Q2 2011 results

July 27, 2011

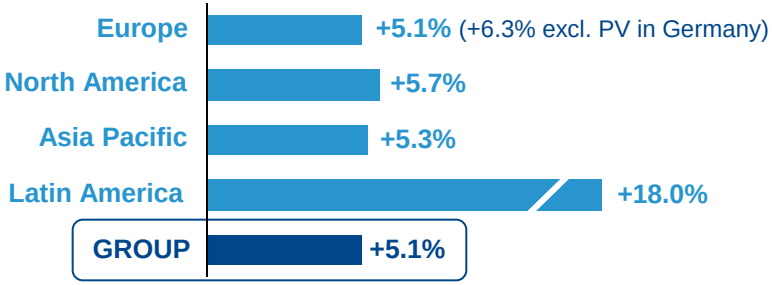
Financial statements at June 30, 2011 were authorized for issue by the Management Board on July 21, 2011

1. Q2 2011 at a glance

Q2 2011 highlights

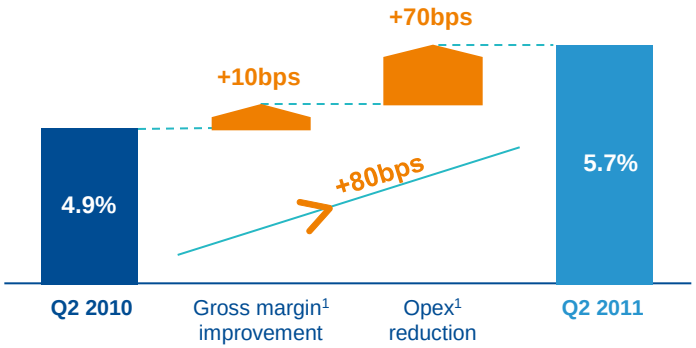
Solid organic sales growth (+5.1%)

- 3rd consecutive quarter of growth in volumes
- Tougher comparables
  (Q2 10 marked the return to growth at +2.3% vs. -5.7% in Q1 10)



Improved profitability

- 10bps increase in gross margin
- EBITA[1] margin up 80bps to 5.7%



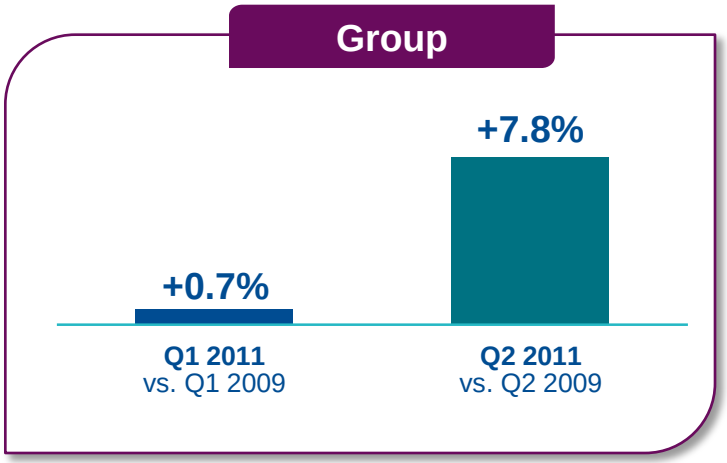
Strengthened financial structure

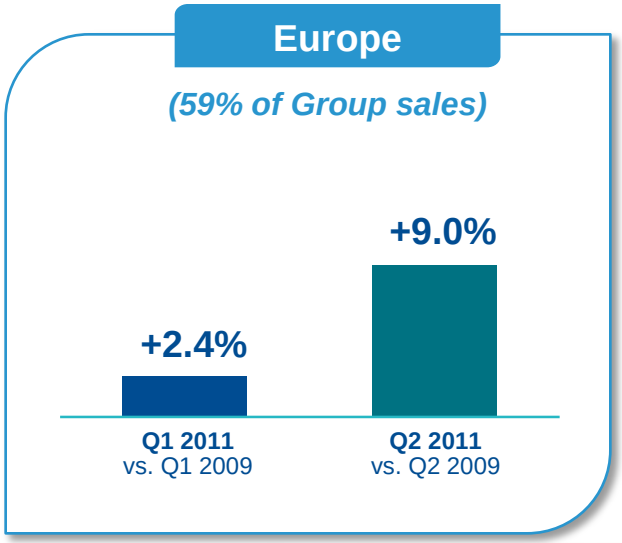
- Free cash flow (FCF) before interest & tax of €123m
- Indebtedness ratio at 3.0x EBITDA at June 30 *(vs. 3.19x at Dec. 31, 2010)*
- Enhanced financial flexibility and extended debt maturity through a €500m bond issue in May 2011

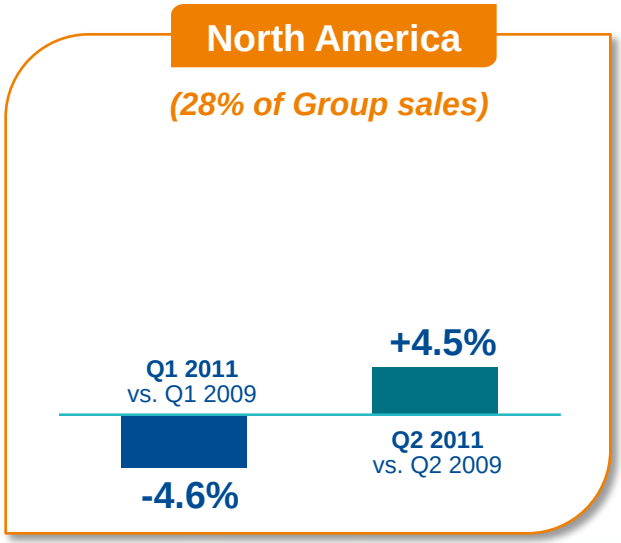
[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

Q2 2011: Continued improvement in sales trends

Constant and same-day sales trend over the last 24 months



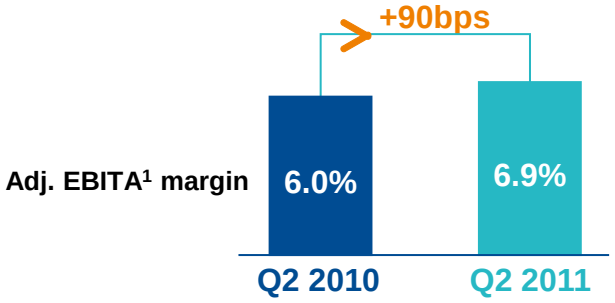




Q2 2011: Continued improvement in profitability

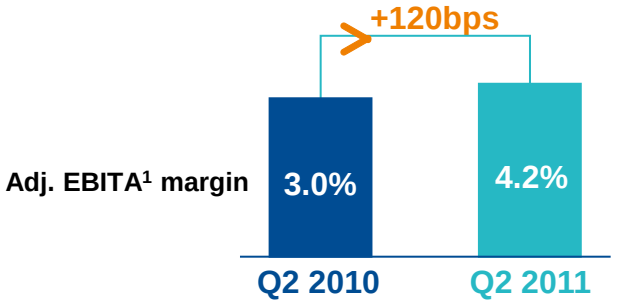
Europe (~60% of sales)

- Solid growth in sales: +5.1% in Q2 *(+6.3% excluding PV in Germany)*
- EBITA[1] margin recorded historic high



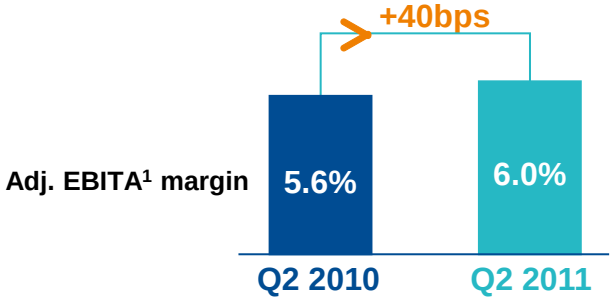
North America (~30% of sales)

- Continued recovery thanks to the industrial end-market
- Sharp improvement in EBITA[1] margin



Asia-Pacific (~10% of sales)

- Strong growth in China
- Improved profitability in the region *(including Australia despite economic slowdown in the country)*

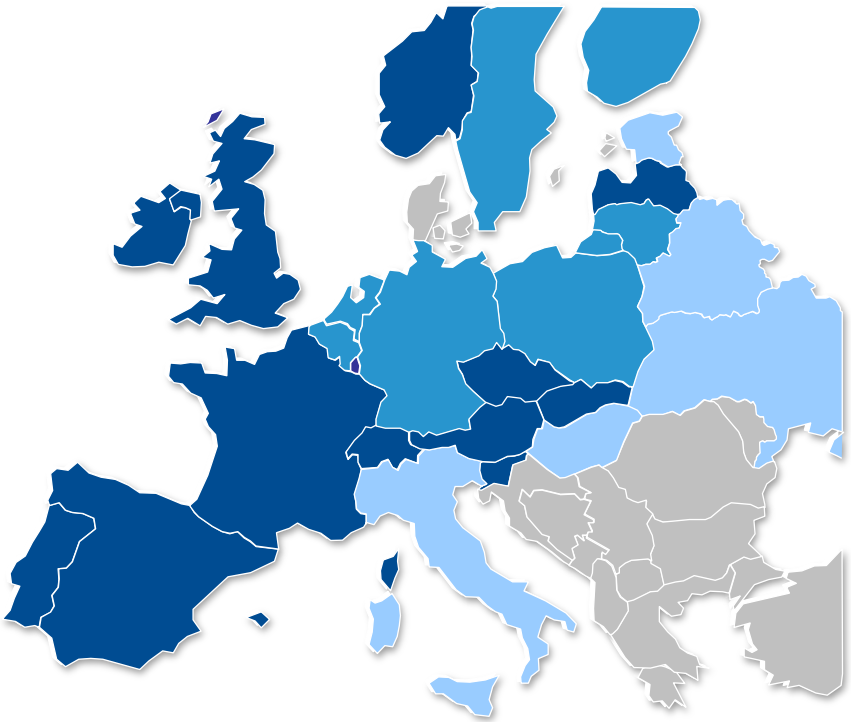


> **Improved profitability in all geographies in Q2**

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

Europe (59% of sales): Solid growth and EBITA[1] margin close to 7% in Q2

Rexel's presence



2010 market ranking:
- # 1
- # 2 or # 3
- other

Q2 Business Highlights

- Solid growth in France (+7.7%, in line with Q1)
- Strong improvement in the UK (+ 7.2% vs. +1.5% in Q1): 1st quarter of growth in volume
- Germany: -7.3% due to unfavourable base effect of strong PV sales in 2010 ; excl. photovoltaic, sales growth was 6.3%
- Solid organic growth in Switzerland (+8.4%), Austria (+4.6%) and Scandinavia (+5.2%)
- Double-digit growth in Benelux (+10.0%) and Eastern Europe (+18.5%)
- Southern Europe remains difficult: Spain (-3.9%) and Italy (-3.8%)

Key Figures[(1)]

€m	Q2 2011	H1 2011
Sales	**1,853.9**	**3,641.4**
organic same-day	***+5.1%***	***+5.6%***
EBITA[1]	**127.5**	**242.5**
as a % of sales	***6.9%***	***6.7%***
Year-on-year change	***+90bps***	***+110bps***

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

North America (28% of sales): Continued growth and sharp improvement of EBITA[1] margin

Rexel's presence

2010 market ranking:

- # 1
- # 2 or # 3
- other

Q2 Business Highlights

- **USA** (69% of the region's sales):
  - > +4.6% organic same-day
  - > Growth driven by the industrial end-market, mainly in the mining and energy sectors
  - > Residential and commercial end-market continued to be low
  - > Positive impact of energy efficiency and infrastructure initiatives
- **Canada** (31% of the region's sales):
  - > +8.4% organic same-day
  - > Mainly driven by the industrial end-market (mining, oil & gas)

Key Figures[(1)]

€m	Q2 2011	H1 2011
Sales	**883.2**	**1,729.0**
organic same-day	***+5.7%***	***+7.9%***
EBITA[1]	**37.0**	**60.7**
as a % of sales	***4.2%***	***3.5%***
Year-on-year change	***+120bps***	***+110bps***

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

Asia-Pacific (10% of Group sales): Growth driven by China and EBITA[1] margin up 40bps in Q2

Rexel's presence

2010 market ranking:
- # 1
- # 2 or # 3
- other

Q2 Business Highlights

- **Australia** (>60% of the region's sales): slowdown of growth in the quarter (+1.8% organic same-day), due to a challenging base effect and unfavourable impact of higher interest rates on the economic activity
- **China** (>20% of the region's sales): double-digit organic growth for the ninth consecutive quarter at +16.0%, driven by strong performance in the industrial automation segment
- **New Zealand** (>10% of the region's sales): slight increase in sales (+1.2%) impacted by a second earthquake in April.

Key Figures[(1)]

€m	Q2 2011	H1 2011
Sales	**319.1**	**603.2**
organic same-day	***5.3%***	***6.6%***
EBITA[1]	**19.0**	**33.1**
as a % of sales	***6.0%***	***5.5%***
Year-on-year change	***+40bps***	***+10bps***

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

Latin America & other op. segments (3% of Group sales): Strong performance in Chile and Brazil

Rexel's presence

2010 market ranking:
- # 1
- # 2 or # 3
- other

Q2 Business Highlights

- **Latin America** (2% of Group sales):
  - > €58.5m of sales in the quarter, including Chile + consolidation of Nortel Suprimentos Industriais (Brazil) since January 1st
  - > +18.0% organic same-day reflecting strong performance in both Chile and Brazil
- **Other operating segments** (1% of Group sales):
  - > €42.9m of sales in the quarter, including the remaining part of the ACE division and other businesses managed at the Group level

Key Figures(1)

€m	Q2 2011	H1 2011
Sales	**101.4**	**188.9**
organic same-day	***-1.6%***	***+0.2%***
EBITA[1]	**5.4**	**7.6**
as a % of sales	***5.3%***	***4.0%***
Year-on-year change	***-90bps***	***+120bps***

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cables price

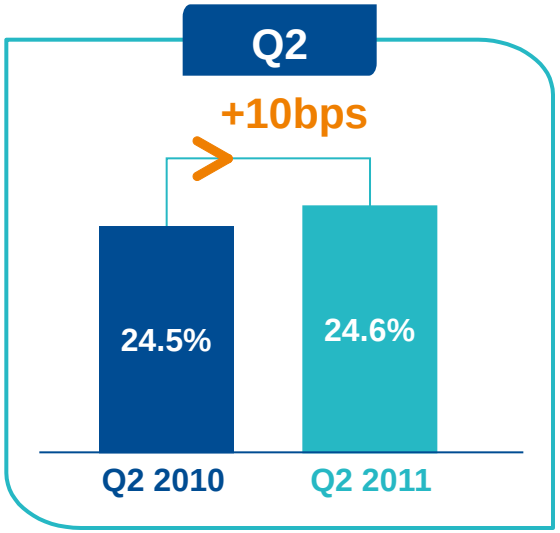
2. Financial review

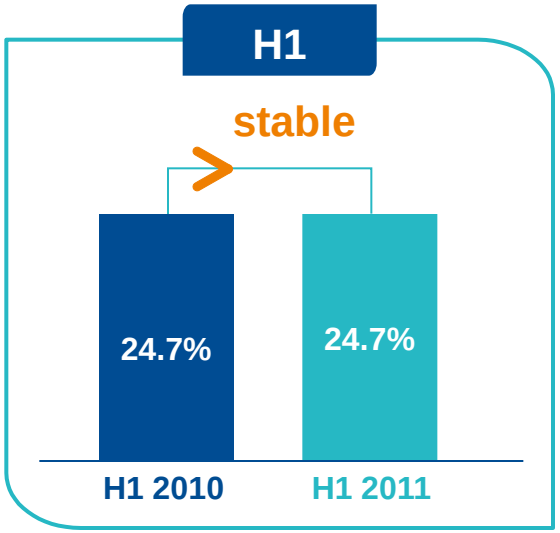
Continued growth in sales

- **Organic same-day sales: +5.1% in Q2 and +6.1% in H1**
  - Industrial end-market driving most of the improvement in performance
  - Commercial and residential end-markets show some signs of improvement, but still at low levels

	2nd quarter	1st half
Sales 2010 (€m)	**3,047.0**	**5,744.6**
Effect of changes in FX	-2.1%	+0.2%
Effect of changes in scope	+0.8%	+0.4%
Sales 2010 comparable (€m)	**3,005.5**	**5,783.9**
Days impact	+0.0%	+0.4%
Organic same-day	**+5.1%**	**+6.1%**
o/w copper impact	*+2.2%*	*+2.6%*
Sales 2011 (€m)	**3,157.6**	**6,162.5**
% of change	***+3.6%***	***+7.3%***

Increased gross margin in Q2: +10bps





- **Europe: +30bps in Q2 and H1**
  - Favourable country mix
  - Improved purchasing conditions
  - Unfavourable product mix due to higher share of cable sales in the Group's total sales (with lower gross margin)
- **North America: stable in Q2 and -40bps H1**
  - Increased share of big projects with lower gross margin
  - Unfavourable product mix due to higher share of cable sales in the Group's total sales (with lower gross margin)
- **Asia-Pacific: +30bps in Q2 and +10bps in H1**
  - Improved purchasing conditions

Improved profitability and strong rise in EBITA

Constant and adj. basis[1] (€m)	Q2	YoY change	H1	YoY change
Sales	**3,157.6**	**+5.1%**	**6,162.5**	**+6.5%**
Gross profit	**775.9**	**+5.5%**	**1,522.8**	**+6.7%**
as a % of sales	*24.6%*	***+10bps***	*24.7%*	***stable***
Distr. & adm. exp. (incl. depr.)	**(596.8)**	**+1.4%**	**(1,197.1)**	**+1.8%**
as a % of sales	*18.9%*	***+70bps***	*19.4%*	***+90bps***
EBITA	**179.1**	**+22.2%**	**325.7**	**+29.4%**
as a % of sales	*5.7%*	***+80bps***	*5.3%*	***+90bps***

Improved gross margin
+
Efficient cost control
=
Increased profitability

Reported basis (€m)	Q2	YoY change	H1	YoY change
Sales	**3,157.6**	**+3.6%**	**6,162.5**	**+7.3%**
EBITDA	**192.6**	**+15.3%**	**370.7**	**+25.5%**
Depreciation	(18.5)		(36.9)	
EBITA	**174.1**	**+17.6%**	**333.8**	**+29.7%**

Strong rise in EBITA

[1] At comparable scope of consolidation and exchange rates and:
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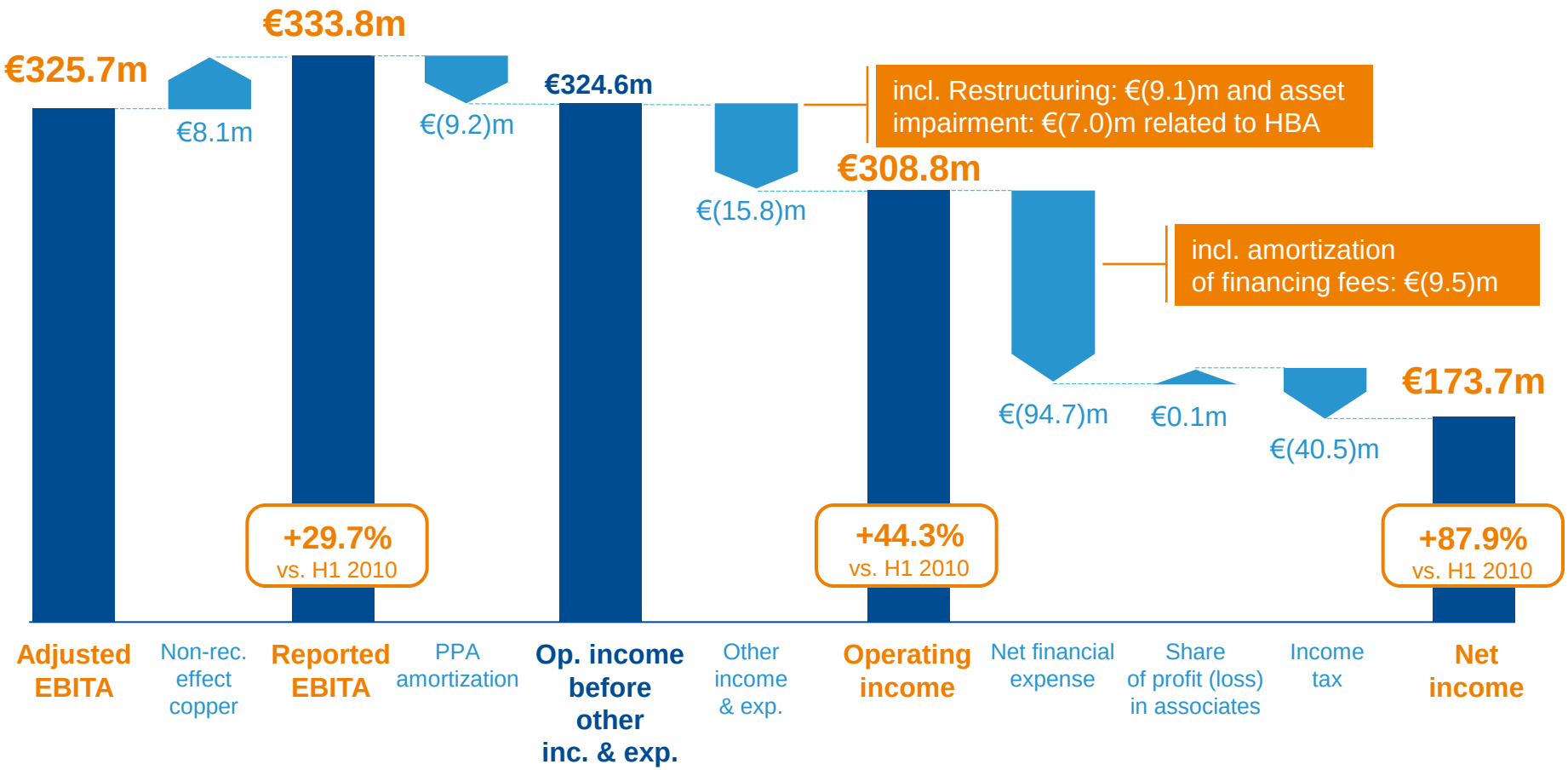
Sharp improvement in net income over the half-year



Free cash flow before interest and tax of €123m in Q2

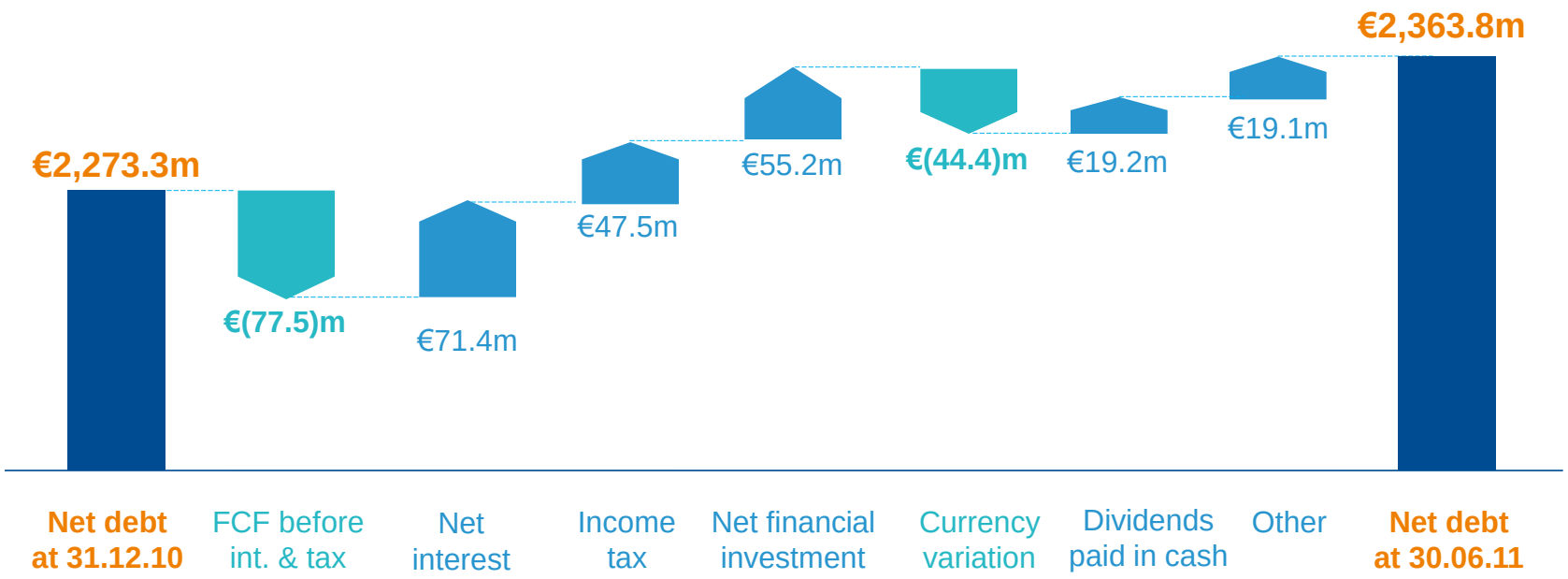
Free cash flow before interest & tax in H1 reflected:

- Net capital expenditure of €27.0 million
- €237.4 million outflow from change in working capital, resulting from traditional seasonality in cash generation and stronger sales
- Continued reduction in inventories: 45.1 days in H1 2011 vs. 46.2 in H1 2010

€m	Q2 2011	H1 2011
EBITDA	**192.6**	**370.7**
Other operating revenues & costs	**(13.9)**	**(28.8)**
Change in working capital	**(36.2)**	**(237.4)**
Net capital expenditure, o/w:	**(19.9)**	**(27.0)**
Gross capital expenditure	*(26.0)*	*(44.4)*
Disposal of fixed assets and other	*6.1*	*17.4*
Free cash flow before interest & tax	**122.7**	**77.5**

Including restructuring expenses in Q2: €(13.8)m

Ongoing improvement in indebtedness ratio



Net debt-to-EBITDA ratio at 3.0x at June 30, 2011

Sound financial structure

Increased diversification of financing sources

▶ Senior unsecured notes	€1,165.8m
> *Bond issued Dec. 2009 (maturity: Dec. 2016)*	*€665.8m*
> *Bond issued May 2011 (maturity: Dec. 2018)*	*€500.0m*
▶ Senior Credit Agreement (facilities A & B)	€184.7m
▶ Securitization	€989.2m
▶ Commercial paper	€133.8m
▶ Other debt & cash	€(109.7)m

Net debt at June 30: €2,363.8m

Enhanced financial flexibility

- ▶ €1,305.4m of cash and undrawn facilities at June 30

Extended maturity through the May 2011 bond issue

- ▶ Average debt maturity of 3.5 years

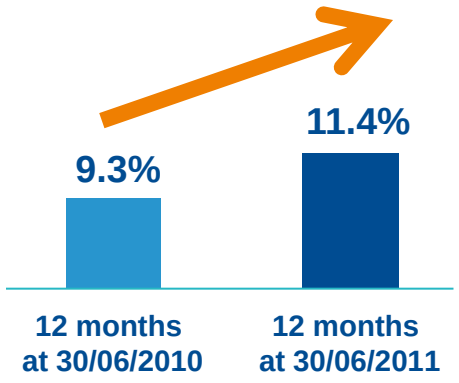
Reduced risk on interest rates through hedging policy

- ▶ 90% of net debt hedged through swaps and caps

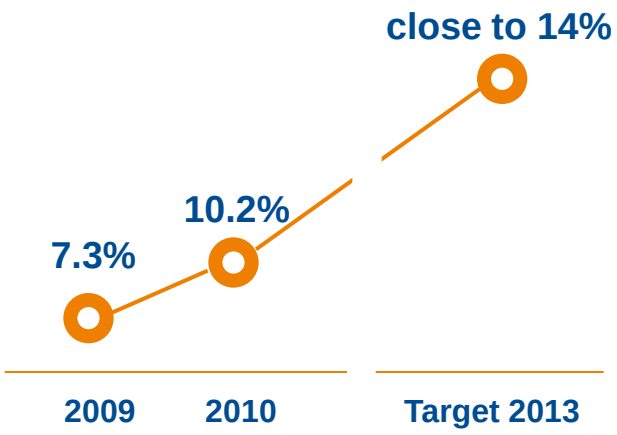
Significant improvement in ROCE

Return on Capital Employed[1] (after tax)

At June 30



2013 objective



> **Value creation through ROCE improvement**

[1] Calculation on Appendix 2

3. Update on priorities & 2011 Outlook

Accelerating growth from structural growth drivers

- **Excluding PV sales in Germany, SOGs grew by 39% in Q2, with double-digit growth in every segment**
  - Wind returned to organic growth in the quarter
  - PV sales, in other countries than Germany grew by 79%

FY 2010		Q2 2011	YoY change	H1 2011	YoY change
109.2	**Energy Efficiency** (Lighting retrofit)	**49.7**	**+38%**	**72.7**	**+33%**
269.3	**Renewable Energy**	**73.3**	**-14%**	**110.9**	**-18%**
215.6	> Photovoltaic	56.0	-20%	84.2	-19%
	o/w Germany	*19.4*	*-61%*	*23,1*	*-68%*
	o/w other countries	*36.6*	*+79%*	*61.1*	*+91%*
53.8	> Wind	17.3	+11%	26.7	-15%
48.8	**EPCs** (International Projects Group-IPG)	**16.9**	**+15%**	**28.2**	**+18%**
427.3	**TOTAL**	**139.9**	**+3%**	**211.8**	**-1%**
	Excluding PV Germany	**120.5**	**+39%**	**188.7**	**+33%**

Lighting retrofit: Kandela initiative in Finland

- **Rexel Finland launched a sales development initiative: Kandela**

- **End-user approach towards targeted segments:**
  - Hotels
  - Real estate
  - Retail
  - Public sector
  - Industry

- **The concept:**
  - Dedicated customer visit
  - Audit and offer of energy efficient lighting solutions
  - Financial planning advice
  - Post sales measurement

- **2011 achievements to date:**
  - 150 audits
  - 100 projects signed
  - €1.7 million of sales

- **2011 full-year target: €5 million of sales**

Energy efficiency: Focus on Deutsche Bank Towers

- **Deutsche Bank's project:**
  - Undertake a major upgrade of the two 155-metre-high buildings in Frankfurt
  - Energy efficient solutions required to cut energy supply by half, water consumption by 70% and CO_2 emissions by 90%

- **Rexel Germany was asked by its client Imtech to be its partner to provide innovative solutions**

- **A €2.7m euro contract for Rexel**
  - Two-year project
  - Tight deadlines and delivery conditions
  - Over 1,000 km of cabling and other energy-efficient equipment delivered

Wind: Focus on wind energy projects in Canada

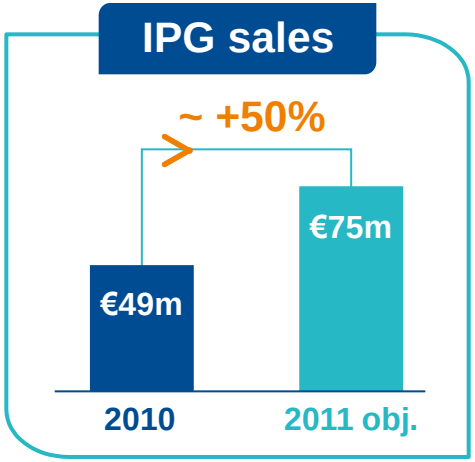
- **Rexel Canada involved in more than 1,200MW of wind energy projects**
  - Canada is recognized for its efforts in developing renewable energy from wind : many utilities now have wind energy subsidy programs in place
  - Over 6,000MW of projects have been announced and are under construction

- **Rexel's role**
  - Assist turbine manufacturers in the selection, specification and training on the electrical products to be installed in the collector network, substations and turbines
- **After the first 6 months of 2011, the orders in the pipeline for this segment already exceed 2010 total sales**

> **Rexel Canada is recognized as a leader in supplying medium and low voltage products to all segments of the wind energy market**

IPG: Reinforcing the structure to accelerate sales growth to global EPCs

- **Creation of a legal entity reporting to Rexel's HQ**
- **Structuration of teams in EMEA and in Asia with 13 additional FTEs in 2011**
  - Singapore, Perth, Saudi Arabia - High Growth Markets
- **Expand commercial presence**
  - In the US, to consolidate existing business
  - In Europe and Asia, to address new clients
- **Global IPG Supplier Program**
  - Strengthen relationship with key suppliers
  - New suppliers in high value countries
- **Awarded Major EPC Global Enterprise Agreement**




Mining


Petro-chemical


Power Generation


Renewable / Nuclear

> **Realizing evolution of IPG value w/ Global EPC market**

2011 full-year targets confirmed

Thanks to its solid performance since the beginning of the year, Rexel confirms its full-year objectives…

- **Improvement of EBITA[1] margin by at least 50bps in 2011**
- **Free cash flow before interest & tax above €500 million**

… and its 3 medium-term strategic priorities:

- **Strengthen its market position through organic growth and acquisitions**
- **Enhance its profitability and optimize capital employed to achieve its 2013 targets of an EBITA[1] margin close to 6.5% and a return on capital employed close to 14%**
- **Generate solid free cash flow**

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

Financial Calendar & Contacts

Financial Calendar & Contacts

Financial Calendar

- **November 9, 2011**

  Third-quarter and 9-months 2011 results

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Appendices

Appendix 1:
Segment reporting – Constant and adjusted basis

Group

Constant and adjusted basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	3,005.5	**3,157.6**	**+5.1%**	5,783.9	**6,162.5**	**+6.5%**
on a constant basis and same days			***+5.1%***			***+6.1%***
Gross profit	735.2	**775.9**	**+5.5%**	1,427.1	**1,522.8**	**+6.7%**
as a % of sales	*24.5%*	*24.6%*	*+10bps*	*24.7%*	*24.7%*	*stable*
Distribution & adm. expenses (incl. depreciation)	(588.6)	(596.8)	+1.4%	(1,175.4)	(1,197.1)	+1.8%
EBITA	146.6	**179.1**	**+22.2%**	251.6	**325.7**	**+29.4%**
as a % of sales	*4.9%*	*5.7%*	*+80bps*	*4.4%*	*5.3%*	*+90bps*
Headcount (end of period)	28,717	**28,344**	**-1.3%**	28,717	**28,344**	**-1.3%**

- Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:
  - a profit of €5.0 million in Q2 2010 and a loss of €4.9 million in Q2 2011,
  - a profit of €12.8 million in H1 2010 and a profit of €8.1 million in H1 2011.

Appendix 1:
Segment reporting – Constant and adjusted basis

Europe

Constant and adjusted basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	1 765,7	**1 853,9**	**+5,0%**	3 429,2	**3 641,4**	**+6,2%**
on a constant basis and same days			***+5,1%***			***+5,6%***
o/w France	584,8	**629,8**	*+7,7%*	1 152,7	**1 251,2**	*+8,5%*
on a constant basis and same days			*+7,7%*			*+7,7%*
United Kingdom	211,9	**223,3**	*+5,4%*	448,7	**463,6**	*3,3%*
on a constant basis and same days			*+7,2%*			*+4,1%*
Germany	243,6	**226,3**	*-7,1%*	443,0	**428,2**	*-3,3%*
on a constant basis and same days			*-7,3%*			*-4,1%*
Scandinavia	215,6	**225,5**	*+4,6%*	411,4	**436,2**	*+6,0%*
on a constant basis and same days			*+5,2%*			*+5,6%*
Gross profit	453,3	**481,7**	**+6,3%**	891,1	**956,7**	**+7,4%**
as a % of sales	*25,7%*	*26,0%*	*+30bps*	*26,0%*	*26,3%*	*+30bps*
Distribution & adm. expenses (incl. depreciation)	(347,2)	(354,2)	+2,0%	(700,5)	(714,3)	+2,0%
EBITA	106,1	**127,5**	**+20,1%**	190,7	242,5	**+27,2%**
as a % of sales	*6,0%*	*6,9%*	*+90bps*	*5,6%*	*6,7%*	*+110bps*
Headcount (end of period)	16 756	**16 597**	**-0,9%**	16 756	**16 597**	**-0,9%**

- Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:
  - a profit of €5.0 million in Q2 2010 and a loss of €4.9 million in Q2 2011,
  - a profit of €12.8 million in H1 2010 and a profit of €8.1 million in H1 2011.

Appendix 1:
Segment reporting – Constant and adjusted basis

North America

Constant and adjusted basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	835,3	**883,2**	**+5,7%**	1 601,8	**1 729,0**	**+7,9%**
on a constant basis and same days			***+5,7%***			***+7,9%***
o/w United States	579,3	**605,7**	*+4,6%*	1 111,1	**1 170,8**	*+5,4%*
on a constant basis and same days			*+4,6%*			*+5,4%*
Canada	256,1	**277,5**	*+8,4%*	490,7	**558,3**	*+13,8%*
on a constant basis and same days			*+8,4%*			*+13,8%*
Gross profit	179,8	**189,6**	**+5,4%**	346,0	**367,2**	**+6,1%**
as a % of sales	*21,5%*	*21,5%*	*stable*	*21,6%*	*21,2%*	*-40bps*
Distribution & adm. expenses (incl. depreciation)	(154,5)	(152,6)	-1,2%	(307,8)	(306,5)	-0,4%
EBITA	25,4	**37,0**	**+45,8%**	38,2	**60,7**	**+59,0%**
as a % of sales	*3,0%*	*4,2%*	*+120bps*	*2,4%*	*3,5%*	*+110bps*
Headcount (end of period)	7 519	**7 184**	**-4,5%**	7 519	**7 184**	**-4,5%**

- Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:
  - a profit of €5.0 million in Q2 2010 and a loss of €4.9 million in Q2 2011,
  - a profit of €12.8 million in H1 2010 and a profit of €8.1 million in H1 2011.

Appendix 1:
Segment reporting – Constant and adjusted basis

Asia-Pacific

Constant and adjusted basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	303,0	**319,1**	**+5,3%**	566,7	**603,2**	**+6,4%**
on a constant basis and same days			***+5,3%***			***+6,6%***
o/w Australia	191,9	**195,3**	*+1,8%*	362,1	**376,9**	*+4,1%*
on a constant basis and same days			*+1,8%*			*+4,4%*
China	60,6	**70,6**	*+16,6%*	107,8	**125,5**	*+16,5%*
on a constant basis and same days			*+16,0%*			*+16,1%*
New Zealand	35,6	**36,0**	*+1,2%*	66,8	**66,7**	*-0,2%*
on a constant basis and same days			*+1,2%*			*-0,2%*
Gross profit	65,1	**69,5**	**+6,8%**	123,4	**132,4**	**+7,3%**
as a % of sales	*21,5%*	*21,8%*	*+30bps*	*21,8%*	*21,9%*	*+10bps*
Distribution & adm. expenses (incl. depreciation)	(48,1)	(50,5)	+5,0%	(93,0)	(99,3)	+6,7%
EBITA	17,0	**19,0**	**+11,8%**	30,4	**33,1**	**+8,8%**
as a % of sales	*5,6%*	*6,0%*	*+40bps*	*5,4%*	*5,5%*	*+10bps*
Headcount (end of period)	2 734	**2 837**	**3,8%**	2 734	**2 837**	**+3,8%**

- Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:
  - a profit of €5.0 million in Q2 2010 and a loss of €4.9 million in Q2 2011,
  - a profit of €12.8 million in H1 2010 and a profit of €8.1 million in H1 2011.

Appendix 1:
Segment reporting – Constant and adjusted basis

Other *(Latin America, Other Operating Segments + Corporate Holdings)*

Constant and adjusted basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Operating segments						
Sales	101.5	**101.4**	**-0.1%**	186.2	**188.9**	**+1.4%**
on a constant basis and same days			***-1.6%***			***+0.2%***
o/w Latin America	48.1	**58.5**	*+21.6%*	86.2	**109.5**	*+27.0%*
on a constant basis and same days			*+18.0%*			*+24.0%*
ACE	47.1	**34.5**	*-26.7%*	87.5	**63.0**	*-28.0%*
on a constant basis and same days			*-26.7%*			*-28.1%*
Gross profit	37.0	**35.2**	**-4.9%**	66.6	**66.4**	**-0.2%**
as a % of sales	*36.4%*	*34.7%*	*-170bps*	*35.8%*	*35.2%*	*-60bps*
Distribution & adm. expenses (incl. depreciation)	(30.7)	(29.7)	-3.3%	(61.4)	(58.8)	-4.2%
EBITA	6.3	**5.4**	**-14.1%**	5.2	**7.6**	**+46.2%**
as a % of sales	*6.2%*	*5.3%*	*-90bps*	*2.8%*	*4.0%*	*+120bps*
Headcount (end of period)	1,038	**1,084**	**4.4%**	1,038	**1,084**	**4.4%**
Corporate Holdings						
EBITA	**(8.2)**	**(9.8)**	**+19.6%**	**(12.8)**	**(18.2)**	**+42.1%**
Headcount (end of period)	670	**642**	**-4.2%**	670	**642**	**-4.3%**

- Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:
  - a profit of €5.0 million in Q2 2010 and a loss of €4.9 million in Q2 2011,
  - a profit of €12.8 million in H1 2010 and a profit of €8.1 million in H1 2011.

Appendix 2:
Consolidated Income Statement

Reported basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	**3 047,0**	**3 157,6**	**+3,6%**	**5 744,6**	**6 162,5**	**+7,3%**
Gross profit	**744,6**	**771,2**	**+3,6%**	**1 422,8**	**1 532,6**	**+7,7%**
as a % of sales	*24,4%*	*24,4%*		*24,8%*	*24,9%*	
Distribution & adm. expenses (excl. depreciation)	(577,6)	(578,6)	+0,2%	(1 127,4)	(1 161,9)	+3,1%
EBITDA	**167,0**	**192,6**	**+15,3%**	**295,4**	**370,7**	**+25,5%**
as a % of sales	*5,5%*	*6,1%*		*5,1%*	*6,0%*	
Depreciation	(19,0)	(18,5)		(38,0)	(36,9)	
EBITA	**148,0**	**174,1**	**+17,6%**	**257,4**	**333,8**	**+29,7%**
as a % of sales	*4,9%*	*5,5%*		*4,5%*	*5,4%*	
Amortization of purchase price allocation	(7,2)	(4,6)		(12,3)	(9,2)	
Operating income bef. other inc. and exp.	**140,8**	**169,6**	**+20,4%**	**245,1**	**324,6**	**+32,5%**
as a % of sales	*4,6%*	*5,4%*		*4,3%*	*5,3%*	
Other income and expenses	(15,9)	(11,9)		(31,1)	(15,8)	
Operating income	**124,9**	**157,7**	**+26,2%**	**214,0**	**308,8**	**+44,3%**
Financial expenses (net)	(52,8)	(53,1)		(103,5)	(94,7)	
Share of profit (loss) in associates	1,5	1,0		0,4	0,1	
Net income (loss) before income tax	**73,6**	**105,6**	**+43,5%**	**110,9**	**214,2**	**+93,1%**
Income tax	(10,5)	(18,4)		(18,5)	(40,5)	
Net income (loss)	**63,1**	**87,2**	**+38,3%**	**92,4**	**173,7**	**+87,9%**
Net income (loss) attr. to non-controlling interests	0,3	0,3		0,4	0,4	
Net income (loss) attr. to equity holders of the parent	**62,8**	**86,9**	**+38,4%**	**92,0**	**173,3**	**+88,4%**

Appendix 2:
Sales and profitability by segment – Reported basis

Reported basis (€m)	Q2 2010	Q2 2011	Change	H1 2010	H1 2011	Change
Sales	**3,047.0**	**3,157.6**	**+3.6%**	**5,744.6**	**6,162.5**	**+7.3%**
Europe	1,744.5	1,853.9	+6.3%	3,365.3	3,641.4	+8.2%
North America	919.2	883.2	-3.9%	1,665.3	1,729.0	+3.8%
Asia-Pacific	287.4	319.1	+11.0%	523.1	603.2	+15.3%
Other	95.9	101.4	+5.7%	190.9	188.9	-1.0%
Gross profit	**744.6**	**771.2**	**+3.6%**	**1,422.8**	**1,532.6**	**+7.7%**
Europe	451.7	477.0	+5.6%	883.8	962.6	+8.9%
North America	198.8	188.8	-5.0%	362.7	369.0	+1.7%
Asia-Pacific	61.7	69.4	+12.5%	114.1	133.7	+17.2%
Other	32.4	36.0	+11.1%	62.1	67.3	+8.4%
EBITA	**148.0**	**174.1**	**+17.6%**	**257.4**	**333.8**	**+29.7%**
Europe	108.6	122.5	+12.8%	195.9	246.8	+26.0%
North America	27.2	36.2	+33.1%	41.3	62.3	+50.8%
Asia-Pacific	16.0	18.9	+18.1%	28.1	34.4	+22.4%
Other	-3.9	-3.5	n/m	-8.0	-9.7	n/m

Appendix 2:
Consolidated Balance Sheet

Assets (€m)	December 31st , 2010	June 30, 2011
Goodwill	3,931.2	3,946.5
Intangible assets	934.4	913.3
Property, plant & equipment	245.4	258.2
Long-term investments(1)	132.1	59.4
Investments in associates	9.3	8.8
Deferred tax assets	138.6	150.4
Total non-current assets	**5,391.0**	**5,336.6**
Inventories	1,203.1	1,206.2
Trade receivables	2,022.0	2,176.2
Other receivables	436.1	426.9
Assets classified as held for sale	23.1	76.9
Cash and cash equivalents	311.9	175.7
Total current assets	**3,996.2**	**4,061.9**
Total assets	**9,387.2**	**9,398.5**

Liabilities (€m)	December 31st , 2010	June 30, 2011
Total equity	**3,834.4**	**3,945.5**
Long-term debt	2,463.5	1,923.8
Deferred tax liabilities	144.5	167.1
Other non-current liabilities	330.7	294.8
Total non-current liabilities	**2,938.7**	**2,385.7**
Interest bearing debt & accrued interests	122.0	614.3
Trade payables	1,866.2	1,827.0
Other payables	623.9	597.1
Liabilities classified as held for sale	2.0	28.9
Total current liabilities	**2,614.1**	**3,067.3**
Total liabilities	**5,552.8**	**5,453.0**
Total equity & liabilities	**9,387.2**	**9,398.5**

(1) Includes Fair value hedge derivatives for €0.3m at December 31, 2010 and for €1.4m at June 30, 2011

Appendix 2:
Change in Net Debt

€m	Q2 2010	**Q2 2011**	H1 2010	**H1 2011**
EBITDA	**167,0**	**192,6**	**295,4**	**370,7**
Other operating revenues & costs[1]	(22,0)	(13,9)	(74,6)	(28,8)
Operating cash flow	**145,0**	**178,7**	**220,8**	**341,9**
Change in working capital	18,3	(36,2)	(20,4)	(237,4)
Gross capital expenditure	*(11,8)*	*(26,0)*	*(23,7)*	*(44,4)*
Disposal of fixed assets & other	*4,8*	*6,1*	*6,2*	*17,4*
Net capital expenditure	(7,0)	(19,9)	(17,6)	(27,0)
Free cash flow before interest and tax	**156,3**	**122,7**	**182,9**	**77,5**
Net interest paid / received	(42,4)	(38,2)	(87,0)	(71,4)
Income tax paid	(18,9)	(24,0)	(27,9)	(47,5)
Free cash flow after interest and tax	**95,0**	**60,5**	**68,0**	**(41,4)**
Net financial investment[2]	9,9	(5,9)	11,3	(55,2)
Dividends paid	0,0	(105,2)	0,0	(105,2)
Net change in equity	1,3	84,3	6,9	88,4
Other[3]	(5,5)	(5,2)	(21,3)	(21,5)
Currency exchange variation	(96,0)	(13,9)	(198,4)	44,4
Decrease (increase) in net debt	**4,7**	**14,6**	**(133,5)**	**(90,5)**
Net debt at the beginning of the period	**2 539,4**	**2 378,4**	**2 401,2**	**2 273,3**
Net debt at the end of the period	**2 534,7**	**2 363,8**	**2 534,7**	**2 363,8**

(1) Includes restructuring outflows of €21.2 million in Q2 2010 and € 13.8 million in Q2 2011, €42.7 million in H1 2010 and € 26.8 million in H1 2011
(2) H1 2011 includes the acquisitions of Nortel Suprimentos Industriais, Yantra Automation, AD electronics, Beijing Zhongheng, Tegro and Wuhan Rockcenter Automation for €54.2million (net of cash)
(3) Q2 2011 includes a € (2.0) million adjustment to the High Yield Bond carrying value

Appendix 2:
Return on capital employed

ROCE calculation	June 30, 2010	June 30, 2011
Goodwill	3,994.5	3,946.5
Intangible assets	955.6	913.3
Property, plant & equipment	258.6	258.2
Inventories	1,227.8	1,206.2
Trade receivables	2,096.7	2,176.2
Other receivables	391.2	426.9
Other non-current liabilities	-369.2	-294.8
Trade payables	-1,855.8	-1,827.0
Other payables	-556.5	-597.1
Reported capital employed	**6,142.9**	**6,208.4**
Restatement GW related to IPO	-1,322.0	-1,322.0
Capital employed used for ROCE calculation (1)	**4,820.9**	**4,886.4**
Operating inc. bef. other inc. & exp. pre-tax	540.7	689.6
Effective tax rate	16.7%	18.9%
Operating inc. bef. other inc. & exp. after tax (2)	**450.4**	**559.3**
ROCE after tax (2/1)	**9.3%**	**11.4%**

Appendix 3:
Working Capital

Constant basis (€m)	June 30, 2010	June 30, 2011
Sales (12 rolling months)	**11,984.9**	**12,144.8**
Net inventories	**1,227.8**	**1,206.2**
as a % of sales 12 rolling months	*10.2%*	*9.9%*
as a number of days	*46.2*	*45.1*
Net trade receivables	**2,096.7**	**2,176.2**
as a % of sales 12 rolling months	*17.5%*	*17.9%*
as a number of days	*54.3*	*54.4*
Net trade payables	**1,855.8**	**1,827.0**
as a % of sales 12 rolling months	*15.5%*	*15.0%*
as a number of days	*61.7*	*59.8*
Trade working capital	**1,468.6**	**1,555.4**
as a % of sales 12 rolling months	*12.3%*	*12.8%*
Non-trade working capital	**-179.2**	**-172.1**
Total working capital	**1,289.4**	**1,383.2**
as a % of sales 12 rolling months	*10.8%*	*11.4%*

Appendix 4:
Headcount & Branch Evolution

FTEs comparable	30/06/10	31/12/2010	30/06/11	Change 30/06/2011	
				vs.30/06/2010	vs.31/12/2010
Europe	**16,756**	**16,543**	**16,597**	**-1%**	**0%**
USA	*5,390*	*5,054*	*4,964*	*-8%*	*-2%*
Canada	*2,129*	*2,201*	*2,220*	*4%*	*1%*
North America	**7,519**	**7,255**	**7,184**	**-4%**	**-1%**
Asia-Pacific	**2,734**	**2,748**	**2,837**	**4%**	**3%**
Latin America & Other Op. segments	*1,038*	*1,057*	*1,084*	*4%*	*3%*
Corporate holdings	*670*	*678*	*642*	*-4%*	*-5%*
Other	**1,708**	**1,735**	**1,726**	**1%**	**-1%**
Group	**28,717**	**28,281**	**28,344**	**-1%**	**0%**

Branches comparable	30/06/10	31/12/2010	30/06/11	Change 30/06/2011	
				vs.30/06/2010	vs.31/12/2010
Europe	**1,293**	**1,275**	**1,269**	**-2%**	**0%**
USA	*338*	*313*	*306*	*-9%*	*-2%*
Canada	*209*	*210*	*209*	*0%*	*0%*
North America	**547**	**523**	**515**	**-6%**	**-2%**
Asia-Pacific	**294**	**293**	**298**	**1%**	**2%**
Latin America & Other Op. segments	*66*	*66*	*67*	*2%*	*2%*
Corporate holdings	*6*	*6*	*6*	*-*	*-*
Other	**72**	**72**	**73**	**1%**	**1%**
Group	**2,206**	**2,163**	**2,155**	**-2%**	**0%**

Appendix 5:
Senior Credit Agreement signed in December 2009

- **The €1.7bn SCA comprises two revolving credit facilities:**
  - A 3-year multi-currency revolving credit facility in an initial amount of €600m, which will reduce to €400m after one year and to €200m after two years ("Facility A")
  - A 5-year multi-currency revolving credit facility in an amount of €1,100m ("Facility B")
- **The applicable margins in the new SCA are 50bps lower for Facility A and 25bps lower for Facility B than in the previous SCA (IR = Indebtedness Ratio, i.e. adjusted consolidated net debt to adjusted consolidated EBITDA of the last 12 months)**

IR	IR≥5.00	4.50≤IR<5.00	4.00≤IR<4.50	3.50≤IR<4.00	3.00≤IR<3.50	2.50≤IR<3.00	IR≤2.50
Facility A	4.25%	3.50%	3.00%	2.50%	2.00%	1.75%	1.50%
Facility B	4.50%	3.75%	3.25%	2.75%	2.25%	2.00%	1.75%

- **In addition, the margin applicable to both facilities shall be increased by an utilization fee equal to:**
  - 25bps if the total amount drawn under both facilities is comprised between 33% and 66% of the total commitment
  - 50bps if the total amount drawn under both facilities equals or exceeds 66% of the total commitment
- **The financial covenants related to the Indebtedness Ratio covenant, to the limitation of capital expenditure and to the limitation of dividend payment remain unchanged**

Date	30/06/2010	31/12/2010	30/06/2011	31/12/2011	30/06/2012	Thereafter
IR commitment	5.15x	4.90x	4.50x	4.00x	3.75x	3.50x

  - Commitment to suspend dividend payments in 2010 and as long as IR ≥ 4.00x
  - Commitment to limit capital expenditure to 0.75% of sales as long as IR ≥ 4.00x
- **The SCA contains customary clauses for this type of agreement. These include clauses restricting the ability of Rexel Group companies to pledge their assets, carry out mergers or restructuring programs, borrow or lend money or provide guarantees. In particular, the Rexel Group has no restriction on acquisitions if the Indebtedness Ratio does not exceed 3.50x and has an acquisition basket of up to €200 million for each 12-months period if the Indebtedness Ratio equals or exceed 3.50x**
- **As the indebtedness ratio at June 30, 2011 stood at 3.03x, the limitations regarding dividend payment, capital expenditure and acquisitions do not apply**

Appendix 6:
Rexel's medium-term financial targets *(Investor Day Dec. 2, 2010)*

Organic growth

- Economic recovery, notably in the US
- SOGs development
- ↗ solutions & services

Margin optimization

- Product mix
- Pricing
- Supplier relationship development

Strong FCF generation

- High conversion rate (≥ 75%)
- Low capital intensity 0.7% to 0.8% of sales
- Tight WCR management 20bps annual reduction

External growth

- ↗ presence in emerging markets
- ↗ market share in mature markets
- ↗ offer of value-added services

Cost control

- Back-office optimization
- Logistics plan
- IT synergies

Optimized financial structure

- Diversified source of financing
- Active management of debt maturity profile
- Reduction of cost of debt

SOLID SALES GROWTH

across a "normal" business cycle

Organic: GDP + 1 to 2 points

+

Acquisitions

ENHANCED PROFITABILITY

Pre-crisis (2008):
5.3% EBITA margin
(€13.7bn of sales)

Crisis (2009):
4.0% EBITA margin
(€11.3bn of sales)

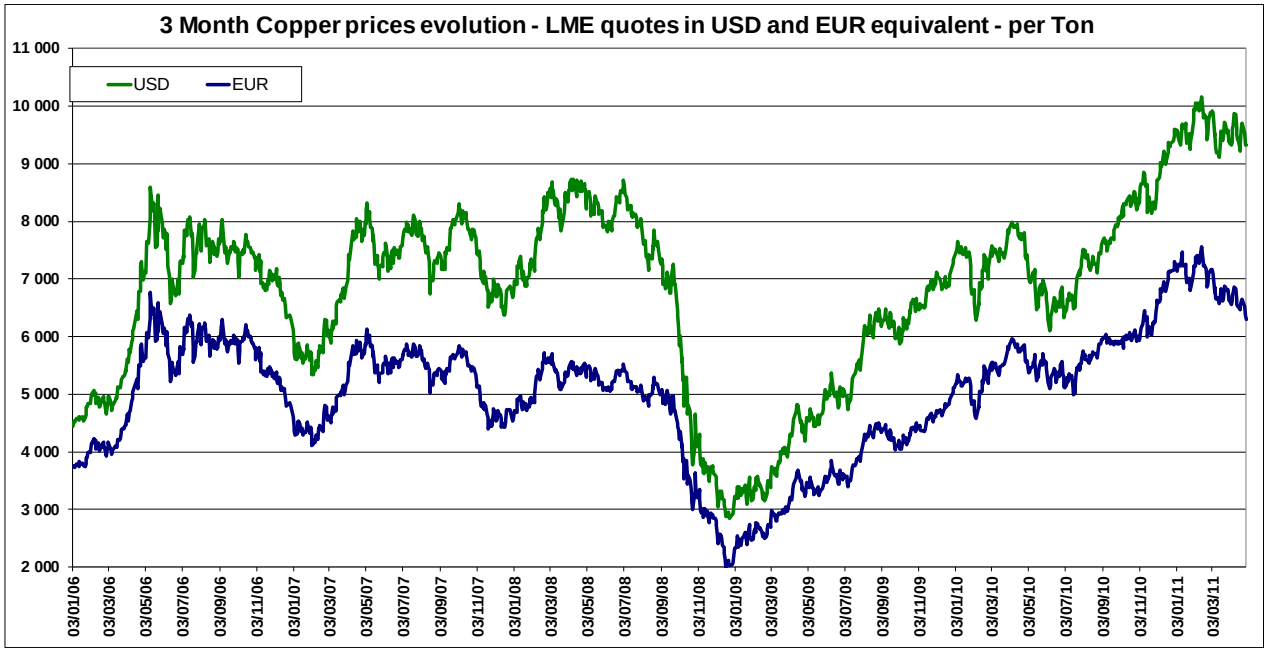
→

Adj. EBITA margin
close to 6.5%
in lockstep with sales growth

IMPROVED DEBT PROFILE

- **Annual FCF bef. I&T between €500m and €700m**
- **Net debt / EBITDA ~3.0x**
- **Investment grade status**

Appendix 7:
Three-month Copper Price Evolution



USD/t	Q1	Q2	Q3	Q4	FY
2009	3,489	4,695	5,876	6,683	5,185
2010	7,264	7,056	7,279	8,617	7,554
2011	**9,634**	**9,176**			
2010 vs. 2009	+108%	+50%	+24%	+29%	+46%
2011 vs. 2010	**+33%**	**+30%**			

€/t	Q1	Q2	Q3	Q4	FY
2009	2,677	3,447	4,104	4,524	3,688
2010	5,250	5,540	5,635	6,349	5,694
2011	**7,052**	**6,382**			
2010 vs. 2009	+96%	+61%	+37%	+40%	+54%
2011 vs. 2010	**+34%**	**+15%**			

Disclaimer

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 18% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

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

- the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses (principally, the variable portion of compensation of sales personnel, which accounts for approximately 10% of the variation in gross profit).

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

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on April 11, 2011 under number D.11-0272. These forward-looking statements are not guarantees of Rexel's future performance. Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.