax paid		(24.4)	(13.0)
Operating cash flows before change in working capital requirements		*99.8*	*93.1*
Change in inventories		(20.1)	(5.5)
Change in trade and other receivables		30.9	37.5
Change in trade and other payables		(55.0)	(46.0)
Changes in other working capital items		(4.3)	18.0
Change in working capital		*(48.5)*	*4.0*
Net cash from operating activities		51.3	97.1
Cash flows from investing activities			
Acquisition of property, plant and equipment		(22.2)	(15.0)
Proceeds from disposal of property, plant and equipment	***6***	38.8	47.3
Acquisition of subsidiaries, net of cash acquired	***3***	(2,930.5)	(18.6)
Proceeds from disposal of subsidiaries, net of cash disposed of		(16.9)	-
Change in long-term investments		-	2.2
Net cash from investing activities		(2,930.8)	15.9
Cash flows from financing activities			
Repurchase of treasury shares		1.8	-
Net change in credit facilities and other financial borrowings	***10***	2,993.1	(25.3)
Net change in securitisation	***10***	(12.9)	(39.7)
Payment of finance lease liabilities	***10***	(23.9)	(7.0)
Net cash from financing activities		2,958.1	(72.0)
Net increase in cash and cash equivalents		78.6	41.0
Cash and cash equivalents at the beginning of the period		515.2	473.1
Effect of exchange rate changes on cash and cash equivalents		1.9	(6.6)
Cash and cash equivalents at the end of the period		595.7	507.5

Consolidated statement of recognised income and expense

(in millions of euros)	For the quarter ended March 31 2008	2007
Net income	**62.5**	**49.1**
Foreign currency exchange discrepancies	(60.1)	(9.3)
Cash flow hedges (net of tax)	(8.8)	(0.6)
Available for sale securities	0.3	-
Income and expenses recognised directly in equity	*(68.6)*	*(9.9)*
Total recognised income and expense for the period	**(6.1)**	**39.2**
Attributable to:		
Equity holders of the parent	(6.0)	39.2
Minority interest	(0.1)	-

Consolidated statement of changes in shareholders’ equity

(in millions of euros)	Share capital	Share premium	Retained earnings and other reserves	Foreign currency translation	Fair value	Treasury Shares	**Total attributable to the group**	Minority interests	**Total**
At January 1, 2007	**630.5**	**1.6**	**333.3**	**5.3**	**12.3**	**-**	**983.0**	**5.6**	**988.6**
Foreign currency exchange discrepancies	-	-	-	(24.1)	-	-	(24.1)	(0.1)	(24.2)
Cash flow hedges	-	-	-	-	(6.9)	-	(6.9)	-	(6.9)
Available for sale assets			(0.3)				(0.3)		(0.3)
Income and expenses recognised directly in equity	**-**	**-**	**(0.3)**	**(24.1)**	**(6.9)**	**-**	**(31.3)**	**(0.1)**	**(31.4)**
Net income	-	-	143.0	-	-	-	143.0	0.5	143.5
Total recognised income and expense for the period	**-**	**-**	**142.7**	**(24.1)**	**(6.9)**	**-**	**111.7**	**0.4**	**112.1**
Issue of share capital	649.5	1,408.3	14.7	-	-	-	2,072.5	-	2,072.5
Share-based payments	-	-	62.4	-	-	-	62.4	-	62.4
Treasury Shares						(8.3)	(8.3)		(8.3)
Minority interests in companies acquired or sold	-	-	-	-	-	-	-	-	-
At December 31, 2007	**1,280.0**	**1,409.9**	**553.1**	**(18.8)**	**5.4**	**(8.3)**	**3,221.3**	**6.0**	**3,227.3**
Foreign currency exchange discrepancies	-	-	-	(60.0)	-	-	(60.0)	(0.1)	(60.1)
Cash flow hedges	-	-	-	-	(8.8)	-	(8.8)	-	(8.8)
Titres disponibles à la vente	-	-	0.3	-	-	-	0.3	-	0.3
Income and expenses recognised directly in equity	**-**	**-**	**0.3**	**(60.0)**	**(8.8)**	**-**	**(68.5)**	**(0.1)**	**(68.6)**
Net income	-	-	62.5	-	-	-	62.5	-	62.5
Total recognised income and expense for the period	**-**	**-**	**62.8**	**(60.0)**	**(8.8)**	**-**	**(6.0)**	**(0.1)**	**(6.1)**
Issue of share capital	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	16.4	-	-	-	16.4	-	16.4
Treasury shares	-	-	-	-	-	2.5	2.5	-	2.5
Minority interests in companies acquired or sold								17.1	17.1
At March 31, 2008	**1,280.0**	**1,409.9**	**632.3**	**(78.8)**	**(3.4)**	**(5.8)**	**3,234.2**	**23.0**	**3,257.2**

Notes

1.| GENERAL INFORMATION

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The group consists of Rexel and its subsidiaries (together referred to here as 'the Group' or 'Rexel').

The Group's business is the distribution of low and ultra low voltage electrical products to professional customers, and serves the needs of a large variety of customers and markets in the fields of construction, industry and services. The product offer covers electrical installation equipment, conduits and cables, lighting, security and communication, climate control, tools, and white and brown products. The principal markets in which the Group operates are in Europe, North America (United States and Canada) and Asia-Pacific (mainly in Australia, New Zealand and China).

The present condensed consolidated interim financial statements cover the period from January 1st, 2008 to March 31, 2008. They have been authorised for issue by the Management Board on May, 12th 2008.

2.| SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed consolidated interim financial statements (hereafter referred to as "the condensed financial statements") for the period ended March 31, 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and in particular with standard IAS 34, relating to Interim Financial Reporting. In accordance with IAS 34, they do not include all the information required in the annual financial statements, but only selected explanatory notes, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2007 in the Document de reference registered by the Autorité des Marchés Financiers on April 30, 2008 under number R.08-046.

2.2 Basis of preparation

The accounting policies used in the condensed financial statements for the quarter ended March 31, 2008 are identical to those used and described in the consolidated financial statements for the year ended December 31, 2007. New standards and interpretations applicable starting January 1, 2008 did not have any significant impact on the Group's financial situation or condensed financial statements for the quarter ended March 31, 2008.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed frequently. The effect of changes in accounting estimates is accounted for during the period in which they are made and all subsequent periods.

2.2.1| Accounting standards and interpretations effective in 2008

IFRIC 11 "IFRS 2 - Group and Treasury Share Transactions" gives guidance on how to account for and evaluate equity instruments granted by a parent company to a subsidiary's employees. IFRIC 11 is mandatory for consolidated financial statements covering fiscal years from March 1, 2007. This interpretation did not have any effect on the Group's financial statements when applied.

2.2.2| Accounting standards and interpretations approved by the European Union not yet in effect

IFRS 8 ("Operating Segments") supersedes IAS 14 ("Segment Reporting") and adopts a full management approach to identifying and measuring the result of reportable operating segments. IFRS 8 will be applicable from January 1st, 2009. The company has elected not to apply IFRS 8 by anticipation.

3.| BUSINESS COMBINATIONS

3.1 Hagemeyer Acquisition

Following the tender offer in the Netherlands, ended on March 25, 2008 and initiated in the scope of the agreement entered into on November 22, 2007 between Rexel, Kelium (the offeror and an indirect subsidiary of Rexel SA), Sonepar, and Hagemeyer, Rexel acquired control of Hagemeyer N.V, a Netherland based company operating as a worldwide distributor of electrical supplies. This offer was for all of the outstanding shares of Hagemeyer, with a par value of 1.20 euro each, at a price of €4.85 per share (with coupon) and all of the subordinated convertible bonds issued and outstanding bearing interest at a fixed rate of 3.50% and maturing in 2012. All of the required authorizations under the antitrust regulations have been obtained, subject to the divestiture of the Electrical products Distribution business of Hagemeyer in Ireland.

Following the offer period which ended on March 4, 2008 and the additional post closing acceptance period ended on March 25, 2008, Rexel, though Kelium holds, as of March 31 2008, 582,709,466 of Hagemeyer's outstanding shares, or 98.73% of the ordinary shares of Hagemeyer and 100% of the convertible bonds issued by Hagemeyer, i.e; 133.965 bonds.

Kelium holding more than 95% of the Shares and 100% of the bonds, Kelium requested delisting of the shares and convertible bonds of Hagemeyer in accordance with Dutch law. The delisting therefore occured on April 21, 2008. Furthermore, Rexel has initiated a takeover squeeze-out procedure in accordance with the Dutch Civil Code in order to acquire the remaining Shares not tendered and not held by Kelium or Hagemeyer.

Concurrently, Rexel entered into an agreement with Sonepar in relation to the transfer to Sonepar of the businesses of Hagemeyer (other than those of its ACE "Agencies/ Consumer Electronics" division) located in the United States, Canada, Mexico, Australia, Switzerland, Austria, Sweden, China, and Southeast Asia (Malaysia, Thailand and Singapore), as well as of six branches located in Germany (the "Sonepar Entities"). This agreement indicates that the transfer of control of Hagemeyer's businesses to Sonepar takes place from the completion of the offer as managing directors of the related entities can be appointed upon nomination by Sonepar. In addition, upon transfer of such businesses to Sonepar, independent members of the Management Board of Hagemeyer (Hold Separate Manager and Trustee) have been appointed and are in charge of supervising these entities, in particular respect of competition rules in Hagemeyer's activities and manage their divestiture process.

The agreement concluded between Rexel and Sonepar provides for a formula for calculating the prices of these disposals, based on the same sales and EBITDA (calculated on the basis of the financial statements for the 2007 financial year) multiples as those on which the price of the tender offer is based. Besides, this divestiture price shall be increased by (i) the aggregate arrangement fees after tax paid by Rexel for financing the acquisition of Hagemeyer's entities transferred to Sonepar and (ii) a notional interest charge at Euribor + 1% after tax applied to the equity value for such entities.

As of March 31, 2008, the estimated divestiture price of Hagemeyer's entities transferred to Sonepar amounts to €734.3 million, net of selling costs, and excluding the refunding from Sonepar of loans granted to those entities for an amount of €861.1 million. These amounts are presented separately on line "assets held for sale" in the balance sheet. Assets and liabilities related to businesses transferred to Rexel are consolidated as from March 31, 2008 and are presented on the different relevant lines in the balance sheet.

In addition, the agreement between Rexel and Sonepar provides that Rexel will transfer to Sonepar its assets and businesses located in Germany and that Sonepar will transfer to Rexel its assets and businesses located in Sweden. The price of the said transfers will be calculated in the same manner and on the basis of the same formula as the pricing for the transfers to Sonepar of certain assets of Hagemeyer.

Considering this agreement to sell to Sonepar assets and businesses located in Germany, these net assets are presented separately on line "assets held for sale" for a carrying amount of €71.3 million.

The disposal of these businesses should take place in the six months period following the completion of the offer. Management can not give assurance that same of these divestitures may not be delayed or actual selling price may not differ from initial estimates.

3.1.1 Allocation of the purchase price on a provisional basis

As of March 31, 2008, the preliminary allocation of the purchase price is as follows:

		March 31,2008
Cash consideration for ordinary shares at €4,85 per share[(1)]…………………………..		2,824.8
Cash consideration for convertible bonds[(2)]……………………………………………..		266.1
Estimated acquisition costs…………………………………………………………………		36.2
Total cash consideration ……………………………………………………………….		**3,127.1**
Fair value of assets disposed to Sonepar, less costs to sell…………………………….		(734.3)
Total cash consideration after assets disposal to Sonepar…………………………	**(1)**	**2,392.8**
Historical book value of Hagemeyer net assets at March 31,2008………………….. [(3)]		1,215.0
Book value of pre acquired goodwill and intangible assets[(3)]………………………….		(217.1)
Conversion of convertible bonds………………………………………………………..		110.9
Minority interests………………………………………………………………………		(17.1)
Historical book value of assets acquired exluding acquired goodwill ……………	**(2)**	**1,091.7**
Estimation of fair value adjustments		
Distribution networks…………………………………………………………………….		144.0
Customer relationships …………………………………………………………………		58.0
Private labels …………………………………………………………………………….		50.0
Supplier contracts for ACE division ……………………………………………………		25.4
Properties …………………………………………………………………………………		5.0
Investment in associates step up ………………………………………………………		3.0
Recognition of actuarial losses relating to employee defined benefit schemes…..		20.3
Deferred income taxes on the above adjustments………………………………………		(78.3)
Total fair value adjustments……………………………………………………………	**(3)**	**227.4**
Fair value of identifiable assets acquired…………………………………………..	**(2)+(3)-(4)**	**1,319.1**
Goodwill as at March 31,2008…………………………………………………………..	**(1)-(4)**	**1,073.7**

(1): including ordinary shares acquired during the year ended December 2007 at an average price of € 4,73

(2): net of interests received for the period beginning on March 31, 2007 and ended on March 31, 2008

(3) : excluding net assets to be transferred to Sonepar

3.1.2 Assets and liabilities acquired

(in million of euros)	
Distribution networks	144.0
Other intangible assets	143.2
Tangible assets	141.1
Other financial assets	52.8
Other non current assets	119.3
Inventories	396.2
Trade accounts receivable	634.7
Other accounts receivable	93.2
Assets available for sale	1,595.4
Cash and Cash Equivalents	38.7
Minority interests	(17.1)
Interest bearing debt	(349.1)
Trade accounts payable	(532.0)
Other liabilities	(407.0)
Net assets acquired excluding acquired goodwill	**2,053.4**
Purchased goodwill	1,073.7
Total cash consideration	**3,127.1**
Cash acquired	(38.7)
Deferred payment [(1)]	(93.0)
Outstanding acquisition costs	(25.9)
Shares and acquisition costs paid in 2007	(56.6)
Net cash outflow for Hagmeyer acquisition for the period	**2,912.9**

(1): As of March 31, 2008, deferred payment amounted to €93.0 million corresponded to 17 597 996 shares and 3 844 bonds tendered during post closing acceptance period and paid on April 1st 2008.

3.1.3| Assumptions and methods used to prepare the pro forma consolidated financial information

Pro forma income statement for the first quarter 2008 reflect the impact of the following operations as if they had been completed as of January 1st, 2008: (i) the purchasing of all outstanding shares and convertible bonds of Hagemeyer, (ii) the disposals and asset swap agreed upon with Sonepar and (iii) the divestment of certain of Hagemeyer's activities in Ireland.

The assumptions and principles used for its preparation are disclosed in the section 20.2 of the Document de reference registered by the Autorité des Marchés Financiers on April 30, 2008 under number R.08-046.

The pro forma consolidated financial information for the quarter ended March 31, 2008 was prepared on the basis of the Group's condensed financial statements, with the following adjustments:

- inclusion of the results of businesses acquired within the context of the Hagemeyer Offer, net of the transfers of assets to Sonepar and of the transfer of the electrical supplies distribution business of Hagemeyer in Ireland; taking into account the assets swaps with Sonepar (repurchase from Sonepar of its activities in Sweden and transfer to Sonepar of Rexel's activities in Germany). All of these operations have been considered as having been carried out as of January 1, 2008, based on the entirety of the shares and convertible bonds outstanding for the Hagemeyer offer;

- inclusion of additional depreciation and amortisation of identifiable tangible and intangible assets measured at fair value within the context of the contemplated allocation of the acquisition price of the assets;
- inclusion of the theoretical interest charge, as if the acquisition occurred on January 1, 2008, using the applicable interest rates over the relevant periods and based on the terms and conditions of the New Senior Credit Agreement described in note 10.1.1.
- inclusion of the impact of these adjustments on the tax charge based on the applicable tax rate in each country.

3.1.4| Reconciliation of Rexel consolidated income statement with the pro forma consolidated income statement

The Hagemeyer column in the table below reflects the impact of Hagemeyer entities excluding those that are to be transferred to Sonepar and the Electrical Distribution business of Hagemeyer in Ireland that is to be disposed of. This column also includes the effect of the asset swap between Rexel and Sonepar.

Other Adjustments include the effect of amortisation of intangible assets recognized through the purchase price allocation, as well as the theoretical interest charge, after tax.

(in millions of euros)	For the quarter ended March 31			
	Rexel (as published)	**Hagemeyer**	**Other adjustments relating to operations**	**Pro forma**
Sales	**2,516.2**	**819.2**	**-**	**3,335.4**
Cost of sales	(1,889.1)	(633.1)	-	(2,522.2)
Gross profit	**627.1**	**186.1**	**-**	**813.2**
Distribution and administrative expenses	(484.6)	(177.4)	(3.8)	(665.8)
Operating income before other income and expense	**142.5**	**8.7**	**(3.8)**	**147.4**
Other income	7.3	0.8	-	8.1
Other expenses	(19.2)	(15.1)	-	(34.3)
Operating income before other income and expenses	**130.6**	**(5.6)**	**(3.8)**	**121.2**
Share in results of associated companies	-	0.7	-	0.7
Net financial expenses	(40.0)	0.6	(11.1)	(50.5)
Net income before income tax	**90.6**	**(4.3)**	**(14.9)**	**71.4**
Income tax	(28.1)	7.7	(1.7)	(22.2)
Net income before income tax	**62.5**	**3.4**	**(16.6)**	**49.3**

3.2 Other acquisitions

For the first quarter ended March 31, 2008, Rexel completed the following acquisitions, which are not deemed to be material on the financial situation of the company. As a result, neither sales nor profit and loss have been provided for the combined entity, had these acquisitions been effective on January 1, 2008.

Beacon Electric Wholesale

On January 31, 2008, General Supply & Services Inc. acquired Beacon Electric Supply, a distributor of electrical equipment based in San Diego. This company has been consolidated as from this date. The acquisition price for the shares amounts to US$24.1 million (€16.4 million), plus a maximum earn-out payment of US$3.0 million (€2.1 million) due in 2009, and acquisition costs for US$0.4 million (€0.3 million). On March 31, 2008 goodwill on acquisition determined on a provisional basis amounted to €11.9 million.

ABK Electrical Wholesale Pty.Ltd

On January 31, 2008 Rexel Group Australia Pty.Ltd acquired assets of ABK Electrical Wholesale Pty.Ltd, a distributor of electrical equipment. This company has been consolidated as from this date. The acquisition price for the acquired assets and liabilities amounted to AUD5.0 million (€3.0 million) plus a maximum earn-out payment of AUD2.8 million (€1.7 million) due in 2008 and in 2009, and acquisition costs for €0.2 million. Goodwill on acquisition determined on a provisional basis amounted to €2.5 million as of March 31, 2008.

4.| SEGMENT REPORTING

The Group operates in the business of the distribution of electrical products, which represents its only business segment. Segment information is therefore presented in respect to the Group's geographical segments, which are the primary basis of segment reporting. The geographical segments presented under IFRS have been determined by reference to the criteria defined by IAS 14.

The Group has determined the geographical segments to be the continents where the Group operates. Operations in each continent present similar business model characteristics. Economic and market conditions in the sector are usually comparable on a continent level. The segment "Other operations" includes holding companies for Rexel, operations in Latin America, and for pro forma information, ACE division of Hagemeyer.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segment information for the periods ended March 31, 2008 and March 31, 2007

(in millions of euros)	Europe		North America		Asia Pacific		Other operations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales………………………………………………	1,244.0	1,230.8	1,053.1	1,165.0	202.3	166.5	16.8	13.9	2,516.2	2,576.2
Operating income before other income & expenses…………………	83.6	87.2	46.8	49.5	12.2	9.7	(0.1)	(1.2)	142.5	145.2

Geographical pro forma segment information for the quarter ended March 31, 2008

(in millions of euros)	Europe	North America	Asia Pacific	Other operations	Consolidated
Sales……………………………………	1,965.1	1,053.1	202.3	114.9	**3,335.4**
Operating income before other income and expenses……	87.7	46.8	12.2	0.7	**147.4**

5.| DISTRIBUTION & ADMINISTRATIVE EXPENSES

(in millions of euros)	For the quarter ended March 31	
	2008	**2007**
Personnel costs (salaries & benefits) ……………………	290.7	298.8
Building and occupancy costs ……………………………	55.2	53.1
Other external costs ……………………………………	115.4	117.7
Depreciation expense ……………………………………	18.1	16.8
Bad debt expense ………………………………………	5.2	6.7
Total distribution and administrative expenses	**484.6**	**493.1**

6.| OTHER INCOME & OTHER EXPENSES

(in millions of euros)	For the quarter ended March 31	
	2008	**2007**
Capital gains ……………………………………………	7.3	0.5
Release of provisions ……………………………………	-	0.3
Total other income ……………………………………	**7.3**	**0.8**
Restructuring costs ……………………………………	(2.2)	(2.0)
Loss on non-current assets disposed of …………………	(0.1)	(0.1)
Costs related to transactions following the IPO ………..	(16.4)	-
Other operating expenses ………………………………	(0.5)	-
Total other expenses …………………………………	**(19.2)**	**(2.1)**

6.1 Other income

Capital gains

For the quarter ended March 31, 2008, capital gains mainly include for an amount of €7.0 million, the disposal of finance lease contracts relating to four logistic centres in France. Following this disposal, Rexel entered into operating lease for each location. The selling price amounted to €38.6 million net of selling costs.

For the quarter ended March 31, 2007, capital gains mainly consisted of disposals of non-current assets in France.

6.2 Other expenses

Restructuring and integration costs

For the quarter ended March 31, 2008, restructuring and implementation costs have reached €2.2 million and were mainly related to reorganisation costs in the United States for €1.1 million and integration costs of Gexpro for €0.6 million.

For the quarter ended March 31, 2007, restructuring costs have reached €2.0 million and were mainly incurred in Germany for €1.8 million (closing of a logistic centre).

Costs related to transactions following the IPO

For the quarter ended March 31, 2008, the impact of the costs related to transactions following IPO concerns the free shares scheme for an amount of €16.4 million.

7.| FINANCIAL EXPENSES (NET)

(in millions of euros)	For the quarter ended March 31 2008	2007
Expected return on empoyee benefit plan assets …………………	5.5	5.2
Interest income on cash and cash equivalents ……………………	2.7	1.2
Interest income on receivables and loans …………………………	0.6	0.9
Gain on financial instruments held for trading ……………………	2.9	2.8
Other financial income………………………………………………..	-	0.3
Financial income ……………………………………………	**11.7**	**10.4**
Interest expence on financial debt (stated at amortised costs) ….	(36.9)	(74.4)
- Interest expense on shareholders' loan…………………………	*-*	*(12.6)*
- Interest expense on senior debt…………………………………	*(21.0)*	*(27.5)*
- Interest expense on Senior Subordinated Notes ……………………	*(0.5)*	*(14.8)*
- Interest expense on securitisation ………………………………	*(12.4)*	*(12.3)*
- Interest expense on other financing ……………………………	*(0.7)*	*(3.0)*
- Interest expense on finance leases ……………………………	*(0.8)*	*(1.0)*
- Amortisation of transaction costs ………………………………	*(1.5)*	*(3.2)*
Reclassifying income gains and losses on the preceding derivative insruments deferred in equity…………………………	2.5	1.4
Gain (loss) on hedging (foreign exchange rate)……………. …….	(1.2)	0.6
Foreign exchange gain (loss) on financial liabilities………………	0.8	(2.7)
Interest expense on borrowings ………………………………	**(34.8)**	**(75.1)**
Write-down of transaction costs related to 2007 SCA (1)…………	(11.0)	
Refinancing costs ……………………………………………	**(11.0)**	-
Interest cost of employee benefit obligation and other long-term liabilities (discounting effect) ……..…...………………	(5.6)	(5.4)
Change in fair value of commodity derivatives ……………………	**-**	(0.3)
Financial expenses (other) ……………………..…………………	(0.3)	(0.4)
Other financial expenses ………………………………………	**(5.9)**	**(6.1)**
Financial expenses (net)	**(40.0)**	**(70.8)**

(1) see note 10.3

8.| INCOME TAX

Income tax for an intermediate period is calculated based on the expected year-end tax rate, i.e by applying the average estimated tax rate for the year to the intermediate income before taxes.

The effective tax rate for the quarter ended March 31, 2008 is 31.0%, compared with 32.8% on March 31, 2007.

The tax effect of the expected disposal to Sonepar of Rexel business in Germany (as described in note 3) is not included in the effective tax rate as of March 31, 2008.

9.| EARNINGS PER SHARE

Information on the earnings and number of ordinary shares included in the calculation is presented below:

	For the quarter ended March 31	
	2008	**2007**
Net income attributed to ordinary shareholders (*in millions of euros*)..	62.5	49.1
Weighted average number of ordinary shares (*in thousands*)………..	255,541	126,092
Basic earnings per share (*in euros*) ………………………………….	**0.24**	**0.39**
Net income attributed to ordinary shareholders (*in millions of euros*)..	62.5	49.1
Average number of balanced shares in circulation (*in thousands*) ……..[1]	255,541	126,092
Potential dilutive ordinary shares (*in thousands*)……………………….	5,236	4,202
- out of which are share subscription rights (in thousands) …………	-	*2,489*
- out of which are share options (in thousands) ……………………….	*1,004*	*1,713*
- out of which are free shares (in thousands) …………………………[2]	*4,232*	-
Weighted average number of ordinary shares used for the calculation of fully diluted earnings per share (*in millions*)……………	260,777	130,294
Fully diluted earnings per share (*in euros*) ……………………………	**0.24**	**0.38**

(1) After split in two of the value following the decision at the General meeting of April 4, 2007

(2) The number of potential dilutive shares does not take into account the free shares whose allocation is subject to future performance

10.| FINANCIAL LIABILITIES

This note provides information about financial liabilities as of March 31, 2008. Financial liabilities include interest-bearing loans, borrowings and accrued interest less transaction costs.

10.1 Net financial debt

(in millions of euros)	As of March 31,2008			As of December 31,2007		
	Current	Non-current	Total	Current	Non-current	Total
Senior Subordinated Notes and indexed bonds …………	55.5	-	55.5	54.8	-	54.8
Senior credit facility ………………………..………………	-	4,211.3	4,211.3	-	960.6	960.6
Securitisation ……………………..…………………….…	-	900.5	900.5	-	1,012.1	1,012.1
Bank loans ……………………..………………………..	6.8	11.6	18.4	5.9	5.0	10.9
Bank overdrafts and other credit facilities [(1)] ……………..	127.8	-	127.8	45.1	-	45.1
Finance lease obligations ……………………………..….	41.6	54.9	96.5	16.9	37.5	54.4
Less transaction costs ……………………………………	-	(49.9)	(49.9)	-	(16.1)	(16.1)
Carrying amount of liability ………………………………	***231.7***	***5,128.4***	***5,360.1***	***122.7***	***1,999.1***	***2,121.8***
Total financial debt and accrued interest ………..			**5,360.1**			**2,121.8**
Cash and cash equivalents ……………………………..			(595.7)			(515.2)
Net financial debt			**4,764.4**			**1,606.6**

(1) Including accrued interest of €14,4 million as of March 31, 2008 (€4,5 million as of December 31, 2007)

10.1.1 New Senior Credit Agreement

Within the context of the tender offer initiated in The Netherlands by Kelium (an indirect subsidiary of Rexel) on December 24, 2007 relating to 100% of the securities of Hagemeyer, Rexel, as borrower and guarantor, and Kelium, as borrower, entered into a €5.4 billion credit agreement on December 19, 2007 with Calyon, Crédit Industriel et Commercial (CIC), HSBC France, HSBC Bank plc, ING Bank NV, Natixis and The Royal Bank of Scotland Plc, as Mandated Lead Arrangers and Original Lenders, and Calyon, as Agent. The New Senior Credit Agreement was entered into to finance Hagemeyer acquisition, refinance the entirety of the Group's debt under the 2007 Senior Credit Agreement entered into on February 15, 2007, refinance the Hagemeyer group's debt and finance the general operating requirements of Group companies. The New Senior Credit Agreement includes:

- Facility A, which is a multi-currency partly redeemable credit facility with a five-year term as from the execution date of the New Senior Credit Agreement (ie as from December 19, 2007), in an amount of €3.1 billion which is intended to refinance Rexel's existing debt (in principal, interest and premiums) under the 2007 Senior Credit Agreement, finance the acquisition of the Hagemeyer securities, ensure the refinancing of Hagemeyer's debt and that of its subsidiaries and pay the expenses and charges relating to Offer. This facility may be subject to further draw-downs in order to finance the repurchase of the outstanding Hagemeyer securities as at the publication date of this condensed Financial statement.
- Facility B, which is a multi-currency revolving credit facility ("Revolver") with a five-year term as from the execution date of the New Senior Credit Agreement, in a maximum amount of €600 million which is intended to partially refinance Rexel's existing debt (in principal, interest and premiums) under the 2007 Senior Credit Agreement, finance the general operating requirements of Group companies, in

particular working capital requirements, and finance certain acquisitions that meet the criteria set forth in the New Senior Credit Agreement;

- Facility C, which is a multi-currency credit facility with a six-month term as from the settlement and delivery date of the Offer, i.e., will mature on September 14, 2008 (with may be extended for an additional six-month term, i.e. at the latest on March 14, 2009) in a maximum amount at inception of €1.2 billion reduced to €737 million. Facility C is reserved for financing the acquisition of the Hagemeyer securities and paying the expenses and charges relating to the acquisition. Facility C must be repaid with the proceeds resulting from the sale of Group assets, in particular the proceeds resulting from the asset sales agreed with Sonepar and, as the case may be, for the remaining amount, with the proceeds of an increase of Rexel's share capital, the subscription of which is guaranteed by Clayton Dubilier & Rice Fund VII L.P., Ray France Investment SAS, MLGPE Fund International II L.P.; and

- Facility D, which is a multi-currency credit facility with a two-year term as from the settlement and delivery date of the Offer and will mature on March 14, 2010, in a maximum amount of €500 million. Facility D is reserved for the financing of the acquisition of Hagemeyer securities and paying the expenses and charges relating to the acquisition. Facility D must be repaid, in particular, with the proceeds of new securitization programs to be set up by the Group. This facility may be subject to further draw-downs in order to refinance the repurchase of the outstanding Hagemeyer securities as at the publication date of this condensed financial statement.

Under this agreement, Kelium and certain of its subsidiaries, Rexel Distribution, Rexel Inc, Rexel North America, International Electrical Supply Corp. and General Supply & Services are considerate as obligors.

As of March, 31 2008, facilities under the New Senior Credit Agreement are as follows:

Credit Facility (Term Loan)	**Amount authorized**	**Borrower**	**Balance due as of March 31, 2008**	**Currency**	**Balance due as of March 31, 2008**
	(in millions of euros)		*(in millions of local durrency)*		*(in millions of euros)*
Facility A	3,100.0	Rexel Distribution	1,000.0	SEK	106.4
		Rexel Distribution	180.0	CHF	114.4
		IESC*	772.0	USD	488.2
		Rexel North America Inc	320.0	CAD	197.2
		Kelium SAS and Rexel Distribution	2,088.9	EUR	2,088.9
Facility B	600.0	Kelium SAS and other obligors	-	EUR	-
Facility C	737.0	Kelium SAS	737.0	EUR	737.0
Facility D	500.0	Kelium SAS	479.2	EUR	479.2
TOTAL	**4,937.0**				**4,211.3**

* New Borrower

Interests and margin

Amounts drawn bear interest at a rate determined in reference to (i) the LIBOR/STIBOR rate when funds are made available in currencies other than the euro, or the EURIBOR rate when funds are made available in euro, plus (ii) the cost relating to lending banks' reserve requirements and fee payments and (iii) the applicable margin.

The applicable margin is equal to 1.75% in relation to facilities A and B.
From December 31, 2008 it will vary in accordance with the ranges in which the Pro Forma Leverage Ratio (as defined below) falls at the end of each semester as set out below:

Pro Forma Leverage Ratio	Margin
Greater than 4,50:1	2.00%
Greater than or equal to 4,00:1	1.75%
Greater than or equal to 3,50:1	1.40%
Greater than or equal to 3,00:1	1.10%
Greater than or equal à 2,50:1	0.90%
Less than 2,50:1	0.75%

The applicable margins for the other facilities are equal to 0.80% until May 1st, 2008 (and after 1.20%) for facility C and 1.00% until March 14, 2009 (2.00% after) for facility D.

As a result, as of March 14, 2008, applicable margins were 1.75% for facilities A and B, 0.80% for facility C and 1.00% for facility D.

Covenant (Pro Forma Leverage Ratio)

The Pro Forma Leverage Ratio corresponds to the adjusted consolidated net debt relative to the adjusted consolidated EBITDA, as such terms are defined below:

Adjusted Consolidated EBITDA means operating income before other income and other expenses, plus depreciation and amortization as set forth in the Group's financial statements and:

- Includes adjusted EBITDA over the last 12 months of all of the companies acquired during the relevant period, pro rata to the Group's participation;
- Includes proceeds relating to commodity price derivatives to hedge exposure to the price fluctuations of certain commodities which do not qualify for cash flow hedge accounting under IFRS;
- Excludes expenses relating to employee profit sharing and any share based payments or the grant of share subscription options;
- Excludes restructuring costs relating to the integration of Hagemeyer; and
- Is adjusted to reflect the non-recurring impact on the Group's consolidated EBITDA related to the price of copper in cables.

Adjusted consolidated net debt means all financial debt (whether the interest with respect to such debt is paid or capitalized) converted to the average rate of the last 12 months when the debt is in a currency other than the euro:

- less transaction costs, intra-group loans and amounts payable under Facility C;
- plus all indebtedness relating to the issuance of securities that are not mandatorily redeemable into shares and any other amount relating to a loan under international accounting standards;
- plus accrued interest, including capitalized interest but excluding interest accrued on intra-group loans;
- minus cash and cash equivalents.

Commitment

Under the terms of the New Senior Credit Agreement, Rexel must, at each of the dates indicated below, maintain, at the end of each rolling twelve-month period indicated below, a Pro Forma Leverage Ratio below the following levels:

Date	Pro Forma Leverage Ratio
June 30, 2008	4,90:1
December 31, 2008	4,75:1
June 30, 2009	4,75:1
December 31, 2009	4,50:1
June 30, 2010	4,25:1
December 31, 2010	3,90:1
June 30, 2011 and after	3,50:1

The New Senior Credit Agreement contains standard clauses for this type of agreement. These include clauses restricting the ability of Group companies which are parties to the New Senior Credit Agreement, as well as certain subsidiaries, to pledge their assets, carry out mergers or restructuring programs, borrow or lend money, provide guarantees or make certain investments, as well as provisions concerning acquisitions by Group companies.

The New Senior Credit Agreement allows partial or total acceleration upon the occurrence of certain events, including in the case of a payment default under the New Senior Credit Agreement, failure to comply with the Indebtedness Ratio set forth above, payment defaults or acceleration of other financial debt of certain Group entities (above specified amounts), failure to carry out Rexel's share capital increase that would be required in case of non-completion or part completion of the Sonepar Entities disposal to redeem Facility C, or other events that are likely to have a material adverse effect on the payment obligations of the borrowers and the guarantors or on their ability to comply with the Pro Forma Leverage Ratio as set forth above.

If a third party or a group of persons, acting in concert (within the meaning of Article L.233-10 of the French Commercial Code), takes control of Rexel (within the meaning of Article L.233-3 of the French Commercial Code) before the redemption of Facility C, or if Rexel loses indirect control over Hagemeyer, or if Kelium loses direct control over Hagemeyer (control being defined, in such cases, as the holding of more than 50% of the share capital (*geplaatst kapitaal*) of Hagemeyer), a change of control would be considered as having occurred for the purposes of the New Senior Credit Agreement and, as a result, any lender would be entitled to require early payment of its share in the credit agreement, it being noted that, after the redemption of Facility C, the loss of control over Rexel by Clayton, Dubilier & Rice, Merrill Lynch, Eurazeo, Citigroup Venture Capital and the *Caisse de Dépôt et Placement du Québec* or a transfer of shareholding in Rexel among these entities would not be viewed as such a change of control.

A pledge over the Kelium shares, on the one hand, and a pledge over the Hagemeyer shares and convertible bonds that Kelium hold after the offer, on the other hand, has been granted by Rexel Distribution and Kelium respectively, under the New Senior Credit Agreement. Rexel and Rexel Distribution guarantee, on a joint basis, all of the obligations of their respective subsidiaries. In addition, certain U.S. and Canadian entities, in addition to Hagemeyer, guarantee the obligations of Rexel in accordance with applicable laws.

10.1.2 Securitisation programmes

Securitisation programme features are summarised in the table below:

Programme	(in millions of) Currency	Commitment	(in millions of euros) Amount drawn on March 31, 2008	Amount of receivables pledged on March 31, 2008	Outstanding amount on March 31, 2008	Outstanding amount on March 31, 2007	Maturity date	Rate
Europe-Australia	EUR	600.0	532.7	728.0	532.7	599.4	20/11/2012	BT & Euro Commercial paper+0,48%
United States	USD	470.0	465.9	480.0	294.6	294.2	11/03/2012	US commercial paper+0,33%
Canada	CAD	140.0	118.8	125.1	73.2	70.2	13/12/2012	Canadian commercial paper+0,45%
TOTAL				**1,333.1**	**900.5**	**963.8**		

These programmes are subject to certain covenants concerning the quality of the receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency, and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables).

As of March 31, 2008 Rexel had satisfied all of these covenants.

10.1.3 Repayment of the €45.7 million indexed bond on May 11, 2008

Rexel Distribution entered into a €45.7 million (initially FRF300 million) bond issuance comprising 300.000 zero-coupon bonds with a nominal value of €152.45, redeemable on May 11, 2008. Since the delisting of Rexel Distribution, the redemption value of these bonds is calculated on the basis of the average market value of the bond based on appraisals by five options traders in the French securities market, excluding the highest and lowest valuations. Rexel has elected to the fair value hedge accounting under IAS 39. As at March 31, 2008, the fair value was estimated to €55.5 million.

In order to protect itself from fluctuation of the market value of the bond and ensure full redemption of the principal of the bond issue, Rexel Distribution entered into a swap offering this protection in exchange for the quarterly payment of interest corresponding to three-month EURIBOR minus 0.08%. As of March 31, 2008, the fair value of this hedging amounted to €9.8 million.

On May 11, 2008, Rexel Distribution redeemed this bond issue at €183.8354 per bond, i.e., a total amount of €55.75 million. Under the swap implemented, Rexel Distribution received an amount of €9.5 million corresponding to the difference between the last interest payment at the rate of three-month EURIBOR minus 0.08% and the fair value of the swap. Therefore, the net amount paid by Rexel under the redemption of the bond issue amounted to €45.7 million, corresponding to the nominal value of the bond issuance.

10.2 Repayment schedule

The repayment schedule of financial debt is as follows:

(in millions of euros)	For the quarter ended March 31	
Due within	**2008**	**2007**
One year	1,144.7	119.2
Two years	657.0	4.8
Three years	259.3	6.7
Four years	564.1	0.3
Five years	2,709.7	1,983.1
Thereafter	25.2	7.7
Total	**5,360.0**	**2,121.8**

10.3 Change in net financial liabilities

As of March 31, 2008 and March 31, 2007, change in net financial liabilities is as follows:

(in millions of euros)	2008	2007
At December 31,	**1,606.6**	**3,901.0**
Net change in shareholders' loan	***-***	***12.6***
Reimbursement of Senior Credit Agreement 2007	(949.0)	-
Re-financing of Hagemeyer debt pre-acquisition	(260.0)	-
Subscription of Credit Agreement 2008	4,254.4	-
Transaction costs of Credit Agreement 2008	(56.6)	-
Other changes	4.3	(25.3)
Net change in credit facilities	***2,993.1***	***(25.3)***
Net change in securitisation	(12.9)	(39.7)
Payment of finance lease liabilities	(23.9)	(7.0)
Net change in financial liabilities	**2,956.3**	**(72.0)**
Change in cash and cash equivalents	(78.6)	(41.0)
Foreign currency exchange discrepencies	(85.6)	(11.6)
Change in consolidation scope	343.0	1.8
Amortisation of transaction costs	12.6	3.2
Other changes	10.1	0.5
At March 31,	**4,764.5**	**3,794.5**

For the quarter ended March 31, 2008, change in net financial liabilities includes the following transactions*:*

Refinancing of the 2007 Senior Credit Agreement and pre-acquisition debt of Hagemeyer

As of March 14, 2008, following the acquisition of Hagemeyer, the remaining amount due under Facility A of the 2007 Senior Credit Agreement, was entirely redeemed in advance for an amount of €949 million. At the same time, the multicurrency line of credit of the Hagemeyer Group, amounted to €281, 1 million as of March 14, 2008, was entirely repaid and refinanced by an advance of treasury for an amount of €260 million.

These Credit Agreements were refinanced by drawings under the New Senior Contract Agreement for an amount of €4 254.4 million (€4 211.3 million converted at average rates as at March 31, 2008) , which is composed of a multicurrency credit facility A for an amount of €3 038.2 million, and two others credit facilities, C and D, for respectively €737 million and €479.2 million.

Transaction costs

Transaction costs related to the New Senior Credit Agreement are presented in net change in credit facilities for an amount of €56.6 million, excluding those which will be recharged to Sonepar through the divestiture price.

The transaction costs due to the anticipated refund of the 2007 Senior Credit Agreement were entirely amortized for an amount of €11.0 million.

Payment of finance lease liabilities

Change in finance lease liabilities mainly includes repayment for an amount of €17.2 million of finance lease debt related to the disposal of four lease contracts in France (see note 6.1).

Change in consolidation scope

Change in consolidation scope includes the effect of Hagemeyer acquisition for an amount of €349.1 million less indebtedness of Germany for €6.1 million following the classification of these operations on line “assets held for sale” as of March 31, 2008 (see note 3).

For the quarter ended March 31, 2007, net change in credit facilities included semi-annual instalment on the Facility A for €20.0 million in accordance with the 2005 Senior Credit Agreement.

11.| MARKET RISKS AND FINANCIAL INSTRUMENTS

11.1 Interest rate hedging

In accordance with its policy regarding interest rate hedging, the Group has entered into euro-, US dollar-, Canadian dollar-, Australian dollar- and Swedish Krona- denominated interest –rate swap contracts, exchanging floating rates for fixed rates. It has also entered into US dollar, euros, Pound Sterling, and Canadian dollar- denominated cap and collars contracts. These swaps mature between March 2008 and March 2011. It is the Group's intention to renew any of these swaps in order to hedge the variability of future interest expense related to its floating interest debt according to its policy. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning the evolution of the interest rates linked to those currencies. Those instruments are classified as cash flow hedges and are measured at fair value.

In addition, the Group entered into a swap paying fixed rates to hedge risks incurred by the evolution of a specified debt.

Fair value hedge derivatives

As of March 31, 2008, derivative instrument classified as fair value hedge is as follows:

	Total notional amount	**Weighted average fixed rate received**	**Variable rate paid**	**Fair value** *(in millions of euros)*
Swaps paying variable rate				
Euro	45.7	**(1)**	3M Euribor - 0,08%	9.7
Total	**45.7**			**9.7**

(1) In connection with the issuance in 1998 of a €45.7 million bonds indexed on the Rexel Distribution share price, Rexel Distribution entered into an equity swap to neutralise the risk incurred by the change in the Rexel Distribution share price. This equity swap is paying three-month EURIBOR minus 0.08% and is receiving, at maturity, the final redemption price of the indexed bonds and qualifies as a fair value hedge.

Changes in fair value of the derivatives designated as hedges to the variability of the fair value of liabilities are recognised in profit or loss. The changes in fair value of the fair value hedge derivatives and of the underlying liabilities are recognised as interest expense on borrowings. The change in fair value of these swaps for the period ended March 31, 2008 was a gain of €0.6 million, matched against a loss resulting from the change in fair value of the related indebtedness.

Cash flow hedge derivatives

As of March 31, 2008, derivative instruments classified as cash flow hedges are as follows:

	Total notional amount currency *(in millions of currency)*	**Maturity**	**Floating rate received**	**Weighted average fixed rate paid**	**Fair value** *(in millions of euros)*
Swaps paying fixed rate					
Euro	303.0	March 2010	1M Euribor	3.15%	5.2
US $	130.0	December 2008	3M Libor	4.95%	(1.5)
	185.0	September 2009	3M Libor	5.25%	(5.0)
	269.0	March 2010	3M Libor	4.64%	(7.3)
	130.0	December 2011	3M Libor	3.77%	(1.6)
Canadian $	112.0	March 2009	3M Libor	3.83%	(0.5)
	80.0	March 2010	3M Libor	4.02%	(0.8)
Swedish Krona	430.0	March 2010	3M Stibor	3.36%	0.9
Australian $	41.5	March 2010	3M Libor	6.10%	0.5
Total					**(10.1)**

	Total notional amount currency *(in millions of currency)*	**Maturity**	**Premium share paid** *(in millions of euros)*	**Floating rate received**	**Weighted average fixed rate paid**	**Fair value** *(in millions of euros)*
Options - Plain vanilla caps						
US $	100.0	March 2009	0.8	3M Libor	5.00%	-
US $	365.0	September 2009	1.7	3M Libor	5.50%	-
Collars						
Euro	900.0	March 2011	0.8	3M Euribor	2,65%-4,50%	2.3
Pound Sterling	66.0	March 2011	0	3M Libor	3,75%-5,75%	0.1
Canadian $	126.0	March 2011	0.1	3M Libor	2,75%-5,00%	(0.2)
Total						**2.2**

Following the acquisition of Hagemeyer and in accordance with its interest rate hedging strategy, the Group entered into collars contracts in euros, Pound Sterling and Canadian dollars. At the subscription date, Rexel paid a premium for an amount of €0.9 million.

On March 31, 2008, the total notional amount of cash flow hedge swaps and cash flow hedge options were €943 million and €1 355 million, respectively.

The change in the fair value of the cash flow hedge instruments for the quarter ended March 31, 2008 was recognised in shareholders' equity for an amount of €13.6 million (before tax).

11.2 Hedging of fluctuations in foreign currency

Exchange exposure arises from external financing in currency other than the euro and in financing of/by Group entities of/by the Parent company in their local currency. In order to neutralise the exposure to the exchange rate risk, the positions in currencies other than the euro are systematically hedged with term contracts with duration generally between one and three months. The hedge contracts are renewed as necessary while exposure remains.

Fair value

The notional amount and the fair value of financial instruments hedging foreign exchange risk as of March 31, 2008 were respectively €79.0 million (€230.0 million forward sales and €151.0 million forward purchases) and €3.0 million. Change in fair value is accounting for in net financial expenses in order to neutralize exchange rate gain (loss) related to hedging transactions.

12.| LITIGATION AND CONTINGENCIES

12.1 Litigation

For the quarter ended March 31, 2008, the Group considers that the risk it will have to bear significant amounts as a result of non recurrent events or litigation is limited and that these proceedings will not have a material adverse affect on its financial situation or results. There was not significant evolution relating to mentioned litigation in consolidated financial statement as of December 31, 2007.

Litigations related to Hagemeyer's activities that Rexel has inherited are described below.The agreement between Rexel and Sonepar signed on October 23, 2007 provides certain arrangements regarding the allocation to the parties of damages resulting from these litigations.

Litigation regarding bankruptcy of CETECO

Since 1995, Hagemeyer has held, directly and indirectly, approximately 65% of the shares in Ceteco N.V., which was declared bankrupt in May 2000. In October 2003, Ceteco's bankruptcy receivers filed a lawsuit against Hagemeyer and the managing and supervisory board members of Ceteco in a Dutch court for the entire deficit in bankruptcy, currently estimated by the bankruptcy receivers at € 190 million, which includes a subordinated claim of Hagemeyer on Ceteco of € 42 million.

This claim is based on the allegation that the non-executive directors improperly supervised the executive directors while they mismanaged Ceteco, leading to its demise. The basis of the alleged liability is that three of these non-executive directors were members of Hagemeyer's Board of Management during the period of the alleged mismanagement.

In addition, and alternatively, the bankruptcy receivers allege that Hagemeyer, as a majority shareholder of Ceteco, breached a duty of care it owed to Ceteco and its creditors by, among other things, failing to intervene in time to prevent mismanagement at Ceteco. The bankruptcy receivers also claim that Hagemeyer has unjustly discharged Ceteco's Supervisory Board and Board of Management.

The damages in this tort claim are based on the loss suffered by Ceteco in certain countries. Any damages so recoverable in the tort claim will reduce the deficit in bankruptcy and therefore will reduce the amount of the first claim. It is currently expected that the aggregate claim of the bankruptcy receivers will not exceed €148 million.

One of Ceteco's creditors, Dresdner Bank Lateinamerika AG, claims damages from Hagemeyer in the amount of €14.5 million based on tort and alleging that Hagemeyer breached a duty of care to Dresdner

Bank by failing to intervene in time to prevent mismanagement at Ceteco. The amount claimed forms part of the deficit in Ceteco's bankruptcy. Dresdner Bank has not commenced any formal court proceedings.

On December 12, 2007 the Utrecht district court rendered its judgment in the Ceteco litigation. The court allowed the claim of the bankruptcy receivers of Ceteco and ordered Hagemeyer as well as the former members of the Board of Management and the Supervisory Board of Ceteco to pay a still to be determined amount of damages and referred the parties to a separate proceeding to determine the amount of the damages. In addition Hagemeyer and the former members of Ceteco's Board of Management and Supervisory Board were jointly and severally ordered to make an advance payment of damages of €50 million. In the meantime Hagemeyer and the former members of Ceteco's Board of Management and Supervisory Board have appealed this judgment. The appeal suspends the enforceability of the judgment, including the advance payment and the commencement of the separate damage proceedings. On February 8, 2008, the bankruptcy receivers provisionally attached for an amount of €190 million the shares of certain of Hagemeyer N.V.'s directly held Dutch subsidiaries and intragroup receivables that were due on February 8, 2008 by these Dutch subsidiaries to Hagemeyer N.V. Hagemeyer appealed this decision. Hagemeyer continues to believe that it has sound legal grounds to defeat all of these claims, but cannot give assurances that its defense will ultimately prevail.

CEF vs. Elektrotechnische Groothandel Bernard and others

One of Hagemeyer's competitors, CEF Holdings Ltd, started a new wholesale business in electrical materials in 1989 in the Netherlands. Subsequently, CEF Holdings claimed it suffered injury from a cartel maintained by, among others, the Dutch trade association of wholesale traders in electrical materials (the FEG) and all members of the FEG including (at that time) Elektrotechnische Groothandel Bernard B.V., one of Hagemeyer's Dutch subsidiaries. In March 1991, CEF Holdings lodged a complaint with the European Commission against, among others, FEG and all of its members. Subsequently, CEF City Electrical Factors B.V. instituted legal proceedings in February 1999 before the district court in Rotterdam against FEG, Technische Unie (the largest FEG member) and Bernard (the second largest FEG member) for damages in the amount of approximately €98 million exclusive of interest and costs, on the same factual basis.

In October 1999, the European Commission imposed a fine against FEG and Technische Unie because of cartel activities, which decision was confirmed by the European Court of Justice in September 2006. The European Commission did not fine Bernard and later explicitly closed the file on Bernard.

The proceedings before the Rotterdam district court initiated by CEF against FEG, Technische Unie and Bernard that were suspended pending the procedure before the European Court of Justice have been resumed.

In 2006, CEF filed also claims against Hagemeyer N.V., Hagemeyer Nederland B.V., HTG Nederland B.V. and their directors, claiming that these parties have restricted CEF's possibilities for recovery of its alleged damages and holding them liable for the resulting loss, if any.

In the context of the proceedings involving CEF and FEG, Technische Unie and Bernard, Hagemeyer N.V., Hagemeyer Nederland B.V., HTG Nederland B.V. and their directors, CEF filed a provisional attachment claim with the Rotterdam district court at the end of 2005. In July 2006, the district court dismissed this claim based on the fact that one of the defendants (Technische Unie) had given a security covering the amount of damages claimed by CEF. CEF appealed this decision. On April 8, 2008, the Court of Appeal of the Hague dismissed CEF's claims to obtain the provisional attachment of certain assets of Hagemeyer N.V., Hagemeyer Nederland B.V., HTG Nederland B.V. and their directors, based on the plaintiff's alleged failure to state a claim. The court only allowed CEF to provisionally attach Hagemeyer Nederland B.V.'s shares owned by Bernard for a total amount of €7 million and explicitly decided that any provisional attachment could not exceed this amount.

Furthermore, in March 2008, CEF initiated interim injunction proceedings before an Amsterdam court to prevent Hagemeyer N.V., ABN AMRO Bank N.V., Rexel, Kelium and Sonepar to be named in Hagemeyer's bankruptcy proceedings and to compel them to transfer €95 million to an escrow account to ensure the payment of CEF's claims. On April 17, 2008, the Amsterdam district court rejected all of CEF's claims and argued that the plaintiff failed to state a claim. CEF has announced its intention to appeal this decision.

Belgian Tax Authorities vs. Manudax Belgium

Manudax Belgium N.V., one of Hagemeyer's Belgian subsidiaries, entered into voluntary liquidation on November 27, 2000. During 1999 and 2000, Manudax Belgium received assessments for VAT in connection with fraudulent transactions allegedly entered into by former employees during the period beginning late 1996 until early 1998. The amount of these assessments, including penalties and excluding interest, is €78.2 million. The interest accrued until December 31, 2007 amounts to €52.1 million. All assessments are being contested by Manudax Belgium.

Arbitration regarding ABM

In 2001, Hagemeyer acquired ABM, a subsidiary in Spain. In connection with the transaction, it was agreed to make certain earn-out payments to the seller of ABM, contingent upon Hagemeyer's achievement of certain agreed adjusted and audited 2002 EBITDA levels. Hagemeyer determined that such agreed EBITDA levels were not achieved, and consequently no earn-out payment was made to the seller of ABM. The company's auditor at the time gave an unqualified opinion on the 2002 Spanish statutory accounts, which contractually formed the basis of the adjusted and audited 2002 EBITDA. The seller is however of the opinion that certain agreed EBITDA levels were achieved and accordingly claims an earn-out payment of €18 million, excluding contractual interest and expenses, currently estimated at € 7.6 million, which claim was upheld in an "expert determination" proceeding. The expert's decision has been submitted to arbitration. An arbitration award is expected in 2008.

The Group believes it has sound legal grounds to defeat this claim but cannot give assurance that its defense will ultimately prevail.

12.2 Contingencies

On February 1st, Rexel signed an acquisition agreement to acquire a 73.5% ownership interest in the share capital of a Chinese company based in Suzhou, Suzhou Xidian Co., Ltd. This company specialises in industrial automation and Siemens low-voltage products. Rexel is entitled to increase its ownership interest to 100% in 2011.The acquisition price before adjustment is estimated at CNY51.4 million (€4.6 million). To date, completion of this acquisition, expected to occur in the second half of 2008, is subject to the usual conditions for this type of transaction and especially the approval of the Chinese authorities.

13.| SEASONALITY

The Group's business has only a small correlation with seasonal factors. The Group typically has slightly lower than average sales during the first quarter (particularly in January and February), and slightly higher than average sales in the last quarter (particularly in October and November).

14.| SUBSEQUENT EVENT AS OF MARCH 31, 2008

On May 11, 2008, Rexel Distribution redeemed the indexed bond issue at €183.8354 per bond, i.e., a total amount of €55.75 million. Under the swap implemented, Rexel Distribution will receive an amount of €9.5 million corresponding to the difference between the last interest payment at the rate of three-month EURIBOR minus 0.08% and the fair value of the swap. Therefore, the net amount paid by Rexel under the redemption of the bond issue will amount to €45.7 million, corresponding to the nominal value of the bond issuance.