REXEL

Q1 2009 results

May 14, 2009

Q1 2009 results

- Q1 2009 at a glance
- Financial review
- Update on 2009 action plan & outlook

1 Q1 2009 at a glance

Resilient performance through efficient cost management in a deteriorating environment

	Q1 2009	vs. Q1 2008 Reported basis	vs. Q1 2008 Constant basis
Sales	€2,810m	+11.7%	-15.4% (same-day)
Gross margin	24.7%		+30 bps
EBITA[1] In % of sales	€84.9m 3.0%		-47.7% -180 bps
Working capital (in % of sales)	11.8%		+ 120 bps
Free cash flow before interest and taxes paid	€167.7m		+37.6%

→ Robust cash-flow

1. Adjusted and at Q1 2009 constant scope of consolidation and exchange rates:
   >Excluding amortization of purchase price allocation (€4.8 million in Q1 09 and €2.0 million in Q1 08)
   >Excluding the non-recurring effect related to changes in copper-based cables price which was a charge of €2.6 million in Q1 09 and a charge of €5.4 million in Q1 08 at the EBITA level.

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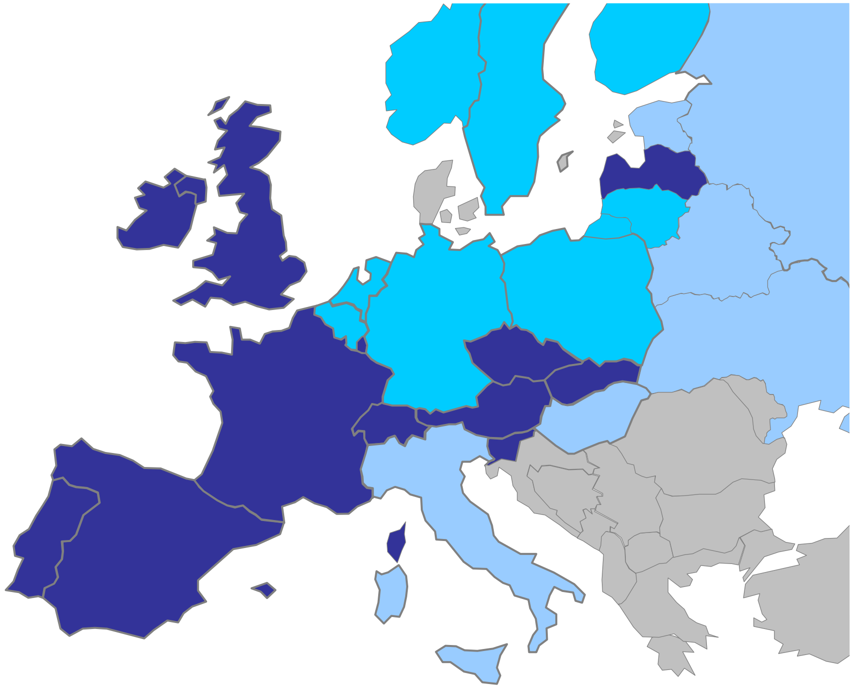
Europe (59% of sales):
Market share gains in major countries despite sales decline



Rexel's market ranking

- # 1
- # 2
- other
- No Rexel implantation

Business Highlights

- Good resilience in France (-6%), Benelux and Switzerland
- Continued market share gains in major markets (France, UK, Germany)
- Full effect of cost reductions not yet reflected
- 94 branches closed over the last 12 months of which 31 in Q1 09

Key figures

	Q1'09/Q1'08
Sales	-13.0%
EBITA margin[1]	-140 bps

1. Adjusted and at Q1 2009 constant scope of consolidation and exchange rates:
>Excluding amortization of purchase price allocation
>Excluding the non-recurring effect related to changes in copper-based cables price

North America (32% of sales): Contrasted trends between US and Canada

Rexel's market ranking

- # 1
- # 2
- other
- No Rexel implantation

Business Highlights

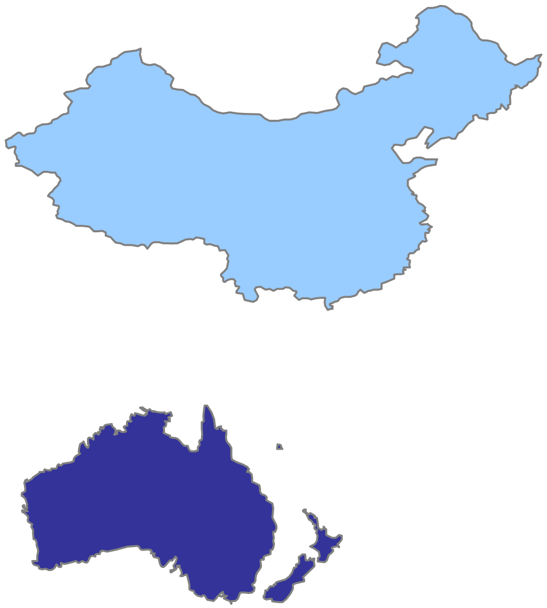
- USA (-25.6%) :
  - All end-markets affected
  - Increased number of energy savings projects
  - 74 branches closed over the last 12 months of which 18 in Q1 09
- Canada (-4.2%):
  - Energy savings projects jointly developed with utilities
  - Ongoing infrastructure projects in Alberta
- Significant downsizing of cost structure

Key figures

	Q1'09/Q1'08
Sales	-21.5%
EBITA margin[1]	-300 bps

1. Adjusted and at Q1 2009 constant scope of consolidation and exchange rates:
   >Excluding amortization of purchase price allocation
   >Excluding the non-recurring effect related to changes in copper-based cables price

Asia-Pacific (6% of sales): Resilient sales and market share gains



Rexel's market ranking

- # 1
- # 2
- other
- No Rexel implantation

Business Highlights

- Market share gains in Australia
- Australia (2/3 of the region's sales): sales erosion in residential and commercial, growth in industry & mining albeit at a lower pace
- Network optimization not yet reflected in profitability: 36 branches closed over the last 12 months of which 14 in Q1 09
- China: positive development of Xidian in automation

Key figures

	Q1'09/Q1'08
Sales	-4.0%
EBITA margin[1]	-120 bps

1. Adjusted and at Q1 2009 constant scope of consolidation and exchange rates:
>Excluding amortization of purchase price allocation
>Excluding the non-recurring effect related to changes in copper-based cables price

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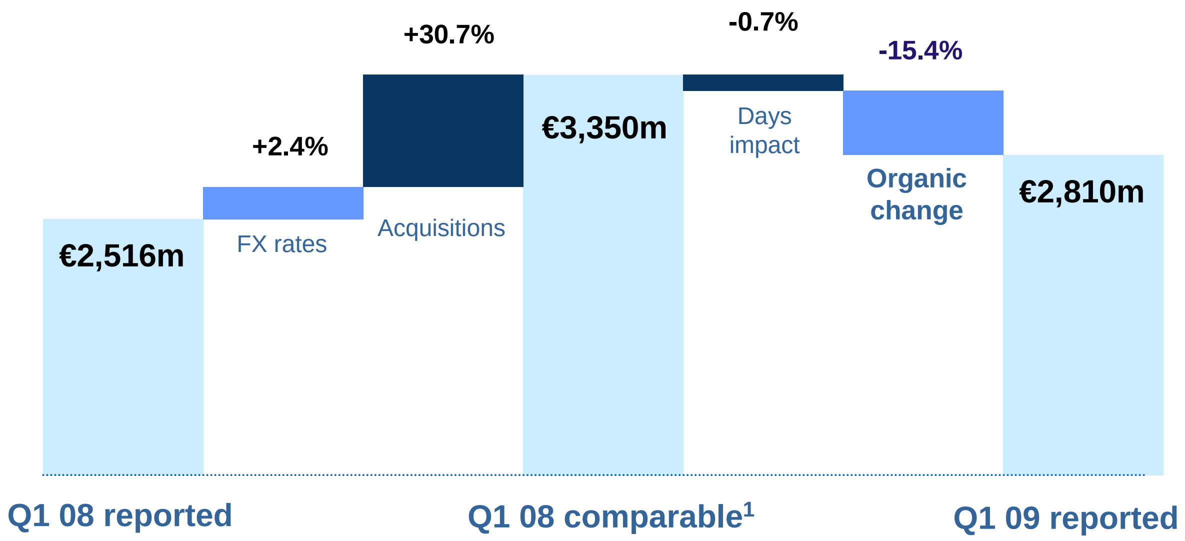
2 Financial review

Sales: contribution of Hagemeyer partly offset by organic erosion



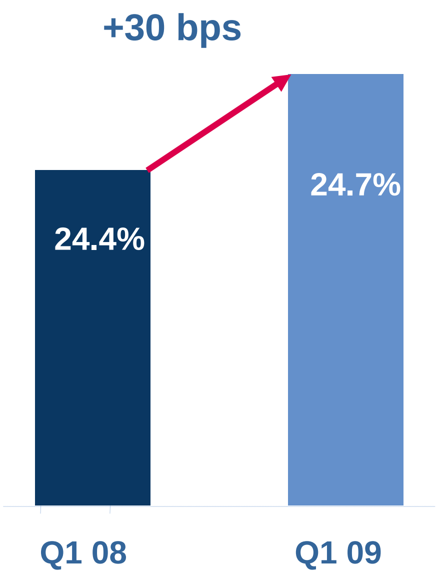
Organic change

✓ Europe	-13.0%
✓ North America	-21.5%
✓ Asia-Pacific	-4.0%
	-15.4%

- **Reported growth: +11.7%**
- **Organic sales erosion due to economic downturn across regions**

[1] including Hagemeyer

Europe drives continued increase in gross margin



Europe: +70 bps

- Favourable product mix
- Better purchasing conditions
- Initial synergies from the Hagemeyer acquisition

North America: - 50 bps

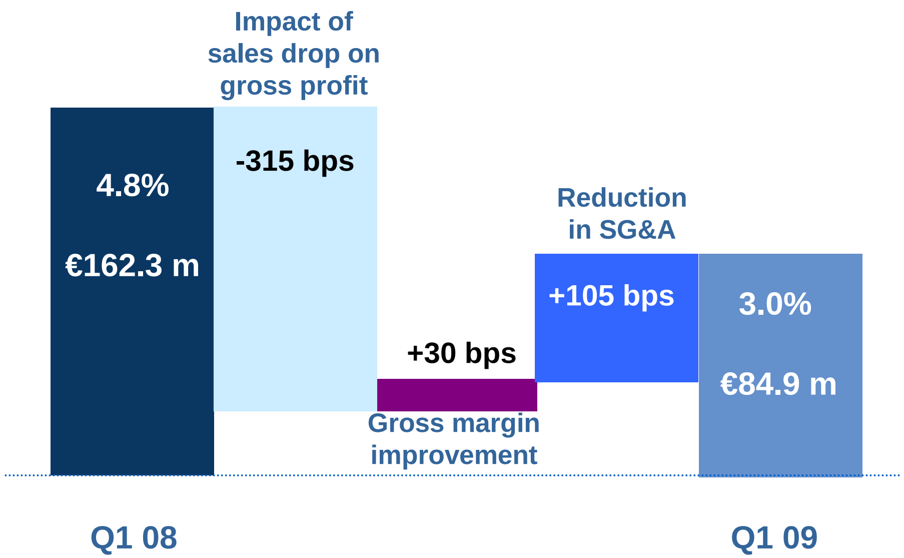
- Aggressive pricing from competition
- Lower rebates and higher inventory write-downs due to lower volume
- Favourable product mix offset by a greater share of direct sales

Asia-Pacific: - 70 bps

- Greater share of projects and of sales to key accounts with lower gross margin but lower distribution and administrative costs in Australia
- Lower rebates due to lower volume
- Regional mix: greater share of sales in Asia where gross margin is lower

Gross margin is Adjusted and at Q1 2009 constant scope of consolidation and exchange rates

Resilient EBITA margin



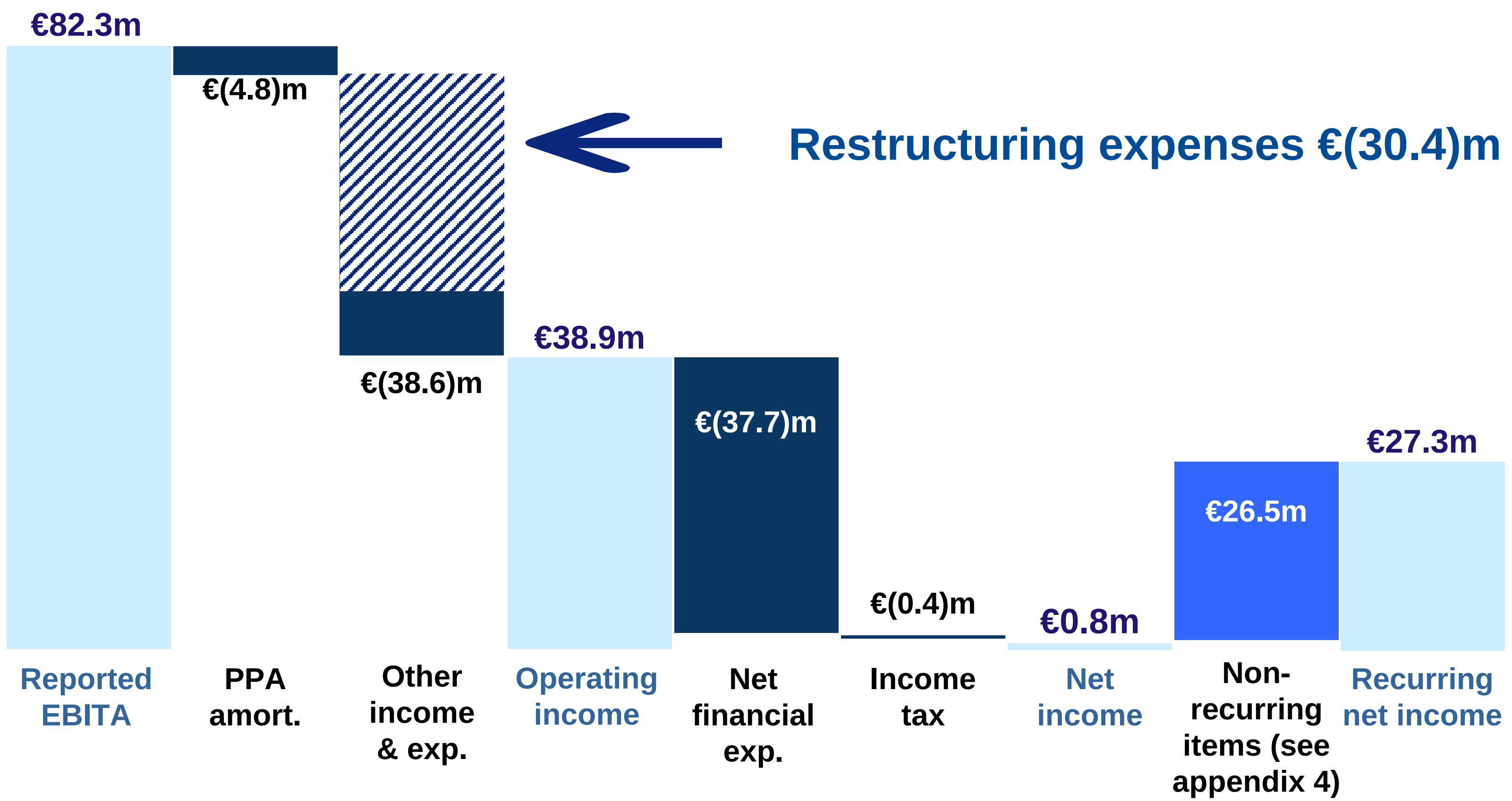
Adjusted EBITA Margin

✓ Europe	-140 bps
✓ North America	-300 bps
✓ Asia-Pacific	-120 bps
	-180 bps

- **Strong actions to contain distribution & administrative expenses**
  - **Headcount -9.6% in Europe, -12.6% in North America and -1.6% in Asia-Pacific vs. March 31, 2008**
  - **Action plans to reduce other costs in progress (transportation, leases)**
  - **215 branches closed since a year ago**
  - **Selectivity in capital expenditure**
  - **Supply chain optimization**

EBITA is Adjusted and at Q1 2009 constant scope of consolidation and exchange rates

Net income impacted by further restructuring



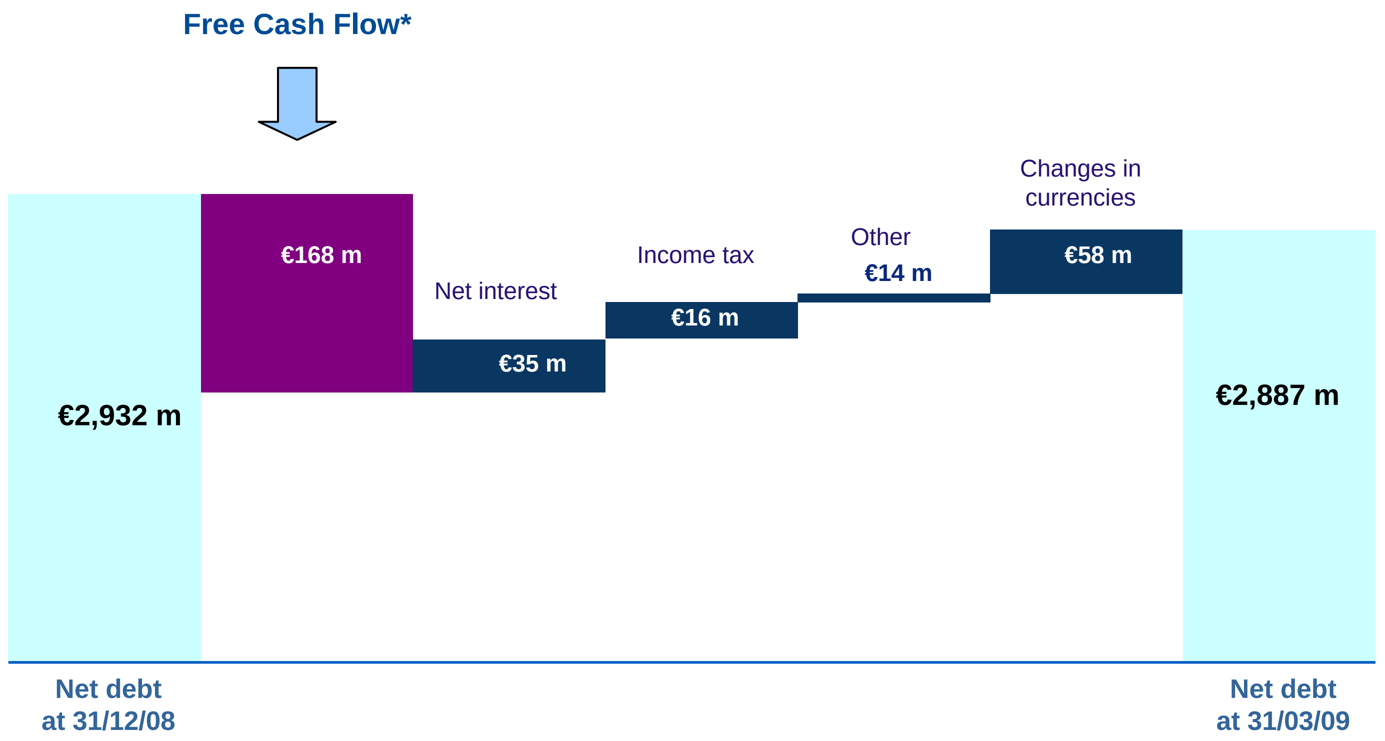
Strong free cash flow

€ million	Q1 08	Q1 09
Adjusted EBITDA	**164**	**106**
Copper-based cable inventory Adjustment	(4)	(3)
EBITDA	160	103
Other operating revenues and costs	(7)	(24)
Change in working capital	(48)	99
Capital expenditure (net) [1]	17	(10)
Free Cash Flow before interest and tax paid	**122**	**168**
Interest paid (net)	(30)	(35)
Income tax paid	(24)	(16)
Free Cash Flow after interest and tax paid	**68**	**117**

- **"Other operating revenues and costs", mainly restructuring: €21.2 million**
- **Working capital at 11.8% of sales:**
  - 20 bps favorable non-recurring item due to changes in payment terms in France
- **Selectivity in capital expenditure**
- **Strong free cash flow : +37.6%, before interest and tax paid**

[1] Includes disposal of €38.8 million in Q1 2008

Further net debt reduction



- **Strong focus on free cash flow continues to drive deleveraging since a year ago**

* Before interest and tax expenses

Robust liquidity well in excess of debt service

- **Liquidity of €1.2 billion including cash net of overdrafts and undrawn revolving credit facility, well above mandatory senior debt repayments[1] over the next three years**
- **Debt maturity: end 2012**
- **Facility C fully repaid during Q1 2009**
- **Interest rate hedging of 75% of net debt through swaps and caps**

Composition of debt (€ million)

2008 Senior Credit	2,344
Securitization	1,166
Other debt & cash	-623
Net debt at March 31, 2009	**2,887**

2008 Senior Credit

	Drawn	Undrawn
Facility A	2,284	0
Facility A'	60	0
Facility B	0	585
Facility C	Repaid	-
Facility D	Repaid	-
Total	**2,344**	**585**

[1] Senior debt mandatory repayments until end-2011: €164 million in Dec. 2009 and €270 million in each of Dec. 2010 and Dec. 2011

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3 Update on 2009 action plan & outlook

Q1 09 achievements support 2009 action plan

① **Defend profitability** → **Resilient EBITA margin**

② **Focus on deleveraging** → **Further debt reduction**

③ **Seize market opportunities** → **Action plans to expand in profitable growth segments**

Defend profitability

- **Protect gross margin: +30 bps in Q1 09**
  - Align supplier conditions and continue supplier concentration
  - Ensure necessary price adjustments are fully implemented
  - Own brands penetration increased to 3.6% in Q1 09 (3.3% in Q1 08)

- **Cost adjustments and optimization: operating expenses reduced by €46 million or 7%**
  - Headcount down 4.1% vs. end of 2008
  - Network streamlining: 75 branches closed during the quarter
  - Disposal of activities in Hungary (€23 million sales in 2008)
  - Actions initiated to reduce transportation costs and leases
  - Supply chain optimization: projects ongoing across countries
  - Increased share of e-commerce sales to 8.9% in Q1 09 (7.3% in Q1 08)

- **Hagemeyer synergies on track to attain objectives:**
  - €30 million in 2009
  - €50 million per year from 2011

Focus on deleveraging

- **Continued focus on working capital : €99 million inflow in Q1 09**
  - Ongoing logistics streamlining
  - Specific plan to monitor credit risk
  - Mitigating actions identified to offset the unfavorable impact expected in Q2'09 from the change in payment terms

- **Reinforced selectivity of capital expenditure :**
  - €10 million in Q1 09 in line with 25% reduction objective for 2009

→ Optimize free cash-flow

Seize market opportunities

- **Action plans to seize opportunities from stimulus packages implemented in our major markets**
- **Europe**
  - UK: focus on service infrastructure (railway refurbishment)
  - Energy efficiency:
    - France: renewable energy corner to be opened in 175 branches
    - Benelux: partnership with photovoltaïc suppliers to sell ready-to-install kits (Sunkit™)
- **North America**
  - Relamping projects
  - Defend positions in infrastructure projects in Canada
  - Secure MRO agreements for completed projects in Canada
- **Asia-Pacific**
  - Pursue development in the mining sector
  - Further develop industrial & national contracts building on Gexpro expertise
  - Major projects: 2010 world fair in China, 2011 Rugby world cup in NZ

Outlook

With uncertainty prevailing in end-markets, Rexel will:

- **Reinforce measures to adapt its cost-base to current market conditions:**
  - Action plans implemented to cut distribution and administrative expenses by €170 million in 2009 *(from the 2008 pro forma level)* instead of €110 million initially planned;
- **Continue deleveraging and enhance financial structure**
- **Seize market opportunities in growth segments**

→ **Rexel is confident that it will emerge stronger from the current downturn, thanks to the proven flexibility of its business model and focused management**

Financial Calendar & Contacts

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Financial Calendar

- **May 20, 2009**
  - Annual Shareholders meeting
- **July 31, 2009**
  - First half 2009 results

Contacts

- **Investors & Analysts**

- Marc Maillet
Tel: +33 1 42 85 76 12
Email: mmaillet@rexel.com
-
- Fineo
Jean-Michel Koster
Tel: +42 85 57 61
Email : koster@fineo.com

Appendices

Appendix 1: Segment reporting – Constant and adjusted basis

Group

Constant and adjusted basis (€m)	Q1 08	Q1 09	Change	
			actual-day	same-day
Sales	3,350.5	**2,809.8**	**-16.1%**	**-15.4%**
Gross profit	816.8	**693.9**	**-15.1%**	
as a % of sales	*24.4%*	*24.7%*		
Distribution & adm. expenses (incl. depreciation)	(654.5)	(608.9)	-7.0%	
EBITA (1)	162.3	**84.9**	**-47.7%**	
as a % of sales	*4.8%*	*3.0%*		
Headcount (end of period)	35,066	**31,759**	**-9.4%**	

Europe

Constant and adjusted basis (€m)	Q1 08	Q1 09	Change	
			actual-day	same-day
Sales	1,892.7	**1,646.0**	-13.0%	**-13.0%**
o/w France	617.4	571.9	-7.4%	-5.9%
United Kingdom	263.1	232.2	-11.7%	-13.1%
Germany	200.8	171.7	-14.5%	-15.1%
Scandinavia	206.5	184.1	-10.8%	-11.7%
Gross profit	481.5	**429.7**	**-10.8%**	
Gross margin	25.4%	26.1%	+70 bps	
Distribution & adm. expenses (incl. depreciation)	(384.0)	(367.9)	-4.2%	
EBITA	97.5	**61.8**	**-36.6%**	
EBITA margin	5.2%	3.8%	-140 bps	
Headcount (end of period)	21,048	**19,018**	**-9.6%**	

At Q1 2009 constant scope of consolidation and exchange rates and excluding the non-recurring effect related to changes in copper-based cables price which was a charge of €2.6 million in Q1 09 and a charge of €5.4 million in Q1 08 at the Group EBITA level

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Appendix 1: Segment reporting – Constant and adjusted basis

North America

Constant and adjusted basis (€m)		Q1 08	Q1 09	Change	
				actual-day	same-day
Sales		1,159.1	**886.0**	-23.6%	**-21.5%**
o/w	United States	946.1	681.8	-27.9%	-25.6%
	Canada	213.0	204.2	-4.2%	-4.2%
Gross profit		256.0	**191.2**	**-25.3%**	
Gross margin		22.1%	21.6%	-50 bps	
Distribution & adm. expenses (incl. depreciation)		(204.1)	(178.1)	-12.8%	
EBITA		51.9	**13.1**	**-74.7%**	
EBITA margin		4.5%	1.5%	-300 bps	
Headcount (end of period)		9,592	**8,388**	**-12.6%**	

Asia-Pacific

Constant and adjusted basis (€m)		Q1 08	Q1 09	Change	
				actual-day	same-day
Sales		185.0	**180.1**	-2.7%	**-4.0%**
o/w	Australia	119.3	116.3	-2.5%	-4.3%
	New-Zealand	24.4	23.4	-3.8%	-5.4%
	Asia	41.3	40.3	-2.3%	-2.4%
Gross profit		44.8	**42.4**	**-5.4%**	
Gross margin		24.2%	23.5%	-70 bps	
Distribution & adm. expenses (incl. depreciation)		(33.1)	(33.2)	+0.2%	
EBITA		11.7	**9.2**	**-21.2%**	
EBITA margin		6.3%	5.1%	-120 bps	
Headcount (end of period)		2,849	**2,803**	**-1.6%**	

At Q1 2009 constant scope of consolidation and exchange rates and excluding the non-recurring effect related to changes in copper-based cables price which was a charge of €2.6 million in Q1 09 and a charge of €5.4 million in Q1 08 at the Group EBITA level

Appendix 2: Pro forma information by quarter

Adjusted basis (€m)	Q1 08	Q2 08	Q3 08	Q4 08	FY 08
Sales	3,335.7	3,527.5	3,448.5	3,426.2	13,737.9
Organic growth	**+4.3%**	**+1.9%**	**+0.4%**	**-6.7%**	**-0.8%**
Gross profit	821.3	846.3	824.3	831.4	3,323.3
Gross margin	24.6%	24.0%	23.9%	24.3%	24.2%
Distribution & adm. expenses (incl. depreciation)	(660.1)	(652.9)	(638.8)	(649.9)	(2,601.7)
EBITA	161.2	193.4	185.5	181.6	721.6
EBITA margin	4.8%	5.5%	5.4%	5.3%	5.3%

EBITA is before amortization of purchase price allocation and restated retrospectively to reflect changes according to IFRIC 13 which was applied as from January 1, 2009

Appendix 3: Income Statement

Reported income statement as of March 31, 2008 was restated retrospectively to reflect changes according to IFRIC 13 which was applied as from January 1, 2009

Reported basis (€m)	Q1 08 reported	Q1 08 restated	**Q1 09**	**Change**
Sales	2,516.2	2,516.5	**2,809.8**	**+11.7%**
Gross profit	627.1	626.9	**690.8**	**+10.2%**
as a % of sales	*24.9%*	*24.9%*	*24.6%*	
Distribution & adm. expenses (excl. depreciation)	(466.5)	(466.3)	(587.6)	+26.0%
EBITDA	160.5	160.6	**103.2**	**-35.7%**
as a % of sales	*6.4%*	*6.4%*	*3.7%*	
Depreciation	(18.1)	(16.1)	(20.9)	
EBITA (1)	142.5	144.5	**82.3**	**-43.0%**
as a % of sales	*5.7%*	*5.7%*	*2.9%*	
Amortization of purchase price allocation		(2.0)	(4.8)	
Other income and expenses	(11.9)	(11.9)	(38.6)	
Operating income	130.6	130.6	38.9	**-70.2%**
Financial expenses (net)	(40.0)	(40.0)	(37.7)	
Net income (loss) before income tax	90.6	90.6	1.2	
Income tax	(28.1)	(28.1)	(0.4)	
Net income (loss)	62.5	62.5	0.8	**-98.7%**
Minority interest	0.0	0.0	(0.1)	
Net income (loss) attr. to equity holders of the parent	62.5	62.5	0.9	**-98.6%**

(1) Operating income before amortization of purchase price allocation and other income & other expenses

Appendix 4: Recurring net income

Net income (€m)	Q1 08	**Q1 09**
Reported net income	62.5	**0.8**
Non-recurring copper effect	4.0	2.6
Free shares	16.4	3.1
Restructuring	1.6	30.4
Loss (profit) related to disposals	(7.0)	4.4
Tax effect	(4.7)	(14.0)
Recurring net income	72.9	**27.3**

Appendix 5: Balance Sheet

Assets (€m)	December 31st 2008	March 31st 2009
Goodwill	3,662.4	3,723.4
Intangible assets	927.3	928.2
Property, plant & equipment	317.1	312.6
Long-term investments assets	53.7	52.8
Deferred tax assets	247.1	260.6
Total non-current assets	5,207.6	**5,277.6**
Inventories	1,329.0	1,297.2
Trade receivables	2,363.3	2,160.0
Other receivables & assets classified as held for sale	486.5	377.5
Cash and cash equivalents	807.0	692.1
Total current assets	4,985.8	**4,526.8**
Total assets	10,193.4	**9,804.4**

Liabilities (€m)	December 31st 2008	March 31st 2009
Total equity	3,248.4	**3,270.1**
Interest bearing debt	3,454.6	3,334.8
Other non-current liabilities	630.0	652.3
Total non-current liabilities	4,084.6	**3,987.1**
Interest bearing debt & accrued interests	284.4	244.3
Trade payables	1,930.0	1,701.5
Other payables & liabilities classified as held for sale	646.0	601.4
Total current liabilities	2,860.4	**2,547.2**
Total liabilities	6,945.0	**6,534.3**
Total equity & liabilities	10,193.4	**9,804.4**

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

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Appendix 6: Change in Net Debt

€m	Q1 08	Q1 09
EBITDA	160.5	**103.2**
Other operating revenues & costs[(1)]	(6.7)	(24.3)
Operating cash flow	153.8	**78.9**
Change in working capital	(48.5)	98.9
Net capital expenditure[(2)]	16.6	(10.0)
Free cash flow before interest and tax	121.8	**167.7**
Net interest paid / received	(29.6)	(35.0)
Income tax paid	(24.4)	(15.6)
Free cash flow after interest and tax	67.9	**117.1**
Net financial investment[(3)]	(2,947.4)	(5.8)
Change in equity	1.8	0.1
Other[(4)]	(365.7)	(8.6)
Currency exchange variation	85.6	(57.8)
Decrease (increase) in net debt	(3,157.8)	**45.0**
Net debt at the beginning of the period	1,606.6	**2,932.0**
Net debt at the end of the period	**4,764.4**	**2,887.0**

(1) Including restructuring expenses of €21.2 million in Q1 09 and €7.0 million in Q1 08
(2) Including disposals of €1.8 million in Q1 09 and €38.8 million in Q1 08
(3) In 2008, includes mainly the cash outlay for the acquisition of 98.73% of the shares and 100% of the convertible bonds of Hagemeyer.
(4) Including Hagemeyer's gross debt at the acquisition date (€315.3 million in 2008)

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Appendix 7: Senior Credit Agreement

Covenant calculation

€ million	March 31st, 2009
Net debt at closing currency exchange rates	2,887.0
Net debt at average currency exchange rates (A)	**2,892.2**
LTM Adjusted EBITDA (B)	**754.5**
Indebtedness ratio (A) / (B)	**3.83x**

Covenant commitment

	30/06/09	31/12/09	30/06/10	31/12/10	30/06/11	31/12/11
Commitment	4.75x	4.50x	4.25x	3.90x	3.50x	3.50x

Senior credit mandatory repayments (until Dec 2011)

Tranche	Date	€ million
Facility A & A’	December 2009	164
Facility A & A’	December 2010	270
Facility A & A’	December 2011	270

Disclaimer

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 prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:
- 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 cables price 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.
This press release may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des marchés financiers on April 20, 2009 under number R.09-022. These forward-looking statements are not guarantees of Rexel's future performance. Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.