

# PRESS BACKGROUNDER

## 2010

# Rexel

servicing **energy efficiency**

and **renewable energy**



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# REXEL

ELECTRICAL SUPPLIES

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# Rexel, a key role in the distribution of energy-efficient and renewable energy solutions

## A unique role



Michel Labelle

**Rexel aims to accelerate the rollout of energy-efficient energy solutions for buildings.**

At the heart of the electricity chain, between manufacturers, electrical contractors, and the end user, the Rexel Group is the world's leading distributor of electrical equipment.

**Its mission:** provide advice and recommendations on comprehensive electrical solutions and ready-to-use offers for any type of building. Rexel accelerates the adoption of energy-efficient solutions.

### Key factors of a growing market

#### Regulatory changes

- Products to be replaced (incandescent bulbs)
- Incentives, subsidies, etc.

#### Technological progress

- More efficient products
- More complex products requiring training and support

#### New customer needs

- Reducing the carbon footprint
- Reducing the energy bill
- Improving comfort

### Rexel accelerates the rollout of energy-efficient electrical solutions

- Global network of 2300 points of sale
- Teams of experts on energy-efficient solutions
- A special relationship with manufacturers
- The desire to be a major player in this market



- Design ready-to-use offers for residential, industrial, and commercial buildings
- Explain, simplify, and facilitate access to these solutions for our professional customers
- Set up bespoke services and support

### Buildings that consume less and produce clean energy

- Home automation
- Heating
- Ventilation (climate control)
- Lighting
- Photovoltaic production and geothermics
- Installation equipment
- Electrical brown/white goods



#### Customers:

- Industrial companies
- Commercial building (shops, etc.)
- Contractors
- Local authorities

## A comprehensive view of the market



Michel Labelle

Rexel plays an advisory role for energy-efficient and green energy solutions. As a distributor, the Group offers electricians a **wide and complete range of associated products and services**, for all requirements in terms of energy efficiency.

Rexel has **offers that are segmented into ranges and organized by main functions**.

**It is the integration of different energy-efficient systems within a building that will make it possible to improve energy efficiency** (energy-efficient heating and ventilation system, low energy lighting, measurement and regulation systems). With an **overall view of electrical applications**, Rexel can advise its customers better, to help them install efficient solutions that really save energy.

Thanks to its international commercial network (2300 agencies, 30 online web shops), **Rexel has a key role in the promotion of energy-efficient products:**

- Highlighting the return on investment (including the cost of acquisition and the cost of use),
- Recommending adequate products according to their future use,
- Training installation contractors.

The new generation of electrical installations is a break from traditional systems. These changes concern distributors and installation contractors, as well as architects, contractors, and decision-makers. Rexel's role is therefore to enable all these players to choose the best solutions as early in the decision-making process as possible.

**Rexel is positioned to benefit from the growing energy efficiency and renewable energy markets.**

The Group has therefore set up and structured dedicated teams that work closely together to share their experiences and best practice.

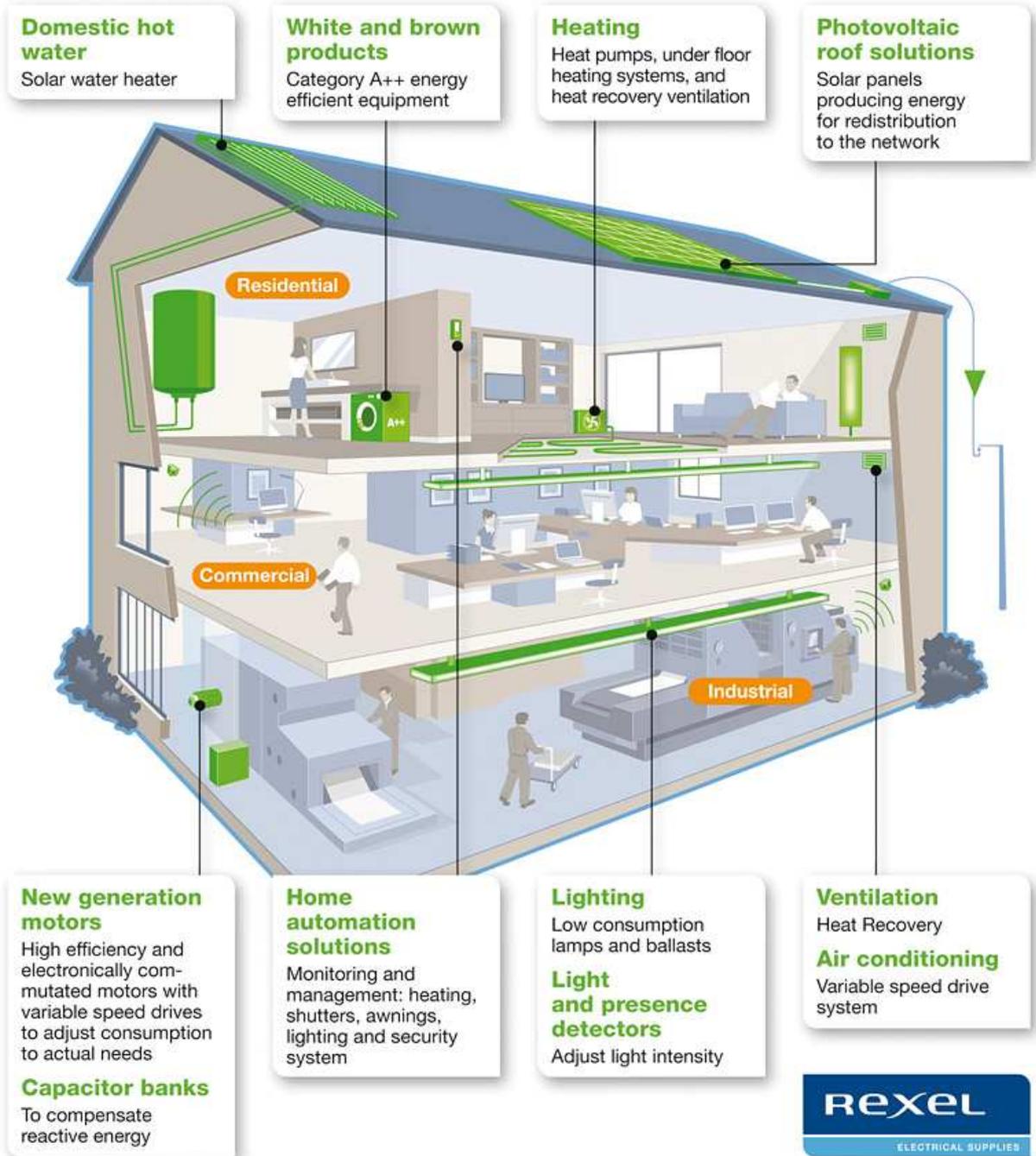
**Rexel has identified two key segments: energy efficiency – with the opportunity represented by the conversion to energy-saving lighting – and renewable energy, both wind and solar power.**

**The Group is looking to increase its turnover by around 300 million euros by 2012 in these segments.**

# Rexel prescribes, advises on and offers energy-efficient electrical solutions

## Rexel's added value

- Product range
- Advice
- Return on investment analysis
- E-commerce solutions
- Personalized delivery
- Training
- Installation support
- Energy efficiency consultation



Kof Illustration

# Rexel's added-value in the distribution of energy-efficient products

The range of solutions selected and approved by Rexel's experts, aims to:

- reduce energy consumption by consuming more efficiently, while using electrical equipment more frequently,
- supply components for renewable energy equipment, and supply renewable energy solutions.

This offer includes an array of energy efficient devices, control and automation systems, and, last but not least, measuring devices and systems to improve energy efficiency.

## Supporting and advising professionals at every distribution stage

The group's networks are accelerating the distribution of energy-efficient equipment through an array of products and services:

### Select the best products

#### Manufacturers

- Design and production
- Product marketing tools
- After-sale service



### Recommend energy-efficient products and systems

- 60% of employees in contact with customers
- Recognized expertise
- Innovation seminars
- Calculation of return on investment (ROI)
- Energy audits

### Design ready-to-use solutions

- By usage
- By customer type
- E.g. "Energy-efficient heating solutions" catalogue

### Rollout marketing campaigns through multiple media channels

- Technical field sales representatives
- Call centres
- Competence centers
- 30 web shops (online promotion)
- 2300 sales outlets
- Merchandising
- Trade fairs and marketing operations

### Segment and target customers

- Precise segmentation of installation contractors and end users
- CRM tools
- Targeted marketing

### Offer a wide range of services

- Training for professional customers
- Logistics services: Rexel is capable of delivering 35,000 references within 24 hours. Between 200,000 and 600,000 catalogue references available.
- Recycling (e.g. partnership with Recylum in France).

## Consuming less and better

Rexel provides a complete range of products and services making it possible to optimize buildings' energy consumption. Its businesses develop cutting-edge expertise in specific fields.

Rexel is involved in all areas of building applications or processes that enable the reduction of electricity consumption:

- Heating and ventilation (heating regulation / programming, ground-coupled heat exchanger / heat recovery ventilation, heat pump, solar water heater)
- Lighting (compact fluorescent bulbs, energy-saving halogen bulbs, LEDs)
- Measurement and regulation systems (smart metering, measurement and regulation)
- Control systems (sensors, movement detectors and control centralization)
- Variable speed drives and high-efficiency motors
- Automation systems
- Energy-efficient electrical goods

## Producing cleanly

Sun, wind, heat from the earth, waterfalls, tides, and organic growth – the exploitation of renewable energy sources creates little or no waste or pollution.

In view of their significant potential for development, and thanks to its expertise, **Rexel has positioned itself as a key player in the supply of solar and wind power equipment.**

### → Solar power

Rexel supplies a range of high-quality components (solar panels, fittings for roof installation, inverters, special cables, electrical safety equipment), as well as bespoke, ready-to-install kits.



- Solar photovoltaic power enables households and companies alike to produce electricity and sell it on to electricity companies, which distribute it through the network, often at a feed-in tariff, above the market price. Whereas the electricity produced is often not destined for personal consumption today, it is likely to be so in the future.

## → The production of hot water, thanks to solar and thermodynamic water heaters

Rexel distributes all the equipment for these solutions: heat collectors, circulation circuits, storage tanks, elements, heat pumps.



Eberhard Rudert - Fotolia.com

- In the case of solar water heaters, the collectors transform the energy from solar radiation into heat to produce hot water. Stored in a tank, it can then be used during the day or at night.
- In the case of thermodynamic water heaters, a tank is fitted with an air/water heat pump: the pump collects the heat from ambient air to heat the water in the tank.

## → Windmills

Rexel has solutions for supply chain management, on-site storage, deliveries, and quality assurance. Rexel also supplies special cables and automation.

- Windmill manufacturers must buy-in the electrical and mechanical components they need on their production sites, and equipment to connect the windmills to the network.



Rafa Inusta - Fotolia

## → Geothermal and aerothermal power

Rexel has a complete range of heat pumps.

- Heat pumps collect the heat from the surrounding earth or air, increase its temperature, and release the heat at a higher temperature in the building.

## Fitting a low energy consumption building

To be certified a low-energy house, a building must not consume more than 50 kilowatt-hours of primary energy per square meter per year (kWhPE/m<sup>2</sup>/year). This includes heating, the production of hot water, lighting and ventilation, but not electrical goods.

**Rexel supplies all this energy-efficient equipment, which prefigures the future energy-positive buildings:** combined with effective insulation, low energy lighting and regulated heating and ventilation make it possible to substantially reduce energy consumption. Heat production (heat pumps, solar water heaters, etc.) and home automation further improve efficiency and comfort. Completed with a roof-based photovoltaic solution, these systems will eventually make it possible to design buildings that produce more electricity than they consume.

## Electrical equipment at the heart of potential energy savings

### → A high-potential context

With the increasing rarity of fossil fuels and the realization of the damaging effects of greenhouse gases (GHGs), the race to “consume less energy, consume more efficiently, and produce clean energy” has started. Furthermore, the gains in energy efficiency will make it possible to make significant savings on energy bills.

These changes come under the framework of different regulations in Europe (“energy-climate package”), particularly in France with the “Grenelle” environmental talks, but also in the USA (the Energy Policy Act, President Barack Obama’s energy policy), which have set a framework and objectives and are raising public awareness.

- **The building industry: the main potential source of energy savings**



Fotolia

Buildings currently represent over 40% of energy consumption. **The European Commission estimates that the potential reduction of residential and commercial buildings’ energy consumption is around 30% and that of manufacturing industries is around 25%.** The building industry, along with transports, is the biggest potential source of energy savings.

- **Incentives to produce renewable energy**

Due to rising energy prices, and the need to reduce GHG emissions, renewable energies are becoming attractive to the general public, professionals, and industrial manufacturers. **In order to reach the objective of 20% of renewable energies in its overall energy mix, the EU intends to boost efforts in the electricity, heating, and cooling sectors,** as well as in biofuels.

In Europe, as well as in the USA and many other countries, tax incentives promote the development of these new energies.

### → Active energy efficiency

We distinguish passive energy efficiency, which comes from the good insulation of buildings, and active energy efficiency, which comes from the optimization of interior electrical installations. Rexel is positioned on the second market.

Promotelec, the organization that delivers quality certificates for new and existing housing, has created the Energy Renovation label. Aside from the insulation of walls and windows, which concern the structure, all the other fields concern energy and fluids: ventilation, the different types of heating and their control, heat pumps, residential hot water, electrical or gas installation. The optimization of these solutions make it possible to improve active energy efficiency.

Furthermore, through the Energy Efficiency Diagnostic, and diagnostics on gas and electricity installations, which are compulsory during the sale or rental of properties in France, **the energy efficiency of buildings is now an integral part of their value.**

## Profile of a world leader

Rexel distributes electrical solutions for housing, the commercial sector, and industry, to improve comfort and energy efficiency, and to contribute to sustainable economic development.

At the heart of the electrical industry, Rexel is the partner of choice for its professional customers – whether they are electricians or key accounts – and manufacturers. Through a network of over 2300 sales outlets in 34 countries, and numerous distribution channels (over the counter, internet, field sales reps, call centers, etc.), Rexel offers bespoke services for its customers, focusing on proximity.

**Rexel works on three key markets:**

→ **The industrial market (32% of turnover).**



For which Rexel supplies automation, electrical maintenance, and electrical equipment for buildings.

→ **The commercial market (43% of turnover).**



Whether it be a new-build, major renovations or the maintenance of buildings, automation solutions, or energy-saving solutions.

→ **The residential market (25% of turnover).**



Whether they be new construction projects, renovation, maintenance, energy audits, or the implementation of energy saving solutions.

Rexel is listed on Euronext Paris's Eurolist.

## Key figures

**No. 1** in North America

Present in  
**34 countries**

**2,300**  
branches

**30** online web shops

**40** networks

**No. 2** in Europe

**No. 1** in Asia-Pacific

**29,000** employees

**11.3 Billion** euros  
turnover in 2009



# Rexel's offer in detail

Rexel Agency in Guingamp - Credit Nathalie Gross



Jean-Erik Pasquier - Rapho



Jean-Erik Pasquier - Rapho



Merchandising - Rexel France



Hagemeyer Deutschland - Laurent Zylberman - Graphix Images



Cyril Comtat - Fotolia.com



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## More efficient and effective lighting

### → Rexel's lighting offer



Jean-Erik Pasquier - Rapho

The replacement of light bulbs at global level is an opportunity for development and a market on which Rexel intends to position itself as a key distributor in the years to come.

**Rexel offers its customers a range of energy-saving lighting products**, and continuously monitors developments in the field with its manufacturer partners. **Low energy lighting makes it possible to achieve savings on electricity bills, to replace light bulbs less frequently, as they last longer, and to reduce CO<sub>2</sub> emissions.**

**The Group also has a substantial offer of interior sensors, motion and light detectors**, and control solutions. **The addition of interior sensors and light detectors can reduce consumption by up to 50%.** Thanks to dimmers, this equipment can reduce light intensity when a room is empty or bathed in natural light.

Through these lighting solutions, Rexel targets the end user directly, particularly in the industrial and commercial sectors, in order to raise awareness of potential energy savings and therefore the resulting saving on their electricity bill. The Group **offers energy audits on installations and advice in terms of administrative steps** for end users who could benefit from incentives, such as tax breaks, or subsidies.

If need be, it can put end users in contact with specialized electrical installation contractors. Furthermore, the Group provides recycling points in its branches.

**Lighting represented 19% of Rexel Group's sales in 2009, compared to 17% in 2008. In sales of lighting last year, 55 million bulbs were energy-saving, representing 54% of total bulb sales.**

### → “Relamping” projects

The market for replacing lighting sources concerns all three of Rexel's markets. However, **Rexel is concentrating particularly** on the commercial market, and specifically **on four main segments** that use a lot of lighting and where substantial savings are possible:

- **Retail chains and shopping centres**
- **Hotels**
- **Public lighting** (streets and car parks)
- **Medical institutions** (hospitals)

These four segments imply large orders, through centralized purchasing. Rexel has acquired unique expertise on these markets.

## → Selected key achievements



### United Kingdom

#### Relamping of the West Quay shopping center

Rexel's English brand, WF Electrical, advised and supplied the lighting for the 14-storey car park at the West Quay shopping centre in Southampton. Some 6,000 light fixtures were replaced with low-energy lighting. Aside from the lighting, WF Electrical also suggested motion detectors, which enable further energy savings. The £350,000 project generates annual energy savings of approximately £300,000.



### United States – Asia-Pacific

#### Projects with Las Vegas Sands, an American real estate developer specialized in the construction of hotels and casinos.

In 2009, Gexpro supported Las Vegas Sands International (LVSI) in the development of this 2,600 room hotel complex in Singapore – with the aim of limiting energy consumption.

This project follows successful developments with the Venetian hotel-casinos in Las Vegas and Macao. In Las Vegas, the solutions recommended allowed **the hotel to reduce energy consumption by 65%, representing savings of \$1.2 million in its annual energy bill.**

Gexpro was once again chosen as the electrical supply distributor for this project, which consists of three 55-storey towers, featuring a casino, conference rooms, auditoriums, shops, restaurants, and a one-hectare landscaped Sky Park.

After having supplied LVSI with all the electrical equipment for the construction project, installing three mobile substations on site, in 2009 Gexpro supplied the 100,000 energy-saving lighting systems needed to fit out the inside and outside of the buildings. Gexpro provided remarkable logistic services, delivering 80% of the lighting needed in less than 4 months.

## Understanding this market better

Lighting currently represents nearly 20% of global energy consumption. With technological developments making it possible to reduce consumption by nearly 65%, it becomes easy to replace lighting fittings in order to generate energy savings and the resulting cost savings.

**A certain number of parameters must however, be taken into account in the choice of energy-saving lighting.**

### → Good light quality

- **Luminous flux:** This is the total quantity of light emitted in all directions by a light source. It is expressed in lumens.
- **Light efficiency:** This is the relationship between the luminous flux of a source and the power used. The unit of light efficiency is the lumen per Watt (lm/W).
- **Lighting is calculated in Lux (lumen/m<sup>2</sup>).**

### → The type of light

- **Color temperature:** Evaluated in Kelvins (K), it characterizes the apparent color of the light emitted by a source. It makes it possible to create an atmosphere and personalize zones depending on the activities or products to be lit.
- **Color Rendering Index (CRI):** Indicates the capacity of a light source to render the colors as we perceive them in natural light. The CRI is measured on a scale of 1 to 100. 100 represents a perfect rendering of colors.

### → The different types of energy-saving lights

- **Compact fluorescent bulbs:** They consume five times less than standard bulbs, have a lifespan of between 6 and 15,000 hours and provide different color temperatures (warm white, neutral white, and natural light).
- **Energy-saving halogens:** They consume 1.5 times less than standard bulbs, have a lifespan of between 2,000 and 5,000 hours and diffuse a bright, warm light with an excellent rendering of colors.
- **LEDs:** They consume up to seven times less than a standard bulb, with a lifespan of up to 50,000 hours, and provide a great stability of color.
- **High-efficiency fluorescent tubes:** They are the best solution for efficient direct lighting and are mainly used in industrial and commercial buildings.

**In Europe, nearly half of light bulbs fitted will be replaced by energy-saving bulbs in the coming months and years.**

### → Timetable for bulbs banned by the European Light bulb directive

Deadline	Bulbs banned by the European directive
1 <sup>st</sup> September 2009	Incandescent bulbs and non-clear halogen bulbs (opal, white, defrosted) Class B fluorescent compact bulbs Class F and G bulbs Incandescent bulbs $\geq \approx 100$ W ( $\geq 950$ lm) Class D and E halogen bulbs $\geq \approx 75$ W ( $\geq 950$ lm)
1 <sup>st</sup> September 2010	Incandescent bulbs of $\approx 75$ W ( $\geq 725$ lm) Class D and E halogen bulbs of over 60W $\geq 725$ lm)
1 <sup>st</sup> September 2011	Incandescent bulbs of $\approx 60$ W ( $\geq 450$ lm) Class D and E halogen bulbs of $\approx 40$ W ( $\geq 450$ lm)
1 <sup>st</sup> September 2012	Incandescent bulbs of $\approx 25$ W and 40W ( $\geq 40$ W lm) Class D and E halogen bulbs of $\approx 25$ W ( $\geq 60$ lm)
1 <sup>st</sup> September 2013	S14, S15, and S19 bulbs
1 <sup>st</sup> September 2016	Class C clear bulbs (except G9 and R7 bulbs)

\* Does not concern reflector or VLV (Very Low Voltage) bulbs

## Energy-efficient heating solutions

The ADEME (*Agence de l'Environnement et de la Maîtrise de l'Energie* – French Agency for the Environment and Energy Control) estimates that heating represents 65% of potential savings based on the average consumption of an old building of 100m<sup>2</sup>.

To fully benefit from the comfort of your heating and hot water while decreasing your energy bill, it is necessary to set up an efficient system.

**Rexel provides all the equipment needed to manage energy and offers a wide variety of energy-efficient heating and ventilation systems.**

### → Regulation and programming

Good energy management is first and foremost about temperature regulation and heating programming. Energy savings of up to 25% are possible thanks to these two functions alone.



Beboy - Fotolia

### → Heat recovery ventilation

This ventilation system is an integral part of any energy-efficient building because it limits the heat loss that is inherent to ventilation. In combination with a ground-coupled heat exchanger, using the more constant temperature of the earth, heat recovery ventilation can be very efficient, with savings of up to 30% on heating and air conditioning.

### → Heat pumps

Heat pumps collect heat from the earth (geothermal power) or air (aerothermal power), and increase its temperature to release the heat at a higher temperature in the building. It is also reversible: Heat pumps can also cool.

### → Solar water heaters and heat pump water heaters

They provide an ecological solution for producing residential hot water. The heat can be kept in a storage tank using an electrical element.

### → Automated control of the house

As well as controlling lighting and safety, and even multimedia, automation enables energy savings related to heating or air conditioning: By monitoring and controlling heat recovery ventilation, as well as heating, blinds, and shutters, it is also possible to use the sun's energy. In winter, by opening the shutters when there is sunlight, the automated system will warm the building up by a few degrees and thereby delay the start of the heating system. It is the accumulation of these automated actions that enables a house to consume less than 50kWh/m<sup>2</sup>/year.

## Photovoltaics to produce clean electricity

### → Rexel's offer features all photovoltaic equipment

- Solar panels
- Fittings for the roof (mechanical parts)
- Inverters (current voltage converters)
- Special cables and specific connections for photovoltaic equipment
- Electrical safety equipment

Rexel's priorities are the safety of people and goods, and the efficiency of installations.

Beyond just the supply of equipment, Rexel provides a **range of services**: advice and return on investment calculations, support with administrative procedures and requests for subsidies, maintenance and post-installation services.

In 2008, **Rexel's turnover in photovoltaic products and services reached approximately 80 million euros**, mostly in Germany, but also in Spain, Belgium, France and the USA.

Rexel now caters mostly for the residential market (90% of sales). Half of its customers are electricians with training in solar power and half are solar panel installation contractors.

As a distributor, Rexel provides its customers with a comprehensive product offer to facilitate installation, advice, and sales tools.

### → Key achievements:

#### Rexel Belgium is continuing to develop solar panels

To provide the most reliable solution, best suited to its customers, Rexel Belgium has joined forces with several major players in this market: SolarWorld for solar panels and fittings, SMA for inverters, Profiplast for cables, and Multi-Contact for connectors.

Thanks to these partnerships, Rexel is able to offer its customers a range of high-quality components together with "customized", ready-to-install kits.

In 2009, in addition to the residential market, Rexel developed its offer for the industrial and commercial markets through an enlarged range of solutions particularly for flat roofs.

During the first half of 2009, Rexel Belgium sold over 10,000 solar panels, 3,000 inverters, 300 km of solar panel cables, and 50,000 connectors.

#### Supply of photovoltaic equipment to the Kyoto college in Poitiers

Opened in September 2009, Poitiers Kyoto college is the first in Europe to exclusively use renewable energies.

The Poitiers branch of Rexel France provided technical counsel and logistics services to supply the 686 solar panels that were installed on the roof, over an 800 m<sup>2</sup> surface.

By consuming 32 times less energy than a conventional building, the college represents a new generation of public buildings.

Rexel France can offer "the best products available" for professional installation contractors and their end user customers who produce decentralized electricity (from individuals to investors and operators of solar power stations), for a 100% secured electrical chain.

## Understanding this market better

### → An answer to energy issues

Photovoltaic energy provides a solution to the challenge of the production of green electricity. It is one of the ways chosen by many governments and citizens in order to reach the European 3x20 objectives of the "climate-energy package":

- 20% energy savings,
- 20% less GHG emissions, and
- 20% of renewable energies in energy consumption.

At both global and European level, the last seven years have seen installed photovoltaic power multiplied by 10, which has enabled a 40% reduction in system costs and 30% for modules<sup>1</sup>.

Recent studies indicate a growth in cumulated global capacity from ~15 GWc in 2008 to ~1 500/1 800 GWc in 2030.



Olat Schmitz - Fotolia

**The growth in photovoltaic electricity is dependent on the development and installation of solar panels, in various environments:**

- **Rooftop installations:** which represented 80%<sup>2</sup> of installations in 2008
- **Installations of commercial-type projects,** particularly buildings, warehouses, and roadside installations: 3 %
- **Ground-based solar power plants:**7%
- **Isolated locations** that are not connected to the grid: approx. 10%

Today, in the great majority of cases, solar panels generate electricity that is sold on by an electricity supplier, and not consumed locally. The direct current, produced by the solar panel, is transformed into alternating current by an inverter, then goes through a meter before being connected to the regional electrical grid.

However, according to WIP Munich, by 2020, in most European countries, when the price of electricity has risen and photovoltaic installations are cheaper and are more efficient, the production of photovoltaic electricity could directly meet the needs of local consumption.

**In many countries, in order to promote this type of electricity production, the government guarantees local producers a feed-in tariff for solar power that is higher than the sale price of the regional or national electricity producer.** This price can vary depending on:

- the country, or region
- the type of customer (household, industrial)
- the type of installation: panels built into the building or simply fixed on

<sup>1</sup> Source: Gimelec "Réussir votre installation photovoltaïque avec les professionnels du secteur électrique", December 2008

<sup>2</sup> Source: Oliver Wyman

## Industrial installations; major sources of energy savings

Electric motors can be used for diverse functions: ventilation, pumping, mechanical driving, cooling, or heating, etc. **They represent 70%<sup>3</sup> of the electricity consumed by industry. Yet they are often worn out, ill-suited, or inefficient, and represent a great source of energy savings.** The International Energy Agency estimates that the global stock of industrial motors includes 264 million 0.75 kW to 375 kW machines, which produce 3.5 billion tonnes of CO<sub>2</sub> per year.

The IEA evaluates the possible worldwide energy saving at 22% within the next 10 years.

### → Rexel's solutions for saving energy



Laurent Zyberman - Graphix Images

- **High-efficiency motors**

They are designed according to the principle that, for a given amount of power available at a motor shaft, the power absorbed varies depending on the motor's efficiency. And, **over a 10-year period, energy consumption represents approximately 95% of the total cost of a motor.**

- **Variable speed drives**

A variable speed drive is an electrical control that makes it possible to adapt the motor's speed to the task it is being asked to do. It acts on the variation of the motor's frequency, by enabling an optimum balance between the need for mechanical power and electrical energy consumption. For example, in ventilation or pumping, fixed speed motors, to which valves are connected downstream in order to regulate the flow of fluids, run too quickly. Yet a motor running at half speed reduces its consumption by four.

**The use of variable speed drives enables a 50% energy saving in use. For these solutions, the return on investment is less than three years.**

- **Capacitor banks for reactive energy**

These make it possible to improve the power factor of an installation and to reduce the quantity of positive energy provided by the source. **The return on investment for reactive energy compensation equipment is generally between 12 and 18 months.**

### → Rexel's solutions for optimizing energy quality

- **Filtering harmonics**

These currents lead to the excessive heating of machines and equipment (the Joule effect), the premature aging of electrical equipment, and the deterioration of the power factor. Filtering solutions make it possible to reduce these effects. The return on investment varies from a few months to two years.

- **Inverters**

Inverters make it possible to cope with brownout, disturbances, and power cuts. They make it possible to close files properly and avoid expensive data losses in IT applications (data centers, medical applications, monitoring applications, etc.).

<sup>3</sup> Source: Gimelec "Mener à bien un projet d'efficacité énergétique industrie", April 2008

## Services to raise awareness and support our customers

Offering its customers innovative solutions, Rexel combines its product range with a variety of services, particularly logistics services, advice and technical assistance, training, and marketing.

### → Consulting and training services

The main services offered by the Group are the following:



Michel Labelle

- **Consulting**

Rexel helps its customers to choose the right solutions from the wide offer of products available. **It prepares technical quotations, audits the different scenarios, and also offers support in the design of electrical installations, wiring diagrams, and the preparation of specifications.**

For these services, Rexel has teams of experts working with its agencies who assist its sales teams to promote high added-value product families (like VDI, safety, lighting, and industrial automation). In certain cases, these teams are present directly at the customer's location.

- **Training**

In most of its branches, Rexel regularly organizes training sessions organized by its personnel, external partners, or the manufacturers themselves, in order to familiarize customers with complex or innovative products.

**These services come under the scope of a loyalty building and customer development policy, notably through the widening of technical skills with products featuring the latest technological developments.**



Laurent Zylberman - Graphix Images

### → Complementary logistics services



Laurent Zylberman - Graphix Images

Logistics type services include being able to pick products up in branches, including outside opening hours, or quick on-site delivery. They make it possible to guarantee the availability of products in optimized lead-times. **Thanks to its logistics tools, Rexel is capable of delivering 35,000 references within 24 hours. Furthermore, between 200,000 and 600,000 catalogue references are available to order in every country. 2,000 to 6,000 references are immediately available in stores.**

Since the acquisition of Gexpro, the Rexel Group, through the intermediary of the Gexpro Services warehouse, has a range of high added-value dedicated logistics and distribution services. Rexel therefore offers industrial customers in the USA three ranges of logistics services related to the provision of spare parts or parts assembly. These services are provided by a dedicated entity which brings together the following activities:

- Stock management and assembly, and supply of products on the assembly lines of its customers' production units (*Production Services*);
- Distribution of spare parts (*Parts Super Center*)

## → Marketing-related services

Rexel Group provides services making it possible to strengthen ties with customers. There are various contact points with customers: sales outlets, call centres, field sales reps, commercial websites, marketing campaigns and specialized journals.



Rexel warehouse in Australia

- **New distribution formats**

In Australia, Rexel has developed a distribution format based on self-service sales assisted by advisors, to meet the needs of local installation contractors. Furthermore, Denmans, one of the Group's British companies, has developed, among others, a specific product offer and sales structure, as well as the "Connector" catalogue, sent to tens of thousands of electricians every month. And finally, Rexel Inc. publishes the magazine Power Outlet in the USA, which discusses product trends and innovations.

- **Development of e-commerce**

E-commerce represents a real lever for growth for Rexel. E-commerce services include:



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- commercial websites, which provide product, inventory and prices information in real time, and advanced services for orders and account management
- electronic supply solutions for key accounts, adapted to their purchasing processes: electronic catalogues, connections via electronic marketplaces, etc.
- electronic data transfer and dematerialization (orders, invoices) solutions enabling customers to improve productivity and reduce processing costs.

**In 2009, e-commerce represented 9% of the Group's turnover.**