rexel
a world of energy

PRESS RELEASE
Paris, February 12, 2015

FULL-YEAR 2014 RESULTS
2014 PERFORMANCE IN LINE WITH TARGETS
SOUND FINANCIAL STRUCTURE
PROPOSED STABLE DIVIDEND AT €0.75 PER SHARE

→ 2014 PERFORMANCE IN LINE WITH TARGETS
- **Sales of €13.081bn, up 1.1% on a constant and same-day basis** *(vs. target "broadly stable")*
- **Adjusted EBITA[1] margin of 5.0%** *(vs. target "at least 5.0%")*
- **Solid free cash-flow at 77% of EBITDA before interest and tax** *(vs. target "at least 75%")* **and 44% of EBITDA after interest and tax** *(vs. target "around 40%")*

→ SOUND FINANCIAL STRUCTURE
- **Broadly stable net debt of €2.2bn at Dec. 31, 2014**
- **Broadly stable indebtedness ratio of 2.7x at Dec. 31, 2014**

→ 2015 OUTLOOK
- **Organic sales growth of between -2% and +2%** (on a constant and same-day basis)
- **Adjusted EBITA[1] margin of between 4.8% and 5.2%** (vs. 5.0% in 2014)
- **Solid free cash-flow of at least 75% of EBITDA, before interest and tax, and of around 40% of EBITDA, after interest and tax**

→ PROPOSED STABLE DIVIDEND AT €0.75 PER SHARE

Key figures[1]	FY 2014	YoY change
Sales	**€13,081.2m**	
On a reported basis		+0.5%
On a constant and actual-day basis		+1.1%
On a constant and same-day basis		+1.1%
Adjusted EBITA	**€649.4m**	**-6.9%**
As a percentage of sales	5.0%	
Change in bps as a % of sales	-40bps	
Reported EBITA	**€646.8m**	**-5.8%**
Operating income	**€495.8m**	**-4.8%**
Net income	**€200.0m**	**-5.2%**
Free cash-flow before interest and tax	**€562.4m**	**-6.4%**
Net debt at end of period	**€2,213.1m**	**+1.0%**

1 See definition in the Glossary section of this document

Rudy PROVOOST, Chairman of the Management Board and CEO, said:

"Rexel's 2014 results were in line with the targets we announced in July: we posted organic sales growth of 1%, our margin stood at 5% and we generated strong free cash flow.

With respect to the 2015 outlook, the current economic environment leads us to be cautious. In this context, we will relentlessly focus efforts and resources on our key drivers of profitable organic growth and operational efficiency, while completing our business transformation program and reinforcing our market positions. In that respect, targeted bolt-on acquisitions should continue to fuel our growth.

We are also taking measures to rationalize our business portfolio and are streamlining the European management structure to further increase our organizational effectiveness.

Reflecting our confidence in the soundness of our business model, we will propose to our shareholders to maintain the dividend to be paid in 2015 at last year's level of 0.75 euros per share."

FINANCIAL REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2014

- *Financial statements as of December 31, 2014 were authorized for issue by Board of Directors held on February 11, 2015. They have been audited by statutory auditors.*
- *Financial statements as of December 31, 2013 have been restated for changes in accounting policies, following the adoption of IFRIC Interpretation 21 "levies"; this restatement had no significant impact on operating income and net income for the full 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

Sales of €3,468m in Q4, up 5.5% year-on-year on a reported basis; up 1.1% year-on-year on a constant and same-day basis, driven by North America

Sales of €13,081m in FY 2014, up 0.5% year-on-year on a reported basis; up 1.1% year-on-year on a constant and same-day basis

In the fourth quarter, Rexel posted sales of €3,468.0 million, up 5.5% on a reported basis and up 1.1% on a constant and same-day basis. Excluding the 0.4% negative impact due to the change in copper-based cable prices, sales were up 1.6% on a constant and same-day basis.

The 5.5% increase in reported sales included:

- A net positive currency effect of €85.6 million (mainly due to the appreciation of the US dollar and British pound against the euro),
- A net positive effect of €23.3 million from changes in the scope of consolidation,
- A positive calendar effect of 1.0 percentage point.

In the full-year, Rexel posted sales of €13,081.2 million, up 0.5% on a reported basis and up 1.1% on a constant and same-day basis. Excluding the 0.6% negative impact due to the change in copper-based cable prices, sales were up 1.7% on a constant and same-day basis.

The 0.5% increase in reported sales included:

- A net negative currency effect of €138.2 million (mainly due to the depreciation of the Australian and Canadian dollars against the euro, partly offset by the appreciation of the British pound against the euro),
- A net positive effect of €61.4 million from changes in the scope of consolidation,
- A neutral calendar effect.

Europe (55% of Group sales): -0.8% in Q4 and +0.5% in FY on a constant and same-day basis

In the fourth quarter, sales in Europe increased by 1.1% on a reported basis and were down by 0.8% on a constant and same-day basis.

- In France, sales decreased by 5.1%, reflecting continued tough market conditions and low construction activity, as well as the challenging base effect of Q4 2013 (which posted a drop of 0.1% after a drop of 3.8% in Q3 2013). With sales down 2.3% on a constant and same-day basis in the full-year, Rexel nevertheless continued to outperform the market throughout the year, thanks to large projects activity and multi-energy offer.
- In the UK, sales were down 1.7%, reflecting the challenging base effect of Q4 2013 (which posted a 1.9% drop after a 7.5% drop in Q3 2013). Over 2 years, sales evolution in Q4 improved sequentially.
- In Germany, sales were down 1.9% in Q4, reflecting the challenging base effect of Q4 2013 (which posted a 3.9% drop after a 7.6% drop in Q3 2013). Over 2 years, sales evolution in Q4 improved sequentially.

- In Scandinavia, sales grew by 7.8%. This performance reflected solid growth in all three countries: sales were up 10.7% in Sweden, 6.1% in Norway and 3.9% in Finland.
- Benelux posted mix performance with Belgium strongly up (+ 8.4%), while sales in the Netherlands dropped by 5.8%.
- In Switzerland, sales decreased by 1.5%, whereas sales in Austria increased by 1.8%.
- Southern European countries posted a 1.0% growth in sales: Spain was up 4.4%, mainly driven by export activity, while Italy and Portugal dropped respectively by 3.4% and 2.8%.

North America (34% of Group sales): +5.1% in Q4 and +2.9% in FY on a constant and same-day basis

In the fourth quarter, sales in North America were up 12.8% on a reported basis including a positive currency effect of €68.6m (mainly due to the appreciation of the USD against the euro) and were up 5.1% on a constant and same-day basis.

- In the US, sales grew by 5.6% in the quarter, confirming the recovery in non-residential construction (around 50% of Rexel's US sales) and reflecting a strong increase in photovoltaic sales (+20%).
- In Canada, sales were up 3.5% in the quarter, reflecting gradual recovery in project activity.

Asia-Pacific (9% of Group sales): -1.1% in Q4 and -1.0% in FY on a constant and same-day basis

In the fourth quarter, sales in Asia-Pacific were up 9.5% on a reported basis, including positive effects of €11.7m from currency (mainly due to the appreciation of the Yuan and the Australian dollar against the euro) and of €17.8m from change in scope of consolidation (acquisitions of Lenn International in Singapore, Quality Trading and 4 Knights International in Thailand and Beijing Ouneng in China).

On a constant and same-day basis, sales were down 1.1%.

- In China (c. 35% of the region's sales), sales were slightly down (-0.7%) in the quarter, but posted solid growth throughout the year (+3.5%), driven by solid activity in the industrial automation segment.
- In South-East Asia (c. 10% of the region's sales), sales continued to show strong dynamism and grew by 22.2% in the quarter.
- In Australia (c. 45% of the region's sales), sales were down 3.7% in Q4, reflecting continued challenging environment, while improving sequentially (in Q3 2014, sales dropped by 5.0%). Excluding the impact of branch closures, sales were down 2.0%.
- In New Zealand (c. 10% of the region's sales), sales reflected market slowdown and delay in Christchurch reconstruction, decreasing by 11.0% in Q4; they were down 4.6% in the full-year.

Latin America (2% of Group sales): -2.8% in Q4 and -3.5% in FY on a constant and same-day basis

In the fourth quarter, sales in Latin America were down 5.8% on a reported basis, including a negative currency effect of €1.9m.

On a constant and same-day basis, sales decreased by 2.8%, reflecting mixed performance:

- In Brazil (c. 60% of the region's sales), sales were slightly up (+0.7%) and improved over the previous quarters, but full-year sales were down 6.9%, reflecting the country's economic slowdown.
- In Chile (c. 30% of the region's sales), sales were down 17.3% in the quarter, continuing to reflect low sales to the mining industry. Excluding sales to the mining industry, sales were up 16.5% in the quarter.
- In Peru (c. 10% of the region's sales), sales increased by 28.7%, still driven by strong economic growth and project activity.

PROFITABILITY

Adjusted EBITA of €649.4m, at 5.0% of sales, down 40bps year-on-year
Profitability impacted by unfavorable mix effects on gross margin while opex remained under control

In the full-year, adjusted EBITA margin stood at 5.0%, down c. 40 basis points year-on-year, of which:

- A negative effect of c. 45 basis points resulting from lower adjusted gross margin (from 24.8% in 2013 to 24.3% in 2014),
- A positive effect of c. 5 basis points resulting from an improvement in distribution and administrative expenses (including depreciation) as a percentage of sales, driven by solid cost control (from 19.4% in 2013 to 19.3% in 2014).

The c. 45 basis-point drop in adjusted gross margin included two unfavorable mix effects, each accounting for c. 10 basis points:

- An unfavorable geographic mix, due to cumulative effects of (i) the reduced weight of countries whose gross margin is above Group average and (ii) the increased weight of countries whose gross margin is below Group average,
- An unfavorable project mix, due to the increased weight of large projects whose gross margin is below Group average.

By geography, the drop in adjusted gross margin can be broken down as follows:

- In **Europe**, adjusted gross margin was down 30 basis points, representing around one third of the c. 45 basis-point drop at Group level,
- In **North America**, adjusted gross margin was down 60 basis points, representing around half of the c. 45 basis-point drop at Group level,
- In **Asia-Pacific**, adjusted gross margin was down 75 basis points, representing around 10% of the c. 45 basis-point drop at Group level,
- In **Latin America**, adjusted gross margin was down 125 basis points, impacted by the 2013 base effect that benefited from a one-off tax refund (ICMS) in Brazil; restated for that base effect, adjusted gross margin was up 45 basis points year-on-year.

In the full-year, reported EBITA stood at €646.8 million, down 5.8% year-on-year.

NET INCOME

Reported net income of €200.0 million, down 5.2% year-on-year

In the full year, operating income stood at €495.8 million, down 4.8%.

- Amortization of intangibles resulting from purchase price allocation amounted to €16.1 million (vs. €19.7 million in 2013).
- Other income and expenses amounted to a net charge of €134.8 million (vs. a net charge of €146.2 million in 2013). They included €58.9 million of restructuring costs (vs. €63.6 million in 2013) and €48.5 million of goodwill impairment (vs. €67.3 million in 2013), mainly related to operations in Brazil and the Netherlands.

In the full year, net financial expenses amounted to €188.9 million (vs. €213.5 million in 2013 that included a one-off cost of €23.5 million related to Q1 2013 refinancing operations). The average effective interest rate was reduced year-on-year by 50 basis points, from 5.4% of gross debt in 2013 to 4.9% in 2014.

In the full year, income tax represented a charge of €106.9 million. The effective tax rate was 34.8% (vs. 31.5% in 2013), mainly reflecting unrecognized tax losses in Spain and Brazil, the impact of goodwill impairment and the increasing tax pressure in France.

In the full-year, reported net income was down 5.2%, at €200.0 million (vs. €210.9 million in 2013).

FINANCIAL STRUCTURE

Solid generation of free cash-flow before interest and tax of €562.4m (77% of EBITDA)
Broadly stable net debt of €2.2bn at Dec. 31, 2014
Broadly stable indebtedness ratio of 2.7x at Dec. 31, 2014

In the full-year, free cash flow before interest and tax was an inflow of €562.4 million (vs. an inflow of €600.6 million in 2013 that included €22.9 million from disposal of fixed assets). This net inflow included:

- Gross capital expenditure of €105.9 million (vs. €102.3 million in 2013),
- An inflow of €17.6 million from change in working capital (vs. an outflow of €1.1 million in 2013).

At December 31, 2014, net debt stood at €2,213.1 million (vs. €2,192.0 million at December 31, 2013). Net debt was reduced by €114.7 million before the unfavorable impact of currency and was broadly stable after this impact. It took into account:

- €155.9 million of net interest paid during the year,
- €84.3 million of income tax paid during the year,
- €135.8 million of unfavorable currency effect during the year,
- €65.6 million of dividend paid in cash in the third quarter.

At December 31, 2014, the indebtedness ratio (Net financial debt / EBITDA), as calculated under the Senior Credit Agreement terms, stood at 2.7x, broadly stable vs. December 31, 2013. This is in line with the Group's objective of maintaining its indebtedness ratio at or below 3 times EBITDA at year-end.

Active balance-sheet management

Rexel actively manages its balance sheet in order to continuously optimize its financing structure and further reduce its financial expenses.

Last November, Rexel renegotiated its €1 billion Senior Credit Agreement to extend its maturity to Nov. 2019, and to improve its pricing terms by c. 60bps, yielding annual savings of c. €5 million.

In December, Rexel also extended its US securitization program, pushing back maturity to Dec. 2017 and increasing its amount by USD75 million to USD545 million while slightly improving its pricing.

Market conditions permitting, Rexel envisions significantly reducing the cost of the notes issued in 2011 and 2012 through:

- Straight repayment of its 7% Euro notes due Dec. 2018, with potential savings of €34 million in interest payment on a full year basis as from 2016 and
- Option to redeem its 6.125% USD notes due Dec. 2019; this will be considered later in the year.

PROPOSED STABLE DIVIDEND OF €0.75 PER SHARE

Rexel will propose to shareholders a dividend of €0.75 per share, representing 78% of the Group's recurring net income (vs. 64% last year). It will be paid in cash or shares, subject to approval at the Annual Shareholders' Meeting to be held in Paris on May 27, 2015.

This is in line with Rexel's policy of paying out at least 40% of recurring net income, reflecting the Group's confidence in its structural ability to generate strong cash-flow throughout the cycle.

UPDATE ON PORTFOLIO REVIEW

In the second half of 2014, Rexel conducted a portfolio review in order to determine the best course of action for the Group's less profitable operations. Rexel's Board of Directors approved the decision to launch a divestment process. Disposals will primarily target underperforming countries, in which Rexel is sub-scale.

Based on full-year 2014 consolidated accounts, total divestments, once fully completed, should have the following financial impacts:

- A reduction of around 5% in the Group's consolidated sales,
- A positive contribution of c. 20bps to the Group's adjusted EBITA margin,
- A moderate increase in the Group's FCF before interest and tax.

Divestment process should be completed by the end of 2016 and proceeds from disposals will primarily be allocated to targeted acquisitions.

OUTLOOK

Context

- The economic outlook in Europe (55% of Group sales) remains uncertain, especially in France (1/3 of European sales).
- The US (25% of Group sales) should continue to post solid growth, driven by continued recovery in the non-residential construction.
- Outlook in emerging markets is mixed: Asia (4% of Group sales) should continue to post growth, with China driven by industrial automation, while Latin America (2% of Group sales) should continue to be impacted by challenging conditions in Brazil.
- In addition, lower copper prices should impact our cable business (c. 14% of Group sales), while decreasing oil prices should weigh on our Oil & Gas activity (c. 4% of Group sales).

In this context, Rexel aims at delivering in 2015:

- **Organic sales growth of between -2% and +2%** (on a constant and same-day basis)**,**
- **Adjusted EBITA margin of between 4.8% and 5.2%** (vs. 5.0% recorded in 2014)**,**
- **Solid free cash flow of:**
    - At least 75% of EBITDA before interest and tax,
    - Around 40% of EBITDA after interest and tax.

In addition, Rexel confirms its dividend policy of paying out at least 40% of recurring net income.

Rexel remains committed to achieving its medium-term ambitions, which are unchanged, even if, in light of the current environment, the timeframe for achieving the targeted medium-term adjusted EBITA margin of close to 6.5% of sales may take longer than initially announced.

CALENDAR

April 30, 2015	First-quarter results
May 27, 2015	Shareholders' Meeting in Paris
July 29, 2015	Second-quarter and Half-year results
October 29, 2015	Third-quarter and 9-month results

FINANCIAL INFORMATION

The financial report for the period ended December 31, 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 fourth-quarter & full-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 2,200 branches in 38 countries, and c. 30,000 employees, Rexel's sales were €13 billion in 2014.
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

CONTACTS

FINANCIAL ANALYSTS / INVESTORS

Marc MAILLET	+33 1 42 85 76 12	marc.maillet@rexel.com
Florence MEILHAC	+33 1 42 85 57 61	florence.meilhac@rexel.com

PRESS

Pénélope LINAGE	+33 1 42 85 76 28	penelope.linage@rexel.com
Brunswick: Thomas KAMM	+33 1 53 96 83 92	tkamm@brunswickgroup.com

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 €2.0 million in Q4 2013 and a profit of €0.8 million in Q4 2014,
- A loss of €15.3 million in FY 2013 and a loss of €2.6 million in FY 2014.

GROUP

Constant and adjusted basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales	3,396.6	**3,468.0**	**+2.1%**	12,934.7	**13,081.2**	**+1.1%**
on a constant basis and same days			***+1.1%***			***+1.1%***
Gross profit	842.6	**831.0**	**-1.4%**	3,202.9	**3,177.8**	**-0.8%**
as a % of sales	*24.8%*	*24.0%*	*-85bps*	*24.8%*	*24.3%*	*-45bps*
Distribution & adm. expenses (incl. depreciation)	(643.9)	(650.8)	+1.1%	(2,505.4)	(2,528.4)	+0.9%
EBITA	198.7	**180.2**	**-9.3%**	697.5	**649.4**	**-6.9%**
as a % of sales	*5.9%*	*5.2%*	*-65bps*	*5.4%*	*5.0%*	*-40bps*
Headcount (end of period)	30,257	**29,933**	**-1.1%**			

EUROPE

Constant and adjusted basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales	1,867.8	**1,872.6**	**+0.3%**	7,098.5	**7,145.2**	**+0.7%**
on a constant basis and same days			***-0.8%***			***+0.5%***
o/w France	648.1	**624.4**	*-3.7%*	2,423.7	**2,376.4**	*-2.0%*
on a constant basis and same days			*-5.1%*			*-2.3%*
United Kingdom	248.0	**243.7**	*-1.7%*	999.0	**1,005.2**	*+0.6%*
on a constant basis and same days			*-1.7%*			*+0.6%*
Germany	201.9	**206.4**	*+2.3%*	804.0	**803.2**	*-0.1%*
on a constant basis and same days			*-1.9%*			*-0.6%*
Scandinavia	228.4	**247.0**	*+8.1%*	848.4	**906.5**	*+6.8%*
on a constant basis and same days			*+7.8%*			*+6.9%*
Gross profit	508.8	**494.2**	**-2.9%**	1,928.9	**1,920.5**	**-0.4%**
as a % of sales	*27.2%*	*26.4%*	*-85bps*	*27.2%*	*26.9%*	*-30bps*
Distribution & adm. expenses (incl. depreciation)	(368.9)	(363.8)	-1.4%	(1,460.9)	(1,466.8)	+0.4%
EBITA	140.0	**130.4**	**-6.8%**	467.9	**453.7**	**-3.0%**
as a % of sales	*7.5%*	*7.0%*	*-50bps*	*6.6%*	*6.3%*	*-25bps*
Headcount (end of period)	16,804	**16,490**	**-1.9%**			

NORTH AMERICA

	Constant and adjusted basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales		1,149.2	**1,220.7**	**+6.2%**	4,353.4	**4,477.9**	**+2.9%**
	on a constant basis and same days			***+5.1%***			***+2.9%***
o/w	United States	853.3	**914.5**	*+7.2%*	3,211.3	**3,315.4**	*+3.2%*
	on a constant basis and same days			*+5.6%*			*+3.2%*
	Canada	295.9	**306.1**	*+3.5%*	1,142.1	**1,162.5**	*+1.8%*
	on a constant basis and same days			*+3.5%*			*+1.8%*
Gross profit		256.8	**262.9**	**+2.4%**	968.5	**969.2**	**+0.1%**
as a % of sales		*22.3%*	*21.5%*	*-80bps*	*22.2%*	*21.6%*	*-60bps*
Distribution & adm. expenses (incl. depreciation)		(199.1)	(206.1)	+3.5%	(740.7)	(763.1)	+3.0%
EBITA		57.7	**56.8**	**-1.5%**	227.8	**206.1**	**-9.5%**
	as a % of sales	*5.0%*	*4.7%*	*-30bps*	*5.2%*	*4.6%*	*-65bps*
Headcount (end of period)		8,613	**8,653**	**0.5%**			

ASIA-PACIFIC

	Constant and adjusted basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales		311.5	**308.9**	**-0.8%**	1,215.5	**1,200.9**	**-1.2%**
	on a constant basis and same days			***-1.1%***			***-1.0%***
o/w	China	99.5	**100.4**	*+0.9%*	371.7	**383.4**	*+3.2%*
	on a constant basis and same days			*-0.7%*			*+3.5%*
	Australia	136.1	**131.0**	*-3.8%*	566.4	**532.3**	*-6.0%*
	on a constant basis and same days			*-3.7%*			*-5.9%*
	New Zealand	31.6	**28.1**	*-11.0%*	126.3	**120.4**	*-4.6%*
	on a constant basis and same days			*-11.0%*			*-4.6%*
Gross profit		61.9	**59.9**	**-3.3%**	243.7	**231.8**	**-4.9%**
	as a % of sales	*19.9%*	*19.4%*	*-50bps*	*20.0%*	*19.3%*	*-75bps*
Distribution & adm. expenses (incl. depreciation)		(49.8)	(49.7)	-0.2%	(194.5)	(196.0)	+0.8%
EBITA		12.1	**10.2**	**-16.0%**	49.2	**35.8**	**-27.2%**
	as a % of sales	*3.9%*	*3.3%*	*-60bps*	*4.0%*	*3.0%*	*-105bps*
Headcount (end of period)		3,057	**3,135**	**2.5%**			

LATIN AMERICA

Constant and adjusted basis (€m)		Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales		67.8	**65.7**	**-3.1%**	267.0	**256.8**	**-3.8%**
	on a constant basis and same days			***-2.8%***			***-3.5%***
o/w	Brazil	38.1	**38.5**	*+1.0%*	160.6	**148.5**	*-7.6%*
	on a constant basis and same days			*+0.7%*			*-6.9%*
	Chile	23.4	**19.1**	*-18.4%*	83.1	**81.3**	*-2.2%*
	on a constant basis and same days			*-17.3%*			*-2.6%*
	Peru	6.3	**8.1**	*+28.7%*	23.3	**27.1**	*+16.3%*
	on a constant basis and same days			*+28.7%*			*+16.3%*
Gross	**profit**	14.8	**13.9**	**-6.0%**	61.6	**56.1**	**-8.9%**
	as a % of sales	*21.8%*	*21.2%*	*-60bps*	*23.1%*	*21.8%*	*-125bps*
Distribution & adm. expenses (incl. depreciation)		(15.3)	(15.2)	-0.8%	(60.8)	(59.4)	-2.3%
EBITA		(0.5)	**(1.3)**	**n.a.**	0.8	**(3.3)**	**n.a.**
	as a % of sales	*-0.7%*	*-1.9%*	*-120bps*	*0.3%*	*-1.3%*	*-160bps*
Headcount (end of period)		1,552	**1,395**	**-10.1%**			

Appendix 2: Extract of Financial Statements

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales	**3,287.7**	**3,468.0**	**+5.5%**	**13,011.6**	**13,081.2**	**+0.5%**
Gross profit	**812.4**	**831.9**	**+2.4%**	**3,188.5**	**3,174.9**	**-0.4%**
as a % of sales	*24.7%*	*24.0%*		*24.5%*	*24.3%*	
Distribution & adm. expenses (excl. depreciation)	(602.6)	(630.5)	+4.6%	(2,424.7)	(2,447.3)	+0.9%
EBITDA	**209.8**	**201.4**	**-4.0%**	**763.8**	**727.5**	**-4.8%**
as a % of sales	*6.4%*	*5.8%*		*5.9%*	*5.6%*	
Depreciation	(18.5)	(20.4)		(77.0)	(80.7)	
EBITA	**191.4**	**181.0**	**-5.4%**	**686.8**	**646.8**	**-5.8%**
as a % of sales	*5.8%*	*5.2%*		*5.3%*	*4.9%*	
Amortization of intangibles resulting from purchase price allocation	(3.9)	(4.2)		(19.7)	(16.1)	
Operating income bef. other inc. and exp.	**187.5**	**176.7**	**-5.8%**	**667.1**	**630.6**	**-5.5%**
as a % of sales	*5.7%*	*5.1%*		*5.1%*	*4.8%*	
Other income and expenses	(51.4)	(61.4)		(146.2)	(134.8)	
Operating income	**136.1**	**115.3**	**-15.3%**	**520.9**	**495.8**	**-4.8%**
Financial expenses (net)	(50.0)	(50.4)		(213.5)	(188.9)	
Share of profit (loss) in associates	0.0	0.0		0.4	0.0	
Net income (loss) before income tax	**86.1**	**64.9**	**-24.6%**	**307.8**	**306.9**	**-0.3%**
Income tax	(25.0)	(22.4)		(96.9)	(106.9)	
Net income (loss)	**61.2**	**42.5**	**-30.7%**	**210.9**	**200.0**	**-5.2%**
Net income (loss) attr. to non-controlling interests	0.0	0.6		0.4	0.3	
Net income (loss) attr. to equity holders of the parent	**61.2**	**41.9**	**-31.5%**	**210.5**	**199.7**	**-5.1%**

Rexel
a world of energy

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

in €m	Q4 2013	Q4 2014	FY 2013	FY 2014
Operating income before other income and other expenses	**185.7**	**176.7**	**667.2**	**630.6**
Adoption of IFRIC 21	1.7		(0.1)	
Change in scope of consolidation	1.2		2.5	
Foreign exchange effects	4.2		(7.1)	
Non-recurring effect related to copper	2.0	(0.8)	15.3	2.6
Amortization of intangibles assets resulting from PPA	3.9	4.2	19.7	16.1
Adjusted EBITA on a constant basis	**198.7**	**180.2**	**697.5**	**649.4**

Recurring Net Income

In millions of euros	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Reported net income	61.2	**42.5**	**-30.7%**	210.9	**200.0**	**-5.2%**
Non-recurring copper effect	1.9	**-0.8**		15.3	**2.6**	
Other expense & income	51.4	**61.4**		146.2	**134.8**	
Financial expense	2.2	**0.0**		23.5	**0.0**	
Tax expense	(14.2)	**-47.0**		(67.8)	**(59.3)**	
Recurring net income	102.3	**56.1**	**-45.2%**	328.1	**278.1**	**-15.2%**

Sales And Profitability By Segment

Reported basis (€m)	Q4 2013	Q4 2014	Change	FY 2013	FY 2014	Change
Sales	**3,287.7**	**3,468.0**	**+5.5%**	**13,011.6**	**13,081.2**	**+0.5%**
Europe	1,853.0	1,872.6	+1.1%	7,078.6	7,145.2	+0.9%
North America	1,082.6	1,220.7	+12.8%	4,441.1	4,477.9	+0.8%
Asia-Pacific	282.1	308.9	+9.5%	1,196.8	1,200.9	+0.3%
Latin America	69.8	65.7	-5.8%	294.8	256.8	-12.9%
Gross profit	**812.4**	**831.9**	**+2.4%**	**3,188.5**	**3,174.9**	**-0.4%**
Europe	499.1	495.9	-0.6%	1,897.4	1,919.7	+1.2%
North America	240.3	262.0	+9.0%	978.5	966.7	-1.2%
Asia-Pacific	57.6	59.9	+3.9%	244.8	231.8	-5.3%
Latin America	15.2	14.0	-7.6%	67.5	56.3	-16.6%
EBITA	**191.4**	**181.0**	**-5.4%**	**686.8**	**646.8**	**-5.8%**
Europe	137.1	131.9	-3.8%	455.4	452.9	-0.5%
North America	54.2	56.0	+3.3%	230.2	204.0	-11.4%
Asia-Pacific	11.2	10.2	-8.9%	48.9	35.8	-26.8%
Latin America	(0.5)	(1.3)	n.a.	0.8	(3.3)	n.a.

a world of energy

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2013	December 31, 2014
Goodwill	4,111.2	4,243.9
Intangible assets	1,038.3	1,084.0
Property, plant & equipment	278.1	287.1
Long-term investments	51.7	24.8
Deferred tax assets	161.6	175.2
Total non-current assets	**5,640.9**	**5,815.0**
Inventories	1,389.5	1,487.2
Trade receivables	2,062.8	2,206.0
Other receivables	486.1	508.7
Assets classified as held for sale	3.4	3.7
Cash and cash equivalents	957.8	1,159.8
Total current assets	**4,899.7**	**5,365.4**
Total assets	**10,540.5**	**11,180.4**

Liabilities (€m)	December 31, 2013	December 31, 2014
Total equity	**4,227.1**	**4,343.4**
Long-term debt	2,908.2	2,995.9
Deferred tax liabilities	172.1	196.9
Other non-current liabilities	351.4	437.9
Total non-current liabilities	**3,431.7**	**3,630.7**
Interest bearing debt & accrued interests	216.8	371.2
Trade payables	2,009.9	2,126.8
Other payables	655.1	708.3
Total current liabilities	**2,881.7**	**3,206.3**
Total liabilities	**6,313.4**	**6,837.0**
Total equity & liabilities	**10,540.5**	**11,180.4**

1 *Net debt includes Debt hedge derivatives for €25.1m at December 31, 2013 and €6.5m at December 31, 2014. It also includes accrued interest receivables for €(0.7)m at December 31, 2014.*

a world of energy

CHANGE IN NET DEBT

€m	Q4 2013	Q4 2014	FY 2013	FY 2014
EBITDA	**209.8**	**201.4**	**763.8**	**727.5**
Other operating revenues & costs(1)	(29.4)	(25.8)	(89.9)	(80.0)
Operating cash flow	**180.4**	**175.6**	**673.9**	**647.5**
Change in working capital(2)	256.1	381.5	(1.0)	17.6
Net capital expenditure, of which:	(24.0)	(30.9)	(72.1)	(102.8)
Gross capital expenditure	*(34.5)*	*(37.8)*	*(102.3)*	*(105.9)*
Disposal of fixed assets & other	*10.5*	*6.9*	*30.1*	*3.2*
Free cash flow before interest and tax	**412.4**	**526.2**	**600.6**	**562.4**
Net interest paid / received(3)	(40.3)	(40.4)	(169.3)	(155.9)
Income tax paid	(13.4)	(15.9)	(94.2)	(84.3)
Free cash flow after interest and tax	**358.7**	**469.8**	**337.2**	**322.1**
Net financial investment	(1.0)	(11.2)	(5.4)	(43.0)
Dividends paid	0.0	0.0	(53.1)	(65.6)
Other	54.1	1.5	25.3	(98.9)
Currency exchange variation	40.1	(18.4)	103.2	(135.8)
Decrease (increase) in net debt	**451.9**	**441.7**	**407.2**	**(21.1)**
Net debt at the beginning of the period	**2,643.9**	**2,654.8**	**2,599.2**	**2,192.0**
Net debt at the end of the period	**2,192.0**	**2,213.1**	**2,192.0**	**2,213.1**

1 *Includes restructuring outflows of €71.5m in 2013 and €56.5m in 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		December 31, 2013	December 31, 2014
Net inventories	***as a % of sales 12 rolling months***	***11.0%***	***11.0%***
	as a number of days	*49.4*	*48.8*
Net trade receivables	***as a % of sales 12 rolling months***	***16.8%***	***17.4%***
	as a number of days	*55.4*	*55.9*
Net trade payables	***as a % of sales 12 rolling months***	***15.3%***	***15.8%***
	as a number of days	*61.6*	*61.7*
Trade working capital	***as a % of sales 12 rolling months***	***12.5%***	***12.6%***
Total working capital	***as a % of sales 12 rolling months***	***11.3%***	***11.4%***

Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	31/12/2013	31/12/2014	Year-on-Year Change
Europe	**16,804**	**16,490**	**-1.9%**
USA	*6,234*	*6,298*	*1.0%*
Canada	*2,379*	*2,355*	*-1.0%*
North America	**8,613**	**8,653**	**0.5%**
Asia-Pacific	**3,057**	**3,135**	**2.5%**
Latin America	**1,552**	**1,395**	**-10.1%**
Other	**232**	**261**	**12.5%**
Group	**30,257**	**29,933**	**-1.1%**

Branches comparable	31/12/2013	31/12/2014	Year-on-Year Change
Europe	**1,307**	**1,280**	**-2.1%**
USA	*401*	*398*	*-0.7%*
Canada	*216*	*207*	*-4.2%*
North America	**617**	**605**	**-1.9%**
Asia-Pacific	**267**	**260**	**-2.6%**
Latin America	**90**	**90**	**0.0%**
Group	**2,281**	**2,235**	**-2.0%**

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	Q2	Q3	Q4	FY
Calendar effect	**0.0%**	**-0.5%**	**-0.4%**	**+1.0%**	**+0.0%**
Scope effect (1)	**€12.6m**	**€12.7m**	**€14.6m**	**€24.0m**	**€64.0m**
Change effect	**-3.6%**	**-3.3%**	**-0.1%**	**+2.6%**	**-1.1%**

(1) Based on acquisitions made in 2013 and 2014 (mainly Lenn in Singapore, Quality Trading and 4 Knights International in Thailand, Elevite in Switzerland and Beijing Ouneng in China)

Based on the assumption of the following average exchange rates :

1 USD = 1.15€ 1 CAD = 1.40€ 1 AUD = 1.40€ 1 GBP = 0.80€

and based on acquisitions to date, 2014 sales should take into account the following estimated impacts to be comparable to 2015:

	Q1e	Q2e	Q3e	Q4e	FYe
Calendar effect	**c. -0.6%**	**c. +0.2%**	**c. +0.5%**	**c. +0.8%**	**c. +0.2%**
Scope effect	**c. €5.5m**	**c. €10.7m**	**c. €9.5m**	**c. €7.4m**	**c. €33.1m**
Change effect	**c. 6.5%**	**c. 6.5%**	**c. 4.9%**	**c. 3.2 %**	**c. 5.2%**

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% 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 2014 fiscal year, which may be obtained from Rexel's website (www.rexel.com).