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PRESS RELEASE

Paris, October 29, 2014

THIRD-QUARTER & 9-MONTH 2014 RESULTS (unaudited)

SOLID SALES GROWTH IN Q3

Q3 ADJUSTED EBITA MARGIN AT 5.0% OF SALES

FULL-YEAR 2014 TARGETS CONFIRMED

→ SOLID SALES GROWTH IN Q3, NOTABLY IN NORTH AMERICA

- **Reported sales up 2.2% in the quarter to €3.3bn**
- **Strong sequential improvement in constant and same-day sales, up 2.2% in the quarter (vs. +0.6% in Q2), of which:**
  - **Europe up 1.3% (vs. flat in Q2): broadly stable in France (vs. -3.4% in Q2) and rest of Europe up 2.0% (vs. +1.8% in Q2)**
  - **North America up 5.5%: strong sequential improvement in the USA (up 5.7% vs. +2.8% in Q2) and continued recovery in Canada (up 4.7% vs. +3.5% in Q2)**

→ Q3 ADJUSTED EBITA MARGIN AT 5.0% OF SALES

- **Continued unfavorable geographic and project mix effects on gross margin**
- **Impact of transition costs linked to business transformation and increased investments to accelerate profitable growth**

→ FULL-YEAR 2014 TARGETS CONFIRMED

Key figures[1]	Q3 2014	YoY change	9m 2014	YoY change
Sales	**€3,325.6m**		**€9,613.2m**	
On a reported basis		+2.2%		-1.1%
On a constant and actual-day basis		+1.8%		+0.8%
On a constant and same-day basis		+2.2%		+1.1%
Adjusted EBITA	**€165.0m**	**-8.6%**	**€469.2m**	**-5.9%**
As a percentage of sales	5.0%		4.9%	
Change in bps as a % of sales	-50bps		-30bps	
Reported EBITA	**€167.9m**	**-5.7%**	**€465.8m**	**-6.0%**
Operating income	**€148.1m**	**-8.6%**	**€380.5m**	**-1.1%**
Net income	**€67.1m**	**-14.4%**	**€157.5m**	**+5.2%**
Free cash flow before interest and tax	**€26.0m**	**n/m**	**€36.2m**	**n/m**
Net debt at end of period	**€2,654.8m**	**+0.4%**	**€2,654.8m**	**+0.4%**

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

Rudy PROVOOST, Chairman and CEO, said:

"Rexel's third quarter sales showed positive momentum, particularly in North America, while the operating margin was impacted by unfavorable mix effects on gross margin, transition costs related to the implementation of our business transformation program and increased investments to accelerate profitable growth in strategic areas.

Our year-to-date performance puts us on track to achieve the full-year targets defined in our July outlook and we remain determined to realize our medium-term goals and implement our strategy focused on improving commercial effectiveness, enhancing customer centricity, driving operational excellence and strengthening our business portfolio."

FINANCIAL REVIEW FOR THE PERIOD ENDED SEPTEMBER 30, 2014

- *Financial statements as of September 30, 2014 were authorized for issue by the Board of Directors held on October 28, 2014.*
- *Financial statements as of September 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 €1.8 million and €1.2 million in operating income and net income. This impact results from the timing difference in the liability recognition of certain levies and reverses over the next quarter 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 Q3 2014, Rexel posted sales growth of 2.2% on a constant and same-day basis, representing a strong sequential improvement over the 0.6% recorded in Q2. This improvement was driven by better performance in the Group's two largest regions, Europe and North America.

On a reported basis, sales were also up by 2.2%, as the currency effect, which was negative in Q1 and Q2, was broadly flat in Q3 and the positive net scope effect offset the negative calendar effect.

<u>In Q3 2014, Rexel posted sales of €3,325.6 million,</u> up 2.2% both on a constant and same-day basis and on a reported basis.

Excluding the 0.3% negative impact due to the change in copper-based cable prices, sales were up 2.4% on a constant and same-day basis, vs. 1.3% in the previous quarter.

The 2.2% rise in sales on a reported basis included:

- A very limited negative currency effect of €2.6 million (-0.1% of sales), compared to the significant negative effect recorded in Q1 (-3.6%) and Q2 (-3.3%),
- A positive net effect of €13.9 million from changes in the scope of consolidation (+0.4% of sales), mainly reflecting last year's acquisitions of Lenn International in Singapore and Quality Trading in Thailand and this year's acquisition of Elevite in Switzerland,
- A slightly negative calendar effect of 0.4 percentage points.

<u>In 9m 2014, Rexel posted sales of €9,613.2 million,</u> up 1.1% on a constant and same-day basis and down 1.1% on a reported basis.

Excluding the 0.7% negative impact due to the change in copper-based cable prices, sales were up 1.7% on a constant and same-day basis.

The 1.1% drop in sales on a reported basis reflected:

- A negative currency effect of €223.8 million (mainly due to the depreciation of the US, Canadian and Australian dollars against the euro),
- A positive net effect of €38.1 million from changes in the scope of consolidation (+0.4% of sales), mainly reflecting last year's acquisitions of Lenn International in Singapore and Quality Trading in Thailand and this year's acquisition of Elevite in Switzerland,
- A slightly negative calendar effect of 0.3 percentage points.

Europe (55% of Group sales): up 1.3% in Q3 and up 1.0% in 9m on a constant and same-day basis

In the third quarter, sales in Europe were up 1.3% on a constant and same-day basis.

- In France, sales were broadly stable in the quarter (-0.2%). This represents a significant sequential improvement over the 3.4% drop posted in Q2, which was impacted by very weak activity in May (notably in cables). Rexel's Q3 performance represents solid outperformance of the French market and reflects continued resilience in a very challenging environment. It is largely driven by large projects and successful implementation of the multi-energy offer. In the nine months, sales were down by 1.3% on a constant and same-day basis.
- In the UK, sales grew by 1.7% in the quarter, in line with the 1.8% increase posted in Q2. Excluding the impact of branch restructuring, constant and same-day sales increased by 2.9% year-on-year. In the nine months, sales were up 1.4% on a constant and same-day basis and up 3.3%, excluding the impact of branch restructuring.
- In Germany, sales were broadly stable in the quarter (-0.3% after a 1.2% drop in Q2). In the nine months, sales were also broadly stable (-0.1%) on a constant and same-day basis.
- In Scandinavia, sales grew by 6.8% in the quarter (after a 6.1% increase in Q2), reflecting solid growth in the three countries: Sweden was up 4.6%, Norway up 7.6% and Finland up 9.8%. In the nine months, sales were up 6.6% on a constant and same-day basis.
- In Belgium, sales were slightly up (+0.4%) in the quarter, despite a sharp 20% drop in photovoltaic sales. Excluding photovoltaic sales, constant and same day growth was 1.1%. In the nine months, sales were up 2.7% on a constant and same-day basis and up 4.8%, excluding photovoltaic sales.
- In the Netherlands, sales were down 7.3% in the quarter (after -9.4% in Q2). In the nine months, sales were down 5.7% on a constant and same-day basis.
- Switzerland and Austria posted sales growth of respectively 1.5% and 1.9%. In the nine months, the two countries posted sales growth of respectively 1.6% and 2.3% on a constant and same-day basis.
- Southern European countries were up 3.7% in the quarter (slightly above the 3.2% growth posted in Q2). Spain posted a 6.6% increase, mainly driven by export activity, and Portugal grew by a solid 12.4%, while Italy dropped by 3.5%. In the nine months, Southern European countries posted slight growth of 0.5% on a constant and same-day basis.

North America (34% of Group sales): up 5.5% in Q3 and up 2.1% in 9m on a constant and same-day basis

In the third quarter, sales in North America were up 3.7% on a reported basis including a currency effect that remained slightly negative over the quarter (a limited €15.5m in Q3, after €62.7m in Q1 and €72.9m in Q2) but they were up 5.5% on a constant and same-day basis. This 5.5% growth represented a strong sequential improvement over the 3.0% increase recorded in Q2 and this sequential improvement was reflected both in the US (+5.7% after +2.8% in Q2) and in Canada (+4.7% after +3.5% in Q2). In the nine months, sales were up 2.1% on a constant and same-day basis.

- In the US (c. 75% of the region's sales), sales increased by 5.7% in the quarter, reflecting solid project sales led by large contractors and a strong increase in photovoltaic sales, which doubled year-on-year (from €10.3 million in Q3 2013 to €20.9 million in Q3 2014).
- In Canada (c. 25% of the region's sales), sales were up 4.7% in the quarter, also driven by the gradual recovery in project activity. Excluding sales to the mining industry, which dropped year-on-year by 14%, constant and same-day sales in the quarter grew by 6.0%.

Asia-Pacific (9% of Group sales): down 2.6% in Q3 and down 0.9% in 9m on a constant and same-day basis

In the third quarter, sales in Asia-Pacific were up 2.4% on a reported basis, including a positive effect of €3.7m from currencies (primarily attributable to the appreciation of the Australian and New Zealand dollars against the euro and that compares to negative effects of €30.0m in Q1 and €24.3m in Q2) and a positive effect of €14.3m from the acquisition of Lenn International in Singapore and Quality Trading in Thailand. On a constant and same-day basis, sales were down 2.6%.

- In Australia (c. 45% of the region's sales), sales were down 5.0% in the quarter, still impacted by challenging macroeconomic conditions and branch closures, but nevertheless posting a sequential improvement over the two previous quarters (-7.3% in Q1 and -7.9% in Q2). Excluding the impact of branch closures, sales were down 2.7%. In the nine months, sales were down 6.7% on a constant and same-day basis and down 5.1%, excluding the impact of branch closures.
- In China (c. 35% of the region's sales), sales were down 3.7% in the quarter, after a 25.9% increase in Q1 and flat sales in Q2. Rexel's strong exposure to project activity and industrial automation and very limited exposure to the residential end-market contribute to more volatile quarterly performances. In addition, this quarter's performance faced a more comparable challenging base, as Q3 2013 saw strong double-digit sales growth (+15.2%). In the nine months, sales were up 5.1% on a constant and same-day basis.
- In South-East Asia (c. 10% of the region's sales), sales increased by 6.1% in the quarter.
- In New Zealand (c. 10% of the region's sales), sales were down 3.5% in the quarter.

Latin America (2% of Group sales): down 7.0% in Q3 and down 3.7% in 9m on a constant and same-day basis

In the third quarter, sales in Latin America were down 9.8% on a reported basis, including a negative currency effect of €2.2m (mainly attributable to the depreciation of the Chilean peso against the euro). On a constant and same-day basis, sales decreased by 7.0%, reflecting mixed performance:

- In Brazil (c. 60% of the region's sales), sales were down 7.4% in the quarter (after -16.9% in Q2, which was significantly impacted by lower activity during the World Cup). This poor performance reflects the slowdown in the Brazilian economy. In the nine months, sales were down 9.3% on a constant and same-day basis.
- In Chile (c. 30% of the region's sales), sales were down 10.6% in the quarter, reflecting a more challenging comparable base than in the previous quarters (Q3 2013 recorded sales growth of 5.4%, while Q1 and Q2 2013 saw declines of 20.3% and 25.0% respectively). Excluding sales to the mining industry, which dropped by 42% year-on-year, constant and same-day sales in the quarter grew by 5.3%.
- In Peru (c. 10% of the region's sales), sales increased by 8.4% in the quarter and by 11.7% in the nine months, driven by solid economic growth and project activity.

PROFITABILITY

Adjusted EBITA of €165.0 million in Q3, at 5.0% of sales, down 50bps year-on-year
Adjusted EBITA of €469.2 million in 9m, at 4.9% of sales, down 30bps year-on-year
Performance in Q3 and over the 9 months consistent with adjusted EBITA margin target of at least 5.0% of sales in the full-year

In the third quarter, adjusted EBITA margin stood at 5.0%, down 50 basis points year-on-year.

- Adjusted gross margin was down 50 basis points, from 24.3% in Q3 2013 to 23.8% in Q3 2014, reflecting continued unfavorable geographic and project mix effects,
- Distribution and administrative expenses (including depreciation) as a percentage of sales were flat at 18.8% of sales, reflecting solid cost control and including a positive one-off effect of €4.8 million from a change impacting health and life insurance costs in the USA, effective on January 1st, 2015.

In the nine months, adjusted EBITA margin stood at 4.9%, down 30 basis points year-on-year.

- Adjusted gross margin was down 30 basis points, from 24.7% in 9m 2013 to 24.4% in 9m 2014,
- Distribution and administrative expenses (including depreciation) as a percentage of sales were flat at 19.5% of sales.

Rexel's performance in Q3 and over the nine months puts it on track to achieve this full-year target of an adjusted EBITA margin of at least 5.0% of sales, as announced on July 30.

Reported EBITA stood at €167.9 million in the third quarter, down 5.7% year-on-year, and at €465.8 million in the nine months, down 6.0% year-on-year.

NET INCOME

Reported net income of €157.5 million in the nine months, up 5.2% year-on-year

In the nine months, operating income stood at €380.5 million, down 1.1% year-on-year.

- Amortization of intangibles resulting from purchase price allocation amounted to €11.9 million (vs. €15.8 million in 9m 2013).
- Other income and expenses amounted to a net charge of €73.4 million (vs. a net charge of €94.8 million in 9m 2013). They included €36.0 million of restructuring costs (vs. €44.0 million in 9m 2013) and €30.2 million of goodwill impairment (vs. €44.0 million in 9m 2013), mainly related to Brazilian operations.

In the nine months, net financial expenses amounted to €138.5 million (vs. €163.5 million in 9m 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 5.6% of gross debt in 9m 2013 to 5.0% in 9m 2014.

In the nine months, income tax represented a charge of €84.4 million. The effective tax rate was 34.9% (vs. 32.5% in 9m 2013), in line with the effective tax rate in the first six months of the year.

As a result of the reduced restructuring and financial expenses and lower goodwill impairment, partly offset by the rise in tax rate, net income in the nine months was up 5.2%, at €157.5 million (vs. €149.7 million in 9m 2013).

NET DEBT

Broadly stable net debt year-on-year (€2,655 million at September 30, 2014 vs. €2,644 million at September 30, 2013)

In the nine months, free cash flow before interest and tax was an inflow of €36.2 million, of which €26.0 million was generated during Q3. The 9-month net inflow included:

- Gross capital expenditure of €68.1 million (vs. €67.8 million in 9m 2013),
- An outflow of €363.9 million from change in working capital (vs. an outflow of €257.1 million in 9m 2013).

At September 30, net debt stood at €2,654.8 million, broadly stable (+0.4%) year-on-year (vs. 2,643.9 million at September 30, 2013).

It took into account:

- €115.5 million of net interest paid,
- €68.4 million of income tax paid,
- €31.9 million of net financial investments,
- €65.6 million of dividend paid in July (the 2014 dividend was paid 30% in cash and 70% in shares),
- €117.3 million of unfavorable currency effect, of which €99.5 million in Q3.

ACQUISITION OF "4 KNIGHTS INTERNATIONAL" IN THAILAND, REINFORCING POSITION IN OIL & GAS AND IN SOUTH-EAST ASIA

Rexel announces today the acquisition of the Thai company "4 Knights International", reinforcing the Group's position in the key Oil & Gas segment, in line with the Group's high-growth initiatives, and strengthening Rexel presence in South-East Asia.

"4 Knights International" was founded in 2005, with headquarters in Bangkok, and holds a leading position in the downstream Oil & Gas onshore segment. With 2 branches in Bangkok and Rayong, regions that concentrate most of the Oil & Gas onshore activities, "4 Knights International" generated annual sales of c. €10 million in 2013 and posted profitability above Group average. This is Rexel's second acquisition in Thailand, following that of Quality Trading, a lighting specialist, at the end of 2013.

FULL-YEAR 2014 TARGETS CONFIRMED

Rexel's third-quarter performance puts it on track to achieve its full-year targets, as presented on July 30:

- **Broadly stable sales year-on-year, on a constant and same-day basis,**
- **Adjusted EBITA margin of at least 5.0% of sales**,
- **Solid free cash-flow:**
  - Of at least 75% of EBITDA, before interest and tax,
  - Of around 40% of EBITDA, after interest and tax.

In addition, Rexel confirms its 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.

CALENDAR

February 12, 2015 Fourth-quarter and full-year 2014 results

FINANCIAL INFORMATION

The financial report for the period ended September 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 third-quarter & 9-month 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.

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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 €2.7 million in Q3 2013 and a profit of €2.9 million in Q3 2014,
- a loss of €13.3 million in 9m 2013 and a loss of €3.4 million in 9m 2014.

GROUP

Constant and adjusted basis (€m)	Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales	3,266.4	**3,325.6**	**+1.8%**	9,538.0	**9,613.2**	**+0.8%**
on a constant basis and same days			***+2.2%***			***+1.1%***
Gross profit	795.1	**790.3**	**-0.6%**	2,360.3	**2,346.8**	**-0.6%**
as a % of sales	*24.3%*	*23.8%*	*-50bps*	*24.7%*	*24.4%*	*-30bps*
Distribution & adm. expenses (incl. depreciation)	(614.5)	(625.3)	+1.8%	(1,861.5)	(1,877.6)	+0.9%
EBITA	180.5	**165.0**	**-8.6%**	498.8	**469.2**	**-5.9%**
as a % of sales	*5.5%*	*5.0%*	*-50bps*	*5.2%*	*4.9%*	*-30bps*
Headcount (end of period)	30,216	**29,855**	**-1.2%**			

EUROPE

Constant and adjusted basis (€m)	Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales	1,750.7	**1,764.6**	**+0.8%**	5,230.7	**5,272.6**	**+0.8%**
on a constant basis and same days			***+1.3%***			***+1.0%***
o/w France	565.3	**554.4**	*-1.9%*	1,775.6	**1,752.0**	*-1.3%*
on a constant basis and same days			*-0.2%*			*-1.3%*
United Kingdom	263.1	**267.5**	*+1.7%*	751.0	**761.5**	*+1.4%*
on a constant basis and same days			*+1.7%*			*+1.4%*
Germany	211.4	**210.8**	*-0.3%*	602.1	**596.8**	*-0.9%*
on a constant basis and same days			*-0.3%*			*-0.1%*
Scandinavia	208.8	**223.0**	*+6.8%*	620.0	**659.5**	*+6.4%*
on a constant basis and same days			*+6.8%*			*+6.6%*
Gross profit	463.3	**465.9**	**+0.5%**	1,420.0	**1,426.3**	**+0.4%**
as a % of sales	*26.5%*	*26.4%*	*-5bps*	*27.1%*	*27.1%*	*-10bps*
Distribution & adm. expenses (incl. depreciation)	(349.2)	(356.7)	+2.1%	(1,092.1)	(1,103.0)	+1.0%
EBITA	114.1	**109.2**	**-4.3%**	327.9	**323.2**	**-1.4%**
as a % of sales	*6.5%*	*6.2%*	*-30bps*	*6.3%*	*6.1%*	*-15bps*
Headcount (end of period)	16,847	**16,682**	**-1.0%**			

NORTH AMERICA

Constant and adjusted basis (€m)		Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales		1,115.6	**1,176.2**	**+5.4%**	3,204.2	**3,257.3**	**+1.7%**
	on a constant basis and same days			***+5.5%***			***+2.1%***
o/w	United States	814.6	**861.1**	*+5.7%*	2,358.0	**2,400.8**	*+1.8%*
	on a constant basis and same days			*+5.7%*			*+2.4%*
	Canada	300.9	**315.1**	*+4.7%*	846.2	**856.5**	*+1.2%*
	on a constant basis and same days			*+4.7%*			*+1.2%*
Gross profit		251.0	**250.2**	**-0.3%**	711.8	**706.3**	**-0.8%**
as a % of sales		*22.5%*	*21.3%*	*-120bps*	*22.2%*	*21.7%*	*-50bps*
Distribution & adm. expenses (incl. depreciation)		(188.0)	(192.6)	+2.4%	(541.6)	(557.0)	+2.8%
EBITA		63.0	**57.6**	**-8.6%**	170.1	**149.3**	**-12.2%**
	as a % of sales	*5.6%*	*4.9%*	*-70bps*	*5.3%*	*4.6%*	*-70bps*
Headcount (end of period)		8,644	**8,544**	**-1.2%**			

ASIA-PACIFIC

Constant and adjusted basis (€m)		Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales		330.0	**319.5**	**-3.2%**	903.9	**892.0**	**-1.3%**
	on a constant basis and same days			***-2.6%***			***-0.9%***
o/w	China	107.9	**102.4**	*-5.1%*	272.1	**283.0**	*+4.0%*
	on a constant basis and same days			*-3.7%*			*+5.1%*
	Australia	150.3	**142.8**	*-5.0%*	430.3	**401.3**	*-6.7%*
	on a constant basis and same days			*-5.0%*			*-6.7%*
	New Zealand	34.1	**32.9**	*-3.5%*	94.7	**92.3**	*-2.5%*
	on a constant basis and same days			*-3.5%*			*-2.5%*
Gross	**profit**	65.1	**60.3**	**-7.3%**	181.8	**171.9**	**-5.4%**
	as a % of sales	*19.7%*	*18.9%*	*-85bps*	*20.1%*	*19.3%*	*-85bps*
Distribution & adm. expenses (incl. depreciation)		(50.5)	(50.9)	+0.9%	(144.7)	(146.3)	+1.1%
EBITA		14.6	**9.4**	**-35.5%**	37.1	**25.6**	**-30.9%**
	as a % of sales	*4.4%*	*2.9%*	*-150bps*	*4.1%*	*2.9%*	*-125bps*
Headcount (end of period)		2,914	**2,942**	**1.0%**			

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LATIN AMERICA

Constant and adjusted basis (€m)		Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales		70.1	**65.2**	**-7.0%**	199.2	**191.1**	**-4.0%**
	on a constant basis and same days			***-7.0%***			***-3.7%***
o/w	Brazil	42.4	**38.6**	*-8.8%*	122.6	**110.0**	*-10.2%*
	on a constant basis and same days			*-7.4%*			*-9.3%*
	Chile	21.4	**19.7**	*-7.9%*	59.7	**62.2**	*+4.2%*
	on a constant basis and same days			*-10.6%*			*+3.1%*
	Peru	6.4	**6.9**	*+8.4%*	16.9	**18.9**	*+11.7%*
	on a constant basis and same days			*+8.4%*			*+11.7%*
Gross	**profit**	15.7	**13.8**	**-11.7%**	46.8	**42.2**	**-9.8%**
	as a % of sales	*22.3%*	*21.2%*	*-120bps*	*23.5%*	*22.1%*	*-140bps*
Distribution & adm. expenses (incl. depreciation)		(15.5)	(15.1)	-2.6%	(45.5)	(44.2)	-2.9%
EBITA		0.1	**(1.3)**	**n.a.**	1.3	**(2.0)**	**n.a.**
	as a % of sales	*0.2%*	*-2.0%*	*-220bps*	*0.6%*	*-1.1%*	*-170bps*
Headcount (end of period)		1,583	**1,430**	**-9.7%**			

Appendix 2: Extract of Financial Statements

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales	**3,255.1**	**3,325.6**	**+2.2%**	**9,723.8**	**9,613.2**	**-1.1%**
Gross profit	**783.9**	**793.2**	**+1.2%**	**2,376.0**	**2,343.0**	**-1.4%**
as a % of sales	*24.1%*	*23.9%*		*24.4%*	*24.4%*	
Distribution & adm. expenses (excl. depreciation)	(586.0)	(604.8)	+3.2%	(1,822.1)	(1,816.8)	-0.3%
EBITDA	**198.0**	**188.5**	**-4.8%**	**554.0**	**526.1**	**-5.0%**
as a % of sales	*6.1%*	*5.7%*		*5.7%*	*5.5%*	
Depreciation	(20.0)	(20.5)		(58.6)	(60.4)	
EBITA	**178.0**	**167.9**	**-5.7%**	**495.4**	**465.8**	**-6.0%**
as a % of sales	*5.5%*	*5.0%*		*5.1%*	*4.8%*	
Amortization of intangibles resulting from purchase price allocation	(3.8)	(4.0)		(15.8)	(11.9)	
Operating income bef. other inc. and exp.	**174.1**	**163.9**	**-5.9%**	**479.5**	**453.9**	**-5.3%**
as a % of sales	*5.3%*	*4.9%*		*4.9%*	*4.7%*	
Other income and expenses	(12.2)	(15.8)		(94.8)	(73.4)	
Operating income	**162.0**	**148.1**	**-8.6%**	**384.8**	**380.5**	**-1.1%**
Financial expenses (net)	(46.3)	(45.0)		(163.5)	(138.5)	
Share of profit (loss) in associates	0.3	0.0		0.4	0.0	
Net income (loss) before income tax	**116.0**	**103.1**	**-11.2%**	**221.6**	**242.0**	**+9.2%**
Income tax	(37.7)	(36.0)		(71.9)	(84.5)	
Net income (loss)	**78.3**	**67.1**	**-14.4%**	**149.7**	**157.5**	**+5.2%**
Net income (loss) attr. to non-controlling interests	0.3	(0.3)		0.4	(0.3)	
Net income (loss) attr. to equity holders of the parent	**78.0**	**67.3**	**-13.8%**	**149.3**	**157.8**	**+5.6%**

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BRIDGE BETWEEN OPERATING INCOME BEFORE OTHER INCOME AND OTHER EXPENSES AND ADJUSTED EBITA

in €m	Q3 2013	Q3 2014	9m 2013	9m 2014
Operating income before other income and other expenses	**172.1**	**163.9**	**481.3**	**453.9**
Adoption of IFRIC 21	2.0		-1.8	
Change in scope effects	0.5		1.4	
Foreign exchange effects	-0.6		-11.3	
Non-recurring effect related to copper	2.7	-2.9	13.3	3.4
Amortization of intangibles resulting from PPA	3.8	4	15.8	11.9
Adjusted EBITA on a constant basis	**180.5**	**165.0**	**498.8**	**469.2**

RECURRING NET INCOME

In millions of euros	Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Reported net income	78.3	**67.1**	**-14.4%**	149.7	**157.5**	**+5.2%**
Non-recurring copper effect	2.7	**-2.9**		13.4	**3.4**	
Other expense & income	12.2	**15.8**		94.8	**73.4**	
Financial expense	0.2	**0.0**		21.3	**0.0**	
Tax expense	-4.3	**-3.0**		-24.5	**-12.4**	
Recurring net income	89.1	**77.0**	**-13.7%**	254.9	**222.0**	**-13.0%**

SALES AND PROFITABILITY BY SEGMENT

Reported basis (€m)	Q3 2013	Q3 2014	Change	9m 2013	9m 2014	Change
Sales	**3,255.1**	**3,325.6**	**+2.2%**	**9,723.8**	**9,613.2**	**-1.1%**
Europe	1,736.6	1,764.6	+1.6%	5,225.6	5,272.6	+0.9%
North America	1,134.2	1,176.2	+3.7%	3,358.4	3,257.3	-3.0%
Asia-Pacific	312.0	319.5	+2.4%	914.8	892.0	-2.5%
Latin America	72.3	65.2	-9.8%	225.0	191.1	-15.0%
Gross profit	**783.9**	**793.2**	**+1.2%**	**2,376.0**	**2,343.0**	**-1.4%**
Europe	454.2	469.2	+3.3%	1,398.4	1,423.9	+1.8%
North America	252.3	249.8	-1.0%	738.2	704.7	-4.5%
Asia-Pacific	61.7	60.3	-2.2%	187.2	171.9	-8.2%
Latin America	15.8	13.8	-12.2%	52.3	42.3	-19.2%
EBITA	**178.0**	**167.9**	**-5.7%**	**495.4**	**465.8**	**-6.0%**
Europe	112.6	112.4	-0.2%	318.2	321.0	+0.9%
North America	63.0	57.3	-9.1%	176.0	148.0	-15.9%
Asia-Pacific	13.6	9.4	-31.1%	37.7	25.6	-32.1%
Latin America	0.0	(1.3)	n.a.	1.1	(1.9)	n.a.

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2013	September 30, 2014
Goodwill	4,111.2	4,242.3
Intangible assets	1,038.3	1,073.2
Property, plant & equipment	278.1	282.5
Long-term investments	51.7	48.7
Deferred tax assets	161.6	139.8
Total non-current assets	**5,640.9**	**5,786.5**
Inventories	1,389.5	1,489.9
Trade receivables	2,062.8	2,431.2
Other receivables	486.1	514.7
Assets classified as held for sale	3.4	3.8
Cash and cash equivalents	957.8	623.7
Total current assets	**4,899.7**	**5,063.3**
Total assets	**10,540.5**	**10,849.8**

Liabilities (€m)	December 31, 2013	September 30, 2014
Total equity	**4,227.1**	**4,330.1**
Long-term debt	2,908.2	3,003.3
Deferred tax liabilities	172.1	158.0
Other non-current liabilities	351.4	414.5
Total non-current liabilities	**3,431.7**	**3,575.8**
Interest bearing debt & accrued interests	216.8	296.7
Trade payables	2,009.9	2,009.4
Other payables	655.1	637.8
Total current liabilities	**2,881.7**	**2,943.9**
Total liabilities	**6,313.4**	**6,519.7**
Total equity & liabilities	**10,540.5**	**10,849.8**

1 *Net debt includes Debt hedge derivatives for €25.1m at December 31, 2013 and €(16.0)m at September 30, 2014. It also includes accrued interest receivables for €(5.4)m at September 30,2014.*

CHANGE IN NET DEBT

€m	Q3 2013	**Q3 2014**	9m 2013	**9m 2014**
EBITDA	**198.0**	**188.5**	**554.0**	**526.1**
Other operating revenues & costs[1]	(18.0)	(18.2)	(60.5)	(54.2)
Operating cash flow	**180.0**	**170.3**	**493.5**	**471.9**
Change in working capital[2]	(83.1)	(119.8)	(257.1)	(363.9)
Net capital expenditure, of which:	(23.4)	(24.5)	(48.3)	(71.9)
Gross capital expenditure	*(23.9)*	*(25.5)*	*(67.8)*	*(68.1)*
Disposal of fixed assets & other	*0.5*	*1.0*	*19.5*	*(3.8)*
Free cash flow before interest and tax	**73.6**	**26.0**	**188.1**	**36.2**
Net interest paid / received[3]	(40.4)	(39.3)	(128.9)	(115.5)
Income tax paid	(22.9)	(17.2)	(80.7)	(68.4)
Free cash flow after interest and tax	**10.3**	**(30.5)**	**(21.5)**	**(147.7)**
Net financial investment	(2.3)	(22.7)	(4.4)	(31.9)
Dividends paid	(53.0)	(65.5)	(53.1)	(65.6)
Other	(0.6)	(30.2)	(28.9)	(100.3)
Currency exchange variation	30.6	(99.5)	63.2	(117.3)
Decrease (increase) in net debt	**(15.1)**	**(248.4)**	**(44.8)**	**(462.8)**
Net debt at the beginning of the period	**2,628.9**	**2,406.4**	**2,599.2**	**2,192.0**
Net debt at the end of the period	**2,643.9**	**2,654.8**	**2,643.9**	**2,654.8**

1 *Includes restructuring outflows of €45.8m in 9m 2013 and €37.7m in 9m 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	September 30, 2013	September 30, 2014
Net inventories		
as a % of sales 12 rolling months	***11.0%***	***11.1%***
as a number of days	*50.7*	*50.2*
Net trade receivables		
as a % of sales 12 rolling months	***17.9%***	***18.8%***
as a number of days	*58.1*	*59.6*
Net trade payables		
as a % of sales 12 rolling months	***14.6%***	***15.0%***
as a number of days	*58.5*	*58.9*
Trade working capital		
as a % of sales 12 rolling months	***14.4%***	***14.9%***
Total working capital		
as a % of sales 12 rolling months	***13.4%***	***14.2%***

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Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	30/09/2013	31/12/2013	30/09/2014	Year-on-Year Change
Europe	**16,847**	**16,804**	**16,682**	**-1.0%**
USA	*6,277*	*6,234*	*6,180*	*-1.5%*
Canada	*2,367*	*2,379*	*2,364*	*-0.1%*
North America	**8,644**	**8,613**	**8,544**	**-1.2%**
Asia-Pacific	**2,914**	**2,883**	**2,942**	**1.0%**
Latin America	**1,583**	**1,552**	**1,430**	**-9.7%**
Other	**227**	**232**	**258**	**13.7%**
Group	**30,216**	**30,083**	**29,855**	**-1.2%**

Branches comparable	30/09/2013	31/12/2013	30/09/2014	Year-on-Year Change
Europe	**1,318**	**1,307**	**1,301**	**-1.3%**
USA	*398*	*401*	*393*	*-1.3%*
Canada	*217*	*216*	*210*	*-3.2%*
North America	**615**	**617**	**603**	**-2.0%**
Asia-Pacific	**270**	**265**	**260**	**-3.7%**
Latin America	**95**	**90**	**90**	**-5.3%**
Group	**2,298**	**2,279**	**2,254**	**-1.9%**

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	Q3 actual	Q4e	FYe
Calendar effect	**0.0%**	**-0.5%**	**-0.4%**	**c.+1.0%**	**c.+0.0%**
Scope effect (1)	**€12.6m**	**€12.7m**	**€14.6m**	**c. €23m**	**c. €63m**
Change effect (2)	**-3.6%**	**-3.3%**	**-0.1%**	**+2.9%**	**-1.0%**

(1) Based on acquisitions made in 2013 and 2014 (mainly Lenn in Singapore, Quality Trading in Thailand, Elevite in Switzerland, Beijing Ouneng in China and 4 Knights Int in Thailand.)
(2) Based on following main assumptions for Q4 2014:

- *1 USD = €1.26*
- *1 CAD = €1.41*
- *1 AUD = €1.44*
- *1 GBP = €0.78*

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**	**2.0**	**c. 2**	**c. 0**
2013 EBITA **as proforma for 2014 accounts**	**143.1**	**174.3**	**178.0**	**c. 191**	**c. 687**

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.

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