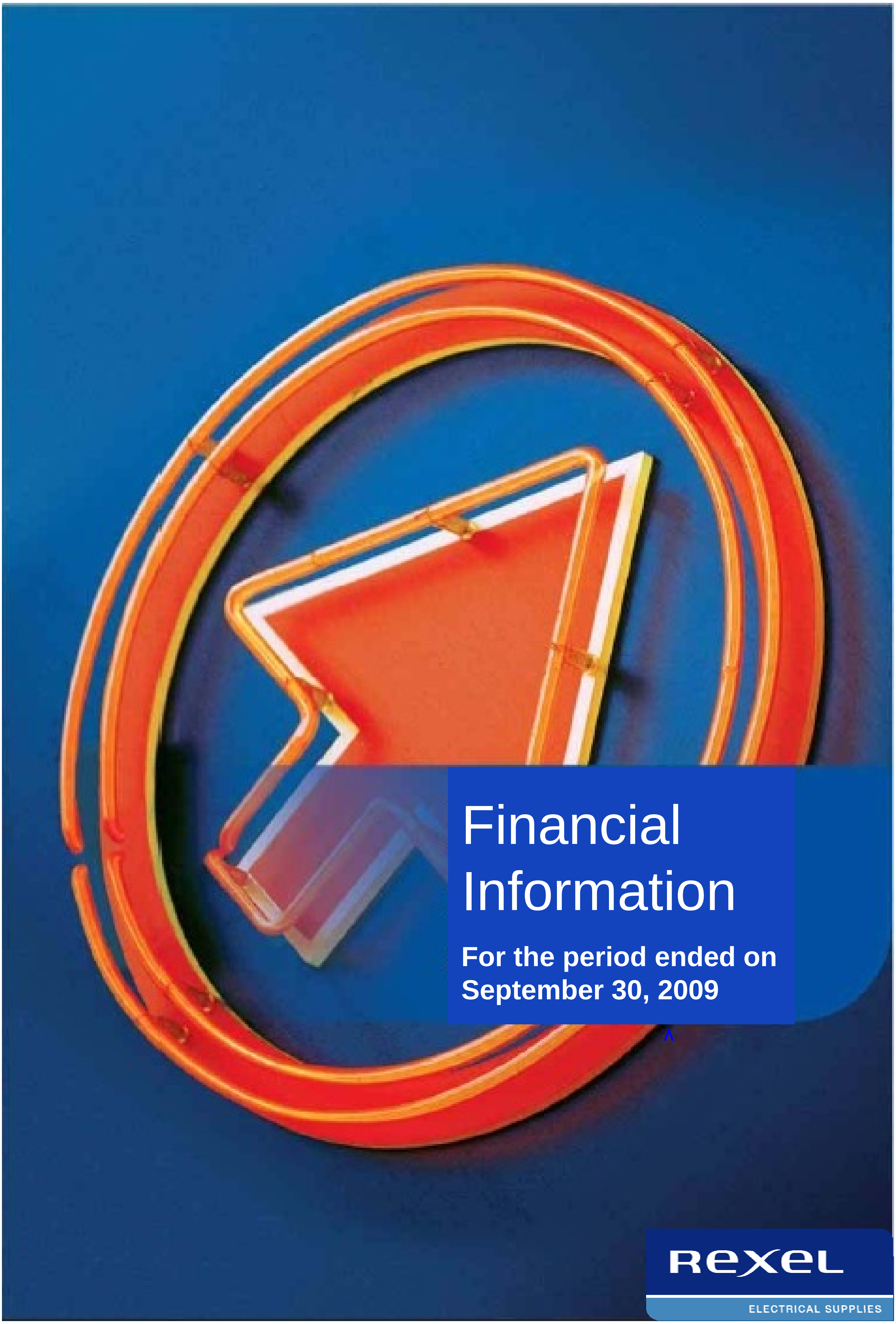

Financial Information

For the period ended on September 30, 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 on September 30, 2009

I. Activity report

This document is a free translation into English of the activity report for the period ended September 30, 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 September 30, 2009, the French version will prevail.

1. | OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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").

In the first quarter of 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 of 2008, has been excluded from the scope of consolidation from 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 nine months of 2009, the Group recorded consolidated sales of €8,402.5 million, of which €4,927.6 million were generated in Europe (59% of sales), €2,542.0 million in North America (30% of sales), €624.2 million in the Asia-Pacific zone (7% of sales), and €308.7 million related to Other Operations (4% 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 other Central and Northern European countries (Slovenia, Hungary, Slovakia, the Czech Republic, Poland, Russia and the Baltic States). In 2009, the Group disposed of its distribution network in Hungary.

The North America zone consists of the United States and Canada. The United States represents 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 over the period. It also includes Chile, which represented less than 0.5% of the Group's sales in the first nine months 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 so far as possible 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 1, 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 of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 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, Egley 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 September 30, 2009, Rexel owned all of the outstanding shares and all of the convertible bonds outstanding for an amount of approximately €3.2 billion. 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 nine months 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 and increased its interest in Huazhang Electrical Automation Co.Ltd in China, from 51% to 70%, through the exercise of a call option for CNY34.6 million (€3.6 million). Prices adjustments on previous acquisitions amounted to €29.5 million, mainly related to the purchase of the remaining Hagemeyer shares. The Group also disposed of its distribution network in Hungary in the period.

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 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:

- <u>On a constant basis</u>, 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;

- <u>On a constant basis and same number of working days</u>, 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 September 30,		9 months ended September 30,	
(in millions of euros)	2009	2008	2009	2008
Operating income before other income and other expenses	**125.7**	**174.9**	**304.7**	**509.9**
Changes in scope effects		-		12.4
Foreign exchange effects		0.2		5.4
Non recurring effect related to copper	(8.5)	8.0	(12.6)	6.4
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	4.8	4.8	14.4	11.9
Adjusted EBITA on a constant basis	**122.0**	**187.9**	**306.5**	**546.0**

1.2 | Major events that occurred in the first nine months of 2009

In the first nine months of 2009, Rexel acquired all of the remaining outstanding shares of Hagemeyer, thus increasing its stake from 99.13% at December 31, 2008 to 100.0% at September 30, 2009. The only material effect of this acquisition on the Group's financial situation is the €27.2 million increase in its net debt. It is disclosed in in note 3.1 of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 2009.

In the first nine months of 2009, the Group also completed the acquisition of 63.5% of the shares of Suzhou Xidian Co. Ltd. in China, increased its interest in Huazhang Electrical Automation Co.Ltd in China, from 51% to 70%, through the exercise of a call option, and disposed of its distribution network in Hungary. These operations did not affect materially its financial position and their effects are detailed in paragraphs 1.3 and 2.1.2 hereafter.

Finally, on July 30, 2009, Rexel entered into an amendment to the 2008 Senior Credit Agreement initially executed on December 19, 2007. The key terms and conditions of this amendment are detailed in note 12 of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 2009.

1.3 | Comparison of the financial results at September 30, 2009 and 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.

1.3.1 | Rexel's consolidated financial results

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

REPORTED	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	2,793.6	3,448.0	(19.0)%	8,402.5	9,440.2	(11.0)%
Gross profit	678.3	818.3	(17.1)%	2,054.3	2,285.3	(10.1)%
Distribution and administrative expenses(1)	(547.8)	(638.6)	(14.2)%	(1,735.2)	(1,763.5)	(1.6)%
EBITA	130.5	179.7	(27.4)%	319.1	521.8	(38.8)%
Amortization(2)	(4.8)	(4.8)	0.0%	(14.4)	(11.9)	21.0%
Other income and expenses	(30.1)	(51.7)		(107.9)	26.1	
Operating income	95.6	123.2		196.8	536.0	
Financial expenses	(52.9)	(57.9)		(127.6)	(140.9)	
Income tax	(14.1)	(30.7)		(22.6)	(101.1)	
Net income	28.6	34.6		46.6	294.0	
as a % of sales	*1.0%*	*1.0%*		*0.6%*	*3.1%*	

(1) Including depreciation:	(19.5)	(23.6)	(17.4)%	(61.3)	(62.6)	(2.1)%

(2) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	2,793.6	3,447.4	**(19.0)%**	8,402.5	10,383.4	**(19.1)%**
Same number of working days			*(19.4)%*			*(18.4)%*
Gross profit	669.5	823.2	(18.7)%	2,041.7	2,495.2	(18.2)%
as a % of sales	*24.0%*	*23.9%*		*24.3%*	*24.0%*	
Distribution and administrative expenses	(547.5)	(635.3)	(13.8)%	(1,735.2)	(1,949.2)	(11.0)%
as a % of sales	*(19.6)%*	*(18.4)%*		*(20.7)%*	*(18.7)%*	
EBITA	**122.0**	**187.9**	**(35.1)%**	**306.5**	**546.0**	**(43.9)%**
as a % of sales	***4.4%***	***5.5%***		***3.6%***	***5.3%***	

Sales

In the first nine months of 2009, Rexel's consolidated sales decreased by 11.0% to €8,402.5 million, an 18.4% decrease on a constant basis and same number of working days. Acquisitions, net of divestitures, accounted for an increase of €844.5 million, mainly related to the Hagemeyer transaction, while the positive effect of changes in exchange rates amounted to €98.8 million, due to the appreciation of the US dollar against the Euro, though mitigated by the depreciation of other currencies, especially the British Sterling and the Australian dollar.

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

		Growth 2009 vs. 2008				
		Q1	Q2	H1	Q3	9 months
Growth on a constant basis and same number of working days		(15.4)%	(20.2)%	(17.9)%	(19.4)%	(18.4)%
Number of working days effect		(0.7)%	(1.7)%	(1.2)%	0.4%	(0.7)%
Organic growth	(a)	*(16.1)%*	*(21.9)%*	*(19.1)%*	*(19.0)%*	*(19.1)%*
Changes in scope effects		30.7%	1.7%	13.9%	0.4%	8.9%
Foreign exchange effects		2.4%	1.4%	1.9%	(0.4)%	1.0%
Total scope and currency effects	(b)	*33.1%*	*3.2%*	*15.8%*	*(0.0)%*	*10.0%*
Effective growth (a) x (b) [1]		11.7%	(19.5)%	(6.4)%	(19.0)%	(11.0)%

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

In the first nine months of 2009, the effect of lower copper-based cable prices compared to the first nine months of 2008 was estimated to 3.8 percentage points of the 18.4% Group's sales decrease on a constant basis and same number of working days. In the third quarter of 2009, sales decreased by 19.4% on constant basis and same number of working days, of which 2.9 percentage points due to the change in copper-based cable prices. The effect of branches closures was estimated to account for 2.6 percentage points in the sales variation of the first nine months of 2009 and 4.5 in the United States.

Gross profit

In the first nine months of 2009, gross profit amounted to €2,054.3 million, a 10.1% decrease compared to 2008. On a constant basis, Adjusted gross margin improved by 30 basis points compared to 2008 from 24.0% in the first nine months of 2008 to 24.3% in the first nine months of 2009. This improvement reflects purchasing synergies with Hagemeyer, together with a favorable 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) and a favorable country mix. In the third quarter of 2009, Adjusted gross margin improved by 10 basis points from 23.9% to 24.0% on a constant basis.

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 11.0% between 2008 and 2009 compared to a 19.1% decrease in sales. In the third quarter of 2009, this decrease in distribution and administrative expenses was 13.8% due to additional measures and full effect of the past ones. Adjusted personnel expenses decreased by 11.4% on a constant basis as a result of the headcount reductions implemented in all the countries, with the major effects in North America and in Europe (in particular in the United Kingdom, France and Spain). At September 30, 2009, the number of employees was 29,644, down 10.2% compared to December 31, 2008 and down 13.1% compared to a year ago, on a constant basis. In addition, temporary part-time measures are being implemented where legally authorized to reduce costs and protect employment. Transportation costs also significantly decreased due to lower sales and petrol price decrease. Bad debt expenses, including credit insurance costs, increased from 0.3% to 0.5% of sales compared to the first nine months of 2008 as a result of the downturn in economy, especially in Europe.

EBITA

EBITA reached €319.1 million in the first nine months of 2009, a 38.8% decrease compared to the first nine months of 2008 on a reported basis. On a constant basis, Adjusted EBITA decreased by 43.9% and Adjusted EBITA margin decreased by 170 basis points from 5.3% in the first nine months of 2008 to 3.6% in the first nine months of 2009 as a result of the drop in sales. The effect of the decrease in sales was mitigated by the improvement of gross margin, and the costs saving actions taken to reduce distribution and administrative expenses. The 4.4% Adjusted EBITA margin in the third quarter of 2009 compares with 3.6% in the second quarter and 3.0% in the first quarter.

Other income and other expenses

In the first nine months of 2009, other income and other expenses were a net expense of €107.9 million and included €73.3 million restructuring and Hagemeyer's integration expenses (including €15.3 million in France, €14.0 million in Spain, and €11.3 million in the United States), €4.0 million related to the disposal of Rexel's operations in Hungary, and €12.6 million goodwill impairment charge in respect of the operations of the Group in Slovakia and Finland.

Financial expenses

In the first nine months of 2009, net financial expenses were €127.6 million compared to €140.9 million in the first nine months of 2008, due to the decrease in both interest rates and the Group's average net debt between both periods. The 2009 expenses included €9.9 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 only €2.9 million in 2008. In the first nine months of 2008, financial expenses included €11.0 million non-recurring costs related to the 2008 Group's refinancing.

In the third quarter of 2009, the effective interest rate was 6.8% compared to 6.5% in the third quarter of 2008 and 4.6% in the second quarter of 2009. The increase quarter-on-quarter mainly resulted from the amendment to the Senior Credit Agreement entered into on July 30, 2009 (see paragraph 2.2 hereunder). Financial expenses reflected the terms of the 2008 Senior Credit Agreement entered into for the Hagemeyer transaction only as from the second quarter of 2008, as well as the related increase in net debt.

Tax expenses

The effective tax rate was 32.7% at September 30, 2009 compared to 25.6% at September 30, 2008. In the first nine months of 2008, the effective tax rate included the effect of the low taxation of the gain relating to the transfer to Sonepar of Rexel's operations in Germany. Excluding the effect of this non recurring transaction, the effective tax rate would have been 31% in 2008. The effective tax rate was higher in 2009 due to non-recognition of deferred tax assets as a result of the deterioration of the economic environment.

Net income

Net income amounted to €46.6 million in the first nine months and 28.6 million in the third quarter of 2009, compared to €294.0 million in the first nine months of 2008 and €34.6 million in the third quarter of 2008.

1.3.2 | Europe (59% of Group consolidated sales)

REPORTED	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	1,655.0	1,963.4	(15.7)%	4,927.6	5,213.4	(5.5)%
Gross profit	426.8	483.6	(11.7)%	1,279.0	1,320.3	(3.1)%
Distribution and administrative expenses	(331.2)	(381.0)	(13.1)%	(1,051.0)	(1,021.2)	2.9%
EBITA	95.6	102.6	(6.8)%	228.0	299.1	(23.8)%
as a % of sales	*5.8%*	*5.2%*		*4.6%*	*5.7%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	**1,655.0**	**1,912.8**	**(13.5)%**	**4,927.6**	**5,800.4**	**(15.0)%**
Same number of working days			*(14.2)%*			*(14.3)%*
Gross profit	418.3	477.6	(12.4)%	1,263.8	1,455.8	(13.2)%
as a % of sales	*25.3%*	*25.0%*		*25.6%*	*25.1%*	
Distribution and administrative expenses	(330.9)	(370.0)	(10.6)%	(1,051.0)	(1,141.4)	(7.9)%
as a % of sales	*(20.0)%*	*(19.4)%*		*(21.3)%*	*(19.7)%*	
EBITA	**87.4**	**107.6**	**(18.7)%**	**212.8**	**314.4**	**(32.3)%**
as a % of sales	***5.3%***	***5.6%***		***4.3%***	***5.4%***	

In the first nine months of 2009, sales decreased by 5.5% in Europe compared to the first nine months of 2008 and reached €4,927.6 million. Acquisitions, net of disposals, accounted for a €704.8 million increase, essentially due to the Hagemeyer transaction, while changes in exchange rates accounted for a €117.8 million decrease, mostly due to the depreciation of the British Sterling against the Euro. The disposal of the Group's distribution network in Hungary resulted in a reduction of sales in an amount of €12.3 million. On a constant basis and same number of working days, sales decreased by 14.3% in the first nine months of 2009 as a result of the deterioration in economics, copper-based cable prices decrease and of branch closures. In the third quarter of 2009, sales decreased by 14.2% on a constant basis and same number of working days.

In France, sales amounted to €1,644.3 million in the first nine months of 2009, a 9.5% decrease on a constant basis and same number of working days. This sales evolution was particularly driven by the downturn in the industrial sales, although commercial and residential end-markets were also weak. 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 and security. The Group estimates that it outperformed the market. In the third quarter of 2009, sales decreased by 12.1% on a constant basis and same number of working days.

In the United Kingdom, sales amounted to €687.1 million in the first nine months of 2009, a 15.5% 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, due to financing issue, including the London area where some Olympics projects may have been delayed. Sales to large contractors decreased strongly while small contractors were resisting better. The Group estimates that it outperformed the market. In the third quarter of 2009, sales decreased by 15.6% on a constant basis and same number of working days.

In Germany sales amounted to €581.0 million in the first nine months of 2009, an 8.7% decrease on a constant basis and same number of working days. 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 depressed economic environment. The Group estimates it outperformed the market. In the third quarter of 2009, sales decreased by 3.9% on a constant basis and same number of working days supported by an increase in sales of solar panels.

In Scandinavia sales amounted to €552.2 million in the first nine months of 2009, a 13.5% decrease on a constant basis and same number of working days. The activities in Finland recorded a 24.1% drop in sales driven by the business with large national and industrial companies. In Sweden, sales decreased by 11.6% due to projects delayed or cancelled, especially in the utilities and industrial sectors, but outperforming the market. Sales in Norway posted a 6.8% decrease, estimated to be gaining market share. Sales to customers in the utilities sector recorded a positive growth in the first nine months of 2009. In the third quarter of 2009, sales decreased by 13.0% in Scandinavia on a constant basis and same number of working days, an improvement over the second quarter.

In the first nine months of 2009, gross profit amounted to €1,279.0 million, a 3.1% decrease compared to 2008. On a constant basis, Adjusted gross margin was 25.6% of sales in the first nine months of 2009, a 50 basis points improvement from 25.1% in the first nine months of 2008. This performance was mainly due to favorable changes in product mix, notably cables, to favorable country mix and to better purchasing terms, including synergies from the Hagemeyer integration. In the third quarter of 2009, Adjusted gross margin was 30 basis points higher than in third quarter of 2008, at 25.3% of sales.

On a constant basis, Adjusted distribution and administrative expenses decreased by 7.9% compared to a 15.0% 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 9.7%. The number of employees was reduced by 13.0% compared to September 30, 2008 and 10.0% compared to December 31, 2008 on a constant basis, to 17,761 at September 30, 2009. Lease and maintenance expenses remained flat compared to the first nine months 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 centers in France as well as the sale and partial leaseback of several logistics platforms representing 125,000 m^2 in the course of 2008. Bad debt expenses increased compared to the first nine months of 2008 due to reduced coverage from credit insurance in the depressed economic environment. In the third quarter of 2009, Adjusted distribution and administrative expenses decreased by 10.6% on a constant basis.

EBITA amounted to €228.0 million, a 23.8% decrease compared to the first nine months of 2008. On a constant basis, Adjusted EBITA decreased by 32.3% and Adjusted EBITA margin decreased by 110 basis points to 4.3% in the first nine months of 2009 for a sales decrease of 15.0%. In the third quarter of 2009, Adjusted EBITA decreased by 18.7% on a constant basis and Adjusted EBITA margin decreased by 30 basis points to 5.3% of sales.

1.3.3 | North America (30% of Group consolidated sales)

REPORTED	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	811.6	1,121.6	(27.6)%	2,542.0	3,262.2	(22.1)%
Gross profit	170.3	239.5	(28.9)%	540.7	710.8	(23.9)%
Distribution and administrative expenses	(146.9)	(182.7)	(19.6)%	(483.4)	(542.4)	(10.9)%
EBITA	23.4	56.8	(58.8)%	57.3	168.4	(66.0)%
as a % of sales	*2.9%*	*5.1%*		*2.3%*	*5.2%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	**811.6**	**1,159.8**	**(30.0)%**	**2,542.0**	**3,527.2**	**(27.9)%**
Same number of working days			*(30.0)%*			*(27.2)%*
Gross profit	169.6	251.0	(32.4)%	542.8	769.3	(29.4)%
as a % of sales	*20.9%*	*21.6%*		*21.4%*	*21.8%*	
Distribution and administrative expenses	(146.9)	(189.2)	(22.4)%	(483.4)	(589.0)	(17.9)%
as a % of sales	*(18.1)%*	*(16.3)%*		*(19.1)%*	*(16.7)%*	
EBITA	**22.7**	**61.8**	**(63.3)%**	**59.4**	**180.3**	**(67.1)%**
as a % of sales	***2.8%***	***5.3%***		***2.3%***	***5.1%***	

In the first nine months of 2009, sales in North America amounted to €2,542.0 million, a 22.1% decrease compared to 2008. This decrease includes a €265.0 million favorable effect from changes in foreign exchange rates due to the appreciation of the US dollar against the Euro reduced by the depreciation of the Canadian dollar. On a constant basis and same number of working days, sales decreased by 27.2% in the first nine months of 2009 compared to 2008 because of the economic situation, the lower copper-based cable and other commodities prices compared to 2008 and branch closures. In the third quarter of 2009, sales decreased by 30.0% on a constant basis and same number of working days.

In the United States, sales amounted to €1,894.2 million in the first nine months of 2009, a 31.7% decrease on a constant basis and same number of working days. The downturn of residential construction continued while commercial end-markets weakened and several industrial segments, such as steel, oil and gas and paper mills continued slowing down in the first nine months of 2009. The current recession continued to lead to cancellations or postponements of certain projects. Despite the economic environment, Rexel implemented initiatives in some governmental and institutional projects which mitigated the drop in sales, such as wastewater treatment plants. The impact of branches closures was estimated to 4.5 percentage points in the 31.7% sales decrease. In the third quarter of 2009, sales decreased by 34.8% on a constant basis and same number of working days, which was stable compared to the previous quarter.

In Canada, sales amounted to €647.7 million in the first nine months of 2009, a 10.1% decrease on a constant basis and same number of working days. This evolution was mainly due to the performance in Ontario and British Columbia where manufacturing activity continued to be depressed as a result of the global economic downturn, low U.S. demand and a strong Canadian dollar. Sales in Alberta with oil sands related projects slowed down compared to last year with both very strong sales in 2008 and slower project activity due to dropping commodity prices and reduced investment activity in the energy sector in 2009. Focus on energy efficiency initiatives was yielding positive results. The Group estimates that it gained market share over the period. In the third quarter of 2009, sales decreased by 14.0% on a constant basis and same number of working days.

In the first nine months of 2009, gross profit amounted to €540.7 million, a 23.9% decrease compared to 2008. On a constant basis, Adjusted gross margin decreased by 40 basis points compared to 2008 at 21.4% of sales in the first nine months 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 some price pressure. In the third quarter of 2009, Adjusted gross margin was 70 basis points lower than in the third quarter of 2008, at 20.9% of sales. The gross margin level deteriorated compared to previous trends due to market conditions and reduction in rebates.

On a constant basis, Adjusted distribution and administrative expenses decreased by 17.9% compared to a 27.9% decrease in sales. Adjusted personnel costs decreased by 16.5% on a constant basis due to continuous staff reductions in order to adapt to current sales trends. Headcount was reduced by 15.2% compared to September 30, 2008 and 11.7% compared to December 31, 2008 on a constant basis, to 7,783 at September 30, 2009. Transportation costs also significantly decreased due to lower sales and petrol price. In the third quarter of 2009, Adjusted distribution and administrative expenses decreased by 22.4% on a constant basis.

EBITA thus amounted to €57.3 million in the first nine months of 2009, a 66.0% decrease compared to 2008. On a constant basis, Adjusted EBITA posted a 67.1% reduction, and decreased from 5.1% to 2.3% as a percentage of sales for a sales decrease of 27.9%. In the third quarter of 2009, Adjusted EBITA decreased by 63.3% on a constant basis and Adjusted EBITA margin decreased to 2.8% of sales.

1.3.4 | Asia-Pacific (7% of Group consolidated sales)

REPORTED	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	224.8	238.1	(5.6)%	624.2	687.1	(9.1)%
Gross profit	49.9	57.4	(13.1)%	139.7	168.8	(17.2)%
Distribution and administrative expenses	(36.8)	(39.5)	(6.8)%	(105.4)	(118.3)	(10.9)%
EBITA	13.1	17.9	(26.8)%	34.3	50.5	(32.2)%
as a % of sales	*5.8%*	*7.5%*		*5.5%*	*7.3%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	**224.8**	**248.5**	**(9.5)%**	**624.2**	**677.7**	**(7.9)%**
Same number of working days			*(9.6)%*			*(7.7)%*
Gross profit	50.0	57.5	(13.0)%	140.2	159.0	(11.8)%
as a % of sales	*22.3%*	*23.1%*		*22.5%*	*23.5%*	
Distribution and administrative expenses	(36.8)	(39.9)	(7.7)%	(105.4)	(111.2)	(5.2)%
as a % of sales	*(16.3)%*	*(16.0)%*		*(16.9)%*	*(16.4)%*	
EBITA	**13.2**	**17.6**	**(25.0)%**	**34.8**	**47.8**	**(27.2)%**
as a % of sales	***5.9%***	***7.1%***		***5.6%***	***7.1%***	

In the first nine months of 2009, sales in Asia-Pacific decreased by 9.1% compared to 2008 to €624.2 million, or 7.7% on a constant basis and same number of working days. The contribution from the acquisition of Suzhou Xidian in China early 2009 (€30.8 million) was more than off-set by unfavorable changes in exchange rates, which accounted for €40.2 million. In the third quarter of 2009, sales decreased by 9.6% on a constant basis and same number of working days.

In the first nine months of 2009, sales in Australia amounted to €391.4 million, an 11.2% decrease compared to 2008 on a constant basis and same number of working days. Sales were impacted by branch closures and economic conditions, particularly the lack of projects and the slowdown of the residential, industry and mining markets. Rexel estimates that it outperformed the market in the first nine months of 2009. In the third quarter of 2009, sales decreased by 15.3% on a constant basis and same number of working days.

In New-Zealand, sales amounted to €82.9 million in the first nine months of 2009, an 8.5% 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 estimates it gained market share in a depressed market. In the third quarter of 2009, sales decreased by 9.4% on a constant basis and same number of working days, in line with the previous quarter.

In Asia, sales amounted to €149.9 million in the first nine months of 2009, a 3.6% increase on a constant basis and same number of working days compared to 2008, which benefited from the Olympics. Rexel recorded a good performance in the automation, energy and rail sectors, although the activity was impacted by the general economic slowdown, customers' credit constraints. In the third quarter of 2009, sales increased by 8.9% on a constant basis and same number of working days benefiting from lower sales last year with the Olympics disruptions.

In the first nine months of 2009, gross profit decreased by 17.2% to €139.7 million. On a constant basis, Adjusted gross margin decreased by 100 basis points, to 22.5% in the first nine months of 2009. This was mainly due to a decrease in Australia (increased mix of key accounts, pressure on projects margin and decrease in rebates) and to change in the regional mix (increase of the share of Asia where gross margin is lower especially because of projects activity). In the third quarter of 2009, Adjusted gross margin was 80 basis points lower than in third quarter of 2008, at 22.3% of sales.

On a constant basis, Adjusted distribution and administrative expenses decreased by 5.2% compared to 2008, while sales decreased by 7.9%. Adjusted personnel costs decreased by 5.4% on a constant basis. On a constant basis, headcount was reduced by 8.3% compared to December 31, 2008 to 2,633 at September 30, 2009. In the third quarter of 2009, distribution and administrative expenses decreased by 7.7% on a constant basis, reflecting the continuation of costs reduction actions.

EBITA amounted to €34.3 million in the first nine months of 2009, a 32.2% decrease compared to 2008. On a constant basis, Adjusted EBITA decreased by 27.2%, from 7.1% of sales in the first nine months of 2008 to 5.6% in the first nine months of 2009. In the third quarter of 2009, Adjusted EBITA decreased by 25.0% on a constant basis, i.e. 120 basis points to 5.9% of sales.

1.3.5 | Other operations (4% of Group consolidated sales)

REPORTED	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	102.2	124.9	(18.2)%	308.7	277.5	11.3%
Gross profit	31.3	37.8	(17.2)%	94.9	85.4	11.2%
Distribution and administrative expenses	(32.9)	(35.4)	(7.1)%	(95.4)	(81.6)	16.9%
EBITA	(1.6)	2.4	(166.7)%	(0.5)	3.8	-
as a % of sales	*(1.6)%*	*1.9%*		*(0.1)%*	*1.4%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30,			9 months ended September 30,		
(in millions of euros)	2009	2008	Change in %	2009	2008	Change in %
Sales	**102.2**	**126.3**	**(19.1)%**	**308.7**	**378.1**	**(18.3)%**
Same number of working days			*(19.4)%*			*(18.1)%*
Gross profit	31.6	37.1	(14.6)%	94.9	111.1	(14.5)%
as a % of sales	*30.9%*	*29.3%*		*30.7%*	*29.4%*	
Distribution and administrative expenses	(32.9)	(36.2)	(8.5)%	(95.4)	(107.6)	(11.2)%
as a % of sales	*(32.2)%*	*(28.5)%*		*(30.9)%*	*(28.5)%*	
EBITA	**(1.3)**	**0.9**	**-**	**(0.5)**	**3.5**	**-**
as a % of sales	***(1.3)%***	***0.7%***		***(0.2)%***	***0.9%***	

Most of the Other operations segment's business is comprised of the Agencies / Consumer Electronics activity acquired in 2008 as part of the Hagemeyer acquisition.

In the first nine months of 2009, sales of the Agencies / Consumer Electronics activity posted a 20.1% decrease on a constant basis and same number of working days driven by Netherlands. Compared with 2008 which benefited from the European football championship, sales in the Netherlands were impacted not only by economic conditions, customers reaching reduced credit limits, but also by the evolution of the Yen, in which a significant part of purchases are denominated while main competitors have their purchases denominated in Euro or in Korean Won. In Australia, sales decreased as a consequence of the discontinuation of some non core product lines as well as tough market conditions and competition. The Asian agencies business, focused on sales of luxury goods through retail shops, was impacted by lower store traffic resulting from the economic environment and shop closures. In the third quarter of 2009, sales decreased by 20.8% on a constant basis and same number of working days.

On a constant basis, Adjusted EBITA turned negative because of the effects of the downturn in activity were only partly offset by the reduction in operating costs.

1.4 | Risks and uncertainties regarding 2009 fourth quarter

Risk factors set out in the *Document de référence*[1] are repeated.

1.5 | Outlook

In the coming months, market trends will remain challenging in all of Rexel's end-markets.

Nevertheless, Rexel is confident that profitability in the fourth quarter will continue to improve sequentially, as was achieved since the beginning of this year, thanks to the acceleration of its cost reduction program. The net reduction in distribution and administrative expenses for the full year is now expected to reach €280 million.

With strong fundamentals and a more resilient business model, Rexel is well positioned to continue implementing its strategy aimed at seizing market opportunities, protecting margins and deleveraging its balance sheet.

1.6 | Main transactions with related parties

On 11 May 2009, Rexel entered into free share plans for its top executives and key managers, including the members of the Group Executive Committee. These arrangements are detailed in note 10 of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 2009.

There was no material change in the arrangements current at December 31, 2008 and disclosed in the *Document de référence*[2].

[1] See chapter 4 of the *Document de référence* n°R.09-022 registered with AMF on April 20, 2009.

[2] See chapters 13 and 14 (note 23 of the Financial statements at December 31, 2008) of the *Document de référence* n°R.09-022 registered with AMF on 20 April 2009

2. | LIQUIDITY AND CAPITAL RESOURCES OF THE GROUP

2.1 | Cash flow at September 30, 2009 and 2008

The following table sets out Rexel's cash flow for the nine months and quarters ended September 30, 2009 and 2008.

(in millions of euros)		Quarter ended September 30, 2009	Quarter ended September 30, 2008	9 months ended September 30, 2009	9 months ended September 30, 2008
Operating cash flow[1]		134.0	181.5	312.2	544.8
Interest	(a)	(44.5)	(52.1)	(104.0)	(133.5)
Taxes	(a)	(4.2)	(26.2)	(48.1)	(83.8)
Changes in working capital requirement		68.0	(52.9)	306.0	(74.9)
Net cash flow from operating activities	(b)	153.3	50.3	466.1	252.6
Net cash flow from investing activities		(13.1)	(44.9)	(66.2)	(1,437.2)
Including operating capital expenditures[2]	*(c)*	*(8.8)*	*(12.5)*	*(28.7)*	*4.4*
Net cash flow from financing activities		(222.5)	(149.7)	(626.1)	1,353.9
Net cash flow		(82.3)	(144.3)	(226.2)	169.3
Free cash flow:					
- before interest and taxes (b) – (a) + (c)		**193.2**	**116.1**	**589.5**	**474.3**
- after interest and taxes (b) + (c)		**144.5**	**37.8**	**437.4**	**257.0**
WCR as a % of sales[3] at:				**September 30, 2009**	**December 31, 2008**
Reported				11.5%	12.0%
On a constant basis				11.5%	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 net cash flow from operating activities was a €466.1 million inflow in the first nine months of 2009 compared to €252.6 million in the first nine months of 2008. In the third quarter of 2009, cash flow from operating activities amounted to a €153.3 million inflow compared to €50.3 million in the third quarter of 2008.

Operating cash flow

The decrease in the operating cash flow before interest, income tax and changes in working capital requirements (from €544.8 million in the first nine months of 2008 to €312.2 million in the first nine months of 2009) mainly resulted from lower operating income before depreciation, other income and other expenses (EBITDA, from €584.4 million in the first nine months of 2008 to €380.4 million in the first nine months of 2009) and higher restructuring costs (€62.1 million compared to €27.7 million in the first nine months of 2008). The decrease in EBITDA mainly reflected the lower activity in 2009 compared to 2008 as a result of the deteriorated economic environment.

Interest and taxes

In the first nine months of 2009, interest paid amounted to €104.0 million compared to €133.5 million in the first nine months of 2008. From the second quarter of 2008, interest paid reflects the terms of the 2008 Senior Credit Agreement entered into for the Hagemeyer transaction. From the third quarter of 2009, they reflect the amendment to the Senior Credit Agreement entered into on July 30, 2009.

In the first nine months of 2009, €48.1 million income taxes were paid compared to €83.8 million paid in the first nine months of 2008, reflecting the lower level of activity.

Changes in working capital requirement

Changes in working capital requirement amounted to an inflow of €306.0 million in the first nine months of 2009 compared to an outflow of €74.9 million in the first nine months 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 11.5% at September 30, 2009. At September 30, 2009, working capital requirement included the negative 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 10 basis points.

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 €66.2 million outflow in the first nine months of 2009 compared to a €1,437.2 million outflow in the first nine months of 2008.

	Quarter ended September 30,		9 months ended September 30,	
(in millions of euros)	2009	2008	2009	2008
Acquisitions of operating fixed assets[1]	(8.8)	(12.5)	(28.7)	4.4
Acquisitions of financial fixed assets[1]	(4.4)	(34.3)	(37.8)	(2,297.1)
Net change in long-term investments	0.1	1.9	0.3	855.5
Net cash flow from investing activities	(13.1)	(44.9)	(66.2)	(1,437.2)

[1] Net of disposals.

Acquisitions and disposal of tangible fixed assets

Acquisitions of operating fixed assets, net of disposals, were a €28.7 million outflow in the first nine months of 2009 compared to a €4.4 million inflow in the first nine months of 2008.

In the first nine months of 2009, gross capital expenditures amounted to €30.9 million, i.e. 0.4% of the sales of the period, of which €13.4 million related to IT systems, €11.2 million to the renovation of existing branches and the opening of new branches, €3.2 million to logistics and €3.1 million to other investments. Disposals of fixed assets in the first nine months of 2009 amounted to €3.4 million and mainly related to the disposal of three branches, one in the United States and two in the United Kingdom. Net changes in the related payables and receivables amounted to €1.2 million, accounting for an increase in the net capital expenditures of the period. This included a €2.6 million advance payment received on the disposal of a building in China pending local administrative authorization.

In the first nine months of 2008, gross capital expenditures amounted to €64.1 million, i.e. 0.7% of the sales of the period, of which €17.8 million related to IT systems, €26.9 million to the renovation of existing branches and the opening of new branches, €16.0 million to logistics and €3.4 million to other investments. Disposals of fixed assets in the first nine months of 2008 amounted to €78.1 million and mainly related to a sale and leaseback transaction in the first nine months of 2008, on 7 logistic centers in France for an amount of €62.9 million, to company cars in the United-Kingdom for an amount of €7.5 million and a building in The Netherlands for an amount of €3.1 million. Changes in the related payables and receivables amounted to €9.6 million, accounting for an increase in the net capital expenditures of the period.

Financial investments

Rexel's net financial investments represented a net outflow of €37.8 million in the first nine months of 2009 compared to €2,297.1 million in 2008.

In the first nine months 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), the increase in the Group's interest in Huazhang Electrical Automation Co. Ltd in China, from 51% to 70% through the exercise of a call option for CNY34.6 million (€3.6 million), and the acquisition of additional Hagemeyer shares for €27.2 million, including acquisitions related costs. Earn-out and price adjustments on previous acquisitions amounted to a net effect of €2.0 million.

In the first nine months of 2008, outflows in respect of financial investments mainly included the completion of the Hagemeyer offer for an amount of €3,071.2 million net of cash acquired. The disposal of the Sonepar entities in June 2008 resulted in an inflow of €731.5 million. The net proceeds resulting from the transaction with Sonepar were comprised of a €177.0 million cash inflow in respect of the disposal of Rexel's historical business in Germany and a €84.1 million cash outflow in respect of the acquisition of Sonepar's business in Sweden. The other investments were comprised of the acquisition of Beacon in the United States for USD20.1 million (€12.7 million), Egley in New Zealand for NZD6.0 million (€3.4 million), Espace Elec and NFM SA in France for €6.6 million and €4.4 million respectively, and B.V. Electrotechnische Groothandel J.K. Busbroek in The Netherlands for €4.2 million. They also included an earn-out relating to the acquisition of Huazhang in China for €7.3 million and a €2.6 million price adjustment related to the EIW company in Australia.

Changes in long-term investments

Net cash from changes in long term investments represents a net inflow of €0.3 million in the first nine months of 2009 compared to a net inflow of €855.5 million in the first nine months of 2008.

Net cash recorded in the first nine months-year of 2008 mainly reflected the intercompany loan repayment from the Sonepar entities for an amount of €852.6 million.

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 nine months of 2009, financing activities accounted for a €626.1 million outflow. Outflows were comprised of:

- Repayment of Facility D of the Senior Credit Agreement for €86.3 million;
- Repayment of Facility A' of the Senior Credit Agreement for €60.0 million and of part of Facility A for €150.0 million;
- Changes in other credit facilities for €56.5 million;
- Transaction costs paid in respect of the amendment to the Senior Credit Agreement for €22.7 million;
- Repayments of finance lease liabilities for €6.5 million;
- Decrease in securitization programs for €253.8 million;

While inflows included:

- Net disposals of treasury shares for €9.0 million; and
- Contribution received from minority shareholders for €0.7 million.

In the first nine months of 2008, financing activities accounted for €1,353.9 million inflow. Inflows were comprised of:

- Net change in credit facilities for €1,470.9 million, which included the drawing under the new Senior Credit Agreement for €4,310.3 million, net of transaction fees. This amount was used to acquire the Hagemeyer shares and bonds for €3,151.2 million, as well as to repay the 2007 Senior Credit Agreement for €933.0 million and refinance Hagemeyer pre-acquisition debt for €260.0 million. In June 2008, a reimbursement of €1,400 million of the new Senior Credit Agreement was made following disposals to Sonepar. In May 2008, Rexel redeemed the bonds issued in 1998 for a net amount of €45.7 million corresponding to the par value of the bond issuance;
- Increase in securitization programs for €25.8 million;

- Net disposals of treasury shares for €3.5 million;

While outflows included:

- Repayments of finance lease liabilities for €51.9 million; and
- The €0.37 dividend paid in June 2008 to the shareholders for a total of €94.4 million.

2.2 | Sources of financing of the Group

In addition to the cash from operations and equity, the Group's main sources of financing are multilateral credit lines, debt issuances and securitization programs. At September 30, 2009, Rexel's consolidated net debt amounted to €2,584.0 million, and was made up as follows:

	September 30, 2009			December 31, 2008		
(in millions of euros)	Current	Non current	Total	Current	Non current	Total
Senior credit facility	122.5	1,977.2	2,099.7	178.2	2,225.9	2,404.1
Securitization	-	1,024.4	1,024.4	-	1,255.0	1,255.0
Bank loans	8.0	2.3	10.3	5.2	3.7	8.9
Bank overdrafts and other credit facilities	76.1	-	76.1	91.4	-	91.4
Finance lease obligations	6.6	12.6	19.2	9.6	17.4	27.0
Less transaction costs	(18.9)	(36.8)	(55.7)	-	(47.4)	(47.4)
Total financial debt and accrued interest	**194.3**	**2,979.7**	**3,174.0**	**284.4**	**3,454.6**	**3,739.0**
Cash and cash equivalents			(590.0)			(807.0)
Net financial debt			**2,584.0**			**2,932.0**

Net financial debt is detailed in note **12** of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 2009.

On July 30, 2009, Rexel entered into an amendment to the 2008 Senior Credit Agreement initially executed on 19 December 2007 with Calyon, Crédit Industriel et Commercial, HSBC France, ING Bank N.V., Natixis, The Royal Bank of Scotland Plc as mandated lead arrangers and Calyon as Facility Agent and Security Agent.

The key terms and conditions of this amendment are detailed in note 12 of Rexel's Condensed Consolidated Interim Financial Statements at September 30, 2009.

As of September 30, 2009, the Group's liquidity amounted to €1,106 million including €521 million of cash net of overdrafts and €585 million of undrawn revolver credit. Rexel's liquidity therefore exceeds the €648 million mandatory senior debt repayments through the end of 2011.

The Indebtedness Ratio (Adjusted consolidated net debt / Adjusted consolidated EBITDA for the last 12 months) is compared to the covenant every six months. Commitments as modified by the amendment signed on July 30, 2009 are as below:

Date	31/12/2009	30/06/2010	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Commitment	5.15x	5.15x	4.90x	4.50x	4.00x	3.75x

At September 30, 2009 the Indebtedness Ratio calculation was:

(in millions of euros)	September 30, 2009
Net debt at closing currency exchange rates	2,584.0
Net debt at average currency exchange rates (A)	2,600.4
LTM Adjusted EBITDA (B)	586.9
Indebtedness ratio (A)/(B)	**4.43**

2.3 | Post-closing events

None.

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 September 30, 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 September 30, 2009, the French version will prevail.

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Consolidated income statement

(in millions of euros)	*Note*	For the period ended September 30 2009	2008 [1] [2]
Sales	*4*	8,402.5	9,440.2
Cost of goods sold		(6,348.2)	(7,154.9)
Gross profit		**2,054.3**	**2,285.3**
Distribution and administrative expenses	*5*	(1,749.6)	(1,775.4)
Operating income before other income and expenses		**304.7**	**509.9**
Other income	*6*	4.7	119.3
Other expenses	*6*	(112.6)	(93.2)
Operating income		**196.8**	**536.0**
Financial income		37.5	58.0
Interest expense on borrowings		(124.0)	(152.8)
Refinancing related expenses		-	(11.0)
Other financial expenses		(41.1)	(35.1)
Financial expenses (net)	*7*	*(127.6)*	*(140.9)*
Net Income before income tax		**69.2**	**395.1**
Income tax	*8*	(22.6)	(101.1)
Net income		**46.6**	**294.0**
Attributable to:			
Equity holders of the parent		46.2	293.0
Minority interests		0.4	1.0
Earnings per share:			
Basic earnings per share (*in euros*)	*9*	0.18	1.15
Fully diluted earnings per share (*in euros*)	*9*	0.18	1.12

(1) Reported income statement as of September 30, 2008 was restated retrospectively to reflect changes according to IFRIC 13 (see note 2.2.1)

(2) Hagemeyer retained entities were consolidated from April 1, 2008.

Consolidated statement of comprehensive income

(in millions of euros)	For the period ended September 30 2009	2008
Net income	**46.6**	**294.0**
Foreign currency translation	68.6	(6.2)
Net loss on cash flow hedges	(17.2)	(1.5)
Income tax	4.2	0.6
	(13.0)	(0.9)
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	*55.6*	*(6.8)*
Total comprehensive income for the period, net of tax	**102.2**	**287.2**
Attributable to:		
Equity holders of the parent	102.3	285.6
Minority interest	(0.1)	1.6

Consolidated balance sheet

(in millions of euros)	***Note***	**As of September 30 2009**	**As of December 31 2008 (1)**
Assets			
Goodwill		3,728.8	3,662.4
Intangible assets		920.9	927.3
Property, plant & equipment		278.8	317.1
Long-term investments		51.8	53.7
Deferred tax assets		259.5	247.1
Total non-current assets		**5,239.8**	**5,207.6**
Inventories		1,181.1	1,329.0
Trade accounts receivable		2,048.6	2,363.3
Income tax receivable		26.0	4.0
Other accounts receivable		354.1	477.9
Assets classified as held for sale		7.9	4.6
Cash and cash equivalents	***12.1***	590.0	807.0
Total current assets		**4,207.7**	**4,985.8**
Total assets		**9,447.5**	**10,193.4**
Equity			
Share capital		1,290.7	1,280.0
Share premium		1,392.3	1,409.9
Reserves and retained earnings		643.7	534.4
Total equity attributable to equity holders of the parent		**3,326.7**	**3,224.3**
Minority interests		7.8	24.1
Total equity		**3,334.5**	**3,248.4**
Liabilities			
Interest bearing debt	***12.1***	2,979.7	3,454.6
Employee benefits		175.9	175.4
Deferred tax liabilities		232.7	225.4
Provision and other non-current liabilities		255.3	229.2
Total non-current liabilities		**3,643.6**	**4,084.6**
Interest bearing debt	***12.1***	187.5	276.1
Accrued interest	***12.1***	6.8	8.3
Trade accounts payable		1,676.8	1,930.0
Income tax payable		21.3	21.5
Other current liabilities		577.0	624.5
Total current liabilities		**2,469.4**	**2,860.4**
Total liabilities		**6,113.0**	**6,945.0**
Total equity and liabilities		**9,447.5**	**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 September 30 **2009**	**2008**
Cash flows from operating activities			
Operating income		196.8	536.0
Depreciation, amortization and impairment of assets		93.3	110.4
Employee benefits		(11.3)	(11.7)
Change in other provisions		16.5	8.3
Other non-cash operating items		16.9	(98.2)
Interest paid		(104.0)	(133.5)
Income tax paid		(48.1)	(83.8)
Operating cash flows before change in working capital requirements		*160.1*	*327.5*
Change in inventories		181.0	13.2
Change in trade receivables		354.0	(73.9)
Change in trade payables		(287.6)	(20.0)
Changes in other working capital items		58.6	5.8
Change in working capital		*306.0*	*(74.9)*
Net cash from operating activities		**466.1**	**252.6**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(30.9)	(73.7)
Proceeds from disposal of property, plant and equipment		2.2	78.1
Acquisition of subsidiaries, net of cash acquired		(37.8)	(3,201.8)
Proceeds from disposal of subsidiaries, net of cash disposed		-	904.7
Change in long-term investments		0.3	855.5
Net cash from investing activities		**(66.2)**	**(1,437.2)**
Cash flows from financing activities			
Contribution received from minority shareholders		0.7	-
Disposal / (Repurchase) of treasury shares		9.0	3.5
Net change in credit facilities and other financial borrowings	***12.3***	(375.5)	1,470.9
Net change in securitization	***12.3***	(253.8)	25.8
Payment of finance lease liabilities	***12.3***	(6.5)	(51.9)
Dividends paid		-	(94.4)
Net cash from financing activities		**(626.1)**	**1,353.9**
Net (decrease) / increase in cash and cash equivalents		(226.2)	169.3
Cash and cash equivalents at the beginning of the period		807.0	515.2
Effect of exchange rate changes on cash and cash equivalents		9.2	3.2
Cash and cash equivalents at the end of the period		**590.0**	**687.7**

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 recognized directly in equity	**-**	**-**	**-**	**(123.0)**	**(29.6)**	**-**	**(152.6)**	**0.7**	**(151.9)**
Net income	-	-	230.2	-	-	-	230.2	1.3	231.5
Total comprehensive income 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	-	-	-	69.1	-	-	69.1	(0.5)	68.6
Cash flow hedges	-	-	-	-	(13.0)	-	(13.0)	-	(13.0)
Income and expenses recognized directly in equity	**-**	**-**	**-**	**69.1**	**(13.0)**	**-**	**56.1**	**(0.5)**	**55.6**
Net income	-	-	46.2	-	-	-	46.2	0.4	46.6
Total comprehensive income for the period	**-**	**-**	**46.2**	**69.1**	**(13.0)**	**-**	**102.3**	**(0.1)**	**102.2**
Issue of share capital (1)	10.7	(17.6)	6.9	-	-	-	(0.0)	-	(0.0)
Share-based payments		-	4.0	-	-	-	4.0	-	4.0
Treasury shares	-	-	-	-	-	8.7	8.7	-	8.7
Transactions with minority shareholders (see note 3)	-	-	(12.6)	-	-	-	(12.6)	(16.2)	(28.8)
At September 30, 2009	**1,290.7**	**1,392.3**	**755.7**	**(72.7)**	**(37.5)**	**(1.8)**	**3,326.7**	**7.8**	**3,334.5**

(1) Increase in capital relating to free shares issuance

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). Additionally, 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 September 30, 2009, and have been authorised for issue by the Management Board on November 3, 2009. The company acquired Hagemeyer retained entities end of March 2008. Comparative information provided for the first nine months of 2008 does include Hagemeyer operations only as from April 1, 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 September 30, 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 International Accounting Standards Board (IASB) and applicable as of September 30, 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 included 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 September 30, 2009 are identical to those used and described in the consolidated financial statements for the year ended December 31, 2008, with exceptions of new interpretations disclosed in 2.2.1. New standards and interpretations applicable starting January 1, 2009 did not have any significant impact on the Group’s financial situation or condensed financial statements for the period ended September 30, 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 for 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 total of operating segments and the Group consolidated figures 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 income statement is detailed in the table below:

	For the period ended	
(in millions of euros)	**September 30, 2008**	**December 31, 2008**
Sales ………………………..…………………………..	2.2	2.9
Cost of goods sold ………………………………………	(4.1)	(5.8)
Gross profit ……………………………….……………	**(1.9)**	**(2.9)**
Distribution and administrative expenses ………………	1.9	2.9
Operating income ……………………………………..	**-**	**-**

The change had no material effect on the balance sheet as of 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 for 2009 but their adoption 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 allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified features.
- 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 that states the valuation principles for such investments in separate financial statements;
- Improvements to IFRSs, issued in May 2008, introducing changes to several standards.

The Group elected to apply by anticipation the interpretation IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", including the amendment of §14 from improvement to IFRS issued by the IASB in April 2009, which clarifies such use of hedge accounting. It became effective for financial years beginning on or after October 1, 2008 and had no material effect on the Group's financial statements.

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

The Group elected not to apply by anticipation the following new and amended standards and interpretations endorsed by the EU:

- 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 years beginning on or after July 1, 2009. The amendment will have to be applied on a prospective basis only.
- Revised IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" issued in January 2008 change some of the accounting principles for business combinations. They will be effective for financial years beginning on or after July 1, 2009 and mainly apply to new business combinations on a prospective basis.
- Amendment to IAS 39 Financial instruments: recognition and measurement – Eligible hedged items issued in July 2008 and is effective for financial year beginning on or after July 1, 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as hedged risk or portion in a particular situation.

3. | BUSINESS COMBINATIONS

3.1 | Hagemeyer Acquisition

Completion of the purchase price allocation

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 of December 31, 2008. Thus, the balance-sheet as of December 31, 2008 was adjusted retrospectively for comparison purposes.

As of September 30, 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……………………………………………………	(9.6)
Others………………………………………………………………………	0.1
Final goodwill on acquisition as at September 30, 2009 ……………	**1,185.4**

Acquisition of non-controlling interests in Hagemeyer

Following the completion of the public offer on the Hagemeyer securities in 2008, Rexel 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 awarded Kelium the right to compulsorily acquire all Hagemeyer shares. The Enterprise Chamber set the acquisition price for the shares at €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 resulting in a payment of €5.18 per share. In this respect, Rexel acquired in the second quarter of 2009, the remaining outstanding 5,085,965 shares for a total consideration of €26.3 million. Thus, as of September 30, 2009, Rexel, through Rexel Distribution, holds the full ownership of Hagemeyer NV, following the merger with Kelium, the entity which initiated the public offer, effective on July 31, 2009.

This transaction was accounted for as an equity transaction. As a result, the difference between the carrying amount of the minority interests acquired and the fair value of the consideration paid was recognised directly as a decrease of the Group shareholders' equity for €9.2 million.

3.2 | Other acquisitions

Xidian

In the first semester of 2009, Rexel completed the acquisition of 63.5% of the shares of Xidian (China) for a total consideration of CNY41.0 million (€4.7 million) net of cash acquired. 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. Goodwill arising on this acquisition was €4.2 million. This transaction is not deemed to be material on the financial situation of the Group. 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.

Huazhang

Pursuant to a share purchase agreement entered into on March 2, 2007 with Huazhang Overseas Holding Inc. as seller, Rexel exercised its call option and increased from 51% to 70% its shareholding interest in Huazhang Electrical Automation Co.Ltd, a Hong Kong based company that distributes automatisms and industrial equipment controls in Hong Kong and Western China. The transaction was executed on July 10, 2009 for a consideration of RMB 34.6 million which was settled for USD 5.1 million (€3.6 million).

This transaction was accounted for as an equity transaction. As a result, the difference between the carrying amount of the minority interests acquired and the fair value of the consideration paid was recognised directly as a decrease of the Group shareholders' equity for €3.4 million.

4. | SEGMENT REPORTING

In accordance with IFRS 8 "Operating segments", operating segments are based on the Group's financial reporting structure. The Group's financial reporting is organised into geographical areas for its electrical equipment distribution business while non-core operations and certain businesses managed directly at Group level are reported independently. The Group financial reporting is regularly reviewed by the chairman of the Management board acting as the Chief operating decision maker.

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 and 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 September 30, 2009 and September 30, 2008

2009

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments	Corporate Holdings	Total Group
For the period ended September 30							
Sales to external customers………………	4,927.6	2,542.0	624.2	308.7	**8,402.5**	-	**8,402.5**
EBITA [(1)]……………………………………	228.0	57.3	34.3	9.3	**328.9**	(9.8)	**319.1**
Working capital…………………..	815.5	375.6	99.8	62.2	**1,353.1**	(8.7)	**1,344.4**
Goodwill…………………………………	2,602.2	907.3	211.5	7.8	**3,728.8**	-	**3,728.8**

2008

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments	Corporate Holdings	Total Group
For the period ended September 30							
Sales to external customers……………..	5,213.4	3,262.2	687.1	277.5	**9,440.2**	-	**9,440.2**
EBITA [(1)]……………………………………	299.1	168.4	50.5	13.9	**531.9**	(10.1)	**521.8**
For the period ended December 31							
Working capital…………………..	942.2	530.1	85.2	71.8	**1,629.3**	(11.2)	**1,618.1**
Goodwill…………………………………	2,579.6	902.2	174.0	6.6	**3,662.4**	-	**3,662.4**

(1) EBITA is defined as operating income before other income, other expenses and amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities.

The reconciliation of the EBITA with the Group consolidated income before income taxes is presented in the following table:

(in millions of euros)	For the period ended September 30	
	2009	**2008**
EBITA - Total Group……………………………………………	**319.1**	**521.8**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities..	(14.4)	(11.9)
Other income and other expenses………………………..	(107.9)	26.1
Net financial expenses……………………………………..	(127.6)	(140.9)
Group consolidated income before income tax……	**69.2**	**395.1**

The reconciliation of the total allocated assets and liabilities with the Group consolidated total assets is presented in the following table:

(in millions of euros)	As of September 30 2009	As of December 31 2008
Working capital………………………………………………..	1,344.4	1,618.1
Goodwill……………………………………………………….	3,728.8	3,662.4
Total allocated assets & liabilities ……………………	**5,073.2**	**5,280.5**
Liabilities included in allocated working capital……………	2,236.2	2,546.2
Fixed assets…………………………………………………..	1,251.5	1,298.1
Deferred tax assets…………………………………………	259.5	247.1
Income tax receivable………………………………………..	26.0	4.0
Assets classified as held for sale…………………………..	7.9	4.6
Derivatives……………………………………………………	3.2	5.9
Cash and cash equivalents…………………………………	590.0	807.0
Group consolidated total assets………………………	**9,447.5**	**10,193.4**

5. | DISTRIBUTION & ADMINISTRATIVE EXPENSES

(in millions of euros)	For the period ended September 30 2009	2008
Personnel costs (salaries & benefits) …………………….	1,005.4	1,027.2
Building and occupancy costs ……………………………	213.8	201.6
Other external costs ………………………………………	413.8	445.2
Depreciation expense …………………………………….	61.3	62.6
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities ..	14.4	11.9
Bad debt expense …………………………………………	40.9	26.9
Total distribution and administrative expenses	**1,749.6**	**1,775.4**

6. | OTHER INCOME & OTHER EXPENSES

(in millions of euros)	For the period ended September 30 2009	2008
Capital gains ………………………………………………	2.0	119.2
Other operating income …………………………………	2.7	0.1
Total other income ……………………………………	**4.7**	**119.3**
Restructuring costs ………………………………………	(73.3)	(36.5)
Loss on non-current assets disposed of …………………	(11.4)	(0.9)
Costs related to transactions following the IPO……………	(2.3)	(18.6)
Goodwill & assets impairment……………………………	(17.6)	(35.4)
Other operating expenses …………………………………	(8.0)	(1.8)
Total other expenses …………………………………	**(112.6)**	**(93.2)**

6.1 | Other income

Capital gains

For the period ended September 30, 2009, capital gains included proceeds from disposal of three branches, one in the United-States for €1.3 million and two in the United-Kingdom for €0.2 million.

For the period ended September 30, 2008, capital gains mainly included a €107.7 million gain related to the disposal of Rexel historical business in Germany to Sonepar as part of the Hagemeyer transaction. Capital gains also included for an amount of €10.1 million the disposal of finance lease contracts relating to seven logistic centres in France.

Other operating income

As of September 30, 2009, this line-item mainly includes €0.9 million positive outcome on a claim related to leased-property in the UK, and €0.7 million price adjustment on the disposal of Eastern Electrical (Ireland) to Edmundson according to the European Union antitrust authority, as well as release of unused provisions for €0.7 million.

6.2 | Other expenses

Restructuring costs

For the period ended September 30, 2009, this line-item includes €73.3 million relating to integration costs following Hagemeyer acquisition and restructuring costs to adapt to current trading. These costs are mainly relating to downsizing of distribution network and workforce adaptation, and are incurred in (i) France for €15.3 million, (ii) Spain for €14.0 million, (iii) the United States for €11.4 million, (iv) Germany for €5.9 million, (v) the Netherlands for €5.6 million, (vi) Sweden for €4.8 million, (vii) the United Kingdom for €3.9 million, (viii) Asia Pacific for €2.5 million, (ix) Canada for €1.6 million and (x) other European countries for €8.3 million.

For the period ended September 30, 2008, restructuring and implementation costs have reached €36.5 million and were mainly related to integration of Hagemeyer for €19.8 million, reorganization costs in the United States for €12.7 million and integration costs of Gexpro for €3.3 million.

Loss on non current assets disposed of and written off

For the period ended September 30, 2009, this line-item mainly includes for €4.0 million the loss on disposal in April 2009 of operations in Hungary, the write-off of IT licences in France for €4.1 million and the write-off of branches in Spain for €2.0 million.

Costs related to transactions following the IPO

For the period ended September 30, 2009, the impact of the costs related to transactions following IPO concerns the free shares scheme implemented at the time of the IPO for €2.3 million. This non-cash expense has been determined according to provisions IFRS 2 (“Share-based payments”).

For the period ended September 30, 2008, the impact of this free shares scheme was €18.6 million.

Goodwill and assets impairment

For the period ended September 30, 2009, goodwill was impaired for €8.0 million in Slovakia and €4.6 million in Finland pursuant to the results of an impairment testing carried-out in the first half of 2009 (see note 11). In addition, impairments on buildings were recognised for €1.4 million in Belgium and €3.5 million in Latvia to bring their carrying value to fair value less costs to sell before being classified as assets held for sale.

For the period ended September 30, 2008, goodwill impairment amounted to €35.4 million and concerned Italy for €17.8 million and Czech Republic for €17.6 million.

Other operating expenses

For the period ended September 30, 2009, this line-item mainly includes the effect of a VAT reassessment for €6.5 million and costs incurred in connection with the disposal of certain assets to Sonepar for €1.0 million.

7. | FINANCIAL EXPENSES (NET)

	For the period ended September 30	
(in millions of euros)	**2009**	**2008**
Expected return on employee benefit plan assets …………………	30.5	31.0
Interest income on cash and cash equivalents ……………………	3.0	3.6
Interest income on receivables and loans …………………………	2.2	2.4
Gain on financial instruments held for trading ……………………	1.8	8.7
Other financial income [(1)]………………………………………………	-	12.3
Financial income ………………………………………………	**37.5**	**58.0**
Interest expense on financial debt (stated at amortized costs) : ..	(99.7)	(165.1)
- Senior debt…………………………………………………………	*(57.0)*	*(119.2)*
- Senior Subordinated Notes and indexed Bonds ………………….	*(0.1)*	*(0.7)*
- Securitization ……………………………………………………….	*(16.9)*	*(34.7)*
- Other financing ……………………………………………………..	*(9.4)*	*(10.9)*
- Finance leases ………………………………………………………	*(1.5)*	*(3.0)*
- Amortization of transaction costs …………………………………	*(14.8)*	*(24.9)*
- less arrangement fees and interests recharged to Sonepar [(2)]…….		*28.3*
Gains and losses on derivative instruments previously deferred in equity and recycled in the income statement	(23.9)	5.3
Change in fair value through profit and loss (foreign exchange rate)……………. …………………………………………………	(3.0)	(1.6)
Foreign exchange gain (loss) on financial liabilities ………………	2.6	8.6
Interest expense on borrowings ………………………………	**(124.0)**	**(152.8)**
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 ……………………………………………………	(40.4)	(33.9)
Financial expenses (other) ……………………………………………	(0.7)	(1.2)
Other financial expenses ………………………………………	**(41.1)**	**(35.1)**
Financial expenses (net)	**(127.6)**	**(140.9)**

(1) Interest received on loans granted to the Sonepar entities until their effective date of disposal to Sonepar

(2) Fees and interests for respectively €18.3 and €10.0 million before tax (€18.6 million net of tax) incurred by Rexel for the acquisition of Hagemeyer and recharged to Sonepar according to the 23 October 2007 Agreement.

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 September 30, 2009 is 32.7%, compared with 25.6% for the period ended September 30, 2008. For the period ended September 30, 2008, the effective tax rate was impacted by the non-recurring effect of the non taxable gain related to the disposal to Sonepar of the Rexel business in Germany (as described in note 6.1) for €107.7 million and the effect of non deductible Goodwill impairment for €35.4 million (see note 6.2).

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 period ended September 30	
	2009	**2008**
Net income attributed to ordinary shareholders (*in millions of euros*)..	46.2	293.0
Weighted average number of ordinary shares (*in thousands*)............	259,543	255,307
Basic earnings per share (*in euros*)	**0.18**	**1.15**
Net income attributed to ordinary shareholders (*in millions of euros*)..	46.2	293.0
Average number of balanced shares in circulation (*in thousands)*	259,543	255,307
Potential dilutive ordinary shares (*in thousands*)...........................	*1,153*	*5,213*
- out of which are share options (in thousands)	*360*	*980*
- out of which are free shares (in thousands) .... (1)	*793*	*4,233*
Weighted average number of ordinary shares used for the calculation of fully diluted earnings per share (*in thousands*)	260,697	260,520
Fully diluted earnings per share (*in euros*)	**0.18**	**1.12**

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

10. | SHARE-BASED PAYMENTS

On May 11, 2009, Rexel entered into several free share plans for its top executives and key managers amounting to a total of 1,372,166 shares. According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2011), these being restricted during an additional two year period (May 12, 2013), or four years after the granting date with no restrictions subsequently.

The issuance of these free shares is subject to the service and performance conditions of the schemes.

Vesting conditions are presented in the following table:

Beneficiaries	Vesting conditions	Date of delivery	Maximum number of shares attributed on May 11, 2009
Members of Group Executive Committee	Two year service condition from grant date and cumulative performance conditions based on: (i) 2009 adjusted EBITDA, (ii) 2008/2010 adjusted EBITDA margin increase and (iii) 2009 ratio Net Debt to adjusted EBITDA	May 12, 2011	107,934
		May 12, 2013	218,884
Other key managers	40% of the shares vested based on a two year service condition from grant date and 60% based on additional performance conditions relative to: (i) 2009 adjusted EBITDA, (ii) 2008/2010 adjusted EBITDA margin increase and (iii) 2009 ratio Net Debt to adjusted EBITDA	May 12, 2011	259,282
		May 12, 2013	786,066
Total			1,372,166

The fair value of Rexel's shares granted to employees is estimated to €6.42 per share, based upon the stock price at grant date. The restrictions attached to the dividends until the delivery date of the shares to the beneficiaries have no impact on the fair value, as no dividends have been considered on this period.

For the period ended September 30, 2009, the expense related to free share schemes amounted to €1.7 million and is accounted for on the line "distribution and administrative expenses". For the same period of 2008, the net expense amounted to €1.2 million.

For the period ended September 30, 2009, IFRS 2 expense relating to plans issued in 2007 concurrently with the IPO amounted to €2.3 million and is presented on the line "Other expenses" (see note 6.2) in consideration of the non-recurring nature of the IPO. No tax effect has been recorded for this expense since these plans do not qualify for a tax deduction under French regulation.

11. | IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and intangible assets that have an indefinite useful life are subject to an impairment test, as soon as there is an indication that they may be impaired, and at least once a year. In the first half of 2009, due to the global economic and market downturn, Rexel has tested for impairment all its cash generating units. Recoverable amounts are determined using the value in use of the cash-generating units corresponding to the countries in which the Group operates.

Cash flow projections used to calculate the value in use of each cash-generating unit are based on the three year strategic plan approved by the Strategic Committee and extrapolated over a period of five years after taking into account a terminal value.

The discount rate applied was determined on the basis of the weighted average cost of capital after tax calculated for each country. The weighted average cost of capital reflects the time value of the money and the risk specific to the asset for which cash flow projections have not already been adjusted, considering the financial structure and conditions of an average market participant.

The following discount rates were used to assess the value in use:

	2009	2008
Europe	6.8% to 14.0%	7.2% to 12.2%
North America	6.9% to 7.0%	7.4% to 7.6%
Asia-Pacific	7.7% to 9.5%	8.4% to 10.2%
Other operating segments	7.6% to 9.1%	8.3% to 10.0%

A single perpetual growth rate of 2.0% was used to calculate the terminal value, without any change compared to 2008. This rate extrapolates the expected long term inflation on mature markets.

As a result of the test, an additional impairment loss of €12.6 million was recognised in the first half of 2009 and allocated against the goodwill in Finland (€4.6 million) and in Slovakia (€8.0 million) due to the deterioration of market conditions.

The calculation of value in use of cash-generating units is sensitive to the discount rate and the perpetual growth rate to extrapolate cash flows beyond the horizon of projections. A 50 basis points increase in discount rates would have resulted in an €24 million increase in the impairment charge and a 50 basis points decrease in the perpetual growth rate translates in an increase of the impairment charge by €15 million.

12. | FINANCIAL LIABILITIES

This note provides information about financial liabilities as of September 30, 2009. Financial liabilities include interest-bearing loans, borrowings and accrued interest less transaction costs.

12.1 | Net financial debt

(in millions of euros)	As of September 30, 2009			As of December 31, 2008		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Senior credit facility ………………………………	122.5	1,977.2	2,099.7	178.2	2,225.9	2,404.1
Securitization ……………………………………	-	1,024.4	1,024.4	-	1,255.0	1,255.0
Bank loans ………………………………………	8.0	2.3	10.3	5.2	3.7	8.9
Bank overdrafts and other credit facilities (1) ………	76.1	-	76.1	91.4	-	91.4
Finance lease obligations ………………………	6.6	12.6	19.2	9.6	17.4	27.0
Less transaction costs …………………………	(18.9)	(36.8)	(55.7)	-	(47.4)	(47.4)
Total financial debt and accrued interest……	***194.3***	***2,979.7***	***3,174.0***	***284.4***	***3,454.6***	***3,739.0***
Cash and cash equivalents ………………………			(590.0)			(807.0)
Net financial debt			**2,584.0**			**2,932.0**

(1) Including accrued interest of €6.8 million as of September 30, 2009 (€8.3 million as of December 31, 2008)

12.1.1 Senior Credit Agreement

As of September 30, 2009, facilities under the Senior Credit Agreement are as follows:

Credit Facility (Term Loan)	Commitment *(in millions of euros)*	Borrower	Balance due as of September 30, 2009 *(in millions of local currency)*	Currency	Balance due as of September 30, 2009 *(in millions of euros)*
		Rexel Distribution	1,000.0	SEK	97.7
		Rexel Distribution	180.0	CHF	119.4
Facility A	2,099.7	IESC	772.0	USD	527.2
		Rexel North America Inc	320.0	CAD	203.7
		Rexel Distribution	1,151.7	EUR	1,151.7
Facility B	585.0	Rexel Distribution and other obligors	-	EUR	-
TOTAL	**2,684.7**				**2,099.7**

Amendment to the 2008 Senior Credit Agreement

On July 30, 2009 Rexel entered into an amendment to the 2008 *Senior Credit Agreement* initially executed on December 19, 2007 with Calyon, Crédit Industriel et Commercial, HSBC France, ING Bank N.V., Natixis, The Royal Bank of Scotland plc as mandated lead arrangers and Calyon as Facility Agent and Security Agent.

The key terms and conditions of the *Senior Credit Agreement* have been amended as follows:

Financial covenants

Under the terms of the amended *Senior Credit Agreement*, Rexel must, at each of the dates indicated below, maintain, a Pro Forma Leverage Ratio, corresponding to the Adjusted Consolidated Net Debt relative to the adjusted consolidated EBITDA, as defined in the consolidated financial statements for the year ended December 31, 2008 included in the Document de référence registered by the Autorité des Marchés Financiers on April 20, 2009 under number R.09-022, below the following revised levels:

Date	Amended	Previous
December 31, 2009	5.15:1	4.50:1
June 30, 2010	5.15:1	4.25:1
December 31, 2010	4.90:1	3.90:1
June 30, 2011	4.50:1	3.50:1
December 31, 2011	4.00:1	3.50:1
June 30, 2012	3.75:1	3.50:1
December 31, 2012	3.50:1	3.50:1

General undertakings

The amendment to the *Senior Credit Agreement* introduces certain undertakings including limitations of the level of capital expenditures and restrictions of the payment of dividends. So long as the ratio Adjusted Consolidated Net Debt relative to adjusted consolidated EBITDA is above 4.00:1, the aggregate capital expenditure (other than Capital Expenditure paid for from shareholders new equity injections proceeds) shall not exceed 0.75% of the sales of the Group. In addition, Rexel shall not declare, make or pay any dividend during the fiscal years ended December 31, 2009 and December 31, 2010. Thereafter, so long as the ratio Adjusted Total Debt to Adjusted Ebitda exceeds 4.00:1, this undertaking shall remain applicable.

Interests and margin

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

The amended applicable margin in relation to the facilities shall be 4.00% as from the amendment signing date until December 31, 2009 and thereafter will vary in accordance with the ranges in which the Pro Forma Leverage Ratio falls at the end of each semester as set out below:

Pro Forma Leverage Ratio	Amended	Previous
Greater than or equal to 5.00:1	4.75%	n/a
Greater than or equal to 4.50:1	4.00%	2.00%
Greater than or equal to 4.00:1	3.50%	1.75%
Greater than or equal to 3.50:1	3.00%	1.40%
Greater than or equal to 3.00:1	2.50%	1.10%
Greater than or equal to 2.50:1	2.25%	0.90%
Less than 2.50:1	2.00%	0.75%

In addition, the margin applicable to the Facility B, the multi-currency revolving credit facility, is increased by an utilisation fee equal to (i) 0.25% if the Facility B is drawn down for an amount less than or equal to 33% of the Facility B commitment, (ii) 0.375% if the Facility B is drawn down for an amount less than or equal to 66% and greater than 33% of the Facility B commitment and (iii) 0.50% if the Facility B is drawn down for an amount greater than 66% of the Facility B commitment.

Prepayment

As part of the conditions precedent to the execution of the amendment, on July 22, 2009, Rexel paid off by anticipation €150.0 million under Facility A and €60.0 million under Facility A', the latter being cancelled after repayment. The early repayment with respect to Facility A shall be applied up to 25% on the instalment due on December 21, 2009 which shall be reduced from €160.0 million to €122.5 million and up to 75% on the last instalment falling on December 21, 2012 which shall be reduced by €112.5 million.

Amendment fee

An amendment fee of €20.5 million has been paid to the lenders on August 6, 2009.

12.1.2 Securitization 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. In the first quarter of 2009, the Spanish and Dutch operations joined this programme. This programme, of a maximum amount of €600 million, has a five-year term.

Securitization programmes features are summarised in the table below:

Programme	(in millions of currency) Commitment	Amount of receivables pledged on September 30, 2009	Amount drawn on September 30, 2009	(in millions of euros) Outstanding amount on September 30, 2009	Outstanding amount on December 31, 2008	Maturity date	On-going cost of funding
2005 - Europe and Australia	600.0 EUR	530.7 EUR	420.4 EUR	420.4	589.7	20/11/2012	BT & EUR/US Commercial Paper +0.48%
United-States	470.0 USD	440.7 USD	312.6 USD	213.5	326.7	11/03/2012	US Commercial Paper +0.33%
Canada [1]	175.0 CAD	199.5 CAD	150.1 CAD	95.6	73.8	13/12/2012	Canadian Commercial Paper +0.45%
2008 - Europe	600.0 EUR	303.2 EUR 132.0 GBP	201.5 EUR 84.7 GBP	294.9	264.8	17/12/2013	BT & Euro/US Commercial Paper +0.86%
TOTAL				**1,024.4**	**1,255.0**		

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

At September 30, 2009, the total commitment amounts to an equivalent of €1,632.4 million and was utilized up to €1,024.4 million.

Considering their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables selling programmes do not qualify for derecognition under IAS 39 requirements. Therefore assigned receivables remain presented as assets on the Group's balance sheet on the line "trade accounts receivable" whereas the amount due is considered as financial debt.

Securitization 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 September 30, 2009, Rexel had satisfied all of these covenants.

12.2 | Repayment schedule

The contractual repayment schedule of financial debt is as follows:

(in millions of euros)	As of September 30	As of December 31
Due within	**2009**	**2008**
One year	194.3	272.3
Two years...	242.6	328.9
Three years..	466.1	264.5
Four years..	1,975.3	2,598.0
Five years..	286.8	266.2
Thereafter..	9.0	9.1
Total financial debt..	**3,174.0**	**3,739.0**

12.3 | Change in net financial debt

As of September 30, 2009 and September 30, 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		-	(933.0)
Re-financing of Hagemeyer pre-acquisition debt		-	(260.0)
Subscription of Senior Credit Agreement 2008		-	4,310.3
Reimbursement of 2008 Senior Credit Agreement	(1)	(296.3)	(1,650.0)
Transaction costs related to the 2008 Senior Credit Agreement		(22.7)	(65.8)
Repayment of the 1998 Indexed bond		-	(45.7)
Net change in other credit facilities and bank overdrafts		(56.5)	115.1
Net change in credit facilities		**(375.5)**	**1,470.9**
Net change in securitization		(253.8)	25.8
Payment of finance lease liabilities		(6.5)	(51.9)
Net change in financial liabilities		***(635.8)***	***1,444.8***
Change in cash and cash equivalents		226.2	(169.3)
Foreign currency exchange discrepancies		43.8	(4.7)
Change in consolidation scope		5.5	315.9
Amortization of transaction costs		14.8	35.9
Other changes		(2.5)	(16.0)
At September 30,		**2,584.0**	**3,213.2**

(1) During the first quarter 2009, facility D was fully repaid for €86.3 million and then cancelled. In July 2009, Rexel paid off €150.0 million under facility A and repaid in full the facility A' for €60.0 million.

13. | MARKET RISKS AND FINANCIAL INSTRUMENTS

13.1 | 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.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

(in millions of euros)	**As of September 30 2009**	**As of December 31 2008**
Fixed rate finance leases and other fixed rate debt………	25.9	35.0
Fixed rate debt before hedging ……………………………	*25.9*	*35.0*
Variable to fixed rate swaps…………………………………	1,034.9	1,183.0
Interest rate options - Caps and Collars……………………	1,052.8	1,087.9
Sub total fixed or capped rate debt after hedging	***2,113.6***	***2,305.9***
Variable rate debt before hedging…………………………	3,148.1	3,704.0
Variable to fixed rate swaps…………………………………	(1,034.9)	(1,183.0)
Active Interest rate options - Caps and Collars (1)…………	(1,052.8)	(69.3)
Cash and cash equivalents…………………………………	(590.0)	(807.0)
Sub total current variable rate debt after hedging	**470.3**	**1,644.7**
Inactive Interest rate options - Caps and Collars…………	-	(1,018.6)
Sub total fully floating rate debt	**470.3**	**626.1**
Total financial debt and accrued interests	**2,584.0**	**2,932.0**

(1) Interest options for which one of the strikes (for Cap or Floor) is in the money

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 Euros, Pound Sterling, and Canadian dollar- denominated collars contracts.

These derivatives mature between March 2010 and March 2013. 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 September 30, 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%	(3.7)
Canadian $	80.0	March 2010		3M Libor	4.02%	(0.8)
	70.0	March 2013	(1)	3M Libor	2.72%	(0.3)
Swedish Krona	430.0	March 2010		3M Stibor	3.36%	(0.6)
	500.0	September 2012	(1)	3M Stibor	2.59%	(0.1)
Australian $	41.5	March 2010		3M Libor	6.10%	(0.3)
US $	269.0	March 2010		3M Libor	4.64%	(3.6)
	200.0	September 2011		3M Libor	3.35%	(5.6)
	230.0	December 2011		3M Libor	3.50%	(7.4)
	200.0	September 2012		3M Libor	3.18%	(5.4)
	280.0	March 2013	(1)	3M Libor	2.82%	(2.8)
Total						**(30.6)**

(1) beginning on March 16, 2010

	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)*
Collars						
Euro……………………	900.0	March 2011	0.8	3M Euribor	2,65%-4,50%	(19.8)
Pound Sterling……….	66.0	March 2011	0.02	3M Libor	3,75%-5,75%	(2.7)
Canadian $ …………….	126.0	March 2011	0.1	3M C-Dor	2,75%-5,00%	(2.1)
Total			**0.92**			**(24.6)**

On September 30, 2009, the total notional amount of cash flow hedge swaps and cash flow hedge options were €1,319.5 million and €1,052.8 million, respectively.

The change in fair value of the cash flow hedge instruments for the period ended September 30, 2009 was recognised as a reduction in shareholders' equity for an amount of €13.3 million (before tax).

Sensitivity to interest rate variation

As of September 30, 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 €5.3 million on a yearly basis.

13.2| 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 denominated 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 September 30, 2009 were respectively €179.7 million (€579.6 million forward sales and €399.9 million forward purchases) and €(5.2) million. Change in fair value of foreign exchange rate derivatives amounted to €(6.9) million as of September 30, 2009 and is accounted for in net financial expenses for €3.0 million (see note 7) and through equity in the cash flow hedge reserve for €3.9 million before tax.

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**	**Norwegian crown**	**Swedish kronor**	**Pound sterling**	**Other currency**	**Total**
Financial liabilities …….	1,645.3	736.2	303.1	72.9	1.7	98.1	183.9	132.7	3,174.0
Cash and cash equivalents……………..	(423.6)	(76.8)	(8.9)	(20.7)	(12.5)	(5.0)	(17.4)	(25.1)	(590.0)
Net financial position before hedging	**1,221.7**	**659.4**	**294.2**	**52.3**	**(10.8)**	**93.1**	**166.5**	**107.6**	**2,584.0**
Impact of hedge………	(221.3)	(39.8)	(48.4)	19.4	227.8	71.7	(68.0)	58.5	-
Net financial position after hedging	**1,000.4**	**619.7**	**245.8**	**71.7**	**217.0**	**164.8**	**98.5**	**166.0**	**2,584.0**
Impact of a 5% increase in net debt………………..		31.0	12.3	3.6	10.9	8.2	4.9	8.3	79.2

14.| 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.

15.| LITIGATION

For the period ended September 30, 2009, there was no significant evolution relating to litigation disclosed in the consolidated financial statements as of December 31, 2008.

16. | RELATED PARTY TRANSACTIONS

On May 11, 2009, Rexel entered into free share plans for its top executives and key managers, including the members of the Group Executive Committee (see note 10).

There was no material change in the arrangements such as disclosed note 23 in the consolidated financial statements as of December 31, 2008.

17. | EVENTS AFTER THE REPORTING PERIOD

At the date of presentation of the condensed consolidated interim financial statements, there has been no subsequent event with a significant impact on Rexel's financial situation.

18. | QUARTERLY INFORMATION

Consolidated income statement

(in millions of euros)	For the quarter ended September 30 2009	2008 (1)
Sales	2,793.6	3,448.0
Cost of goods sold	(2,115.3)	(2,629.7)
Gross profit	**678.3**	**818.3**
Distribution and administrative expenses	(552.6)	(643.4)
Operating income before other income and expenses	**125.7**	**174.9**
Other income	1.4	0.8
Other expenses	(31.5)	(52.5)
Operating income	**95.6**	**123.2**
Financial income	12.0	18.1
Interest expense on borrowings	(51.1)	(59.8)
Refinancing related expenses	-	-
Other financial expenses	(13.8)	(16.2)
Financial expenses (net)	*(52.9)*	*(57.9)*
Net Income before income tax	**42.7**	**65.3**
Income tax	(14.1)	(30.7)
Net income	**28.6**	**34.6**
Attributable to:		
Equity holders of the parent	28.3	34.3
Minority interests	0.3	0.3
Average number of ordinary shares in circulation (*in thousands*)	260,685	254,845
Average number of shares used for the diluted earnings per share calculation (*in thousands*)	261,870	259,971
Earnings per share:		
Basic earnings per share (*in euros*)	0.11	0.13
Fully diluted earnings per share (*in euros*)	0.11	0.13

(1) Reported income statement for the quarter ended September 30, 2008 was restated retrospectively to reflect changes according to IFRIC 13 (see note 2.2.1)

Consolidated statement of cash flows

(in millions of euros)	For the quarter ended September 30 2009	2008
Cash flows from operating activities		
Operating income	95.6	123.2
Depreciation, amortization and impairment of assets	27.8	64.3
Employee benefits	(3.9)	(7.4)
Change in other provisions	11.3	2.8
Other non-cash operating items	3.2	(1.4)
Interest paid	(44.5)	(52.1)
Income tax paid	(4.2)	(26.2)
Operating cash flows before change in working capital requirements	*85.3*	*103.2*
Change in inventories	29.6	(3.5)
Change in trade receivables	(0.1)	26.9
Change in trade payables	25.5	(106.4)
Changes in other working capital items	13.0	30.1
Change in working capital	*68.0*	*(52.9)*
Net cash from operating activities	**153.3**	**50.3**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8.5)	(25.4)
Proceeds from disposal of property, plant and equipment	(0.3)	12.9
Acquisition of subsidiaries, net of cash acquired	(4.4)	(46.6)
Proceeds from disposal of subsidiaries, net of cash disposed	-	12.3
Change in long-term investments	0.1	1.9
Net cash from investing activities	**(13.1)**	**(44.9)**
Cash flows from financing activities		
Contribution received from minority shareholders	-	-
Disposal / (Repurchase) of treasury shares	0.4	5.7
Net change in credit facilities and other financial borrowings	(247.0)	(150.6)
Net change in securitization	26.0	2.5
Payment of finance lease liabilities	(1.9)	(7.3)
Dividends paid	-	-
Net cash from financing activities	**(222.5)**	**(149.7)**
Net (decrease) / increase in cash and cash equivalents	(82.3)	(144.3)
Cash and cash equivalents at the beginning of the period	674.0	823.9
Effect of exchange rate changes on cash and cash equivalents	(1.7)	8.1
Cash and cash equivalents at the end of the period	**590.0**	**687.7**

Segment information for the quarter ended September 30, 2009 and September 30, 2008

2009

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments	Corporate Holdings	Total Group
For the quarter ended September 30							
Sales to external customers……………..	1,655.0	811.6	224.9	102.1	**2,793.6**	-	**2,793.6**
EBITA (1)…………………………………	95.6	23.3	13.1	2.7	**134.7**	(4.2)	**130.5**

2008

(in millions of euros)	Europe	North America	Asia Pacific	Other segments	Total Operating Segments	Corporate Holdings	Total Group
For the quarter ended September 30							
Sales to external customers……………..	1,963.5	1,121.6	238.1	124.8	**3,448.0**	-	**3,448.0**
EBITA (1)…………………………………	102.5	56.8	17.9	6.1	**183.3**	(3.6)	**179.7**

(1) EBITA is defined as operating income before other income, other expenses and amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities.

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

(in millions of euros)	For the quarter ended September 30 2009	2008
EBITA - Total Group…………………………………………	**130.5**	**179.7**
Amortization of intangibles……………………………………	(4.8)	(4.8)
Other income and other expenses………………………..	(30.1)	(51.7)
Net financial expenses……………………………………..	(52.9)	(57.9)
Group consolidated income before income tax…...	**42.7**	**65.3**