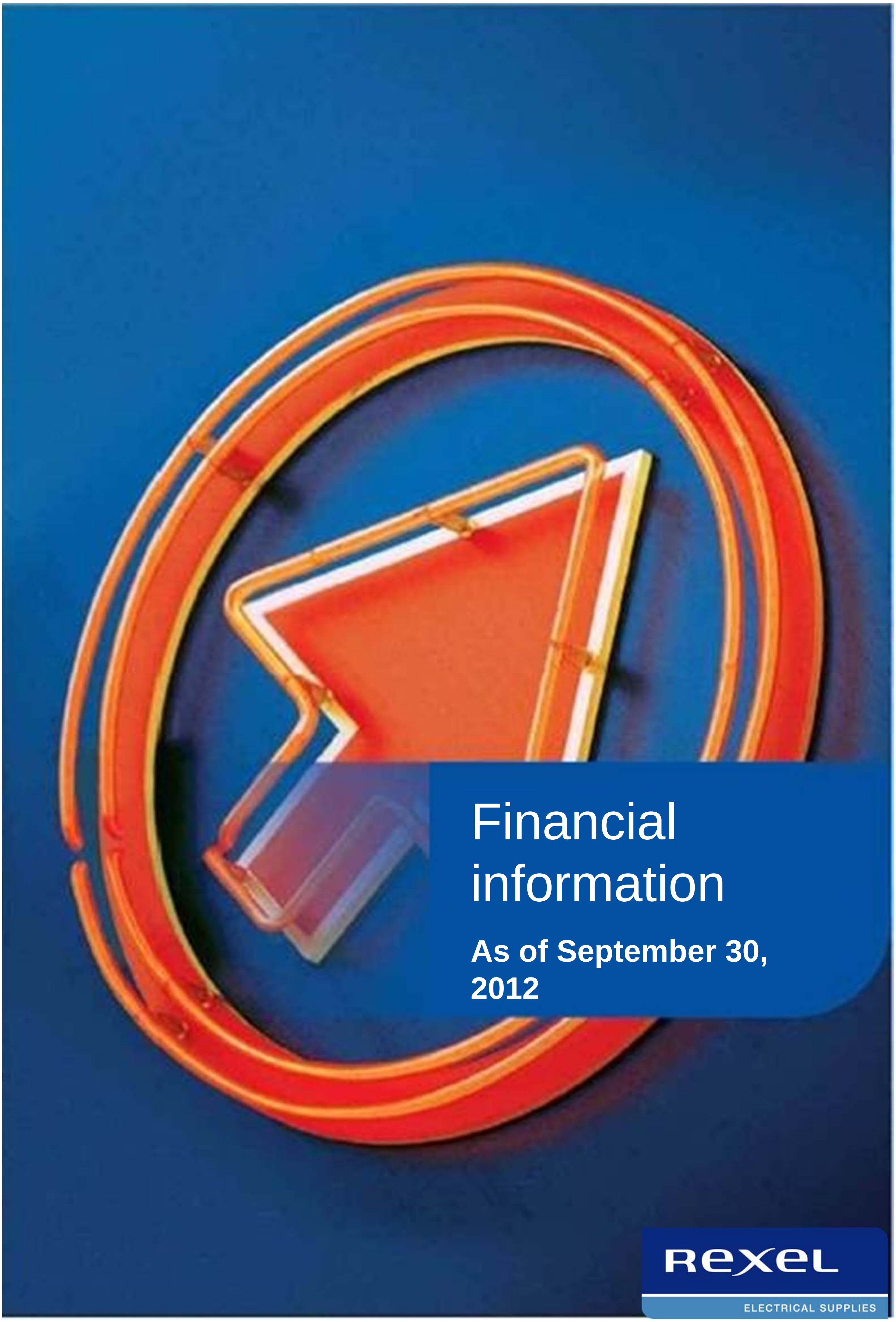

Financial information

As of September 30, 2012

Société anonyme with a Management Board and a Supervisory Board
Share capital: €1,357,780,390
Registered office: 189-193, boulevard Malesherbes
75017 Paris
479 973 513 R.C.S. Paris

Financial information for the period ended on September 30, 2012

I. Activity report

This document is a free translation into English of the activity report for the period ended September 30, 2012 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, 2012, 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 (herein after referred to as “the Group” or ”Rexel”).

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

1.1 | Financial position 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 principally operates in four geographic areas: Europe, North America, Asia-Pacific and Latin America, this last segment is now presented separately. The “Other operations” segment mainly includes unallocated corporate overhead expenses, the other businesses managed at Group level and previously reported in this segment are now reported under the Europe segment. This geographic segmentation is based on the Group’s financial reporting structure.

In the first nine months of 2012, the Group recorded consolidated sales of €10,009.4 million, of which €5,525.6 million were generated in Europe (55% of sales), €3,224.4 million in North America (32% of sales), €1,026.0 million in Asia-Pacific (10% of sales) and €233.2 million in Latin America (3% of sales).

Europe (55% of Group sales) consists of France (which accounts for 33% of Group 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, Slovakia, the Czech Republic, Poland, Russia and the Baltic States).

North America (32% of Group sales) consists of the United States and Canada. The United States accounts for 69% of Group sales in this zone, and Canada for 31%.

Asia-Pacific (10% of Group sales) consists of Australia, New Zealand, China and India, as well as certain countries in Southeast Asia (Indonesia, Malaysia, Singapore and Thailand). Australia accounts for 58% of Group sales in this region.

Latin America (3% of Group sales) consists of Brazil, Chile and Peru. Brazil accounts for 58% of Group sales in this region.

This activity report analyses the Group’s sales, gross profit, distribution and administrative expenses, and operating income before amortization of intangible assets recognized on purchase price allocations and other income and other expenses (EBITA) separately for each of the four geographic segments, as well as for the Other operations segment.

1.1.2 | Seasonality

Despite the low impact of seasonality on sales, changes in the Group’s working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group’s cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters, because of higher working capital requirements in those periods.

1.1.3 | Impact of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 17% 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 suppliers’ commercial policies and competitive environment of markets in which the Group operates. Changes in copper price have an estimated “recurring” and “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 the value of the copper included in the sales 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 sales price of cables between the time they are purchased and the time they are sold, until such inventory has been reconstituted (direct effect on gross profit). In practice, 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, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change 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, and in any case covering at least a majority of sales. Group procedures require entities that do not have information systems capable of such comprehensive calculation to estimate these effects based on a sample representing at least 70% of sales during the period. The results are then extrapolated to all cables sold during the period for that entity. On the basis of the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

1.1.4 | Comparability of the Group's operating results

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Second, currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. 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 presented below, financial information is also restated to give effect to following adjustments.

Excluding the effects of acquisitions and disposals

The Group adjusts its 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 the 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, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Excluding the effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

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

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 1.1.3 above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Excluding the effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

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

- On a constant and same number of working days basis, which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and

- On a constant basis, adjusted, which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

Changes in accounting principles

As of June 30, 2012, Rexel has elected for early adoption of revised IAS 19 "Employee Benefits" following its endorsement by EU on June 6, 2012. The early adoption of this amendment improves information on the Group's financial situation, in particular the presentation in the financial statements of the surplus or deficit of pension funds. Accounting policy changes have been applied retrospectively as of January 1, 2011 and comparative information have been adjusted to reflect the impacts of this early adoption as follows:

(in millions of euros)	As of Mar. 31, 2011	As of Jun. 30, 2011	As of Sep. 30, 2011	As of Dec. 31, 2011	As of Mar. 31, 2012	As of Jun. 30, 2012
Decrease in distribution and administrative expenses……………………………………………	0.6	1.3	2.0	2.7	1.5	3.2
Increase in financial expenses……………………	(1.5)	(3.0)	(4.5)	(6.0)	(2.3)	(4.5)
Deferred tax income ………………………………	0.1	0.1	0.2	0.3	0.1	0.2
Decrease in net income………………………	**(0.8)**	**(1.6)**	**(2.3)**	**(3.0)**	**(0.7)**	**(1.1)**

The Group uses the "EBITA" to monitor its performance. EBITA is not an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

	Quarter ended September 30		Period ended September 30	
(in millions of euros)	2012	2011	2012	2011
Operating income before other income and other expenses	**186.6**	**179.7**	**551.9**	**505.6**
Changes in scope effects		7.1		10.0
Foreign exchange effects		9.3		19.5
Non-recurring effect related to copper	0.9	8.8	(3.1)	0.4
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	4.2	3.9	9.3	13.1
Adjusted EBITA on a constant basis	**191.7**	**208.8**	**558.1**	**548.6**

1.2 | Comparison of financial results as of September 30, 2012 and 2011

1.2.1 | Rexel Group's consolidated financial results

The following table sets out Rexel's consolidated income statement for the first nine months of 2012 and 2011, in millions of euros and as a percentage of sales.

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**3,441.3**	**3,210.8**	**7.2%**	**10,009.4**	**9,373.3**	**6.8%**
Gross profit	833.1	761.9	9.3%	2,459.3	2,294.5	7.2%
Distribution and administrative expenses(1)	(642.3)	(578.3)	11.1%	(1,898.1)	(1,775.8)	6.9%
EBITA	**190.8**	**183.6**	**3.9%**	**561.2**	**518.7**	**8.2%**
Amortization(2)	(4.2)	(3.9)	10.8%	(9.3)	(13.1)	(29.0)%
Operating income before other income and expenses	**186.6**	**179.7**	**3.8%**	**551.9**	**505.6**	**9.2%**
Other income and expenses	(14.6)	(14.1)	3.5%	(69.7)	(29.9)	133.1%
Operating income	172.0	165.6	3.9%	482.2	475.7	1.4%
Financial expenses	(52.0)	(54.4)	(4.4)%	(149.0)	(152.1)	(2.0)%
Share of income from associates	1.3	1.1	18.2%	1.5	1.2	25.0%
Income taxes	(36.0)	(28.1)	28.1%	(98.3)	(68.5)	43.5%
Net income	85.3	84.2	1.3%	236.4	256.3	(7.8)%
as a % of sales	2.5%	2.6%		2.4%	2.7%	
(1) Of which depreciation	(18.9)	(17.9)	5.6%	(54.4)	(54.8)	(0.8)%

(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			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**3,441.3**	**3,593.7**	**(4.2)%**	**10,009.4**	**10,065.1**	**(0.6)%**
Same number of working days			*(3.6)%*			*(0.8)%*
Gross profit	834.0	862.7	(3.3)%	2,456.0	2,447.5	0.3%
as a % of sales	*24.2%*	*24.0%*		*24.5%*	*24.3%*	
Distribution and administrative expenses	(642.3)	(653.9)	(1.8)%	(1,897.9)	(1,899.0)	(0.1)%
as a % of sales	*(18.7)%*	*(18.2)%*		*(19.0)%*	*(18.9)%*	
EBITA	**191.7**	**208.8**	**(8.2)%**	**558.1**	**548.6**	**1.7%**
as a % of sales	***5.6%***	***5.8%***		***5.6%***	***5.5%***	

Sales

In the first nine months of 2012, Rexel's consolidated sales grew by 6.8% to €10,009.4 million.

The effect of acquisitions, net of disposals, amounted to €281.3 million and resulted from :

- Acquisitions accounting for €346.2 million, of which Europe for €136.0 million (Eurodis and Société Commerciale Toutelectric (SCT) in France, Wilts Electrical Wholesale in the United Kingdom, Erka in Spain and La Grange in Belgium), North America for €123.7 million (Platt Electric Supply in the United States and Liteco in Canada), Asia-Pacific for €23.1 million (Zhongheng in China and AD Electronics in India) and Latin America for €63.4 million (V&F Tecnologia in Peru, Delamano and Etil in Brazil); and

- Divestments accounting for €64.9 million, related to the disposal of the non-core ACE business (Agencies/Consumer Electronics), in 2011.

The first nine months of 2012 recorded a positive currency impact of €410.5 million, mainly due to the strengthening of the major currencies against the euro, including the American dollar. On a constant and same number of working days basis, sales decreased by 0.8%. By geography, Europe posted a drop of 2.5%, North America was up by 3.2%, Asia-Pacific declined by 4.4% and in Latin America sales grew by 5.4%. Excluding the negative impact of 0.9 percentage point due to the lower copper-based cable prices compared to the first nine months of 2011, sales were slightly up 0.1%. On a constant and actual number of working days basis, sales decreased by 0.6% as the calendar impact was positive at 0.2 percentage point.

In the third quarter of 2012, on a constant and same number of working days basis, sales decreased by 3.6%, reflecting a slowdown in volumes in major markets and impacted by challenging comparables (third quarter posted the highest growth in 2011 at 7.5% on a constant and same number of working days basis). By geography, Europe posted a drop of 5.2%, North America was flat at 0.1%, Asia-Pacific declined by 9.0% and Latin America was up 4.3%. Excluding the negative impact of 1.0 percentage point due to the lower copper-based cable prices compared to the third quarter of 2011, sales were down 2.6%. On a constant and actual number of working days basis, sales decreased by 4.2% as the calendar impact was negative at 0.6 percentage point. On a reported basis, sales were up 7.2%, fueled by a positive currency impact and acquisitions, each of them representing 6.0%.

		Q1	Q2	Q3	Year-to-Date
Growth on a constant basis and same number of working days		1.7%	(0.1)%	(3.6)%	(0.8)%
Number of working days effect		2.6%	(1.0)%	(0.6)%	0.2%
Growth on a constant basis and actual number of working days	(a)	*4.3%*	*(1.1)%*	*(4.2)%*	*(0.6)%*
Changes in scope effect		0.6%	2.3%	6.0%	3.0%
Foreign exchange effect		2.4%	4.7%	6.0%	4.4%
Total scope and currency effects	(b)	*3.0%*	*6.9%*	*11.9%*	*7.4%*
Effective growth (a) x (b) (1)		7.4%	5.8%	7.2%	6.8%

(1) Organic growth compounded by the scope and currency effects

Gross profit

In the first nine months of 2012, gross profit amounted to €2,459.3 million, an increase of 7.2% as compared to 2011, on a reported basis. On a constant basis, adjusted gross profit is almost flat at +0.3% and adjusted gross margin increased by 20 basis points to 24.5% of sales, mainly coming from better purchasing conditions in Europe.
In the third quarter of 2012, on a constant basis, adjusted gross profit decreased by 3.3% and adjusted gross margin increased by 20 basis points to 24.2% of sales.

Distribution & administrative expenses

In the first nine months of 2012, on a constant basis, adjusted distribution and administrative expenses remained stable at -0.1%, while sales decreased by 0.6%. Personnel costs increased by 1.6%, whereas lease and maintenance expenses declined by 2.7%, reflecting the effect of the 83 branch closures, mainly in the United Kingdom, the United States and New Zealand and other external expenditures by 0.1%. At September 30, 2012, the number of employees totaled 30,400 (on a full time equivalent basis), a 1.7% decrease compared to September 30, 2011.
In the third quarter of 2012, on a constant basis, adjusted distribution and administrative expenses decreased by 1.8%, while sales decreased by 4.2%.

EBITA

In the first nine months of 2012, EBITA stood at €561.2 million, an increase of 8.2% from the first nine months of 2011, on a reported basis. On a constant basis, adjusted EBITA increased by 1.7% and adjusted EBITA margin improved by 10 basis points to 5.6%. This improvement resulted from higher gross margin along with control over distribution and administrative expenses.
In the third quarter of 2012, on a constant basis, adjusted EBITA decreased by 8.2% and adjusted EBITA margin decreased by 20 basis points to 5.6%. EBITA stood at €190.8 million, a 3.9% increase compared to the third quarter of 2011, on a reported basis.

Other income and expenses

In the first nine months of 2012, other income and expenses represented a net expense of €69.7 million, consisting mainly of:

- €27.6 million goodwill impairment, recognized in the second quarter of 2012, on the following cash-generating units: The Netherlands for €12.6 million and New Zealand for €15.0 million, as a result of lower than expected performance;
- €28.2 million restructuring costs mainly related to the rationalization of logistics in Germany, The Netherlands and Sweden and to the branch network optimization in the United-Kingdom and New Zealand ;
- €6.1 million acquisition costs arising from completed and on-going transactions; and

- €7.9 million of other operating expenses mainly related to corporate headquarters relocation, loss on earn-out, the settlement of a claim from the seller on assumed liabilities with regards to Gexpro's acquisition in 2006 and to a litigation on social tax in France; offset by a gain on disposal of tangible assets in France.

In the first nine months of 2011, other income and other expenses represented a net expense of €29.9 million, consisting primarily of:

- €33.8 million of impairment on goodwill and intangible assets in the Netherlands and Spain and €7.0 million of impairment on the assets of Hagemeyer Brands Australia, disposed of in July 2011;
- €26.1 million from the gain on disposal of Hagemeyer Brands Australia and Kompro B.V.;
- €15.2 million restructuring costs mainly related to Europe (€12.3 million, mainly in The Netherlands);
- €5.0 million for costs arising from acquisition projects; and
- €3.9 million revenue including €1.1 million of proceeds from disposals of properties and €2.1 million related to the release of unused provisions on litigation with social authorities in France.

Net Financial income / (expenses)

In the first nine months of 2012, net financial expenses stood at €149.0 million, as compared to €152.1 million in the first nine months of 2011. The effective interest rate remained flat at 7.2% compared to the first nine months of 2011. Excluding the impact of one-off non-cash items related to fair value adjustments on derivative instruments, net financial expenses increased as a result of higher average indebtedness in the first nine months of 2012 compared to previous year nine months.
In the third quarter of 2012, the effective interest rate was 6.4%, as compared to 7.9% in the third quarter of 2011, as a result of the optimization of the use of cash available.

Share of profit/(loss) of associates

In the first nine months of 2012, the share of profit of associates was a profit of €1.5 million, related to DPI (US consumer electronics retail distributor), compared to a profit of €1.2 million in the first nine months of 2011.
In the third quarter of 2012, the share of profit of associates represented a profit of €1.3 million, compared to a profit of €1.1 million for the same period in 2011.

Tax expense

The effective tax rate was 29.5% in the first nine months of 2012, compared to 21.2% in the first nine months of 2011. In the first nine months of 2011, the tax rate benefited from the recognition of prior years' UK tax losses.

Net income

Net income amounted to €236.4 million in the first nine months of 2012, a decrease of 7.8% as compared to €256.3 million in the first nine months of 2011. This decrease, as compared to the positive evolution of the operating income, resulted from the rise in the effective tax rate.
In the third quarter of 2012, net income amounted to €85.3 million, a slight increase of 1.4% as compared to €84.2 million in the third quarter of 2011.

1.2.2 | Europe (55% of Group sales)

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**1,829.3**	**1,842.2**	**(0.7)%**	**5,525.6**	**5,480.3**	**0.8%**
Gross profit	482.7	467.9	3.2%	1,494.2	1,442.5	3.6%
Distribution and administrative expenses	(364.1)	(348.6)	4.4%	(1,108.4)	(1,073.8)	3.2%
EBITA	**118.6**	**119.3**	**(0.5)%**	**385.8**	**368.7**	**4.6%**
as a % of sales	*6.5%*	*6.5%*		*7.0%*	*6.7%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**1,829.3**	**1,944.9**	**(5.9)%**	**5,525.6**	**5,690.1**	**(2.9)%**
Same number of working days			*(5.2)%*			*(2.5)%*
Gross profit	482.6	500.8	(3.6)%	1,489.4	1,498.6	(0.6)%
as a % of sales	*26.4%*	*25.7%*		*27.0%*	*26.3%*	
Distribution and administrative expenses	(364.1)	(373.8)	(2.6)%	(1,108.2)	(1,124.4)	(1.4)%
as a % of sales	*(19.9)%*	*(19.2)%*		*(20.1)%*	*(19.8)%*	
EBITA	**118.4**	**127.0**	**(6.7)%**	**381.2**	**374.2**	**1.9%**
as a % of sales	***6.5%***	***6.5%***		***6.9%***	***6.6%***	

In the first nine months of 2012, sales in Europe amounted to €5,525.6 million, an increase of 0.8% from the first nine months of 2011, on a reported basis. Acquisitions accounted for €136.0 million. Favorable exchange rate variations accounted for €73.8 million, due to the appreciation of the British Pound and the Swiss franc against the euro. On a constant and same number of working days basis, sales decreased by 2.5% from the first nine months of 2011, reflecting the economic slowdown of major European countries. Excluding the negative impact of photovoltaic, sales decreased by 2.4%, on a constant basis and same number of working days.
In the third quarter of 2012, sales decreased by 5.2% from the third quarter of 2011, on a constant and same number of working days basis. Excluding the negative impact of photovoltaic, sales decreased by 4.6%, on a constant basis and same number of working days.

In France, sales amounted to €1,825.5 million in the first nine months of 2012, a 2.5% decrease as compared to the first nine months of 2011 on a constant and same number of working days basis, reflecting lower demand from large industrial customers and the slowdown in construction.
In the third quarter of 2012, sales decreased by 4.9% from the third quarter of 2011, on a constant and same number of working days basis.

In the United Kingdom, sales amounted to €794.5 million in the first nine months of 2012, a decrease of 1.5% from the first nine months of 2011 on a constant and same number of working days basis, including the unfavorable impact of branch closures (452 branches at the end of September 30, 2011 vs 438 at the end of September 2012) and the rise in photovoltaic sales. Excluding both effects, sales decreased by 1.0% from the first nine months of 2011 on a constant and same number of working days basis, mainly resulting from lower activity projects.
In the third quarter of 2012, sales decreased by 3.3% from the third quarter of 2011, on a constant and same number of working days basis. Excluding both branch closures and photovoltaic sales, sales decreased by 1.6% from the third quarter of 2011, on a constant and same number of working days basis.

In Germany, sales amounted to €650.5 million in the first nine months of 2012, a 2.3% decrease from the first nine months of 2011 on a constant and same number of working days basis. Excluding photovoltaic, sales were down 1.0% from the first nine months of 2011 on a constant and same number of working days basis.
In the third quarter of 2012, sales decreased by 5.1% from the third quarter of 2011, on a constant and same number of working days basis. Excluding photovoltaic, sales decreased by 3.4% from the third quarter of 2011 on a constant and same number of working days basis, reflecting slowing momentum from the industrial end-market and lower export activity.

In Scandinavia sales amounted to €688.4 million in the first nine months of 2012, a rise of 1.3% from the first nine months of 2011 on a constant and same number of working days basis. This increase in sales was driven by utilities. A 1.1% increase in sales was recorded in the operations in Norway whereas sales in Finland and Sweden posted respectively a 1.9% and 1.0% increase in sales.

In the third quarter of 2012, sales decreased by 3.3% from the third quarter of 2011, on a constant and same number of working days basis, reflecting a contrasted situation between a 1.4% increase in Norway whereas sales in Finland and Sweden posted respectively a 6.4% and 5.2% decrease in sales, reflecting challenging macroeconomic conditions in both countries.

In Benelux, sales amounted to €455.7 million in the first nine months of 2012, a 4.2% decrease on a constant basis and same number of working days. Operations in Belgium remained stable, driven by photovoltaic sales (-1.7% excluding photovoltaic sales), whereas the operations in The Netherlands posted a 7.4% decline from the first nine months of 2011 on a constant basis and same number of working days, as a consequence of difficult market conditions and a company reorganization process underway.
In the third quarter of 2012, sales decreased by 12.5% from the third quarter of 2011, on a constant and same number of working days basis. In Belgium, sales decreased by 13.9% from the third quarter of 2011 on a constant and same number of working days basis (-6.8% excluding photovoltaic sales, impacted by delayed commercial projects and lower residential activity). The Netherlands posted a 9.6% decrease from the third quarter of 2011, on a constant and same number of working days.

In Southern Europe, sales amounted to €293.8 million in the first nine months of 2012, decreasing by 13.9% from the first nine months of 2011 on a constant and same number of working days basis, largely due to the macro-economic environment in Spain, with a 19.5% decrease from the first nine months of 2011.
In the third quarter of 2012, sales decreased by 11.8% from the third quarter of 2011, on a constant and same number of working days basis, with a 16.8% and 8.4% decrease respectively in Spain and Italy.

In the first nine months of 2012, Europe recorded a gross profit of €1,494.2 million, an increase of 3.6% from the first nine months of 2011, on a reported basis. On a constant basis, adjusted gross profit decreased by 0.6% and adjusted gross margin was 27.0% of sales, an improvement of 70 basis points from the first nine months of 2011, mainly due to better purchasing terms.
In the third quarter of 2012, on a constant basis, adjusted gross profit decreased by 3.6% and adjusted gross margin was 26.4% of sales, an improvement of 70 basis points from the third quarter of 2011.

On a constant basis, adjusted distribution and administrative expenses decreased by 1.4% in the first nine months of 2012, while sales decreased by 2.9%. Personnel costs decreased by 1.0% as compared to the first nine months of 2011. Workforce in Europe included 17,230 employees, a 3.3% decrease compared to September 30, 2011. Lease and maintenance expenses decreased by 3.0% as compared to the first nine months of 2011 due to the rationalization of the branch network (26 branch closures) and other external expenditures decreased by 0.7% as compared to the first nine months of 2011.
In the third quarter of 2012, on a constant basis, adjusted distribution and administrative expenses decreased by 2.6%, while sales decreased by 5.9%.

In the first nine months of 2012, EBITA amounted to €385.8 million, a 4.6% increase from the first nine months of 2011, on a reported basis. On a constant basis, adjusted EBITA increased by 1.9% while the adjusted EBITA margin increased by 30 basis points to 6.9% of sales.
In the third quarter of 2012, on a constant basis, adjusted EBITA decreased by 6.7% while the adjusted EBITA margin remained stable at 6.5% of sales.

1.2.3 | North America (32% of Group sales)

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**1,181.3**	**964.5**	**22.5%**	**3,224.4**	**2,712.9**	**18.9%**
Gross profit	257.9	203.7	26.6%	692.2	577.6	19.8%
Distribution and administrative expenses	(194.5)	(155.3)	25.2%	(530.7)	(463.2)	14.6%
EBITA	**63.4**	**48.4**	**31.0%**	**161.5**	**114.4**	**41.2%**
as a % of sales	*5.4%*	*5.0%*		*5.0%*	*4.2%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**1,181.3**	**1,181.4**	**0,0%**	**3,224.4**	**3,078.5**	**4.7%**
Same number of working days			*0.1%*			*3.2%*
Gross profit	258.2	255.7	1.0%	693.1	659.7	5.1%
as a % of sales	*21.9%*	*21.6%*		*21.5%*	*21.4%*	
Distribution and administrative expenses	(194.5)	(194.0)	0.2%	(530.7)	(528.6)	0.4%
as a % of sales	*(16.5)%*	*(16.4)%*		*(16.5)%*	*(17.2)%*	
EBITA	**63.7**	**61.7**	**3.3%**	**162.4**	**131.1**	**23.9%**
as a % of sales	***5.4%***	***5.2%***		***5.0%***	***4.3%***	

In the first nine months of 2012, sales in North America amounted to €3,224.4 million, up 18.9% compared to the first nine months of 2011, on a reported basis. The acquisition of Platt Electric Supply in the United States and Liteco, in Canada, accounted for €123.7 million. Favorable exchange rate variations accounted for €241.9 million, due to the appreciation of both US and Canadian dollar against the euro during the period. On a constant and same number of working days basis, sales increased by 3.2% in the first nine months of 2012 compared to the first nine months of 2011.
In the third quarter of 2012, sales remained stable at +0.1% from the third quarter of 2011, on a constant and same number of working days basis.

In the United States, sales rose to €2,209.8 million in the first nine months of 2012, an increase of 1.8% from the first nine months of 2011 on a constant and same number of working days basis. Growth was driven by the industrial market; Oil & Gas and petrochemical segments and energy conservation projects were active.
In the third quarter of 2012, sales decreased by 1.8% from the third quarter of 2011, on a constant and same number of working days, mainly impacted by challenging comparables (third quarter posted the highest growth in 2011 at 9.2% on a constant and same number of working days basis).

In Canada, sales amounted to €1,014.6 million in the first nine months of 2012, up by 6.5% from the first nine months of 2011 on a constant and same number of working days basis. Sales were strong in the industrial end-market, particularly in mining and oil & gas.
In the third quarter of 2012, sales increased by 5.0% from the third quarter of 2011, on a constant and same number of working days basis.

In the first nine months of 2012, in North America, gross profit amounted to €692.2 million, an increase of 19.8% from the first nine months of 2011, on a reported basis. On a constant basis, adjusted gross profit increased by 5.1% and adjusted gross margin increased by 10 basis points compared with the first nine months of 2011 at 21.5% of sales.
In the third quarter of 2012, on a constant basis, adjusted gross profit increased by 1.0% and adjusted gross margin was 21.9 % of sales, a 30 basis points increase from the third quarter of 2011, mainly due to pricing initiatives in the United States.

Compared to the 4.7% increase in sales, on a constant basis, adjusted distribution and administrative expenses increased only by 0.4% in the first nine months of 2012. Personnel costs increased by 3.4% from the first nine months of 2011, as a result of higher working days in the first nine months of 2012. The workforce was 8,485 employees as of September 30, 2012, a 1.3% increase compared to September 30, 2011. Lease expenses decreased by 4.3% in the first nine months of 2012 as compared to the first nine months of 2011, benefiting from the reorganization of the branch network in 2011 (31 branch closures).
In the third quarter of 2012, on a constant basis, adjusted distribution and administrative expenses remained stable, in line with sales.

In the first nine months of 2012, EBITA rose to €161.5 million, an increase of 41.2% from the first nine months of 2011, on a reported basis. On a constant basis, adjusted EBITA rose by 23.9% from the first nine months of 2011 and the adjusted EBITA margin increased by 70 basis points to 5.0% of sales.
In the third quarter of 2012, on a constant basis, adjusted EBITA increased by 3.3% while the adjusted EBITA margin increased by 20 basis points to 5.4% of sales.

1.2.4 | Asia-Pacific (10% of Group sales)

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**352.9**	**349.7**	**0.9%**	**1,026.0**	**953.0**	**7.7%**
Gross profit	73.8	76.6	(3.6)%	217.6	210.3	3.5%
Distribution and administrative expenses	(56.4)	(51.3)	10.1%	(168.1)	(150.5)	11.7%
EBITA	**17.4**	**25.4**	**(31.4)%**	**49.5**	**59.8**	**(17.2)%**
as a % of sales	*4.9%*	*7.2%*		*4.8%*	*6.3%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**352.9**	**390.8**	**(9.7)%**	**1,026.0**	**1,071.9**	**(4.3)%**
Same number of working days			*(9.0)%*			*(4.4)%*
Gross profit	74.6	88.5	(15.7)%	218.2	238.2	(8.4)%
as a % of sales	*21.1%*	*22.6%*		*21.3%*	*22.2%*	
Distribution and administrative expenses	(56.4)	(59.4)	(5.0)%	(168.1)	(172.2)	(2.4)%
as a % of sales	*(16.0)%*	*(15.2)%*		*(16.4)%*	*(16.1)%*	
EBITA	**18.1**	**29.1**	**(37.6)%**	**50.1**	**66.0**	**(24.2)%**
as a % of sales	***5.1%***	***7.4%***		***4.9%***	***6.2%***	

In the first nine months of 2012, sales in Asia-Pacific amounted to €1,026.0 million, up 7.7% from the first nine months of 2011, on a reported basis. The acquisitions of Chinese and Indian entities contributed for €23.1 million to the increase, with a further €95.9 million from favorable exchange rate variation, primarily due to the appreciation of the Australian dollar against the euro. On a constant and same number of working days basis, sales decreased by 4.4% in the first nine months of 2012.
In the third quarter of 2012, sales decreased by 9.0% from the third quarter of 2011, on a constant and same number of working days basis.

Australia recorded a 5.5% decrease in sales to €599.9 million from the first nine months of 2011, on a constant and same number of working days basis, macro-economic conditions remaining difficult and the mining industry deteriorating in the third quarter (decrease in commodity prices and implementation of a new carbon tax as from July 1st , 2012).
In the third quarter of 2012, sales decreased by 8.5% from the third quarter of 2011, on a constant and same number of working days basis.

New Zealand recorded sales of €100.1 million in the first nine months of 2012, a decrease of 12.5% on a constant and same number of working days basis, from the first nine months of 2011. Sales have been affected by the 11 branch closures from September 2011, by the poor macro-economic environment and by the successive earthquakes in Christchurch that delay reconstruction work.
In the third quarter of 2012, sales decreased by 14.8% from the third quarter of 2011, on a constant and same number of working days basis.

In China, sales amounted to €274.9 million in the first nine months of 2012, up 3.2% from the first nine months of 2011, on a constant and same number of working days basis, mainly driven by industrial automation segment and projects.
In the third quarter of 2012, sales decreased by 7.4% from the third quarter of 2011, on a constant and same number of working days basis. They were impacted by extremely challenging comparables (organic growth was +33.3% in the third quarter of 2011) and by lower wind activity following the anti-dumping tax in United States occurred in July 2012. Excluding the drop in wind activity, sales growth stood at 1.1%.

In the first nine months of 2012, in Asia-Pacific, gross profit increased by 3.5% to €217.6 million, on a reported basis. On a constant basis, adjusted gross profit decreased by 8.4% from the first nine months of 2011 and adjusted gross margin was 21.3% of sales, a decrease of 90 basis points from the first nine months of 2011, as a result of market pressure in Australia and New Zealand.
In the third quarter of 2012, on a constant basis, adjusted gross profit decreased by 15.7% and adjusted gross margin was 21.1% of sales, a decrease of 150 basis points from the third quarter of 2011 due to unfavorable macroeconomics conditions (including commodity prices) and higher project mix in Australia.

On a constant basis, adjusted distribution and administrative expenses decreased by 2.4% from the first nine months of 2011, while sales decreased by 4.3%. Personnel costs decreased by 2.7%, and workforce stood at 2,794 employees at September 30, 2012, a 4.3% decrease compared to September 30, 2011.
In the third quarter of 2012, on a constant basis, adjusted distribution and administrative expenses decreased by 5.0%, while sales decreased by 9.7%.

In the first nine months of 2012, EBITA amounted to €49.5 million, a 17.2% decrease as compared to the first nine months of 2011, on a reported basis. On a constant basis, adjusted EBITA decreased by 24.2% from the first nine months of 2011. Adjusted EBITA margin decreased by 130 basis points to 4.9% of sales.
In the third quarter of 2012, on a constant basis, adjusted EBITA decreased by 37.6% while the adjusted EBITA margin decreased by 230 basis points to 5.1% of sales.

1.2.5 | Latin America (3% of Group sales)

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**77.6**	**52.6**	**47.7%**	**233.2**	**162.1**	**43.9%**
Gross profit	18.0	12.3	46.1%	53.7	36.4	47.5%
Distribution and administrative expenses	(16.9)	(10.2)	65.8%	(48.3)	(29.9)	61.4%
EBITA	**1.1**	**2.1**	**(48.7)%**	**5.4**	**6.5**	**(16.4)%**
as a % of sales	*1.4%*	*4.0%*		*2.3%*	*4.0%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**77.6**	**76.7**	**1.2%**	**233.2**	**224.4**	**3.9%**
Same number of working days			*4.3%*			*5.4%*
Gross profit	18.1	17.3	4.7%	53.8	48.8	10.1%
as a % of sales	*23.3%*	*22.5%*		*23.1%*	*21.8%*	
Distribution and administrative expenses	(16.9)	(14.4)	17.4%	(48.3)	(40.7)	18.6%
as a % of sales	*(21.8)%*	*(18.8)%*		*(20.7)%*	*(18.1)%*	
EBITA	**1.2**	**2.9**	**(58.5)%**	**5.5**	**8.1**	**(32.1)%**
as a % of sales	***1.5%***	***3.7%***		***2.4%***	***3.6%***	

In the first nine months of 2012, sales in Latin America amounted to €233.2 million, up 43.9% from the first nine months of 2011, on a reported basis. The acquisitions of Peruvian and Brazilian entities contributed €63.4 million to the additional sales.
In the first nine months of 2012, on a constant and same number of working days basis, sales increased by 5.4% from the first nine months of 2011. Sales in Brazil remained stable (58% of sales in this segment), whereas Chilean (37% of sales in this segment) and Peruvian (5% of sales in this segment) operations posted a double-digit performance, with respectively 12.9% and 18.5% increase in sales.
In the third quarter of 2012, sales increased by 4.3% from the third quarter of 2011, on a constant and same number of working days basis. The Group posted a strong performance in Chile (15.9% increase) and Peru (15.8% increase), while sales in Brazil were down 2.0%, still impacted by slower momentum in industry and the integration process of the recently acquired Delamano.

In the first nine months of 2012, in Latin America, gross profit amounted to €53.7 million, an increase of 47.5% from the first nine months of 2011, on a reported basis. On a constant basis the adjusted gross profit increased by 10.1% from the first nine months of 2011 and adjusted gross margin was 23.1% of sales, an increase of 130 basis points from the first nine months of 2011, as a result of better purchase conditions and lower inventory losses in Brazil.

In the third quarter of 2012, on a constant basis, adjusted gross profit increased by 4.7% and adjusted gross margin was 23.3% of sales, an improvement of 80 basis points from the third quarter of 2011.

On a constant basis, adjusted distribution and administrative expenses increased by 18.6% from the first nine months of 2011, while sales increased by 3.9%. Personnel costs increased by 27.8% mainly due to inflation and incentive schemes implemented following the acquisition of Brazilian entities. In addition, the workforce increased by 4.4% compared to September 30, 2011, to 1,685 employees at September 30, 2012.
In the third quarter of 2012, on a constant basis, adjusted distribution and administrative expenses increased by 17.4%, while sales increased by 1.2%.

In the first nine months of 2012, EBITA amounted to €5.4 million, a 16.4% decrease compared to the first nine months of 2011, on a reported basis. On a constant basis, adjusted EBITA decreased by 32.1% compared to the first nine months of 2011. Adjusted EBITA margin decreased by 120 basis points to 2.4% of sales.
In the third quarter of 2012, on a constant basis, adjusted EBITA decreased by 58.5% while the adjusted EBITA margin decreased by 220 basis points to 1.5% of sales.

1.2.6 | Other operations

REPORTED	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**0.1**	**1.8**	**(93.2)%**	**0.2**	**65.0**	**(99.7)%**
Gross profit	0.6	1.4	(59.2)%	1.5	27.7	(94.5)%
Distribution and administrative expenses	(10.4)	(13.0)	(20.3)%	(42.5)	(58.5)	(27.2)%
EBITA	**(9.8)**	**(11.6)**	**(15.7)%**	**(41.0)**	**(30.8)**	**33.3%**
as a % of sales	*n.a.*	*n.a.*		*n.a.*	*(47.3)%*	

CONSTANT BASIS ADJUSTED FINANCIAL DATA	Quarter ended September 30			Period ended September 30		
(in millions of euros)	2012	2011	Change in %	2012	2011	Change in %
Sales	**0.1**	**(0.1)**	**n.a.**	**0.2**	**0.2**	**35.4%**
Same number of working days			*n.a.*			*32.6%*
Gross profit	0.6	0.4	26.0%	1.5	2.2	(31.5)%
as a % of sales	*n.a.*	*n.a.*		*n.a.*	*n.a.*	
Distribution and administrative expenses	(10.4)	(12.2)	(15.2)%	(42.5)	(33.1)	28.4%
as a % of sales	*n.a.*	*n.a.*		*n.a.*	*n.a.*	
EBITA	**(9.8)**	**(11.8)**	**(16.7)%**	**(41.0)**	**(30.9)**	**32.8%**
as a % of sales	***n.a.***	***n.a.***		***n.a.***	***n.a.***	

This segment mostly includes unallocated corporate overhead expenses. In the first nine months of 2011, the €65.0 million sales, reported in this segment, were related to the ACE businesses divested in 2011.

On a constant basis, EBITA decreased by €10.1 million as compared to the first nine months of 2011, mainly due to higher performance based compensation charge.

1.3 | Outlook

In a macroeconomic environment that has slowed continuously since the beginning of the year, Rexel, driven by its acquisition strategy, targets:

- Mid- to high-single digit growth in reported sales (vs. previous target of "organic growth above weighted GDP average growth"),
- Mid- to high-single digit growth in reported EBITA (new target).

Despite the increasingly uncertain macroeconomic context, Rexel confirms its profitability and cash-flow targets:

- Adjusted EBITA margin of 5.7% (in line with the previously-announced target of "at least 5.7%"),
- Free cash-flow before interest and tax of around €600 million (unchanged).

2. | LIQUIDITY AND CAPITAL RESOURCES

2.1 | Cash flow

(in millions of euros)		Quarter ended September 30 2012	2011	Change	Period ended September 30 2012	2011	Change
Operating cash flow [(1)]		**190.2**	**190.7**	**(0.5)**	**550.8**	**532.6**	**18.2**
Interest	(a)	(44.7)	(43.8)	(0.9)	(126.1)	(115.2)	(10.9)
Taxes	(a)	(27.1)	(24.1)	(3.0)	(94.9)	(71.6)	(23.3)
Change in working capital requirements		(69.0)	(16.5)	(52.5)	(268.0)	(253.9)	(14.1)
Net cash flow from operating activities	**(b)**	**49.4**	**106.3**	**(56.9)**	**61.8**	**91.9**	**(30.1)**
Net cash flow from investing activities		**(348.2)**	**26.1**	**(374.3)**	**(521.6)**	**(56.1)**	**(465.5)**
Including operating capital expenditures [(2)]	*(c)*	*(17.4)*	*(15.1)*	*(2.3)*	*(54.2)*	*(42.1)*	*(12.1)*
Net cash flow from financing activities		**(26.8)**	**(113.5)**	**86.7**	**282.7**	**(127.2)**	**409.9**
Net cash flow		**(325.6)**	**18.9**	**(344.5)**	**(177.1)**	**(91.4)**	**(85.7)**
Free cash flow							
Free cash flow:							
- before interest and taxes (b) – (a) + (c)		**103.8**	**159.1**	**(55.3)**	**228.6**	**236.6**	**(8.0)**
- after interest and taxes (b) + (c)		**32.0**	**91.2**	**(59.2)**	**7.6**	**49.8**	**(42.2)**
WCR as a % of sales [(3)] at:					**September 30, 2012**	**September 30, 2011**	
Reported basis					12.1%	11.3%	
Constant basis					12.4%	11.8%	

(1) Before interest, taxes and change in working capital requirements.

(2) Net of disposals.

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

2.1.1 | Cash flow from operating activities

Rexel's net cash flow from operating activities amounted to an inflow of €61.8 million in the first nine months of 2012 compared to €91.9 million inflow in the first nine months of 2011.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements increased from €532.6 million in the first nine months of 2011 to €550.8 million in the first nine months of 2012. This increase was mainly due to the EBITA growth of €42.7 million from €518.7 million in the first nine months of 2011 to €561.2 million in the first nine months of 2012.

Interest and taxes

Interest paid in the first nine months of 2012 totaled €126.1 million compared with €115.2 million in the first nine months of 2011 due to a higher average debt while the effective interest rate remained flat at 7.2% in the first nine months of 2012.

In the first nine months of 2012, €94.9 million was paid in income tax compared to €71.6 million paid in the first nine months of 2011, mainly from higher taxable income resulting from the current trading.

Change in working capital requirements

Changes in working capital requirements amounted to a net outflow of €268.0 million in the first nine months of 2012 compared with €253.9 million in the first nine months of 2011.In the third quarter of 2012, change in working capital requirement accounted for an outflow of €69.0 million compared to €16.5 million mainly due to a lower level of trade payables.

As a percentage of sales over the last 12 months, working capital requirements amounted to 12.4% as of September 30, 2012, on a constant basis, compared to 11.8% as of September 30, 2011. The increase in working capital requirement in percentage of sales is mainly due to a lower level of trade payables as of September 30, 2012 compared to September 30, 2011.

2.1.2 | *Cash flow from investing activities*

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a €521.6 million outflow in the first nine months of 2012, as compared to an outflow of €56.1 million in the first nine months of 2011.

(in millions of euros)	Quarter ended September 30		Period ended September 30	
	2012	2011	2012	2011
Acquisitions of operating fixed assets	(20.2)	(16.0)	(53.8)	(60.4)
Gain/(loss) on disposal of operating fixed assets	2.7	0.3	5.1	19.5
Net change in debts and receivables on fixed assets	0.1	0.6	(5.5)	(1.2)
Net cash flow from operating investing activities	(17.4)	(15.1)	(54.2)	(42.1)
Acquisition of subsidiaries, net of cash acquired	(338.1)	(3.5)	(473.1)	(57.7)
Gain/(loss) on disposal of financial fixed assets	-	44.8	-	44.8
Dividends received from equity associates	-	-	1.9	0.3
Net cash flow from financial investing activities	(338.1)	41.3	(471.2)	(12.6)
Net change in long-term investments	7.3	(0.1)	3.8	(1.4)
Net cash flow from investing activities	**(348.2)**	**26.1**	**(521.6)**	**(56.1)**

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €48.7 million in the first nine months of 2012, compared to €40.9 million outflow in the first nine months of 2011.

In the first nine months of 2012, gross capital expenditures amounted to €53.8 million, i.e. 0.5% of sales for the period, of which €28.0 million related to IT systems, €15.0 million to branch acquisition and renovation, €7.8 million to logistics and €3.0 million to other investments. Disposals of fixed assets in the first nine months of 2012 amounted to €5.1 million. Net changes in the related payables and receivables amounted to €5.5 million, accounting for an increase in net capital expenditures for the period.

In the first nine months of 2011, gross capital expenditures amounted to €60.4 million, i.e. 0.6% of sales for the period, of which €25.7 million related to IT systems, €23.5 million to the acquisition of branches previously rented and the renovation of existing branches, €7.9 million to logistics and €3.3 million to other investments. Disposals of fixed assets in the first nine months of 2011 amounted to €19.5 million, mainly related to the disposal of a non-strategic business in Australia. Net changes in the related payables and receivables amounted to €1.2 million, accounting for an increase in net capital expenditures for the period.

Financial investments

Financial investments amounted to a net outflow of €471.2 million in the first nine months of 2012 compared to a net outflow of €12.6 million in the first nine months of 2011.

In the first nine months of 2012, the acquisitions net of cash of acquired entities was an outflow of €473.1 million. These investments mainly include Platt Electric Supply in the United-States, SCT in France, Liteco in Canada, La Grange in Belgium, Etil in Brazil, Wilts in the United Kingdom, Erka in Spain and Distribuidora Romero S.L. in Peru.

Financial investments in the first nine months of 2011 reflected the acquisition prices net of cash of acquired entities. The overall impact on cash flow of these transactions was an outflow of €57.7 million. These investments include Nortel Suprimentos Industriais in Br azil, Yantra Automation Private Ltd and AD Electronics in India, Wuhan Rockcenter Automation and Beijing Zongheng in China and Tegro firm in Germany. Furthermore, the consolidation of Grossauer ElektroHandels as of January 1, 2011 resulted in an inflow related to the company's existing cash at that date.

2.1.3 | *Cash flow from financing activities*

Cash flow from financing activities included mainly changes in indebtedness.

In the first nine months of 2012, cash flow from financing activities reflected additional net inflows of €282.7 million. Outflows resulted mainly from:

- buy-out of €69.1 million of senior notes due December 15, 2016,

-a decrease of €100.1 million in assigned receivables with respect to securitization programs,

- a dividend distribution in cash of €143.0 million,
- the acquisition of remaining non-controlling interest of Suzhou Xidian Co. company in China for €22.2 million, and
- net purchase of treasury shares of €2.5 million.

Inflows were comprised of:

- US$ 500 million issuance of senior notes accounting to €366.5 million net of transaction costs,a net increase of €113.3 million as a result of drawings under the senior credit facilities, and
- increase in other borrowings amounting to €140.5 million, primarily consisting of the issue of commercial papers for an amount of €66.0 million.

In the first nine months of 2011, cash flow from financing activities reflected additional net outflows of €127.2 million. These outflows included :

- repayment of drawings under the 2009 Senior Credit Agreement amounting to €691.2 million;
- a decrease in assigned receivables with respect to securitization programs of €61.5 million;
- a dividend distribution of €105.3 million; and
- net acquisition of treasury shares of €9.9 million.

Inflows were comprised of :

- a bond issue in May 2011 of €492.8 million net of transaction costs;
- other variations in credit lines amounting to €148.9 million, primarily consisting of the issue of commercial paper (for an €95.5 million increase in commercial paper) ;
- €10.6 million from new leasing transactions;
- capital increases of €88.4 million of which €86.0 million related to the distribution of share dividends.

2.2 | Sources of financing

In addition to the cash from operations and equity, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines. At September 30, 2012, Rexel's consolidated net debt amounted to €2,773.2 million, consisting of the following items:

(in millions of euros)	September 30, 2012			December 31, 2011		
	Current	Non-current	Total	Current	Non-current	Total
Senior notes	-	1,507.5	1,507.5	-	1,181.4	1,181.4
Credit facility	-	138.9	138.9	-	30.6	30.6
Securitization	110.4	889.9	1,000.3	105.9	973.5	1,079.4
Bank loans	70.9	19.0	89.9	39.7	8.1	47.8
Commercial paper	170.8	-	170.8	104.8	-	104.8
Bank overdrafts and other credit facilities	127.5	-	127.5	86.0	-	86.0
Finance lease obligations	7.3	29.9	37.2	6.8	22.9	29.7
Accrued interest (1)	36.7	-	36.7	10.0	-	10.0
Less transaction costs	(20.3)	(27.6)	(48.0)	(19.8)	(33.9)	(53.7)
Total financial debt and accrued interest	**503.2**	**2,557.6**	**3,060.8**	**333.4**	**2,182.6**	**2,516.0**
Cash and cash equivalents			(251.6)			(413.7)
Fair value hedge derivatives			(36.0)			(24.1)
Net financial debt			**2,773.2**			**2,078.2**

(1) of which accrued interest on Senior Notes in the amount of €36.8 million at September 30, 2012 (€3.5 million at December 31, 2011)

On March 28, 2012, Rexel issued US$ 400 million (€299.9 million) senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, an additional US$100 million principal amount of these notes was issued at a price of 100.75% of nominal (i.e. an issuance price of €76.7 million). The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the Notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The Notes will mature on December 15, 2019.

At September 30, 2012, the Group's liquidity amounted to €1,114.3 million (€1,495.5 million at December 2011).

In million of euros

Cash and cash equivalents	251.6
Bank overdrafts	(127.5)
Commercial paper	(170.8)
Undrawn Senior credit agreement	1,161.1
Others	(0.1)
Liquidity	**1,114.3**

The Group's leverage ratio (adjusted consolidated net debt / adjusted consolidated EBITDA for the previous 12 months) is tested for compliance with the covenant every six months. The limit is as follows:

Date	31/12/2012	30/06/2013	31/12/2013	30/06/2014
Commitment	3.50x	3.50x	3.50x	3.50x

The indebtedness ratio, as calculated under the terms of the senior credit agreement, stood at 3.07x at the end of September 2012 (vs. 2.40x at end December 2011), well below the next applicable covenant limit of 3.50x in December 2012.

(in millions of euros)	September 30,
Net debt at closing currency exchange rates	2,773.2
Net debt at average currency exchange rates (A)	2,747.4
LTM EBITDA (1) (B)	895.3
Indebtedness ratio (A)/(B)	**3.07**

(1) Calculated in accordance with the terms of the senior credit agreement

Société Anonyme with Management and Supervisory Boards
with share capital of €1,357,780,390
Head office: 189-193, boulevard Malesherbes
75017 Paris
479 973 513 R.C.S. Paris

Condensed consolidated interim financial statements as of September 30, 2012 *(unaudited)*

TABLE OF CONTENTS

Consolidated Income Statement *(unaudited)*

(in millions of euros)	**Note**	For the quarter ended September 30, **2012**	**2011 [1]**	For the period ended September 30, **2012**	**2011 [1]**
Sales	***4***	3,441.3	3,210.8	10,009.4	9,373.3
Cost of goods sold		(2,608.2)	(2,448.9)	(7,550.1)	(7,078.8)
Gross profit		**833.1**	**761.9**	**2,459.3**	**2,294.5**
Distribution and administrative expenses	***5***	(646.5)	(582.2)	(1,907.4)	(1,788.9)
Operating income before other income and expenses		**186.6**	**179.7**	**551.9**	**505.6**
Other income	***6***	1.9	29.4	3.0	33.2
Other expenses	***6***	(16.5)	(43.5)	(72.7)	(63.1)
Operating income		**172.0**	**165.6**	**482.2**	**475.7**
Financial income		0.5	0.8	1.8	2.9
Interest expense on borrowings		(45.8)	(50.6)	(131.8)	(141.1)
Other financial expenses		(6.7)	(4.6)	(19.0)	(13.9)
Net financial expenses	***7***	***(52.0)***	***(54.4)***	***(149.0)***	***(152.1)***
Share of profit / (loss) of associates		1.3	1.1	1.5	1.2
Net income before income tax		**121.3**	**112.3**	**334.7**	**324.8**
Income tax	***8***	(36.0)	(28.1)	(98.3)	(68.5)
Net income		**85.3**	**84.2**	**236.4**	**256.3**
Portion attributable:					
to the Group		84.7	83.6	235.7	255.3
to non-controlling interests		0.6	0.6	0.7	1.0
Earnings per share:					
Basic earnings per share (in euros)	***10***	0.32	0.31	0.88	0.96
Fully diluted earnings per share (in euros)	***10***	0.31	0.31	0.86	0.95

[1] Adjusted for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Comprehensive Income *(unaudited)*

(in millions of euros)	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011 [1]	For the period ended September 30, 2012	For the period ended September 30, 2011 [1]
Net income	**85.3**	**84.2**	**236.4**	**256.3**
Items to be reclassified to profit and loss:				
Net gain / (loss) on net investment in foreign subsidiaries	4.0	(10.0)	6.3	(7.6)
Income tax	(1.4)	2.3	(2.1)	2.2
	2.6	(7.7)	4.1	(5.4)
Foreign currency translation	1.8	(0.2)	44.0	(70.5)
Net gain / (loss) on cash flow hedges	0.8	(2.7)	1.2	20.4
Income tax	(0.3)	0.4	(0.4)	(6.9)
	0.5	(2.2)	0.8	13.5
Items not to be reclassified to profit and loss:				
Actuarial gain / (loss) on pension liabilities	(6.3)	(84.3)	(47.3)	(80.1)
Income tax	1.2	15.4	6.4	15.9
	(5.1)	(68.9)	(40.9)	(64.2)
Other comprehensive income/(loss) for the period, net of tax	*(0.2)*	*(79.0)*	*8.0*	*(126.6)*
Total comprehensive income for the period, net of tax	**85.1**	**5.2**	**244.4**	**129.7**
Portion attributable:				
to the Group	*84.8*	*3.8*	*243.7*	*128.4*
to non-controlling interests	*0.3*	*1.4*	*0.7*	*1.3*

[1] Adjusted for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Balance Sheet *(unaudited)*

(in millions of euros)	***Note***	**As of September 30, 2012**	**As of December 31, 2011** [(1)]
Assets			
Goodwill		4,348.2	4,002.2
Intangible assets		1,045.5	935.7
Property, plant and equipment		276.1	261.7
Long-term investments		89.9	97.1
Investments in associates		11.2	11.8
Deferred tax assets		164.9	153.2
Total non-current assets		**5,935.8**	**5,461.7**
Inventories		1,468.6	1,240.8
Trade accounts receivable		2,316.8	2,122.9
Current tax assets		22.2	21.0
Other accounts receivable		451.2	455.2
Assets held for sale		3.3	3.7
Cash and cash equivalents		251.6	413.7
Total current assets		**4,513.7**	**4,257.3**
Total assets		**10,449.5**	**9,719.0**
Equity			
Share capital	***9***	1,357.8	1,344.1
Share premium	***9***	1,419.1	1,412.2
Reserves and retained earnings		1,346.8	1,274.7
Total equity attributable to equity holders of the parent		**4,123.7**	**4,031.0**
Non-controlling interests		9.1	11.5
Total equity		**4,132.8**	**4,042.5**
Liabilities			
Interest bearing debt (non-current part)	***14.1***	2,557.6	2,182.3
Employee benefits		329.7	279.6
Deferred tax liabilities		163.0	111.3
Provision and other non-current liabilities		141.5	157.6
Total non-current liabilities		**3,191.8**	**2,730.8**
Interest bearing debt (current part)	***14.1***	466.5	323.5
Accrued interest	***14.1***	36.7	10.0
Trade accounts payable		1,926.1	1,903.3
Income tax payable		54.3	56.0
Other current liabilities		641.3	652.9
Total current liabilities		**3,124.9**	**2,945.7**
Total liabilities		**6,316.7**	**5,676.5**
Total equity and liabilities		**10,449.5**	**9,719.0**

(1) Adjusted for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Cash Flows *(unaudited)*

(in millions of euros)	*Note*	For the quarter ended September 30, 2012	2011 [1]	For the period ended September 30, 2012	2011 [1]
Cash flows from operating activities					
Operating income		172.0	165.5	482.2	475.6
Depreciation, amortization and impairment of assets	***5-6***	23.3	55.4	91.8	108.5
Employee benefits		(3.6)	(5.6)	(24.7)	(12.4)
Change in other provisions		(3.6)	(2.7)	(13.2)	(22.4)
Other non-cash operating items		2.1	(21.9)	14.7	(16.7)
Interest paid		(44.7)	(43.8)	(126.1)	(115.2)
Income tax paid		(27.1)	(24.1)	(94.9)	(71.6)
Operating cash flows before change in working capital requirements		***118.4***	***122.8***	***329.8***	***345.8***
Change in inventories		(31.8)	(32.7)	(105.3)	(77.8)
Change in trade receivables		5.8	(40.7)	(76.7)	(234.0)
Change in trade payables		(83.6)	34.9	(79.4)	32.8
Changes in other working capital items		40.6	22.0	(6.6)	25.1
Change in working capital requirements		***(69.0)***	***(16.5)***	***(268.0)***	***(253.9)***
Net cash from operating activities		**49.4**	**106.3**	**61.8**	**91.9**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(20.1)	(15.4)	(59.3)	(61.6)
Proceeds from disposal of property, plant and equipment		2.7	0.3	5.1	19.5
Acquisition of subsidiaries, net of cash acquired	***3***	(338.1)	(3.5)	(473.1)	(57.7)
Proceeds from disposal of subsidiaries, net of cash disposed of		-	44.8	-	44.8
Change in long-term investments		7.3	(0.1)	3.8	(1.4)
Dividends received from associates		-	-	1.9	0.3
Net cash from investing activities		**(348.2)**	**26.1**	**(521.6)**	**(56.1)**
Cash flows from financing activities					
Issuance of capital		(0.2)	-	-	2.4
Disposal / (Purchase) of treasury shares		1.4	(9.7)	(2.5)	(9.9)
Acquisition of non-controlling interests	***3***	(22.2)	-	(22.2)	-
Issuance of senior notes net of transaction costs	***14.1***	(0.0)	-	366.5	-
Buy-out of senior notes	***14.1***	-	-	(69.1)	-
Net change in credit facilities and other financial borrowings	***14.1***	(44.2)	(90.8)	253.7	(49.5)
Net change in securitization	***14.1***	39.6	(11.9)	(100.1)	(61.5)
Net change in finance lease liabilities	***14.1***	(1.2)	(1.0)	(0.6)	10.6
Dividends paid	***9***	-	-	(143.0)	(19.2)
Net cash from financing activities		**(26.8)**	**(113.5)**	**282.7**	**(127.2)**
Net (decrease) / increase in cash and cash equivalents		**(325.6)**	**18.9**	**(177.1)**	**(91.4)**
Cash and cash equivalents at the beginning of the period		562.2	175.7	413.7	311.9
Effect of exchange rate changes on cash and cash equivalents		15.0	(2.9)	15.0	(28.8)
Cash and cash equivalents at the end of the period		**251.6**	**191.7**	**251.6**	**191.7**

(1) Adjusted for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Shareholders' Equity *(unaudited)*

(in millions of euros)	Note	Share capital	Share premium	Retained earnings	Foreign currency translation	Cash flow hedge reserve	Actuarial gains and losses	Total attributable to the Group	Non-controlling interests	Total
For the period ended September 30, 2011	Note									
At January 1, 2011 (published)		**1,301.0**	**1,383.7**	**1,036.8**	**122.9**	**(19.3)**	**-**	**3,825.1**	**9.3**	**3,834.4**
Effect of changes in accounting policies following the early adoption of revised IAS 19		-	-	-	-	-	(65.2)	**(65.2)**	-	(65.2)
At January 1, 2011 [(1)]		**1,301.0**	**1,383.7**	**1,036.8**	**122.9**	**(19.3)**	**(65.2)**	**3,759.9**	**9.3**	**3,769.2**
Net income		-	-	255.3	-	-	-	**255.3**	1.0	256.3
Other comprehensive income		-	-	-	(76.2)	13.5	(64.2)	**(126.9)**	0.3	(126.6)
Total comprehensive income for the period		**-**	**-**	**255.2**	**(76.2)**	**13.5**	**(64.2)**	**128.4**	**1.3**	**129.7**
Appropriation of net income	**9**	-	-	(105.2)	-	-	-	**(105.2)**	**(0.1)**	**(105.3)**
Share capital increase	**9**	42.9	37.0	8.6	-	-	-	**88.5**	**-**	88.5
Share based payment		-	-	14.5	-	-	-	**14.5**	**-**	14.5
Disposal (Purchase) of treasury shares		-	-	(9.5)	-	-	-	**(9.5)**	-	(9.5)
At September 30, 2011 [(1)]		**1,343.9**	**1,420.7**	**1,200.4**	**46.7**	**(5.8)**	**(129.4)**	**3,876.6**	**10.5**	**3,887.1**
For the year ended September 30, 2012										
At January 1, 2012		**1,344.1**	**1,412.2**	**1,253.8**	**129.7**	**(5.8)**	**(103.0)**	**4,031.0**	**11.5**	**4,042.5**
Net income		-	-	235.7	-	-	-	**235.7**	0.7	236.4
Other comprehensive income		-	-	-	48.1	0.8	(40.9)	**8.0**	-	8.0
Total comprehensive income for the period		**-**	**-**	**235.7**	**48.1**	**0.8**	**(40.9)**	**243.7**	**0.7**	**244.4**
Appropriation of net income	**9**	-	-	(173.5)	-	-	-	**(173.5)**	-	(173.5)
Share capital increase	**9**	13.7	6.9	9.9	-	-	-	**30.5**	-	30.5
Share-based payments		-	-	14.3	-	-	-	**14.3**	-	14.3
Disposal (Purchase) of treasury shares		-	-	(3.2)	-	-	-	**(3.2)**	-	(3.2)
Acquisition of non-controlling interests	**3**	-	-	(19.4)	0.3	-	-	**(19.1)**	(3.1)	(22.2)
At September 30, 2012		**1,357.8**	**1,419.1**	**1,317.6**	**178.1**	**(5.0)**	**(143.9)**	**4,123.7**	**9.1**	**4,132.8**

[(1)] Adjusted for changes in accounting policies following the early adoption of revised IAS 19 (see note 2.2.1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Accompanying 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 (hereafter referred to as "the Group" or "Rexel").

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

These condensed consolidated interim financial statements cover the period from January 1 to September 30, 2012, and were authorized for issue by the Management Board on October 24, 2012.

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 ending September 30, 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force and mandatory as of September 30, 2012. In particular, the condensed financial statements have been prepared in accordance with IAS 34, relating to Interim Financial Reporting. In accordance with the aforementioned standard, only a selection of explanatory notes is included in these condensed financial statements. These notes must be read in conjunction with the Group's financial statements prepared for the financial year closed on December 31, 2011 and included in the Registration Document filed with the Autorité des Marchés Financiers on March 15th, 2012 under the number D.12-0164.

IFRS as adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

2.2 | Basis of Preparation

The condensed financial statements as of September 30, 2012 are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated. Totals and sub-totals presented in the condensed consolidated financial statements are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to this rounding.

The accounting principles and adopted methods are identical to those used as of December 31, 2011 and described in the notes to the consolidated financial statements for the financial year ended December 31, 2011, with the exception of the new standards and interpretations disclosed in note 2.2.1.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

2.2.1 | New accounting standards and interpretations with effect starting from 2012

In 2012, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:

- Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income" improves the consistency and clarity of the presentation of items of other comprehensive income (OCI). It requires to present separately the items that have to be reclassified to profit and loss. When items of OCI are presented before tax, tax effect must split on the same basis.

- Amendment to IFRS 7 "Transfers of Financial Assets" increases the required disclosures on the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, but its application had no effect on the Group's financial statements.

- Amendment to IAS 19 “Employee benefits”, endorsed by EU on June 6th, 2012 and compulsory applicable as from January 1st, 2013 with earlier application permitted. The early adoption of this amendment improves information on the Group's financial situation, in particular the presentation in the financial statements of the surplus or deficit of pension funds.

This amendment to IAS 19 “Employee Benefits”:

- o eliminates the option to defer the recognition of actuarial gains and losses, under the “corridor method”,
- o removes the concept of expected returns on plan assets,
- o changes the recognition method of past service costs which are no longer expensed on a straight-line basis over the average period until the benefits become vested,
- o requires to recognize administration costs other than those associated with the management of plan assets in profit and loss when the services are rendered and removes the option to include such costs in the calculation of the return on plan assets or in the defined benefit obligation,
- o updates the presentation of changes in assets and liabilities arising from defined benefit plans, including a requirement to present the remeasurements in other comprehensive income (OCI), and
- o increases the disclosure requirements for defined benefit plans, including the disclosure of information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

As of June 30, 2012, accounting policy changes have been applied retrospectively in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, resulting in the restatement of prior year financial information.
As a result of the voluntary early adoption of the amendment to IAS 19, the following adjustments were made to the financial statements:

(in millions of euros)	As of Jan. 1, 2011 [1]	As of Mar. 31, 2011	As of Jun. 30, 2011	As of Sep. 30, 2011	As of Dec. 31, 2011 [1]	As of Mar. 31, 2012	As of Jun. 30, 2012
Net increase in employee benefit liabilities…………	(82.0)	(60.0)	(75.9)	(161.4)	(138.8)	(117.8)	(185.0)
Net increase in deferred tax assets…………………	16.8	12.2	16.6	32.0	30.5	27.6	36.6
Net decrease in shareholders' equity	**(65.2)**	**(47.8)**	**(59.3)**	**(129.4)**	**(108.3)**	**(90.2)**	**(148.4)**
Net income / (expense) recognized in other comprehensive income………………………………	-	15.8	4.7	(64.2)	(37.8)	18.1	(35.8)
Decrease in distribution and administrative expenses………………………………………………	-	0.6	1.3	2.0	2.7	1.5	3.2
Increase in financial expenses………………………	-	(1.5)	(3.0)	(4.5)	(6.0)	(2.3)	(4.5)
Deferred tax income …………………………………	-	0.1	0.1	0.2	0.3	0.1	0.2
Decrease in net income……………………………	**-**	**(0.8)**	**(1.6)**	**(2.3)**	**(3.0)**	**(0.7)**	**(1.1)**
Basic earning per share……………………………	-	-	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
Fully diluted earnings per share……………………	-	(0.01)	-	(0.01)	(0.01)	-	-

[1] Unrecognised actuarial gains and losses adjusted for Canadian changes in plan asset value due to variances between estimated and actual values as of December 31, 2010 and for revised discount rate in the United Kingdom as of December 31, 2011

2.2.2 | Accounting standards and interpretations issued by IASB but not yet approved by the European Union

In 2011 and during the first nine months of 2012, IASB issued new standards. Their potential impact is currently under review by the Group:

- IFRS 9 "Financial Instruments" aims at replacing IAS 39 "Financial Instruments - Recogniton and Measurement". It is a 3-phase project where only phase 1, "Classification and Measurement" was issued. Phase 2, "Impairment Methodolodgy", and phase 3 "Hedge Accounting", have not been issued yet. The endorsement process by the UE has been placed on hold, pending the completion of the whole project by the IASB.

- IFRS 10 "Consolidated Financial Statements" provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 supersedes IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation—Special Purpose Entities”.

- IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities that meet definition of a joint venture.

- IFRS 12 "Disclosures of Interests in Other Entities" combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- IFRS 13 “Fair Value Measurement” defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value.

- Following the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 27 and IAS 28 have been revised:

    - IAS 27 "Separate Financial Statements" now only includes requirements for separate financial statements and is thus no longer applicable to Rexel, and

    - IAS 28 "Investments in Associates and Joint Ventures" prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

- Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities" clarifies the requirement for offsetting financial instruments.

- Amendment to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities" increases disclosures requirements to improve comparability with US GAAP with regard to the set-off of financial instruments.

- Amendment to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures" postpones the mandatory application date of IFRS to 2015 and modifies the requirements on transition disclosures.

In addition, in the first nine months of 2012, IASB issued an omnibus of improvements to IFRS, applicable on or after Jan 1, 2013, including:

- Amendments to IFRS 10, 11 and 12 giving additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period,

- Amendment to IAS 1, clarifying the requirements for comparative information,

- Amendment to IAS 16 clarifying the classification of servicing equipment,

- Amendment to IAS 32 clarifying the accounting for the tax effect of distributions to holders of equity instruments, and

- Amendment to IAS 34, clarifying the requirement for segment information on total assets and liabilities in interim financial reporting.

3. | BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

3.1 | Business combinations

As part of Rexel's external growth policy, which aims to strengthen its presence in emerging markets, increase its market share in mature countries and improve the offering of its high value-added services, the Group completed the following acquisitions in the first nine months of 2012:

- *Canada*

Liteco Inc., operating from 13 branches located in the provinces of New Brunswick, Nova Scotia and Prince Edward Island, was acquired on February 1, 2012. It recorded annual sales of around €50 million in 2011. The company has been consolidated starting on its acquisition date.

- *Brazil*

Etil Comercio de Material Electrico Ltda, based in São Paulo, was acquired on February 3, 2012. It recorded annual sales of around €40 million in 2011. The company has been consolidated starting on April 1, 2012.

- *United Kingdom*

Wilts Wholesale Electrical business was acquired on February 24, 2012. The entity, based in Trowbridge (Witshire), recorded annual sales of around €40 million in 2011. This entity has been consolidated starting on March 1, 2012.

- *France*

Société Commerciale Toutelectric (SCT) business was acquired on April 5, 2012. Founded in 1937 and based in Toulouse, this entity operates through 37 branches and 3 logistic centers. This entity should generate approximately €85 million of sales on an annualized basis and has been consolidated starting on its acquisition date.

- *Spain*

Suministros Electricos Erka S.L., Erka Materiales Electricos S.L. and Erka Bizkaia S.L, based in San Sebastian, were acquired on April 30, 2012. They recorded annual sales of around €35 million in 2011. These companies have been consolidated starting on its acquisition date.

- *Belgium*

L.G.B. NV (La Grange), based in Gent, was acquired on May 31, 2012. It recorded annual sales of around €45 million in 2011. This entity has been consolidated starting on its acquisition date.

- *Peru*

Distribudora Romero S.L., operating on the Peruvian coast from North (Tumbes) to South (Arequipa), was acquired on July 31, 2012. It recorded annual sales of around €10 million in 2011. This entity will be consolidated starting on October 1, 2012.

- *United States*

Pursuant to a share purchase agreement executed on May 15, 2012, the Group completed, on July 2, the acquisition of Platt Electric Supply, a premier independent distributor of electrical products & services in the Western U.S, operating 111 branches located in 7 states. The Group acquired 100% ownership interest for a total consideration (based on enterprise value), of €328.2 million (US$413.3 million). The goodwill of €200.8 million was recognised on a provisional basis, the fair value of working capital, fixed assets and lease agreements being still under progress as of balance sheet date. Platt Electric Supply has been consolidated starting on its acquisition date.

Platt Electric Supply posted annual sales of around €310 million in 2011.

The table below shows the consideration allocated to identifiable assets and liabilities, estimated on a provisional basis as of September 30, 2012, for the entities acquired in 2012 and those acquired in late 2011 that were consolidated as of January 1, 2012, such as disclosed in note 3.1 in the financial statements as of December 31, 2011:

- Delamano Solucões EM MRO Ltda and Delamano Montagens e Instalações Industriais Ltda, based in Santo André in the state of São Paulo (Brazil)

- V&F Tecnologia Comercial SAC, based in Lima (Peru)
- Eurodis Sécurité and Eurobat companies, based in France.

	Platt		Others	TOTAL
(in millions of)	*(USD)*	*(euros)*	*(euros)*	*(euros)*
Distribution networks	57.7	45.8	-	45.8
Customer relationship	60.1	47.7	8.3	56.1
Other fixed assets	7.7	6.1	15.5	21.6
Other non current assets	0.1	0.1	4.7	4.8
Current assets	130.3	103.5	109.8	213.2
Financial debt	-	-	(5.8)	(5.8)
Other non current liabilities	(46.0)	(36.6)	(26.1)	(62.7)
Current liabilities	(49.5)	(39.3)	(48.8)	(88.1)
Net asset acquired (except goodwill acquired)	**160.4**	**127.4**	**57.6**	**185.0**
Goodwill acquired [(1)]	252.9	200.8	121.3	322.1
Consideration transferred	**413.3**	**328.2**	**178.9**	**507.1**
Cash acquired	-	-	(3.5)	(3.5)
Deferred payments	-	-	1.3	1.3
Payments related to entities not yet consolidated	-	-	1.1	1.1
Net cash paid for acquisitions	**413.3**	**328.2**	**177.9**	**506.1**
Payments in 2011 [(2)]	-	-	(33.1)	(33.1)
Net cash flow for the period	**413.3**	**328.2**	**144.8**	**473.1**

[(1)] Goodwill represents a payment made in anticipation of future economic benefits arising from assets that are not identifiable individually or recognized separately according to IFRS3, such as market shares, workforce, potential to develop existing business and expected synergies. In the professional electrical distribution industry, these synergies notably include those expected in terms of purchasing, logistics, network and administration.

[(2)] converted at the exchange rate on the acquisition date

The amount of fees associated with these acquisitions totaled €8.2 million, of which €6.1 million (€1.0 million for Platt Electric Supply) was incurred for the period ended September 30, 2012.

For the period ended September 30, 2012, the contribution of the entities newly consolidated during the period ended September 30, 2012 to the Group's sales and operating income amounts approximately to €312.7 million and €2.9 million respectively.

3.2 | Acquisition of non-controlling interests

Pursuant to the share purchase agreement dated October 7, 2008 and the supplemental agreement to the Joint Venture Contract for the Establishment of Suzhou Xidian Co., dated March 12, 2011, Rexel acquired the non-controlling interests of Xidian, or 36.5% of the equity interest. The purchase price amounted €22.3 million (US$26.9 million), on July 24, 2012.

This transaction was accounted for as an equity transaction. As a result, the difference between the carrying amount of the non-controlling interests acquired and the consideration paid was recognized directly as a decrease of the Group shareholders' equity for €19.1 million.

4. | SEGMENT REPORTING

In accordance with IFRS 8 “Operating segments”, operating segments are based on the Group's financial reporting structure. The information is shown by geographic zone for the electrical equipment distribution business, whereas the other businesses and holding entities are shown separately.

Operations that are substantially similar are combined as a single segment. Factors considered in identifying such segments include the similarity of economic and political conditions, the proximity of operations, the absence of special risks associated with operations in the various areas where the Group operates and when they have similar long-term financial performance.

In 2012, the Group made minor changes in his organization and decided to disclose the Latin-American segment separately.

Therefore, the reportable segments are Europe, North America, Asia-Pacific and Latin America. 2011 comparative data are presented under this structure and according to changes in accounting policies following the early adoption of revised IAS19 “Employee Benefits” such as disclosed in note 2.2.1.

The Group’s financial reporting is reviewed monthly by the Management Board acting as the Chief operating decision maker.

Information by geographic segment for the periods ending September 30, 2012 and 2011

2012 *(in millions of euros)*	Europe	North America	Asia-Pacific	Latin-America	Other segments	**Total Operating Segments**	Corporate Holdings and other reconciling items	**Total Group**
For the quarter ended September 30								
Sales to external customers……………………	1,829.3	1,181.3	352.9	77.6	-	**3,441.2**	0.1	**3,441.3**
EBITA (1)……………………………………………	118.6	63.4	17.4	1.1	-	**200.5**	(9.8)	**190.8**

2011 *(in millions of euros)*	Europe	North America	Asia-Pacific	Latin-America	Other segments	**Total Operating Segments**	Corporate Holdings and other reconciling items	**Total Group**
For the quarter ended September 30								
Sales to external customers…………………	1,842.2	964.5	349.7	52.6	1.8	**3,210.8**	-	**3,210.8**
EBITA (1)……………………………………………	119.3	48.4	25.4	2.1	-	**195.2**	(11.6)	**183.6**

2012 *(in millions of euros)*	Europe	North America	Asia-Pacific	Latin-America	Other segments	**Total Operating Segments**	Corporate Holdings and other reconciling items	**Total Group**
For the period ended September 30								
Sales to external customers…………………..	5,525.6	3,224.4	1,026.0	233.2	-	**10,009.2**	0.2	**10,009.4**
EBITA [(1)]………………………………………..	385.8	161.5	49.5	5.4	-	**602.2**	(41.0)	**561.2**
Working capital………………………………	869.7	541.1	223.4	55.5	-	**1,689.8**	(14.8)	**1,675.0**
Goodwill………………………………………..	2,731.8	1,289.8	259.7	66.9	-	**4,348.2**	-	**4,348.2**

2011 *(in millions of euros)*	Europe	North America	Asia-Pacific	Latin-America	Other segments	**Total Operating Segments**	Corporate Holdings and other reconciling items	**Total Group**
For the period ended September 30								
Sales to external customers……………………	5,480.3	2,712.9	953.0	162.1	64.9	**9,373.2**	0.1	**9,373.3**
EBITA [(1)]………………………………………..	368.7	114.4	59.8	6.5	-	**549.4**	(30.8)	**518.7**
For the period ended December 31								
Working capital…………………………………	627.9	394.9	174.6	36.5	-	**1,233.9**	36.7	**1,270.6**
Goodwill………………………………………..	2,646.9	1,049.9	266.7	38.7	-	**4,002.2**	-	**4,002.2**

[(1)] EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

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

(in millions of euros)	For the quarter ended September 30, 2012	2011	For the period ended September 30, 2012	2011
EBITA - Total Group……………………………………………	**190.7**	**183.6**	**561.2**	**518.7**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities…………	(4.1)	(3.9)	(9.3)	(13.1)
Other income and other expenses………………………………..	(14.6)	(14.1)	(69.7)	(29.9)
Net financial expenses……………………………………………..	(52.0)	(54.4)	(149.0)	(152.1)
Share of profit/(loss) of associates……………………………	1.3	1.1	1.5	1.2
Group consolidated income before income tax…... …	**121.3**	**112.3**	**334.7**	**324.8**

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

(in millions of euros)	As of September 30, **2012**	As of December 31, **2011**
Working capital………………………………………………………	1,675.0	1,270.6
Goodwill………………………………………………………………	4,348.2	4,002.2
Total allocated assets & liabilities ……………………………	**6,023.2**	**5,272.8**
Liabilities included in allocated working capital…………………	2,553.3	2,546.3
Other non-current assets…………………………………………	1,422.7	1,306.3
Deferred tax assets…………………………………………………	164.9	153.2
Current tax assets …………………………………………………	22.2	21.0
Other current assets………………………………………………	5.8	-
Assets classified as held for sale…………………………………	3.3	3.7
Derivatives……………………………………………………………	2.5	2.0
Cash and cash equivalents ………………………………………	251.6	413.7
Group consolidated total assets………………………………	**10,449.5**	**9,719.0**

5. | DISTRIBUTION & ADMINISTRATIVE EXPENSES

(in millions of euros)	For the period ended September 30, 2012	2011
Personnel costs (salaries & benefits) …………………………….	1,148.3	1,058.8
Building and occupancy costs …………………………………….	202.5	194.0
Other external costs ……………………………………………….	461.2	430.2
Depreciation expense …………………………………………….	54.4	54.8
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities …………	9.3	13.1
Bad debt expense ………………………………………………….	31.7	38.0
Total distribution and administrative expenses……….	**1,907.4**	**1,788.9**

6. | OTHER INCOME & OTHER EXPENSES

(in millions of euros)	For the period ended September 30, 2012	2011
Gains on disposal of consolidated entities …………………….	-	26.1
Gains on disposal of tangible assets …………………………….	2.3	2.5
Write-back asset impairment …………………………………….	-	0.2
Release of unused provisions …………………………………….	0.4	3.1
Other operating income …………………………………………	0.3	1.3
Total other income ……………………………………	**3.0**	**33.2**
Restructuring costs ………………………………………………	(28.2)	(15.2)
Losses on non-current assets disposed of …………………….	(0.5)	(1.3)
Impairment of goodwill and fixed assets……………………..	(28.2)	(40.8)
Acquisition related costs……………………………………..	(6.1)	(5.0)
Losses on earn-outs………………………………………………	(2.3)	-
Other operating expenses ……………………………………….	(7.4)	(0.8)
Total other expenses …………………………………	**(72.7)**	**(63.1)**

For the period ended September 30, 2012, restructuring costs of €28.2 million are mainly related to the rationalization of logistics in Germany, in The Netherlands and in Sweden and to the branch network optimization in the United Kingdom and in New Zealand.

Impairment on goodwill has been recognized on the following cash-generating units: The Netherlands for €12.6 million and New Zealand for €15.0 million, as a result of lower than expected performance (see note 12).

Other operating expenses are mainly related to the settlement of a claim from the seller on assumed liabilities with regards to Gexpro's acquisition in 2006, litigation on social tax in France and corporate headquarters relocation.

For the period ended September 30, 2011, gains on net investments included a gain related to the disposal of Hagemeyer Brands Australia Pty Limited, a company involved in the distribution of consumer electronics and kitchen appliances in Australia and a gain related to the disposal of Kompro B.V., a company specialized in the retail distribution and maintenance of multi-function printers in the Netherlands for a total amount of €26.1 million.

Restructuring costs mainly consisted of costs related to restructuring plans in Europe for €12.3 million (mainly in The Netherlands), in Asia-Pacific for €2.3 million (mainly in New Zealand) and in North America for €0.6 million (United States).

Impairment on goodwill and fixed assets included €22.0 million impairment of goodwill related to the Netherlands and impairment of Spanish fixed assets for €11.8 million. This line item also included the impairment of the group of assets held for sale relating to the disposal of Hagemeyer Brands Australia Pty Ltd by €7.0 million in the second quarter of 2011, prior to their reclassification to "Assets held for sale".

7. | NET FINANCIAL EXPENSES

(in millions of euros)	For the period ended September 30, 2012	2011
Interest income on cash and cash equivalents ……………………….	0.6	1.2
Interest income on receivables and loans …………………………….	1.3	1.8
Financial income ……………………………………………………	**1.8**	**2.9**
Interest expense on financial debt (stated at amortized cost)……….	(135.3)	(113.4)
Gains and losses on derivative instruments previously deferred in equity and recycled in the income statement [1]…………	(3.4)	(20.5)
Foreign exchange gain (loss)……………………………………………	(0.6)	1.9
Change in fair value of exchange rate derivatives through profit and loss………………………………………………………	0.4	1.7
Change in fair value of interest rate derivatives through profit and loss …………………………………………………….	7.1	(10.8)
Interest expense on borrowings …………………………………	**(131.8)**	**(141.1)**
Net financial expense on employee benefit obligations………………	(9.0)	(8.0)
Financial expenses (other) ……………………...…………………….	(10.1)	(5.9)
Other financial expenses ……………………………………………	**(19.0)**	**(13.9)**
Financial expenses (net)	**(149.0)**	**(152.1)**

[1] For the period ended September 30, 2011, an expense of €13.1 million resulted from the de-designation of cash-flow hedge swaps following the partial repayment of the underlying senior credit facilities.

8. | INCOME TAX

Income tax expense for an interim period is calculated based on the tax rate of the expected year-end income, i.e. by applying the average estimated tax rate for the 2012 financial year to the interim income before taxes and share of profit in associates. The effective tax rate for the period ending September 30, 2012 is 29.5%, compared with 21.2% for the period ended September 30, 2011, which included the impact of the first-time recognition of tax losses carried forward in the United Kingdom in the first half of 2011.

9. | SHARE CAPITAL AND PREMIUM

Rexel's share capital is composed of ordinary shares, with a par value of €5. The following table shows changes in the share capital and issuance premium:

	Number of Shares	Share capital	Issuance premium
		(in millions of euros)	
On January 1, 2011 ……	**260,212,996**	**1,301.0**	**1,383.7**
Exercise of share subscription options [1] ……	335,352	1.7	1.3
Issuance of shares in connection with payments of dividends ……	5,376,107	26.9	58.6
Issuance of shares in connection with free shares plan ……	2,859,037	14.3	(12.5)
Allocation of free shares ……	-	-	(10.4)
On September 30, 2011 [(4)] ……	**268,783,492**	**1,343.9**	**1,420.7**
On January 1, 2012 ……	**268,819,759**	**1,344.1**	**1,412.2**
Exercise of share subscription options [1] ……	57,036	0.3	-
Issuance of shares in connection with payments of dividends [3] ……	2,273,474	11.4	18.8
Issuance of shares in connection with free shares plan and employee share purchase plans (2) ……	413,283	2.0	(11.9)
On September 30, 2012 [(4)] ……	**271,563,552**	**1,357.8**	**1,419.1**

[(1)] *Exercise of share subscription options*

For the period ended September 30, 2012, 57,036 shares options were exercised by senior employees and key management personnel (335,352 for the period ended September 30, 2011).

[(2)] *Share issues related to bonus share plans and employee share purchase plans*

In April and May 2012, 48,843 shares were issued in connection with employee share purchase plans initiated on May 20, 2010.

In June 2012, 364,440 shares were issued in connection with the 2008 bonus free shares plan ("Plan 4+0").

[(3)] *Issuance of shares in connection with payments of dividends*

The Shareholders' Meeting of May 16, 2012 approved the payment of a dividend of €0.65 per share, either in cash or in Rexel shares at a price of €13.39, at the option of each shareholder. The total amount of the dividend distributed was €173.5 million, of which €143.0 million was paid in cash and €30.5 million was settled by the issuance of 2,273,474 new shares. Capital increase related costs of €0.3 million were recognized in reduction of the share premium.

(in millions of euros)	For the period ended September 30, 2012	2011
Dividends on ordinary shares ……	€ 0.65	€ 0.40
Dividends paid	**173.5**	**105.2**
o/w: - dividends paid in cash ……	143.0	19.2
- dividends paid in shares……	30.5	86.0

[(4)] *Treasury shares*

As of September 30, 2012, share capital includes 340,498 treasury shares held under a liquidity contract with Natixis. In addition, it includes 2,015,277 treasury shares purchased in order to serve free share plans, representing an aggregated number of treasury shares of 2,355,775 (845,000 treasury shares held as of September 30, 2011).

10. | 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,	
	2012	**2011**
Net income attributed to ordinary shareholders *(in millions of euros)*…………………	***235.7***	***255.3***
Weighted average number of ordinary shares (*in thousands*)………………………………	267,444	263,758
Non dilutive potential shares (in thousands)……………………………………………………	1,134	1,796
Weighted average number of issued common shares and non dilutive potential shares (in thousands)………………………………………………………………	***268,577***	***265,554***
Basic earning per share (in euros)	**0.88**	**0.96**
Net income attributed to ordinary shareholders *(in millions of euros)* ………..	***235.7***	***255.3***
Weighted average number of issued common shares and non dilutive potential shares (in thousands)………………………………………………………………………..	268,577	265,554
Potential dilutive shares (in thousands)	5,896	1,972
- of which share options (in thousands) ………………………………………………	*167*	*195*
- of which bonus shares (in thousands) [(1)] *……………………………………………*	*5,729*	*1,777*
Weighted average number of common shares used for the calculation of fully diluted earnings per share (in thousands)…………………………………………	***274,473***	***267,526***
Fully diluted earnings per share………………………………………………………..	**0.86**	**0.95**

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

11. | SHARE-BASED PAYMENTS

11.1 | Free share plan

On May 2, 2012 and on July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,262,404 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 3, 2014 and July 27, 2014), these being restricted for an additional two-year period (until May 3, 2016 and July 27, 2014), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions, the so-called "4+0 Plan". The delivery of these shares is subject to service and performance conditions of the schemes as described below:

Beneficiaries	**Members of Group Executive Committee and top managers**		**Total**
Vesting conditions	Two year service condition from grant date and performance conditions based on: (i) 2012 adjusted EBITA, (ii) 2011/2013 adjusted EBITA margin increase and (iii) average free cash flow before interest and tax / EBITDA between 2012 and 2013 (iv) free cash flow before interest and tax 2012		
Plan	2+2	4+0	
Delivery date	May 3, 2014	May 3, 2016	
Share fair value at grant date May 2, 2012	14.47 €	13.14 €	
Maximum number of shares granted on May 2, 2012	737,024	1,282,300	**2,019,324**
Delivery date	July 27, 2014	July 27, 2016	
Share fair value at grant date July 26, 2012	11.85 €	10.46 €	
Maximum number of shares granted on July 26, 2012	59,243	183,837	**243,080**
Total maximum number of shares granted in 2012	**796,267**	**1,466,137**	**2,262,404**

Under this free shares plan, the executive committee members may receive, subject to service and performance conditions, up to 566,665 of Rexel shares.

The fair value of Rexel's shares granted to employees is estimated at €13.63 per share for the free shares granted in May and €10.80 per share for the share granted in July, based upon the stock price at the grant date. The restrictions attached to the dividends until the delivery date of the shares to the beneficiaries are computed as a reduction of the fair value.

11.2 | Employee share purchase plans

Pursuant to the authorization granted by the shareholders' meeting held on May 16, 2012 and by the Supervisory Board on May 16, 2012, the Management Board meeting held on September 3, 2012 decided to realize a reserved capital increase in favour of employees in sixteen countries.

In most of these eligible countries, subscription has been carried out directly or through employee shareholding funds (*fonds communs de placement d'entreprise* or *FCPE)* which received approval from the *Autorité des Marchés Financiers (AMF)* on July 17 2012. The subscription period closed on September 28, 2012.

The price of the employee offering, except for US participating employees, was set at the average of the opening price of Rexel shares over the 20 trading days preceding the decision of the Management Board, minus a 20% discount, thus resulting in a subscription price of €12.14 per share. For US employees the subscription price is equal to 85% of the Rexel share price on the Paris Stock Exchange on September 7, 2012, i.e. €13.75 per share.

In France, participating employees benefit from an employer matching contribution equal to 150% of the subscribed amount up to €200 and 50% from €201 to €500.

Outside France, employees are granted two matching shares for each of the first fifteen whole shares subscribed and for subsequent shares up to €800 invested one matching share is allocated for each share subscribed. Matching shares are subject to a five-year service condition within the Group.

In the United Kingdom, a specific share incentive plan has been proposed to employees through a trustee. Subscription price will be the minimum of the Rexel share market value as measured on September 29, 2012 (€15.55) and on March 13, 2013. Employees are granted two matching shares for each of the first fifteen whole shares subscribed and for subsequent shares up to €800 invested one matching share is allocated for each share subscribed. Matching shares are subject to a three-year service condition within the Group.

The settlement and delivery of the shares subscribed for pursuant to this plan is expected to take place in November 2012 except for the United Kingdom (March 2013).

As of September 30, 2012, the overall subscription is 3.7 million of euros. Benefits granted to employees resulted in personnel costs of €1.4 million before tax of which €0.9 million related to the discount granted to employees and €0.5 million related to the employer matching contribution offered to French beneficiaries.

11.3 | Share based-payment expenses

The related expenses for free share plans are accounted for in "Distribution and administrative expenses" and are summarized as follows:

	For the period ended September 30,	
(in millions of euros)	**2012**	**2011**
Plans issued in 2009…………………………………………………	0.2	1.2
Plans issued in 2010…………………………………………………	2.3	5.2
Plans issued in 2011…………………………………………………..	9.9	4.7
Plans issued in 2012…………………………………………………	1.7	-
Expense related to employee share purchase plan …………………	1.0	0.2
Total free share plans expense …………………………………	**15.1**	**11.3**

Beside this expense, tax effect on free shares granted in the United-States is booked directly in equity for an amount of € 0.2 million of euros.

12. | GOODWILL IMPAIRMENT

Goodwill is tested for impairment annually (as of December 31) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended December 31, 2011.

The Group considers the actual level of performance compared to the current year budget of sensitive cash-generating units when reviewing for indicators of impairment. As a result, management performed an impairment calculation as of June 30, 2012 of the cash-generating units showing a value-in-use close to their carrying value at December 31, 2011.

Only the projected cash-flows including EBITA margin of the terminal value were updated as of June 30, 2012 to reflect the decreased demand in electrical supplies due to on-going economic uncertainty. The discount rates and the perpetual growth rates assumptions remained similar to those disclosed in the annual statements for the year ended December 31, 2011, as risk free rates did not fluctuate significantly over the period.

As a result of this analysis, management has recognized an impairment expense of €27.6 million (see note 6) against goodwill in New-Zealand (€15.0 million) and in The Netherlands (€12.6 million). After taking into account this impairment expense, the carrying value of the related goodwill stands at €28.8 million for New-Zealand and €113.4 million for The Netherlands.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of goodwill and other intangible and fixed assets, there are no significant changes to the sensitivity information disclosed at year end.

13. | EMPLOYEE BENEFITS

Rexel has elected for early adoption of revised IAS 19 "Employee Benefits" which requires for immediate recognition in the statement of comprehensive income of actuarial gains and losses (see note 2.2.1).

As of September 30, 2012, the major Group's defined benefit plan obligations were re-measured including pension plans in Canada, in the Netherlands, in Switzerland and in the United Kingdom. The impacts of actuarial changes were estimated based on a sensitivity analysis that considered changes in discount rates and differences between actual and expected plan asset performance. In addition, the pension indexation rate assumption, in the Netherlands, was lowered from 1.5% to nil.

In the first nine months of 2012, actuarial losses after tax of € 40.9 million were recognized in other comprehensive income (€64.2 million in the first nine months of 2011) resulting from the decrease in discount rates compared to December 31, 2011.

Discount rates used to measure Rexel's pension obligations as of September 30, 2012 have been updated and are as follows:

	Canada		Netherlands		United-Kingdom		Switzerland	
	As of Sep. 30, 2012	As of Dec. 31, 2011	As of Sep. 30, 2012	As of Dec. 31, 2011	As of Sep. 30, 2012	As of Dec. 31, 2011	As of Sep. 30, 2012	As of Dec. 31, 2011
Discount rates	3.75%	4.50%	3.50%	5.25%	4.25%	4.70%	1.75%	2.75%

14. | FINANCIAL LIABILITIES

This note provides information on financial liabilities as of September 30, 2012. Financial liabilities include interest-bearing loans from financial institutions, borrowings and accrued interest less transaction costs.

14.1 | Net financial debt

(in millions of euros)	As of September 30, 2012			As of December 31, 2011		
	Current	Non-current	Total	Current	Non-current	Total
Senior Notes………………………………………….	-	1,507.5	1,507.5	-	1,181.4	1,181.4
Credit Facilities ………………………...……………….	-	138.9	138.9	-	30.6	30.6
Securitization …………………..…………………….	110.4	889.9	1,000.3	105.9	973.5	1,079.4
Bank loans ………………………………………………	70.9	19.0	89.9	39.7	8.1	47.8
Commercial paper ……………………………………	170.8	-	170.8	104.8	-	104.8
Bank overdrafts and other credit facilities …………..	127.5	-	127.5	86.0	-	86.0
Finance lease obligations ……………………………...	7.3	29.9	37.2	6.8	22.9	29.7
Accrued interests [(1)] ……………………………..….	36.7	-	36.7	10.0	-	10.0
Less transaction costs ………………………………	(20.3)	(27.6)	(48.0)	(19.8)	(33.9)	(53.7)
Total financial debt and accrued interest……	***503.2***	***2,557.6***	***3,060.8***	***333.5***	***2,182.6***	***2,516.0***
Cash and cash equivalents …………………………			(251.6)			(413.7)
Fair value hedge derivatives………………………..			(36.0)			(24.1)
Net financial debt			**2,773.2**			**2,078.2**

(1) Of which accrued interests on Senior Notes for €36.6 million as of September 30, 2012 (€3.5 million as of December 31, 2011).

14.1.1 | Senior notes

	As of September 30, 2012					As of December 31, 2011				
	Nominal amount *(in millions of currency)*		**Nominal amount** *(in millions of euros)*	Fair value adjust-ments	**Total**	**Nominal amount** *(in millions of currency)*		**Nominal amount** *(in millions of euros)*	Fair value adjust-ments	**Total**
Senior notes due 2016	EUR	586.3	586.3	43.0	**629.3**	EUR	650.0	650.0	42.7	**692.7**
Senior notes due 2018	EUR	488.8	488.8	0.7	**489.5**	EUR	488.8	488.8	-	**488.8**
Senior notes due 2019	USD	500.0	386.7	2.1	**388.8**	-	-	-	-	**-**
TOTAL			1,461.8	45.8	**1,507.5**			1,138.8	42.7	**1,181.4**

Issuance of $500 million senior notes due 2019

On March 28, 2012, Rexel issued US$ 400 million (€299.9 million) senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, an additional US$100 million principal amount of these notes was issued at a price of 100.75% of nominal (i.e. an issuance price of €76.7 million). The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The notes will mature on December 15, 2019.

The notes are redeemable in whole or in part at any time prior to December 15, 2015 at a redemption price equal to 100% of their principal amount, plus a “make-whole” premium and accrued and unpaid interest. On or after December 15, 2015, the notes are redeemable in whole or in part by paying the redemption price set forth below.

Redemption period beginning on:	Redemption price (as a % of principal amount)
December 15, 2015 ……………………….	103.063%
December 15, 2016 ……………………….	101.531%
December 15, 2017 and after ………….	100.000%

In addition, at any time on or prior to June 15, 2015, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

Partial buy back of senior notes due 2016

In the first half of 2012, Rexel bought-out €63.8 million nominal amount of senior notes due December 15, 2016, at their market value of €69.6 million. This transaction resulted in a net financial expense of 1.0 M€ after taking into consideration the impact of fair value hedging adjustment.

14.1.2 | Senior Credit Agreement

As of September 30, 2012, facilities under the Senior Credit Agreement are as follows:

Credit Facility	Commitment	Balance due as of September 30, 2012			Balance due as of December 31, 2011		
	(in millions of euros)	*(in millions of local currency)*		*(in millions of euros)*	*(in millions of local currency)*		*(in millions of euros)*
Facility A	195.4	USD	140.0	108.3		-	-
Facility B	1,074.0		-	-		-	-
Subtotal 2009 Senior Credit Facilities	**1,269.4**			**108.3**			-
Bilateral facility	30.6	EUR	30.6	30.6	EUR	30.6	30.6
TOTAL	**1,300.0**			**138.9**			**30.6**

14.1.3 | Securitization programs

The Rexel Group runs several securitization programs presented in the table below, which enable it to obtain financing at a lower cost than issuing bonds or bank loans.

In view of their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables assignment programs, with the exception of the off-balance sheet US program such as disclosed in note 11.2 of December 31, 2011 financial statements, do not qualify for derecognition under IAS 39 requirements. Therefore, assigned receivables remain classified as assets on the Group’s balance sheet on the line “Trade accounts receivable” whereas the financing received is shown as financial debt.

Securitization programs are subject to certain covenants concerning the quality of the trade 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, 2012, Rexel had satisfied all of these covenants.

The features of Rexel's securitization programs including the off-balance sheet programs are summarized in the table below:

Program	Commitment	Amount of receivables assigned as of September 30, 2012	Amount drawn down as of September 30, 2012	Balance as of September 30, 2012	Balance as of December 31, 2011	Repayment
		(in millions of currency)		(in millions of euros)		
2011 - Europe and Australia [1]	EUR 425.0	EUR 485.4	EUR 372.6	372.6	428.6	16/12/2016
United States	USD 470.0	USD 536.8	USD 383.3	296.4	289.0	18/12/2015
Canada	CAD 140.0	CAD 262.3	CAD 140.0	110.4	105.9	13/12/2012
2008 - Europe [2]	EUR 384.0	EUR 487.0	EUR 329.3	329.3	358.7	17/12/2013
TOTAL				**1,108.7**	**1,182.2**	
***Of which*:**	***- on balance sheet:***			***1,000.3***	***1,079.4***	
	- off balance sheet (Ester program) :			***108.4***	***102.8***	

[1] Securitization program subscribed in 2011, replacing the previous program initiated in 2005
[2] Maximum commitment amended downwards from €450 million to €384 million in July 2012.

These securitization programs pay interest at variable rates plus a spread which is specific to each program. As of September 30, 2012, the total outstanding amount authorized for these securitization programs was € 1,282.9 million, of which € 1,108.7 million was utilized.

14.2 | Change in net financial debt

As of September 30, 2012 and 2011, the change in net financial debt was as follows:

(in millions of euros)	For the period ended September 30, 2012	2011
At January 1	**2,078.2**	**2,273.3**
Issuance of senior notes	376.6	500.0
Buy-out of senior notes	(69.1)	-
Net change in term loan facilities	113.3	(691.2)
Transaction costs	(10.2)	(7.2)
Net change in other credit facilities and bank overdrafts	140.5	148.9
Net change in credit facilities	**551.2**	**(49.5)**
Net change in securitization	(100.1)	(61.5)
Net change in finance lease liabilities	(0.6)	10.6
Net change in financial liabilities	***450.4***	***(100.4)***
Change in cash and cash equivalents	177.1	91.4
Translation differences	19.9	(20.8)
Effect of changes in consolidation scope on gross indebtedness	27.7	14.1
Amortization of transaction costs	15.9	14.5
Other changes	4.1	(1.9)
At September 30	**2,773.2**	**2,270.2**

15. | MARKET RISKS AND FINANCIAL INSTRUMENTS

15.1 | Interest rate risk

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a hedging ratio on a one-year rolling basis of close to 80% of its net financial debt at fixed or capped rates with the remainder at variable interest rates.

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, 2012**	**As of December 31, 2011**
Senior Notes and other fixed rate debt ……………………………	1,483.0	1,168.2
Floating to fixed rate swaps…………………………………………	1,036.8	1,330.0
Fixed to floating rate swaps…………………………………………	(793.3)	(475.0)
Sub total fixed rate instruments	***1,726.5***	***2,023.3***
Floating rate debt before hedging…………………………………	1,541.8	1,323.6
Floating to fixed rate swaps…………………………………………	(1,036.8)	(1,330.0)
Fixed to floating rate swaps…………………………………………	793.3	475.0
Cash and cash equivalents…………………………………………	(251.6)	(413.7)
Sub total floating rate debt instruments	**1,046.7**	**54.9**
Total net financial debt ……………………………………………	**2,773.2**	**2,078.2**

Fair value hedge derivatives

The Group partially swapped the fixed rate debt on the senior notes for €793.3 million into variable rate debt. Out of these derivatives, €768.3 million have been qualified as fair value hedges.

As of September 30, 2012, the portfolio associated with derivative financial instruments qualified as fair value hedges is as follows:

	Total notional amount *(in millions of currency)*	**Total notional amount** *(in millions of euros)*	**Maturity**	**Weighted average fixed rate received**	**Floating rate paid**	**Fair value** [(1)] *(in millions of euros)*
Swaps paying variable rate						
Euro ………………………………	386.3	386.3	December 2016	2.73%	Euribor 3M	36.5
Euro ………………………………	150.0	150.0	December 2018	1.07%	Euribor 3M	0.9
American dollar……………………	300.0	232.0	December 2019	1.31%	Libor 3M	2.5
Total		**768.3**				**39.9**

(1) Derivative instruments are presented at fair value, including accrued interest receivable of €4.4 million.

The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement as interest expenses on borrowings. The changes in fair value of the derivatives and the changes in the fair value of the hedged item are recognized in the income statement to match each other.

The change in fair value of fair value hedging swaps for the period ending September 30, 2012 represented a gain of €13.8 million.

Cash-flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash-flow hedge swaps mature between March 2013 and March 2014. The Group intends to renew a significant portion of these swaps in order to hedge the variability of future interest expense related to its floating interest debt, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

As of September 30, 2012, derivative instruments classified as cash flow hedges are as follows:

	Total notional amount *(in millions of currency)*	**Total notional amount** *(in millions of euros)*	**Maturity**	**Floating rate received**	**Weighted average fixed rate paid**	**Fair value** [(1)] *(in millions of euros)*
Swaps paying fixed rate						
Euro………………………………..	200.0	200.0	March 2014	1M Euribor	2.12%	(8.1)
Canadian dollar…………………….	40.0	31.5	March 2013	3M Libor	2.72%	(0.2)
	100.0	78.8	September 2013	3M Libor	1.57%	(0.2)
American dollar…………………….	140.0	108.3	March 2013	3M Libor	2.82%	(1.3)
British pound ………………………	25.0	31.3	March 2013	3M Libor	0.93%	(0.1)
Total		**450.0**				**(9.9)**

(1) Derivative instruments are presented at fair value, including accrued interest payable of €2.4 million.

The change in fair value of the cash flow hedging instruments for the period ending September 30, 2012 was recorded as a €2.3 million increase in cash-flow hedge reserve (before tax).

Derivatives not eligible for hedge accounting

	Total notional amount *(in millions of currency)*	**Total notional amount** *(in millions of euros)*	**Maturity**	**Floating rate received (paid)**	**Weighted average fixed rate paid (received)**	**Fair value** [(1)] *(in millions of euros)*
Swaps paying fixed rate						
Canadian dollar…………………….	30.0	23.7	March 2013	Libor 3M	2.72%	(0.3)
Swiss franc………………………..	40.0	33.1	March 2013	Libor 3M	0.94%	(0.2)
	90.0	74.4	March 2014	Libor 3M	0.81%	(1.2)
	100.0	82.7	March 2015	Libor 3M	-0.02%	(0.1)
American dollar………………..	140.0	108.3	March 2013	Libor 3M	2.82%	(1.3)
	100.0	77.3	September 2014	Libor 3M	1.56%	(1.9)
Euro………………………………….	100.0	100.0	March 2013	Euribor 3M	2.29%	(1.0)
	25.0	25.0	December 2016	Euribor 3M	1.85%	(1.4)
	62.5	62.5	May 2018	Euribor 6M	3.21%	(7.9)
Total		**586.9**				**(15.3)**
Swaps paying variable rate						
Euro………………………………….	25.0	25.0	December 2016	(Euribor 3M)	(2.89%)	2.6

(1) Derivative instruments are presented at fair value, including net accrued interest payable of €0.9 million.

The change in fair value of interest swaps not eligible for hedge accounting was recorded as a financial expense of €0.3 million for the period ending September 30, 2012.

Sensitivity to interest rate variation

As of September 30, 2012, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the yearly interest expense estimated at €10.5 million and a €13.5 million rise in the fair value of the hedging instruments, of which a €9.7 million financial income and a €3.8 million gain in other comprehensive income, before tax effect.

15.2 | Foreign exchange risk

Forward contracts

Foreign exchange risk exposure arises principally from external financing in foreign currencies or financing extended to foreign affiliates in their local currency or that received from them. In order to neutralize foreign exchange risk exposure, the positions denominated in currencies other than the euro are hedged using forward contracts with a term generally ranging from one to three months. The hedge contracts are renewed as necessary while exposure remains.

On September 30, 2012, the notional value of forward contracts was €1,230.8 million (€1,365.5 million of forward sales and €134.7 million of forward purchases); they are recognized at their fair value for a negative net amount of €5.7 million.

Currency options

In addition, since the presentation of the financial statements is in euros, the Group is required to translate income and expenses denominated in other currencies into euros in preparing its financial statements at average exchange rates applicable to the period. Therefore, the Group has entered into several currency options to partially hedge the effect of its exposure to the exchange rate translation risk. These instruments are qualified as held for trading under IAS 39.

Currency options as of September 30, 2012 are detailed in the table below:

	Total notional amount *(in millions of currency)*	**Total notional amount** *(in millions of euros)*	**Maturity**	**Premium received (paid)** *(in millions of euros)*	**Fair value** *(in millions of euros)*
Options purchased					
Australian dollar……………………	110.0	88.7	December 2012	(1.9)	(0.0)
Swiss franc…………………………	39.4	32.6	December 2012	(0.6)	(0.0)
British pound ………………………	34.0	42.6	December 2012	(1.0)	(0.0)
		163.9		**(3.5)**	**(0.0)**
Options sold					
Australian dollar……………………	82.5	66.6	December 2012	0.5	(0.0)
Swiss franc…………………………	39.4	32.6	December 2012	0.2	(0.0)
British pound ………………………	34.0	42.6	December 2012	0.5	(0.8)
		141.7		**1.2**	**(0.8)**

Sensitivity to changes in foreign exchange rates

The Group's financial statements are presented in euros, and it is therefore required to translate into euro those assets, liabilities, revenues and expenses denominated in currencies other than the euro.

The results of these operations are included in the Group's consolidated income statement after conversion at the average rate applicable to the period. On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British Pound) would lead to a decrease (increase) in sales of €317.6 million and a decrease (increase) in operating income before other income and other expenses of €16.1 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of September 30, 2012 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €100.3 million and €91.0 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	Euro	US dollar	Canadian dollar	Australian dollar	Norwegian krone	Swedish krona	British pound	Swiss franc	Other currencies	Total
Financial liabilities ………………………	1,869.8	726.7	110.7	110.0	(0.1)	(0.0)	139.8	0.3	67.6	3,024.8
Cash and cash equivalents………………	137.7	(73.8)	(16.0)	(213.5)	(17.2)	(1.5)	(22.7)	(26.7)	(18.0)	(251.6)
Net financial position before hedging………………………………	**2,007.4**	**652.9**	**94.7**	**(103.5)**	**(17.3)**	**(1.5)**	**117.2**	**(26.4)**	**49.6**	**2,773.2**
Impact of hedges…………………………	(1,241.2)	286.0	184.2	248.6	38.1	206.1	(52.5)	286.8	44.0	(0.0)
Net financial position after hedging………………………………	**766.2**	**938.9**	**278.9**	**145.1**	**20.8**	**204.6**	**64.6**	**260.4**	**93.6**	**2,773.2**
Impact of a 5% increase in exchange rates……………………………	-	*46.9*	*13.9*	*7.3*	*1.0*	*10.2*	*3.2*	*13.0*	*4.7*	*100.3*

15.3 | Liquidity Risk

The €650 million senior notes, issued in December 2009 and January 2010, mature in December 2016, while the €500 million senior notes issued in May 2011 mature in December 2018 and the $500 million senior notes issued in the first half of 2012 mature in December 2019. Credit facilities A and B under the Senior Credit Agreement and the bilateral credit agreement expire in December 2012 and December 2014 in the amounts of €200 million and €1,100 million respectively.

Moreover, these credit lines would become payable if Rexel failed to fulfil its commitments described in note 19.1.2 of December 31, 2011 financial statements.

Lastly, securitization programs mature in 2012, 2013, 2014 and 2016. The financing under these programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short term debt (commercial paper, *billets de trésorerie*) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

The contractual repayment schedule of financial liabilities is as follows:

(in millions of euros)	**As of September 30, 2012**	**As of December 31, 2011**
Due within		
One year ……………………………………….	523.6	353.3
Two years……………………………………….	350.5	363.4
Three years……………………………………	146.3	225.1
Four years………………………………………	199.2	7.3
Five years…………………………………………	1,005.5	1,114.2
Thereafter……………………………………….	883.7	506.4
Total financial debt………………………	**3,108.8**	**2,569.7**
Transaction costs………………………………	(48.0)	(53.7)
Financial debt……………………………	**3,060.8**	**2,516.0**

In addition, the trade accounts payable amounted to €1,926.1 million as of September 30, 2012 (€ 1,903.3 million as of December 31, 2011) and are due in less than one year.

15.4 | Commodity risk

The Group has entered into some option agreements to hedge the adverse effect on its gross profits of a downturn in copper-based cable prices maturing from August to December 2012. The volume covered by these hedges is 2,000 copper tons per month, corresponding to around 40% of the estimated copper exposure over the period.

At September 30, 2012, the fair value of commodity derivatives was a liability of € 0.9 million and the change in fair value of these instruments was an unrealized loss of € 1.9 million, recognized in the income statement as part as of the “financial expenses (net)” as these instruments do not qualify for hedge accounting under IFRS.

16. | SEASONALITY

Despite the low impact of seasonality on sales, changes in the Group’s working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group’s cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters, because of higher working capital requirements in those periods.

17. | LITIGATION

For the period ended September 30, 2012, there was no significant change relating to the litigation disclosed in the financial statements as of December 31, 2011, with a significant impact on Rexel’s financial position or profitability.

18. | EVENTS AFTER THE REPORTING PERIOD

At the presentation date of the condensed consolidated interim financial statements (October 24, 2012), there have been no subsequent events that would have a significant impact on Rexel’s financial situation.