PRESS RELEASE
Paris, July 31, 2017

SECOND-QUARTER & HALF-YEAR 2017 RESULTS (unaudited)
SEQUENTIAL IMPROVEMENT IN SAME-DAY SALES GROWTH IN Q2
IMPROVEMENT IN ADJUSTED EBITA IN H1
FULL-YEAR FINANCIAL TARGETS CONFIRMED

SALES OF €6,665.9M IN H1, UP 2.4% ON A REPORTED BASIS

- **Organic growth of 2.4%, including a positive calendar effect of 0.7% and a favorable copper effect of 1.1%**
- **On a constant and same-day basis, sales up 1.7% of which:**
    - Europe: +2.4%, benefiting from accelerating growth in France at the end of H1
    - North America: +1.6%, supported by an improving environment in Canada in recent months
    - Asia-Pacific: -1.6%, as the solid growth in China was offset by a volume drop in South-East Asia

ADJUSTED EBITA AT €284.9M IN H1, UP 3.6% YEAR-ON-YEAR

- **Improvement in gross margin, up 5bps at 24.5% of sales**
- **Improvement in adjusted EBITA margin, up 10bps at 4.3% of sales**
- **Operating leverage neutralized by investment to support growth in the US, volume drop in South-East Asia and temporary effects in France & the UK.**

SOLID INCREASE IN REPORTED EBITA, UP 11.9%

FULL-YEAR FINANCIAL TARGETS CONFIRMED

Key figures[1]	Q2 2017	YoY change	H1 2017	YoY change
Sales	**€3,342.8m**		**€6,665.9m**	
On a reported basis		-0.2%		+2.4%
On a constant and actual-day basis		+0.1%		+2.4%
On a constant and same-day basis		+2.8%		+1.7%
Adjusted EBITA	**€149.9m**	**-1.0%**	**€284.9m**	**+3.6%**
As a percentage of sales	4.5%		4.3%	
Change in bps as a % of sales	stable		+10bps	
Reported EBITA	**€147.5m**	**+0.3%**	**€292.0m**	**+11.9%**
Operating income	**€102.6m**	**-19.0%**	**€232.4m**	**+5.8%**
Net income	**€33.7m**	**-40.9%**	**€96.4m**	**+0.7%**
Recurring net income	**€71.6m**	**-7.3%**	**€139.3m**	**+4.0%**
FCF before interest and tax	**€130.1m**	**vs. €188.1m**	**€(76.5)m**	**vs. €(6.8)m**
Net debt at end of period	**€2,306.7m**	**-3.1%**	**€2,306.7m**	**-3.1%**

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

Patrick BERARD, Chief Executive Officer, declared:

"Rexel's performance in the second quarter and half-year is in line with our strategy: same-day sales growth accelerated in our key European countries and in North America over the first half. We are currently focusing on the action plan presented at the 2017 Capital Market Day and are already starting to see its benefits.

As expected, adjusted EBITA grew by 3.6% in the first-half of 2017, despite the impact of investments to boost top-line growth in the US, strong competition in French cable activity and cost inflation in the UK related to currency fluctuations.

We expect the second part of the year to be supported by further sales growth acceleration in our major countries where we are seeing signs of recovery, notably in France and in the US.

Our first-half performance and expectations for the remainder of the year allow us to confirm our financial targets for the full year, as announced on February 13."

FINANCIAL REVIEW FOR THE PERIOD ENDED JUNE 30, 2017

- *Financial statements as of June 30, 2017 were authorized for issue by the Board of Directors on July 28, 2017. They were not audited by statutory auditors.*
- *The following terms: Organic sales, Reported EBITA, Adjusted EBITA, EBITDA, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q2, sales were slightly down 0.2% year-on-year on a reported basis and up 2.8% on a constant and same-day basis, reflecting sequential improvement in all three geographies

In the first-half, sales were up 2.4% year-on-year on a reported basis and up 1.7% on a constant and same-day basis

In Q2, Rexel posted sales of €3,342.8 million, down 0.2% on a reported basis and up 2.8% on a constant and same-day basis, including a favorable copper effect of 1.1% of sales.

The 0.2% decrease in reported sales included:

- A net positive currency effect of €2.2 million (+0.1% of last year's sales), mainly due to the appreciation of the US dollar against the euro, partly offset by the depreciation of the British pound;
- A net negative effect of €12.9 million from changes in the scope of consolidation (-0.4% of last year's sales), mainly due to last year's divestment of our activities in Poland, Slovakia and the Baltics;
- A negative calendar effect of 2.6 percentage points.

In the first-half, Rexel posted sales of €6,665.9 million, up 2.4% on a reported basis and up 1.7% on a constant and same-day basis, including a favorable copper effect of 1.1% of sales.

The 2.4% increase in reported sales included:

- A net positive currency effect of €39.3 million (+0.6% of last year's sales), mainly due to the appreciation of the US and Canadian dollars against the euro, partly offset by the depreciation of the British pound;
- A net negative effect of €38.9 million from changes in the scope of consolidation (-0.6% of last year's sales), mainly due to last year's divestment of our activities in Poland, Slovakia and the Baltics;
- A positive calendar effect of 0.7 percentage points.

Europe (54% of Group sales): +3.6% in Q2 and +2.4% in H1 on a constant and same-day basis

In Q2, sales in Europe decreased by 2.6% on a reported basis, including a negative calendar effect of 4.3%, a negative net scope effect of 0.6% (for €11.5m) and a negative currency effect of 1.3% (for €23.5m, mainly due to the depreciation of the British pound against the euro). On a constant and same-day basis, sales were up 3.6%.

Sales in most of our markets were in positive territory supported by a broadly favorable environment:

- Sales in **France** (36% of the region's sales) were up 4.7%, with trends improving over the quarter mostly driven by residential and commercial activity;
- Sales in **Scandinavia** (13% of the region's sales) were up 4.3%, driven by strong 12.9% growth in **Sweden**;
- Sales in **Germany** (11% of the region's sales) were up 2.4%, mainly driven sales to the industry (notably cables);
- **Benelux** (9% of the region's sales) posted solid growth, with **Belgium** up 9.3% and **The Netherlands** up 15.4% thanks to sales of photovoltaic equipment (PV);

However, sales dropped in some markets:

- In the **UK** (12% of the region's sales), sales were down 0.9%, which nevertheless represented a sequential improvement compared to Q1 2017 (-3.2%). This sequential improvement was due to the end of the negative impact from sales of photovoltaic equipment (PV). In Q2 2017, PV has no impact vs. -1.3% in Q1 2017;
- In **Switzerland** (6% of the region's sales) sales were down 2.4%, impacted by continued unfavorable market conditions and competitive environment;

North America (36% of Group sales): +1.9% in Q2 and +1.6% in H1 on a constant and same-day basis

In Q2, sales in North America were up 3.3% on a reported basis, including a negative calendar effect of 0.3%, a positive currency effect of 1.7% (for €20.0m, due to the appreciation of the American dollar against the euro) and a negative scope effect of €0.1m.

- **USA** (79% of the region's sales) posted sales up 1.0% on a constant and same-day basis, driven by:
  - Faster organic sales growth, especially in the Proximity business, offsetting negative trends in the Project business;
  - On the project side, while the O&G business is growing in double digits, we are affected by the non-renewal of a wind contract with a large contractor and by disruptions in the supply chain of a large supplier.
- **Canada** (21% of the region's sales) returned to growth and posted sales up 5.3% on a constant and same-day basis, reflecting:
  - Sequential improvement mostly driven by positive momentum in the commercial end-market and good sales of automation products in Q2;
  - Strong demand for Wind in the quarter (contributing to 3.0% of sales growth), notably thanks to a large wind farm project;
  - Subdued situation in O&G, nevertheless showing an improvement with O&G sales down 11% in Q2 compared to -26% in Q1 2017 and -23% in Q4 2016.

Asia-Pacific (10% of Group sales): +1.4% in Q2 and -1.6% in H1 on a constant and same-day basis

In Q2, sales in Asia-Pacific were up 0.3% on a reported basis, including a negative calendar effect of 2.3% and a positive currency effect of 1.7% (for €5.6m, mainly due to the appreciation of the Australian dollar against the euro). On a constant and same-day basis, sales were up 1.4%, reflecting contrasting situations:

- In **Asia** (51% of the region's sales) sales were up 3.1% on a constant and same-day basis, driven by China but strongly impacted by South-East Asia.
  - **China** (74% of Asia) posted solid growth with sales up 16.9% on a constant and same-day basis, helped by easier comps (-18.1% in Q2 2016) and reflecting increased sales of industrial automation products and solutions;
  - In **South-East Asia** (18% of Asia) sales were down 31.8% on a constant and same-day basis, largely attributable to a drop-in sale to the O&G industry;
  - Sales in the **rest of Asia** (8% of Asia) were up 6.5% on a constant and same-day basis, with India up 34.3% and the Middle East down 21.7%, due to a sharp drop in sales to the O&G industry.
- In the **Pacific** (49% of the region's sales), sales were slightly down (-0.3%) on a constant and same-day basis.
  - In **Australia** (82% of Pacific) sales were up 2.1% on a constant and same-day basis, reflecting sequential improvement (Q1 2017 was up 0.8%); strong sales to the residential end-market were partly offset by lower project sales;
  - In **New Zealand** (18% of Pacific) sales were down 9.6% on a constant and same-day basis, mainly due to a challenging base effect (+7.2% in Q2 2016) and delay in project business.

PROFITABILITY
Improved gross margin at 24.5% of sales
Adjusted EBITA margin of 4.3%, up 10bps
Reported EBITA up 11.9% year-on-year

In the first half, Group gross margin was up 5bps year-on-year, at 24.5% of sales and opex (including depreciation) amounted to 20.2% of sales, improving by 5bps.

- In **Europe**, gross margin stood at 27.1% of sales, stable year-on-year thanks to the positive effect of supplier concentration strategy that offset pressure mainly due to temporary effects in France (competitive environment in the cable) and in the UK (delays in price increase). Opex (including depreciation) amounted to 21.3% of sales, improving by 10bps due to strict cost control.
- In **North America**, gross margin stood at 22.4% of sales. It represented 20 basis-point improvement year-on-year coming from both US and Canada. This improvement was more than offset by opex (including depreciation) that deteriorated by 40bps, impacted by investments in future growth (branch/counter openings and commercial).
- In **Asia-Pacific**, gross margin stood at 17.9% of sales. It represented a 60 basis-point deterioration year-on-year, impacted by the drop recorded in Asia due to poor performance in SE Asia. Opex (including depreciation) amounted to 17.7% of sales, deteriorating by 40bps, mainly due to bad debt in Asia in Q1.
- At **Corporate holding** level, opex amounted to €5.7m, down 62.0% thanks to strict cost control and also helped by a non-recurring adjustment related to long-term incentives.

As a result, adjusted EBITA margin in the first half stood at 4.3% of sales vs. 4.2% in H1 2016. This net improvement reflected:

- Improved adjusted EBITA margin in Europe at 5.7% of sales vs. 5.6% in H1 2016;
- Lower adjusted EBITA margin in North America, which stood at 3.4% of sales vs. 3.6% in H1 2016;
- Lower adjusted EBITA margin in Asia-Pacific, which stood at 0.2% of sales compared to 1.2% in H1 2016.

In the first half, reported EBITA stood at €292.0 million, up 11.9% year-on-year.

NET INCOME
Stable net income
Recurring net income up 4.0% year-on-year

Operating income in the first-half stood at €232.4 million, up 5.8% year-on-year.

- Amortization of intangibles resulting from purchase price allocation amounted to €9.7 million (vs. €9.2 million in H1 2016);
- Other income and expenses amounted to a net charge of €49.9 million (vs. a net charge of €32.0 million in H1 2016). They included:
  - €13.9 million of restructuring costs (vs. €23.0 million in H1 2016);
  - €12.8 million of goodwill impairment, related to operations in Finland;
  - €20.4m of loss on asset disposals and termination of business in SE Asia.

Net financial expenses in the first-half amounted to €63.3 million (vs. €76.9 million in H1 2016). Both periods included redemption charges related to refinancing operations. H1 2016 included a net charge of €10 million related to the early repayment of a €650m bond issued in 2013 at a coupon of 5.125%. H1 2017 included a net charge of €6.3 million, related to early redemption of the remaining outstanding USD bond line issued in 2013 at coupons of 5.250%. Restated for those net charges, net financial expenses improved from €66.9 million in H1

2016 to €57.0 million in H1 2017. This largely reflected lower average debt year-on-year and lower average effective interest rate. The average effective interest rate decreased by 50 basis points year-on-year in H1 2017 to 3.2% on gross debt (vs. 3.7% in H1 2016).

Income tax in the first-half represented a charge of €72.7 million (vs. €47.0 million in H1 2016). The increase is mainly due to higher profit before tax and non-tax-deductible charges from goodwill impairment and asset disposal. The effective tax rate stood at 43.0% (vs. 32.9% in H1 2016).

As a result, reported net income in the first-half was up 0.7%, at €96.4 million (vs. €95.8 million in H1 2016).

Recurring net income in the first-half amounted to €139.3 million, up 4.0% from €134.0 million in H1 2016 (see appendix 2).

FINANCIAL STRUCTURE
Slight decrease in net debt
Indebtedness ratio at 3.3x at June 30, below banking covenant

In the first-half, free cash-flow before interest and tax was an outflow of €76.5 million (vs. an outflow of €6.8 million in H1 2016). This net outflow included:

- Gross capital expenditure of €51.4 million (vs. €53.4 million in H1 2016),
- An outflow of €320.3 million from change in working capital (vs. an outflow of €224.4 million in H1 2016). On a constant and adjusted basis, working capital as a percentage of sales increased by 90bps, from 10.8% at June 30, 2016 to 11.7% at June 30, 2017. This increase reflected the rise in inventories to support a deeper/larger offer and the opening of branches/counters, as presented at the Capital Market Day. In addition, the build-up in inventories is also explained by better sales momentum in major geographies.

At June 30, 2017, net debt stood at €2,306.7 million (vs. €2,380.2 million at June 30, 2016). Net debt was reduced by €73.5 million. It took into account:

- €51.8 million of net interest paid during the semester,
- €63.5 million of income tax paid during the semester,
- €(4.2) million of net financial investments during the semester,
- €63.9 million of positive currency effect.

At June 30, 2017, the indebtedness ratio (Net financial debt / EBITDA), as calculated under the Senior Credit Agreement terms, stood at 3.3x, compared to 3.2x at June 30, 2016 while below our covenant and reflecting traditional seasonality effect. Rexel confirms its commitment to be below 3.0x at December 31, 2017.

Rexel boasts a sound financial structure with strong financial flexibility, comfortable headroom vis-à-vis its bank covenant and an average debt maturity of 4.2 years, with no repayment before June 2022.

2017 OUTLOOK

Rexel's first-half performance and expectations of further sales growth acceleration for the remainder of the year allow the Group to confirm its financial targets for the full year, as announced on February 13:

- **Rexel targets resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis) after two years of decline;
- In addition, **Rexel targets a mid to high single-digit increase in adjusted EBITA**;
- Lastly, **Rexel targets an indebtedness ratio** (net-debt-to-EBITDA, as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017**.

NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 5.

CALENDAR

October 27, 2017 Third-quarter and nine-month results

FINANCIAL INFORMATION

The financial report for the period ended June 30, 2017 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.
A slideshow of the Q2 & H1 2017 results is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, a worldwide expert in the professional multichannel distribution of electrical products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its customers to be at their best in running their business, by providing a broad range of sustainable and innovative products, services and solutions in the field of technical supply, automation and energy management. Rexel operates through a network of some 2,000 branches in 32 countries, with more than 27,000 employees. The Group's sales were €13.2 billion in 2016.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, STOXX® (STOXX® Global ESG Impact, STOXX® Low Carbon indices Global, Europe et EURO), Ethibel Sustainability Index Excellence Europe and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR). For more information, visit Rexel's web site at www.rexel.com

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GLOSSARY

ORGANIC SALES, otherwise stated, is defined as sales on an actual-day basis.

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation.*

The non-recurring effect related to changes in copper-based cables price was, at the EBITA level:

	Q2 2016	Q2 2017	H1 2016	H1 2017
Non-recurring copper effect at EBITA level	(3.3)	(2.3)	(11.6)	7.1

GROUP

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	3,339.1	**3,342.8**	**+0.1%**	6,510.9	**6,665.9**	**+2.4%**
on a constant basis and same days			***+2.8%***			***+1.7%***
Gross profit	808.2	**811.4**	**+0.4%**	1,594.0	**1,633.9**	**+2.5%**
as a % of sales	*24.2%*	*24.3%*	*10 bps*	*24.5%*	*24.5%*	*5 bps*
Distribution & adm. expenses (incl. depreciation)	(656.7)	(661.5)	-0.7%	(1,319.0)	(1,349.0)	-2.3%
EBITA	151.4	**149.9**	**-1.0%**	275.0	**284.9**	**+3.6%**
as a % of sales	*4.5%*	*4.5%*	*0 bps*	*4.2%*	*4.3%*	*10 bps*
Headcount (end of period)	27,365	**27,653**	**1.1%**	27,365	**27,653**	**1.1%**

EUROPE

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	1,811.4	**1,799.1**	**-0.7%**	3,555.0	**3,627.0**	**+2.0%**
on a constant basis and same days			***+3.6%***			***+2.4%***
France	656.6	655.3	*-0.2%*	1,300.0	1,323.3	*+1.8%*
on a constant basis and same days			*+4.7%*			*+2.6%*
United Kingdom	217.0	207.7	*-4.3%*	449.3	439.9	*-2.1%*
on a constant basis and same days			*-0.9%*			*-2.1%*
Germany	200.4	195.8	*-2.3%*	389.6	401.1	*+3.0%*
on a constant basis and same days			*+2.4%*			*+2.9%*
Scandinavia	242.2	240.7	*-0.6%*	454.4	475.9	*+4.7%*
on a constant basis and same days			*+4.3%*			*+4.7%*
Gross profit	480.7	**483.0**	**+0.5%**	962.6	**982.2**	**+2.0%**
as a % of sales	*26.5%*	*26.8%*	*30 bps*	*27.1%*	*27.1%*	*0 bps*
Distribution & adm. expenses (incl. depreciation)	(381.4)	(379.3)	+0.6%	(763.2)	(774.2)	+1.5%
EBITA	99.3	**103.7**	**+4.4%**	199.4	**208.0**	**+4.3%**
as a % of sales	*5.5%*	*5.8%*	*30 bps*	*5.6%*	*5.7%*	*10 bps*
Headcount (end of period)	15,998	**15,803**	**-1.2%**	15,998	**15,803**	**-1.2%**

NORTH AMERICA

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	1,191.5	**1,210.8**	**+1.6%**	2,305.6	**2,401.3**	**+4.1%**
on a constant basis and same days			***+1.9%***			***+1.6%***
United States	944.0	954.4	*+1.1%*	1,812.0	1,900.1	*+4.9%*
on a constant basis and same days			*+1.0%*			*+1.6%*
Canada	247.5	256.4	*+3.6%*	493.6	501.2	*+1.5%*
on a constant basis and same days			*+5.3%*			*+1.5%*
Gross profit	264.7	**270.7**	**+2.3%**	511.0	**537.3**	**+5.1%**
as a % of sales	*22.2%*	*22.4%*	*15 bps*	*22.2%*	*22.4%*	*20 bps*
Distribution & adm. expenses (incl. depreciation)	(210.8)	(223.9)	-6.2%	(428.4)	(456.1)	-6.5%
EBITA	53.8	**46.8**	**-13.1%**	82.6	**81.2**	**-1.7%**
as a % of sales	*4.5%*	*3.9%*	*-65 bps*	*3.6%*	*3.4%*	*-20 bps*
Headcount (end of period)	7,904	**8,304**	**5.1%**	7,904	**8,304**	**5.1%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	336.2	**332.9**	**-1.0%**	650.2	**637.5**	**-2.0%**
on a constant basis and same days			***+1.4%***			***-1.6%***
China	107.3	125.4	*+16.9%*	210.6	230.8	*+9.6%*
on a constant basis and same days			*+16.9%*			*+9.6%*
Australia	134.7	133.3	*-1.1%*	258.2	261.9	*+1.4%*
on a constant basis and same days			*+2.1%*			*+1.5%*
New Zealand	34.2	30.0	*-12.3%*	64.1	58.8	*-8.2%*
on a constant basis and same days			*-9.6%*			*-8.2%*
Gross Profit	62.8	**57.8**	**-8.0%**	120.4	**114.4**	**-5.0%**
as a % of sales	*18.7%*	*17.4%*	*-130 bps*	*18.5%*	*17.9%*	*-60 bps*
Distribution & adm. expenses (incl. depreciation)	(57.5)	(54.8)	+4.8%	(112.3)	(112.9)	-0.5%
EBITA	5.3	**3.0**	**-42.9%**	8.1	**1.5**	**-81.4%**
as a % of sales	*1.6%*	*0.9%*	*-65 bps*	*1.2%*	*0.2%*	*-100 bps*
Headcount (end of period)	3,216	**3,323**	**3.3%**	3,216	**3,323**	**3.3%**

Appendix 2: Consolidated financial data

CONSOLIDATED INCOME STATEMENT

Reported basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	**3,349.9**	**3,342.8**	**-0.2%**	**6,510.5**	**6,665.9**	**2.4%**
Gross profit	**806.4**	**809.0**	**0.3%**	**1,579.6**	**1,641.3**	**3.9%**
as a % of sales	*24.1%*	*24.2%*		*24.3%*	*24.6%*	
Distribution & adm. expenses (excl. depreciation)	(635.3)	(636.8)	-0.2%	(1,271.2)	(1,299.7)	-2.2%
EBITDA	**171.1**	**172.2**	**0.7%**	**308.4**	**341.6**	**10.8%**
as a % of sales	*5.1%*	*5.2%*		*4.7%*	*5.1%*	
Depreciation	(24.0)	(24.7)		(47.5)	(49.5)	
EBITA	**147.1**	**147.5**	**0.3%**	**260.9**	**292.0**	**11.9%**
as a % of sales	*4.4%*	*4.4%*		*4.0%*	*4.4%*	
Amortization of intangibles resulting from purchase price allocation	(5.3)	(4.8)		(9.2)	(9.7)	
Operating income bef. other inc. and exp.	**141.8**	**142.7**	**0.7%**	**251.7**	**282.3**	**12.2%**
as a % of sales	*4.2%*	*4.3%*		*3.9%*	*4.2%*	
Other income and expenses	(15.0)	(40.1)		(32.0)	(49.9)	
Operating income	**126.7**	**102.6**	**-19.0%**	**219.7**	**232.4**	**5.8%**
Financial expenses (net)	(43.7)	(29.6)		(76.9)	(63.3)	
Net income (loss) before income tax	**83.0**	**73.1**	**-12.0%**	**142.8**	**169.2**	**18.5%**
Income tax	(26.1)	(39.4)		(47.0)	(72.7)	
Net income (loss)	**57.0**	**33.7**	**-40.9%**	**95.8**	**96.4**	**0.7%**

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

in €m	Q2 2016	Q2 2017	H1 2016	H1 2017
Operating income before other income and other expenses	**141.8**	**142.7**	**251.7**	**282.3**
Change in scope of consolidation	0.5	0.0	1.3	0.0
Foreign exchange effects	0.5	0.0	1.2	0.0
Non-recurring effect related to copper	3.3	2.3	11.6	-7.1
Amortization of intangible assets resulting from PPA	5.3	4.8	9.2	9.7
Adjusted EBITA on a constant basis	**151.4**	**149.9**	**275.0**	**284.9**

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Recurring Net Income

in €m	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Net income	57.0	33.7	**-40.9%**	95.8	96.4	**+0.7%**
Non-recurring copper effect	3.3	2.3		11.4	-7.1	
Other expense & income	15.0	40.1		32.0	49.9	
Financial expense	10.0	-0.4		10.0	6.3	
Tax expense	-8.0	-4.1		-15.2	-6.2	
Recurring net income	77.3	71.6	**-7.3%**	134.0	139.3	**+4.0%**

Sales And Profitability By Segment

Reported basis (€m)	Q2 2016	Q2 2017	Change	H1 2016	H1 2017	Change
Sales	**3,349.9**	**3,342.8**	**-0.2%**	**6,510.5**	**6,665.9**	**+2.4%**
Europe	1,846.4	1,799.1	-2.6%	3,641.5	3,627.0	-0.4%
North America	1,171.6	1,210.8	+3.3%	2,236.4	2,401.3	+7.4%
Asia-Pacific	331.9	332.9	+0.3%	632.6	637.5	+0.8%
Gross profit	**806.4**	**809.0**	**+0.3%**	**1,579.6**	**1,641.3**	**+3.9%**
Europe	487.7	480.1	-1.6%	975.9	987.7	+1.2%
North America	257.1	271.1	+5.4%	487.9	539.2	+10.5%
Asia-Pacific	61.5	57.8	-6.0%	115.8	114.4	-1.2%
EBITA	**147.1**	**147.5**	**+0.3%**	**260.9**	**292.0**	**+11.9%**
Europe	99.3	100.9	+1.7%	195.3	213.2	+9.1%
North America	50.0	47.3	-5.5%	73.1	83.1	+13.6%
Asia-Pacific	4.8	3.0	-37.6%	7.5	1.5	-80.0%

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2016	June 30, 2017
Goodwill	4,300.2	4,141.8
Intangible assets	1,109.5	1,075.9
Property, plant & equipment	282.4	273.4
Long-term investments	41.8	35.0
Deferred tax assets	128.4	100.8
Total non-current assets	**5,862.3**	**5,626.8**
Inventories	1,579.3	1,573.6
Trade receivables	2,187.3	2,292.0
Other receivables	513.1	511.4
Assets held for sale	0.3	0.0
Cash and cash equivalents	619.3	459.04
Total current assets	**4,899.3**	**4,836.1**
Total assets	**10,761.6**	**10,462.9**

Liabilities (€m)	December 31, 2016	June 30, 2017
Total equity	**4,383.3**	**4,223.1**
Long-term debt	2,195.1	2,122.2
Deferred tax liabilities	240.0	208.2
Other non-current liabilities	423.2	399.0
Total non-current liabilities	**2,858.3**	**2,729.4**
Interest bearing debt & accrued interests	610.0	659.6
Trade payables	2,179.0	2,058.9
Other payables	730.9	791.8
Total current liabilities	**3,519.9**	**3,510.3**
Total liabilities	**6,378.3**	**6,239.7**
Total equity & liabilities	**10,761.6**	**10,462.9**

1 *Net debt includes Debt hedge derivatives for €(12.3)m at Dec. 31, 2016 and €(15.4)m at June 30, 2017. It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(0.7)m at June 30, 2017.*

Change in Net Debt

€m	Q2 2016	Q2 2017	H1 2016	H1 2017
EBITDA	**171.1**	**172.2**	**308.4**	**341.6**
Other operating revenues & costs[(1)]	(19.8)	(23.2)	(34.0)	(44.8)
Operating cash flow	**151.3**	**149.1**	**274.5**	**296.8**
Change in working capital	62.7	8.5	(224.4)	(320.3)
Net capital expenditure, of which:	(25.9)	(27.4)	(56.9)	(53.0)
Gross capital expenditure	*(26.9)*	*(30.4)*	*(53.4)*	*(51.4)*
Disposal of fixed assets & other	*1.0*	*3.0*	*(3.5)*	*(1.6)*
Free cash flow from continuing op. before interest and tax	**188.1**	**130.1**	**(6.9)**	**(76.5)**
Net interest paid / received	(31.9)	(26.0)	(63.5)	(51.8)
Income tax paid	(14.0)	(39.3)	(34.3)	(63.5)
Free cash flow from continuing op. after interest and tax	**142.2**	**64.8**	**(104.7)**	**(191.8)**
Net financial investment	(0.0)	6.1	(89.4)	4.2
Dividends paid	(0.0)	(0.0)	(0.0)	(0.0)
Net change in equity	(1.2)	(2.7)	(0.2)	(0.6)
Other	(5.8)	(1.5)	(8.5)	(9.9)
Currency exchange variation	(19.7)	60.0	21.3	63.9
Decrease (increase) in net debt	**115.4**	**126.8**	**(181.5)**	**(134.1)**
Net debt at the beginning of the period	**2,495.6**	**2,433.4**	**2,198.7**	**2,172.6**
Net debt at the end of the period	**2,380.2**	**2,306.7**	**2,380.2**	**2,306.7**

1 *Includes restructuring outflows of:*

- *€12.4m in Q2 2017 vs. €10.5m in Q2 2016 and*
- *€29.3m in H1 2017 vs. €18.5m in H1 2016.*

Appendix 3: Working Capital Analysis

Constant basis	June 30, 2016	June 30, 2017
Net inventories		
as a % of sales 12 rolling months	***11.4%***	***12.1%***
as a number of days	*52.1*	*55.2*
Net trade receivables		
as a % of sales 12 rolling months	***17.1%***	***17.5%***
as a number of days	*53.0*	*52.4*
Net trade payables		
as a % of sales 12 rolling months	***15.5%***	***15.5%***
as a number of days	*62.7*	*62.4*
Trade working capital		
as a % of sales 12 rolling months	***13.0%***	***14.0%***
Total working capital		
as a % of sales 12 rolling months	***10.8%***	***11.7%***

Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	30/06/17	31/12/16	30/06/16	Year-on-Year Change
Europe	**15,803**	**15,778**	**15,998**	**-1.2%**
USA	*6,237*	*5,935*	*5,831*	**7.0%**
Canada	*2,067*	*2,068*	*2,073*	**-0.3%**
North America	**8,304**	**8,003**	**7,904**	**5.1%**
Asia-Pacific	**3,323**	**3,260**	**3,216**	**3.3%**
Other	**223**	**241**	**248**	**-10.1%**
Group	**27,653**	**27,282**	**27,365**	**1.1%**

Branches comparable	30/06/17	31/12/16	30/06/16	Year-on-Year Change
Europe	**1,189**	**1,196**	**1,202**	**-1.1%**
USA	*375*	*372*	370	**1.4%**
Canada	*189*	*188*	194	**-2.6%**
North America	**564**	**560**	**564**	**0.0%**
Asia-Pacific	**273**	**275**	**266**	**2.6%**
Group	**2,026**	**2,031**	**2,032**	**-0.3%**

Appendix 5: Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

1 € =	1.11	USD
1 € =	1.46	CAD
1 € =	1.46	AUD
1 € =	0.87	GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017 :

	Q1 actual	Q2 actual	Q3 est	Q4 est	FY est
Scope effect at Group level	**-26.0**	**-12.9**	**-4.3**	**-6.4**	**-49.6**
as% of 2016 sales	*-0.8%*	*-0.4%*	*-0.1%*	*-0.2%*	*-0.4%*
Currency effect at Group level*	**37.2**	**2.2**	**-39.7**	**-73.8**	**-74.1**
as% of 2016 sales	*1.2%*	*0.1%*	*-1.2%*	*-2.1%*	*-0.6%*
Calendar effect at Group level	**4.1%**	**-2.6%**	**-1.0%**	**-2.5%**	**-0.6%**
Europe	3.6%	-4.3%	-1.6%	-0.6%	-0.7%
USA	*6.8%*	*0.2%*	*-0.2%*	*-7.4%*	*-0.4%*
Canada	*1.6%*	*-1.6%*	*-1.5%*	*0.0%*	*-0.4%*
North America	5.6%	-0.2%	-0.5%	-6.0%	-0.4%
Asia	*0.4%*	*-1.6%*	*0.6%*	*-0.8%*	*-0.4%*
Pacific	*3.3%*	*-2.9%*	*-1.4%*	*-0.1%*	*-0.4%*
Asia-Pacific	1.7%	-2.3%	-0.4%	-0.4%	-0.4%

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on March 31, 2017 under number D 17-0272. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on March 31, 2017 under number D 17-0272, as well as the consolidated financial statements and activity report for the 2016 fiscal year which may be obtained from Rexel's website (www.rexel.com).