

REXEL

Company with limited liability (*société anonyme*)
with a Management Board and Supervisory Board
with a share capital of €1,301,064,980
Registered office: 189-193, boulevard Malesherbes
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SPECIAL REPORT OF THE MANAGEMENT BOARD ON THE TRANSACTIONS CARRIED OUT PURSUANT TO THE PROVISIONS OF ARTICLES L.225-177 ET SEQ. OF THE FRENCH COMMERCIAL CODE

(SUBSCRIPTION OR PURCHASE OPTIONS FOR REXEL SHARES)

To the Shareholders,

In accordance with the provisions of article L.225-184 of the French commercial code, we hereby report on the transactions carried out pursuant to the provisions of articles L.225-177 *et seq.* of the French commercial code in relation to the share subscription or purchase options granted by Rexel (the "**Company**" or "**Rexel**") as well as by the companies or groups linked to it.

1. Rexel's share purchase option plans

On October 28, 2005, the Extraordinary Shareholders' Meeting authorized the Chairman of Rexel (then a *société par actions simplifiée*) to grant certain employees or corporate officers of the Rexel Group's French or foreign companies, under two share subscription options plans, on one or more occasions, a maximum total of 3,171,300 options to subscribe for Rexel shares giving the right to subscribe for a maximum total of 3,171,300 of the Rexel shares, in the event of exercise of all the options, at a subscription price of €10 per share (before division of the par value of the Rexel's share which took place during 2007) and subject to certain conditions.

Pursuant to the delegation of powers granted to him by the Shareholders' Meeting, the Chairman:

1. On October 28, 2005, fixed the terms and conditions of a first share subscription option plan for certain of Rexel's employees or corporate officers of the Rexel Group's French or foreign companies (the "**Plan No. 1**"). Plan No. 1 concerned 2,882,000 options to subscribe for shares at the maximum, representing 2,882,000 new shares to be issued by Rexel at the maximum. The subscription price was €10 (before division of the par value of the Rexel's share which took place during 2007). Plan No. 1 has a duration of ten (10) years as from (i) October 28, 2005, if all the options have been granted on this date, or (ii) October 28, 2006. Under Plan No. 1, the Chairman of Rexel granted 2,775,120 options to subscribe for shares, of which 2,711,000 were effectively granted to 46 beneficiaries; and

2. On November 30, 2005, fixed the terms and conditions of a second share subscription option plan for certain other employees and corporate officers of the Rexel Group's French or foreign companies (the "**Plan No. 2**"). Plan No. 2 concerned 289,300 options to subscribe for shares at the maximum, representing 289,300 new shares to be issued by Rexel at the maximum. The subscription price was €10 (before division of the par value of the Rexel's share which took place during 2007). Plan No. 2 has a duration of 10

years as from (i) November 30, 2005, if all the options have been granted on this date, or (ii) November 30, 2006. Under Plan No. 2, the Chairman of Rexel granted 265,700 options to subscribe for shares, of which 259,050 were effectively granted to 198 beneficiaries.

On May 31, 2006, the Shareholders' Meeting, duly noting that there remained a certain number of options to be granted under Plan No. 1 and Plan No. 2 and that other options had become available after certain beneficiaries had left the Rexel Group, authorized the Chairman of Rexel to carry out (i) a new grant of options up to a maximum of 171,000 options under Plan No. 1, and (ii) a new grant of options up to a maximum of 35,586 options under Plan No. 2. Furthermore, on the basis of a multi-criteria analysis, the Shareholders' Meeting fixed at €13 the subscription price for one share of Rexel upon the exercise of one option to subscribe for shares (before division of the par value of Rexel's shares which took place during 2007).

On the same day, the Chairman, using the delegation of powers he had been granted, decided to award (i) 169,236 options to subscribe for shares to 5 beneficiaries under Plan No. 1 and (ii) 35,550 options to subscribe for shares to 35 beneficiaries under Plan No. 2, 34,550 options having been effectively granted to 34 beneficiaries.

On October 4, 2006, the Shareholders' Meeting, duly noting that there remained a number of options to be granted under Plan No. 1 and that other options had become available after certain beneficiaries had left the Rexel Group, authorized the Chairman of Rexel, under Plan No. 1, to carry out a new stock option grant up to a maximum of 164,460 options. Furthermore, on the basis of a multi-criteria analysis, the Shareholders' Meeting fixed the stock option subscription price at €19 per Rexel share upon the exercise of an option to subscribe for shares (before division of the par value of Rexel's shares which took place during 2007).

On the same day, the Chairman, using the delegation of powers he had been granted, decided to grant 164,460 options to 7 beneficiaries under Plan No. 1.

The beneficiaries of options granted under Plan No. 1 and Plan No. 2 may exercise their option only upon expiry of a period of non-availability of 4 years as from the time they are granted.

Consequently, the table below sets forth the number of share subscription options definitively vested as of December 31, 2010 and which can be exercised at the term of the periods of non-availability.

Plan	Plan Nr.1			Plan Nr.2	
Date of shareholders' meeting	October 28, 2005	May 31, 2006	October 4, 2006	October 28, 2005	May 31, 2006
Option grant date	October 28, 2005	May 31, 2006	October 4, 2006	November 30, 2005	May 31, 2006
Number of options to subscribe for shares granted	2,711,000	169,236	164,460	259,050	34,550
Maximum total number of options that can be exercised(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed for(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed by(1):					
Rexel's corporate officers	-	-	-	-	-
Rexel's ten first employees	860,750	169,236	164,460	35,500	17,600
Start of option exercise period	October 29, 2009	June 1, 2010	October 5, 2010	December 1, 2009	June 1, 2010
Option expiry date	October 28, 2016	October 28, 2016	October 28, 2016	November 30, 2016	November 30, 2016
Exercise price of the option (1)	€5.00	€6.50	€9.50	€5.00	€6.50
Number of options outstanding as at December 31, 2009	1,231,002	140,944	267,452	406,056	65,976
Number of shares that have been subscribed for as of December 31, 2010	1,198,182	140,944	-	119,866	30,100
Aggregate number of options that have been cancelled or lapsed	-	-	-	-	-
Outstanding options at the end of the financial year	32,820	-	267,452	286,190	35,876
(1) After the division of the par value of the Rexel share which occurred in 2007.					

During the financial year ended December 31, 2010, no option to subscribe for or to purchase shares was granted to Rexel's corporate officers or any other employee and no share subscription or purchase option has been exercised by the officers of Rexel. During the financial year ended December 31, 2010, the ten largest exercises carried out by employees in respect of all plans, were as follows:

Beneficiaries	Number of options exercised	Number of shares subscribed	Exercise Price
Laurent Delabarre	44,194	44,194	€5.00
Guy Picken	44,194	44,194	€5.00
Hubert Salmon	44,194	44,194	€5.00
Mark Daniel	38,290	38,290	€5.00
Richard Ferguson	38,290	38,290	€5.00
Patrick Foley	38,290	38,290	€5.00

John Kudlacek	38,290	38,290	€5.00
Etienne Gross	18,940	18,940	€5.00
	14,094	14,094	€6.50
Wayne Donaldson	32,326	32,326	€5.00
Jérémy de Brabant	31,566	31,566	€5

2. Plans instituted by Rexel Distribution ("Rexel Distribution")

Rexel Distribution share subscription option plans established in 2001

At the extraordinary general meeting held on May 16, 2001, the shareholders of Rexel Distribution authorized the Board of Directors of Rexel Distribution to grant to certain employees of Rexel Distribution, on one or more occasions, options to subscribe for Rexel Distribution shares, giving the right to subscribe for a maximum of 1,000,000 Rexel Distribution shares, subject to certain conditions and to the exercise of all options. The subscription price was equal to the average of the closing prices on the stock exchange during the 20 trading days preceding the option grant date.

On May 16, 2001, the Board of Directors of Rexel Distribution set up the plan relating to these options to subscribe for shares and awarded 299,300 options to subscribe for Rexel Distribution shares, giving the right to subscribe for 299,300 shares of Rexel Distribution at the price of €81 per Rexel Distribution share. These options cannot be exercised for a period of four years following the date of allocation. The beneficiaries of these options can subsequently exercise them only during a period of six years following the expiration of this four-year period, that is, until May 15, 2011 inclusive.

Following the Rexel Distribution capital increase done in June 2003 and the exceptional distribution of reserves on March 4, 2005, the subscription price of the Rexel Distribution shares when exercising the options was adjusted. As of December 31, 2010, the subscription price for the Rexel Distribution shares that may be subscribed for after exercising the options to subscribe for shares granted under the 2001 plan is €59.68 per share.

Rexel Distribution share subscription option plans established in 2002

On May 13, 2002, under the authorization granted by the shareholders of Rexel Distribution at the aforesaid extraordinary general meeting held on May 16, 2001, the Board of Directors of Rexel Distribution granted 360,543 options to subscribe for 360,543 Rexel Distribution shares at the price of €70.57 per Rexel Distribution share. These options cannot be exercised for a period of four years following the date of allocation. The beneficiaries of these options can subsequently exercise them only during a period of six years following the expiration of this four-year period, that is, until May 12, 2012 inclusive.

Following the Rexel Distribution capital increase effected in June 2003 and the exceptional distribution of reserves on March 4, 2005, the subscription price for the Rexel Distribution shares was adjusted. As of December 31, 2010, the subscription price for the Rexel Distribution shares that may be subscribed for after exercising the options to subscribe for shares granted under the 2002 plan is €51.99 per share.

Rexel Distribution share subscription option plans established in 2003

At the extraordinary general meeting held on May 14, 2003, the shareholders of Rexel Distribution authorized the Board of Directors of Rexel Distribution to grant to certain employees and corporate officers of Rexel Distribution, on one or more occasions, options to subscribe for Rexel Distribution shares, giving the right to subscribe for a maximum of 1,000,000 Rexel Distribution shares, subject to certain conditions and to the exercise of all

options. The subscription price could not be lower than 80% of the average of the opening prices on the stock exchange during the 20 trading days preceding the option grant date.

On July 7, 2003, the Board of Directors of Rexel Distribution set up the plans relating to these options and granted 623,413 options to subscribe for a maximum of 623,413 Rexel Distribution shares at the price of €26.75 per Rexel Distribution share. 173,488 of the 623,413 options granted were exercisable only if certain performance criteria tied to the results of Rexel Distribution were met in 2004 and 2005. No option with performance criteria remains effective. Following the exceptional distribution of reserves on March 4, 2005, the subscription price for Rexel Distribution shares was adjusted. As of December 31, 2010, the subscription price is €21.61 per Rexel Distribution share. Options to subscribe for shares under the 2003 plan that are not covered by the liquidity agreement described below are exercisable between July 8, 2007 and July 6, 2013 inclusive.

Rexel Distribution share subscription option plans established in 2004

At the extraordinary general meeting held on May 24, 2004, the shareholders of Rexel Distribution authorized the Board of Directors of Rexel Distribution to grant to certain employees and corporate officers of Rexel Distribution, on one or more occasions, options to subscribe for Rexel Distribution shares, giving the right to subscribe for a maximum of 1,300,000 Rexel Distribution shares, subject to certain conditions and to the exercise of all options. The subscription price was equal to the average of the opening prices on the stock exchange during the 20 trading days preceding the date of grant of the options.

On July 5, 2004, the Board of Directors of Rexel Distribution set up the plans relating to these options and awarded 782,790 options to subscribe for Rexel Distribution shares, giving the right to subscribe for 782,790 Rexel Distribution shares at the price of €35.26 per Rexel Distribution share. 179,550 of the 782,790 options granted were exercisable only if certain performance criteria tied to the results of Rexel Distribution were met in 2005 and 2006. No option with performance criteria remains effective. Following the exceptional distribution of reserves on March 4, 2005, the subscription price for share subscription options was adjusted. As of December 31, 2010, the subscription price is €28.49 per Rexel Distribution share. Options to subscribe for shares under the 2004 plan that are not covered by the liquidity agreement described below are exercisable between July 6, 2008 and July 4, 2014 inclusive.

The table below summarizes the status of the share purchase and subscription option plans established by Rexel Distribution as of December 31, 2010:

Date of shareholders' meeting	Option type	Number of options initially granted	Option grant date	Purchase or subscription price as of grant date (in euros)	Options potentially exercisable as of December 31, 2010	Purchase or subscription price as of December 31, 2009 (€)	Number of options covered by liquidity agreement as of December 31, 2010	Number of Rexel shares to which the options give a right
May 16, 2001	Share subscription options	299,300	May 16, 2001	81.00	83,626	59.68	N/A	83,629
May 16, 2002	Share subscription options	360,543	May 13, 2002	70.57	49,434	51.99	N/A	49,434
May 14, 2003	Ordinary share subscription options	449,925	July 7, 2003	26.75	545	21.61	N/A	545
May 14, 2003	Share subscription options tied to performance criteria	173,488	July 7, 2003	26.75	-	21.61	N/A	-
May 24, 2004	Ordinary share subscription options	603,240	July 5, 2004	35.26	1,549	28.49	N/A	1,549
May 24, 2004	Share subscription options tied to performance criteria	179,550	July 5, 2004	35.26	-	28.49	N/A	-

No subscription options for shares of Rexel Distribution were exercised in 2010. Moreover, during the financial year ended December 31, 2010, no subscription options for shares of Rexel Distribution were granted.

3. Liquidity Mechanisms

3.1. Liquidity agreement

Under the terms of the standing offer and public buyout offer followed by a compulsory squeeze-out initiated after Rexel Distribution was acquired by Ray Investment on December 10, 2004, Rexel Développement had set up a liquidity mechanism for the beneficiaries of stock options granted under the 2003 and 2004 plans (see paragraph "Plans instituted by Rexel Distribution ("Rexel Distribution")" above). In connection therewith, 360,667 Rexel Distribution shares issued as a result of the exercise of the 2003 options and 488,969 Rexel Distribution shares issued as a result of the exercise of the 2004 options were purchased by Rexel Développement. This liquidity mechanism expired on July 21, 2008 and no longer applies.

3.2. Supplemental liquidity mechanism

As part of its initial public offering plan, Rexel offered the beneficiaries of options to purchase or to subscribe for Rexel Distribution shares, a liquidity mechanism for the

beneficiaries of allocated Rexel Distribution options that are not covered by the liquidity mechanism set up following the acquisition of Rexel Distribution by Ray Investment.

In respect of the options allocated by Rexel Distribution in 2001 and 2002 to each beneficiary a put option under which it undertook to purchase the Rexel Distribution shares resulting from the exercise of options, that may be exercised during a period of 20 trading days as from the settlement/delivery date following admission of the Rexel shares to trading on the NYSE Euronext regulated market in Paris. In this context, 154,587 Rexel Distribution shares were purchased at a price of €53.06 per share. Among the share purchase or subscription options put in place by Rexel Distribution, only the 2002 plan, considering its exercise price of €51.99, was covered by the Supplemental Liquidity Mechanism proposed in 2007. The period during which the put option could be exercised expired and this liquidity mechanism no longer applies.

With respect to Rexel Distribution options under the 2003 and 2004 plans, Rexel entered into a Supplemental Liquidity Mechanism consisted in entering into a liquidity agreement (put and call options) with the relevant option beneficiaries, who did not wish to benefit from the liquidity mechanism proposed in 2005. Only certain option beneficiaries executed the 2007 liquidity agreement concerning their 2003 and/or 2004 options. In this context, in 2007, the call option was exercised by Rexel for 991 Rexel Distribution shares and in 2008 for 1,747 Rexel Distribution shares at a price of €53.06 per share. This liquidity mechanism expired on July 21, 2008 and no longer applies.

Signed in Paris
on February 1, 2011

THE MANAGEMENT BOARD