Rexel
ELECTRICAL SUPPLIES

INVESTOR DAY 2010

London, December 2

Summary

1. Rexel UK: A turnaround story
2. Rexel Group: Improved fundamentals
3. Rexel Group: A profitable growth strategy

1 Rexel UK:
a turnaround story

Henri-Paul LASHKAR,
Senior VP UK & Ireland

John HOGAN,
Managing Director Newey & Eyre

Brian SMITHERS,
Managing Director WF Electrical

Welcome to Rexel UK

Henri-Paul LASCHKAR
Senior Vice President
Rexel UK & Ireland

Rexel UK in 2010

- Sales > €900m
- #1 Player in the Market
- Market Share > 28%
- 5 Banners
- ≈ 400 Branches
- ≈ 3,700 FTEs
- 2010e Adj. EBITA Margin ≈ 3%

Rexel UK 2008–2010: Creating a Leader

Rexel and Hagemeyer in the UK Pre Acquisition

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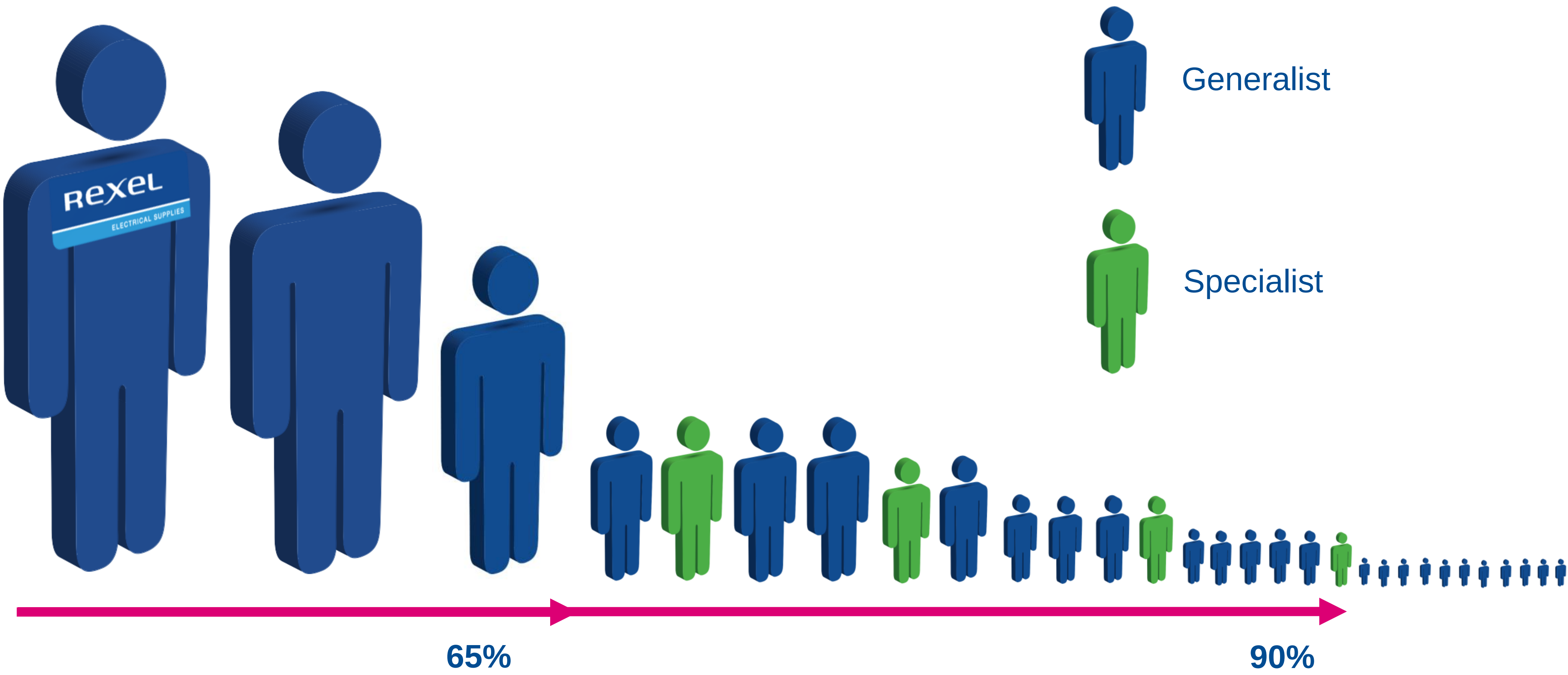
- 6% Market share
- 4th player in the market
- Focus on small & medium sized contractors
- 2 Banners
- Low profitability
- Cash generative

HAGEMEYER

- 21% Market Share
- 2nd player in the market
- Focus on large & medium sized contractors
- 3 Banners
- Loss making
- Cash absorbing

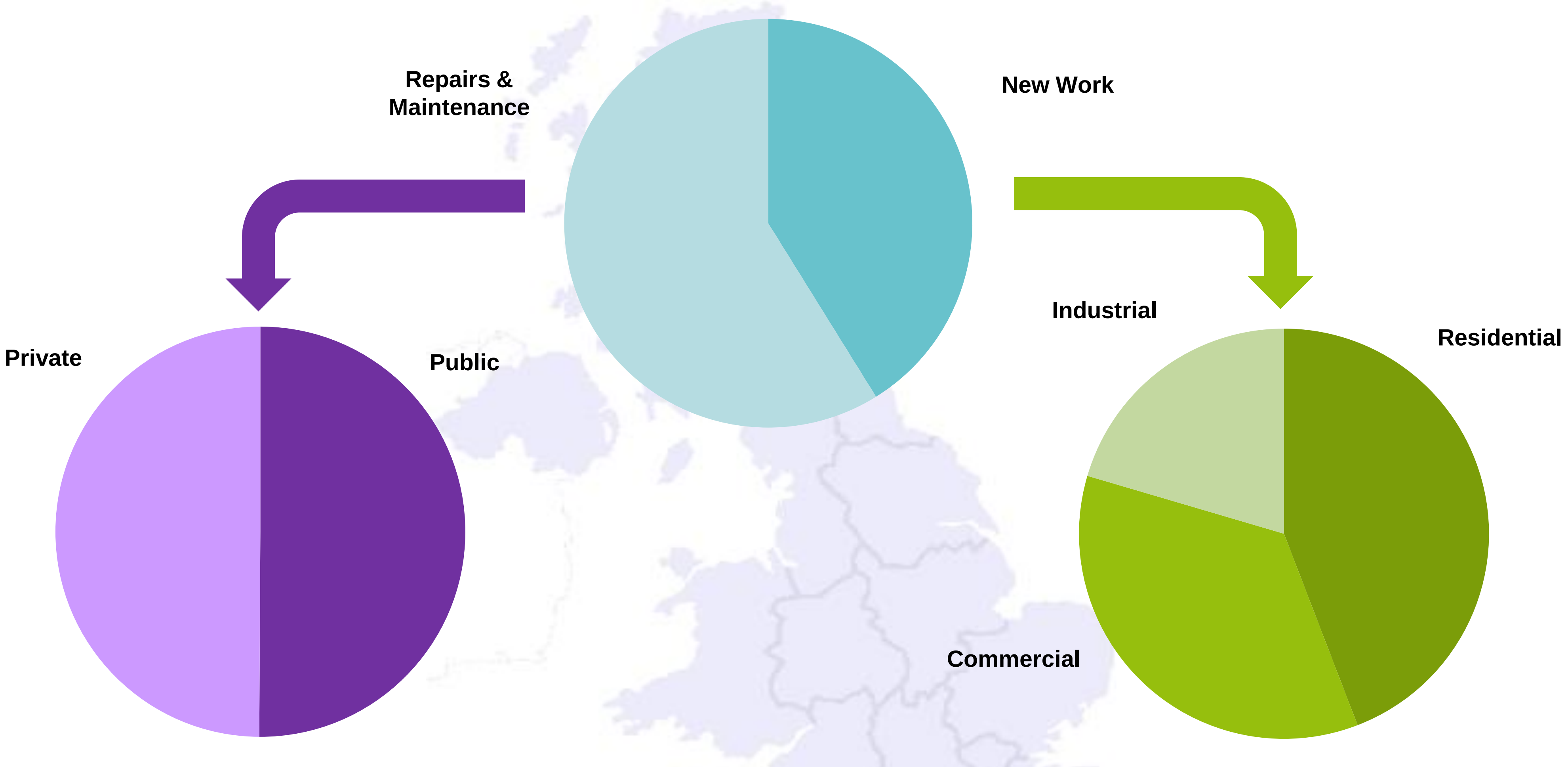
Highest Value Creation Potential within the Assets Acquired from Hagemeyer

UK Competitive Landscape: A Highly Concentrated Market



Rexel is #1 out of 3 National Players

UK ED Market is the 4th Biggest European Market: £3bn



A Well Balanced Market between Renovation and New Projects

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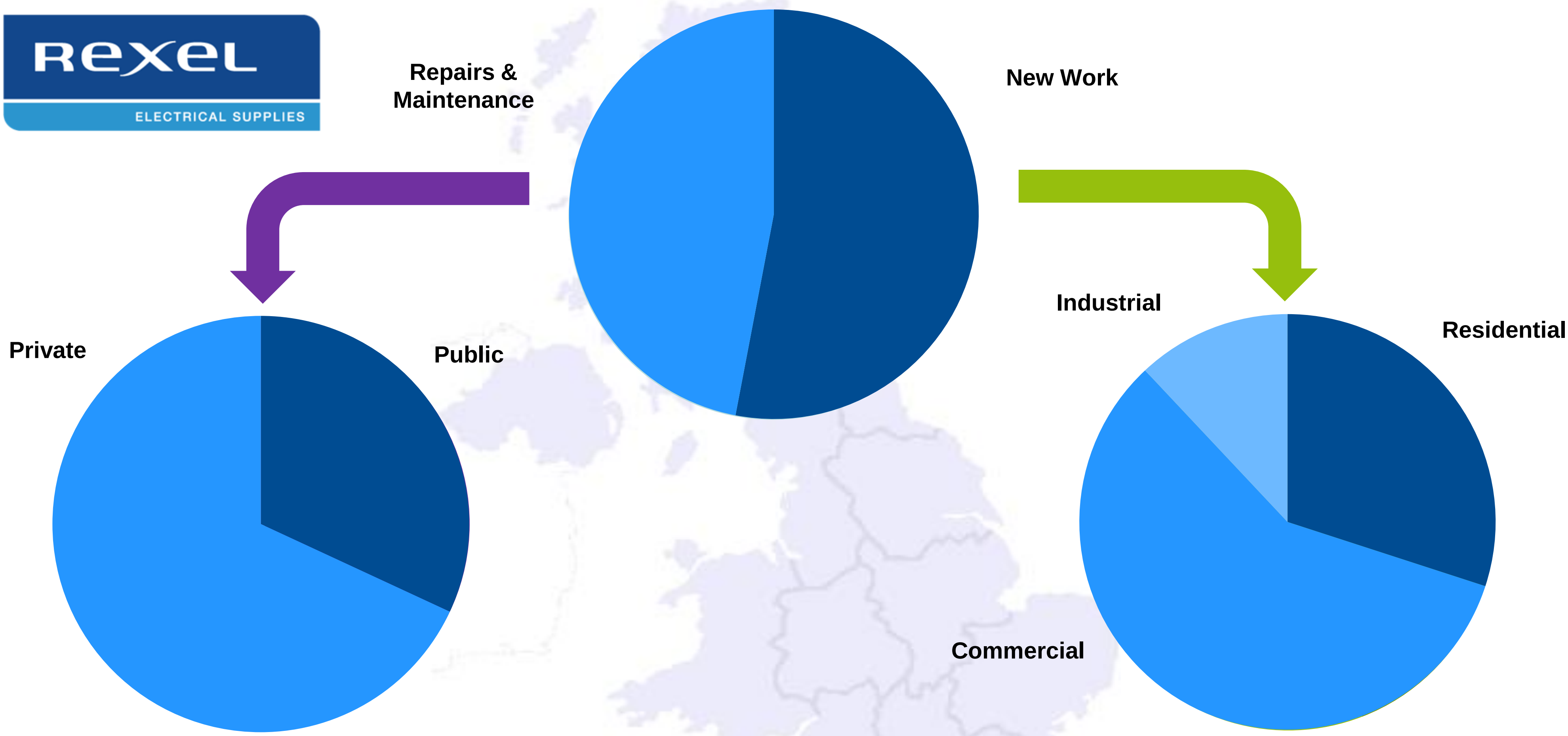
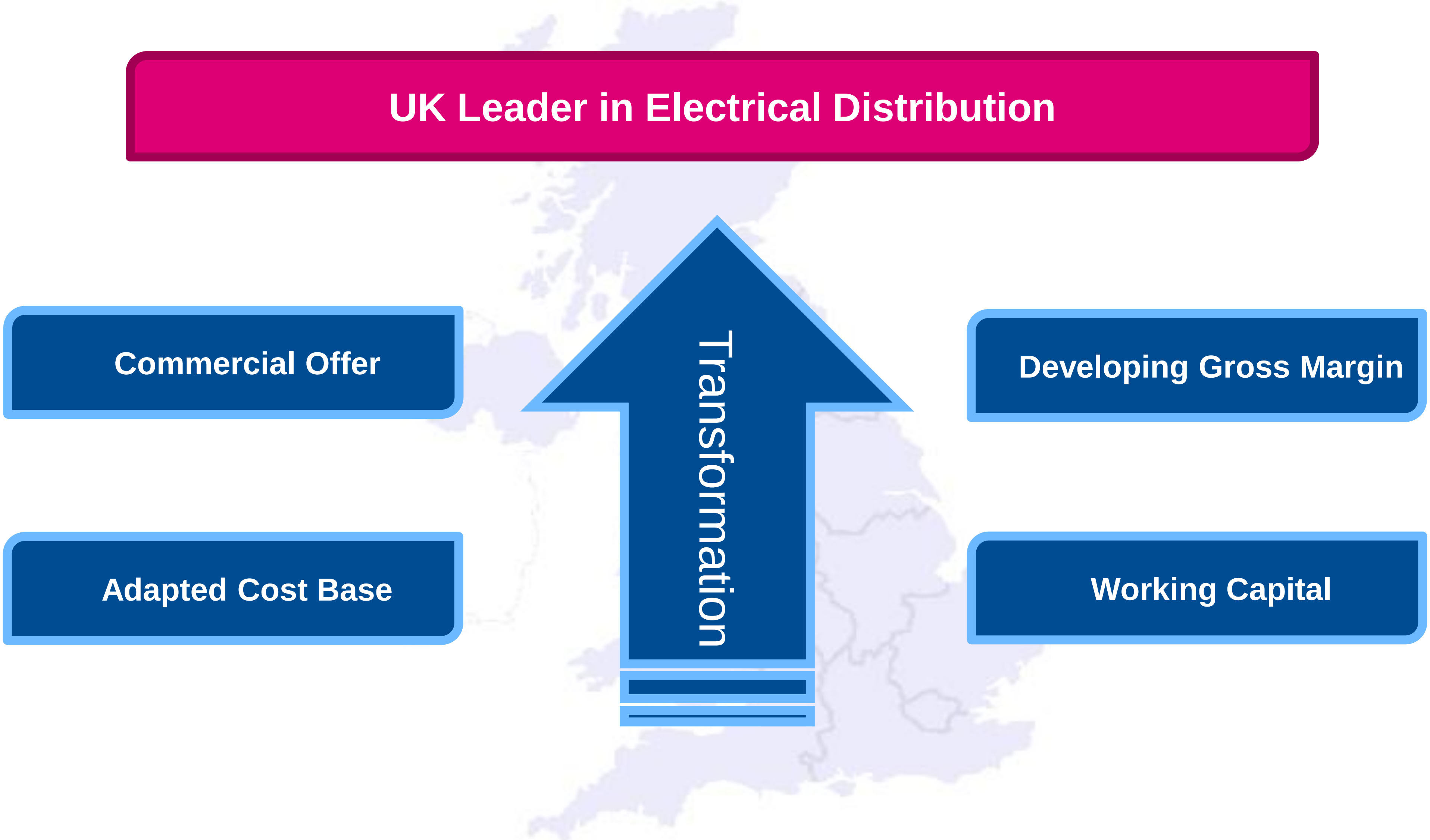
UK ED Market: Rexel UK's Position



Rexel UK is Less Exposed to Public Sector and Residential

Creating a Leader: Rexel UK



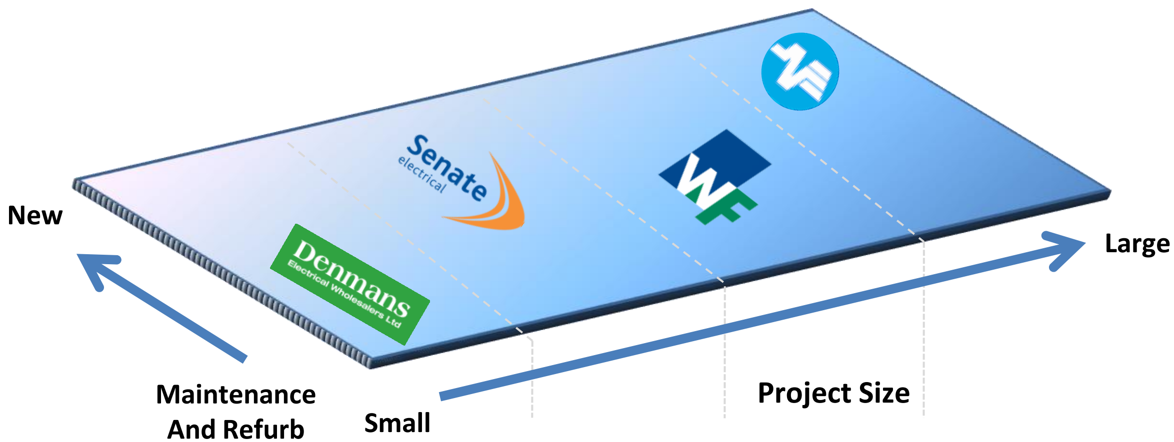
Creating a Leader: Addressing all the Segments

74 Branches

94 Branches

79 Branches

177 Branches



Comprehensive Solutions and Coverage

Creating a Leader: Network Optimization

N E T W O R K

Understanding Local Markets

Protecting Market Opportunity

Facility Re-sizing

Facility Closures

93 Facility Actions

Facility Rebranding

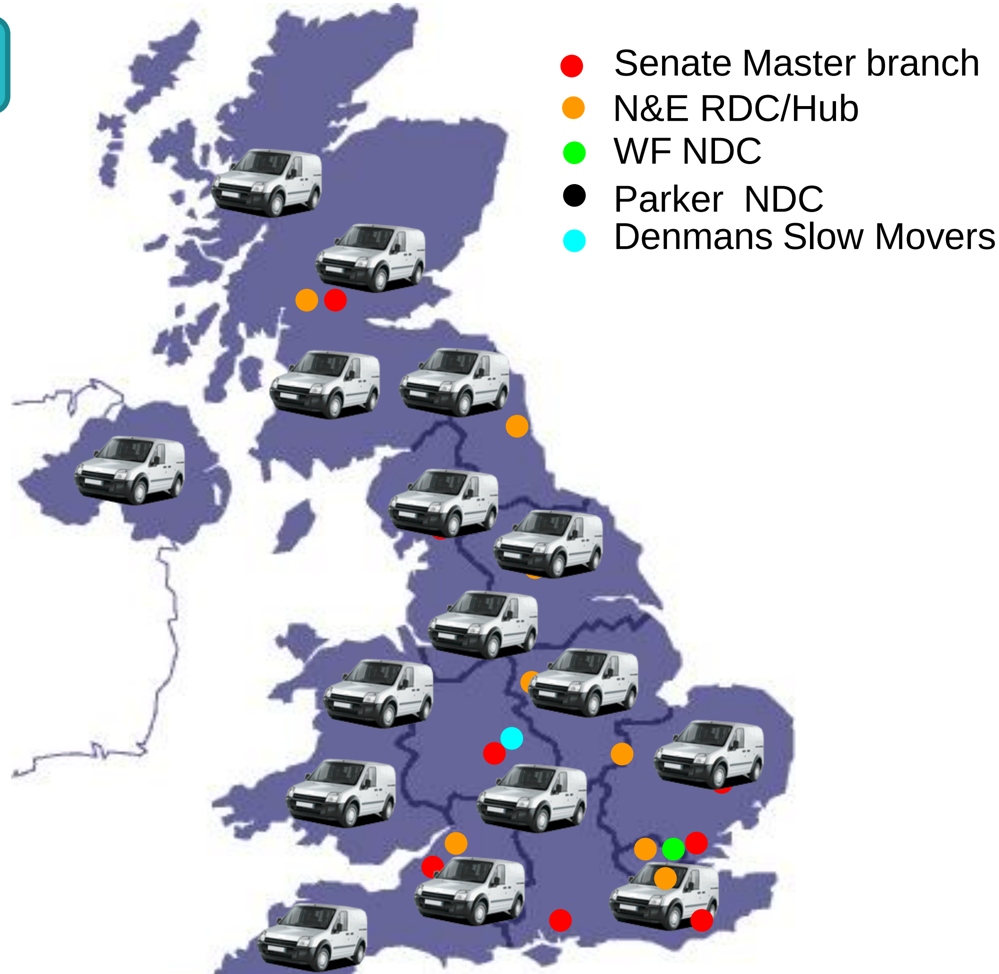
Total Network Saving 2008–2010: £21m

Creating a Leader: Logistics Optimization while Improving Service

L O G I S T I C S

- Distribution Centres
  - Re-engineered Supply Chain
  - Re-profiled Branch Stock
  - Improve Processes
- **Reduction of 87 Vehicles**

- Transport
  - Parcel Traffic Consolidation
  - Fleet Sharing
  - Extended Computerised Routing
- **Reduction of 300,000 Sq Ft**



Total Logistics Saving 2008–2010: £11m

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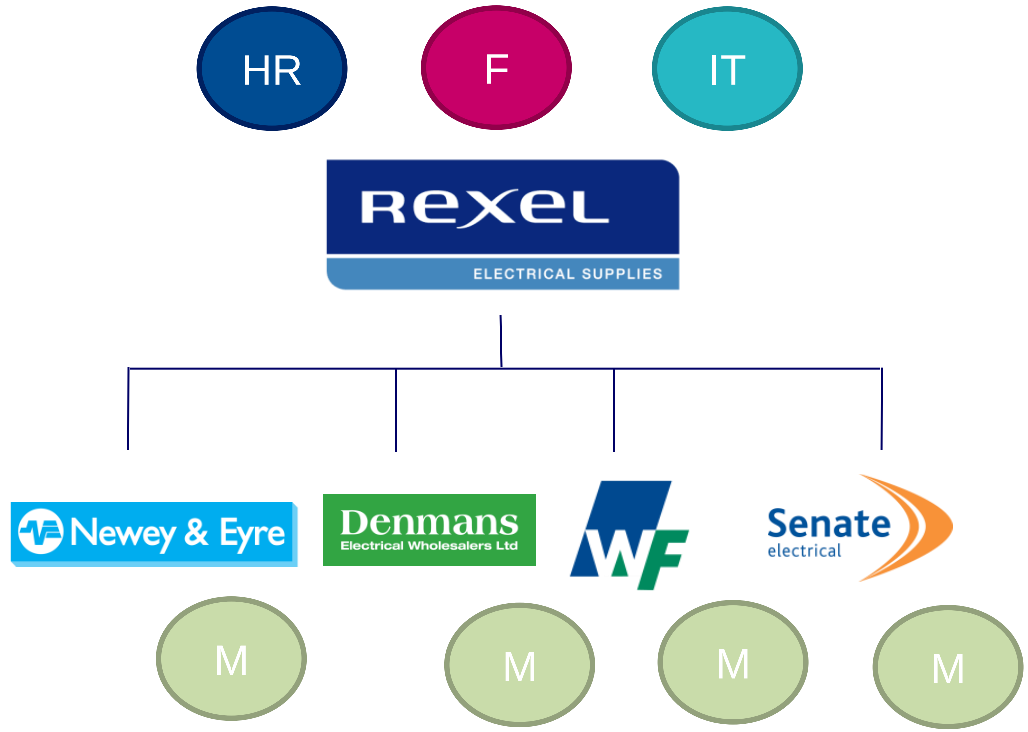
Creating a Leader: Optimizing and De-Risking

B A C K O F F I C E

Create Unique Team

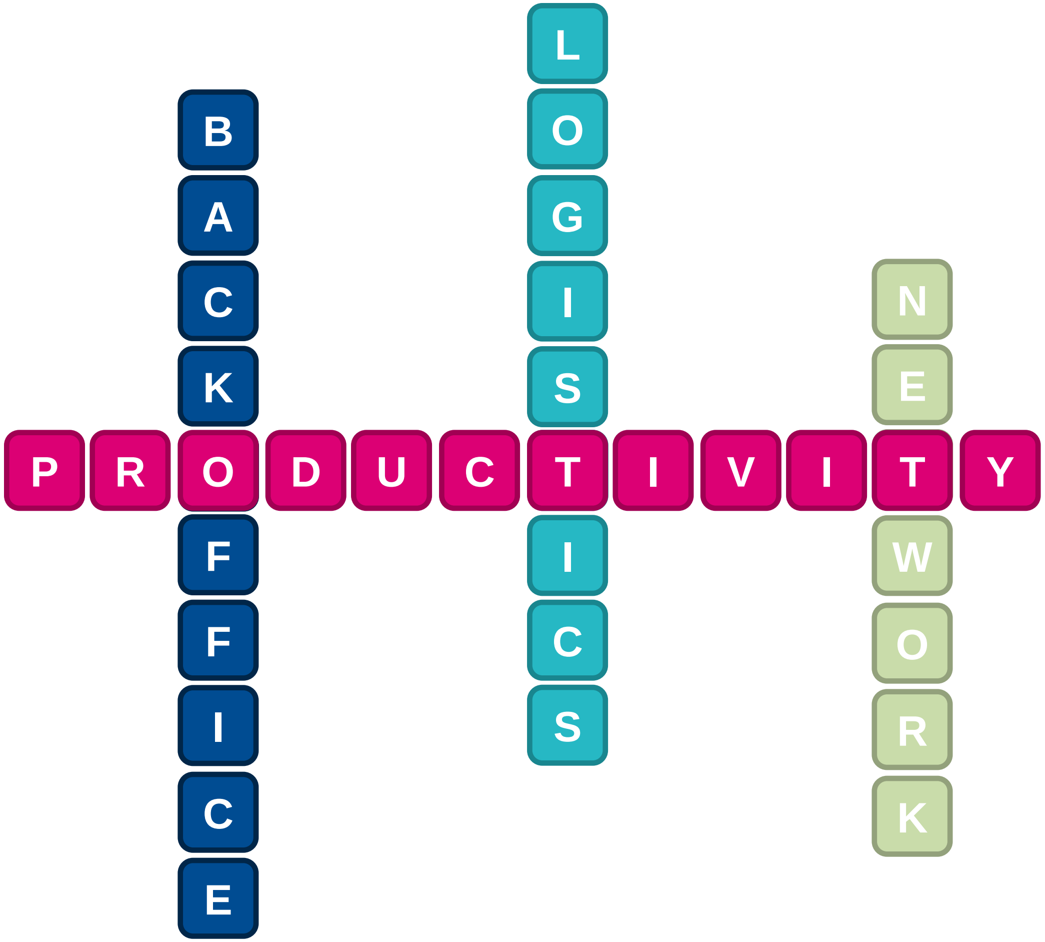
Homogenous & Improved Process

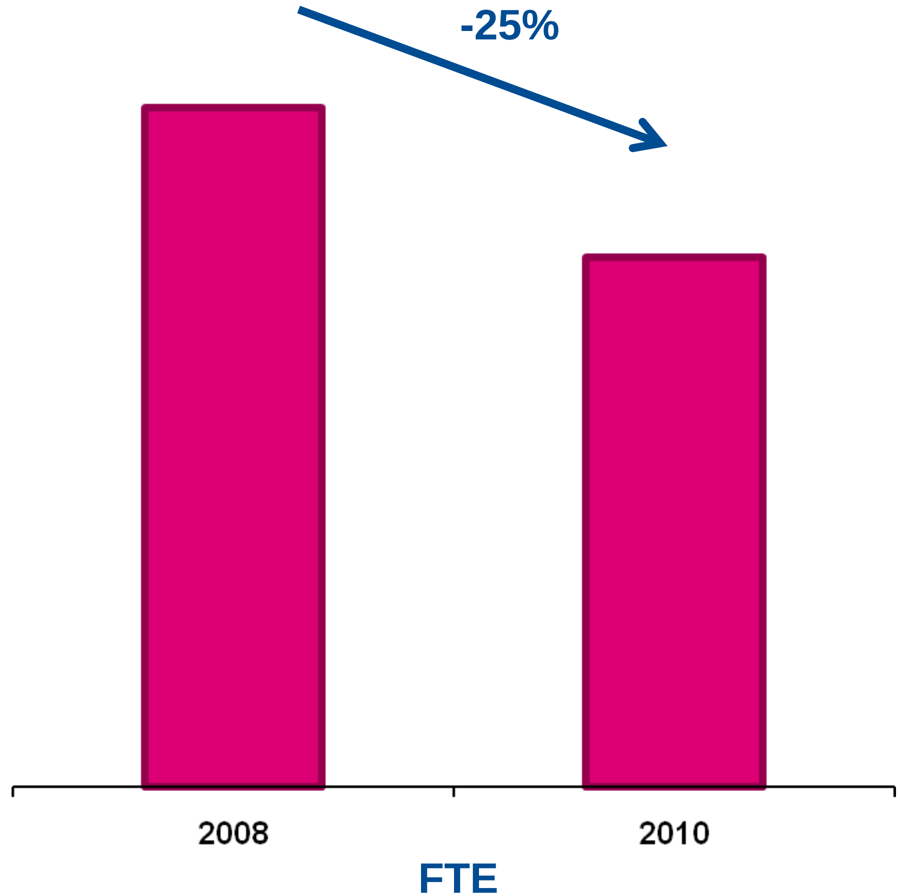
Enhanced Team Quality



Total Back Office Saving 2008–2010: £3m

Creating a Leader: A Lean Organization





Global Cost Saving 2008–2010: £35m

Creating a Leader: Margin Development – Purchasing

Leverage UK Volume

Promoting Our Offer to Suppliers

Exclusive Product Offer

Creating a Leader: Margin Development – Sales

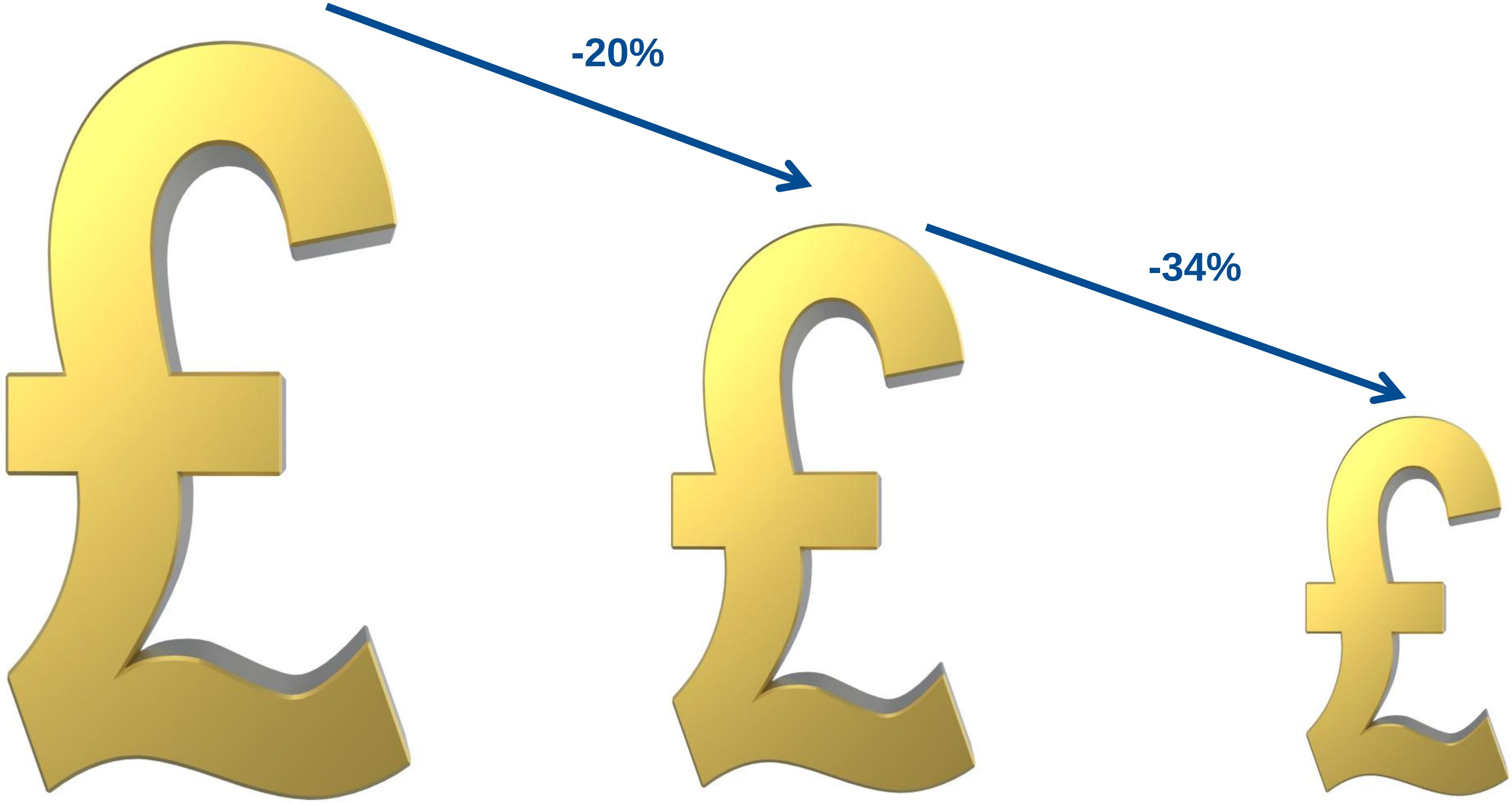
Targeted Offer

Market Intelligence

Employee Development

Margin Tools

Creating a Leader: Working Capital Optimization



Managing Market Downturn **Improving Process**

Cash Generation 2008–2010: £39m

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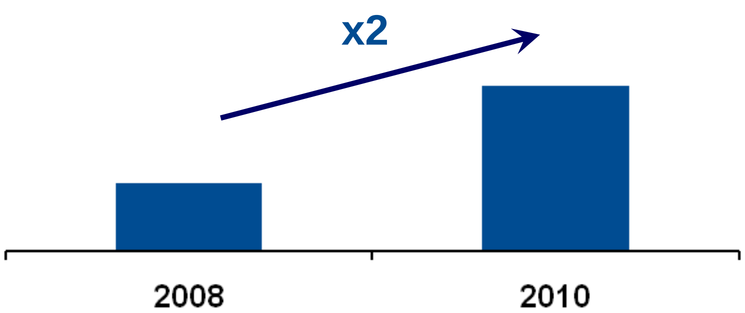
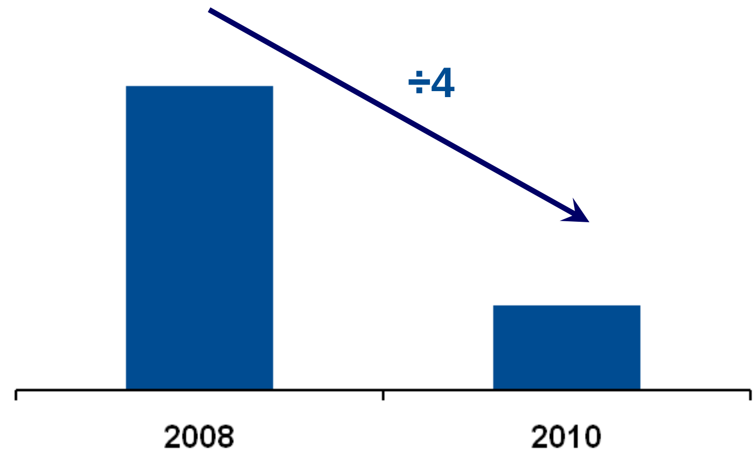
Rexel UK 2008–2010: Successful Turnaround

Increased Profitability



Reduced Debt



Strong Recovery and Powerful Base for the Future

Rexel UK 2011-2013: Making the Difference

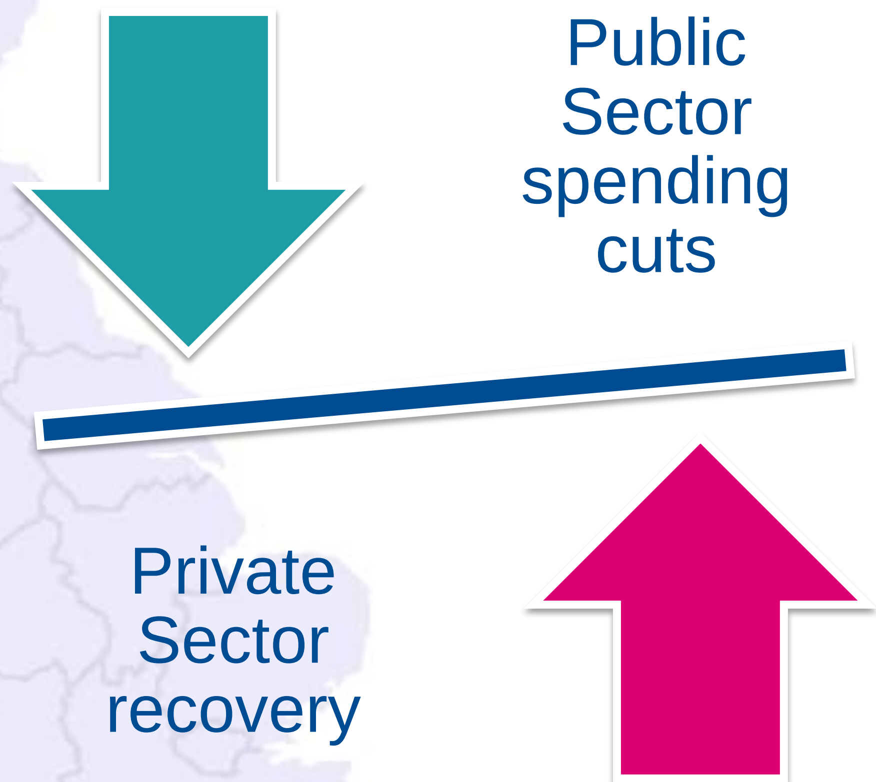
Current Prospects

- GDP expected to grow by 1.6% (2010)
- Uncertainty due to General Electrical and Government Spending Review
- Access to bank finance remains tight
- Hangover from 2009 stimuli (reduced VAT rate, £200bn QE)

Government Spending Cuts

- Social Housing
- Building Schools for the Future program
- Local Government spending
- Capital Investment

GDP Growth........



Macro Economy

Government Spending Cuts (£bn)

Departmental Capital budgets	2010-2011	2011-2012	Cut
Education	7.6	4.9	-2.7
Health	5.1	4.4	-0.7
Communities & Local Gov.	6.8	3.3	-3.5

- Cutbacks to BSF program
- Limited new hospital development
- Social Housing cutbacks

Headlines....

- **Government spending in 2011 reduced by £21bn in "real terms"**
- **Capital expenditure reduced by £9.2bn**
- **Reduce housing allowances**
- **Increase in taxation for high earners**
- **Loss of child benefits for middle income families**

Analysis

- **Estimated 490,000 direct job losses**
- **PWC estimate a further 500,000 job losses in private sector due to cuts**
- **Capital spend reduced by £8.1bn in next fiscal year**
- **PWC estimate impact on construction industry at -5.1%**

Some relief….

- **Investment in transport largely protected for 2011**
- **Green infrastructure bank funding £1bn**

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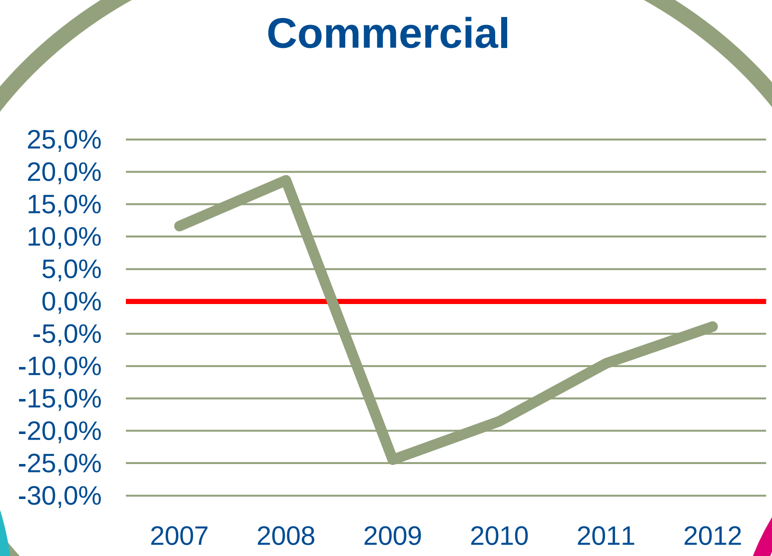
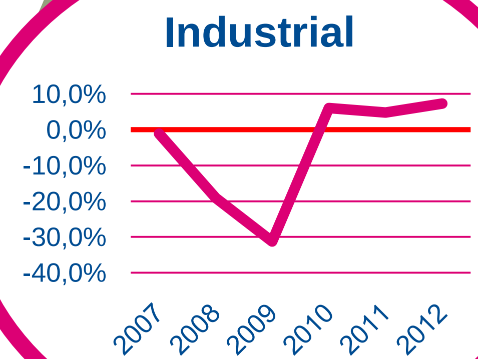
UK Market Prospects: 2011-2013



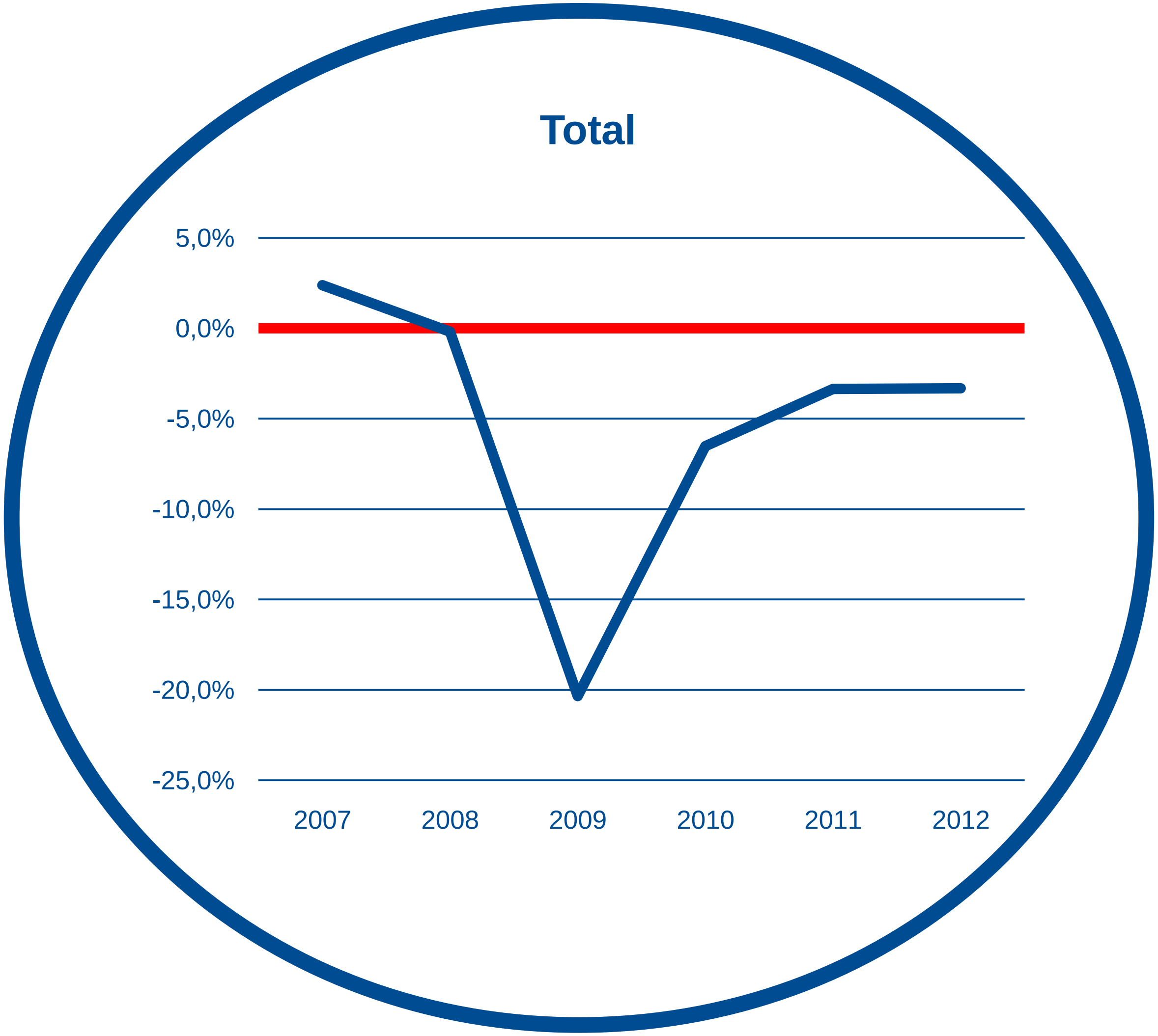


- **Residential**
  - Public sector in decline due to government spending cuts
  - Private sector new build showing signs of turn-around
  - Repairs & Maintenance spend reduced in public sector

- **Commercial**
  - Continued spare office capacity
  - Leisure facility construction expected to fall
  - Rail investment protected
  - London region exception

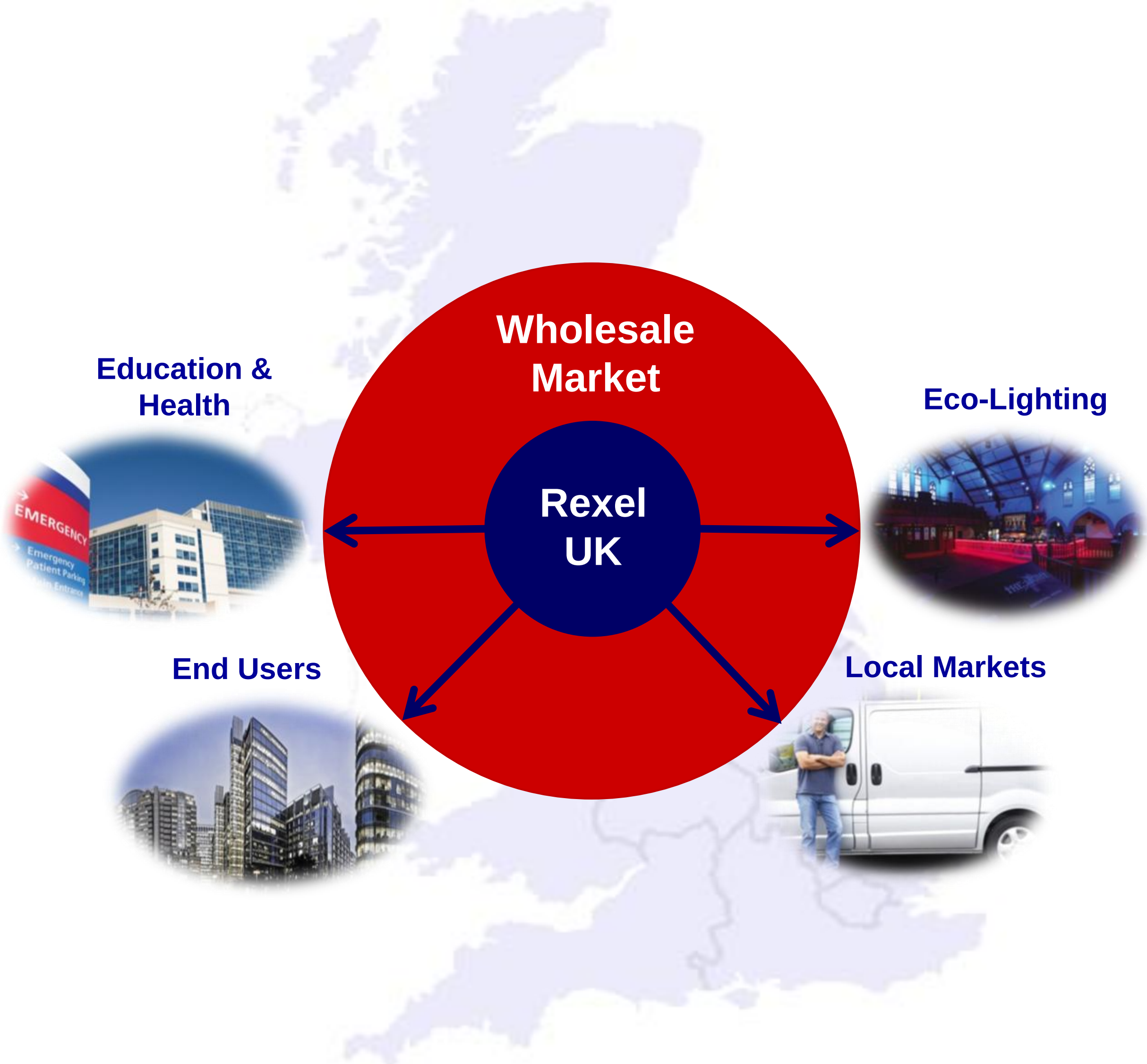
- **Industrial**
  - Increased industrial output creating demand
  - Development limited by availability to finance
  - Spare Capacity

UK Market Prospects: 2011-2013



Improving Market Conditions

Our Strategy: Continue to Gain Core Business Market Share



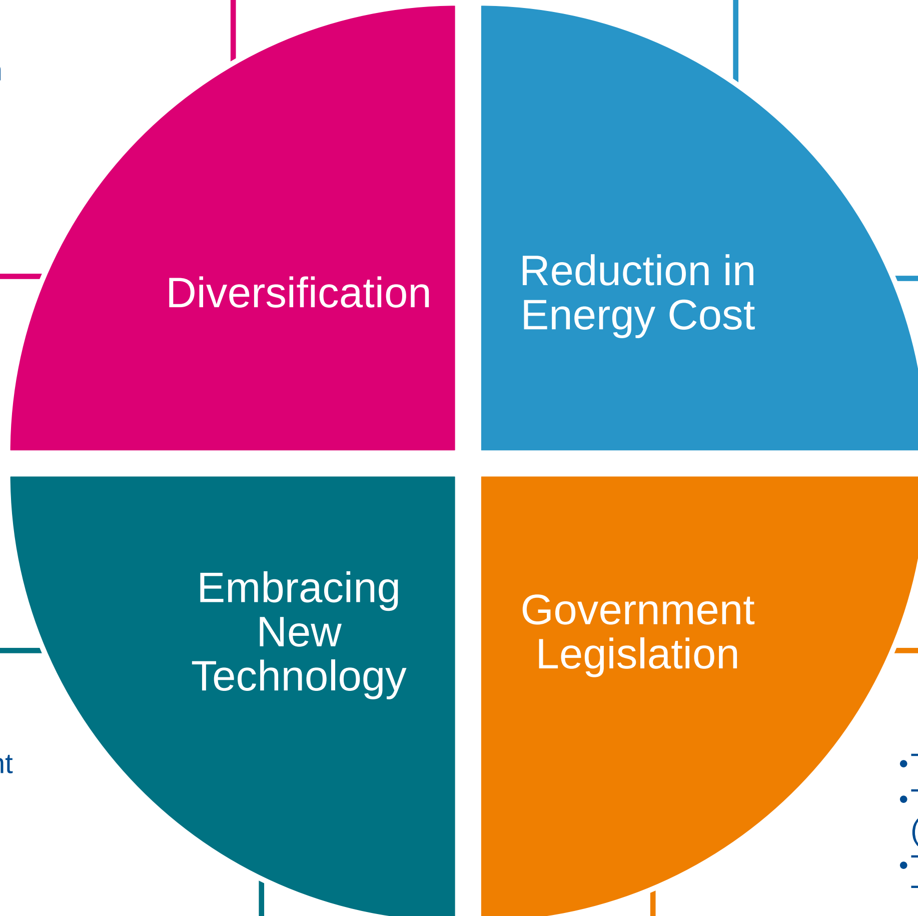
Eco-Lighting

Brian SMITHERS
Managing Director
WF Electrical

Becoming an Energy-Efficient Solutions Provider

- Rexel UK is evolving from an electrical distributor into a services provider
- Changing customer perception - Market leading provider of energy efficient technology based systems & solutions

- UK electricity costs higher than European average
- UK mindset – large electrical savings can be made via energy-saving
- Significant running and maintenance costs savings through new technology



- LED Lighting to become dominant force within next 5-10 years
- Variable Speed Drives, HVAC Controls & PV Solar

- The Climate Change Levy (CCL)
- The Carbon Reduction Commitment (CRC)
- The European Union Emissions Trading Scheme (EU ETS)
- Climate Change Agreements (CCAs)

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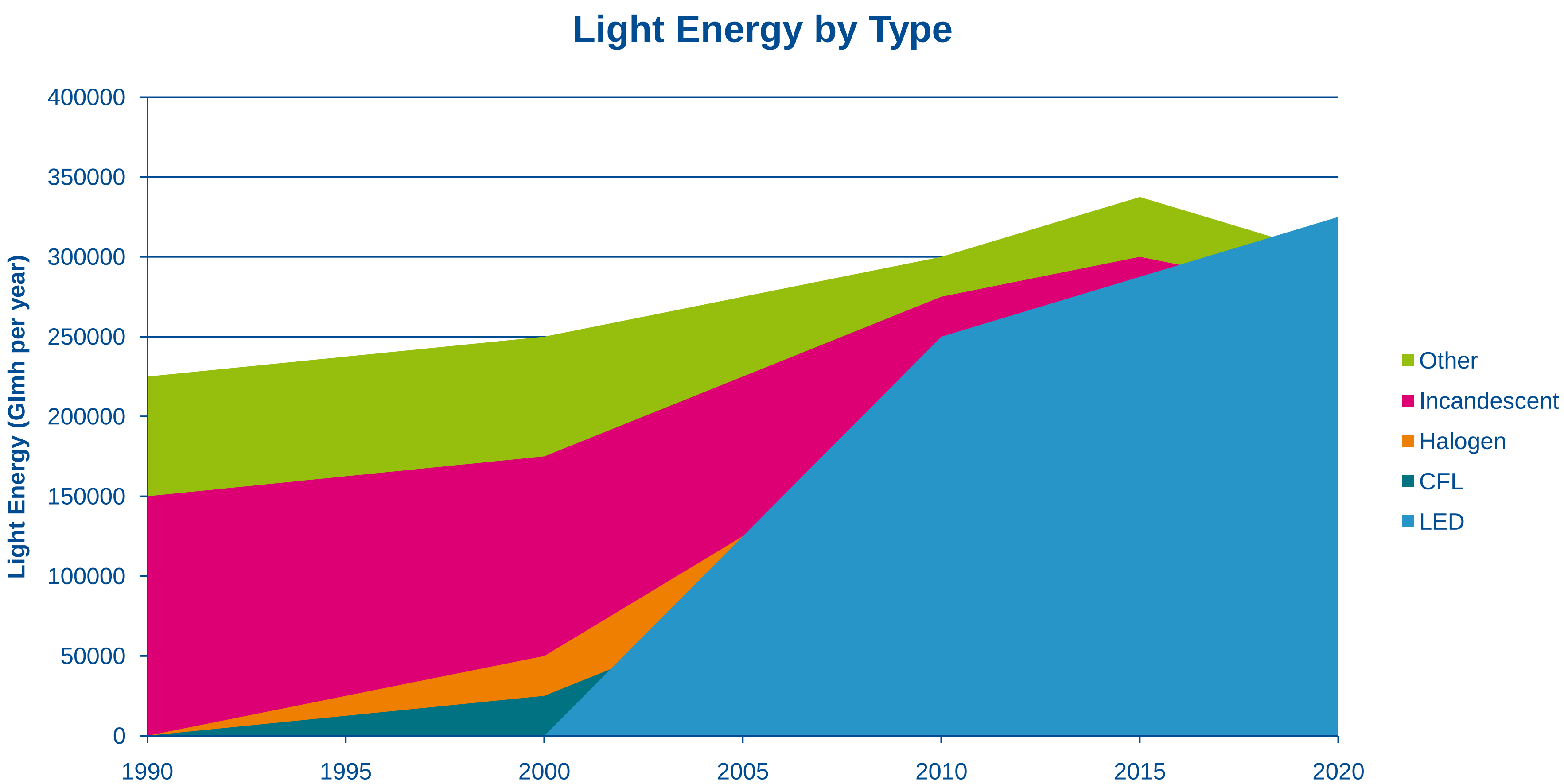
The Light Source Market



Halogen, CFL and Incandescent products are three of the main areas of supply within the Distribution Channel since 2007

Source: Environmental Change Institute, Oxford

Market Opportunities

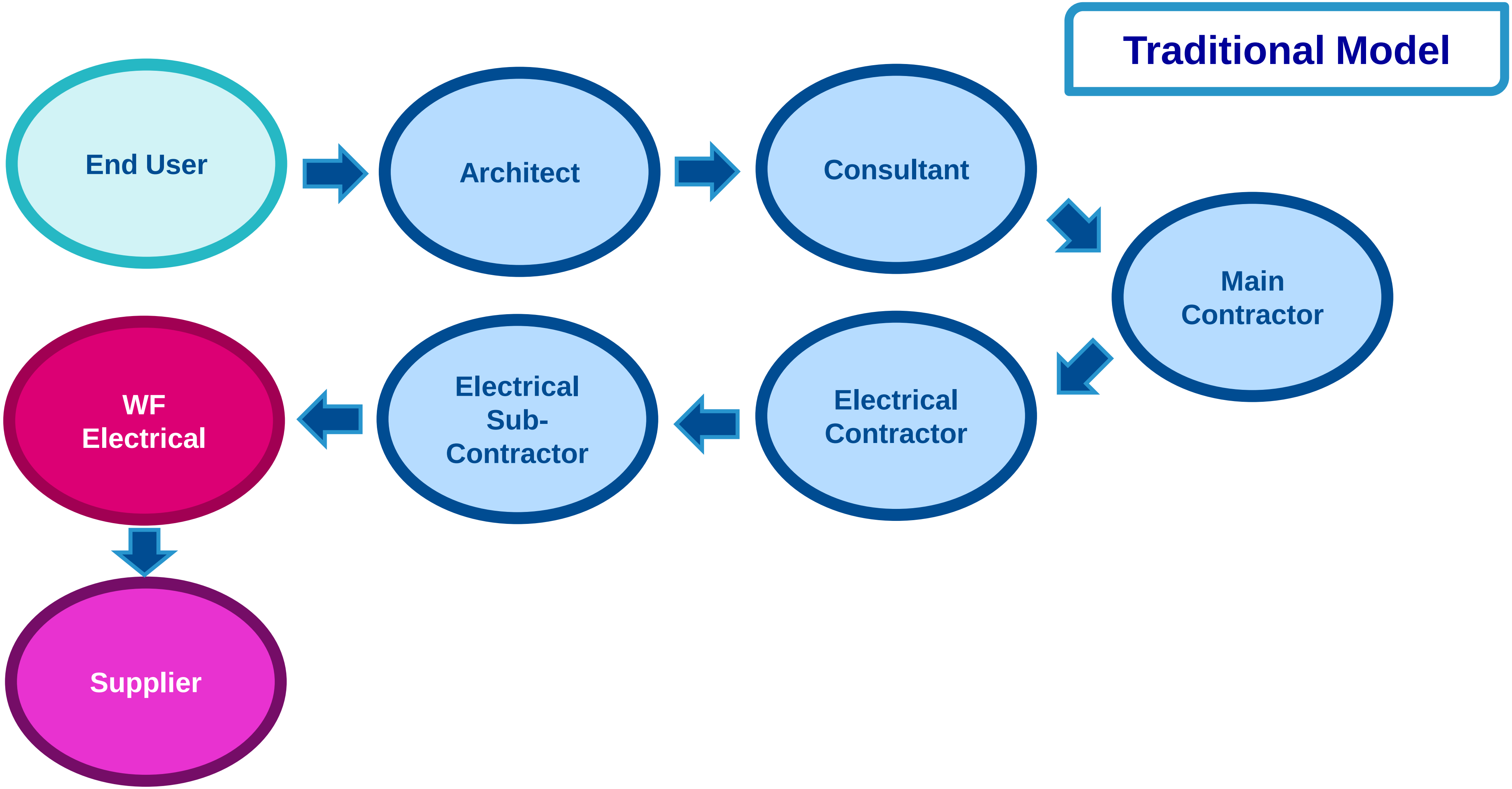
Coventry Golf Club

- **The Professional Golf Association (PGA) and WF have had a long standing relationship. Through this, WF were able to share their dedicated skill sets both with the PGA and Coventry Golf Club**
- **Two quick wins at Coventry Golf Club:**
  - **Lighting**
    - Latest LED Lighting technology
    - Area's that could be dimmed when there is no occupancy or natural daylight available
    - Reduce overall consumption by approximately 25%
    - Savings of 5.4 tonnes of Co2
  - **Solar PV**
    - Generate income of £0.413p per KW, which is approximately 5 times greater than current electricity cost
    - Offset electricity bills

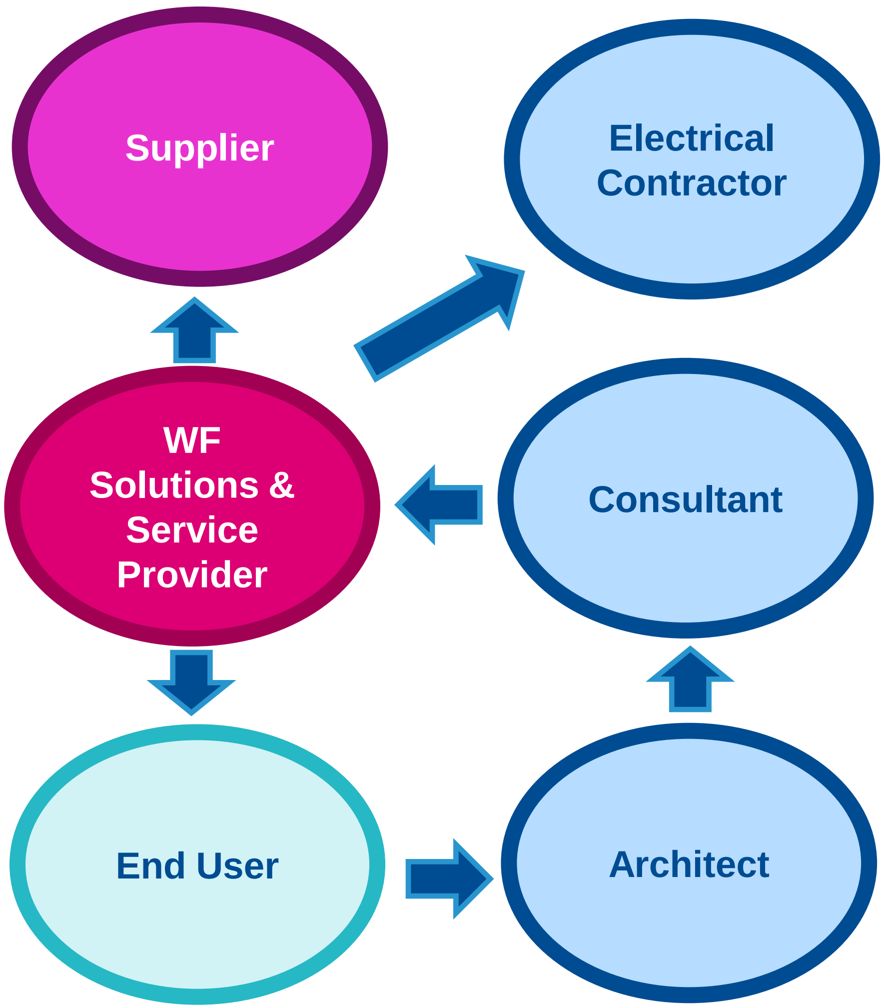
Thames Barrier

- **The Thames Barrier is owned by the Environmental Agency and it is their flagship facility**
- **A one-year+ program**
  - **300 LED lighting products fitted in the barrier**
  - **LED SON Lamps fitted in the car park**
  - **‘E’ Box voltage reduction equipment is to be fitted thus reducing power consumption further**
- **Environmental Savings to date**
  - **6 tonnes of Co2 per year**

The Road to Market



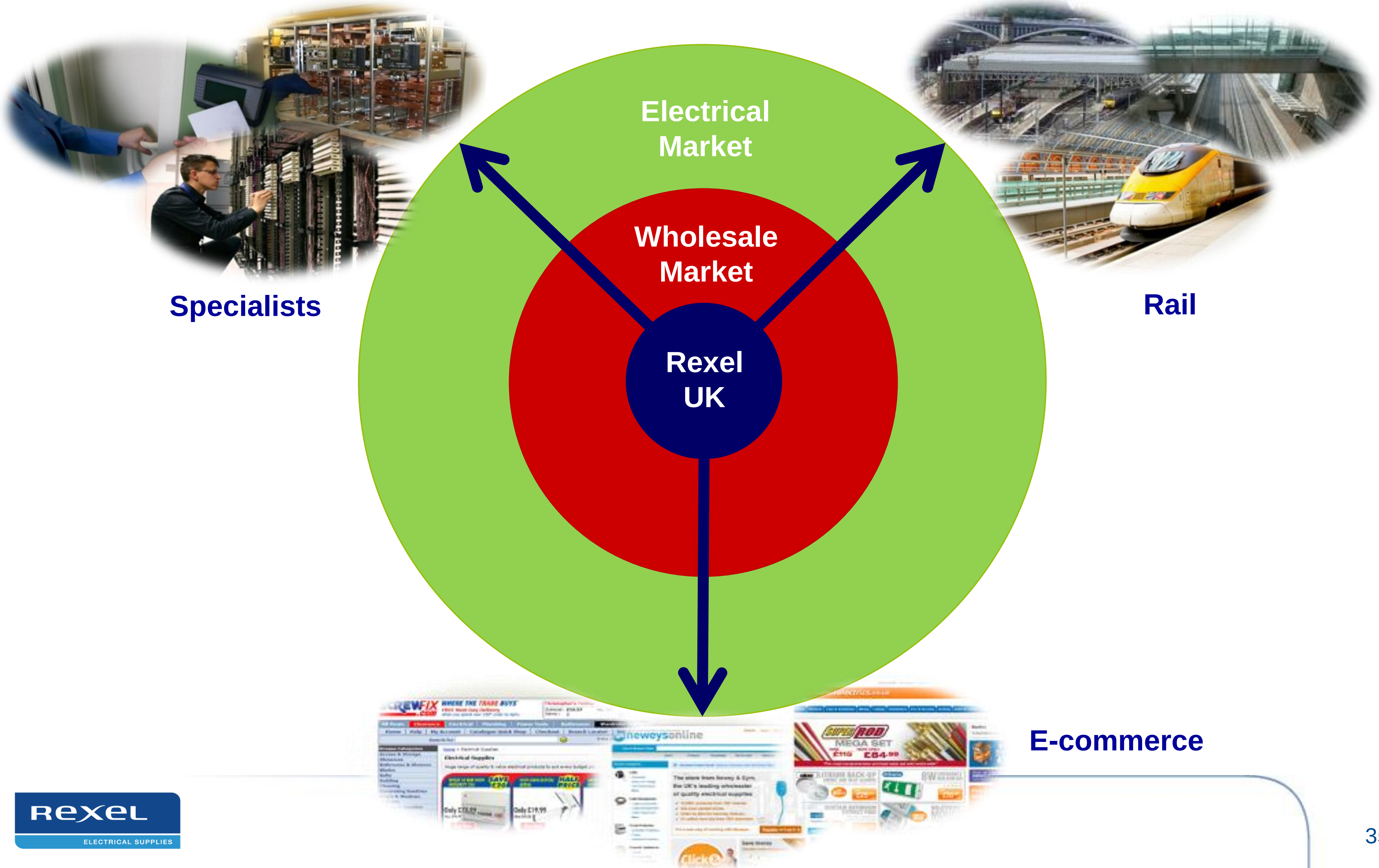
The Road to Market



End User Approach

- Cost of Ownership
- Metering
- Government Advice
- Finance Options
- Product Selection
- Project Management
- Case Studies

Our Strategy: Gain Market Share in Adjacent Markets



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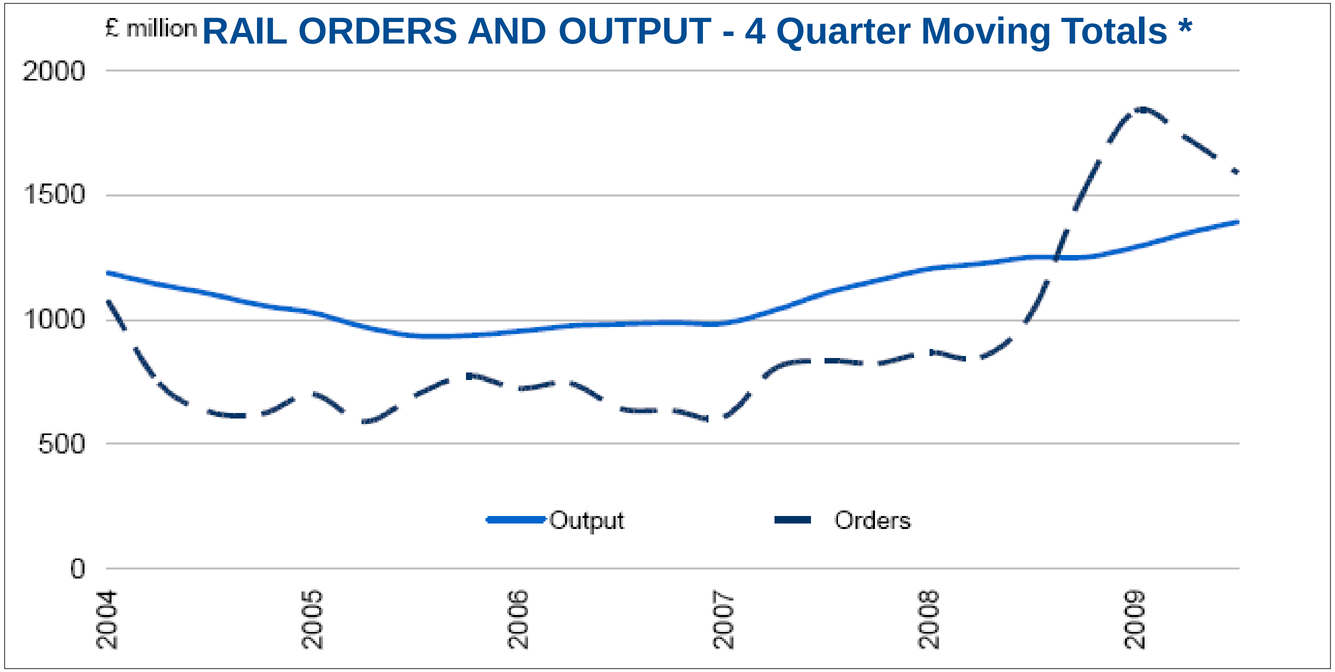
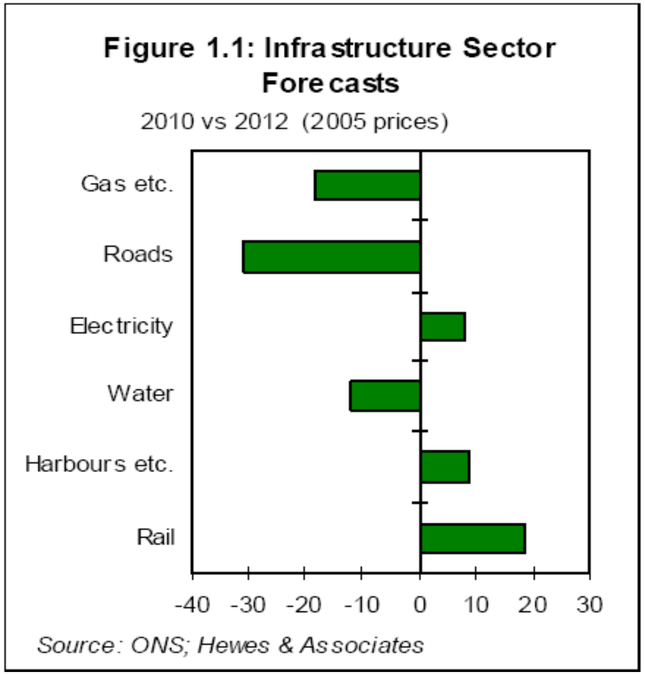
Rail – A Growth Sector
John HOGAN
Managing Director
Newey & Eyre
St Pancras Station

UK Rail: An Attractive Sector

Considerable revenue growth opportunity

- > The UK rail market is widely acknowledged to be the fastest growing in Europe
- > Passenger numbers up 45% over past decade
- > With further significant growth forecast there is a major capacity issue. Substantial investment needed





** Source Experian Construction Forecasts 2009*

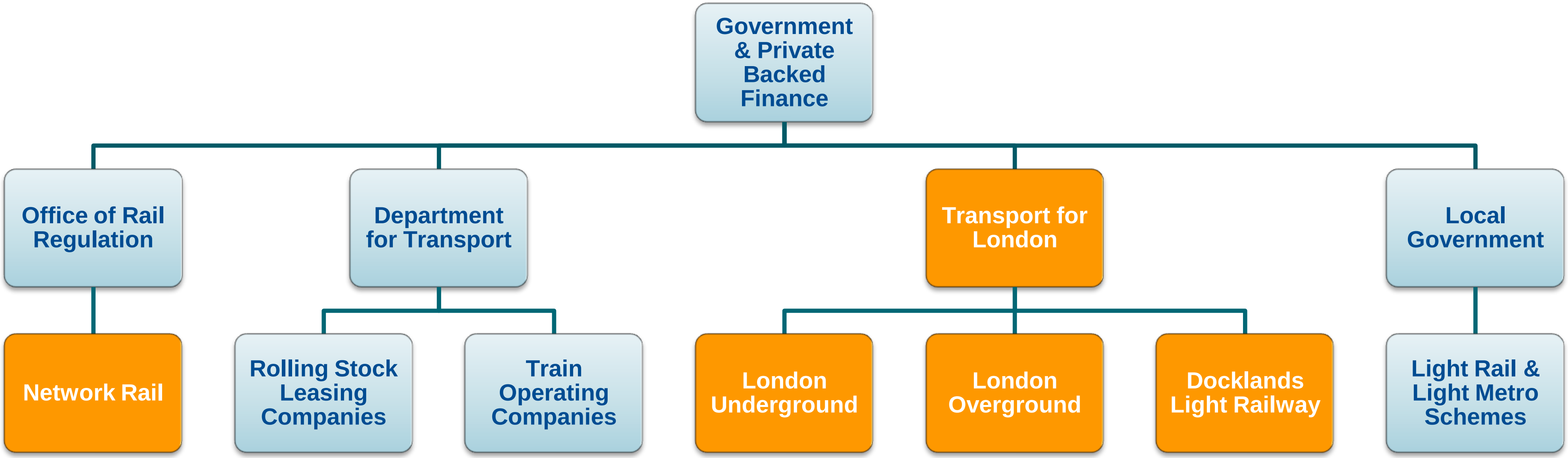
UK Rail: An Attractive Sector

- **Government-backed investment**
  - > **The Chancellor confirmed, as part of Strategic Spending Review Announcement in October 2010 a £14Bn investment in maintenance and capacity enhancement over 4 years**
- **Compatible with our current business model**
  - > **Strong base position established with Network Rail Asset Maintenance, London Underground activity, strong major C&I relationships for asset improvements and Bombardier rolling stock manufacturer**
- **Estimated opportunity for electrical materials- £220M over next 5 years***

* This value includes elements of direct supply

The Structure of the UK Rail Industry

Development priorities



Network Rail – Network Enhancement Opportunities

£7.5Bn of expenditure planned on capacity enhancements. Principal among these projects are:

- Crossrail
- King's Cross
- Thameslink
- Birmingham New St

Exciting future developments

- Extensive further investment planned in network electrification
- Several major lines already nominated for early electrification

Competition

- Leadership position still available in this sector

King's Cross Station

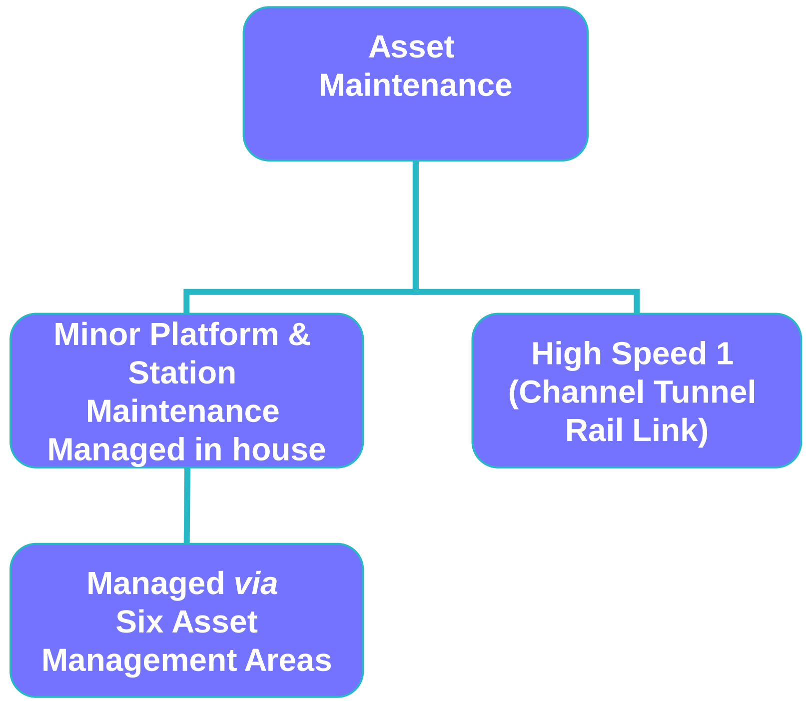
Birmingham New Street Station

Images (c) Network Rail

Network Rail - Asset Maintenance Opportunities

NetworkRail

- 41 depots nationwide
- Perform complete in-house maintenance operation
- Manage outsourcing arrangements for all other stations through Facilities Maintenance providers
- In 2008 we secured the preferred electrical supplier status
- We also have a base position established within the Facilities Maintenance sector



Rexel ELECTRICAL SUPPLIES

Images (c) Network Rail

Opportunities with ‘Transport for London’

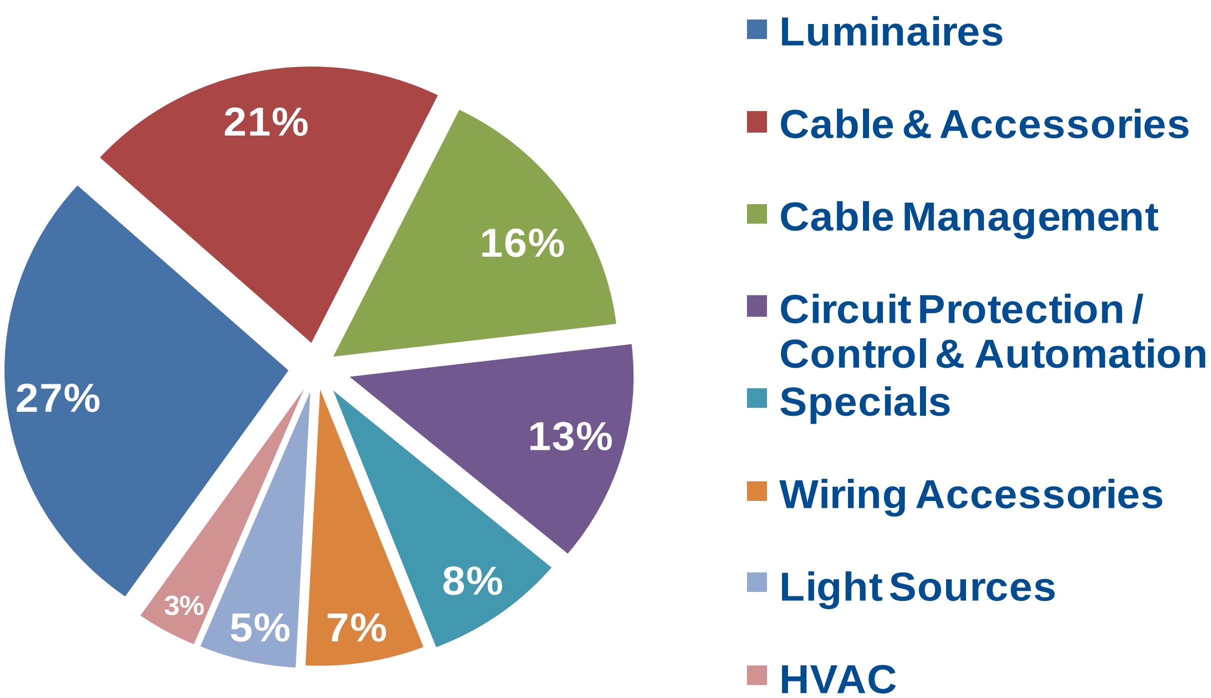
- Largest opportunity is modernisation programme for the underground stations– Serving 11 Lines 270 Stations
- Docklands Light Railway Line expansion programme
- High quality transport links required to all new Olympic venues
- Leveraging our experience in London and expanding dedicated rail resource

Transport For London (TfL)

- London Underground Expenditure Plan **£12.8Bn** (2009-2017)
- London Overground Expenditure Plan **£484m** (2009-2017)
- Docklands Light Railway Expenditure Plan **£324m** (2009-2017)

Images (c) Transport for London 2005

Sales Mix to Rail Sector: Full Range of Core Electrical Products



Strong synergy with core product mix.
Preferred suppliers lend additional expertise in this sector.

Rail Sector Demands

Our Approach to the Rail Sector

Sourcing / Innovation

Logistics / Inventory

Performance / KPI Reporting

Branch network

National Corporate Sales Team

National FM Sales Team

E-trading

Dedicated Rail Sales Staff

Rail Project Office

Network Enhancement

Asset Maintenance

London Transport

London Underground

National Coverage

London Coverage

Rail Customers

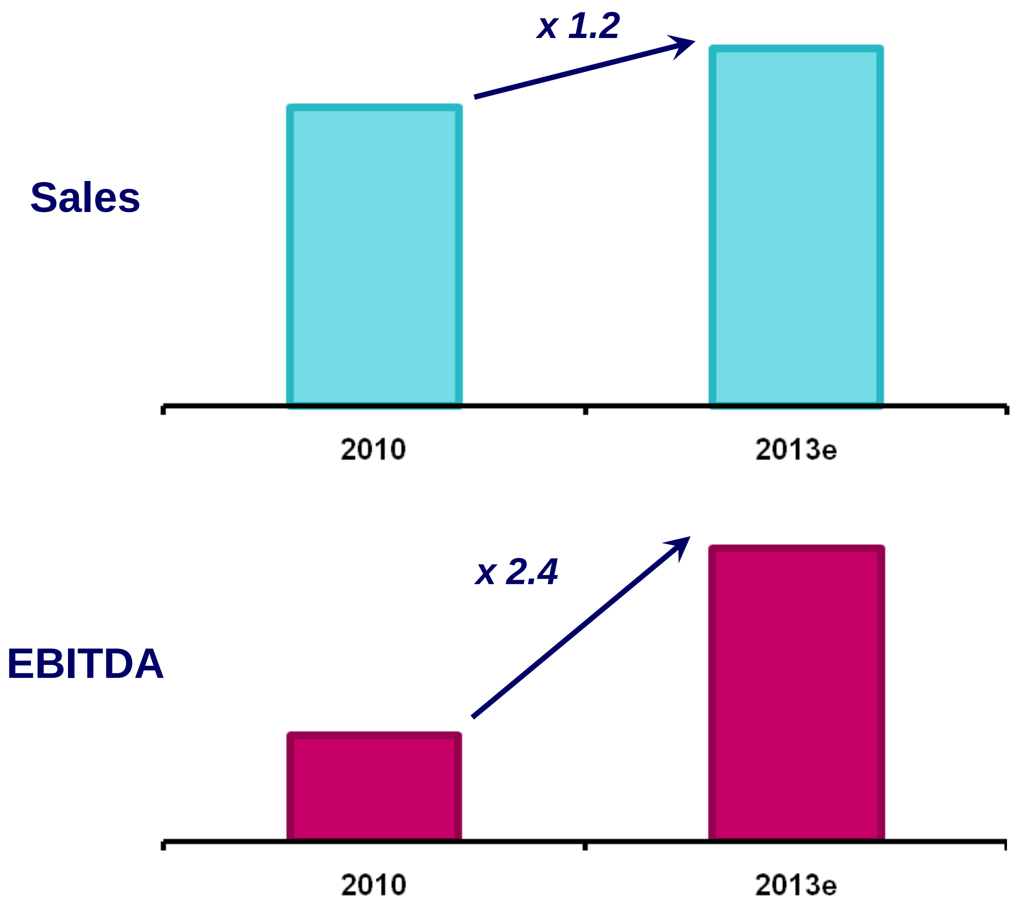
Set Up to Succeed


6
3208

2011-2013: Driving profitability

Conclusion: Continue to Improve Bottom Line and Outperform Market

- **UK electrical market is still struggling**
  - Recovery expected end 2012
  - Attractiveness of sub segments
  - Still potential to consolidate
- **Strategic Plan demonstrates strong and continued improvement**
- **Rexel is well positioned to seize market opportunities**
  - Strong back office
  - Banners which are well defined and complementary
  - Solid platform for organic growth



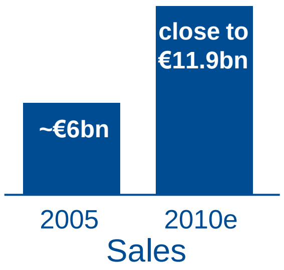
Matched Group Performance Even Before Market Rebounds

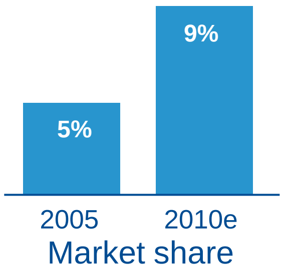
2 Rexel Group: improved fundamentals

Jean-Charles PAUZE,
Chairman & CEO

Rexel today: a significantly strengthened profile

A world leader that has doubled its sales over the last 5 years and will continue to be a market consolidator



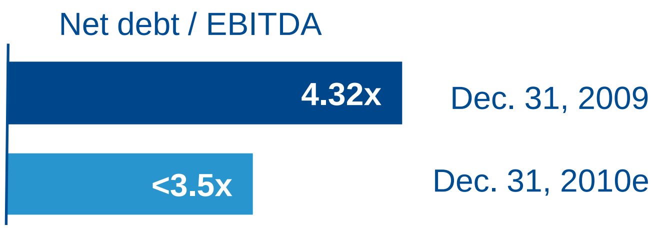


A business model increasingly focused on value-added services and solutions

- From a “Product provider” to a “Value-added solutions and services provider”
- More vertical and segmented customer approach
- Increased customer proximity: e-commerce, competence centers
- More efficient back-office & leaner cost structure

A strengthened financial structure

- Significantly deleveraged
- Increased financial flexibility



Rexel's markets offer significant growth potential

Long-term growth opportunities in a c. €150bn [1] market

- Increasing value-added requirements in **mature markets**
- Growing access to electricity in **emerging markets**
- Electricity consumption will increase by 76% by 2030 [2]

An increasing focus on energy efficiency…

- Growing demand for environmentally responsible and resource-efficient buildings
- Increasing number of international and national standards for green or energy-efficient construction
- Development of renewable energies favored by tax incentives
- Ability to meter will become a reality and accelerate industry transformation

… that will impact value creation through:

- "Smart products" (both in new construction and renovation)
- Value-added services
- Maintenance and monitoring of energy management

(1) ED (Electricity Distribution) addressable market in 2010 (source: Rexel)
(2) Source: Eutelsat

Rexel: the market consolidator

Through acquisitions, Rexel has doubled its size

~30 bolt-on acquisitions since 2005

- **< €200m of sales per acquisition**
- **€840m additional sales**

2 transforming acquisitions

- **2006: Gexpro (ex-GE Supply) in the US**
  - **€1.8bn in sales**
- **2008: Hagemeyer in Europe**
  - **€3.5bn in sales**

Market share between 2005 and 2010:

- **Europe: 12% → 18%**
- **Worldwide: 5% → 9%**

A strong ability to integrate companies and cultures and generate synergies

- Gexpro — **€30m in synergies in 2009, i.e. 1.7% of acquired sales**
- Hagemeyer — **€50m in synergies in 2011, i.e. 1.5% of acquired sales**

Rexel is resuming acquisitions with 3 strategic priorities:

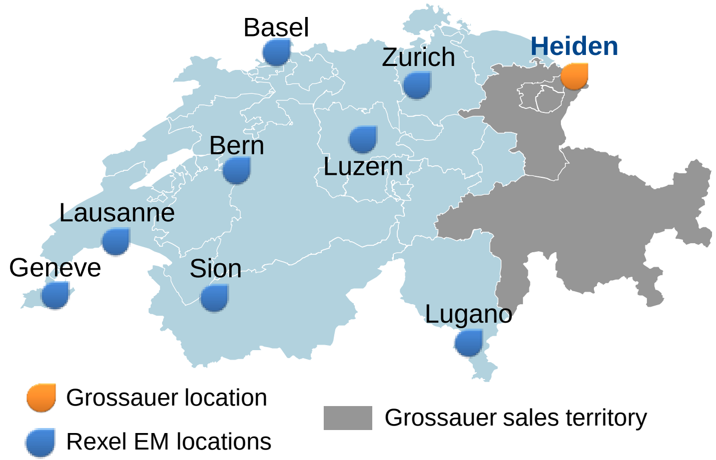
1. Expanding presence in emerging markets (China, India, Brazil,…)
2. Strengthening market share in key mature markets (Europe, North America) → Today's announcement: Grossauer acquisition in Switzerland
3. Seizing opportunities to broaden its offer of value-added services

Acquisition of Grossauer in Switzerland (1/2)

Business description

- Family-owned company created in 1956, based in the eastern part of Switzerland (Heiden)
- Nr. 4 player in Switzerland (Rexel Elektro-Material is Nr. 1)
- Strong local market share through a single branch
- Strong presence in industrial business and very strong customer relationships

Rexel in Switzerland



Strategic Rationale

- Increase market share in Eastern Switzerland
- Grossauer and Rexel Elektro-Material's locations are complementary
- Accelerate the development of sales to industry by leveraging on Grossauer's long-term experience, skilled sales force, strong customer and supplier relationships

Financials

- Estimated 2010 sales: €50m (vs. €45m in 2009)
- Gross margin in line with Rexel EM's performance (i.e. slightly above the average of Rexel's European operations)
- EBITA margin > Rexel EM's performance (i.e. significantly above the average of Rexel's European operations)

Acquisition of Grossauer in Switzerland (2/2)

Integration strategy

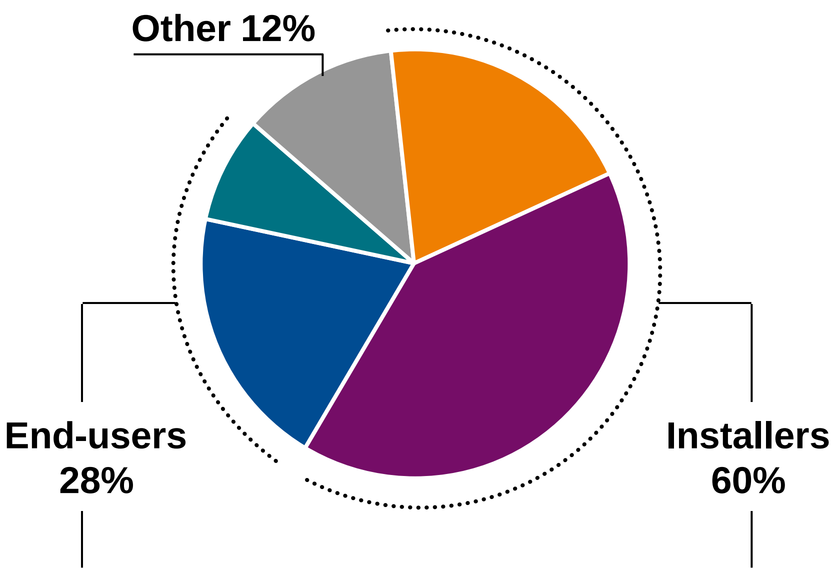
- Grossauer will be fully integrated into Rexel EM operations
- After this acquisition, Rexel Elektro-Material's sales will grow by more than 15%
- The management team will remain with Rexel Elektro-Material

The transaction

- Closed on December 1st, 2010
- EPS accretive as of the 1st year of acquisition

Rexel serves a well-balanced mix of customers and end-markets

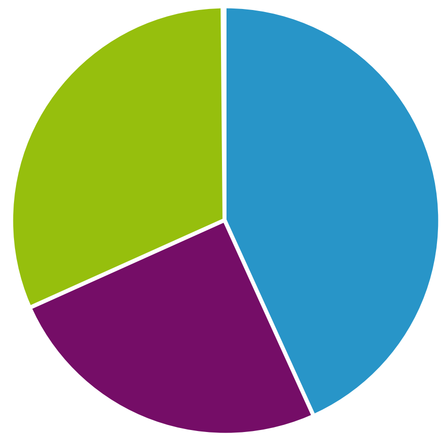
- **Rexel serves all customer segments through installers and through direct sales to customers**



Industry	**20%**
Tertiary	**8%**

Large contractors	**20%**
Small & medium contractors	**40%**

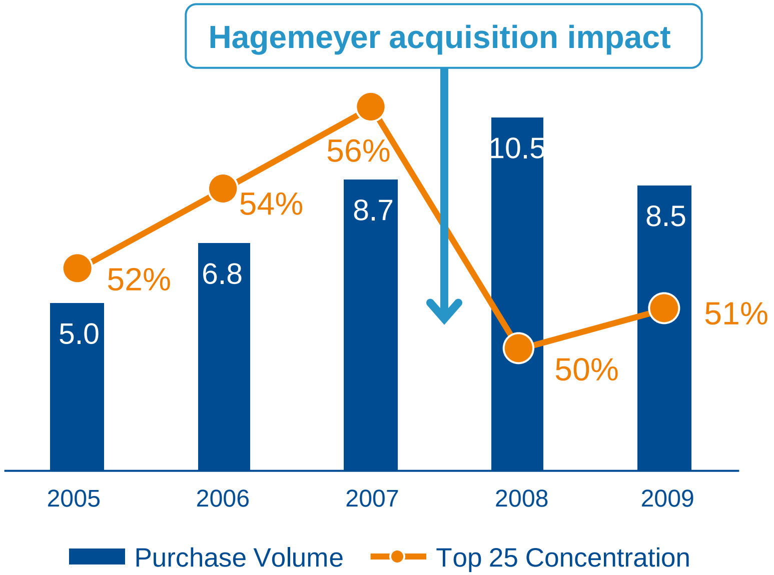
- **Rexel serves the 3 end-markets covered by the professional distribution of electrical products**



Commercial	**43%**
Residential	**25%**
Industrial	**32%**

Rexel has strong relationships with its suppliers

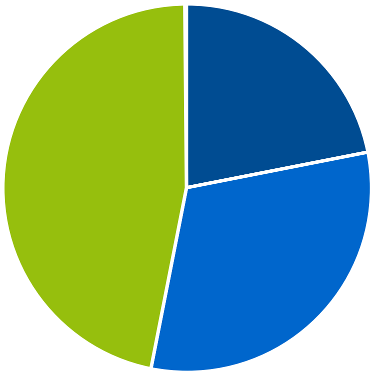
- **Rexel has organized its supplier relationships around:**
  - A limited number of strategic suppliers that are global players
  - A number of national or regional suppliers
- **The 25 top suppliers represent 51% of Rexel's purchases with no risk of interdependence**



- **Current market evolutions offer new opportunities through:**
  - Alliances with global generalists
  - Selective alliances with pure players for specific applications
  - New entrants on key growth segments (photovoltaic, LEDs,…)

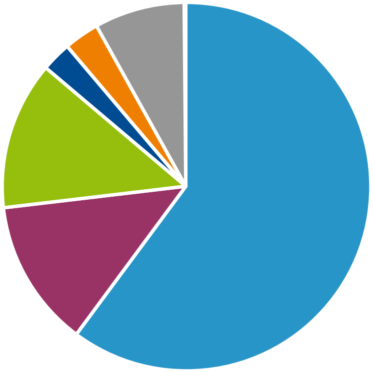
Rexel: a leaner and more flexible cost structure

By type



Variable costs based on activity level	22%
Flexible fixed costs in the very short term (wages in certain countries, advertising, fees,…)	31%
Flexible fixed costs in the short or medium term (wages, rents, IT systems)	47%

By nature



Salaries and benefits	60%
Building and occupancy	13%
Transportation	13%
IT	3%
Bad debt	3%
Other	8%

> **Over the last 2 years, Rexel has reduced its opex base by over €300m**

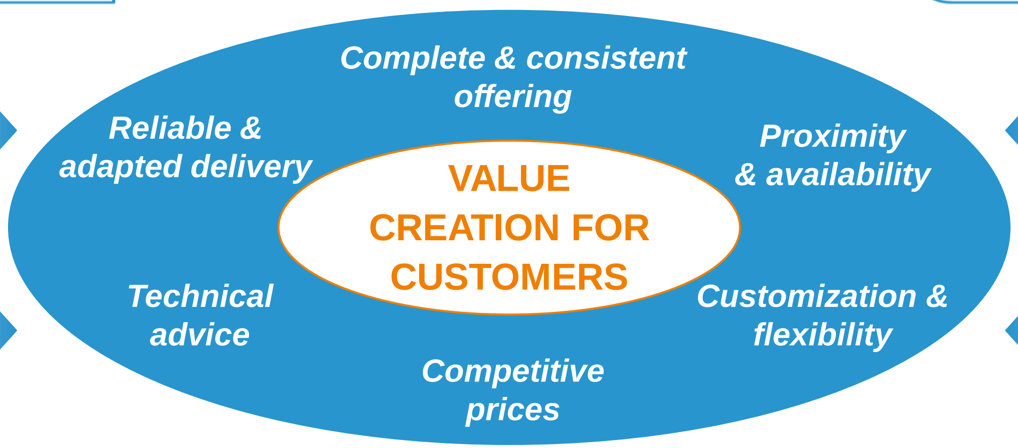
> **Opex now represent less than 19% of sales**

Meet customer demand through an efficient offering

- Large electrical material offering combined with key services
- Constant renewal of assortment

- Best in class logistics service
- Customized delivery & integrated supply solutions

- Optimized granularity of branch network & e-Commerce channel
- Over 1m SKUs available



- Strong product expertise & contractor support
- Personalized training

- Dedicated business models by customer segment / size
- Immediate responsiveness

- Leveraged supplier concentration
- Business intelligence & pricing optimization systems

A business model geared towards strong cash flow generation

Strict management of WCR

- Inventory reduction
- Credit management

Low capital intensity

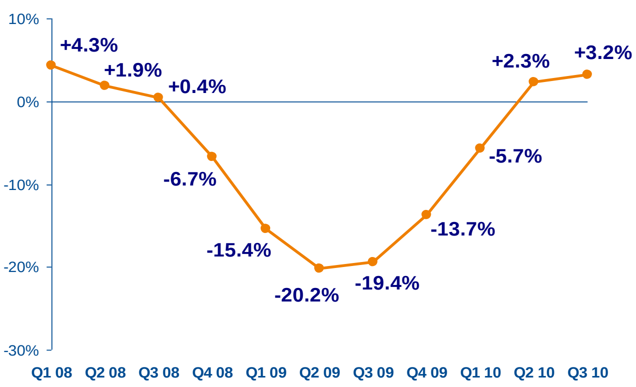
- Capex between 0.5% and 0.8% over the last 3 years
- Normalized capex between 0.7% and 0.8% of sales

High cash conversion rate

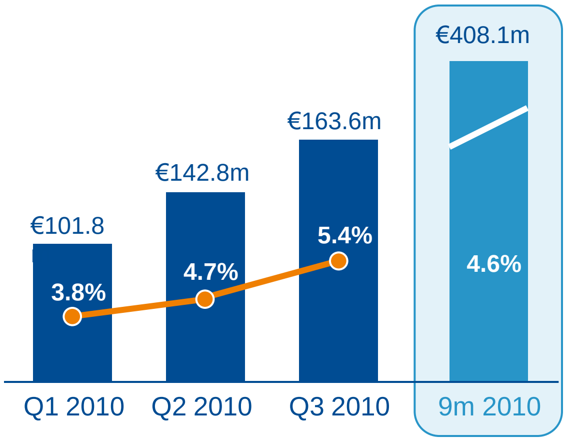
- FCF before interest & tax represented between 70% and 120% of EBITDA over the last 3 years
- Normalized FCF before I&T should represent at least 75% of EBITDA

Rexel's 2010 performance confirms the strength of its fundamentals

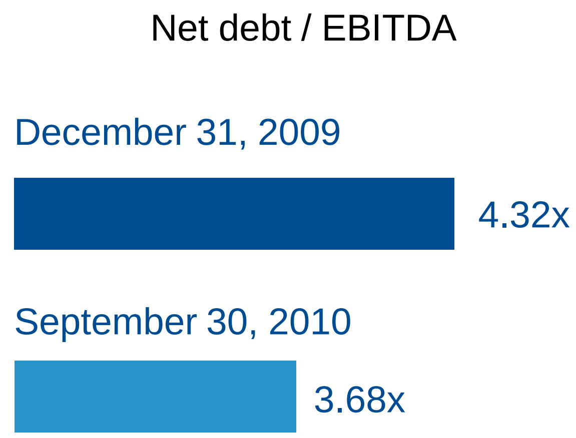
■ Return to organic growth since Q2 2010



■ Sequential improvement in Adj. EBITA margin[1] throughout 2010



■ Continued deleveraging



> **Continuous improvement since the beginning of the year**

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cable prices

Full-year 2010 guidance revised upwards

- **Sales in October and November showed further improvement**

Full-year sales close to €11.9bn
(vs. €11.3bn in 2009)

Previous guidance: "Slight increase on a constant and same-day basis"

- **Q4 will show a further sequential improvement in EBITA margin**

Full-year Adj. EBITA[1] margin close to 4.9%
(vs. 4.0% in 2009)

Previous guidance: "Adj. EBITA margin above 4.5%"

- **Thanks to tight control of WCR and selectivity in capex, deleveraging will continue in Q4**

FCF before I&T around €450m
Net debt slightly above €2.2bn
(including the acquisition of Grossauer)
Indebtedness ratio below 3.5x
(vs. 4.32x at December 31, 2009)

Previous guidance: "FCF before I&T above €400m"

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cable prices

3 Rexel Group:
A profitable growth strategy

Pascal MARTIN,

Management Board Member, Business Development and Corporate Operations

Michel FAVRE,

Management Board member, Group CFO

Backdrop of differentiated macro trends

Medium-term impact

New world economic balance

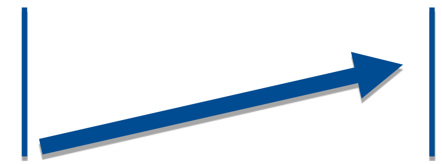
Emerging countries should represent 56%
of global electric power consumption in 2020

Population growth, ageing & urban development

Chinese urbanization rate will reach 55% by 2020
vs. 46% in 2010

E-world expansion in B2B

Greater customer proximity



Rising environmental concerns

Energy audit & new regulation emerging on lighting

> **Macro trends will have differentiated impacts in developed economies vs. emerging countries**

Emerging markets offer strong growth potential with multi-level distribution structures

Key countries	Total ED market 2010 (€bn)
China	10
India	5
Brazil	5
Eastern Europe, Russia, Baltics	5
Mexico	3
South-East Asia	2

Growth dynamics related to key development drivers

- High growth structurally sustained by urbanization, infrastructure and growth of middle class
- Transfer from direct to distributed market as large suppliers improve their position

Unstructured distribution markets with strong growth potential

- Multi-level distribution channels with strong role of sub-distributors and retailers
- Highly fragmented markets

> **Addressable market is estimated to 20-40% of total market in these countries**

Rexel ELECTRICAL SUPPLIES

Emerging markets: a key growth driver

Leveraging presence to be a market leader

	Sales 2010 (m€)	Rank
China	>200	**Nr. 3**
South-East Asia	50	**Nr. 4**
Chile	70	**Nr. 1**
Mexico, Peru	>10	**-**
EE, Russia & Baltics	>250	**-**
India	>10	**-**

Complementary approaches generate key benefits in terms of profitability

Offshoring

- Export model leveraging existing customer relation to initiate market experience
- Focus on B/C parts & production services

Generalist networks

- Recognized international brands, large offer
- Ability to serve a large variety of demands

Supplier partnership

- Semi-specialized distribution (e.g. automation)
- Partnership & brand value-based development

> **Emerging markets represent 5% of total Group sales in 2010, medium-term objective is to double sales**

Rexel ELECTRICAL SUPPLIES

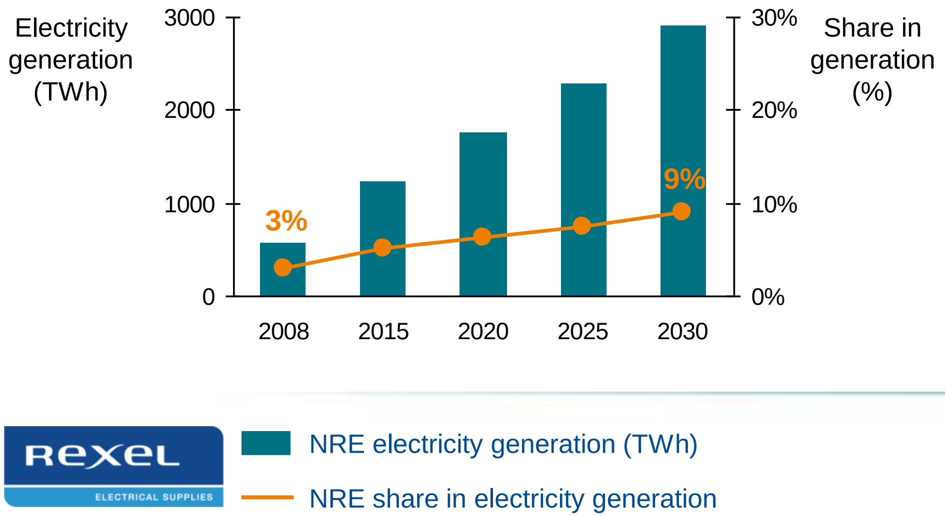
Green market: a huge opportunity to enrich value proposition

Energy efficiency: a driver of added-value

- Development of end-user leading role in electricity consumption
- Massive impact led by vast micro project development

Development of NRE [1] involving a wide production network

- Numerous small- and medium-sized NRE installations



Dedicated energy management services

- Customers want full package of products & services

Innovative products generating market increment

- ~5% in new construction & ~15% in renovation

Dedicated wind sector services

- Advanced sourcing
- Integrated supply services

Solar installations requiring broader offering

- Pre-installation & project management services
- Combination of electrical and solar products

(1) NRE: New and Renewable Energies

Structural trends require model evolution

New customer demands

- **Enriched offer of products & services**
  - **Products & services evolution driven by green market development**
  - **Globalization & outsourcing**
- **Greater efficiency**
  - **Easy-to-do and customized offer**
    (One-stop shops and multi-channel contact)
  - **Supply chain services**
    (EDI, last-minute purchase and delivery…)

A new model to better address all segments

Key business challenges

- **Innovation**
  - **Development of digitization (e-commerce) transforming value chain dynamics**
- **Optimize cash**
  - **Resilience to sharp cycles**
  - **Focus on capital cost**

Upgraded efficiency and flexibility

Upgrading business model for step-change in performance

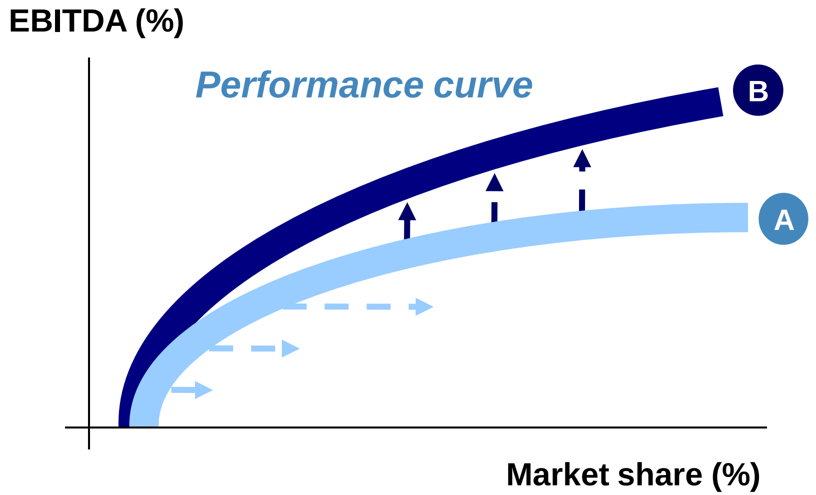
Performance level is mainly based on market share

- At country level, strong correlation can be observed between market share and EBITDA
- Consolidation and leadership as a key performance driver

Upgrading business model as a key lever to optimize performance potential

A. Leveraging market consolidation potential to go further on "traditional" performance curve

B. A business model transformation opening the path to a higher performance level



Model upgrade already implemented

Front-end evolution & enrichment

1 Structural Organic Growth initiatives

- Developing high value-added vertical solutions
- Deployment at local & global level since 2008

2 Evolution toward multi-channel business

- E-commerce development
  from 5% of sales in 2006 to 10% in 2010
- Deployment of CRM including
  sales force management in 8 countries

Less asset-intensive model

3 Lean & customer-oriented organization

- Platform adaptation to target verticals
- Lean warehousing (10 closures in 2010)
- Fully outsourced transportation
- On-site services optimization

4 Shared IT systems & services

- Moving to cloud computing
- On-demand model for infrastructure services
- 50% of productivity due to process automation

> **Improved ROCE profile**

Rexel ELECTRICAL SUPPLIES

1 SOGs: an enriched and synergetic approach

Differentiating factors

Global presence

Efficiency & lean business model

Proximity & knowledge management

Global Services

- Full outsourcing of services package
- 'Glued' with global customers

Upgraded core ED model

Integrated energy services

- Services offer to end-user
- New competencies
- Specific targeted segments

> **New business units supported by existing assets to address high-growth market segments**

1 SOGs: capturing the growth opportunities

Sales (m€)		2010 estimate	2012 targets
	Energy Efficiency	**110**	**~200**
	(Lighting retrofit)		
	Renewable Energy	**260**	**>300**
	Photovoltaic	210	
	Wind	50	
Rexel International Projects Group	**EPCs**	**50**	**>100**
	(International Projects Group-IPG)		
	Total	**420**	**~650**

> **Well-positioned on highly profitable markets**

1 Become a recognized player in major construction projects

Providing integrated supply services to address construction majors' needs

- Partnership with construction majors and Engineering Procurement Companies (EPCs)
- On-site branches managing key customer expectations
- Prepare / deliver products directly to relevant work spots, productivity gains invoiced as services
- Large & evolving product offer according to project phasing & specific needs

IPG initiative deployment

- Addressable market of €1.5bn to €2bn
- ~50% sales growth p.a. until 2012
- Dedicated organization with 25 FTEs for business development and coordination with local banners
- 3 key project types:
  Mining (~40%), Oil & Gas (~40%), Power (~20%)

> **Low capital intensity, high margin and cash generation**

1 Targeting end-users: lighting retrofit solutions

The market opportunity

- 750 million light points to be replaced within the next 3 years worldwide
- Addressable market estimated at €1.4bn
- Market development sustained by both regulation driver and energy savings potential

Developing pre-packaged solutions to reach end-users directly

- Seize business opportunities in energy efficiency by moving up the value chain and managing projects
- Developing full solutions to capture end-user needs globally

Massive replication of solutions

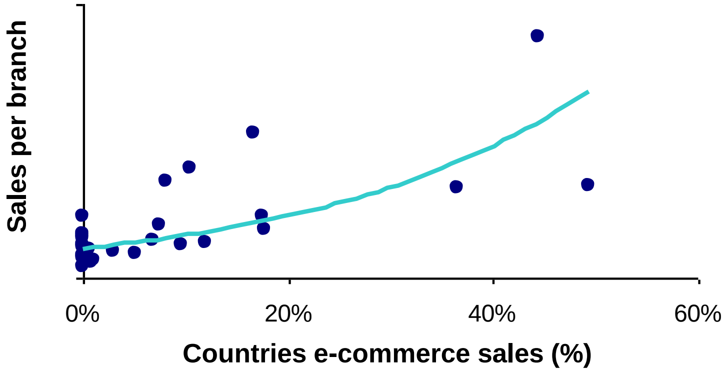
- Industrialization phase in Canada for lighting retrofit
  - 20 000 installations p.a. invoiced 500 CAD each
- Progressive extension of business concept
  - Car parks lighting in UK, Schools in Netherlands
- Support and coordination of country initiatives through dedicated structure
- Long term dynamics based on development in other categories with new customers

Rexel ELECTRICAL SUPPLIES

2 Customization and development of a less asset-intensive business platform

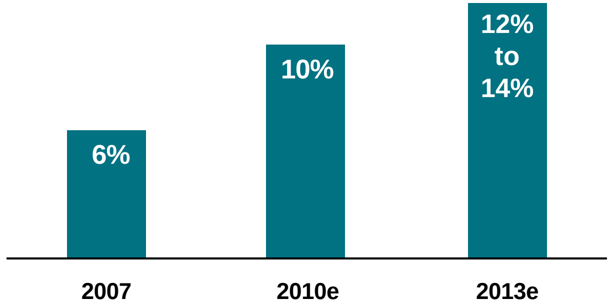
- **Increased customer segmentation granularity**
  - Fine tuned sub-segmentation depending on value creation potential
  - Defining adapted positioning through dedicated product & service offering
- **Development of customer relationship intelligence to optimize sales force management**
  - Collecting & categorizing sales data to improve customer knowledge
  - CRM & Business Intelligence systems implementation
- **Branch value proposal evolution: from product availability to service & skills center**

- **E-commerce as a strong factor of branch productivity**



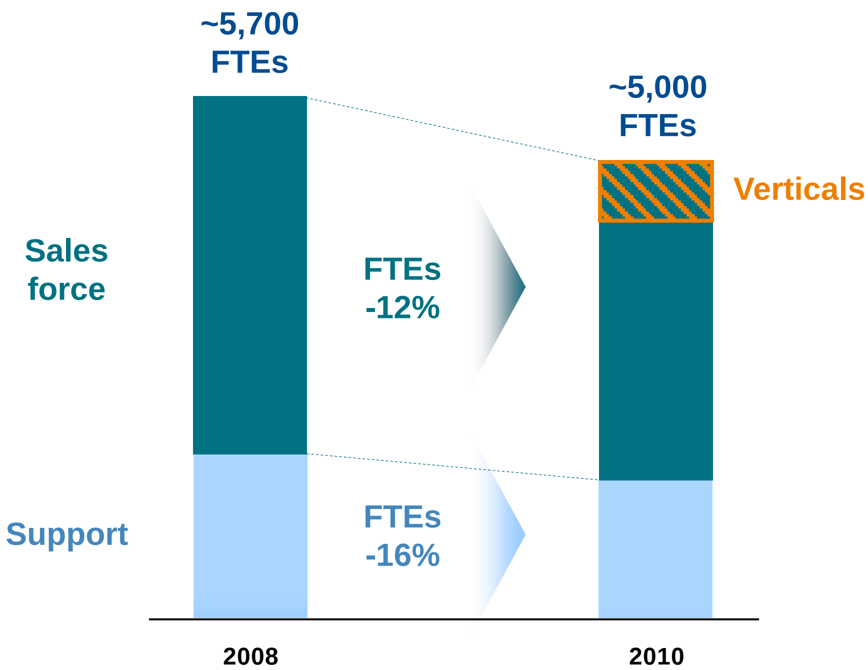
- **E-commerce development plan supported at Group level**

Group e-commerce sales (%)



REXEL ELECTRICAL SUPPLIES

3 New organization in place to accelerate development on vertical market segments (France illustration)



Vertical sales

- **Key accounts & Job Site**
  - Specialists (Lighting, Cable, Datacenter)
  - Accounts
  - Job sites
- **Energy**
  - NRE[1]
  - Energy efficiency
- **Government contracts**
  - Jails
  - Hospitals
  - Stadiums
- **Export**
  - Country 1
  - Country 2
  - Country 3

▶ **Improved productivity through leaner organizations and systems optimization**

▶ **Tailor-made model able to fit segment specificities through dedicated resources & competences**

(1) New and Renewable Energies

3 Improved supply chain performance & customer satisfaction

Acceleration in lean warehousing programs

- Productivity alignment on best-in-class centers
- 10 logistics platform closures in 2010

Transportation re-engineering

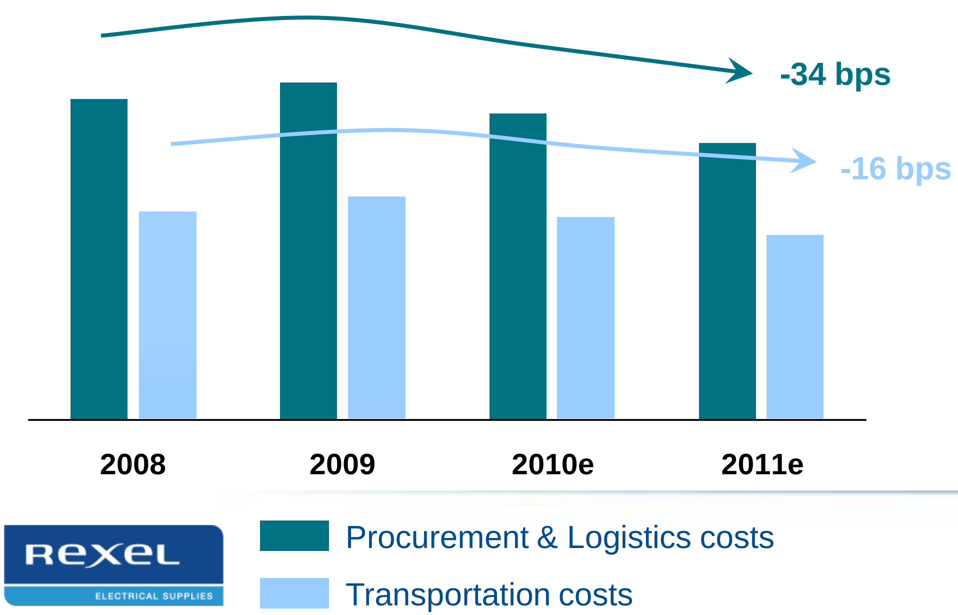
- Move towards more customized model and outsourcing to optimize costs

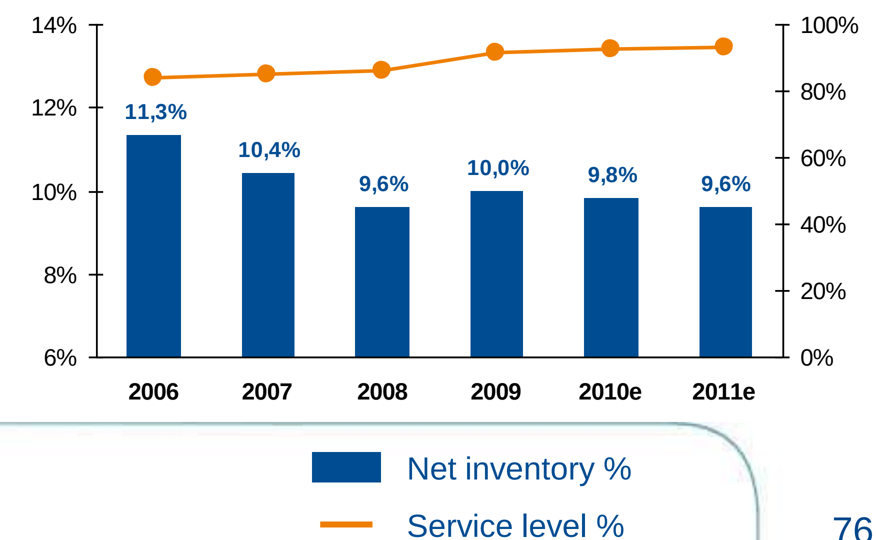
Implementation of inventory optimization tools to improve inventory management

- Inventory optimization tools implementation increasing quality of inventory profile
- A dynamic product offer to address customer demands

Further improvement in service

- Implementation of supplier service level agreements





4 Continued improvement in systems and back-office efficiency

From platform rationalization to shared platforms

	2007	2010e	2013e
IT platforms (#)	54 [(1)]	35	30
Shared services (# of common applications)	2	7	>10
% cost shared of total (mutualization ratio)	4.2%	5.1%	10.0%
IT costs (% of sales)	1.5%	1.6%	1.3%
IT capex (% of sales)	0.4%	0.3%	0.3%

- **Investment focused on front-end applications**

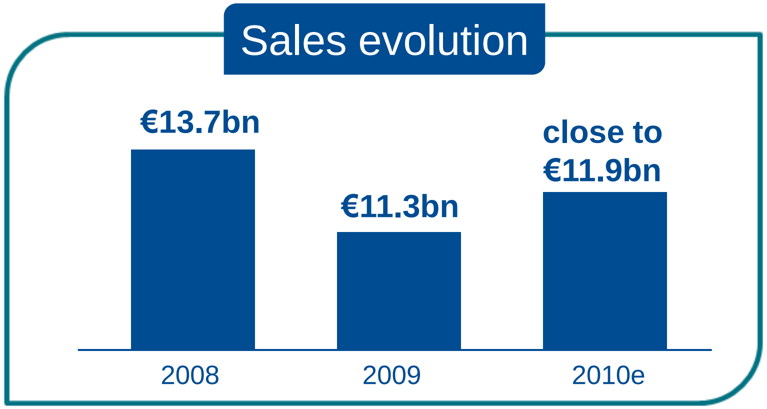
Ongoing back office rationalization

- **Back office convergence finalized in the US, Netherlands and Sweden**
  - Administration FTEs reduced by 20% since 2008
  - Harmonization of processes
  - Support platforms re-engineering
- **Key steps already achieved in UK, awaiting IT upgrade**
- **Selection and convergence of proven back office IT tools**
  - Oracle or ASW, Cognos, …

(1) Pro-forma including Hagemeyer systems

Rexel 2010:

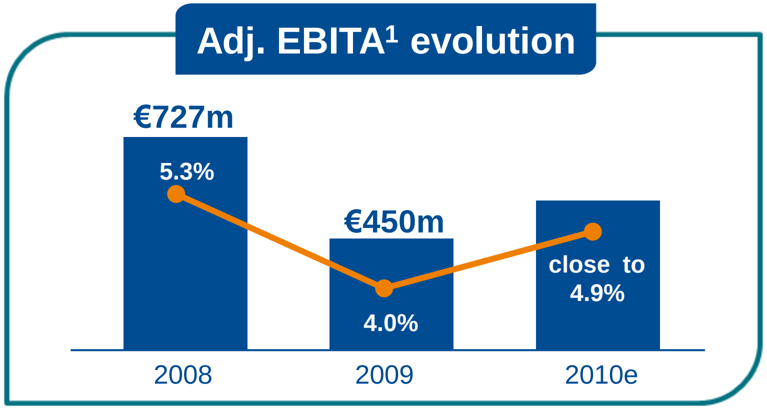
1. Return to sales growth



	2009	2010e	
Volume	**-13.2%**	**c.-3.0%**	Progressive recovery in industry; still to come in construction
Pricing (excl. cables)	**+1.3%**	**+1.0%**	Steady pricing power in the ED segment
Branch closures	**-2.8%**	**-1.3%**	Continuous branch optimization
Copper impact	**-2.8%**	**<+3.0%**	Volatility but long-term positive trend
SOGs	**+0.3%**	**c.+1.5%**	Increasing contribution to sales growth
Total organic same-day	**-17.2%**	**+0.5% to +1%**	FY2010 target: slight increase in sales

2 major opportunities for medium-term sales growth: Construction recovery + SOGs

Rexel 2010:
2. Strong efforts to protect profitability



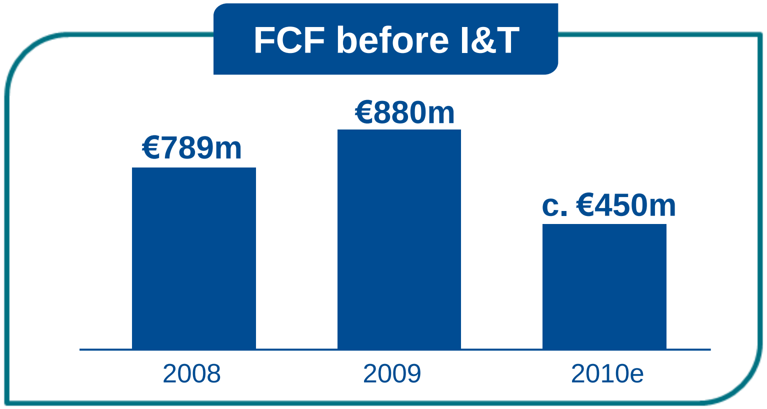
	2009	2010e	
Gross margin	**+20bps**	**+10bps**	Hagemeyer synergies + Pricing policy
Opex	**-150bps**	**+70 to +80bps**	
▶ Sales evolution	-280bps	c. +20bps	22% of the opex base are variable costs
▶ Restructuring expenses	+170bps	c. +80bps	Quick adaptation of the cost base
▶ Inflation	-20bps	c. -20bps	1% to 2% annual rate of inflation
▶ Bad debt	-20bps	c. -5bps	Limited impact due to tight management
Adj. EBITA[1] margin	**-130bps**	**close to +90bps**	
vs. organic sales evolution	**-17.2%**	**+0.5% to +1.0%**	

> Increased resilience & significant downsizing of the cost base

[1] At comparable scope of consolidation and exchange rates and:
> Excluding amortization of purchase price allocation
> Excluding the non-recurring effect related to changes in copper-based cable prices

Rexel ELECTRICAL SUPPLIES

Rexel 2010:
3. Tight WCR management



	2009	2010e	
Adj. EBITA	**4.0% of sales**	**close to 4.9% of sales**	Strong improvement in profitability
Change in WCR	**€472m**	**c. zero**	Adjustment to level of activity + Structural improvement
Capex	**0.5% of sales**	**c. 0.3% of sales**	Low capital intensity
Restructuring exp.	**€99.2m**	**c. €60m**	Significant efforts during the crisis
FCF before I&T	**€880m**	**c. €450m**	
	7.8% of sales	***3.8% of sales***	

> **Strong FCF generation through the cycle**

Financial medium-term targets

1. Sales development

Key drivers	Sales growth (p.a.)
Electricity consumption + Functionality enlargement + Inflation	> GDP growth
SOGs: Energy efficiency, renewable energies, IPG	> +1%

Other drivers	
Construction recovery	up to €1bn of sales over the next 3 years
Acquisitions	> +3% on average

> **Solid sales growth (organic + acquisitions) across a "normal" cycle**

Rexel ELECTRICAL SUPPLIES

2. Margin optimization

Key drivers	Gross margin impacts
Product mix (including SOGs development)	+5 to +10bps
Pricing	> +5bps
Supplier relationship development	> +5bps
Other factors	
Country mix	around -10bps

Minimum of 10bps annual improvement of gross margin

3. Opex management

Key drivers	Opex impacts
Back-office optimization Logistics plan IT synergies E-commerce and branch network optimization	around -60bps p.a. on average

Other drivers	
Operational leverage	variable opex = 5% of sales
Dedicated teams to develop SOGs and services	around +15bps
Inflation	+30bps
Country mix	-10bps

Medium-term target: reduce opex to c. 18% of sales

Rexel ELECTRICAL SUPPLIES

4. Optimization of capital employed

Drivers	Impacts (as a % of sales)
Working Capital	
Continuous improvement in customer credit management	-5bps
Inventories: branch downsizing and improvement in programs with suppliers	Annual reduction of 1.5 days or c. -15bps
Capex	
IT synergies and distribution network optimization	Capex < 0.8%

> **Targeted reduction of capital employed: c. 25bps of sales per year**

Rexel's medium-term financial targets: Solid sales growth, enhanced profitability and improved debt profile

Organic growth

- Economic recovery, notably in the US
- SOGs development
- ↗ solutions & services

Margin optimization

- Product mix
- Pricing
- Supplier relationship development

Strong FCF generation

- High conversion rate (≥ 75%)
- Low capital intensity
  0.7% to 0.8% of sales
- Tight WCR management
  20bps annual reduction

External growth

- ↗ presence in emerging markets
- ↗ market share in mature markets
- ↗ offer of value-added services

Cost control

- Back-office optimization
- Logistics plan
- IT synergies

Optimized financial structure

- Diversified source of financing
- Active management of debt maturity profile
- Reduction of cost of debt

SOLID SALES GROWTH

across a "normal" business cycle

Organic: GDP + 1 to 2 points

+

Acquisitions

ENHANCED PROFITABILITY

Pre-crisis (2008):
5.3% **EBITA margin**
(€13.7bn of sales)

Crisis (2009):
4.0% **EBITA margin**
(€11.3bn of sales)

→

Adj. EBITA margin
close to 6.5%
in lockstep with sales growth

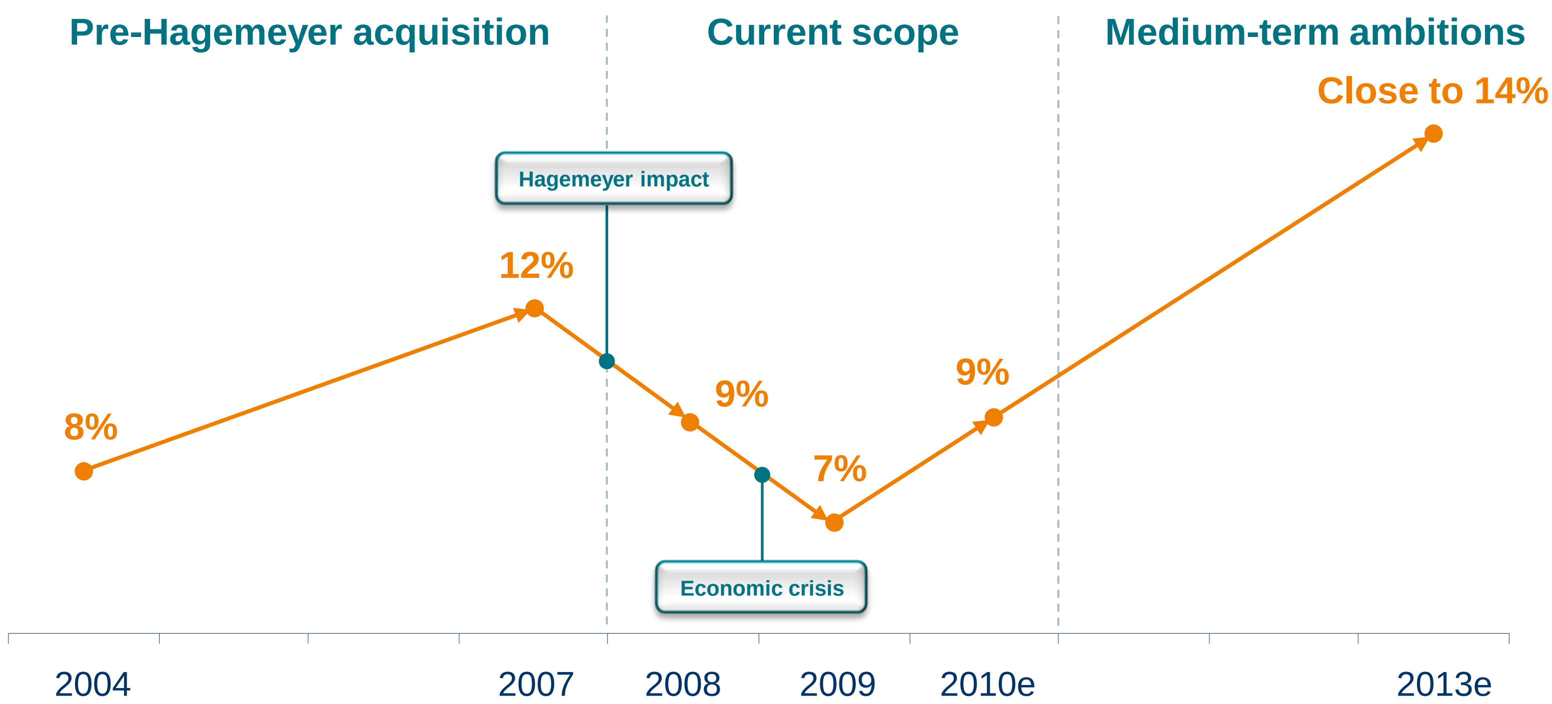
IMPROVED DEBT PROFILE

- **Annual FCF bef. I&T between €500m and €700m**
- **Net debt / EBITDA ~3.0x**
- **Investment grade status**

Rexel ELECTRICAL SUPPLIES

Rexel's medium-term financial targets: Creating value through improved ROCE

Increasing profitability +
Optimization of capital employed



Value creation through ROCE enhancement

Conclusion: Building on our leadership

Stronger operational base

Upgraded business model

Strengthened balance-sheet

Seize opportunities in growth segments

Accelerate growth through acquisitions

Increase ROCE

> **Ambitious medium-term targets**