a world of energy

PRESS RELEASE

Paris, July 30, 2014

SECOND-QUARTER & HALF-YEAR 2014 RESULTS (unaudited)

HALF-YEAR SALES UP 0.5% ON A CONSTANT AND SAME-DAY BASIS

HALF-YEAR ADJUSTED EBITA MARGIN AT 4.8% OF SALES

FULL-YEAR 2014 OUTLOOK ADJUSTED, MEDIUM-TERM OBJECTIVES UNCHANGED

HALF-YEAR SALES UP 0.5% ON A CONSTANT AND SAME-DAY BASIS

- **Excluding a negative copper effect of 0.9 percentage points, sales were up 1.4% on a constant and same-day basis**
- **Strong sequential improvement in North America, with sales up 3.0% in Q2 (after -2.7% in Q1, impacted by extreme weather conditions)**

HALF-YEAR ADJUSTED EBITA MARGIN AT 4.8% OF SALES

- **Gross margin down 20bps year-on-year, largely impacted by unfavorable geographic mix and the effect of increased project activity**
- **Distribution and administrative expenses up 5bps, due to higher costs related to the implementation of strategic projects and investments in targeted growth initiatives**

FULL-YEAR 2014 OUTLOOK ADJUSTED

- **Full-year sales broadly stable year-on-year, on a constant and same-day basis**
- **Adjusted EBITA margin of at least 5.0% of sales**
- **Confirmed solid free cash-flow conversion rate**
  - At least 75% of EBITDA into free-cash flow before interest and tax
  - Around 40% of EBITDA into free-cash flow after interest and tax

MEDIUM-TERM OBJECTIVES UNCHANGED

Key figures[1]	Q2 2014	YoY change	H1 2014	YoY change
Sales	**€3,220.3m**		**€6,287.6m**	
On a reported basis		-2.9%		-2.8%
On a constant and actual-day basis		+0.1%		+0.3%
On a constant and same-day basis		+0.6%		+0.5%
Adjusted EBITA	**€167.4m**	**-6.0%**	**€304.2m**	**-4.4%**
As a percentage of sales	5.2%		4.8%	
Change in bps as a % of sales	-30bps		-25bps	
Reported EBITA	**€163.7m**	**-6.1%**	**€297.9m**	**-6.2%**
Operating income	**€121.1m**	**+28.1%**	**€232.4m**	**+4.3%**
Net income	**€47.3m**	**+48.1%**	**€90.5m**	**+26.6%**
Free cash flow before interest and tax	**€92,9m**	**n/m**	**€10.2m**	**n/m**
Net debt at end of period	**€2,406.4m**	**-8.5%**	**€2,406.4m**	**-8.5%**

[1] See definition in the Glossary section of this document

Rudy PROVOOST, Chairman and CEO, said:

"In the first half, Rexel posted slight organic sales growth in an environment that remained globally challenging and uncertain. Gross margin was impacted by unfavorable geographic mix and higher project activity. While we continued to be disciplined in operational cost control, business transformation costs related to the implementation of strategic projects increased in a few key countries, as well as investments in high-growth initiatives. The first-half results were also affected by a lower-than-expected performance in Canada and Australia.

Against this background, 2014 is going to be a transition year, with important leadership changes, as recently announced in North America, as well as structural investments in operational excellence and profitable growth, in order to support our medium-term ambitions. Considering the related additional costs, as well as our half-year results, we are adjusting our 2014 outlook in terms of profitability, while confirming our cash flow conversion targets and cash allocation policy to secure an attractive dividend, further improve the balance sheet and continue to invest for growth. We are committed to our strategic course in order to achieve our medium-term objectives."

FINANCIAL REVIEW FOR THE PERIOD ENDED JUNE 30, 2014

- *Financial statements as of June 30, 2014 were authorized for issue by the Board of Directors held on July 29, 2014.*
- *They have been subjected to a limited review by Rexel's statutory auditors.*
- *Financial statements as of June 30, 2013 have been restated for changes in accounting policies, following the adoption of IFRIC Interpretation 21 "levies"; this restatement represented a decrease of respectively €3.8 million and €2.5 million on operating income and net income. This impact results from the timing difference in the liability recognition of certain levies and reverses over the next two quarters to fade over the full fiscal year.*
- *The following terms: EBITA, Adjusted EBITA, EBITDA, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q2 2014, Rexel posted sales growth of 0.6% on a constant and same-day basis, representing a slight sequential improvement over the 0.4% recorded in Q1, driven by solid performance in North America.

In H1, sales amounted to €6,287.6m, up 0.5% on a constant and same-day basis. They were down 2.8% on a reported basis, reflecting a negative currency effect of 3.4 percentage points.

<u>In Q2 2014, Rexel posted sales of €3,220.3 million,</u> up 0.6% on a constant and same-day basis and down 2.9% on a reported basis.

Excluding the 0.8% negative impact due to the change in copper-based cable prices, sales were up 1.3% on a constant and same-day basis, in line with the previous quarter.

The 2.9% drop in sales on a reported basis reflected:

- A negative currency effect of €109.0 million (mainly due to the depreciation of the US, Canadian and Australian dollars against the euro),
- A positive effect of €12.7 million from last year's acquisitions (Lenn International in Singapore and Quality Trading in Thailand),
- A slightly negative calendar effect of 0.5 percentage points.

<u>In H1 2014, Rexel posted sales of €6,287.6 million,</u> up 0.5% on a constant and same-day basis and down 2.8% on a reported basis.

Excluding the 0.9% negative impact due to the change in copper-based cable prices, sales were up 1.4% on a constant and same-day basis.

The 2.8% drop in sales on a reported basis reflected:

- A negative currency effect of €221.3 million (mainly due to the depreciation of the US, Canadian and Australian dollars against the euro),
- A positive effect of €25.4 million from last year's acquisitions (Lenn International in Singapore and Quality Trading in Thailand),
- A slightly negative calendar effect of 0.2 percentage points.

Europe (56% of Group sales): stable in Q2 and up 0.8% in H1 on a constant and same-day basis

In the second quarter, sales in Europe were stable on a constant and same-day basis.

- In France, sales were down 3.4% in the quarter, impacted by weak activity in May (notably in cables). Nevertheless, our French operations remained resilient in a very challenging environment and we continued to outperform the market. This solid performance in the quarter continued to be driven by large projects. In the half-year, sales were down by a more limited 1.9% on a constant and same-day basis.
- In the UK, sales confirmed their return to growth, posting a 1.8% increase on a constant and same-day basis in the quarter (after an 0.8% increase in Q1), mainly driven by energy efficiency and photovoltaic sales. Excluding the impact of branch restructuring, constant and same-day sales increased by 3.8% year-on-year (after a 3.2% increase in Q1). In the half-year, sales were up 1.3% on a constant and same-day basis.
- In Germany, sales were down 1.2% in the quarter (after a 1.2% increase in Q1), impacted by a sharp 37% drop in photovoltaic sales. In the half-year, sales were stable on a constant and same-day basis.
- In Scandinavia, sales grew by 6.1% in the quarter (after a 6.7% increase in Q1), reflecting solid growth in Sweden (up 9.7%) and Finland (up 12.0%). In the half-year, sales were up 6.4% on a constant and same-day basis.
- In Belgium, sales were slightly up (+0.2%) in the quarter, despite a sharp 55% drop in photovoltaic sales. In the half-year, sales were up 3.8% on a constant and same-day basis.
- In the Netherlands, sales were down 9.4% in the quarter, also impacted by a sharp 31% drop in photovoltaic sales. In the half-year, sales were down 4.9% on a constant and same-day basis.
- Switzerland was almost stable in the quarter (-0.2%) and Austria was up 2.1%. In the half-year, the two countries posted sales growth of respectively 1.6% and 2.5% on a constant and same-day basis.
- Southern European countries were up 3.2% in the quarter (after -5.5% in Q1). Spain posted a 5.4% increase, driven by early signs of recovery and export activity, and Portugal grew by a solid 15.6%, while Italy dropped by 3.9% (after a 4.8% drop in Q1). In the half-year, Southern European countries posted a limited 1.1% drop in sales on a constant and same-day basis.

North America (33% of Group sales): up 3.0% in Q2 and up 0.2% in H1 on a constant and same-day basis

In the second quarter, sales in North America were down 4.0% on a reported basis including a significant negative currency effect of €72.9m (due to the depreciation of the American and the Canadian dollars against the euro) but they were up 3.0% on a constant and same-day basis. This represented a strong sequential improvement over the 2.7% decrease recorded in Q1, impacted by extremely severe weather conditions. In the half-year, sales were up 0.2% on a constant and same-day basis.

- In the US (c. 75% of the region's sales), sales increased by 2.8% in the quarter, reflecting sustained activity in the residential and industrial end-markets, while recovery in the non-residential end-market has not materialized yet.
- In Canada (c. 25% of the region's sales), sales were up 3.5% in the quarter, reflecting gradual recovery in project activity.

Asia-Pacific (9% of Group sales): down 3.2% in Q2 and stable in H1 on a constant and same-day basis

In the second quarter, sales in Asia-Pacific were down 7.5% on a reported basis, including a significant negative effect of €24.3m from currencies (primarily attributable to the depreciation of the Australian dollar against the euro) and a positive effect of €12.7m from the acquisition of Lenn International in Singapore and Quality Trading in Thailand.
On a constant and same-day basis, sales were down 3.2%.

- In China (c. 30% of the region's sales), sales were stable in the quarter, after a 25.9% increase in Q1. In the half-year, sales were up 10.8% on a constant and same-day basis, driven by strong activity in the industrial automation segment and lighting projects.
- In South-East Asia (c. 10% of the region's sales), sales dropped by 10.1% in the quarter.
- In Australia (c. 50% of the region's sales), sales were down 7.9% in the quarter, still impacted by challenging macroeconomic conditions and branch closures. Excluding the impact of branch closures, sales were down 6.9%. In the half-year, sales were down 7.6% on a constant and same-day basis.
- In New Zealand (c. 10% of the region's sales), sales were down 0.7% in the quarter, a sequential improvement over Q1 (-3.3%).

Latin America (2% of Group sales): down 6.4% in Q2 and down 1.9% in H1 on a constant and same-day basis

In the second quarter, sales in Latin America were down 20.3% on a reported basis, including a negative currency effect of €10.6m (mainly attributable to the depreciation of the Brazilian real and Chilean peso against the euro). On a constant and same-day basis, sales decreased by 6.4%, reflecting mixed performance:

- In Brazil (c. 60% of the region's sales), sales were down 16.9% in the quarter, confirming the slowdown in the economy and reflecting lower activity due to the World Cup. In the half-year, sales were down 10.2% on a constant and same-day basis.
- In Chile (c. 30% of the region's sales), sales were up 7.5% in the quarter and up 10.9% in the half-year, reflecting the recovery in sales to the mining industry.
- In Peru (c. 10% of the region's sales), sales increased by 25.6% in the quarter and by 13.7% in the half-year, driven by strong economic growth and project activity.

Solid double-digit sales growth in "High-growth initiatives"

In the half-year, Rexel's "High growth-initiatives" posted solid double-digit growth in sales (+10.1% on a constant and actual-day basis) and increased their share of total Group sales, from 17.5% in H1 2013 to 20% in H1 2014.

The "High-potential business categories" grew by 21%, of which energy efficiency by 23%, renewable energies (driven by wind) by 21% and building automation by 8%. The "International customers and projects" (combining our "International Key Accounts" and "International Projects Group" divisions) grew by 4%. However, the "Vertical markets" (combining Oil & Gas and Mining sales) slightly decreased by 1%, still reflecting lower sales year-on-year to the mining industry.

PROFITABILITY

Adjusted EBITA of €304.2 million in the half-year, down 4.4% year-on-year
Profitability impacted by unfavorable mix effects on gross margin as well as costs incurred for transformational projects underway and investments to accelerate profitable growth initiatives

In the half-year, adjusted EBITA margin stood at 4.8%, down c. 25 basis points year-on-year, of which:

- c. 20 basis points came from a drop in adjusted gross margin (from 25.0% in H1 2013 to 24.8% in H1 2014),
- c. 5 basis points came from an increase in distribution and administrative expenses (including depreciation) as a percentage of sales (slightly below 19.9% in H1 2013 to slightly above 19.9% in H1 2014).

The c. 20 basis-point drop in adjusted gross margin largely resulted from a number of unfavorable mix effects that can be broken down by geography as follows:

- In **Europe**, adjusted gross margin was down 10bps, mainly impacted by the unfavorable effect of geographic mix as France, whose gross margin is above average, recorded a 1.9% drop in sales while the rest of Europe recorded a 2.2% growth in sales, as well as by the unfavorable effect of project mix as the share of large projects, whose gross margin is below average, grew strongly in some countries such as the UK.
- In **North America**, adjusted gross margin was down 15bps, reflecting the unfavorable mix effect in Canada due to a greater share of projects, whose gross margin is below average.
- In **Asia-Pacific**, adjusted gross margin was down 85bps, mainly impacted by the unfavorable effect of geographic mix as China, whose gross margin is below average, accounted for 32% of the region's sales in H1 2014 vs. 29% in H1 2013.
- In **Latin America**, adjusted gross margin was down 160bps, impacted by the base effect of H1 2013 that benefited from a one-off tax refund (ICMS) in Brazil; restated for that base effect, adjusted gross margin was up year-on-year.

The c. 5 basis-point increase in distribution and administrative expenses (including depreciation) as a percentage of sales reflected costs incurred for transformational projects currently underway (of which logistics transformation in Germany and Australia, branch network optimization in the USA, IT migration in the UK and in the USA) and investments to accelerate profitable growth initiatives (of which the development of digital multi-channel initiatives).

However, distribution and administrative expenses (including depreciation) grew by only 0.4% in the half-year, broadly in line with the 0.3% increase in sales on constant and actual-day basis.

In the half-year, reported EBITA stood at €297.9 million, down 6.2% year-on-year.

NET INCOME

Reported net income of €90.5 million in the half-year, up 26.6% year-on-year

In the half-year, operating income stood at €232.4 million, up 4.3% year-on-year.

- Amortization of intangibles resulting from purchase price allocation amounted to €7.9 million (vs. €12.0 million in H1 2013).
- Other income and expenses amounted to a net charge of €57.6 million (vs. a net charge of €82.6 million in H1 2013). They included €22.9 million of restructuring costs (vs. €29.6 million in H1 2013) and €29.9 million of goodwill impairment (vs. €44.0 million in H1 2013), mainly related to Brazilian operations.

In the half-year, net financial expenses amounted to €93.5 million (vs. €117.2 million in H1 2013 that included a one-off cost of €23.5 million relating to refinancing operations). The average effective interest rate was reduced year-on-year from 5.9% of gross debt in H1 2013 to 5.0% in H1 2014.

In the half-year, income tax represented a charge of €48.4 million. The effective tax rate was 34.9% (vs. 32.4% in H1 2013). This expected rise notably reflected increased share in pre-tax income of countries whose tax rate is above average and the write-back of deferred tax assets in Brazil.

As a result of the reduced restructuring and financial expenses and lower goodwill impairment, partly offset by rise in tax rate, net income in the half-year was up 26.6%, at €90.5 million (vs. €71.4 million in H1 2013).

In the half-year, recurring net income amounted to €145.0 million, down 12.5% year-on-year, mainly reflecting the drop in EBITA (see appendix 2).

NET DEBT

Net debt reduced by more than €200 million year-on-year (€2,406 million at June 30, 2014)
Net-debt-to-EBITDA ratio reduced to 3.0x (vs. 3.2x at June 30, 2013)

In the half-year, free cash flow before interest and tax was an inflow of €10.2 million, of which €92.9 million was generated during Q2. This net inflow included:

- Gross capital expenditure of €42.5 million (vs. €43.9 million in H1 2013),
- An outflow of €244.1 million from change in working capital (vs. an outflow of €174.0 million in H1 2013).

At June 30, net debt stood at €2,406.4 million, down 8.5% year-on-year (vs. 2,628.9 million at June 30, 2013).

It took into account:

- €76.1 million of net interest paid,
- €51.2 million of income tax paid,
- €17.9 million of unfavorable currency effect.

At June 30, the indebtedness ratio (Net financial debt / EBITDA), as calculated under the Senior Credit Agreement terms, stood at 3.0x, vs. 3.2x at June 30, 2013.

M&A ACTIVITY

Since April 1, in line with its strategy of targeted bolt-on acquisitions, Rexel acquired two companies, in Switzerland and China, and concluded a JV agreement in Saudi Arabia.

- **Acquisition of Elevite, strengthening Rexel's offer of lighting solutions in Switzerland**
  At the end of July, Rexel acquired Elevite, a specialized lighting solutions distributor, addressing electrical installers, industrial and facility management companies. Founded in 1993 close to Zurich, Elevite employs 54 people and posted sales of €24m and adjusted EBITA margin above Group average in 2013.
- **Acquisition of Beijing Ouneng, to become the Nr.1 electrical distributor in Northern China**
  In July, Rexel signed the acquisition of Beijing Ouneng, an automation-focused electrical distributor with an ABB franchise. Founded in 1996, the Beijing-based company addresses automation companies through 14 branches and employs 135 people. It posted sales of €34m in 2013, mainly to the highly industrialized Beijing mega-cluster, and adjusted EBITA margin above the average of Rexel's Chinese operations.
- **Joint venture in Saudi Arabia, to increase Rexel's penetration in the Oil & Gas segment**
  Rexel is entering Saudi Arabia, the largest market in the Middle East, through the creation of a joint venture with Al-Hobayb Group, a leading Saudi group with expertise in the electrical industry. Headquartered in Riyadh, Rexel Arabia Electrical Supplies, of which Rexel will own a 65% stake, will address both large-scale projects and the traditional electrical distribution market. It targets annual sales of €25m by 2017.

ORGANIZATIONAL CHANGES

- **Brian McNally appointed as Executive Vice President and CEO Rexel North America**

  On July 24, Rexel announced the appointment of Brian McNally to the newly-created position of Executive Vice President and CEO of Rexel North America, effective August 1st, 2014. In this role, Brian McNally will become a member of Rexel's Executive Committee and be in charge of Rexel's operations in North America, encompassing both the US and Canadian businesses, which represent about one-third of the Group's total sales.

  With this leadership change, Rexel reinforces its commitment to creating the leadership conditions to further accelerate the business transformation, to leverage synergy and scale across North America, and to drive the execution of Rexel's Energy in Motion strategy through enhanced customer centricity and organizational effectiveness for profitable organic and external growth.

- **New appointments in Asia-Pacific and Latin America to reinforce leadership in emerging markets**
  - ✓ Frank Lee, appointed as Head of Chinese operations,
  - ✓ Franck Guyomard, appointed as Head of other Asian operations,
  - ✓ Jean-Jacques Gaudiot, appointed as Head of Brazilian operations,
  - ✓ Sander Berkhout, appointed as Head of other Latin American operations.

FULL-YEAR 2014 OUTLOOK ADJUSTED

- In view of the first-half sales performance, the uncertain macro-economic environment in some European countries and emerging markets, as well as the delayed recovery of the US non-residential end-market, **we now expect sales to be broadly stable year-on-year, on a constant and same-day basis** *(vs. "in a range of -1% to +2% year-on-year" announced on Feb. 13).*
- Considering the unfavorable mix effects on gross margin, as well as the impact of higher business transformation costs and increasing investments to accelerate profitable growth, **we now expect adjusted EBITA margin of at least 5.0% of sales** *(vs. "-10bps to +20bps year-on-year" announced on Feb. 13).*
- **We confirm our target of generating solid free cash-flow** of:
  - At least 75% of EBITDA, before interest and tax,
  - Around 40% of EBITDA, after interest and tax,

  (unchanged vs. targets announced on Feb. 13).
- **In addition, we confirm our cash allocation policy of paying out a dividend representing at least 40% of recurring net income, while further improving the balance sheet and investing in targeted acquisitions.**

MEDIUM-TERM AMBITIONS UNCHANGED

- **Outperform the market through a combination of organic growth and acquisitions.**
- **Grow adjusted EBITA margin to around 6.5% within 3 to 5 years:**
  - In lockstep with sales growth, on the basis of a c.10 basis point change in adjusted EBITA margin for each percentage point change in organic sales growth,
  - Driven by continuous gross margin discipline and strict cost control.
- **Generate strong free cash-flow before interest and tax of at least 75% of EBITDA and of around 40% of EBITDA after interest and tax, thanks to low capital intensity and tight management of working capital:**
  - Funding an attractive dividend of at least 40% of net recurring net income,
  - Enabling an annual M&A budget of around €500m on average.
- **Maintain a sound and balanced financial structure with a Net-debt-to-EBITDA ratio not exceeding 3x.**

CALENDAR

October 29, 2014	Third-quarter and 9-month results

FINANCIAL INFORMATION

The financial report for the period ended June 30, 2014 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.

A slideshow of the second-quarter & half-year 2014 results is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, a global leader in the professional distribution of products and services for the energy world, addresses three main markets - industrial, commercial and residential. The Group supports customers around the globe, wherever they are, to create value and run their businesses better. With a network of some 2,300 branches in 38 countries, and c. 30,000 employees, Rexel's sales were €13 billion in 2013.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: DJSI Europe, FTSE4Good Europe & Global, EURO STOXX Sustainability, Euronext Vigeo Europe 120 and ESI Excellence Europe. Finally, Rexel is included on the Ethibel EXCELLENCE Investment Registers in recognition of its performance in corporate social responsibility (CSR). For more information, visit Rexel's web site at www.rexel.com

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GLOSSARY

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation; the non-recurring effect related to changes in copper-based cables price was, at the EBITA level:*
- a loss of €9.5 million in Q2 2013 and a loss of €3.7 million in Q2 2014,
- a loss of €10.6 million in H1 2013 and a loss of €6.3 million in H1 2014.

GROUP

Constant and adjusted basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales	3,218.0	**3,220.3**	**+0.1%**	6,271.6	**6,287.6**	**+0.3%**
on a constant basis and same days			***+0.6%***			***+0.5%***
Gross profit	796.4	**789.7**	**-0.8%**	1,565.2	**1,556.5**	**-0.6%**
as a % of sales	*24.7%*	*24.5%*	*-20bps*	*25.0%*	*24.8%*	*-20bps*
Distribution & adm. expenses (incl. depreciation)	(618.3)	(622.3)	+0.6%	(1,247.0)	(1,252.3)	+0.4%
EBITA	178.0	**167.4**	**-6.0%**	318.2	**304.2**	**-4.4%**
as a % of sales	*5.5%*	*5.2%*	*-30bps*	*5.1%*	*4.8%*	*-25bps*
Headcount (end of period)	30,393	**29,818**	**-1.9%**			

EUROPE

	Constant and adjusted basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales		1,755.4	**1,748.6**	**-0.4%**	3,480.0	**3,508.0**	**+0.8%**
	on a constant basis and same days			***+0.0%***			***+0.8%***
o/w	France	596.8	**586.4**	*-1.7%*	1,210.3	**1,197.6**	*-1.0%*
	on a constant basis and same days			*-3.4%*			*-1.9%*
	United Kingdom	242.6	**242.8**	*+0.1%*	487.9	**494.0**	*+1.3%*
	on a constant basis and same days			*+1.8%*			*+1.3%*
	Germany	196.9	**188.3**	*-4.3%*	390.7	**386.0**	*-1.2%*
	on a constant basis and same days			*-1.2%*			*+0.0%*
	Scandinavia	213.3	**223.0**	*+4.5%*	411.2	**436.5**	*+6.1%*
	on a constant basis and same days			*+6.1%*			*+6.4%*
Gross	**profit**	477.6	**476.8**	**-0.2%**	956.7	**960.4**	**+0.4%**
	as a % of sales	*27.2%*	*27.3%*	*+10bps*	*27.5%*	*27.4%*	*-10bps*
Distribution & adm. expenses (incl. depreciation)		(362.9)	(366.4)	+1.0%	(742.9)	(746.3)	+0.5%
EBITA		114.8	**110.4**	**-3.8%**	213.8	**214.0**	**+0.1%**
	as a % of sales	*6.5%*	*6.3%*	*-20bps*	*6.1%*	*6.1%*	*stable*
Headcount (end of period)		17,036	**16,684**	**-2.1%**			

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NORTH AMERICA

	Constant and adjusted basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales		1,081.7	**1,109.0**	**+2.5%**	2,088.6	**2,081.1**	**-0.4%**
	on a constant basis and same days			***+3.0%***			***+0.2%***
o/w	United States	797.4	**819.3**	*+2.7%*	1,543.3	**1,539.7**	*-0.2%*
	on a constant basis and same days			*+2.8%*			*+0.6%*
	Canada	284.3	**289.7**	*+1.9%*	545.3	**541.4**	*-0.7%*
	on a constant basis and same days			*+3.5%*			*-0.7%*
Gross	**profit**	238.9	**240.7**	**+0.8%**	460.7	**456.1**	**-1.0%**
as a % of sales		*22.1%*	*21.7%*	*-40bps*	*22.1%*	*21.9%*	*-15bps*
Distribution & adm. expenses (incl. depreciation)		(175.9)	(182.5)	+3.8%	(353.6)	(364.4)	+3.0%
EBITA		63.0	**58.3**	**-7.6%**	107.1	**91.7**	**-14.4%**
	as a % of sales	*5.8%*	*5.3%*	*-60bps*	*5.1%*	*4.4%*	*-70bps*
Headcount (end of period)		8,600	**8,496**	**-1.2%**			

ASIA-PACIFIC

	Constant and adjusted basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales		312.4	**299.6**	**-4.1%**	573.9	**572.5**	**-0.2%**
	on a constant basis and same days			***-3.2%***			***+0.0%***
o/w	China	95.1	**95.0**	*-0.2%*	164.3	**180.6**	*+9.9%*
	on a constant basis and same days			*+0.0%*			*+10.8%*
	Australia	149.2	**135.1**	*-9.5%*	280.0	**258.5**	*-7.7%*
	on a constant basis and same days			*-7.9%*			*-7.6%*
	New Zealand	32.2	**31.5**	*-2.2%*	60.6	**59.4**	*-2.0%*
	on a constant basis and same days			*-0.7%*			*-2.0%*
Gross	**profit**	63.8	**57.7**	**-9.5%**	116.7	**111.6**	**-4.4%**
	as a % of sales	*20.4%*	*19.3%*	*-115bps*	*20.3%*	*19.5%*	*-85bps*
Distribution & adm. expenses (incl. depreciation)		(48.4)	(48.5)	+0.1%	(94.2)	(95.3)	+1.2%
EBITA		15.3	**9.2**	**-40.0%**	22.5	**16.2**	**-27.9%**
	as a % of sales	*4.9%*	*3.1%*	*-180bps*	*3.9%*	*2.8%*	*-110bps*
Headcount (end of period)		2,926	**2,902**	**-0.8%**			

LATIN AMERICA

	Constant and adjusted basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales		68.5	**63.0**	**-8.0%**	129.1	**125.9**	**-2.4%**
	on a constant basis and same days			***-6.4%***			***-1.9%***
o/w	Brazil	42.9	**35.1**	*-18.2%*	80.2	**71.4**	*-11.0%*
	on a constant basis and same days			*-16.9%*			*-10.2%*
	Chile	20.3	**21.5**	*+5.9%*	38.3	**42.5**	*+10.9%*
	on a constant basis and same days			*+7.5%*			*+10.9%*
	Peru	5.3	**6.4**	*+21.5%*	10.6	**12.0**	*+13.7%*
	on a constant basis and same days			*+25.6%*			*+13.7%*
Gross	**profit**	16.1	**14.4**	**-10.7%**	31.1	**28.3**	**-8.9%**
	as a % of sales	*23.6%*	*22.9%*	*-70bps*	*24.1%*	*22.5%*	*-160bps*
Distribution & adm. expenses (incl. depreciation)		(15.1)	(14.7)	-3.0%	(30.0)	(29.1)	-3.0%
EBITA		1.0	**(0.3)**	**n.a.**	1.1	**(0.7)**	**n.a.**
	as a % of sales	*1.4%*	*-0.4%*	*-190bps*	*0.9%*	*-0.6%*	*-150bps*
Headcount (end of period)		1,614	**1,503**	**-6.9%**			

Appendix 2: Extract of Financial Statements

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales	**3,314.9**	**3,220.3**	**-2.9%**	**6,468.8**	**6,287.6**	**-2.8%**
Gross profit	**805.0**	**785.7**	**-2.4%**	**1,592.1**	**1,549.8**	**-2.7%**
as a % of sales	*24.3%*	*24.4%*		*24.6%*	*24.6%*	
Distribution & adm. expenses (excl. depreciation)	(611.7)	(602.0)	-1.6%	(1,236.1)	(1,212.1)	-1.9%
EBITDA	**193.4**	**183.6**	**-5.0%**	**356.0**	**337.7**	**-5.1%**
as a % of sales	*5.8%*	*5.7%*		*5.5%*	*5.4%*	
Depreciation	(19.1)	(20.0)		(38.6)	(39.8)	
EBITA	**174.3**	**163.7**	**-6.1%**	**317.4**	**297.9**	**-6.2%**
as a % of sales	*5.3%*	*5.1%*		*4.9%*	*4.7%*	
Amortization of intangibles resulting from purchase price allocation	(7.3)	(3.8)		(12.0)	(7.9)	
Operating income bef. other inc. and exp.	**166.9**	**159.9**	**-4.2%**	**305.4**	**290.0**	**-5.0%**
as a % of sales	*5.0%*	*5.0%*		*4.7%*	*4.6%*	
Other income and expenses	(72.4)	(38.9)		(82.6)	(57.6)	
Operating income	**94.5**	**121.1**	**+28.1%**	**222.8**	**232.4**	**+4.3%**
Financial expenses (net)	(48.3)	(47.2)		(117.2)	(93.5)	
Share of profit (loss) in associates	0.8	0.0		0.1	0.0	
Net income (loss) before income tax	**47.0**	**73.8**	**+56.9%**	**105.6**	**138.9**	**+31.5%**
Income tax	(15.1)	(26.5)		(34.2)	(48.4)	
Net income (loss)	**32.0**	**47.3**	**+48.1%**	**71.4**	**90.5**	**+26.6%**
Net income (loss) attr. to non-controlling interests	0.3	(0.1)		0.1	0.0	
Net income (loss) attr. to equity holders of the parent	**31.6**	**47.5**	**+50.2%**	**71.3**	**90.5**	**+27.0%**

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Bridge Between Operating Income Before Other Income And Other Expenses And Adjusted EBITA

in €m	Q2 2013	Q2 2014	H1 2013	H1 2014
Operating income before other income and other expenses	**165.1**	**159.9**	**309.2**	**290.0**
Adoption of IFRIC 21	1.9		-3.8	
Change in scope effects	0.5		0.9	
Foreign exchange effects	-6.3		-10.7	
Non-recurring effect related to copper	9.5	3.7	10.6	6.3
Amortization of intangibles resulting from PPA	7.3	3.8	12	7.9
Adjusted EBITA on a constant basis	**178.0**	**167.4**	**318.2**	**304.2**

Recurring Net Income

In millions of euros	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Reported net income	32.0	**47.3**	**+48.1%**	71.4	**90.5**	**+26.6%**
Non-recurring copper effect	9.5	**3.7**		10.7	**6.3**	
Other expense & income	72.3	**38.9**		82.6	**57.6**	
Financial expense	-0.2	**0.0**		21.1	**0.0**	
Tax expense	-10.9	**-3.5**		-20.1	**-9.4**	
Recurring net income	102.7	**86.4**	**-15.9%**	165.7	**145.0**	**-12.5%**

Sales And Profitability By Segment

Reported basis (€m)	Q2 2013	Q2 2014	Change	H1 2013	H1 2014	Change
Sales	**3,314.9**	**3,220.3**	**-2.9%**	**6,468.8**	**6,287.6**	**-2.8%**
Europe	1,757.2	1,748.6	-0.5%	3,489.0	3,508.0	+0.5%
North America	1,154.7	1,109.0	-4.0%	2,224.3	2,081.1	-6.4%
Asia-Pacific	324.0	299.6	-7.5%	602.8	572.5	-5.0%
Latin America	79.1	63.0	-20.3%	152.7	125.9	-17.5%
Gross profit	**805.0**	**785.7**	**-2.4%**	**1,592.1**	**1,549.8**	**-2.7%**
Europe	468.0	473.7	+1.2%	944.2	954.7	+1.1%
North America	251.4	239.7	-4.7%	485.9	455.0	-6.4%
Asia-Pacific	67.2	57.7	-14.2%	125.5	111.6	-11.1%
Latin America	18.4	14.5	-21.4%	36.6	28.4	-22.2%
EBITA	**174.3**	**163.7**	**-6.1%**	**317.4**	**297.9**	**-6.2%**
Europe	107.2	107.6	+0.4%	205.6	208.6	+1.4%
North America	65.9	57.3	-13.0%	113.0	90.7	-19.7%
Asia-Pacific	16.2	9.2	-43.3%	24.1	16.2	-32.6%
Latin America	1.0	(0.2)	n.a.	1.1	(0.6)	n.a.

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2013	June 30, 2014
Goodwill	4,111.2	4,123.7
Intangible assets	1,038.3	1,046.7
Property, plant & equipment	278.1	280.5
Long-term investments(1)	51.7	52.1
Deferred tax assets	161.6	130.1
Total non-current assets	**5,640.9**	**5,633.1**
Inventories	1,389.5	1,410.4
Trade receivables	2,062.8	2,271.2
Other receivables	486.1	464.2
Assets classified as held for sale	3.4	3.8
Cash and cash equivalents	957.8	716.6
Total current assets	**4,899.7**	**4,866.2**
Total assets	**10,540.5**	**10,499.3**

Liabilities (€m)	December 31, 2013	June 30, 2014
Total equity	**4,227.1**	**4,103.3**
Long-term debt	2,908.2	2,892.2
Deferred tax liabilities	172.1	132.5
Other non-current liabilities	351.4	371.6
Total non-current liabilities	**3,431.7**	**3,396.3**
Interest bearing debt & accrued interests	216.8	248.7
Trade payables	2,009.9	1,946.5
Other payables	655.1	804.6
Total current liabilities	**2,881.7**	**2,999.8**
Total liabilities	**6,313.4**	**6,396.1**
Total equity & liabilities	**10,540.5**	**10,499.3**

1 *Net debt includes Debt hedge derivatives for €25.1m at December 31, 2013 and €(17.8)m at June 30, 2014*

CHANGE IN NET DEBT

€m	Q2 2013	Q2 2014	H1 2013	H1 2014
EBITDA	**193.4**	**183.6**	**356.0**	**337.7**
Other operating revenues & costs(1)	(25.5)	(15.9)	(42.5)	(36.0)
Operating cash flow	**167.9**	**167.7**	**313.5**	**301.7**
Change in working capital(2)	(29.5)	(51.6)	(174.0)	(244.1)
Net capital expenditure, of which:	(19.7)	(23.3)	(24.9)	(47.4)
Gross capital expenditure	*(23.9)*	*(24.3)*	*(43.9)*	*(42.5)*
Disposal of fixed assets & other	*4.2*	*1.0*	*19.0*	*(4.9)*
Free cash flow before interest and tax	**118.8**	**92.9**	**114.6**	**10.2**
Net interest paid / received(3)	(45.8)	(38.1)	(88.6)	(76.1)
Income tax paid	(35.7)	(23.6)	(57.8)	(51.2)
Free cash flow after interest and tax	**37.3**	**31.1**	**(31.8)**	**(117.2)**
Net financial investment	2.8	(2.4)	(2.1)	(9.2)
Dividends paid	0.1	0.0	0.0	0.0
Other	1.9	(6.8)	(28.5)	(70.1)
Currency exchange variation	63.3	(23.0)	32.6	(17.9)
Decrease (increase) in net debt	**105.5**	**(1.1)**	**(29.7)**	**(214.4)**
Net debt at the beginning of the period	**2,734.3**	**2,405.3**	**2,599.2**	**2,192.0**
Net debt at the end of the period	**2,628.9**	**2,406.4**	**2,628.9**	**2,406.4**

1 *Includes restructuring outflows of €33.4m in H1 2013 and €26.3m in H1 2014*
2 *Working Capital adjustment to reflect supplier's payments scheduled on Dec. 31, 2013 and executed only on Jan. 2nd, 2014 for €51.9m*
3 *Excluding settlement of fair value hedge derivatives*

Appendix 3: Working Capital Analysis

Constant basis	June 30, 2013	June 30, 2014
Net inventories		
as a % of sales 12 rolling months	***10.6%***	***10.9%***
as a number of days	*49.0*	*50.1*
Net trade receivables		
as a % of sales 12 rolling months	***17.4%***	***18.2%***
as a number of days	*55.7*	*56.9*
Net trade payables		
as a % of sales 12 rolling months	***14.3%***	***15.0%***
as a number of days	*59.7*	*61.3*
Trade working capital		
as a % of sales 12 rolling months	***13.7%***	***14.1%***
Total working capital		
as a % of sales 12 rolling months	***11.1%***	***11.7%***

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Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	30/06/2013	31/12/2013	30/06/2014	Year-on-Year Change
Europe	**17,036**	**16,750**	**16,684**	**-2.1%**
USA	*6,223*	*6,234*	*6,140*	*-1.3%*
Canada	*2,377*	*2,379*	*2,356*	*-0.9%*
North America	**8,600**	**8,613**	**8,496**	**-1.2%**
Asia-Pacific	**2,926**	**2,883**	**2,902**	**-0.8%**
Latin America	**1,614**	**1,552**	**1,503**	**-6.9%**
Other	**217**	**232**	**233**	**7.4%**
Group	**30,393**	**30,029**	**29,818**	**-1.9%**

Branches comparable	30/06/2013	31/12/2013	30/06/2014	Year-on-Year Change
Europe	**1,344**	**1,306**	**1,304**	**-3.0%**
USA	*398*	*401*	*396*	*-0.5%*
Canada	*217*	*216*	*213*	*-1.8%*
North America	**615**	**617**	**609**	**-1.0%**
Asia-Pacific	**271**	**265**	**266**	**-1.8%**
Latin America	**93**	**90**	**90**	**-3.2%**
Group	**2,323**	**2,278**	**2,269**	**-2.3%**

Appendix 5: Calendar, scope and change effects on sales

To be comparable to 2014 sales, 2013 sales must take into account the following impacts:

	Q1 actual	Q2 actual	Q3e	Q4e	FYe
Calendar effect	**0.0%**	**-0.5%**	**-0.3%**	**+1.0%**	**+0.1%**
Scope effect (1)	**€12.6m**	**€12.7m**	**c.€18m**	**c. €24m**	**c. €67m**
Change effect (2)	**-3.6%**	**-3.3%**	**-1.2%**	**-0.0%**	**-2.0%**

(1) Based on acquisitions made in 2013 and 2014 (mainly Lenn in Singapore, Quality Trading in Thailand, Elevite in Switzerland and Beijing Ouneng in China)
(2) Based on following main assumptions:

- *1 USD = €1.37*
- *1 CAD = €1.49*
- *1 AUD = €1.48*
- *1 GBP = €0.81*

Appendix 6: Changes due to the enforcement of IFRIC 21 as from January 1, 2014

IFRIC Interpretation 21 “Levies” clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC Interpretation 21 applies for accounting period starting from January 1, 2014 with retrospective application as of January 1, 2013. In 2013, the Group reviewed the impact of applying IFRIC Interpretation 21 and estimated the adjustment to be an increase in shareholders’ equity of € 2.6 million after tax (€3.9 million before tax) as of January 1, 2013 as a result of a timing difference in the liability recognition. In addition, IFRIC Interpretation 21 prohibits the progressive recognition of a liability for tax levies over the fiscal year and rather requires the one-time recognition of the liability when the obligating event for the payment of the levy is met. As a result of this guidance, the Group expects that 2014 interim financial statements will be impacted by timing differences in the recognition of tax levies due to the adoption of IFRIC Interpretation 21.

€m	Q1	Q2	Q3	Q4	FY
2013 EBITA **as reported on Feb. 13, 2014**	**148.8**	**172.4**	**175.9**	**189.7**	**686.9**
IFRIC 21 restatement	**(5.7)**	**1.8**	**c. 2**	**c. 2**	**c. 0**
2013 EBITA **as proforma for 2014 accounts**	**143.1**	**174.3**	**c. 178**	**c. 191**	**c. 687**

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DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 15% of the Group's sales, and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

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

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on March 21, 2014 under number D.14-0181. These forward-looking statements are not guarantees of Rexel's future performance. Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF March 21, 2014 under number D.14-0181, as well as the consolidated financial statements and activity report for the 2013 fiscal year, which may be obtained from Rexel's website (www.rexel.com).