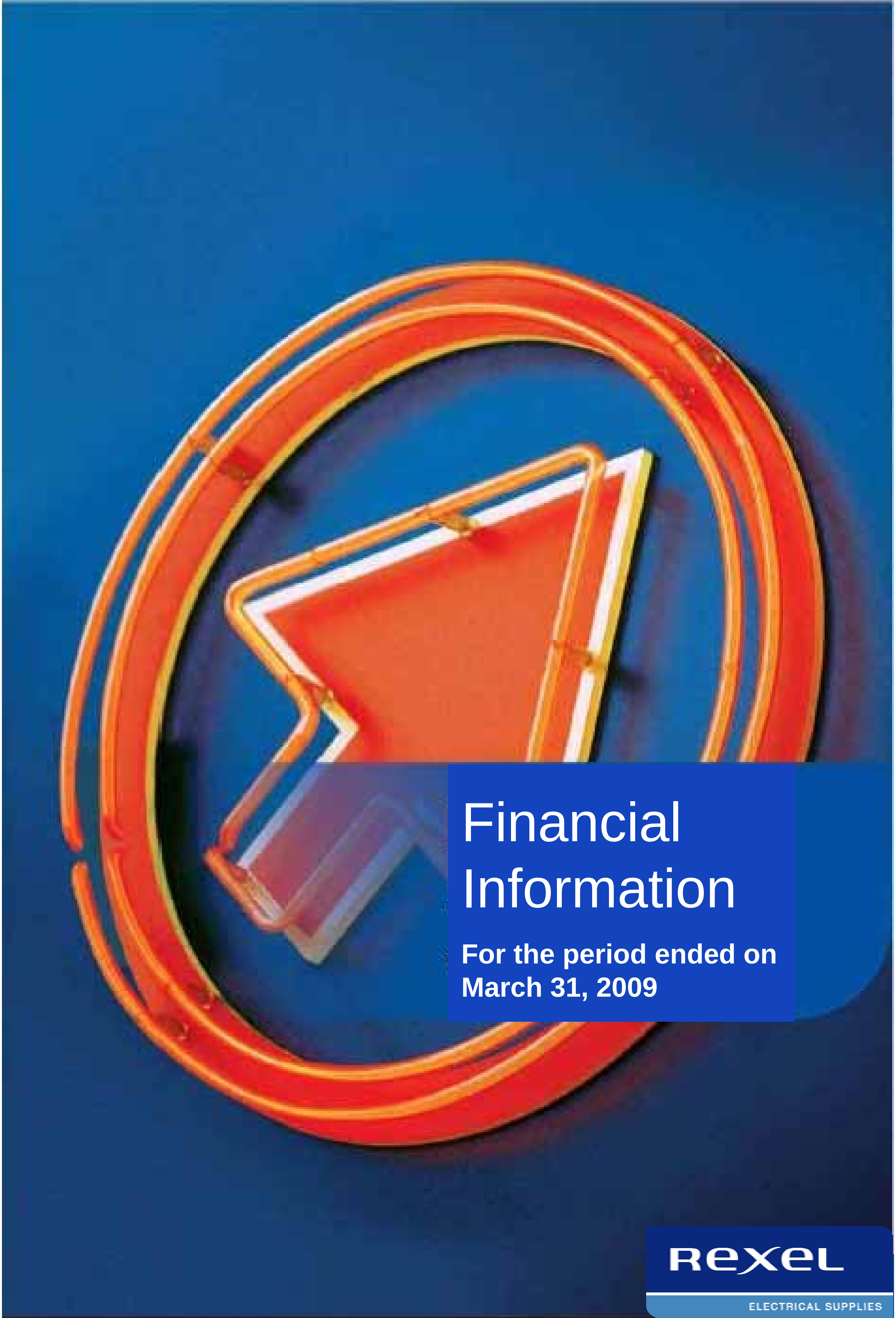

Financial Information

For the period ended on March 31, 2009

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
479 973 513 R.C.S. Paris

Financial information for the period ended March 31, 2009

I. Activity report

This document is a free translation into English of the activity report for the period ended March 31, 2009 issued in the French language and is provided solely for the convenience of English speaking readers. In the event of any ambiguity or discrepancy between this unofficial translation and the activity report for the period ended March 31, 2009, the French version will prevail.

1. | OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

In 2008, Rexel acquired significant part of the businesses of Hagemeyer N.V., a Netherlands based company operating as a worldwide distributor of electrical supplies, the business of Sonepar in Sweden and transferred to Sonepar its own business in Germany. All of these transactions are described in section 2.2 of the *Document de référence* registered by the *Autorité des Marchés Financiers* on April 20, 2009 under number R.09-022. The Hagemeyer businesses were consolidated from March 31, 2008. The former business of the Group in Germany, transferred to Sonepar in the second quarter, has been excluded from the scope of consolidation since March 31, 2008. The business acquired from Sonepar in Sweden was consolidated from July 1, 2008.

Numbers and percentages in this document were 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 is a 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 the Group's financial reporting structure. Non-core operations and businesses managed at Group level are aggregated and presented under a separate segment called "Other Operations", as defined below. This segment also includes unallocated corporate overheads expenses.

In the first quarter of 2009, the Group recorded consolidated sales of €2,809.8 million, of which €1,646.0 million were generated in Europe (59% of sales), €886.0 million in North America (32% of sales), €180.1 million in the Asia-Pacific zone (6% of sales), and €97.7 million related to Other Operations (3% of sales).

The Europe zone consists of France (which accounts for approximately 35% of Group consolidated sales in this zone), Germany, the United Kingdom, Ireland, Austria, Switzerland, The Netherlands, Belgium, Luxembourg, Sweden, Finland, Norway, Italy, Spain, and Portugal, as well as several Central European countries (Slovenia, Hungary, Slovakia, the Czech Republic, Poland, Russia and the Baltic States).

The North America zone consists of the United States and Canada. The United States represent approximately 75% of the Group's consolidated sales in this zone and Canada the remaining 25%.

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 65% of the Group's consolidated sales in this zone and New Zealand close to 15%.

The Other Operations segment includes ACE, the Agencies / Consumer Electronics division acquired from Hagemeyer from the beginning of the second quarter of 2008, which represented approximately 3% of the Group's sales on a yearly basis. It also includes Chile, which represented less than 0.5% of the Group's sales in the first quarter of 2009 and certain businesses managed at Group level. Unallocated corporate overheads (mainly occupancy and personnel costs of the headquarters) are also included in this segment, as well as elimination of inter-segments operations.

The analysis below covers the Group's sales, gross profit, distribution and administrative expenses and operating income before amortization of intangible assets recognized on the occasion of purchase price allocations and other income and other expenses (EBITA) separately for each of the three geographic segments, as well as for 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, about half of annual free cash flow generated in the first half of the year, a low third quarter due to an increase in working capital requirements as a result of higher sales in September, and a strong fourth quarter.

1.1.3 | Effects of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with the distribution of cable products. Cables accounted for approximately 15% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also depend on suppliers' commercial policies and on the competitive 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, assessed as part of the monthly internal reporting process of the Rexel Group:

- The recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the selling price of cables from one period to another. This effect mainly relates to sales;

- The non-recurring effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the selling price 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). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA is the non-recurring 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).

Both these effects are assessed on the whole of cable sales in the period, the majority of sales being thus covered. In addition, internal Rexel Group procedures stipulate that entities that do not have the information systems that allow such exhaustive calculation have to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period. Considering the sales covered, the Rexel Group deems the effects thus measured a reasonable estimate.

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.

In addition, the Group implemented IFRIC 13, Customers Loyalty Programmes, retrospectively from January 1st, 2008. As a consequence, the figures presented for 2008 have been restated in accordance with this interpretation. The impacts are however not material and do not affect EBITA. They are presented in the note 2.2.1 to Rexel's Condensed Consolidated Interim Financial Statements as of March 31, 2009.

Exclude the effects of acquisitions and disposals

The Group adjusts 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 financial year, assuming that the preceding financial year would have had the same scope of consolidation for the same period as the current year.

In the year 2008, the Group acquired Beacon Electric Supply Company, an electrical supplies distributor in the area of San Diego in the United States, the business of the ABK Electrical Wholesale Pty.Ltd Company, an electrical supplies distributor in Australia, Egleys Electrical in New Zealand, Espace Elec and NFM SA in France, and B.V. Electrotechnische Groothandel J.K. Busbroek in The Netherlands. These acquisitions amounted to €59.0 million net of cash acquired, including prices adjustments on previous acquisitions.

In 2008, the Group also acquired Hagemeyer in an offering that ended on March 25, 2008. As of March 31, 2009, Rexel owned 99.14% of the outstanding shares and all of the convertible bonds outstanding for an amount of approximately €3.2 billion through its subsidiary Kelium. The transfer of the agreed activities to Sonepar was completed in June 2008 for an amount of approximately €1.6 billion. In addition, Rexel disposed of its activities in Germany to Sonepar for an amount of €177 million and acquired from Sonepar its activities in Sweden for an amount of €86 million. In total, the assets sale to and assets swap with Sonepar resulted for Rexel in a reduction of its net debt of approximately €1.7 billion.

In the first quarter of 2009, the Group acquired 63.5% of the shares of Suzhou Xidian Co. Ltd. in China for CNY41.0 million (€4.7 million) net of cash acquired. Prices adjustments on previous acquisitions amounted to €1.0 million, mainly related to the purchase of part of the remaining Hagemeyer shares.

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 cable prices, as described in paragraph 1.1.3 – "Effects of changes in 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 is not deemed relevant to the Group's other consolidated income statement items.

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 estimated non-recurring effect related to changes in copper-based cable prices. 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 an estimate of comparable data in accordance with the principles set out above. It is subject to the review of the statutory auditors pursuant to Article L.823-10 of the French commercial code.

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

	Quarter ended March 31,	
(in millions of euros)	2009	2008
Operating income before other income and other expenses	**77.5**	**142.5**
Changes in scope effects		10.8
Foreign exchange effects		1.6
Non recurring effect related to copper	2.6	5.4
Amortization of intangible assets recognized as part of the allocation of the purchase price of acquisitions	4.8	2.0
Adjusted EBITA on a constant basis	**84.9**	**162.3**

1.2 | Comparison of the financial results as at March 31, 2009 and March 31, 2008

The 2008 figures were restated in accordance with IFRIC 13, Customers Loyalty Programmes, as disclosed in 1.1.4 above. The reported figures include the effect of the Hagemeyer transaction in the first quarter of 2009 but not in the first quarter of 2008. On a constant basis, both periods include such effect.

1.2.1 | Rexel's consolidated financial results

The following table sets out Rexel's consolidated income statement for the first quarters of 2009 and 2008, in millions of euros and as a percentage of sales.

REPORTED	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	2,809.8	2,516.5	11.7%
Gross profit	690.8	626.8	10.2%
Distribution and administrative expenses (1)	(608.5)	(482.3)	(26.2)%
EBITA	82.3	144.5	(43.0)%
Amortization	(4.8)	(2.0)	140.0%
Other income and expenses	(38.6)	(11.9)	
Operating income	38.9	130.6	
Financial expenses	(37.7)	(40.0)	
Income tax	(0.4)	(28.1)	
Net income	0.8	62.5	
as a % of sales	*0.0%*	*2.5%*	
(1) Including depreciation:	(20.9)	(16.0)	30.6%

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	2,809.8	3,350.5	**(16.1)%**
Same number of working days			*(15.4)%*
Gross profit	693.9	816.8	(15.1)%
as a % of sales	*24.7%*	*24.4%*	
Distribution and administrative expenses	(609.0)	(654.5)	(7.0)%
as a % of sales	*(21.7)%*	*(19.6)%*	
EBITA	**84.9**	**162.3**	**(47.7)%**
as a % of sales	***3.0%***	***4.8%***	

Sales

In the first quarter of 2009, Rexel's consolidated sales increased by 11.7% to €2,809.8 million, a 15.4% decrease on a constant basis and same number of working days. Acquisitions, net of divestitures, accounted for an increase of €772.4 million, mainly related to the Hagemeyer transaction, while the positive effect of changes in exchange rates amounted to €61.6 million, due to the appreciation of the US dollar against the Euro, which was mitigated by the depreciation of other currencies.

The following table analyzes the changes in sales growth between the first quarters of 2009 and 2008, on a reported basis and on a constant basis and same number of working days:

		Growth 2009 vs. 2008
		Q1
Growth on a constant basis and same number of working days		(15.4)%
Number of working days effect		(0.7)%
Organic growth	(a)	*(16.1)%*
Changes in scope effects		30.7%
Foreign exchange effects		2.4%
Total scope and currency effects	(b)	*33.1%*
Effective growth (a) x (b) [(1)]		11.7%

[(1)] Organic growth compounded with the scope and currency effects

In the first quarter of 2009, the lower copper-based cable prices compared to the first quarter of 2008 accounted for approximately 27% of the -15.4% Group's sales variation on a constant basis and same number of working days. Thus, at constant copper price, sales would have decreased by 11.3%.

Gross profit

In the first quarter of 2009, gross profit amounted to €690.8 million, a 10.2% increase compared to 2008. On a constant basis, Adjusted gross margin improved by 30 basis points compared to 2008 from 24.4% in the first quarter of 2008 to 24.7% in the first quarter of 2009. This improvement reflects purchasing synergies with Hagemeyer, together with a favourable product mix, notably cables (reduction in the share of cables in the overall sales, cables being sold with a lower gross margin than the Group average one).

Distribution and administrative expenses

Rexel pursued the downsizing of its costs structure over the period to adapt to the current market trends. On a constant basis, Adjusted distribution and administrative expenses decreased by 7.0% between 2008 and 2009 compared to a 16.1% decrease of sales. Adjusted personnel expenses decreased by 8.5% on a constant basis as a result of the headcount reductions implemented in almost all the countries, with the major effects in North America and in Europe (in particular in Spain and in the United Kingdom). At March 31, 2009, the number of employees was 31,759, down 4.1% compared to December 31, 2008 and down 9.4% compared to a year ago, on a constant basis. Bad debt expenses increased compared to the first quarter of 2008, especially in Europe, but remained stable compared to the fourth quarter of 2008.

EBITA

EBITA reached €82.3 million in the first quarter of 2009, a 43.0% decrease compared to the first quarter of 2008 on a reported basis. On a constant basis, Adjusted EBITA decreased by 47.7% and Adjusted EBITA margin decreased by 180 basis points from 4.8% in the first quarter of 2008 to 3.0% in the first quarter of 2009 as a result of the drop in sales.

Other income and other expenses

In the first quarter of 2009, other income and other expenses were a net expense of €38.6 million and included €30.4 million restructuring and Hagemeyer's integration expenses (including €16.5 million in Spain and €4.4 million in the United States), €4.4 million related to the disposal of Rexel's operations in Hungary and €2.5 million of non-cash charges in respect of free shares granted in April 2007 concurrently to the IPO of Rexel.

Financial expenses

In the first quarter of 2009, net financial expenses were €37.7 million compared to €40.0 million in the first quarter of 2008. The 2009 expenses included €3.3 million with regard to defined employee benefit obligations because of the reduced funding resulting from the negative return on plan assets in 2008, whereas the net impact was not material in 2008. In the first quarter of 2008, financial expenses included €11.0 million non-recurring costs related to the 2008 Group's refinancing. Financial expenses reflect the terms of the new Senior Credit Agreement entered into for the Hagemeyer transaction only as from the second quarter of 2008. In the first quarter of 2009, the effective interest rate was 4.5% compared to 5.0% in the first quarter of 2008 and 6.3% in the fourth quarter of 2008.

Tax expenses

The effective tax rate was 34.5% at March 31, 2009 compared to 31.0% at March 31, 2008. The 2009 rate is expected to remain higher than in 2008 due to the lower profits in 2009 resulting in unrecognized losses in the period.

Net income

Net income amounted to €0.8 million in the first quarter of 2009, of which €0.9 million attributable to equity holders of Rexel, compared to €62.5 million in the first quarter of 2008.

1.2.2 | Europe (59% of Group consolidated sales)

REPORTED	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	1,646.0	1,244.0	32.3%
Gross profit	429.6	334.4	28.5%
Distribution and administrative expenses	(367.4)	(250.8)	46.5%
EBITA	62.2	83.6	(25.6)%
as a % of sales	*3.8%*	*6.7%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA			
	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	**1,646.0**	**1,892.7**	**(13.0)%**
Same number of working days			*(13.0)%*
Gross profit	429.7	481.5	(10.8)%
as a % of sales	*26.1%*	*25.4%*	
Distribution and administrative expenses	(367.9)	(384.0)	(4.2)%
as a % of sales	*(22.3)%*	*(20.2)%*	
EBITA	**61.8**	**97.5**	**(36.6)%**
as a % of sales	***3.8%***	***5.2%***	

In the first quarter of 2009, sales increased by 32.3% in Europe compared to the first quarter of 2008 and reached €1,646.0 million. Acquisitions, net of disposals, accounted for a €666.6 million increase, essentially due to the Hagemeyer transaction, while changes in exchange rates accounted for a €17.9 million decrease, mostly due to the depreciation of the Sterling against the Euro. On a constant basis and same number of working days, sales decreased by 13.0% in the first quarter of 2009 as a result of the deterioration in economics and of copper-based cable prices decrease.

In France, sales amounted to €571.9 million in the first quarter of 2009, a 5.9% decrease on a constant basis and same number of working days. This sales evolution was particularly driven by the downturn in the industrial sales which represented approximately 30% of total sales. Despite market conditions, Rexel implemented initiatives which contributed to the sales growth with governmental and institutional customers, and also specific product families such as climate control, which increased by approximately 13% over the period. The Group estimates that it outperformed the market.

In the United Kingdom, sales amounted to €232.2 million in the first quarter of 2009, a 13.1% decrease on a constant basis and same number of working days. Sales were impacted by branch closures and projects on hold, especially in the commercial end-market such as hospitals, education and defense. The rise in unemployment and economic uncertainty also affected independent retail. Rexel historical banners and banners acquired from Hagemeyer posted respectively 14.5% and 12.7% decrease in the first quarter of 2009. The Group estimates that it outperformed the market.

In Germany sales amounted to €171.7 million in the first quarter of 2009, a 15.1% decrease on a constant basis and same number of working days. Residential construction remained weak but the main driver to the sales evolution was the decrease in industrial end-market, especially in the automotive, chemical and engineering sectors, as a result of the difficult economic environment.

In Scandinavia sales amounted to €184.1 million in the first quarter of 2009, an 11.7% decrease on a constant basis and same number of working days. The activities in Finland recorded a 19.9% drop in sales driven by the business with large national installation companies. In Sweden, sales decreased by 10.4% due to projects delayed or cancelled, especially in the utilities and industrial sectors. Sales in Norway posted a 6.8% decrease, estimated to be in line with the market. Sales to customers in the utilities sector recorded a positive growth of approximately 3%in the first quarter of 2009.

In the first quarter of 2009, gross profit amounted to €429.6 million, a 28.5% increase compared to 2008. On a constant basis, Adjusted gross margin was 26.1% of sales in the first quarter of 2009, a 70 basis points improvement from 25.4% in the first quarter of 2008. This performance is mainly due to favourable changes in product mix, notably cables, and to better purchasing terms, including synergies from the Hagemeyer acquisition

In the first quarter of 2009, distribution and administrative expenses amounted to €367.4 million, i.e. 22.3% of sales compared to 20.2% in the first quarter of 2008. On a constant basis, Adjusted distribution and administrative expenses decreased by 4.2% compared to a 13.0% decrease in sales. In order to adjust the costs structure to the current level of demand, specific actions were implemented, the full effect of which will only be reflected in the coming months. Synergies resulting from the integration of Hagemeyer are progressing in accordance with expectations. Adjusted personnel expenses were reduced by 7.4%. The number of employees was reduced by 9.6% compared to March 31, 2008 and 4.1% compared to December 31, 2008 on a constant basis, to 19,018 at March 31, 2009. Lease and maintenance expenses remained flat compared to the first quarter of 2008 with branch network and real estate rationalization offsetting increases due to inflation, and commercial and logistic initiatives. In the logistics area, rental expenses rose following the transfer and improvement of several logistic centres in France as well as the sale and partial leaseback of 7 logistics platforms representing 125,000 m^2 in the course of 2008. Bad debt expenses increased compared to the first quarter of 2008 but were lower than in the fourth quarter of 2008.

EBITA amounted to €62.2 million, a 25.6% decrease compared to the first quarter of 2008. On a constant basis, Adjusted EBITA decreased by 36.6% and Adjusted EBITA margin decreased by 140 basis points to 3.8% in the first quarter of 2009 for a sales decrease of 13.0%.

1.2.3 | North America (32% of Group consolidated sales)

REPORTED	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	886.0	1,053.1	(15.9)%
Gross profit	188.1	232.9	(19.2)%
Distribution and administrative expenses	(178.0)	(184.6)	(3.6)%
EBITA	10.1	48.3	(79.1)%
as a % of sales	*1.1%*	*4.6%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA			
	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	**886.0**	**1,159.1**	**(23.6)%**
Same number of working days			*(21.5)%*
Gross profit	191.2	256.0	(25.3)%
as a % of sales	*21.6%*	*22.1%*	
Distribution and administrative expenses	(178.1)	(204.1)	(12.8)%
as a % of sales	*(20.1)%*	*(17.6)%*	
EBITA	**13.1**	**51.9**	**(74.7)%**
as a % of sales	***1.5%***	***4.5%***	

In the first quarter of 2009, sales in North America amounted to €886.0 million, a 15.9% decrease compared to 2008. This decrease includes a €106.0 million favourable effect from changes in foreign exchange rates due to the appreciation of the US dollar against the Euro partly offset by the depreciation of the Canadian dollar. On a constant basis and same number of working days, sales decreased by 21.5% in the first quarter of 2009 compared to 2008 because of the economic situation and the lower copper-based cable prices compared to 2008.

In the United States, sales amounted to €681.8 million in the first quarter of 2009, a 25.6% decrease on a constant basis and same number of working days. The downturn of residential construction continued while commercial end-markets weakened and some industrial segments, such as steel, continued slowing down in the first quarter of 2009. Overall, the banking and credit crisis led to cancellations or postponements of projects. Despite the economic environment, Rexel implemented initiatives which mitigated the drop in sales in some governmental and institutional projects, and also in specific industrial end-markets, such as wastewater treatment plants.

In Canada, sales amounted to €204.2 million in the first quarter of 2009, a 4.2% decrease on a constant basis and same number of working days. This evolution was mainly due to the performance in Ontario where manufacturing activity was impacted by the global economic downturn. Sales in Alberta with oil sands and related projects remained strong but slowing down. Focus on energy efficiency initiatives were also still yielding positive results.

In the first quarter of 2009, gross profit amounted to €188.1 million, a 19.2% decrease compared to 2008, approximately half of it due to changes in exchange rates against the Euro. On a constant basis, Adjusted gross margin decreased by 50 basis points compared to 2008 at 21.6% of sales in the first quarter of 2009. This change mainly resulted from a change in the channel mix (a greater share of direct sales vs. warehouse sales), lower rebates and higher inventory write-downs due to the decrease in sales, as well as some price pressure.

Distribution and administrative expenses amounted to €178.0 million in the first quarter of 2009. On a constant basis, Adjusted distribution and administrative expenses decreased by 12.8% compared to a 23.6% decrease in sales. Adjusted personnel costs decreased by 13.1% on a constant basis due to staff reductions continued in the first quarter of 2009 in order to adapt to current sales trends. Headcount was reduced by 12.6% compared to March 31, 2008 and 4.9% compared to December 31, 2008 on a constant basis, to 8,388 at March 31, 2009.

EBITA thus amounted to €10.1 million in the first quarter of 2009, a 79.1% decrease compared to 2008. On a constant basis, Adjusted EBITA posted a 74.7% reduction, and decreased from 4.5% to 1.5% as a percentage of sales, for a sales decrease of 23.6%.

1.2.4 | Asia-Pacific (6% of Group consolidated sales)

REPORTED	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	180.1	202.6	(11.1)%
Gross profit	42.3	51.2	(17.5)%
Distribution and administrative expenses	(33.2)	(38.4)	(13.5)%
EBITA	9.1	12.8	(28.9)%
as a % of sales	*5.1%*	*6.3%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	**180.1**	**185.0**	**(2.7)%**
Same number of working days			*(4.0)%*
Gross profit	42.4	44.8	(5.4)%
as a % of sales	*23.5%*	*24.2%*	
Distribution and administrative expenses	(33.2)	(33.1)	0.2%
as a % of sales	*(18.4)%*	*(17.9)%*	
EBITA	**9.2**	**11.7**	**(21.2)%**
as a % of sales	***5.1%***	***6.3%***	

In the first quarter of 2009, sales in Asia-Pacific decreased by 11.1% compared to 2008 to €180.1 million, or 4.0% on a constant basis and same number of working days. The contribution from the acquisition of Suzhou Xidian in China in early 2009 (€6.9 million) was more than off-set by unfavourable changes in exchange rates, which accounted for €24.4 million.

In the first quarter of 2009, sales in Australia amounted to €116.3 million, a 4.3% decrease compared to 2008 on a constant basis and same number of working days. Sales were impacted by economic conditions, particularly in residential and commercial end-markets while sales in industry and mining were still holding steady. Rexel estimates that it outperformed the market in the first quarter of 2009. Industrial key accounts and large national contractors were still growth drivers, supported by network optimization.

In New-Zealand, sales amounted to €23.4 million in the first quarter of 2009, a 5.4% decrease compared to 2008 on a constant basis and same number of working days. Sales were affected by the downturn of the residential and commercial construction markets. Rexel continued protecting its market share in a depressed market.

In Asia, sales amounted to €40.3 million in the first quarter of 2009, a 2.4% decrease on a constant basis and same number of working days compared to the first quarter of 2008, which benefited from the Olympics. Activity also started to be impacted by the general economic slowdown, customers cash shortage and credit constraints. Rexel recorded a good performance in the energy sector.

In the first quarter of 2009, gross profit decreased by 17.5% to €42.3 million. On a constant basis, Adjusted gross margin decreased by 70 basis points, to 23.5% in the first quarter of 2009. This was mainly due to a decrease in Australia (increased mix of key accounts and more projects with lower gross margin together with a decrease in rebates) and New Zealand (due to projects and unfavourable product mix) and to change in the regional mix (increase of the share of Asia where gross margin is lower).

Distribution and administrative expenses amounted to €33.2 million in the first quarter of 2009. On a constant basis, Adjusted distribution and administrative expenses increased by 0.2% compared to 2008, while sales decreased by 2.7%. Adjusted personnel costs increased by 3.1% on a constant basis. On a constant basis, headcount was reduced by 2.4% compared to December 31, 2008 to 2,803 at March 31, 2009.

EBITA amounted to €9.1 million in the first quarter of 2009, a 28.9% decrease compared to 2008. On a constant basis, Adjusted EBITA decreased by 21.2%, from 6.3% of sales in the first quarter of 2008 to 5.1% in the first quarter of 2009.

1.2.5 | Other operations (3% of Group consolidated sales)

REPORTED	Quarter ended March 31,	
(in millions of euros)	2009	2008
Sales	97.7	16.8
Gross profit	30.8	8.3
Distribution and administrative expenses	(29.9)	(8.5)
EBITA	0.9	(0.2)
as a % of sales	*1.0%*	*(0.6)%*

CONSTANT BASIS ADJUSTED FINANCIAL DATA			
	Quarter ended March 31,		
(in millions of euros)	2009	2008	Change in %
Sales	**97.7**	**113.7**	**(14.1)%**
Same number of working days			*(14.4)%*
Gross profit	30.6	34.5	(11.3)%
as a % of sales	*31.4%*	*30.3%*	
Distribution and administrative expenses	(29.8)	(33.3)	(10.4)%
as a % of sales	*(30.6)%*	*(29.2)%*	
EBITA	**0.8**	**1.2**	**(36.8)%**
as a % of sales	***0.8%***	***1.1%***	

In the first quarter of 2009, sales of the Agencies / Consumer Electronics activity posted a 16.2% decrease on a constant basis and same number of working days. Compared with 2008 which benefited from the European soccer championship, sales in the Netherlands were impacted not only by economic conditions but also by the evolution of the Yen, in which a significant part of purchases are denominated, as main competitors have their purchases denominated in Euro or in Korean Won. The Asian agencies business, focused on sales of luxury goods through retail shops, was impacted by lower store traffic resulting from the economic environment. In Australia, sales decreased as a consequence of deteriorating market conditions.

EBITA improved due to the acquisition of the Hagemeyer's ACE business. On a constant basis, Adjusted, the 36.8% decrease reflects the downturn in activity while costs in corporate holdings were reduced.

1.3 | Outlook for 2009

Last February, Rexel announced an action plan to adjust its cost base to rapidly changing market conditions and defend its margins. The initial target was to cut distribution and administrative expenses by €110 million in 2009, from the 2008 pro forma level. As a result of further deterioration in the economic environment in the first quarter, Rexel is expanding this cost-savings plan to €170 million.

Management's priority remains to protect the Group's profitability, generate strong cash flow and enhance its financial structure while continuing to seize market opportunities and grow its market share, taking advantage of Rexel's leadership.

2. | LIQUIDITY AND CAPITAL RESOURCES OF THE GROUP

2.1 | Cash flow as at March 31, 2009 and March 31, 2008

The following table sets out Rexel's cash flow for the quarters ended March 31, 2009 and March 31, 2008.

(in millions of euros)		Quarter ended March 31, 2009	Quarter ended March 31, 2008
Operating cash flow[1]		78.9	153.8
Interest	(a)	(35.0)	(29.6)
Taxes	(a)	(15.6)	(24.4)
Changes in working capital requirement		98.9	(48.5)
Net cash flow from operating activities	(b)	127.2	51.3
Net cash flow from investing activities		(15.8)	(2,930.8)
Including operating capital expenditures [2]	*(c)*	*(10.1)*	*16.6*
Net cash flow from financing activities		(235.8)	2,958.1
Net cash flow		(124.4)	78.6
Free cash flow:			
- before interest and taxes (b) – (a) + (c)		**167.7**	**121.9**
- after interest and taxes (b) + (c)		**117.1**	**67.9**
WCR as a % of sales[3] at:		**March 31, 2009**	**December 31, 2008**
Reported		11.8%	12.0%
On a constant basis		11.8%	12.0%

(1) Before interest, taxes and changes in working capital requirement.

(2) Net of disposals.

(3) Working capital requirement, end of period, divided by last 12-month sales

These figures include the Hagemeyer businesses in the first quarter of 2009 but not in the first quarter of 2008.

2.1.1 | Cash flow from operating activities

Rexel's cash flow from operating activities was a €127.2 million inflow in the first quarter of 2009 compared to €51.3 million in the first quarter of 2008.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements decreased from €153.8 million in the first quarter of 2008 to €78.9 million in the first quarter of 2009, as a result of lower operating income before depreciation, other income and other expenses (EBITDA) and higher restructuring costs. EBITDA decreased from €160.5 million in the first quarter of 2008 to €103.2 million in the first quarter of 2009. This decrease mainly reflects the lower activity in 2009 compared to 2008 as a result of the deteriorated economic environment. Restructuring and integration costs incurred in the first quarter of 2009 amounted to €21.2 million while they were not material in the first quarter of 2008.

Interest and taxes

In the first quarter of 2009, interest paid amounted to €35.0 million compared to €29.6 million in the first quarter of 2008. From the second quarter of 2008, interest paid reflects the terms of the new Senior Credit Agreement entered into for the Hagemeyer transaction.

In the first quarter of 2009, €15.6 million income taxes were paid compared to €24.4 million paid in the first quarter of 2008.

Changes in working capital requirement

Changes in working capital requirement amounted to an inflow of €98.9 million in the first quarter of 2009 compared to an outflow of €48.5 million in the first quarter of 2008. As a percentage of the last twelve month sales, the working capital requirement decreased from 12.0% at December 31, 2008 on a constant basis to 11.8% at March 31, 2009. As at March 31, 2009, working capital requirement included the positive effect of changes in payments terms in France in accordance with a new regulation (so-called *LME*, "*Loi de modernisation de l'économie*"), which is estimated at 20 basis points, i.e. 12.0% before such change.

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 €15.8 million outflow in the first quarter of 2009 compared to a €2,930.8 million outflow in the first quarter of 2008.

(in millions of euros)	Quarter ended March 31,	
	2009	2008
Acquisitions of operating fixed assets[1]	(10.1)	16.6
Acquisitions of financial fixed assets[1]	(5.7)	(2,947.4)
Net change in long-term investments	-	-
Net cash flow from investing activities	(15.8)	(2,930.8)

Acquisitions and disposal of tangible fixed assets

Acquisitions of operating fixed assets, net of disposals, were a €10.1 million outflow in the first quarter of 2009 compared to a €16.6 million inflow in the first quarter of 2008.

In the first quarter of 2009, gross capital expenditures amounted to €10.2 million, i.e. 0.4% of the sales of the period, of which €3.8 million related to IT systems, €4.5 million to the renovation of existing branches and the opening of new branches, €1.1 million to logistics and €0.8 million to other investments. Disposals of fixed assets in the first quarter of 2009 amounted to €1.8 million and mainly related to the disposal of two branches, in the United States and the United Kingdom. Net changes in the related payables and receivables amounted to €1.7 million, accounting for an increase in the capital expenditures of the period.

In the first quarter of 2008, gross capital expenditures amounted to €15.2 million, i.e. 0.6% of the sales of the period, including €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. Disposals of fixed assets amounted to €38.8 million and mainly related to a sale and leaseback transaction on 4 logistic centres in France in an amount of €38.0 million. Net changes in the related payables and receivables amounted to €7.2 million, accounting for an increase in the capital expenditures of the period.

Financial investments

Rexel's net financial investments represented a net outflow of €5.7 million in 2009 compared to €2,947.4 million in 2008.

In the first quarter of 2009, outflows in respect of financial investments mainly included the acquisition of 63.5% of the shares of Suzhou Xidian Co. Ltd. in China for CNY41.0 million (€4.7 million) and of additional Hagemeyer shares for €0.9 million, including acquisitions related costs. Earn-out and price adjustments on previous acquisitions amounted to a net effect of €0.1 million.

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 were 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.

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 2009, financing activities accounted for a €235.8 million outflow. Facility D of the Senior Credit Agreement was repaid in full for €86.3 million while changes in other credit facilities accounted for a €29.0 million outflow. Repayments of finance lease liabilities amounted to €2.8 million and securitization programmes decreased by €117.7 million.

In the first quarter of 2008, financing activities accounted for a €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 programmes decreased by €12.9 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 programmes. At March 31, 2009, Rexel's consolidated net debt amounted to €2,887.0 million, and was made up as follows:

	March 31, 2009			December 31, 2008		
(in millions of euros)	Current	Non current	Total	Current	Non current	Total
Senior credit facility	164.3	2,179.5	2,343.8	178.2	2,225.9	2,404.1
Securitization	-	1,166.3	1,166.3	-	1,255.0	1,255.0
Bank loans	8.2	3.9	12.1	5.2	3.7	8.9
Bank overdrafts and other credit facilities	77.8	-	77.8	91.4	-	91.4
Finance lease obligations	8.3	15.9	24.2	9.6	17.4	27.0
Less transaction costs	-	(45.1)	(45.1)	-	(47.4)	(47.4)
Total financial debt and accrued interest	**258.6**	**3,320.5**	**3,579.1**	**284.4**	**3,454.6**	**3,739.0**
Cash and cash equivalents			(692.1)			(807.0)
Net financial debt			**2,887.0**			**2,932.0**

Net financial debt is detailed in note 10 – "Financial liabilities" to Rexel's Condensed Consolidated Interim Financial Statements as of March 31, 2009.

On March 31, 2009, the Group had €1.2 billion of cash available including cash and cash equivalents as well as undrawn revolver credit. Rexel's available liquidity is well above mandatory debt repayments until mid-2011.

II. Condensed consolidated interim financial statements

This document is a free translation from French to English of Rexel's original condensed consolidated interim financial statements for the period ended March 31, 2009 and is provided solely for the convenience of English speaking readers. In the event of any ambiguity or discrepancy between this unofficial translation and the original condensed consolidated interim financial statements for the period ended March 31, 2009, the French version will prevail.

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Consolidated income statement

(in millions of euros)	***Note***	**For the period ended March 31** **2009**	**2008 [1]**
Sales	***4***	2,809.8	2,516.5
Cost of goods sold		(2,119.0)	(1,889.6)
Gross profit		**690.8**	**626.9**
Distribution and administrative expenses	***5***	(613.3)	(484.4)
Operating income before other income and expenses		**77.5**	**142.5**
Other income	***6***	2.7	7.3
Other expenses	***6***	(41.3)	(19.2)
Operating income		**38.9**	**130.6**
Financial income		13.2	11.7
Interest expense on borrowings		(37.4)	(34.8)
Refinancing related expenses		-	(11.0)
Other financial expenses		(13.5)	(5.9)
Financial expenses (net)	***7***	*(37.7)*	*(40.0)*
Net Income before income tax		**1.2**	**90.6**
Income tax	***8***	(0.4)	(28.1)
Net income		**0.8**	**62.5**
Attributable to:			
Equity holders of the parent		0.9	62.5
Minority interests		(0.1)	-
Earnings per share:			
Basic earnings per share (*in euros*)	***9***	0.00	0.24
Fully diluted earnings per share (*in euros*)	***9***	0.00	0.24

[1] Reported income statement as of March 31, 2008 was restated retrospectively to reflect changes according to IFRIC 13 (see note 2.2.1)

Consolidated statement of comprehensive income

(in millions of euros)	For the period ended March 31 2009	2008
Net income	**0.8**	**62.5**
Foreign currency translation	32.7	(60.1)
Net loss on cash flow hedges	(20.5)	(14.2)
Income tax	6.3	5.4
	(14.2)	(8.8)
Net gain on available for sale financial assets	-	0.5
Income tax	-	(0.2)
	-	0.3
Other comprehensive income (loss) for the period, net of tax	*18.5*	*(68.6)*
Total comprehensive income for the period, net of tax	**19.3**	**(6.1)**
Attributable to:		
Equity holders of the parent	19.0	(6.0)
Minority interest	0.3	(0.1)

Consolidated balance sheet

(in millions of euros)	***Note***	**As of March 31 2009**	**As of December 31 2008 [1]**
Assets			
Goodwill		3,723.4	3,662.4
Intangible assets		928.2	927.3
Property, plant & equipment		312.6	317.1
Long-term investments		52.8	53.7
Deferred tax assets		260.6	247.1
Total non-current assets		**5,277.6**	**5,207.6**
Inventories		1,297.2	1,329.0
Trade accounts receivable		2,160.0	2,363.3
Income tax receivable		5.4	4.0
Other accounts receivable		365.9	477.9
Assets classified as held for sale		6.2	4.6
Cash and cash equivalents	***10.1***	692.1	807.0
Total current assets		**4,526.8**	**4,985.8**
Total assets		**9,804.4**	**10,193.4**
Equity			
Share capital		1,280.0	1,280.0
Share premium		1,409.9	1,409.9
Reserves and retained earnings		554.4	534.4
Total equity attributable to equity holders of the parent		**3,244.3**	**3,224.3**
Minority interests		25.8	24.1
Total equity		**3,270.1**	**3,248.4**
Liabilities			
Interest bearing debt	***10.1***	3,334.8	3,454.6
Employee benefits		178.9	175.4
Deferred tax liabilities		227.4	225.4
Provision and other non-current liabilities		246.0	229.2
Total non-current liabilities		**3,987.1**	**4,084.6**
Interest bearing debt	***10.1***	240.0	276.1
Accrued interest	***10.1***	4.3	8.3
Trade accounts payable		1,701.5	1,930.0
Income tax payable		14.1	21.5
Other current liabilities		583.9	624.5
Liabilities classified as held for sale		3.4	-
Total current liabilities		**2,547.2**	**2,860.4**
Total liabilities		**6,534.3**	**6,945.0**
Total equity and liabilities		**9,804.4**	**10,193.4**

[1] Reported balance sheet as of December 31, 2008 was restated retrospectively to reflect changes in the Hagemeyer purchase price allocation according to IFRS 3 provisions (see note 3.1)

Consolidated statement of cash flows

(in millions of euros)	***Note***	**For the period ended March 31** **2009**	**2008**
Cash flows from operating activities			
Operating income		38.9	130.6
Depreciation, amortisation and impairment of assets		25.7	18.1
Employee benefits		(2.3)	(1.7)
Change in other provisions		8.4	(2.4)
Other non-cash operating items		8.2	9.2
Interest paid		(35.0)	(29.6)
Income tax paid		(15.6)	(24.4)
Operating cash flows before change in working capital requirements		*28.3*	*99.8*
Change in inventories		63.0	(20.1)
Change in trade receivables		243.1	30.9
Change in trade payables		(256.2)	(55.0)
Changes in other working capital items		49.0	(4.3)
Change in working capital		*98.9*	*(48.5)*
Net cash from operating activities		**127.2**	**51.3**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(12.0)	(22.2)
Proceeds from disposal of property, plant and equipment		1.9	38.8
Acquisition of subsidiaries, net of cash acquired		(5.7)	(2,930.5)
Proceeds from disposal of subsidiaries, net of cash disposed		-	(16.9)
Net cash from investing activities		**(15.8)**	**(2,930.8)**
Cash flows from financing activities			
Contribution received from minority shareholders		0.7	-
(Repurchase) / Disposal of treasury shares		(0.6)	1.8
Net change in credit facilities and other financial borrowings	***10.3***	(115.4)	2,993.1
Net change in securitisation	***10.3***	(117.7)	(12.9)
Payment of finance lease liabilities	***10.3***	(2.8)	(23.9)
Net cash from financing activities		**(235.8)**	**2,958.1**
Net (decrease) / increase in cash and cash equivalents		(124.4)	78.6
Cash and cash equivalents at the beginning of the period		807.0	515.2
Effect of exchange rate changes on cash and cash equivalents		9.5	1.9
Cash and cash equivalents at the end of the period		**692.1**	**595.7**

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, 2008	**1,280.0**	**1,409.9**	**553.4**	**(18.8)**	**5.1**	**(8.3)**	**3,221.3**	**6.0**	**3,227.3**
Foreign currency translation	-	-	-	(123.0)	-	-	(123.0)	0.7	(122.3)
Cash flow hedges	-	-	-	-	(29.9)	-	(29.9)	-	(29.9)
Securities available for sale assets					0.3		0.3		0.3
Income and expenses recognised directly in equity	**-**	**-**	**-**	**(123.0)**	**(29.6)**	**-**	**(152.6)**	**0.7**	**(151.9)**
Net income	-	-	230.2	-	-	-	230.2	1.3	231.5
Total recognised income and expense for the period	**-**	**-**	**230.2**	**(123.0)**	**(29.6)**	**-**	**77.6**	**2.0**	**79.6**
Share-based payments	-	-	22.0	-	-	-	22.0	-	22.0
Treasury Shares						(2.2)	(2.2)		(2.2)
Dividends paid	-	-	(94.4)	-	-	-	(94.4)	-	(94.4)
Minority interests in companies acquired or sold	-	-	-	-	-	-	-	16.1	16.1
At December 31, 2008	**1,280.0**	**1,409.9**	**711.2**	**(141.8)**	**(24.5)**	**(10.5)**	**3,224.3**	**24.1**	**3,248.4**
Foreign currency translation	-	-	-	32.3	-	-	32.3	0.4	32.7
Cash flow hedges	-	-	-	-	(14.2)	-	(14.2)	-	(14.2)
Income and expenses recognised directly in equity	**-**	**-**	**-**	**32.3**	**(14.2)**	**-**	**18.1**	**0.4**	**18.5**
Net income	-	-	0.9	-	-	-	0.9	(0.1)	0.8
Total recognised income and expense for the period	**-**	**-**	**0.9**	**32.3**	**(14.2)**	**-**	**19.0**	**0.3**	**19.3**
Share-based payments	-	-	1.9	-	-	-	1.9	-	1.9
Treasury shares	-	-	-	-	-	(0.5)	(0.5)	-	(0.5)
Internal reclassification of shares between Hagemeyer subsidiaries and Rexel subsidiaries	-	-	(0.4)	-	-	-	(0.4)	0.4	-
Minority interests in companies acquired or sold	-	-	-	-	-	-	-	1.0	1.0
At March 31, 2009	**1,280.0**	**1,409.9**	**713.6**	**(109.5)**	**(38.7)**	**(11.0)**	**3,244.3**	**25.8**	**3,270.1**

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 is involved in the business of 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 Group also operates the Agencies-Consumer Electronics division as part of the assets acquired from Hagemeyer in 2008.

The present condensed consolidated interim financial statements cover the period from January 1, 2009 to March 31, 2009, and have been authorised for issue by the Supervisory Board on May 11, 2009. The company acquired Hagemeyer retained entities end of March 2008. Comparative information does not include Hagemeyer operations for the first quarter 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, 2009 have been prepared in accordance both with the International Financial Reporting Standards (IFRS) as adopted by the European Union and those approved by the IASB and applicable as of March 31, 2009. In particular, the condensed financial statements have been prepared in accordance with standard IAS 34, relating to Interim Financial Reporting. Pursuant to 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, 2008 in the Document de référence registered by the Autorité des Marchés Financiers on April 20, 2009 under number R.09-022.

2.2 | Basis of preparation

The accounting policies used in the condensed financial statements for the period ended March 31, 2009 are identical to those used and described in the consolidated financial statements for the year ended December 31, 2008. New standards and interpretations applicable starting January 1, 2009 and described here after did not have any significant impact on the Group’s financial situation or condensed financial statements for the period ended March 31, 2009.

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 *New accounting standards and interpretations in effect starting from 2009*

The following new and amended standards and interpretations previously endorsed by the EU were applied for the first time in the financial statements from January 1, 2009:

- 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. The information presented in Note 4 in respect of the year 2008 has been restated to comply with this new standard. The only material change is that non operating segments, such as corporate holdings, are now presented as reconciling items between the Group consolidated figures and the total of operating segments whereas they were included in the Other operations segment in accordance with IAS 14.
- IFRIC 13 "Customer Loyalty Programmes" requires customer loyalty programmes to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This portion is then recognised as revenue over the period the award credits are redeemed. Until 2008, the Group used to provide for the estimated future costs of supplying the awards as marketing expenses presented in the line item "distribution and administrative expenses". The effect of this change on the 2008 profit and loss statement is detailed in the table below:

	For the period ended	
(in millions of euros)	**March 31, 2008**	**December 31, 2008**
Sales ………………………...…………………………..	0.3	2.9
Cost of goods sold ………………………………………..	(0.5)	(5.8)
Gross profit ………………………………..………….	**(0.2)**	**(2.9)**
Distribution and administrative expenses ………………	0.2	2.9
Operating income …………………………………….	**-**	**-**

The change had no material effect on the balance sheet as at January 1, 2008 or December 31, 2008.

The following amended standards and interpretations endorsed by the EU are also applicable for the first time in the financial statements from January 1, 2009 but had no material effect on the Group's reporting:

- IAS 1 "Presentation of Financial Statements" has been amended to enhance the usefulness of information presented in the financial statements. The key change is the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with other comprehensive income.
- IAS 23 "Borrowing Costs" has been revised to eliminate the option of expensing all borrowing costs and requires these costs to be capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.
- Amendment to IFRS 2 "Share-based Payment" – Vesting Conditions and Cancellations clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled.
- Amendment to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" – Puttable Financial Instruments and Obligation Arising on Liquidation requires that instruments with characteristics/features similar to shares issued by the entity should be considered as equity instruments rather than liabilities.
- Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and amendment to IAS 27 "Consolidated and Separate Financial Statements" – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate clarifies valuation methods of investments in statutory accounts.
- Improvements to IFRSs, issued in May 2008, introducing changes to several standards.

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

The improvements to IFRSs issued in May 2008 in respect of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are effective for financial year beginning on or after July 1, 2009. The amendment will have to be applied on a prospective basis only.

3. | BUSINESS COMBINATIONS

3.1 | Hagemeyer Acquisition

In the first quarter of 2009, Rexel completed the purchase price allocation to the identifiable assets and liabilities acquired from Hagemeyer and recorded certain adjustments to goodwill as determined on a provisional basis as at December 31, 2008. Thus, the balance-sheet at December 31, 2008 was adjusted retrospectively for comparison purposes.

As of March 31, 2009, the final allocation of the Hagemeyer purchase price is as follows:

(in millions of euros)	
Preliminary goodwill on acquisition as at December 31, 2008 ……	**1,189.1**
Adjustment on provision and other non-current liabilities………………	5.8
Deferred tax adjustment……………………………………………………	(5.9)
Minority interests acquired during the first quarter 2009………………	0.1
Others…………………………………………………………………………	0.1
Final goodwill on acquisition as at March 31, 2009 …………………	**1,189.2**

Rexel, through Kelium holds, as of March 31, 2009, 585,121,323 of Hagemeyer’s outstanding shares, or 99.14% of the ordinary shares. Following the completion of the public offer on the Hagemeyer securities, Rexel has initiated a take-over 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. In this respect, the Enterprise Chamber in The Netherlands has rendered its judgment in the squeeze-out proceedings and awarded Kelium the right to compulsorily acquire all Hagemeyer shares. The Enterprise Chamber set the acquisition price for the shares at EUR 4.85 per share, such amount to be increased with Dutch statutory interest as from 14 March 2008 (the settlement date under the Offer), until the day on which the shares are transferred to Kelium (the Squeeze-out Price).

3.2 | Other acquisition in 2009

In the first quarter of 2009, Rexel completed the acquisition of 63.5% of the shares of Xidian (China) for a total consideration of CNY44.7 million (€5.1 million). Cash acquired was CNY3.7 million (€0.4 million). Following the take-over, Xidian proceeded to a share capital increase of CNY18.0 million (€2.1 million) that was subscribed by Rexel proportionally to its ownership interest in the company. This transaction is 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 this acquisition been effective on January 1, 2009.

4. | SEGMENT REPORTING

In accordance with IFRS 8 "operating segments", operating segments are based on the Group's management reporting structure to follow-up the Group's performance and to allocate financial resources. The Group's financial reporting is organized into geographical areas for its electrical equipment distribution business while non-core operations and certain businesses managed directly at Group level are reported independently. These data are presented in accordance with IFRS principles.

Based on this structure, the reportable segments are Europe, North America and the Asia-Pacific zone, which include the electrical equipment distribution business of the Group in these areas. The other operating segments are aggregated. They include the Group's electrical equipment distribution business in Chile and other operations such as the Agencies / Consumer Electronics division acquired from Hagemeyer and the businesses managed at Group level.

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, 2009 and 2008

2009

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments
For the period ended March 31					
Sales from external customers…………	1,646.0	886.0	180.1	97.7	**2,809.8**
Operating income before other income and expenses…………………………..	62.2	10.1	9.1	3.2	**84.6**
Total of segment assets (excl. goodwill)………………………………….	3,400.0	1,218.6	305.5	182.4	**5,106.5**
Goodwill………………………………….	2,600.0	934.1	186.6	8.1	**3,728.8**

2008

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments
For the period ended March 31					
Sales from external customers…………	1,244.0	1,053.1	202.6	16.8	**2,516.5**
Operating income before other income and expenses…………………………..	83.6	48.3	12.8	2.1	**146.8**
For the period ended December 31					
Total of segment assets (excl. goodwill)………………………………….	3,677.6	1,308.0	283.0	185.9	**5,454.5**
Goodwill………………………………….	2,585.0	902.2	174.0	6.6	**3,667.8**

The reconciliation of the total of operating income before other income and expenses for operating segments with the Group consolidated income before income taxes is presented in the following table:

(in millions of euros)	For the period ended March 31	
	2009	**2008**
Operating income before other income and expenses - Total of operating segments………………….	**84.6**	**146.8**
Unallocated corporate expenses……….	(2.3)	(2.3)
Amortisation of intangibles………………	(4.8)	(2.0)
Other income and other expenses…….	(38.6)	(11.9)
Net financial expenses……………………	(37.7)	(40.0)
Group consolidated income before income taxes………………………….	**1.2**	**90.6**

The reconciliation of the total assets for operating segments with the Group consolidated total assets is presented in the following table:

(in millions of euros)	As of March 31	As of December 31
	2009	**2008**
Total assets & goodwill of operating segments………………….	**8,835.3**	**9,122.3**
Unallocated corporate assets & goodwill…………………………………..	4.8	8.4
Deferred tax assets………………………	260.6	247.1
Income tax receivable……………………	5.4	4.0
Assets classified as held for sale………	6.2	4.6
Cash and cash equivalents………………	692.1	807.0
Group consolidated total assets………………………………….	**9,804.4**	**10,193.4**

5. | DISTRIBUTION & ADMINISTRATIVE EXPENSES

(in millions of euros)	For the period ended March 31	
	2009	**2008**
Personnel costs (salaries & benefits) ……………………	354.7	290.7
Building and occupancy costs ……………………………	73.9	55.2
Other external costs ………………………………………	146.7	115.2
Depreciation expense ……………………………………	20.9	16.1
Amortisation of intangibles………………………………	4.8	2.0
Bad debt expense …………………………………………	12.3	5.2
Total distribution and administrative expenses	**613.3**	**484.4**

6. | OTHER INCOME & OTHER EXPENSES

(in millions of euros)	For the period ended March 31	
	2009	**2008**
Capital gains ……………………...………………………………	1.6	7.3
Other operating income ……………………………………	0.4	-
Release of unused provisions ……………………………	0.7	-
Total other income ……………………………………	**2.7**	**7.3**
Restructuring costs …………………...………………………	(30.4)	(2.2)
Loss on non-current assets disposed of …………………	(7.1)	(0.1)
Costs related to transactions following the IPO in 2007 …	(2.5)	(16.4)
Goodwill & intangible assets impairment…………………	(0.2)	-
Other operating expenses ………………………….……	(1.1)	(0.5)
Total other expenses …………………………………	**(41.3)**	**(19.2)**

6.1 | Other income

Capital gains

For the quarter ended March 31, 2009, capital gains included proceed from disposal of two branches, in the United-States for €1.3 million and in the United-Kingdom for €0.1 million.

For the quarter ended March 31, 2008, capital gains mainly included for an amount of €7.0 million, the disposal of finance lease contracts relating to four logistic centres in France.

6.2 | Other expenses

Restructuring costs

For the quarter ended March 31, 2009, this line-item amounts to €30.4 million and includes mainly restructuring and integration costs following Hagemeyer acquisition and the slowdown of activity. These costs mainly related to (i) Spain for €16.5 million (redundancy costs and branch closures), (ii) the United States for €4.4 million (restructuring programmes aiming at reducing the number of regional divisions), (iii) Germany for €2.4 million (redundancy costs) and (iv) other European countries for €4.0 million.

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

Costs related to transactions following the IPO

For the quarter ended March 31, 2009, the impact of the costs related to transactions following IPO concerns the free shares scheme implemented at the time of the IPO in 2007 for €2.5 million. This non cash expense has been determined according to provisions IFRS 2 ("Share-based payments").

For the quarter ended March 31, 2008, impact of the free shares scheme was €16.4 million.

Loss on non current assets disposed of

As of March 31, 2009, this line-item includes for €4.4 million the write-off of certain operations in Hungary disposed of April 10, 2009, and the write-off of IT licences in France for €2.3 million.

7. | FINANCIAL EXPENSES (NET)

(in millions of euros)	For the period ended March 31	
	2009	2008
Expected return on employee benefit plan assets ……………….	10.0	5.5
Interest income on cash and cash equivalents ………………….	0.4	2.7
Interest income on receivables and loans ………………………..	0.9	0.6
Gain on financial instruments held for trading …………………….	1.9	2.9
Financial income ………………………………………………	**13.2**	**11.7**
Interest expense on financial debt (stated at amortised costs) : ..	(33.9)	(36.9)
- Senior debt……………………………………………………………	*(19.5)*	*(21.0)*
- Senior Subordinated Notes and indexed Bonds ……………………	*(0.1)*	*(0.5)*
- Securitisation …………………………………………………………	*(6.7)*	*(12.4)*
- Other financing ……………………………………………………..	*(3.5)*	*(0.7)*
- Finance leases ………………………………………………………	*(0.5)*	*(0.8)*
- Amortisation of transaction costs ……………………………………	*(3.6)*	*(1.5)*
Reclassifying income gains and losses on the preceding derivative instruments deferred in equity…………………………	(0.5)	2.5
Change in fair value through profit and loss (foreign exchange rate)……………. …………………………………………………	(0.3)	(1.2)
Foreign exchange gain (loss) on financial liabilities ……………..	(2.7)	0.8
Interest expense on borrowings ………………………………	**(37.4)**	**(34.8)**
Write-off of transaction costs related to 2007 SCA…………..	-	(11.0)
Refinancing costs ………………………………………………	**-**	**(11.0)**
Interest cost of employee benefit obligation and other long-term liabilities ……..…...	(13.3)	(5.6)
Financial expenses (other) ……………………..…………………	(0.2)	(0.3)
Other financial expenses ………………………………………	**(13.5)**	**(5.9)**
Financial expenses (net)	**(37.7)**	**(40.0)**

8. | INCOME TAX

Income tax expense 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 period ended March 31, 2009 is 34.5%, compared with 31.0% on March 31, 2008. The 2009 expected tax rate is higher than in 2008 due to the effect of unrecognized tax losses in 2009.

9. | EARNINGS PER SHARE

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

	For the quarter ended March 31	
	2009	**2008**
Net income attributed to ordinary shareholders (*in millions of euros*)..	0.8	62.5
Weighted average number of ordinary shares (*in thousands*)………..	254,734	255,541
Basic earnings per share (*in euros*) …………………………………	**0.00**	**0.24**
Net income attributed to ordinary shareholders (*in millions of euros*)..	0.8	62.5
Average number of balanced shares in circulation (*in thousands)* …….	254,734	255,541
Potential dilutive ordinary shares (*in thousands*)……………………….	*5,408*	*5,236*
- out of which are share options (in thousands) ……………………..	*0*	*1,004*
- out of which are free shares (in thousands) ……………………….. (1)	*5,408*	*4,232*
Weighted average number of ordinary shares used for the calculation of fully diluted earnings per share (*in thousands*) ……….	260,142	260,777
Fully diluted earnings per share (*in euros*) …………………………..	**0.00**	**0.24**

(1) 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, 2009. 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, 2009**			**As of December 31, 2008**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Senior credit facility …………………….…………	164.3	2,179.5	2,343.8	178.2	2,225.9	2,404.1
Securitisation ………………….……………………	-	1,166.3	1,166.3	-	1,255.0	1,255.0
Bank loans …………………………………………….	8.2	3.9	12.1	5.2	3.7	8.9
Bank overdrafts and other credit facilities (1) ………	77.8	-	77.8	91.4	-	91.4
Finance lease obligations ……………………………	8.3	15.9	24.2	9.6	17.4	27.0
Less transaction costs ……………………………	(14.3)	(30.8)	(45.1)	-	(47.4)	(47.4)
Total financial debt and accrued interest……	***244.3***	***3,334.8***	***3,579.1***	***284.4***	***3,454.6***	***3,739.0***
Cash and cash equivalents ………………………			(692.1)			(807.0)
Net financial debt			**2,887.0**			**2,932.0**

(1) Including accrued interest of €4,3 million as of March 31, 2009 (€8,3 million as of December 31, 2008)

10.1.1 Senior Credit Agreement

As of March, 31 2009, facilities under the Senior Credit Agreement are as follows:

Credit Facility (Term Loan)	Commitment *(in millions of euros)*	Borrower	Balance due as of March 31, 2009 *(in millions of local currency)*	Currency	Balance due as of March 31, 2009 *(in millions of euros)*
Facility A	2,283.8	Rexel Distribution	1,000.0	SEK	91.4
		Rexel Distribution	180.0	CHF	118.8
		IESC	772.0	USD	580.1
		Rexel North America Inc	320.0	CAD	191.8
		Kelium and Rexel Distribution	1,301.7	EUR	1,301.7
Facility A'	60.0	Kelium	60.0	EUR	60.0
Facility B	585.0	Kelium and other obligors	-	EUR	-
TOTAL	**2,928.8**				**2,343.8**

These multicurrency credit facilities bear interest at Euribor or Libor rates depending on the currency in which amounts are drawn, plus a margin which vary depending on the leverage ratio. At March 31, 2009 the applicable margin stood at 1.4%.

10.1.2 Securitisation programmes

On December 17, 2008, Rexel launched a new securitization programme, including initially Hagemeyer's operations in the United Kingdom and Germany, as well as Rexel's subsidiary in Belgium. This programme, of a maximum amount of €600 million, has a term of 5 years. In the first quarter of 2009, the operations in Spain and in The Netherlands joined this programme.

Securitisation programme features are summarised in the table below:

	(in millions of currency)				*(in millions of euros)*			
Programme	**Commitment**	**Amount of receivables pledged on March 31, 2009**	**Amount drawn on March 31, 2009**		**Outstanding amount on March 31, 2009**	**Outstanding amount on December 31, 2008**	**Maturity date**	**On-going cost of funding**
2005 - Europe and Australia	600.0 EUR	647.6	502.9	EUR	502.9	589.7	20/11/2012	BT & EUR/US Commercial Paper +0,48%
United-States	470.0 USD	466.7	361.2	USD	271.5	326.7	11/03/2012	US Commercial Paper +0,33%
Canada (1)	175.0 CAD	196.4	137.7	CAD	82.5	73.8	13/12/2012	Canadian Commercial Paper +0,45%
2008 - Europe	600.0 EUR	303.9	218.1	EUR	309.4	264.8	17/12/2013	BT & Euro/US Commercial Paper +0,86%
		127.2	82.1	GBP				
TOTAL					**1,166.3**	**1,255.0**		

(1) Commitment increased from CAD140 million in December 2008 to CAD175 million in March 2009.

Considering their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables selling programmes cannot be qualified for derecognition under IAS 39 requirements. Assigned receivables therefore remain registered as assets on line "trade accounts receivable" on the Group's balance sheet whereas the amount due is considered as debt on line "interest bearing debt" (non-current liabilities).

Securitisation 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, 2009 Rexel had satisfied all of these covenants.

10.2 | Repayment schedule

The contractual repayment schedule of financial debt in principal is as follows:

(in millions of euros)	As of March 31	As of December 31
Due within	**2009**	**2008**
One year	244.3	272.3
Two years	255.0	328.9
Three years	536.6	264.5
Four years	2,224.7	2,598.0
Five years	311.2	266.2
Thereafter	7.2	9.1
Total financial debt	**3,579.1**	**3,739.0**

10.3 | Change in net financial debt

As of March 31, 2009 and 2008, change in net financial debt is as follows:

(in millions of euros)	**2009**	**2008**
At January 1,	**2,932.0**	**1,606.6**
Reimbursement of Senior Credit Agreement 2007	-	(949.0)
Re-financing of Hagemeyer pre-acquisition debt	-	(260.0)
Subscription of Senior Credit Agreement 2008	-	4,254.4
Reimbursement of Senior Credit Agreement 2008 (1)	(86.3)	-
Transaction costs related to the Senior Credit Agreement 2008	(0.6)	(56.6)
Net change in other credit facilities and bank overdrafts	(28.5)	4.3
Net change in credit facilities	**(115.4)**	**2,993.1**
Net change in securitisation	(117.7)	(12.9)
Payment of finance lease liabilities	(2.8)	(23.9)
Net change in financial liabilities	***(235.9)***	***2,956.3***
Change in cash and cash equivalents	124.4	(78.6)
Foreign currency exchange discrepancies	57.8	(85.6)
Change in consolidation scope	4.7	343.0
Amortisation of transaction costs	3.6	12.6
Other changes	0.4	10.1
At March 31,	**2,887.0**	**4,764.4**

(1) During the first quarter 2009, facility D was fully repaid for €86.3 million and then cancelled

11. | MARKET RISKS AND FINANCIAL INSTRUMENTS

11.1 | Interest rate hedging

In order to hedge its exposure to floating rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a hedging ratio (including fixed and capped interest rates) close to three-fourths of the net financial debt and the remaining at variable interest rates.

Every month the Group monitors the interest rate risk through a group treasury committee, which involves the top management. This process enables the Group to assess the efficiency of the hedges and to adapt them to the underlying indebtedness where necessary.

In accordance with the policy laid down above, 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, Euro, Pound Sterling, and Canadian dollar-denominated caps and collars contracts.

These derivatives mature between September 2009 and September 2012. 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.

Cash flow hedge derivatives

As of March 31, 2009, 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%	(6.2)
Canadian $	80.0	March 2010	3M Libor	4.02%	(1.6)
Swedish Krona	430.0	March 2010	3M Stibor	3.36%	(0.9)
Australian $	41.5	March 2010	3M Libor	6.10%	(0.6)
US $	185.0	September 2009	3M Libor	5.25%	(2.6)
	269.0	March 2010	3M Libor	4.64%	(6.7)
	200.0	September 2011	3M Libor	3.35%	(6.9)
	230.0	December 2011	3M Libor	3.77%	(8.9)
	200.0	September 2012 (1)	3M Libor	3.18%	(5.7)
Total					**(40.1)**

(1) : beginning on September 16, 2009

	Total notional amount currency *(in millions of currency)*	Maturity	Premium paid *(in millions of euros)*	Floating rate received	Weighted average fixed rate paid	Fair value *(in millions of euros)*
Caps						
Dollar US…………………………	115.0	September 2009	0.5	3M Libor	5.50%	-
Collars						
Euro………………………………	900.0	March 2011	0.8	3M Euribor	2,65%-4,50%	(19.2)
Pound Sterling……………………	66.0	March 2011	0.2	3M Libor	3,75%-5,75%	(2.7)
Canadian $	126.0	March 2011	0.1	3M C-Dor	2,75%-5,00%	(2.8)
Total			**1.6**			**(24.7)**

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 €1.1 million.

On March 31, 2009, the total notional amount of cash flow hedge swaps and cash flow hedge options were €1,226.4 million and €1,132.8 million, respectively.

The change in fair value of the cash flow hedge instruments for the period ended March 31, 2009 was recognised as a reduction in shareholders' equity for an amount of €19.0 million (before tax).

Sensitivity to interest rate variation

As of March 31, 2009 an instantaneous rise of 1% in short-term interest rates on variable debt excluding inactive interest rate options after the 1% rise, would lead to an increase in interest expense estimated to €7.8 million on a yearly basis.

11.2 | Hedging of fluctuations in foreign currency

Exchange exposure arises principally 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, 2009 were respectively €249.1 million (€602.7 million forward sales and €353.6 million forward purchases) and €0.4 million. Change in fair value is accounted for in net financial expenses in order to neutralize exchange rate gain (loss) related to hedging transactions.

Financial debt per currency of repayment

The amount of the financial debt per currency of repayment is analysed as follows:

(in millions of euros)	Euro	US dollar	Canadian dollar	Australian dollar	Norvegian crown	Swedish kronor	Pound sterling	Other currency	Total
Financial liabilities …….	1,997.4	845.6	272.1	59.5	1.1	95.7	174.8	132.9	3,579.1
Cash and cash equivalents…………..	(527.0)	(67.8)	(2.0)	(22.9)	(22.1)	(9.9)	(14.4)	(26.0)	(692.1)
Net financial position before hedging	**1,470.4**	**777.8**	**270.1**	**36.6**	**(21.0)**	**85.8**	**160.4**	**106.9**	**2,887.0**
Impact of hedge……….	(222.6)	3.8	(45.5)	23.2	230.9	76.8	(109.2)	42.6	-
Net financial position after hedging	**1,247.8**	**781.6**	**224.6**	**59.8**	**209.9**	**162.6**	**51.2**	**149.5**	**2,887.0**

12. | 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).

13. | SUBSEQUENT EVENTS AS OF MARCH 31, 2009

Buy-out of Hagemeyer minority interests:

As described in note 3.1, Rexel has initiated a take-over 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. In this respect, Rexel acquired 3,807,161 shares on April 23, 2009 for a total consideration of €19.7 million, and transferred on May 8, 2009 a total consideration of €6.6 million to a special escrow account set up and held by the Dutch Ministry of Finance for the remaining 1,278,804 shares. Thus, Rexel, through Kelium, now holds, as of May 8, 2009, the full ownership of Hagemeyer NV.